



ARCTIC ECONOMIC COUNCIL

ANNUAL REPORT 2021

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The Arctic Economic Council is an independent business membership organisation that facilitates partnerships, develops policy proposals, and promotes sustainable economic development in the Arctic.



WHAT WE DO



Policy advocacy

Communicating with key stakeholders and political decision-makers on Arctic framework conditions



Network

Leading several working groups and connecting members across countries with mutual business interests

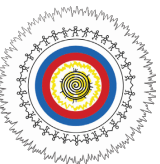


Outreach

Promoting Arctic opportunities and the important role of companies in the region



AEC MEMBERS MAY 2022



CHAIRMAN'S MESSAGE



My family has for generations been involved in shipping and the Arctic. I was four years old when I stood on a ship sailing in Arctic waters for the first time in my life.

Since then, I worked in various companies involved with the shipping, international trade and Arctic development: from the Far East Shipping Company (FESCO) to Sovcomflot and now in Novatek. Throughout that period, international collaboration has been the core of the work.

The maritime transportation and most other industries in the North are by nature international and depend on collaboration. Today, 90% of all goods are transported by the ocean.

The Arctic sailing routes connect Russia with the Nordics and north America, but it also bridges major economies, providing short and efficient transportation. In the future we see a huge potential in expanding the shipments on the Northern Sea Route.

It was this international background that motivated me to be involved in the creation of the Arctic Economic Council while I was working at Sovcomflot.

I have been a member of the executive committee since AEC's creation in 2014, so it has been a great honour to serve as a chair during the first year of the Russian chairmanship of the organisation. A year that has not been easy for many companies but where we have overcome many challenges.

The AEC chairmanship mirrors the chairmanship of the Arctic Council. The two councils have been very supportive in promoting sustainable economic development in the Arctic.

Yet, the AEC has truly proved its independence as a business organisation. Today when the work of most of the Arctic cooperation institutions has been put on pause, AEC remains to be functional.

The Arctic region has always been a region of low tension and an area of collaboration across countries. In turbulent times the communities and businesses in the North feel the impact the most.

CHAIRMAN'S MESSAGE

Here cross-border collaboration often is the key for economic development and the solution to overcome economy of scale. Small border towns feel the impact hard and indigenous communities are affected as well as families and friends.

Early this year we did a survey among AEC members. One of the questions we asked was about the biggest obstacles to sustainable economic development in the region.

The most frequent answer was the ambition to keep the Arctic region untouched. In recent years we have seen companies calling to stop transshipments in the Arctic ocean, large renewable energy projects being blocked and banks, pension funds and investors discriminating against energy projects within the Arctic region.

We must ensure to protect while at the same time develop the Arctic.

Novatek, that I represent, is an international company, working from Russia but in partnership with companies from countries like France, China, Japan, Finland, Singapore, South Korea and Germany. The Arctic is the global meeting place for the business.

Often we hear a lot of talk about people wanting to develop the Arctic. I am proud to say, that while people talk, AEC members are actually doing the great job each day to develop the region sustainably.



Evgeniy Ambrosov

**AEC Chairman
Deputy Chairman of the Management Board,
Director for Marine Operations, Shipping and Logistics,
NOVATEK**

EXECUTIVE DIRECTOR'S MESSAGE



The AEC's role

The Norwegian poet Rolf Jacobsen writes in his book "Night Open" a poem titled "North" where he calls to the readers *"to look more often towards the north"* because *"most of the country [Norway] is north"*.

Today, it is a kind reminder to people in the south to look up north because this vast region has the solutions to a lot of the challenges of our time. In the north you find plentiful of energy, raw materials and food resources.

The past year has been an eventful for the Arctic Economic Council. In 2021, the AEC celebrated its seventh anniversary while the Arctic Council celebrated its 25th anniversary. The AEC has been involved in activities in and outside the Arctic and has never been more active in our outreach.

Over the years, the role of the AEC has sharpened and today we focus on three things: policy advocacy, networking, and outreach.

Strengthening policy advocacy

Since the establishment of the AEC more than a dozen of national Arctic strategies from around the world recognised our organisation as an important stakeholder and platform for promoting sustainable economic development in the region.

In 2021, countries like the Netherlands, Finland, Iceland, Poland as well as European Union highlighted the role of the AEC in their policies and some encouraged more companies operating in the Arctic to join the AEC. Most recently India and France have also released Arctic policy documents mentioning the AEC.

The importance of cooperation with the AEC was also stated in the 2030 Strategy of the Arctic Council that was released in May 2021.

In the past year we have gotten closer to the work of the Arctic Council both through joint meetings and through engaging with the Arctic Council working groups even closer than ever before.

EXECUTIVE DIRECTOR'S MESSAGE

Growing network

Networking is the second focus area of the AEC and at times it can be the most difficult because our membership covers more than 10 countries and almost all time zones. One thing we have learned in the past years is the better use of online meetings.

AEC is building up connections both within its five working groups as well as meeting at international events on the Arctic.

Network is also growing our membership base. Since the beginning of 2021 AEC has welcomed 14 new members from several countries and various economic sectors; connectivity, energy production, consulting, tourism, and engineering.

Expanding outreach

Diversifying the image of the Arctic region is one of the roles of the AEC. The region is more than just snow, northern lights and polar bears, it is also a place where people live and work.

We have never been more involved in outreach and communication than in the past year, mainly due to the massive increase in online participation in conferences.

To strengthen all the work above, within policy advocacy, networking and communication, we need the immense knowhow from our members. If there is a policy challenge that the AEC can help with, if you need to establish contacts abroad or within a sector or if you have a good case that you want to share, then don't hesitate to reach out.

Way forward

I have now been in the position as executive director of the AEC for a year, and I continue to be impressed by the work of all AEC members. Last year was not an easy one for many companies with a pandemic and supply chain challenges to deal with.

There are still uncertainties and challenging times ahead for many companies, but the past years have shown the strong resilience and innovative solutions from companies.

A new challenge for companies as well as the AEC is the war in Ukraine. This has an impact on our activity where, for example, the Arctic Council have paused their work. The AEC has been clear in its statements and actions from the beginning.

The Arctic has emerged and is taking its place on the international stage. The region is no longer separated or isolated from international politics but is a part of the global arena. The Arctic is feeling the effects of the same megatrends of changing demographics, digitalisation, urbanization and of course climate change, as the rest of the globe.

The Arctic of tomorrow will be different than yesterday. We have to shape the Arctic of tomorrow, today.



Mads Qvist Frederiksen
AEC Executive director

AEC IN NUMBERS

AEC IN NUMBERS



5 WORKING GROUPS



35+ MEMBERS



10 COUNTRIES



35+ EVENTS ANNUALLY



3600+ TWITTER
FOLLOWERS



1750+ LINKEDIN
FOLLOWERS



900 + WEBSITE VISITORS
MONTHLY



30+ PUBLICATIONS

CONFERENCES AND WEBINARS

Q1 2021

JANUARY

Public EU Arctic Policy Consultation

Autumn 2020 the European Union (EU) launched a public consultation process on its future Arctic policy in the face of new challenges and opportunities. The consultation sought input on the strengths and shortfalls of the existing policy from 2016 and help possibly prepare an updated approach.

The Arctic Economic Council participated in the consultation and is pleased to read that the sustainable development of the Arctic is reflected in the summary.

FEBRUARY

Arctic Frontiers

Heidar Gudjonsson was representing AEC in the panel *Carbon Capture and Meeting Future Energy Needs*.

MARCH

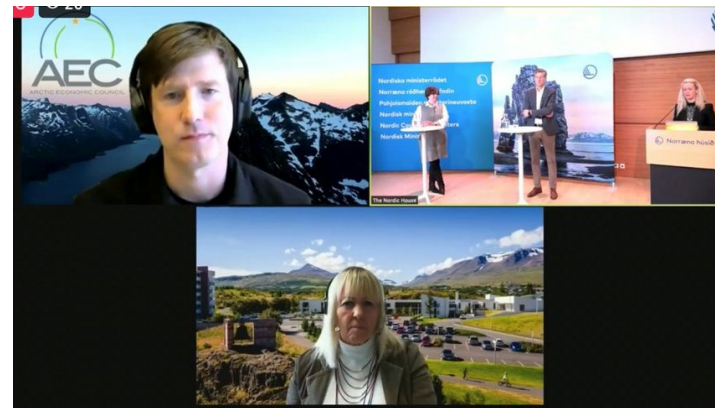
Icelandic Arctic Talks

Mads Qvist Frederiksen took part in the panel discussion on *Biotechnology and Innovation* organised by the Centre for Arctic Studies at the University of Iceland, the Icelandic Arctic Cooperation Network and the West Nordic Council, in collaboration with the Nordic House, the Icelandic Chairmanship of the Arctic Council and the Arctic Circle.

Q1 2021



Mads Qvist Frederiksen, AEC Executive Director, joins the steering committee of the UN Global Compact Norway.



Icelandic Arctic Talks: Biotechnology and Innovation. Reykjavik, Iceland.



Arctic Frontiers: Carbon Capture and Meeting Future Energy Needs. Tromsø, Norway.



Q2 2021

APRIL

- Masterclass for Congressional Foreign Policy staff - Wilson Center, Washington DC, USA.
- DIIS, Greenland's minerals and China's green energy dominance Copenhagen, Denmark.
- 14th Conference of Parliamentarians of the Arctic Region, Oslo, Norway.
- High North Dialogue, the Geoeconomics of Arctic Development, Bodø, Norway.
- Arctic 2050: Mapping the Future of the Arctic, Moscow, Russia.

MAY

- Arctic Business Panel – Status and Outlook at Doing Business in the Arctic.
- Arctic Business Network, Copenhagen, Denmark.

JUNE

- Meeting of the AEC members and Senior Arctic Official meet at Saint Petersburg International Economic Forum, Russia.
- CPMR Baltic Sea Commission - An ambitious EU Arctic Policy for territorial development

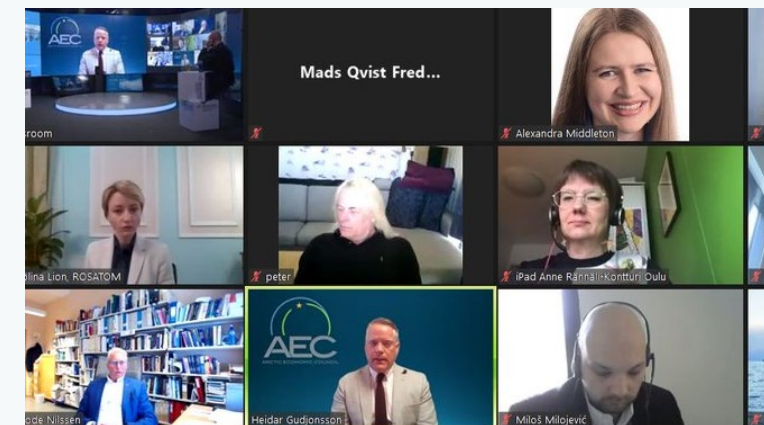
Q2 2021



The Standing Committee of the Arctic Parliamentarians released a conference statement that calls *“on the governments of the Arctic region to strengthen the cooperation with the Arctic Economic Council and ensure the implementation of the Arctic Investment Protocol.”*



AEC staff meet with Frederik Paulsen, non-executive chairman of Ferring Pharmaceuticals and founder of the Arctic Academic Action Award.



High North Dialogue, The Geoeconomics of Arctic Development.

Bodø, Norway.

Q3 2021

AUGUST

- Korean 7th Arctic Symposium online lecture for students from Korea Maritime Institute and the University of the Arctic, Busan, South Korea.
- Lecture for a visiting delegation of the students from the École Nationale d'Administration, Strasbourg, France.
- Joint webinar with Russian Far East and Arctic Development Corporation in partnership with Squire Patton Boggs on Implementation of the Public-Private Partnership-based infrastructure projects in the Arctic, Moscow, Russia.
- Webinar at the Ministry of Foreign Affairs in Finland.

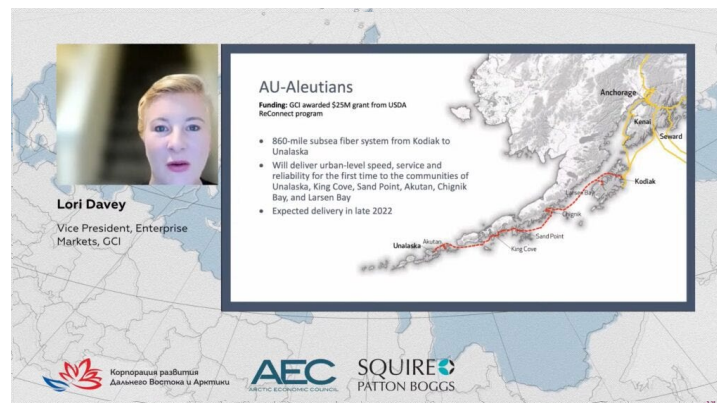
SEPTEMBER

- Arctic Hub, Nuuk, Greenland.
- Stolypin Forum, Moscow, Russia.
- Ecumene 2021 Congress: Financing Sustainable Development in the Context of Climate Change under auspices of UN, Moscow, Russia.
- Online lecture for students from Moscow Higher School of Economics, Russia.



Korean 7th Arctic Symposium online lecture for students from Korea Maritime Institute.

Busan, South Korea.



Implementation of the Public-Private Partnership-based infrastructure projects in the Arctic.

Moscow, Russia.



Petteri Vuorimäki, Finnish Ambassador for Arctic Affairs is meeting Mads Qvist Frederiksen, AEC Executive Director, and Stein-Gunnar Bondevik, EVP Public Outreach at Troms Kraft.

Tromsø, Norway.

Q4 2021

OCTOBER

- Joint webinar with MEDEF International on the Development and Business Opportunities of low-carbon Hydrogen in the Arctic.
- UNLEASH Innovation lab, Nuuk, Greenland.
- Arctic Circle Assembly, Reykjavik, Iceland. AEC hosted session *Open For Business – Is The Arctic Ready For Foreign Investors?* and Blue Economy: Solutions to the Challenges in our Food System.
- Fort Ross Dialogue, Jenner, CA, USA.

NOVEMBER

- The 26th UN Climate Change Conference of the Parties. Arctic Day Session.
- Lecture at L'école de guerre, Paris, France.
- EU Arctic Forum and Indigenous Peoples' Dialogue, Brussels, Belgium.
- AEC webinar on Northern Sea Route.
- Renewable Energy for Sustainable and Inclusive Development in the Arctic Series organised by the Icelandic Arctic Cooperation Network and Women in Renewable Energy International
- AEC presentation at the NATO parliamentary assembly, Tromsø, Norway.

DECEMBER

- Arctic Futures Symposium, Brussels, Belgium.
- Korea Arctic Partnership week, Busan, South Korea.
- DI Greenland Conference, Copenhagen, Denmark.
- Russian-Singaporean Arctic Dialogue. The Arctic as a Global Transport Corridor – Sustainable Arctic Shipping.

Q4 2021



Blue Economy: Solutions to the Challenges in our Food System. Arctic Circle Assembly.

Reykjavik, Iceland.



AEC members meeting for podcast recording.

Reykjavik, Iceland.



DI Greenland Conference.

Copenhagen, Denmark.

AEC AND ARCTIC COUNCIL



In 2019, AEC signed MoU with the Arctic Council to collaborate on: sustainable economic development; blue economy and maritime safety; connectivity; education and capacity building, etc.

In 2021, the Arctic Council has appraised the joint meeting between the councils and acknowledged the importance of further cooperation with the AEC in the Reykjavik Declaration signed at the AC Ministerial Meeting.

Strengthening the partnership between the two councils has become one of the strategic actions adopted in the first Arctic Council Strategic Plan.

AEC & AC JOINT MEETINGS



- Online Meeting between the AEC Chair and AC Chair, July 2021.
- Online AEC consultations with the Arctic Council about the future role of the AEC, September 2021.
- The fifth meeting of the Arctic Council's Arctic Shipping Best Practice Information Forum, October 2021.
- AEC joint meeting with the Arctic Council, Salekhard, Russia, December 2021.
- Proposals for multilateral initiatives for the sustainable development of the Arctic and cooperation of the Arctic Council and the Arctic Economic Council, December 2021.
- Online meeting with SDWG: Arctic Demographic Index, December 2021.

AEC AND EUROPEAN UNION



European Parliament encouraged further support to the AEC in its resolution on the Arctic: opportunities, concerns and security challenges.

7 October 2021.

European Commission recognised AEC as an important stakeholder in the region in Joint communication to the European Parliament, the Council, the European economic and social Committee and the Committee of the regions.

14 November 2021.

AEC DIALOGUE WITH EU



EU delegation is visiting AEC HQ.
Tromsø, Norway.



EU Arctic Forum and Indigenous Peoples' Dialogue.
Brussels, Belgium.



Arctic Futures Symposium.
Brussels, Belgium.

AEC IN ARCTIC STRATEGIES

2022



India



France

2021



Iceland



European Commission



European Parliament



Finland



Netherlands



Poland

2020



Russia



Sweden

2019



Canada



Scotland

2018



United Kingdom

2016



Spain



France

2015



Japan

AEC MEMORANDUMS OF UNDERSTANDING



Arctic Parliamentarians
Signed: October 2021



St Petersburg Committee for the Arctic
Signed: June 2021



Arctic Council
Signed: May 2019



World Economic Forum
Signed: January 2018



University of the Arctic
Signed: April 2018

PODCASTS



In October 2021, AEC produced four podcasts on four different topics: investments, infrastructure, community resilience and blue economy in the Arctic region.

These podcasts were recorded at the Arctic Circle Assembly in Reykjavik and are a part of the Nordic Talks sponsored by the Nordic Council of Ministers.

DIGITALISATION AND TECHNOLOGICAL BREAKTHROUGHS

"CUSTOM AI"

DIGITALISE HISTORY

PROTECT INDIGENOUS KNOWLEDGE

COLLECT DATA

MAKE BETTER DECISIONS

PLAN

A RESOURCE DRIVEN ECONOMY IS A RACE TO THE BOTTOM

LET'S TAKE CARE OF IT

REDUCE PLASTIC

BE SUSTAINABLE

AEC
ARCTIC ECONOMIC COUNCIL

WORLD GIVES US EVERYTHING

CLIMATE CHANGE AND RESOURCE SCARCITY

VALUABLE AND SAFE FOOD!

ADAPT TO THE RESOURCE

GOURMET PRODUCT

SIDE PRODUCTS
MAKE MORE MONEY

VALUE
1980 = 2021



LEATHER



BRYNDÍS BJÖRNSDÓTTIR
MATÍS ICELAND

MADS QVIST
ARCTIC ECONOMIC COUNCIL

PATRICK ARNOLD
CO-FOUNDER & CEO
NE OCEAN CLUSTER

LESLIE CANAVERA
CEO POLARTIC

ÞAGUR PÉURSSON



LOCALS HAVE BEEN THERE FOR **THOUSANDS OF YEARS!!**



MARITIME TRANSPORTATION AND ARCTIC COMMUNITIES



THOMAS MACK AND KRISTI MEHTI

ALEUT INTERNATIONAL ASSOCIATION

TROMSO MUNICIPALITY

CALL TO ACTION
WORK WITH **COMMUNITIES**

MAKE INVESTMENT **ATTRACTIVE**

ALASKA
WIND TURBINES
HYDRO PROJECTS
SAFE CARBON EXTRACTION
GEO-THERMAL

THE FUTURE IS **CLIMATE NEUTRAL**



EDUCATION IS KEY



EMPLOYEMENT!
COMPETITION!
ECONOMY!
LOW PRICE!

TROMSO
GREAT INFRASTRUCTURE
BIGGEST CITY IN NORTH NORWAY



MUNICIPALITIES **NEED** **ENTREPRENEURS**

BOLD PARTNERSHIPS





WHAT IS THE STATUS OF
THE INVESTMENT CLIMATE
IN THE REGION?

EXPLORE
NEW
OPPORTUNITIES!



WHAT ARE THE MAIN
CHALLENGES TO ATTRACT
INVESTMENTS?

ÞAGUR
PÉTURSSON



ARCTIC NEEDS
STABILITY!



INVESTORS GO WHERE
THE RISK IS LOW!



UNDERSTAND
THE PROJECT

IDENTIFY AND
REMOVE THE
BARRIERS



LET THE LOCALS
DECIDE WHERE TO
INVEST

INVEST WHERE
TRACK RECORD
IS BEST



LEARN FROM
CROSS-BORDER EXPERIENCE

LONG
TERM!

HIGH
REWARD!

LESS
COMPETITION!



AEC
ARCTIC ECONOMIC COUNCIL



HEIDAR GUÐJÓNSSON
CEO SÝN hf/VODAFONE



MADS ØIVST FREDERIKSEN
AEC



TARA SWEENEY
CEO TACK71

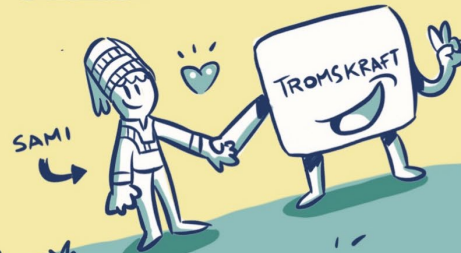
INVESTMENT *AND*
INFRASTRUCTURE
IN THE ARCTIC

COMMUNICATE
IN THE LOCAL
LANGUAGE!

KNOWLEDGE
THAT YOU INTERVENE

INVOLVE THE LOCAL
COMMUNITIES IN OUR
PROJECTS

INTEGRATE THE
COMMUNITIES



STEIN-GUNNAR
BONDEVIK
TROMS KRAFT

WE NEED
POWER!

BE SMART
WITH THE RESOURCE

WE ARE
IN A
HURRY

SPEED UP
THE PROCESS!

MAKE INFRASTRUCTURE
SUSTAINABLE

ARCTIC
INFRASTRUCTURE
AND
RENEWABLE
ENERGIES



ARCTIC
INFRASTRUCTURE
INVENTORY

MORE THAN
8,000 PROJECTS!

GOES PUBLIC

POLICYMAKERS
AND
STAKEHOLDERS
CAN USE IT!



JACK DURKEE
POLAR INSTITUTE



AEC
ARCTIC ECONOMIC COUNCIL

DAGUR
PETERSSON



SELECTED ARTICLES



AEC STATEMENT ON UKRAINE

Issued on 1st of March 2022

The Arctic Economic Council held an extraordinary Executive Committee meeting on Monday and decided to move the hybrid annual general meeting from St Petersburg to an online meeting.

Executive director Mads Qvist Frederiksen states that *“Arctic Economic Council condemns the invasion of Ukraine by Russia. The Arctic Economic Council supports peace and democracy and we deplore the loss of life and the human suffering.”*

The Arctic Economic Council was created with inspiration from the Arctic Council as a place of dialogue between nations and people in the north. For centuries people have traded and travelled across the borders in the region.

The Arctic identity brings us together both in private and work contexts and therefore it has often been known as the region of high north – low tension.

Four out of five members of the Executive Committee voted in favour of the condemnation of the invasion.

In case of any questions or comments, contact AEC Executive Director Mads Qvist Frederiksen at mads@arcticeconomiccouncil.com.

Reach out to AEC and follow us online

