



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

**Half-Yearly Progress Report
of the Project Activities for the period from 01 January 2009
to 30 June 2009**

**Project Office in Moscow
[June 30, 2009]**

Half-Yearly Progress Report of the Project Activities for the period from 01 January 2009 to 30 June 2009

Prepared: by Project Office

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HALF-YEARLY PROGRESS REPORT

As of 30 June 2009

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

Division/Unit: UNEP/DGEF

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

Reporting Period (the six months covered by this report): January 2009 – June 2009

I. SUMMARY

During reported period Project Office (PO) finalised work with the third draft of the Strategic Action Programme (SAP) which have been approved by third and fourth meetings of Interagency Work Group (IAWG) in Moscow and by third meeting of the Project Steering Committee (StC) In Helsinki. All final remarks and suggestions received from federal and regional authorities as well as from NGO and businesses were thoroughly considered by the PO and SAP Task Team (TT) and the SAP document was reworked and reformatted taking into account all above remarks and suggestions. It was also reworked in accordance with Russian standards imposed for strategic documents of such kinds. The final SAP document was approved by the Maritime Board at the Government of the Russian Federation, the highest-level body of the government in charge of coordinated efforts of federal enforcement authorities in the field of maritime activities, investigation and exploration of the World Ocean, Arctic and Antarctic. The Maritime Board at the Government of the Russian Federation recommended the SAP-Arctic for further promotion to the relevant governmental bodies. The SAP-Arctic is a strategic framework document that sets the goals, tasks, principal activities and targets in the area of protecting Arctic environment for the period up to 2020 including the prevention and abatement of the environmental pollution caused by transboundary pollutant transfer, oil, chemical, and radioactivity contamination; preservation and improvement of the quality of environment and conditions for traditional nature use by indigenous people of the North; and the prevention and reduction of negative consequences of natural and human-caused disasters, including those caused by global climate change. Implementation of the pre-investment studies (PINS) component has been successfully continued in all three selected regions: western, central and eastern Russian Arctic. To date, the PINS contractor for west Arctic finished first and second stages and works on third stage, the PINS contractors for central and east Arctic finished first stage and works on second stage stipulated by their contract timetables., The third Project component – Development and implementation of Environmental Protection System (EPS) which launched by the Project Office ahead of schedule (the implementation of this component had been planned in the original Project Document for the Project Phase II) has been also successfully progressed. To date a work on analyses of International environmental legislation is finished and all consultants have focussed their efforts on suggestions for improvement of legal framework in the field of environment protection in Russian Arctic. Two mentioned in the Project Document main demo (COMAN and BASES) projects have been successfully finalised and a pilot CLEANUP project is in a stage of final reporting. Two small pilot projects PILOT-BIOREMEDIATION and PILOT-TIKSI which were approved by the 2nd Steering Committee are also in their final stage.

Key project achievements for the reporting period are as follows:

SAP component. Several SAP TT meetings were held by PO with the purpose of addressing the comments received from official authorities on distributed SAP document. All remarks and comments obtained from Russian federal and regional authorities, NGO and main industrial companies operating in the Arctic were thoroughly considered. Third and fourth drafts of the SAP document were considered on two IAWG meetings in February and May 2009 in Moscow and on StC meeting held in Helsinki in March 2009. A final release of the SAP document was submitted by Executing Agency (EA) for approval to Expert Advisory Body of Maritime Board at the Government of the Russian Federation and then to the Maritime Board at the Government of the Russian Federation where it was approved and recommended for further promotion to the relevant governmental bodies. Diagnostic analysis of environmental problems of the Russian Arctic (DA) is under preparation for publication.

PINS component. The PINS component implementation is ongoing process in all three selected regions: western (lead by Royal Haskoning), central (lead by Rambøll Storvik AS) and eastern (lead by ERM Eurasia Limited) parts of Russian Arctic. To date, Royal Haskoning (western Arctic) finalised second stages of its studies and submitted report with concepts of thirteen investment projects for consideration. The report send for approval to EA where it is still pending The other two PINS contractors - Rambøll Storvik AS (central Arctic) and ERM Eurasia Limited (eastern Arctic) finished first stages and set to work on second stages stipulated by their contract plans.

EPS component. Work under this Project component started ahead of schedule in 2008. In the original Project Document EPS component implementation was placed in the Second Phase of the Project. To date, Task Team for EPS component implementation finalised two stages of its planned work with the following outcome: 1) working document which includes 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; 2) a comprehensive review (report) on environmental legislation of Arctic states: possibilities of its use for environment protection in Arctic zone of Russian Federation. The TT entered at the moment its third stage of the EPS component implementation. To date, a draft concept of Report to the Government of the Russian Federation with proposals on elimination of gaps in Russian environmental legislation with regard to Russian Arctic zone using certain provisions of Arctic states legislations has been prepared. This project component is planned to be finalized to the end of 2009.

Demonstration projects component.

BASES - demo project (Environmental remediation of Decommissioned Military Bases on Franz-Josef Land Archipelago). The project was implemented by non-profit organisation “Polar Foundation” on Nagurskaya Station (Alexandra Land Island, FJL archipelago). Field works was fulfilled in September 2007 from board of the research vessel “Mikhail Somov” and in September 2008 – a team was conveyed to Alexandra Land by aircraft. A field photo report was uploaded in the official website of the NPA-Arctic Project. Based on the filmed results of field experiment a video documentary has been prepared in both Russian and English. The video was demonstrated to the IAWG and StC

members and both versions were uploaded in the official NPA-Arctic Project website (<http://npa-arctic.ru/>). To date the demo project had been finalized and a final report submitted to EA. A second Phase of the project has been approved by the last meeting of the Project StC and project proposal for the FJL phase II, tender dossier and ToR are already available. Field works on FJL archipelago are planned for the navigation period of 2009-2010. The project FJL BASES-II will be partially funded by US EPA..

CLEANUP – pilot project (Remediation of the Environment through the use of Brown Algae). A contract with a bid-winner (“Sirena Ltd”) was signed on 29/08/2007. Practical implementation of this project started in September 2007, 1st stage finished in October 2007. A field report was received by the Project office in December and a photo report was uploaded on the official NPA-Arctic Project website (<http://npa-arctic.ru/>). 2nd stage was finished in March 2008 and 3rd stage – in November 2008. At the moment the project is at the stage of final reporting.

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 immediately after the contract has been signed. To date the project is totally completed. A final report was submitted to the PO in the middle of February and approved by EA. An English version of final report has been also prepared and in the nearest future will be forwarded to UNEP. The most important results have been published and uploaded at official websites of the Project and the Batani Fund: <http://www.batanifund.org>

BIOREMEDIATION - pilot project (Designing of bioremediation technology for oil sludge and oil contaminated soil in Arctic conditions). A contract for the pilot project implementation was concluded with a bid-winner “NAVECOSERVIS Ltd.”. The project has been actually finalized and is at the final reporting stage. An international seminar on the project results “Development of new technology for bioremediation of Arctic land sites polluted with oil products” was held in Murmansk in the middle of June. A concept of a large scale project based on the obtained results has been prepared to be included in the list of investment projects for the western Arctic.

TIKSIBAY pilot project (Removing of sunken wood and ship frames from the sea bottom in Tiksi Bay). The pilot project has been implemented by the OOO “Seaport of Tiksi”. A prolongation of the project (TIKSIBAY-2) at the expense of donor’s funds (Iceland) was approved on the 3rd StC session. A project proposal has been approved by EA and StC members. Project document for the phase II, tender dossier and ToR are already available.

New demo and pilot projects approved by the third meeting of StC in Helsinki.

In accordance with 3rd StC meeting decisions PO prepared and submitted to EA several demo/pilot project proposals in May where they are pending a favorable decision. Among them:

1. **ONEGA-BASE**. Environmental remediation of the decommissioned military base in Pokrovskoe settlement, Onezhsky District of Arkhangelsk region;
2. **TIKSIBAY-2**. Removing of sunken wood and ship frames from the sea bottom in Tiksi Bay. Phase 2;
3. **TRAINING**. Russian experts advanced training in safe handling of hazardous wastes including labour and health protection items;
4. **BASES-FJL-2**. Environmental remediation of the decommissioned military bases on Franz Joseph Land Archipelago. Phase 2;
5. **PESTICIDES**. Demo project on obsolete and prohibited pesticides destruction in Russian Federation;
6. **RITEG-KONDRATIEV**. Localisation and removal from a thermokarst crater of two radioisotope thermoelectric generators (RITEGs) of GONG type at the Kondratiev navigation beacon site in Ust'-Yanski Ulus of Republic of Sakha (Yakutia);
7. **RITEG- VRANGEL**. Localisation and removal from sea of radioisotope thermoelectric generator (RITEG) in Rogers Bay, Vrangeli island, Chukotsky AO.
8. **TERIBERKA**. Salvation and scrapping of the hunting ship "Teriberka". The project supported by NEFCO and Murmansk administration.

Meetings and conferences. During the reported period PO prepared and held a number of meetings and conferences: meetings with regional authorities, meetings with key representatives of the lead cooperating organizations (LCO) for PINS implementation in western, central and eastern Russian Arctic regions and stakeholders, TT SAP and TT EPS meetings. The most important of the above meetings prepared by the PO were: two IAWG meetings held in Moscow on 27 of February and on 21 of May 2009 and StC meeting held in Helsinki on 25-26 of March 2009.

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

The main activities to be performed for the next reporting period (July - December 2009) are as following:

- To translate in English the final version of SAP document.

- To complete the PINS components implementation in the western, central and eastern sectors of the Russian Arctic;
- To complete implementation of the demo and pilot projects: CLEANUP and TIKSIBAY
- To complete an implementation of EPS component of the UNEP/GEF Project in a line with IWP;
- To complete tender and contract documentation for new demonstration and pilot projects approved by the Project Steering Committee; to sign contracts with leading organizations and to start the projects implementation;
- To prepare project documents and tender documentation for new demonstration and/or pilot projects to be submitted to the Project Steering Committee;
- To prepare for publication a summarized version of the Diagnostic Analysis in Russian and English and to distribute them widely on the web and in a hard copy.

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

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

Activity I. Strategic Action Programme (SAP)

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

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

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency *	Set in IWP target date	Actual date of completion or date to be completed if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
	region	standards <i>Output 95 %</i>	ExA and PA	end of June 2007		
1.7.5.	Causal chain analysis	Report on causal chain analysis with recommendations. <i>Output 100 %</i>	TT co-ordinator/ Manager in coordination with ExA and IA	March 2007	November 2007	Completed
1.7.6.	Stakeholder analysis and development of public involvement	Stakeholder perception survey report and draft public involvement plan. <i>Output 60 %</i>	Manager in coordination with ExA and PA	Regional reports ready by 15 th June 2007; PPS is ready by 20 th Jul 2007	October 2009	Initially planned to be executed by ACOPS (only 2 regional reports were completed). PO has a lead now
1.7.7.	Information to stakeholders and communication strategy to public on project results	Specific public awareness actions (round tables, TV broadcasting, newspapers, internet and other public activities) for all Arctic regions.	TT co-ordinator/ Manager in coordination with ExA	Apr. 2007 - Nov. 2008	Constantly	New strategy for public involvement developed and implementation started in September of 2008
1.8	Preparation of the first draft of the SAP	The first draft of the SAP prepared in accordance with the conclusions and recommendations elaborated at the First Meeting of the TT. <i>Output 100 %</i>	TT co-ordinator/ Manager	Dec. 2006	August 2007	Completed
1.9	Review of the first draft of the SAP	SAP TT reviews the first draft of SAP and provides written comments. SAP document is translated and reviewed by the international SAP consultant. <i>Output 100 %</i>	TT co-ordinator/ Manager in coordination with ExA	Jan. - March 2007	September 2007	Completed
1.10	Preparation of the second draft of the SAP.	Project office combines comments received by SAP TT and international SAP reviewer and organizes for translation.	TT co-ordinator/ Manager	Jan. - March 2007	December 2007	Completed

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

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency *	Set in IWP target date	Actual date of completion or date to be completed if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
	parties for presentation, discussion and popularization of the SAP	the SAP as the first major outcome of the Project. <i>Output 100 %</i>				

Activity 2. Pre-investment studies (PINS)

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

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

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency *	Set in IWP target date	Actual date of completion or date to be completed if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
2.7	Update and review of the existing hot spots identified at PDF-B stage	Update (data collection), review and analysis of the situation with hot spots <i>Output 100 %</i>	WG co-ordinator / Manager in coordination with PA	Jan. - June 2007	July 2007	Completed
2.7.1	Development and uploading into the Project website a data base for Russian Arctic Hot Spots	Russian Arctic Hot Spots data-base developed and uploaded into the Project official website: http://npa-arctic.ru/rus/hs/hs_list_ru.html <i>Output 100%</i>	Manager/ Deputy manager		December 2008	Completed
2.8.	Preparation of Guidelines on conduction of pre-investment studies	Guidelines for conducting the pre-investment studies (methodology and procedures) <i>Output 100%</i>	WG co-ordinator / Manager in coordination with PA	June 2007	August 2007	Completed
2.9	Development of criteria for selection of hot spots for which PINS will be prepared, on the basis of comments given at the First Meeting of the WG.	Criteria for selection of hot spots for which PINS will be prepared, which will include criteria for taking into account environmental, economic, social, and other aspects in the process of selection. <i>Output 100 %</i>	WG Co-ordinator / Manager in coordination with PA	Apr. - June 2007	August 2007	Completed
2.10	Hot spots screening and selection. Preparation of the list of potential pre-investment studies.	On the basis of the work done on analysis of environmental hot spots in the PDF B GEF Project, the hot spots identified in the NPA-Arctic and submitted by federal and regional authorities, the list of potential pre-investment studies will be prepared. Using the adopted criteria for selection, about 8-10 hot spots will be selected for which PINS will be prepared. The Report of the Second Meeting will include selected hot spots and the rational 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	Tender for the selection of three lead cooperating organizations for conducting PINS (for the western,	WG Co-ordinator / Manager in	July – Sept.	January 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
	three lead cooperating organisations.	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>	coordination with PA	2007		
2.12	Selection of three lead cooperating organisations for the conduction of PINS in west, east and centre parts of Russian Arctic. Concluding the contracts with bid-winners	On the basis of the tender and criteria adopted by the Executing Agency, three lead cooperating organisations are selected. Contracts are concluded that includes schedule of payments. <i>Output 100 %</i>	WG Co-ordinator / Manager	September 2007	April 2008	Completed
2.12.1	Contract maintenance for the conduct of PINS for the west part of the Russian Arctic (PINS-West) by the OOO Haskoning Consultants, Architects and Engineers	A set of environmental investment projects for the west part of the Russian Arctic. <i>Output 50 %</i>	PINS-West Project leader/ Manager / EA	November 2009	November 2009	To be completed in November 2009
2.12.2	Contract maintenance for the conduct of PINS for the east part of the Russian Arctic (PINS-East) by the ERM Eurasia Limited	A set of environmental investment projects for the east part of the Russian Arctic. <i>Output 40 %</i>	PINS-East Project leader/Manager/ EA	December 2009	November 2009	To be completed in November 2009
2.12.3	Contract maintenance for the conduct of PINS for the central part of the Russian Arctic (PINS-Centre) by the Ramboll Storvik AS	A set of environmental investment projects for the central part of the Russian Arctic. <i>Output 50 %</i>	PINS-Centre Project leader/Manager/ EA	November 2009	November 2009	To be completed in November 2009

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency *	Set in IWP target date	Actual date of completion or date to be completed if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
2.13.	Investment Forum (Partnership conference)	Investment forum is organised and conducted <i>Output 0 %</i>	Manager in cooperation with ExA and IA	April - June 2008	May-June 2010	Planned for May-June 2010
2.14.	Consultations with potential financiers for selected PINS	Consultations with potential financiers for selected PINS are performed\ <i>Output 30 %</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 January 2010

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	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
		Improvements). It is envisaged that the TT will be composed of 10 Russian and 3 international consultants and 1 representative of the Executing Agency. <i>Output 100 %</i>				
3.3	Preparation of the consultancy contract with the TT Co-ordinator.	Signed contract with the TT Co-ordinator, including duties, outputs, work plan, timetable and other details. <i>Output 100 %</i>	Manager/ExA	July – Sept. 2007	August-September 2008	Completed
3.4	Preparation of consultancy contracts with TT members.	Signed contracts with TT members, including duties, outputs, work plan, timetable and other details, to be discussed with the potential consultants and signed subsequently. <i>Output 100 %</i>	TT Co-ordinator / Manager	July – Sept. 2007	January 2009	Completed
3.5	Preparation of the working document to be considered at the First Meeting of the TT.	Working document to include basic concept of the Environmental Protection System (EPS); overview of priority improvements in environmental protection mechanisms for which the need was identified during work on the NPA-Arctic and PDF B GEF Project; proposals for the establishment of three WGs subordinate to the TT, including proposals for the respective Co-ordinators, tasks on EPS improvement in general and in all three 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,	TT Co-ordinator / Manager	Oct.-Dec. 2007	December 2009	Completed

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency *	Set in IWP target date	Actual date of completion or date to be completed if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
		amended and adopted by the First Meeting of the TT. <i>Output 100 %</i>				
3.6	Review of the working document at the First Meeting of the TT, Moscow.	Report of the meeting to include basic concept of EPS; overview of priority improvements in environmental protection mechanisms for which the need was identified during work on the NPA-Arctic and PDF B GEF Project; and proposals for the establishment of three WGs subordinate to the TT, including proposals for the respective Co-ordinators, tasks on EPS improvement in general and in all three directions for lead cooperating and participating organisations, outputs, work plan, timetable and other details. Report is also to contain terms of reference for the TT, including outputs, work plan, timetable and other details; the role of the co-ordinator of the TT and its members; as well as the role of cooperating and participating organisations. <i>Output 100 %</i>	TT Co-ordinator / Manager	Jan-March 2008	January 2009	Completed
3.7	Preparation of the report on EPS improvements and its approval by EPS TT	The report on EPS improvements approved by EPS TT <i>Output 35 %</i>	TT Co-ordinators / Manager	Apr.-June 2008	June 2009	August 2009
3.8	Preparation of the final report on EPS improvements	The report to the Russian Government is prepared and approved by TT EPS and EA	TT Co-ordinators / Manager	December 2010	December 2010	To be completed in December 2009

4. Demonstration Projects (DEMOS)

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

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

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency	Set in IWP target date	Actual date of completion or date to be completed if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
4.12	Proposals for and selection of the Co-ordinator of the WG on the Environment Remediation in the areas of Two Decommissioned Military Bases (WG BASES).	Approval of the WG Co-ordinator familiar with the methodology for the environment remediation in the areas of two decommissioned military bases as well as of organisations and individuals that might be involved. <i>Output 100%</i>	Manager /Executing Agency	November 2006	August 2006	Completed
4.13	Proposals for and selection of WG the BASES members.	Approval of the WG members to cover various aspects of this demonstration project. <i>Output100 %</i>	ExA/Manager	November 2006	August 2006	Completed
4.14	Preparation of the contract with the WG BASES Co-ordinator.	Signed contract with the WG Co-ordinator, including duties, expected outputs, work plan, timetable and other details. <i>Output 100 %</i>	ExA/Manager	November 2006	October 2006	Completed
4.15	Preparation of contracts with the WG BASES members.	Draft contracts, including duties, expected outputs, work plan, timetable and other details, to be discussed with the potential consultants and signed subsequently. <i>Output 100 %</i>	WG Co-ordinator / Manager	November 2006	November 2006	Completed
4.16	Preparation of the working document to be considered at the First Meeting of the WG COMAN.	Working document to include basic concept of the environmental co-management method for extracting companies and indigenous peoples of the North; overview of relevant needs identified during the work on the NPA-Arctic and PDF B GEF Project; draft terms of reference for the WG, including expected outputs, work plan, timetable and other details; the role of the co-ordinator of the WG and its members; the role of the lead cooperating organisation. This document is to be considered, amended and adopted by the First Meeting of the WG. <i>Output 100 %</i>	WG Co-ordinator / Manager	October 2006	December 2006	Completed
4.17	Preparation of the working document to be	Working document to include basic concept of the environmental remediation method for the areas of	WG Co-ordinator / Manager	October 2006	April 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
	considered at the First Meeting of the WG BASES.	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>				
4.18	Review of the working document at the First Meeting of the WG COMAN, Moscow	Report of the meeting to include basic concept of the environmental co-management method for extracting companies and indigenous peoples of the North; overview of relevant needs identified during the work on the NPA-Arctic and PDF B GEF Project; terms of reference for the WG, including expected outputs, work plan, timetable and other details; the role of the co-ordinator of the WG and its members; the role of the lead cooperating organisation. <i>Output 100 %</i>	WG Co-ordinator / Manager	November 2006	May 2007	Completed
4.19	Preparation of ToR and conduct of the tender and preparation of the contract with the lead cooperating organisation for Indigenous Environmental Co-Management	ToR is prepared. Signed contract with the lead cooperating organization (which won the tender) to include ToR, expected outputs, work plan, timetable, schedule of payments for the contract and other details. <i>Output 100 %</i>	WG Co-ordinator / Manager	November 2006	October 03, 2007	Completed
4.20	Review of the working document at the First Meeting of the WG 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	WG Co-ordinator / Manager	November 2006	July 2007	Completed

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

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
4.26.	Preparation of project documentation for pilot projects	Project documents for pilot projects are ready Output – 100 %	Manager	Second - third quarter of 2007	1 st -2 nd quarters of 2008	Completed
4.27.	Contracting companies on selected pilot projects (preparation of tenders where applicable)	Contracts with companies on selected pilot projects are concluded Output – 90%	Manager	Third-fourth quarter of 2007	3-4 quarters of 2008	Planned for July of 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 4 th quarter of 2009

As it was stated in the initial Project Document several additional demonstration and pilot projects would be designed by the PO in close cooperation with local administrations with purpose of possible expansion of the donor base for the Project. A number of projects were introduced at the third meeting of the Steering Committee and approved conceptually. At the moment proposals for new demo and pilot projects are ready and three of them approved by the Executing Agency and StC members.

List of new demonstration and pilot projects prepared for approval by the Steering Committee members to be implemented till the end of Phase I under UNEP/GEF Project:

1. BASES-ARKHANGELSK. Environmental Remediation of the Former Military Site near Pokrovskoye (Onezhsky District of Archangel Region of Russian Federation). The purpose of this demo project is to demonstrate a cost-efficient methodology of an environmental remediation of disused military sites and handover thereof to civil use. This first case can then be used for remediations of chemically contaminated areas in coastal areas at a larger scale and consequently diminishing the impact of Russian sites on the international Arctic waters. Approved by StC members.

2. TIKSIBAY-2. Removing of sunken wood and ship frames from the sea bottom in Tiksi Bay. Phase 2. The pilot project objectives is finalisation of cleaning works started during Phase 1 of the demo project and fulfilment of basic hydro-biogeochemical survey with the purpose of understanding of the ecological situation in the Tiksi bay follow up by methodological recommendations for its remediation. Fully supported by Iceland. Approved by StC members.

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

4. BASES-FJL-2. Environmental remediation of the decommissioned military bases on Franz Joseph Land Archipelago. Phase 2. This demo project addresses serious environmental security threats posed by large contamination sources located at three abandoned military sites in Franz Josef Land. Basing on the Phase 1 outcomes the project objective is to develop prototype demonstration projects that will address these contamination threats and reveal in practice the whole chain of operations for collection, cleaning, compaction of metal drums follow up with safe destroying of hazardous contents of the drums and removing them from archipelago with subsequent recycling in mainland. Partially supported by EPA USA

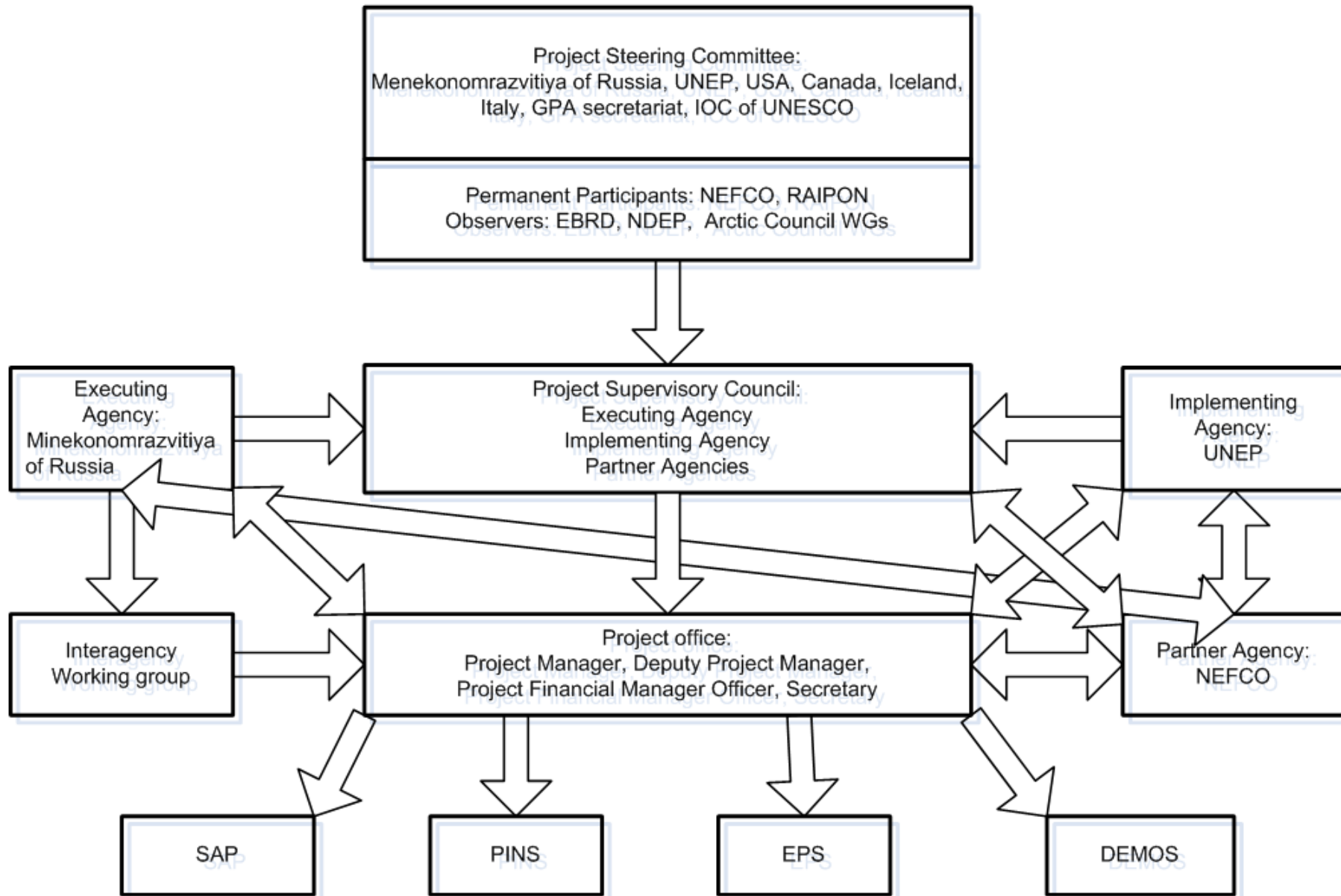
5. PESTICIDES. Demo project on obsolete and prohibited pesticides destruction in Russian Federation. The objective of the demo project is to demonstrate elimination of outdated pesticides, which includes repackaging of pesticides into the UN-approved bags, transportation of pesticides to the incineration place, obtaining permits for transportation and temporary storage, equipment evaluation for the environmentally sound destruction of pesticides, chemical analyses of pesticides designated for destruction; monitoring and evaluation of air emissions and discharges and similar activities. Special document will be prepared on this subject and sent to the StC members. Partially supported by EPA USA

6. RITEG-KONDRATIEV. Localisation and removal from a thermokarst crater of two radioisotope thermoelectric generators (RITEGs) of GONG type at the Kondratiev navigation beacon site in Ust'-Yanski Ulus of Republic of Sakha (Yakutia). This project was approved by the 2nd meeting of the Steering Committee. Objectives: to determine the depths of two RITEGs which are buried near Kondratyev navigation beacon site and to dig up both RITEGs from a thermokarst crater to the surface for following removal to the special storage. Project document, tender dossier and ToR are prepared by the Project Office.

7. RITEG- VRANGEL. Localisation and removal from sea of radioisotope thermoelectric generator (RITEG) in Rogers Bay, Vrangel' island, Chukotsky AO. 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 RITEG located in Vrangel island, Chukotsky AO in line with requirements of radiation safety. Project document, tender dossier and ToR are prepared by the Project Office.

8. TERIBERKA. Salvation and scrapping of the hunting ship "Teriberka". This pilot project was approved by the 2nd meeting of the Steering Committee and confirmed by the 3rd meeting of StC. 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). The project supported by NEFCO and Murmansk administration. Project will be fully financed by Russian Government within Federal Target Program "World Ocean".

III.1. PROJECT ADMINISTRATION AND CO-ORDINATION



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

Functional Title (position)	Name (Nationality)	IWP taskline	Budget line / Amount (USD)	Person months	Person months used to date
Project Manager	I.Senchanya (RUS)	All tasks	1101/ 4625	6	6 27 132
Project Deputy Manager	S. Tambiev (RUS)		1102/2500	6	6 15 290
Project Financial Management Officer	G. Zaytseva (RUS)		1103/3250	6	6 20 157
Lead Russian Consultant, EPS, WG	A. Solovyanov (RUS)	3.5-3.7, 3.9	1234/3900	3	3 11 552
Russian Consultant, EPS, WG	M. Brinchuk (RUS)	3.5-3.7, 3.9	1235/3300	2	2 6 598
Russian Consultant, EPS, WG	I. Abalkina (RUS)	3.5-3.7, 3.9	1236/3300	1	1 3 299
Russian Consultant, EPS, WG	V. Berdin (RUS)	3.5-3.7, 3.9	1237/3300	1	1 3 299
Russian Consultant, EPS, WG	A. Vylegzhanin (RUS)	3.5-3.7, 3.9	1238/3300	1	1 3 299
Russian Consultant, EPS, WG	E. Vylegzhanina (RUS)	3.5-3.7, 3.9	1239/3300	2	2 6 598
Russian Consultant, EPS, WG	T. Petrova (RUS)	3.5-3.7, 3.9	1240/3300	1	1 3 299
Russian Consultant, EPS, WG	G. Semanov (RUS)	3.5-3.7, 3.9	1241/3300	1	1 3 299
Russian Consultant, EPS, WG	A. Tranin (RUS)	3.5-3.7, 3.9	1242/3300	1	1 3 299
Russian Consultant, Project Advisor	B. Melnikov (RUS)		1245/3300	6	6 19 694
Project Secretary	L. Anashkina (RUS)		1302/1250	6	6 8 073

Functional Title (position)	Name (Nationality)	IWP taskline	Budget line / Amount (USD)	Person months	Person months used to date
Admin/legal Support Project Assistant Management	E. Chikhareva		1303/2500	3	3.....7 386
TOTAL				46	46 142 274

III.3. ADMINISTRATIVE ISSUES DURING THE REPORTING PERIOD

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

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

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

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

The benchmark #1 - Project Management was successfully achieved.

The benchmark #2 - Strategic Action Programme (SAP) has been generally achieved: Strategic Action Programme fully developed and endorsed by relevant stakeholders (approved by Maritime Board under Russian Federation Government). As far as Diagnostic analysis concerned the work on it is ongoing and the document will have to be completed in October 2009.

The benchmark #3 - Pre-investment Studies (PINS). Hot spots list updated and finalised. Pre-investment studies in all 3 Arctic regions (western, central and eastern parts of Russian Arctic) are in progress and interest of some financial institutions preliminary confirmed. Concepts for 13 investment projects in west arctic are prepared and submitted to PO and EA. Works under PINS components in three Russian Arctic regions are planned to be completed to November of 2009.

The benchmark #4 - Improving Environment Protection System (EPS). This project component was started ahead of a schedule and would be completed in December 2009.

The benchmark #5 - Demo and Pilot Projects (DEMOS) Demonstration activities in accordance with the original Project Document fully implemented. New demonstration and pilot projects approved by the 2nd and 3rd Steering Committee meetings are in the pipe line. Some of demo and pilot project will be completed this year (2009) the other - to August-September 2010.

The benchmark #6 - Project Phase I Evaluation. As per agreement reached in 3rd StC meeting in Helsinki the Project mid-term review will be undertaken by a reviewer contracted by the UNEP DGEF for the period from September 2009 to 27 November 2009. Interagency Working Group will evaluate Project results in the middle of 2010 follow up by independent evaluation on the Project Phase I completion.

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

- Organization of the different meetings required by Project Document: Steering Committee meeting and two IAWG meetings; TT-SAP meeting and three TT EPS meetings; DEMOS-WG meetings; PINS WGs and LCO meetings. 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 and workshops. 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 several domestic and international meetings, workshops and conferences.

- Packages of tender and contract documentations to select LCO for 8 demo and pilot projects were prepared. ToRs were prepared and agreed with both Executing and Implementing Agencies. To select additional individual consultants for EPS Project components 6 domestic tenders were also held.
- Based on the video material collected in FJL Archipelago (DEMO-BASES-I) video documentary both in Russian and English have been prepared for IAWG and StC meetings. Both version of the video were uploaded on Project website.
- Increasing awareness on the Project: Project website (<http://npa-arctic.ru>) has been updated and became more informative: materials obtained from demo and pilot project teams were reworked and included in both Russian and English versions of the web pages. All official Project documents was uploaded and all Projects events was highlighted on the Project website. The website maintenance has being fulfilled on the permanent base.

Other activities:

- 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 meetings with Lukoil, Nornikel, Gazprom and other companies operating in the Russian Arctic
- participation in a meeting in States Duma devoted to problems of indigenous people in Arctic. The meeting was organized in a framework of COMAN demo project.

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

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

III.4.1 Completed Project Reviews

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

Projects activities were also reviewed and approved by third IAWG meeting held in Moscow on 20th of February and by third StC meeting held in Helsinki on 25-26 of March 2009.

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

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

III.4.2 Quality Control of the Project Technical Reports

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

IV PROCUREMENT OF EQUIPMENT

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

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

V FINANCIAL MANAGEMENT

Project Currency account:

Beneficiary Bank: SBERBANK (OPERATIONS DEPARTMENT) MOSCOW

Swift code: SABRRUMM 011
 To beneficiary account # 40 703 840 600 020 116 434
 Beneficiary: NPAF ED

V.1. BALANCE OF DISBURSEMENTS

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

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

Period (quarterly)	Planned (USD)	Actual (USD)	Difference	Notes
2007 Q4	0	68665	-68665	Delays with Contracts for Demo-projects payments – 523500\$ - planned for the year of 2008
2008 Q1		495012	-495012	
2008 Q2	20000	12137	7863	
2008 Q2	468545	295325	173220	
2008 Q3	0	178854	-178854	
2008 Q4	624763	106115	518648	Delays with Contracts for PINS-projects payments – 900000\$ - planned for the year of 2009
2009 Q1		456528	-456526	
2009 Q2	404701	114918	289783	Delays with Contracts for PINS&DEMO-projects payments – 338 700\$ - planned for the next quarter

TABLE 2. Quarterly Project Expenditure Accounts for Supporting Agencies

Quarterly project statement of allocation (budget), expenditure and balance (Expressed in US\$) covering the period April 01, 2009 to June 30, 2009.

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

Agency name: Minekonomrazvitiya of Russia

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

Project commencing: July 18, 2005.

Project ending: October 30, 2010

Object of expenditure by UNEP budget code	Project budget allocation for year 2009.		Total expenditure for quarter II 2009*	Total unliquidated obligations	Cumulative expenditure for year 2009	Unspent balance of budget allocation for year 2009	
	m/m (1)	Amount (2)				m/m (6)	Amount (2)-(5)
1100 Project personnel	36	124 500	29 049		62 579	18	61 921
1200 Consultants	72	241 200	47 396		64 236	53	176 964
1300 Administrative support	26	47 000	3 875		15 459	17	31 541
1400 Volunteers							
1600 Travel		20 000	1 275		3 540		16 460
2100 Sub-contracts							
2200 Sub-contracts		1 142 003	25 338		389 733		752 270
2300 Sub-contracts							
3100 Fellowships							
3200 Group training							
3300 Meetings/conferences		218 000	4 196		26 431		191 569
4100 Expendable equipment		1 100	54		54		1 046
4200 Non-expendable equipment							
4300 Premises							
5100 Operation		3 000	897		1 773		1 227
5200 Reporting costs		30 000	295		1 174		28 826
5300 Sundry		15 000	2 543		6 467		8 533
5500 Evaluation		50 000	0		0		50 000
99 GRAND TOTAL	134	1 891 803	114 918		571 446	88	1 320 357

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

Signed:  I. Senchenya, Project Manager

Cleared:  Duly authorised official of co-operating agency

 G. Zaytseva, Project Financial Management Officer

B. Morgunov

V.2. FINANCIAL PROBLEMS

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

Main problems were associated with 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 underwent the reorganization. This led to a half of a year delay with payment to companies involved in PINS and pilot projects and to audit company. The other retardation for timely payments is too long pending of Project documents in the Executing Agency office what is entailing delays with funding the companies and individual contractors implementing demo, pilot, EPS or PINS projects.

VI PROJECT PERFORMANCE EVALUATION

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

Goals and Objectives	Objectively Verifiable Indicators	Means of Verification	Baseline value	Achievement status as at the end of the reporting period	Rating (to be completed by UNEP)**
Protect the Arctic marine environment from land-based activities in the Russian Federation.	Specific process, stress reduction, and environmental status indicators and their means of verification will be developed within the context of the SAP.		The National Action Plan for the protection of the Arctic marine environment has been developed and agreed upon.	Five benchmarks out of six stipulated by the original Project Document for the completion of the Phase I are accomplished or close to accomplishment. A number of additional pilot or demonstration projects were developed. PINS and EPS components implementation are in the middle of their way.	HS Project has made substantial progress in launching key activities during the reporting period. It is actually ahead of schedule stipulated by Project Document
Improved management of the Arctic environment in the Russian Federation and clear appreciation of priorities.	Adoption of the Strategic Action Program (SAP) for Protection of Environment in the Arctic zone of the Russian Federation.	SAP endorsed by governmental body.	The National Action Plan for the protection of the Arctic marine environment has been developed and agreed upon.	SAP has been finalised and approved by the Governmental Maritime Board Diagnostic analysis of the current state of Arctic environment and casual-chain analysis are both in their final stage	HS SAP has been approved by the governmental body

Goals and Objectives	Objectively Verifiable Indicators	Means of Verification	Baseline value	Achievement status as at the end of the reporting period	Rating (to be completed by UNEP)
Environmentally sustainable development of natural resources in the Russian Arctic.	The reformed regulatory framework is implemented by local, regional, federal administrations.	1. Reports in National Gazette and other official media of application decrees and circulars. 2. The survey of the regulatory framework at the local, provincial and federal levels indicates that environmentally sustainable development concerns are incorporated as the means to implement the SAP.	There is an existing regulatory framework, which does not take into consideration the programmatic requirements to be outlined in the SAP and NPA.	This work should be completed in 2009 when EPS Project component will be finalised	S Project started work under EPS component. Analysis of the Arctic countries environmental legislation has been finalise.
Improved regional co-ordination of the management of the Arctic; and Russia meets its obligations under the AEPS and its commitments to objectives of the GPA.	Contributions by the Russian Federation to the Arctic Environment Protection Strategy of the Arctic Council. Acknowledgement by the Arctic Council of the SAP as a component of the Regional Programme of Action for the Arctic.	The Russian representative at the Arctic Council provides information on the SAP and the minutes of the Arctic Council can indicate the contribution of the SAP to the Arctic Council process.	Activities under this project in Russia are recognized by the Arctic Council and GPA.	Progress reports on project implementation are delivered to the Arctic Council (AC) and AC WG. NPA-Arctic project is mentioned in all minutes of the AC.	S PO is actively participated in preparation of new Regional Program of Action for Protection of Arctic Marine Environment
Successful establishment of the project implementation structure, incl. Project Office, Project Steering Committee, Project Supervisory Council (Phase I benchmark)	All project implementation units are functional and deliver expected outcomes on time.	Minutes of the Project Steering Committee, Supervisory Council and IAWG	There was no project structure before.	All project implementation units are established	HS Comment: All necessary project implementation structures have been established in due time
Finalization and endorsement of the SAP for the Russian Arctic (Phase I benchmark)	By the end of Phase I, SAP fully developed and endorsed by relevant stakeholders	Attention to SAP expressed by federal and regional authorities in their official letters indicates that the SAP is adopted by the relevant executive authority of the Russian Federation.	There is no SAP formulation at the onset of the project.	SAP has been finalised and approved by the Governmental Maritime Board	HS SAP is fully endorsed by relevant stakeholders
Improved legislation, administrative procedures and institutional capacity for the environmental protection of the Arctic environment.	EPS was started in 3 rd quarter of 2008 and has been implemented by the EPS Task Team set up by PO.	A set of proposals and draft laws/regulations for EPS improvements in the Russian Arctic	There is an existing legal, regulatory and administrative framework, which does not take into consideration the programmatic requirements outlined in the SAP and NAP.	This work started in the second half of 2008. To date, a working document prepared and approved by TT and an analysis of international environmental legislation for Arctic has been prepared.	S The EPS component implementation was planned for Phase II. The Project is ahead of schedule.

Goals and Objectives	Objectively Verifiable Indicators	Means of Verification	Baseline value	Achievement status as at the end of the reporting period	Rating (to be completed by UNEP)
Conditions for further interventions and investments to remediate or prevent the degradation of the Arctic Environment are realised.	By the end of phase I (a) a set of investment projects for the Russian Arctic is prepared; (b) demonstration projects are ready to be replicated elsewhere in Russia.	PINS resulted in a set of investment projects approved by the relevant federal and regional authorities and ready for discussion at international . Round tables and Partnership Conference..	The project PDF-B; NEFCO and Russian authorities, respectively issued a list of hot spots which was adjusted to modern conditions by PO. Several demonstrative projects have been developed and implemented.	Activities under PINS component for west, central and east parts of Russian Arctic are on a way. Some additional demonstration and pilot projects approved by the Steering Committee has been started. Project contributed to Project Support Instrument (PSI) of the Arctic Council	S Comment: PINS component was substantially delayed; to date the component gathers pace in all three regions: west, central and east parts of Russian Arctic
Identification of the highest priority damage and sources of damage to the environment of the Russian Arctic and acceptance by the Russian Government of the priority list of interventions proposed for investment by Russian sources and/or other countries	Review* and publication* of the analysis including specification of priorities for interventions in the Russian Arctic.	Updated list of priority hot spots for the Russian Arctic	Environmental hot spots were identified by project PDF-B and NEFCO, but needed for update.	Updated list of hot spots has been prepared and verified. A short list of hot spots for all three Arctic regions where PINS will be implemented was also developed and accepted. A database developed on the hot spot listings was uploaded on the official project website: http://npa-arctic.ru/rus/hs/hs_list_ru.html	S Comment: The work on this component finished. Diagnostic analysis of the Russian Arctic environment is completed and major environmental threats are identified. Revision of prepared during PDF-B hot-spots is finished and PINS methodology is developed.
10 pre-investment studies are submitted to potential financiers, including IFO, public and the private sector.	Pre-investment studies are submitted to and discussed at the Partnership Conference and round tables.	Reports of round tables and the Partnership Conference.	Environmental hot spots were identified by project PDF-B and NEFCO, but actual remediation actions should be intensified.	Work on PINS components is continuing in all three Arctic regions	S Comment: Implementation of PINS was delayed, but the process picking up speed
Results of 3 demonstration projects, including specifications for replicability elsewhere disseminated widely within Russia.	All demonstration projects are fully completed and ready for replicability.	Number of reports printed and distributed. Number of agencies, provincial administration, community leaders etc that have been received the reports. Final reports to UNEP/GEF and Executing Agency from the Project Office.	Limited demonstration actions (ACAP and others) were designed and implemented	3 DEMO-projects mentioned in the Project Document and 2 new pilot projects are nearly completed; 1 new pilot project is finished. Several new projects were developed and approved by StC.	S: Comment: Component requires close monitoring of implementation and dissemination of upcoming results.

Goals and Objectives	Objectively Verifiable Indicators	Means of Verification	Baseline value	Achievement status as at the end of the reporting period	Rating (to be completed by UNEP)**
Revised national water-quality objectives and effluent and emission standards fully consistent with relevant international guidelines and agreements	Proposed water-quality, effluents and emission standards as results of EPS component .	Reports of EPS component implementation considered and approved by Executing and Implementing Agencies.	Low quality of drinking water in many settlements of the Russian Arctic. Pollution of surface water bodies by discharged wastewaters. Pollution of atmospheric air near acting industrial enterprises.	The work under this component is ongoing	Not applicable. EPS component is implementing already but any practical regulations can be passed on to relevant authorities at the end of 2009
Improved compliance assessment procedures.	Proposed new compliance assessment procedures supported by the relevant stakeholders.	As above	Unified norms of environmental impact of economic entities are absent. Low responsibility of economic entities for noncompliance with norms of environmental impact	As above	Not applicable.
Demonstration that increased involvement of Indigenous Peoples in co-management can increase the level of protection the Arctic Environment whilst increasing their quality of life.	Approved proposals on environmental co-management of resource-extracting companies, executing authorities and organizations of indigenous peoples of the North.	Reports on workshops conducted within demo-project COMAN in three model regions. Draft plans of joint actions on environmental co-management for three model regions and methodological recommendations on organization of environmental co-management in the Arctic regions of the Russian Federation.	Only limited co-management activities are implemented, incl. ECORA project outcomes	COMAN demo project is fully completed. A round table under State Duma's Committee for nationalities' affairs umbrella was held	HS Approved proposals on environmental co-management of resource-extracting companies, executing authorities and organizations of indigenous peoples of the North.
Project mid-term evaluation indicates that the project meets its expectations	MTE shows satisfactory project implementation	TOR for MTE team, review process is smooth and timely; results of MTE are distributed among project stakeholders	Project MTE is conducted	Project mid-term evaluation is due in August 3 and will be continue till November 28 this year	S ToR for MTE is prepared by UNEP and agreed upon.

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

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

VII SUMMARY of FOLLOW-UP CORRECTIVE ACTIONS

Summary of identified problems in the HYR for the 1^d half of 2009 and Actions undertaken to remediate problems

Overall problem	Actions undertaken to correct this problem
1 Document on Diagnostic Analysis is not published	Editing of Diagnostic Analysis manuscript should be accelerated. Document should be translated into English and available at the web-site in two languages
2. Delays with tendering and contracting LCO for demo and pilot projects	Tender and contract documents are pending too long in the Executing Agency office. The PO requested EA to speed up documents verification process
2 Delays with fund transfer to the lead participating organizations and consultants remunerations	The problem still exists because of the Commission for Humanitarian and Technical Assistance and slow work of Executing Agency which is holding Project documents sent by PO for approval for undue long time. Both is outside of PO competence.
3 Co-operation between existing international programs and structures working on Arctic environment is insufficient	Some co-operation has been started however problem still exists; PO is actively participated in preparation of Regional Program of Action for Protection of Arctic Marine Environment under Arctic Council
4 Involvement of federal and regional authorities and industrial companies in the project activities is insufficient	Some improvements have been done on this matter. Representatives of federal and regional authorities and industrial companies were invited to participate in TTs and IWG meeting and in consideration of draft SAP.

Overall problem	Specific problems	Follow-up Action	Responsible actor	Date to be remediate
1. Development of new pilot and demonstration projects is very slow	1.1. Preparation of pilot project for RITEGs is delayed because of other project office commitments and lack of willing of organisations involved in the problem to cooperate in this problem	1.1. To organize expert-group meetings to clarify the remaining issues to enter into close contact with interested parties 1.2. Ministry of Transport reallocated money to settle the problem out in 2010-2013	1.1. PO, ExA	1.1. July 2009
2 Time of consideration of technical reports prepared within the project is often too long	2.1. ExA often does not consider technical reports forwarded by PO in due time (contracts require 10 days period for comments) 2.2. Most technical reports are cleared by the PO, ExA and IA alone; available in the project and external expertise is not fully used	2.1. Project Office should issue preliminary comments to the reports sometimes with assistance of external consultants. ExA should speed up reports consideration 2.2. Develop formal quality control procedure for technical reports produced by the project	2.1. PO, ExA 2.2. PO with the assistance of ExA and IA	2.1. Immediately 2.2. Immediately
3 Co-operation between existing international programs and structures working on Arctic environment is insufficient	3.1. Project does not co-operate enough and use the expertise of the existing Arctic programmes such as WGs of the Arctic Council, GPA and etc. 3.2. Project results are not disseminated widely enough in the national and international media	3.1. Develop better information exchange with international programs operating in the Arctic. Prepare regular reports for PAME meetings as well as for other Arctic Council WGs meetings 3.2. More intensive propagation of the project website and increase publicity by publishing project results both nationally and internationally	3.1. PO with the assistance of the IA and ExA 3.2. PO with the assistance of ExA	3.1. Continuously 3.2. Continuously

VIII KEY LESSONS LEARNED

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

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

Project has being received full support and technical backstopping by the Executing Agency (Russian Ministry of Economic Development) that assures that project recommendations will be taken at the highest level possible and future interventions will be sustainable. Provisions of SAP document were taking into account in FTOP "The World Ocean" for 2008-2012 and in other documents related to the Russian Arctic. It was also recommended by Maritime Board under Russian Federation Government to the Ministry of regional development of the Russian Federation using the SAP document in the process of Strategy of the Russian Federation Arctic zone development and safeguarding of national security for the time period till 2020 preparation.

Amongst other lessons learned the following should be noted:

Institutional arrangements, including project governance

- Closer cooperation amongst existing and planned programmes that address the impact of various sources and activities on the Arctic marine and coastal environments is needed. Information on the Project was presented at the Arctic Council ministerial meetings as

well as to Senior Arctic Officials and PAME Working Group. The work of several Arctic Council Working Groups, first of all ACAP, is very pertinent to the NPA-Arctic and Project Office should consider how these sources of expertise could be best incorporated. Provisions of SAP document were used in the preparation of Russian proposals for the PSI of the Arctic Council and will be used in . Strategy of the Russian Federation Arctic zone development and safeguarding of national security for the time period till 2020 which has being elaborating in Russian governmental institutions.

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

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

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

Financial management and co-financing

- Main problems were associated with 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 underwent the reorganization. This led to half a year delay with payment to companies involved in PINS and pilot projects and to audit company. The other retardation for payments to the Projects subcontractors is overloaded with work of the

Project Advisor who cannot inspect the LCO reports in time what is entailing delays with funding of the companies implementing demo, pilot or PINS projects. The other retardation for timely payments is too long pending of Project documents in the Executing Agency what is entailing delays with funding the companies and individual contractors implementing demo, pilot, EPS or PINS projects.

Follow-up action: Executing Agency is trying and should further try to resolve both of these issues.

- 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: Working groups under PINS components established good working ties with regions and industrial companies of all forms of ownership in western, central and eastern parts of Russian Arctic. Several meetings in the Arctic regions have been held already.

The following advantages can be formulated:

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

The following disadvantages or weaknesses can be noted:

- 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 should 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 IAWG. However negotiations on co-financing have not been hold yet. Involvement of industrial companies in PINS component was started.
- Insufficient capacities of the Project Office staff. Project Office organizes and coordinates all the activities, prepares all ToRs for task teams, working groups, individual consultants, website maintenance etc. More to it, all these documents should be prepared in English and Russian, which require additional resources and time. More active involvement of working groups' co-ordinators in preparation of ToRs for consultants and meetings of working groups is needed.

IX Discussion acknowledgment (To be completed by UNEP)

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

ATTACHMENTS

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

A) Meetings

No	Meeting Type	Title	Venue	Dates	Convened by	Organised by	# of Participants	List attached Yes/No	Report issued as doc No	Language
1.	Expert Group Meeting	3 rd IAWG meeting	Moscow	27 February, 2009	Executive Agency	Project Office	33	NO,	Meeting minutes	Russian
2	Expert Group Meeting	3 rd StC meeting	Helsinki	25-26 March 2009	Executive Agency	Project Office	17	NO	Meeting report	English
3.	Expert Group Meeting	4 th IAWG meeting	Moscow	21 May 2009	Executive Agency	Project Office	28	NO	Meeting minutes	Russian
4	Expert Group Meeting	International seminar on the pilot project results "Development of new technology for bioremediation of Arctic land sites polluted with oil products"	Murmansk	15-18 June 2009	"NAVECOSER VIS Ltd."	"NAVECOSERV IS Ltd."	15	No	Meeting minutes	Russian

No	Meeting Type	Title	Venue	Dates	Convened by	Organised by	# of Participants	List attached Yes/No	Report issued as doc No	Language
5										

B) Printed Materials

No	Type (note 5)	Title	Author(s)/Editor(s)	Publisher	Symbol	Publication Date	Distribution List Attached Yes/No
1.	Technical Publication	Environmental Co-Management of Extracting Companies? Authorities and Indigenous People of the North	Ed. I.Senchanya, J. Cramp	RAIPON		June 2009	No

C) Technical Information / Public Information

No	Description	Date
1.	Video documentary on BASES demo project (FJL archipelago) in Russian	27 February 2009; Also uploaded in PO website-
1.	Video documentary on BASES demo project (FJL archipelago) in English	26 March 2009; Also uploaded in PO website-
2	Video documentary on TIKSIBAY pilot projects	Uploaded in internet

D) Technical Cooperation

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

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

No	Description	Date
1.	Constant maintenance and updating of the Project website: http://npa-arctic.ru	January 01 – June 30, 2009

Note 4

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

Note 5

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

Note 6

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