



GRID-Arendal Annual Report 2007



Our Mission

GRID-Arendal is an official United Nations Environment Programme (UNEP) collaborating centre located in Arendal, Norway, with outposted offices in Geneva, Ottawa and Stockholm.

Established in 1989 by the Government of Norway as a Norwegian Foundation, GRID-Arendal's mission is to provide environmental information, capacity building services, and innovative communication tools, methodologies and products for information management and outreach.

Our staff consists of a diverse team of international professionals, consultants and board members. Through our dynamic portfolio of global projects, we partner with various organizations to facilitate free access to and exchange of information in support of sound decision making toward a sustainable future.

Our Vision

We aspire to be a centre of excellence on polar issues for the UNEP and a leading centre for marine environment issues and global environmental information.

Our Values

As a UNEP affiliate and partner, we adopt core values in line with UNEP's mission:

- Integrity
- Professionalism
- Respect for diversity
- Environmental commitment





GRID-Arendal Annual Report 2007

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Message from the Managing Director

In its 19th year of operation, UNEP/GRID-Arendal continued to develop and profile its core competencies in environmental information management and dissemination on polar, marine and global issues.

GRID-Arendal, as the UNEP Key Polar Centre, produced **Global Outlook for Ice and Snow** in 2007, which raised world-wide attention about the important relationship between ice and snow and global climate change. Global Outlook for Ice and Snow was launched on World Environment Day on 5 June 2007, hosted in Tromsø, Norway. This publication not only became one of UNEP's best-selling products in 2007, but is also seen as a great example of collaboration, both external and internal.

The International Polar Year (IPY) commenced in 2007 and GRID-Arendal's Polar Programme used this unique opportunity to spearhead the development of polar initiatives in support of the IPY.

UNEP/GRID-Arendal produced/co-produced other notable publications in 2007, including:

The Last Stand of the Orangutan, a Rapid Response Report, which was launched at the UNEP Governing Council in Nairobi in DATE and resulted in global attention on the severe species and rainforest loss in Southern Asia.

Vital Ozone Graphics – A Resource Kit for Journalists illustrates the story of how one of the most suc-

cessful environmental agreements effectively dealt with a global challenge.

Balkan Vital Graphics highlights environmental challenges and economic opportunities in the Balkans, and provides glimpses into an uncertain future addressing some of the key environmental concerns for the pan-European region.

Tourism in the Polar Regions: The Sustainability Challenge describes tourism's multiple roles and impacts in both the Arctic and Antarctica.

African Environment Outlook 2, a comprehensive assessment of the environmental state and trends, and the implications of for human well-being and development.

Environment and Security – Transforming Risks into Cooperation: The Case of Eastern Europe, an assessment report that examines the links between environment and security in three East European countries (Belarus, Moldova and Ukraine).

State of the Environment Report for Abu Dhabi, a comprehensive assessment and outlook on the state of Abu Dhabi's environment.

The UNEP Shelf Programme, which assists developing coastal and island countries all over the world in their coastal zone delineation process, achieved major international interest and credit in 2007. The Norwegian Minister of the Environment and International Development and the Minister of Fisheries and Coastal Affairs visited GRID-Arendal and identified the UNEP Shelf Programme as an ideal platform for the development of a larger marine environmental programme for UNEP.

Prominent conferences organised by GRID-Arendal in 2007 in Arendal, including *Linking Tourism and Conservation – A Finance-Initiative for Protected Areas* and the *UN Carbon-Neutrality Goal* conference, resulted in concrete commitments of the participating stakeholders to engage in meaningful relationships with GRID-Arendal.

The municipality of Arendal and the Norwegian Government aim for the city and ultimately, the country, to become the first to be “climate neutral”. GRID-Arendal’s commitment to sustainability, as demonstrated by our investment in an energy-efficient office building and our endeavour to become carbon neutral, has positioned the organization as a role model and to take on a more significant role as a facilitator of emerging related initiatives.



A handwritten signature in blue ink, appearing to read 'P. Prokosch', written in a cursive style.

Peter Prokosch
Managing Director

Polar Programme

UNEP Key Polar Centre

In 1999 GRID-Arendal was designated the UNEP Key Polar Centre for early warning and assessments with particular focus on the Arctic. Since then, GRID-Arendal has represented UNEP in international and regional polar fora; produced and contributed to early warning, assessment and outreach projects on polar and cryosphere issues; and promoted integrated ecosystem management through capacity building and provision of advice and assistance.

The Polar Programme continues to work in close cooperation with many partners, including the Arctic Council; it supports International Polar Year projects and activities; and increasingly, the Programme is active in the field of climate change adaptation.

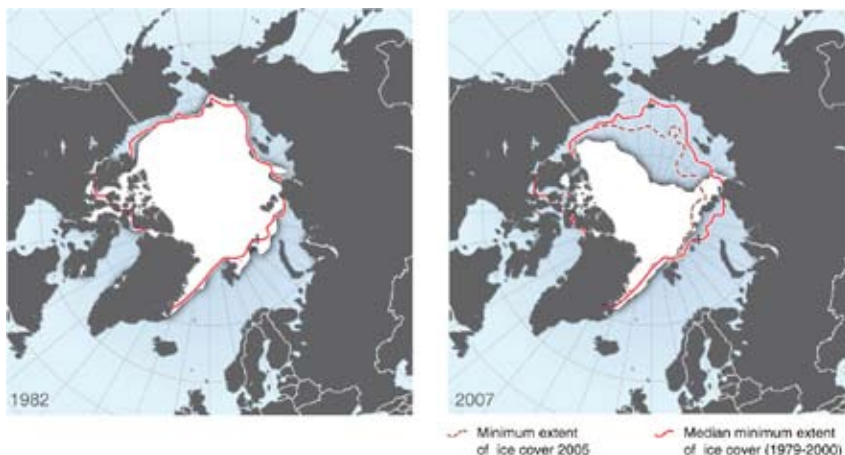
Arctic and cryosphere science

The world of ice and snow was a hot topic in 2007 and was the focus of much of GRID-Arendal's work. Last year, more ice melted in the Arctic due to global warming than ever before. GRID-Arendal coordinated the production of the report *Global Outlook for Ice & Snow*, which summarizes trends and projections for snow, sea ice, land ice, river and lake ice, and frozen ground, and looks at the consequences of these changes for human well-being and ecosystems. It was released in June at UNEP's World Environment Day celebrations in Tromsø, Barrow, Alaska, and other locations around the world. The report, written by more than 70 scientists from around the world, received extensive media coverage

and has been downloaded thousands of times from the UNEP website.

Many Strong Voices

The Many Strong Voices programme, coordinated by GRID-Arendal, brings together the peoples of the Arctic and Small Island Developing States (SIDS) to take action on climate change through awareness raising, participation in climate change negotiation processes and involvement in regional assessments of vulnerability and adaptive capacity. These two regions were singled out in the Fourth Assessment Report of the Intergovernmental Panel on Climate Change released in 2007 as being particularly vulnerable to climate change. This programme made significant progress in 2007 focused on communication and outreach; vulnerability assessment; and development of a Five-Year Action Plan. In May, a stakeholders' planning workshop was hosted in Belize by the Caribbean Community Climate Change Centre. The workshop, which received international



← **Global Outlook for Ice & Snow**

contains many maps and graphics to explain trends, projections, and impacts to readers. This example, from *Chapter 5: Sea Ice*, shows the minimum extent of Arctic sea ice in 1982 and 2007. The graphic was updated after publication of *Global Outlook for Ice & Snow* and displayed at the Nobel Peace Center exhibition in honour of the awardees of the Nobel Peace Prize in December 2007.

Data sources: NSIDC

media attention, focused on continued development of the programme's strategic direction and priorities.

GRID-Arendal worked closely with the Center for International Climate and Environment Research – Oslo (CICERO) to coordinate Many Strong Voices activities at the United Nations Climate Change Conference in Bali in December. The conference was used as an opportunity to lobby for cuts to greenhouse gas emissions, further develop the network and work with new partners.

Integrated Ecosystem Management

Integrated ecosystem management (IEM) recognizes the interactions between economic, ecological and social systems and the relationships between resource users and their environments. GRID-Arendal continues to be active in advancing the application of IEM in the Arctic, particularly in the Russian Arctic, through a number of projects.

ECORA (An integrated ecosystem approach to conserving biodiversity and minimizing habitat fragmentation in the Russian Arctic) is a multi-year Global Environment Facility project aimed at developing IEM strategies and action plans in three model areas in Russia. ECORA

was reviewed last year to examine mid-term progress and make recommendations for the second half of the project. The project has collected unique information on biodiversity, conducted environmental training in schools and local administrations, and initiated community monitoring programs. Pilot projects that build upon this work will be carried out in 2008.

A related project is Environmental Co-Management by Indigenous Peoples of the Russian North (COMAN). A major focus of this project is to highlight the advantages of establishing traditional nature management territories that can provide the framework for co-management in three model regions of the Russian Arctic. The co-management processes created will include federal and regional governments, industry, and Indigenous Peoples of the North in the areas of their traditional habitat and economic activities.

As part of its on-going collaboration with the oil industry, GRID-Arendal released the report *Integrated Ecosystem Management: A tool for sustainable development in the Russian Arctic*. This report was based on work initiated in 2006, including a multi-stakeholder workshop on IEM held in Russia.

UNEP Shelf Programme

The UNEP Shelf Programme assists developing states and Small Island Developing States (SIDS) in meeting the requirements to establish the outer limits of their continental shelves according to Article 76 of the United Nations Convention on the Law of the Sea (UNCLOS).

The UNEP Shelf Programme has grown exponentially since its inception in 2003, and 2007 was a busy and rewarding year. The Programme has been very successful in raising awareness among developing states of their rights and responsibilities in defining their continental shelves. This awareness raising campaign has resulted in an ever-increasing number of requests for assistance from the UNEP Shelf Programme across all areas of operation, including data requests, data interpretation, article 76 training, delineation software training, and fund raising.

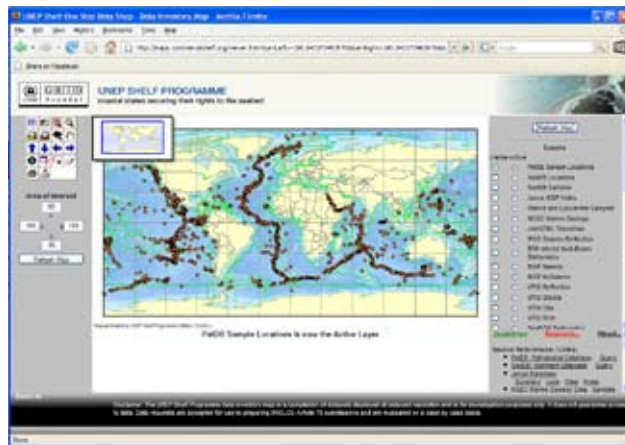
The fast approaching deadline for lodgement of delineation submissions (May 2009 for the majority of developing states) has increased the urgency for assistance. For many states with limited technical and financial resources, the UNEP Shelf Programme is the only organisation providing hands-on support, technical training and capacity building. It is expected that due to the approaching submission deadline, 2008 will bring a growing demand for assistance from the UNEP Shelf Programme.

In other areas, the Shelf Programme is continuing to collaborate with partners such as UNEP, the UN Division of Oceans and Law of the Sea (DOALOS), the Intergovernmental Oceanographic Commission (IOC),

the New Partnership for Africa's Development (NEPAD), the South Pacific Applied Geoscience Commission (SOPAC) and Geoscience Australia to provide support to developing states.

One Stop Data Shop

The UNEP Shelf Programme's unique inventory of marine geoscientific data, known as the "one stop data shop



↑ The **One Stop Data Shop** web site.



(OSDS)", continued to increase its coverage in 2007. This was achieved through a major expansion in data access partnerships, including Institut Francais de Recherche pour l'Exploitation de la Mer (IFREMER); Lamont Doherty Earth Observatory (LDEO); Scripps Institute of Oceanography; Institut de Physique du Globe de Strasbourg (IPGS); and German Hydrographic Service (BSH). Data requests were processed for 12 countries in 2007.

Technical training and advice

During 2007 there was a substantial increase in requests from developing states for technical training and advice. Workshops were conducted for Chile, Madagascar, Kenya, Papua New Guinea, Federated States of Micronesia and the Solomon Islands. These workshops have had a significant impact on the progress of their submissions in these countries.

Awareness raising activities

In 2007, the UNEP Shelf Programme continued to focus on article 76 awareness raising specifically targeting states that were unaware of their rights and responsibilities or required more information to mobilise national task forces. The UNEP Shelf Programme held bilateral meetings with 32 countries – from South Africa, to Senegal, Yemen, Costa Rica and the Philippines.

European Neighbourhood Programme

Through its European Neighbourhood Programme, GRID-Arendal works with countries in the Balkans, Eastern Europe, Russia and the Caucasus and Central Asia. Its activities address crosscutting issues, including environment and security, environmental governance, and environmental information management. In 2007, GRID-Arendal's close cooperation with UNEP's Regional Office for Europe was sealed with a new project agreement with UNEP.

ENVSEC

The Environment and Security Assessment for Eastern Europe (Ukraine, Moldova and Belarus) was launched at the Organization for Security and Co-operation (OSCE) Economic and Environmental Forum in Prague in May and subsequently in the capital cities, Kyiv, Minsk and Chisinau. The report presents a comprehensive analysis of environment and security issues in the region and also outlines priority actions in a programme of work. GRID-Arendal continues to support UNEP's Programme of Work in the region.

In the South Caucasus, work on environment and security in areas of frozen conflicts (Abkhazia, South Ossetia, Nagorno Karabakh) continued with field visits in Abkhazia and South Ossetia to discuss environmental priorities with the defacto environmental authorities. This resulted in the agreement to conduct a 'Green Week' in Tskhinvali, South Ossetia to address and raise awareness of the most pertinent environmental problems. The report on the wild land fires in and around

Nagorno Karabakh was submitted by the OSCE to the Secretary General of the United Nations.

GRID-Arendal facilitated the production of maps supporting the process toward a Caucasus convention on mountain protection, with this involvement of partners in all six Caucasus countries (Armenia, Azerbaijan, Georgia, Iran, Russia and Turkey). A French documentary filmmaker followed the cartographic work in the region and the political negotiations around the Caucasus convention, the film will be shown on French television in spring 2008.

The Assessment of Environment and Security Issues in the Amu Darya Water Basin (Afghanistan, Tajikistan, Turkmenistan, and Uzbekistan) project was initiated with consultations in Ashgabat, Turkmenistan and Kabul, Afghanistan (focusing on the upper parts of the watershed). Field work will be conducted in April 2008 and the pioneering assessment will be launched at a Ministerial Meeting in summer 2008.

The ENVSEC assessment of the Eastern Caspian region is also nearing completion. The governments of Turkmenistan and Kazakhstan endorsed the work in consultations in Ashgabat, Turkmenistan. The report will be published and launched in May 2008.

The ENVSEC Ferghana Valley assessment published in 2005 was followed-up with concrete activities facilitating cooperation between the oblasts (administrative regions) in the region and the publishing of sub-national environment reports.

In South Eastern Europe, or the Balkans, our activities focused on mining legacies. GRID-Arendal organized the 'Mining for Closure' workshop that was held in Bor, Serbia and accompanied by expert visits to Northern Albania and Bosnia.

Vital Balkans Graphics, a graphically-supported synthesis on Environment and Security issues in South Eastern Europe was published and launched at the Belgrade Conference in October. The publication was very well received both inside and outside the region.

Capacity building

In 2007, the long-standing cooperation between the European Environmental Agency (EEA), UNEP and GRID-Arendal continued with a focus on environmental indicators and capacity building. GRID-Arendal provided assistance to the EEA in developing "outlook indicators" to be able to better predict and show environmental trends. This work flowed into the Belgrade Report and other milestone publications on the state of the environment in the Pan-European region.

Urban Environmental Management

GRID-Arendal facilitated and published urban state of the environment reports under UNEP's brand, "GeoCities", for Donetsk, Ukraine and Yerevan, Armenia. Further activities in this field were initiated under ENVSEC in Baku, Azerbaijan and Gümri and Razdan, Armenia.

The Managing Urban Europe-25 project, a European Union-funded initiative aimed at devising methods and approaches for urban environmental management, with GRID-Arendal as a main project partner, was successfully completed with an event in Berlin.

Belgrade Conference

GRID-Arendal facilitated the joint UNEP/EEA/UNDP exhibition booth, "Together for Europe's Environment", at the 5th Pan European Ministerial Conference, "Environment for Europe", in Belgrade, Serbia in October. The exhibition area and meeting place hosted a number of side-events and launches which provided exposure of GRID-Arendal's work and showed the synergies from our cooperation with institutional partners, countries and cities.



↑ The joint UNEP/EEA/UNDP exhibition booth **Together for Europe's Environment** at the Belgrade Conference.

Africa Programme

GRID-Arendal undertakes activities in Africa designed to facilitate the integration of environmental information into development processes; to strengthen the capacity of countries to undertake integrated environmental assessment and reporting; and to assist in developing and sharing outreach and communication tools and methodologies that will link science to policy, and information to result and impacts.

The Africa Programme was set up to support UNEP's Programme of Work in the Africa region, in line with the Bali Strategic Plan for Capacity Building and Technology Support.

Global Environmental Outlook (GEO) 4 graphics production

In 2007, GRID-Arendal supported UNEP in the production of GEO4, the fourth report of the Global Environment Outlook series, through the review, selection, updating and production of maps for inclusion in the report.

Africa Environment Outlook (AEO) 2 outreach

The AEO report is a flag-ship publication of the UNEP African Ministerial Conference on the Environment (AMCEN). AEO 2 provides a comprehensive assessment of environmental state and trends, and the implications of this for human well-being and development. GRID-Arendal facilitated the outreach component of this report through the preparation of 6,000 copies of CD-ROMs and the development of the report website.

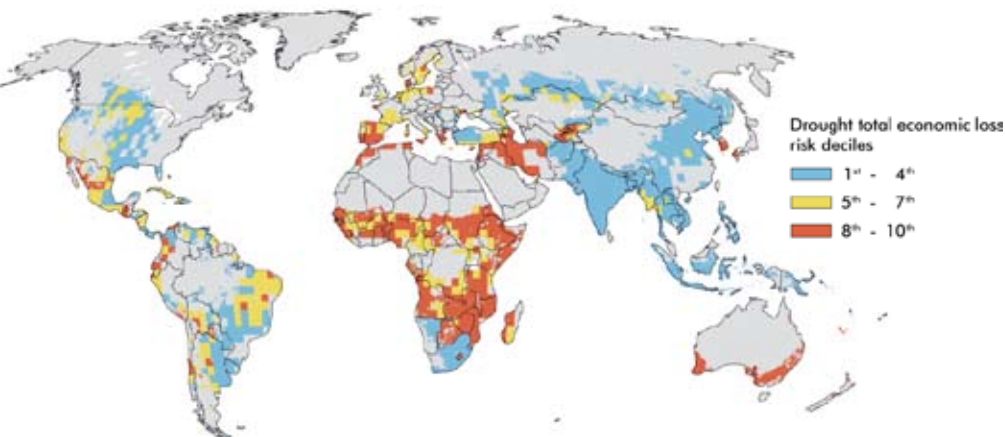
Africa Environmental Outlook (AEO) 3 planning

GRID-Arendal supported UNEP in facilitating a meeting to prepare a comprehensive scope for the third edition of

the Africa Environment Outlook Report (AEO 3). The focus was to identify key thematic areas and issues to form the heart of the report, in light of the current regional and global debates in the area of the environment. It was agreed that the analytical framework of AEO 3 should be "governance" of Africa's natural resources and that the key issues in the report will relate to: global warming/climate change, water scarcity, globalization and trade liberalization, conflicts and arms proliferation, the digital divide, environmental governance, and legal empowerment of the poor.

Support to UNEP/DEWA/Africa

GRID-Arendal supported UNEP/DEWA in reviewing and re-focusing activities under the Africa Environment Information Network (AEIN). In October, GRID-Arendal facilitated a meeting on the AEIN in Eastern Africa. Attended by representatives from Burundi, Ethiopia, Rwanda, Sudan, Tanzania and Uganda and held in Kampala, the meeting shared ideas and concepts on how to improve AEIN and how best to achieve impact. The meeting also facilitated the assessment of the impact of AEIN in the East African region, and interaction with members of the media in Uganda. The second Africa Environment Outlook (AEO 2) report was also launched at the meeting by the Minister of State for Environment in Uganda.



← **Droughts – risk and vulnerability** (economic loss, as a proportion of GDP density). Disasters and natural hazards represents one strong aspect of vulnerability for the exposed and poor of the World. With climate change, the frequency of certain natural hazards is expected to increase. This map shows where droughts represent a major threat to the economy and well-being, thus affecting the human vulnerability.

Integrated environmental assessment and reporting in Southern Africa

In December GRID-Arendal facilitated a training workshop on environmental assessment and reporting for Southern Africa. Organised by the UNEP/DEWA Africa programme, and hosted by the Southern Africa Research and Documentation Centre (SARDC), the workshop was part of the ongoing capacity building under the Global Environment Outlook (GEO) process, and aimed to equip practitioners of state of environment reporting with skills in using integrated environmental assessment (IES) methodology.

FK Norway Exchange Programme

The exchange programme was developed under the GRID/SNE partnership that aims to enhance the capacity of the collaborating centres within the context of UNEP's Bali Strategic Plan for Technology Support and Capacity Building. Financed through FK Norway, the 10-month exchange programme also seeks to strengthen the collaboration among the participating organisations within the context of the North-South, South-North and South-South cooperation for technology and skills transfer and to promote innovation and cultural exchange.

Poverty and Environment Partnership

GRID-Arendal participated in two key meetings of the Poverty and Environment Partnership (PEP) in Copenhagen in June and Washington D.C. in November. The PEP is an informal network of donor agencies, NGOs, and research institutions, that seeks to improve the coordination of work on poverty reduction and the environment within the framework of internationally agreed principles and processes for sustainable development.

The Global Adaptation Information Network (GAIN)

GAIN is a new initiative, promoted by the Norwegian Ministry of Environment and Development, in which GRID-Arendal plays a main facilitation and secretariat role. The goal of the GAIN is to create a network of expertise, knowledge, and local experiences that result in a "Virtual Sustainable Livelihood Forum" that allows the lessons learned from day-to-day and enduring development experiences in one community to be shared, discussed and used in other communities. The network will link communities in different corners of the globe to this forum, where they can share practical experiences on how they are responding to the environmental challenges associated with a rapidly changing world. GRID-Arendal hosted the first workshop in December 2007, where this initiative was launched.

Global Virtual University Programme

UNU-GVU activities in 2007 were focused on the development and implementation of academic programmes and courses, the strengthening of the UNU-GVU network by developing online communities of practice, workshops and research activities, and on fund raising efforts.

Course development

Under the guidance and supervision of the UN University, and in cooperation with a network of universities in Norway, Asia, USA and Africa, the UNU-GVU Programme has steadily progressed in developing programmes and courses. The online tutoring courses, E-learning 1 and E-learning 2, were offered twice in collaboration with the University of Agder. A new programme in genetically modified organisms' biosafety was developed in cooperation with the Institute for Gene Ecology at the University of Tromsø.

The University of Bergen, the UNEP Shelf Programme and UNU-GVU jointly initiated the development of a study programme in marine geology and geophysics focusing on law-of-the-sea issues. The goal of this four-semester programme is to provide students with knowledge of key topics in marine geology, marine geophysics and international law with a focus on how to apply the United Nations Convention on the Law of the Sea (UNCLOS) article 76 concepts to various parts of the world's offshore regions.

Capacity building and networking

In February and November, UNU-GVU organized and

facilitated two workshops focussed on course development for e-learning, hosted by the University of Suez Canal and attended by officials representing public universities in the region. The workshop lead to the development of a joint programme by the participating universities in freshwater management in dry areas and a UNU-GVU regional centre in Egypt. The University of Suez Canal committed substantial resources to host these activities.

The University of Malawi also hosted a workshop on e-learning organized by UNU-GVU in August. The workshop was designed to provide new knowledge and skills for curriculum reform, incorporating current pedagogical approaches and modern learning management systems. Plans were developed for further capacity building activities to enhance skills and improve the quality of education in Malawi.

UNU-GVU initiated collaboration with the International Institute for Geo-Information Science and Earth Observation (ITC), a UNU associated institution in the Netherlands, and a joint workshop to explore areas of cooperation was held in September.



← UNU-GVU delegation together with Professor Abdel Kadir, met with HE Professor Hany Hilal, Minister of Higher Education and Scientific Research, in Cairo.

Mainstreaming Environment & Sustainability into African Universities (MESA) Programme

During 2007, UNU-GVU, in collaboration with UNEP and other UN Institutions and partners, continued to support the MESA Programme, a partnership designed to mainstream environment and sustainability concerns into the teaching, research community engagement and management of universities in Africa. The partnership offers a wide range of activities that include: an Education for Sustainable Development (ESD) Innovations short course developed and implemented by partners to strengthen capacity to establish ESD innovations in universities; seminars for university leaders; a biennial conference providing an opportunity for universities to report on ESD innovations associated with the university's triple mission of research, teaching and community engagement, and to engage in North-South dialogue; and pilot programmes linking universities, communities with business and industry in sustainable development partnerships. The MESA Programme, which strengthens UNEP's special focus on Africa, is considered a major contribution to the United Nations Decade of Education for Sustainable Development (2005-2014).



↑ **MESA workshop.** The MESA network consists of 64 universities all over Africa.

Communication and outreach

The Communications Unit adds value to the activities of GRID-Arendal's projects and programmes, by working with the media, maximising outreach for each publication, exploring different communication formats, as well as convening meetings, briefings and networking events. We also manage the GRID-Arendal website and project related sites.

Media relations

During 2007 press releases were prepared and disseminated throughout the year and a number of events were arranged to attract interest in GRID-Arendal and its messages. This resulted in articles in both international and local newspapers, specialised publications and on websites as well as quotes and interviews on radio and television in Norway and elsewhere.

Events picked up by the media in 2007 included:

- Launch of *Global Outlook for Ice and Snow* in Tromsø, Norway on World Environment Day 2007.
- Launch of *Balkan Vital Graphics: Environment without Borders* at the 6th Ministerial Conference "Environment for Europe" in Belgrade, Serbia in October
- International conference *Linking Tourism and Conservation – A Finance-Initiative for Protected Areas* held in Arendal in May and attended by participants from more than 20 countries
- Launch of *The Last Stand of the Orangutan: State of Emergency: Illegal Logging, Fire and Palm Oil in Indonesia's National Parks* at 24th Session of UNEP's

Governing Council/Global Ministerial Environment Forum in Nairobi, Kenya in February

- *Public forum on climate change* held in Arendal, Norway in November

Increasing our direct contact with the public

GRID-Arendal responded to more than 2000 public enquiries and requests to reproduce maps, graphs and smaller sections from GRID-Arendal publications.

GRID-Arendal continued to engage in raising public environmental awareness by participating in numerous events, including:

- Launch of the United Nations Development Programme report *Human Development Report 2007/2008: Fighting Climate Change: Human Solidarity in a Divided World* in November in Oslo, Norway
- Launch of UNEP's *Global Environment Outlook: environment for development (GEO-4)* report in Oslo, Norway in October
- The exhibition *Feber: en utstilling on FN's klimapanel* og Al Gore organized by the Nobel Peace Center in

Oslo, Norway and opened by IPCC Director Rajendra Pachauri and Former US Vice-President Al Gore on 11 December 2007 in connection with the Nobel Peace Prize Award. GRID-Arendal contributed texts and graphics for the exhibition.

- The *United Nations Framework Convention on Climate Change (UNFCCC) meetings* in Bali, Indonesia in December where GRID-Arendal coordinated activities related to the Many Strong Voices project, the public consultation on UNEP Indigenous Peoples Strategy and the Global Outlook for Ice & Snow side event

During the year, GRID-Arendal also hosted numerous visits of government officials from various ministries and embassies, as well as representatives of local, national and international organizations and institutions.

Publications 2007

During 2007, GRID-Arendal contributed to and/or facilitated the production, printing and dissemination of publications and other environmental information products including:

- *The pan-European environment: glimpses into an uncertain future*
- *Balkan Vital Graphics*
- *Vital Ozone Graphics*
- *Global Outlook for Ice & Snow*
- *Tourism in the Polar Regions: The sustainability challenge*
- *African Environment Outlook 2* website and CD-ROM
- *Environment and Security – Transforming risks into cooperation: The Case of Eastern Europe*
- *State of the environment of the Donetsk region of Ukraine* (in Ukrainian)
- *Ecoteam: the quality of life. Manual for home ecology* (in Russian)
- *Environment and Natural Resources: Northwest Russia*, 2007 Calendar
- *The Last Stand of the Orangutan: State of Emergen-*

cy: Illegal Logging, Fire and Palm Oil in Indonesia's National Parks

- *State of the Environment Report for Abu Dhabi*

We are working to make our products accessible to the widest range of global audiences.

Website development and maintenance

Our technical expertise enables us to create and maintain dynamic websites other electronic products. During 2007, work on renovating the GRID-Arendal website, www.grida.no, was started. An improved, redesigned and updated website will be launched during 2008.

List of other sites supported in 2007:

- *Maps and graphics library and interactive map collection*, <http://maps.grida.no/>
- *Integrated Ecosystem Approach to Conserve Biodiversity and Minimize Habitat Fragmentation the Russian Arctic (ECORA)*, www.grida.no/ecora
- *Polar Books*, an International Polar Year (IPY) project featuring an online collection of books about the Arctic and Antarctica that reflect IPY themes and are internationally endorsed by IPY. www.grida.no/polarbooks
- *UN City Arendal*, www.fnbyen.no
- *Earthwire daily online news service*, a library of current news articles on environmental issues covering regions from northern Europe to Africa, www.earthwire.org
- *UNEP Shelf Programme*, www.continentalsshelf.org
- *Earthprint*, official online bookshop of the United Nations Environment Programme (UNEP), www.earthprint.com

Support to the Intergovernmental Panel on Climate Change

GRID-Arendal continued to work closely with the Intergovernmental Panel on Climate Change by providing support to the translation and layout of the Arabic, Chinese, French, Russian and Spanish editions of the three Working Group Summaries of the Fourth Assessment Report.

Our people are our resources

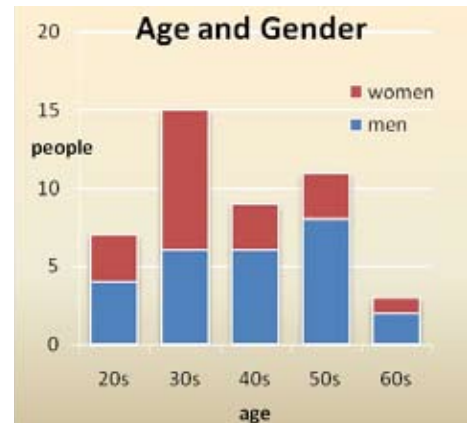
In 2007, the GRID-Arendal team was made up of 37 staff, 6 regular consultants and 2 people on internships and exchange programmes. Women comprise 42% of the workforce.

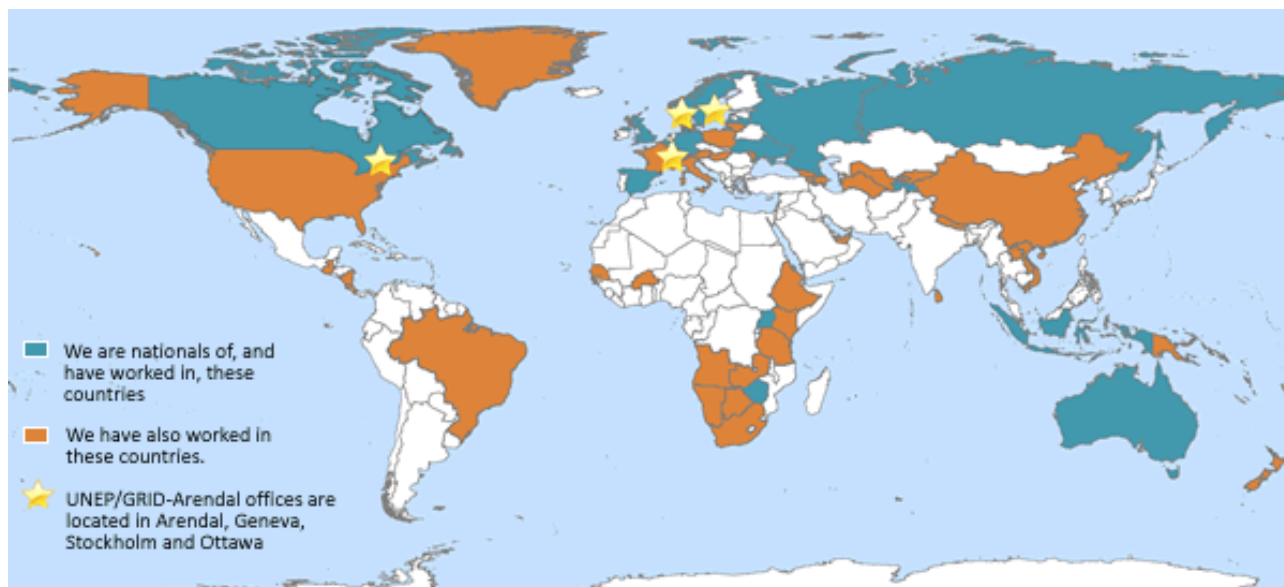
Our workers hold citizenship in 22 countries. The biggest contingents are Norwegians (18) and Canadians (6). Collectively, we have experience working in 70 countries.

We have a wide range of educational backgrounds, holding a total of 17 bachelor degrees, 40 degrees at the masters level, 10 doctorates and 9 diplomas. Our degree subjects include: geography, marine geology, environmental science, natural resources management, environmental engineering, environmental management and policy, oil and petrochemical engineering, wildlife biology, marine biology, chemistry, toxicology, law, journalism, public administration, finance, graphic design, and computer science.

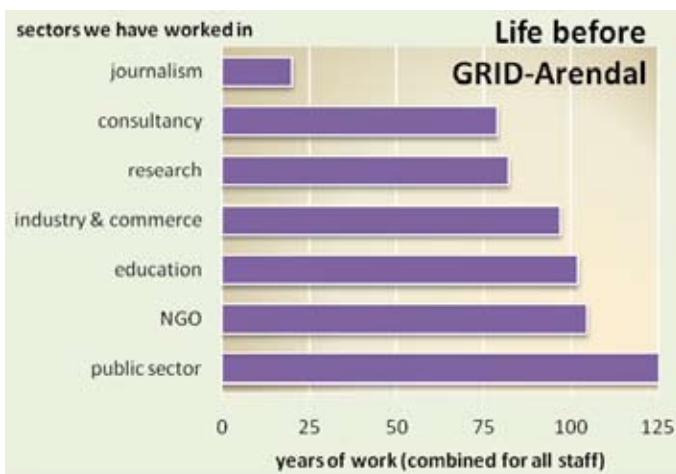
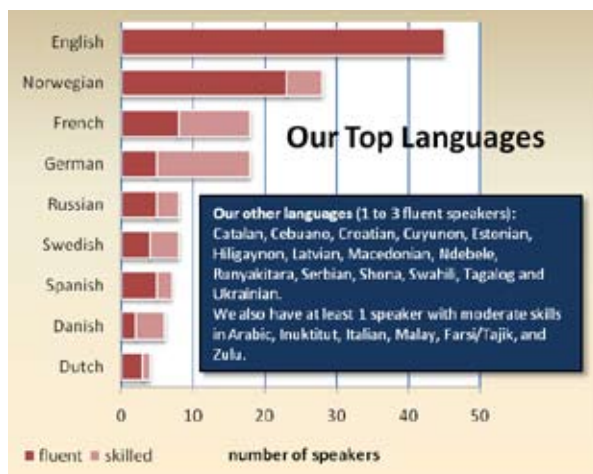
We all tend to be generalists and multitaskers these days. But when each member of our workforce was asked about his or her main area of specialization, this was the result:

Altogether we have worked almost three centuries for UNEP/GRID-Arendal (291 years, or an average of 6.5 years per person, to be exact). And we have over six centuries of collective experience in other jobs.





- ↑ **Where our staff are from and where we work.** Norwegians (18) and Canadians(6) represent the largest contingent.
- ← **Staff age and gender composition.** Women comprise 42% of the workforce.
- ↗ **Our professional specializations.**
- ↓ **The languages our staff communicate in.**
- ↘ **Our professional experience prior to working at GRID-Arendal.**



Report of GRID-Arendal's Board of Directors

In 2007, GRID-Arendal continued to grow pursuing its mission to support and strengthen the capacities of the United Nations Environment Programme (UNEP) in providing high-quality information products and services.

Despite of a number of remarkable achievements and promising developments, the Board is extremely disappointed having to report a second year with a substantial financial loss. The loss is a signal of insufficient financial control by management and the Board. Control on project economy has therefore been instituted, and additional reporting mechanisms implemented including quarterly financial reports to the Board. Furthermore, major efforts are underway to ensure that the 2008 results will be a necessary turnaround towards rebuilding equity to more comfortable levels.

The Board considers the outlook for 2008 as promising. A framework agreement between GRID-Arendal and the Norwegian Ministry of Foreign Affairs will provide GRID-Arendal with a sustained financial basis for more focused work in key areas to support UNEP. UNEP has confirmed its interest in and commitment to promoting GRID-Arendal as an important collaborating centre that will help in implementing its Programme of Work. GRID-Arendal's work programme is progressing well and there is a growing demand for new projects and new products within GRID-Arendal's core activities.

The Board is pleased to report that in accordance with its institutional objectives GRID-Arendal has effectively

reduced its environmentally harmful activities as defined by the Norwegian Accounting Law.

Efforts are being made at GRID-Arendal to raise awareness among staff and to reduce its ecological footprint through a "green office" policy. During 2007, a carbon emission fee of NOK 228 was added to the cost of every air travel made by staff. The fees were channelled into a CO2 compensation project managed by Friends of the Earth Norway. We strive to "green" all our meetings, conferences and events.

The working conditions within GRID-Arendal were found to be good. The sick leave in 2007 amounted to 4.9 percent of the total working days. There were no injuries to staff in 2007, and there were no significant damages to the equipment of the organization. Regular meetings were held between staff and management where issues concerning work conditions were discussed. Continuing efforts are being made to reduce stress, improve teamwork and provide more effective feedback to staff.

While some progress was made in reducing the financial shortfall of NOK 4.1 million in 2006, financial weaknesses persisted in 2007. The overall result for 2007 is a



Orheim



Cheatle



Dahle



Fagernæs



Kankaanpää



Kristoferson



Reinertsen



Johnsen



Støylen

shortfall of NOK 4.15 million. The Board concluded that the loss in 2007 will be covered from its equity. It should be kept in mind that the Board follows the general principle that earnings will be used solely to support the mission statement and the long term goals of the foundation. As a non-profit foundation, a primary financial goal of GRID-Arendal is to have an equity level equivalent to about half of the fixed operational cost. Due to the losses that occurred in 2007 and earlier years, this ratio has been reduced to 2.8 % in 2007. The Board sees the need for continued improvements in GRID-Arendal's financial situation.

Except for the financial performance, the Board is generally pleased with the organisation and management of GRID-Arendal. Under the leadership of the new Managing Director, efforts continue to fulfil its mission to support UNEP, to develop its areas of activity, to strengthen its management capability and to improve its financial performance.

The Board concludes that GRID-Arendal's activities are consistent with its charter purposes and that it has a very competent staff for continuing operations and for planning further strategy-relevant operational activities in the future.

28 April 2008

Olav Orheim
Chairman of the Board

Marion Cheattle

Øystein Dahle

Kari Elisabeth Fagernæs

Peter Prokosch
Managing Director

Kathrine Ivsett Johnsen

Paula Kankaanpää

Lars Kristoferson

Randi Eidsmo Reinertsen

André Støylen

Balance sheet 31.12		31.12.07	31.12.06
Fixed Assets	NOTE		
Machinery and equipment	3	226 076	47 369
Investments in subsidiaries	8	3 012 000	3 012 000
Shares, Geodatasenteret A/S	8	100 000	100 000
Pension funds			607 094
Total fixed assets		3 338 076	3 766 463
Current assets			
Accounts receivable trade		6 008 467	9 774 745
Other receivables		440 405	1 884 697
Work in progress	2, 6	5 426 665	6 737 532
Petty cash and bank accounts	9	994 695	3 057 587
Total current assets		12 870 232	21 454 561
Total assets		16 208 308	25 221 024
Equity			
Paid in capital			
Foundation capital		500 000	500 000
Total paid in capital		500 000	500 000
Retained earnings		451 280	4 596 676
Total retained earnings		451 280	4 596 676
Total equity		951 280	5 096 676
Long term liabilities			
Pension liabilities	5	739 707	
Loan	7	492 498	800 000
Total long term liabilities		1 232 205	800 000
Short term liabilities			
Liabilities to financial institutions	7	456 104	2 476 698
Accounts payable trade		3 534 897	2 633 634
Employee taxes withheld, payable social security etc		2 558 411	2 879 428
Accrued salaries ad vacation fees		1 897 083	1 436 826
Other current liabilities		1 857 839	243 368
Advance	10	3 720 488	9 654 394
Total short term liabilities		14 024 823	19 324 348
Total equity and liabilities		16 208 308	25 221 024

28 April 2008



Olav Orheim
Chairman of the Board



Marion Cheattle



Øystein Dahle



Kari Elisabeth Fagnernes



Peter Prokosch
Managing Director



Kathrine Ivsett Johnsen



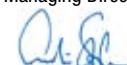
Paula Kankaanpää



Lars Kristoferson



Randi Eidsmo Reinertsen



André Støylen

Financial statement

NOTE 1

Basic principles – assessment and classification – other issues

The financial statements, which have been presented in compliance with the Norwegian Companies Act, the Norwegian Accounting Act and Norwegian generally accepted accounting principles in effect as of 31 December 2007 for small companies, consist of the profit and loss account, balance sheet and notes to the accounts. The financial statements give a true and fair view of assets, debt, financial status and result. In order to simplify the understanding of the balance sheet and the profit & loss account, they have been compressed. The necessary specification has been provided in notes to the accounts, thus making the notes an integrated part of the financial statements.

The financial statements have been prepared based on the fundamental principles governing historical cost accounting, comparability, continued operations, congruence and caution. Transactions are recorded at their value at the time of the transaction. Income is recognised at the time of delivery of goods or services sold. Costs are expensed in the same period as the income to which they relate is recognised. Costs that can not be directly related to income are expensed as incurred.

When applying the basic accounting principles and presentation of transactions and other issues, a “substance over form” view is taken. Contingent losses which are probable and quantifiable are taken to cost.

Accounting principles for material items

Revenue recognition

Revenue is normally recognised at the time of delivery of goods or services sold.

Cost recognition/matching

Costs are expensed in the same period as the income to which

Profit loss and account (NOK)		2007	2006
Operating revenues	NOTE		
Operating revenues		42 787 957	36 668 080
Total operating revenues		42 787 957	36 668 080
Operating expenses			
Project costs	2	13 018 804	14 152 147
Personnel costs	4	26 992 328	20 123 954
Depreciation	3	86 964	109 541
Other operating expenses		6 321 426	6 195 450
Total operating expenses		46 419 523	40 581 092
Operating result		-3 631 566	-3 913 012
Financial income and expenses			
Financial income		117 829	383 622
Financial expenses		631 658	623 169
Net financial items		-513 829	-239 547
Result for the year		-4 145 396	-4 152 559

they relate is recognised. Costs that can not be directly related to income are expensed as incurred.

Fixed assets

Fixed assets are entered in the accounts at original cost, with deductions for accumulated depreciation and write-down. Assets are capitalised when the economic useful life is more than 3 years, and the cost is greater than 15.000 NOK. Operating lease costs are expensed as a regular leasing cost, and are classified as an operating cost.

Depreciation

Based on the acquisition cost, straight line depreciation is applied over the economic lifespan of the fixed assets.

Accounts receivables

Trade receivables are accounted for at face value with deductions for expected loss.

Pension liability and pension costs

The company has a pension plan that entitles its members to defined future benefits, called defined benefit plans. Net pension cost, which consists of gross pension cost, less estimated return on plan assets adjusted for the impact of changes in estimates and pension plans, are classified as an operating cost, and is presented in the line item payroll and related cost.

NOTE 2
Project provision

2% of the turnover has been taken as a provision for any losses and deducted as part of project costs.

NOTE 3
Machinery and equipment (NoK)

Purchase value 01.01.07	5 041 290,-
Added this year	265 671,-
Accumulated depreciation 31.12.07	5 080 885,-
Book value 31.12.07	226 076,-
Depreciation this year:	86 964,-

NOTE 4 Salary costs (NoK)	2007	2006
Salary and holiday pay	17 615 287,-	13 264 232,-
Employers contribution	2 565 805,-	2 041 719,-
Pension costs	4 230 868,-	1 496 743,-
Other personal costs	2 580 368,-	3 321 260,-
Total	26 992 328,-	20 123 954,-
Average no of employees	43	39

Salary to Managing Director	NoK 636 087,-
Fee to Chairman of the Board	NoK 27 000,-
Fee to other Board members	NoK 72 000,-

The company is obliged to have a pension scheme for all employees to meet the law of obligatory pension scheme. The company has subscribed to such a pension scheme, which meets the requirements of this law.

The audit fee for 2007 is split into: Audit as required by law NoK 48 000,-. Fee for other authorization services NoK 21 000,-. Other services provided by the auditor NoK 20 000,-.

NOTE 5
Pension obligations

The pension premium to the contribution plan for the employees is NoK 4 159 654,-, and the premium is charged to personnel costs. When changing the pension scheme, GRID-Arendal has an obligation towards 4 employees to pay a pension payment equal to what they would have received under the old pension scheme from 62 to 67 years of age. GRID-Arendal has also an obligation related to a former employee to pay him an early retirement pension from 60 to 62 years of age.

NOTE 6
Work in progress

Work in progress carried out and costs incurred not invoiced at the year end, related to 23 projects, and amounted to a gross total of NoK 6 282 423,- before the deduction of provision for losses.

NOTE 7
Security for the credit and loan

Sparebanken Sør has security for the credit and the loan against the fixed assets and the accounts receivable.

NOTE 8 Long term investments (NoK)				
Shares	Owners	Purchase	Share of	Share of equity
subsidiaries	share	cost	result 2007	31.12.07
Teaterplassen AS	60%	3 012 000,-	(not ready)	(not ready)

Other shares	No. of shares	Purchase cost	Market value
Geodatasenteret AS	1000	100 000,-	100 000,-
The shares in Geodatasenteret AS are valued at its purchase cost.			

NOTE 9
Petty cash and bank accounts

NoK 408 892,- of the total cash at bank is restricted to meet the liability arising from payroll taxes withheld.

NOTE 10
Advance

Work in progress invoiced on account and advances at the year end, related to 16 projects and amounted to a total of NoK 3 720 488,-.



KPMG AS
P.O. Box 103
Lustvollve 4
N-4801 Arendal

Telephone +47 04083
Fax +47 37 00 52 25
Internet www.kpmg.no
Enterprise 509 174 527/MVA

Til styret i GRID - Arendal

REVISJONSBERETNING FOR 2007

Ledelsens ansvar og revisors oppgave

Vi har revidert årsregnskapet for stiftelsen GRID – Arendal for regnskapsåret 2007, som viser et tap for på kr 4 145 396. Vi har også revidert opplysningene i årsberetningen om årsregnskapet, forutsetningen om fortsatt drift og forslaget til dekning av tapet. Årsregnskapet består av resultatregnskap, balanse og noteopplysninger. Regnskapslovens regler og god regnskapsskikk i Norge er anvendt ved utarbeidelsen av regnskapet. Årsregnskapet og årsberetningen er avgitt av stiftelsens styre og daglig leder. Vår oppgave er å uttale oss om årsregnskapet og øvrige forhold i henhold til revisorlovens og stiftelseslovens krav.

Grunnlag for vår uttalelse

Vi har utført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder revisjonsstandarder vedtatt av Den norske Revisorforening. Revisjonsstandardene krever at vi planlegger og utfører revisjonen for å oppnå betryggende sikkerhet for at årsregnskapet ikke inneholder vesentlig feilinformasjon. Revisjon omfatter kontroll av utvalgte deler av materialet som underbygger informasjonen i årsregnskapet, vurdering av de benyttede regnskapsprinsipper og vesentlige regnskapsestimater, samt vurdering av innholdet i og presentasjonen av årsregnskapet. I den grad det følger av god revisjonsskikk, omfatter revisjon også en gjennomgåelse av stiftelsens formuesforvaltning og regnskaps- og intern kontrollsystemer. Vi mener at vår revisjon gir et forsvarlig grunnlag for vår uttalelse.

Uttalelse

Vi mener at

- årsregnskapet er avgitt i samsvar med lov og forskrifter og gir et rettvisende bilde av stiftelsens finansielle stilling 31. desember 2007 og av resultatet i regnskapsåret i overensstemmelse med regnskapslovens regler og god regnskapsskikk i Norge
- ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av regnskapsopplysninger
- opplysningene i årsberetningen om årsregnskapet, forutsetningen om fortsatt drift og forslaget til dekning av tapet er konsistente med årsregnskapet og er i samsvar med lov og forskrifter.

Vi har ikke fått kjennskap til noe forhold som tilsier at stiftelsens forvaltning og utdelinger ikke er foretatt i samsvar med lov, stiftelsens formål og vedtektene for øvrig.

Arendal, 28. april 2008
KPMG AS

Terje H. Holst

Statsautorisert revisor

Offisielt

Cato	Regnskap	Statistikk
Bjørn	Revisjons	Erstatnings
Åge	Lev	Skatte
Arendal	Likviditet	Skatt
Oslo	Skatt	Skatt
Revisjon	Skatt	Skatt
Revisjon	Skatt	Skatt

KPMG AS is a member firm of the KPMG network of independent member firms affiliated with KPMG network, a Swiss entity.

Den norske Revisorforening



UNEP/GRID-Arendal

PO Box 183
N-4802 Arendal
Norway

Tel: +47 47 64 45 55
Fax: +47 37 03 50 50
grid@grida.no
www.grida.no

Geneva Office

Tel: +41 22 917 8342
Fax: +41 22 797 3420
otto.simonett@unep.ch

Ottawa Office

Tel: +1 613 943 8643
Fax: +1 613 943 8607
kurvits@grida.no

Stockholm Office

Tel: +46 8 723 0460
Fax: +46 8 723 0348
ahlenius@grida.no

