



# **Russian Federation: Support to the National Programme of Action for the Protection of the Arctic Marine Environment**

**Half-Yearly Progress Report  
of the Project Activities for the period from 01 July 2009  
to 31 December 2009**

**Sergei Tambiev  
Acting Project Manager**



**Galina Zaytseva  
Project Financial Management Officer**



**Project Office in Moscow  
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# **Half-Yearly Progress Report of the Project Activities for the period from 01 July 2009 to 31 December 2009**

Prepared: by Project Office

Status: for consideration by Executive and Implementing Agencies

## **HALF-YEARLY PROGRESS REPORT**

As of 31 December 2009

**Project Number:** GFL / 2732 – 03 – 4694  
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**Project Title:** Russian Federation – Support to the National Programme of Action for the Protection of the Arctic Marine Environment

**Division/Unit:** UNEP/DGEF

**Coordinating Agency or Supporting Organization:** UNEP is the Implementing Agency and Ministry for Economic Development of the Russian Federation acts as the Executing Agency

**Reporting Period (the six months covered by this report):** July 2009 – December 2009

## I. SUMMARY

During reported period the Project Office (PO) focused its efforts on implementation of all components of the Project. The Pre-investment studies (PINS) Component is near the completion in all three selected regions (western, central and eastern) of the Russian Arctic and resulted in a set of proposals for environmental investment projects (EIP) for these sectors of the Russian Arctic. Proposed EIP are strongly supported by regional and local authorities. 16 EIP in Western and Central Arctic and to 6 EIP in Eastern Arctic have been developed. However they should be revised according to comments received from the EA. Task team (TT) on the EPS Component ( Environmental Protection System Improvements) prepared the following documents: 1) - Draft Report to the Government of the Russian Federation on Improvement of Environmental Protection System in the Arctic Zone of the Russian Federation; 2) – Analytical Materials to the Report to the Government of the Russian Federation on Improvement of Environmental Protection System in the Arctic Zone of the Russian Federation; 3-4) - two different versions of Concept of Federal Law on Special Regimes of Natural Resources Use and Environment Protection the Arctic Zone of the Russian Federation. These documents, according to the Executing Agency view, need some additional work. Two mentioned in the Project Document main demo BASES and pilot CLEANUP projects have been successfully finalised. Two additional pilot projects, which were approved by the 2<sup>nd</sup> Steering Committee meeting, namely: PILOT-BIOREMEDIATION and PILOT-TIKSI have also been successfully finalised. One new demo project ONEGA-BASE (Remediation of Environment in Area of Decommissioned Military Base near Pokrovskoe Settlement, Arkhangelsk Region) approved by the 3<sup>d</sup> Steering Committee meeting in Helsinki, has been prepared and its implementation started in the middle of the autumn 2009. Two new contracts for demo project - FJL BASES-2 and pilot project TIKSI-2 – have been prepared and signed.

Key project achievements for the reporting period are as follows:

**SAP component.** Completed.

At the moment PO staff is concentrated on updating and improvement of Diagnostic Analysis on Russian Arctic Environment with preliminary title “Environmental Situation in the Russian Arctic – Problems and Prospects”. The DA analysis prepared in a mid of 2007 which served as a basis for the SAP requires updating. In addition Executive Agency proposed a new structure for the DA document which requires some additional work. PO tendered several consultants who are well known experts in their field and hired them for writing/rewriting several sections in the DA .

**PINS component.** The PINS Component is near the completion in all three selected regions (western, central and eastern) of the Russian

Arctic and resulted in a set of proposals for environmental investment projects (EIP) for these sectors of the Russian Arctic. Five EIP in Western (lead by Royal Haskoning), and Central Arctic (lead by Rambøll Storvik AS) and to 6 EIP in Eastern Arctic (lead by ERM Eurasia Limited) have been developed and submitted to the PO. At present these EIP have being revised according to comments of EA. To date, PINS contractor for Western Arctic finilised fifth stage and works and is in final six stage, PINS contractor for Central Arctic finished its third stage (out of fifth) and PINS contractor for East Arctic finilised its final fourth stage and submitted draft final report.

The following five individual investment projects were selected to be suggested for potential investors for implementation in Western Arctic: 1. Improved waste water management in Murmansk region; 2. Improved waste water management in Severomorsk; 3. Improvement of solid domestic waste management; 4. Improvement of oil waste management program; 5. Automatic air quality monitoring system.

For Central Arctic region five individual investment projects were also prepared. They are: 1. Land remediation from oil products in water protection zone of Northern Dvina River of White Sea basin near settlement Krasnoe of Primorsky district of Arkhangelsk Region; 2. Construction of new sewage treatment facilities in Lesnaya Rechka dwelling district of Arkhangelsk; 3. Solid domestic wastes disposal in Vorkuta, Komi Republic; 4. Modernization of sewage water treatment system in Vorkuta, Komi Republic, and: 5. Modernisation of Waste Water Treatment Facilities in Settlement Kachgort and Bondarka, Nenets Autonomous Okrug.

In Eastern Arctic six individual PINS projects were picked up: 1. Closure of the Kular Gold Tailings Based on Sound Environmental and Health & Safety Principles; 2. Mothballing of the Deputatsky Tin Ore Mining and Processing Plant Based on Sound Environmental and Health & Safety Principles; 3. Restoration of Commercially Important Fish Species in the Subarctic and Arctic River Basins in Yakutia; 4. Waste and Contamination Inventory and Clean-Up of the Wrangel Island Reserve; 5. Search and Disposal of the RITEG installation Located at Rogers Bay, the Wrangel Island, and 6. Programme of Survey of Current and Historical Land-Based Contamination Sources of the Laptev Sea, East Siberian Sea and Chukchi Sea.

**EPS component.** Work under this Project component started ahead of schedule in 2008. In the original Project Document EPS component implementation was placed in the Second Phase of the Project. Task Team for EPS component worked under the component for more than one year and to date finalised its work, which resulted in preparation of the following main documents: 1) - Draft Report to the Government of the Russian Federation on Improvement of Environmental Protection System in the Arctic Zone of the Russian Federation; 2) – Analytical Materials to the Report to the Government of the Russian Federation on Improvement of Environmental Protection System in the Arctic Zone of the Russian Federation; 3-4) - two different versions of Concept of Federal Law on Special Regimes of Natural Resources Use and Environment Protection the Arctic Zone of the Russian Federation. These documents were submitted to EA for comments. According to EA

view these documents require additional work. **Demonstration projects component.**

**BASES** - demo project (Environmental remediation of Decommissioned Military Bases on Franz-Josef Land Archipelago). The project was implemented by non-profit organization “Polar Foundation” mainly at Nagurskaya Station (Alexandra Land Island) and some additional reconnaissance works and ecological mapping were fulfilled also on abandoned military bases situated on Graham-Bell and Goffman islands. Field works was fulfilled in September 2007 (an expedition was delivered to the FJL archipelago by the research vessel “Mikhail Somov”) and in September 2008 (a team was conveyed to Alexandra Land by aircraft). Both a field photo report and video were uploaded on the official website of the NPA-Arctic Project (<http://npa-arctic.ru/>). To date the demo project was finalized, approved by Executive Agency (EA) and fully paid. Final report is under translation in English. A contract for second Phase of the project approved by EA and signed. It is now pending to obtain the tax-free status in the Commission for Humanitarian and Technical Assistance under the Government of the Russian Federation. Field works on FJL archipelago are planned for the navigation period of 2010. The project FJL BASES-II will be partially funded by US EPA.

**CLEANUP** – pilot project (Remediation of the Environment through the use of Brown Algae). A contract with a bid-winner (“Sirena Ltd”) was signed on 29/08/2007. Practical implementation of this project started in September 2007 To date the pilot project was completed, approved by Executive Agency (EA) and fully paid. Approved final report is under translation in English

**BIOREMEDIATION** - pilot project (Designing of bioremediation technology for oil sludge and oil contaminated soil in Arctic conditions). A contract for the pilot project implementation was concluded with a bid-winner “NAVECOSERVIS Ltd.”. To date the pilot project was completed, approved by Executive Agency (EA) and fully paid. A concept of a large scale project based on the obtained results was prepared and included in the list of investment projects suggested for the western Arctic.

**TIKSIBAY** pilot project (Removing of sunken wood and ship frames from the sea bottom in Tiksi Bay). The pilot project has been implemented by the OOO “Seaport of Tiksi”. To date the pilot project is completed and fully paid. A contract for prolongation of the pilot project (TIKSIBAY-2) approved on the 3<sup>rd</sup> StC session was prepared and signed. Basing on project results Tiksi television prepared a short movie, copy of which was also provided to the PO.

**ONEGA-BASE** new demo project (Remediation of Environment in Area of Decommissioned Military Base near Pokrovskoe Settlement, Arkhangelsk Region). Practical implementation of the project started in September 2009 by a bid-winner company OOO “GORST”, which has a tax-free status already. A first tripartite contract was designed by PO and signed by all interested parties. This demo project is funded 50:50 by NPA-Arctic Project and by the Committee for Ecology of Arkhangelsk Region (a part of Arkhangelsk regional administration),

Tender documentation with provisional requirements specification together with tender invitation for implementation of a demo project PESTICIDES (Eliminating Outdated and Banned Pesticides in the Northern Regions of Russia) and of a pilot project RITEG-KONDRAT'EV (Localisation and removal from a thermokarst crater of two radioisotope thermoelectric generators (RITEGs) of GONG type at the Kondratiev navigation beacon site in Ust-Yanski Ulus of Republic of Sakha (Yakutia)) were prepared and uploaded on the Projects website. Invitations to participate in the tender were also sent to companies and organisations who may be interested in. A company "TSESOR" submitted its proposal without proper working plan for the project implementation of the demo project PESTICIDES. However the main reason of delay with the project implementation is the absence of the licensed installation for elimination of pesticides within the Russian Federation. According to information from the Ministry of Natural Resources and Environment of the Russian Federation (MNRE of Russia) this problem will be solved in the first quarter of 2010. As for the pilot project RITEG-KONDRAT'EV it is expected that application from a consortium of the interested companies will be received before the Steering Committee meeting in January 2010..

International Training Workshop on Environmentally Safe Management of Hazardous Wastes, Including Occupational Health and Safety Issues was held by the Project Office in coordination with US Environmental Protection Agency (USEPA) and with assistance of MNRE of Russia and ACAP Secretariat in accordance with decision of the UNEP/GEF Project Steering Committee. The purpose of the training was to increase trainees' knowledge on the latest methods of ensuring environmental safety. The event took a place in Moscow on 20-23 of July 2009.

**Meetings and conferences.** During the reported period PO prepared and held a number of meetings among them: meetings with regional authorities, meetings with key representatives of the lead cooperating organizations (LCO) for demo/pilot projects and PINS implementation in western, central and eastern Russian Arctic regions and stakeholders, TT EPS meetings, Workshop on environmentally safe management of hazardous wastes.

PO staff participated also in three important international events: 1- PAME Workshop (Oslo, Norway, September 2009), where project manager reported about NPA-Project achievements made for the last years; 2 - the Fifth GEF Biennial International Waters Conference (Cairns, Australia, 24-29 October 2009) where deputy project manager participated and presented exhibit highlighting project results and achievements at the IWC5 Innovation Marketplace, where special booth was rented and decorated for this purpose, and 3 - International Scientific and Practical Conference "Integrated Ecosystem Management in the Russian Arctic: Challenges and Prospective" - project manager presented the new edition of SAP document approved by the Maritime Board at the Government of the Russian Federation.

One of the other Project achievements was establishing and keeping of good working relationship with Arctic regional administrations, non-governmental organizations and businesses involved in environmental projects.

The main activities are planned to be performed for the next reporting period (January - June 2010) are as following:

- .To prepare for publication the Diagnostic Analysis in Russian and English and to distribute it widely on the web and in a hard copy;
- To finalise the PINS components and to prepare an Investment forum to promote investment projects prepared under PINS Project component for Western, Central and Eastern part of Russian Arctic;
- To finalise all the documents prepared under the EPS component;
- To continue/start implementation of the demo and pilot projects: ONEGA-BASE, FJL-BASES-2 and TIKSIBAY-2;
- To complete tender and contract documentation for new demonstration and pilot projects PESTICIDES and RITEG-KONDRAT'EV approved by the Project Steering Committee; to sign contracts with leading organizations and to start the projects implementation ;
- To prepare project documents and tender documentation for new demonstration and/or pilot projects with a term till October 2010 to be submitted to the Project Steering Committee;
- .To prepare proposals for Phase II of NPA-Arctic project.

## II. PROGRESS ON PROJECT COMPONENTS (according to the Project IWP Phase I)\*

\*Present Integrated Work Programme reflects changes approved at the 3<sup>rd</sup> Steering Committee Meeting in March 2009 and then revised by the Steering Committee members via e-mail communication.

### Activity I. Strategic Action Programme (SAP)

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency *	Set in IWP target date	Actual date of completion or date to be completed if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
1.1	Proposals and selection of the Task Team (TT) Co-ordinator.	Approval of TT Co-ordinator familiar with the methodology for the preparation of the SAP and familiar with the organisations and individuals that might be involved in the preparation of the SAP. <i>Output 100 %</i>	Manager/ ExA	January 2006	February 2006	Completed
1.2	Proposals and selection of the TT members.	Selection of TT members to cover all major sectors of the SAP and the NPA-Arctic. <i>Output 100 %</i>	Manager/ ExA	January 2006	February 2006	Completed
1.3	Preparation of the consultancy contract with TT Co-ordinator.	Signed contract with TT Co-ordinator, including duties, outputs, work plan, timetable and other details. <i>Output 100 %</i>	Manager/ ExA	January 2006	February 2006	Completed
1.4	Preparation of consultancy contracts with TT members.	Draft contracts including duties, outputs, work plan, timetable and other details discussed with the potential TT members and signed subsequently. <i>Output 100 %</i>	Manager	January 2006	March 2006	Completed
1.5	Preparation of the working document to be considered at the First Meeting of the TT.	Working document to include the basic SAP concept; objectives; principles; content; outputs; work plan; timetable; role of TT co-ordinator and members, as well as lead organisation; procedure for the national and international review of the draft SAP; procedure for the adoption of the SAP; and basic ideas about the implementation mechanism.	TT co-ordinator/ Manager	February 2006	February 2006	Completed



No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency *	Set in IWP target date	Actual date of completion or date to be completed if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
		The document is also to contain proposals for the terms of reference for the TT. This document is to be considered, amended and adopted by the First Meeting of the TT. <i>Output 100 %</i>				
1.6	Review of the working document at the First Meeting of the TT.	Report of the meeting to include the basic SAP concept; objectives; principles; content; outputs; work plan; timetable; role of TT co-ordinator and members, as well as lead organisation; procedure for the national and international review of the draft SAP; procedure for the adoption of the SAP; and basic ideas about the mechanism of the implementation; terms of reference for the TT; tender documentation for selection of the lead co-operating organisation; and decision on the establishment of working groups. <i>Output 100 %</i>	TT co-ordinator/ Manager	February 15, 2006	February 15, 2006	Completed
1.7.1.	Development of financial mechanisms of the SAP implementation	Scoping report on mechanisms of financing the activities included into the SAP. <i>Output 100 %</i>	TT co-ordinator/ Manager in coordination with ExA and PA	Jan.- June 2007	September 2007	Completed
1.7.2.	Regional aspects of SAP	Scoping report on regional SAP sub-programs with recommendations for SAP. <i>Output 100 %</i>	TT co-ordinator/ Manager in coordination with ExA and PA	Jan.- June 2007	October 2007	Completed by the PO, ACOPS provided report only for 1 region
1.7.3.	Strategic environmental assessment on the SAP	Report on SEA to support SAP with recommendation on improvement of SAP <i>Output 100 %</i>	Manager in coordination with ExA	June 2007	April 2008	Completed
1.7.4.	Diagnostic analysis of environmental situation in Arctic	Diagnostic analysis considering all environmental aspects of the Russian Arctic incl. causal-chain analysis and prepared according to international	TT co-ordinator/ Manager in coordination with	July 2006 – March 2007 Publication –	March–April 2009;	To be completed by May 2010

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency *	Set in IWP target date	Actual date of completion or date to be completed if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
	region	standards <i>Output 75 %</i>	ExA and PA	end of June 2007		
1.7.5.	Causal chain analysis	Report on causal chain analysis with recommendations. <i>Output 100 %</i>	TT co-ordinator/ Manager in coordination with ExA and IA	March 2007	November 2007	Completed
1.7.6.	Stakeholder analysis and development of public involvement	Stakeholder perception survey report and draft public involvement plan. <i>Output 60 %</i>	Manager in coordination with ExA and PA	Regional reports ready by 15 <sup>th</sup> June 2007; PPS is ready by 20 <sup>th</sup> Jul 2007	October 2009	Initially planned to be executed by ACOPS (only 2 regional reports were completed). PO has a lead. It is in process of finalisation as a part of DA
1.7.7.	Information to stakeholders and communication strategy to public on project results	Specific public awareness actions (round tables, TV broadcasting, newspapers, internet and other public activities) for all Arctic regions.	TT co-ordinator/ Manager in coordination with ExA	Apr. 2007 - Nov. 2008	Constantly	New strategy for public involvement developed and implementation started in September of 2008
1.8	Preparation of the first draft of the SAP	The first draft of the SAP prepared in accordance with the conclusions and recommendations elaborated at the First Meeting of the TT. <i>Output 100 %</i>	TT co-ordinator/ Manager	Dec. 2006	August 2007	Completed
1.9	Review of the first draft of the SAP	SAP TT reviews the first draft of SAP and provides written comments. SAP document is translated and reviewed by the international SAP consultant. <i>Output 100 %</i>	TT co-ordinator/ Manager in coordination with ExA	Jan. - March 2007	September 2007	Completed
1.10	Preparation of the second draft of	Project office combines comments received by SAP TT and international SAP reviewer and organizes	TT co-ordinator/ Manager	Jan. - March 2007	December 2007	Completed

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency *	Set in IWP target date	Actual date of completion or date to be completed if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
	the SAP.	for translation. <i>Output 100 %</i>				
1.11	Review of the second draft of the SAP by federal and regional executive authorities.	Comments by federal and regional executive authorities that will be taken into account in preparing the third draft of the SAP. <i>Output 100 %</i>	TT co-ordinator/ Manager in coordination with ExA	July – Sept. 2007	February 2008 - IAWG reviewed 2 <sup>nd</sup> draft SAP June 2008 – authorities reviewed 2 <sup>nd</sup> draft SAP	Completed
1.12	Preparation of the third draft of the SAP	The third draft of the SAP, to address comments by federal and regional executive authorities is prepared for review by SAP TT. <i>Output 100 %</i>	TT co-ordinator/ Manager	July – Sept. 2007	December 2008	Completed
1.13	Review of the third draft of the SAP at the SAP TT meeting	The third draft of the SAP is reviewed by SAP TT and agencies whose remarks were received. <i>Output 100 %</i>	TT co-ordinator/ Manager in coordination with ExA and IA	July – Dec. 2007	February-March 2009	Completed
1.14	Preparation of the 4 <sup>th</sup> draft of the SAP.	The fourth draft of the SAP, to address comments by the SAP TT. <i>Output 100 %</i>	TT co-ordinator/ Manager	October – Dec. 2007	March 2009	Completed
1.15	Endorsement of the SAP by relevant state authorities	Endorsed SAP, ready for approval. <i>Output 100 %</i>	Manager/ExA	December 2007 – March 2008	April-May 2009	Completed
1.16	Adoption of the SAP by the relevant executive authority.	SAP adopted by the relevant executive authority of the Russian Federation. <i>Output 100 %</i>	Manager/ExA	March 2008	May-June 2009	Completed

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency *	Set in IWP target date	Actual date of completion or date to be completed if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
1.17	A round table with all interested parties for presentation, discussion and popularization of the SAP	Awareness of federal and regional authorities, RAS, business circles, NGOs and civil society with the SAP as the first major outcome of the Project. <i>Output 100 %</i>	Manager		June-July 2009	Completed

### Activity 2. Pre-investment studies (PINS)

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency *	Set in IWP target date	Actual date of completion or date to be completed if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
2.1	Proposals for and selection of the Co-ordinator of the Working Group (WG) for Pre-Investment Studies (PINS) will be prepared.	Approval of the selected WG Co-ordinator familiar with the methodology for the preparation of PINS and familiar with the organisations and individuals that might be involved in the preparation of PINS. <i>Output 100 %</i>	Manager/ExA	March 2006 Jan. – March 2007 for new person	November 2007	Completed
2.2	Proposals for and selection of the WG members.	Approval of the selected WG members for development of criteria for the hot spots selection and co-ordination of PINS taking into account environmental, economic, social and political factors. The WG will be composed of 8 Russian and 3 International consultants, and 1 representative from the Executing Agency.	Manager/ExA	April 2006	May 2006	Completed

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency *	Set in IWP target date	Actual date of completion or date to be completed if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
		<i>Output 100 %</i>				
2.3	Preparation of the consultancy contract with WG Co-ordinator.	Signed contract with WG Co-ordinator, including duties, outputs, work plan, timetable and other details. <i>Output 100 %</i>	Manager/ExA	April 2006 Apr. – June 2007 for new person	May 2006	Completed
2.4	Preparation of consultancy contracts with WG members.	Draft contracts, including duties, outputs, work plan, timetable and other details, to be discussed with the potential consultants and signed subsequently. <i>Output 100 %</i>	WG Co-ordinator / Manager	April 2006	May 2006	Completed
2.5	Preparation of the working document to be considered at the First Meeting of the WG.	Working document to include the basic concept of PINS; overview of priority environmental hot spots selected during the work on the NPA-Arctic and PDF B GEF Project; objectives and the content of PINS; work plan; timetable; and the role of the co-ordinator of the WG and its members and of the lead cooperating and participating organisations. The document is also to contain proposals for the criteria for the selection of hot spots for which PINS will be prepared and terms of reference for the WG. This document is to be considered, amended and adopted by the First Meeting of the WG. <i>Output 100 %</i>	WG Co-ordinator / Manager	April 2006	June 2006	Completed
2.6	Review of the working document at the First Meeting of the WG, Moscow.	Report of the meeting to include the basic concept of PINS; overview of hot spots selected during the work on the NPA-Arctic and PDF B GEF Project; objectives and targets, the content and outputs of PINS; work plan and timetable; the role of the co-ordinator of the WG and its members and of lead cooperating and participating organisations. The Report is also to contain proposals for the criteria for selection of hot spots for which PINS will be	WG Co-ordinator / Manager	May 2006	April 2006	Completed.

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency *	Set in IWP target date	Actual date of completion or date to be completed if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
		prepared and terms of reference for the WG. <i>Output 100 %</i>				
2.7	Update and review of the existing hot spots identified at PDF-B stage	Update (data collection), review and analysis of the situation with hot spots <i>Output 100 %</i>	WG co-ordinator / Manager in coordination with PA	Jan. - June 2007	July 2007	Completed
2.7.1	Development and uploading into the Project website a data base for Russian Arctic Hot Spots	Russian Arctic Hot Spots data-base developed and uploaded into the Project official website: <a href="http://npa-arctic.ru/rus/hs/hs_list_ru.html">http://npa-arctic.ru/rus/hs/hs_list_ru.html</a> <i>Output 100%</i>	Manager/ Deputy manager		December 2008	Completed
2.8.	Preparation of Guidelines on conduction of pre-investment studies	Guidelines for conducting the pre-investment studies (methodology and procedures) <i>Output 100%</i>	WG co-ordinator / Manager in coordination with PA	June 2007	August 2007	Completed
2.9	Development of criteria for selection of hot spots for which PINS will be prepared, on the basis of comments given at the First Meeting of the WG.	Criteria for selection of hot spots for which PINS will be prepared, which will include criteria for taking into account environmental, economic, social, and other aspects in the process of selection. <i>Output 100 %</i>	WG Co-ordinator / Manager in coordination with PA	Apr. - June 2007	August 2007	Completed
2.10	Hot spots screening and selection. Preparation of the list of potential pre-investment studies.	On the basis of the work done on analysis of environmental hot spots in the PDF B GEF Project, the hot spots identified in the NPA-Arctic and submitted by federal and regional authorities, the list of potential pre-investment studies will be prepared. Using the adopted criteria for selection, about 8-10 hot spots will be selected for which PINS will be prepared. The Report of the Second Meeting will include selected hot spots and the rationale for the selection.	WG Co-ordinator / Manager in coordination with PA	Apr. - June 2007	October 2007	Completed

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency *	Set in IWP target date	Actual date of completion or date to be completed if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
		<i>Output 100 %</i>				
2.11	Preparation of tenders dossiers and ToRs for three lead cooperating organisations.	Tender for the selection of three lead cooperating organizations for conducting PINS (for the western, central and eastern parts of the Russian Arctic) will be announced by the Project Office. Terms of reference for lead cooperating organisations will be included in the conditions of the tender. <i>Output 100 %</i>	WG Co-ordinator / Manager in coordination with PA	July – Sept. 2007	January 2008	Completed
2.12	Selection of three lead cooperating organisations for the conduction of PINS in west, east and centre parts of Russian Arctic. Concluding the contracts with bid-winners	On the basis of the tender and criteria adopted by the Executing Agency, three lead cooperating organisations are selected. Contracts are concluded that includes schedule of payments. <i>Output 100 %</i>	WG Co-ordinator / Manager	September 2007	April 2008	Completed
2.12.1	Contract maintenance for the conduct of PINS for the west part of the Russian Arctic (PINS-West) by the OOO Haskoning Consultants, Architects and Engineers	A set of environmental investment projects for the western part of the Russian Arctic. <i>Output 100 %</i>	PINS-West Project leader/ Manager / EA	November 2009	November 2009	Completed
2.12.2	Contract maintenance for the conduct of PINS for the east part of the Russian Arctic (PINS-East) by the ERM Eurasia Limited	A set of environmental investment projects for the eastern part of the Russian Arctic. <i>Output 100 %</i>	PINS-East Project leader/Manager/ EA	December 2009	November 2009	Completed

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency *	Set in IWP target date	Actual date of completion or date to be completed if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
2.12.3	Contract maintenance for the conduct of PINS for the central part of the Russian Arctic (PINS-Centre) by the Ramboll Storvik AS	A set of environmental investment projects for the central part of the Russian Arctic. <i>Output 80 %</i>	PINS-Centre Project leader/Manager/EA	November 2009	November 2009	Completed
2.13.	Investment Forum (Partnership conference)	Investment forum is organised and conducted <i>Output 0 %</i>	Manager in cooperation with ExA and IA	April - June 2008	May-July 2010	Planned for May-July 2010
2.14.	Consultations with potential financiers for selected PINS	Consultations with potential financiers for selected PINS are performed <i>Output 100 %</i>	Manager in coordination with PINS bid winner	2008 – first half of 2009	November 2009	Completed
2.15.	Review of PINS and approval of final report	Collated report setting out the optimum package of environmental investment projects in the Arctic region of the Russian Federation <i>Output 85%</i>	Manager in cooperation with ExA and IA	September 2009	February 2010	Submitted to EA reports require additional work

### Activity 3. Environmental Protection System Improvements (EPS)

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency *	Set in IWP target date	Actual date of completion or date to be completed if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
3.1	Proposals for and selection of the Co-ordinator of the Task	Approval of the TT Co-ordinator familiar with the methodology for the implementation of the SAP and with organisations and individuals that might be	Manager/ExA	July – Sept. 2007	August 2008	Completed



No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency *	Set in IWP target date	Actual date of completion or date to be completed if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
	Team on Implementation of the SAP (TT EP).	involved. <i>Output 100 %</i>				
3.2	Proposals for and selection of TT members.	Approval of the TT members to cover various aspects of this activity, to be developed by three WGs (Legislative Improvements, Administrative Improvements and Institutional and Technical Improvements). It is envisaged that the TT will be composed of 10 Russian and 3 international consultants and 1 representative of the Executing Agency. <i>Output 100 %</i>	Manager/ExA	July – Sept. 2007	August 2008	Completed
3.3	Preparation of the consultancy contract with the TT Co-ordinator.	Signed contract with the TT Co-ordinator, including duties, outputs, work plan, timetable and other details. <i>Output 100 %</i>	Manager/ExA	July – Sept. 2007	August-September 2008	Completed
3.4	Preparation of consultancy contracts with TT members.	Signed contracts with TT members, including duties, outputs, work plan, timetable and other details, to be discussed with the potential consultants and signed subsequently. <i>Output 100 %</i>	TT Co-ordinator / Manager	July – Sept. 2007	January 2009	Completed
3.5	Preparation of the working document to be considered at the First Meeting of the TT.	Working document to include basic concept of the Environmental Protection System (EPS); overview of priority improvements in environmental protection mechanisms for which the need was identified during work on the NPA-Arctic and PDF B GEF Project; proposals for the establishment of three WGs subordinate to the TT, including proposals for the respective Co-ordinators, tasks on EPS improvement in general and in all three	TT Co-ordinator / Manager	Oct.-Dec. 2007	December 2009	Completed

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency *	Set in IWP target date	Actual date of completion or date to be completed if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
		directions for lead cooperating and participating organisations, outputs, work plan, timetable and other details. The document is also to contain draft terms of reference for the TT, including expected outputs, work plan, timetable and other details; the role of the co-ordinator of the TT and its members; as well as the role of cooperating and participating organisations. This document is to be considered, amended and adopted by the First Meeting of the TT. <i>Output 100 %</i>				
3.6	Review of the working document at the First Meeting of the TT, Moscow.	Report of the meeting to include basic concept of EPS; overview of priority improvements in environmental protection mechanisms for which the need was identified during work on the NPA-Arctic and PDF B GEF Project; and proposals for the establishment of three WGs subordinate to the TT, including proposals for the respective Co-ordinators, tasks on EPS improvement in general and in all three directions for lead cooperating and participating organisations, outputs, work plan, timetable and other details. Report is also to contain terms of reference for the TT, including outputs, work plan, timetable and other details; the role of the co-ordinator of the TT and its members; as well as the role of cooperating and participating organisations. <i>Output 100 %</i>	TT Co-ordinator / Manager	Jan-March 2008	January 2009	Completed
3.7	Preparation of the report on EPS improvements and its approval by EPS TT	The report on EPS improvements approved by EPS TT <i>Output 100 %</i>	TT Co-ordinators / Manager	Apr.-June 2008	June 2009	Completed
3.8	Preparation of the final	The report to the Russian Government is prepared and approved by TT EPS and EA. <i>Output 70 %</i>	TT Co-ordinators	December	April 2010	Submitted to EA Documents

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency *	Set in IWP target date	Actual date of completion or date to be completed if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
	report on EPS improvements		/ Manager	2009		require additional work

#### 4. Demonstration Projects (DEMOS)

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency	Set in IWP target date	Actual date of completion or date to be completed if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
4.1	Proposals for and selection of the Co-ordinator of the WG on Contaminant Clean-up (WG CLEANUP).	Approval of the WG Co-ordinator familiar with the methodology for decontamination of marine waters through the use of brown algae as well as of organisations and individuals that might be involved. <i>Output 100 %</i>	Manager / ExA	March 2006	March 2006	Completed
4.2	Proposals for and selection of the WG CLEANUP members.	Approval of the WG members to cover various aspects of this demonstration project. <i>Output 100 %</i>	Manager / ExA	April 2006	March 2006	Completed
4.3	Preparation of the consultancy contract with the WG CLEANUP Co-ordinator.	Signed contract with the WG Co-ordinator, including duties, outputs, work plan, timetable and other details. <i>Output 100 %</i>	Manager / ExA	April 2006	October 2006	Completed
4.4	Preparation of consultancy contracts with the WG CLEANUP members.	Draft contracts, including duties, expected outputs, work plan, timetable and other details, to be discussed with the potential consultants and signed subsequently. <i>Output 100 %</i>	WG Co-ordinator / Manager	April 2006	October-November 2006	Completed
4.5	Preparation of the working document to be considered at the First Meeting of the WG CLEANUP.	Working document to include basic concept of the Contaminant Clean-up method; draft terms of reference for the WG, including expected outputs, work plan, timetable and other details; the role of the co-ordinator of the WG and its members; the role of the lead cooperating organisation. This document is to be considered, amended and adopted by the First Meeting of the WG. <i>Output 100 %</i>	WG Co-ordinator / Manager	May 2006	October 2006	Completed

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency	Set in IWP target date	Actual date of completion or date to be completed if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
4.6	Review of the working document at the First Meeting of the WG CLEANUP, Moscow.	Report of the meeting to include basic concept of Contaminant Clean-up method; terms of reference for the WG, including outputs, work plan, timetable and other details; the role of the co-ordinator of the WG and its members; the role of the lead cooperating organisation. <i>Output 100 %</i>	WG Co-ordinator / Manager	June 2006	February 2007	Completed
4.7	Preparation of ToR and conduct of the tender and preparation of the contract with the lead cooperating organisation for the development of Contaminant Clean-up demonstration.	ToR for the lead cooperating organization for the development of CLEANUP-DEMOS is prepared. Signed contract with the lead cooperating organisation (which won the tender) to include duties, expected outputs, work plan, timetable and other details. Contract is concluded that includes schedule of payments. <i>Output 100 %</i>	WG Co-ordinator / Manager	August 2006	August 21, 2007	Completed
4.8	Proposals for and selection of the Co-ordinator of the WG on Indigenous Environmental Co-Management (WG COMAN).	Approval of the WG Co-ordinator familiar with the methodology for the implementation of the Indigenous Environmental Co-Management Project as well as of organisations and individuals that might be involved. <i>Output 100 %</i>	Manager /ExA	July 2006	August 2006	Completed
4.9	Proposals for and selection of the WG COMAN members.	Approval of the WG members to cover various aspects of this demonstration project. <i>Output 100 %</i>	Manager	August 2006	August 2006	Completed
4.10	Preparation of the contract with the WG COMAN Co-ordinator.	Signed contract with the WG Co-ordinator including duties, expected outputs, work plan, timetable and other details. <i>Output 100 %</i>	Manager /ExA	September 2006	November 2006	Completed
4.11	Preparation of contracts with the WG COMAN members.	Draft contracts, including duties, outputs, work plan, timetable and other details, to be discussed with the potential consultants and signed subsequently.	WG Co-ordinator / Manager	October 2006	November 2006	Completed

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency	Set in IWP target date	Actual date of completion or date to be completed if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
		<i>Output 100 %</i>				
4.12	Proposals for and selection of the Co-ordinator of the WG on the Environment Remediation in the areas of Two Decommissioned Military Bases (WG BASES).	Approval of the WG Co-ordinator familiar with the methodology for the environment remediation in the areas of two decommissioned military bases as well as of organisations and individuals that might be involved. <i>Output 100%</i>	Manager /Executing Agency	November 2006	August 2006	Completed
4.13	Proposals for and selection of WG the BASES members.	Approval of the WG members to cover various aspects of this demonstration project. <i>Output100 %</i>	ExA/Manager	November 2006	August 2006	Completed
4.14	Preparation of the contract with the WG BASES Co-ordinator.	Signed contract with the WG Co-ordinator, including duties, expected outputs, work plan, timetable and other details. <i>Output 100 %</i>	ExA/Manager	November 2006	October 2006	Completed
4.15	Preparation of contracts with the WG BASES members.	Draft contracts, including duties, expected outputs, work plan, timetable and other details, to be discussed with the potential consultants and signed subsequently. <i>Output 100 %</i>	WG Co-ordinator / Manager	November 2006	November 2006	Completed
4.16	Preparation of the working document to be considered at the First Meeting of the WG COMAN.	Working document to include basic concept of the environmental co-management method for extracting companies and indigenous peoples of the North; overview of relevant needs identified during the work on the NPA-Arctic and PDF B GEF Project; draft terms of reference for the WG, including expected outputs, work plan, timetable and other details; the role of the co-ordinator of the WG and its members; the role of the lead cooperating organisation. This document is to be considered, amended and adopted by the First Meeting of the WG. <i>Output 100 %</i>	WG Co-ordinator / Manager	October 2006	December 2006	Completed

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency	Set in IWP target date	Actual date of completion or date to be completed if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
4.17	Preparation of the working document to be considered at the First Meeting of the WG BASES.	Working document to include basic concept of the environmental remediation method for the areas of two decommissioned military bases; overview of relevant needs identified during the work on the NPA-Arctic and PDF B GEF Project; draft terms of reference for the WG, including outputs, work plan, timetable and other details; the role of the co-ordinator of the WG and its members; the role of the lead cooperating organisation. This document is to be considered, amended and adopted by the First Meeting of the WG. <i>Output 100 %</i>	WG Co-ordinator / Manager	October 2006	April 2007	Completed
4.18	Review of the working document at the First Meeting of the WG COMAN, Moscow	Report of the meeting to include basic concept of the environmental co-management method for extracting companies and indigenous peoples of the North; overview of relevant needs identified during the work on the NPA-Arctic and PDF B GEF Project; terms of reference for the WG, including expected outputs, work plan, timetable and other details; the role of the co-ordinator of the WG and its members; the role of the lead cooperating organisation. <i>Output 100 %</i>	WG Co-ordinator / Manager	November 2006	May 2007	Completed
4.19	Preparation of ToR and conduct of the tender and preparation of the contract with the lead cooperating organisation for Indigenous Environmental Co-Management	ToR is prepared. Signed contract with the lead cooperating organization (which won the tender) to include ToR, expected outputs, work plan, timetable, schedule of payments for the contract and other details. <i>Output 100 %</i>	WG Co-ordinator / Manager	November 2006	October 03, 2007	Completed
4.20	Review of the working document at the First Meeting of the WG	Report of the meeting to include basic concept of the environmental remediation method for the areas of two decommissioned military bases;	WG Co-ordinator / Manager	November 2006	July 2007	Completed

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency	Set in IWP target date	Actual date of completion or date to be completed if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
	BASES, Moscow.	overview of relevant needs identified during the work on the NPA-Arctic and PDF B GEF Project; draft terms of reference for the WG, including outputs, work plan, timetable and other details; the role of the co-ordinator of the WG and its members; the role of the lead cooperating organisation. <i>Output 100 %</i>				
4.21	Preparation of ToR and conduction of the tender and preparation of the contract with the lead cooperating organisation for the environmental remediation in the areas of two decommissioned military bases	ToR is prepared. Signed contract with the lead cooperating organisation (which won the tender) to include ToR, expected outputs, work plan, timetable, schedule of payments for the contract and other details. <i>Output 100 %</i>	WG Co-ordinator / Manager	December 2006	August 23, 2007	Completed
4.22	Preparation and review of Progress Report to be considered at the Second Meeting of the WG CLEANUP.	Progress Report to include suggestions for further work. <i>Output 80 %</i>	WG Co-ordinator / Manager	January 2007	March 2008	Completed
4.23	Preparation and Review of Progress Report to be considered at the Second Meeting of the WG BASES	Reviewed Progress Report with suggestions for further work <i>Output 100 %</i>	WG Co-ordinator / Manager	April 2007	March 2009	Completed
4.24	Preparation and Review of Progress Report to be considered at the Second Meeting of the WG COMAN	Reviewed Progress Report with suggestions for further work <i>Output 100 %</i>	WG Co-ordinator / Manager	February 2008	January-February 2009	Completed



No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency	Set in IWP target date	Actual date of completion or date to be completed if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
4.25.	Consultations with potential financiers on pilot projects	Potential financiers are found for pilot projects <i>Output 70 %</i>	Manager	2007 – First part of 2008	first part of 2008	Continuously
4.26.	Preparation of project documentation for pilot projects	Project documents for pilot projects are ready Output – 100 %	Manager	Second - third quarter of 2007	1 <sup>st</sup> -2 <sup>nd</sup> quarters of 2008	Completed
4.27.	Contracting companies on selected pilot projects (preparation of tenders where applicable)	Contracts with companies on selected pilot projects are concluded Output – 90%	Manager	Third-fourth quarter of 2007	3-4 quarters of 2008	Completed
4.28.	Final evaluation of conducted pilot projects and their replicability potential	Reports on pilot projects with recommendations for their replicability Output – 50%	Manager	Third quarter of 2008	Third –fourth quarters of 2009	Completed

As it was stated in the initial Project Document several additional demonstration and pilot projects would be designed by the PO in close cooperation with local administrations with purpose of possible expansion of the donor base for the Project.

*To date the following additional demonstration and pilot projects earlier approved by the 2<sup>nd</sup> Project STC meeting had been completed and paid:*

1. **KOLABAY** - Cleaning of hazardous substances from the bottom sediments of the Kola Fjord. Phase 1. Monitoring of hazardous substances in the bottom sediments of the Kola Bay. Pilot project.
2. **BIOREMEDIATION** - Designing of bioremediation technology for oil sludge and oil contaminated soil in Arctic conditions. Pilot project.
3. **TIKSIBAY** - Removing of sunken wood and ship frames from the sea bottom in Tiksi Bay. Pilot project.

4. **TERIBERKA** - Salvation and scrapping of the hunting ship “Teriberka”. This pilot project was implemented by Murmansk administration and supported by NEFCO.

*Works on implementaion of the following projects earlier approved by the 2<sup>nd</sup> Project STC meeting have not been started yet for the following reasons:*

5. **RITEG-KONDRATIEV** - Localisation and removal from a thermokarst crater of two radioisotope thermoelectric generators (RITEGs) of GONG type at the Kondratiev navigation beacon site in Ust'-Yanski Ulus of Republic of Sakha (Yakutia). This pilot project was approved by the 2<sup>nd</sup> meeting of the Steering Committee. Objectives: to determine the depths of two RITEGs which are buried near Kondratyev navigation beacon site and to dig up both RITEGs from a thermokarst crater to the surface for following removal to the special storage. Project document, tender dossier and ToR are prepared by the Project Office. Tender was announced. It is expected that application from consortium of the interested companies will be received before the Steering Committee meeting.

6. **RITEG- VRANGEL**. **Localisation and removal from sea of radioisotope thermoelectric generator (RITEG) in Rogers Bay, Vrangeli' island, Chukotsky AO**. Executing Agency rejected this project from demo-projects portfolio due to official letter from the Russian Federal Agency of Marine and River Transport that this RITEG is planned to be removed for utilization according to special federal target program. At the same time environment investment project for removal and utilization of this RITEG was prepared as result of PINS in East part of the Russian Arctic.

A number of projects were introduced at the third meeting of the Steering Committee and approved conceptually. Then they were fully approved by the Steering Committee members via electronic communication

*List of new demonstration and pilot projects approved by the 3<sup>rd</sup> Steering Committee meeting:*

1. **ONEGA-BASES. Environmental Remediation of the Former Military Site near Pokrovskoye (Onezhsky District of Archangel Region of Russian Federation)** – contract signed, advance payment done, project implementation has been started already.

The purpose of this demo project is to demonstrate a cost-efficient methodology of an environmental remediation of disused military sites and handover thereof to civil use. This first case can then be used for remediation of chemically contaminated areas in coastal areas at a larger scale and consequently diminishing the impact of Russian sites on the international Arctic waters.

**2. TIKSIBAY-2. Removing of sunken wood and shipwrecks from the sea bottom in Tiksi Bay. Phase 2** - contract signed, advance payment cannot be paid – waiting for getting a tax-free status for implementation of this project but project implementation has been started already at risk of a contractor.

The pilot project objectives is finalisation of cleaning works started during Phase 1 of the pilot project and fulfilment of basic hydro-biogeochemical survey with the purpose of understanding of the ecological situation in the Tiksi bay follow up by methodological recommendations for its remediation. Fully supported by Iceland.

**3. International Training Workshop on Environmentally Safe Management of Hazardous Wastes, Including Occupational Health and Safety Issues** – the International training workshop was held in Moscow on July 20-23, 2009 in cooperation with USEPA.

Purpose of the training seminar is to familiarise audience with up-to-date safety methods of hazardous wastes handling including labour and health protection items. Particularly attention should be paid to safe handling and removing of abandoned metal drums with hazardous wastes spread in huge amounts in Russian Arctic, to all elements of .obsolete and prohibited pesticides handling and destruction, to reclamation works and other.

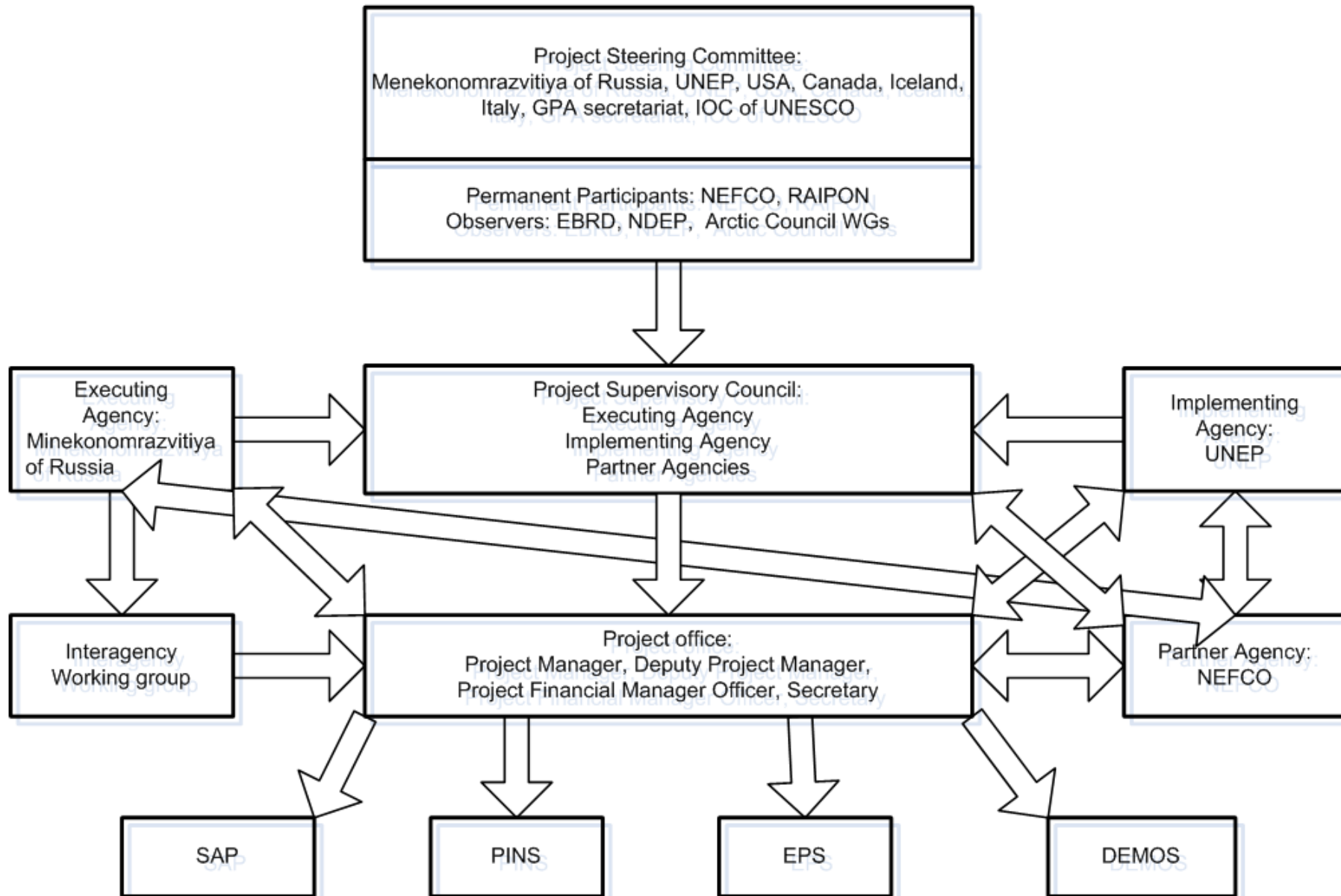
**4. BASES-FJL-2. Development of technology of clean up from hazardous waste of the area of decommissioned sites of the Russian Federation Ministry of Defense in the Arctic by the example of Alexandra Island of Franz Josef Land Archipelago. Phase 2.** - contract signed, advance payment cannot be paid – waiting for getting a tax-free status for implementation of this project but project implementation has been started already at risk of a contractor.

This pilot project addresses serious environmental security threats posed by large contamination sources located at three abandoned military sites in Franz Josef Land. Basing on the Phase 1 outcomes the project objective is to develop elements of infrastructure that will address these contamination threats and reveal in practice the whole chain of operations for collection, cleaning, compaction of metal drums follow up with safe destroying of hazardous contents of the drums and removing them from archipelago with subsequent recycling in mainland. Partially supported by EPA USA

**5. PESTICIDES. Demo project on obsolete and prohibited pesticides destruction in Russian Federation** – delay with the project commencing due to process of state expert examination and licensing of equipment for destruction of pesticides according to Russian standards is to be finalized by the end of the 1<sup>st</sup> quarter 2010.

The objective of the demo project is to demonstrate elimination of outdated pesticides, which includes repackaging of pesticides into the UN-approved bags, transportation of pesticides to the incineration place, obtaining permits for transportation and temporary storage, equipment evaluation for the environmentally sound destruction of pesticides, chemical analyses of pesticides designated for destruction; monitoring and evaluation of air emissions and discharges and similar activities. Partially supported by EPA USA.

III.1. PROJECT ADMINISTRATION AND CO-ORDINATION



**III.2. Staffing Details of Cooperating Agency/ Supporting Organization (Applies to personnel / experts/ consultants paid by the project budget)**

Functional Title (position)	Name (Nationality)	IWP taskline	Budget line / Amount (USD)	Person months	Person months used to date
Project Manager/ Acting Project Manager	I.Senchenya (RUS) /S. Tambiev (RUS)	All tasks	1101/ 4625	6	6 31 542
Project Deputy Manager	S. Tambiev (RUS)		1102/2500	6	6 13 209
Project Financial Management Officer	G. Zaytseva (RUS)		1103/3250	6	6 18 263
Russian Consultant, SAP, TT	T. Moiseenko (RUS)	1.7.4	1207/3300	1	1 3 299
Russian Consultant, SAP, TT	A. Tishkov (RUS)	1.7.4	1207/3300	1	1 3 299
Russian Consultant, SAP, TT	O. Murashko (RUS)	1.7.4	1208/3300	1	1 3 299
Russian Consultant, SAP, TT	I. Nemirovskaya (RUS)	1.7.4	1212/2600	1	1 3 299
Lead Russian Consultant, EPS, WG	A. Solovyanov (RUS)	3.5-3.7, 3.9	1234/3900	4	4 14 285
Russian Consultant, EPS, WG	M. Brinchuk (RUS)	3.5-3.7, 3.9	1235/3300	3	3 7 748
Russian Consultant, EPS, WG	I. Abalkina (RUS)	3.5-3.7, 3.9	1236/3300	1	1 3 299
Russian Consultant, EPS, WG	Yu. Yakel (RUS)	3.5-3.7, 3.9	1237/3300	1	1 3 299
Russian Consultant, EPS, WG	A. Vylegzhanin (RUS)	3.5-3.7, 3.9	1238/3300	2	2 6 598
Russian Consultant, EPS, WG	E. Vylegzhanina (RUS)	3.5-3.7, 3.9	1239/3300	2	2 6 220

<b>Functional Title (position)</b>	<b>Name (Nationality)</b>	<b>IWP taskline</b>	<b>Budget line / Amount (USD)</b>	<b>Person months</b>	<b>Person months used to date</b>
Russian Consultant, EPS, WG	T. Petrova (RUS)	3.5-3.7, 3.9	1240/3300	2	2 6 598
Russian Consultant, EPS, WG	E. Vylegzhanina (RUS)	3.5-3.7, 3.9	1242/3300	1	1 3 054
Russian Consultant, EPS, WG	V. Strakhov (RUS)	3.5-3.7, 3.9	1243/3300	2	2 6 598
Russian Consultant, Project Advisor	B. Melnikov (RUS)		1245/3300	6	6 19 896
Project Secretary	L. Anashkina (RUS)		1302/1250	6	6 6 952
<b>TOTAL</b>				<b>52</b>	<b>46 160 757</b>

### **III.3. ADMINISTRATIVE ISSUES DURING THE REPORTING PERIOD**

*Please describe administrative issues existed during the reporting period incl. staff changes, refusals to complete work, administrative changes in organizations-Project stakeholders, signed MoU if any, and etc.*

Project Office ensured that all Project activities are carried out in compliance with the original Project Document and the instructions of the Steering Committee, Executing and Implementing Agencies. Detailed quarterly reports were prepared and submitted to UNEP/DGEF by the Project Office in a timely manner. Details of expenditures were reported on an activity-by-activity basis, in line with Project budget codes as set out in the Project Document using the format given in Annex XVI (Quarterly Expenditures Report) of the Project Document.

A new edition of benchmarks were suggested by EA which were reviewed by StC members at 3<sup>rd</sup> meeting in Helsinki. The following benchmarks has been approved and adopted as major outcomes for the Project Phase I:

1. Project Management: Project implementation structures established, including Project Office, Project Steering Committee, Project Supervisory Council and Inter-Agency Working Group.
2. Strategic Action Programme: Strategic Action Programme fully developed and endorsed by relevant stakeholders. Diagnostic analysis document prepared and ready for publication in English and Russian.
3. Pre-investment Studies: Hot spots list updated and finalised. Pre-investment studies successfully carried out and interest of financial institutions preliminary confirmed.
4. Improving Environment Protection System: Report on gap analysis of the environmental legislation applicable to the Russian Arctic with recommendations on improvements prepared and submitted to the Russian Government.
5. Demo and Pilot Projects: Demonstration activities in accordance with the original Project Document fully implemented. New demonstration and pilot projects approved by the Steering Committee are prepared and implemented.
6. Project Phase I Evaluation: Project results for all components evaluated by Interagency Working Group. Independent evaluation of the project completed satisfactory implementation of the Project Phase I.

The benchmark #1 - Project Management was successfully achieved.



The benchmark #2 - Strategic Action Programme (SAP) has been achieved: Strategic Action Programme fully developed and endorsed by relevant stakeholders (approved by Maritime Board at the Russian Federation Government). As far as Diagnostic analysis concerned the work on it is ongoing and the document will have to be completed in May 2010.

The benchmark #3 - Pre-investment Studies (PINS). Hot spots list is updated and finalised. Pre-investment studies in all 3 Arctic sectors (western, central and eastern parts of Russian Arctic) are finalised and interest of some financial institutions preliminary confirmed. A set of 16 individual investment projects for western, central and eastern Russian Arctic sectors are prepared and submitted to EA. Additional work with these projects is required.

The benchmark #4 - Improving Environment Protection System (EPS). Draft documents were submitted to EA in December 2009. Additional work with these documents is required.

The benchmark #5 - Demo and Pilot Projects (DEMOS) Demonstration activities in accordance with the original Project Document successfully finalised. New demonstration and pilot projects approved by the 2<sup>nd</sup> and 3<sup>rd</sup> Steering Committee meetings are in the pipeline. Some of demo and pilot project have been completed already, others will be finished by October 1, 2010.

The benchmark #6 - Project Phase I Evaluation. As per agreement reached in 3<sup>rd</sup> StC meeting in Helsinki the Project mid-term review was undertaken. To date MTR fully completed and submitted to UNEP. Interagency Working Group will evaluate Project results in the middle of 2010 follow up by independent evaluation on the Project Phase I completion.

Among other activities performed by the Project Office within Project Management component are the following:

- Organisation variety of meetings and workshops among them: meetings with regional authorities, meetings with key representatives of the lead cooperating organizations (LCO) for demo/pilot projects and PINS implementation in western, central and eastern Russian Arctic regions and stakeholders, TT EPS meetings, Workshop on environmentally safe management of hazardous wastes.
- Packages of tender and contract documentations to select LCO for 5 demo and pilot projects were prepared. ToRs were prepared and agreed with Executing Agency. 6 domestic tenders were also held to select individual consultants for further DA elaboration.
- Collection of video materials in Decommissioned Military Base near Pokrovskoe settlement, Arkhangelsk Region (ONEGA-BASE) and preparation of video clip.

- Increasing awareness on the Project: Project website (<http://npa-arctic.ru>) has been updated and became more informative: materials obtained from demo and pilot project teams were reworked and included in both Russian and English versions of the web pages. All official Project documents was uploaded and all Projects events was highlighted on the Project website. The website maintenance has being fulfilled on the permanent base.

Other activities:

- preparation of meeting of Executing and Implementing Agencies with the Project office (September 2009, Moscow);
- participation with report in PAME Workshop (Oslo, Norway September 2009);
- participation with exhibition in Fifth GEF Biennial International Waters Conference (Cairns, Australia, 26-29 October 2009).
- participation with report in International Scientific and Practical Conference “Integrated Ecosystem Management in the Russian Arctic: Challenges and Prospective” held by UNEP/JFEF Project ECORA.

Project Manager resigned from his position at the end of December. Announcement on competition to fill the vacancy is posted in central Russian newspaper “Rossiyskaya gazeta” on December 30, 2009 as well as to corresponding web-sites. Until filling the vacancy Deputy Project Manager acts as PM.

### **III.4. PROJECT MONITORING & EVALUATION SYSTEM AND REPORTING QUALITY CONTROL**

*Please summarize any completed project reviews during the reporting period, including Annual Steering Committee meetings and its key recommendations, and quality control of the project technical reports (who is doing, how, which problems exist, lessons learned).*

#### **III.4.1 Completed Project Reviews**

During the reporting period two Quarterly Financial Reports has been submitted to UNEP DGEF Nairobi.

Projects activities were also reviewed during mid-term review conducted by independent consultant hired by UNEP in November-December 2009.

Project Advisor to the EA has been conducting a total control of all Project activities by means of regular revision of project financial and operational documents. Project audit by independent audit company is fulfilled on the permanent basis annually.

Detailed reports for all meetings, demo and pilot projects implementation with all associated documentation distributed among all interested parties and uploaded on the official Project website: <http://npa-arctic.ru>. Visual materials (photo and video) collected during demo and pilot projects implementation are also available on the Project website.

### III.4.2 Quality Control of the Project Technical Reports

The PO scrutinised all technical reports prepared by the project consultants and LCOs. Quality of the reports was usually acceptable in general. Consultants were asked to rewrite or update technical reports if they were below standard or need to be more specific and to include more details. After that, most of the consultant technical reports were reviewed by ExA. From the other hand, all documentations issued by PO were also under thorough quality control provided by both ExA and IA. These include half yearly and quarterly reports and all financial documents. Packages of necessary documents for all project consultants' tenders as well as for lead cooperating organisations (including ToRs) were prepared by PO in close cooperation with both ExA and IA. Usually ExA representative participated in most of TT and WG meetings and workshops hold by PO. All draft versions of the SAP and EPS documents were also closely reviewed by the ExA representatives.

## IV PROCUREMENT OF EQUIPMENT

*Please provide inventory of non-expendable equipment purchased against UNE/GEF project unit value US\$1,500 and above and items of attraction*

No procurement of *non-expendable* equipment or *items of attraction* has been done during reporting period.

## V FINANCIAL MANAGEMENT

Project Currency account:

Beneficiary Bank: SBERBANK (OPERATIONS DEPARTMENT) MOSCOW

Swift code: SABRRUMM 011

To beneficiary account # 40 703 840 600 020 116 434

Beneficiary: NPAF ED

### **V.1. BALANCE OF DISBURSEMENTS**

TABLE 1. ACTUAL EXPENDITURE PER QUARTER, AGAINST THE CASHFLOW PREDICTION PER QUARTER

<b>Period (quarterly)</b>	<b>Planned (USD)</b>	<b>Actual (USD)</b>	<b>Difference</b>	<b>Notes</b>
2005 Q3	74816	0	74816	
2005 Q4	119700	107442	12258	
2006 Q1	115300	43122	72178	
2006 Q2	138550	94793	43757	
2006 Q3	271100	76459	194641	
2006 Q4	80550	144247	- 63697	
2007 Q1	61050	37196	23854	Delays with consultants remuneration – 20200 USD
2007 Q2	161050	102758	58292	Delays with consultants remuneration – 37500 USD (planned for 3 <sup>rd</sup> quarter of 2007), 1601 Business travel – 8500\$ - planned for 3 <sup>rd</sup> quarter of 2007, 5201 Reports & translation – 6000\$ - saving, 5301 Sundry – 4500\$ - planned for the whole year of 2007
2007 Q3	630550	48518	582032	Delays with Contracts for Demo-projects payments – 523500\$ - planned for the year of 2008
2007 Q4	0	68665	-68665	Delays with Contracts for Demo-projects payments – 523500\$ - planned for

Period (quarterly)	Planned (USD)	Actual (USD)	Difference	Notes
				the year of 2008
2008 Q1		495012	-495012	
2008 Q2	20000	12137	7863	
2008 Q2	468545	295325	173220	
2008 Q3	0	178854	-178854	
2008 Q4	624763	106115	518648	Delays with Contracts for PINS-projects payments – 900000\$ - planned for the year of 2009
2009 Q1		456528	-456526	
2009 Q2	404701	114918	289783	Delays with Contracts for PINS&DEMO-projects payments – 338 700\$ - planned for the next quarter
2009 Q3		341974	-341974	
2009 Q4	918004	616158	301846	Delays with Contracts for PINS projects payments due to submitted reports require revision – 321 020\$ - planned for the next quarter

**TABLE 2. Quarterly Project Expenditure Accounts for Supporting Agencies**

Quarterly project statement of allocation (budget), expenditure and balance (Expressed in US\$) covering the period October 01, 2009 to December 31, 2009.

Project No GFL/2732-03-4694 GF/3010-03-21

Agency name: Minekonomrazvitiya of Russia

Project title: Russian Federation – Support to the National Programme of Action for the Protection of the Arctic Marine Environment

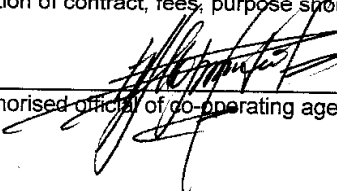
Project commencing: July 18, 2005.

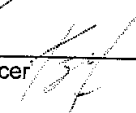
Project ending: October 30, 2010

Object of expenditure by UNEP budget code	Project budget allocation for year 2009.		Total expenditure for quarter IV 2009*	Total unliquidated obligations	Cumulative expenditure for year 2009	Unspent balance of budget allocation for year .2009	
	m/m (1)	Amount (2)				m/m (6)	Amount (2)-(5)
1100 Project personnel	36	124 500	34 371		125 594	0	-1 094
1200 Consultants	54	193 100	42 832		155 028	8	38 072
1300 Administrative support	15	22 500	3 480		22 412	0	88
1400 Volunteers							
1600 Travel		15 000	6 054		11 389		3 611
2100 Sub-contracts							
2200 Sub-contracts		2 234 301	521 587		1 165 725		1 068 576
2300 Sub-contracts							
3100 Fellowships							
3200 Group training							
3300 Meetings/conferences		137 000	0.0		26 431		110 569
4100 Expendable equipment		7 000	1137		1 191		5 809
4200 Non-expendable equipment		4 000	0.0		0.0		4 000
4300 Premises							
5100 Operation		4 000	814		3 478		522
5200 Reporting costs		40 000	687		3 310		36 690
5300 Sundry		18 150	5 196		15 020		3 130
<b>99 GRAND TOTAL</b>	105	2 799 551	616 158		1 529 578	8	1 269 973

\*breakdown of expenditures per quarter with related information such as name of person hired, duration of contract, fees, purpose should be reported in a separate annex.

Signed:  S. Tambiev Acting as Project  
Manager

Cleared:   
Duly authorised official of co-operating agency

Management Officer  G. Zaytseva, Project Financial

B. Morgunov

## V.2. FINANCIAL PROBLEMS

Please describe in a narrative form existing project's financial problems during the reporting period and suggestions for improvement. Problems may include consultant procurement, UNDP disbursement procedures, regional obstacles for smooth financial operations and etc.

Main problems were associated with timely payments to consultants/contractors because of, as usual, a lot of comments to submitted reports requiring long time for their consideration by Executing Agency what is entailing delays with funding the companies and individual contractors implementing demo, pilot, or PINS projects.

## VI PROJECT PERFORMANCE EVALUATION

TABLE. PERFORMANCE ON PROJECT INDICATORS ACCORDING TO THE PROJECT LOGICAL FRAMEWORK MATRIX

Goals and Objectives	Objectively Verifiable Indicators	Means of Verification	Baseline value	Achievement status as at the end of the reporting period	Rating (to be completed by UNEP) **
Protect the Arctic marine environment from land-based activities in the Russian Federation.	Specific process, stress reduction, and environmental status indicators and their means of verification will be developed within the context of the SAP.		The National Action Plan for the protection of the Arctic marine environment has been developed and agreed upon.	Five benchmarks out of six renewed by STC for the completion of the Phase I are accomplished or near the completion. A number of additional pilot or demonstration projects were developed.	S  Project has made substantial progress in finalising key activities during the reporting period.
Improved management of the Arctic environment in the Russian Federation and clear appreciation of priorities.	Adoption of the Strategic Action Program (SAP) for Protection of Environment in the Arctic zone of the Russian Federation.	SAP endorsed by governmental body.	The National Action Plan for the protection of the Arctic marine environment has been developed and agreed upon.	SAP has been finalised and approved by the Governmental Maritime Board Diagnostic analysis of the current state of Arctic environment and casual-chain analysis are both in their final stage	HS  SAP has been approved by the governmental body
Environmentally sustainable development of natural resources in the Russian Arctic.	The reformed regulatory framework is implemented by local, regional, federal administrations.	<b>Report on gap analysis of the environmental legislation applicable to the Russian Arctic with recommendations on improvements prepared and submitted to the Russian Government</b>	There is an existing regulatory framework, which does not take into consideration the programmatic requirements to be outlined in the SAP and NPA.	EPS Project component is near the completion. A set of documents has been developed and submitted to EA	S  Implementation of this component resulted in preparation of several important documents to be submitted to the Russian Government

Goals and Objectives	Objectively Verifiable Indicators	Means of Verification	Baseline value	Achievement status as at the end of the reporting period	Rating (to be completed by UNEP) **
Improved regional co-ordination of the management of the Arctic; and Russia meets its obligations under the AEPS and its commitments to objectives of the GPA.	Contributions by the Russian Federation to the Arctic Environment Protection Strategy of the Arctic Council. Acknowledgement by the Arctic Council of the SAP as a component of the Regional Programme of Action for the Arctic.	The Russian representative at the Arctic Council provides information on the SAP and the minutes of the Arctic Council can indicate the contribution of the SAP to the Arctic Council process.	Activities under this project in Russia are recognized by the Arctic Council and GPA.	Progress reports on project implementation are delivered to the Arctic Council (AC) and AC WG. NPA-Arctic project is mentioned in all minutes of the AC and in revised. <a href="#">Regional Program of Action for Protection of Arctic Marine Environment</a>	S  PO is actively participated in preparation of new <a href="#">Regional Program of Action for Protection of Arctic Marine Environment</a>
Successful establishment of the project implementation structure, incl. Project Office, Project Steering Committee, Project Supervisory Council (Phase I benchmark)	All project implementation units are functional and deliver expected outcomes on time.	Minutes of the Project Steering Committee, Supervisory Council and IAWG	There was no project structure before.	All project implementation units are established	S  Comment: All necessary project implementation structures have been established in due time. Due to resignation of Project Manager a tender was announced on December 30, 2009
Finalization and endorsement of the SAP for the Russian Arctic (Phase I benchmark)	By the end of Phase I, SAP fully developed and endorsed by relevant stakeholders	SAP is approved and disseminated among relevant stakeholders of the Russian Federation.	There is no SAP formulation at the onset of the project.	SAP has been finalised and approved by the Governmental Maritime Board. Approved SAP is submitted to relevant federal and regional authorities as well as to large Russian companies. SAP in Russian and English was uploaded at the Project website	HS  SAP is fully endorsed by relevant stakeholders
Improved legislation, administrative procedures and institutional capacity for the environmental protection of the Arctic environment.	To draw up the legislative framework and legal regulations required to facilitate the implementation of the SAP	A set of proposals and draft laws/regulations for EPS improvements in the Russian Arctic	There is an existing legal, regulatory and administrative framework, which does not take into consideration the programmatic requirements outlined in the SAP and NAP.	This work started by the EPS Task Force in the second half of 2008 is near the completion. The following documents were submitted to EA 1) Draft Report to the Russian Federation Government on Improvement of Environmental Protection System in the Arctic Zone of the Russian Federation; 2) – Analytical Materials to the Report; 3-4) - two different versions of Concept of Federal Law on Special Mode of Environment Protection and Management in Arctic Zone of the Russian Federation. .	S  The EPS component implementation and completion was planned for Phase II. This component of the Project is ahead of initial schedule.
Conditions for further interventions and investments to remediate or prevent the degradation of the Arctic Environment are realised.	By the end of phase I (a) a set of investment projects for the Russian Arctic is prepared;	PINS resulted in a set of investment projects approved by the relevant federal and regional authorities and ready for discussion at international .	The project PDF-B; NEFCO and Russian authorities, respectively issued a list of hot spots which was adjusted to modern conditions by PO. Several	Updated database on hot spots is created.  The PINS component in western, central and eastern parts of Russian	S  Comment: PINS are near the completion. Additional



Goals and Objectives	Objectively Verifiable Indicators	Means of Verification	Baseline value	Achievement status as at the end of the reporting period	Rating (to be completed by UNEP) **
	(b) demonstration projects are ready to be replicated elsewhere in Russia.	Round tables and Partnership Conference..	demonstrative projects have been developed and implemented.	Arctic is near the completion and resulted in designing of 16 individual investment project proposals. Proposed projects are in process of revision according to comments of EA.  Some additional demonstration and pilot projects approved by the Steering Committee has been started. Project contributed to Project Support Instrument (PSI) of the Arctic Council	demonstration and pilot projects have been developed and several of them implemented.
Identification of the highest priority damage and sources of damage to the environment of the Russian Arctic and acceptance by the Russian Government of the priority list of interventions proposed for investment by Russian sources and/or other countries	Review* and publication* of the analysis including specification of priorities for interventions in the Russian Arctic.	Updated list of priority hot spots for the Russian Arctic	Environmental hot spots were identified by project PDF-B and NEFCO, but needed for update.	Updated list of hot spots has been prepared and verified. A short list of priority hot spots for all three Arctic regions where PINS will be implemented was also developed and included in the approved SAP. A database developed on the hot spot listings was uploaded on the official Project website: <a href="http://npa-arctic.ru/rus/hs/hs_list_ru.html">http://npa-arctic.ru/rus/hs/hs_list_ru.html</a>	HS  Comment: The work on this component finished. Revision of prepared during PDF-B hot-spots is finished and PINS methodology is developed. Updated database on priority hot spots is uploaded at the project web-site.
10 pre-investment studies are submitted to potential financiers, including IFO, public and the private sector.	Pre-investment studies are submitted to and discussed at the Partnership Conference and round tables.	Reports of round tables and the Partnership Conference.	Environmental hot spots were identified by project PDF-B and NEFCO, but actual remediation actions should be intensified.	Work on PINS components is near the completion. 16 pre-investment studies were prepared, submitted to PO and now are under revision according to EA comments	S
Results of 3 demonstration projects, including specifications for replicability elsewhere disseminated widely within Russia.	All demonstration projects are fully completed and ready for replication.	Number of reports printed and distributed. Number of agencies, provincial administration, community leaders etc that have been received the reports. Final reports to UNEP/GEF and Executing Agency from the Project Office.	Limited demonstration actions (ACAP and others) were designed and implemented	3 DEMO-projects mentioned in the Project Document and 3 new demo/pilot projects are completed; Several new projects approved by StC were started	S:  Comment: Component requires close monitoring of implementation and dissemination of results.
Revised national water-quality objectives and effluent and emission standards fully consistent with relevant international guidelines and agreements	Proposed water-quality, effluents and emission standards	Proposals related to water quality improvements included in final reports of the Project	Low quality of drinking water in many settlements of the Russian Arctic. Pollution of surface water bodies by discharged wastewaters. Pollution of atmospheric air near acting industrial enterprises.	Proposals related to water quality improvements are included SAP and draft reports on EPS. A number of investment project in this sphere are proposed in PINS component	S  Final documents elaborated within the Project pay special attention to water quality improvement

Goals and Objectives	Objectively Verifiable Indicators	Means of Verification	Baseline value	Achievement status as at the end of the reporting period	Rating (to be completed by UNEP)**
Improved compliance assessment procedures.	Proposed new compliance assessment procedures supported by the relevant stakeholders.	As above	Unified norms of environmental impact of economic entities are absent. Low responsibility of economic entities for noncompliance with norms of environmental impact	Proposals are included in final documents prepared by EPS Task Team	S
Demonstration that increased involvement of Indigenous Peoples in co-management can increase the level of protection the Arctic Environment whilst increasing their quality of life.	Approved proposals on environmental co-management of resource-extracting companies, executing authorities and organizations of indigenous peoples of the North.	Reports on workshops conducted within demo-project COMAN in three model regions. Draft plans of joint actions on environmental co-management for three model regions and methodological recommendations on organization of environmental co-management in the Arctic regions of the Russian Federation.	Only limited co-management activities are implemented, incl. ECORA project outcomes	COMAN demo project is fully completed. A round table under State Duma's Committee for nationalities' affairs umbrella was held. A number of Advisory Bodies with participation of Indigenous peoples were established in model regions	HS  Approved proposals on environmental co-management of resource-extracting companies, executing authorities and organizations of indigenous peoples of the North.
Project mid-term evaluation indicates that the project meets its expectations	MTE shows satisfactory project implementation	TOR for MTE team, review process is smooth and timely; results of MTE are distributed among project stakeholders	Project MTE is conducted	Project mid-term review is completed and submitted to UNEP for consideration. Summary of Mid Term Review will be discussed at 4 <sup>th</sup> Steering Committee meeting (4-5 February, 2010, Reykjavik)	S

\*The terms "review" and "publication" in this matrix refer to project documents distributed to major stakeholders and submitted for endorsement by the Project Steering Committee.

\*\*Rating is provided using the following scale: Highly satisfactory=HS; Satisfactory=S; Moderately Satisfactory=MS; Moderately Unsatisfactory=MU; Unsatisfactory=US; Highly Unsatisfactory=HU.

## VII SUMMARY of FOLLOW-UP CORRECTIVE ACTIONS

Summary of identified problems in the HYR for the 1<sup>d</sup> half of 2009 and Actions undertaken to remediate problems

Overall problem	Actions undertaken to correct this problem
1 Document on Diagnostic Analysis is not published	Updating and Editing of Diagnostic Analysis manuscript should be accelerated. Document should be translated into English and available at the web-site in two languages
2. Delays with tendering and contracting of LCOs for demo and pilot projects	Tender and contract documents are pending too long by the Executing Agency. The PO requested EA to speed up documents verification process. PO should consider documents to be submitted to EA more thoroughly to avoid serious comments from EA
3 Co-operation between existing international programs and structures working on Arctic environment is insufficient	Despite of considerable progress co-operation with existing programs should be further developed;
4 Involvement of federal and regional authorities and industrial companies in the project activities is insufficient	Some improvements have been done on this matter. Representatives of federal and regional authorities and industrial companies were invited to participate in TTs and IWG meeting, as well as in consideration of draft SAP and preparation of projects within PINS component.

Overall problem	Specific problems	Follow-up Action	Responsible actor	Date to be remediate
1. Development of new pilot and demonstration projects is very slow	1.1. Preparation of pilot project for RITEG-Kondratiev is delayed due to lack of organisations capable to solve the problem.	1.1. To enter into close contact with interested parties – Russian Agency of Marine and River Transport and authorities of Republic Sakha (Yakutija)	1.1. PO, ExA	1.1. January 2010
	1.2. PESTICIDES demo project, There is no specific licensed equipment up to the end of 1 <sup>st</sup> quarter 2010.	1.2. To announce repeat tender after equipment will be licenses	1.2. PO, ExA	1.2. March 2010
2 Time of consideration of technical reports prepared within the project is often too long	2.1. Technical reports are not cleared thoroughly by the PO before submitting to ExA. That is why ExA often does not consider technical reports forwarded by PO in due time (contracts require 10 days period for comments).	2.1. Project Office should issue preliminary comments to the reports sometimes with assistance of external consultants. ExA should speed up reports review	2.1. PO, ExA	2.1. Immediately
	2.2. Most technical reports are cleared by the PO, ExA and IA alone; available in the project and external expertise is not fully used	2.2. Develop formal quality control procedure for technical reports produced by the project	2.2. PO with the assistance of ExA and IA	2.2. Immediately
3 Co-operation between existing international programs and structures working on Arctic environment is insufficient	3.1. Project does not co-operate enough and use the expertise of the existing Arctic programmes such as WGs of the Arctic Council, GPA and etc.	3.1. Develop better information exchange with international programs operating in the Arctic. Prepare regular reports for PAME meetings as well as for other Arctic Council WGs meetings	3.1. PO with the assistance of the IA and ExA	3.1. Continuously
	3.2. Project results are not disseminated widely enough in the national and international media	3.2. More intensive propagation of the project website and increase publicity by publishing project results both nationally and internationally	3.2. PO with the assistance of ExA	3.2. Continuously

## VIII KEY LESSONS LEARNED

The success of the NPA-Arctic Project depends on degree of involvement of top-level stakeholders from governmental institutions at federal and regional level, the implementation of the activities at the regional level as well as on proper channelling contributions from donors and from the Russian stakeholders for the project needs. Bearing this in mind, during the reporting period for the project implementation Project Office continued to pay special attention to defining clear procedures of project management mechanisms and administrative procedures. Special attention was also given to establishing of good working relations with the Russian Arctic regional authorities.

The success achieved to date in the Project implementation is directly related to sustained political commitment at federal and regional levels, ensuring the adequate extent of the project ownership, to the broad-based public support, including support of indigenous communities it has received as well as to closer cooperation with existing and planned programmes and projects in Arctic region. The maintenance of this support requires effective dissemination of accurate information about the objectives, achievements and challenges of the project. The broad support is critical for mobilization of domestic resources and obtaining commitments from municipalities, local NGOs and companies of all forms of ownership. A great deal of efforts has been undertaken in this direction by PO, EA and IA together with companies and organizations involved in PINS, demo and pilot projects implementation. These companies and organizations have been spreading information on their achievements on PINS, demo and pilot projects in frame of NPA-Arctic Project in local mass-media. However, it should be noted that the dissemination of information on project implementation requires further improvement.

Project has being received full support and technical backstopping by the Executing Agency (Russian Ministry of Economic Development) that assures that project recommendations will be taken at the highest level possible and future interventions will be sustainable. Provisions of SAP document were taking into account in FTOP “The World Ocean” for 2008-2012 and in other documents related to the Russian Arctic. It was also recommended by Maritime Board at the Russian Federation Government that all relevant federal and regional authorities and companies be guided by the SAP when preparing programs related to development of the Arctic zone of the Russian Federation.

*Amongst other lessons learned the following should be noted:*

***Institutional arrangements, including project governance***

- Closer cooperation amongst existing and planned programmes that address the impact of various sources and activities on the Arctic marine and coastal environments is needed. Information on the Project was presented at the Arctic Council ministerial meetings as well as to Senior Arctic Officials, PAME Working Group and on the Fifth GEF Biennial International Waters Conference. The work of several Arctic Council Working Groups, first of all ACAP, is very pertinent to the NPA-Arctic and Project Office should consider how these sources of expertise could be best incorporated. Provisions of SAP document were used in preparation of Russian proposals for the PSI of the Arctic Council which has been elaborating in Russian governmental institutions.

Follow-up action: Establish closer co-operation with existing initiatives

- Key federal and regional bodies' technical support in the process of finalisation of diagnostic analysis of current state of Arctic environmental situation is of very high importance. Regional and federal authorities provided necessary information (copies of latest reports on environmental protection for the regions, other information specifically requested by the Project Office). Scheduled meetings to the Arctic regions could be useful to fill the gaps in.
- Information on the project including visualisation should be further disseminated at the widest possible levels through the project web-site as well as mass-media, including regional sources. Formal and informal communication mechanisms for the exchange of information should be further developed. Scheduled meetings in the Arctic regions will provide further impetus to this process. Information on NPA-Arctic and first of all on SAP is planned to be presented in SAOs of the Arctic Council and in ACAP

Follow-up action: To update the web-site allowing interactive communication and providing the basis for long-term dialogue and for the continuous participation of regional stakeholders in the project. To use regional sources of information to provide broader dissemination of information on the Project.

### ***Financial management and co-financing***

- As a rule reports from Project subcontractors and consultants require revision after inspection by the Project Advisor. It leads to overwork of the Project Advisor and retardation for payments to contractors. Follow-up action: Taking into account that reports cover different areas it is recommended that Executing Agency in some cases use external expertise for evaluation of the reports sent to the Project Advisor by PO for comments. PO should also more carefully inspect documents before submitting them to EA.

- Further work is needed for involvement of key stakeholders from Arctic regions and industrial companies to increase their commitments, obtaining necessary information on regional and private co-financing and their involvement in preparation of investment projects.

Follow-up action: PO and PINS contractors established good working ties with regions and industrial companies of all forms of ownership in western, central and eastern parts of Russian Arctic. Several meetings in the Arctic regions have been held already. However further work with stakeholders is needed for dissemination of project results.

***The following advantages can be formulated:***

- Sustainable political commitment at federal and regional levels ensuring the adequate level of project ownership;
- Broad public involvement including organizations of indigenous people of North;
- Formal and informal communication mechanisms for exchange of information, which have been developed;
- Institutional procedures and structures have been established for long-term dialogue and for the continuous participation of multiple-stakeholders.
- Creation and continuous updating of the Project website that helps in the Project publicity: <http://npa-arctic.ru> . The website can and should become a forum on Arctic environmental issues.

***The following disadvantages or weaknesses can be noted:***

- Relatively small involvement at this stage of industrial companies of different ownership in the process.
- Insufficient capacities of the Project Office staff. Project Office organizes and coordinates all the activities, prepares all ToRs for task teams, working groups, individual consultants, website maintenance etc. More to it, all these documents should be prepared in English and Russian, which require additional resources and time. More active involvement of working groups' co-ordinators in preparation of ToRs for consultants and meetings of working groups is needed.

**IX Discussion acknowledgment (To be completed by UNEP)**

<b>PROJECT Coordinator's General Comments/Observations</b>	<b>First Supervising Officer's General Comments</b>
<b>Name:</b>	<b>Name:</b>
<b>Date:</b>	<b>Date:</b>
<b>Signature:</b>	<b>Signature:</b>

## ATTACHMENTS

### Attachments to Half-Yearly Progress Report: Format for Inventory of Outputs/Services

#### A) Meetings

No	Meeting Type	Title	Venue	Dates	Convened by	Organised by	# of Participants	List attached Yes/No	Report issued as doc No	Language
1.	Training Workshop	International Training Workshop on Environmentally Safe Management of Hazardous Wastes, Including Occupational Health and Safety Issues	Moscow	21-23 July, 2009	Project Office	Project Office/US EPA	50	NO	Meeting minutes on project website	Russian English
2.	Expert Group Meeting	PAME Workshop	Oslo	29 September - 02 October, 2009	PAME	PAME	50	NO	Meeting minutes	English
3.	Expert Group Meeting	5th GEF Biennial International Waters Conference	Cairns	24-29 October 2009	GEF	GEF	300	NO	Meeting report	English
4.	Expert Group Meeting	International Scientific and Practical Conference "Integrated Ecosystem Management in the Russian Arctic: Challenges and Prospective"	Moscow	09-11 November, 2009	ECORA Project Office	ECORA	80	NO	Meeting report	Russian English

#### B) Printed Materials

No	Type (note 5)	Title	Author(s)/Editor(s)	Publisher	Symbol	Publication Date	Distribution List Attached Yes/No
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### C) Technical Information / Public Information

No	Description	Date
1.	Video documentary on Tiksi pilot project in Russian	October 2009;
1.	Video documentary on ONEGA-BASE demo project	November 2009;

### D) Technical Cooperation

No	Type (note 6)	Purpose	Venue	Duration	For Grants and Fellowships		
					Beneficiaries	Countries/Nationalities	Cost (in US\$)
1.							

### E) Other Outputs/Services (e.g. Networking, Query-response, Participation in meetings etc.)

No	Description	Date
1.	Constant maintenance and updating of the Project website: <a href="http://npa-arctic.ru">http://npa-arctic.ru</a>	July 01 – December 31, 2009

#### Note 4

Meeting types (Inter-governmental Meeting, Expert Group Meeting, Training Workshop/Seminar, Other)

#### Note 5

Material types (Report to Inter-governmental Meeting, Technical Publication, Technical Report, Other)

#### Note 6

Technical Cooperation Type (Grants and Fellowships, Advisory Services, Staff Mission, Others)

**F) Non-expendable equipment**

**INVENTORY OF NON-EXPENDABLE EQUIPMENT PURCHASED AGAINST UNEP/GEF PROJECT  
UNIT VALUE US\$ 1,500 AND ABOVE AND ITEMS OF ATTRACTION  
As at December 31, 2009**

**Project No.** GFL /2732-03-4694 GF/3010-03-21

**Project Title** Russian Federation – Support to the National Programme of Action for the Protection of the Arctic Marine Environment

**Implementing Agency** United Nations Environment Programme (UNEP)

Description	Serial No.	Date of Purchase	Original Price (US\$)	Present Condition	Location	Remarks/ Recommendation for disposal
Monitor 17 NEC TFT 1770 NX (LCD, TFT,1280*1024-75Hz)	57441319TB	October 27, 05	394,80	Working condition	Project Office	
Monitor 17 NEC TFT 1770 NX (LCD, TFT,1280*1024-75Hz)	57441328TB	October 27, 05	394,80	Working condition	Project Office	
Monitor 19 NEC TFT 1970 NX (LCD, TFT,1280*1024-75Hz)	57300709YB	October 27, 05	549,20	Working condition	Project Office	
Notebook HP NC8230 Case for Notebook	RF56MNTZD00 1	October 27, 05	1959,50 41,45	Working condition	Project Office	
Notebook HP NC8230 Case for Notebook 3”5 FDD ext USB	CNU5321J35	October 27, 05	1959,50 41,55 26,94	Working condition	Project Adviser	
Notebook Asus W5G00A	54NG043749	October 27, 05	2211,30	Working condition	Project Office	
Monitor 19 NEC TFT 1970 NX (LCD, TFT,1280*1024-75Hz)	57300762YB	October 27, 05	549,20	Working condition	Project Office	
Copier Nashuatec DSc 424 (RICOH)	K7156300540	November 02, 05	7313,29	Working condition	Project Office	

Aficio 3224C) as a unit						
Hub D-Link Des-1024D 24-Port 10/100 Mbps	32BB158500015 8	November 03, 05	72,54	Working condition	Project Office	
UPS 620W APC Smart (SU620INET)	QS0526224908	November 03, 05	212,43	Working condition	Project Office	
UPS 620W APC Smart (SU620INET)	QS0526228571	November 03, 05	212,43	Working condition	Project Office	
UPS 620W APC Smart (SU620INET)	QS0526125813	November 03, 05	212,43	Working condition	Project Office	
UPS 620W APC Smart (SU620INET)	QS0526228599	November 03, 05	212,43	Working condition	Project Office	
UPS 1000W APC Smart (SUA 1000I)	AS0530134107	November 03, 05	373,04	Working condition	Project Office	
Flash Drive 1 Gb USB 2.0	124059-5730	November 03, 05	68,38	Working condition	Project Office	
Flash Drive 1 Gb USB 2.0	124059-5678	November 03, 05	68,38	Working condition	Project Office	
Flash Drive 1 Gb USB 2.0	124059-5720	November 03, 05	68,38	Working condition	Project Office	
Flash Drive 1 Gb USB 2.0	124059-5676	November 03, 05	68,38	Working condition	Project Office	
Flash Drive 1 Gb USB 2.0	124059-5719	November 03, 05	68,38	Working condition	Project Office	
Flash Drive 1 Gb USB 2.0	124059-5729	November 03, 05	68,38	Working condition	Project Office	
Hard box for HDD	U4105290092	November 03, 05	54,92	Working condition	Project Office	
Hard box for HDD	U4105290089	November 03, 05	54,92	Working condition	Project Office	
Calculator Citizen SDC-435	050302	November 03, 05	15,54	Working condition	Project Office	
Calculator Citizen SDC-435	050302	November 03, 05	15,54	Working condition	Project Office	
Monitor 19 NEC TFT 1970 NX (LCD, TFT,1280*1024-75Hz)	58013996YB	November 10, 05	549,20	Working condition	Project Office	
Monitor 19 NEC TFT 1970 NX (LCD, TFT,1280*1024-75Hz)	58014003YB	November 10, 05	549,20	Working condition	Project Office	
Workstation 1 p4-3.0/p4p800- vm/1024Mb/120Gb/DVD-RW/FDD/ Keyboard/ mouse/ASUS 6AR	205638	November 10, 05	755,42	Working condition	Project Office	

Workstation 1 p4-3.0/p4p800-vm/1024Mb/120Gb/DVD-RW/FDD/Keyboard/ mouse/ASUS 6AR	205642	November 10, 05	755,42	Working condition	Project Office	
Workstation 1 p4-3.0/p4p800-vm/1024Mb/120Gb/DVD-RW/FDD/Keyboard/ mouse/ASUS 6AR	205639	November 10, 05	755,42	Working condition	Project Office	
Workstation 2 p4-3.0/p4p800 E-Delux/1024Mb/74Gb+300Gb/ATI9600/DVD-RW/FDD/ Keyboard/ mouse/ASUS 6AR	205655	November 10, 05	1174,07	Working condition	Project Office	
Workstation 3 AMD64 3000+/A8NSLI/ 1024Mb/74Gb+2*300Gb/ ATI-RX500/DVD-RW/FDD/ Keyboard/ mouse/ASUS 6AR	205640	November 10, 05	1313,95	Working condition	Project Office	
Surge Arest APC (E25-G)	N/A	November 10, 05	17,55	Working condition	Project Office	
Surge Arest APC (E25-G)	N/A	November 10, 05	17,55	Working condition	Project Office	
Surge Arest APC (E25-G)	N/A	November 10, 05	17,55	Working condition	Project Office	
Surge Arest APC (E25-G)	N/A	November 10, 05	17,55	Working condition	Project Office	
HDD for Hard Box IDE 300.0 gb Seagate 3300 831A Barracuda 7200.8	4NF01CJND	November 10, 05	166,83	Working condition	Project Office	
HDD for Hard Box IDE 300.0 gb Seagate 3300 831A Barracuda 7200.8	4NF01CJ4	November 10, 05	166,83	Working condition	Project Office	
Fax machine Canon L-220	JJY75219	November 10, 05	331,59	Working condition	Project Office	
Phone Panasonic KX-T 7431RUW (white)	5KCSB027187	November 10, 05	134,71	Working condition	Project Office	
Phone Panasonic KX-T 7431RUW	5KCSB027189	November 10, 05	134,71	Working condition	Project Office	

(white)						
Phone Panasonic KX-T 7431RUW (white)	5KCSB027258	November 10, 05	134,71	Working condition	Project Office	
Phone Panasonic KX-T 7431RUW (white)	5KCSB027097	November 10, 05	134,71	Working condition	Project Office	
DDS console Panasonic KX-T 7440	5IBSI002682	November 10, 05	101,55	Working condition	Project Office	
DDS console Panasonic KX-T 7440	5IBSI002802	November 10, 05	101,55	Working condition	Project Office	
Card of extension ATE 8 internal lines Panasonic Accessory KX-TD 170 X	5JBKH024559	November 10, 05	259,05	Working condition	Project Office	
Card of extension ATE 4 external lines Panasonic Accessory KX-TD 180 X	5KAKE009152	November 10, 05	155,43	Working condition	Project Office	
Projector portable Toshiba TDP-P8	98557378	November 10, 05	2068,31	Working condition	Project Office	
Thermal Binder machine Fellowes TB450	CRC53101	November 10, 05	207,24	Working condition	Project Office	
Subtotal			27308,04			
Printer Epson Stylus PHOTO R220	GXNK072370	January 25,06	164,52	Working condition	Project Office	
Digital voice recorder OLYMPUS DS-3300	N 4123	January 26,06	340,17	Working condition	Project Office	
Subtotal			504,69			
<b>Total</b>			<b>27812,73</b>			

## Non-expendable equipment purchased against UNEP Projects

Project № GFL / 2732-03-4694, GF/3010-03-21

Project title: Russian Federation - Support to the National Programme of Action for the Protection of the Arctic Marine Environment

Implementing Agency: United Nations Environment Programme (UNEP)

Contract № CS-NPA-Arctic-01/2007

Description	Serial №	Date of purchase	Original price (RUR)	Original price (US\$)	Present condition	Location
Diesel-powered mini-tractor KMZ-0124	115850807	August 28, 07	148 000,00	5 768,99	working condition	Storehouse "Tambey"
Traktor trailer TTK-05	160000064	August 28, 07	25 000,00	974,49	working condition	Storehouse "Tambey"
Petrol power generator "Vepr", ABP 6,0 -230 VL-BG	47030049	August 23, 07	41 850,00	1 631,30	working condition	Storehouse Archangelsk
Petrol power generator "Vepr", ABP 7/4 - T400/230 VX-BG	17030371	August 23, 07	51 435,00	2 004,92	working condition	Storehouse Archangelsk
Hydraulic press TM - 12TC-B	B 140	August 23, 07	190 000,00	7 406,14	working condition	Storehouse Archangelsk
High-pressure washing facility Kärcher HDS-797	96011	August 28, 07	86 376,00	3 366,91	working condition	Storehouse "Nagurskaya"
Water cleaning system COPB-1/120	53263	August 28, 07	96 524,00	3 762,47	working condition	Storehouse "Nagurskaya"
<b>TOTAL</b>			<b>639 185,00</b>	<b>24 915,22</b>		