



**PROGRAM FOR THE
PROTECTION OF THE ARCTIC MARINE ENVIRONMENT**

PAME

**Working Group Meeting Report
No: II-2001**

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Moscow, Russian Federation**

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Session I: Welcome and Introduction

Session I (1): Adoption of Agenda

The Protection of the Arctic Marine Environment (PAME) Working Group met in Moscow, Russian Federation, October 9-11 2001. Participants attending the Meeting are listed in Appendix I.

The Meeting was chaired by Mr. Tom Laughlin from the National Oceanic and Atmospheric Administration (NOAA), United States. The Chair expressed gratitude to the Russian Federation, the PAME Secretariat and ACOPS for their work in arranging the Meeting. A list of documents submitted for consideration at the Meeting is in Appendix II.

The Meeting expressed gratitude to a greeting letter sent to the PAME Meeting from Mr. James C. Greenwood the Chair of GLOBE USA and President, Globe International as shown in Appendix III

The Meeting adopted the agenda as shown in Appendix IV.

Session I (2): Report from PAME Secretariat

The PAME Secretariat provided a summary of the activities and a budget statement for the period of January 1, 2000 – December 31, 2000 as well as the expected operational expenditures for the calendar year 2002 and total voluntary contributions and expenditures for the period of 1999-2001 (Appendix V).

Session I (3): Report from SAO meeting

The Chair gave a short summary of the main conclusions pertaining to PAME from the SAO meeting held 12-13 June, 2001 in Rovaniemi, Finland and made a note of a joint letter by the Chair's of ACAP and PAME presented at last SAO meeting in an effort to increase efforts towards greater cooperation and coordination between ACAP and PAME.

The Chair noted that Mr. Pekka Havisto's report on the restructuring of the Arctic Council had been discussed at the last SAO meeting. The Arctic Council Chair, Mr. Peter Stenlund, has been in bilateral discussions with individual Member States regarding the recommendations of the report. Based on these bilateral discussions, he will prepare a discussion paper for the next SAO meeting to be held in Espoo, Finland November 6-7, 2001.

The Meeting agreed to the Chairs suggestions that it was not appropriate to provide collective PAME comments on Mr. Havisto's report as individual Member States had done so.

The Chair noted the need for PAME to focus its efforts towards finalizing deliverables prior to the next Ministerial meeting as follows:

1. Update on its Work Plan for 2002-2004.
2. Review of Legal Analysis and the Offshore Oil and Gas Guidelines.
3. Report on progress on the Regional Programme of Action for the Protection of the Arctic Marine Environment from Land-based Activities.

Session II: Review of Legal Instruments

The Chair noted that the review of legal analysis will include:

1. A factual update of the matrix of legal instruments;
2. record the status of the 1996 PAME Recommendations; and
3. identification of new problem areas or priorities (if any).

Session II (1): Presentation on summary documents

The Meeting reviewed the summary documents on the update of the 1996 PAME Recommendations provided by lead countries as follows:

- Unites States – Dumping Activities
- Norway – Shipping Activities
- Denmark/Greenland - Offshore Oil and Gas Activities
- Canada - Land-based Activities

A discussion paper on land-based activities (LBAs) prepared by Canada was reviewed. Canada noted that while new information may have increased the level of understanding, the areas of concern remain the same with the possible addition of habitat destruction. Arctic countries have made significant progress in meeting the recommendations of the 1996 report.

Denmark/Greenland noted that UNEP is in the process of making a global Mercury assessment.

The United States and others urged all Arctic Council countries to support UNEP's Global Mercury Assessment in an effort to highlight its Arctic component.

Sweden will provide the OSPAR Quality Status Report 2000, Part 1 Arctic Waters to the PAME Secretary.

Session II (2): Discussion of identified problems if any

A list of questions provided by Canada to facilitate the review of the adequacy of legal and non-legal measures for the protection of the Arctic marine environment was modified for countries to review and address in an effort to finalize the document in time for the next Ministerial meeting, and for possible inclusion in the 2002-2004 PAME Work Plan.

Session II (3): Proposal for a work plan to finalize the review

The Meeting agreed to the following procedure:

- *Finalize the update of the recommendations from the PAME 1996 report (compiled information in Appendix VI).*
- *Countries review the following set of questions to finalize the PAME review and report to the Arctic Council Ministerial meeting in October 2002, in cooperation with other working groups of the Arctic Council.*
 1. *What are the priority areas and have the pollution sources changed since 1996 and if so how?*
 2. *Does the 1996 source by source analysis still accurately reflect the threat (current and projected) to the marine environment?*
 3. *Have the legal and other measures PAME recommended in 1996 been implemented?*
 4. *What, if any, further measures and actions should PAME recommend to the Arctic Council?*

The Meeting agreed to following timetable for updated the 1996 recommendations and for updated responses to these questions:

- *By October 31st the Secretary will revise and summaries the compiled recommendations and send it to PAME representatives for their review.*
- *PAME representatives are to provide comments to lead countries by January 15th 2002.*
- *Lead countries are to send compiled recommendations to the Secretary by March 1st 2002.*

- *Secretary is to send revised recommendations to all PAME representatives by March 16th 2001 for their review prior to the next PAME meeting.*

Session III: Regional Programme of Action

Session III (1): Progress Report on the Russian NPA-Arctic

Mr. Boris A. Morgunov, Deputy Director of the Department for the North Affairs, spoke on behalf of the Ministry of Economic Development and Trade of the Russian Federation (Appendix VII).

The NPA Arctic had been adopted by the Ministry of Economic Development and Trade, in agreement with the Ministry of Natural Resources and Roshydromet. This means that the NPA Arctic has now gone through the process of incorporation into the Russian institutional system of the Federal-Targeted Orientated Programmes (FTOP) "World Ocean" and been formally adopted. Official translation of the finalized Russian NPA-Arctic will be made available prior to the GPA Intergovernmental Review Meeting to be held 26-30 November 2001 in Montreal, Canada.

The GEF Full Project Proposal has been prepared and officially sent to the GEF Secretariat for its review and submission to the GEF Council at its meeting to be held 6-7 December, for its formal adoption. Russia is currently reviewing amendments made to the proposal by GEF. The next steps include:

1. Appointment by the Ministry of Natural Resources of GEF authorized official;
2. endorsement of the revised version of the GEF proposal; and
3. forwarding the revised version to the GEF Secretariat.

Canada noted the importance of the Russian NPA-Arctic to the overall work of the Arctic Council and expressed its continued support to both its technical and organizational aspects.

In response to a question from Norway, Russia clarified that the Russian NPA-Arctic is a component part of the FTOP "World Ocean" which has been approved by the Government.

RAIPON noted its interest in the objectives of the NPA-Arctic and hoped to be invited to participate in all its activities which effect the Indigenous Peoples of the North.

The Meeting expressed its gratitude to Russia for its encouraging efforts towards a successful implementation of the Russian NPA-Arctic.

Session III (2): Report on progress and work on the GEF project

Advisory Committee on Protection of the Sea (ACOPS) provided basic information regarding the GEF project proposal "Support to the Russian NPA-Arctic":

- the \$30 million GEF project is only a small part of the Russian NPA-Arctic and does provide the necessary conditions to implement its actions in the long-term;
- the \$30 million is broken down into \$10 million from GEF; \$10 million from the Russian Federation (1/3 in kind; 1/3 through FTOP "World Oceans", 1/3 from regions and private sector); and \$10 million from counterpart contributions;
- it is planned that the implementation of the project will take 5 years and if the Project proposal will be adopted by the GEF Council meeting in Dec. 2001 it is expected that the implementation of the Project will start in April or May 2002;
- it has been estimated that ultimate capital investments needed to address the Arctic environmental problems may be in the range of \$40-50 billion;
- the Russian NPA-Arctic will be highlighted at the upcoming GPA Intergovernmental Review Meeting, to be held in Montreal, Canada, 26-30 Nov. 2001; and
- private sector support is important for the planned roundtable meetings and the Partnership Conference.

ACOPS presented the content of the Project proposal including overall and main objectives; outcomes; and major components of the GEF Project proposal. Major components of the proposal are:

- (a) Formulation of a Strategic Action Programme (SAP);
- (b) Legislative, administrative and institutional capacity improvements;
- (c) Pre-investment studies; and
- (d) Demonstration projects.

SAP is to identify specific targeted and costed measures for addressing priority environmental issues derived from land-based activities within the Russian

Federation. Pre-investment studies are to determine optimum set of investment projects dealing with environmental damage and threats in the Arctic stemming from activities within the Russian Federation. Component on legislative, administrative, and institutional capacity improvements shall: draw up the legal framework and regulations required to facilitate the implementation of the SAP; design a system of division of responsibilities and the assignment of agency responsibilities for the institutional implementation of the SAP; and assess the technical and human resource requirements for implementation of the SAP and specify what administrative structures, designation of responsibilities, information exchange and assessment procedures are required for its implementation. Demonstration projects include: use of the brown alga (*Fucus*) to act as a cleanup agent in coastal areas; environmental remediation of two decommissioned military bases in differing locations and conditions so that they can be transferred to public or private sector use for the benefit of communities or companies; and establishment of a demonstration of new and efficient legal and economic mechanisms to harmonise the interests of companies extracting natural resources with those of the indigenous peoples.

In the discussion following the presentation, some participants expressed concern with the very tight time-frame for the fund-raising for the counterpart contribution and questioned the feasibility of getting concrete financial commitments from countries prior to the GEF Council meeting in December 2001.

Lord Julian Hunt, Chairman of ACOPS, addressed the Meeting and said that it held particular significance in the wake of the recent tenth anniversary celebrations of the Arctic Council, as well as the forthcoming preparations for the WSSD. Despite the possibility of restructuring of the Arctic Council, he believed that PAME would continue to play a strong role in concert with the other working groups. It was his intention actively to support the continuing ACOPS programme in the Russian Federation and he particularly welcomed the full integration of the NPA-Arctic, with the development of which ACOPS had assisted the Russian Government over a number of years, into the Russian institutional and legal system. Many supporting activities could now be envisaged and it was encouraging to note the financial contribution pledged by the Russian Federation itself.

Endorsement of the GEF Project proposal "Support to the Russian NPA-Arctic" by the GEF focal point within Russia was now needed in order to launch a major project that could in turn lead to many further important activities, which could be discussed at the upcoming Intergovernmental Review meeting of the Global Programme of Action for the Protection of the Marine Environment from Land-Based Activities and the proposed Partnership Conference and roundtable meetings that are intended to mobilise the support of the private sector as a complement to the bilateral assistance provided by western circumpolar countries and the European Union. Of particular interest to the private sector

would be the sustainable economic development aspect that accompanied the ongoing efforts to protect Russia's coastal and marine environment. Though an international NGO, ACOPS was based in London, and he would seek the support of the British Government for the programme.

Session III (3): Involvement of PAME Members

It was noted that the NPA-Arctic is an important component of the RPA implementation phase which has been endorsed by the Arctic Council ministers. The NPA-Arctic is a part of PAME's work plan. PAME's involvement provides support to the NPA-Arctic and its associated GEF project through various means such as:

- Financial contributions; and
- planned roundtable meetings.

The Chair stressed the importance of active involvement of PAME members in the Russian NPA-Arctic project. The Chair asked that PAME participants be provided with the full GEF Project Proposal including a break-down of proposed expenditures.

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 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.*

Session III (5): Update on ACAP Projects

Mr. Gary Waxmonsky, United States, gave a short update on ACAP as follows:

The Arctic Council Action Plan (ACAP)consists of two parts, an overall strategy designed to provide a framework for cooperation; and an accompanying Action Plan, which can respond to indentified priorities in the form of specific projects and activities. At the last Ministerial meeting in Barrow it was decided to initiate work on seven project proposals. Of these, one is pending further refinement and one deals with contaminant-specific fact sheets which can be found on the AMAP website at <http://www.amap.no> The other five address various categories of pollutants including PCB's, dioxin, obsolete pesticides and atmospheric mercury. Another project seeks to introduce cleaner production processes at the large metallurgical complex in Norilsk. This project and most of the ACAP efforts are focused on problems in Russia.

Funding commitments from various Arctic Council Member States for ACAP projects presently exceeds \$ 1 million USD, of which the U.S. contributions total over \$ 400.000 USD.

The next meeting of the ACAP Steering Committee is expected to take place on Nov 5, 2001, in Espoo Finland, on the eve of the upcoming SAO meeting. The Steering Committee is chaired by the Norwegian Pollution Control Authority.

Session III (6): Update on the Arctic Clearing House Process

Development of an Arctic Clearing-house on land-based activities is on-going by the PAME Secretariat.

A new window to the PAME Homepage has been created and is in line with the format of the GPA Clearing-House format. There are currently links to other related websites and Arctic-specific information on POPs, heavy metals and Radionuclides. The Secretary informed the Meeting that individual countries would be contacted for more country-specific information.

Canada offered to provide technical assistance in the development of the Arctic Clearing-house if requested by the Secretary.

Session III (7): Other RPA Proposals and NPA Progress Reports (if any)

Paper was presented by the Secretariat on possible options and ways forward on RPA specific issues with respect to PAME's 2002-2004 Work Plan (Appendix VIII).

Sweden raised the question of whether AMAP in their future assessments, will give information on the anthropogenic load of heavy metals and POP's to the marine area of the Arctic. If so, does the information include the main sources and the amount of the pollution from each source. Sweden asked the Secretary to contact AMAP to find out whether the assessment will give this information.

The Chair noted that new activities related to the RPA would need lead country/countries.

The Meeting agreed to consider next steps in the implementation of the RPA in the context of developing the 2002-2004 PAME Work Plan.

Session IV: Relations with Other Organizations and Working Groups

Session IV (1): Progress Reports from Working Groups of the Arctic Council

AMAP

AMAP met in Stockholm on 30 August 2001. followed by a joint AMAP/CAFF meeting on the 31 of August 2001. AMAP's Chair, Ms. Hanne Petersen, resigned due to a new position in Denmark and The Vice-Chair of AMAP. Mr. Helgi Jenson took over the Chair from Hanne Petersen. As new Vice-Chair Mr. Yuri Tsaturov from the Russian Federation was elected. SAO's will be requested to confirm their agreement to this decisions at the next SAO Meeting.

AMAP has been asked by Ministers to prepare an updated assessment regarding oil pollution and threats to the Arctic environment and people. AMAP therefore proposes to have a joint International Conference on Oil and Gas Activities and Pollution Threats in the Arctic to be held in 2003.

AMAP would like to see such an International Arctic Oil and Gas Conference arranged as a joint event between related Arctic Council Working Groups – oil and gas companies, other agencies concerned with oil issues, and Arctic Indigenous Peoples organisations. A letter has been sent out to the Arctic Council Working Groups and its Secretariats with a tentative agenda for the Conference. AMAP proposes to discuss this issue at the Chair meeting in Espoo next month.

The joint AMAP/CAFF meeting discussed the preparation of the Arctic Climate Impact Assessment (ACIA) Policy Document and drafted a proposal for a

strategy to prepare this Document. It is hoped that the final strategy will be endorsed at the next Ministerial meeting to be held in October 2002.

AMAP/CAFF have been asked by ministers to implement ACIA in cooperation with IASC. It is however important that the other Arctic Council Working Groups be involved in the production of its relevant parts of as well ACIA scientific report and the ACIA policy document. Experts from other W.G. should be nominated to take part in the drafting of relevant chapters of the ACIA scientific report and involved in commenting on the draft chapters.

With respect to the ACIA policy document the Arctic Council Working Groups should be involved in preparation of the policy recommendations relevant to their work and expertise. The degree of the SAO's involvement in the ACIA policy document has not yet been decided.

The meeting reviewed a letter sent out by the AMAP Board on October 3, 2001 on proposal for arrangement of Joint International Conference on Oil and Gas activities and Pollution Threats in the Arctic, to be held in 2003.

The Meeting agreed that if the terms of reference for this Conference are as proposed by the AMAP Secretariat, that consideration be given to the Conference being an Arctic Council activity rather than a working group activity. Planning, executive and follow-up to the Conference should reflect the distributed duties within the Arctic Council. It was also agreed that the interest of the private sector must be ascertained.

CAFF

The Chair of CAFF sent out a written report to the Chair of PAME on the working group activities and highlighted activities that are relevant to PAME.

A CAFF Board meeting was held in Uppsala, Sweden 29-30 August, 2001, and a joint CAFF/AMAP meeting, focusing on ACIA and joint monitoring interests, was held in Stockholm, 31 August, 2001.

Two issues raised and discussed might be of special interest of PAME.

1. Collaboration in the marine environment through CPAN (Circumpolar Protected Areas Network)

The CAFF Board meeting discussed several recommendations relevant for marine protection and adopted one for action. This recommendation reads as follows:

“Complete a compendium of ecologically important marine areas as a basis for further development of CPAN, as well as a basis for preparing any relevant guidelines for marine user groups”

The work would include identifying and mapping ecologically important marine areas, including areas already protected or proposed, developing a protection framework for these areas as well as any relevant guidelines.

CAFF's CPAN Standing Committee will be requested to scope this recommendation further and prepare a proposal for CAFF to address in spring of 2002.

The CAFF Board meeting invited PAME to participate in this work and attend the next CPAN Standing Committee meeting, tentatively scheduled for late 2001 or early 2002

The Meeting agreed that with respect to PAME's participation in CPAN, in particular in relations to habitat destruction in coastal areas, it would as the first step request the PAME Secretary to participate in the next CPAN Standing Committee meeting and report back to PAME at its next meeting.

2. Collaboration in ACIA (Arctic Climate Impact Assessment)

The CAFF Board meeting discussed a request from PAME to be involved in preparation of the ACIA Policy Document, to be developed during 2002-2004, and decided to welcome PAME's participation in this process.

The joint CAFF/AMAP meeting discussed the preparation of the ACIA Policy Document and agreed that all Arctic Council working groups would be invited to join the process. A plan for preparing the Policy Document is being developed by the AMAP and CAFF Secretariats and a first draft will be tabled at the November 2001 SAO meeting in Espoo, Finland.

The Meeting agreed that PAME's issues such as land-based activities and shipping activities need to be adequately covered in the ACIA scientific assessment of which the ACIA Policy Document will be built on.

EPPR

EPPR informed the Meeting on its working group activities and highlighted activities that are relevant to PAME.

The Circumpolar Map of Resources at Risk from Oil Spills in the Arctic will not be ready for the 2001 November SAO Meeting as planned but is hoped to be completed in time for the spring 2002 SAO Meeting, if not it will surely be presented at the Ministerial Meeting.

Finland is conducting a survey on past major accidents in the Arctic. The result from the survey will be used to determine the coming activities of EPPR. The results from the survey might also be used in discussion regarding broadening EPPR's mandate.

The Chair of EPPR is preparing a "shopping list" of possible new projects/activities for EPPR. This list will be discussed at the next EPPR meeting to be held in April 2002 in Cordova, Alaska, U.S.

The EPPR Secretary also informed the Meeting of an international seminar on "Combatting Oil in Ice and Cold Conditions" which will be held in Helsinki, Finland 20-22 November 2001. Information on this can be obtained from the EPPR Secretary.

Session IV (2): 2nd Draft Communication Strategy

The Meeting reviewed the 2nd draft Communication Strategy prepared by the Secretary and it was approved as presented.

The Meeting agreed that the Communication Strategy is a working document and should be amended and updated in line with the development of PAME's Work Plan for 2002-2004.

Session IV (3): Draft Capacity Building Document

The PAME Secretary introduced the 1st draft report on Capacity Building with the aim to address the main aspects of PAME's work.

The Meeting agreed that further elaboration on this 1st draft should occur in the context of the outcome of the Arctic Council Capacity Building Workshop to be held 1-2 November 2001 in Helsinki, Finland and on any additional information from the next SAO meeting. The Secretary will prepare the 2nd draft of the Capacity Building document to be distributed prior to the next PAME meeting.

Session V: Shipping Activities

Session V (1): Arctic Waters Oil Transfer Guidelines

Canada as the lead country on developing Arctic Waters Oil Transfer Guidelines informed the Meeting that due to staff changes, the establishment of correspondence group for the purpose of developing these Guidelines has not been completed. Canada will send out a call letter asking for specific contacts in the various countries to form a new correspondence group by mid-November 2001.

Participants were encouraged to respond to Canada's request to confirm appropriate point of contact in an effort to form a correspondence group. The Meeting noted that due to the short timeframe then it was unlikely that these Guidelines could be completed in time for the next Ministerial meeting as initially planned but rather be presented in a draft format to the Ministers to indicate progress and its completion be included in the PAME Work Plan for 2002-2004.

Canada provided an update of the status of the Draft Guidelines for Ships

Operating in Arctic Ice-Covered Waters.

International Maritime Organization (IMO) SubCommittee on Ship Design and Equipment (DE) met for its 44th session on 5-9 March 2001 and agreed on the draft Guidelines for Ships Operating in Arctic Ice-Covered Waters. This document was then sent to other specialist sub-committees for their input. Pending any further input the Guidelines will be finalized at DE in March 2002.

Later the *Guidelines* will be sent for publication as a joint Circular by the parent bodies MSC (Marine Safety Committee) and MEPC (Marine Environmental Protection Committee), by 2003. Another very important and related document, the International Association of Classification Societies (IACS) Unified Requirements (UR's) for Polar Ships will be presented to the IASC Council this year and will be implemented by the 12 Classification Societies within one year, i.e. by 2002.

Objective of the Guidelines

The Guidelines are aimed at ensuring safe navigation of ships and the prevention of pollution in Arctic Waters. Ships operating in the Arctic environment are exposed to a number of unique risks. Poor weather conditions and the relative lack of good charts, communications systems, and other navigational aids pose challenges for mariners. The remoteness of the areas makes rescue or clean-up operations difficult and costly. Cold temperatures may reduce the effectiveness of numerous components of the ship, ranging from deck machinery and emergency equipment to sea suction. When ice is present, it can impose additional loads on the hull, propulsion system and appendages.

The Guidelines are therefore intended to address additional provisions deemed necessary for consideration beyond existing requirements of the SOLAS Convention in order to take into account the climate conditions of Arctic ice-covered waters and to meet appropriate standards of maritime safety and pollution prevention.

The draft Guidelines cover design, outfitting and operation of relevant ships, including crewing by adequate numbers of suitably trained personnel.

Session V (2): Follow-up on Snap Shot Analysis

The Meeting was informed by Norway that due to the absence of its shipping experts the discussion on further developments of the Snap Shot Analysis proposal be postponed until next PAME meeting.

Session V (3): Coordination with other Groups on Shipping

EPPR noted that the Circumpolar Map of Resources at Risk from Oil Spills in the Arctic might be of relevance to shipping activities addressed within the PAME

Working Group but will likely not be finalized until fall 2002.

The Russian Federation gave an update on the Northern Sea Route (NSR) (Appendix IX). In July 1991, the first set of rules for the NSR were developed, and currently the NSR administration is developing a new set of regulations that will be adopted in the near future. Further work is needed in this area with new set of regulations that still need to be adopted, in addition, requirements for vessels need to be updated. To improve management structure and to increase effectiveness of NSR usage, the governmental Commission of the Russian Federation had made a decision to found an organization/enterprise which will join efforts of all NSR users. Today this non-commercial enterprise consists of 25 organizations, including 5 from Arctic territories and 5 navigational companies from the Russian Federation that have an interest in this transportation route, in addition to scientific and other organizations. The goal of this partnership is to provide safety on the NSR and to protect the environment. The enterprise is interested in establishing contacts with other organizations such as the Arctic Council to explore possible cooperation.

Session VI: Other PAME Related Activities

Session VI (1): PAME message to WSSD 2002

The PAME Secretary was requested to draft PAME specific input to the Arctic Council message to the WSSD 2002 by October 19, 2001 to be distributed to participants for their review. Participants were requested to respond back no later than October 26, 2001 in time for the next Arctic Council Chair meeting in Espoo, Finland on November 4, 2001.

Session VI (2): PAME interventions at the 2001 GPA Intergovernmental Meeting

The PAME Secretary presented a proposed poster presentation for the GPA Intergovernmental Review meeting to be held in Montreal, Canada 26-30 November 2001 and noted that it was important that countries provide their one paragraph update on the status of individual NPA's or relevant national efforts by October 19, 2001 so this may be possible.

Session VI (3): Any other activities

IUCN provided an update on its development of Arctic Strategy and Action Plan. It was noted that the draft strategy will be submitted to the next meeting of the IUCN Council. Request for comments was sent out to all Arctic Council countries and relevant organizations and are currently in the process of being compiled.

The Meeting agreed to review the proposed action components of the IUCN Arctic Strategy when they become available for comment and that this be on the agenda for the next PAME meeting.

Session VII: Offshore Oil and Gas

The Meeting reviewed comments received from Denmark/Greenland and Norway in PAME's efforts to evaluate the adequacy of the 1997 Offshore Oil and Gas Guidelines. Following are general notes from the Meeting on the suggested changes by Denmark/Greenland for the purpose of providing guidance for its next iteration:

Comment 1 – accepted by everyone.

Comment 2 – Canada and Oil and Gas Producers (OGP) asked for clarification on the terms such as “chemicals used”. WWF asked for clarification on the definition of “acceptable criteria” and agreed to provide a definition to the PAME Secretariat by mid-November.

Comment 3 – Keep both approaches (performance based and traditional approaches) in the guidelines and retain the text with adjustments that reflect this. Need to expand text on the “Traditional Approach”.

Comment 4 – rewrite the text to reflect suggested changes.

Comment 5 – clarification needed on suggested text in addition to a need for definition of terms to be included in an Annex.

Comment 6 – needs clarity, further elaboration or possible deletion.

Comment 7 – proposed text not to be deleted. Possible elaboration on the “Traditional Approach” to reflect the current use of different systems.

Comment 8 – unclear of concepts used.

Comment 9 – text bracketed as text unclear and too detailed compared with the rest of the Guidelines.

Comment 10 – text bracketed as text unclear and possibly too restrictive for the purpose of the Guidelines.

All participants are invited to provide more detailed comments directly to Denmark/Greenland on their suggested changes to the Guidelines by the end of November 2001.

The Meeting agreed with Norway's comments (meeting document no: PAME II – 2001/sec VII (1)(b)) that the Guidelines be kept a separate document the need for its periodic review, and that it should be made more user friendly, but asked that Norway provide more clear amendments to the Guidelines with concrete proposals on ways forward in addressing their comments. Norway agreed to provide a definition of an “Ecosystem Approach” and WWF on SEA. Comments

and amendments are due by the end of November to be distributed to participants by the PAME Secretary.

All participants are invited to provide comments on the Guidelines prior to the next PAME meeting and are asked to provide updates, if applicable, on definitions of country borders in addition to definition of terms used in the guidelines.

The Meeting agreed that comments/rewrites be sent to the Secretary by December 1st and next iteration of mark-up of the existing Guidelines be sent by the Secretary to all participants for their comments by 1 January 2002. Secretary is to receive comments from participants by 1 March 2002 to be distributed prior to the next PAME meeting.

Oil and Gas Workshop – Update and Status of RUNARC

The proposed Oil and Gas workshop did not take place as per the proposed agenda due to last-minute cancelation of participants.

Mr. Ivan Senchenya, Mr. Mikhial Polkanov and Ms. Elena Lebedeva from the Center for Preparation and Implementation of International Projects (CPPI) gave presentations on the Russian-United States-Norwegian Project “Safety and Environmental Regime for Russian Offshore Oil and Gas Operations (RUNARC)”. Mr. Valentine Jouravel of the Russian company Rosshelf and Mr. Evan Britchard of the Petroleum Advisory Forum and Exxon Mobile-Russia gave presentations on RUNARC. Mr. Dennis Thurston of MMS, gave a short update on the parallels between RUNARC and the PAME Guidelines.

The RUNARC Presentation is provided in Appendix X.

The Meeting welcomed the presentations of CPPI and Industry on the RUNARC program and agreed that the establishment of an environmentally sound and stable legal and regulatory regime in Russia would constitute a substantial contribution to the protection of the Arctic marine environment.

The first phases of the RUNARC program have resulted in major progress toward this goal, but much remains to be done towards its implementation. The Meeting therefore agreed to recommend to SAO’s that the Arctic Council together with potential partners consider identifying what steps it could take to encourage and support the efforts of the Government of the Russian Federation toward this end, including the possibility of communication between the Arctic Council Chair and appropriate officials of the Government of the Russian Federation.

Session VIII: Future Work Programme

The Meeting agreed that the next PAME meeting should take place in April 2002

to finalize Ministerial deliverables and the 2002-2004 PAME Work Plan. Tentative schedule is 16-18 April 2002 in Iceland. The Secretariat was asked to explore possibilities to have half a day joint meeting with CAFF.

Session VIII (1): PAME Work Plan

The PAME work plan for 2001-2002 is summarized in Appendix XI.

Session VIII (2): Reporting to the Next SAO Meeting

The Chair will report on the outcome of the PAME meeting at the next SAO meeting that will be held Espoo, Finland, 6-7 November 2001.

APPENDIX I

LIST OF PARTICIPANTS PAME Working Group Meeting October 9-11 – Moscow, Russian Federation

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<p><u>Vladimir V. Titelmin</u> LUK Oil Head of Projects Department of Public Communications</p>	<p><u>Vladimir L. Yakimenko</u> LUK Oil Leading Specialist Department of Public Communications</p>
<p><u>Nikolai I. Burdakov</u> LUK Oil Deputy Head Department of Industrial Safety, Protection of Labour, Environment and Extreme Situations</p>	

APPENDIX II

LIST OF DOCUMENTS

**PAME Working Group Meeting
October 9-11 – 12, 2001
Moscow, Russian Federation**

Agenda Items	Documents
Agenda Item I: Welcome	<ul style="list-style-type: none"> (1) Draft agenda (1) Chairmans annotation to the agenda (3)(a)/INF. Joint letter by PAME/ACAP to SAOs June 2001 (3)(b)/INF. PAME Operating Guidelines (3)(c)/INF. SAOs June 2001 - PAME decisions (3)(d)/INF. PAME Chair at AEPS Anniversary June 2001 (3)(e)/INF Restructuring of the Arctic Council
Agenda Item II: Review of Legal Instruments	<ul style="list-style-type: none"> (1)(a)/Canada LBA-legal(1)(a)/INF/Canada (1)(b) Denmark offshore - legal (1)(c) Norway shipping-legal (1)(d) USA dumping - legal (1)/INF. 1996 Recommendation Tables
Agenda Item III: RPA	<ul style="list-style-type: none"> (1)(a)/INF. GEF PDF B Russian Arctic Hot Spots (1)(b)/INF. Hot Spots Annexes I, II, III, IV, V (1)(c)/INF Rovaniemi speech on the Russian NPA-Arctic (4) Draft Roundtable Meeting (6) RPA Update
Agenda Item IV: Other organizations	<ul style="list-style-type: none"> (1)/INF. AC Message to WSSD (2) Draft PAME to GPA (2)/INF. /IGR 1 - GPA IGR Newsletter #1 (2)/INF./IGR 2 - GPA IGR Newsletter #2 (3)/INF I IUCN Arctic Strategy (3)/INF II IUCN Arctic Strategy (3)/INF letter IUCN (3)/INF RUNARC Update
Agenda Item VII: Offshore Oil and Gas	<ul style="list-style-type: none"> (1) Compilation of Comments (1)(a) Oil & Gas Working Document (1)(b) Comments from Norway (1)(c) Comments from Denmark

APPENDIX III

LETTER FROM CHAIR OF GLOBE USA



Chair
James C. Greenwood
Member of Congress

Executive Director
William R. Singleton

October 5, 2001

Dear Delegates:

On behalf of the members of GLOBE USA and GLOBE International (Global Legislators Organization for a Balanced Environment), I would like to extend my warmest greetings to the delegates attending the working group meeting of the program for the Protection of the Arctic Marine Environment (PAME), October 9-11, 2001 in Moscow.

Since GLOBE's founding in 1989, we have been working to address the world's most critical environmental challenges. As we look forward to the World Summit on Sustainable Development, GLOBE International will be working with its membership at the national, regional and global level, to elevate the discussions related to protection of the marine environment from land and sea-based activities.

My colleague, Representative Curt Weldon, had the opportunity to speak with many of you during the PAME dinner in Washington DC in January at which he expressed our support of the Russian National Plan of Action for the Protection of the Marine Environment. In your discussions, I encourage you to continue to strive to meet the challenges that lay ahead and know that as Members of your national parliaments, we will continue to work hard to guarantee a healthy future for our marine and coastal environments.

Sincerely,

A handwritten signature in black ink that reads 'Jim Greenwood'. The signature is fluid and cursive, with a large initial 'J'.

James C. Greenwood
Chair, GLOBE USA &
President, GLOBE International

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APPENDIX IV

AGENDA

**PAME Working Group Meeting
October 9-11, 2001
Moscow, Russian Federation**

TUESDAY, OCTOBER 9

09:00-09:30 Coffee and get-together

09:30-10:00, Session I: Welcome and Introduction (Chair)

1. Adoption of agenda
2. Report from Secretariat (expenditures and voluntary contributions, PAME Brochure etc.)
3. Report from SAO meeting (Chair – ACAP/PAME letter, Operating Guidelines, support to Russian NPA-Arctic, Report on AC Restructuring etc.)

10:00-11:30, Session II: Review of Legal Instruments

1. Presentations of summary documents by relevant lead countries.
2. Discussions on identified problems if any and ways forward.
3. Proposal for a work plan and a reporting format to finalize the legal review process to be presented to the next ministerial (secretariat).

11:30-12:00, Session III: Regional Programme of Action

1. Progress report on the Russian NPA-Arctic from the Ministry of Economic Development and Trade.

12:00-13:00 Lunch Break

13:00-15:00, Session III: Cont.

2. Report on progress and work to be accomplished until the GEF Council meeting in December 2001 (ACOPS).
3. Involvement of PAME members and funding in the Russian NPA-Arctic.
4. Update on progress and planning of the Private Sector Round-table meeting and preparation of the Partnership Conference.

15:00-15:15 Coffee Break

15:15-17:00, Session III: Cont.

5. Update on ACAP projects – links with the Russian NPA Arctic and further involvement and integration with PAME.
6. Update on the Arctic Clearing House process.
7. Consider other RPA project proposals and progress reports on NPAs (if any).

WEDNESDAY, OCTOBER 10

09:00-10:00, Session IV: Relations with other Organizations and Working Groups

1. Short summary from each working group on upcoming/continuous work (CAFF/EPPR/AMAP).
2. Review and finalize 2nd draft Communication Strategy.
3. Review draft Capacity Building.

10:00-11:00, Session V: Shipping Activities

1. Arctic Waters Oil Transfer Guidelines – Canada.
2. Proposal on follow-up activities of the Snap Shot Analysis – Norway.
3. (Explore co-ordination with other AC working groups, i.e. combining shipping information with sensitive mapping information from CAFF and EPPR.)

11:00-12:00, Session VI: Other PAME Related Activities

1. PAME message at the WSSD 2002.
2. PAME Intervention at the GPA Intergovernmental Review Meeting in Canada.
3. Any other activities

12:00-13:00 *Lunch Break*

13:00-14:00, Session VII: Offshore Oil and Gas

1. Review amendments and additions to the 1997 Guidelines (one of the building blocks for the workshop).

OFFSHORE OIL AND GAS WORKSHOP

14:00-15:00, Session A: Introduction

1. Introduction (goals of holding the seminar, etc.).
2. Short background and status of RUNARC.

15:00-15:15 *Coffee Break*

15:15-17:00, Session B: Plenary

Plenary session that highlights the key elements of regulatory practices during

planning, exploration and development of offshore oil and gas activities in the Arctic (each intervention including discussions no more the 30 min):

- Environmental Impact Assessment;
- Safety and environment management systems;
- Environmental Risk Analysis; and
- Inspection audits (including ISO 9000 and 14000).

EVENING: TBD

THURSDAY, OCTOBER 11

09:00-10:00: Session B: Plenary continues

10:00-12:00: Session C: Breakout

Breakout into 4 smaller sessions (one for each of the above topics). This will permit some interaction that will also result in the transfer of knowledge. It would be ideal to get some people (from government and industry) that are knowledgeable and experienced in each of the topics to be facilitators for each of the sessions. It is equally important that they will be able to encourage the discussions in each of the groups. Each group would get three issues to discuss that are based on the goal of the workshop i.e.

Group I:

What is being done with respect to capacity building in regards to offshore oil and gas regulatory practices in the Russian Arctic and other circumpolar countries?

Group II

Awareness and applicability of existing offshore oil and gas guidelines (e.g. way to increase efforts to promote awareness of and use of existing guidelines).

Group III

Recommended ways to increase coordination of efforts between existing offshore oil and gas guidelines and increase synergies with existing practices.

12:00-13:00 Lunch Break

13:00-15:00: Session D: Main Points

Plenary session to highlight the main points from each group with suggested

ways forward both in general and with respect to the PAME Guidelines (workplan).

Workshop Concludes

15:00-15:30 Coffee Break

15:30-17:00, Session VIII: Review Draft Meeting Report and Future Work Programme

1. Refine future work programme
2. Reporting to the next SAO Meeting

PAME Meeting Concludes

APPENDIX V

Provided below are operational expenditures and voluntary contributions in support of the PAME Secretariat as follows:

- Operational Expenditures for the Period of Jan 01 '00 – Dec 31 '00
- Projected Operational expenditures for the year 2002
- Country contributions and expenditures from 1999-2001

BUDGET STATEMENT FOR THE YEAR 2000

Operational Expenditures for the Period of Jan 01 '00 – Dec 31 '00

	TYPE OF EXPENDITURE	IKR	USD
	Staff	6.471.950	84.051
	Operating costs - office	2.573.781	33.426
	Operating costs - travel	3.215.186	41.756
	Contracted Work	451.456	5.863
	TOTAL	12.712.373	165.096

BREAKDOWN:

TYPE OF EXPENDITURE:		IKR	USD
STAFF	Salary, benefits,taxes,insurance,pension (1 person full time and 1 person 60%)	6.471.950	84.051
	Contracted Work	451.456	5.863
	SUBTOTAL	6.923.406	89.914
OFFICE	Service (telephone, fax, e-mail)	526.540	6.838
	Office supplies	515.981	6.701
	Housing (rent, heat, electricity)	967.563	12.566
	Shipping & freight	91.591	1.189
	Bank cost	17.467	227
	Initial Expences	454.639	5.904
	SUBTOTAL	2.573.781	33.426
TRAVEL	Domestic - airline tickets, taxis,rental cars	393.608	5.112
	International - airline tickets, hotel, per diem, etc.	2.821.578	36.644
	SUBTOTAL	3.215.186	41.756

PROJECTED OPERATIONAL EXPENDITURES FOR THE YEAR 2002

PROJECTED OPERATIONAL EXPENDITURES FOR 2002	
Operation of the Secretariat:	
Staff:	USD
Salaries, benefits, taxes, insurance, pension (1 person full time, 1 person 40%)	85.000
Subtotal:	85.000
Office:	
Service (Telephone, Fax, Computer, Photocopying)	6.000
Office Supplies	6.000
Housing (Rent, Heat, Electricity, Cleaning)	12.000
Shipping/Postage/Bank Services	2.000
Subtotal:	26.000
Travel:	
International	18.000
Domestic	7.000
Traveling costs (hotel, prediem, transportation)	20.000
Subtotal:	45.000
Total Projected Expenditures for 2002	156.000

COUNTRY CONTRIBUTIONS AND EXPENDITURES

COUNTRY CONTRIBUTIONS AND EXPENDITURES FROM 1999 - 2001 (in USD)				
Country	1999	2000	2001	Total/Country
Canada		20.000	10.000	30.000
Denmark		11.000	11.000	22.000
Finland		9.700	6.300	16.000
Iceland	133.400 ¹⁾	66.700	60.000	260.100
Norway		in-kind	in-kind	--
Russia		in-kind	in-kind	--
Sweden		17.600	17.600	35.200
United States		30.000	30.000	60.000
Total Contributions:	133.400	155.000	134.900	423.300
Total Expenditures:	55.000 ²⁾	165.000	155.000 ³⁾	375.000
Closing Balance:	78.400	-10.000	-20.100	48.300

Notes:

1) Icelandic contribution towards the start-up and operation of the PAME Secretariat in 1999

2) Of the total expenditure of 55.000 USD then 30.000 USD went into the start-up cost.

3) \$155.000 is projected expenditure for the year 2001 and is based on actual expenditure of \$52.000 for the first quarter of 2001. Projected expenditure for the calendar year 2001 is expected to be less then for the year 2000 due to homepage set-up costs.

APPENDIX VI

compiled information on the Update of the 1996 Report Recommendations

CHAPTER 3 – LAND-BASED ACTIVITIES

Tables as provided in the 1996 PAME Report

LEAD COUNTRY: Canada

1996 Recommendations	Current Status
1. All Arctic countries should be encouraged to ratify the United Nations Convention of the Law of the Sea (UNCLOS) and the Convention on Biological Diversity (CBD).	Canada - CBD ratified.
	Denmark - CBD ratified.
	Finland - both ratified.
	Iceland - both ratified.
	Norway - both ratified.
	Russia - both ratified.
	Sweden - both ratified.
	USA -
2. The Russian Federation should be encouraged to consider the possibility of becoming a Contracting party to the Convention for the Protection of the Marine Environment of the North east Atlantic, 1992 (OSPAR Convention).	Russia - not a party to OSPAR.
3. Arctic countries should continue to promote the early development of protocols relating to atmospheric emissions and discharges of POPs and heavy metals (HMs) under the UNECE Convention on Long-Range Transboundary Air Pollution (LRTAP).	Protocols on POPs and HMs have been developed under LRTAP.
	Canada - both ratified.
	Denmark - both signed.
	Finland - ratified HM, signed POPs.
	Iceland - both signed.
	Norway - both ratified.
	Russia -
	Sweden - both ratified.
USA - both signed.	
4. Arctic countries should continue to support the POP assessment process and the development of global convention for POPs pursuant to the decision taken at the Washington UNEP Conference in November 1995.	Stockholm Convention adopted May 22, 2001.
	Canada - ratified.
	Denmark - signed.
	Finland - signed.
	Iceland -
	Norway - signed.
	Russia -
	Sweden -
USA -	
5. Arctic countries should prepare National Action Programmes pursuant to the Global Programme of Action with emphasis on the priority issues of concern for the Arctic marine environment and related human health and report progress periodically to the AEPS Ministerial Conference. These action programmes should be aimed at addressing concerns relating to POPs, heavy	Canada - NPA prepared.
	Denmark - GPA met through OSPAR/HELCOM.
	Finland - GPA met through HELCOM.
	Iceland -
	Norway - GPA met through national regulations/ OSPAR/EU

<p>addressing concerns relating to POPs, heavy metals, radionuclides, oils and protection of critical wildlife habitat.</p>	<p>Russia- NPA prepared.</p>
	<p>Sweden-</p>
	<p>USA-</p>
<p>6. Regional co-operation in the Arctic should be strengthened through further development of the marine protection component of the AEPS, consistent with the Law of the Sea and the Global Programme of Action. In particular a joint process should be established to develop a regional programme of action to address land-based activities for consideration at the next Ministerial Conference. This regional Arctic Action Programme could include reporting, co-ordinated marine monitoring programmes, policy guidelines for technical assistance, use of traditional indigenous knowledge, and information network, identification of joint areas of concern and harmonisation of environmental requirements as well as information gathering on land-based inputs of pollutants to the Arctic marine environment, particularly those from rivers discharging into Arctic waters.</p>	<p>Regional Programme of Action for the Protection of the Arctic Marine Environment from Land-based Activities developed (Arctic Council, 18 September 1998) and being implemented.</p>

CHAPTER 4 – DUMPING ACTIVITIES

LEAD COUNTRY: United States

1996 Recommendations	Current Status
<p>1. The Arctic countries should continue to support the work within the LC72 process which promotes the adoption of more stringent international requirements governing dumping of wastes at seas.</p>	Canada-
	Denmark- ratified dumping Protocol. Participating in LC72 process.
	Finland- Participating in LC72 process.
	Iceland-
	Norway- ratified dumping Protocol.
	Russia-
	Sweden- Participating in LC72 Process.
	USA- in ratification process.
<p>2. The Arctic countries should be encouraged to enforce, fund, and, where necessary, strengthen domestic legislation regulating dumping at sea in all marine waters.</p>	Canada-
	Denmark- prohibits all dumping in its waters with exception of clean dredged material.
	Finland- prohibits all dumping in its waters and from Finnish vessels in any waters.
	Iceland-
	Norway- has implemented LC protocol in its regulations. Regulation on dumping steel vessels is stricter than the LC, aiming to increase recycling of metals.
	Russia-
	Sweden- prohibits dumping.
	USA-
<p>3. To address concern with past dumping of radioactive material in Arctic waters, the Arctic countries should encourage continued national and international research and assessment of this problem and provide for broad exchange of the results of the assessments.</p>	Canada-
	Denmark-
	Finland-
	Iceland-
	Norway- performs assessments of radiological impact of dumped radioactive waste in the Arctic seas through bilateral Norwegian-Russian expeditions and through AMAP and IAEA.
	Russia-
	Sweden-
	USA-

4. The Russian Federation should be encouraged to accede to the amendment prohibiting the dumping of low-level radioactive waste at sea adopted in 1993 by the LC72.	Russian Federation has not acceded. Arctic countries will continue to encourage Russian Federation.
5. The Arctic States should reaffirm their intention to co-operate with the Russian Federation to help ensure adequate land-based treatment facilities for low-level radioactive wastes.	Arctic countries will continue to encourage Russian Federation.
	Norway/USA- have co-operated with Russia to develop a facility to treat low-level radioactive waste from Atomflot in Murmansk. Facility is close to completion.
6. The Russian Federation should be encouraged to consider the possibility of becoming a Contracting Party to the Convention for the Protection of the Marine Environment of the North East Atlantic (1992 OSPAR Convention).	Russian Federation not a party to OSPAR. Arctic countries will continue to encourage Russian Federation.
	Norway- has initiated a bilateral project with Russia (2001) with objective of assisting Russia in harmonizing its regulations with OSPAR and eventually joining the convention.
7. The Arctic countries should work at either applying the provisions of LC72 or other effective permitting and regulatory measures to control dumping, as defined under LC72, in marine internal waters. The Arctic countries should also use their best efforts to provide on a voluntary basis summary reports on the types and nature of the materials dumped in marine internal waters.	Canada-
	Denmark- prohibits all dumping in its waters with the exception of clean dredged material. Rule also applies to its vessels globally.
	Finland- prohibits dumping from Finnish vessels.
	Iceland-
	Norway- applies internationally agreed dumping measures to Norwegian internal waters.
	Russia-
	Sweden- legislation in place forbidding dumping. Permits dumping of clean dredged spoils after EIA approval.
	USA- complies with voluntary provisions of LC.
8. The Arctic countries should also use their best efforts to provide, on a voluntary basis, summary reports on the types and nature of the material dumped in marine internal waters.	Canada-
	Denmark- provides reports on dumping to OSPAR and LC72.
	Finland- has reported dumping of dredged spoils to HELCOM and LC72 as requested.
	Iceland-
	Norway- reports annually to OSPAR and LC.
	Russia-
	Sweden- reports annually dredged spoils to HELCOM/OSPAR/IMO.
	USA- complies with voluntary provisions of LC.

CHAPTER 5 - SHIPPING ACTIVITIES
LEAD COUNTRY: Norway

1996 Recommendations	Current Status
<p>1. •develop a co-ordinated system for collection and sharing of data on shipping activities and the environmental effects thereof;</p> <p>•undertake an assessment of the potential of current activities and future increases in shipping activities due to the expansion of the Northern Sea Route, oil and gas and mining activities and other significant activities. The assessment should include collection of information on current activities and possible future activities, its analysis in the context of the Precautionary Approach and preparation of recommendations to Ministers;</p>	<p>a. PAME developed system for collection and sharing of data on shipping activities in Arctic; however decided not to finalize or implement.</p> <p>b. Snap Shot Analysis on Maritime Activities in the Arctic was welcomed by Arctic Ministers in Barrow (October 2000). Status?</p>
<p>2. promote the ongoing work with regard to the development of an IMO Code of Polar Navigation, with standards for ship construction and crew qualifications and facilitate implementation of the Code;</p>	<p>Planned “IMO Code” is now “Guidelines” and covers Arctic only. IMO has not finalized “The Guidelines for Ships Operating in Arctic Ice-covered Waters”. In Barrow, Arctic Ministers welcomed further co-operation on Guidelines. PAME has supported their development.</p>
<p>3. initiate a review of the adequacy of national and international measures to address prevention of any chronic problems with oil transfers in the Arctic;</p>	Canada-
	Denmark-
	Finland-
	Iceland-
	Norway-
	Russia-
	Sweden-
	USA-
<p>4. investigate additional regulatory measures for the prevention of pollution from the use of TBT in antifouling paints in the Arctic marine environment.</p>	<p>IMO to hold Conference in 2001 with goal to phase out the use of TBT by 2003, and prohibit the presence of TBT on Ships’ hulls by 1 January 2008.</p>
	Canada-
	Denmark- participated in IMO-negotiations to ban use of TBT in antifouling paints. Generally supports IMO TBT Protocol.
	Finland-
	Iceland-
	Norway-
	Russia-
	Sweden-
USA-	

CHAPTER 6 – OFFSHORE OIL AND GAS ACTIVITIES
LEAD COUNTRY: Denmark/Greenland

1996 Recommendations	Current Status
1. All Arctic countries should be encouraged to ratify the United Nations Convention on the Law of the Sea (UNCLOS)	Canada- has not ratified.
	Denmark- has not ratified.
	Finland- entry into force 21 July 1999.
	Iceland- has not ratified.
	Norway- ratified.
	Russia- ratified.
	Sweden- ratified.
2. The Russian Federation should be encouraged to consider the possibility of becoming, a Contracting Party to the Convention for the Protection of the Marine Environment of the North East Atlantic, 1992 (OSPAR Convention).	USA- signed. Ratification pending in Congress.
	Russia has not ratified.
3. The Arctic States should develop Guidelines for Offshore Petroleum Activities in the Arctic. The draft in Annex 3 sets out categories for such Guidelines.	PAME developed Arctic Offshore Oil and Gas Guidelines (“PAME Guidelines”) which were endorsed by the Arctic States (Arctic Council, 1997).
	Canada- Doesn’t explicitly use guidelines; however, regulatory standards meet or exceed.
	Denmark- Uses guidelines in Greenland.
	Finland-
	Iceland-
	Norway- Doesn’t explicitly use guidelines; however, regulatory standards meet or exceed.
	Russia-
	Sweden-
	USA- Doesn’t explicitly use guidelines; however, regulatory standards meet or exceed.

APPENDIX VII

Progress Report on the Russian NPA-Arctic

By Mr. Boris A. Morgunov, Deputy Director of the Department for the North Affairs, Ministry of Economic Development and Trade

A report was made to the PAME meeting in Washington, D.C. in January 2001 on the progress of the National Plan of Action for the Protection of the Marine Environment from Anthropogenic Pollution in the Arctic Region of the Russian Federation (NPA-Arctic). Work was then still in the initial stage and a first working draft had been prepared. Work continued for over six months in co-operation with the Russian ministries and authorities and the administrations of the Arctic regions.

At the parliamentary hearing held in the State Duma in March 2001, the draft NPA-Arctic gained overall endorsement. The draft was further improved, with the incorporation of amendments proposed by Roshydromet, the Ministry of Natural Resources of the Russian Federation and the administrations of the Chukchi Autonomous Okrug and Murmansk and Arkhangelsk Oblasts. Subsequently the NPA-Arctic was endorsed, on 8 September 2001, by the Ministry of Economic Development and Trade of the Russian Federation in agreement with the Ministry of Natural Resources and Roshydromet.

The endorsed NPA-Arctic consists of the following sections:

- Introduction;
- Objectives and main areas of activity of the NPA-Arctic;
- Financing of the NPA-Arctic;
- Management of the NPA-Arctic's implementation; and
- Two proposals, one of which sets out the basic measures, while the other provides an interim list of more specific activities under each of the basic measures.

The introduction explains why it is necessary for the NPA-Arctic to be adopted. The reasons include the unfavourable environmental situation in many regions of the Russian Arctic and the gap between the existing regulatory and legal framework for environmental issues and contemporary requirements, as well as the decisions and programmes adopted by the Arctic Council in order to combat pollution in the Arctic. Moreover, we regard the NPA-Arctic as the Russian Federation's national contribution to the Regional Programme of Action for the

Protection of the Arctic Marine Environment from Land-Based Activities and the Arctic Council Action Plan to Eliminate Pollution of the Arctic.

The second section establishes the objective of the NPA-Arctic, namely the development and implementation of effective measures to protect people and the biosphere in the marine, shelf and coastal zones of the Arctic and contiguous land areas from anthropogenic pollution. This section also sets out the basic areas of activity, grouped into five large blocks, namely:

- Monitoring and assessment of the conditions in terms of pollution in the Russian Arctic;
- Legislative and other regulatory legal acts to improve the system of efficient nature management and protection of the seas from pollution;
- Investment projects for the protection of the Arctic seas from pollution;
- Organisational and technical measures; and
- International co-operation.

The third section identifies the sources of financing of the NPA-Arctic, which are as follows: the federal budget, the budgets of the regions of the Russian Federation and extra-budgetary sources. Extra-budgetary financing will be decisive in the implementation of the NPA-Arctic. It involves mobilising financial resources from Arctic and, potentially, other interested States and international organisations, as well as private investors at home and abroad.

The fourth section discusses the management mechanism for the implementation of the NPA-Arctic. The most important factor here is that the NPA-Arctic is a component part of the World Ocean Federal Target-Oriented Programme (World Ocean FTOP), which was approved by the Government of the Russian Federation in August 1998. The NPA-Arctic is based on three of the ten sub-programmes of the World Ocean FTOP, namely:

- Development and Use of the Arctic (State commissioner: Ministry of Economic Development and Trade of the Russian Federation, which is also the State commissioner and co-ordinator of the entire World Ocean FTOP);
- Mineral Resources of the World Ocean, Arctic and Antarctic (State commissioner: Ministry of Natural Resources of the Russian Federation); and
- Creation of a Unified System of Information on Conditions in the World Ocean (State commissioner: Roshydromet).

Thus, it has been established that the agencies responsible for the implementation of the NPA-Arctic are the Ministry of Economic Development and Trade, the Ministry of Natural Resources and Roshydromet, with the former acting as co-ordinator. The implementation will be monitored by the Inter-Agency Commission on the Implementation of the World Ocean FTOP and the Scientific Expert Council on the World Ocean FTOP. Within the Council, there is now a special Section on the NPA-Arctic, which has already started work. Its main objective is to issue annual recommendations on priority measures and a scientific expert assessment of the work conducted. The measures are set out in detail in the annexes to the NPA-Arctic. This document will shortly be translated into English and sent to the Secretariat of the Arctic Council for distribution to the Arctic countries, permanent participants and observers.

One important feature of the NPA-Arctic is its recognition of the well-known fact that the main sources of marine pollution are located on land. Moreover, the Russian Arctic is subjected to intensive shipping activities throughout the Northern Sea Route, and the volume of shipping may be expected to increase further. In particular, it is planned to use the Northern Sea Route for international, even transcontinental shipping. It is also anticipated that in the near future oil and gas deposits on the Russian arctic shelf will be developed. Finally, the Russian Arctic is also polluted by long-range transboundary transport of pollutants from other countries and continents. Particular emphasis is being placed on the development and implementation of specific investment projects and the improvement of the legislative framework.

The implementation of the NPA-Arctic will constitute the bulk of the work. The lack of financing is the main obstacle, although representatives of Arctic States at PAME meetings, meetings of senior Arctic officials and ministerial meetings under the auspices of the Arctic Council have expressed an intention to provide the Russian Federation with financial and technical support for the programme's implementation. The most urgent objective is to find a practical solution to all of these problems.

Jointly with the Advisory Committee on the Protection of the Sea (ACOPS), the Ministry of Economic Development and Trade of the Russian Federation has prepared an application to the Global Environment Facility for support to the NPA-Arctic. It was recently sent to the UNEP/GEF Co-ordinating Office in Nairobi and a highly positive report received from the GEF Scientific and Technical Assessment Panel (STAP). At present, the project is awaiting official endorsement by the acting GEF focal point in the Russian Federation, whose functions are carried out by the Ministry of Natural Resources.

APPENDIX VIII

Possible options and ways forward on RPA specific issues

Regional Programme of Action for the Protection of the Arctic Marine Environment from Land-based Activities (RPA Sep. 1998)

The following Table includes excerpts from the RPA that might need further attention and/or actions. This could be used as one of the background documents in preparing the PAME Work Plan for 2002-2004 and the first step towards expanding the RPA to better address land-based activities in the context of sustainable development of the marine and coastal environment.

6.0 Setting Management Objectives, Strategies and Measures		
Location in RPA		Ways forward?
<u>Sections 6.4 & 6.5</u> <u>POP I.3/HM I.3:</u>	Draw that attention of international financial institutions (IFIs), of which they are a member, to the global aspects of POPs and heavy metals issues and, as appropriate, promote the participation of the IFIs in financing and partnership arrangements that are aimed at reducing adverse effects on human health and the environment.	<ul style="list-style-type: none"> • Establish cooperation with and follow-up on the developments of the “Northern Dimension Environmental Partnership” among IFIs (NIB, NEFCO, EIB, EBRD, World Bank) and EC.
<u>Section 6.5</u> <u>HM R.2:</u>	Develop and adopt Arctic-wide environmental guidelines on opening, operating and closing mines in the Arctic Coastal Zone. Mining is defined as the extraction, milling and concentration of ore.	<ul style="list-style-type: none"> • Identification of lead countries.

<p><u>Section 6.7</u></p>	<p>This initial phase of the RPA has focused on strategies and measures that can be taken in the short term to address urgent pollution problems such as those identified in the 1997 AMAP Assessment. In later stages, the RPA would be expanded to better address land-based activities in the context of sustainable development of the marine and coastal environment. This would be done with the collaboration of stakeholders and take into account the specific environmental, social and economic conditions of the Arctic.</p>	<ul style="list-style-type: none"> • Apply the LME approach • Update and identify relevant actions in accordance with AMAPs update on assessments (refer to Annex A) – 2nd phase of the RPA?
<p>7.0 Programme Support Elements</p>		
<p><u>Section 7.2 2nd bullet</u></p>	<p>Developing a reporting procedure and format for the assessment of the RPA implementation and effectiveness in collaboration with other working groups.</p>	<ul style="list-style-type: none"> • Explore existing reporting procedure from other working groups/organizations. • Outline suggested format.
<p><u>Section 7.3 5th bullet</u></p>	<p>Promote the application of risk assessment/cost-benefit analysis to pre-investment strategies for the priority actions identified, such as the work being done through the Barents Region Environment Programme and NEFCO</p>	<ul style="list-style-type: none"> • Review existing risk assessments/cost-benefit analysis to pre-investment strategies? • Develop general guidelines in cooperation with IFIs and other regional programmes?

<p><u>Section 7.3 7th bullet</u></p>	<p>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).</p>	<ul style="list-style-type: none"> • Addressed within the framework of the planned two round-table meetings in preparations to the Partnership Conference.¹
<p><u>Section 7.3 9th bullet</u></p>	<p>Encouraging the development and wide distribution of appropriate contingency plans for environmental accidents (particularly those involving oil, gas and chemical spills, and nuclear accidents), taking full account of emergency preparedness guidance and assessments within the Emergency Preparedness Prevention and Response (EPPR) Working Group and the broader international community.</p>	<ul style="list-style-type: none"> • Include in existing Offshore Oil and Gas Guidelines. • Develop new guidelines in coordination with EPPR – “Contingency plans for environmental accidents within the circumpolar Arctic”.

¹ It has been estimated, on the basis of extrapolations from programmes in other regions, that the final bill for activities in the Arctic could well ascend to \$40-50 billion. Therefore, our Russian colleagues are keen to promote not only innovative mechanisms such as the Round Tables and Partnership Conference, but also, to explore other possibilities. In particular, they are interested in exploring the reactions of the international community to the mechanism of debt-for-nature-swaps for the Russian Arctic.

ANNEX A

AMAP is currently working to produce update assessments according to the following schedule (table from the AMAP homepage at: <http://www.amap.no>).

Assessment Item	Year of Reporting (P rogress, I nterim, M ain)			
	Adopted		Tentative	
	2000	2002	2004	2006
Human Health	P(I)	M	I	M
POPs	P	M	I	M
Hg and other heavy metals	P	M	I	M
Radioactivity	P	M	I	M
Acidification	P	P	P	M
Oil and PAHs	P	P	M	P
TBT	P	P	M	P
Climate change effects	I	M	P	M
UV effects	I	M	P	M
Combined effects	P	P	M	P

APPENDIX IX

The Northern Sea Route

Non Commercial Partnership: Partnership of the Northern Sea Route Users By Honorary Polar Explorer, Captain V. Mikhailichenko

To improve management structure and to increase effectiveness of Northern Sea Route usage the governmental Commission of Russian Federation has made a decision to found the organization which will joint efforts off all Northern Sea Route Users.

At first stage this organization was established in the form of association "Association of Northern Sea Route Users". But while it was a state registration the juridical form was changed for non-commercial partnership. Partnership "Non-commercial Partnership of the Coordination of Northern Sea Route Usage" has been registered on June 28th. Deputy Chairmen of Gosduma (Russian Parliament), honorary polar explorer of Russia Arthur Chilingarov has been elected for the position of Partnership President and the President of Sakha (Yakutia) Republic, Mikhail Nikolaev was elected for the position of vice-president. Partnership is non-profit organization. Partnership aims are coordination of Partnership members activity in the sphere of effective use of Northern Sea route, assistance in trade navigation and in solving property, economic, technical and legal problems and working out suggestions for Arctic environment protection and safety of navigation.

Initially only 15 organizations were the founders of Partnership, then 10 organizations were affiliated on General Meeting held in 27th of September 2001. Now Partnership includes 25 organizations:

- 5 administration representatives of 7 Northern states of Russian Federation located on coast of Arctic seas. (Sakha(Yakutia) Republic, Murmansk, Arkhangelsk, Yamalo-Nenezkii, Taimirskii (Dolgano-Nenetskii) districts)
- Five shipping-companies, vessels of which constantly work on Northern Sea route. (Murmansk, Arctic, Northern, Primorsk and Far-Eastern Shipping companies.)
- Hydrographic enterprises, which ensure safety of navigation on Northern Sea Route
- Companies which are interested in shipping. (The biggest of them are:: joint-stock companies- "Arkhangel'skgeoldobicha", ROSSHELF, "LUKoil-Arctic Tanker" and Gasflt" Ltd.)
- Large R&D organizations specializes on arctic problems solving.

(Russian Research Centre “Kurchatov Institute”, Council for Location of Productive Forces and Economic Cooperation, Arctic and Antarctic Research Institute, Central Marine Research & Design Institute Ltd., Russian Academy of Natural Sciences.)

According to Partnership, Charter Partnership is open for new members acceptance. Any Russian or non-Russian legal and natural person, who have agreed with the Charter and paid fees, can be member of Partnership. Entrance fee for foreign participants amounts 10.000\$, and yearly fee is 5.000\$.

APPENDIX X

RUNARC Powerpoint Presentation

***RUNARC* - Joint Russian-United States-Norwegian project «Safety and Environmental Regime for Russian Offshore Oil and Gas Operations»**

Ivan Senchenya (I.Senchenya@cpi.ru),

Centre for Preparation and Implementation of International Projects on
Technical Assistance

Presentation at Offshore Oil and Gas Workshop

**during PAME Working Group meeting, Moscow, October 10,
2001**



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MNR MMS NDP

***RUNARC* - history**

1994 - Memorandum of Understanding (MOU) between the Ministry of Natural Resources of the Russian Federation (MNR) and Minerals Management Service (MMS) of the U.S. Department of the Interior

The purpose of the MOU was to promote joint activities and the exchange of information related to the principles and methods of evaluation and development of offshore mineral resources. Within this MOU, a joint project was proposed that would create a normative base to provide an environmentally and industrially safe approach to anticipated oil and gas development activities in the Russian Arctic offshore.

1994 - Russia's Ministry of Fuel and Energy (Mintopenergo) and Norway's Ministry of Industry and Energy and Ministry of Foreign Affairs agreed to a bilateral project to assist Russia in developing an environmental regime for their offshore oil and gas industry.

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RUNARC - history

1996 - The World Bank expressed considerable interest in both Norway's and MMS's cooperative efforts with Russia and in May 1996, hosted a meeting in Moscow to encourage a broad multilateral approach to assisting Russia as they develop a safety and environmental regime for offshore oil and gas operations. As a result of this meeting the Russia's Ministry of Natural Resources teamed with Mintopenergo, Russia's State Committee of Environmental Protection, the MMS, Norway's Ministry of Industry and Energy, and the Norwegian Petroleum Directorate (NPD) to draft the multilateral project proposal for RUNARC.

1996 - MNR created an Executive Committee for RUNARC project

1997 - beginning of practical implementation of RUNARC

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Technical Assistance Components

Policy and Regulatory Support

Environmental Epidemiology

Hazardous Waste Management

Water Quality and Water Resource

Management

National Pollution Abatement Facility

www.cppi.ru, www.npaf.ru

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RUNARC - Phases

- **Completion of a Feasibility Study (FS) and obtaining Russian Government consent for further work** (Accomplished December 24, 1998)
- **Propose a framework for creation of an offshore safety and environmental protection regime** (Approved October 26, 2000 by the Executive Committee for RUNARC--Phase II work includes the development of three system-forming documents).
- **Implementation of the approved regime for Russian areas on the shelf.**

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RUNARC - Phase I: Feasibility Study Goals

- **Analyse the current state of the Russian legislative, normative-legal and normative-technical base for interior use, as well as, industrial and environmental safety and labor protection;**
- **Regulate responsibility and interaction of federal/regional management agencies and the operators.**
- **Define specific requirements, parameters, limitations, and other factors of technical and environmental character.**
- **Identify desirable goals and develop a proposal to establish a system for regulation of the safe development of hydrocarbon resources on the Russian continental shelf; and,**
- **Consider and incorporate as appropriate international experience in the development of offshore mineral resources.**

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RUNARC - Phase I: Feasibility

Study Content

- natural and climatic conditions, current state of the environment and social-economic features of the Arctic shelf and near-shelf zone of Russia;
 - status of the legislative, normative, juridical, and regulative-technical base for regulation of the regime of interior-, water- and land use, industrial, environmental and operational safety;
 - description of existing environmental monitoring and control systems;
 - regulation of industrial and environmental safety during exploration, preparation, development, exploitation, conservation and decommissioning of hydrocarbon production installations on the continental shelf;
 - operational safety and labor protection;
 - measures to prevent emergency situations and mitigation of their consequences; and,
 - economic mechanisms for the management of industrial and environmental safety.
- CPPI*

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RUNARC - Feasibility Study

Main Findings and Proposed Actions

- *Current State and Development of a Possible Supervisory System*
- *Development of Legislative and Normative Base*
- *Ways to Resolve of Applicability Problems*
- *Transition period is recognized as the most evident time/effort/money compromise*

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RUNARC - Transition Period *MNR MMS NDP*

Big projects launched on shelves of the Arctic, Far-East and Caspian seas entered directly into a stage of technical design of marine structures

The majority of regulations is applicable only to inland and/or near-shore installations like old Baku developments

Use of international standards requires their preliminary commitment and approval

Modernization of existing normative documents for marine oil and gas production is nearly possible in an acceptable time

In the short-term and middle-term of organization and reconstruction of the existing normative base using mainly individual organizations, design and technological solutions for projects already underway or in the late planning stages (about 10 oil and gas fields);

In the long-term developing of an all-inclusive safety and environmental regime on the basis of newly developed system of legal and normative documents

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RUNARC - A Concept of the Safety and Environmental Regime *MNR MMS NDP*

- it will provide for safe and environmentally sound offshore oil and gas activities;***
- the legal basis will be complete, predictable and non-contradictory;***
- it will have mechanisms for settling disputes between industry and authorities as well as intergovernmental disputes and for providing regulatory interpretations of legal requirements;***
- it will ensure that oil and gas activities do not have a negative impact on other sectors of industry or economy or social conditions;***
- it will have incentives that stimulate to enhancing safety and environmental protection through use of appropriate technology that is cost effective;***
- it will ensure that regional environmental statements (evaluations) will be conducted prior to opening up for oil and gas activities, and that environmental impact assessments (EIA) are made for all activities;***

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RUNARC - A Concept of the Safety and Environmental Regime (cont)

MNR MMS NDP

- *the enforcement system will be based on a combination of company internal control, use of 3rd party control, and regulatory auditing of internal control systems;*
- *there will be mandatory monitoring of environmental conditions as well as of the impact of oil and gas activities by the companies;*
- *regulatory action or decision-making will give due consideration to social factors, economic conditions, and the interests of indigenous people in the project areas;*
- *it will have provisions ensuring full and fair compensation for possible negative impacts of the oil and gas activities;*
- *it will have suitable mechanisms for securing economic regulation of industrial safety and environmental protection;*
- *it will have provision for full compensation for damage caused by the oil and gas activities;*
- *priority will be given to implementation of accident prevention measures, and to action to minimize their consequences; and,*
- *the development of safety and environmental measures will be based on sound science.*

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RUNARC - Phase II: Development of Primary Normative Documents

MNR MMS NDP

- *Determine the competence/responsibility of each Government entity that sets requirements for prospective oil and gas licenses.*
- *Develop a blueprint for a new regulatory system that will allow MNR to serve as a focal point for bringing together all technical/environmental requirements for a license.*
- *Develop a register of all laws, regulations, as well as technical and normative documents relating to offshore oil and gas and identify what needs to be done to each document – either accept, revise, supplement or eliminate the document.*

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RUNARC - Principles for Development of a System of Normative Documents

•Basic normative documents shall be developed to define the scope, content, procedures of development, and adoption of legal documents for marine oil and gas activities (abbreviation - LDS MOGA).

•Systematic technical and juridical expertise is carried out in compliance with legal, normative technical and other documents to define their correspondence to the requirements of LDS MOGA.

•An analysis of foreign safety systems and the normative provisions of these systems will be conducted to define if harmonization of these requirements with the LDS MOGA is possible.

•If part of the LDS MOGA is not covered by existing Russian and foreign documents or, if a redevelopment of an existing document is recognized as unacceptable or unsuitable, then a decision shall be made to develop a new documents

•Previously valid documents can be either abolished or their action stopped as appropriate.

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RUNARC - Phase II: Development of Primary Normative Documents

1. The Order for Development, Consideration and Endorsement of Conditions for Marine Oil and Gas Production and Environmental Protection

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RUNARC - Phase II: Development of Primary Normative Documents

2. Marine Oil and Gas Production, and Environmental Protection--Main Provisions - GOST R

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MNR MMS NDP

RUNARC - Phase II: Development of Primary Normative Documents

3. The Register of Legislative and Other Legal Normative Acts, Normative Technical Documents in the Field of Mineral Resources Use in Territorial Sea, Exclusive Economic Zone and the Continental Shelf of the Russian Federation, Provision of Operational Safety and Environmental Protection During their Development

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MNR MMS NDP

RUNARC - Plans - 2001-2002

Environmental and economic requirements for stages, composition, submission and approval of design documentation for exploration and development of marine hydrocarbons fields.

Environmental norms in exploration and development of marine oil and gas fields.

The Order of the state control for the environment protection and natural resources use during exploration, development and operation of marine hydrocarbons fields.

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APPENDIX X
OVERVIEW OF PAME WORKPLAN

2001-2002

RPA

- Support the RPA, Russian NPA-Arctic and Partnership Conference.
- Contribute to the 2001 GPA Intergovernmental Meeting.
- Contribute to the WSSD 2002.

Legal Instruments

- Update Matrix of International Agreements.
- Prepare a report on the status of 1996 PAME recommendations.
- Identify problems for which additional measures are needed and make recommendations.

Shipping

- Prepare Arctic Waters Oil Transfer Guidelines under the leadership of Canada.
- Consider a Norway proposal on ship generated wastes.

Oil and Gas

- Prepare an assessment of the application of the Arctic Offshore Oil and Gas Guidelines.
- Consider possible changes in the oil and gas guidelines and other measures.
- Consider ways in which the application of the oil and gas guidelines may be improved.