

Submission from PAME Arctic Council/SAO2002/B

Round Table Meetings in Support of the implementation of the Russian NPA-Arctic and its associated Partnership Conference

Purpose:

The purpose of these round-tables is to start bringing the private and public sector, international financial institutions, governments, non-governmental organizations and others together to create investment projects of mutual interest in the Arctic Region of the Russian Federation, which foster sustainable development and environmental protection.

Involvement of the private sector and International Financial Institutions (IFIs) early on in the discussion of project proposals is crucial for successful co-development of programs of mutual interest; consequently, we must encourage involvement by stakeholders.

These round-tables will be held well in advance to the planned Partnership Conference in support of the Russian NPA-Arctic. The roundtables will serve as one component in a stepwise approach towards the long-term goal of improving the investment climate to ensure sustainable development in the Russian Arctic and the whole circumpolar region.

The Partnership Conference and the round-tables should build on past and existing experiences and focus on selection of most prospective directions for development of investment projects which could facilitate international financial support and hence promote environmental protection in the Russian Arctic and the whole circumpolar region.

PAME's role:

PAME will be in a facilitation role in accordance with its mandate and previous Ministerial Declarations (refer to Background Information). These roundtables are recognized as important steps in the improvement of the investment climate to ensure sustainable development in the Russian Arctic and in the preparations and success of the planned Partnership Conference. For the improvement of the investment climate PAME's role could be crucial, in order to facilitate involvement of the private sector, both from the Russian Federation and the international community as well as involvement of Arctic countries. The organization of the round-tables will be done in close cooperation with the Russian Federation. Inclusion of Arctic Council projects of mutual interest (e.g. ACAP) will be explored.

Duration: 2 days each

Location:

- Round Table #1 in Washington, D.C., United States. The 1st round-table meeting will be financed by the National Oceanic and Atmospheric Administration (NOAA). The meeting will serve to facilitate private-private discussions between private sector groups from the Russian Federation, United States, Canada and the international community, as well as to express high level support for the NPA-Arctic in Russia.

- Round Table #2 in a Nordic Country. Preliminary steps in the organization of the 2nd round table indicate interest from a private sector company in Finland (Jaakko Pöyry Consulting). The 2nd round table is proposed to have the same goals as the first one, but the emphasis would be on exchange of views between the private sectors of the Nordic Countries and the Russian Federation. Details on the organization of the 2nd round table will be based on the outcome of the 1st round table.

Participants:

- High level politicians (e.g. in U.S. Congressman Curt Weldon and the SAO); Russia (e.g. Deputies of the State Duma, representatives of the Ministry of Economic Development and Trade, other ministries and regional authorities).
- International financial institutions (e.g. World Bank, Nordic Environment Finance Cooperation (NEFCO), European Bank for Reconstruction and Development (EBRD)).
- GEF, UNDP, UNEP, UNESCO/IOC.
- Private Sector (appropriate Russian and North American/Nordic industry counterparts) that is connected with top priority hot spots (e.g. mining/smelting; nuclear power installations; timber, pulp and paper; oil and gas; infrastructure) will be defined. 1-2 representatives per sector.
- Governments, non-Governmental Organizations and Permanent Participants of the Arctic Council.

Agenda

Day one

1. Opening Statement by U.S./Nordic high level politician
2. Opening Statement by Russian high level politician (including problems of NPA-Arctic)
3. Presentation by the Ministry of Economic Development and Trade
 - a. Current status (GEF project on support of NPA-Arctic; Partnership Conference)
 - b. Identified hot spots/potential sites for intervention and main issues of concern
4. International Financial Institutions presentation
 - a. At what stage become IFIs involved in projects?
 - b. What is a bankable project?
 - c. Examples of lessons learned from past successes and failures
5. Presentations by a representative of foreign private sector already operating in Russia
 - a. Lessons learned
 - b. Past experience e.g. with IFIs and governments
 - c. Main hurdles and ways forward
 - d. Successful cooperation
6. Presentations by representatives of private sector with interest in operating in Russia
 - a. Russian industrial sector expertise
 - b. Past experience in partnership approach
 - c. Specific interest for concrete items within the Russian NPA-Arctic and its supporting GEF-Project
 - d. Main concerns
7. Presentations by representatives of administration of the Arctic regions of Russia and Russian private companies on lessons from international cooperation in implementation of environmentally significant investment projects

Day two

1. Discussion of the most acute problems connected with prevention and remediation of pollution in the Russian Arctic (representatives of the Russian Federation)
2. Evaluation of potential investors in cooperative effort to solve specific environmental problems in the Russian Arctic through actions leading to capital investment
3. Recommendations for preparation of the Partnership Conference including the list of activities most likely to win support and recommendations about format of presentation at the Conference

BACKGROUND INFORMATION

Extractions from the documents of the ministerial session of Arctic council in Barrow, USA, 12-13 October 2000:

Barrow Declaration:

Ministers representing the eight Arctic States, meeting in Barrow, Alaska, United States of America for the second ministerial level meeting of the Arctic Council,

Hereby:

11. **welcome** the planned Partnership Conference concerning implementation of the Russian National Program of Action (NPA-Arctic) and the RPA;

Report of Senior Arctic Officials to Arctic Council Ministers, Barrow, Alaska, USA, October 12, 2000:

At the 1998 Arctic Council Ministerial Meeting in Iqaluit PAME was requested to undertake the following:

Support the development and implementation of the Russian Program of Action for the Protection of the Arctic Marine Environment from Land Based Activities (Russian NPA-Arctic), including seeking appropriate support to help Russia finalize the assistance of the Advisory Committee on Protection of the Seas (ACOPS) which would seek funds to remediate regional priority sources and activities identified in the RPA and Russian NPA-Arctic.

SAOs report that PAME is making progress on its Regional Program of Action (RPA).

In accordance with the RPA, the PAME working Group:

- Continues to implement the Russian NPA-Arctic through active involvement in the Global Environmental Fund PDF-B Project
- Continues to cooperate with the Advisory Committee on Protection of the Seas, the Russian Federation, international financial institutions (EBRD, NEFCO, and the World Bank), Arctic Council working groups, and other relevant institutions to promote their active involvement in the Russian NPA-Arctic and the Partnership Conference.
- Continues to develop support elements for the RPA including consideration of a regional clearinghouse in cooperation with the clearinghouse being prepared by the Global Program of Action (GPA) Coordination Office.

Future Activities:

SAOs recommend that Ministers support the implementation and further development of the program support elements and projects for the Regional Programme of action for the Protection of the Arctic Environment from Land-based Activities (RPA).

SAOs recommend that Ministers welcome and support the planned Partnership Conference concerning implementation of the Russian NPA-Arctic and the RPA.

Extractions from the ministerial session of Arctic council in Iqaluit, Canada, 17-18 September 1998:

“24. **Welcome with appreciation** the Regional Programme of Action for the Protection of the Arctic Marine Environment from Land-based Activities (RPA); **agree** to work vigorously for the early implementation of the actions described in the first phase of the RPA and in a manner consistent with the associated international agreements and arrangements; **further agree** to develop additional actions to protect the Arctic marine environment; **recognize** the Protection of the Arctic Marine Environment (PAME) in the implementation and further development of the RPA;....”

“25. **Support** the efforts of the Russian Federation to develop and implement a Russian Programme of Action for the Protection of the Arctic Marine Environment from Land-based Activities (Russian NPA-Arctic); including seeking appropriate support to help Russia finalize the Russian NPA-Arctic and host a Partnership Conference to be organized with the assistance of the Advisory Committee on Protection of the Seas which would seek funds to remediate regional priority pollution sources and activities identified in the RPA and Russian NPA-Arctic”

Extractions from the documents of the PAME Meeting in Washington, Jan 2001:

Session III (4); Private Sector Roundtable meetings

The Meeting reviewed a draft paper on the involvement of the private sector in support of the implementation of the NPA-Arctic and its associated Partnership Conference.

The Meeting supported the concept of a preparatory process to facilitate the success of a partnership meeting to implement aspects of the Russian NPA Arctic. This process would include review of project proposals.

It was agreed that the preparatory process should include both the International Financial Institutions (IFIs) and the private sector. The precise configuration of roundtable meetings was left open.

To determining the nature of the preparatory process the Meeting agreed that careful consideration be given to include the following points:

1. *Identification of potential Russian and other private sector participants and consultations with these private sector entities to determine the nature and level of detail of proposed actions which would attract its participation.*
2. *Consultation with IFI's as to the availability of funding.*
3. *A concrete timetable linking the preparatory process to the convening of the Partnership Conference.*
4. *Attention to the existence of the adequate legislative and regulatory frameworks which will enhance participation of the private sector.*
5. *A high level political commitment within involved governments.*
6. *The understanding that the Partnership Conference and its preparatory process should build on past and existing experience and focus on discrete manageable aspects of the NPA-Arctic.*

Extractions from the PAME Report to SAOs June 2001:

Russian NPA-Arctic

The Russian NPA-Arctic project was formally integrated into the Russian institution system through the Federal Targeted Oriented Program " World Ocean" at a Hearing of the State Duma on March 12 2001.

First steps have been taken in preparing the full scale GEF project and the accompanied Partnership Conference. The first meeting towards the preparation of the full-scale GEF project was held in Moscow 24-25 April 2001.

Further information on the developments of the Russian NPA-Arctic are provided by its lead agency, the Ministry of Development and Trade of the Russian Federation, and summary presented in Attachment II.

- PAME continues to support the efforts of the authorities of the Russian Federation and ACOPS in the preparations for the full-scale GEF project
- PAME will coordinate efforts with the Russian Federation and ACOPS in planning the Partnership Conference and serve as advisory body to the partnership process for facilitation participation by all relevant stakeholders, including the private sector; NGOs; national foreign assistance and technical agencies; native groups; industry and professional organizations, and other Arctic Council working groups and observing states.
- PAME recognizes the importance of an early involvement of the private sector in supporting the implementation of the Russian NPA-Arctic and as a preparation for the Partnership Conference following is planned:
 - The United States have volunteered to organize round-table meeting in Washington D.C. in September 2001 to initiate interest and discussion among governments, private sectors and International Financial Institutions (IFIs) prior to the Partnership Conference. The main goal is to encourage private sector interest in the Russian NPA -Arctic project. The meeting, with invites ranging from businesses to government officials, will serve to facilitate private-private discussions between private sector groups from the Russian Federation, United States and Canada, as well as to express the high level support for the NPA-Arctic in Russia.
 - A second round table meeting is proposed to be held in Scandinavia (preliminary steps indicate interest from Finland) with the same goals as the first one, but the emphasis would be on exchange of views between the private sectors of the Scandinavian countries and the Russian Federation.

Extractions from the paper on “The Review of the Arctic Council Structures” May, 2002:

Under Section 3.6 PAME:

1st paragraph:

“The Regional Programme of Action (RPA) provides an important framework for PAME’s work related to land-based activities...”

1st bullet:

“It would be appropriate to reconfirm the mandate of PAME as the working group for protection of the Arctic marine environment with a specific responsibility for programmatic development

for the RPA, and development of guidelines complementing national and international agreements”

Extractions from the RPA document under Section 7.0 “Programme Support Elements”:

Under Section 7.3, 4th bullet:

“Developing partnerships for environmental protection and management of the Arctic region among the Arctic countries, as well as among governmental and non-governmental organizations, research and academic institutions, organizations representing indigenous peoples and the general public, international financial institutions, UN system etc.”

Under Section 7.3, 6th bullet:

“Exploring innovative approaches to encourage multilateral financing agencies, including regional development banks, and national institutions for bilateral development to co-operate in programming and project implementation and to further explore innovative approaches to provide continuing and predictable programme funding for the priority actions identified (e.g. partnership meetings):”