



ARCTIC COUNCIL

---

# ARCTIC COUNCIL SECRETARIAT ANNUAL REPORT 2014

---

# TABLE OF CONTENTS

<b>Preface</b> .....	5
<b>Report from the Director of the Arctic Council Secretariat</b> .....	6
1. Introduction .....	6
2. Secretariat support of the Arctic Council .....	7
General support to the Chairmanship and the Arctic Council .....	7
Administrative continuity .....	7
Communications and outreach .....	7
Russian languages services .....	7
3. Overview and coordination of Arctic Council activities .....	7
Tracking tool .....	7
Project costing .....	7
Ecosystem-Based Management .....	8
4. Secretariat functions for ACAP and EPPR, and support to other subsidiary bodies .....	8
Secretariat functions for ACAP and EPPR .....	8
Support to other subsidiary bodies .....	8
5. Communication and Outreach Activities .....	9
Website management .....	9
Internal communications and coordination of the Communications and Outreach Group .....	9
Social media and other content formats .....	9
Working with external media .....	10
Representations of the Arctic Council .....	10
6. Administrative functions .....	10
Staff recruitment, assessment, development and welfare .....	10
Suppliers and agreements / Rent and premises .....	10
Status of budget and financial contributions .....	11
7. Archiving .....	11
8. Open Access repository development .....	11
9. Biennial work plan, budgets and reporting .....	12

<b>10. Annexes</b> .....	<b>14</b>
10.1 Visitors received and representations made in 2014 .....	15
10.2 Approved 2014/2015 work plan for the ACS .....	16
10.3 Approved 2014 budget for the ACS .....	22
10.4 ACS financial statements (NOK / USD) and auditor's report for year ending 31 December 2014 .....	24
Balance sheet (prepared by Visma AS) .....	25
Revenue statement (prepared by Visma AS) .....	27
Notes to financial statements (prepared by Visma AS) .....	28
Auditor's report (prepared by Ernst & Young AS) .....	34

**Cover photo**

*A frosty winter view of  
the Malangen fjord  
outside of Tromsø.  
Photo: Linnea Nordström.*

**Photographers**

*Arctic Council Secretariat:  
Linnea Nordström //  
Tom Fries //  
Jesper Stig Andersen //*

**Layout**

*Lundblad Media AS*

**Trykk**

*Lundblad Media AS*



---

# PREFACE

The first full year of activity for the standing Arctic Council Secretariat (ACS) has been a year of continued development. The functioning of the ACS has been strengthened, routines in its work have been established, and new tasks have also been taken on. Serving as secretariat for two of the six Arctic Council Working Groups and supporting the work of three Task Forces of the Arctic Council proved to be one important success during 2014. Also noteworthy is further progress in the field of communications, including use of social media. In addition, good advances were made in archiving and improving the accessibility of the records that illustrate the past and present work of the Arctic Council.

The ACS enjoyed good support from the Canadian Chairmanship, our host government Norway, the Senior Arctic Officials (SAOs) and the Permanent Participants (PPs). The ACS also enjoyed a good relationship with the Working Group chairs and executive secretaries and many of the Observers to the Arctic Council. On behalf of the ACS team I would like to express thanks to all of these individuals and organizations for their important support and excellent cooperation. Last - but not least - I want to express my sincere appreciation to the staff of the ACS for their great efforts and dedication to our work. Their contribution during the year was invaluable for the progress made.

—  
Tromsø, April 2015  
Magnús Jóhannesson  
Director



Meeting participants at the spring 2014 SAO meeting held in Yellowknife, Northwest Territories, Canada. Photo: Linnea Nordström

# Report from the Director of the Arctic Council Secretariat on the work of the Secretariat in 2014

—  
*Presented at the Senior  
Arctic Officials' meeting in  
Whitehorse, Yukon,  
Canada in March 2015*

## 1. INTRODUCTION

This report gives an account of the second calendar year of operation of the standing Arctic Council Secretariat (ACS) in Tromsø, Norway. Since the beginning of the Canadian Chairmanship in 2013, the ACS has provided ongoing secretariat support for the Arctic Council and for the Chairmanship. During 2014, the activities of the ACS have supported the approved functions of the ACS as described in the biennial work plan approved at the Senior Arctic Officials' (SAO) meeting in Whitehorse, Yukon, Canada on 22-23 October 2013. Other activities have addressed other requests made to the ACS by SAOs or by the Chairmanship. In 2014, the ACS has made significant progress towards successful completion of its tasks as described in the approved work plan. During 2014, the ACS has enjoyed good cooperation with and support from the Chairmanship and the government of the host country Norway.

## 2. SECRETARIAT SUPPORT OF THE ARCTIC COUNCIL

Throughout 2014, the ACS worked closely with the Canadian Chairmanship in support of their leadership of the Arctic Council. The ACS also provided support, where appropriate and as directed, to the Arctic States and Permanent Participants, as well as to Observers and to other subsidiary bodies (e.g., Task Forces) and provided secretariat support for the two Working Groups ACAP (Arctic Contaminants Action Program) and EPPR (Emergency Prevention, Preparedness and Response).

### General support to the Chairmanship and the Arctic Council

During 2014, the ACS has attended and assisted with SAO meetings, at which ACS staff have provided logistical and practical support including, *inter alia*: registration of participants; hosting of meeting websites; publication of agendas and meeting documents; taking minutes during meetings; and preparing meeting reports.

Where needed and appropriate, the ACS has coordinated, collected and consolidated input to reports and other documents from SAOs, PPs, Working Groups, Task Forces, expert groups, accredited Observers, and others; it has also maintained many distribution lists and managed distribution of reports and documents as needed to the appropriate individuals.

The ACS has also managed the Arctic Council Chair email account and assisted the SAO Chair in daily correspondence, as well as receiving correspondence to the Arctic Council generally and distributing or redirecting it as appropriate. At the request of the Chairmanship, SAOs, Task Force chairs and Working Group chairs, the ACS has also frequently provided translation and interpretation (English-Russian).

### Administrative continuity

During 2014 the ACS has intensified and streamlined its administrative work. Significant efforts have been made to maintain and update distribution lists and to ensure that points-of-contact are kept up to date. Other work described elsewhere in this report - including archiving efforts, tracking of formal deadlines, and so on - has also aided the Arctic Council's overall administrative continuity.

### Communications and outreach

The ACS's communications and outreach work is described elsewhere in this report in greater detail, but a brief overview of that work includes: the maintenance and development of the Arctic Council website and Arctic Council-branded social media accounts; acting where instructed as a first point of contact for media inquiries; and relating to other external stakeholders as requested by the Chairmanship or by SAOs.

### Russian language services

The ACS has provided written translation of meeting documents and selected reports from English to Russian and vice-versa. Furthermore, the Russian version of the Arctic Council website has been regularly updated and is consistently maintained. In addition, the Russian language adviser has attended a number of Task Force meetings and other Arctic Council meetings during 2014 in order to provide simultaneous interpretation. Demand for interpretation services from the ACS has been growing; this demand was especially heavy from the Task Forces.

## 3. OVERVIEW AND COORDINATION OF ARCTIC COUNCIL ACTIVITIES

During 2014, the ACS has been directed by SAOs and the Chairmanship to develop and manage a comprehensive overview of Arctic Council activities, including specific reporting on particular elements of interest, e.g. project costs and cross-cutting activities.

### Tracking tool

At the direction of the Chairmanship, the ACS worked in close cooperation with the Working Group chairs and executive secretaries to develop a Tracking Tool which gives an overview of all active projects and monitors progress in individual projects. The Tracking Tool was presented for the first time at the SAO meeting in Whitehorse in October 2013; since then, the tool has been regularly updated following the biannual Working Group meetings.

### Project costing

In response to earlier requests by SAOs, the Secretariat worked with all six Working Groups to develop a "project costing tool" by means of which Working Groups could provide SAOs with rough estimates of the costs associated with their project work. Pri-

or to the Yellowknife SAO meeting in March 2014, and in close consultation with the Working Groups, a “consensus form” was developed which all Working Groups agreed to use to submit estimates of their project costs. The Working Groups also requested that a disclaimer be attached to these estimates; such a disclaimer was agreed upon and added. As of the end of 2014, most submissions had been collected from the Working Groups, and the ACS was in the process of collating these in a coherent manner and preparing a report for submission at the March 2015 SAO meeting.

### **Ecosystem-Based Management**

In response to a request from SAOs, the Secretariat worked during 2014 with the Working Groups AMAP (Arctic Monitoring and Assessment Programme), CAFF (Conservation of Arctic Flora and Fauna), PAME (Protection of the Arctic Marine Environment) and SDWG (Sustainable Development Working Group) to assemble a concise overview of the ways in which their work reflects and responds to the recommendations contained in the 2013 report “Ecosystem-Based Management in the Arctic”, which was approved by ministers at the Kiruna Ministerial meeting in 2013. Responses were received from each of the four Working Groups, after which the Secretariat collated all responses with the intent of preparing a report for submission at the March 2015 SAO meeting and eventual presentation at the 2015 Ministerial Meeting.

## **4. SECRETARIAT FUNCTIONS FOR ACAP AND EPPR, AND SUPPORT TO OTHER SUBSIDIARY BODIES**

### **Secretariat functions for ACAP and EPPR**

Beginning in February 2014, the ACS provided (based on the Terms of Reference 2.2) secretariat services to ACAP and EPPR, the Working Groups that were “without permanent secretariat”. The working group coordinator hired in February 2014 worked closely with the chairs and executive secretaries of ACAP and EPPR over the course of the year. The support provided to ACAP and EPPR included: maintaining the Working Groups’ websites and calendars; providing notification of deadlines; managing collection and

distribution of meeting documents prior to Working Group meetings; developing meeting agendas; maintaining Working Group distribution lists; developing website content in cooperation with the Working Group chair(s); making meeting arrangements and managing meeting registrations; representing ACAP and EPPR at meetings of executive secretaries; and promoting the accomplishments of EPPR and ACAP.

The ACS has supported the two Working Groups in planning and execution of their annual meetings (four meetings in total). In addition to meeting preparations, the ACS has also provided post-meeting reports and completed the reporting required for SAO meetings.

### **Support to other subsidiary bodies**

During 2014 the ACS provided secretariat support to, and facilitated the meetings of, three Task Forces: The Task Force for Action on Black Carbon and Methane (TFBCM, 4 meetings during 2014); the Task Force on Arctic Marine Oil Pollution Prevention (TFOPP, 3 meetings); and the Task Force for Enhancing Scientific Cooperation in the Arctic (SCTE, 3 meetings). At least one ACS staff member participated in each of the meetings of these Task Forces held during 2014. At the request of the chairs of the relevant Task Forces, the ACS provided simultaneous translation between English and Russian at several Task Force meetings.

The support the ACS provided includes: working with hosts to make logistical arrangements for meetings; distributing and archiving Task Force documents as appropriate and directed by the chairs; maintaining current distribution lists for Task Force materials; drafting meeting minutes and reports; managing core Task Force documents (including translation of those documents and comments into and from Russian); assisting in meetings; and preparing updates on the Task Forces’ work for the Arctic Council website.

In addition to the support provided to Arctic Council Task Forces, the ACS has on occasion provided substantive support to other Working Groups. In addition to hosting a meeting of Working Group executive secretaries in Tromsø in January of 2014 with the goal of improving coordination, one especially

noteworthy occasion was the Arctic Biodiversity Congress, a major event held by CAFF in Trondheim, Norway in December of 2014. For the Arctic Biodiversity Congress, the ACS worked closely with the secretariats from CAFF and PAME to provide social media support, assist with logistical and technical concerns where possible, and provide photography from the event.

## 5. COMMUNICATION AND OUTREACH ACTIVITIES

2014 was an active and successful year on the communications front. In close cooperation with the Chairmanship, the ACS helped to support and build the Arctic Council's existing communications channels, while opening multiple new channels as well. At all times, the ACS activities were guided by the Communications Strategy for the Arctic Council (Stockholm, 2012) and the Communications Implementation Plan for the Arctic Council Secretariat (Yellowknife, March 2014).

At the SAO meeting in Yellowknife in March 2014, the Communications Implementation Plan for the Arctic Council Secretariat was approved. Following the plan laid out in that document, the ACS has undertaken many communications initiatives in 2014, including: opening an Arctic Council Facebook and Twitter presence; drafting and publishing articles on the Arctic Council website; conducting interviews with the SAO Chair, with Task Force chairs and with other individuals of note on the Arctic Council's current priority areas of work; working with Working Groups to develop content for the Arctic Council's website and social media channels; improving media monitoring efforts; and providing monthly summaries of the Council's communications progress. A core element of this has been the constant tracking and analysis of statistics available on the Arctic Council's website, social media accounts, and mentions in broader media.

In sum, the efforts made by the ACS during 2014, in line with the Communications Implementation Plan, have helped to build better connections with the target groups identified in the Communications Strategy. Improvements to the website, increased in-person

outreach at conferences and elsewhere, new social media initiatives and the internal communications and outreach newsletter have all combined to build connections with the Council's target audiences.

### Website management

During 2014, almost 100,000 unique users visited the Arctic Council website (97,399). The greatest number of unique visitors to the Arctic Council website in a single month was 11,745, recorded in December. During 2014 an increase in Russian traffic to the Arctic Council website was also noticeable.

The ACS continued to host the ACAP, EPPR, and Arctic Resilience Report (ARR) websites on the ACS server, as it has in years past. In addition, the ACS helped facilitate the move of the SDWG website to the ACS server. The ACS will continue to host the SDWG website in the future and offer assistance with technical maintenance as needed.

### Internal communications and coordination of the Communications and Outreach group

During 2014 the ACS was also charged with coordination of the Arctic Council's permanent contact group for communications (C&O group). The ACS was responsible for scheduling and coordinating meetings, and took the opportunity to institute "come-as-you-can" calls, which provide a more frequent opportunity to share information as needed within the C&O group.

In addition, the ACS worked to improve monitoring of mentions of the Arctic Council in global media. These efforts are reflected in the monthly internal Communications & Outreach Newsletter, which was first published in May 2014, and was improved each month over the course of the year. It is distributed to the C&O group, as well as to SAOs, PPs, Working Groups and accredited Observers.

### Social media and other content formats

2014 was a successful year for the Arctic Council's new Facebook and Twitter profiles. Both were established in June of 2014, and by the end of the year, the Arctic Council Twitter account had acquired 1,435

followers, and the Facebook page had garnered 1,889 “likes”. The ACS works in close cooperation with the Chairmanship to manage and coordinate the Arctic Council Twitter and Facebook accounts.

### **Working with external media**

During 2014, the ACS worked closely with the Chairmanship to identify, and to strengthen relationships with, key partners in national and international media. As needed and as directed, the ACS served as a first point of contact for Arctic Council media inquiries. This included helping to channel media requests to the appropriate individuals, and helping to build journalists’ sense of the Arctic Council as a responsive and significant entity within Arctic research and policy. Finally, the ACS has been working to create more frequent opportunities for information sharing and consultation within the Communications & Outreach group, thus helping to improve the coordination of communications activities across the Arctic Council network.

In 2014, during early preparations for the 2015 Ministerial Meeting, the ACS – drawing upon data from its media monitoring efforts - worked with the Chairmanship and with Arctic states to develop a comprehensive list of journalists for potential invitation to the Iqaluit 2015 Ministerial Meeting

### **Representations of the Arctic Council**

During 2014, the director was called upon occasionally to represent the ACS in different meetings or events. The ACS also received a number of delegations at its offices in Tromsø; these delegations typically requested basic information about the Arctic Council, its priorities and its current activities. A full list of these visits and representations is included as an annex.

In addition to receiving visitors at the ACS offices, the ACS worked with the Chairmanship to coordinate the Arctic Council’s presence at non-Arctic Council conferences and events, including for example Arctic Frontiers (Tromsø, January 2014) and the Arctic Circle (Reykjavik, October 2014). The ACS used these events to distribute informational materials about the Council and its work, and to make person-to-person

connections with individuals in many of the target groups identified in the Communications Strategy for the Arctic Council.

## **6. ADMINISTRATIVE FUNCTIONS**

### **Staff recruitment, assessment, development and welfare**

During 2014, two additional positions at the ACS were filled. Patti Bruns (Canada) was hired as Working Group Coordinator for ACAP and EPPR, and Johanna Hämäläinen (Finland) was hired as the ACS Administrative Officer. In addition, Jesper Stig Andersen, who is seconded by the Danish Ministry of Foreign Affairs, started at the ACS as Special Adviser in September of 2014. As outlined in the work plan for 2014-2015, the ACS has also employed an intern focused on supporting the ACS’s ongoing archiving work. This position was filled by Vanja Mari Sjørnsen (Norway).

As of the end of 2014, the ACS has 10 staff members from seven Arctic states.

During summer of 2014 a round of appraisal conversations took place with all staff members, and in the autumn the ACS staff undertook further professional development seminars (e.g., software skill development, presentations on media in the Nordic countries) and team-building activities.

In addition, the ACS maintained an ongoing and open dialogue with host country authorities to accommodate the distinct needs of international staff members and ensure that transition for new staff members to Tromsø is as smooth as possible.

### **Suppliers and agreements / Rent and premises**

Due to growth in the ACS staff, some new furniture, telephones and computers were purchased in 2014. In addition, licenses with various suppliers were updated to correspond to the number of staff members.

Following the receipt of generous special funding from the United States, the ACS evaluated several different solutions for videoconference equipment, and ultimately selected a system to be purchased and installed in the ACS offices at the end of the year.

During 2014, the ACS continued to rent offices at the Fram Centre in Tromsø through the Norwegian Polar Institute.

### **Status of budget and financial contributions**

The 2014 budget for the Arctic Council Secretariat and the financial contributions from the Arctic States for 2014 were agreed upon by SAOs at their meeting in Whitehorse, Canada 22-23 October 2013, in conformity with the mandate given by the Ministers of the Arctic Council in Kiruna in May 2013. The budget for 2014 amounted to USD 1 344 406. In accordance with the Terms of Reference (Art. 6) and the Financial Rules (Art. 5), calls for contributions to the budget were sent out on 6 February 2014 to all the eight Arctic States. The ACS received all contributions for 2014.

The financial statements (presented both in U.S. dollars and in Norwegian kroner) and the external auditor's report for the Arctic Council Secretariat's activities in 2014 can be found in the annexes to this report. The auditor's report states that:

*"In our opinion, the financial statements of [the] Arctic Council Secretariat for the year ended December 31, 2014 are prepared, in all material respects, in accordance with the financial reporting provisions of the Financial Rules of the Arctic Council Secretariat Section 7."*

The ACS performed its services within its budget in 2014, resulting in a surplus of USD 74 202.

## **7. ARCHIVING**

During 2014, the ACS worked with Libraries and Archives Canada (LAC) to identify the best practices for archiving records held by the ACS. LAC and the ACS prepared the following documents to help strengthen the Secretariat's records management system: Policy on Records Management for the Arctic Council Secretariat (approved July 25, 2014); Guidelines for the Disposition of Records of the Arctic Council Secretariat (approved July 25, 2014); Guidelines on Access to Records Held by the Arctic Council Secretariat (approved October 22, 2014); and Guidelines on the

Release of Records Held by the Arctic Council Secretariat (approved October 22, 2014).

In addition, LAC and the ACS developed a tool called the Internal Records Management Tool (IRMT). This tool will be used by the ACS as a guide to help classify the different records held by the ACS. It also provides guidance on other important questions such as: Who should have access to different kinds of records? And for how long will different kinds of records be kept?

The IRMT will be used to set up the ACS archive using the software OpenText DM which the ACS has purchased to serve as the archiving system. The software was chosen based on its compatibility with other software already in use at the ACS and is provided by a Norwegian software company called Contesto. During October 2014, the ACS had a two-day workshop with Contesto to learn the features of the software.

Using the approved documents as a framework, the ACS expects to soon be able to provide truly professional records management for the Arctic Council. The ACS and LAC presented the draft IRMT to SAOs following the SAO meeting in Yellowknife, Northwest Territories, Canada in October 2014. The IRMT will be continuously developed as the archiving software is installed and customized.

In addition, the ACS has also prioritized collecting historical Arctic Council documents such as founding documents and documents from past chairmanships. This work has included visiting national archives to gather documents as well as sorting material sent directly to the ACS.

## **8. OPEN ACCESS REPOSITORY DEVELOPMENT**

Work on the Open Access archive project continued in 2014 with a view to enhancing the accessibility of all past and future official Arctic Council scientific, technical and other reports. The ACS purchased a subscription in spring 2014 for a DSpace-based cloud-hosted repository provided by the American company Longsight. Reports from ACAP, EPPR, SDWG, PAME, Task Forces and expert groups were

uploaded into the repository, and work began to include reports from CAFF and AMAP as well. The Open Access repository was publicly launched at the SAO meeting in Yellowknife in October 2014, making Arctic Council documents more readily available to a wider audience via library databases and such search tools as Google Scholar.

## 9. BIENNIAL WORK PLAN, BUDGETS AND REPORTING

During 2014 the ACS prepared the first “edition” of an annual report, including full reporting on its 2013 activities and expenditures. The ACS also began work on the development of a biennial work plan and budget for the years 2016-2017.





*Yellowknife, Northwest Territories, Canada was the venue for the spring 2014 SAO meeting. Photo: Linnea Nordström*

# 10. ANNEXES

- 10.1 *Visitors received and representations made in 2014*
- 10.2 *Arctic Council Secretariat (ACS) Work Plan for the Year 2014-2015*
- 10.3 *Budget for the Arctic Council Secretariat for 2014*
- 10.4 *Arctic Council Secretariat Financial Statements (NOK / USD)  
and Auditor's Report for year ending 31 December 2014*



*The Swedish icebreaker Oden visited Tromsø in July 2014. Photo: Tom Fries*

## ANNEX 10.1 – VISITORS RECEIVED AND REPRESENTATIONS MADE IN 2014

The ACS Director represented the ACS at the following events.

### JANUARY

- The Norwegian Oil and Gas Association: Task force meeting regarding the Arctic (Tromsø)
- U.N. Environment Programme (UNEP) Donor Consultation meeting (Tromsø)
- Arctic Frontiers (Tromsø)

### FEBRUARY

- Working lunch organized by the Icelandic Ambassador to Norway for Ambassadors from Arctic States and Observer states (Oslo)
- Traditional Knowledge workshop (Iceland)

### JUNE

- Working lunch on international strategy hosted by the municipality of Tromsø
- Italian Day (Tromsø)
- Working lunch hosted by municipality of Tromsø
- Presentation at a meeting “Challenges and development of Arctic cooperation” organized by Nordic Council of Ministers (Norway)

### SEPTEMBER

- BEAC (Barents Euro-Arctic Council) Expert Group Meeting (Helsinki)
- Canada-Norway Innovation Initiative Conference (Tromsø)

### NOVEMBER

- Nordic Forum for Security Policy 2014 (Tromsø)

The following visitors were received at the ACS offices, elsewhere in Tromsø, or, in some cases, on the margin of conferences organized outside of Tromsø during 2014. In most cases, these visits included a brief and general introduction to the Arctic Council, including its structure, present and past work, and priorities under the Canadian Chairmanship.

### JANUARY

- Ambassador of Japan to Norway
- U.S. Deputy Assistant Secretary, Bureau of European and Eurasian Affairs
- State Secretary of Norway
- Secretary General, Nordic Council of Ministers
- Ambassador of the Netherlands to Norway

- UNEP delegation
- Press: reporter from Deutsche Welle (Germany)

### FEBRUARY

- Norwegian Ministry of Local Government and Modernisation
- Dean of the University of Tromsø

### MARCH

- Ambassador of France to Norway

### APRIL

- Group of university students from Greenland
- Group of high school students from Norway, Finland and Sweden
- Norwegian Minister of Foreign Affairs

### MAY

- Finland’s Arctic Advisory Board
- Professor from the University of California

### JUNE

- Ambassador of Italy to Norway
- British expert group (visit organized by the Norwegian Embassy)
- Delegation of visitors from Japan
- Delegation of visitors from Iceland

### JULY

- Press: Korean television journalist

### AUGUST

- Delegation of Americans as part of the Norwegian-American Parliamentary Exchange Program
- Ambassador of Armenia to Norway
- Special Arctic Representative for the President of France

### SEPTEMBER

- Group of Norwegian trainee diplomats
- Arctic Committee of the UK, House of Lords
- Delegation of visitors from Singapore
- U.S. Principal Deputy Assistant Secretary of Defense for International Security Affairs
- Delegation of visitors from the University of Akureyri

### OCTOBER

- Press: reporter/editor from The Hindu
- Press: reporter from ARD (Germany)

### NOVEMBER

- Ms. Christiana Figueres, UNFCCC (Reykjavik)
- Estonian Ambassador to Iceland (Reykjavik)
- Group of Ambassadors from ASEAN countries

### DECEMBER

- Delegation from Korean Embassy to Norway
- Group of students from European Youth in Troms

## ANNEX 10.2: ARCTIC COUNCIL SECRETARIAT (ACS) WORK PLAN FOR THE YEAR 2014-2015

In accordance with the Kiruna Declaration of the Arctic Council and the Terms of Reference for the Arctic Council Secretariat, this work plan for the standing Arctic Council Secretariat's operation in the years 2014-2015 was considered and approved by the Senior Arctic Officials (SAOs) at the SAO meeting in Whitehorse, Yukon in October of 2013.

The ACS's activities described in the work plan support the approved functions of the ACS as set out in the Terms of Reference (see Article 2) and the Communication Strategy for the Arctic Council, and build on the first work plan of the ACS for the year 2013.

### 1. Administrative and Organizational Support

The ACS will provide secretariat support for: the Arctic Council (AC); in particular, for the Canadian chairmanship; and, from midyear 2015, for the U.S. Chairmanship, in cooperation with and under the direction of the SAO Chair. This support will include:

- assisting with logistics and practical preparations for SAO meetings and the Ministerial meeting 2015;
- assisting the SAO chair in daily correspondence/work;
- continued improving of routines as experience gathers;
- supporting Arctic States and Permanent Participants;
- supporting Observers, in accordance with the Observer Manual;
- supporting and coordinating as appropriate in Working Group (WG) and Task Force (TF) meetings;
- maintaining and updating distribution lists, contacts and focal points;
- ensuring distribution of reports and other doc-

uments as required to SAOs, PPs, WGs, TFs, expert groups, other subsidiary bodies, and accredited Observers.

- working with the U.S. delegation to prepare for their chairmanship 2015-2017. It is assumed that the U.S. preparation will become increasingly relevant during the second half of 2014.
- providing Russian translation services including:
  - translation of the main documents for the Arctic Council Ministerial meetings and SAO meetings – agendas, meeting reports, key reports and report summaries;
  - translation of Arctic Council website materials;
  - providing, as appropriate, translation of the Arctic Council communication and outreach materials, or other documents or materials;
  - providing language assistance to the Working Groups (by request, and subject to approval by the Director);
  - providing other Russian language-related support as instructed by the Director.

### 2. Overview and coordination of Arctic Council activities

In close coordination with the SAO Chair, the ACS will keep an overview of progress on Arctic Council projects and cross-cutting projects. The "Tracking Tool for Arctic Council Deliverables and Ongoing Work" has been developed for this purpose. The ACS will keep close contact with WG chairs/secretaries and TF co-chairs to assist the SAO Chair in tracking progress, in preparing agendas for Arctic Council meetings and in implementing the Canadian (and from 2015, the U.S.) Chairmanship program.



*The aurora borealis often flickers across the winter sky in northern Norway in shades of green, purple and red. Photo: Linnea Nordström*



*The meeting room during the fall 2014 SAO meeting held in Yellowknife, Northwest Territories. Photo: Jesper Stig Andersen*

### 3. Website, communications and outreach activities

The ACS will continue to develop the Arctic Council website, including server, software and security features. The ACS has employed one website officer who will be responsible for this work. She will also make regular backups of all databases and files located on the Arctic Council servers, and produce monthly reports on the activity and trends on the Arctic Council website. Improving the online document archive in order to enhance usability, and seeking to make documents available through Open Access licenses when possible, will also, as part of the larger archiving project (see below), involve the website officer.

The website work includes also sites for three WGs and some projects (see below). The ACS will continue supporting the WGs and other subsidiary bodies with their website hosting, design, and management when necessary and according to previous agreements.

The ongoing process of publishing content on the Arctic Council website in consultation with the SAO Chair and the relevant Arctic Council subsidiary bodies is an important task for the ACS, and will continue to be a priority in 2014-2015.

In addition, the website work will in the period 2014-2015 include *i.a.* the following elements.

- Establish and maintain specific section of the Arctic Council website where resources for outreach and communication are located.
- Create meeting pages on the Arctic Council website for each meeting. Ensure that password areas are in place for sharing meeting documents and other important information.
- Increase dynamic content on the Arctic Council website by utilizing automatic content feeds to the Arctic Council members' and subsidiaries' content.
- Increase social media presence on the Arctic Council website.
- Increase amount of video content on the Arctic Council website.

Furthermore, the ACS will continue the work to develop a plan for implementation of the Arctic Coun-

cil Communication Strategy in consultation with the SAO Chair and the permanent contact group for communication to be submitted to the SAOs for approval. This work will be led by the communication officer, and might include several different methods of work, such as development of regular, active communications streams, improvement of internal and external communication, and a proposal to the SAOs for how the Arctic Council can improve its outreach, both in academia, social networks and in attending important Arctic events. Other tasks may be: to negotiate agreements with specific photographers and Observer organizations in order to gain access to a pool of Arctic-themed photos for use by Arctic Council members; to maintain and update a media contact list; and, in cooperation with the SAO Chair, to develop a proposal for a crisis-communication plan for the Arctic Council which will be presented to the SAOs and PPs for approval.

Finally, for many, the ACS serves as a first point of contact with the Arctic Council. It is important that the ACS continues to develop good routines in responding to public enquiries on factual matters and in forwarding to the SAO Chair (or to the relevant government) requests for information of a political nature regarding the Arctic Council's work. In these cases, the ACS will assist the Chairmanship as needed and as appropriate. The ACS will always be of assistance in providing contact information of the Arctic Council subsidiary bodies as appropriate.

### 4. Establishing administrative functions and strengthening the institutional memory of the Arctic Council Secretariat

During its first year of operation, in 2013, the most essential functions of the Secretariat were established. However, some of the processes and projects are rather extensive and will continue into 2014. Improvement and elaboration of administrative office routines and of agreements with contractors and suppliers is still an ongoing process. In particular, the field of archiving will be a priority in 2014.

#### *Archiving project:*

The archiving project consists of three main parts, of which one is expected to be completed during 2013:

1. Making the full range of official Arctic Council reports from 1996-2013, including its Working Groups, Task Forces and expert groups, more easily available on the Arctic Council website and in a database as “Open Access” documents. This part of the archiving project, in which the University of Tromsø / The University Library is the main partner, was started in 2013 with the ACS in cooperation with the Working Groups identifying the whole list of Arctic Council scientific, technical and other reports. Today the reports are spread across the various WG websites. When the project is completed in 2014, all the publications will be easily available and accessible from the Arctic Council webpage. Open Access licensing, and proper listing of the documents in an Open Access database, will also increase the likelihood of Arctic Council material being found in online searches. This will make the documents more readily available for researchers, students and others who wish to use them as reference material. The major part of the project has been financed by the Ministry for Foreign Affairs, Norway. The necessary archiving software and Open Access licenses will be purchased by the ACS in 2013 in order to be able to run and maintain the document archive in a reliable and secure manner on the Arctic Council website.
2. Making the full range of relevant Arctic Council records which may be of interest to the public available and accessible on the Arctic Council website. This includes *inter alia* meeting reports and other material from all SAO meetings and WG meetings, statements from meetings at the political level and Records of Decisions from meetings. This will complete the “document archive” on the Arctic Council website, where all the founding documents, Ministerial Declarations and most of the reports from SAO meetings are already accessible. This part of the project includes contacting the former chairmanships of the Arctic Council and receiving copies of the original documents from the early years of the Arctic Council’s history. This work will be completed during 2014 by the ACS with support from Canada.

3. Internal archive for the Arctic Council: The amount of correspondence to and from the Arctic Council Chair/Secretariat has been growing steadily year by year. In 2013 the ACS purchased and implemented the software system “Super Office” to keep track of all correspondence, contacts and distribution lists. Further development with the view of taking full advantage of the system will continue in 2014. It is now time for the ACS to assess the need for a more sophisticated and secure archiving system to keep track of all internal documents which are not necessarily going to be available/searchable and publicly available on the website. The ACS will seek to manage this task during the first half of 2014 in cooperation with the Canadian Chairmanship, which has kindly offered professional assistance with assessing the needs and developing a plan for proceeding with this project.

#### **5. Support to Working Groups and subsidiary bodies**

Starting from 2014 the ACS will (based on the Terms of Reference 2.2) provide secretariat support for ACAP and EPPR, the Working Groups “without a permanent secretariat”. One desk officer will be employed to fill the function of “secretary” for the mentioned Working Groups. (For more details on this, see Addendum 1.) A continued strengthening of the working relationship and cooperation between the ACS and the WG secretariats will be a priority. In addition the ACS will provide secretariat support as necessary to the Task Force for Action on Black Carbon and Methane, as stated in the Task Force mandate from the Kiruna Ministerial meeting in May 2013. Other Working Groups, Task Forces and expert groups may also be, resources allowing, supported by the ACS if so agreed between the SAO Chair and the Director.

As of 2013, the ACS runs the websites of ACAP, EPPR and SDWG. In addition, the website for the Arctic Resilience Report project is under the Arctic Council “umbrella”. This work is included in the portfolio of the website officer.

#### **6. Technology/Equipment Requirements**

The basic and essential equipment for the functioning of the ACS was, to a large extent, transferred to the

standing secretariat from the temporary secretariat. An old printer was replaced in September 2013 with a new leased multi-functioning printer/copy machine. In 2014, microphone and lighting equipment for use with the ACS digital camera will be purchased. Additionally, some hardware will need to be replaced in 2014 and 2015, and some new purchases of computers, mobile phones etc. will be needed for new staff.

New software licenses and user licenses for programs such as SuperOffice, Adobe, Joomla etc. will be purchased and training for employees will be arranged as needed in line with enhanced efforts on outreach and communication both in 2014 and 2015. In relation to archives, the ACS will assess different systems and purchase a feasible solution which serves the purpose of keeping historical track of files and documents in a secure manner. If possible, the solution should also be certified and approved for keeping sensitive information and any information with personal details for internal use only. If not, a new solution to cover this task may be needed. In any case, costs related to licenses, annual fees and training are to be expected.

#### **7. Human resources and recruitment**

During 2013 the ACS recruited 7 people, and the ACS currently has staff from five Arctic States. From early 2014, two additional positions will be filled, one desk officer for ACAP/EPPR secretariat functions and one general staff for supporting functions, including maintaining archives and correspondence. In addition, the ACS already has very good experience with hiring interns for 4-6 months, and will work towards ensuring that one intern position is filled at all times during the period 2014-2015. Currently, the position of Deputy Director is financed through a secondment agreement with Norway, and when the current two-year contract runs out on 1 August 2015, the ACS will need to recruit a Deputy Director, and to finance the position from its budget.

#### **8. Training and development for ACS staff members**

Although the staff at the ACS is well qualified, it is still necessary to keep developing the staff competence further, both to make sure the ACS works as efficiently as possible in a fast-changing world, and to assist in creating a stimulating working environment

for the staff. For these reasons the ACS will develop and implement a plan for training and development.

#### **9. Representing the ACS**

The ACS receives a substantial number of invitations to attend meetings, conferences and other Arctic-related events. The Director will, in general, coordinate his (or other ACS staff's) participation in such events with the SAO Chair.

The ACS will continue to receive groups or individuals who wish to visit the ACS to the extent capacity, time and other resources allow.

#### **10. Biennial work plan, budgets and reporting**

The ACS Director will report on the ACS operations at every SAO meeting.

The ACS will prepare and submit a budget proposal for 2016-2017 to the SAOs for approval by Ministers at the 9th Ministerial in Canada in 2015.

### **ADDENDUM: SERVICES OF THE ARCTIC COUNCIL SECRETARIAT TO WORKING GROUPS WITHOUT A SECRETARIAT**

*Arctic Council Secretariat 6 September 2013.*

#### **Introduction**

According to the Terms of Reference of the Arctic Council Secretariat (ACS), the ACS shall provide services to Arctic Council Working Groups without a permanent secretariat. The two Arctic Council Working Groups that do not have a permanent secretariat are the Working Group on Emergency, Prevention, Preparedness and Response (EPPR) and the Arctic Contaminant Action Program (ACAP) Working Group. With reference to this task, the ACS has considered the matter and has had informal discussions on the matter with the chair of the EPPR and the executive secretary of ACAP. Earlier submissions from the two Working Groups to the Task Force on Institutional Issues on this issue have also been considered. It is clear that the main thrust of having the ACS assist these two Working Groups in their work is to ensure continuity in their work, avoid duplication and make their work even more effective. On the basis of these

considerations, the ACS feels that the following support and division of labor between the Secretariat and the respective Working Group chairs would be appropriate, assuming the necessary resources are available in the Secretariat.

1. The Arctic Council Secretariat would, in close cooperation with the chairs of the ACAP and EPPR Working Groups, undertake the following services.

- Distribute (and when necessary, request) meeting documents prior to the WG meetings, including soliciting status reports from the chairs of the ACAP Project Support Groups (PSGs).
- Maintain e-mail distribution lists and ensure contact information is up to date.
- Keep the WGs' calendars and provide notification of deadlines to Chair and/or WG, as appropriate.
- Host the public websites of the WGs with password-protected sections where Working Group members can share and obtain meeting documents.
- Update the WGs' websites. *(Note: The technical management of the websites is carried out by the ACS and, where appropriate, by the WG Chair, but the content remains the responsibility of the WG Chair.)*
- Assist in making meeting arrangements. *(Note: The host country of each WG meeting takes the responsibility for providing information for distribution to meeting participants of the location where the meeting will be held, hotel arrangements and other logistical details. The ACS would channel this information via the WG's website. The ACS would manage registration and the necessary equipment for meetings (e.g. table signs and outreach material). All financing of the meeting would be the responsibility of the host country.)*
- Attend and take minutes at WG meetings, in consultation with WG chair and executive secretary.
- Undertake other administrative duties at WG meetings as appropriate.

2. The WG chair would continue to:

- Prepare and submit WG reports for the SAOs;
- Prepare reports to Ministers/SAOs in close cooperation with the ACS and the WG;
- Represent the WG within the Arctic Council and externally;
- Prepare substantive content for website and approve substantive website changes;
- Develop WG meeting agendas; and
- Provide guidance to the ACS.

3. Assessment of necessary resources.

- It is estimated that the secretariat services for ACAP and EPPR as described above would take close to one full position in the ACS. Further work by the ACS such as in coordination of WG meetings would make it a complete task to fill one position in the ACS.
- Estimated cost for Desk Officer – ACAP/ EPPR: If hired from 1 January 2014, the estimated total cost for the desk officer for 2014 is NOK 880 000. For 2015 the estimated total cost for the desk officer would be NOK 660 000.

### ANNEX 10.3: BUDGET FOR THE ARCTIC COUNCIL SECRETARIAT FOR 2014

Figures provided in Norwegian kroner (left column) and U.S. dollars (right column)

EXPENSES	NOK	USD
<b>STAFF</b>		
Professional staff - salaries and social benefits	3 263 500	561 704
Establishment allowance	100 000	17 212
Moving allowance	90 000	15 491
General staff – salaries and social benefits	714 405	122 961
Insurance	20 000	3 442
Training and development	90 000	15 491
<b>Staff</b>	<b>4 277 905</b>	<b>736 300</b>
<b>RENT</b>		
Rent of offices	702 095	120 843
<b>Rent</b>	<b>702 095</b>	<b>120 843</b>
<b>PROFESSIONAL SERVICES</b>		
Audit, annual fee and consulting	56 200	9 673
Accounting / Payroll, annual fee / consulting	86 360	14 864
IT	187 024	32 190
Editing and web archive	75 000	12 909
Archiving project	575 000	98 967
Miscellaneous	70 532	12 140
<b>Professional services</b>	<b>1 050 116</b>	<b>180 743</b>
<b>GENERAL / ADMINISTRATIVE ISSUES</b>		
Recruitment / advertisement	100 000	17 211
Meetings / representation	100 000	17 211
<b>General / administrative issues</b>	<b>200 000</b>	<b>34 423</b>

EXPENSES (continued from previous page)	NOK	USD
<b>OVERHEAD / OFFICE</b>		
PC, software, phones, web etc.	262 800	45 232
Furniture, equipment and supplies	115 000	19 793
Print and freight	58 084	9 997
Subscriptions	50 000	8 606
Miscellaneous	50 000	8 606
Overhead/office	535 884	92 235
<b>TRAVEL EXPENSES</b>		
Travel	1 045 000	179 862
Travel	1 045 000	179 862
<b>TOTAL EXPENSES</b>	<b>7 811 000</b>	<b>1 344 406</b>

INCOME	NOK	USD
<b>CONTRIBUTIONS</b>		
Denmark	555 000	95 525
Canada	555 000	95 525
Finland	555 000	95 525
Iceland	555 000	95 525
Norway	555 000	95 525
Russia	555 000	95 525
Sweden	555 000	95 525
USA	555 000	95 525
Total contributions	4 440 000	764 200
Host country contribution	3 281 739	564 843
Internal fee	89 261	15 363
<b>TOTAL INCOME</b>	<b>7 811 000</b>	<b>1 344 406</b>

Based on an exchange rate of 5.81 (average rate in 2013)

# ANNEX 10.4

## FINANCIAL STATEMENTS AND AUDITOR'S REPORT 2014

*Arctic Council Secretariat*

*Org. nr. 911 554 771*

*All figures in this statement are presented in Norwegian kroner and in U.S. dollars.*

*Contents:*

- Balance sheet (NOK / USD)
- Revenue statement (NOK / USD)
- Notes to financial statements
- Auditor's report

*Financial statements prepared by Visma Services Norge AS*

*Auditor's report prepared by Ernst & Young AS*

*Tromsø from above: a view from the region's tallest mountain, Tromsdalstinden, which is 1,238 m above sea level at its peak. Photo: Linnea Nordström*

## ARCTIC COUNCIL SECRETARIAT BALANCE SHEET FOR YEAR ENDING 31 DECEMBER 2014

ASSETS AND CURRENT ASSETS	2014	2013	Note
<b>Assets</b>	<b>NOK / USD</b>	<b>NOK / USD</b>	
<b>Tangible fixed assets</b>			
Equipment and other movables	706 739 / 95 079	15 301 / 2 508	<sup>3</sup>
<b>Total tangible fixed assets</b>	<b>706 739 / 95 079</b>	<b>15 301 / 2 508</b>	
<b>Financial fixed assets</b>	-	-	
<b>Total fixed assets</b>	<b>706 739 / 95 079</b>	<b>15 301 / 2 508</b>	
<b>Current assets</b>			
<b>Debtors</b>			
Other receivables	464 942 / 62 549	364 445 / 59 745	
<b>Total debtors</b>	<b>464 942 / 62 549</b>	<b>364 445 / 59 745</b>	
<b>Investments</b>			
Cash and bank deposits	1 488 947 / 200 310	847 188 / 138 883	<sup>5</sup>
<b>Total current assets</b>	<b>1 953 889 / 262 860</b>	<b>1 211 633 / 198 628</b>	
<b>TOTAL ASSETS</b>	<b>2 660 627 / 357 938</b>	<b>1 226 935 / 201 137</b>	

## ARCTIC COUNCIL SECRETARIAT BALANCE SHEET FOR YEAR ENDING 31 DECEMBER 2014

Continued from previous page

EQUITY AND LIABILITIES	2014	2013	Note
<b>Equity</b>	<b>NOK / USD</b>	<b>NOK / USD</b>	
<b>Retained earnings</b>			
Other equity	551 560 / 74 202	849 797 / 139 311	6
Total retained earnings	551 560 / 74 202	849 797 / 139 311	
<b>Total equity</b>	<b>551 560 / 74 202</b>	<b>849 797 / 139 311</b>	
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade creditors	788 099 / 106 024	209 118 / 34 282	
Public duties payable	119 718 / 16 106	168 020 / 27 544	
Other short term liabilities	1 201 150 / 161 606	0 / 0	1,7
Total short term liabilities	2 109 067 / 283 736	377 138 / 61 826	
<b>Total liabilities</b>	<b>2 109 067 / 283 736</b>	<b>377 138 / 61 826</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2 660 627 / 357 938</b>	<b>1 226 935 / 201 137</b>	

## ARCTIC COUNCIL SECRETARIAT REVENUE STATEMENT 2014

OPERATING INCOME AND EXPENSES	2014	2013	Note
	NOK / USD	NOK / USD	
Other operating income	7 271 315 / 978 221	4 583 255 / 751 353	1
Total tangible fixed assets	7 271 315 / 978 221	4 583 255 / 751 353	
Payroll expenses	4 063 151 / 546 622	2 499 349 / 409 729	2
Depreciation and amortisation expense	3 400 / 457	1 700 / 279	3
Other operating expenses	2 721 910 / 366 183	1 274 403 / 208 919	2,4
Total operating expense	6 788 461 / 913 262	3 775 453 / 618 927	
<b>NET OPERATING PROFIT</b>	<b>482 854 / 64 959</b>	<b>807 802 / 132 427</b>	

FINANCIAL INCOME AND EXPENSES	2014	2013	Note
	NOK / USD	NOK / USD	
Other interest income	68 959 / 9 277	46 961 / 7 699	
Other interest expenses	252 / 34	4 967 / 814	
<b>NET FINANCIAL INCOME AND EXPENSES</b>	<b>68 707 / 9 243</b>	<b>41 995 / 6 884</b>	

EXTRAORDINARY INCOME AND EXPENSES	2014	2013	Note
	NOK / USD	NOK / USD	
Annual net profit	551 561 / 74 202	0 / 139 311	
<b>Brought forward</b>			
To other equity	551 561 / 74 202	849 797 / 139 311	
<b>NET BROUGHT FORWARD</b>	<b>551 561 / 74 202</b>	<b>849 797 / 139 311</b>	

## NOTES

Accounting principles and the effect of changes to these principles

### **Accounting Principles and the effect of changes to these principles**

The annual accounts have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practices for small businesses. The following accounting principles are applicable.

### **Operating revenues**

Public subsidies revenues are recognized on the date of subscription.

### **Current assets/Short-term liabilities**

Current assets and short-term liabilities normally include items that fall due for payment within one year after balance sheet date. Current assets are assessed at lowest value of procurement cost and the assumed fair value.

### **Fixed assets/Long-term liabilities**

Fixed assets include assets planned for long-term ownership and use. Fixed assets are assessed at procurement cost. Tangible fixed assets are recognized in the balance sheet and depreciated over the asset's economic lifetime. Tangible fixed assets are depreciated to fair value in cases where the reduction in value is not expected to be temporary. The depreciation is reversed when the basis for the depreciation no longer exists.

### **Receivables**

Other receivables are recorded at nominal value.

The company has not changed its accounting principles from 2013 to 2014.

## NOTE 1: OTHER OPERATING INCOME AND OTHER RECEIVABLES

### Other operating income

Consists of contributions from:

	2014	2013
	NOK / USD	NOK / USD
Iceland	579 077 / 95 525	317 874 / 58 000
Norway	555 000 / 95 525	319 614 / 58 000
Denmark	565 728 / 95 525	331 760 / 58 000
Finland	563 406 / 95 525	336 922 / 58 000
Sweden	564 266 / 95 525	332 398 / 58 000
USA	569 622 / 95 525	346 112 / 58 000
Russia	574 349 / 95 525	356 022 / 58 000
Canada	573 297 / 95 525	335 063 / 58 000
Norway, host country contribution	3 281 739 / 564 843	1 889 894 / 328 288
Universitetet i Tromsø	139 668 / 18 790	- / -
Deposed	-694 838 / -93 478	- / -
Total	7 271 315 / 1 254 355	4 583 255 / 792 273

Of this amount NOK 694 838 / USD 93 478 is deposited as a current liability in line with depreciation of tangible assets under construction

Canada: NOK 42 783 / USD 5 756 deducted from profit before tax. Profit before tax was originally NOK 61 080 / USD 8 217

## NOTE 2: EMPLOYEES, REMUNERATIONS, LOANS TO EMPLOYEES ETC.

Labour costs consist of the following items:

	2014	2013
	NOK / USD	NOK / USD
Salaries and wages	3 497 367 / 470 506	1 825 703 / 299 296
Employer's contribution	143 140 / 19 257	103 449 / 16 959
Pension costs	83 423 / 11 223	333 888 / 54 736
Other personnel costs	339 221 / 45 636	236 310 / 38 739
<b>Total cost of labour</b>	<b>4 063 151 / 546 622</b>	<b>2 499 349 / 409 729</b>
Average number of full-time man-years	8	3
	<b>General Manager</b>	
Salary	905 849 / 121 865	
Other remunerations	29 765 / 4 004	

### Pensions

The company's pension scheme is based on the Norwegian Mandatory Occupational Pensions Act. Pension obligations are not recognized in the balance sheet, and the annual pension premium is considered the year's pension costs.

### Auditor

Auditor's fees are charged as an expense, as remuneration for the audit, amounting to NOK 60 938 / USD 8 198. But the expected auditor's fees for 2014 is 40 000 NOK / USD 5 381.

## NOTE 3: FIXED ASSETS

	Total	
	NOK / USD	NOK / USD
Purchase cost as of 01.01.14	17 002 / 2 287	17 002 / 2 287
<b>= Purchase cost 31.12.14</b>	<b>17 002 / 2 287</b>	<b>17 002 / 2 287</b>
Accumulated depreciation 31.12.14	5 100 / 686	5 100 / 686
<b>= Book value 31.12.14</b>	<b>11 901 / 1 601</b>	<b>11 901 / 1 601</b>
This year's ordinary depreciations	3 400 / 457	3 400 / 457

Fixed assets under development are NOK 694 838 / USD 93 478.



During 2014 the Arctic Council Secretariat increased its staff to include ten employees. Photo: Linnea Nordström

#### NOTE 4: OTHER OPERATING EXPENSES

Labour costs consist of the following items:

	2014	2013
	NOK / USD	NOK / USD
Rent	618 014 / 83 142	300 625 / 49 283
Professional Services	702 524 / 94 512	193 828 / 31 775
Overhead/office	395 868 / 53 257	344 169 / 56 421
General administrative issues	88 708 / 11 934	0 / 0
Travel expenses	819 783 / 110 287	435 782 / 71 440
Other cost	18 614 / 2 504	0 / 0
Training and development	78 400 / 10 547	0 / 0
Total other operating expenses	2 721 910 / 366 183	435 782 / 208 919

#### NOTE 5: BANK DEPOSITS

This item includes restricted bank deposits amounting to NOK 98 820 / USD 13 294.

## NOTE 6 - EQUITY

	Share capital	Share premium account	Other equity	TOTAL
	NOK / USD	NOK / USD	NOK / USD	NOK / USD
As of 01.01.2014	0 / 0	0 / 0	849 797 / 139 311	849 797 / 139 311
Changes during the year	0 / 0	0 / 0	-849 797 / -139 311	-849 797 / -139 311
Profit / loss for the year	0 / 0	0 / 0	551 561 / 74 202	551 561 / 74 202
Capital as of 31.12.2014	0 / 0	0 / 0	551 560 / 74 202	551 560 / 74 202

## NOTE 7 - OTHER SHORT TERM LIABILITIES

	2014	2013
	NOK / USD	NOK / USD
Debt to contributing countries	305 400 / 41 086	0 / 0
Provision for MVA not refunded	201 012 / 27 042	0 / 0
Provision for archive project	694 838 / 93 478	0 / 0
Total other current liabilities	1 201 250 / 161 606	0 / 0

On this amount NOK 694 838 / USD 93 478 is deposited as a current liability in line with depreciation of tangible assets under construction.



Statsautoriserte revisorer  
Ernst & Young AS  
Roald Amundsens Plass 1, NO-9008 Tromsø  
Postboks 1212, NO-9262 Tromsø

Foretaksregisteret: NO 976 389 387 MVA  
Tlf: +47 24 00 32 00  
Fax: +47 77 64 14 63  
www.ey.no  
Medlemmer av Den norske revisorforening

To the Arctic Council Secretariat

## AUDITOR'S REPORT

### Report on the financial statements

We have audited the accompanying financial statements of Arctic Council Secretariat, which comprise the balance sheet as at 31. December 2014, the statement of income for the year then ended and a summary of significant accounting policies and other explanatory information.

#### *Management's responsibility for the financial statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with provisions of the Financial Rules of the Arctic Council Secretariat Section 7, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements of Arctic Council Secretariat for the year ended December 31, 2014 are prepared, in all material respects, in accordance with the financial reporting provisions of the Financial Rules of the Arctic Council Secretariat Section 7.

**Restriction on Distribution and Use**

The financial statements are prepared to assist Arctic Council Secretariat to comply with the financial reporting provisions of the Financial Rules of the Arctic Council Secretariat referred to above. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for Arctic Council and should not be distributed to or used by parties other than Arctic Council.

Tromsø, 25<sup>th</sup> February 2015  
ERNST & YOUNG AS



John Giæver  
State Authorised Public Accountant (Norway)

**Arctic Council Secretariat**

Fram Centre  
N-9296 Tromsø  
Norway

+47 77 75 01 40  
acs@arctic-council.org

**Stay connected with the Arctic Council**

Facebook: [www.facebook.com/arcticcouncil](http://www.facebook.com/arcticcouncil)  
Twitter: @ArcticCouncil

