

**UNEP GEF PIR FY 08  
(1 July 2007 to 30 June 2008)**

**1. PROJECT GENERAL INFORMATION**

<b>Project Title:</b>	Russian Federation – Support to the National Programme of Action for the Protection of the Arctic Marine Environment, Tranche 1		
<b>Executing Agency:</b>	Ministry of Economic Development of the Russian Federation (MED)		
<b>Project partner Agency:</b>	NEFCO		
<b>Geographical Scope:</b>	The Russian Federation, Russian Arctic		
<b>Participating Countries:</b>	Russian Federation		
<b>GEF project ID:</b>	1164	<b>IMIS number*<sup>1</sup>:</b>	GFL / 2732-03-4694
<b>Focal Area(s):</b>	IW	<b>GEF OP #:</b>	10
<b>GEF Strategic Priority/Objective:</b>	IW-3 Innovative demonstrations	<b>GEF approval date*:</b>	07/12/2001, revised 31/07/2003 and 31/07/2005
<b>UNEP approval date:</b>	18/07/2005	<b>First Disbursement*:</b>	31/08/2005
<b>Actual start date<sup>2</sup>:</b>	01/07/2005	<b>Planned duration:</b>	60 months
<b>Intended completion date*:</b>	30/06/2007 (Phase I)	<b>Actual or Expected completion date:</b>	December 2009 (Project Phase I)
<b>Project Type:</b>	Full size	<b>GEF Allocation*:</b>	\$5,885,000
<b>PDF GEF cost*:</b>	\$306,000	<b>PDF co-financing*:</b>	\$474,000
<b>Expected MSP/FSP Co-financing*:</b>	\$5,800,000	<b>Total Cost*:</b>	\$12,465,000
<b>Mid-term review (planned date):</b>	N/A	<b>Terminal Evaluation (actual date):</b>	10/2009
<b>Mid term review (actual date):</b>	N/A	<b>No. of revisions*:</b>	2
<b>Date of last Steering Committee meeting:</b>	25-26/04/2007	<b>Date of last Revision*:</b>	31/08/2008
<b>Disbursement as of 30 June 2008*:</b>	\$2,009,216	<b>Date of financial closure*:</b>	N/A
<b>Date of Completion<sup>3</sup>*:</b>	2009	<b>Actual expenditures reported as of 30 June 2008<sup>4</sup>:</b>	\$1721,928
<b>Total co-financing realized as of 30 June 2008<sup>5</sup>:</b>	\$5,554,923	<b>Actual expenditures entered in IMIS as of 30 June 2008*:</b>	\$1414,466

<sup>1</sup> Fields with an \* sign (in yellow) should be filled by the Fund Management Officer

<sup>2</sup> Only if different from first disbursement date, e.g., in cases were a long time elapsed between first disbursement and recruitment of project manager.

<sup>3</sup> If there was a “Completion Revision” please use the date of the revision.

<sup>4</sup> Information to be provided by Executing Agency/Project Manager

<sup>5</sup> Projects which completed mid-term reviews/evaluations or terminal evaluations should attach the completed co-financing table as per GEF format.

Leveraged financing: <sup>6</sup>	N/A		
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Project summary <sup>7</sup>	Major outcomes will include a nationally approved Strategic Action Programme to address damage and threats to the arctic environment from land-based activities in the Russian Federation; direct and related improvements to environmental protection (legislative, regulatory and institutional and technical capacity) within the Russian Federation; the completion of ten pre-investment studies to determine the highest priority and tractable interventions to correct or prevent transboundary impacts of land-based activities; and three categories of demonstration projects dealing respectively with marine environmental clean up, the transfer of two decommissioned military bases to civilian control, and involving indigenous peoples in environmental and resource management. The results are intended to benefit the international arctic environment, particularly the Arctic Ocean basin and its shelf seas, and contribute to two principal international agreements: Arctic Environmental Protection Strategy (AEPS); and the Global Programme of Action for the Protection of the Marine Environment from Land-Based Activities (GPA) as implemented in the Arctic Region through the Regional Programme of Action for the Protection of the Arctic Marine Environment from Land-based Activities (RPA) and the Arctic Council Plan of Action to Eliminate Pollution of the Arctic (ACAP).		
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Project status FY07 <sup>8</sup>	<p>The 2<sup>nd</sup> meeting of the Project Steering Committee was held on April 25-26, 2007, which took a decision on prolongation of Phase I of the Project until the end of 2008. New Integrated Work Plan and budget for Phase I were adopted.</p> <p><u>SAP component.</u> Draft Strategic Action Plan (SAP) document was completed and submitted to EA and IA. SAP is used as a basis for preparation of section “Environmental Security” of sub-program “Arctic” of the Federal Targeted Program “World Ocean”</p> <p><u>PINS component.</u> The list of hot spots in the Russian Arctic have been updated and prioritized on a basis if new information. A short list of companies expressed interest in pre-investment studies (PINS) implementation was prepared.</p> <p><u>Demonstration projects component.</u> All three mentioned in Project Document (PD) demo projects are in final stage of implementation. Tender documents for three new pilot projects approved by the 2<sup>nd</sup> StC meeting were also prepared and a tender for one of the new pilot projects: “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 Fjord” (KOLABAY-1) was held.</p>		
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Project status FY08 <sup>9</sup>	The main achievements of the Project implementation in 2008 are approval of the finalized SAP document by the 2 <sup>nd</sup> meeting of an Inter-Agency work group (IAWG), and distribution of the document for comments and co-ordinations among Russian federal and regional authorities,		
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<sup>6</sup> See above note on co-financing and Glossary (Annex 1)

<sup>7</sup> As in project document

<sup>8</sup> Brief description of implementation status in previous year (not more than one paragraph)

<sup>9</sup> Progress made during current reporting period (one paragraph stating key changes since previous reporting period)

	nongovernmental organizations (NGO) and main industrial companies operating in the Arctic. Positive responses were received from most of respondents. Three tenders for preparation of regional PINS were held and the selection process was completed. Three lead cooperating organizations (LCO) for PINS implementation in western, central and eastern Russian Arctic regions were selected and contracts for all three winners have been prepared. During the reported period three contracts for small pilot projects were also prepared and work on them was started. Pilot project "KOLABAY-1 has been successfully completed. Three main demo projects (BASES, CLEANUP and COMAN), which started last year, are entering into the final stage of their implementation.
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<b>Planned contribution to strategic priorities/targets</b> <sup>10</sup>	For the Project Phase I: Improved management of the Russian Arctic environment with priorities and targets setting and monitoring plan through the adoption of the SAP for the protection of the Arctic marine environment from land-based activities by the Russian Government. SAP is to be supported by the three demonstration projects aimed at marine oil pollution reduction through the use of brown algae (CLEANUP), decontamination of military bases (BASES), and co-management of natural resources by Russian indigenous peoples and other stakeholders (COMAN), respectively, and pre-investment studies providing conditions for further interventions and investments to remediate or prevent degradation of the Arctic marine environment from land-based and sea-based activities.
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## 2. PROJECT OBJECTIVE

*State the global environmental objective(s) of the project*<sup>11</sup>

<p>The project's global environment objective is to protect the global marine environment in which the Arctic plays a pivotal role. The more specific objective of the Project is to develop and establish a sustainable framework to reduce environmental degradation of the Russian Arctic from land-based activities on a systematic basis by implementation of the SAP developed at the first stage of the Project in favor of all Arctic States and global community and to comply with obligations of the Russian Federation under international conventions and agreements taking into account decisions and programmes of the Arctic Council. As such, it would create conditions, which will allow for capital investments to flow in the Russian Arctic in order to ensure long term protection of coastal and marine environment of the Arctic and to address main root causes of trans-boundary pollution in the Russian Arctic.</p>
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*Please provide a narrative of progress made towards meeting the project objective(s). Describe any **significant** environmental or other changes attributable to project implementation. Also, please discuss any major challenges to meet the **objectives** or specific project **outcomes** (not more than 300 words)*

<p>The main achievements of the Project implementation for the reported period were the second draft of the SAP document finalization, its approval by the 2<sup>nd</sup> meeting of the IAWG, and distribution the document among Russian federal and regional authorities, NGO and main industrial companies making business in Russian Arctic for comments and co-ordinations. Positive responses were</p>
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<sup>10</sup> For Full Size Projects this information is found in the front page of the project Executive Summary; for Medium-Sized Projects the information appears in the MSP brief cover page.

<sup>11</sup> Or immediate project objective

received from most of respondents. Three tenders for preparation of regional PINS were held and the selection process was completed. Three LCO for PINS implementation in western, central and eastern Russian Arctic regions were selected and contracts for all three winners have been prepared. During the reported period three contracts for small pilot projects were also prepared. The pilot project KOLABAY has been successfully implemented. At the moment PO supervises three main demo projects (BASES, CLEANUP and COMAN), which are in the final stage of their implementation.

The following benchmarks are envisaged for the Phase I of the Project in the Project Document: 1. Successful establishment of Project implementation structure, including Project Office, Project Steering Committee, and Project Supervisory Council; 2. Strategic Action Programme fully developed and endorsed by relevant stakeholders; 3. Working document revised at the first meeting of each of sub-group for each pre-investment study; 4. Selected lead implementing organization and members of each of the three working groups for the development of the Environmental Protection System; 5. Fully designed demonstration activities; and 6. Mid-term review of the project indicating satisfactory implementation of the Project in the phase I.

The benchmarks #1 and #5 are successfully achieved. As for the benchmark #5 the demonstration projects are actually ahead of schedule – all demonstration activities mentioned in the original PD are fully designed and their implementation was started in 2007. In addition, several new demo and pilot projects approved by the 2<sup>nd</sup> meeting of the Project StC were fully designed; three of them started already and one of these projects was finished. The SAP document (benchmark # 2) is sent for official comments to federal and local authorities and also to the major industrial companies basing in Russian Arctic and NGO. Their comments will be considered in the SAP final revision in September-October 2008. Tender documentation for PINS (benchmark #3) is prepared and tenders for selection of cooperating implementing organizations for 3 Arctic regions (western, central and eastern parts of Russian Arctic) where the PINS should be undertaking have been finalised. Contracts with all three tender winners are in the process of finalisation. Thus, the aim of the benchmark #3 is also exceeded. Selection of a lead implementing organization for the development of the Environmental Protection System (EPS) (benchmark #4) is planned for September this year. Project Office in cooperation with EA is now in the process of consultants' selection for the EPS project component.

*Please provide a narrative of progress towards the stated GEF Strategic Priorities and Targets if identified in project document <sup>12</sup> (not more than 200 words)*

Project is consistent with GEF policies as articulated in the description of Operational Programme No. 10 that "focuses on poorly addressed contaminants and aims to utilise demonstrations to overcome barriers to adoption of best practices, waste minimisation strategies, and pollution prevention measures". The main requirements of interventions in favour of environmental improvement in the Arctic is to deal with this decline and restore environmental conditions while at the same time endeavouring to prevent further deterioration and new threats. The planned and approved by the Project StC a number of demonstration and pilot projects, that focus on certain types of contaminants that degrade the International Waters environment, will demonstrate that technological barriers can be overcome or that measures aimed at removing barriers can be implemented. In 2007 project results contributed to preparation of section "Environmental Security" of sub-program "Arctic" of the Federal Targeted Program "World Ocean" that is developed by MED. The SAP is completed and submitted for approval to federal and local authorities, major businesses and NGOs. PINS and EPS components' implementation are both ready to start in September.

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<sup>12</sup> Projects that did not include these in original design are encouraged to the extent possible to retrofit specific targets.

### 3. RATING PROJECT PERFORMANCE AND RISK

Based on inputs by the Project Manager, the **UNEP Task Manager**<sup>13</sup> will make an overall assessment and provide ratings of:

- (i) Progress towards achieving the project objective(s)- see section 3.1
- (ii) Implementation progress – see section 3.2

Section 3.3 on Risk should be first completed by the Project Manager. The UNEP Task Manager will subsequently enter his/her own ratings in the appropriate column.

Progress towards achieving the project objective (s) The following logframe was developed for the whole project for which the phase I is under implementation. The project started some selected activities that had been scheduled for phase II. The The modified project logframe is under development to be agreed upon at the next steering committee meeting.

Project objective and Outcomes	Description of indicator <sup>14</sup>	Baseline level <sup>15</sup>	Mid-term target <sup>16</sup>	End-of-project target	Level at 30 June 2008	Progress rating <sup>17</sup>
<b>Objective</b> <sup>18</sup> Improved management of the Arctic environment in the Russian Federation and clear appreciation of priorities.	1. Adoption of the SAP for the Protection of the Arctic Marine Environment from Land-based Activities by relevant executive authorities of the Russian Federation by the end of Phase I.	The National Action Plan (NAP) for the Protection of the Arctic Marine Environment has been developed and agreed upon.	SAP fully developed and endorsed by relevant stakeholders	Adoption of the SAP for the Russian Arctic as a component of the FTOP 'World Ocean' by the Russian Federation	90 %. The third draft of SAP is finalised and an English translation is finished. It will be submitted to the third StC meeting in September 2008”	S

<sup>13</sup> For joint projects and where applicable ratings should also be discussed with the Task Manager of co-implementing agency.

<sup>14</sup> Add rows if your project has more than 3 key indicators per objective or outcome.

<sup>15</sup> Depending on selected indicator, quantitative or qualitative baseline levels and targets could be used (see Glossary included as Annex 1).

<sup>16</sup> Many projects did not identify Mid-term targets at the design stage therefore this column should only be filled if relevant.

<sup>17</sup> Use GEF Secretariat required six-point scale system: Highly Satisfactory (HS), Satisfactory (S), Marginally Satisfactory (MS), Marginally Unsatisfactory (MU), Unsatisfactory (U), and Highly Unsatisfactory (HU). See Annex 2 which contains GEF definitions.

<sup>18</sup> Add rows if your project has more than 4 objective-level indicators. Same applies for the number of outcome-level indicators.

Project objective and Outcomes	Description of indicator <sup>14</sup>	Baseline level <sup>15</sup>	Mid-term target <sup>16</sup>	End-of-project target	Level at 30 June 2008	Progress rating <sup>17</sup>
<p>Environmentally sustainable development of natural resources in the Russian Arctic.</p> <p>Improved regional co-ordination of the management of the Russian Arctic environment and; Russia meets its obligations under the AEPS and its commitments to objectives of the GPA.</p>	<p>2. The reformed regulatory framework is implemented by local, provincial, federal administrations.</p>	<p>There is an existing regulatory framework, which does not take into consideration the programmatic requirements to be outlined in the SAP and NAP.</p>	<p>Selected lead implementing organization and members of each of the three working groups for the development of the EPS</p>	<p>The work related to this indicator was scheduled for phase II, and the only limited activities (organisation of the working group) was expected for phase I.</p>	<p>The survey of the regulatory framework at the local, provincial and federal levels has been performed and environmentally sustainable development concerns are incorporated in the SAP. Tender documents for WG consultants' selection were prepared. Tenders are planned for July 2008. Major work on EPS is planned from September 2008 to be finalised in December 2008</p>	<p>MS (this rating is against the overall project logframe and not against the phase I bench mark)</p>
	<p>Contributions by the Russian Federation to the AEPS of the Arctic Council (AC). Acknowledgement by the Arctic Council of the SAP as a component of the Regional Programme of Action for the Arctic.</p>	<p>The initiated work of this Project is recognized by the Arctic Council and GPA.</p>	<p>The Russian representative at the AC provides information on the SAP and the minutes of the AC meetings can indicate the contribution of the SAP to the Arctic Council activities</p>		<p>Progress reports on the Project implementation are delivered to the AC and AC WGs. NPA-Arctic Project is mentioned in all minutes of the AC as well as in Salekhard Declaration of the AC. Presentation on NPA-Arctic project progress was given at 2<sup>nd</sup> IGR of GPA</p>	<p>S</p>

Project objective and Outcomes	Description of indicator <sup>14</sup>	Baseline level <sup>15</sup>	Mid-term target <sup>16</sup>	End-of-project target	Level at 30 June 2008	Progress rating <sup>17</sup>
<b>Outcome 1:</b> Finalisation and endorsement of the Strategic Action Programme for the Russian Arctic	By the end of Phase I, review and publication* of the SAP for the Russian Arctic	There is no SAP formulation at the onset of the project.	Adoption of the SAP by relevant authorities	Strategic Action Programme fully developed and endorsed by relevant stakeholders	90%. The third draft of SAP is finalised and translated in English. It will be submitted to the third StC meeting in September 2008. SAP was used as a basis for preparation of section "Environmental Security" of sub-program "Arctic" of Federal Target Program "World Ocean"	<b>S</b>
<b>Outcome 2:</b> Improved legislation, administrative procedures and institutional capacity for the environmental protection of the Arctic environment.	By the end of Phase I, selection of lead organisations and members of the working groups selected and confirmed.	There is an existing legal, regulatory and administrative framework, which does not take into consideration the programmatic requirements to be outlined in the SAP.	Selected lead implementing organization and members of each of the three working groups for the development of the Environmental Protection System		20%. Tender documents including ToRs for WG consultants' selection were prepared. Tenders are planned for July-August 2008. Major work on EPS is planned from September 2008 to be finalised in June 2009	<b>MS</b>

Project objective and Outcomes	Description of indicator <sup>14</sup>	Baseline level <sup>15</sup>	Mid-term target <sup>16</sup>	End-of-project target	Level at 30 June 2008	Progress rating <sup>17</sup>
<p><b>Outcome 3:</b> Conditions for further interventions and investments to remediate or prevent the degradation of the Arctic Environment are realised.</p>	<p>By the end of Phase I, investments are prepared based on at least 8-10 pre-investment studies and demonstration projects are fully developed and ready for implementation.</p>	<p>The project PDF-B; NEFCO and Russian authorities, respectively issued a list of hot spots. Limited demonstrative activities have been developed or implemented.</p>	<p>Finalisation of the pre-investment studies</p>	<p>Conducted pre-investment studies</p>	<p>40%. Three tenders for preparation of regional PINS were held and the selection process was completed. Three LCO for PINS implementation in western, central and eastern parts of Russian Arctic were selected and contracts for all three tender winners have been prepared.</p>	<p>MS</p>
			<p>Demonstration projects are in the process of practical implementation</p>	<p>Implemented demonstration projects</p>	<p>100%+. The demo projects component is actually ahead of schedule – all demonstration activities mentioned in the original Project Document are fully designed and their implementation was started in 2007. In addition, several new demo and pilot projects approved by the 2<sup>nd</sup> meeting of Project StC were fully designed: three of them started already and one of these projects was finished.</p>	<p>S</p>

Project objective and Outcomes	Description of indicator <sup>14</sup>	Baseline level <sup>15</sup>	Mid-term target <sup>16</sup>	End-of-project target	Level at 30 June 2008	Progress rating <sup>17</sup>
<b>Outcome 4:</b> 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.	There was no project structure before.	Successful establishment of Project implementation structure, including Project Office, Project Steering Committee, Project Supervisory Council, and Russian IAWG.	Successful establishment of Project implementation structure, including PO, Project StC, Project SC, and Russian IAWG	100%. All project implementation units are established	HS

Overall rating of project progress towards meeting project objective(s) (*To be provided by UNEP GEF Task Manager*)

FY2007 rating	FY2008 rating	Comments/narrative justifying the FY08 rating and explaining reasons for change (positive or negative) since previous reporting period
MS	S	In comparison with 2006-2007 period, considerable progress has been made towards achieving project's direct objective - developing and establishing a sustainable framework, to reduce environmental degradation of the Russian Arctic from land-based activities on a system basis. Third draft of SAP is at the final stage of its approval; major demo and several pilot projects are at a final stage of their implementation (one of the pilot projects has been finalized already). PINS and EPS components are in process of their implementation. As project data are used to fill up substantive part of the FTOP "World Ocean", there is a hope that specific measures directed at improving Arctic marine environment, will be integrated into country's programming cycle before even the project ends.

Action plan to address MS, MU, U and HU rating (*To be completed by UNEP GEF Task Manager in consultation with Project Manager*)

Action(s) to be taken	By whom?	By when?
See action plan on project implementation		

### 3.2 Project implementation progress

The following table is prepared against the phase I expected outputs and benchmarks, which were agreed upon at the onset of the project implementation. Therefore these would not include the results of the activities that were originally expected for phase II, but have got implementation started during phase I.

<b>Outputs</b> <sup>19</sup>	<b>Expected completion date</b> <sup>20</sup>	<b>Implementation status as of 30 June 2008 (%)</b>	<b>Comments if variance</b> <sup>21</sup> . <b>Describe any problems in delivering outputs</b>	<b>Progress rating</b> <sup>22</sup>
<b>Output 1: <i>Preparation and adoption of a comprehensive Strategic Action Programme for the Russian Arctic</i></b>	September 2008	<b>90</b>		<b>S</b>
Activity 1: Development of financial mechanisms of the SAP implementation	September 2007	100	Completed	HS
Activity 2: Preparation of scoping report on regional SAP sub-programs with recommendations for SAP	June 2008	100	Completed. Regional sub-programmes are included in SAP	S
Activity 3: Strategic environmental assessment on the SAP	April 2007	100	Completed.	S
Activity 4: Diagnostic analysis of environmental situation in Arctic region	October-November 2008	95	Analysis is completed; Work on the publication summarizing results of the analysis planned to be completed to November 2008. The work was delayed due to other commitments of the project office.	S
Activity 5: Causal chain analysis	November 2007	100	Completed	S
Activity 6: Stakeholder analysis and development of public involvement. Information to stakeholders and communication strategy to public on project results	December 2008	60	Initially planned to be executed by ACOPS (only 2 regional reports were completed). PO has a lead now	MU
Activity 7: Preparation of the first draft of the SAP	August 2007	100	Completed	HS
Activity 8: Preparation of the second draft of the SAP.	Dec. 2007	100	Completed	<b>S</b>

<sup>19</sup> Outputs and activities as described in the project logframe or in any updated project revision.

<sup>20</sup> As per latest workplan (latest project revision)

<sup>21</sup> Variance refers to the difference between the expected and actual progress at the time of reporting.

<sup>22</sup> To be provided by the UNEP Task Manager

<b>Outputs</b> <sup>19</sup>	<b>Expected completion date</b> <sup>20</sup>	<b>Implementation status as of 30 June 2008 (%)</b>	<b>Comments if variance</b> <sup>21</sup> . <b>Describe any problems in delivering outputs</b>	<b>Progress rating</b> <sup>22</sup>
Activity 9: Review of the second draft of the SAP by federal and regional executive authorities.	June 2008	100	Completed	S
Activity 10: Preparation of the third draft of the SAP	Sept. 2008	30	Planned for September 2008	S
<b>Output 2: <i>Completion of a set of Pre-investment studies (PINS)</i></b>	<b>June 2008</b>			<b>S</b> <b>MS (for the pre-investment studies that need to be carried out)</b>
Activity 11: Update and review of the existing hot spots identified at PDF-B stage	July 2007	100	Completed	S
Activity 12: Preparation of Guidelines on conduction of pre-investment studies	August 2007	100	Completed	S
Activity 13: Development of criteria for selection of hot spots for which PINS will be prepared	August 2007	100	Completed	S
Activity 14: Hot spots screening and selection. Preparation of the list of potential pre-investment studies.	October 2007	100	Completed	S
Activity 15: Preparation of tenders dossiers and ToRs for three lead cooperating organisations.	January 2008	100	Completed	S
Activity 16: Selection of three LCO for the conduction of PINS. Concluding the contracts with bid-winners	September 2008	90	All three tenders completed with selection of three LCO and all three contracts are ready to be signed. Delay is conditioned by changing of the NPAF leadership and problems with obtaining the projects status as grants (to be issued by governmental commission in September 2008)	S
<b>Output 3: <i>Environmental Protection System improvements (EPS)</i></b>	<b>June 2008</b>			<b>S</b>

<b>Outputs</b> <sup>19</sup>	<b>Expected completion date</b> <sup>20</sup>	<b>Implementation status as of 30 June 2008 (%)</b>	<b>Comments if variance</b> <sup>21</sup> . <b>Describe any problems in delivering outputs</b>	<b>Progress rating</b> <sup>22</sup>
Activity 17: Proposals for and selection of the Co-ordinator of the Task Team on Implementation of the SAP (TT EP).	August 2008	30	ToR for TT and individual consultants have been prepared. Call for consultant services has been announced	S
Activity 18: Proposals for and selection of TT members.	August 2008	30	Planned for September 2008	S
<b>Output 4: <i>Rehabilitation of the Environment by Use of Brown Algae (Demonstration Project CLEANUP)</i></b>	<b>November 2007</b>			
Activity 19: Preparation of ToR and conduction of the tender and preparation of the contract with the lead cooperating organisation for the CLEANUP demo project. Signing of contract	August 2007	100	Completed	S
Activity 20: Preparation and review of Progress Report to be considered at the Second Meeting of the WG	October 2008	70	The project implementation started in September 2007 and entered now its final stage -- to be completed in October 2008	MS
<b>Output 5: <i>Environmental Remediation of Two Decommissioned Military Bases (Demonstration Project BASES)</i></b>				
Activity 21: Review of the working document at the First Meeting of the WG BASES, Moscow	July 2007	100	Completed	S
Activity 22: Preparation of ToR and conduction of the tender and preparation of the contract with the lead cooperating organisation for the BASES demo project. Signing of contract	August 2007	100	Completed	S
Activity 23: Preparation and Review of Progress Report to be considered at the Second Meeting of the WG BASES	December 2008	80	The project implementation started in September 2007 and entered now its final stage -- to be completed in December 2008	MS
<b>Output 6: <i>Indigenous Environmental Co-management (Demonstration Project COMAN)</i></b>				
Activity 24: Preparation of ToR and conduct of the tender and preparation of the contract with the lead	October 2007	100	Completed	S

Outputs <sup>19</sup>	Expected completion date <sup>20</sup>	Implementation status as of 30 June 2008 (%)	Comments if variance <sup>21</sup> . Describe any problems in delivering outputs	Progress rating <sup>22</sup>
cooperating organisation for COMAN demo project. Signing of contract				
Activity 25: Preparation and Review of Progress Report to be considered at the Second Meeting of the WG COMAN	November 2008	80%	The project implementation started in September 2007 and entered now its final stage -- to be completed in November 2008	S
<b>Output 6: <i>New Pilot projects</i></b>				
Activity 25: Preparation of project documentation for pilot projects	1-2 quarters of 2008	100	Completed	MS
Activity 26: Contracting companies on selected pilot projects (preparation of tenders where applicable)	3-4 quarters of 2008	50	Planned for 4th quarter of 2008	MS
Activity 27: Final evaluation of conducted pilot projects and their replicability potential	3-4 quarters of 2008	50	One of the projects is successfully finalised; two more pilot projects was started already. Several other approved by StC pilot projects are in stage of preparation.	MS

Overall project implementation progress <sup>23</sup> (*To be completed by UNEP GEF Task Manager*):

FY2007 rating	FY2008 rating	Comments/narrative justifying the rating for FY08 and any changes (positive or negative) in the rating since the previous reporting period
MS	MS	Given prominent delays in project implementation as well as institutional obstacles experienced by the project since its inception, during the reporting period project has achieved substantial progress. However, the project still suffers from the delay in the tendering and other administrative processes, showing the low level of disbursement. The second draft of SAP is ready, awaiting for the final approval by the government. Project results are used to substantiate section "Environmental Security" of sub-program "Arctic" of the Federal Targeted Program "World Ocean" that if approved will ensure sustainability of project outcomes. PINS component has been started practically (all three LCOs are selected and contracts are ready to be signed).

<sup>23</sup> Use GEF Secretariat required six-point scale system: Highly Satisfactory (HS), Satisfactory (S), Marginally Satisfactory (MS), Marginally Unsatisfactory (MU), Unsatisfactory (U), and Highly Unsatisfactory (HU)

		Initial work on EPS component has started (tenders for consultants selection were held). The demonstration projects component are actually ahead of schedule.
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Action plan to address MS, MU, U and HU rating. *(To be completed by UNEP Task Manager in consultation with Project Manager<sup>24</sup>)*

Action(s) to be taken	By whom?	By when?
Accelerated implementation of the additional demonstration projects, as per the scheduled agreed upon by the Ministry, Project Office and UNEP in June 2008	Project Office	By September 2008, the programme of work for these new demo projects are developed and agreed upon at the steering committee.
Adoption of the SAP by the Government	Ministry of Economic Development	By September 2008, the comments provided by the government agencies are successfully incorporated and the government declared the SAP adoption.
Increase public awareness of the Arctic project through publication of DA results, public awareness actions in regions	PO, sub-contractors	Continuously
Organize Investment Forum/Partnership Conference	PO, MED, UNEP, NEFCO and other project partners	2009

### 3.3. Risk

There are two tables to assess and address risk: the first “risk factor table” to describe and rate risk factors; the second “top risk mitigation plan” should indicate what measures/action will be taken with respect to risks rated **Substantial** or **High** and who is responsible to for it.

RISK FACTOR TABLE
<i>Project Managers will use this table to summarize risks identified in the <b>Project Document</b> and reflect also <b>any new risks</b> identified in the course of project implementation. The <u>Notes</u> column should be used to provide additional details concerning manifestation of the risk in your specific project, <b>as relevant</b>. The “Notes” column has one section for the Project Manager (<b>PM</b>) and one for the UNEP Task Manager (<b>TM</b>). If the generic risk factors and indicators in the table are not relevant to the project rows should be added. The <b>UNEP Task Manager</b> should provide ratings in the right hand column reflecting his/her own assessment of project risks.</i>

				Project Manager Rating	Notes	Task Manager Rating
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<sup>24</sup> UNEP Fund Management Officer should also be consulted as appropriate.

Risk Factor	Indicator of Low Risk	Indicator of Medium Risk	Indicator of High Risk	Low	Medium	Substantial	High	Not Applicable	To be determined		Low	Medium	Substantial	High	Not Applicable	To be determined
<b>INTERNAL RISK</b>																
<b>Project management</b>																
Management structure	Stable with roles and responsibilities clearly defined and understood	Individuals understand their own role but are unsure of responsibilities of others	Unclear responsibilities or overlapping functions which lead to management problems	X						PM: Good management structure with defined roles & responsibilities of network members maintained and operational TM: Despite the initial difficulties, the management structure started working. The risk may involve the restructuring of the National Pollution Abatement Facility, which is providing administrative service to the project.	x					
Governance structure	Steering Committee and/or other project bodies meet periodically and provide effective direction/inputs	Body(ies) meets periodically but guidance/input provided to project is inadequate	Members lack commitment and therefore the Committee/body does not fulfil its TOR	X						PM: Fifth meeting of the Project SC was held in March 2008 and joint meeting of EA, IA and PO was held in MED in June 2008 and provided effective direction/inputs TM:	x					

Risk Factor	Indicator of Low Risk	Indicator of Medium Risk	Indicator of High Risk	Project Manager Rating						Notes	Task Manager Rating					
				Low	Medium	Substantial	High	Not Applicable	To be determined		Low	Medium	Substantial	High	Not Applicable	To be determined
<b>INTERNAL RISK</b>																
<b>Project management</b>																
Internal communications	Fluid and cordial	Communication process deficient although relationships between team members are good	Lack of adequate communication between team members leading to deterioration of relationships and resentment	X						PM: Fluid and cordial	x					
										TM:						
Work flow	Project progressing according to work plan	Some changes in project work plan but without major effect on overall implementation	Major delays or changes in work plan or method of implementation	X						PM: Some changes in project work plan adopted by the Project Steering Committee but without major effect on overall implementation.		x				
										TM: Some of the additional demo projects need to be started quickly.						

Risk Factor	Indicator of Low Risk	Indicator of Medium Risk	Indicator of High Risk	Project Manager Rating						Notes	Task Manager Rating					
				Low	Medium	Substantial	High	Not Applicable	To be determined		Low	Medium	Substantial	High	Not Applicable	To be determined
<b>INTERNAL RISK</b>																
<b>Project management</b>																
Co-financing	Co-financing is secured and payments are received on time	Is secured but payments are slow and bureaucratic	A substantial part of pledged co-financing may not materialize			X				PM: Co-financing channelled via Partner Agency (ACOPS) is not secured because of ACOPS does not follow Procedures approved by Steering Committee on disbursement of donor fund and reporting TM: Despite the effort of the Russian Government to allocate co-financing, there is a need to make effort in securing more co-financing from donors.			x			
Budget	Activities are progressing within planned budget	Minor budget reallocation needed	Reallocation between budget lines exceeding 30% of original budget	X						PM: Project is within budget. TM: The disbursement rate is not at the optimal level and there is a need to establish a more realistic budget plan for the remainder of the project duration.			x			

Risk Factor	Indicator of Low Risk	Indicator of Medium Risk	Indicator of High Risk	Project Manager Rating						Notes	Task Manager Rating					
				Low	Medium	Substantial	High	Not Applicable	To be determined		Low	Medium	Substantial	High	Not Applicable	To be determined
<b>INTERNAL RISK</b>																
<b>Project management</b>																
Financial management	Funds are correctly managed and transparently accounted for	Financial reporting slow or deficient	Serious financial reporting problems or indication of mismanagement of funds	X						PM: Funds are correctly managed and transparently accounted for. Detailed financial reports are available in Half Yearly reports. TM	x					
Reporting	Substantive reports are presented in a timely manner and are complete and accurate with a good analysis of project progress and implementation issues	Reports are complete and accurate but often delayed or lack critical analysis of progress and implementation issues	Serious concerns about quality and timeliness of project reporting	X						PM: Substantive reports by Project Office are presented in a timely manner and are complete and accurate with a good analysis of project progress and implementation issues TM:	x					

Risk Factor	Indicator of Low Risk	Indicator of Medium Risk	Indicator of High Risk	Project Manager Rating						Notes	Task Manager Rating						
				Low	Medium	Substantial	High	Not Applicable	To be determined		Low	Medium	Substantial	High	Not Applicable	To be determined	
<b>INTERNAL RISK</b>																	
<b>Project management</b>																	
Stakeholder involvement	Stakeholder analysis done and positive feedback from critical stakeholders and partners	Consultation and participation process seems strong but misses some groups or relevant partners	Symptoms of conflict with critical stakeholders or evidence of apathy and lack of interest from partners or other stakeholders		X					PM: Positive feedback from critical stakeholders and partners is achieved during regional consultations and round table discussions, presentations at different meetings inside and outside Russia TM:	x						

Risk Factor	Indicator of Low Risk	Indicator of Medium Risk	Indicator of High Risk	Project Manager Rating						Notes	Task Manager Rating					
				Low	Medium	Substantial	High	Not Applicable	To be determined		Low	Medium	Substantial	High	Not Applicable	To be determined
<b>INTERNAL RISK</b>																
<b>Project management</b>																
External communications	Evidence that stakeholders, practitioners and/or the general public understand project and are regularly updated on progress	Communications efforts are taking place but not yet evidence that message is successfully transmitted	Project existence is not known beyond implementation partners or misunderstandings concerning objectives and activities evident	X						PM: New project website developed in 2006 and reworked in 2008: <a href="http://npa-arctic.ru">http://npa-arctic.ru</a> . Aimed at consolidating and strengthening partner network, disseminating project outputs, and sharing experiences and lessons learned. Project website is updated regularly by PO staff. Detailed information for all demonstration sites and project activities easily accessible online. Regional round-tables are additional source of external communication. Information on project is regularly published in regional mass-media		x				

Risk Factor	Indicator of Low Risk	Indicator of Medium Risk	Indicator of High Risk	Project Manager Rating						Notes	Task Manager Rating					
				Low	Medium	Substantial	High	Not Applicable	To be determined		Low	Medium	Substantial	High	Not Applicable	To be determined
<b>INTERNAL RISK</b>																
<b>Project management</b>																
										TM: The project is encouraged to develop more materials and activities to disseminate the results of the project.						
Short term/long term balance	Project is meeting short term needs and results within a long term perspective, particularly sustainability and replicability	Project is interested in the short term with little understanding of or interest in the long term	Longer term issues are deliberately ignored or neglected	X						PM: Project is meeting short-term needs and results with a long-term perspective TM	x					
Science and technological issues	Project based on sound science and well established technologies	Project testing approaches, methods or technologies but based on sound analysis of options and risks	Many scientific and /or technological uncertainties	X						PM: Leading Russian scientists participated in the Project implementation particularly in the SAP development and demo projects preparations. External scientific expertise is attracted in case of some scientific uncertainties.	x					

Risk Factor	Indicator of Low Risk	Indicator of Medium Risk	Indicator of High Risk	Project Manager Rating						Notes	Task Manager Rating					
				Low	Medium	Substantial	High	Not Applicable	To be determined		Low	Medium	Substantial	High	Not Applicable	To be determined
<b>INTERNAL RISK</b>																
<b>Project management</b>																
										TM						
Political influences	Project decisions and choices are not particularly politically driven	Signs that some project decisions are politically motivated	Project is subject to a variety of political influences that may jeopardize project objectives	X						PM: Project decisions and choices are not politically driven. TM:	x					
Other, please specify. Add rows as necessary										PM TM						

Risk Factor	Indicator of Low Risk	Indicator of Medium Risk	Indicator of High Risk	Project Manager Rating						Notes	Task Manager Rating					
				Low	Medium	Substantial	High	Not Applicable	To be determined		Low	Medium	Substantial	High	Not Applicable	To be determined
<b>EXTERNAL RISK</b>																
<b>Project context</b>																
Political stability	Political context is stable and safe	Political context is unstable but predictable and not a threat to project implementation	Very disruptive and volatile	X						PM: There is no visible political instability at the moment on the project life time TM: Due to the change in the government system, actions and decisions by key ministries may be postponed.			X			
Environmental conditions	Project area is not affected by severe weather events or major environmental stress factors	Project area is subject to more or less predictable disasters or changes	Project area has very harsh environmental conditions	X						PM: Project is implemented in Russian Arctic, e.g. under severe weather conditions, however no severe weather events were happening in areas of planned project activities so far. Nevertheless, in theory, harsh Arctic climate conditions can effect on field implementation of some demo/pilot projects. TM	X					

Risk Factor	Indicator of Low Risk	Indicator of Medium Risk	Indicator of High Risk	Project Manager Rating						Notes	Task Manager Rating					
				Low	Medium	Substantial	High	Not Applicable	To be determined		Low	Medium	Substantial	High	Not Applicable	To be determined
<b>EXTERNAL RISK</b>																
<b>Project context</b>																
Social, cultural and economic factors	There are no evident social, cultural and/or economic issues that may affect project performance and results	Social or economic issues or changes pose challenges to project implementation but mitigation strategies have been developed	Project is highly sensitive to economic fluctuations, to social issues or cultural barriers	X						PM: No evident social and/or cultural events affect project activities. TM: The project has been designed and implemented taking into full consideration the socio-economic development of indigenous peoples in the Russian North.	x					
Capacity issues	Sound technical and managerial capacity of institutions and other project partners	Weaknesses exist but have been identified and actions is taken to build the necessary capacity	Capacity is very low at all levels and partners require constant support and technical assistance	X						PM: Project ExA is a very reputable and influential Russian ministry. Other partners involved in the project implementation process are also reputable institutions. Scientific and technical capacity is high for all project components TM:	x					
Others,																

Risk Factor	Indicator of Low Risk	Indicator of Medium Risk	Indicator of High Risk	Project Manager Rating						Notes	Task Manager Rating					
				Low	Medium	Substantial	High	Not Applicable	To be determined		Low	Medium	Substantial	High	Not Applicable	To be determined
<b>EXTERNAL RISK</b>																
<b>Project context</b>																
please specify																

If there is a significant (over 50% of risk factors) discrepancy between Project Manager and Task Manager rating, an explanation by the **Task Manager** should be provided below

5 out of 17 ratings differ (<50%).

<b>TOP RISK MITIGATION PLAN</b>
Rank – importance of risk Risk Statement – potential problem (condition and consequence) Action to take – action planned/taken to handle the risk Who – person(s) responsible for the action Date – date by which action needs to be or was completed

Rank	Risk Statement <sup>25</sup>		Action to Take	Who	Date
	Condition	Consequence			
Substantial	Stakeholder analysis and public involvement plan	Possibility to exclude several stakeholders	Increase of stakeholder awareness during regional and federal	Project Office	Nov-Dec 2008

<sup>25</sup> Only for Substantial to High risk.

Rank	Risk Statement <sup>25</sup>		Action to Take	Who	Date
	Condition	Consequence			
	are not completed (ready for 60%)	from the project and the lack of SAP ownership both, at the federal and regional levels	consultations. Consider possibility of hiring specific NGOs in representative regions Investment Forum (Partnership conference)	Project Office  Project Office, Executing Agency, Implementing Agency	Oct-Nov 2008  2009
Substantial	Co-financing – Additional funds planned in the project document to be raised by ACOPS will not be realized. There is no clear understanding of ACOPS actual expenditures and, therefore, existing co-financing situation. Due to ACOPS withdrawal from the agreement with EPA, new agreement btw EPA and UNEP is under development. Delay with entering EPA/UNEP entering into force	No additional funds are attracted for Project implementation. No clear picture of donor co-financing. Delays in EPA co-financing implementation and the risk of incompleteness for some of pilot projects.	Issue of co-financing from regions for pilot projects should be discussed. Increase of stakeholder awareness during regional consultations.  Investment Forum (Partnership conference)  To speed-up the process of signing an agreement between EPA and UNEP on disbursement of residuary donor funds	PO in cooperation with EA  PO in cooperation with EA  EA and IA	Sep-Oct 2008  2009  September 2009
Substantial	Given the low disbursement rate, the budget expenditures may not be completed within the project duration.	There is a risk of timely disbursement of funds to carry out, inter alia, the additional demonstration projects.	To firmly establish a revised budget plan for the remainder of the project duration  Accelerate the preparation of additional demo projects	The steering Committee  PO	September 2008-09-08  September 2008
Substantial	The government restructuring may change the mandate and staff of the key ministries	Decisions and comments on key documents may not be made in time.	Project office and UNEP Moscow Office will watch over the key changes that may take place in the government systems.	PO and UNEP Moscow Office	

Rank	Risk Statement <sup>25</sup>		Action to Take	Who	Date
	Condition	Consequence			
	involved in the project.				

Project overall risk rating (Low, Medium, Substantial or High):

FY2007 rating	FY2008 rating	Comments/narrative justifying the rating for FY08 and any changes (positive or negative) in the rating since the previous reporting period
M	M	<p>The success achieved to date in the implementation of the project 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. While this commitments continues, the changes in the government system may post risk to the project implementation in the coming future. 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 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 draft SAP are taking into account in FTOP "The World Ocean" for 2008-2012 and in other documents related to the Russian Arctic.</p> <p>Previous risk mitigation plan highlighted 3 risk statements which were ranked as "High" re Co-financing, and "Substantial" re Stakeholder analysis and public involvement plan and re Presidential elections in Russian Federation:</p> <ul style="list-style-type: none"> <li>• The situation with Stakeholder analysis and public involvement plan was improved in some respect but still can be ranked as "Substantial". This analysis initially planned to be executed by ACOPS but ACOPS quitted the Project and PO has a lead now. The work will have been done to December 2008.</li> <li>• Co-financing. Initially, it was planned in the project document that additional funds had to be raised by ACOPS which quitted the Project later on. At the moment a risk associated with the problem still can be ranked as "High". No additional funds were attracted for Project implementation and no clear picture of donor co-financing so far. These can result in incomplection of some extra pilot projects which were approved by the StC.</li> </ul>
		<b>If a risk mitigation plan had been presented for a previous period please report on progress or results of its implementation</b>

4.

4. RATING MONITORING AND EVALUATION

Based on the answers provided to the questions in 4.1, 4.2 and 4.3 below, the **UNEP Task Manager** will provide ratings for the following aspects of project monitoring and evaluation:

- (i) Overall **quality** of the Monitoring & Evaluation plan
- (ii) Performance in the **implementation** of the M&E plan

4.1. Does the project M&E plan contain the following:

- Baseline information for each outcome-level indicator Yes ✓ No
- SMART indicators to track project outcomes Yes ✓ No
- A clear distribution of responsibilities for monitoring project progress. Yes ✓ No

4.2. Has the project budgeted for the following M&E activities:

- Mid-term review/evaluation Yes ✓ No
- Terminal evaluation Yes ✓ No
- Any costs associated with collecting and analysing indicators' related information Yes No ✓

Please rate the **quality** of the project M&E plan (use HS, S, MS, MU, U, HU): S

4.3 Has the project:

- Utilized the indicators identified in the M&E plan to track progress in meeting the project objectives; Yes ✓ No
- Fulfilled the specified reporting requirements (financial, including on co-financing and auditing, and substantive reports) Yes ✓ No
- Completed any scheduled MTR or MTE before or at project implementation mid-point; Yes No ✓
- Applied adaptive management in response to M&E activities Yes ✓ No
- Implemented any existing risk mitigation plan (see previous section) Yes ✓ No

Please rate the performance in **implementing** the M&E plan (use HS, S, MS, MU, U, HU): S

4.4. Please describe activities for monitoring and evaluation carried out during the reporting period<sup>26</sup>

Two SC and IAWG meetings were held with the purpose of evaluating PO activities and Project implementation progress and also to solve any uncertainties and problems. Detailed reports for all meetings with all associated documentation distributed among all interested parties and uploaded on the Project website: <http://npa-arctic.ru>.

The PO scrutinised all technical reports prepared by the project consultants and LCO. After that, most of the technical reports were reviewed by EA (through its Project advisor) and IA (through its representatives to the UNEP Moscow Office). From the other hand, all documentations issued by PO were also under thorough quality control by both EA and IA. These include Half yearly, Quarterly and PIR reports, all financial documents. Packages of necessary documents for all project consultants' tenders as well as for lead cooperating organisations (LCO) for pilot projects and three PINS tenders and contracts have been prepared by PO in close cooperation with both EA and IA. EA and IA representatives participated in all meetings and workshops held by PO. All draft versions of the SAP document and its separate chapters and sections were closely reviewed also by the representatives of both agencies. With the purpose of quality control improving EA, IA and PO were held several meetings.

4.5. Provide information on the quality of baseline information and any effects (positive or negative) on the selection of indicators and the design of other project monitoring activities

Quality of baseline information was quite satisfactory and positively effected on the selection of indicators and the design of other project monitoring activities

4.6. Provide comments on the usefulness and relevance of selected indicators and experiences in the application of the same.

The indicators are useful and relevant to the Project purposes

4.7. Describe any challenges in obtaining data relevant to the selected indicators; has the project experienced problems to cover costs associated with the tracking of indicators?

Project hasn't experienced any challenges in obtaining data relevant to the selected indicators

4.8. Please provide any other experiences or lessons relevant to the design and implementation of project monitoring and evaluation plans.

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## 5. PROJECT IMPLEMENTATION EXPERIENCES AND LESSONS

5.1. Please summarize any experiences and/or lessons related to project design and implementation. Please select a minimum of two areas from the list below:

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<sup>26</sup> Do not include routine project reporting. Examples of M&E activities include stakeholder surveys, field surveys, steering committee meetings to assess project progress, peer review of documentation to ensure quality, etc.

- Conditions necessary to achieve global environmental benefits such as (i) institutional, social and financial sustainability; (ii) country ownership; and (iii) stakeholder involvement, including gender issues.
- Institutional arrangements, including project governance;
- Engagement of the private sector;
- Capacity building;
- Scientific and technological issues;
- Interpretation and application of GEF guidelines;
- Factors that improve likelihood of outcome sustainability;
- Factors that encourage replication, including outreach and communications strategies;
- Financial management and co-financing.

The success of the 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 channeling 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 emphasis was also given to establish good working relations with the Arctic regions of the Russian Federation.

The success achieved to date in the implementation of the project 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 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 draft SAP are taking into account in FTOP "The World Ocean" for 2008-2012 and in other documents related to the Russian Arctic.

*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 meeting as well as to Senior Arctic Officials and PAME Working Group. Russian NPA-Arctic activity is noted in Salekhard Declaration, SAOs' Report to Ministers, Arctic Marine Strategic Plan and work plan of PAME for 2006-2008. The work of several other 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

- The compatibility of NPA-Arctic that corresponds to related governmental obligations under the Arctic Council, the GPA, different conventions and other pertinent intergovernmental agreements as well as reflection of the national practices needs to be considered by Project Office, and SAP, PINS and EPS WGs. SAP endorsement procedure should accommodate both, national and international practices. NPA-Arctic GEF project developed SAP document incorporating elements of the Federal Targeted Programme (regional interventions matrix with cost estimates and financial sources) keeping at the same time internationally recognized elements of such documents (e.g., causal chain analysis)
- 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 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 to the Arctic regions will provide further impetus to this process. Information on NPA-Arctic and first of all on SAP is planned for SAOs of the Arctic Council. 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***

- Project is executed in the framework of Agency Agreement between Ministry of Economic of the Russian Federation (Trustee) and the Legal Entity "Executive Directorate of the Russian National Pollution Abatement Facility" (Agent), which did not provide a Power of Attorney to the PM for procurement of goods, works and services, including awarding of contracts with Russian and international consultants under the Project, members of task teams and working groups, and leading organizations, etc. and raised additional requirements not specified in the Agreement. Some problems were raised due to new leadership of ED NPAF. This results in delay with payments of consultants contracts, etc. Problems with the Commission for Humanitarian and Technical Assistance under the Government of the Russian Federation also contributes in the delay with sub-projects funding resulting in delay of these projects implementation. Executing Agency is trying and should further try to resolve this issue.
- 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. To establish closer cooperation with regions and industrial companies of all forms of ownership and invite them to participate in PINS working group. Scheduled meetings to the Arctic regions could be useful. The IAWG should have its meetings on a regular basis twice a year as stipulated in the Project Document.

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 of the Project website that helps in the Project publicity: <http://npa-arctic.ru> . The website should become a forum on Arctic environmental issues.

The following disadvantages or weaknesses can be noted:

- Members of interagency working group (IAWG) as a rule are heads of corresponding environmental agencies or top-level representatives of regional administrations with a rather tight schedule and a lot of duties which caused delays in responses from Arctic regions. Contact persons for day-to day communication can be proposed. Representatives of industrial companies in this group are normally the persons who are responsible for environmental issues in their companies and they respond only after getting permission of top managers. This also causes delays in communication.
- Project document, benchmarks, logframe and working plan were designed targeting the whole project duration, which initially planned to be composed of two phases. As result it is rather difficult sometimes to evaluate project progress against the indicated parameters.
- Relatively small involvement at this stage of industrial companies of different ownership in the process. ExA invited several large companies to participate in the Project implementation and to hold negotiations on this issue. Positive responses were received. Representatives of three companies were included in the IAWG.
- 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. Delays with consideration of documents by ExA causes sometimes delays in project implementation. There is also delay in preparation of documentation by PO.
- Complicated relationship with ED NPAF leading officers. Instead of being of some help for the Project ED NPAF leadership impeded in many cases the Project progress by laying down groundless claims and demands for simple bureaucratic procedures.