

Working Group: Traditional Knowledge, Stewardship and Small/Medium Business Development

Arctic Economic Council

WORKING GROUP SCOPE

The Arctic Economic Council aims to facilitate business activities and responsible resource development throughout the circumpolar Arctic. The Council will do this through the sharing of best practices, technological solutions, standards, and other information. There are five overarching themes of the AEC, and they include:

- Establishing strong market connections between the Arctic states;
- Encouraging public-private partnerships for infrastructure investments;
- Creating stable and predictable regulatory frameworks;
- Facilitating knowledge and data exchange between industry and academia; and,
- Traditional indigenous knowledge, stewardship and a focus on small businesses

The Arctic is ground zero for climate change; and this change is posing new challenges and opportunities for indigenous people in the circumpolar Arctic. The global demand for natural resources and shorter routes for marine transportation of goods has started a race in and to the Arctic by stakeholders looking to gain footholds in the circumpolar region.

The situation in the Arctic raises many important questions about habitat and climate, about how local societies in the North should relate to the growing industrialization.

There are potential impacts on traditional activities and industries such as subsistence hunting, herding and trapping activities. Further, the opportunities for growing revenue from, for example, oil and mineral extraction might change the political landscape and function as an incitement for greater independence and new business opportunities.

The working group on *Traditional Knowledge, Stewardship and Small/Medium Enterprise Development*, aims to provide the necessary framework for being good business partners in the Arctic with indigenous residents and communities. The working group will examine and publish guidelines on appropriate engagement with indigenous residents and communities with respect to traditional knowledge, stewardship and small and medium enterprise development.

KEY ISSUES

TRADITIONAL KNOWLEDGE

Traditional Knowledge (TK) is an asset that can add value to projects or initiatives in the Arctic that is often overlooked and undervalued by developers, academia, the government and the occasional unaware outside stakeholder. Many Arctic residents know the natural environment and even the most acute changes in wind direction, ice conditions, currents, migration routes, molting spots, sensitive overall natural surroundings.

Non-Arctic stakeholders looking to do business in the Arctic or partner with Arctic businesses can benefit from the appropriate attainment and utilization of traditional knowledge. Knowing where and how to attain traditional knowledge is as important as knowing whether the information received is accurate. The working group will work to refine those parameters so stakeholders with an eye towards business development in the Arctic get it right, not just done.

Key factors and questions that the report will seek to address include:

- Recognizing Traditional Knowledge
 - What is traditional knowledge and how do “you” get it?
 - What is the best way to acquire it
 - What is the wrong way to acquire it
 - Why is it important to have traditional knowledge for Arctic economic, policy and guideline development and growth?
- Incorporating Traditional Knowledge
 - How should traditional knowledge be vetted?
 - Is the traditional knowledge location appropriate? Not a one size fits all solution. *What works in Saami country, may not translate into appropriate knowledge for Kalaallimut.*
 - Who speaks? *Getting the right people to provide the information.*
- Guidelines for incorporating TK in:
 - Regulatory processes & government policies
 - Academia/research
 - Development projects
- Circumpolar TK similarities

STEWARDSHIP

The relationship businesses have with society and the environment in which they operate is a critical factor in their ability to continue to operate effectively. The AEC seeks to establish a sustainable platform for a high standard of business operations through this working group. This platform should serve as a catalyst for an increasing responsible industrial exploration of the Arctic, and a platform for development of the people, the human resources of the North. This is a demanding challenge and calls for the development of tools and measures in order to reach that goal.

This working group aims to provide guidance on how businesses and organizations can operate in a socially responsible way. This means acting in an ethical and transparent way that contributes to the health and welfare of society.

The perception and reality of an organization's performance on sustainable responsibility can influence, among other things:

- Reputation
- Ability to attract and retain workers or members, customers, clients or users
- Maintenance of employees' morale, commitment and productivity
- View of investors, owners, donors, sponsors and the financial community
- Relationship with companies, governments, the media, suppliers, peers, customers and the community in which it operates

There are a number of standards that attempt to make a positive contribution to the world we live in¹. They facilitate trade, spread knowledge, disseminate innovative advances in technology, and share good management and conformity assessment practices. However, none of these standards have been designed to safeguard residents and communities from Arctic development. While none of these standards in isolation can be the raw model for "the stewardship of the Arctic", collectively the guidelines issued by this working group and approved by the AEC can serve as a roadmap for meaningful stewardship of the Arctic.

Key factors and questions that the report will seek to address include:

- Guidelines or standards (voluntary or binding) that determine what good stewardship means for:
 - Subsistence resources
 - Environmental resources
 - Natural resources
 - Communities

¹ FN:s Guiding Principles on Business and Human Rights. OECD Guidelines for Multinational Enterprises, UN Global compact, ISO 26 000, FSC, MSC etc

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TRADITIONAL KNOWLEDGE, STEWARDSHIP & SMALL/MEDIUM ENTERPRISE DEVELOPMENT

- Analysis of the level of incorporation of these guidelines or standards into business practices and public policy across the Arctic. Success stories and gaps.
- Stakeholder impact analysis (case studies and potentially estimated quantitatively): *What are the benefits and challenges of implementing good stewardship practices on businesses, communities, on indigenous peoples.*
- Appropriate practices for non-Arctic businesses/industries/countries/stakeholders to employ regarding stewardship when doing business in the Arctic. What a “good Arctic citizen” looks like.

SMALL AND MEDIUM ENTERPRISE DEVELOPMENT

Small and medium enterprises (SMEs) are the fabric of our societies. They also contribute to the economic freedom, well-being and livelihood of Arctic residents. The arts, small scale commercial fishing, and reindeer herding are traditional industries in which indigenous Arctic residents have participated. Further, innovative models can be seen in the pan-Arctic nations. For example, *the North Slope Marketplace (NSMP)* targets the development and growth of small businesses in Alaska’s northern-most region. Applicants submit their business plans and an application to be eligible for the competition. They are provided business advice, guidance on how to improve their business plan, develop a budget and work with tax advisors. The successful business plan receives a grant to start or grow their business.

Another example can be found in Sápmi, with the *Indigee Project* which was created to provide support and advice to indigenous young peoples with established enterprises or with business ideas closely related to indigenous culture and traditions. The project offered the participants business counselling, conferences and working group meetings focusing on business development. Through the project, young entrepreneurs got a personal business advisor offering guidance, feedback, and knowledge tips on effective business practices.

It is imperative that more opportunities like these, and new ones, are available to Arctic residents. Growing small and medium enterprises is good for our communities and residents; further, it makes a stronger Arctic. Through these types of growth opportunities our regions will be better equipped to service and address the needs of an expanding and developing Arctic nation.

Aligned with the examination of Traditional Knowledge and Stewardship is the promotion of small and medium enterprise development. SMEs empower our residents through employment and economic opportunities, and this working group will identify and compare economic development models in the Arctic; and, perform a comparative analysis between the challenges and economic factors faced in developing nations and the Arctic.

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Key factors and questions that the report will seek to address include:

- Creating an environment for small business development.
- Identifying the needs, challenges and gaps within the circumpolar region to promote small and medium business development.
- Solutions and innovative ideas for increased small business development in the circumpolar Arctic, as well as pan-Arctic utilization of small Arctic businesses.
- Compare and contrast the Arctic economic environment with developing nations
 - Challenges
 - Policies
 - Factors for success
 - Similarities

DELIVERABLES

The evaluations in these three key areas (traditional knowledge, stewardship and small and medium enterprise development) will form the basis for the development of:

- Guidelines on how to acquire and incorporate traditional knowledge with respect to business projects and initiatives in the Arctic;
- Guidelines on how to be a good Arctic steward/neighbor; and
- Analysis of economic factors that pose challenges and benefits to the Arctic, and the identification of those factors that will help grow SMEs into sustainable Arctic businesses.

Best practices and innovative solutions identified across the three key areas will be summarized in order to suggest a potential framework for being good business partners across the Arctic with indigenous residents and communities. The development of guidelines will serve to provide businesses with the appropriate tools and background for engagement strategies with indigenous residents and communities leading to the advancement of greater stewardship in the Arctic.

The final analysis will be incorporated into a published report under the auspices of the Arctic Economic Council.

METHODOLOGY

The working group is comprised of representatives from, or recommended by, the AEC membership. It will work in a collaborative manner with Arctic stakeholders, including indigenous groups, governments, associations and business interests.

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Outreach will be conducted country by country in the most cost effective manner, without compromising the quality of the information gathered. The terms and level of detail on a community scale will be determined by the working group.

TIMELINE

The working group will commence work in January 2015 - January 2016.

BUDGET

There is no budget identified at this time as no one has committed funding for these efforts. Therefore, meetings will remain in virtual format.

PROJECT TEAM

Project lead:

Tara Sweeney, Executive Vice President of Arctic Slope Regional Corporation, representing ICC Alaska.

The project lead will assemble members of the working group.