

# **The Arctic Council: Perspectives on a Changing Arctic, The Council's Work, and Key Challenges**

## **A Joint Memorandum of a Multilateral Audit on the Arctic States' national authorities' work with the Arctic Council**

Conducted by the Supreme Audit Institutions of  
Denmark, Norway, the Russian Federation, Sweden  
and the United States of America

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Office of the Auditor General of Norway  
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Rigsrevisionen – SAI of Denmark  
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U.S. Government Accountability Office

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## **A Message From the Heads of the Audit Institutions of Denmark, Norway, the Russian Federation, Sweden, and the United States of America**

We are pleased to present this memorandum highlighting the results of a cooperative effort among the Supreme Audit Institutions (SAIs) of five Arctic nations to better understand the Arctic Council – an intergovernmental forum to promote cooperation on Arctic issues – during a time of increased interest and changes in the Arctic. This work is important because of international interest in the Arctic and its resources. Specifically, increases in Arctic temperatures accompanied by declines in sea ice have elevated interest in economic development of the Arctic and increased pressure on ecosystems and indigenous peoples.

In 1996, the eight Arctic nations established the Arctic Council as a high-level inter-governmental forum to promote cooperation, coordination, and interaction among the Arctic nations on common issues, especially sustainable development and environmental protection. Arctic Council Member States include Canada, The Kingdom of Denmark (including Greenland and the Faroe Islands), Finland, Iceland, Norway, the Russian Federation, Sweden, and the United States of America. In addition, the Council includes Permanent Participants representing indigenous peoples, and Observers comprised of non-Arctic nations and other groups.

The SAIs of five Arctic nations – led and coordinated by the SAIs of Norway and the Russian Federation collaborated on a multilateral audit of national participation in the Arctic Council. The multilateral audit has been carried out in accordance with a strategic plan signed by the participating SAIs in October 2012.

Through our work, we intend to inform Arctic governance and enhance the usefulness of the Council in understanding and managing Arctic issues. Our findings can assist the Council, governments, policy-makers, non-governmental organizations, the public, and researchers in understanding the primary forum for Arctic governance, the mechanisms for conducting the Council's work, and efforts to implement joint agreements. The content of this memorandum represents the collective findings of individual audits conducted by the five SAIs where they are similar in scope, and does not necessarily represent the views or conclusions of each SAI. Our key findings include the following:

- Changes in the Arctic have elevated the importance of international cooperation in the Arctic
- The Arctic Council has contributed to enhanced cooperation, governance and scientific knowledge
- The Council faces key challenges related to its organizational structure, establishing priorities, funding its work, and ensuring the effective implementation of voluntary recommendations adopted by member states
- Indigenous groups make important contributions to the council, but face challenges participating

In addition to this memorandum, we invite you to read summaries of the national audits included in the Appendix and follow the hyperlinks to each national audit.

The Arctic Council is an important forum for regional cooperation and a contributor of scientific knowledge. Some of the national audits identify the importance of further strengthening cooperation in the Arctic Council and include recommendations to enhance national participation in the Council.

For the Office of the Auditor General of  
Norway (project co-leader)

For the Swedish National Audit  
Office (Party to the audit)


  
Per Kristian Foss  
Claes Norgren

For the Accounts Chamber of the Russian  
Federation (project co-leader)

For the U.S. Government Accountability Office  
(Party to the audit)

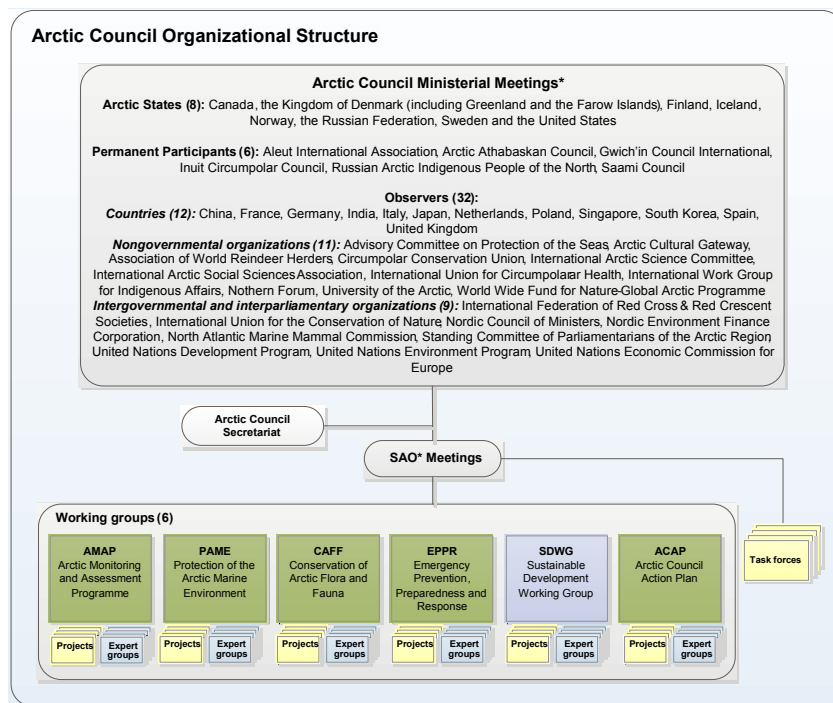
  
Tatyana A. Golikova  
Gene L. Dodaro

For the Office of the Auditor General of  
Denmark (Party to the audit)

  
Lone Strøm

## Background on the Arctic Council's Structure, Key Terms, and Definitions

The Arctic Council is the only circumpolar forum involving all the eight Arctic states and representatives from six indigenous peoples' organizations. The Council conducts its work via consensus among the Arctic states. It has six standing working groups, and also forms temporary expert groups and task forces to address issues beyond the scope of the working groups. The Council and its various working groups have at any time about 80 ongoing projects. The Council adopts non-binding recommendations at biennial meetings where foreign ministers generally represent each nation. The Chairmanship of the Arctic Council rotates among the eight Arctic nations every two years, with Canada currently holding the chair, followed by the United States in 2015. As of October 2014, a total of 32 countries and organisations have observer status in the Council.



\* Defined below



The Arctic Council was established in 1996.

**Working Groups** – six working groups perform the majority of the Council's technical and scientific work:

- **Arctic Monitoring and Assessment Programme (AMAP)** – is mandated to measure the levels, assess the effects of anthropogenic pollutants in all parts of the Arctic environment, including humans; document trends of pollution; document sources and pathways of pollutants; examine the impact of pollution on Arctic flora and fauna, especially those used by indigenous people; report on the state of the Arctic environment; and give advice to Ministers on priority actions needed to improve the Arctic condition.
- **Protection of the Arctic Marine Environment (PAME)** – its mandate is to address policy and non-emergency pollution prevention and control measures related to the protection of the Arctic marine environment from both land and sea-based activities. These include coordinated action programmes and guidelines complementing existing legal arrangements
- **Conservation of Arctic Flora and Fauna (CAFF)** – is mandated to address the conservation of Arctic biodiversity, and to communicate its findings to the governments and residents of the Arctic, helping to promote practices which ensure the sustainability of the Arctic's living resources.
- **Emergency Prevention, Preparedness and Response (EPPR)** – its goal is to contribute to the protection of the Arctic environment from the threat or impact that may result from an accidental release of pollutants or radionuclides. In addition, the Working Group considers issues related to response to the consequences of natural disasters.
- **Sustainable Development Working Group (SDWG)** – its goals are to propose and adopt steps to be taken by the Arctic States to advance sustainable development in the Arctic, including opportunities – as well as to protect and enhance the environment and the economies, culture and health of Indigenous Peoples and Arctic communities. Another goal is also to improve the environmental, economic and social conditions of Arctic communities as a whole.
- **Arctic Contaminants Action Program (ACAP)** – its goal is to reduce emissions of pollutants into the environment in order to reduce the identified pollution risks. ACAP also encourages national actions for Arctic State governments to take remedial and preventive actions relating to contaminants and other releases of pollutants. ACAP acts as a strengthening and supporting mechanism to encourage national actions to reduce emissions and other releases of pollutants.

**Task Forces** – The Ministerial Meeting has been appointing task forces since 2009. A task force has a time-limited mandate and is focused on achieving concrete results within this period in priority areas. The following task forces are operating as of fall of 2014:

- Task Force on Arctic Marine Oil Pollution Prevention
- Task Force for Action on Black Carbon and Methane
- Task Force for Enhancing Scientific Cooperation in the Arctic

**Ministers** – Ministers represent each member of the Arctic Council at the highest level. Most often Ministers are the member countries' Ministers of Foreign Affairs/ Secretary of State. Canada has a Minister for the Arctic Council. The Ministers meet every other year at the Arctic Council's Ministerial Meeting.

**Senior Arctic Officials (SAO)** – High-ranking officials (usually at the ambassador level) from Arctic Council member states who meet at least twice a year. The main

task of SAOs is to ensure implementation of the mandates issued by the ministers at Ministerial Meetings, through overseeing the work of the permanent working groups and the other groups within the Arctic Council.

**Permanent Secretariat** – In 2013, the Council formally established a permanent secretariat in Tromsø, Norway. The Secretariat performs secretarial and administrative service within the framework of its Terms of Reference, and other such functions in support of the Arctic Council.

**Indigenous Peoples Secretariat (IPS)** – The Arctic Council's secretariat for international indigenous peoples' organisations that have Permanent Participant status in the Arctic Council. Located in Copenhagen, the IPS will be moved to Tromsø.

**Additional Key Terms:**

**Arctic Climate Impact Assessment (ACIA)** – The ACIA, 2004, was prepared in response to a request from the Ministers of the Council, and is a follow-up to a preliminary evaluation of Arctic climate change issues conducted by AMAP. The objective of the ACIA – was "to evaluate and synthesize knowledge on climate variability and change and increased ultraviolet radiation, and support policy-making processes and the work of the Intergovernmental Panel on Climate Change (IPCC)". ACIA should address "environmental, human health, social, cultural, and economic impacts and consequences, including policy recommendations".

**Arctic Marine Shipping Assessment (AMSA)** – The AMSA is a direct follow-up to the Arctic Marine Strategic Plan which was adopted by the Ministers at the Council meeting in 2004. PAME was requested to conduct a comprehensive Arctic marine shipping assessment as outlined under the Arctic Marine Strategic Plan (AMSP). The AMSA 2009 Report is the product of that Arctic Ministerial decision and was approved at the 2009 Ministerial meeting.

**Arctic Environmental Protection Strategy (AEPS)** – The Arctic states adopted AEPS in 1991 to, among other things, cooperate in scientific research, assess potential environmental impacts of development activities, and hold regular meetings to assess progress and coordinate future action. The Arctic Council was established in 1996 as an extension of AEPS.

**Snow, Water, Ice and Permafrost in the Arctic (SWIPA)** – The SWIPA is follow-up to the Arctic Climate Impact Assessment (ACIA.) The SWIPA assessment (2011) was coordinated by AMAP and produced in close cooperation with the International Arctic Science Committee (IASC), the World Climate Research Programme / Climate and Cryosphere (WCRP/CliC) Project and the International Arctic Social Sciences Association (IASSA).

**The International Maritime Organization (IMO)** – The IMO is the UN organisation responsible for the safety and security of shipping and prevention of marine pollution from ships. The organisation has been working since 2009 on the development of a Polar Code, which will outline safety and environmental rules for ships operating in polar waters.

**The United Nations Convention on the Law of the Sea – (UNCLOS)** – The UNCLOS (the Convention) was adopted on 10 December 1982 and came into force on 16 November 1996. The Convention establishes a legal regime covering all aspects of the seas and oceans, inter alia, to ensure the conservation and equitable usage of resources and the marine environment and to ensure the protection and preservation

of the living resources of the sea. UNCLOS also addresses such other matters as sovereignty, rights of usage in maritime zones, and navigational rights. UNCLOS Article 234 authorizes coastal states to develop and administer special regulations dealing with human activities in ice-covered waters.

#### The Arctic

Various stakeholders use different geographic boundaries to define the Arctic region. The working groups can also define the geographic area that their work covers, cf. the red line on the map – AMAP covers both high Arctic and sub-Arctic areas. The marine areas that are covered include the ocean area as far south as 51.1 degrees N by James Bay, Canada. The green line shows the areas that were included in the survey of living conditions for people who live in the Arctic (Arctic Human Development Report, 2004).

Arctic boundaries



Source: Prepared by Winfried K. Dallmann, Norwegian Polar Institute, obtained from the Arctic Council's website.

#### Changes in the Arctic Have Elevated the Importance of International Cooperation in the Arctic

Changes in the Arctic related to global warming, the loss of sea ice, and increased opportunities for economic development and transportation have increased the importance of cooperation in the region. These changes provide economic development opportunities but also bring environmental challenges. In addition the Arctic is home to a large number of indigenous peoples. Their way of life and traditions are influenced by the natural conditions in the Arctic and many indigenous communities rely on use of living resources including hunting and fishing.

Climatic changes underway in the Arctic have a significant impact on global processes. As the increase in temperature in the Arctic causes the ice to melt and ice shelf



to recede, the Arctic becomes increasingly open to navigation and development of its resources. For example, trans-Arctic shipping routes, which are thousands of miles shorter than traditional routes between the Atlantic Ocean and Asia. The Arctic environment is sensitive to these changes and activities. In addition atmospheric flows, rivers and sea currents bring pollutants to the Arctic from industrialized regions of North America, Europe and Asia. All of these factors affect the biodiversity and the people living in the Arctic region.

Balancing economic development and environmental protection of the Arctic requires international cooperation and joint efforts, especially among the Arctic states. Transnational issues, such as climate change, economic development and transportation extend beyond the individual Arctic state boundaries and require cooperation in the Arctic Council and other international forums.

It is beyond the capabilities of individual Arctic States to counter the challenges in the Arctic – and not only those that transcend borders. The studies of some of the SAIs give examples of international cooperation among two or more states in the fields of search and rescue and environmental issues, among others, under the auspices of the Arctic Council. Some core issues remain. The study of the Danish SAI, for example, points to the necessity of binding international agreements under International Maritime Organization (IMO) regarding safe shipping that can have regional as well as national impact. It is still uncertain though, whether the needs for regulation that can strengthen the prevention of maritime accidents, will be met within the coming years.

#### **The Arctic Council has Contributed to Enhanced Cooperation, Governance and Scientific Knowledge**

The Arctic Council has proven to be a valuable forum to discuss Arctic issues and carry out diplomacy since its inception in 1996. The Council has become an important forum for generating knowledge and creating a common and shared understanding of Arctic issues and challenges through its extensive number of scientific assessments and active use of environmental monitoring data.

The Arctic Council also contributes to enhancing the governance of the Arctic. The Arctic states and all the observing countries to the Council agree that there is an extensive legal framework that applies to the Arctic, and that the framework of the Law of the Seas (UNCLOS) provides a central basis for responsible management of the Arctic Ocean.<sup>1</sup>

To enhance cooperation within this framework, the Arctic states have through the Council negotiated and signed two agreements which some of the Arctic Council member states refer to as legally binding: the 2011 *Agreement on Cooperation on Aeronautical and Maritime Search and Rescue in the Arctic* and the 2013 *Agreement on Cooperation on Marine Oil Pollution Preparedness and Response in the Arctic*. The agreements encourage the Arctic states to cooperate, undertake joint exercises and exchange information. The agreements do not, however, provide further legal obligations than existing international regulations, and do not have any resource implications.<sup>2</sup> For example, in the oil spill agreement, the Arctic Council member states agreed to provide assistance to each other in case of oil spill incidents. However the numerous qualifications in the agreement make it uncertain which assistance – if

1) C.f. THE ILULISSAT DECLARATION, 2008. The United States is the only Arctic State that is not a party to UNCLOS, but supports and observes it as customary international law and practice, as stated in the National Strategy for the Arctic Region. White House, National Strategy for the Arctic Region (Washington, D.C.: May 10, 2013).

2) The SAI of the United States of America – the Government Accountability Office – did not assess whether these agreements provide further legal obligations than existing international regulations, or whether they have any resource implications.

any – the other member states can and will render. But the audits have shown that some national governments, like the Kingdom of Denmark, Norway, the Russian Federation, Sweden and the United States regard these agreements to be an important step towards the consolidation of the Arctic Council's position as an important forum for developing policy to deal with new challenges in the Arctic.

The Arctic Council has also documented the negative effects of long-range pollution on the Arctic environment and people living there (e.g. Arctic Pollution Issues, 1998<sup>3</sup>, 2006<sup>4</sup> and Mercury 2011<sup>5</sup>). Through its studies, the Council has also documented that climate change is rapidly and strongly affecting the Arctic (e.g. the Arctic Climate Impact Assessment – ACIA<sup>6</sup> and Snow, Water, Ice and Permafrost in the Arctic – SWIPA<sup>7</sup>). In addition, with the Arctic Marine Shipping Assessment (AMSA<sup>8</sup>) the Arctic Council is also contributing to global awareness of the need for stronger regulations of shipping activities in the Arctic and has raised the attention of the UN's IMO to the importance of this issue.

In addition, the knowledge of Arctic challenges and opportunities based on assessments performed by the working groups have formed the basis of a number of recommendations to the member states in eight Ministerial declarations (spanning from 1998 to 2013). All recommendations directed to the member states and observing states, for that matter, are voluntary and none of the states have a legal obligation to follow-up on these recommendations.

Furthermore, the results of the Arctic Council's scientific assessments play an important role in furthering international legislation and global cooperation. Notably the Arctic Council's documentation of the prevalence of pollution and heavy metals in the Arctic has helped promote international agreements such as the *Stockholm Convention and the Minamata Convention on Mercury*. With its climate change reports, the Arctic Council has in effect increased global attention to Arctic regional issues.

**The Council faces key challenges related to its organizational structure, establishing priorities, funding its work, and ensuring the effective implementation of voluntary recommendations adopted by member states**

Since it was established, the Arctic Council has broadened its scope and increased its workload. Initially, the Council focused on pollution issues. Today the Council addresses a wider range of issues such as climate change and adaptation, maritime safety and infrastructure, search and rescue, oil spill prevention, culture and health, and more recently, business development. In addition, the Council's number of ongoing projects has increased significantly, from about 30 in 1996 to about 80 currently. The Arctic Council has also recently taken initiatives to foster economic development in the region, for instance, through the establishment of the Arctic Economic Council. Along with this growing and evolving workload, the Council faces a number of key challenges managing and funding the work and ensuring the effectiveness of its recommendations.

- 3) AMAP, 1998. AMAP Assessment Report: Arctic Pollution Issues. Arctic Monitoring and Assessment Programme (AMAP), Oslo, Norway.
- 4) AMAP Assessment 2006: Acidifying Pollutants, Arctic Haze, and Acidification in the Arctic. Arctic Monitoring and Assessment Programme (AMAP), Oslo, Norway.
- 5) AMAP, 2011. AMAP Assessment 2011: Mercury in the Arctic. Arctic Monitoring and Assessment Programme (AMAP), Oslo, Norway.
- 6) ACIA, 2005. Arctic Climate Impact Assessment. Cambridge University Press.
- 7) AMAP, 2011. Snow, Water, Ice and Permafrost in the Arctic (SWIPA): Climate Change and the Cryosphere. Arctic Monitoring and Assessment Programme (AMAP), Oslo, Norway.
- 8) Arctic Marine Shipping Assessment 2009 Report. Arctic Council, April 2009.

### *Challenges with the Organizational Structure of the Arctic Council*

Optimizing the Council's institutional structure to improve its performance stands high on the agenda of the Arctic Council. According to the eight Arctic Council Ministerial Declarations and a number of SAO reports, an ongoing discussion has taken place since 1996 regarding the organizational structure of the Council and ways to improve its effectiveness. The organizational structure of the Arctic Council is largely based on that of the AEPS of 1991.

Arctic Council stakeholders have different views concerning its institutional structure, performance and the impact of overlapping mandates on the Arctic Council's effectiveness. The mandates of the working groups overlap to a certain degree, as do the mandates of some working groups and task forces.<sup>9</sup> Some working group chairs<sup>10</sup> said the overlap poses a challenge because they have to spend a lot of time discussing which issues each working group will address. On the other hand, three of the working groups chairs find that the current organizational structure is adequate. They said that some degree of overlap is natural when dealing with environmental issues, but the working groups cooperate well and always find effective solutions on how to coordinate overlapping tasks.<sup>11</sup>

The Council conducts most of its work through its six standing working groups, but has increasingly used task forces to address emerging issues. The Council established four in 2013. The task forces may, however, pose challenges for example taking



It is claimed that the Arctic Council's working groups do not have clear mandates and consequently have overlapping areas of responsibilities. Among other things, the Arctic Monitoring and Assessment Programme (AMAP) working group has tasks interfacing all five other working groups. The photo is from a meeting in May 2012 of all Arctic Council working group chairs as part of coordination work.

Photo: © Arctic Council Secretariat

9) Interviews with Norwegian governmental ministries and agencies such as the Ministry of Environment, Ministry of Trade and Industry, the Norwegian Environment Agency, the Norwegian Coastal Administration. Written answer from the US State Department ("the Working Groups under the direction of the SAOs should periodically review mandates and clarify them where necessary. This is especially important when dealing with projects involving several Working Groups, and Task forces or expert groups to take on a particular project as opposed to placing it within a Working Group."). Written answer from the Finnish Ministry of Foreign Affairs. Written answer from the Danish Ministry of Foreign Affairs.

10) Interviews with AMAP, EPPR and SDWG

11) Interviews with ACAP, PAME and CAFF

resources (human and financial) away from working group efforts and projects<sup>12</sup>. On the other hand, task forces are useful when complementing knowledge and expertise and completing specific tasks within a certain timeframe.<sup>13</sup>

The Arctic Council has taken various measures over the years in order to improve the working processes within the existing structure of the Arctic Council. Communication among working groups has improved. For example working group chairs meet regularly for discussions and information sharing. In particular, the establishment of the Arctic Council Permanent Secretariat may improve coordination and give better support to working groups, especially to working groups with small, non-permanent secretariats like ACAP and EPPR.

#### *Challenges Prioritizing its Work*

The six working groups have substantial autonomy to form and develop their projects and have at any time about 80 ongoing projects. The working groups identify their project priorities through two-year work plans and, in some cases strategic plans and operating guidelines, which Senior Arctic Officials and Ministers approve. To inventory and track the status of these projects, the Council has developed the *Tracking Tool for Arctic Council Deliverables and Ongoing Work* under the Canadian Chairmanship. However, no mechanism exists to prioritize the Council's work across the working groups and task forces. In some Arctic states, competition for expertise and resources may occur. To better focus the overall work of the Council, some government agencies of certain Arctic nations and Working Group representatives stated that the Council's national highlevel representatives should enhance their coordination of the Working Groups.<sup>14</sup>

In addition, the biennial Ministerial Declarations and individual countries' chairmanship programs identify some of the Council's overall priorities, but the Council has no strategy to guide its efforts and identify project priorities over the long-term. Without such a strategy, the Council faces challenges channeling available experts and economic resources. The evolving scope and workload of the Council exacerbate this challenge.

#### *Funding Challenges*

No central funding source exists to finance the Council's operations and projects. The projects are funded through voluntary contributions of some of the participating countries or by grants. According to some of the working groups<sup>15</sup>, this system has at times led to (1) lower priority projects being undertaken simply because they have funding, (2) an unnecessary amount of time and resources spent on finding funding sources for projects, and (3) some projects being halted because of a lack of funding. According to some working groups the absence of reliable funding poses an obstacle to the effectiveness of the Council.<sup>16</sup>

The Arctic states acknowledge the need to establish effective financing mechanisms for the Council's work and have undertaken initiatives to improve the financing system. One mechanism is the *Project Support Instrument* (PSI), introduced in 2003. PSI is a voluntary mechanism to identify, mobilize, and channel financial support to priority projects. The Russian Federation, Norway, Iceland, Sweden, Finland,

12) Interviews with Norwegian governmental agencies such as the Norwegian Environment Agency and the Polar institute. Interview with AMAP

13) Interview with the Norwegian Ministry of Foreign Affairs. Interview with EPPR.

14) US State Department. Interviews with the Norwegian Ministry of Climate and Environment and the Norwegian Polar Institute. Interviews with PAME, EPPR and SDWG. Paula Kankaanpää and Oran R. Young: The effectiveness of the Arctic Council. Arctic. Arctic Centre, University of Lapland, Finland

15) PAME, AMAP, EPPR and ACAP.

16) ACAP and EPPR.



Joint interview with representatives of the Yamal-Nenets autonomous district in Russia on Arctic issues.

the United States and the Sami Council (a Permanent Participant group) support the mechanism. However, the implementation of this instrument requires financial contributions from all parties to the PSI. The implementation process is completed and the PSI is operational as of December 2014.

In addition, the Council has no overall system to account for its finances, aside from the finances of the Permanent Secretariat. Specifically, the Council does not track its direct and indirect operational costs or money spent on the large number of projects. The Canadian chairmanship has, however, started to develop a system to track the costs of the various Arctic Council activities.

#### *Ensuring the Effective Implementation of its Voluntary Recommendations to Member States*

Based on the results of its work and other factors, the Council has made a number of recommendations to the member states in the eight Ministerial declarations issued between 1998 and 2013 and in working group and task force reports endorsed in the declarations. The recommendations are not legally binding and contain no mandatory requirements, but reflect the consensus of the member states. The Arctic Council's recommendations set out in its declarations are broad and general, which makes it difficult for member states to clearly identify measurable actions to take. The recommendations made in the working group and task force reports are numerous, making them difficult to fully implement.

The Arctic Council does not require national governments to report back to the Arctic Council on implementation of recommendations. Accordingly, there is little knowledge about their implementation status. In addition, the respective national governments have no feedback mechanism to track whether responsible agencies effectively consider and possibly implement Arctic Council recommendations. However, one Council project, AMSA, developed a voluntary mechanism for member states and working groups to report back on general developments and efforts related to the AMSA recommendations. Most of the government agencies and Working Groups

interviewed consider it would be useful to have some type of reporting mechanism.<sup>17</sup> Some also mentioned that the reporting system should be voluntary and it should not be too detailed and time consuming.

### **Indigenous Groups Make Important Contributions to the Council, but Face Challenges Participating**

The Arctic Council has since its inception emphasized the importance of including the indigenous peoples of the Arctic in the Council processes including knowledge building and use of traditional knowledge. The Permanent Participants also have full consultation rights in the Council's negotiations and have contributed to Council processes, including drawing the attention of national governments and members of the public to their challenges and helping all parties understand the value of using traditional knowledge to address Arctic issues.

The actual participation of indigenous peoples in the Arctic Council activities depends on their specific areas of interests and available resources. The Arctic ministers have since the Council's inception discussed financing and how to ensure adequate participation of Permanent Participants. This challenge may deepen as the Council expands and broadens its work, because this will lead to a greater number of meetings for stakeholders to attend. The Indigenous Peoples Secretariat has limited funding to help, but provides some support.

### **Methodology**

To conduct the multilateral audit, the SAIs of Norway and Russia with support from the other SAIs, reviewed Council documentation and interviewed representatives from the Permanent Participants and six Council working groups. In addition, the participating SAIs collected written answers to a set of common questions from their respective national governments and performed national audits of their countries' participation in the Arctic Council or management of particular Arctic issues. The SAIs conducted the work within their legal framework. The SAIs have followed relevant national or international auditing standards. The European SAIs have also followed the principles and standards defined by the European Organization of Supreme Audit Institutions.

### **Appendixes**

- 1 National audit findings of SAIs of Denmark, Norway, the Russian Federation, Sweden, and the United States of America.
- 2 Acknowledgements

17) Interviews with the Norwegian Ministry of Foreign Affairs, the Norwegian Ministry of Climate and Environment. Written answer from the Finnish Ministry of Foreign Affairs. Written answer from the Danish ministry of Foreign Affairs. Interviews with ACAP, AMAP, CAFF, PAME.

## Appendix 1 – National audit findings of SAIs of Denmark, Norway, the Russian Federation, Sweden, and the United States of America.

### Content of the national audits and additional data collection

The coverage of each national audit is presented in Table 1.

*Table 1 Main Content of the respective national audit reports*

	Denmark	Norway	Russia	Sweden	U.S.A.
National management of Arctic Council work		*	*	*	*
Management and functioning of the Arctic Council		*	*		*
Environmental Challenges					
– Climate		*	*	*	*
– Pollution	*1	*	*	*	*
– Biodiversity		*	*		*
Economic Activity					
– Shipping	*	*	*		*
– Oil and gas		*	*		*
– Search and Rescue and preparedness	*	*	*	*	*
Indigenous peoples issues		*	*		*

1) At sea

*Table 2 Information collected by the SAIs that was not used in their national reports*

	Denmark	Norway	Russia	Sweden	U.S.A.	Canada**	Finland**
National management of Arctic council work	*						*
Management and functioning of the Arctic Council	*						
Environmental Challenges							
– Climate				*			
– Pollution				*			
– Biodiversity				*			
Economic Activity							
– Shipping	*						
– Oil and gas	*						
– Search and Rescue and preparedness							
Indigenous peoples issues							

\*\*Observers to the Audit

Below are summaries of the national audits



## The Danish National Audit Office (Rigsrevisionen) – Denmark's performance in the Arctic

The Danish National Audit Office – Rigsrevisionen submitted its national report to the Public Accounts Committee in September 2013.

*The Danish Realm* consists of Denmark, the Faroe Islands and Greenland. The Danish Constitution applies throughout the Realm. Together with the Danish Constitution, the home rule and self-government systems of the Faroe Islands and Greenland delegate powers and responsibilities among the different parts of the Realm. Denmark is, for example, responsible for providing defence throughout the Realm.

### Background

Danish authorities handle a wide range of tasks in the Arctic parts of the Realm, many of which have to be performed under difficult climatic conditions and over long distances. Consequently, it is important to ensure that these tasks are performed in consideration of the risks to human beings and the environment that are a consequence of climate change and the increase in marine traffic. Because the Arctic conditions pose a challenge to the SAR response and the marine environment tasks, the Danish authorities' preventive action is particularly important. Rigsrevisionen has assessed the Danish authorities' contributions in that light.

The purpose of the examination was to assess whether the Danish authorities' responsibility for the effort in the Arctic parts of the Realm has been clearly divided and whether it matches the risk associated with the increase in marine traffic.

Rigsrevisionen has examined this by addressing the following questions:

- 1 Does the preventive action of the Danish authorities – aimed at enhancing marine navigation safety – match the risk?
- 2 Has the Danish authorities' responsibility for the SAR response been clearly divided and does the equipment match the risk, e.g., in connection with major accidents?
- 3 Do the Danish authorities monitor the marine environment and does their marine environmental emergency response match the risk of marine pollution?

### Method

The examination is based on information from meetings with and written material from a number of ministries including the Prime Minister's Office and the Ministry of Foreign Affairs. Rigsrevisionen is only authorised to assess the Danish authorities' task performance in the Arctic parts of the Realm. However, representatives from Rigsrevisionen visited the Faroe Islands and Greenland to collect data from Danish, Faroese and Greenlandic authorities, research institutions and enterprises which in various ways deal with the areas covered by the Danish investigation.

### Findings and conclusions

#### Marine navigation safety

The Danish authorities have taken preventive action aimed at enhancing marine navigation safety. However, the action taken does not fully match the risks associated with the increase in marine traffic, one reason being that the increase entails risks which the Danish authorities cannot counter on their own. Solving this task requires the



adoption of international and national rules on marine navigation safety in the Arctic waters.

The Danish Maritime Authority is working to secure the adoption of binding international marine navigation safety rules for the Arctic, which will apply to, e.g., cruise liners and tankers. Such international rules will not take effect until 2017, at the earliest.

In May 2013 the Danish Parliament passed an act enabling tougher marine navigation safety requirements for parts of the Greenlandic waters. Based on the new legislation, in cooperation with the Greenland government, the Danish Maritime Authority intends to introduce tougher marine navigation safety requirements for the area, which will reduce the risk of loss of human lives and pollution of the sensitive Arctic marine environment. These requirements cannot take effect until 2014, at the earliest. However, Rigsrevisionen finds that the Danish Maritime Authority should clarify on an ongoing basis how international and national measures in this field can best prevent shipping accidents in the Greenland waters.

The Danish Geodata Agency must substantially increase its production of nautical charts to achieve the target of 73 nautical charts by 2018. To this end, production must be increased already in 2013 by the introduction of a new production system. However, the system has not yet been fully developed, and the Agency has stated that it will give priority to developing the production system which is to secure achievement of the target.

#### **Search and rescue response (SAR response)**

In general, the Danish authorities have divided the SAR responsibilities clearly, although the division could be more accurately defined in some cases. In certain types of SAR operations, the Greenland Police and the Danish Defence coordinate their response on the basis of an imprecise geographical delimitation, and the two authorities agree that the division of responsibilities should be clarified. In February 2013, the Prime Minister's Office initiated an analysis that may simplify the division of responsibilities regarding the SAR response in Greenland. This analysis has led to a clarification of the division of responsibilities between the Danish authorities, which came into force January 1, 2014. For example the division of responsibilities between the Greenland Police and the Danish Defence are now based on geographic coordinates which both authorities agree upon.

In relation to the risk of major accidents, the Danish Defence has equipment in Greenland at its disposal, e.g., patrol ships and vessels to support the Danish and Greenland authorities. The Danish Defence's patrol vessels, for example, can attend to more than 200 persons for a short period of time. The equipment for major accidents which is located in Denmark cannot be used for time-critical operations such as the rescue of persons from fast-sinking ships. Moreover, the equipment is not fully suited for Arctic conditions. The Danish Defence has assessed the equipment and the options for meeting the needs in the event of, e.g., major shipping accidents. The Danish Defence has not yet decided how to implement the results of this assessment.

#### **Marine environment and marine environmental emergency response**

The Danish Defence has failed to prioritise its task of monitoring the marine environment and enforcing the marine environment legislation in Greenland. The Danish Defence monitors the marine environment as an element of its general presence and not on a risk basis. The Danish Defence has stated that it could have performed the task more effectively.

Rigsrevisionen finds it important that – based on an ongoing assessment of the marine pollution risk – the Danish Defence monitors and operates a system of preventive control to ensure that ships sailing in Greenland waters comply with the marine environment rules. In addition – in the light of the increase in marine traffic – Rigsrevisionen finds the Ministry of the Environment and the Ministry of Defence should jointly assess whether the follow-up on the marine environment order can be strengthened. The Danish Defence has from September 2013 initiated preventive control of ships sailing in Greenlandic waters.

The Danish Defence has not yet calculated the marine pollution risk in the Arctic parts of the Realm. The Danish Defence also has no overview of whether the marine environmental response equipment that is located in Denmark can be used in the Arctic. Finally, although the Arctic Command is responsible for combating marine pollution, it has no staff trained for this task.

The Danish Defence has initiated an analysis of the threats to the marine environment in the waters around Greenland which can be used to calculate the risk of pollution. The Danish Defence expects this analysis to be completed by the end of 2014. Rigsrevisionen considers it important that the Danish Defence uses this analysis to assess the need for control measures to enforce the marine environment order and determine the amount of equipment needed.

A pdf of the report can be found at the following link:  
<http://uk.rigsrevisionen.dk/publications/2013/162012/>

# **The Office of the Auditor General of Norway investigated the Norwegian authorities' work with the Arctic Council, Council recommendations and matters concerning the intergovernmental work in the Arctic Council**

## **Background**

Norwegian authorities highlight that the Arctic Council is the leading political body for Arctic issues and the most important forum for addressing common challenges.

The purpose of the audit was to evaluate the Norwegian authorities' work with the Arctic Council and illustrate how the authorities are dealing with the areas cited as key by the Arctic Council through the Council's recommendations to the member states. The audit also included matters concerning the intergovernmental work in the Arctic Council.

The methods used in the audit included analysis of documents and reports, written questions, quantitative data and interviews. The audit period mainly covers the period from when the Arctic Council was established in 1996 until 2014.

## **Key findings**

- The Arctic Council has helped strengthen cooperation in the Arctic and increase knowledge about key issues, particularly the environment and climate change in the Arctic.
- The organisation of the Arctic Council is impractical and the management of the work is inadequate in terms of priorities, funding and reporting.
- The Arctic Council has not adequately facilitated participation by indigenous peoples in the Council's work.

## **The Arctic Council has helped strengthen cooperation in the Arctic and increase knowledge about key issues, particularly the environment and climate change in the Arctic**

As the only cooperative body in the Arctic with members from all the Arctic states, the Arctic Council has played an important role in strengthening cooperation and interaction between the Arctic states and the Arctic indigenous peoples in areas of common interest.

In the OAG's opinion, the member states help uphold and develop the management of the Arctic through the Arctic Council. It is particularly important that the Arctic Council member states and observers recognise the significant international regulations applicable in the Arctic. Furthermore, under the initiative of the Arctic states, two legally binding agreements on, respectively, search and rescue and oil spill response in the Arctic, have been negotiated. In the OAG's opinion, these types of agreements can be important in underscoring the importance of the Arctic Council, and for further strengthening the management regime of the Arctic. This is especially true if the agreements negotiated through the Council help to reinforce existing agreements or concern areas where international regulations of relevance to the Arctic are lacking.

The audit shows that the Arctic Council has evolved into a body for accumulating considerable knowledge in ever more areas. It is particularly important that this knowledge contributes to a common understanding of the challenges in the Arctic, and what measures should be taken. Based on this knowledge the Council has given a large number of recommendations to parties including the member states. While the Arctic Council's

recommendations are not binding under international law, it is, in the opinion of the OAG, important that the Arctic states together – including through the Council – can show that they take responsibility for ensuring sustainable development in the Arctic.

The audit also shows that the knowledge obtained by the Arctic Council has been used in input on the further development of general international cooperation and international conventions in different areas.

**The organisation of the Arctic Council is impractical and the management of the work is inadequate in terms of priorities, funding and reporting**

**Organisation and coordination**

Since 1996, there has been an ongoing discussion in the Arctic Council about the need to change the organisational structure so that the Council can become a more effective body. The current organisation of the Council is essentially a continuation of the Arctic Environmental Protection Strategy (AEPS) from 1991. However, the Arctic Council's work now includes a far broader range of issues than it did when it was established in 1996. The audit also shows that the working groups function very differently. The audit shows that within the existing organisational structure the Arctic Council has made changes to improve coordination and communication between the working groups.

*Prioritisation and funding*

The audit shows that the Arctic Council does not have a strategy for steering the technical and financial resources towards long-term goals. The working groups' two-year work plans are approved at the Ministerial Meetings after discussion by the SAOs. The premise of the work is largely determined by the working groups themselves. Such independence can be positive, but in the opinion of the OAG, it must be assessed at the same time against the scientific gain and the huge financial resources spent in the Arctic Council. At mid-2014, between 80 and 90 projects are in progress under the auspices of the Arctic Council, and the overall assessments behind the initiation of so many projects are often unclear. Even though small projects may also be important in building knowledge and collaboration in research and management, and only a few of



The foreign ministers meet every other year at the Arctic Council's Ministerial Meeting. The most recent meeting was in Kiruna in 2013.

Photo: U.S. Department of State

them form the basis for recommendations in the ministerial declarations. In light of the high number of projects and limited resources, the OAG believes there is a need for stronger prioritisation of working group efforts.

The audit shows that there has been agreement on strengthening the financial mechanisms of the Council since its establishment. Nevertheless, there has been a lack of predictability in the funding of working group secretariats, projects and participation of indigenous peoples' organisations. Since 2003, there have been efforts to establish a funding mechanism – Project Support Instrument – to ensure funding for the highest priority projects in the Arctic Council. The funding mechanism did not become operative until the Autumn of 2014 after the Russian authorities disbursed funds at that time to the scheme as planned. However, the scheme will only cover a small part of the activities of the Arctic Council. In the OAG's opinion, it is a weakness that the Arctic Council does not have more predictable funding of the Council's organization and projects.

It also emerges from the audit that the Arctic Council does not have an overview of its use of resources, although efforts are under way to develop a system to resolve this matter.

In the opinion of the OAG, the establishment of a permanent secretariat should ensure better administrative management of the Arctic Council.

In further development of the Arctic Council, which will include increasing numbers of scientific subjects, there may in the OAG's opinion be a need for an overall strategy for the Council which better steers the technical and financial resources towards long-term and specific goals.

#### *Reporting*

The work of the Arctic Council is primarily based on dialogue, cooperation and volunteerism. While the recommendations are not binding under international law on the member states, they are politically binding. Nor is there an expectation in the Ottawa Declaration and the Arctic Council's rules of procedure that member states must document the extent to which the recommendations are followed up. The audit shows that extensive efforts are invested in generating the knowledge that underlies the Council's recommendations. There is little information on how member states follow up the key recommendations, and whether the work has an effect. The Arctic states have a major shared responsibility to ensure the sustainable development of the Arctic region. Without some form of follow-up work, it will be difficult in the OAG's opinion for the Arctic Council to develop into an effective body with even greater scientific and political impact.

#### **The Arctic Council has not adequately facilitated indigenous peoples' participation in the Council's work**

The importance of the participation of indigenous peoples in the broad cooperation in the Arctic Council is clearly expressed in the Ottawa Declaration and reiterated in the ministerial declarations, and six indigenous organisations are Permanent Participants of the Council. They attend all Ministerial Meetings and are free to participate in the work of the working groups and other Council projects. The audit shows, however, that actual participation in projects varies, partly due to lack of resources – both financial and in terms of available expertise and personnel.

The Arctic Council has not established a funding mechanism that can ensure the participation of indigenous peoples in the work of the Council, and each country is responsible for funding the participation of indigenous peoples. The audit shows that

participation is important because both changes and initiatives in the Arctic can greatly affect indigenous peoples' way of life.

**There are weaknesses in the coordination and implementation of the Norwegian work related to the Arctic Council**

The Arctic Council is an important body in Norway's work on High North policy, and there is broad consensus that the Arctic Council should be the leading political body for Arctic issues. The audit shows that working with the Arctic Council and the technical issues that the council raises involve several ministries' disciplines and responsibilities. Compared with the Ministry of Climate and Environment and Ministry of Foreign Affairs, the other relevant ministries are not equally engaged in the work of the Arctic Council. The other ministries have placed little emphasis on the information and knowledge provided by the Arctic Council because these ministries found to a greater extent it to be more expedient to emphasise other international processes and national knowledge. In the OAG's opinion, the function and role of the various Norwegian expert authorities in Arctic Council work is therefore somewhat unclear.

Because the Arctic Council is currently working on many more issues than before, it will, in the OAG's view, become even more important to ensure good involvement and coordination of the work of Norwegian actors with the Arctic Council. This also applies to the use of the knowledge that the Norwegian government has in a number of areas that are of interest to the other Arctic states. The OAG therefore believes it is positive that the Ministry of Foreign Affairs wants closer collaboration with relevant ministries and agencies in matters raised by the Arctic Council.

The OAG also notes that the Ministry of Foreign Affairs has not established a regular practice of keeping track of the extent to which the responsible sector ministries follow up the relevant recommendations of the Arctic Council, or whether relevant recommendations are already incorporated in the Norwegian government.

The audit shows that the lack of a monitoring system does not necessarily mean that the recommendations are not followed up, or whether the recommendations are already part of existing Norwegian policy. It is mainly international law obligations and national goals that govern the Norwegian administration's work in the Arctic. This takes place independently of the Arctic Council.

**The Office of the Auditor General's recommendations**

The OAG recommends that the Ministry of Foreign Affairs:

- facilitate even better coordination of the work of the Arctic Council with the relevant sector ministries
- initiate various measures so that all relevant ministries increasingly find work with the Arctic Council expedient both to utilise the work of the Arctic Council and to provide relevant expertise in areas of importance to the Arctic.
- reinforce efforts, including through the permanent secretariat, to make the Arctic Council a more efficient and effective body with emphasis on better management, organisation, funding and reporting

A pdf of the report in Norwegian can be found at the following link:  
<https://www.riksrevisjonen.no/rapporter/Sider/Rapporter.aspx>

The report is also available in English at the following link:  
<https://www.riksrevisjonen.no/en/Reports/Pages/ArcticCouncil.aspx>

## **The Accounts Chamber of the Russian Federation examined the implementation of national Arctic policy and execution of Arctic Council recommendations**

**The audit report will be submitted to Parliament – the Duma when the Joint Memorandum is finalized and signed by all the participating SAIs**

### **Information of the Accounts Chamber of the Russian Federation**

#### **Methodology**

The Multilateral Audit of the Efficiency of the Implementation and Performance by the Arctic Council Member States of the Recommendations of the Arctic Council in the Field of Ensuring Protection of the Environment and Sustainable Development in Arctic (hereinafter referred to as the Multilateral Audit) was carried out at the national level with participation of control and accounting bodies of constituent entities of the Russian Federation, located in the Arctic Zone of the Russian Federation: the Murmansk and Arkhangelsk Regions, Nenets, Yamalo-Nenets and Chukotka Autonomous Areas, the Krasnoyarsk Territory and the Republic of Sakha (Yakutia).

In the frame of the national audit, priorities and mechanisms of implementation of the national policy of the Russian Federation in Arctic were analysed, and the performance of the Arctic Council recommendations was assessed.

In order to ensure a unified methodological approach to the Multilateral Audit based on the Strategic Plan and the "question tree", the Accounts Chamber developed a unified programme of the control activity. The Accounts Chamber and control and accounting bodies of constituent entities of the Russian Federation collected, analyzed and assessed the data based on a standard list of questions (including statistical key figures), using, in a number of cases, the method of interviewing representatives of governmental bodies involved in the activities of the Arctic Council and organizations representing the interests of indigenous peoples.

The national report was prepared on the basis of materials provided by 13 federal ministries, agencies and their subordinate research and development institutions, as well as executive bodies of constituent entities of the Russian Federation and non-profit organizations of indigenous peoples. During the audit, special attention was paid to the analysis of international treaties, documents of national strategic planning and regulatory legal acts of the Russian Federation, ministerial declarations and other documents of the Arctic Council.

#### **Findings of the National Audit**

The national policy of the Russian Federation in Arctic is implemented in accordance with strategic planning documents (Basics of the State Policy of the Russian Federation in the Arctic for the Period till 2020 and for a Further Perspective and the Development Strategy of the Arctic Zone of the Russian Federation and Ensuring National Security for the Period till 2020) and is aimed at the socio-economic development of the Arctic Zone (including raising the degree of knowledge of natural resources and expanding their exploration, developing information, communication and transport infrastructure, the system of timely warning about hazards, preserving culture and traditions of indigenous peoples), ensuring environmental safety and

international cooperation in the Region. The priority problems in this sphere are solved through improving national legislation on the basis of rules of international law and international obligations of the Russian Federation, as well as the development and implementation of state programmes financed from budgetary and extra-budgetary sources.

The interaction with Arctic States in the frame of the Arctic Council is one of the priorities for the Russian Federation in the field of international cooperation in the Region.

The Arctic Council is an international forum and interaction within its frameworks contributes to the development of the multilateral cooperation in the field of environment protection and exploration of Arctic. The format of the Arctic Council, which involves implementation of research projects and development of recommendations based on these projects at the level of responsible officials representing the Council Member States contribute to coordination of the efforts of scientific and expert community and government agencies regarding the issues of sustainable development in Arctic, as well as allows pursuing constructive policy in strengthening multiformat cooperation while respecting the sovereignty and jurisdiction of the Arctic States.

### **General Conclusion**

The Accounts Chamber of the Russian Federation points out that the Russian Federation has adopted regulatory legal acts of strategic and programmatic nature, aimed at the development of the Arctic Zone economic capacity taking into account approaches of sustainable development and minimizing man-induced burden, preservation of the natural environment of the Region, traditional natural resource management and culture of indigenous peoples. The analysis of regulatory legal acts adopted proves that their provisions generally take into account recommendations of the Arctic Council regarding the prevention of the spread of pollutants and climate change, protection of sea environment and prevention of emergencies, preservation of flora and fauna, development of the Arctic Monitoring System, integration of traditional knowledge of indigenous peoples.

The measures to develop the Arctic Zone of the Russian Federation are implemented in the framework of the State Programme of the Russian Federation «Social and Economic Development of the Arctic Zone of the Russian Federation for the period until the year 2020», adopted on 21 April 2014, which contributes to effective coordination of interaction of the federal executive authorities, ensuring the systematic nature of budgetary planning and comprehensiveness in accomplishing the tasks assigned.

### **Recommendations**

In order to ensure a comprehensive approach to the implementation of measures on sustainable development and environment protection in Arctic, it is reasonable to combine them within the frame of a single state programme, which would also make it possible to optimize the recourse provision for the said measures and improve the quality of interaction of government bodies in their implementation.

### *Conclusions and recommendations on specific themes (fields)*

- 1 The determination of priorities for the development of the Arctic Zone of the Russian Federation made it possible, to a certain extent, to consolidate state resources on the basis of the Management by Objective method of state administration, including financial resources, which provided a positive impact on the socio-economic development of the Region. For the past five years, the growth



rate of the gross domestic product per person and the amount of investments into fixed assets per person in subarctic constituent entities of the Russian Federation have exceeded the average Russian figures. The increase by 11.3% in the total population size of indigenous peoples living in the Arctic Zone of the Russian Federation has been registered for the past 10 years.

The adoption of the State Programme of the Russian Federation «Social and Economic Development of the Arctic Zone of the Russian Federation for the period until the year 2020» to define the territory of the Arctic Zone of the Russian Federation, to ensure a unified approach to the development of measures in the Arctic Zone of the Russian Federation and control over the implementation thereof, as well as to ensure the formation of the state statistical reporting.

- 2 One of the development priorities in the Arctic Zone of the Russian Federation is the socio-economic support of indigenous peoples of the North, which is carried out, in particular, at the expense of the federal budget funds and consolidated budgets of constituent entities of the Russian Federation. In order to ensure the rights and interests of indigenous peoples, a number of regulatory legal acts have been adopted, which are aimed at the development of traditional industries and provision of modern social services.

Besides, the audit findings confirm the conclusion of the Arctic Council experts regarding the influence of climate changes and man-induced impact on the traditional lifestyle of indigenous peoples of the Arctic Zone.

Improving of the regulatory framework of rights of indigenous peoples of Arctic would contribute to the preservation of traditional culture, environment and traditional natural resource management, as well as to the promotion of traditional way of life.

- 3 In accordance with the Strategy of Development of the Arctic Zone of the Russian Federation, measures have been taken to develop the transport system focused on year-round operation, including the North Sea Route, which made it possible to almost double the volume of cargo traffic along the North Sea Route for the past five years.

In order to ensure the safety of shipping, a comprehensive system of navigation and hydrographic support along the Northern Sea Route is being created; in its framework, it is suggested to ensure the disposal of radioactive thermoelectric generators (hereinafter referred to as RTGs) and install alternative power sources. Within the period from 2008 to 2012, the total of 257 RTGs were disposed of and 201 units of navigation equipment were installed.

At the same time, the existing network of railroads and motor ways are not able to fully provide the growing needs of the developing Arctic Zone. It is necessary to take additional measures to increase the capacity of existing roads and build new lines.

- 4 In order to raise the mobility of search-and-rescue units in the Arctic Zone of the Russian Federation, duty shifts of emergency response service have been organized; new forward deployment stations of professional rescue teams have been established; multipurpose salvage vessels with unlimited navigation area provided with equipment for oil spills liquidation are being constructed.

Measures to ensure the search and rescue preparedness allowed reducing the number of sea accidents with sea vessels from 13 (in 2008) to 3 (in 2012).

- 5 The implementation of the Arctic Council recommendations regarding the Arctic monitoring and assessment development is based on the environment condition and pollution monitoring system. The existing monitoring system, as well as the methods of calculation and forecast, ensure a sufficient level of general and specialized hydro meteorological support. At the same time, certain subsystems of state environmental monitoring in the Arctic Zone of the Russian Federation require further development, in particular, the monitoring of fauna.

The findings of the state environmental monitoring in Arctic are indicative of an insignificant change in the level of its contamination; the state of the ozone layer over the Arctic is within the range of natural variability.

- 6 Russia pursues a consistent policy within the frameworks of the Arctic Council, aimed at expanding mutually beneficial cooperation of the Arctic States in the Region and strengthening the sovereignty of the Russian Federation. In particular, the first legally binding document was signed upon the initiative of the Russian Federation: the Agreement on Cooperation on Aeronautical and Maritime Search and Rescue in the Arctic (Nuuk, May 12, 2011). The progress in the implementation by the Russian Federation of its national action programme on sea environment protection and the projects aimed at preventing the contaminants spread was noted in the declarations adopted by the Fifth (Salekhard, October 26, 2006) and Fourth (Reykjavik, November 23, 2004) Ministerial Sessions, accordingly.

At the national level, the Accounts Chamber of the Russian Federation emphasized the need to raise the level of awareness of the chambers of the Federal Assembly of the Russian Federation about the Arctic Council activities.

## **The Swedish National Audit Office has examined whether Sweden receives an effective return from its membership of the Arctic Council**

The Swedish report was submitted to Parliament on May 28th 2013.

### **Background**

Sweden has been a member of the Arctic Council since it was formed in 1996. The Government has stated that the Arctic Council is the foremost multilateral forum for issues concerning the Arctic. The Government has also stated that it will work to strengthen the Arctic Council. *The climate and the environment* is one of three main priorities in Sweden's strategy for the Arctic region, as well as in the programme for Sweden's Chairmanship.

### **Purpose**

The purpose was to examine whether *Sweden receives an effective return from its membership of the Arctic Council*. The audit is included in the Swedish National Audit Office's audit strategy *Sustainable development – climate*.

### **Implementation**

The audit primarily concerns the Government, the Ministry for Foreign Affairs, the Ministry of the Environment and the Swedish Environmental Protection Agency. The most important material for the audit was the Government's strategy documents for the Arctic region, the Government's programme for the Chairmanship of the Arctic Council, ministerial declarations and other documents from the Arctic Council, as well as interviews with representatives of ministries and government agencies.

### **Findings**

The Swedish National Audit Office notes that the Arctic Council is an important forum for issues concerning the Arctic and for initiating central research projects on environmental and climate change in the Arctic. However, the Swedish National Audit Office considers that after almost 20 years of Swedish membership of the Arctic Council it is reasonable to also expect an effective process in Sweden for assessing and, where relevant, implementing Arctic Council recommendations. This is particularly applicable as decisions in the Arctic Council are made in consensus and are, if not legally, then politically binding. It is also reasonable that Sweden's work in the Council proceeds from transparent priorities for the Arctic.

The Swedish National Audit Office's overall conclusion is that Sweden does not receive an effective return in all respects from its membership of the Arctic Council. In the opinion of the Swedish National Audit Office there is insufficient transparency in the Government's priorities for the work of the Arctic Council. It is therefore difficult to assess whether Sweden's work in the Arctic Council proceeds from stated priorities. The Government has not ensured that recommendations from the Arctic Council are assessed, ranked in priority and, where relevant, implemented in Sweden. Nor has the Government assigned responsibility for such a process. It is not clear whether the Arctic Council's recommendations have been implemented in Sweden.

*Lack of transparency in the Government's priorities for work on climate change in the Arctic Council*

The assessment of the Swedish National Audit Office is that the Government's priorities in the strategy documents and Chairmanship programme do not give a clear picture of the direction of the Government's work on climate change in the Arctic Council. Reduced emissions of long-lived greenhouse gases have priority in the Government's documents and the Arctic Council is presented as the foremost body for issues concerning the Arctic. However, the Government has not put the issue of long-lived greenhouse gases on the Arctic Council agenda. The Government works for reduced emissions of greenhouse gases by obtaining and spreading knowledge about the effects of climate change, but has above all decided to focus work on climate change on short-lived climate forcers.

The Swedish National Audit Office makes no assessment of the contents of the Government's priorities, but considers that the priorities should be made clearly apparent by relevant documents. In the opinion of the Swedish National Audit Office there is insufficient transparency in the Government's priorities for the work of the Arctic Council. It is therefore difficult to assess whether Sweden's work in the Council proceeds from stated priorities.

*The Government has not created the conditions for implementing relevant recommendations from the Arctic Council*

The Swedish National Audit Office notes that the Government has strengthened the processes in the Arctic Council during Sweden's Chairmanship. Corresponding efforts have not, however, been put into ensuring an effective process for implementation in Sweden.

The Government has not ensured that recommendations from the Arctic Council are assessed, ranked in priority and, where relevant, implemented in Sweden. Nor has the Government assigned responsibility for such a process.

The Swedish National Audit Office notes that it is not clear which measures have been taken in response to the Arctic Council recommendations. There is currently no monitoring of the Council's recommendations at national level. Consequently there is no process to ensure that the knowledge produced in the Arctic Council is utilised.

The Arctic Council recommendations are generally framed and universal in nature. Consequently it is even more important to clearly assign responsibility for interpreting the recommendations and putting them into practice, where deemed relevant.

*The Riksdag has not received regular information during the Chairmanship*

The Riksdag has requested regular information from the Government on the developments in the Arctic area and the Swedish Chairmanship of the Arctic Council. The audit shows, however, that the Riksdag has been formally informed of developments on only one occasion, at the end of April 2013, i.e. only weeks before the end of the Chairmanship.

*Agreements from the Arctic Council are described by the Government as legally binding, but do not oblige the member states to provide help*

The agreements drawn up within the framework of the Arctic Council on sea and air rescue are presented by the Government as legally binding. However, the Swedish National Audit Office notes that member states are not obliged to provide resources if an accident should occur. Consequently, the agreement does not make the demands on resources that the Government has indicated. Nor does the agreement entail any major

legal change compared with previously existing search and rescue agreements. The Swedish National Audit Office notes that the Government has not been transparent in its presentation of the type and implication of the agreement.

### **Recommendations**

The Swedish National Audit Office's recommendations are aimed to give Sweden a more effective return on its membership of the Arctic Council.

The Swedish National Audit Office makes the following recommendations to the Government:

- The Government should ensure that the priorities for the work of the Arctic Council are transparent.
- The Government should ensure that recommendations from the Arctic Council are assessed, ranked in priority and, where relevant, implemented in Sweden. The Government should clarify for government agencies where the responsibility for such a process lies.
- The Government should give the Riksdag regular information on activities in the Arctic Council, as requested by the Riksdag.

A pdf of the report can be found at the following link:

[http://www.riksrevisionen.se/en/Start/publications/Reports/EFF/2013/Sweden-in-the-Arctic-Council---effective-return-from-membership-/](http://www.riksrevisionen.se/en/Start/publications/Reports/EFF/2013/Sweden-in-the-Arctic-Council---effective-return-from-membership/)

# **The U.S. Government Accountability Office's National Audit: Better Direction and Management of Voluntary Recommendations Could Enhance U.S. Arctic Council Participation, GAO-14-435 (May 16, 2014)**

## **Background**

Recent environmental changes in the Arctic from a warming climate, such as decreased sea ice coverage making marine areas more accessible, have increased global attention to the region's economic opportunities. Amid these changes, many indigenous people of the Arctic struggle to maintain their traditional way of life that relies on the ecosystem for subsistence resources. In 1996, the eight Arctic States – Canada, Denmark, Finland, Iceland, Norway, the Russian Federation, Sweden, and the United States – formed the Arctic Council (Council) to promote cooperation on various Arctic issues with input from indigenous groups. U.S. Arctic policy highlights the importance of the Council to pursue U.S. Arctic interests, including those of the State of Alaska – the only U.S. state located in the Arctic – and the indigenous people, or Alaska Natives, living there.<sup>18</sup> These interests include protecting the Arctic environment, managing natural resources, involving indigenous communities and the state of Alaska, and supporting scientific research.

The U.S. Congress asked the Government Accountability Office (GAO) to examine matters related to U.S. participation in the Council, led by the U.S. Department of State (State) – the federal agency responsible for managing the United States' foreign relations. GAO reported on (1) the Council's organization and how it addresses environmental and economic development issues; (2) key U.S. agencies' participation in the Council and any challenges; and (3) agencies' actions to implement and manage voluntary Council recommendations adopted within the Arctic Council and any challenges.

GAO analyzed documents and reports from the Council and reviewed relevant literature from U.S. government entities, academic sources, and nongovernmental organizations. GAO also interviewed U.S. federal and Arctic stakeholders; attended a Council meeting; and visited four Alaskan Arctic communities selected for their sizes and needs.

## **Key Findings**

The Arctic Council is a voluntary intergovernmental forum for Arctic States, with involvement of indigenous organizations and other stakeholders, to address various environmental and economic issues through projects and reports targeting a variety of subjects. The eight Arctic States guide the work of the Council through consensus decisions and rotate the chairmanship of the Council every 2 years. The United States will assume the chairmanship in 2015. The participants meet in six working groups, four task forces, and various expert groups to produce such documents as scientific assessments and guidance. For example, the Council has produced assessments of shipping and climate change in the Arctic. As Arctic issues have emerged, the Council has expanded and broadened its work to address them. For example, since the Council's was established in 1996, the number of ongoing projects has increased from about 30 to 80.

18) GAO's report uses the term "indigenous" to describe the communities of people that have historically resided in the Arctic. The report uses the term "Alaska Natives" to refer to the indigenous people who reside in Alaska.

Six key federal agencies hold leadership roles in U.S. delegation to the Arctic Council and other agencies participate through the Council's working groups and task forces. State leads this participation and collaborates with the five other key agencies that lead U.S. delegations to Council working groups—the Environmental Protection Agency, National Nuclear Security Agency, National Oceanic and Atmospheric Administration, U.S. Fish and Wildlife Service, and U.S. Global Change Research Program—as well as other federal agencies with Arctic interests. In addition to agencies with leadership roles, at least 15 other agencies with Arctic interests participate in the Council's working groups and task forces. These agencies contribute expertise and financial resources to the Council's work. In addition, U.S. federal agencies provide financial support to the Council and its working groups. The federal agencies that participate in the Council face challenges collaborating by not having a clear direction or specific resources for their work. For example, key agency officials said that the agencies do not have a strategy that guides and aligns their Council work. Without a clear direction or specific resources for the collaborative effort, the agencies face challenges prioritizing the work, delivering unified messages to other Arctic States, and consistently participating in the Council. GAO previously reported that agencies can enhance and sustain collaborative efforts by engaging in various practices, such as establishing joint strategies and identifying necessary resources.<sup>19</sup> Furthermore, agencies consider Alaska's and Alaska Natives' interests in their Arctic Council work through various mechanisms, such as through an informal working group, but some officials from the State of Alaska and some Alaska Natives had concerns about the extent to which federal agencies and their Permanent Participant representatives consider their interests.

U.S. federal agencies have acted on some voluntary recommendations that the United States and other Arctic States adopted through the Council in nonbinding biennial declarations approved by the consensus of the Arctic States. For example, several U.S. agencies have actively contributed to an Arctic Council environmental monitoring initiative endorsed in the 2006 declaration. In addition, agencies have implemented actions to reduce black carbon pollution, in line with recommendations made in the 2011 and 2013 ministerial declarations.<sup>20</sup> However, the Department of State does not review or track progress made on these actions and faces challenges implementing the voluntary recommendations. Specifically, the Department of State informally discusses the recommendations with other agencies during monthly meetings but does not have a process to review and track progress the agencies have made toward implementing them. Department of State officials said that the agency may need to more formally assess such progress because, without such a process, the agency does not know the status of recommendation implementation and faces challenges planning for and prioritizing future actions to address Arctic issues. In addition, the United States—with the Department of State as the lead agency—and other Arctic States face challenges implementing the Council's broad and numerous recommendations. To address these challenges, Department of State officials said that the Council needs to more clearly specify and prioritize recommendations, but the Council does not have guidelines for doing so. Without such guidelines, officials said the recommendations have not historically produced actions with measurable outcomes.

### **Recommendations**

To help clarify the direction of future U.S. participation and position the United States for a successful Arctic Council chairmanship, assess the status of recommendations

19) GAO, Results Oriented Government: Practices That Can Help Enhance and Sustain Collaboration Among Federal Agencies, GAO-06-15 (Washington, D.C.: Oct. 21, 2005).

20) Black carbon, which is soot, can warm the climate by darkening Arctic snow and ice and absorbing sunlight, which leads to further warming and melting.

adopted through the Council, and strengthen the Council's ability to address Arctic issues within its purview, GAO recommended that the Secretary of State take the following three actions:

- As a part of its responsibilities in assuming the Council chair in 2015 and in collaboration with other relevant agencies, develop a joint strategy for U.S. participation in the Council that outlines a clear direction for the agencies and identifies resources needed to sustain collaborative efforts and consistent participation in the Council.
- Develop a process to review and track U.S. progress in implementing existing and any future recommendations.
- Work with other Arctic States to develop guidelines for producing clear recommendations with measurable actions and prioritizing the recommendations.

A pdf of the report can be found at the following link:  
<http://www.gao.gov/products/GAO-14-435>



## Appendix 2 – Acknowledgements

The project leaders would like to take this opportunity to express our gratitude to: all SAIs and individuals who have worked on this audit; the numerous government agencies and ministries who cooperated with us; the leadership of the Arctic Council, members of its working groups and task forces, and selected individuals who spoke with us regarding their perspectives on the Council. We would like to thank all of you for your support, cooperation, wise counsel and dedication.

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Office of the Auditor General of  
Norway

Riksrevisjonen  
P.O.Box 8130 Dep  
N-0032 Oslo

+47 22 24 10 00 (Tel.)  
+47 22 24 10 01 (Fax)  
riksrevisjonen@riksrevisjonen.no

[www.riksrevisjonen.no](http://www.riksrevisjonen.no)

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