1. Project Data

Summary project data			
GEF project ID		1163	
GEF Agency project ID		413	
GEF Replenishment Phase		GEF 3	
Lead GEF Agency (include all for joint projects)		United Nations Environment Programme	
Project name		ECORA: An Integrated Ecosystem Management Approach to Conserve Biodiversity and Minimize Habitat Fragmentation in Three Selected Model Areas in the Russian Arctic	
Country/Countries		Russian Federation	
Region		Europe and Central Asia	
Focal area		Multi-Focal Area	
Operational Program or Strategic Priorities/Objectives		12- Integrated Ecosystem Management 2- Coastal, Marine and Freshwater Ecosystems 3- Forest Ecosystems	
Executing agencies involved		Lead executing agency: UNEP/GRID-Arendal (Global Resources Information Data Base-Arendal, Norway) in collaboration with Russian Federation (RF) Ministry of Natural Resources; RF Ministry of Economic Development and Trade, Arctic Council Program for the Conservation of Arctic Floral and Fauna (CAFF)	
NGOs/CBOs involvement		Russian Association of Indigenous People of the North (beneficiary and consultation	
Private sector involvement		Oil and gas companies (names not specified) - through consultations	
CEO Endorsement (FSP) /Approval date (MSP)		4/27/2004	
Effectiveness date / project start		06/01/2004	
Expected date of project completion (at start)		05/30/2009	
Actual date of project completion		12/31/2009	
Project Financing			
		At Endorsement (US $M)	**At Completion (US $M)**
Project Preparation Grant	GEF funding	0.375	0.375
	Co-financing	0.505	0.505
GEF Project Grant		3.000	2.954 (please see the commentary in Section 9)
Co-financing	IA/EA own	0.050	0.020 (this figure is from Annex 4)
	Government	2.180	0.036 (this figure is from Annex 4)
	Other*	1.650	0.289 (this figure is from Annex 4)
Total GEF funding		3.375	2.954 (please see the commentary in Section 9)
Total Co-financing		4.385	**UA**. Estimated at $1.237, however this is not in accord with TE's Annex 4 which only shows 0.345.
Total project funding (GEF grant(s) + co-financing)		7.760	**UA**. Estimated at $4.192 based on 1.237 of co-financing which may not be accurate.
Terminal evaluation/review information			
TE completion date		Not provided	
TE submission date		September 2012	

Author of TE	Ivan Senchenya
TER completion date	December 23, 2013
TER prepared by	Inela Weeks
TER peer review by (if GEF EO review)	Joshua Schneck

*Includes contributions mobilized for the project from other multilateral agencies, bilateral development, cooperation agencies, NGOs, the private sector, and beneficiaries.

2. Summary of Project Ratings

Criteria	Final PIR	IA Terminal Evaluation	IA Evaluation Office Review	GEF EO Review
Project Outcomes	NA	MS	MS	MS
Sustainability of Outcomes	NA	ML	MU	MU
M&E Design	NA	S	MS	MS
M&E Implementation	NA	S	MS	S
Quality of Implementation	NA	S	U/A	MS
Quality of Execution	NA	MS	MS	MS
Quality of the Terminal Evaluation Report	NA	N/A	MS	MS

3. Project Objectives

3.1 Global Environmental Objectives of the project:

The global environmental objective of the project was the conservation and sustainable use of globally significant biodiversity in the Russian Arctic.

The Russian Arctic, including its marine and terrestrial parts, is among the world's last remaining wilderness areas, but its on-going rapid and accelerating change is stressing fragile polar ecosystems and severely affecting the wellbeing of its residents, according to the Project Document. Russia covers nearly half of the total terrestrial Arctic and hosts a significant portion of the total remaining natural habitats for Arctic Fauna and Flora. In addition to hosting endemic biodiversity of global importance, the Russian Arctic also provides the critical feeding and breeding grounds for a large number of species and populations of migratory birds and mammals that periodically gather there in large numbers.

3.2 Development Objectives of the project:

The development objective of the project was the adoption and initial implementation of integrated ecosystem management (IEM) strategies and action plans in three Model Areas representing different ecosystems and anthropogenic pressures: Kolguev Island (Nenets Autonomous Okrug (NAO), Kolyma River Basin (Republic of Sakha, Yakutia (SR), and Beringovsky District (Chukotka Autonomous Okrug (ChAO). By building on national policies and priorities, the project was to begin to demonstrate how IEM could be used to achieve ecological, economic, and social goals for local and global benefits.

Project activities were structured around four main interventions/components: (1) Strengthening the enabling environment for IEM (including enhanced legislative framework, enhanced capability and capacity, financial sustainability, and increased public awareness); (2) Strengthening the knowledge base for planning, implementing, and evaluating IEM plans; (3) Development of IEM strategies and action plans in the Model Areas; and (4) Pilot projects to test IEM implementation strategies.

3.3 Were there any **changes** in the Global Environmental Objectives, Development Objectives, or other activities during implementation?

The TE notes that **no formal revision** of project objectives occurred during the project. However, it also states that the project's scope "evolved during implementation as circumstances changed, to some degree revising the objectives. The activities ultimately financed reflected a significant shift of effort and emphasis away from national to more focused regional and local activities. Similarly, there was a shift away from policy - oriented tasks to more practical ways to address regional and local problems."

It is also noted in the TE that the ECORA project lasted until December of 2009 with some limited follow up activities in 2010. The expected project end date was listed as May 2009, but the TE does not address this discrepancy in closing dates.

4. GEF EO assessment of Outcomes and Sustainability

Please refer to the GEF Terminal Evaluation Review Guidelines for detail on the criteria for ratings.

Relevance can receive either a Satisfactory or Unsatisfactory rating. For Effectiveness and Cost efficiency, a six point rating scale is used (Highly Satisfactory to Highly Unsatisfactory), or Unable to Assess. Sustainability ratings are assessed on a four-point scale: Likely=no or negligible risk; Moderately Likely=low risk; Moderately Unlikely=substantial risks; Unlikely=high risk. In assessing a Sustainability rating please note if, and to what degree, sustainability of project outcomes is threatened by financial, sociopolitical, institutional/governance, or environmental factors.

Please justify ratings in the space below each box.

4.1 **Relevance**	Rating: **Satisfactory**

The recognition of interactions between ecological, social, and economic systems and collaborative management is commonly characterized as "integrated ecosystem management approach" or "ecosystem approach". The COP 5 of the Convention of Biological Diversity adopted the ecosystem approach as the primary framework for action under the Convention. This project applies the integrated ecosystem management to three selected Model Areas in the Russian Arctic and as such aligns well with the CBD approach.

According to the Project Document, the project responds to the GEF priorities highlighted in Operational Program on Integrated Ecosystem Management (OP#12). The project aims to manage natural systems across sectors and administrative boundaries and facilitates inter-sectoral and participatory approaches to natural resource management planning and implementation on an ecosystem scale. Sustainable use could be ensured by systems that combine biodiversity conservation, production, and socio-economic goals. The project also supports objectives of GEF OPS# 2 (Coastal, Marine and Freshwater Ecosystems) and OP# 3 (Forest Ecosystems). These Operational Programs note that conservation can be ensured by ecosystem functioning through the establishment and strengthening of systems of conservation areas

including (a) in coastal, marine and freshwater areas at risk, and (b) in old growth and ecologically mature secondary forest ecosystems.

Relevance to the national priorities is satisfactory from the viewpoint of meeting various international commitments. The project contributed to meeting of international commitments of the Russian Federation under Convention on Biodiversity Conservation, Ramsar Convention, East Asian-Australasian Flyway Partnership, and bilateral agreements on migratory birds with Japan, USA and Korea. Russia actively participated in the work of Arctic Council's working group Conservation Arctic Flora and Fauna (CAFF) and "Arctic Climate Impact Assessment" (ACIA) and supports the recommendations made in the ACIA Policy document. ECORA proposed and tested a number of approaches and methods, including trend assessment based on CAFF criteria and the Circumpolar Biodiversity Monitoring Program (CBMP) indicators.

The project is also relevant to some of the Russian Federation's national programs and strategies, Such as the National Biodiversity Conservation Strategy (2001), which proposed that polar deserts, tundra, and forest-tundra regions in the Arctic parts of Russia adopt integrated approaches to nature management, with full involvement of indigenous peoples. Additionally, the outcomes of the project were to support several recent national and international plans and programs, including: the newly adopted RF National Action Plan for Biodiversity Conservation (2001-2010), which highlights ecosystem management, including implementation of regional models of biodiversity conservation and integrated land-use planning; the "Global-200" priority-setting initiative by WWF, which covers four Arctic eco-regions of global importance; the "National Action Plan - Arctic" of the Federal Program "World Ocean", which included provisions for an improved legislative framework for environmental protection, and adoption of pilot management and investment projects.

However, the TE also identified shortcomings when it comes to relevance of the project design to the actual context of the Russian Arctic. It noted that the Russian Federation's political and economic motivation for environmentally sustainable development was largely overestimated.

4.2 **Effectiveness**	Rating: **Moderately Satisfactory**

This project's effectiveness has been rated 'Moderately Satisfactory'; the same rating as in the TE. As noted in the TE, the level of effectiveness of the project varies depending on what level is being considered. In general, the project was more successful in completing outputs at the sub-national and local levels. Most of the activities within the four project components have been completed, although not all. However, the project was not as successful in achieving higher- level outcomes (particularly those related to the expected federal-level changes) and evidence of forward linkages to higher- level results, beyond immediate outcomes, is limited, according to the TE's ROtI analysis.

According to the evidence provided in the TE, none of the three indicators designed to measure the progress towards achievement of the global environmental objective of were achieved. There has been no evidence of recognition of IEM as a preferred management tool in government policy and planning

(indicator #1); in the natural resource use by industry (indicator #2); nor has there been evidence of replication of IEM in other areas of Artic Russia (indicator #3). The TE states, and this TER agrees, that the belief that a transfer of western IEM experience in the practice of environmental management in Russia would readily and effectively occur was clearly optimistic (and unrealistic), especially given that country's development challenges as well as the decline in political and economic motivation to achieve environmentally sustainable development. The achievement of the project's development objective is 'moderately satisfactory', as most outputs in the project's four components were completed.

Component 1: Strengthening the Enabling Environment for IEM – the enabling environment has been strengthened through: (1) carrying out various analyses of the policy, legal, and regulatory frameworks for IEM in the Model Areas (MAs); (2) drafting of 'Code of Conduct' for industries; (3) provision of training on environmental policy and management to local administrative staff and decision-makers in each MA; (4) provision of training to restore and support traditional nature use and management; and (5) incorporation of environmental programs into schools through preparation of textbooks. Although most outputs were completed, the TE notes that no improved policy, legislative, and regulatory framework facilitating implementation of IEMs was adopted or accepted for adoption by authorities in the three administrative regions hosting MAs (NAO; SR; ChAO) by project closure. Further, the introductory training on IEM was not provided to all relevant staff of the three PIUs, the MAIUs, some related NGOs, and no industry personnel from MAs were involved. Additionally, the Codes of Conduct mainly dealt with social and economic aspects of the industrial activities and do not apply to environmental conservation and protection. The TE notes that the economic crisis made it difficult to hold discussions with oil, coal, and gold mining firms. Lastly, the project was unable to establish long-term financing to support institutional capacity supporting ecosystem management: (a) a revolving fund could not be established under the Russian legislation; and (b) cost-recovery mechanisms could also not be established - the federal and regional ecological funds, that previously allowed for the establishment of cost-recovery, were cancelled. The TE notes that efforts were being made to build financial sustainability into the IEM Action Plan by using regional budgets to the extent possible.

Component 2: Strengthening the Knowledge Base for the IEM - the project produced a large number of technical and scientific reports, some of which contain unique information on remote areas in the Russian Arctic and its biodiversity. These include: thematic maps on habitats and land use; maps on the value of bio-resources, reindeer rangeland grazing capacity, important fishing areas; and electronic atlases of the fish, birds, and medicinal plants of the Kolyma River Basin Model Area. However, these results were not adequately publicized and disseminated.

Component 3: Development of IEM Strategies and Action Plans – IEM plans were prepared for each MA based on the information collected. In 2009, both the NAO and the Sakha Republic (SR) Administrations formally approved the IEM action plans for Kolguev Island and the Kolyma River Basin MAs. These incorporated the Code of Conduct for the relevant industries. The administration of ChAO did not formally approve the IEM strategy and action plan for Beringovsky District.

Component 4: Pilot Projects to Test IEM Implementation Strategies - the following pilot projects were successfully implemented: (1) Clean water and waste management on Kolguev Island; (2) Waterfowl

harvest regime in the Kolyma River Basin; (3) Sustainable reindeer breeding in the Kolyma River Basin; and (4) Cluster-type protected areas in the Beringovsky District.

4.3 **Efficiency**	Rating: **Moderately Unsatisfactory**

The project's efficiency is rated 'Moderately Unsatisfactory', in agreement with the TE's rating, due to issues with co-financing, lack of support from one of the regions and from the federal level agencies, and due to some issues with the project design.

According to the TE, the final Project cost was US$ 3 million from the GEF with "substantial 'in-kind' contributions by NEFCO, Canada, Norway, Sweden, Finland, the USA and GRID-Arendal". The TE presents somewhat conflicting data on co-financing making it hard to assess how much co-financing was actually received. The summary table on page 12 of the TE notes that by 30 June 2010, co-financing of US$ 1, 237, 085 was realized. But, in Annex 4 '*Summary of co-finance Information and a statement of project expenditure by activity'* it is noted that total co-financing disbursement was US$ 345,580. The TE does note that financial data, particularly that on co-financing, was not readily available, which made it hard to make a detailed assessment of the quality and effectiveness of the project's financial planning and control.

The TE asserts that ECORA had no tangible support at the federal level and that it failed to attract money from federal level funds/budget. Approximately $US 1 million was initially pledged to the project through RF MEDT (Ministry of Economic Development and Trade of the Russian Federation), but this funding did not materialize. There were also, according to the TE, insufficient efforts of project management to assure financial sustainability of ECORA outcomes and impacts, including fundraising.

An important factor that affected the financial performance of the project was the annual inflation rate of over 11%. A simultaneous increase of approximately 25% in the costs for services and a decrease in the dollar exchange rate caused real losses to the project estimated at about 40% of the overall budget over the evaluation period (2004-2007). This resulted in fewer visits to the Model Areas and further reduced the possibility of attracting additional experts. As the financing situation did not change it was necessary to adjust the project budget for the final 2 years, to compensate for inflation. The situation was made particularly difficult because the $1 million co-funding pledged by the MEDT was not available to the project.

The TE also notes that analyses of project expenditures showed that more than 40% of total project budget was spent on project management, administrative support and related issues. Another 16% were used for training component. This appears to be fairly high.

The ChAO region proved to be difficult to work in, for both technical and administrative reasons. The region lacked local expertise requiring experts to be brought in from other regions, at increased cost to the project. The remoteness of the region resulted in some of the originally planned activities having to be modified for budgetary reasons. On the administrative side, from the beginning of project implementation, the local ChAO administration was reluctant to support ECORA, even though they had signed a letter of support in the project proposal, and the establishment of a Model Area

Implementation Unit (MAIU) was significantly delayed in this region. When the ChAO administration changed mid-way through the project, costly and time consuming negotiations were once again required to maintain their support for the project. In addition, there were three different MA Coordinators for Beringovsky District and two different Western Advisors during the project. This lack of continuity in the core team for the MA contributed to delays within this MA.

Additionally, a complex set of factors and changing circumstances occurred that undermined this project's concept, according to TE. These included: (a) the decline, from the mid 1990's onward, of government commitment to environmental management and the dominance of economic and fiscal considerations in public policy, including focusing more on exploitation of existing resources and assets and less on improving environmental performance; (b) the government's choice to reorganize and downscale the environmental management system rather than to improve and modernize it; (c) the abolishment in 2000 of the State Committee for Environment, that was a major supporter of ECORA, and (d) the assumption that western ideas and experience would be either readily transferable or directly useable as the basic rationale for the promotion of IEM was flawed to varying degrees, both in terms of the capacity to fully understand, adjust and apply it, and in quality and appropriateness of what was acquired.

Finally, despite the overall quality of project design, according to the TE, there were some flaws that affected project performance and outcome. Stakeholder consultations were poor at the project design phase. A lot of small activities within four components did not allow the project to focus on major project objectives. Dissemination was not considered as an important part of the project in the design and was not prioritized in the budget. As a result, at the end of the project there were insufficient funds to disseminate all the results and outputs. During project design, the nature of the project that covers western, central and eastern arctic regions of Russia was not fully taken into account and insufficient funds were allocated to travel for the project participants to the MAs.

4.4 **Sustainability**	Rating: **Moderately Unlikely**

Sustainability of project outcomes is considered to be 'Moderately Unlikely' with the greatest concern being the financial and institutional sustainability.

Financial resources – moderately unlikely: According to the TE, some funds for post project implementation were secured: the implementation of the pilot project in Kolguev MA and Beringovsky MA will be financed from the federal and regional budgets; and NEFCO will provide € 200K for Kolguev's pilot waste management program. But, the TE notes that many stakeholders expressed concern that finances would not be forthcoming to follow through with the activities started by the project, in particular, for the implementation of the IEM Action Plans. The Deputy Prime Minister and the Minister of Environment of the SR confirmed that the IEM Action Plan would be partially financed through the republic's budget for that Model Area. The funding for the implementation of the IEM Action plan for Kolguev MA is not yet certain, as the administration, decision-making powers, and budget of the Kolguev Model Area moved from NAO (through which it was administered until 2008) to the

Arkhangelsk Oblast Administration. The TE notes that it is not clear whether the IEM Action Plan for Kolguev MA will be financed by Arkhangelsk administration.

The sustainability of financial resources for the continuation of project outcomes is further more uncertain as the project was unable to establish a long-term funding mechanism, i.e., the revolving fund, as had initially been planned. Further, the ecological funds, which could have enabled the establishment of cost-recovery mechanisms, were cancelled (although the TE notes that there were on-going discussions within the Russian Government to re-establish such funds). It appears that the only evident way to provide long-term funding mechanism for the project results is to use the existing regional or federal programmes. However, it must be noted that the realization of co-funding that had been pledged at the federal level was not realized during project implementation. Given this, it is hard to see how the financial situation might improve in the future.

Socio-Political- moderately likely – According to the TE, this dimension of risk was rated 'likely', as "no specific socio-political risks were identified as part of the evaluation". The TE further notes that strong support from all local administrations was vital to the ultimate success of ECORA project and that the project enjoyed good political support in both the regions and federally. This assessment seems to be at odds with the rest of the evidence presented in the report, which clearly demonstrated the lack of support from the federal level agencies and from, at least, the ChAO regional administration. At local and community level, the project seem to have enhanced awareness and provided training that may lead to conservation action. Although the TE notes that the project provided the interested parties with the opportunity to listen to each other, it also notes that they have not yet found common acceptable solutions on many issues, for example, on support for the traditional use of natural resources. This suggests that there may be potential social risks in the future. Additionally, the TE noted that the Russian Association for Indigenous Peoples of the North (RAIPON) was not involved in the project to the extent needed and that RAIPON's network capacities were not appropriately used by the project. This could also be a relevant social risk going forward.

Institutional framework and governance – moderately unlikely - a favourable institutional framework and governance climate is particularly important to the sustainability of the project outcomes. According to the TE, ECORA created or supported special institutions in the region and considerably increased their capacities and potential, and due to this fact, the TE rated this aspect of sustainability as Moderately Likely. This TER considers this rating to be high, as: (1) the TE notes that there are no clear indications that project recommendations will be taken at the highest level possible and that future interventions will be sustainable. Further exacerbating this risk is the fact that not all project-generated knowledge was properly published and/or delivered to the relevant stakeholders; (2) during the project implementation the federal level agencies did not fully support the project and one of the three Model Areas, ChAO, was not fully participating either. Given their lack of interest during the project, it is hard to envisage how this attitude will change after the project ends. (3) There were frequent changes in the regional governance structure (e.g., in NAO and in ChAO) that were causing implementation difficulties; as the project had to essentially start anew with every change of administration. Already, the administration in the second MA, Kolguev, has changed and it is uncertain if the new administration will support the IEM implementation (even though the old administration adopted the IEM plan). Further,

the administration of the joint Anadyrsky district (former Anadyrsky District plus Beringovsky district) has been briefed about ECORA and about the IEM plan for the Beringovsky MA, however, it appears unlikely that they will sign the document; and (4) during the project Russia moved many of the environmental protection responsibilities from the federal level in Moscow to the regional authorities. According to the TE, these lack the financial and administrative resources to implement these new responsibilities effectively. Thus, combined, all of these issues indicate an unstable institutional framework, which, once the project is closed, may result in the project's objectives being forgotten.

Environmental – moderately unlikely – The TE notes that there are no major environmental risks or threats to the sustainability of project outcomes. The ECORA products, according to the TE, constitute a very important tool for improving environmental and sustainability management and as such the environmental benefits of this project are potentially highly positive. It thus rated this dimension of sustainability as likely. This TER considers this rating to be overly optimistic. While the IEM Plans have been developed they have yet to be successfully implemented leading to environmental benefits. Moreover, the IEM implementation seems, at best, uncertain. Moreover, the TE's assessment that 'there are no major environmental risks' seems very unrealistic as two out of three Model Areas have oil and gas companies operating in them. These companies did not fully engage in the project when it comes to environmental impact of their operations. As such it would appear that at least some of those environmental risks that were present at the beginning of the project would remain a threat in the future.

5. Processes and factors affecting attainment of project outcomes

5.1 Co-financing. To what extent was the reported co-financing essential to the achievement of GEF objectives? If there was a difference in the level of expected co-financing and actual co-financing, then what were the reasons for it? Did the extent of materialization of co-financing affect project's outcomes and/or sustainability? If so, in what ways and through what causal linkages?

According to the TE, the final Project cost was US$ 3 million from the GEF with "substantial 'in-kind' contributions by NEFCO, Canada, Norway, Sweden, Finland, the USA and GRID-Arendal". The TE presents somewhat conflicting data on co-financing making it hard to assess how much co-financing was actually received. The summary table on page 12 of the TE notes that by 30 June 2010, co-financing of US$ 1, 237, 085 was realized. But, in Annex 4 '*Summary of co-finance Information and a statement of project expenditure by activity'* it is noted that total co-financing disbursement was US$ 345,580. The TE does note that financial data, particularly that on co-financing, was not readily available to the evaluator, which made it hard to make a detailed assessment of the quality and effectiveness of the project's financial planning and control.

Further, ECORA had no tangible support at the federal level and failed to attract money from federal level funds/budget, according to the TE. The Russian co-financing of the project was based on the receipt of contribution letters from constituent units of the RF, letters that were not subsequently re-approved by the MEDT. Approximately $US 1 million was initially pledged to the project. This funding was supposed to come from the Federal Targeted Programme

"World Ocean, Sub-program - Arctic" budget, a program that subsequently did not receive appropriate financing. The agreed 'in-kind' co-financing in the form of office premises, computers, communication costs was supplied in accordance with the signed MoU between GRID-Arendal and FCGS "Ekologia". Some regional co-funding was in-kind rather than cash. All of these issues necessitated adjustments to the project budget and activities.

5.2 Project extensions and/or delays. If there were delays in project implementation and completion, then what were the reasons for it? Did the delay affect the project's outcomes and/or sustainability? If so, in what ways and through what causal linkages?

The TE notes that the project ended in December 2009 with some limited follow up activities in 2010. The expected project end date was listed, in both the project document and the TE, as May 2009, but the TE does not provide the reasons for why and how the end date was extended.

5.3 Country ownership. Assess the extent to which country ownership has affected project outcomes and sustainability? Describe the ways in which it affected outcomes and sustainability, highlighting the causal links:

Country ownership was negatively affected by the overall socio-political changes that occurred in Russia during that period. Since the mid 1990s the Russian government's commitment to environmental management declined and economic and fiscal considerations started to dominate public policy making. For instance, the State Committee for Environment that was a major supporter of ECORA project was abolished in 2000 and its functions combined with the Ministry of Natural Resources. As noted in the TE, political and economic motivation for environmentally sustainable development was largely overestimated.

According to the TE, it appears that there was little involvement of federal government representatives in project discussions. The planned co-financing did not materialize and the TE notes that ECORA has had no tangible support at the federal level other than an exchange of information between ECORA and MNR thematic divisions, and the provision of agreed in-kind co-financing in the form of office premises, computers, communication costs.

Regionally, project ownership differed between the Model Areas. In general, ECORA has succeeded in establishing working relationships with regional authorities, although the ChAO region proved problematic. Frequent changes in regional governance structures caused various difficulties during project implementation. During project implementation, for example, authorities of the NAO changed four times.

6. Assessment of project's Monitoring and Evaluation system

Ratings are assessed on a six point scale: Highly Satisfactory=no shortcomings in this M&E component; Satisfactory=minor shortcomings in this M&E component; Moderately Satisfactory=moderate shortcomings in this M&E component; Moderately Unsatisfactory=significant shortcomings in this M&E component; Unsatisfactory=major shortcomings in this M&E component; Highly Unsatisfactory=there were no project M&E systems.

Please justify ratings in the space below each box.

6.1 **M&E Design at entry**	Rating: **Moderately Satisfactory**

The project's M&E design at entry is rated Moderately Satisfactory as it was fairly detailed, but it lacked the required budget for some of the M&E activities and some of the indicators outlined in the log-frame were not SMART.

Based on the information in the Project Document, this project's Monitoring and Evaluation Plan (MEP) was based on UNEP's monitoring and evaluation principles. Monitoring and reporting were to be the basis for regular evaluations of project administration, achievements, and impacts. The MEP was to cover three areas: project administration (budgets, financial audits, administrative reviews); project achievements (outputs relative to milestones); and project outcomes (longer term impacts on ecological, social, and economic components). Indicators and means of verification were to have been developed for the latter two areas, as were the lists of key stakeholders who should participate in project evaluations. Further, the MEP had arrangements for progress reviews, mid-term and external terminal evaluations and it outlined the responsible parties for ensuring that these were carried out. Aside from project evaluation, this project had arrangements for impact monitoring to assess the longer-term impact of the project on biodiversity, socio-economic, and institutional factors, and stakeholder collaboration. The impact monitoring schedule consisted of: baseline monitoring at the outset; monitoring at year 3, monitoring at project's end; and then monitoring every 3-5 years, after the project concluded, to measure its lasting impacts and provide information for future project development. The PIU was responsible for impact monitoring.

The project's log frame matrix was outlined in Annex 9B to the Project Document. Although the log-frame is generally adequate, some parts of the log-frame are weak, especially when it comes to target indicators for the development and immediate objective goals. Some of the indicators could only be measured long after the project ends (especially the biodiversity indicators) as they more appropriately measure the outcomes of the eventual full- scale implementation of the IEM plans, which falls outside of the scope of this project. It is therefore difficult to see how these can be attributed to the project's interventions (in addition to them not being measurable within the project's timeframe). Further, the socio-economic indicators used could also not easily be attributed to the project activities. As stated in the TE the causal link between the unemployment rate and the project intervention is unclear and indirect.

A review of the project's budget show that US$9,000 has been assigned for project auditing (classified under the budget line ' evaluation'). No other specific M&E budget lines are present in the budget; but it is possible that some of the planned M&E activities are folded under other budget components. The M&E Plan indicates that evaluation and monitoring was meant to be on-going and that impact monitoring was supposed to occur at specified times after the project ends (this is how the biodiversity indicators were to be measured). But, as there appears to be no dedicated funds in the budget for these activities, it is not clear how they were supposed to be implemented or who was to implement them.

6.2 **M&E Implementation**	Rating: **Satisfactory**

The M&E implementation is rated 'Satisfactory', as it appears that the project carried out extensive administrative and project monitoring. Additionally, it seems that the Steering Committee used the M&E systems to provide feedback to the project enabling it to improve and adapt its performance. Environmental monitoring was also carried out, although there appear to be some issues with the data reporting and availability.

The TE notes that monitoring of ECORA was an on-going process that used the systematic collection of data on specified indicators to provide information on the extent of progress towards project objectives and on the use of allocated funds. Additionally, according to the TE, evaluation involved the definition of appropriate indicators, the examination of performance against those indicators, and an assessment of actual and expected results.

Monitoring of project administration included the preparation of: annual project budgets; quarterly financial reports; yearly financial reports (explaining any discrepancies or changes in the budget); and half-yearly reports (HYRs) on project administration, including any problems and recommended changes. All HYRs were produced by PIU in Moscow in consultation with the MAIUs. All financial reports were produced by MAIUs and compiled by the PIU. Although the project initially experienced serious problems in both financial and progress reporting, these issues have been resolved, according to the TE. The annual project evaluation included: a financial audit as per UNEP standard procedures, including a review of financial reporting and accounting procedures; and a technical review using the format of the HYR. These were completed regularly, as planned. However, the TE does not provide an analysis of the quality and adequacy of these deliverables (reports, audits, reviews).

The Steering Committee was responsible for the annual evaluation of project achievements. HYRs were circulated among the Steering Committee (SC) members and project participants for comments. SC members considered PIRs and proposed response actions plans, the progress on which had to be reported on in the next PIR. During the intervening periods, the SC communicated via e-mail. The TE notes that all ECORA substantive and technical reports were produced in a timely manner with delays not exceeding 3-4 months.

The project website requires some attention as it does not include essential material from the project, and it does not contain enough information, e.g. recent reports are not uploaded; report titles do not include dates; there are no additional links within the website to reports to make them more easily accessible; and there are no links to other organizations that participated in the project.

When it comes to environmental monitoring, the project carried out various activities and compiled numerous reports. Some of the baseline figures for biodiversity indicators were compiled and provided in Annex 1 of the TE. However, it is also noted in the same Annex that the evaluation of progress towards achieving some of the biodiversity indicators was difficult, as last information reported was in 2007. The TE does not investigate in more detail why this was so.

7. Assessment of project implementation and execution

Quality of Implementation includes the quality of project design, as well as the quality of supervision and assistance provided by implementing agency(s) to execution agencies throughout project implementation. Quality of Execution covers the effectiveness of the executing agency(s) in performing its roles and responsibilities. In both instances, the focus is upon factors that are largely within the control of the respective implementing and executing agency(s). A six point rating scale is used (Highly Satisfactory to Highly Unsatisfactory), or Unable to Assess.

Please justify ratings in the space below each box.

7.1 **Quality of Project Implementation**	Rating: **Moderately Satisfactory**

Project implementation is rated 'Moderately Satisfactory', primarily due to the issues identified in the project design that have negatively affected project performance.

The TE presents very limited information of UNEP's project implementation. It notes that in terms of overall project management, the performance of the executing and implementing agencies has been very effective. Some administrative and financial management issues occurred, which were, to some extent, resolved during implementation. The TE does not detail what these issues where.

Overall, the project design appears to have been of good quality, according to the TE. However, there were several issues with the project design that affected project performance and outcome, including: (1) Stakeholder consultation was poor at the project design phase and critical stakeholder consultations lacked at this stage; (2) The implementation of many small activities within the project's four components did not allow for concentration on major project objectives; (3) Information dissemination was not considered as an important part of the project in the design; as a result, by the end of the project there were insufficient funds to disseminate all of the results and outputs; and (4) Project design failed to adequately take into account the nature of the project's area that covers western, central and eastern arctic regions of Russia and as such insufficient funds were allocated to travel for the project participants to the MAs.

7.2 **Quality of Project Execution**	Rating: **Moderately Satisfactory**

Project Execution is rated 'Moderately Satisfactory'. The project achieved most of its outputs within a budget that was affected by the lack of co-financing, a high inflation rate, and other issues already identified in the project effectiveness section of this TER. However, it is also clear from the evidence provided in the TE that the project execution differed between the three Model Areas and that there were deficiencies when it came to how the Western Advisors were used during the project.

As noted above, the TE noted that the performance of the project execution agencies was very effective. However, that there were some administrative and financial management issues, which were, to some extent, resolved during implementation.

According to the TE, project management consisted of a PIU in Moscow and three Model Area Implementing Units (MAIUs) in the regions. The PIU coordinated project activities and was responsible for financial management, hiring of consultants/experts, liaison with relevant stakeholders, and donor countries and agencies. The PIU was also responsible for overall management and project decision-making, and fund allocation decisions. According to the TE, the remoteness of PIU from MAs had little impact on project performance and no communication problems with the PIU were identified.

The efficiency of MAIUs differed between regions. MAIUs provided coordination with the local implementation institutions, local stakeholders, Western Advisors, and relevant experts. Both the Kolguev Island and Beringovsky Model Areas have changed Model Area Coordinators since project implementation. This proved to be most problematic in Beringovsky where it was difficult to find a replacement MA Coordinator with the requisite skills locally. This had an effect on the implementation of project activities in this region.

Additionally, participation of the Western Advisors differed between MAs. The TE notes that the participation of international advisors in ECORA could have been better. It seems that the project-generated reports were not all translated into English. English summaries of activity reports were of varying quality and were insufficient to generate meaningful input from abroad. As such, the Advisors could not use them to provide the level of support needed. Thus, language barrier and the lack of translated documents proved to be significant barriers to greater international participation. A second significant barrier was the cost of travel, particularly for the two Western Advisors based in Alaska. With the rising cost of oil and increased exchange rate between the Russian Ruble and U.S. Dollar, travel costs increased significantly affecting the ability to hold more face-to-face meetings.

8. Lessons and recommendations

8.1 Briefly describe the key lessons, good practices, or approaches mentioned in the terminal evaluation report that could have application for other GEF projects.

Broader stakeholder support at the high level is required for introduction of IEM approaches to environmental policy changes and ensuring their sustainability. More direct and early involvement of economic and financial ministries (MOEDT, MOF) as well as national legislative bodies (i.e. Duma) in the project design and its implementation activities could strengthen sustainability of the project and help to reach its policy objectives.

A clear lesson from ECORA is that in such country as Russia, IEM can be effective at a regional level even in the absence of stable national counterpart arrangements and commitment. Thus, future IEM projects in Russia may benefit from a “bottom up” rather than “top down” approach until there is a significant change in the level of interest and capacity in the national government for environmental management.

ECORA illustrates the importance of the project's overall design in setting realistic objectives and outcomes based on well documented and comparable experience elsewhere.

Project should ensure adequate publication and dissemination of project results and broader stakeholder Involvement.

8.2 Briefly describe the recommendations given in the terminal evaluation.

No explicit recommendations provided beyond those implied in the Lessons Learnt section of the TE.

9. Quality of the Terminal Evaluation Report

A six point rating scale is used for each sub-criteria and overall rating of the terminal evaluation report (Highly Satisfactory to Highly Unsatisfactory)

Criteria	GEF EO comments	Rating
To what extent does the report contain an assessment of relevant outcomes and impacts of the project and the achievement of the objectives?	The report assesses the relevant outcomes and achievements of objectives. However, more comprehensive evidence could have been provided. Annex 1 to the TE provides useful details on the achievement of outputs and outcomes, based on the project's log-frame. Some of the information provided in this Annex is highly relevant, but is not outlined anywhere else in the report. Unfortunately, Annex 1 finishes abruptly at the end of Component 1 and no details are provided on the agreed indicators for Components 2, 3, and 4. Although the TE carried out a ROtI analysis, this analysis was weak and it had no justifications for its ratings.	**MS**
To what extent is the report internally consistent, the evidence presented complete and convincing, and ratings well substantiated?	The TE is not internally consistent as it offers: conflicting information on co-financing; some conflicting statements on the level of support received from the federal agencies; and conflicting statements in relation to the rating of the GEO achievement. There is a noticeable lack of comprehensive detail on some of the critical project components, including the pilot projects. Other ratings seem appropriate and reasonably well supported, although a better-structured presentation of results would have greatly improved the readability and comprehension of the report.	**MU**
To what extent does the report properly assess project sustainability and/or project exit strategy?	The TE does address sustainability and has sections on the four dimensions of sustainability. Additionally, the ratings are provided. However, the entire section on sustainability could have been much stronger, as well as more realistic and critical. Some of the assertions made in this section are clearly at odds with the rest of the evidence provided in the report. For instance, the TE claims that there are no environmental threats to the sustainability of the project outcomes. The evidence in the TE does not support this assertion as none of the IEM plans were actually fully implemented. At the very least, the same threats that existed before the project were still present. Further, the threats from the oil and gas companies in the regions are not addressed at all. Equally weak were the socio-political and institutional assessments of sustainability.	**MU**
To what extent are the lessons learned supported by the evidence presented and are they comprehensive?	Some of the Lessons Learnt are simply statements about project performance or a description of an issue that the project encountered. There does not appear to be any lessons drawn from these statements. Other lessons seem appropriate and supported by the information provided in the TE.	**MS**

Does the report include the actual project costs (total and per activity) and actual co-financing used?	The TE provides summary financial information on page 12. Based on this information it appears that most of the GEF grant has been spent, although this is not easy to discern as three different figures are provided as of 30 June 2010: (1) disbursement was US$ 2,954,643; (2) the actual expenditure reported was US$ 2,961,601; and (3) the actual expenditure entered into the IMIS was US$ 2,531, 934. The TE explains the difference between the reported disbursement and the actual reported expenditure as follows: "Minor discrepancy due to over-expenditure or over-reporting by EA. This being assessed and is to be rectified within the final budget revision. Any excess expenditure will be borne by the EA". However, the TE does not explain the discrepancy of in excess of US$ 400,000 between the actual expenditure reported and that entered into the IMIS database. Moreover, the TE is not internally consistent in respect to providing information on project co-financing. In the summary table on page 12, the total co-financing was noted as US$ 1,237,085. But, in Annex 4 to the TE (table on co-financing) only a total of US$345,580 is shown. Additionally, this table does not specify the planned co-financing, only the actual co-financing. Even though the TE identifies that it had issues with obtaining information on co-financing, this cannot justify the provision of such inadequate information. Overall, the TE does not give a suitable overview of the project costs.	**MU**
Assess the quality of the report's evaluation of project M&E systems:	The report does not evaluate M&E at design. It details the type and frequency of deliverables that were part of the M&E Plan. However, it does not critically analyze those reports, making it difficult to assess their quality and adequacy. The report does not address the arrangements for impact monitoring. It is not clear if it was carried out at all, and what arrangements were in place for post-project impact monitoring (as proposed in the project design).	**MS**
Overall TE Rating		**MS**

TE Quality = (.3*(4+3)) + (.1*(3+4+3+4)) = 3.5 = MS

10. Note any additional sources of information used in the preparation of the terminal evaluation report (excluding PIRs, TEs, and PADs).