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and 15 June 2016

Financial and Staff Rules
of
the International Barents Secretariat

PREAMBLE **2**

PART I: FINANCIAL RULES **2**

ARTICLE 1 AUTHORITY AND APPLICABILITY 2
ARTICLE 2 FINANCIAL PERIOD 3
ARTICLE 3 BUDGET 3
ARTICLE 4 FINANCIAL RESOURCES AND CONTRIBUTIONS 3
ARTICLE 5 CUSTODY OF DEPOSIT 5
ARTICLE 6 ACCOUNTS 5
ARTICLE 7 INTERNAL CONTROL 5
ARTICLE 8 EXTERNAL AUDIT 6
ARTICLE 9 INTERPRETATION 6
ARTICLE 10 AMENDMENT OF THE FINANCIAL RULES 6

PART II: STAFF RULES **7**

ARTICLE 1 GUIDELINES FOR THE SELECTION OF THE STAFF 7
1.1 Selection of the Head of the Secretariat *7*
1.2 Selection of the other Permanent Staff Members *7*
1.4 Employment Terms *8*
1.5 Profile of applicants: *8*
1.6 Familiarizing trip: *8*
ARTICLE 2 ACCOMMODATION AND MOVING 9
ARTICLE 3 TRAVEL EXPENSES AND INSURANCE 9
ARTICLE 4 VACATION AND SPECIAL LEAVES 9
4.1 Annual Leave *9*
4.2 Vacation Allowance *10*
4.3 Public and Religious Holidays *10*
4.4 Sick Leave with Salary *10*
4.5 Maternity Leave with Salary *10*
4.6. Leave due to Child's Sickness *10*
4.7. Leave to Moving of Accommodation *10*
4.8. Leave due to Wedding *11*
4.9. Leave due to Death, Funeral *11*
ARTICLE 5 OFFICE ADMINISTRATION 11

PREAMBLE

The following rules and instructions shall govern the administration of the International Barents Secretariat (hereinafter: the Secretariat) established by the Barents Euro-Arctic Council (hereinafter: the BEAC).

These rules are formulated in accordance with and are subordinated to what is stipulated in:

- Agreement on the Establishment of the International Barents Secretariat for the Cooperation in the Barents Euro-Arctic Region (hereinafter: the Agreement)

- The Terms of Reference of the International Barents Secretariat.

- Host Country Agreement between the Government of Norway and The International Barents Secretariat for the Cooperation in The Barents Euro-Arctic Region

- Applicable Norwegian Financial Regulations.

After consultation with the Barents Regional Committee (hereinafter: the RC) the Financial and Staff Rules become effective as from the date of approval by the Committee of Senior Officials (hereinafter: the CSO) .

The Parties (Finland, Norway, Russian Federation, Sweden) to the Agreement on the Establishment of an international Barents Secretariat for the Cooperation in the Barents Euro-Arctic Region are hereinafter referred to as the Parties

Adopted at the CSO meeting in 16. September 2008 at Solovetsky Islands.

Part I: Financial Rules

ARTICLE 1 Authority and Applicability

1.1 The Head of the Secretariat, as the chief administrative officer, shall have an overall responsibility for the proper management and efficient use of the financial and staff resources. Depending on the nature of the issue, he/she shall receive tasks from and report to the Chairs of the CSO and/or the RC.

1.2 The Head of the Secretariat is responsible to the CSO of the BEAC in financial matters. The Barents Regional Committee shall be consulted by the Head of the Secretariat according to the procedures described in Chapters 3 and 6 of the Terms of Reference of the International Barents Secretariat.

1.3 The Head of the Secretariat may delegate to other Permanent Staff Members such of his/her powers, as he deems necessary to secure proper and effective management of the administration.of the Secretariat.

ARTICLE 2 Financial Period

2.1 The financial year of the Secretariat shall be the calendar year.

ARTICLE 3 Budget

3.1 The Head of the Secretariat shall submit a draft budget for the coming calendar year to the Chairman of the CSO and for consultation to the Chairman of the Barents Regional Committee.

3.2 The draft budget shall cover income and expenditures and shall be presented in Norwegian kroner (NOK). The incomes and expenditures shall also be presented in euros (EUR) as an approximate figure based on the exchange ratio of the day of NOK to the EUR.

3.3 The draft budget shall be divided into chapters by type of expenditure.

The draft budget shall encompass expense estimates by main chapters and sub-chapters and detailed explanatory notes on the allocations, as against the actual expenditures. It shall also include:

i) Summary statement of the proposed budget;

ii) Arrears, if any, from the mandatory annual contributions from the previous budgetary years;

iii) Other annexes as may be required.

3.4 The budget proposal shall be submitted by the Head of the Secretariat at least **twenty** days before the date fixed for a regular meeting of the CSO for its approval.

The budget proposal shall be accompanied by the approved budget for the current financial period.

3.5 The CSO shall consider the budget proposal and decide upon the budget taking into account the time frame of the budgetary procedures of the Parties.

ARTICLE 4 Financial Resources and Contributions

4.1 The sources of the budget shall consist of:

i) The mandatory annual budgetary contributions of the Parties according to the scale included in the Terms of Reference of the International Barents Secretariat;

ii) Returns on interest derived from deposit account(s) of the Secretariat and miscellaneous income such as donations/voluntary contributions/grants;
the Head of the Secretariat may accept such payments provided that the purpose thereof conforms to the BEAC principles and objectives;

iii) General donations shall be those made for no specific purpose and shall be added to the official account of the Secretariat.
Specific donations shall be those made for specific purpose and managed in conformity with these Regulations and the purpose prescribed. Upon the authorization of the Head of the Secretariat a special account of the Secretariat may be established for managing such donations. The Head of the Secretariat shall submit to the regular Meeting of the CSO a report on the contributions and donations to the annual budget.

4.2 As soon as the CSO has approved the budget for the financial period the Head of the Secretariat shall send a copy thereof to all Parties together with a call for contributions for the financial period. The approval of the budget constitutes an authorisation to the Head of the Secretariat to incur obligations and make payments for the purposes stated in the budget.

4.3 The Parties shall make their assessed contributions available to the Secretariat by 31st March each year.

4.4 Any Party may, however, inform the Head of the Secretariat of its preference to pay its contribution to the budget in two installments. In such case at least half of the contribution shall be payable according to the paragraph above and the remaining amount within six months from that date.

4.5 In cases where special necessity arises the Head of the Secretariat may effect transfer from one chapter of the budget to another, after having obtained the approval of the Chairman of the CSO.

The total of such transfers shall not exceed 10 percent of the original appropriation of the chapter to which the transfer is made.

4.6 Working capital funds shall be kept to meet short-term liquidity problems pending receipt of contributions.

4.7 The amount and the purposes of the working capital funds shall be determined regularly by the CSO. It should not exceed 50% of the budget provision for the financial period. The working capital funds shall be financed from contributions by the Parties to the Agreement made in accordance with the scale of assessments included in the Terms of Reference.

(Amendment to the above paragraph was approved by BEAC CSO on 22 March 2016.)

4.8 The management of the working capital funds is subject to approval by the Chairman of the CSO.

4.9 The funds shall be used only to core functions of the Secretariat.

4.10 The CSO shall decide on replenishment from eventual budget surpluses on an annual basis, after each individual budget year

ARTICLE 5 Custody of Deposit

5.1 The Head of the Secretariat shall designate the bank or banks in which the deposits of the Secretariat shall be kept.

ARTICLE 6 Accounts

6.1 The Head of the Secretariat shall maintain such accounts as are necessary and shall prepare financial accounts at the end of the financial period.

6.2 The guiding financial regulations shall be those of the host country.

6.3 The financial accounts shall be presented in NOK. The accounts may be kept in such currency or currencies as the Head of Secretariat may deem necessary

6.4 The Head of the Secretariat shall submit a Statement of Accounts for each financial period to the auditors not later than sixty days following the end of the financial period.

6.5 The Head of the Secretariat shall present the Statements of Accounts to the CSO as soon as these have been audited.

6.6 The statement shall show the income of the Secretariat and, under separate headings, expenditures and balance of accounts. The Head of the Secretariat shall attach to the statement an explanatory memorandum.

ARTICLE 7 Internal Control

7.1 The Head of the Secretariat is responsible for the internal control;

7.2 The internal financial control shall provide for an effective examination and/or review of financial transactions in order to ensure the most effecient use of the resources of the Secretariat;

7.3 All transfers or withdrawals from the bank dealing with expenses of the IBS shall be made upon authorization of the Head of the Secretariat;

7.4 The Head of the Secretariat may designate a strictly limited number of officers who

may receive monies, incur obligations and make payments on behalf of the IBS;

7.5 The Head of the Secretariat shall review financial transactions to ensure the regularity of the receipt, custody and disposal of the IBS's funds and other financial resources.

ARTICLE 8 External Audit

8.1 The CSO shall appoint an external auditor upon proposal by the Government of Norway. The auditor shall be a registered state auditor in Norway. The report and findings of the external auditor shall be submitted to the CSO for review and consideration.

ARTICLE 9 Interpretation

9.1 The Chairman of the CSO may rule, after consultation with the members of the CSO, in cases of doubt as to the interpretation and application of any of the financial rules.

ARTICLE 10 Amendment of the Financial Rules

10.1. The Financial and Staff Rules may be amended by the CSO after consulting the Barents Regional Committee.

Part II: Staff Rules

ARTICLE 1 Guidelines for the Selection of the Staff

1.1 Selection of the Head of the Secretariat

The IBS shall be led by a Head of Secretariat, who shall be selected among qualified individuals and who shall be a citizen of a state of one of the Parties to the Agreement on the Establishment of an International Barents Secretariat for the Cooperation in the Barents Euro-Arctic Region.

The procedures of the selection of a candidate for the post as Head of the Secreatariat shall be transparent to the Parties and to the members of the Barents Regional Committee

The Chairman of the CSO informs the Parties and the Barents Regional Committee at least six months ahead of the expiration of the contract and asks for proposals for candidates within two months.

The Chairman of the CSO will engage in talks with the Parties and the Chairman of the Barents Regional Committee to reach consensus of a candidate . An Ad Hoc Group with balanced representation could be established to assist in the evaluation of the candidates.

The Chairman of the CSO will propose a candidate for the post as the Head of the Secretariat and submit the candidature to the CSO and for the Barents Regional Committee for approval.

The candidate will be finally approved by the CSO at a meeting or alternatively by written procedures.

1.2 Selection of the other Permanent Staff Members

Vacancies should be announced by the Head of the Secretariat to Parties and to the Barents Regional Committee, preferably 6 and at least 3 months ahead of the proposed time of employment. For each vacancy a job description should be available.

Vacancies will be advertised on the Internet site of the Secretariat at least 2 months in advance in a way, which will give qualified candidates a good opportunity to acquaint themselves with the vacancy. Providing information through other media is possible, but will be left in general to the Parties and to the members of the Barents Regional Committee. If necessary, the Secretariat has the right to advertise vacancies in national and international media.

Candidates are invited to forward their applications to the Head of the Secretariat.

The Head of the Secretariat will list the applications and rank the candidates according to established criteria, including qualifications, as well as principles of rotation and geographical balance. The Secretariat will seek to obtain gender balance of staff. After consultations with the CSO Chairman and the Barents Regional Committee, The Head of the Secretariat may

invite candidates for personal interview if necessary. The CSO-Chairman and the chairman of the Barents Regional Committee will be consulted during the decision-making process.

The Head of the Secretariat will send the name of the selected candidate for a given post to the CSO and The Barents Regional Committee for approval.

The date of employment will not be earlier than one month after the final approval of the candidate.

Members of the CSO and the Barents Regional Committee will have access to examine the applications and the ranking list.

1.3 A general practice of geographical and gender balance will be applied when recruiting a new staff.

1.4 Employment Terms

Contracts for all staff of the IBS shall be offered for 12-month periods up to three years, with the possibility of a prolongation for one year. Staff members can re-apply only once for their own position. Prolongation excludes renewed application.

Exception to the above: Since the work of the Secretary/Accountant requires local knowledge of prevalent practices in dealings with the authorities of the Host Country, the Secretary/Accountant can reapply for this position without limits.

(Addition of the above paragraph was approved by BEAC CSO on 4-5 September 2013.)

1.5 Profile of applicants:

Qualifications for each post:
- citizen of a State, Party to the Agreement on the Establishment of the Secretariat (Finland, Norway, Sweden and Russia);
- suitable educational, professional and administrative background;
- international experience;

Language requirements:
- excellent knowledge of English, as the working language of the IBS and
- working knowledge of Russian and
- in addition, working knowledge of one of the following languages: Finnish, Swedish, Norwegian, Sami;

All staff members should have a driver's licence.

1.6 Familiarizing trip:

Reasonable travel and accommodation costs - within IBS' budget limits - intended for an acquaintance/familiarizing trip for candidates who have accepted a position as Head of Secretariat or Executive Officer, will be covered from the the ordinary travel budget. This also

applies for the candidate's spouse, if applicable.

(Addition of the above paragraph was approved by BEAC CSO on 22 March 2016.)

ARTICLE 2 Accommodation and Moving

All expenses related to accommodation, such as rents or fees to brokers, are to be paid by the Permanent Staff Members themselves.

The Permanent Staff Members are allowed to have:

1) An establishment allowance of the amount of 30000 NOK for a Permanent Staff Member with family, and 20000 NOK without a family.

2) Moving allowance will be granted limited to 40 m3 for a Permanent Staff Member bringing dependent family members and limited to 18 m3 for a single Permanent Staff Member.

3) Reimbursement of travel expenses will be made upon receipt including also expenses of dependent family members.

ARTICLE 3 Travel Expenses and Insurance

The Secretariat follows the Norwegian public regulations on daily allowances.

Official duty travel expenses and hotel accommodation shall be paid by the IBS

Travel insurance will be covered by the insurance arrangements made by the Secretariat for the permanent staff-members.

On official missions, business class tickets may be booked only in case no other alternatives are available I

In case his/her family members accompany a staff member on an official trip, the staff member is responsible to pay 25 % of the hotel price him/herself.

ARTICLE 4 Vacation and Special Leaves

4.1 Annual Leave

Standard annual leave is 28 working days. Staff members recruited from other countries than host country are to have 35 working days. CSO can decide to give local employees more days than provided in a standard leave.

The accrual of annual leave shall start immediately after the employment and be calculated per ratio year. The whole number of leave days should preferably be taken within calendar year, with a possibility to transfer 14 working days to the next calendar year.

(Amendment to the above paragraphs was approved by BEAC CSO on 15 June 2016.)

4.2 Vacation Allowance

Holiday allowance is included in each employee's annual salary. This implies that each employee shall be paid ordinary salary each month, including his/her holiday period. To avoid a loss in total net income for the employee, an additional vacation compensation of 16% of the employee's ordinary monthly salary is to be paid out to him/her in June each year. This arrangement is regulated by a Collective agreement between the IBS and its employees.

(Amendment to the above paragraph was approved by BEAC CSO on 19 March 2015.)

4.3 Public and Religious Holidays

The staff members are entitled to the statutory public and church holidays as regulated in the Law of Vacation and practiced in Norway.

4.4 Sick Leave with Salary

The employee shall at his/her earliest convenience report absence due to sickness to the Secretariat. If a sick leave period exceeds 2 days a medical statement issued by a doctor declaration is required for further payment by the Secretariat

Vacation can be postponed due to sickness if the employee falls ill before the vacation starts and has reported this to the Secretariat. The vacation can also be postponed if the employee falls ill during the vacation if the employee reports this to the Secretariat and can present a medical statement in that regard.

4.5 Maternity Leave with Salary

In relation to giving birth a female employee is entitled to absence in 42 weeks with full salary and with 52 weeks of absence with 80 % of the salary. Depending upon the length of the leave of the mother, the father can take part of the leave.

4.6. Leave due to Child’s Sickness

An employee with children below the age of 10 years may be absent due to child’s sickness, however only with ten days per year in total. A single mother or father is entitled to 20 days of absence per year.

4.7. Leave to Moving of Accommodation

In relation to moving of accommodation, the employee is entitled to one (1) day leave with salary.

4.8. Leave due to Wedding

In relation to the staff member's own marriage or entrance into partnership, the employee is entitled to one (1) day leave with salary.

4.9. Leave due to Death, Funeral

In relation to serious disease within the family or funeral of someone within the family, the employee is entitled to one (1) day leave with salary. By extraordinary circumstances and considering the geographical distance the Head of the Secretariat might extend the leave up to 10 workingdays with salary.

ARTICLE 5 Office Administration

Office working hours are from Monday to Friday from 8.00 – 16.00 or 9.00 – 17.00. Working hours of individual staff members are subject to special agreement.

Everyone writes his/her own letters, travel reports, telephone notes, summaries of meetings and other correspondence in English, which is the working language of the International Barents Secretariat.

ARTICLE 6 Amendment to the Staff Rules

The Staff Rules may be amended by the CSO after consulting the Barents Regional Committee(BRC)