

Commentary

## **Arctic Economic Council: Creating Parameters for Sustainable Economic Development in the Arctic**

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The vision of the Arctic Economic Council (AEC) is to make the Arctic a favorable place to do business.

Our mission is to facilitate sustainable Arctic economic and business development. The AEC also provides a business perspective to the discussions taking place at the Arctic Council, serving as a link between Arctic governments and the wider circumpolar business community.

### **Backbone: Our Goals and Five Overarching Themes**

Our purpose is to facilitate Arctic business-to-business activities and responsible economic development. The five overarching themes form the backbone of our actions.

The first overarching theme focuses on establishing strong market connections between Arctic states. Working to identify and remove trade obstacles at the circumpolar level is key for AEC membership.

The second overarching theme is promoting stable and predictable regulatory frameworks. We support high standards of regulation, and support a predictable regulatory environment for all Arctic stakeholders where common standards make sense.

The third overarching theme encourages the use of public-private partnerships in infrastructure investments. There are 4 million people living north of the Arctic Circle. The need for

infrastructure development is great and the cost is high, if not cost prohibitive for a single sector. Therefore, promoting public-private partnerships as a feasible option for pan-Arctic infrastructure development will go a long way in fostering responsible economic and business development in the North.

The fourth overarching theme focuses on creating closer ties between industry and academia. Exchange of information between academia and the business community will only strengthen the foundation for promotion of responsible economic growth. Industry and the academic world approach issues with a variety of perspectives, and through cooperation both industries can work to make the Arctic a favorable place to do business. Both sectors learn from each other in partnership.

The fifth overarching theme is a focus on traditional knowledge, stewardship and small and medium enterprise development. Traditional and local knowledge is a valuable resource that is a necessary de-risking agent to any Arctic project. Further, through this engagement process, businesses will learn what it means to be a good Arctic steward. As Arctic residents, it is important that we ensure that those interested in doing business in the Arctic are good stewards of our lands and environment. Finally, small and medium enterprise development in the North is important for sustainable growth, especially in our most remote parts of the Arctic.

### **Rapid Development of the Organization**

The rapid development of the AEC demonstrates our Legacy Members' commitment. 18 months after AEC's creation, our founding documents were adopted. Thanks to the work done at the first AEC Governance Committee meeting, the 2016 Annual Meeting ratified the organization's Strategic Plan for 2016-2018, Rules of Procedure as well as Membership Terms and Conditions.

The AEC represents the diverse faces of the Arctic, whether that voice represents a large organization, an indigenous group or small business, each Legacy Member has a vote. Sub-Arctic interests are encouraged to join the AEC and go through the membership process. By creating three different non-voting membership categories, we provide an opportunity for all businesses and organizations to engage in our work no matter their size or origin.

### **Strategic Plan Sets the Course for the Future**

Going forward, the AEC has established a rolling three-year strategic planning process. To ensure continuation, these planning periods extend over the AEC chairmanships. To help coordination and dialogue with the Arctic Council, we have chosen to follow their Chairmanship rotation.

The AEC Strategic Plan (2016-2018) is built on three pillars: *organizational, stewardship and economic growth*. The *Organizational* pillar builds a solid foundation for future success. The *Stewardship* pillar creates a foundation for collaboration and stewardship among Arctic stakeholders and AEC members. The goals under the *Economic Growth* pillar focus on supporting and creating networks to advocate for responsible development and meaningful economic growth in the Arctic. (The Strategic Plan with detailed goals can be downloaded at [www.arcticeconomiccouncil.com](http://www.arcticeconomiccouncil.com)).

### **Definition of Success**

To define success, the AEC has set criteria which will be evaluated at the end of 2018. True to the *Organizational* pillar of our strategic plan, we aim at establishing a fully functioning, efficient

organization with sufficient and sustainable funding. Value-add is our goal with meaningful benefits to our members.

The *Stewardship* pillar, calls for an association with only well-respected, business-oriented ethical organizations. Being good Arctic stewards is important to sustaining the identity of the Arctic region, and we choose to align ourselves with organizations that share those same views.

Promoting meaningful investments in the Arctic is a success criterion based on the *Economic Growth* pillar of our Strategic Plan. The AEC aims to advocate and support responsible development and the regulation of that development. We will continue to engage with the Arctic Council and provide an Arctic business perspective to their discussions.

Commitment, cooperation and dedication have led us to a stage where we are ready for business. With the establishment of the organizational foundation, Governance Committee and a Secretariat, we are now equipped to strengthen our position as the preferred advisor on business development in the Arctic.

Please stand with the AEC and join us in making the Arctic a favorable place to do business.