

**Arctic Council Action Plan to Eliminate Pollution of the Arctic
(ACAP)**

**Steering Committee Meeting Report
No. 2004:1**

**March 24-25, 2004
Washington, D.C., United States**

Table of Contents

Welcome and Introduction

- Approval of Agenda
- Report from the Chairman/Announcements
- Objectives for the US Chairmanship
- 1. Annex A-Project Progress Reports
 - 1 a. Multilateral Cooperative Project for Phase-out of PCB Use and Management of PCB-contaminated Wastes in the Russian Federation
 - 1 b. Reduction/Elimination of Emissions of Dioxins and Furans in the Russian Federation
 - 1 c. Reduction of Atmospheric Mercury Releases from the Arctic States
 - 1 d. Environmentally Sound Management of Obsolete Pesticides Stockpiles in the Russian Federation
 - 1 e. Russian-Norwegian Cleaner Production Centre
- 2. Annex B-Project Progress Reports
 - 2 a. Brominated Flame Retardants
 - 2 b. Guidelines for EIA on Radioactive Waste
- Annex C-Project Progress Reports
- Traditional Food Safety and Environmental Pollutant Monitoring Program
- Permanent Participants
- 3. New Project Proposals
 - Updating Fact Sheet: AMAP/ACAP
- 4. US EPA Regional Initiative for POPs and Mercury
- 5. Financial Issues
 - 5 a. General Issues
 - 5 b. Finance Status Table: Changes and Revisions
 - 5 c. Conceptual Arctic Council Project Fund
- 6. Cooperation and Outreach: Other Working Groups, Permanent Participants, and Other Fora
 - 6. 1. Outreach to other International Fora
 - 6.1.a. Barents Euro-Arctic Council
 - 6.1.b. Nordic Council of Ministers
 - 6.1.c. EU Northern Dimension Action Plan
 - 6.1.d. EU/TACIS
 - 6. 2. Outreach to other Arctic Council Working Groups
 - 6.2.a. ACAP's Role in the ACIA Process
 - 6.2.b. University of the Arctic
- 7. ACAP Web page Update
- 8. Report to SAOs and deliverables to Ministers in November 2004
 - Wrap-up: Other Issues/Next Meeting
- Appendix A: ACAP Steering Committee Meeting Agenda
- Appendix B: List of Participants
- Appendix C: List of Documents
- Appendix D: Results of Implementation of the "Cleaner Production" Programs in the Polar Branch of the Mining and Metallurgy Company "Norilsk Nickel"
- Appendix E: List of Acronyms

Welcome and Introduction

Welcome/Introduction:

The ACAP Steering Committee (The Committee) met in Washington, D.C., United States, March 24-25, 2004. Documents submitted for consideration at the meeting are listed in Appendix C.

The meeting was opened by Jerry Clifford, Deputy Assistant Administrator, EPA Office of International Affairs, and chaired by Bob Dyer, United States. Mr. Clifford stressed that EPA took the ACAP Chairmanship because of its commitment to action. He views ACAP as a true partnership, because of its shared definition of problems (with AMAP), joint design of solutions, commitment to tangible results, and the active engagement of its stakeholders. Mr. Clifford highlighted additional factors that make ACAP important such as: its principal focus is on Russia; its effective donor coordination method; it engages a powerful mix of stakeholders including observer nations, International Finance Institutions, non-governmental organizations, indigenous communities, and industry; it relates to EPA's commitment to environmental justice via concern over impacts on indigenous populations. EPA seeks to build on Norway's good experience as ACAP Chair and leverage additional resources. It will place more emphasis on outreach to Europe and the private sector, and should do more to communicate accomplishments on the ground.

Approval of Agenda:

The Committee adopted the agenda, reflected in the main headings of the report (see Appendix A). The final list of participants is available in Appendix B.

Report from the Chairman/Announcements:

The chair briefly informed The Committee of the following:

- Norway provided invaluable assistance during the transition from Norwegian Chairmanship to U.S. Chairmanship of ACAP. The U.S. thanked Gunnar Futsaeter for working with them in Washington, D.C. for four months during the transition.
- Per Doyle's article titled "Toward a Cleaner Arctic" in WWF's Arctic Bulletin No. 3 03, highlighted the ACAP program. Copies were provided to the Steering Committee.
- Outreach with other Arctic fora began in February 2004 (see item 6 for details):
 - U.S., Swedish and Norwegian ACAP representatives met in Helsinki with the Barents Euro-Arctic Council (BEAC)/Working Group on Environment hosted by Nordic Environment Finance Corporation (NEFCO);
 - In Copenhagen, the ACAP Chair and Secretariat met with the Nordic Council of Ministers/Environmental Working Group accompanied by a Norwegian representative and;

-In Moscow the ACAP Chair and Secretariat met with EU TACIS.

Objectives for the US Chairmanship

The chair briefly outlined some of the objectives that the United States would like to pursue during its Chairmanship:

- Communicating ACAP activities through an ACAP website and new ACAP Fact Sheets;
- Completion of one or more ACAP projects;
- Future Cleaner Production Initiatives under ACAP;
- Greater reliance on industry for solutions;
- More active participation of Permanent Participants in ACAP projects;
- Creative funding for ACAP projects;
- Expanding the participation of Observer countries and;
- Expanding the focus from Russia to all Arctic Council countries.

1. Project Progress Reports—Annex A Projects

a. PCBs (Vitaly Kimstach, AMAP)

Status, Discussion, and Next Steps:

Vitaly Kimstach (AMAP Secretariat) provided an overview of the project status to date highlighting technologies for destruction of PCB fluids, technologies for cleaning transformers, technologies for destruction of capacitors, and a description of PCB Phase III projects (Transformer Cleaning, Destruction of Liquid PCBs, Destruction of Capacitors Using Plasma Arc Technology, and PCB Collection and Storage). He also mentioned the NEFCO report “Updating of Environmental ‘Hot Spots’ List in the Russian Part of the Barents Region” that identifies Frantz Jozef Land in the Arkhangelsk region as a strong local source of PCBs, having “30-40 thousand tonnes of aviation fuel and spent lubrication oils deposited in areas previously owned by the Russian Ministry of Defense.” No specific recommendation for action was made to the Steering Committee.

Husamuddin Ahmadzai (NEFCO) presented the status of NEFCO funded projects for cleaning of transformers and destruction of liquid PCBs in NW Russia and the Arctic and provided a written project schedule (see PCB documents provided at meeting). The approval of the conceptual design by state authorities is in progress and expected to be complete by April 2004; approval of a detailed design by relevant parties and NEFCO is slated to take place May-September 2004; and construction, including procurement, renovation and construction of buildings, manufacture of equipment, and installation and assembly works are to begin in September 2004. He expressed concern over the difficulties involved in identifying the necessary permits and obtaining these permits in Russia, but indicated that the project was still on schedule to begin cleanup in 2006.

Eleonora Barnes (U.S.) provided a status update on destruction of capacitors containing PCBs using a U.S. plasma arc technology. Seventeen potential partners were evaluated, with on-site evaluations performed at eight of the most viable sites (located in the

Volgograd/St. Petersburg/Moscow region). VOCCO (Chimprom), Volgograd has initially been identified as the best candidate because it is one of the largest chemical industries in Russia, it is well managed, economically stable, and has necessary energy, water and gases to operate the system. In addition, key local and regional authorities support the project. The PCB Project Steering Group is now supporting development of a pre-feasibility study by the Russian technical experts.

Morten Skovagaard Olsen (Denmark) updated the ACAP Steering Committee on the Collection and Storage of PCB-Containing Electrical Equipment in Leningrad Oblast and St. Petersburg as support to the NEFCO project to destroy PCBs from transformers. The objective of the project is to develop and implement a regional collection and storage program through activities including updating the existing PCB inventory, creating a database to track PCB storage and destruction, and to transport 30-50 transformers to the NEFCO project premises near St. Petersburg. Denmark emphasized the connection of its project to the NEFCO PCB project and confirmed that collection and storage will integrate with the NEFCO workplan with a specific focus on transportation. A kickoff meeting with St Petersburg officials and a letter of commitment from the Leningrad Oblast are expected soon. The detailed project description was provided to the Steering Committee.

The Russian Federation provided a draft proposal for a pilot project on the remediation of soils contaminated with PCBs in the territory of Serpukhov. The PCB project steering group has not made a decision on launching this project and had asked the Russian Federation to provide a more detailed proposal by April.

Conclusions/Action Items:

The ACAP Steering Committee agreed that the Serpukhov proposal should be deferred back to the PCB project steering group for review and consideration. An update on the Working Group decision will take place at the next ACAP Steering Committee meeting.

It was also agreed that Denmark would inform the ACAP Steering Committee regarding the results of the Danish study on thermal and non-thermal PCB destruction techniques. The report is expected to be complete in June 2004. Denmark will provide a copy of the report and a summary to the ACAP Steering Committee prior to the next Steering Committee meeting. This action was in response to a question asked concerning whether or not the PCB project steering group is considering evaluation of cement kilns for PCB destruction.

The Committee further agreed that the Circumpolar Conservation Union would provide a summary of work performed at the UNDP/GEF facility in Slovakia using gas-phase hydrogenation for destruction of PCBs, suggesting communication and linkages between this UNDP/GEF project and work being done by the PCB project steering group.

b. Dioxins/Furans (Niklas Johansson, Sweden/Eleonora Barnes, US)

Status and Next Steps:

Niklas Johansson (Sweden) presented the status of the project on Reduction/Elimination of Emissions of Dioxins and Furans in the Russian Federation.

At a project steering group meeting in February 2003, it was decided to combine remaining Phase 1a and 1b (inventory development and stack testing) activities and to begin Phase II activities with training by the Russian-Norwegian Cleaner Production Centre to identify opportunities to decrease dioxins emissions associated with transportation activities of the Murmansk Shipping Company. There have been delays in both phases of the project. The Russian contractor, Center for International Projects (CIP) developed a workplan for the remaining Phase I activities, but it was not accepted by the project steering group. In February 2004 a new, more detailed workplan was accepted. Projected completion of Phase I activities is April 30, 2005.

The presentation focused on proposed next steps for the direction of Phase II activities to identify and evaluate options for reduction and elimination of dioxins, planned feasibility studies, and a demonstration project. The project steering group suggestions included reducing dioxins/furans emissions by targeting major producing facilities, providing realistic technical solutions, and training.

A conceptual proposal was presented for Phase II of the project. The proposal focused on the evaluation of dioxins and furans in the northern regions of the Russian Federation. Cement plant, power plant, and pulp and paper sites in Arkhangelsk, Murmansk, and the Republic of Komi are being considered for evaluation based on the following criterion: contribution to total dioxin and furan releases, and the ability to address the present lack of data on dioxin content of gas releases and the high uncertainty of dioxin emission factors for particular sites. Results will be obtained by conducting a measurement program.

A commission of Russian experts will present a detailed plan for Phase II at the next Dioxins/Furans project steering group meeting.

Discussion and Conclusions:

Circumpolar Conservation Union (CCU) informed the ACAP Steering Committee that a number of Russian Federation NGOs and academics are interested in the issue and would like to cooperate on the dioxins/furans project in the future. The ACAP Steering Committee expressed interest in the expertise of such organizations in measuring dioxins. AMAP suggested that there are a number of Russian NGOs active in the POPs process that might have both information and resources that would be helpful.

It was recommended that as the project moves forward it would be useful to expand the donor support base and to include the principles of Cleaner Production, perhaps as the project moves into Phase II.

The ACAP Steering Committee supported an initiative by the project group to further develop and clarify its Phase II proposal for consideration. Norway expressed interest in Cleaner Production but would like to review the final report from the Norilsk Cleaner Production Project before moving forward on new cleaner production projects.

c. Mercury (Morten Skovgaard Olsen, Denmark)

Morten Skovgaard Olsen (Denmark) presented the status of the project on Reduction of Atmospheric Mercury Releases from the Arctic States.

The project includes three phases:

- Phase I: Inventory of sources (assessment and prioritization);
- Phase II: Site specific prioritization and selection of pilot projects) will begin in Spring 2004;
- Phase III: Implementation of pilot projects.

Denmark, U.S., Sweden and Norway provided funding for Phases I and II.

A draft regional mercury inventory report has been completed and is open to comment. It was determined that the highest totals of mercury emissions are from the U.S. followed by the Russian Federation. Other Arctic Council nations contribute relatively amounts, although in some cases they might have important impacts on the Arctic.

At a recent project steering group meeting in Moscow, it was agreed that five source categories would be investigated for possible control demonstrations in Russia: coal fire power plants; zinc extraction and processing; extraction of gold; copper smelting; and storage/disposal/recycling facilities. It is expected that decisions will be reached on the selection of the first demonstration by the end of the summer.

A draft background/discussion document was prepared by Denmark for discussion by the ACAP Steering Committee summarizing (1) the overall objectives of the ACAP mercury project, (2) the importance of focusing on existing international initiatives (CLRTAP-HM and the UNEP Mercury Programme), and (3) mercury release sources and reduction measures identified in the project.

Funds remaining from phase I will be rolled over into Phase II activities.

Next Steps:

The draft Russian mercury inventory report and a regional mercury assessment report will be revised and finalized for approval at the next Mercury project steering group meeting.

Priority setting/preparation of the elements for an action plan for mercury release reductions in the Russian Federation is scheduled for completion in late spring, 2004.

Phase II (site specific prioritization and selection of pilot projects) began in February 2004.

The Mercury project steering group asked for discussion and recommendations about how they should proceed with the project.

Discussion:

The Russian Federation declared that an emphasis would be placed on mercury contamination at their next Security Council meeting. Russia is also interested in a project that would focus on the cost effective destruction of mercury wastes but still has not determined which mercury projects would be best for the Russian Federation.

It was recommended that the Mercury project steering group select both priorities and measures for action. Denmark noted that the Mercury Working Group would like to focus on sources rather than countries. The AMAP representative stated that the ACAP Steering Committee would have to approve any changes in the focus of the Mercury Project.

AMAP identified two areas where they found information on coal sources of mercury near indigenous areas that were different than the Danish report. **Action item:** They will look into the discrepancy.

The project was viewed as circumpolar and the project steering group thinks that the project should proceed as circumpolar work using the established history of international agreements.

The US supported continued cooperation within the framework of the ACAP Mercury Project and that the Project should maintain its circumpolar regional focus without giving specific aid to specific national programs unless requested, and with priority given to emission reduction efforts in Russia. The US perspective on ACAP Mercury Project Priorities is as follows:

- Assistance to the Russian Federation to complete their action Plan as requested.
- Complete pilot projects in Russia that will be of benefit to the entire Arctic region.
- Look at other non-Arctic sources, e.g., China, and monitoring/modeling of source apportionment.
- Research multiple pilots and workshops on best practices for control of mercury. The U.S. is considering additional funds with the expectation that additional donors would match those funds.

Conclusions:

The ACAP Steering Committee agreed that the following final text be submitted by Denmark to the mercury project steering group: “The ACAP Steering Committee agrees that the Mercury Project should finalize its inventory and prepare a regional assessment of existing and planned initiatives addressing source categories in the Arctic states in order to identify possible measures to be followed up.”

The U.S. representative to the project steering group stated this conclusion should not be prescriptive but rather information sharing, and given that the different circumstances in various Arctic countries, a range of options that could be applied to the control of mercury from source categories should be identified.

d. Obsolete Pesticides

Esko Sappala, Finland

Status:

Esko Sappala (Finland) and Lioubov Baklykova (Russia) presented an update of the Obsolete Pesticide Project.

Esko Sappala (Finland):

Work in the pilot region, Archangelsk, was completed in early 2004 and the final report was submitted to the Obsolete Pesticides project steering group on March 1, 2004. The Working group has released funds, taking into account the lessons learned in the pilot region, to start work in Murmansk, Komi, and Magadan in 2004. Seven priority regions remain on the waiting list: Krasnoyarsk, Tyumen, Sakha, Kamchatka, Altai, Kurgan, and Omsk. The next steps for the project are to complete inventory and screening results for unidentified stockpiles, including repackaging stocks of pesticides in poor condition.

Lioubov Baklykova (Russia):

Additional priority regions for the obsolete pesticides project were discussed. There are 11 priority areas and preliminary estimates suggest that over 3,000 tons of obsolete pesticides will need to be destroyed. There is still a large amount of dumping of obsolete pesticides even though it is illegal under the Federal Law on Wastes. She proposed a pilot demonstration project for the construction of a temporary facility in one of the priority Regions for safe storage of the obsolete pesticide stocks until they can be shipped for final disposition. If the pilot project is successful, it is predicted that other regions will be more willing to temporarily store obsolete pesticides on-site until environmentally safe disposal/destruction can be accomplished.

Discussion:

In response to the question asking whether ACAP felt the repackaged pesticides should be destroyed rather than shipped for trench burial at Krasny Bor, the Russian Federation declared that since Russia signed the Stockholm Convention it no longer considers permanent burial as an option. Obsolete pesticides must be destroyed. They are currently evaluating requirements of obsolete pesticide management, but since they cannot afford accelerated destruction, they must rely on secure temporary storage until they have the money and technical support for destruction of obsolete pesticides.

The Chairman stated that technologies being evaluated under the PCB Project might also be applicable to obsolete pesticides.

It was discussed that two parallel processes must take place. First an inventory must be completed and obsolete pesticides must be repackaged for storage. At the same time,

technical solutions for destruction need to be explored. If PCB destruction technologies are applicable, it will be necessary to look at present optimal technologies and examine what modifications are needed for different waste streams. Mercury-containing pesticides are a different issue since mercury cannot be destroyed.

Canada shared US concern about lifecycle management of obsolete pesticides, expressing the need for donor countries to have “cradle to grave” knowledge, which is not presently available. Central storage may be worse than smaller, more secure storage sites.

Finland also expressed concern over the management of pesticide stockpiles at Krasny Bor. NEFCO was asked whether these pesticide stockpiles could be destroyed as part of the net capacity of the NEFCO project in St Petersburg. NEFCO responded that they might have increased capacity, but that mercury-laden pesticides would not be destroyed.

Conclusions/Action Items:

The ACAP Steering Committee requested that the Obsolete Pesticides project group consider the suggestion to evaluate whether PCB destruction technologies are applicable to destruction of obsolete pesticides. They also requested the project steering group to provide information on what happened to the repackaged pesticides in Arkhangelsk and seek assurances from priority regions on their approaches to disposition of their pesticides stockpiles.

Finland offered 30K Euros for future work and expressed that they would welcome funds from the Russian Federation.

Norway informed that they were ready to support the project further. However, before allocating funds Norway would need a clarification on the disposition of the repackaged pesticides and a guaranty that they would not be buried in a trench.

It was agreed that the Obsolete Pesticides project steering group Chair would report on the viability of building a temporary storage facility, as part of an ACAP project, to the ACAP Steering Committee at the next meeting.

- e. **Cleaner Production** (Alexander Tsygankov, Russian-Norwegian Cleaner Production Center)

Status and Next Steps:

Alexander Tsygankov provided an update on the progress of Cleaner Production Programmes for Norilsk Nickel.

The third phase of the project was completed in March 2004, and the first project will be fully implemented by the end of 2004. The total cost savings and ecological benefits were summarized. The Cleaner Production Center would like ACAP to consider potential improvements in program implementation before beginning the next program in November 2004.

The Committee was notified of a proposed International Cleaner Production Programme Round Table to be held in Moscow around December 2004.

Action Items:

The Cleaner Production Center proposed the following for the Norilsk Cleaner Production Program:

- Prepare a report on the results on the three Cleaner Production programs in Norilsk in April 2004 and present to the Arctic Council.
- Prepare and submit proposals for the introduction of a cleaner production course for Norilsk Industrial Institute students at the University of the Arctic. Proposals, including cost estimates, will be presented to ACAP in April 2004.
- To begin a fourth Cleaner Production Programme, planned by the Russian-Norwegian Cleaner Production Center, in November 2004 and report program results to ACAP in 2005; send an ACAP representative to the degree session of this program.

No financial support was requested for the above proposals.

The ACAP Steering Committee reiterated its desire to see the results of the Norilsk Cleaner Production Program. **The results on CP implementation in the Polar Branch of M&M Company Norilsk Nickel were provided on April 21, 2004 and are included in Appendix D of this report.**

Lessons Learned:

There was a strong opinion by Denmark, supported by Norway and Canada, that all progress reports should be provided at least two weeks prior to ACAP meetings to facilitate review and discussion. The Chair noted this opinion.

2. Project Progress Reports—Annex B Projects

a. Brominated Flame Retardants (BFR's) (Solvaar Hardeng, Norway)

Status:

Solvaar Hardeng provided the ACAP Steering Committee with a progress report on the development of a draft project proposal “Reduction of Brominated Flame Retardants’ (BFRs) Load to the Arctic.”

Discussion:

Canada stated that some of the draft activities presented were closer to AMAP activities than ACAP activities. The AMAP representative did not see the need for there to be a hard and fast division of activities between AMAP and ACAP.

Gwichin Council International encouraged early development of the proposal and a subsequent launch of action.

The NGO representative for the International POPs Elimination Network identified BFRs as a critical emerging issue. He felt that this proposal was timely and important and that

there is a need for an Arctic Ministerial Declaration of support for this new project at some point.

The Russian Federation thought the main objective of the project should be to fill in knowledge gaps regarding the toxicity of BFRs. At present there is no evidence of persistence per the Stockholm Convention (BFRs cannot currently be classified as Class I Persistent Pollutants and most of them are considered Class II or III). Therefore there is no reason to increase their toxicity alert level. It would be better to increase awareness at this time.

The AMAP representative responded that they have clear scientific evidence of the impacts of brominated compounds.

Conclusions:

It was agreed by the ACAP Steering Committee that there is a mandate for a project on Brominated Flame Retardants but the present proposal needs further development and approval for initiation.

It was further decided that Norway would provide the ACAP Steering Committee with a revised “List of Activities” including more detailed descriptions of the activities. Norway should also develop cost estimates for Phase I and II of the proposed project. The Steering Committee will provide comments on the proposal within three weeks of receiving the additional information.

b. Guidelines for EIA on Radioactive Waste (Gunnar Futsaeter, Norway)

Status:

Gunnar Futsaeter provided the ACAP Steering Committee with information regarding the development of guidelines for an Environmental Impact Assessment on Radioactive Waste.

To date this project has not received much attention from the ACAP Steering Committee. Norway has developed the project as a bilateral issue, working to increase international support. Interest has increased and the paper “Environmental Impact Assessment and Risk Assessment in Northwestern Russia—From a Norwegian Perspective” was presented to the Contact Expert Group (CEG) of the IAEA for consideration in mid-March 2004.

Discussion:

The Chair suggested that if the proposal is being considered for action by the CEG, then perhaps the CEG rather than the ACAP Steering Committee would be the more appropriate forum to further consider this proposal. Russia noted that risk assessment methodologies for radioactive sites are already well developed.

Conclusions:

It was agreed that Norway would report to the ACAP Steering Committee at the next meeting on the progress of this Annex B project in the CEG forum and determine if this project should be deleted from the ACAP agenda.

Project Progress Reports—Annex C Projects

There are no Annex C Projects at this time.

Traditional Food Safety and Environmental Pollutant Monitoring Program

Dr. Jim Berner, Alaskan Native Tribal Health Consortium

Summary:

Dr. Jim Berner updated the Steering Committee on findings of the Traditional Food Safety and Environmental Pollutant Monitoring Program. Five years of biomonitoring of pregnant women in Alaska has been completed.

- The Program has found that Alaskan Native mothers have much higher levels of mercury and lower levels of lead than NHANES women.
- Coastal Yupiks show higher levels of toxaphene than Yukon River Yupiks or North Slope Borough women. The program is also finding toxaphene levels rising in salmon.
- Poly-brominated diphenyl esters levels in pregnant women in Alaska are similar to those of pregnant women in Indiana.
- They are finding greater dioxin exposure as one proceeds west in the Aleutians. Aleutian women are also showing greater PCB exposure than women in the lower 48 States in North America.
- The northern marine subsistence diet is still considered healthy.

There is a new prospective study underway involving Bethel, Barrow, and Aleutian/Pribilof Islands.

Dr. Berner stated that the issue of the mixture of toxics must be addressed, and that there are no simple answers.

Discussion:

The AMAP representative noted that, in Russia, women are often hospitalized one to two months prior to giving birth.

The Human Health Advisory Group of AMAP has supported that BFRs are a potential problem.

Action Item:

Dr. Berner stated that Komander Island, Russia data would be available in four to six weeks. He will provide a copy of his presentation to the ACAP Steering Committee after he presents his findings to the Indigenous Peoples.

Permanent Participants

Discussion, Action Items, and Conclusions:

Craig Fleener (Gwich'in Council International), representing Permanent Participants, provided input regarding new project proposals. He made the following points:

- Permanent Participants support general outreach and the development of a fact sheet. Both would enhance communication between Alaskan Natives and the ACAP Steering Committee. Outreach would also increase awareness and possibly lead to funding from new sources.
- Permanent Participants would like a commitment to involve Alaska more in all ACAP project steering groups and increase funding for permanent representation of a broader range of Permanent Participants on the ACAP Steering Committee.
- There is concern over POPs (e.g., lindane) and mercury that can be carried by ocean currents and affect important food sources such as salmon. This highlights the benefits that could be derived from extending Dr. Berner's work on traditional food safety and environmental pollutant monitoring into other parts of the continent.
- Recommended that more detailed contaminant analysis be considered.
- Due to the concern that important global projects may not extend to indigenous peoples quickly enough, he recommended that ACAP consider the development of a model project for the Indigenous Peoples and the Indigenous Peoples Secretariat (IPS) to identify, label, and remove transformers from small indigenous communities.

The Chairman suggested that ACAP could serve as a catalyst for local projects to be completed by local inhabitants.

The ACAP Steering Committee agreed that IPS, through individual Permanent Participants, should consider developing several project proposals for a model program that can be transferred to small communities. These proposals could be discussed at the next ACAP Steering Committee Meeting.

Action item: NEFCO has a project similar to this and will provide information to the Steering Committee.

The U.S. mentioned that they have a training program on waste disposal and waste minimization for small communities. GCI responded that there is a lot of work with GAP grants for training programs and suggested an increase in funding would be of assistance.

3. New Project Proposals (Vitaly Kimstach, AMAP/ Eleonora Barnes, US)

Status:

The AMAP representative provided an overview of the new project proposal to update fact sheets.

It was agreed at the last ACAP Steering Committee meeting to update fact sheets regarding the nature of problems defined by AMAP and solutions for those problems identified by ACAP. This is especially pertinent as the second AMAP Assessment Report with new findings is now available.

Discussion:

The Chair proposed the ACAP Steering Committee take action and decide: 1) if joint AMAP/ACAP fact sheets should be developed (this would be considered a new project for ACAP), and 2) if yes, who should prepare the fact sheets, who should fund the fact sheets, and the date by which fact sheets should be completed.

Canada stated the need to think carefully about ACAP objectives before engaging in outreach by creating a fact sheet, primarily who the target audience would be and the mechanism for distribution.

The U.S. suggested that each project could set aside funds for fact sheet production. Or, instead of fact sheets, each project steering group could prepare a stand-alone brochure detailing its accomplishments. This would build on already existing brochures showing the purposes and objectives of each project. Canada expressed concern, wanting to avoid tapping into the budget of each project for outreach activities.

Canada suggested adding fact sheets to the web page for the most far-reaching distribution.

The U.S. stated it could consider contributing 5K USD for an ACAP brochure that would provide a summary of ACAP project actions instead of multiple fact sheets

Norway is prepared to fund the development of one fact sheet if the Steering Committee decides to move forward.

Conclusions:

It was decided to defer further discussion and a decision until discussion of the ACAP web page.

4. US EPA's Regional Initiative for POPs and Mercury (Sam Sasnett, US EPA)

Summary:

Sam Sasnett provided an overview of the US EPA's Regional Initiative for POPs and Mercury.

The main strategic elements of the Program are:

- Prioritized action and the development of National Action Plans.
- Select additional substances.
- Prevent the introduction of new PBTs.
- Measure progress.

Attention must be given to crosscutting factors like monitoring and measurement, outreach, and common denominators across National Action Plans.

EPA regional priority projects focus on backyard burning (“burn barrels”), PCB transformer decommissioning and outreach, collection programs, outreach to dental offices, and outreach and education of high-risk populations (e.g., women of childbearing years).

Discussion/Conclusions:

The AMAP representative suggested that there could be a synergy between the EPA regional collection and disposal efforts in Alaska and the work of AMAP.

5. Financial Issues

a. General Comments

The Chair presented the following observations to the ACAP Steering Group:

- The increase in the number of projects, the increase in the cost of projects, and the actual completion and closeout of projects will continue to be of concern to Senior Arctic Officials.
- Because of these concerns, ACAP has been asked by the Arctic Council to consider creative financing mechanisms to ensure continuation of its important mission.
- For ongoing projects, project steering group Chairs have given the ACAP Steering Committee the general impression during this meeting that donor money will be sufficient for finishing the ongoing projects.
- The Chair made a formal request that permanent participants consider ideas for model projects concerning POPs and heavy metals that can be done by indigenous peoples Arctic-wide. These should become part of our financing strategy.

b. Changes and Revisions to Finance Status Table

See Attached Revised Table (Appendix E).

c. Revolving Fund

Dr. Husamudin Ahmadzai of NEFCO presented the ACAP Steering Committee with a conceptual Arctic Council Project Fund. This was presented for information only.

The fund could be a revolving fund in which donors pool resources. Decisions on how to utilize funds would be made by all stakeholders. Key NEFCO instruments for distributing fund monies would be: loans, conditional loans, equity capital, soft loans, conditional grants, and grants.

Successful programs would return monies into the fund. However, it is important to note that there will be a depletion of the fund over time. Subject to success of projects and evaluation of current needs, the Arctic Council Project Fund would need to be replenished periodically.

The minimum amount of investment needed to make the fund work minimally would be 1-5 Million USD, depending upon stakeholders' intended uses for the fund.

Discussion:

Some Steering Committee members expressed reservations regarding how donor countries would be able to maintain control of their donations.

In addition, the question was raised as to how the fund would affect the autonomy of individual Project working groups.

Norway emphasized that flexibility and predictability are key factors to a project support fund. For example, the BFR project will eventually require funding. An ACAP Project Fund would have that financing available avoiding delays in project progress. Norway stated that it is considering putting substantial funds into a potential Arctic Council Project Support Fund for ACAP projects, possibly administered by NEFCO. Norway recognized that the Arctic Council and ACAP are a consensus bodies. A fund will not change how the Arctic Council operates, and that it is still the Ministers of the Arctic Council that define the direction of ACAP.

Canada stated that the concept of the revolving fund only seems to work if you have excess funds. The Chair concurred stating that ACAP never has excess funds because requests are not made until projects are ready to move forward. The solution would be to look at sustainability of projects and require business plans.

The US would have difficulty contributing to a fund of this type due to recent changes in grant oversight. Also, this type of fund seems contrary to the notion that there is autonomy among project steering groups that is integral to the make-up of ACAP.

The Russian Federation stated that this was the fourth time the ACAP Steering Committee considered a revolving fund approach, and it has yet to agree. It was expressed that such a fund would be a redundant administrative step and would require careful consideration of factors such as inspections and audits.

The practical suggestion was put forth by the Circumpolar Conservation Union (CCU) that Norway might create a pilot project fund to determine the viability of such a concept.

Denmark and Norway stated that they would like information earlier for more thorough consideration prior to the ACAP Steering Committee Meetings. The Chair noted this.

6. Cooperation and Outreach—Outreach to Other International Fora

a. Barents Euro Arctic Council (Esko Seppälä, Finland)

Summary:

At their meeting in August 2003, the Environment Ministers of the Barents region agreed on a policy document that includes an action plan for cleaner production in a Life Cycle Perspective. Joint efforts were identified between BEAC and ACAP, e.g., cleaner production as an important approach for solving many of the identified problem areas.

It was concluded that the ACAP project on Environmentally Sound Management of Obsolete and Prohibited Pesticides in the Russian Federation coincides with the Hot Spots List project number 30 “Stock of Obsolete Pesticides” in the Arkhangelsk Region. This forms an optimal base to begin to join efforts between ACAP and BEAC/WGE for obsolete pesticides as well as other projects within future cooperation frameworks.

It was recommended that the ACAP Steering Committee and BEAC/WGE approve outreach efforts to work cooperatively on projects of mutual concern that have been formally adopted as work programs of their respective organizations.

b. Nordic Council of Ministers (Bob Dyer, ACAP Chair)

Summary:

On February 11, 2004, the ACAP Chair, Secretariat and a Norwegian representative met with the Nordic Council of Ministers (NCM) Senior Advisor for the Environment Working Group (EWG). A new Arctic Cooperation Program was developed by NCM in 2000 under the “Adjacent Areas Initiative.” The “Adjacent Areas Initiative” originally focused on Baltic States, but after they joined the EU, focus has turned to Northwest Russia. The NCM/EWG representative suggested that the most straightforward approach for ACAP to interface with NCM Environmental Sector is to file a Project Application for financing with either the “Environment Sector” or the “Adjacent Areas and the Arctic” program.

Action Items:

Approval by the ACAP Steering Committee to formalize cooperation with the NCM/EWG and to identify projects that could be financed through the NCM project application process for the “Adjacent Areas and the Arctic” Program and/or the “Environment Sector.”

The US approved the request with the caveat that the work of the NCM/EWG is known and accepted by the Russians. The Russian Federation representative was not aware of what the NCM/EWG is doing and needs to explore their background and previous work before making a decision.

It was agreed that the Russian Federation would look into the background of NCM participation. All parties would like to ensure full information exchange.

It was also suggested that project steering groups follow-up with project proposals.

c. EU Northern Dimension Action Plan (NDAP) (Bob Dyer, ACAP Chair)

Summary:

No specific action taken. Common interests between the EU NDAP and Arctic Council are still being discussed so no action on the part of the Steering Committee was needed.

d. EU/TACIS (Bob Dyer, ACAP Chair)

Discussion:

EU/TACIS is only accepting 2-3 environmental proposals per year and there is a two-year lead-time for project review and approval. Therefore, given time constraints, it was suggested by the Chair that focusing on the NCM is a higher priority.

The Circumpolar Conservation Union (CCU) does not think that the relationship between participating organizations has been fully energized. CCU noted that there is a wide-range of NGO expertise in POPs elimination and it would be useful to work with these NGOs to push for ratification of the Stockholm Convention and set up an implementation plan in addition to working cooperatively on new listings (e.g., lindane, BFRs, and methyl mercury as an unintentional POP are at the top of their list).

Cooperation and Outreach—Outreach to Other Arctic Council Working Groups

a. ACAP's Role in the ACIA Process

Summary of a document sent to the meeting:

ACIA leadership would welcome the opportunity to discuss ACAP's experience in moving from assessment to action in its programs. This exchange of experiences may assist the Arctic Council and the International Arctic Science Committee (IASC) to develop action plans for addressing the consequences of climate change and increases in UV radiation across the Arctic.

b. University of the Arctic

Summary of a document sent to the meeting:

At the last ACAP Steering Committee meeting, the Steering Committee decided to examine if training components of the cleaner production project could become part of the University of the Arctic course offerings.

The University of the Arctic recommended that a formal letter be sent from the ACAP Chair to the Director of the University of the Arctic highlighting the following points: a formal outline of a Cleaner Production proposal, and the funding process.

Action Items:

The ACAP Steering Committee agreed to complete the following:

- A formal outline developed jointly by the US and the Russian-Norwegian Cleaner Production Centre of a Cleaner Production proposal approved by the Steering Committee, and

- A funding process. To complete the funding process it will be necessary to get clarification from the University on whether they will provide funding for curriculum development.

It was agreed that the proposal would be developed intersessionally.

CCU will contact the president of the University of the Arctic and find out the date and time of their board meeting. It is hoped that the ACAP Steering Committee would be able to provide a draft of their proposal to the board at that time.

7. ACAP Web-Page Update (Carolyn Barley, Steve Settle, David Cobb)

Status:

ACAP Secretariat Carolyn Barley presented the following recommendations for the design of the ACAP web page:

- The ACAP web page should follow UNEP's GRID Arendal web-page format.
- The ACAP web page should use the AMAP site as a template.

The cost would be minimal because applications have already been prepared for the AMAP site and ACAP would use the same general format.

Next Steps:

The Secretariat recommended that U.S. representatives continue their research and move forward on specifying web-page structure and format, developing cost estimates, and determining where to locate the site.

Action Items:

A tentative outline of the ACAP website is being developed and will be distributed to The ACAP Steering Committee for comment by June 30, 2004. It was agreed that representatives from Norway would assist in the web-page design and provide comments.

8. Report to SAO's and Deliverables to Ministers in November 2004

The report to the Senior Arctic Officials (SAO) will be based upon the ACAP Steering Committee Report for this meeting.

The chair also requested that ACAP Steering Committee members provide the Secretariat with copies of their presentations.

The following meetings are scheduled to take place:

- Selfoss, Iceland, May 3, 2004: Sustainable Development Work Group
- Selfoss, Iceland, May 4-5, 2004: Senior Arctic Officials Meeting

Meeting Conclusion

Other Issues:

The ACAP Steering Committee agreed to develop a list of ACAP Publications. The Mercury report, detailing Phase I of the Mercury Project, is the driver. Denmark agreed to bring the issue up at the next mercury project steering group meeting in June and advise the ACAP Steering Committee of costs for black and white production. Denmark

also agreed to obtain details on how to publish their reports as ACAP documents with ISBN numbers.

It was understood by the ACAP Steering Committee that these publications would be made available on the Internet wherever possible to avoid high printing costs.

Next Meeting:

The date for the next ACAP Steering Committee meeting is October 6-7, 2004. Finland has agreed to host the meeting.

Appendix A

Agenda: ACAP Steering Committee Meeting

US Environmental Protection Agency, East Building, Room 1117

Washington, DC

March 24-25, 2004

*** Day 1 ***

Agenda Item

- | | | |
|-----------|----------------------|---|
| | 9:00 - 9:15 | Welcome
(Jerry Clifford, DAA, EPA Office of International Affairs) |
| | 9:15 - 9:30 | Approval of Agenda |
| | 9:30 - 9:45 | Report from the Chairman/Announcements (Bob Dyer, ACAP Chair) |
| | 9:45 - 10:00 | Objectives for the US Chairmanship |
| 1. | 10:00 - 10:25 | Project Progress Reports - Annex A Projects
a. PCB's (Vitaly Kimstach, AMAP) (25 min) |
| | 10:25 - 10:55 | Break |
| | 10:55 - 12:25 | b. Dioxins/Furans
(Niklas Johansson, Swedish EPA/Eleonora Barnes, US EPA) (25 min)
c. Mercury (Morten Skovgaard Olsen, Danish EPA) (25 min)
d. Obsolete Pesticides
(Esko Seppälä, Ministry of the Environment, Finland) (20 min)
(Liubov Baklykova, Registration Center of Pesticides and Agro-Chemicals, Russia) (20 min) |
| | 12:25 - 1:40 | Lunch (EPA Cafeteria) |
| | 1:40 - 2:00 | e. Cleaner Production (Alexander Tsygankov, Russian-Norwegian Cleaner Production Center) (20 Min) |
| 2. | 2:00 - 2:45 | Project Progress Reports - Annex B Projects
a. Brominated Flame Retardants (BFR's) (25 min)
(Solvaar Hardeng, Norwegian Pollution Control Authority)
b. Guidelines for EIA on Radioactive Waste
(Gunnar Futsaeter, Norwegian Pollution Control Authority (20 min) |
| | 2:45 - 2:55 | Project Progress Reports - Annex C Projects (10 min) |
| | 2:55 - 3:25 | Break |
| | 3:25 - 4:05 | Traditional Food Safety and Env. Pollutant Monitoring Program
(Dr. Jim Berner, Alaskan Native Tribal Health Consortium) (20 min)
Permanent Participants (20 min) |
| 3. | 4:05 - 4:25 | New Project Proposals
Updating Fact Sheet: AMAP/ACAP
(Vitaly Kimstach, AMAP/ Eleonora Barnes, US EPA) (20 min) |

4. 4:25 - 4:45 US EPA Regional Initiative for POP's and Mercury
(Sam Sasnett, US EPA) (20 min)
- 4:45 - 5:00 Wrap-up
- 7:00 - 9:00 Group Dinner (Finemondo Restaurant, 1319 F Street, Washington DC
See menu and map in notebook)

Agenda: ACAP Steering Committee Meeting

US Environmental Protection Agency, East Building, Room 1117

Washington, DC

March 24-25, 2004

*** Day 2 ***

Agenda Item

5. 9:00 - 10:45 **Financial Issues**
- a. General Issues (Bob Dyer, ACAP Chairman) (15 min)
 - b. Finance Status Table: changes & revisions
(Working Group Chairs) (30 min)
 - c. Revolving Fund - NEFCO (30 min)
 - d. ACAP Funding Strategy (30 min)
- 10:45 - 11:15 Break
6. 11:15 - 12:00 **Cooperation/Outreach:**
other WG's, Permanent Participants, Observers, other Fora:
- 1. Outreach to other international fora (45 min):
 - a. Barents Euro Arctic Council (Esko Seppälä, Ministry of the Environment, Finland)
 - b. Nordic Council of Ministers
 - c. EU Northern Dimension Action Plan
 - d. EU/TACIS
- } (Bob Dyer)
- 12:00 - 1:30 **Lunch** (EPA Cafeteria)
- 1:30 - 2:15 2. Outreach to other Arctic Council Working Groups (45 min)
- a. AMAP (Vitaly Kimstach, AMAP)
 - b. ACAP's Role in the ACIA Process (Bob Corell, ACIA Chair)
 - c. University of the Arctic
7. 2:15 - 2:45 **ACAP web-page update**
(Carolyn Barley, Steve Settle, David Cobb) (30 min)
- 2:45 - 3:15 Break
8. 3:15 - 3:45 **Report to SAO's and deliverables to Ministers in November 2004**
- 3:45 - 4:00 **Wrap-up:** Other Issues/Next Meeting
- 4:00 - 5:00 Tour : Old Post Office Building Tower

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Appendix C: List of Documents Provided to Steering Committee

1. Chairman's Opening Remarks/Objectives for U.S. Chairmanship
2. WWF Arctic Bulletin No. 3.03
3. Annex A Project Progress Reports and other Documents
 - PCBs
 - Russian Proposal for Demonstration Project on Rehabilitation of Soils at Serpukhov
 - Dioxins/Furans
 - Mercury
 - Background Document for Discussion of Further Actions on Mercury Release Reductions
 - Obsolete Pesticides
 - Cleaner Production
4. Annex B Project Progress Reports
 - Brominated Flame Retardants
 - Guidelines for EIA on Radioactive Waste
5. PBT Regional Priority Projects for PBT Regional Grant and Region-Wide Implementation for Fiscal Year 2004
6. Financial Status Table
7. Cooperation/Outreach
 - Opportunities for Cooperation: Reducing Environmental Damage in the Arctic/Barents Region
 - Cooperation of ACAP and Barents Euro-Arctic Council Working Group on Environment
 - Outreach to Other International Fora
 - Arctic Climate Impact Assessment (ACIA)
 - Statement from the University of the Arctic

Appendix D

Results of Implementation of the “Cleaner Production” Programs in the Polar Branch of the Mining and Metallurgy Company “Norilsk Nickel” (NNPB)

During 2002-2004 the Russian-Norwegian Cleaner Production Centre, with the support of the ACAP, executed 3 training Programs “Cleaner Production” in the NNPB.

The first Program: January 2002- June 2002

The second Program: October 2002- April 2003

The third Program: October 2003- March 2004.

The first and the third Programs were funded by the NNPB and the second – by the Arctic Council.

The first Program provided a basis for extending and adjusting the methodology of Cleaner Production to the specific conditions of the plant and trying out relevant organizational arrangements.

The second and third Programs were implemented at a high level, which became possible due to careful selection of specialists and support of the administration.

The Programs were carried out with the involvement of different units of the plant in charge of mining, beneficiation, sintering, metallurgy, electrolysis, transportation, building, repairs, designing and management.

For example, Tabunov A.N., Deputy Chief Engineer of “Teplovodogazosnabzhenie” of the association “Norilskenergo” suggested the following measures which will not call for investments:

1. *Organizing operations of cold water heating with allowance for ambient air temperature* (the measure has been implemented), the economic effect is 367 477\$/year; the environmental effect- reduction in cold water losses by 1 024 994,4 m³/year

2. *Installation of valve-regulator at the pumping station №16* (the measure is being implemented); the economic effect is 295 074\$/year; the environmental effect– reduction in cold water losses by 1 024 994,4 m³/year.

In addition, two measures requiring low investments with the payback period of three years have been developed:

1. *Eliminating ejections from the heat network to water networks* (implementation is due in 2005), the economic effect is 915 737\$/year; the environmental effect is reduction in network water losses by 2 471 241,6m³/year, reduction in cold water losses by 2 471 241,6 m³/year; required investment – 17 370\$, payback period – 0,02 year.

2. *Installation of hydraulic variator “TWINDISK” at the pumping station №16* (implementation is due in 2005-2006); the economic effect is 307 845\$/year; the environmental effect – reduction in power consumption by 1 051 200kW-hr/year, reduction in cold water consumption by 2 628 000m³/year, required investment – 100 320\$, payback period– 0,3 year.

Results of program implementation are summarized in Table 1.

Table 1.

№	Indicator	Total for three programs	1 program January 2002 - June 2002	2 program October 2002 - April 2003	3 program October 2003 - March 2004
1	Number of specialists awarded certificates	74	21	27	26
2	Total number of developed projects, including:	224	50	81	93
2.1	A group projects	90	13	37	40
2.2	B group projects	100	18	32	45
2.3.	C group projects	34	19	12	8
3	Economic effect of developed projects				
3.1	"A" group projects	3 289 493	379 900	1 078 000	1 831 593
3.2	"B" group projects	9 035 422	2 435 697	1 175 958	5 423 767
3.3	"C" group projects	195 278 811	173 689 486*	11 902 013	9 687 312
4	Investments, millions of USD	483,0	438,0	22,0144	26, 188

* This group involves projects to be executed in future.

As of 1 January 2004, a total of 87 projects of different groups have been implemented with the funding of the plant (Table 2)

Table 2.

Project name	Number of projects	Economic effect, USD	Investments
A group projects	62	2 155 747	-
B group projects	23	3 195 448	3 558 137
C group projects	2	1 465 520	2 961 700
TOTAL	87	6 816 715	6 519 837

Implementation of the A group projects under the third program is to be completed by the end of 2004 года.

The environmental effectiveness of the projects is presented in Tables 3 и 4.

Table 3.

The law-cost environment-saving projects are developed

	The 1 st Programme	The 2 nd Programme	The 3 rd Programme
Environmental effects per year:			
✓ Reduction in fresh water consumption, mln m ³	1,16	2,37	4,27
✓ Reduction in technological water consumption, thou m ³		366,3	1 158
✓ Decrease in waste discharge, thou m ³		1 330,5	2 023,2

✓ Reduction in dumping on the terrain, mln m ³		1,31	
✓ Economy of natural gas, mln m ³	16,76		
✓ Economy of electric power, mln kWh	2,58	2,30	10,04
✓ Economy of thermal energy, Gcal		1 335,6	5,84
✓ Economy of diesel oil, tn	210		
✓ Reduction of solid waste generation, m ³		775,6	365
✓ Reduction in dust effluence, tn	20	650	
✓ Reduction emissions into air, tn:	95	11	70

Table 4.

The medium-and-high cost projects have been developed

	The 1 st Programme	The 2 nd Programme	The 3 rd Programme
Environmental effects per year:			
✓ Reduction in fresh water consumption, mln m ³	42,37	19,22	7,8
✓ Reduction in technological water consumption, mln m ³	6,19	0,17	3,1
✓ Decrease in waste water discharges, mln m ³	8,1	10,2	3,3
✓ Reduction in dumping of pollutants to sewage waters, tn	2 788		
✓ Reduction in dumping on the terrain, mln m ³	2,37	4,45	
✓ Economy of natural gas, mln m ³	158,98		
✓ Economy of electric power, mln kWh	80,56	77,4	5,84
✓ Economy of thermal energy, mln Gcal	15,78	0,18	
✓ Economy of diesel oil, tn	3 000,2		640
✓ Economy of compressed air, mln m ³	9,13		0,26
✓ Reduction of solid waste generation, thou tn	2 253	2 253	197
✓ Reduction of hazardous waste II class generation, tn	43,3		

✓ Reduction of emissions into air, thou tn	1 212,5	18,46	264
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Based on the results of the first two Programs the administration of the plant has adopted a resolution by which

- bonuses were awarded to specialists who developed the most effective projects;
- heads of the units are obliged to implement the cleaner production programs proposed by the trainees.

The effectiveness of the third Program, convincing and well-substantiated defense by the trainees, as well as technically and economically competent proposals and presented slides have received high assessment and approval of the administration.

Based on the outcomes of the “Cleaner production” Program implementation, agreement has been reached with the administration of the “Norilsk Nickel” company to carry out the 4th program in the autumn of 2004. Appropriate proposals have been submitted to the administration of the NNPB.

*Director of the RNCPC
A.P. Tsygankov*

Appendix E: List of Acronyms

ACAP Arctic Council Action Plan
ACIA Arctic Climate Impact Assessment
AMAP Arctic Monitoring and Assessment Program

BEAC Barents Euro-Arctic Council (BEAC)
BFRs Brominated Flame Retardants

CCU Circumpolar Conservation Union
CEG Contact Expert Group
CIP Center for International Projects

EIA Environmental Impact Assessment
EU/TACIS European Union Technical Assistance to the Commonwealth of Independent States
EWG Environment Working Group

GEF Global Environment Fund

IASC International Arctic Science Committee
IPS Indigenous Peoples Secretariat

NCM Nordic Council of Ministers
NDAP Northern Dimension Action Plan
NEFCO Nordic Environment Finance Corporation
NGO Non Government Organization
NHANES National Health And Nutrition Examination Survey
NNPB Norilsk Nickel Polar Branch

PCB Polychlorinated Biphenyls
POP Persistent Organic Pollutants
PP Permanent Participants
RNCPC Russian-Norwegian Cleaner Production Center

SAO Senior Arctic Officials

UNDP United Nations Development Programme
UNEP United Nations Environment Programme

WGE Working Group on Environment
WWF World Wildlife Fund