1. Project Data

Summary project data			
GEF project ID		1164	
GEF Agency project ID		GFL-2732-03-4694	
GEF Replenishment Phase		GEF 2	
Lead GEF Agency (include all for joint projects)		United Nations Environment Programme (UNEP)	
Project name		Support to the National Programme of Action for the Protection of the Arctic Marine Environment, Tranche 1	
Country/Countries		Russian Federation	
Region		Europe and Central Asia	
Focal area		International Waters	
Operational Program or Strategic Priorities/Objectives		Operational Program 10 – Contaminant- based IW-3/SP-3: Balancing overuse and conflicting uses of water resources in surface and groundwater basins that are transboundary in nature- Monitoring improved water use efficiency in demonstrations.	
Executing agencies involved		Ministry of Economic Development and Trade of the Russian Federation (Lead Executing Agency) Advisory Committee on Protection of the Sea (ACOPS) – Partner Agency (later withdrew from the project due to fund mgmt issues) Nordic Environment Finance Corporation (NEFCO) –Partner Agency	
NGOs/CBOs involvement		Russian Association of Indigenous People of the North (RAIPON) - through consultation	
Private sector involvement		Some private sector involvement in demonstration projects, but the TE does not identify the companies in question.	
CEO Endorsement (FSP) /Approval date (MSP)		07/31/2003	
Effectiveness date / project start		09/01/2005	
Expected date of project completion (at start)		June 2010	
Actual date of project completion		02/28/2011	
Project Financing			
		At Endorsement (US $M)	**At Completion (US $M)**
Project Preparation Grant	GEF funding	0.306	0.306
	Co-financing	0.474	0.474
GEF Project Grant		5.885	5.828
Co-financing	IA/EA own	EA = Government (see below)	EA = Government (see below)
	Government	5.800	9.080
	Other*	7.352	2.580
Total GEF funding		6.191	6.134
Total Co-financing		13.626	12.134
Total project funding (GEF grant(s) + co-financing)		19.817	18.268
Terminal evaluation/review information			
TE completion date		First Half 2011 (the exact date is not specified in the TE)	
TE submission date		September 2012	
Author of TE		Prof. Dr. Ivan Holoubek and Oleg Sutkaitis	
TER completion date		01/13/2014	
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	HS	HS	HS	HS
Sustainability of Outcomes	Not rated	ML	ML	MU
M&E Design	HS	S	S	MS
M&E Implementation	HS	S	S	S
Quality of Implementation	Not rated	HS	HS	HS
Quality of Execution	Not rated	S	S	S
Quality of the Terminal Evaluation Report	N/A	N/A	MS	MS

3. Project Objectives

3.1 Global Environmental Objectives of the project:

The project's global environment objective was to protect the global marine environment in which the Arctic plays a pivotal role.

The Arctic is globally significant because of its influence on oceanic and atmospheric circulation; its unique biological diversity; and its important contribution to the global carbon balance and climate stability. Seasonal assemblages of marine mammals occur over large areas and bird populations find nesting grounds and flyways in the area. The Arctic region provides livelihoods for indigenous Northern peoples and thus preserves the ethnic and cultural diversity and supports traditional use of natural resources.

The decades-long intensive economic and defense-related activities in the Russian Arctic have created numerous ecological "hot spots", where the levels of pollution greatly exceed national and international pollution limits. Other challenges the Arctic faces are related to ecosystem degradation, insufficient waste management, deteriorated public health and loss of biodiversity. Moreover, further intensification of activities associated with the exploitation of natural resources in the Russian Arctic are likely to generate new threats to the environment, which may take on a regional (circumpolar) and even a global scope if proper measures are not taken.

3.2 Development Objectives of the project:

The specific objective of the Project was "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 programs of the Arctic Council." As such, it was to create conditions allowing 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.

The project had four components:

1) Preparation and adoption of a Strategic Action Programme (SAP) to address damage and threats to the arctic environment from land-based activities in the Russian Federation (RF);
2) Completion of ten Pre-Investment Studies (PINS) to determine the highest priority and tractable interventions to correct or prevent transboundary impacts of land-based activities;
3) Development and implementation of Environmental Protection System (EPS), embodying legislative, administrative, institutional and technical capacity improvements consistent with the SAP; and
4) Implementation of three demonstration projects on: (i) Indigenous environmental co-management; (ii) Remediation of the environment through the use of Brown Algae; and (iii) Environmental remediation of two decommissioned military bases.

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

The TE noted that the planned Phase II of the project was "…dropped from the GEF portfolio…", but no further explanation is provided. It is further noted that the initial duration of Phase I was two years (24 months) from July 2005 to June 2007. However, due to: delayed payment of funds, uncertainties with donor funds, and removal of Phase II of the project from the GEF portfolio, the Phase I was extended several times by the Steering Committee in order to reach clear outcomes at the end. According to the TE, in addition to the changes to project duration, some activities were also changed several times by joint decisions of the Project Steering Committee, including the project scope that was "… significantly expanded…" No further details of these changes are given, but the TE does state that these changes have resulted in attainment of both Phase I and II during project's implementation.

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 project is relevant to the GEF's International Waters Focal Area. This Project is consistent with GEF policies as articulated in the description of the GEF Contaminant-based Operational Program No. 10, which "focuses on poorly addressed contaminants and aims to utilize demonstrations to overcome barriers to adoption of best practices, waste minimization strategies, and pollution prevention measures." This project deals predominantly with land-based activities that have either compromised, or threaten to compromise, the arctic marine environment with consequences for other States bordering this ocean but, more significantly, the global marine environment in which the Arctic plays a pivotal role. Moreover, consistent with OP#10, the project was designed to substantiate, consistent with the RF's "World Ocean" Federal Targeted Oriented Programme (FTOP) initiative, the necessity to institute major changes in legislation, procedures and public attitudes to environmental protection and restoration of the Arctic environment and to demonstrate that measures aimed at removing technological barriers can be implemented.

Further, this project contributed 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). This project was a part of the initial set of the GEF-founded GPA/UNEP demonstration projects, aimed to present an approach and methods to set up a national framework for action to address the identified issues relevant to the marine and coastal environment of transboundary significance.

Additionally, this project was developed to be in-line with the Russian national sectoral and development priorities and plans, and was supported by the relevant country representatives from the government and the civil society. The project was designed during the period 1998 to 2000 to provide support for a National Programme of Action developed by the Russian Federation. The National Program of Action (NPA) is a mechanism for implementing the GPA at the national level.

4.2 **Effectiveness**	Rating: **Highly Satisfactory**

The project's effectiveness is rated 'Highly Satisfactory' given that it successfully completed all planned activities. Moreover, additional activities were initiated and results achieved beyond the scope of activities described in the Project Document.

According to the TE the project was" very complex, ambitious and progressive" and all project goals and proposed outcomes were reached. The main critical problems of the Russian Arctic were identified and environmental risks at all levels were assessed. The project: prepared proposals to the Russian Government to improve nature protection legislation and management; contributed to the implementation of effective environmental legislation; and prepared the fundamental strategic program for the future protection and rational development of the North Russian territories. The Project outcomes set up a solid ground for the "Arctic Agenda 2020" Program development (which is a new, follow-up GEF/UNEP project). As per the TE "…the project is likely to contribute towards improvement of the nature protection system of the Russian Arctic".

The project's notable results include:

- Strategic Action Programme (SAP) for Protection of the Environment in the Arctic Zone of the Russian Federation (SAP-Arctic) prepared and approved by the Maritime Board at the Government of the Russian Federation, the highest-level body of the government in charge of coordinated efforts of federal enforcement authorities in the field of maritime activities, investigation, and exploration of the World Ocean, the Arctic and Antarctic. The Maritime Board recommended the SAP-Arctic for further promotion to the relevant governmental bodies. Provisions of draft SAP were taken into account in "The World Ocean" for 2008-2012, and in other documents related to the Russian Arctic;
- Diagnostic analysis of environmental problems of the Russian Arctic with an advanced summary published in Russian and English (the first such comprehensive document prepared in Russia);
- Sixteen environmentally sound investment projects supported by regional and local authorities were developed. A list of 100 hot spots was prepared and a prioritized short list of 30 hot spots for the potential pre-investment studies (PINs) prepared and included in SAP-Arctic. PINS should result in an optimal set of proposals for investment in the Russian Arctic, where the investment for implementation would be most effective in the economic, ecological, social and political sense, and where it will support business decision-making and financing;
- The new list of hot spots was submitted to PAME (Arctic Council Working Group on the protection of the Arctic Marine Environment) and was included in the Arctic Council Regional Programme of Action for the Protection of the Arctic Marine Environment from Land-based Activities, which was approved by the Arctic Council Ministerial Session (Tromsø Declaration of 29 April 2009);
- The project contributed to the development of a new revision of 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).
- Several dozen investment project proposals have been reviewed with local authorities before a set of 16 marine and land-based investment ecological projects (IEP) were selected for the three geographical sectors of the Russian Arctic: (a) Western, including the Murmansk Region and Franz-

Joseph Land; (b) Central, including the Arkhangelsk Region; and (c) Eastern. The implementation of IEPs was under negotiations;

- Within the Environmental Protection System Improvements (EPS) component a few draft documents have been prepared including the preparation of the conceptual features of the draft federal law "On Special Regimes in the Natural Resources Management and Environmental Protection in the Russian Arctic". A final proposal on this draft federal law was submitted by the Ministry of Economic Development of the Russian Federation to the Council of Federation of the Russian Parliament and included in its Report on the Arctic that was to be submitted to the RF leaders; and
- 15 demonstration projects were implemented. In addition to the three demonstration projects stipulated in the Project Document, 12 additional demonstration projects were developed, approved by the Steering Committee, and implemented. Results of these projects could serve as a basis for a wider application of approaches and methods for the restoration and prevention of damage to the environment within Russia and other states, as well as for co-management of the environment by authorities, resource developing companies and indigenous peoples. A method of search, revealing and extraction of the lost radioisotope thermo-electric generator in permafrost conditions was successfully tested.

Lastly, the project built a sustainable network of stakeholders to promote solving of the Arctic environmental problems. Interested parties were actively engaged in the project work, even at planning stages, and stakeholders at different levels supported the project. However, the TE also states that not all relevant stakeholders, especially those at the higher level of policy- making, were effectively reached.

4.3 **Efficiency**	Rating: **Highly Satisfactory**

Project efficiency is rated 'Highly Satisfactory' primarily based on the fact that all project outcomes and outputs were achieved, and the project achieved much more ambitious results than was initially planned for its first phase. This rating is also identical to that given in the TE. At the same time, most of the GEF funds were used, but no details are provided in the TE on of how the funds were used, making it hard for this TER to assess efficiency. The TE notes that all project goals were realized in an efficient and cost effective manner and that all participants contributed effectively to the project results. The TE attributes these achievements to good project management.

The planned duration of Phase I was initially two years (24 months) from July 2005 – June 2007. However, it is noted in the TE that due to delayed payment of funds, uncertainties with donor funds, and removal of Phase II of the project from the GEF portfolio, the first phase was extended several times by the Steering Committee in order to reach clear outcomes at the end. In the end the project took 60 months to be completed.

4.4 **Sustainability**	Rating: **Moderately Likely**

The main risks to project sustainability include: the lack of financing for environmental programs; issues with the state of environmental legislation; and the lack of interest from private businesses. Combined, these risks warrant a 'Moderately Likely' rating for sustainability.

Financial resources – Moderately Likely - the TE identifies the lack of financial resources as one of the highest risks to sustainability. Russia has allocated some funds from the federal, regional, and local governments for the SAP-Arctic implementation. For instance, the Russian Government earmarked 740 million RUB (US$ 25 million) for the cleanup on the Franz Josef Land Archipelago in 2011 and 2012. The prepared prior investment decisions can help to attract additional funds to participate in solving of nature conservation problems, according to the TE. Some developed prior-investment projects have found investors. During the project, a sustainable network was built and good connections with stakeholders were established. These conditions might promote receiving of the additional funding.

Although the TE notes that funds were released to address some of the hot spots it also warns that the question remains if these funds will be sufficient, for instance to improve the waste management systems at the national, regional, and municipal levels (as the absence of these systems creates additional pollution sources to the Arctic environment).

The results of the demonstration projects, such as decontamination of oil spills, provided valuable contributions to solving the problems of arctic pollution, but the sustainability of the results is not financially secured, according to the TE. Further intensive involvement of the private sector, especially the oil and petrochemical industry, is required as well as on-going negotiations for their participation through financial contributions to address the problems. The TE notes that currently, the interest from the private business sector is low, but the potential exists for higher financial support in the future, especially from the oil and petrochemical industries.

The TE notes that financial sustainability faces further risks due to the decline in financial provisioning for environmental programs aimed at cleaning up of the Arctic as a result of the financial crisis as well as due to a drop in the oil price.

Institutional framework and governance - Moderately Likely - A follow-up GEF programmatic approach proposal for the Russian Arctic was prepared and approved, which should ensure sustainability. The TE notes that the project has a high catalytic potential for the development of legislation concerning the Arctic area conservation. Based on the project outputs, the Government of the RF adopted new strategic documents (Arctic SAP, DA) and changed its approaches to solving environmental problems.

The project received full support and technical backstopping from the Executing Agency (Russian Ministry of Economic Development), which, according to the TE, assures that project recommendations will be taken to the highest level possible and that future interventions will be sustainable. Provisions of draft SAP were taken into account in the Federal Target Oriented Programme (FTOP) "The World Ocean" for 2008-2012 and in other documents related to the Russian Arctic, which were approved by the Russian Government. The SAP, a strategic framework document that sets the goals, tasks, principal activities and targets in the area of protecting the Arctic environment for the period up to 2020, was recommended by the Government of Russia for further promotion to the relevant governmental bodies.

The SAP-Arctic implementation was planned in three stages: (1) 2009-2012; (2) 2013–2015; and (3) 2016-2020. Clear targets and performance indicators were set for each implementation stage.

However, risks exist, and are mainly related to the state of the environmental legislation in the RF. The transfer of project's conclusions to federal, regional, municipal plans and strategies and the creation and implementation of control mechanisms are necessary conditions for sustainability. Yet, these can only occur if the RF co-ordinates and synchronizes its national legislation and harmonizes it with international conventions. Some of the more significant legislative gaps include the missing connection between the laws concerning the Arctic and the rest of the country, as well as the missing cross-connection among the laws concerning chemical pollution, waste and waste management, air, water and soil pollution. Further, a more effective co-operation between institutions at the federal, regional and municipal levels is needed.

The adoption and implementation of the Draft Law could demonstrate to the international community that Russia is serious about establishing the required conditions for the sustainable development of the Russian Arctic, and for the conservation of vulnerable Arctic ecosystems. However, the adoption of the Draft Law would require amendments to several existing federal laws while its implementation would require the adoption of a number of new regulations. No evidence is presented in the TE to demonstrate that the RF intends to adopt and implement this Draft Law.

The loss of momentum for the implementation of the identified initiatives could become a problem going forward, according to the TE. Other relevant risks include: the follow-up of identified investments to eliminate pollution hot spots and the lack of "drive" at the national and regional governmental levels to implement and enforce the proposed regulatory measures and/or reforms.

Socio-Political – Moderately Likely – the project was strongly supported by the RF Government at all levels, by stakeholders at regional and national levels, by the concerned NGOs and local communities, as well as by the private sector, according to the TE. Additionally, the project served as a catalyst for the strengthening and widening of collaboration between stakeholders. The project and its objectives found support among the Arctic regions from the early stages of project implementation as the pollution of the Arctic environment presents a considerable threat to the lives of the local and indigenous people. This support and cooperation represent a good starting point for ensuring socio-political sustainability.

However, as noted in the institutional sustainability section above, the existing gaps in environmental legislation, unless effectively addressed, will not allow for the full realization of the project's long-term outcomes. The TE notes that the future of most Arctic projects is decided within ministries and government departments. To ensure effective realization of the project's outputs there needs to be higher involvement of local and regional authorities and NGOs in the development of nature conservation programs and projects. Yet, the TE states that a relatively low awareness of the project existed among some stakeholders, especially in the communities beyond the project team.

Environmental – Moderately Unlikely - the project results could be used to build a base for future environmental sustainability of the Arctic region, e.g., for building of an inventory and monitoring system of environmental pollution and for the development and adoption of waste management systems at the local, regional and federal level. The project could also be a good starting point for the

on-going preparation of the National Implementation Plan of the Stockholm Convention on Persistent Organic Pollutants of the Russian Federation. Further, most of the demonstration projects were aimed at developing technologies to solve a wide array of conservation problems such as waste disposal or remediation of contaminated sites. Valuable experience has been obtained from the demonstrations that could be used in the future and was, to some extent, already being used in practice, e.g., the use of brown algae to clean up oil-contaminated water in the Kandalaksha bay of the White Sea.

Unfortunately, the threat of future pollution in the Arctic is still present. In its 'suggestions' section, the TE lists a large number of environmental threats that are on going and will continue to pose risks to environmental sustainability. Many of these threats are related to industrial activities being carried out in the region and which have the potential to cause extensive levels of pollution. These include: (1) the increased volume of transportation and industrial activities along the North East Passage of the Arctic Sea, including transportation of oil, which pose potential future risks to the fragile Arctic environment, e.g., due to possible oil spills and the lack of adequate mechanisms to prevent and respond to these; (2) no effective waste management systems developed, which is a key condition for the protection of the Arctic and Russian environment; (3) oil extraction and transportation has led to severe environmental degradation of the Russian Arctic and it still continues. Moreover, there are still huge amounts of oil barrels in the Russian Arctic, which are likely to cause future contamination; (4) absence of a technology that could fully resolve the accumulated damage. Additionally, the technologies developed for southern areas do not necessarily work in the Arctic conditions. More capacity, funds and time are needed to develop and extend the cleaning efforts; and (5) no inventory exists of all sources of pollution.

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?

The information in the TE (Annex 2) shows that the level of actual co-financing provided by the Russian Federation was significantly higher than expected. The planned co-financing was US$ 5.80 million while the actual co-financing was reported as US$ 9.08 million. Moreover, there was a significant difference between the actual and anticipated levels of co-financing by "others". The planned co-financing was US$ 7.35 million, while the actual one reported was only US$2.58 million.

The TE does not provide a full explanation for these differences in co-financing. It notes that there were "…uncertainties with donor funds…" and that "…the project played an important catalytic role in leveraging additional funds for demonstration and pilot projects. For example, the Ministry of Defense gave funds for FJL remediation project, the government of Arkhangelsk funded the remediation of a former military base, and the Murmansk administration allocated funds for cleaning of the Kola fjord."
The issues with the "uncertainties regarding donor funds" seem to be related to the performance of one of the two partner agencies. Initially, ACOPS and NEFCO were designated as Partner Agencies

with a mandate to receive funds from donors. These Partner Agencies were mandated to establish Project Trust Funds to receive funds from bilateral and multilateral donors. However, during the early stages of project implementation problems emerged regarding the receiving of donor funds that were being channeled via ACOPS. The TE notes"…apparently ACOPS attempted to initiate parallel activities and tried to channel funds to the account of a consulting company TETHYS Consultants, serving as ACOPS representative." When ACOPS withdrew, the project co-financing was secured and payments were received on time.

However the project did not receive any formal information from ACOPS on how the Italian funds (0.5 M$) and most part of the Canadian funds (0.8 M$) were used. Some information regarding ACOPS activities can be found in the Project Reports – 2nd Steering Committee Meeting Report (Agenda item 12, p. 9), 3rd Supervisory Council Meeting Report (Agenda item 5, p. 5) and 4th Supervisory Council Meeting Report (Agenda item 4, p. 5), but the final solution has not been available.

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 initial duration of Phase I was supposed to be two years (24 months) from July 2005 to June 2007. It was to focus on preparatory work and planning of activities for the project's second, more substantive phase. However, Phase II of the project was removed from the GEF portfolio, and thus the initial scope of work planned for Phase I was considerably extended, according to the TE. Due to delayed payment of funds and uncertainties with donor funds, Phase I was extended several times by the Steering Committee (the project took 60 months to be implemented) in order to achieve clear outcomes at the end of the project. Regardless of this extension, the TE emphasizes that the project achieved much more ambitious results than was initially planned for in its first phase.

The TE also notes that the project's "readiness" was poor during the first part of the project and that this caused delays in the project implementation. The TE does not explicitly note what caused this poor readiness, although it is possible that the issues with the original partner agency ACOPS caused the delays.

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:

Project was developed to be in-line with the national sectoral and development priorities and plans, and was supported by the relevant country representatives from government and civil society. The national stakeholders were involved in the project from the beginning. This support and political commitment at federal and regional levels ensured a good country ownership of the project. The Government representatives played a very active role especially in the field of co-ordination of project activities, guidance and supervision and implementation of MTR

recommendations. Moreover, the strong public support, including support from indigenous communities was important for the project realization, according to the TE.

The project results have been reflected in the legal and political frameworks and the Government of the RF has accepted and adopted the main project outputs especially related to the changes of legislation and adoption of the strategic documents. Moreover, provisions of the SAP document were used in RF in the preparation of proposals for the PSI of the Arctic Council. They will be further passed on to the Ministry of Economic Development for inclusion into the Strategy of the Russian Federation Arctic Zone Development and Safeguarding the National Security to 2020, which was being elaborated in governmental institutions.

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**

According to the TE, the project: (1) had a well-developed M&E plan outlined in the Project Document that followed both UNEP and GEF requirements at the time of design; (2) its main outputs, risks, management, and reporting systems were clearly defined; (3) the budget for monitoring and evaluation was satisfactory; (4) the baseline analysis was adequate and formal; and (5) the project monitoring arrangements were progressive and responsibilities were adequately defined.

The Project Document did not initially include logical framework possibly because, as noted in the TE, "…the Project Document was resigned three times and as a result of introduced changes there were some gaps in design…" (the TE does not detail these gaps). The TE also states that this "…led to the logical structuring of the project, coupled with realistic planning and monitoring instruments…" The project document did have in its Annexes a detailed work-plan with related activities, objectives, responsible entities and timelines. However, no associated indicators were included.

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

The TE notes that all monitoring reports were sufficient and produced in a timely manner, including the half-yearly Activity and Progress Reports developed by the Country Coordinators, the Fiscal Year Reports and the Mid-Term Review (MTR). The MTR was deemed useful in identifying the most important drawbacks and causes of delays and in planning of activities for the rest of the project. Monitoring was

carried out throughout the project implementation and was used to optimize activities and ensure effective use of financial resources, according to the TE.

An independent auditing company audited project annually. Detailed reports of all meetings and reports of the implementation of the demonstration and pilot projects were distributed among all interested parties and uploaded on the official Project website. It is not clear from the TE if the project carried out any environmental monitoring.

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: **Highly Satisfactory**

UNEP project implementation, including supervision and backstopping, is rated 'Highly Satisfactory', in agreement with the TE's rating. UNEP staff in Bangkok, Nairobi, and, in particular, the Moscow Office provided good support to the project staff, participated in the PCS meetings providing technical and financial support, project monitoring and evaluation report preparation, and assisted in cooperation with relevant ministries and departments of the Russian Federation. The Moscow UNEP staff participated in meetings with regional authorities in the Russian Arctic giving technical and consulting support to the project management.

According to the TE, UNEP supervision of the project was " …very effective, constructive and helpful, especially regarding the financial and administrative support and supervision of the quality of project documents as well as implementation of activities." The project staff evaluated cooperation with UNEP as effective and constructive. The Project Advisor to the EA provided regular revision of project financial and operational documents. An effective management and coordination framework was established.

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

The quality of project execution is rated as "Satisfactory' as the project achieved its outputs and outcomes as planned, but there were issues present, including problems related to one of the Partner Agencies during the early project implementation.

The Project Steering Committee as the project's supreme governing body discussed and approved annual work plans and budgets for the project, oversaw their implementation and adopted corrective

actions relating to further implementation of the project. Additionally, the Project Supervisory Council was established and it included representatives of the EA, IA and Partner Agencies. In between the Steering Committee (SC) meetings the Supervisory Council acted as a working body in charge of supervising the project implementation in a coordinated manner according to the Project Work Plan approved by the SC. The Council met every three months or as often as required. Its progress was reported to the SC in a timely manner. Based on the SC meeting reports, the TE notes that the SC function could be evaluated as effective in terms of the project's strategic management.

All of the necessary financial planning and reporting documents were prepared in a timely manner. Members of the Steering Committee received all financial reporting documents. The financial documents, including the project budget, were thoroughly evaluated at the meetings of the Project Steering Committee. A certified auditing company has duly audited all financial transaction and no problems were identified.

The project realization followed the project implementation plan. Project management, from the top level to the national management was able to quickly and effectively react to problems and changing conditions. Furthermore, the project management accepted and followed the recommendations and findings of the MTR and finished the project successfully. The TE notes that the degree and effectiveness of collaboration and interaction between the various project partners and institutions during the project implementation and the degree and effectiveness of the various public awareness activities were generally good.

The uncertainties with donor fund transfer for project activities was specifically mentioned in the MTR and confirmed in the TE. At the early stage of project implementation there were problems with receiving donor funds, which were being channeled via the Partner Agency ACOPS. Apparently ACOPS attempted to initiate parallel activities and tried to channel funds to the account of a consulting company TETHYS Consultants, serving as ACOPS representative. When ACOPS withdrew, the project co-financing was secured and payments were received on time. However the project did not receive any formal information from ACOPS on how the Italian funds (0.5 M$) and most part of the Canadian funds (0.8 M$) were used.

The project was executed within the framework of an Agency Agreement between the Ministry of Economic Development of the Russian Federation and the Legal Entity "Executive Directorate of the Russian National Pollution Abatement Facility". However, these institutions did not provide the Power of Attorney to the project management for procurement of goods and services, or for awarding contracts to Russian and international consultants. Moreover, additional requirements not specified in the Agreement were requested. This sometimes resulted in delays to payments of consultants. Moreover, administrative problems with the Commission for Humanitarian and Technical Assistance under the Government of the Russian Federation also contributed to delays in sub-project funding. The administrative problems, mainly related to sharing of documents, were further reflected as delays in project implementation.

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.

The TE identifies four applicable lessons. Two of those relate to the project design and implementation: (1) the project's overall design, especially setting of realistic objectives, based on well-documented and comparable experience gained elsewhere, is very important for achieving better outputs and outcomes; and (2) In a complex project success partly depends on the management and administrative frameworks. For future projects special emphasis needs to be placed on: the careful selection of partners; specification of clear procedures for project management mechanisms and administrative procedures; and the development of transparent procedures for channeling funds to and from partners. Moreover, funding needs to be secured for all project stages at the time of project initiation.

The remaining two lessons are relevant to stakeholder commitment: (1) broader stakeholder support at the high level is required for introduction of environmental policy changes and ensuring their sustainability. More direct and early involvement of the relevant government bodies, such as regional development and financial ministries as well as national legislative bodies in the project design and its implementation could strengthen sustainability of the project and help reach its policy objectives; and (2) the importance of fully gaining stakeholder support and commitment, at government, civil society and community levels through more active and accurate communication and information dissemination. Without the commitment, the project sustainability can be jeopardized due to lack of ownership and funding.

8.2 Briefly describe the recommendations given in the terminal evaluation.

Three recommendations, all aimed at "the project management", are provided in the TE. These are: (1) project results should be communicated to all stakeholders, decision makers, the scientific community, and the broader public to ensure that these valuable and useful results are used in future projects attempting to tackle the environmental problems of the Arctic region; (2) project results should be used in the development of the National Implementation Plan of the Stockholm Convention on Persistent Organic Pollutants for the Russian Federation; and (3) the suggestions provided in the TE report should be communicated to the relevant Government Ministries of the Russian Federation emphasizing the importance of implementing the suggestions.

Additionally, the TE provides a list of thirteen 'suggestions', 'medium - term' as well as 'long - term suggestions' to the: UNEP/GEF; The Arctic Council; the Executing Agency; and other Ministries of the RF. These suggestions provide details on how project outputs could and should be used to ensure the sustainability of project results (such as emphasizing the need to carry out a comprehensive inventory of all pollution sources or to catalyze investment to ensure further implementation of approaches demonstrated through the pilot projects; and the need to establish an environmental monitoring system).

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 provides an assessment of the relevant outcomes, but does not focus on the project's impacts. The TE notes that an additional 12 demonstration projects were completed, but provides no evaluation or substantive details of the outcomes (or even outputs) of these demonstration projects or of the pre-investment studies, including the assessment of their sustainability. This lack of analysis is unfortunate as the results of these demonstration projects and pre-investment studies may have wider applicability.	**MS**
To what extent is the report internally consistent, the evidence presented complete and convincing, and ratings well substantiated?	The report is internally consistent (with minor deficiencies) and it presents evidence to substantiate its ratings. The presented evidence, however, could have been more comprehensive.	**S**
To what extent does the report properly assess project sustainability and/or project exit strategy?	An assessment of all four dimensions of the project's sustainability is presented in the TE. Additional information relevant to sustainability is provided in the 'suggestions' section of the report. This information could have been incorporated into the 'sustainability' section of the report to substantially strengthen it.	**S**
To what extent are the lessons learned supported by the evidence presented and are they comprehensive?	The TE has a long section on lessons learnt, suggestions, and recommendations. Both the recommendations and the lessons learnt were generic in nature and could have been drawn out in more detail. On the other hand; the 'suggestions' section is quite comprehensive and relevant.	**MS**
Does the report include the actual project costs (total and per activity) and actual co-financing used?	The report presents financial data in a somewhat confusing manner. The project identification table, on page i, only shows the anticipated GEF and co-financing sums (as approved in the Project Document). The breakdown of co-financing and of the actual GEF costs was provided in Annex 2 '*Project costs and co-financing tables*', but these were given at a very high level. It is clear that some co-financing was substantially higher than anticipated, e.g., from the EA, while 'other' co-financing was substantially lower than expected. Yet, the TE does not sufficiently address the reasons behind this. The absence of this information does not allow a clear understanding of the project's financing and co-financing. Project costs (planned or actual) were not provided for each activity.	**MU**
Assess the quality of the report's evaluation of project M&E systems:	The assessment of the project's M&E systems at design and implementation could have been more substantive; the main focus of this section was on listing outputs rather than on providing a critical analysis of the M&E systems. There have clearly been revisions and changes to the project, but the TE does not elaborate on these.	**MS**
Overall TE Rating		**MS (4.3)**

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