

Arctic Council Secretariat

Indicative budget

Arctic Council Secretariat Indicative budget 2013
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ARCTIC COUNCIL SECRETARIAT

Indicative budget for 2013

1. Introduction

On the occasion of the Seventh Ministerial Meeting of the Arctic Council 12 May 2011 it was decided to strengthen the capacity of the Arctic Council to respond to the challenges and opportunities facing the Arctic by establishing a standing Arctic Council Secretariat in Tromsø, Norway, to be fully operational no later than at the beginning of the Canadian Chairmanship of the Arctic Council in 2013. The position as Director of the Arctic Council Secretariat has been announced with an expected date for commencement on 1 February 2013. The Director will be responsible for ensuring the start-up of the Secretariat by May 2013. The indicative budget is prepared in Norwegian kroner (NOK) and converted to USD at an exchange rate of 5.6 (based on a 12 month average of United Nations Operational Rates of Exchange).

2. Scope

The Secretariat is to perform secretarial and administrative service within the framework set forward in its Terms of Reference, and specifically the functions as set out in Article 2.2 of the Terms of Reference.

3. Budget

According to the Secretariat Terms of Reference article 6 an administrative budget to cover the operating costs of the Secretariat is to be established and be determined every second year by the Ministerial meeting. Other costs are to be borne by the Chair as per current practice and the Rules of Procedure. The Host Country contribution shall be 42.5% of the administrative budget of the Secretariat and this contribution shall at no time exceed USD 739 130 unless otherwise agreed to by the Arctic states. The balance of the administrative budget will be shared equally by all Arctic states and shall at no time exceed USD 1 million unless otherwise agreed to by the Arctic states. Costs of secondments by Arctic states will be provided outside the administrative budget. In addition to contributions to the administrative budget, an Arctic state may make additional contributions to support approved functions of the Secretariat.

4. Personnel

An estimate for salaries was made based on the anticipated staffing needs necessary to fulfill the functions of the Secretariat in 2013. Included in this budget line is statutory holiday pay, employers' social security fee applicable to local staff and insurances related to personnel.

5. Rent of offices

The Secretariat will be located in the same premises as the current premises for the temporary Secretariat with a sub-lease through the *Norwegian Polar Institute*, until completion of the new

premises for the *Fram Centre*. Required space estimation for 2013 has been based on eight individual offices and one meeting room. Including a share of common rooms, the budget is based on a total of 270 m². Rent includes electricity, security, cleaning and other regular maintenance.

6. Services and overhead

Professional services include estimated costs related to audit and legal services as well as other types of professional services required. Overhead represents estimated general office expenses including telephone/web, office supplies, freight/postage, subscriptions and printing. Advertising costs related to hiring personnel are budgeted for under this group. The overhead budget also provides for leasing of office equipment such as printers/photo copiers.

7. Travel expenses Secretariat staff

The travel budget is an initial estimate for the costs during 2013 based on the costs incurred during previous Chairmanships.

8. Internal fee

The Staff members who are not Norwegian nationals or who, at the time of taking up their posts are not residents for tax purposes in Norway, shall be exempt from taxation in Norway on salaries and emoluments paid by the Secretariat. These Staff members shall, however, be subject to an internal fee on salaries and emoluments. The amount of the fee imposed by the Secretariat shall be comparable to the relevant Norwegian income tax level including social security contributions as reflected in the Financial rules and Staff rules of the Secretariat. For budget purposes the internal fee is based on 30 % of gross income, including allowances according to Staff rules article 6.2. The fee imposed by the Secretariat shall be used for compulsory contributions to the social security scheme for the Staff members, including payments toward an occupational pension. Excess payments shall be added to the administrative budget for expenses of the official functions of the Secretariat; this revenue source is represented in the budget. The internal fee will be defined in the Host Country Agreement which will be signed between the Government of Norway and the future Director of the Secretariat.

Arctic Council Secretariat – Indicative budget for 2013		
<i>Expenses</i>	NOK	USD
Staff salaries and social benefits	2 296 045	410 008
Establishment allowance (Staff rules art 6.2)	312 316	55 771
Staff Moving allowance (Staff rules art 6.3)	562 242	100 400
Personnel	3 170 603	566 179
Rent of offices	427 800	76 392
Audit fee	50 000	8 929
Professional and other hired services	200 000	35 714
IT-Support	66 667	11 905
Professional services	316 667	56 548
Telephone/web	56 666	10 119
Office supplies	33 333	5 952
Freight/Postage	10 000	1 786
Subscriptions	13 333	2 381
Advertising	100 000	17 857
Printing	66 667	11 905
Leasing and purchasing of equipment and furnishing	103 334	18 452
Miscellaneous	93 333	16 667
Overheads	476 666	85 119
Travel expenses ACS staff	700 000	125 000
<i>Total expenses</i>	5 091 736	909 238

<i>Income</i>	NOK	USD
Internal fee	572 780	102 282
Financial contributions from		
Denmark	324 800	58 000
Canada	324 800	58 000
Finland	324 800	58 000
Iceland	324 800	58 000
Norway	324 800	58 000
Russia	324 800	58 000
Sweden	324 800	58 000
USA	324 800	58 000
Member states 12,5% equal contribution	2 598 400	464 000
Host country contribution	1 920 554	342 956
Total financial contributions	4 518 954	806 956
<i>Total income</i>	5 091 734	909 238

*) For budget purposes internal fee is based on 30% of gross income, including allowances according to Staff rules 6.2.