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SAO Spring Meeting Copenhagen 16-17 March 2011

Update on PSI – Arctic Council's Project Support Instrument

Since the Update to Fall SAO Meeting 19-20 October, the Russian Federation Ministry of Natural Resources and Environment (MNRE) has continued to assist the Ministry of Foreign Affairs in the clarifications requests from the Prime Minister's office with respect to the summer 2010 submission of the PSI documents to the Prime Minister for a decree to enable Russia's participation in the PSI. MNRE has also shortlisted three potential organizations that could act as the Russian Executing Agency: 1) National Pollution Abatement Facility; 2) Polar Fund; and 3) Ecobezopasnost (Ecosafety). Deposits into the PSI Trust Fund have already been made by Finland, Iceland, Norway, and Sweden into the PSI Trust Account standing, as follows (status 31.12.2010)

Table 1— Status of PSI Trust Account as of 31 December 2009

| Contributor | EURO |
|-------------------------|-------------------|
| i) Finland | 200 000.00 |
| ii) Iceland | 8 298.76 |
| iii) Norway | 237 729.27 |
| iv) Sweden | 271 565.31 |
| v) Accumulated interest | 22 235.79 |
| TOTAL available | 739 820.88 |

Table 2— Current Contributions and Pledges to the PSI, Total EUR 3.18 million.

| Contributor | EURO (€) | Comment |
|-----------------------------|-----------------|----------------------------------|
| i) Finland: | 200 000 | (received) |
| ii) Iceland | 8 000 | (received ICEK 1 million) |
| iii) Norway | 237 700 | (received) |
| iv) Russian Federation (RF) | 2 000 000 | (total pledge EURO 10 million) |
| v) Sweden | 272 000 | (received SEK 3 million) |
| vi) NEFCO | 450 000 | (total pledge EURO 1.35 million) |
| vii) Saami Council | 12 000 | (total pledge NOK 100 000) |

Russia informed the Nov. 2009 SAO Meeting that the deposit would be transferred to the PSI Account in the near future. At the ACAP Meeting in Narjan-Mar (Russia) March 2010, representative of the Russian Federation's Ministry of Finance informed that the RF contribution had been approved with respect to the domestic legislation and included in the 2010 Federal Budget. Currently the process is with the Prime Minister's Office to enable a Decree for RF Participation in the PSI. Upon signing of the Contributor's Agreement with Russia and deposit of the RF contribution, NEFCO will proceed with making PSI operational, including its contribution of EURO 450 000, and call for convening the first PSI Committee meeting.

Summary

The PSI Trust Fund with contributions from Finland, Iceland, Norway and Sweden; and interest, as of 31 December 2010, stands at a total of EURO 739 820.88. Upon signing of the Contributor's Agreement with Russia and deposit of the RF contribution, NEFCO will proceed with making PSI operational, including its contribution of EURO 450 000, and call for convening the first PSI Committee and make the PSI operational in 2011.

End NEFCO SAO PSI Update 2011-02-07