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# Arctic Council funding: An overview

## Introduction

On 25 January 2016, the SAO Chair asked the Arctic Council Secretariat (ACS) to compile a general overview of sources of funding for the Arctic Council (if possible, to be ready in time for spring 2016 SAO meeting in Fairbanks).

The ACS is pleased to provide this overview, which is based in large part on input it has received from the Working Group Chairs and Executive Secretaries; their full responses are contained in an annex to this overview. This overview is very general, and represents a first attempt to provide some insight into the main funding streams.

The ACS is funded largely by the government of host country Norway, which contributes 42.5% of its budget each year. The remaining 57.5% of the annual budget is contributed equally by the eight Arctic States. Other contributions are also important: outside the annual budget, Norway pays entirely for the ACS staff member responsible for Russian language interpretation; at the moment (Feb 2016), the Kingdom of Denmark provides in-kind support through a staff member who is seconded from the Ministry of Foreign Affairs; and the United States has provided supplementary one-time funding on occasion during the last two years for specific initiatives.

The Indigenous Peoples' Secretariat (IPS) is funded largely by the governments of Norway and the Kingdom of Denmark, with smaller contributions from Finland (for IPS internship and for travel support for PPs) and from Canada (for projects). On occasion, the IPS has also received supplementary funding and/or in-kind support for specific initiatives from Observers and other organizations including IASC, China, the Gordon Foundation (CA) and GRID-Arendal.

Broadly speaking, Working Groups receive support for their work either as (1) direct funding, meaning the provision of financial support, or as (2) in-kind support, often in the form of man-hours contributed by experts. When it comes to direct funding, this support comes primarily from the Arctic States; this holds true for all six Working Groups. The list of other sources of direct funding is quite short, and includes both Observers and other entities. Sources of in-kind funding are many and diverse, including national research agencies.

In addition, it is important to note that much of the support for Working Group secretariats takes the form of direct funding, largely from the Arctic States, while support for project work appears, to a large extent and in many cases, to consist largely of in-kind support.

## ACAP

**Direct funding** for ACAP's project work comes primarily from the Arctic States. In the case of two of ACAP's expert groups, funding for project work has come from the Project Support Instrument (PSI).

**In-kind support** for ACAP's work comes from various national agencies.

**The ACAP Secretariat** is part of the (ACS) and funded by the eight Arctic States as a portion of that budget.

## AMAP

**Direct funding:** The AMAP Secretariat is a Foundation under Norwegian law, and its direct funding comes largely from the Norwegian government (3.5 full-time equivalents at the Secretariat, office space, operating costs, et al). In 2015 this amounted to roughly NOK 4 million. Other countries contribute to the Secretariat to support, inter alia, report production, meeting arrangements and travel. A further 4 full-time equivalents at the Secretariat are funded through project funding, e.g. funds for SAON, AACA, or other work. All direct funding is traceable in AMAP audited annual accounts.

**In-kind support** from the Arctic countries and observers includes implementation of national monitoring and research programmes to provide data and information requested by AMAP for the assessments, allocation of man hours and resources to national experts to take part in the assessment work, e.g. analytical, modelling, drafting, and resources to arrange or attend workshops and meetings for national experts and PPs.

**The AMAP Secretariat** is funded primarily by the Norwegian government.

## CAFF

**Direct funding:** Iceland pays between 40-50% (based on currency exchange rates) of the core annual operational costs of the CAFF Secretariat with the remainder coming from annual contributions from Canada, Finland, Greenland, Norway, Russia, Sweden and the US. In addition, some direct funding has come from the Nordic Council of Ministers and the Alcoa Foundation. Countries may provide direct funding to project specific activities and CAFF has also raised funds through e.g. registration fees for events such as the Arctic Biodiversity Congress.

**In-kind support** for CAFF's project work comes from national agencies, international NGOs and the contributions of individual experts' time. Observer countries have offered to host expert-level meetings, and Observer organizations have contributed staff members' time to specific projects as well

**The CAFF Secretariat** is funded by all the Arctic States.



## EPPR

**Direct funding** for EPPR's work comes from the Arctic States. No direct funding comes from other sources.

**In-kind support** for EPPR's project work comes from the Arctic States, in the form of time contributed by experts from national agencies. No in-kind support comes from other sources.

**The EPPR Secretariat** is part of the Arctic Council Secretariat and funded by the eight Arctic States as a portion of that budget.

## PAME

**Direct funding:** Iceland pays between 40-50% of the core annual operational costs of the PAME Secretariat with the remainder coming from annual contributions from the following five member states: Canada, Finland, Kingdom of Denmark, Sweden and the US. In addition, some direct funding has come from the Nordic Council of Ministers and the Oak Foundation. Countries may provide direct funding to project specific activities.

**In-kind support** for PAME's project work comes from various national agencies, international NGOs and the contributions of individual experts' time.

**The PAME Secretariat** is funded primarily by Iceland (40-50%) followed by Kingdom of Denmark, Sweden, USA, Canada and Finland.

## SDWG

**Direct funding** for SDWG's project work comes primarily from Arctic States and Permanent Participants. Direct funding from other entities is rare.

**In-kind support** for SDWG's project work is also contributed primarily by Arctic States and Permanent Participants.

**The SDWG Secretariat** is funded largely by Canada, with some financial support from Finland.

## List of sources of direct funding identified by name in Working Group responses

The sources of funding listed below vary widely, and may differ in terms of what they require (e.g. reporting, terms-of-reference) from the Working Groups to which they contribute funds.

- All 8 Arctic States (All Working Groups)
- Nordic Council of Ministers (AMAP, CAFF, PAME)
- Project Support Instrument (ACAP)
- EU-funded projects (AMAP)
- Alcoa Foundation (CAFF)
- Revenue from conference registration fees (CAFF)
- Oak Foundation (PAME)

List of sources of in-kind contributions and/or collaborations identified by name in Working Group responses.

- National agencies (All Working Groups)
- UNEP (AMAP)
- European Space Agency (AMAP)
- World Meteorological Association (AMAP)
- ArcticNet (AMAP)
- SEARCH (AMAP)
- Canadian Northern Contaminants Program (AMAP)
- EU-PolarNet (AMAP)
- UNECE (AMAP)
- IASC (AMAP)
- Climate & Cryosphere Initiative (AMAP)
- Industry (no specific source named) (AMAP)

## Annex: Full responses from Working Groups

### Response from ACAP

(1) If you were to look at all of ACAP's costs (project & secretariat) in one big heap, roughly what percentage tends to come from the states each year? Do some of the states contribute substantially more than others? Which ones?

- ACAP is now permanently housed within the Arctic Council Secretariat, and is part of the annual budget of the ACS. Regarding projects, ACAP projects are funded by participating states, either with direct or in-kind support. Other states contribute experts to projects where they can. It would be difficult to rank state contributions but it is safe to say that Norway, the US, Finland, Sweden and the Russian Federation are active in projects either as leads or co-leads. The other states contribute as they can with experts or by hosting meetings etc. ACAP also has a number of projects seeking PSI funding that are in the pipeline with the PSI Committee for either Expressions of Interest or Final Investment Decision. Only two ACAP expert groups have received PSI funding allocations to date; these have been to support U.S. black carbon projects and one PCB feasibility study.

(2) Where does the rest of the money come from (actual money, not in-kind support)? What other entities fund ACAP work regularly and/or at a significant level? If you had to pick your most important 3-5 (or more, if you like) funding sources beyond the states, who would they be, from top to bottom?

- Aside from state funds, the PSI is the only other source of funding that ACAP projects regularly seek funding from.

(3) In-kind support is clearly a huge deal; if you were to look at that, are there any institutions or other entities that stand out in your mind as significant contributors of in-kind resources? What are they?

- In-kind support comes to ACAP through various national agencies based on the subject matter at hand and as directed by the respective ACAP HoDs.

## Response from AMAP

### **AMAP Secretariat:**

The AMAP Secretariat is established as a Foundation under Norwegian Law; it has a board of directors, the 'AMAP Foundation Board', that is appointed by the Norwegian government. As such, it receives 'core' funding from the Norwegian government. Major costs covered by this core funding are Secretariat salaries (for 3 + 0.5 person-year positions), office space and general operating costs, including minor costs associated the Foundation Board<sup>1</sup>, etc. AMAP Secretariat core funding from Norway was ca. 4 million NOK in 2015.

The Secretariat receives additional ad hoc contributions from some countries (most consistently from Canada) specifically to support Secretariat activities, including arrangement of AMAP WG and HoDs meetings, travel support. Funding from both Norway and external sources also supports participation of the AMAP Secretariat (normally the Executive Secretary) in AC arranged meetings (e.g. SAO meetings) and other meetings that the AMAP Secretary is requested to attend.

A further 4 (3 + 2 x 0.5) person-year positions within the AMAP Secretariat are funded from 'project-based' activities such as SAON and AACA, and also through funds received to cover costs for AMAP Secretariat engagement in, for example, EU-funded projects that are linked to AMAP work.

### **AMAP Working Group Participation:**

Participation of AMAP HoDs, PPs and observers in AMAP Working Group meetings and related work is essentially covered by national (in-kind) support for AMAP activities. However, some countries (e.g., Canada and Finland) provide AMAP Secretariat with ad hoc funding to support participation of PPs in AMAP WG, HoDs and expert meetings, etc.

### **AMAP 'Project Funding':**

AMAP project work ranges from relatively simple arrangements (e.g. internal assessment activities conducted by AMAP to meet its basic mandate) to more complicated (joint/collaborative) projects organized in association with multiple partners (including both other AC groups and/or external organizations) that have multiple associated funding sources. With respect to project support, AMAP distinguishes between two types of funding:

**Direct funding** – this concerns funds that are held and administrated by the AMAP Secretariat. These funds are generated by applications to national authorities (normally made through the AMAP HoDs) and to funding bodies such as the Nordic Council of Ministers. Direct funding is traceable in AMAP audited annual accounts.

**In-kind funding** – this concerns finances that are applied in support of AMAP work, mostly at the national level, but also through large international collaborative activities. AMAP does not have the possibility to access information concerning the amounts of funding involved.

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<sup>1</sup> Not to be confused with the AMAP WG Board (the Chair and Vice-Chairs of the AMAP WG)



In the case of large national and international monitoring and research initiatives that contribute to multiple user communities, it would also be impossible to identify an amount that constitutes support specifically for AMAP.

(Continues next page w/ table)



### AMAP Funding Arrangements – Overview (based on 2015/2016)

The table below attempts to summarise AMAPs funding arrangements, based on the situation during the period 2015/2016:

	CAN	DK/FI/GR L	FIN	ICE	NOR	RUS	SWE	USA	NCM	Other
Core Secretariat funding					Direct					
Directed grants to support Secretariat activities	Direct									
Provision of support for PP involvement	In-kind/ Direct		Direct							
Funding monitoring and research activities*	In-kind	In-kind	In-kind	In-kind	In-kind/ Direct	In-kind	In-kind	In-kind		In-kind
Support for engagement of experts in AMAP assessments	In-kind/ Direct	In-kind	In-kind	In-kind	In-kind/ Direct	In-kind	In-kind	In-kind	Direct	In-kind
Funding production of assessment products	Direct	Direct	Direct	Direct	Direct	In-kind	Direct	Direct	Direct	
Funding joint / collaborative projects	Direct				Direct		In-kind		Direct	Direct

[Notes regarding the preceding table]

**In-kind funding** relates to funding applied nationally or to internationally-coordinated activities (funding amounts and details unavailable to AMAP). **Note:** There may also be in-kind funding applied nationally that AMAP is unaware of and therefore not reflected in this table.

**Direct funding** applies to funds transferred to AMAP Secretariat, administered by AMAP Secretariat and used to support various types of work (traceable in AMAP's audited financial system)

\* AMAP Secretariat does receive some direct funds to implement monitoring/research activities (e.g., perform analyses on a specific set of samples, support a quality assurance activities, fund a required piece of modelling work, etc.). Generally this is provided to be applied to a specific project.

**Note:** Many projects and activities run over many years and at any given time, AMAP will hold funds that have been provided for work yet to be completed/performed, including funds that are committed under contracts established between AMAP Secretariat and various agencies/individuals and companies. AMAP also administrates funds for external bodies in connection with collaborative work in which AMAP is involved.

**Note:** Norway provides more direct funding to AMAP than most countries. Part of this funding is to support joint/collaborative projects, such as SAON and AACA, including Secretariat positions linked to these projects. Also, because AMAP is located in Norway, AMAP administrate some finances on behalf of Norwegian authorities that are provided to fund work (mainly work involving Norwegian experts and/or Norwegian institutes) that would comprise in-kind contributions in other countries. On a very approximate basis, the most substantial funding for AMAP secretariat and projects work in recent years (excluding all in-kind components) has been provided by (in ranked order): Norway > Canada ≈ Nordic Council of Ministers > Others.

## **AMAP Funding Arrangements - supplementary**

In connection with the request for information on AMAP funding arrangements, AMAP HoDs would like to provide the following supplementary notes/examples to assist the ACS in understanding the more concise information presented in the separate 'AMAP Funding Arrangements' document.

The following provides a more detailed description of the different types of activity to which project funding is applied in support of AMAP work, with examples to illustrate associated funding arrangements.

### **1. AMAP core monitoring and research activities**

AMAPs work is underpinned by 'monitoring' and 'research' activities (including both traditional scientific work and local/traditional knowledge components; increasingly the scope of this work includes both natural and social sciences).

For its core monitoring and research information, AMAP relies almost exclusively on 'ongoing national and international research and monitoring activities' conducted by governments of the Arctic and other countries. These range from small-scale activities (e.g., a PhD student's individual research project) to internationally-coordinated multi-million dollar initiatives (e.g., satellite Earth observing systems operated by organizations such as ESA or WMO). Between these lie University research programs (e.g., funded by national research councils, or the EU), governmental research initiatives (ArcticNet, SEARCH, etc.) and (sustained) national monitoring programs (e.g., the Canadian Northern Contaminants Program) most of which contribute data to multiple user communities.

The data, information and knowledge provided by such research and monitoring initiatives constitute an 'in-kind' contribution to the work of AMAP that it is not possible to cost. AMAP has neither access to the budgetary information behind these national and international initiatives, nor the possibility to identify what 'proportion' of these (very considerable amounts) of funding might be considered 'support for AMAP work'.

### **2. Production of AMAP assessments and related reports and outreach products**

AMAP is mandated to perform and periodically update assessments of climate and pollution issues. This work is performed by AMAP expert/assessment groups that are convened as necessary; most of these assessments are associated with one or more lead countries. The work-time on the part of experts involved in these assessments is (for the most part) another form of 'in-kind' contribution to AMAP on the part of the governments/agencies/institutes and organizations for whom the experts work; the arrangements for funding these experts work and travel on AMAP assessments differ from country to country.

- In some cases experts are able to participate in assessment work out of their own interest and do so using (discretionary) funding available to them (this might be the

case for example for some University researchers) (AMAP Secretariat does not have access to the amounts of funding involved in this type of arrangement)

- In some cases, experts apply to national authorities (typically through their AMAP HoDs) for either approval to spend their time on AMAP assessment work and/or supplementary funds to cover work-time and travel costs, etc. (this is a typical situation for employees of governmental agencies, and also for experts from PPs). Typically, the lead country identified with a given assessment makes available additional funding to support activities by assessment leads, arrangement of necessary assessment coordination and drafting meetings, etc. (AMAP Secretariat does not have access to the amounts of funding involved in this type of arrangement)
- In some cases, AMAP Secretariat applies to national authorities and/or external funding agencies (such as the Nordic Council of Ministers) for funds to support expert participation in AMAP assessment work (funding amounts received and their use is documented in AMAP Secretariat financial records, and routinely reported to the funding bodies concerned as part of the 'reporting' procedures associated with these grants).
- AMAP Secretariat also collects and administrates funding required for production of assessment deliverables (reports and other outreach products) and for maintaining systems to deliver these outreach products (website, social media accounts, etc.). The majority of this funding comes from certain countries and funding bodies such as the NCM). Part of AMAPs philosophy here is to ask countries how many of a particular type of product they would like to receive and to deliver these products on a 'cost covering basis'. In some cases, certain countries have a specific interest in sponsoring a certain product and make extra funds available (including in-kind funding – such as the case for some AMAP products that are produced in foreign language versions).

### **3. Special projects and international collaboration activities**

AMAP activities include some projects that involve collaboration with other parties (both other AC bodies and external organizations) including some activities associated with 'AC Chairmanship priorities' Examples include: SAON, ARR and EU-PolarNet; collaboration with UNEP on work relating to the Stockholm Convention or Minamata Convention and with UN ECE on work relating to the Convention on Long-range Transboundary Air Pollution that Ministers have requested AMAP to support; collaboration with IASC and CliC on projects such as the Arctic Freshwater Synthesis and SWIPA, etc. This also includes collaborative projects implemented in partnership with other AC bodies (e.g., AMSA Ilc work performed in collaboration with CAFF and PAME). In the main, AMAPs contributions are funded under similar arrangements to those described above; however, in these cases other organizations also mobilize resources (man-power/in-kind and direct financial resources) that are applied to the projects. In some cases AMAP Secretariat administrates parts of the direct project funding (e.g. NCM funding allocated to support the UNEP Global Mercury Assessment

work), but generally AMAP Secretariat is not privy to details of the funding arrangements within partner organizations.

#### **4. Industry sponsorship:**

AMAP has, in the past, considered approaching industry to fund AMAP project and assessment work but has generally concluded that direct industry sponsorship could undermine AMAPs reputation and credibility (public perception) as a provider of 'independent scientific information for policy-makers'. However, industry has sometimes contributed to AMAP assessments in the form of 'in-kind' contributions. For example, during the production of the AMAP Oil and Gas assessment, an industry body would not provide AMAP with proprietary data directly, but did provide access to these data that allowed AMAP to prepare certain assessment products that would otherwise not have been possible.

## Response from CAFF

1. If you were to look at all of CAFF's costs (project & secretariat) in one big heap, roughly what percentage tends to come from the states each year? Do some of the states contribute substantially more than others? Which ones?

- Iceland pays circa 40-50% of the core annual operational costs (based on currency exchange rates) of CAFF and the remainder comes from annual contributions from Canada, Finland, Greenland, Norway, Russia, Sweden and the US.
- Further support for CAFF activities comes via in-kind support and direct funds managed via the Secretariat.

2. Where does the rest of the money come from (actual money, not in-kind support)? What other entities fund CAFF's work regularly and/or at a significant level? If you had to pick your most important 3-5 (or more, if you like) funding sources beyond the states, who would they be, from top to bottom?

- Funding from outside country contributions has come from the Nordic Council of Ministers and the Alcoa Foundation. Other efforts to meet costs include e.g. charging a registration fee for the Arctic Biodiversity Congress to assist experts, indigenous peoples and young scientists to participation.

3. In-kind support is clearly a huge deal; if you were to look at that, are there any institutions or other entities that stand out in your mind as significant contributors of in-kind resources? What are they?

- In-kind support for CAFF's project work comes from national agencies, international NGOs and the contributions of individual experts' time. Observer countries have offered to host expert-level meetings, and Observer organizations have contributed staff members' time to specific projects as well.

## Response from EPPR

(1) If you were to look at all of EPPR's costs (project & secretariat) in one big heap, roughly what percentage tends to come from the states each year? Do some of the states contribute substantially more than others? Which ones?

- EPPR is now permanently housed within the Arctic Council Secretariat, and is part of the annual budget of the ACS. Regarding projects, EPPR projects are funded by states that are lead countries, either with financial or in-kind support. Other states contribute experts to projects where they can. It would be difficult to rank state contributions but it is safe to say that Norway, the US, Canada, the Russian Federation and the Kingdom of Denmark are active in projects either as leads or co-leads. The other states contribute as they can with experts or by hosting meetings etc.

(2) Where does the rest of the money come from (actual money, not in-kind support)? What other entities fund EPPR work regularly and/or at a significant level? If you had to pick your most important 3-5 (or more, if you like) funding sources beyond the states, who would they be, from top to bottom?

- EPPR work is not funded directly from any outside source.

(3) In-kind support is clearly a huge deal; if you were to look at that, are there any institutions or other entities that stand out in your mind as significant contributors of in-kind resources? What are they?

- In-kind support comes to EPPR through various national agencies based on the subject matter at hand and as directed by the respective EPPR HoDs.

## Response from PAME

(1) If you were to look at all of PAME's costs (project & secretariat) in one big heap, roughly what percentage tends to come from the states each year? Do some of the states contribute substantially more than others? Which ones?

- Roughly Iceland pays 1/2 of the core annual operational costs of the PAME Secretariat and the other 1/2 comes from KoD, Finland, Sweden, Canada and USA and is fairly evenly distributed among those five. With respect to projects then this is mostly an in-kind support. Norway has contributed funding to PAME projects that Norway is leading and has contracted out to a consultancy firm. The method of transferring these funds has been to the PAME secretariat which has then paid the respective Norway based consultancy firm according to an agree invoice.

(2) Where does the rest of the money come from (actual money, not in-kind support)? What other entities fund PAME work regularly and/or at a significant level? If you had to pick your most important 3-5 (or more, if you like) funding sources beyond the states, who would they be, from top to bottom?

- The only outside funding source is the Nordic Council of Ministers and Oak Foundation funded one aspect of the EA work through USA.

(3) In-kind support is clearly a huge deal; if you were to look at that, are there any institutions or other entities that stand out in your mind as significant contributors of in-kind resources? What are they?

- In-kind support comes to PAME through various national agencies based on the subject matter at hand and as directed by the respective PAME HoDs. I have attached as an example for our shipping activities which demonstrates the number of products by countries and others for the period 2010-2015.





## Response from SDWG

Our funding sources are primarily states. If a state proposes a project, that state usually offers money or in-kind support for the initiative. Co-sponsors (states and PPs) of projects then also kick in money or in-kind resources.

Our funding, generally, is very ad hoc. We do not have a fixed budget and rarely do granting organizations or nonprofits fund our work. For this reason, strategic planning in the SDWG is challenging because we cannot anticipate the availability of funds several years in advance.

Our Executive Secretary position is funded by Canada primarily, with some contributions from Finland.