

**UNEP GEF PIR FY 07**  
**(1 July 2006 to 30 June 2007)**

**1. PROJECT GENERAL INFORMATION**

<b>Project Title:</b>	Russian Federation – Support to the National Programme of Action for the Protection of the Arctic Marine Environment, Tranche 1		
<b>Executing Agency:</b>	Ministry of Economic Development and Trade of the Russian Federation (Minekonomrazvitiya of Russia)		
<b>Project partner Agencies:</b>	ACOPS, NEFCO		
<b>Geographical Scope:</b>	Russian Federation, Russian Arctic		
<b>Participating Countries:</b>	Russian Federation, Canada, Iceland, Italy, USA		
<b>GEF project ID:</b>	1164	<b>IMIS number*<sup>1</sup>:</b>	GFL / 2732-03-4694
<b>Focal Area(s):</b>	IW	<b>GEF OP #:</b>	10
<b>GEF Strategic Priority/Objective:</b>	IW-3 Innovative demonstrations	<b>GEF approval date*:</b>	07/12/2001, revised 31/07/2003 and 31/07/2005
<b>UNEP approval date:</b>	18/07/2005	<b>First Disbursement*:</b>	31/08/2005
<b>Actual start date<sup>2</sup>:</b>	01/07/2005	<b>Planned duration:</b>	60 months
<b>Intended completion date*:</b>	30/06/2007 (Phase I)	<b>Actual or Expected completion date:</b>	December 2008 (Project Phase I)
<b>Project Type:</b>	Full size	<b>GEF Allocation*:</b>	\$5,885,000
<b>PDF GEF cost*:</b>	\$306,000	<b>PDF co-financing*:</b>	\$474,000
<b>Expected MSP/FSP Co-financing*:</b>	\$5,800,000	<b>Total Cost*:</b>	\$12,465,000
<b>Mid-term review (planned date):</b>	N/A	<b>Terminal Evaluation (actual date):</b>	10/2008
<b>Mid term review (actual date):</b>	N/A	<b>No. of revisions*:</b>	2
<b>Date of last Steering Committee meeting:</b>	25-26/04/2007	<b>Date of last Revision*:</b>	31/08/2007
<b>Disbursement as of 30 June 2007*:</b>	\$866,207	<b>Date of financial closure*:</b>	N/A
<b>Date of Completion<sup>3</sup>*:</b>	N/A	<b>Actual expenditures reported as of 30 June 2007<sup>4</sup>:</b>	\$786,766
<b>Total co-financing realized as of 30 June 2007<sup>5</sup>:</b>	\$5,554,923	<b>Actual expenditures entered in IMIS as of 30 June 2007*:</b>	\$684,008
<b>Leveraged financing<sup>6</sup>:</b>	N/A		

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

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

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

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

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

<sup>6</sup> See above note on co-financing and Glossary (Annex 1)

<b>Project summary</b> <sup>7</sup>	Major outcomes will include a nationally approved Strategic Action Programme to address damage and threats to the arctic environment from land-based activities in the Russian Federation; direct and related improvements to environmental protection (legislative, regulatory and institutional and technical capacity) within the Russian Federation; the completion of ten pre-investment studies to determine the highest priority and tractable interventions to correct or prevent transboundary impacts of land-based activities; and three categories of demonstration projects dealing respectively with marine environmental clean up, the transfer of two decommissioned military bases to civilian control, and involving indigenous peoples in environmental and resource management. The results are intended to benefit the international arctic environment, particularly the Arctic Ocean basin and its shelf seas, and contribute to two principal international agreements: Arctic Environmental Protection Strategy (AEPS); and the Global Programme of Action for the Protection of the Marine Environment from Land-Based Activities (GPA) as implemented in the Arctic Region through the Regional Programme of Action for the Protection of the Arctic Marine Environment from Land- based Activities (RPA) and the Arctic Council Plan of Action to Eliminate Pollution of the Arctic (ACAP).
<b>Project status FY06</b> <sup>8</sup>	Structure and content of the SAP were developed and agreed by SAP Task Team and experts. Draft review of the current state of the Russian Arctic environment was prepared. DA of the environmental situation in the Russian Arctic was at the advanced stage of development. PINS and 3 working groups for demo projects were established. Document with basic PINS concept was prepared. Preparation activities for 3 demo projects were started.
<b>Project status FY07</b> <sup>9</sup>	<p>The 2<sup>nd</sup> meeting of the Project Steering Committee was held on April 25-26, 2007, which took a decision on prolongation of Phase I of the Project until the end of 2008. New Integrated Work Plan and budget for Phase I were adopted.</p> <p><u>SAP component.</u> Most of individual sections of SAP document are at the stage of their finalization. Regional component for the SAP including investment projects is in the process of clarification on a basis of regional consultations. SAP is used as a basis for preparation of section “Environmental Security” of sub-program “Arctic” of the Federal Targeted Program “World Ocean”</p> <p><u>PINS component.</u> Hot spots in the Russian Arctic have been updated and prioritized on a basis of new information. A call for expression of interests in Preparation of Regional Pre-Investment Studies was announced and ToR for this study is drafted.</p> <p><u>Demonstration projects component.</u> Project documents for demo projects, specified in the Project Document, have been further developed and approved by the 2<sup>nd</sup> StC meeting. Tenders documentation for Demo-Projects have been prepared, tenders have been conducted and contracts with bid-winners have been prepared. Three new demonstration projects and nine pilot projects have been also prepared in close cooperation with local authorities. The projects were submitted to the StC meeting and approved subsequently.</p>
<b>Planned contribution to strategic priorities/targets</b> <sup>10</sup>	For project phase I: Improved management of the Russian Arctic environment with priorities and targets setting and monitoring plan through the adoption of the Strategic Action Plan (SAP) for the

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

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

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

	protection of the Arctic marine environment from land-based activities by the RF Government. SAP is to be supported by the three demonstration projects aimed at marine oil pollution reduction through the use of brown algae, decontamination of military bases, and co-management of natural resources by Russian indigenous peoples and other stakeholders, respectively, and pre-investment studies providing conditions for further interventions and investments to remediate or prevent degradation of the Arctic marine environment from land-based and sea-based activities.
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## 2. PROJECT OBJECTIVE

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

The project's global environment objective is to protect the global marine environment in which the Arctic plays a pivotal role. The more specific objective of the Project is to develop and establish a sustainable framework to reduce environmental degradation of the Russian Arctic from land-based activities on a system basis by implementation of the SAP developed at the first stage of the Project in favor of all Arctic States and global community and to comply with obligations of the Russian Federation under international conventions and agreements taking into account decisions and programmes of the Arctic Council. As such, it would create conditions, which will allow for capital investments to flow in the Russian Arctic in order to ensure long term protection of coastal and marine environment of the Arctic and to address main root causes of trans-boundary pollution in the Russian Arctic.

*Please provide a narrative of progress made towards meeting the project objective(s). Describe any **significant** environmental or other changes attributable to project implementation. Also, please discuss any major challenges to meet the **objectives** or specific project **outcomes** (not more than 300 words)*

During FY 07 Project settle out several problems associated with project implementation in FY 06, established good working relations with Russian Arctic regions, developed and discussed with some regional authorities a draft of the SAP, prepared tender documentation for planned demonstration projects, identified new demonstration and pilot projects in consultations with regional authorities, started practical implementation of demonstration projects. Decision was made by the Steering Committee to prolong Phase I of the Project until the end of 2008 to complete a minimum set of activities to ensure further project sustainability. It was also decided to carry out and complete pre-investment studies during the Phase I. Project progress is discussed below in comparison with benchmarks formulated for Phase I of the Project:

*Benchmark 1. Successful establishment of Project implementation structure, including Project Office, Project Steering Committee, and Project Supervisory Council; Russian Interagency Working Group was also established* - completed, 100%

*Benchmark 2. Strategic Action Programme fully developed and endorsed by relevant stakeholders; DA of the Russian Arctic environment is completed. Draft SAP is prepared, regional consultations are in progress. Draft SAP is used as a basis for preparation of section "Environmental Security" of sub-program "Arctic" of Federal Target Program "World Ocean" (70 % completion).*

*Benchmark 3. Working document revised at the first meeting of each of sub-group for each pre-Investment Study; ToR for PINS was? drafted and international tender was? announced. PINS are to be completed by Sep 2008 (completion 20%)*

*Benchmark 4. Selected lead implementing organization and members of each of the three working groups for the development of the Environmental Protection System; planned for the end of 2007. ToR for lead implementing organization will be prepared to the end of September (completion 20%)*

<sup>10</sup> For Full Size Projects this information is found in the front page of the project Executive Summary; for Medium-Sized Projects the information appears in the MSP brief cover page.

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

*Benchmark 5. Fully designed demonstration activities;* Project documents for demonstration projects have been approved by Project Steering Committee. International tender and national competitive bids have been announced and contracts with bid winners have been prepared. BASES and COMAN projects are at the implementation phase, while CLENUP contract is to be signed. (completion 40%)

*Benchmark 6. Mid-term review of the project indicating satisfactory implementation of the project in the phase I.* Planned for October 2008 and to be TE for Phase I.

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

Project is consistent with GEF policies as articulated in the description of Operational Programme No. 10 that “focuses on poorly addressed contaminants and aims to utilise demonstrations to overcome barriers to adoption of best practices, waste minimisation strategies, and pollution prevention measures”. The main requirements of interventions in favour of environmental improvement in the Arctic is to deal with this decline and restore environmental conditions while at the same time endeavouring to prevent further deterioration and new threats. The planned and approved by the Project Steering Committee a number of demonstration and pilot projects, that focus on certain types of contaminants that degrade the International Waters environment, will demonstrate that technological barriers can be overcome or that measures aimed at removing barriers can be implemented. In 2007 project results contributed to preparation of section “Environmental Security” of sub-program “Arctic” of the Federal Targeted Program “World Ocean” that is currently under development in MEDT. SAP is at the final stage of completion and PINS tender following from the updated hot-spots list is to be issued in coming months.

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

### 3. RATING PROJECT PERFORMANCE AND RISK

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

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

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

3.1 Progress towards achieving the project objective (s)

Project objective and Outcomes	Description of indicator <sup>14</sup>	Baseline level <sup>15</sup>	Mid-term target <sup>16</sup>	End-of-project target	Level at 30 June 2007	Progress rating <sup>17</sup>
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<sup>13</sup> For joint projects and where applicable ratings should also be discussed with the Task Manager of co-implementing agency.

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

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

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

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

Project objective and Outcomes	Description of indicator <sup>14</sup>	Baseline level <sup>15</sup>	Mid-term target <sup>16</sup>	End-of-project target	Level at 30 June 2007	Progress rating <sup>17</sup>
<p><b>Objective<sup>18</sup></b> Improved management of the Arctic environment in the Russian Federation and clear appreciation of priorities.</p> <p>Environmentally sustainable development of natural resources in the Russian Arctic.</p>	<p>1. Adoption of the Strategic Action Plan (SAP) for the Protection of the Arctic Marine Environment from Land-based Activities by relevant executive authority of the Russian Federation by the end of Phase I.</p>	<p>The National Action Plan for the Protection of the Arctic Marine Environment has been developed and agreed upon.</p>	<p>Strategic Action Programme fully developed and endorsed by relevant stakeholders</p>	<p>Adoption of the SAP for the Arctic as a component of the FTOP 'World Ocean' by the Russian Federation</p>	<p>70 %. A draft of SAP is prepared, regional consultations have been conducted in Murmansk, Arkhangelsk and Yakutia and others are in progress. SAP is used as a basis for preparation of section "Environmental Security" of sub-program "Arctic" of Federal Target Program "World Ocean"</p>	<p>MS</p>

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

Project objective and Outcomes	Description of indicator <sup>14</sup>	Baseline level <sup>15</sup>	Mid-term target <sup>16</sup>	End-of-project target	Level at 30 June 2007	Progress rating <sup>17</sup>
Improved regional co-ordination of the management of the Arctic environment; and Russia meeting its obligations under the AEPS and its commitments to objectives of the GPA.	2. The reformed regulatory framework is implemented by local, provincial, federal administrations.	There is an existing regulatory framework, which does not take into consideration the programmatic requirements to be outlined in the SAP and NAP.	Selected lead implementing organization and members of each of the three working groups for the development of the Environmental Protection System		The survey of the regulatory framework at the local, provincial and federal levels has been performed and environmentally sustainable development concerns are incorporated in the SAP. Major work on EPS is planned from October 2007	S
	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 initiated work of this project is recognized by the Arctic Council and GPA.	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		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 as well as in Salekhard Declaration of the AC. Presentation on NPA-Arctic project progress was given at 2 <sup>nd</sup> IGR of GPA	S

Project objective and Outcomes	Description of indicator <sup>14</sup>	Baseline level <sup>15</sup>	Mid-term target <sup>16</sup>	End-of-project target	Level at 30 June 2007	Progress rating <sup>17</sup>
<b>Outcome 1:</b> Finalisation and endorsement of the Strategic Action Programme (SAP) for the Russian Arctic	By the end of Phase I, review and publication* of the SAP for the Arctic	There is no SAP formulation at the onset of the project.	Adoption of the SAP by relevant authorities	Strategic Action Programme fully developed and endorsed by relevant stakeholders	70 %. A draft of SAP is prepared, regional consultations are in progress. SAP is used as a basis for preparation of section "Environmental Security" of sub-program "Arctic" of Federal Target Program "World Ocean"	MS (regional and federal consultations are delayed)
<b>Outcome 2:</b> Improved legislation, administrative procedures and institutional capacity for the environmental protection of the Arctic environment.	By the end of Phase I, selection of lead organisations and members of the working groups selected and confirmed.	There is an existing legal, regulatory and administrative framework, which does not take into consideration the programmatic requirements to be outlined in the SAP.	Selected lead implementing organization and members of each of the three working groups for the development of the Environmental Protection System		The work is scheduled for the end of 2007. Draft ToRs for lead implementing organisation is prepared	S



Project objective and Outcomes	Description of indicator <sup>14</sup>	Baseline level <sup>15</sup>	Mid-term target <sup>16</sup>	End-of-project target	Level at 30 June 2007	Progress rating <sup>17</sup>
<p><b>Outcome 3:</b> Conditions for further interventions and investments to remediate or prevent the degradation of the Arctic Environment are realised.</p>	<p>By the end of Phase I, investments are prepared based on at least 8-10 pre-investment studies and demonstration projects are fully developed and ready for implementation.</p>	<p>The project PDF-B; NEFCO and Russian authorities, respectively issued a list of hot spots. Limited demonstrative activities have been developed or implemented.</p>	<p>Finalisation of the pre-investment studies</p> <p>Demonstration projects are in the process of practical implementation</p>	<p>Conducted pre-investment studies</p> <p>Implemented demonstration projects</p>	<p>ToR for PINS is drafted and international tender is announced. Hot-spots update report was produced, but prioritization is not completed.</p> <p>Project documents for demonstration projects have been approved by Project Steering Committee. International tender and national competitive bids have been announced and contracts with bid winners have been prepared. Implementation stage of the projects is planned for September</p>	<p>MS</p>

Project objective and Outcomes	Description of indicator <sup>14</sup>	Baseline level <sup>15</sup>	Mid-term target <sup>16</sup>	End-of-project target	Level at 30 June 2007	Progress rating <sup>17</sup>
<b>Outcome 4:</b> Successful establishment of the project implementation structure, incl. Project Office, Project Steering Committee, Project Supervisory Council (Phase I benchmark)	All project implementation units are functional and deliver expected outcomes on time.	There was no project structures before.	Successful establishment of Project implementation structure, including Project Office, Project Steering Committee, Project Supervisory Council, and Russian Interagency Working Group	Successful establishment of Project implementation structure, including Project Office, Project Steering Committee, Project Supervisory Council, and Russian Interagency Working Group	100% All project implementation units are established	S

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

FY2006 rating	FY2007 rating	Comments/narrative justifying the FY07 rating and explaining reasons for change (positive or negative) since previous reporting period
N/A	MS	In comparison with 2005-2006 period, progress has been made towards achieving project's direct objective - to develop and establish a sustainable framework to reduce environmental degradation of the Russian Arctic from land-based activities on a system basis. SAP is at the final stage of preparation as well as auxiliary measures such as DEMOS and pilot projects have been initiated. As project data are used to fill up substantive part of the FTOP "World Ocean", there is a hope that specific measures directed at improving Arctic marine environment, will be integrated into country's programming cycle before even the project ends. Major problems related to insufficient public consultations to ensure ownership of the proposed SAP still persist, but remedial actions are taken (PO regional consultations were initiated, but not yet completed).

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

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

### 3.2 Project implementation progress

Outputs <sup>19</sup>	Expected completion date <sup>20</sup>	Implementation status as of 30 June 2007 (%)	Comments if variance <sup>21</sup> . Describe any problems in delivering outputs	Progress rating <sup>22</sup>
<b>Output 1: <i>Preparation and adoption of a comprehensive Strategic Action Programme (SAP) for the Russian Arctic</i></b>	July 2008	70		MS
Activity 1: Development of financial mechanisms of the SAP implementation	July 2007	90	National consultant report is approved, final report is scheduled for September 2007	HS-S
Activity 2: Preparation of scoping report on regional SAP sub-programs with recommendations for SAP	August 2007	20	Delays with responses from regions. Only two consultants of five initially planned are hired by partner organization (ACOPS) for donor funds reallocated for this activity and only one report was delivered to the Project Office. Regional consultations of PO on SAP aim at filling this gap.	MS
Activity 3: Strategic environmental assessment on the SAP	September 2007	70	The work is in line with the schedule	MS
Activity 4: Diagnostic analysis of environmental situation in Arctic region	September 2007	80	Analysis is completed; Work on the publication summarizing results of the analysis planned to be completed in June 07 is delayed due to other commitments of the project office (to be resumed in 2008)	S

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

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

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

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

<b>Outputs</b> <sup>19</sup>	<b>Expected completion date</b> <sup>20</sup>	<b>Implementation status as of 30 June 2007 (%)</b>	<b>Comments if variance</b> <sup>21</sup> . <b>Describe any problems in delivering outputs</b>	<b>Progress rating</b> <sup>22</sup>
Activity 5: Causal chain analysis	July 2007	40-50	Work has been initiated and partially presented at the SAP TT meeting. ACOPS reported to EPA on completion of this task already in December 2006, however no final report has been presented to the PO	U
Activity 6: Stakeholder analysis and development of public involvement. Information to stakeholders and communication strategy to public on project results	July 2007 September 2007	30-50	Draft reports from federal consultant and 2 regional consultants have been received. No final report on public participation strategy from ACOPS has been received. Public awareness activities initiated during regional consultations in Jul-Oct 07	MU
Activity 7: Preparation of the first draft of the SAP	September 2007	80	International consultant is hired for final SAP document editing and preparation to be submitted for federal and local authorities considerations.	S
<b>Output 2: <i>Completion of a set of Pre-investment studies (PINS)</i></b>	<b>June 2008</b>			<b>S</b>
Activity 8: Preparation of the working document and its review at the First Meeting of the WG.	June 2006	100	Problems were with selecting consultants having proper expertise in this field; Coordinator of the WG resigned; prepared report was criticized by PO, ExA and IA for below-standard quality.	MU
Activity 9: Update and review of the existing hot spots identified at PDF-B stage	July 2007	90	The updated reports are expected in September 2007	MS
Activity 10: Preparation of Guidelines on conduction of	February 2007	90	Several versions of Guidelines	MS

Outputs <sup>19</sup>	Expected completion date <sup>20</sup>	Implementation status as of 30 June 2007 (%)	Comments if variance <sup>21</sup> . Describe any problems in delivering outputs	Progress rating <sup>22</sup>
pre-investment studies			have been submitted however all comments still not addressed	
Activity 11: Development of criteria for selection of hot spots for which PINS will be prepared	July 2007	50	An update of the document on criteria for selection of hot spots is prepared, but some criteria are not agreed upon except environmental one	MU (delays in updating produced report)
Activity 12: Hot spots screening and selection. Preparation of the list of potential pre-investment studies.	September 2007	30	A preliminary list of hot spots for pre-investments studies is prepared by project office without prioritization as a set of criteria is not agreed upon yet	MU
Activity 13: Selection of lead cooperating organisations for the conduction of PINS.	September 2007	30	Tender documentation for international tender is prepared	S
<b>Output 3: <i>Environmental Protection System improvements (EPS)</i></b>	<b>June 2008</b>	ToR for EPS is to be developed at the end of September	Implementation of this Project component can be started after the 2 <sup>nd</sup> draft of SAP reviewed by authorities.	<b>N/A</b>
<b>Output 4: <i>Rehabilitation of the Environment by the Use of Brown Algae (Demonstration Project CLEANUP)</i></b>	<b>November 2007</b>			
Activity 14: Preparation of the consultancy contract with the WG CLEANUP co-ordinator and WG members	October-November 2006	100	Delays with consultant contract issuing	S
Activity 15: Review of the working document at the First Meeting of the WG	February 2007	100		S
Activity 16: Preparation of ToR and conduction of the tender and preparation of the contract with the lead cooperating organisation for the CLEANUP demo project	August 2007	80	Tender documentation is prepared and international tender is announced. Contract will be concluded at the end of September	MS (contract delayed)
Activity 17: Preparation and review of Progress Report	November	0		N/A

Outputs <sup>19</sup>	Expected completion date <sup>20</sup>	Implementation status as of 30 June 2007 (%)	Comments if variance <sup>21</sup> . Describe any problems in delivering outputs	Progress rating <sup>22</sup>
to be considered at the Second Meeting of the WG	2007			
<b>Output 5: <i>Environmental Remediation of Two Decommissioned Military Bases (Demonstration Project BASES)</i></b>				
Activity 18: Proposals for and selection of a co-ordinator and members of the WG BASES.	August 2006	100		S
Activity 19: Preparation and signing of contracts with the WG BASES co-ordinator and members.	October-November 2006	100		S
Activity 20: Preparation of the working document to be considered at the First Meeting of the WG BASES.	April 2007	100		S
Activity 21: Preparation of ToR and conduction of the tender and preparation of the contract with the lead cooperating organisation for the BASES demo project	July 2007	80	Field work on implementation of this demo-project started in September 2007.	MS (contract delayed)
Activity 22: Review of the working document at the First Meeting of the WG BASES, Moscow	November 2007	0		N/A
<b>Output 6: <i>Indigenous Environmental Co-management (Demonstration Project COMAN)</i></b>				
Activity 23: Proposals for and selection of a co-ordinator and members of the WG COMAN.	August 2006	100		S
Activity 24: Preparation and signing of contracts with the WG COMAN co-ordinator and members.	November 2006	100		S
Activity 25: Preparation of the working document to be considered at the First Meeting of the WG COMAN.	December 2006	100		S
Activity 26: Review of the working document at the First Meeting of the WG COMAN, Moscow.	May 2007	100		S
Activity 27: Preparation of ToR and conduct of the tender and preparation of the contract with the lead cooperating organisation for COMAN demo project	July 2007	80		MS (contract delayed)
<b>Output 6: <i>New Pilot projects</i></b>				
Activity 28: Preparation of project documentation for	Second - third	80	Project documents have been	MS-S

Outputs <sup>19</sup>	Expected completion date <sup>20</sup>	Implementation status as of 30 June 2007 (%)	Comments if variance <sup>21</sup> . Describe any problems in delivering outputs	Progress rating <sup>22</sup>
pilot projects	quarter of 2007		prepared for new demonstration and pilot project. Implementation is delayed because of absence of agreement between EPA and UNEP	
Activity 29: Tenders preparation (if applicable) and contracting companies on selected pilot projects	Third-fourth quarter of 2007	30	To be decided by EPA and NEFCO as donors	N/A
Activity 30: Final evaluation of conducted pilot projects and their replicability potential	Third quarter of 2008	Planned for Oct 2008		N/A

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

FY2006 rating	FY2007 rating	Comments/narrative justifying the rating for FY07 and any changes (positive or negative) in the rating since the previous reporting period
N/A	MS	Given prominent delays in project implementation as well as institutional obstacles experienced by the project since its inception, during the reporting period project has achieved substantial progress and from U-MU rating can now be transferred into MS. SAP is at the final stage of preparation. Project results are used to substantiate section "Environmental Security" of sub-program "Arctic" of the Federal Targeted Program "World Ocean" that if approved will ensure sustainability of project outcomes. Regional consultations on draft SAP and hot-spots have been initiated in Arctic regions. DEMOS projects are in contract signing phase and several pilot projects aimed at improving Arctic environment are in preparation. International tender for PINS is ongoing and to be finalized by the end of the year. Significant drawback is insufficient SAP consultations at the federal and regional levels that may impede smooth approval of SAP as well as public awareness raising.

Action plan to address MS, MU, U and HU rating. (*To be completed by UNEP Task Manager in consultation with Project Manager<sup>24</sup>*)

Action(s) to be taken	By whom?	By when?
Complete consultations on draft SAP in Arctic	PO, MEDT	Dec 2007 for regions

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

<sup>24</sup> UNEP Fund Management Officer should also be consulted as appropriate.

Action(s) to be taken	By whom?	By when?
regions (Nenets, Yamal-Nenets and Chukotka) and at the federal level		Feb 2008 at the federal level
Increase public awareness of the Arctic project through publication of DA results, public awareness actions in regions	PO, sub-contractors	Jan-Sep 2008
Organize Investment Forum/Partnership Conference	PO, MEDT, UNEP, NEFCO and other project partners	Jun 2008



### 3.3. Risk

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

**RISK FACTOR TABLE**

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

Risk Factor	Indicator of Low Risk	Indicator of Medium Risk	Indicator of High Risk	Project Manager Rating						Notes	Task Manager Rating						
				Low	Medium	Substantial	High	Not Applicable	To be determined		Low	Medium	Substantial	High	Not Applicable	To be determined	
<b>INTERNAL RISK</b>																	
<b>Project management</b>																	
Management structure	Stable with roles and responsibilities clearly defined and understood	Individuals understand their own role but are unsure of responsibilities of others	Unclear responsibilities or overlapping functions which lead to management problems	X						PM: Good management structure with defined roles & responsibilities of network members maintained and operational			X				
										TM: PO often lacks capacity to deal with multiple tasks simultaneously; often all responsibilities rest with the PM that contributes to inefficient functioning of the management							

Risk Factor	Indicator of Low Risk	Indicator of Medium Risk	Indicator of High Risk	Project Manager Rating						Notes	Task Manager Rating					
				Low	Medium	Substantial	High	Not Applicable	To be determined		Low	Medium	Substantial	High	Not Applicable	To be determined
<b>INTERNAL RISK</b>																
<b>Project management</b>																
Governance structure	Steering Committee and/or other project bodies meet periodically and provide effective direction/inputs	Body(ies) meets periodically but guidance/input provided to project is inadequate	Members lack commitment and therefore the Committee/body does not fulfil its TOR	X						PM: Project Supervisory Council met twice in July and November 2006, second Steering Committee met in April 2007 and provided effective direction/inputs	X					
										TM: past problems related to establishment and maintaining co-ordination with ACOPS ended with the withdrawal of the latter from co-operative agreement with EPA						
Internal communications	Fluid and cordial	Communication process deficient although	Lack of adequate communication between team	X						PM: Fluid and cordial		X				

Risk Factor	Indicator of Low Risk	Indicator of Medium Risk	Indicator of High Risk	Project Manager Rating						Notes	Task Manager Rating						
				Low	Medium	Substantial	High	Not Applicable	To be determined		Low	Medium	Substantial	High	Not Applicable	To be determined	
<b>INTERNAL RISK</b>																	
<b>Project management</b>																	
		relationships between team members are good	members leading to deterioration of relationships and resentment							TM: Some communication problems still exist with PO-hosting organization RPOI that cause delays in contracting and other administrative procedures							
Work flow	Project progressing according to work plan	Some changes in project work plan but without major effect on overall implementation	Major delays or changes in work plan or method of implementation		X					PM: Some changes in project work plan adopted by the Project Steering Committee but without major effect on overall implementation. A revised work plan is carried out according to plan schedule		X					

Risk Factor	Indicator of Low Risk	Indicator of Medium Risk	Indicator of High Risk	Project Manager Rating						Notes	Task Manager Rating					
				Low	Medium	Substantial	High	Not Applicable	To be determined		Low	Medium	Substantial	High	Not Applicable	To be determined
<b>INTERNAL RISK</b>																
<b>Project management</b>																
										TM: With planned in 2008 emphasis on SAP public consultations, organization of the Investment Forum and demand for monitoring ongoing activities, deficiencies of PO management skills may become obstacles for meeting deadlines						
Co-financing	Co-financing is secured and payments are received on time	Is secured but payments are slow and bureaucratic	A substantial part of pledged co-financing may not materialize			X				PM: Co-financing from USA channelled via Partner Agency (ACOPS) is ended. Agreement between EPA and UNEP on disbursement of residuary funds is not concluded. ACOPS did not follow Procedures approved by Steering Committee on disbursement of donor funds reporting			X			

Risk Factor	Indicator of Low Risk	Indicator of Medium Risk	Indicator of High Risk	Project Manager Rating						Notes	Task Manager Rating						
				Low	Medium	Substantial	High	Not Applicable	To be determined		Low	Medium	Substantial	High	Not Applicable	To be determined	
<b>INTERNAL RISK</b>																	
<b>Project management</b>																	
										TM: With the ACOPS withdrawal from the agreement with EPA, there is a risk that some activities will not be delivered or delivered partially. No solid co-financing reporting from ACOPS was received till today. Major part of Russian co-financing accounts only as in-kind within the FTOP World Ocean and represents mostly transfer of FTOP results to the project (baseline scenario)							
Budget	Activities are progressing within planned budget	Minor budget reallocation needed	Reallocation between budget lines exceeding 30% of original budget	X						PM: Project is within budget and annual expenditures and forward projections approved by the StC in April 2007, including budget adjustments and re-allocations made.	X						

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

Risk Factor	Indicator of Low Risk	Indicator of Medium Risk	Indicator of High Risk	Project Manager Rating						Notes	Task Manager Rating							
				Low	Medium	Substantial	High	Not Applicable	To be determined		Low	Medium	Substantial	High	Not Applicable	To be determined		
<b>INTERNAL RISK</b>																		
<b>Project management</b>																		
	good analysis of project progress and implementation issues	implementation issues								TM: Some of produced by the project reports are of sub-optimal quality and require often revisions and amendments. Though technical clearance procedures have been established with the participation of PO, EA and IA, selected consultants often [sometimes?] are not well qualified and do not meet delivery deadlines								

Risk Factor	Indicator of Low Risk	Indicator of Medium Risk	Indicator of High Risk	Project Manager Rating						Notes	Task Manager Rating					
				Low	Medium	Substantial	High	Not Applicable	To be determined		Low	Medium	Substantial	High	Not Applicable	To be determined
<b>INTERNAL RISK</b>																
<b>Project management</b>																
Stakeholder involvement	Stakeholder analysis done and positive feedback from critical stakeholders and partners	Consultation and participation process seems strong but misses some groups or relevant partners	Symptoms of conflict with critical stakeholders or evidence of apathy and lack of interest from partners or other stakeholders			X				PM: Interagency Working Group with Russian stakeholders was established but its meetings are not regular. Stakeholder analysis is not finalised by consultants of ACOPS. Positive feedback from critical stakeholders and partners is achieved during regional consultations and round table discussions			X			
										TM: Regional consultations on SAP are initiated but not completed; federal consultations have not been really started due to some lag in SAP development						



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

Risk Factor	Indicator of Low Risk	Indicator of Medium Risk	Indicator of High Risk	Project Manager Rating						Notes	Task Manager Rating					
				Low	Medium	Substantial	High	Not Applicable	To be determined		Low	Medium	Substantial	High	Not Applicable	To be determined
<b>INTERNAL RISK</b>																
<b>Project management</b>																
										TM: see note on stakeholder involvement above						
Short term/long term balance	Project is meeting short term needs and results within a long term perspective, particularly sustainability and replicability	Project is interested in the short term with little understanding of or interest in the long term	Longer term issues are deliberately ignored or neglected	X						PM: Project is meeting short-term needs and results with a long-term perspective TM	X					

Risk Factor	Indicator of Low Risk	Indicator of Medium Risk	Indicator of High Risk	Project Manager Rating						Notes	Task Manager Rating					
				Low	Medium	Substantial	High	Not Applicable	To be determined		Low	Medium	Substantial	High	Not Applicable	To be determined
<b>INTERNAL RISK</b>																
<b>Project management</b>																
Science and technological issues	Project based on sound science and well established technologies	Project testing approaches, methods or technologies but based on sound analysis of options and risks	Many scientific and /or technological uncertainties	X						PM: Leading Russian scientists participated in the Project implementation particularly in the SAP development and demo projects preparations. External scientific expertise are attracted in case of some scientific uncertainties (example: CLEANUP demo project was discussed on the meeting with participation of independent Russian scientists and experts)	X					
										TM						
Political influences	Project decisions and choices are not	Signs that some project decisions are	Project is subject to a variety of	X						PM: Project decisions and choices are not politically driven.	X					

Risk Factor	Indicator of Low Risk	Indicator of Medium Risk	Indicator of High Risk	Project Manager Rating						Notes	Task Manager Rating					
				Low	Medium	Substantial	High	Not Applicable	To be determined		Low	Medium	Substantial	High	Not Applicable	To be determined
<b>INTERNAL RISK</b>																
<b>Project management</b>																
	particularly politically driven	politically motivated	political influences that may jeopardize project objectives							TM						
Other, please specify. Add rows as necessary										PM						
										TM						

Risk Factor	Indicator of Low Risk	Indicator of Medium Risk	Indicator of High Risk	Project Manager Rating						Notes	Task Manager Rating					
				Low	Medium	Substantial	High	Not Applicable	To be determined		Low	Medium	Substantial	High	Not Applicable	To be determined
<b>EXTERNAL RISK</b>																
<b>Project context</b>																
Political stability	Political context is stable and safe	Political context is unstable but predictable and not a threat to project implementation	Very disruptive and volatile	X						PM: There is no visible political instability at the moment in the project life time TM: Upcoming in 2008 presidential elections and ongoing changes in government may seriously jeopardize appropriate level of SAP endorsement			X			
Environmental conditions	Project area is not affected by severe weather events or major environmental stress factors	Project area is subject to more or less predictable disasters or changes	Project area has very harsh environmental conditions	X						PM: Project is implemented in Russian Arctic, e.g. under severe weather conditions, however no severe weather events were happening in areas of planned project activities TM	X					

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

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

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

5 out of 15 ratings differ (<50%)

**TOP RISK MITIGATION PLAN**

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

Rank	Risk Statement <sup>25</sup>		Action to Take	Who	Date
	Condition	Consequence			
High	Co-financing – Additional funds planned in the project document to be raised by ACOPS will not be realized. There is no clear understanding of ACOPS actual expenditures and, therefore, existing co-financing situation. ACOPS does not follow procedure on donor funds disbursement. Due to ACOPS withdrawal from the agreement with EPA, new agreement btw EPA and UNEP is under development.	No additional funds are attracted for Project implementation. No clear picture of donor co-financing. Delays in EPA co-financing realization and the risk of incompleteness for pilot projects.	To ask ACOPS to prepare detailed report on activity associated with attracting new bi-lateral and multi-lateral donors as well as on disbursement of funds received from donors  Issue of co-financing from regions for pilot projects should be discussed. <b>To sign an agreement between EPA and UNEP on disbursement of residuary donor funds</b>	PO with assistance of IA  PO with assistance of ExA and IA  <b>EPA and UNEP</b>	June 2007  Dec 2008  <b>Oct 2007</b>
Substantial	Stakeholder analysis and public involvement plan are not completed (ready for 50%)	Possibility to exclude several stakeholders from the project and the lack of SAP ownership both, at the federal and regional levels	Increase of stakeholder awareness during regional and federal consultations. Consider possibility of hiring specific NGOs in representative regions Investment Forum (Partnership	Project Office  Project Office  Project Office, Executing	Nov-Dec 2007  Oct-Nov 2007  June 2008

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



Rank	Risk Statement <sup>25</sup>		Action to Take	Who	Date
	Condition	Consequence			
			conference) To hold meetings of Russian Interagency Working Group on regular basis	Agency, Implementing Agency Project Office, Executing Agency,	Twice a year
Substantial	Presidential elections in March 2008 and possible changes in the Russian government	These external political processes may influence approval and endorsement of the SAP at federal level	Closely monitor situation development and be ready for preventive actions	MEDT, PO	Feb-Mar 2008

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

FY2006 rating	FY2007 rating	Comments/narrative justifying the rating for FY07 and any changes (positive or negative) in the rating since the previous reporting period
N/A	M	Since the project experienced substantial delay in 2005-2006, current difficulties are partially explained by slow progress in the previous period. Key challenge for PO and ExA is to organize inclusive public participation process during SAP consultations at the federal and regional levels and include private business into discussion. Concurrent tasks of organizing this process and supervising ongoing activities will challenge PO management capacities. Situation may worsen due to unstable [uncertain?] political situation during presidential elections and temporary vacuum in the administrative system coinciding with the SAP endorsement process.
<b>If a risk mitigation plan had been presented for a previous period please report on progress or results of its implementation</b>		

#### 4. RATING MONITORING AND EVALUATION

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

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

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

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

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

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

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

4.3 Has the project:

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

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

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

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

The PO scrutinised all technical reports prepared by the project consultants. After that, most of the consultant technical reports were reviewed by ExA (through its Project advisor) and IA (through its representatives to the UNEP Moscow Office). From the other hand, all documentations issued by PO were also under thorough quality control by both ExA and IA. These include Half yearly and Quarterly reports, all financial documents. Packages of necessary documents for all project consultants' tenders as well as for lead cooperating organisations for 3 demo projects tenders have been prepared by PO in close cooperation with both ExA and IA. ExA and IA representatives participated in most of TT SAP and WG meetings and workshops hold by PO. All draft versions of the SAP document and its separate chapters and sections were closely reviewed also by the representatives of both agencies. With the purpose of quality control improving ExA, IA and PO were held several meetings.

In June 2007, a joint PO, ExA and IA teleconference on project risk mitigation was held that resulted in common understanding of project implementation problems and development of risk mitigation plan with assigned responsibilities. This corrective action has a positive impact on project performance at different levels.

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

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

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

The indicators are useful and relevant to the Project purposes

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

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

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

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

## 5. PROJECT IMPLEMENTATION EXPERIENCES AND LESSONS

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

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

The success of the project depends on level 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 the Russian Federation for the project needs. Bearing this in mind, during the reporting period Project Office continued to pay special attention to defining clear procedures of project management mechanisms and administrative procedures. Special emphasis was also given to establish good working relations with the Arctic regions of the Russian Federation.

The success achieved to date in the implementation of the project is directly related to sustained political commitment at federal and regional levels, ensuring the adequate level 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 required 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. However it should be noted that the dissemination of information on project implementation requires further improvement.

Project received full support and technical backstopping by the Executing Agency (Russian Ministry of Economic Development and Trade) that assures that project recommendations will be taken at the highest level possible and future interventions will be sustainable.

The following advantages can be formulated:

- Sustain political commitment at federal and regional level ensuring the adequate level of project ownership;
- Broad public involvement including organization of indigenous people of North;
- Formal and informal communication mechanisms for the exchange of information, which have been developed;
- Institutional procedures and structures have been established for long-term dialogue and for the continuous participation of multiple-stakeholders.

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

The following disadvantages or weaknesses can be noted:

- Members of interagency working group (IAWG) in Arctic regions as a rule are heads of corresponding environmental agencies or top-level representatives of regional administrations with a rather tight schedule and a lot of duties which caused delays in responses from Arctic regions. Contact persons for day-to day communication can be proposed. Representatives of industrial companies in this group are as a rule 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. IAWG was convened only once since the Project commencing,
- 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 Interagency working group. However negotiations on co-financing have not been hold yet. They should be arranged by Project Office together with ExA. Representatives of companies should be invited to participate in PINS working group ASAP.
- 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, etc. In addition 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.

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

- Closer cooperation amongst existing and planned programmes that address the impact of various sources and activities on the Arctic marine and coastal environments is needed. Information on the Project was presented at the Arctic Council ministerial meeting as well as to Senior Arctic Officials and PAME Working Group. Russian NPA-Arctic activity is noted in Salekhard Declaration, SAOs' Report to Ministers, Arctic Marine Strategic Plan and work plan of PAME for 2006-2008. The work of several other Arctic Council Working Groups, first of all ACAP, is very pertinent to the NPA-Arctic and Project Office should consider how these sources of expertise could be best incorporated. Establish more closer co-operation with existing initiatives is still needed.
- 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 more thoroughly by Project Office, and SAP and PINS WGs. Format of the final SAP document as well as the endorsement procedure should accommodate both, national and international practices, NPA-Arctic GEF project decided to develop SAP document incorporating elements of the Federal Targeted Programme (regional interventions matrix with cost estimates and financial sources) keeping at the same time internationally recognized elements of such documents (e.g., causal chain analysis). Furthermore, there is a chance that some of the project outputs will be incorporated into newly developed section "Environmental Security" of sub-program "Arctic" of the Federal Targeted Program "World Ocean". This will ensure mainstreaming of SAP activities into one of the key state development and financial mechanisms – Federal Targeted Program.
- Information on the project should be further disseminated at the widest possible levels through the project web-site as well as mass-media, including regional sources. Formal and informal communication mechanisms for the exchange of information should be further developed. Scheduled meetings to the Arctic regions will provide further impetus to this process.

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

- 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.
- There is no clear understanding with donors' funding for the whole project, despite of this issue was raised several times for partner agency (ACOPS) at the meeting of different level. Partner agency (ACOPS) did not perform fund-raising activities and this work is to be performed by the Project Office in co-operation with both Implementing and Executing Agencies-Project Office.
- Donor money was channeled via ACOPS and no reports of disbursement of donor money in acceptable form were prepared by ACOPS.
- No appropriate reports have been prepared by ACOPS including those funds spent by ACOPS before actual implementation of the Project
- ACOPS hired consulting company "Tethys Consultants" to represent ACOPS and this consulting company channeled major money flows to its account. Practically none of activities to be implemented by donor funds was implemented.