

STEERING COMMITTEE

UNEP/GEF Project - Russian Federation – Support to the National Programme of Action for the Protection of the Arctic Marine Environment

Third Meeting

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STC 3/2

## **Progress Report on Project Implementation for the Period from May 2007 to March 2009**

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Prepared by:

Project Office

Status:

Approved by StC meeting

## **1. SUMMARY**

The UNEP/GEF Project NPA-Arctic was signed on 18<sup>th</sup> of July 2005 and was officially launched in November 2005. A new Integrated Work Plan was officially adopted by second Steering Committee Meeting at the end of April 2007. The main Project achievements for the reported period were finalisation and approval by 2<sup>nd</sup> and 3<sup>d</sup> meeting of an Inter-Agency work group (IAWG) the SAP document, and distribution of the document among Russian federal and regional authorities, nongovernmental organizations (NGO) and main industrial companies making business in Arctic for comments and co-ordinations. Positive responses were received from most of respondents and all remarks and suggestions considered in the last SAP draft.

An updated list of hot spots for the Russian Arctic was prepared; three tenders for preparation of regional pre-investment studies (PINS) were held and the selection process was completed. Three lead cooperating organizations (LCO) for PINS implementation in western, central and eastern Arctic regions were selected and contracts for all three winners have been prepared and signed. Kick-off meetings were held with all three LCOs. All three contractors started their job in September – October 2008. To date the contractors finished 1<sup>st</sup> stage of PINS implementation in western, central and eastern Arctic regions.

Practical implementation of all three mentioned in the Project Document main demo and pilot projects together with three new pilot projects were started in the period between 2<sup>nd</sup> and 3<sup>d</sup> STC meetings. Two mentioned in the Project Document main demo and one pilot projects has been finalised already. One of the additional pilot projects has been also finalised and fully paid. Two others are in the middle of their implementation.

Project Office launched the third Project component – Development and Implementation of Environmental Protection System (EPS) – actually, in advance of scheduled timing. The implementation of this component had been planned for Phase II of the Project. To date, nearly all EPS consultants had been contracted already and the stage devoted to analysis of legislation of the arctic countries and to identification of gaps in Russian legislation is close to completion.. The EPS component is planned to be finished to the end of October of this year.

One of the other Project achievements was establishing of good working relationship with Arctic regional administrations and non-governmental organizations. Some of them sent their proposals for new demo and pilot projects.

## **2. PROJECT MANAGEMENT**

Project Office ensured that all Project activities are carried out in compliance with the Project design and the instructions of the Steering Committee, Executing and

Implementing Agencies. Detailed quarterly and half-yearly (by 30 June and 31 December each year) reports have been prepared and submitted to UNEP/DGEF by the Project Office in a timely manner.

Financial reports have been prepared by the Project Office in accordance with normal accounting practices and cleared by the Executing Agency prior to its submission to UNEP. Details of expenditures have been reported on an activity-by-activity basis, in line with Project budget codes as set out in the Project Document, as at 31 March, 30 June, 30 September and 31 December of each year using the format given in Annex XVI (Quarterly Expenditures Report) of the Project Document. Project expenditures for 2007 were evaluated by independent auditing company that confirmed that expenditures are in line with Project Document as well as in full compliance with the Russian regulation.

Two UNEP GEF PIR reports for financial year of 2007 and of 2008 have been submitted to UNEP.

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 not only fully designed but they were finalized. In addition, several new demo and pilot projects approved by the 2nd meeting of the Project StC were fully designed; three of them are in the middle of their implementation 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 were considered by PO, TT SAP consultants and on 2d and 3d IAWG meetings and were included into the SAP document third draft. Tenders for PINS (benchmark #3) were prepared and held for 3 Arctic regions (western, central and eastern parts of Russian Arctic) where the PINS should be undertaken. Contracts with all three tender winners were signed and all three contractors started their work. Thus, the aim of the benchmark #3 is also exceeded. TT EPS coordinator and also most of TT consultants were selected and PO together with TT members started the EPS component implementation (benchmark #4). EA in coordination

with IA decided not to attract lead implementing organization for the EPS component implementation on this stage. In this connection, it is necessary to emphasize that the EPS suppose to be started only in the beginning of Phase II of the UNEP\GEF Project.

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

- Organization of the different meetings required by Project Document: Supervisory Council and three IAWG meetings; TT-SAP and WG-SAP meetings; DEMOS-WG meetings; PINS WGs and LCO meetings. An International workshop "Climate Change Impact on Public Health in the Russian Arctic" was organized by PO in cooperation with UN institutions in Moscow. In addition several meetings devoted to discussion of potential small pilot project and conceptual documents for DEMOS were also organised. Packages of documents have been prepared for all above meetings workshops and conferences. Project Manager set up and participated in several workshops in Arctic regions with the purpose of increasing awareness of local authorities, businesses and NGOs with the NPA-Arctic Project, its objectives and targets as well as to collect regional proposals for SAP planned activities and suggestions for PINS and demo/pilot projects. In addition PM participated in about 20 domestic and international meetings, workshops and conferences.
- Selection of leading cooperating organisations (LCO), consultants and service providers: packages of tender and contract documentations to select LCO for 2 demo and 4 pilot projects as well as for 3 regional PINS projects and auditing company were prepared. ToRs were prepared and agreed with both Executing and Implementing Agencies. Project Office in cooperation with both EA and IA held four international and six domestic tenders to select LCO: for two demo projects (BASES-domestic, COMAN-international.), for four pilot projects (CLEANUP, KOLAFJORD, BIOREMEDIATION and TIKSIBAY – all domestic) for three regional PINS (western, central and eastern Russian Arctic – all international) and one for project auditing company (domestic). To select individual consultants for SAP, PINS and EPS Project components one international and ten domestic tenders were also held.
- Participation in demo project implementation: Deputy Project manager participated in implementation of BASES demo project Environmental Remediation of Decommissioned Military Bases on Franz Josef Land Archipelago. It was the first practical activity of the UNEP/GEF Project NPA-Arctic and project management decided by to delegate one of the Project personnel with the purpose of strengthening the demo project

operation team and collection of visual materials for the Project publicity. Based on the video material collected in FJL Archipelago video documentary both in Russian and English have been prepared for IAWG and StC meetings. Russian version of the film has been uploaded already on Project website. English version will be uploaded after 3d StC meeting later on.

- 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. The website maintenance has being fulfilled on the permanent base.
- Other activities:
  - meetings of Executing and Implementing Agencies with the Project office;
  - a meeting of project managers of other UN projects in the Russian Federation implemented in the Russian Arctic;
  - a meeting with Lukoil and Total companies operating in the Russian Arctic
  - PM participated in international conference and Expert round table on development of strategy for adaptation to climate change in Murmansk (Russia).

### **3. STRATEGIC ACTION PROGRAMME (SAP)**

The first official draft of the SAP document is finalised, approved by Executing and Implementing Agencies and by IAWG members on the 2nd IAWG meeting. The SAP document reworked in accordance with IAWG members' recommendations was distributed among Russian federal and regional authorities, NGO and main industrial companies operating in the Arctic. Most responses were positive some of them with valuable comments and recommendations, which were taken into accounts by the SAP TT. However, there were also some comments from several institutions, which required further clarification. Final version of the SAP was discussed at the 3<sup>rd</sup> meeting of IAWG and will be distributed again among federal and regional authorities, s NGO and main industrial companies operating in the Arctic in early April. Diagnostic analysis of environmental problems of the Russian Arctic (DA) and Causal Chain Analysis (CCA) are in process of preparation for publication. At the moment the third draft of the SAP document is translated into English and will be distributed among StC members and interested international experts. DA and CCA are to be ready for publication at the end of the year.

The progress as compared with the Integrated Work Plan is illustrated in the Table below:

\*Present Integrated Work Programme reflects changes approved at the 2<sup>nd</sup> Steering Committee Meeting in April 2007.

**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

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
1.5	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 coordinator 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. 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>	TT co-ordinator/ Manager	February 2006	February 2006	Completed
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 coordinator 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



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
1.7.2.	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 region	Diagnostic analysis considering all environmental aspects of the Russian Arctic incl. causal-chain analysis and prepared according to international standards <i>Output 95 %</i>	TT co-ordinator/ Manager in coordination with ExA and PA	July 2006 – March 2007 Publication – end of June 2007	April-May 2009;	To be published by November 2009
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 70 %</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 now

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
1.7.7.	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. <i>Output 60 %</i>	TT co-ordinator/ Manager in coordination with ExA	Apr. 2007 - Nov. 2008	Constantly	New strategy for public involvement developed and implementation was started in Sept. 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 the SAP.	Project office combines comments received by SAP TT and international SAP reviewer and organizes for translation. <i>Output 100 %</i>	TT co-ordinator/ Manager	Jan. - March 2007	December 2007	Completed
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	September 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
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	December 2008	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 0 %</i>	TT co-ordinator/ Manager	October – Dec. 2007	May 2009	Planned for May 2009
1.15	Endorsement of the SAP by relevant state authorities	Endorsed SAP, ready for approval. <i>Output 0 %</i>	Manager /ExA	December 2007 – March 2008	June 2009	Planned for June 2009
1.16	Adoption of the SAP by the relevant executive authority.	SAP adopted by the relevant executive authority of the Russian Federation. <i>Output 0 %</i>	Manager /ExA	March 2008	October-November 2009	Planned for November 2009

#### **4. PRE-INVESTMENT STUDIES (PINS)**

An update and review of the existing hot spots identified at PDF-B stage in the Russian Arctic are rectified and finalized. An updated list of 100 hot spots has been prepared and a prioritized short list of hot spots (30 hot spots) potential subjects for pre-investment studies implementation has been prepared. Data base with description of Russian Arctic hot spots was prepared and uploaded on the Project website. Call for Expressions of Interest has been published and 9 Russian and international companies have been short-listed and invited for participation in a tender to take a role of leading cooperating organizations for western, central and eastern parts of Russian Arctic. Tender dossier was prepared by the Project Office and Request For Proposals has been sent to short-listed companies. Terms of Reference for this assignment have been approved by IA and EA. Three tenders for preparation of regional pre-investment studies have been carried out and the selection process for lead cooperating organizations was completed. Three lead cooperating organizations with good international reputation for PINS implementation in western, central and eastern Russian Arctic regions have been selected. For two lots (western and central Arctic) there were 5 applications and for the lot for eastern Arctic – three. After intensive negotiations contracts with all three bid-winners were concluded: with Royal Haskoning for western Arctic (Kola Peninsula and Franz Josef Land), with Ramboll Storvik AS for central Arctic (Arkhangelsk Region, Nenets and Yamalo Nenets autonomous regions, Komi Republic) and with ERM Eurasia Ltd for eastern region (Republic of Sakha (Yakutiya) and Chukchi Autonomous Region). When the contracts have been signed kick-off meetings were held in Murmansk, Arkhangelsk and Syktyvkar. All three companies started their activities in above regions and finalized first stages of the assigned contracts.

The progress as compared with the Integrated Work Plan is illustrated in the Table below:

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

NNo.	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. <i>Output 100 %</i>	Manager/ExA	April 2006	May 2006	Completed
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

NNo.	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
2.5	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 prepared and terms of reference for the WG. <i>Output 100 %</i>	WG Co-ordinator / Manager	May 2006	April 2006	Completed.

NNo.	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
2.7	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
2.8.	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

NNo.	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
2.10	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. <i>Output 100 %</i>	WG Co-ordinator / Manager in coordination with PA	Apr. - June 2007	October 2007	Completed
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. 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	August – November 2008	Completed



NNo.	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
2.13.	Investment Forum (Partnership conference)	Investment forum is organised and conducted <i>Output 0 %</i>	Manager in cooperation with ExA and IA	April - June 2008	September-October 2009	Planned for the end 2009
2.14.	Consultations with potential financiers for selected PINS	Consultations with potential financiers for selected PINS are performed\ <i>Output 0 %</i>	Manager in coordination with PINS bid winner	2008 – first half of 2009	Continuous	Consultations with business, EBRD, IFC and others are planned during PINS implementation
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 0%</i>	Manager in cooperation with ExA and IA	September 2008	October 2009	Planned for October 2009

#### 4. ENVIRONMENTAL PROTECTION SYSTEM IMPROVEMENTS (EPS)

EPS component is in practice beginning of the SPA-Arctic implementation. Work under this Project component started ahead of schedule in June this year. To date, all key consultants including TT coordinator are selected and contracts with them were concluded (totaling 10 consultants were hired and 2-3 more consultants are planned to be contracting to fulfill some specific EPS tasks). Working document with basic concept of the Environmental Protection System was prepared, approved by TT and submitted to the 3d IAWG meeting where it was considered. All remarks and suggestions received on the meeting was included in the document. An analysis of environment legislation of all Arctic countries was carried out by TT members. This project component is planned to be finalized to the end of this year. In the original Project Document EPS component implementation was placed in the Second Phase of the Project.

The progress as compared with the Integrated Work Plan is illustrated in the Table below:

##### 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 Team on Implementation of the SAP (TT EP).	Approval of the TT Co-ordinator familiar with the methodology for the implementation of the SAP and with organisations and individuals that might be involved. <i>Output 100 %</i>	Manager/ExA	July – Sept. 2007	August 2008	Completed
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	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
		and 1 representative of the Executing Agency. <i>Output 100 %</i>				
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	August-September 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
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 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>	TT Co-ordinator / Manager	Oct.-Dec. 2007	December 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
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	December 2008	Completed
3.7	Preparation of tender documents for organization to improve EPS Preparation of ToR for the lead cooperating organisation.	ToR for the lead cooperating organisation and tender dossier <i>Output 0 %</i>	TT Co-ordinator / Manager	March 2008	N/A	EA and IA made decision not to attract LCO for this component implementation

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
3.8	Carrying out tender and selection of the organization to improve EPS	As a result of the tender, the lead cooperating organization for the development of the EPS (in general) is selected. Signed contract with this organisation to include terms of reference, expected outputs, work plan, timetable and other details. Contracts with cooperating organisation are concluded. <i>Output 0 %</i>	TT Co-ordinator / Manager	Jan-March 2008	N/A	As above
3.9	Preparation of the report on EPS improvements and its approval by EPS TT	The report on EPS improvements approved by EPS TT <i>Output 0 %</i>	WG and TT Co-ordinators / Manager	Apr.-June 2008	July 2009	Planned for July 2009

## **5. DEMONSTRATION AND PILOT PROJECTS**

**BASES** - demo project (Environmental remediation of Decommissioned Military Bases on Franz-Josef Land Archipelago). A contract with a bid-winner (Non-profit organisation "Polar Foundation") was signed on 29/08/2007. The project was implemented on Nagurskaya Station (Alexandra Land Island, FJL archipelago). The Work deployed from the research vessel "Mikhail Somov" in September 2007. A field report was received by the Project office in December and a photo report was uploaded in the official website of the NPA-Arctic Project (<http://npa-arctic.ru/>). Based on the video material collected in FJL Archipelago video documentary both in Russian and English have been prepared for IAWG and StC meetings. Russian version of the film has been uploaded already on Project website. English version will be uploaded at a later date after finishing 3d StC meeting. To date the project is virtually finalized. Final report had been submitted to PO and EA and sent back to contractor for improvement.

**COMAN** - demo project (Indigenous Environmental Co-management). A contract with a bid-winner (Consortium RAIPON, "BATANI" Fund and GRID-Arendal) was signed on 15/11/2007. The project implementation started straight after the contract has been signed. At the moment the project is finished and finale report endorsed by PO and EA.

**CLEANUP** - pilot project (Remediation of the Environment through the use of Brown Algae). A contract with a bid-winner (OOO "Sirena") was signed on 29/08/2007. Practical implementation of this project started in September 2007. The contractor finished 3rd stage out of four.

**KOLABAY** - pilot project (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). A contract with a bid-winner (Non-profit Organisation Ecologic Foundation "Environmental harmony evolution fund") was signed on 15/11/2007. Works under the project started straight after the contract has been signed. The project was finalised and fully paid in May 2008.

**BIOREMEDIATION** - pilot project (Designing of bioremediation technology for oil sludge and oil contaminated soil in Arctic conditions). A Tender has been held and a contract with a bid-winner (OOO "NAVECOSERVIS") signed. The third stage of the project has been finalized already and report submitted to the PO. 4<sup>th</sup> and 5<sup>th</sup> stages will be finalized during spring and summer this year.

**TIKSIBAY** pilot project (Removing of sunken wood and ship frames from the sea bottom in Tiksi Bay). PO held a

Tender and prepared a contract with a bid-winner (OAO "Seaport of Tiksi"). The contract has been adjusted with both Consultant and Executing agencies, signed and submitted to the Commission for Humanitarian and Technical Assistance under the Government of the Russian Federation to obtain a tax-free status. In the mean time, the contract implementation was started on 1<sup>st</sup> of July and first progress on the bay cleaning has been achieved already. Three stages out of six are finalized to date. Works under this contract can be executed only in warm season.

The progress as compared with the Integrated Work Plan is illustrated in the Table below:

#### Activity 4. Demonstration and Pilot 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	<b>March 2006</b>	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	<b>April 2006</b>	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	<b>April 2006</b>	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.	WG Co-ordinator / Manager	<b>April 2006</b>	October-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>				
4.5	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	<b>May 2006</b>	October 2006	Completed
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	<b>June 2006</b>	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	<b>August 2006</b>	August 21, 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
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	<b>July 2006</b>	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>Output100 %</i>	Manager	<b>August 2006</b>	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	<b>September 2006</b>	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. <i>Output 100 %</i>	WG Co-ordinator / Manager	<b>October 2006</b>	November 2006	Completed
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	<b>November 2006</b>	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	<b>November 2006</b>	August 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
4.14	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	<b>November 2006</b>	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	<b>November 2006</b>	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	<b>October 2006</b>	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	<b>October 2006</b>	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	<b>November 2006</b>	May 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
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	<b>November 2006</b>	October 03, 2007	Completed
4.20	Review of the working document at the First Meeting of the WG BASES, Moscow.	Report of the meeting 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. <i>Output 100 %</i>	WG Co-ordinator / Manager	<b>November 2006</b>	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
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	<b>December 2006</b>	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 100 %</i>	WG Co-ordinator / Manager	<b>January 2007</b>	October 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	<b>April 2007</b>	October 2008	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	<b>February 2008</b>	December 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
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 – 50%	Manager	Third-fourth quarter of 2007	April 2009	Planned for April 2009
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	Planned for 3 <sup>rd</sup> quarter of 2009

As it was stated in the initial Project Document several additional demonstration and pilot projects will be designed by the PO in close cooperation with local administrations with purpose of possible expansion of the donor base for the Project. A number of projects were introduced at the second meeting of the Steering Committee and approved conceptually. As mentioned above, one of the approved projects has been finished already and two more are under implementation process. These three projects are not listed below.

*List of new demonstration/pilot projects to be implemented in future under UNEP/GEF Project (if donors' fund are available):*

**1. Disposal in environmentally sound manner of outdated RITEGs at the Arctic coast of Republic of Sakha (Yakutiya) and Chukchi autonomous okrug.** The RITEGs are special devices developed to transform thermal energy from decay of radioactive material (strontium-90) into electricity. Main objectives of the project is to demonstrate safe approaches for collection, interim storage, transportation and final disposal/recycling of the RITEGs in the Republic of Sakha (Yakutiya) and Chukotsky AO in line with requirements of radiation safety. The project is

planned to be financed from GEF funds

**2. Localisation and removal from a thermokarst crater two radioisotope thermoelectric generators (RITEGs) of GONG type at the Kondratyev navigation beacon site (Sakha (Yakutiya) Republic, Ust-Yanskiy Ulus).** This 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. The project is to be funded in the framework of the UNEP/EPA Agreement. The Agreement is in process of finalization and should enter into force during 2<sup>nd</sup> quarter of 2009.

**3. Processing of associated gas and use for heat supply in Konda Region of Khanty-Mansiysk AO.** Main objectives of the project is utilization of associated natural gas (ANG) with the purpose of supplying of the ANG processing products to meet the needs of Konda and October districts to reduce the cost of heat supply for the Konda region population. The project was planned to be funded in the framework of the UNEP/EPA Agreement. Currently this project is under implementation and should be removed from the list of UNEP/GEF projects.

**4. Increasing the efficiency of electrostatic precipitators at Arkhangelsk pulp and paper mill.** This project was approved by the 2<sup>nd</sup> meeting of the Steering Committee. Objectives: to reduce emissions from electric filters in use at the Novodvinsk PPC with the purpose of improving the environment in Archangelsk Oblast. In addition, the project can be used as a model for increasing the efficiency of electric filter at PPMs elsewhere. The project was planned to be funded in the framework of the UNEP/EPA Agreement. It is proposed to replace this project by new one.

**5. Complete salvation and utilisation of the 12 remaining ships at the dumping site "Lavna".** This project was approved by 2<sup>nd</sup> meeting of the Steering Committee. Objectives of this Project is to remove all remaining vessels and other debris from the Lavna dumping site and serve for its safe and environmentally safe recycling (since almost half of them were removed and utilised in 2005 and it would be positive to have a whole dumping site completely eliminated). The project is to be funded in the framework of the UNEP/EPA Agreement with co-financing from NEFCO. It is proposed to replace this project by new one.

**6. Salvation and scrapping of the hunting ship "Teriberka".** This project was approved by the 2<sup>nd</sup> meeting of the Steering Committee. Objectives of this Project is to remove the hunting ship "Teriberka" from the bottom of the Kola Fjord followed by total recycling together with its load, in an environmentally safe way (due to its location in the mid of the fairway close to the surface). NEFCO financed feasibility study of this project,



New projects to be financed from donors and UNEP/GEF funds:

**1. *Destruction of 200 tones of obsolete and prohibited pesticides*** The objective of the project is 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. Special document will be prepared on this subject.

**2. Environmental remediation of the decommissioned military bases on Franz Joseph Land Archipelago (DEMO-BASESII)**

Franz Joseph Land (FJL) is an archipelago, consisting of about 200 islands with a total area of 16,090 km<sup>2</sup> with 85% of which is covered by ice, situated in the northeast part of the Barents Sea in the western Russian Arctic. Above 80°N, it is the northernmost landmass of Eurasia. The archipelago is home to populations of polar bear and its birth base and hosts globally significant populations of breeding shorebirds and waterfowl during the summer. The marine waters adjacent to the archipelago hold major populations of marine mammals, including narwhal and other cetaceans, walrus, and Arctic species of sea lion and seals.

Beginning primarily in the 1960s, the USSR built a number of hydrometeorological, research, and defense facilities on Franz Josef Land, including air bases on the Alexandra Land, Heiss Island, Graham Bell Island and others. However, with the break-up of the USSR, almost all these facilities were closed down, and because of the prohibitive expenses connected with operations in the harsh conditions of the Arctic North, large stores of equipment and materials have not been removed from sites throughout the archipelago. As many as 50,000 tons of oil products and lubricants in drums and tanks have been abandoned, including waste oils and several million metal drums containing fuel and lubricant residues. Also polychlorinated biphenyls (PCBs) may remain in significant quantities in aircraft engines left at decommissioned air bases. Most of those abandoned materials are currently left without proper control and monitoring and without safe disposal.

Russia wants to remove these dangerous contaminants from Franz Josef Land, clean-up the land areas contaminated by defence and research activities during the 1970s and 1980s, and turn large portions of the archipelago into a national park under civilian control, administered by the regional government in Arkhangelsk Oblast. In September 2007, as part of this process, an expedition organized under the GEF-UNEP project "Russian Federation – Support to the National

Programme of Action for the Protection of the Arctic Marine Environment" conducted preliminary investigations and testing of remediation technologies on the Alexandra Land. The expedition began initial investigations of contaminant concentrations at the site of the air base; tested safe technologies for disposal of drums containing oils, lubricants, and fuels and for conservation of PCB-containing equipment; and conducted microbial bioremediation clean-up at the selected test site.

The Cooperative Agreement will be used for site characterization and other studies that can identify the technically most effective clean-up activities at the least cost as well as for development of strategic planning, remediation guidelines, project designs, and other project documentation for large-scale clean-up operations on the Alexandra Land. These activities will lay a solid basis for subsequent clean-up activities on Franz Josef Land Archipelago, which will take place with support from other donors to the GEF-UNEP project. It is expected that initial activities funded by this Cooperative Agreement will lead to substantial investments in environmental remediation on Franz Josef Land in the out years of the GEF-UNEP project.

Project outcomes: In out-years, removal of tons of waste oils, fuels and lubricants from the Alexandra Land and other islands, safe re-cycling and re-use of PCB-containing equipment and PCB stores, and clean-up of selected contaminated sites, in accordance with the further development of the GEF-UNEP project on Franz Josef Land.

**3. Environmental remediation of the decommissioned military base in Arkhangelsk region (project proposal will be sent additionally)**

**4. New pilot project aimed at mitigation of risks associated with transportation of petroleum products in Barents and White seas (project proposal will be sent additionally)**

## CONCLUSIONS

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 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. Final draft of new version of RPA noted: "The Russian National Programme of Action (Russian NPA – Arctic) has also made progress in its work since its approval in 2001". 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 incorporated. Provisions of draft SAP were used in the preparation of Russian proposals for the PSI of the Arctic Council.

Follow-up action: Establish closer co-operation with existing initiatives, in particular with ACAP activities.

- 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 decided to develop SAP document incorporating elements of the Federal Targeted Programme 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 was 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.

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***

- Project is executed in the framework of Agency Agreement between Ministry of Economic Development 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 management of ED NPAF. This results in delay with payments of consultants contracts, etc. To date the problem is eliminated and good working relationships are established between PO and new ED NPAF management. The other problem resulted from necessity to obtain the tax-free status for every sub-project of UNEP/GEF Project (demo and pilot projects, audit, PINS projects, etc.). The Commission for Humanitarian and Technical Assistance under the Government of the Russian Federation has its meeting on irregular basis - once in three months (last year – once in six months). This lead to delay with each project commencing in three months at least after signing contract. The Russian Federation government has changed the regulations for issuing the tax-free status certificates for international institutes operating in the Russian Federation but new procedure was not defined yet. Under such circumstances it was impossible for PO to pay to the companies/organisations, which are involved in sub-projects implementation but do not have tax-free status in accordance with Russian federal law.

Follow-up action: 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.

Follow-up action: To establish closer cooperation with regions and industrial companies of all forms of ownership. 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 and maintenance 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 (IWG) 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.
- 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 IWG. However negotiations on co-financing have not been hold yet. Involvement of industrial companies in PINS component is planned.
- 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.