



Mainstreaming biodiversity conservation into Russia's energy sector policies and operations

PIMS 4241, Atlas project number 00077026

Terminal Evaluation Volume I

Russian Federation

GEF SO-2 SP-4 “Strengthening the Policy and Regulatory Framework for
Mainstreaming Biodiversity”.

Russian Federation

Ministry of Natural Resources and Environment

United National Development Program (UNDP)

Stuart Williams



Acknowledgements

It was a pleasure to return to the Russian Federation and a privilege to be carrying out the Terminal Evaluation of one of the last GEF project that will be implemented in the country.

I would like to thank Svetlana Sheynfeld, the Project Manager, for the time and effort she put into making the mission to Russia a success. In addition, the rest of the project team contributed to that success.

It was good to see Aleksandr Oshis again and I am grateful for his tireless interpretation. Without him, the mission would surely have failed.

I am also thankful to all the people that I met over the course of the mission who gave me their time and patiently answered all of my questions and requests for clarification.

The evaluation is intended to give a summary of what has been achieved in the project as well as glean some of the lessons that can be learned from it in what was a relatively short period. In the report, I have tried to offer constructive criticism where I think it is warranted and I hope that those involved in the project take it as such.

Finally, as ever, it was a privilege to see one of the areas in which the project was working. I heard of the results of the dedication and enthusiasm that people had put into the work of conserving important places in the world. I would like to offer them my thanks and wish them every success in their continuing endeavours.

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Acronyms, Abbreviations and Glossary

CEO	Chief Executive Officer (referring to GEF)
CIS	Commonwealth of Independent States
EOP	End of Project (usually in the context of targets for indicators)
GEF	Global Environment Facility
GIS	Geographical Information System(s)
ha	Hectares
IUCN	World Conservation Union
M&E	Monitoring and Evaluation
METT	Monitoring Effectiveness Tracking Tool (for protected areas)
MNRE	Ministry of Natural Resources and Environment
MTR	Midterm Review
NAO	Nanets Autonomous Okrug
NGO	Non-governmental Organisation
NIM	Nationally Implemented (referring to a project implementation modality)
NPD	National Project Director
PA	Protected Area
PIF	Project Identification Form
PIR	Project Implementation Review
PPG	Project Preparation Grant
PM	Project Manager
PMU	Project Management Unit
PRF	Project Results Framework
ProDoc	Project Document (referring to the UNDP operational project document)
PSC	Project Steering Committee or Project Board
RUB	Russian roubles
TE	Terminal Evaluation
TOR	Terms of Reference
UNDP	United National Development Program
UNDP-CO	UNDP Country Office
UNDP-GEF RTC	UNDP-GEF Regional Technical Centre (based in Istanbul)

UNDP-PSO	UNDP Project Support Office (in Moscow)
USD	United States dollars
WWF	World Wide Fund for Nature
Zakaznik	A federal or regional level protected area or reserve
Zapovednik	A federal protected area or strict nature reserve (equivalent to IUCN PA Category I)

Executive Summary

Project Information Table

Project Title	Mainstreaming biodiversity conservation into Russia's energy sector policies and operations		
UNDP Project ID	4241	PIF Approval Date	12 March 2009
GEF Project ID	3903	CEO Endorsement Date	08 March 2011
ATLAS Business Unit Award No.	00060984	ProDoc Signature Date	25 July 2011
Country	Russian Federation	Date PM hired	01 December 2012
Region:	Europe & CIS	Inception W/shop date	18-19 July 2012
GEF Focal Area/Strategic Objective	GEF SO-2 SP-4 "Strengthening the Policy and Regulatory Framework for Mainstreaming Biodiversity"	MTR completion date	01 September 2015
Trust Fund	GEFTF	If revised, proposed op. closing date:	December 2017
Implementing partner	United Nations Development Programme (UNDP)		
Other executing partners	Ministry of Natural Resources and Environment		
Project Financing	at CEO endorsement (USD)	At TE (USD)	
[1] GEF Financing	7 200 000	7 200 000	
[2] UNDP Contribution	530 000	121 103.16	
[3] Government	196 700 (regional authorities)	233 000	
[4] Other partners	31 223 300	39 251 857.83	
[5] Total cofinancing	31 950 000	39 605 960.99	
PROJECT TOTAL COSTS	39 150 000	46 805 960.99	

Project Description

The project was designed as a five-year (60 month) project with the PRODOC being signed on 25 July 2011. However, there were delays to the start-up of the project, and a (new) National Project Director (NPD) and the Project Manager were not appointed until January 2013. Thus, while project closure should have been in July 2016, an 18-month extension was requested – meaning that the project would close at the end of December 2017. As it is, project closure is expected at the end of March 2018.

The project set out to integrate biodiversity conservation in the areas outside of protected areas (that cover only 10% of the terrestrial areas of the country). Russia's energy sector is vast, both in terms of the reserves and potentials – and, as a result, it has a vast footprint across the country. The project was designed with a USD 7.2 million grant from the GEF. It

was to be implemented in six demonstration areas across the country, all of which are important both from the perspective of the energy sector as well as for the biodiversity that they harbour. The project was designed to contribute to the following long-term goals: i) to adapt the legislation and policies in the country to include legal requirements for the energy sector to take into account biodiversity conservation, ii) to develop and test technologies to implement these requirements in each industry, and iii) to improve the capacity of energy sector operations to minimize their adverse impacts on biodiversity so that the conservation prospects of the affected ecosystems are greatly improved. The immediate objective of the project is “to mainstream biodiversity conservation priorities into Russian energy sector development policies and into the operations of energy production sectors through pilot activities in six demonstration areas of the country.” The project targeted four outcomes – the first to develop an enabling environment, and the latter three targeting the oil, hydropower and coal industries, respectively.

The project set out to influence three sectors (oil and gas, coal and the hydroelectric sectors) and work in eight different pilot regions and, as a result, there were a substantial number of stakeholders involved or implicated in the project – ranging from state actors (at federal, regional and local levels), as well as non-state actors (including civil society organisations, local land users, research institutions and private sector organisations).

Findings

The project was ambitious: it was trying to influence some of the industries with some of the worst environmental records and reputations; they are also, traditionally, inaccessible and opaque; these industries exist in “silos”, they are huge bureaucracies and they have limited exposure to international experiences or practices. Further to this, the project worked across the vastness of the country: it worked in a (final) total of eight demonstration sites at the furthest reaches of the country. This certainly made it a high risk, high reward project. As the project moved towards its conclusion, racking up successes as it did, the more people came to believe that the design was a challenge and designed to stretch people to the maximum, yes, but appropriate!

The project demonstrated many examples of adaptive management – thus, using M&E processes to make adjustments to the project such that it was improved as it proceeded. A good example is the adaption of the PRF that occurred following the MTR.

The project was implemented in close cooperation and collaboration with key partners at various levels (regional, national, international). The project excelled at getting the best out of people, getting them to commit time and energy to support the project’s work and allow it to move forward; this was based on (among other things): i) the leverage and authority of the NPD, working on occasion through the Federal Natural Resource Management Supervisory Service (“Rospriradnadzor”) offices within the regions, and ii) the dedication and respectability of the project’s regional coordinators.

While the project did set out to present the *business case* for investing in the environment, if the federal government could have amended legislation then: i) the companies would adhere and comply more strongly – hence there will be more significant impacts and ii) it would be robust, resilient and sustainable. However, it is almost impossible the amend legislation – even within the extended length of the project.

The project had an *inclusive* PSC – thus, the PSC allowed for *observers* to attend the PSC meetings; it formed *working groups* in each of the sectors with which it was working; it used *public chambers* as a tool for bringing stakeholders together and to ensure mainstreaming.

Finally, it should be noted that unlike many (if not the majority) of GEF projects across the globe, the project did not pay any form of *incentives* (for example, sitting fees or per diems) to people who attended meetings, seminars or conferences: people attended because of their interest in the subject; they attended because they were personally or professionally motivated to do so. In the world of GEF projects (as well as many international development projects), this is quite remarkable.

The value of the grant from the GEF Trust Fund for the project was USD 7.2 million. At the point of the TE mission to Russia, a total of USD 6.292 million of the GEF grant had been expended (equating to 87.39% of the grant). Therefore, at this point, USD 907,758.51 remained unspent. On project closure, the remaining funds should be returned to the GEF. The project's budget was closely aligned with the annual budget of the MNRE. In terms of co-financing, the actual amount, as submitted to the TE, was USD 39.6 million – thus, this surpassed the co-financing pledged at the beginning of the project (of USD 31.95 million).

The team that implemented the project was notable: they were dedicated and not always the easiest people. Irrespective, they earned respect of the people with whom they worked.

Project Results

In its journey to mainstream biodiversity into business policies and operations, the project has done a huge amount of work. The TE does not attempt to describe, in detail, all the results that have been achieved by the project. There was an almost fanatical adherence to the project document and the PRF. A brief summary of some of the highlights of the project's results include (but were by no means limited to) the following:

- The legislative cascade built on the basis of the laws on standards and best available technologies (BAT) - through the guideline/ reference book to the four standards for the sectors. This then led to the regional legislation and the corporate standards developed with the companies themselves.
- The production of three compendia, one for each of the targeted sectors.
- The processes of coordination, organisation and catalysing among groups of people to result in more organised or systematic thinking.
- The use of agreements (usually tripartite agreements among project, company and local authorities) to ensure compliance and action.
- The inclusion of biodiversity specific criteria into the eco-rating for the oil and gas sector (that had been produced by WWF-Russia), and replicating that rating for the mining sector (which obviously includes coal).
- The establishment of “geo-portals” (or web-based GIS databases) for three regions (Kemerovo, Amur and NAO) that should improve regional biodiversity management.
- The project has resulted in the establishment of a number of protected areas
- With different partners, the project trialled different technical solutions, primarily related to restoration and water treatment.
- Two Strategic Environmental Assessments (SEAs) were developed – for the Kemerovo and Amur Oblasts, respectively.
- There was significant effort made to build platforms and to get experts heard: approximately 60 events (conferences, seminars, roundtables) were held under the auspices of the project

The project identified pragmatic and practicable mechanisms to introduce the concept of biodiversity to the energy sector in Russia – for example: i) through the adoption of four federal level “standards” that included biodiversity, ii) through the adoption of corporate standards, iii) through the adoption of regional level legislation. This required an understanding of the appropriate and realistic *entry points* to create change.

By all accounts, the project led to *changes in attitudes* (although this was not measured – and there was some evidence that this was not fully the case).

In addition to the above mentioned results, the project also had several (positive) inadvertent impacts. These included: a) people associated with the project have now ended up teaching at oil and gas universities – and as a result, the project’s message will be infused into future professionals in the sector, b) some of the project’s outputs – and most specifically the Compendia – are already being incorporated into university curricula.

Measuring actual biodiversity impacts over the course of a mainstreaming project that is limited in time is unrealistic. That being said, the project has built the foundations for what should (and even could) lead to significant impact. Given that there was a blurring of the boundaries between the project and what companies ended up doing implies successful mainstreaming. If this stands the test of time, there will be significant impacts.

TE Rating Table

Item	Rating	Comment
Overall project results	HS	<p>The project was thrust into an exceptionally challenging environment: to make changes among government actors and corporations (within some of which the state had a stake as a major shareholder) such that they incorporate biodiversity conservation into their policies and operations. That task was doubly challenging because making changes to legislation in Russia (at least at the federal level) is nigh on impossible.</p> <p>The project was well executed with significant effectiveness and efficiencies. The inclusion of stakeholders was outstanding.</p> <p>The project used the available tools to achieve the intended outcomes – within an environment in which there were significant constraints and limitations. The project adhered strongly to the project document and achievement of the targeted results in the PRF.</p>
IA & EA Execution		
Overall quality of implementation and execution	HS	<p>Once the project was underway (after some delays and a long start up time), the project was meticulously executed. The partnership with the MNRE was seamless (with the annual budgets and workplans developed in synchrony). The project received significant support from the NPD: this support was critical to the success of the project. As the UNDP-PSO began to wind down, towards the end of the project, the support may have flagged, but not significantly.</p>
Implementation Agency Execution	S	
Executing Agency Execution (MNRE)	HS	
M&E		
M&E design at project start-up	S	<p>The M&E framework was the standard UNDP-GEF M&E plan; it was executed without mishap. The project demonstrated satisfactory adaptive management.</p>
Overall quality of M&E	S	
M&E plan	S	

Item	Rating	Comment
implementation		
Outcomes		
Overall quality of project outcomes	HS	What is most impressive about this project is that they used all the available tools to forward this agenda. The people involved in the project were fully aware of the limitations of what could be done and, just as importantly, what could not be done. They pursued the completion of those aspects that they identified that could be done with fierce intensity and, now, some five years later, they have achieved what they set out to achieve – on a relatively small budget. Things have, as a result, shifted.
Relevance (R or NR)	R	The project was very relevant for a number of different reasons – and not just for the nation and regions involved in the project, or for the UNDP or GEF. Indeed, as interest in exploitation of Arctic hydrocarbons remains, the environmental response will be critical.
Effectiveness	HS	The project was both effective and efficient. To do so much with a relatively small budget speaks to efficiencies. In addition, the project has being implemented in what is a very challenging environment – but it has still managed to achieve the majority of its intended outcomes.
Efficiency	HS	
Sustainability		
Overall likelihood of risks to sustainability	L	A firm set of foundations have been built by the project and while the project team has worked hard to put in place whatever they can to increase the likelihood of sustainability (some of which is described below), there is an overriding sense that this is really the start of what could be a long process. There are some ideas that were voiced over the course of the TE mission on how this process should continue. In short, these revolved around building on the foundations laid by the project and, in particular, to continue to build a business and biodiversity platform through whichever vehicle seems appropriate. There are some emerging opportunities – for example, the IUCN is wishing to open an office in Russia; given the IUCN's existing Global Business & Biodiversity Programme, it is possible that this would present one vehicle and opportunity to continue to the work – and, thereby, increasing the likelihood of sustainability.
Financial sustainability	L	
Socio-economic sustainability	L	
Institutional/governance sustainability	L	
Environmental sustainability	L	
Catalytic Role		
Production of a public good, Demonstration,	HS	As a project with the primary objective to mainstream biodiversity conservation, “production of a public good’

Item	Rating	Comment
Replication and Scaling up		was central to the project. As discussed in Section 3.3.5, there are some issues with replication (and partly scaling up) that should be addressed by the project team. In terms of demonstration and production of a public good, the project has done an outstanding job.
Impact (S, M, N)		
Environmental Status Improvement	S	As a mainstreaming project, to have impact (whether they be the improvement of environmental status or reducing environmental stress) within a project's lifetime is not only challenging but also tending towards being unrealistic. At a local level, the project did have positive environmental impacts and it did reduce environmental stress – but it is in the long-term that both the stresses should be significantly reduced and the status significantly improved. In this, the project made significant progress towards stress/status change.
Environmental Stress Reduction	S	
Progress towards stress/status change	S	

Summary of conclusions, recommendations & lessons learned

There was significant expectation at the MTR stage of the project (*“The project is on-track to be in the rare upper echelon of GEF projects that have truly made a large-scale difference in improving outcomes for biodiversity at the scale of Global Environmental Benefits”*). The question, then, is whether the project has achieved this? What is most impressive about this project is that they used all the available tools to mainstream biodiversity conservation in the energy sector companies. The people involved in the project were fully aware of the context in which they were working. They pursued the completion of those aspects that could be done with fierce intensity and, now, some five years later, they have achieved what they set out to achieve. Of course, the story has just begun and the full integration of biodiversity considerations into business policies and operations, in the context of Russia, will only be complete when it is written into the Federal Environmental Protection Law.

However, if all GEF project achieved as much as this one did then the world would be a considerably different place today.

This project also marks the end of an era: it is the last project that the GEF is funding in Russia; the UNDP-PSO will be closing down shortly after the project comes to a close. Finally, there are two other points to reiterate here. First, it was consistently difficult to distinguish the activities and results of the project and the activities that were being carried out by the companies: is there a better measure of success for a mainstreaming project? Second, the energy sector as a whole really has no excuse now. The proverbial ball is in their court; the responsibility has been transferred to them.

The factors that contributed to the success of the project include:

- The project bridged the gap between government and companies, thereby breaking barriers and overcoming distrust.
- The team, in its entirety, was serious, earnest and dedicated.
- The project focused all of its efforts on getting the job done – and was not distracted by demands to put a spotlight on the UNDP-CO

- The project was supported by numerous people – reinforcing the idea that personalities are important – not least the NPD with the leverage afforded by his high position within the MNRE
- The success of the PSC: relationships built around it, it was inclusive.
- The various *tools* that were used by the project to ensure compliance and participation, including i) the formation of working groups, ii) the use of existing public chambers and iii) the tripartite agreements.
- Forcing contractors to take extra step beyond simply delivering a report full of recommendations and demanding that they *contribute* to the implementation of those recommendations and that they *demonstrate* results
- The project was built on the foundations of the many previous UNDP-GEF projects in the countries and maintained the synergies among those projects
- The project chose to work with local companies where possible to demonstrate success – rather than choosing to work with the behemoths with their headquarters in Moscow (thus remote from the biodiversity) and their bureaucracies.
- The interest of people in the project and their commitment to the project – best illustrated by the people covering their own costs to attend conferences, seminars, roundtables, PSC meetings and other events.
- The use of carefully selected international consultants was successful to build capacity and expose people to new ideas and different ways of thinking.

A number of recommendations arose from the TE:

- There's more work to be done - The project has built the foundations and there is much still to be done – but, importantly, there are opportunities to do it – probably through non-state actors (e.g., WWF-Russia and the IUCN). The project team also has a responsibility to take the story forward.
- Demonstrate and illustrate the mitigation hierarchy - The project should demonstrate where activities that have been carried out fit into the mitigation hierarchy, thereby illustrating the mitigation hierarchy, so as to enhance understanding of the mitigation hierarchy.
- Look for opportunities to disseminate and communicate results and good practices.
- Close out various processes.
- In the future, the financial institutions and lenders should also incorporate biodiversity conservation into their lending practices (akin to IFC-PS6).
- Improve ESIA transparency by making the ESIA's and the Environmental Management Plans (EMPs) accessible in perpetuity.
- Expand eco-ratings to other sectors – such as the power-generation sector, ii) the financial sector and iii) the licensing practices (e.g., for allocating mining licenses) – and test their impacts
- Replicate to other regions – beyond the eight with which the project engaged.
- Map synergies among the many projects (given that the project builds upon previous projects and was implemented in synergy with another set of projects).
- UNDP should provide training to explain the rationale of why the administrative system are the way they are. This would probably improve compliance and at least create goodwill among partners.
- Extend thinking to ecosystem services and ecological processes – thus, beyond just biodiversity

1 Introduction

1.1 Purpose of the evaluation

1. The Terminal Evaluation (TE) of the UNDP-GEF project “Mainstreaming biodiversity conservation into Russia’s energy sector policies and operations” was carried out according to the UNDP-GEF Monitoring and Evaluation Policy. Thus, it was carried out with the aim of providing a systematic and comprehensive review and evaluation of the performance of the project by assessing its design, processes of implementation, achievement relative to its objectives. Under this overarching aim, its objectives were i) to promote accountability and transparency for the achievement of GEF objectives through the assessment of results, effectiveness, efficiency, relevance, sustainability and impact of the partners involved in the project, and ii) to promote learning, feedback and knowledge sharing on the results and lessons learned from the project and its partners as a basis for decision-making on policies, strategies, programme management and projects, and to improve knowledge and performance.

2. As such, this TE was initiated by the UNDP-CO as the project’s National Implementing Partner to determine its success in relation to its stated objectives, to understand the lessons learned through the implementation of the project and to make recommendations for the remaining part of the project.

3. The TE was conducted by one international consultant. The TE consultant was independent of the policy-making process, and the delivery and management of the assistance to the project. The consultant was not involved in the implementation and/or supervision of the project.

4. The TE was carried out over a period starting from 01 October 2017 and with a mission to Russia from 05 – 17 November 2017. Carrying out the TE at this point in the project’s implementation timeline was in line with UNDP/GEF policy for Evaluations.

1.2 Scope & Methodology

5. The approach for the TE was determined by the Terms of Reference (TOR, see Annex I) and by the UNDP-GEF Guidance for conducting Terminal Evaluations¹.

6. Thus, it was carried out with the aim of providing a systematic, evidence-based and comprehensive review of the performance of the project by assessing its strategy and design, processes of implementation and

¹ UNDP-GEF (2012) *Project-level Monitoring: Guidance for conducting Terminal Evaluations of UNDP-supported, GEF-financed projects.*

achievements relative to its objectives. As such, the TE determined the progress of the project in relation to its stated objectives (through the assessment of results, effectiveness, relevance, sustainability, impact and efficiency (all of which were rated according to the GEF rating scales – see Annex II) - requiring a review of the fund allocations, budgets and projections, and the financial coordination mechanisms), to promote learning, feedback and knowledge sharing on the results and lessons (both positive and negative) that can be learned from the implementation of the project. The TE examined whether the implementation arrangements – including the relationships and interactions among the project’s partners, including the Ministry of Natural Resources and Environment (MNRE), the Regional Governments in the project’s pilot sites, UNDP, and other partners – are effective and efficient.

7. The TE included a thorough review of the project documents and other outputs, documents, monitoring reports, the Mid-Term Evaluation (MTE), Project Implementation Reviews (PIR), relevant correspondence and other project related material produced by the project staff or their partners (see Annex III). The evaluation assessed whether a number of recommendations that had been made following the MTE, and monitoring and support visits from people from the Biodiversity staff of UNDP’s Regional Technical Centres were implemented and to ascertain the explanations if they were not.

8. The TE also included a mission to Russia between 05 – 17 November 2017 (see Annex IV for the itinerary of the mission). The evaluation process during the mission followed a participatory approach and included a series of structured and unstructured interviews, both individually and in small groups (see Annex IV for the people met over the course of the mission). A site visit to one of the pilot regions (Kemerovo) was also scheduled to consult with local authorities or government representatives, and local companies. The evaluator worked with the Project Staff and particularly with the Project Manager throughout the evaluation. Particular attention was paid to listening to the stakeholders’ views and the confidentiality of all interviews was stressed. Whenever possible, the information was crosschecked among the various sources.

9. As mentioned above, the mission to Russia included a visit to only one region (of eight regions in which the project was engaged) and no actual field or demonstration sites. This is, on one level, understandable: the country is vast and the regions in which the project was engaged were scattered on the edges of the country (see Figure 1). There are, however, two primary implications of this. First, the TE is limited in its ability to make comments and evaluate the relationships and partnerships, changes in attitude (which was reported throughout the TE to be one of the *key results* of the project; see Section 3.3.1) and impacts of the project in the majority of the regions in

which the project worked. Second, it also means that the TE, as a project process, was not used to its fullest extent and was not inclusive. Such processes can be important as they confer recognition onto project partners who have dedicated time and effort to achieving the project's objectives. They also allow people to express themselves and, thus, increase transparency and inclusivity. Therefore, aside from these caveats (which had more to do with the availability of time and the logistical practicability of travelling the length and breadth of the country), the mission to Russia was (characteristically for the team) extremely well thought out, planned and structured. In addition, at least the TE was carried out following the same itinerary as the MTR and, therefore, the evaluation was comparable.

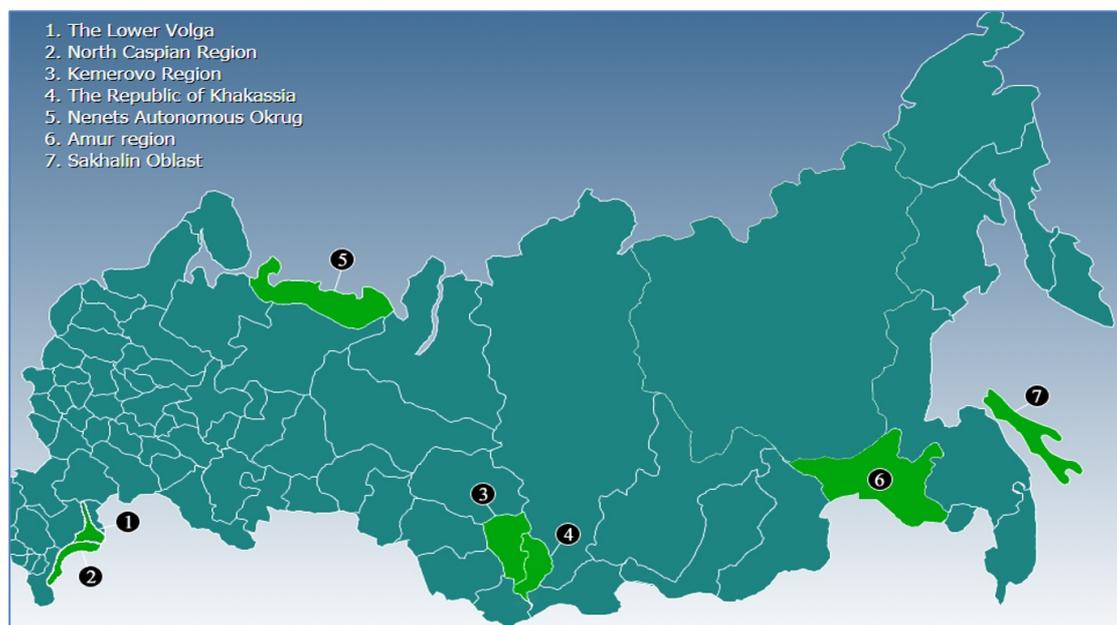


Figure 1. The project sites across the country - illustrating the distance among them.

10. The evaluation was carried out according to the UNDP/GEF Monitoring and Evaluation Policy. Therefore, activities and results were evaluated for their: i) **Relevance** – thus, the extent to which the results and activities were consistent with local and national development priorities, national and international conservation priorities, and GEF's focal area and operational programme strategies, ii) **Effectiveness** – thus, how the project's results were related to the original or modified intended outcomes or objectives, and iii) **Efficiency** – thus, whether the activities are being carried out in a cost effective way and whether the results were achieved by the least cost option. The results, outcomes, and actual and potential **impacts** of the project were examined to determine whether they were positive or negative, foreseen or unintended. Finally, the **sustainability** of the interventions and results were examined to determine the likelihood of whether benefits will continue to be

accrued after the completion of the project. The sustainability was examined from various perspectives: financial, social, environmental and institutional.

11. In addition, the evaluator took pains to examine the achievements of the project within the realistic political and socio-economic framework of the Russian Federation.

12. The logical framework (with approved amendments in the Inception and following the MTE) with Outcomes, Outputs and indicators towards which the project was working formed the basis of the TE.

13. According to the GEF policy for TEs, the relevant areas of the project were evaluated according to performance criteria.

14. Finally, the TE was carried out with a number of audiences in mind, including: i) the various entities of the Government of the Russian Federation that are involved with the project – primarily the Ministry of Natural Resources and Environment but also the Regional Governments in the areas in which the pilot projects were taking place, ii) the UNDP-CO and UNDP-GEF RTC in Istanbul, and iv) the GEF.

1.3 Structure of the evaluation report

15. The report follows the structure of Project Evaluations recommended in the UNDP Evaluation Guidance for GEF-Financed Projects as given in Annex 5 of the TOR. As such, it first deals with the purpose of the review and the methodology used for the review (Section 2), a description of the project and the development context in Russia (Section 3), it then deals with the Findings (Section 4) of the evaluation within four sections (Project Strategy, Progress Towards Results, Project Implementation and Adaptive Management, and Sustainability). The report then draws together the Conclusions and Recommendations from the project (Section 5).

2 Project description and development context

2.1 Project start and duration

16. The project was designed as a five-year (60 month) project. The PRODOC was signed on 25 July 2011 – signifying the start of the project. However, as explained in detail in the MTR, there were significant delays to the start-up of the project – with the project inception workshop taking place in July 2012, 16 months after the CEO Endorsement for the project had been received. Furthermore, project activities did not begin until January 2013 – on appointment of the Project Manager and the appointment of a (new) National Project Director (NPD) – thus, some 18 months after the project document had been signed. Given that the project document was signed in July 2011, project closure should have been in July 2016.

17. At the stage of the MTR, it was anticipated that a request for an 18-month extension would be requested. This would mean that the project should close at the end of December 2017.

18. The other project milestones, including the project end date for the project, are indicated in Table 1.

Table 1. The project milestones including the projected end date for the project.

Milestone	Date
PIF Approval	12 March 2009
PPG Approval	12 March 2009
PIF Resubmission	20 January 2010
CEO Endorsement	08 March 2011
UNDP Prodoc signed	25 July 2011
Appointment of first NPD	24 November 2011
Inception Workshop	18-19 July 2012
Appointment of second NPD	08 November 2012
National Project Manager appointed	01 December 2012
MTR	April-May 2015
Originally planned EOP	July 2016
Actual EOP	December 2017

2.2 Problems that the project sought to address

19. The situation analysis in the Project Document (and adopted in the MTR) is well presented. In essence, Russia's energy sector is vast, both in terms of the reserves and potentials it harbours but also in terms of its footprint across the country. This is in the context of a country with globally significant biodiversity and one in which the protected area estate covers 10% of the country's terrestrial area. In other words, if conservation of the biodiversity of the country is to be successful, work will have to be done *outside* of protected areas, including in the productive areas of the country.

20. The project was designed to be implemented in six demonstration areas across the country, all of which are important both from the perspective of the energy sector as well as for the biodiversity that they harbour.

21. It is well known and acknowledged that the energy sector has had and can have significant environmental impacts.

Table 2. The potential environmental threats presented by each of the energy sectors²

Sector	Potential threats
Oil & gas	<ul style="list-style-type: none"> • Habitat fragmentation, degradation and destruction from extraction activities • Acoustic disturbance • Increased human access to remote areas • Air pollution • Waste dumping resulting in terrestrial and water pollution • Oil spills leading to habitat degradation, especially if in water bodies • Disruption of key biodiversity sites (i.e. nesting and spawning sites, etc.) • Bioaccumulation of hydrocarbon particles • Spread of invasive alien species
Coal	<ul style="list-style-type: none"> • Habitat degradation and destruction • Pollution of waterways via waste disposal or leakage • Air pollution, particularly of coal dust near mining zones • Microclimate disturbance due to coal dust • Acoustic disturbance • Increased human access to remote areas
Hydropower	<ul style="list-style-type: none"> • Habitat degradation through altered flow regimes • Inundation of habitats, ecosystem fragmentation • Terrestrial and aquatic species migration disruption • Habitat degradation and poaching through increased human access • Microclimate changes • Hydrothermal changes downstream • Reduced food availability for terrestrial species concentrated in reduced habitat areas

22. The project was designed at a time when the concept of mitigation hierarchies – as a primary mechanism to countering such threats – was growing. However, one issue presented by using mitigation hierarchies (the “Avoid-reduce-remedy-offset” listed in the Project Document) is that they are most useful during the exploration, design and development stage of energy projects; once production has started, it is more complicated to withdraw from the levels of impact – until the projects are complete and the resources are exhausted (obviously in the case of the non-renewable resources – cf. the renewables including hydropower).

² This table is adopted and adapted from the MTR which, in turn, summarized information from Section 1.3 of the Project Document

2.3 Immediate and development objectives of the project

23. There were a number of long-term goals to which the project was contributing: i) to adapt the legislation and policies in the country to include legal requirements for the energy sector to take into account biodiversity conservation, ii) to develop and test technologies to implement these requirements in each industry, and iii) to improve the capacity of energy sector operations to minimize their adverse impacts on biodiversity so that the conservation prospects of the affected ecosystems are greatly improved.

24. The immediate objective of the project is “to mainstream biodiversity conservation priorities into Russian energy sector development policies and into the operations of energy production sectors through pilot activities in six demonstration areas of the country.” The project objective was to be achieved through the achievement, in turn, of four outcomes (see Section 2.6).

2.4 Baseline indicators established

25. The project’s results framework is discussed later in the report (see Section 3.1.1 and 3.3.1, and Annex VI). Nonetheless, the baseline for the indicators was either established before the project commenced or, for some indicators, soon after the project began. For the indicators added following the MTR, the baseline was established immediately.

26. It should be noted that the beginning of the project was taken as the reference point when setting many of the targets for the indicators – but most especially with the indicators and targets established during the MTR. Thus, many of the indicators were set at “zero” irrespective of the circumstances or things that were in place before the project commenced. From the project’s perspective, it was the *specific introduction of biodiversity* that they wished to measure – relative to previous work.

27. In many of the indicators in the PRF, there was some muddling of the language between the description of the indicator, and the baseline/targets³.

2.5 Main stakeholders

28. Unlike the majority of UNDP-GEF projects, the identification of stakeholders was relegated to the Annexes of the Project Document⁴. The section simply names the different stakeholders, first at the Federal Level and then at the Regional level (in the targeted regions) – but, again unlike the majority of UNDP-GEF projects, it does not describe their current mandates and the role that the stakeholders may or may not play in the project. This

³ Remembering that the indicator is simply what will be measured and the target is the level of that measurement at the EOP.

⁴ See Annex E of the Project Document under the heading of Institutional Framework relevant for Biodiversity Mainstreaming in Russia’s Energy Sector (see page 79 of the PRODOC).

affected planned stakeholder participation (see Section 3.1.4) but differed from actual implementation (see, for example, Section 3.2.2).

29. However, as a project that was setting out to influence three sectors (oil and gas, coal and the hydroelectric sectors) and work in eight different pilot regions, there were a substantial number of stakeholders involved or implicated in the project – ranging from state actors (at federal, regional and local levels), as well as non-state actors (including civil society organisations, local land users, research institutions and private sector organisations).

30. The critical stakeholders were involved in the Project Board (PB – see Section 3.1.8 and Annex V).

2.6 Expected results

31. The project's immediate objective was stated to be: *“to mainstream biodiversity conservation priorities into Russian energy sector development policies and into the operations of energy production sectors through pilot activities in six demonstration areas of the country.”* The project objective was to be achieved through the achievement, in turn, of four outcomes working at the national level (Outcome 1), while addressing specific sectors (oil and gas, coal, hydropower) through on-the-ground demonstrations in pilot regions (Outcomes 2-4):

32. Outcome 1: Enabling policy, legislative and institutional environment is in place for mainstreaming biodiversity conservation considerations in the oil and gas, hydropower and coal sectors:

- a. Output 1.1 Capacities to implement international best practices in mainstreaming biodiversity conservation in all three energy sectors are developed
- b. Output 1.2 Government regulations and methodological guidelines that support application of the avoid-reduce-remedy-offset paradigm are adopted
- c. Output 1.3 EIA development responsibilities are fully clarified, and policies and practices are revised to include assessments of biodiversity impact
- d. Output 1.4 GIS based methodology and system for assessment and mapping of ecosystem sensitivity to industrial investments is available for state authorities, business and public in pilot regions
- e. Output 1.5 Statistical, corporate and market reporting guidelines for companies in each of the energy sectors will be amended to incorporate biodiversity conservation investments.

33. Outcome 2: “Avoid-reduce-remedy-offset” principle is demonstrated for the oil sector

- a. Output 2.1 Compendium of biodiversity solutions for the oil sector
- b. Output 2.2 Sector-specific regulations and corporate standards for the oil sector
- c. Output 2.3 Biodiversity impact assessment and monitoring
- d. Output 2.4 Biodiversity risk mitigation measures demonstrated in oil fields in NAO, Sakhalin and North Caspian
- e. Output 2.5 Demonstration of a trilateral agreement between local communities/indigenous peoples, regulatory authorities and energy companies
- f. Output 2.6 Scaling up and dissemination of lessons learned

34. Outcome 3: "Avoid-reduce-remedy-offset" principle is demonstrated for the hydropower sector

- a. Output 3.1 Compendium of biodiversity solutions for the hydropower sector
- b. Output 3.2 Sector-specific regulations and corporate standards for hydropower sector
- c. Output 3.3 Biodiversity impact assessments
- d. Output 3.4 Baseline sector practices and technologies modified to reduce biodiversity impacts at design phase of the Kankunskaya Large Hydropower Plant (LHPP)
- e. Output 3.5 Biodiversity offset demonstrated for endangered Siberian Grouse affected by hydropower development
- f. Output 3.6 Reducing barriers for the promotion of selected biodiversity-friendly technologies (small hydro)
- g. Output 3.7 Scaling up and dissemination of lessons learned

35. Outcome 4: "Avoid-reduce-remedy-offset" principle is demonstrated for the coal sector

- a. Output 4.1 Compendium of biodiversity solutions for the coal sector
- b. Output 4.2 Sector-specific regulations and corporate standards for coal sector
- c. Output 4.3 Biodiversity impact assessments
- d. Output 4.4 Baseline sector practices and technologies modified to reduce biodiversity impacts at recultivation phase
- e. Output 4.5 Biodiversity offset demonstrated through establishment of a regional zakaznik

- f. Output 4.6 Reducing barriers for the promotion of selected biodiversity-friendly technologies (water treatment technologies)
- g. Output 4.7 Scaling up and dissemination of lessons learned

3 Findings

3.1 Project Design

36. The project was ambitious: it was trying to influence some of the industries with some of the worst environmental records and reputations; they are also, traditionally, inaccessible and opaque. In the words of a number of interviewees, these are industries that exist in “silos”, they are huge bureaucracies and they have limited exposure to international experiences or practices.

37. Further to this, it is a vast country and the six, original demonstration sites (designed to work in three pilot demonstrations in the oil sector (Nenets Autonomous Okrug, NAO, Sakhalin Oblast, and the Northern Caspian in Astrakhan and Kalmykia Oblasts), two pilot demonstrations in the coal sector (in the Republic of Khakassia and Kemerovo Oblast), and one pilot demonstration in the hydropower sector (in the southern part of the Republic of Yakutia covering Aldan and Nerungri Rayons). As it turned out, the Yakutia demonstration for hydropower was replaced by the Amur region. But then the project *added two* further sites: i) to cover the entire Arctic region of the country (including the LAS in Barents, Kara, Laptev and East-Siberian Seas as well as Pechora Sea and Ob River estuary, and the project included carrying out an expedition to Franz Josef Land – which is part of the “Russian Arctic” National Park), and ii) in the Volga.

38. The question, then, is whether it was *too* ambitious, even foolhardy, given i) that as with all GEF projects, it was time limited and changing things takes time, and ii) changing legislation (which is the ultimate, utopic outcome of a mainstreaming project) is problematic in Russia? This certainly made it a high risk, high reward project.

39. Up to the point of the MTR, the majority of stakeholders, including the project team, believed that the project was too ambitious – a “fairytale” in the words of one respondent. However, as the project moved towards its conclusion, racking up successes as it did, the more people came to believe that the design was a challenge and designed to stretch people to the maximum, yes, but appropriate!

40. Through the TE mission, questions of the degree of *consultation* in PPG stage emerged – based on the fact that the project had to re-engage and build relationships with partners “from scratch” once it had begun. This could,

however, also be symptom of the slow start up of the project – with the end of the PPG phase (marked by the CEO Endorsement) in March 2011 and the start-up of project activities (marked by the recruitment of the Project Manager) in December 2012 – leading to effective start-up of project activities in January 2013 (thus, some two years after the CEO Endorsement).

3.1.1 Analysis of the Project's Results Framework

41. As with the majority of Josh Brann's midterm reviews, the project's PRF was amended at its midterm to strengthen the "results-based management approach" of the project and the "SMART-ness" of the indicators.

42. Detailed analysis of the PRF is carried out below (see Annex VI).

3.1.2 Assumptions and risks

43. The PRODOC identifies seven risks⁵ and, as is usual, the assumptions associated with the achievement of each of the indicators is articulated in the project's results framework⁶. During the inception period, culminating in the Inception Report (produced in 2013), the risk assessment was amended and updated with a total of 11 risks being identified. These were also, at this stage, related to the environmental, financial, organisational, political, regulatory and strategic aspects of the project.

44. At the MTR stage, no critical risks were identified for project implementation, with the MTR stating that the "risks to the sustainability of the project appear[ing] to be limited". The MTR, therefore, agreed with the project's own risk assessment as reported in the risk log.

3.1.3 Lessons from other projects incorporated into project design

45. The project built on UNDP's experiences over the past 14 years implementing numerous GEF biodiversity projects in Russia. Thus, over the course of the TE, threads of these other projects were evident. For example, the Altai-Sayan project's influence was evident in the work and thinking in the Kemerovo region; apparently the author of the project document worked on the Altai-Sayan project – thereby extending the influence of the lessons from that project; the work in the NAO was touched both by the work in the Komi project and in the ClimaEast project (although, arguably, synergies could have been *better* in that region); the project chose to continue working and supporting the efforts of the previous work that had been carried out in the Lower Volga. In summary, then, the project certainly did not work in isolation but, rather, was built on the experiences of all these previous projects.

⁵ See Section 2.4 of the Project Document

⁶ See Section 3 of the Project Document

3.1.4 Planned stakeholder participation

46. By design, the project had a large number of stakeholders. It was working with three sectors (oil, hydropower and coal) in eight regions. Stakeholders include government authorities (at national, regional and district levels); and numerous non-state actors (civil society organisations, private sector organisations, and research and academic institutions). The mechanisms that the project adopted to ensure stakeholder participation in the project activities will be discussed in various sections below (e.g., see Sections 3.1.8, 3.2.2, 3.3.1 and 3.3.4).

47. As with other UNDP-GEF projects, the project worked to transfer responsibility to some of the key actors in each region in which the project worked. The best example of this was the selection of the regional coordinators all of whom were active, in one way or another, in the sectors and in the regions.

3.1.5 Replication approach

48. As a “mainstreaming biodiversity” project, it has replication at its very heart. The idea certainly was not to work with a limited number of companies within each sector but, ultimately, influence all companies working in each of those sectors. As will be seen, the success in achieving this has been limited but it is, as they say, a work in progress.

3.1.6 UNDP comparative advantage

49. In the context of Russia, UNDP has had a strong competitive advantage over other GEF Implementation Agencies: in effect, it has the monopoly over the development and implementation of GEF biodiversity projects in the country. The competitive advantage is sealed primarily by UNDP’s politically neutral stance coupled with their continued willingness to engage and provide support. Furthermore, unlike the World Bank (which often works with loans that are coupled with GEF grants), UNDP deals only with grants.

50. However, this is changing: the UNDP Project Support Office (PSO) will be closing in April 2018. An era is coming to an end. How this all pans out is the subject of further discussion later in various sections of the report.

3.1.7 Linkages between project and other interventions

51. As suggested above (see Section 3.1.3), the project built on previous UNDP-GEF projects in the country and, indeed, supported the continuation of the work of one UNDP-GEF project (in the Lower Volga).

52. Interestingly, the linkages between the project and other interventions were not always as good as they might have been. The best example of this was the relationship between the project, and the work of the UNDP-GEF Komi project and the ClimaEast project in NAO. This was somewhat

dismissed by the project team – because Komi/ClimaEast projects were working on restoring ecosystems following impacts of oil and gas exploration work, whereas this project was more focused on rehabilitation following aspects such as oil spills. However, these are but different aspects of the implementation of the mitigation hierarchy and speak to some underlying tensions that were more to do with personalities than the technical aspects of working with the oil and gas sectors⁷.

3.1.8 Management arrangements

53. The project has been implemented under UNDP's Nationally Implementation (NIM) modality (formerly National Execution, NEX) with a senior MNRE official acting as National Project Director (NPD). Because of the complications associated with implementing projects in Russia, practical mechanisms that facilitated the implementation of the project were sought. These included the employment of a number of members of the project staff by the UNDP-CO and the hiring of contractors by the project's partner, and having an NGO as the Responsible Party (referred to as the Executing Entity in the MTR).

54. As such, the UNDP-CO (and more precisely, the PSO) has been responsible for: i) financial management, and ii) the final approval of payments to vendors, the procurement of goods, the approval of Terms of Reference, recruitment of consulting services, and sub-contracting upon request of the National Executing Agency, while Responsible Party (or Executing Entity) has been responsible for managing the contracting of consultants and companies.

55. The actual situation regarding the project's implementation is discussed in Section 3.2.6.

3.2 Project Implementation and Adaptive Management

3.2.1 Adaptive management

56. The project demonstrated many examples of adaptive management – thus, using M&E processes to make adjustments to the project such that it was improved as it proceeded. A good example is the adaption of the PRF that occurred following the MTR.

57. Another good example is the inclusion (or, more precisely, retention) of Khakassia in the project. Indeed, the MTR had proposed that Khakassia be

⁷ **Comment on draft TE report:** *“The responsibility to maximize the benefits from the various project in the portfolio is within UNDP CO as well as to maintain the information exchange between the different projects' teams – which are not necessary informed about the each other's activities.”* **TE response:** Comment is noted; future projects in other countries should take note that some mutual responsibility would be warranted with both the UNDP-CO and the project team trying to maximize linkages among past and ongoing projects.

dropped from the project. The project team, working with local actors, remained determined to ensure that Khakassia remain part of the project. This was finalised in the PSC meeting of February 2016 and was a risky proposition with less than two years of project life remaining.

58. Other examples of adaptive management include:

- a. The composition of the PSC changed over the project's lifetime to make it more active and effective;
- b. The changes that occurred with respect to demonstration regions, including i) dropping Yakutia in favour of Amur, ii) the inclusion of the Arctic – which is particularly pertinent and timely given that the area is a priority for country and because of its ecological sensitivities, and iii) inclusion of the Lower Volga (following successful conclusion of the UNDP-GEF project in that area)
- c. The flexibility to procure various pieces of equipment that were originally not included or foreseen in the project document but which became useful in the process of plant regeneration and potential reintroduction.

3.2.2 Partnership arrangements

59. The project has been implemented in close cooperation and collaboration with the relevant organisations both at a national level and in each of the eight pilot regions of the country. Therefore, this included: i) the federal MNRE – working with (and empowering) the right people in the ministry, ii) the regional government agencies, iii) the companies that ended up working with the project as project partners, iv) the NGOs with whom the project worked – and most specifically WWF-Russia, v) the international partners to the project – perhaps most notably cooperation agreement with the IUCN (though its Global Business & Biodiversity Programme). These relationships were built on the basis of a number of factors, including clear communication by the project team to partners (in terms of expectations, actions and targets) and consultations and mentoring stakeholders. Many of these partnerships were also built on the basis of personal relationships that were, in turn, built over the life of the project (in other words, they were not there from the outset but were built over the course of the project's life; one can only imagine how such relationships would continue to mature if the project was part of a longer-term programme; there was probably another aspect to the basis of the relationships that is associated with the Project Manager herself – perhaps associated with people's willingness to assist her and her engaging character).

60. A further aspect that warrants mention is that the majority of the regional coordinators were, in effect, seconded to the project by whichever organisation(s) they worked for. As a result, the project was, in fact, forming

a partnership with those organisations through these secondments although these were not actually formalised.

61. There is one partnership that warrants a little further mention: that with WWF. While it is not universally the case, many of the UNDP-GEF biodiversity projects did not build strong relationships and partnerships with WWF-Russia – despite the fact that it is the dominant non-state actor in biodiversity conservation in the country (and who’s influence also extends to some of the surrounding CIS countries, particularly in Central Asia). In addition, it is also involved in engaging with industry as well. As such, working with WWF-Russia provided an additional mechanism by which the project may attain sustainability.

62. One thing that the project seems to have done well is get the best out of people, getting them to commit time and energy to support the project’s work and allow it to move forward. There is probably a complex set of reasons why this may be the case, but they certainly included: i) the leverage and authority of the NPD, working on occasion through the Federal Natural Resource Management Supervisory Service (“*Rospriradnadzor*”) offices within the regions, and ii) the dedication and respectability of the project’s regional coordinators.

63. It is interesting to contemplate *why* the companies wanted to engage as partners with the project – especially because traditionally the energy sector has a bad reputation for their impacts on and disregard of the environment⁸; in addition, corporate systems are usually *reactive* and not *proactive*⁹. One good example was given to illustrate why some (oil and gas) companies may have engaged: the Arctic is perceived to an area of potential growth for production of hydrocarbons; at present, only state owned companies are permitted to explore and produce hydrocarbons from the Arctic and at least one private sector company is making significant investments to demonstrate that they have the environmental credibility and experience to be similarly permitted to carry out offshore operations in the Arctic. Other motivational factors appeared to include (but not be limited to):

- a. A desire to reduce reputational risk that might otherwise be damaged if the companies are environmentally negligent

⁸ There are a number of *good examples* of where this generalization does not hold true (e.g., Gabon, PNG, Uganda); what this demonstrates is that *if* good behaviour is demanded of the energy sector companies, they can not only comply but, on occasion, embrace their responsibilities. If, on the other hand, good conduct is not demanded of them, they will simply ignore all environmental concerns (e.g., Angola, Nigeria).

⁹ This statement is probably best illustrated by the way in which the companies develop their Standard Operating Procedures (SOPs): as incidents occur, the SOPs are amended in *response* to the incident. As such, there is little foresight or forward planning in the SOP development. The SOPs, as a consequence, can end up being unwieldy and voluminous.

- b. Having a good environmental record facilitates access to external (international) markets
- c. It was demanded by the financiers and investors in the development phase of any particular operation (and the best example of this is the Sakhalin II platform of Sakhalin Energy)
- d. The owners of a particular company were from the actual area in which the extractive industries were operating and were not only interested in the local environment as a result but were also willing to invest in it as well
- e. There was competition among companies, with the “captains of industry” vying for recognition
- f. There were other points of leverage (as discussed in Section 3.3.1).

64. While the project did set out to present the *business case* for investing in the environment, complying with legislation and developing meaningful corporate standards, there was widespread acknowledgement over the course of the TE mission and meetings with stakeholders that *if* the federal government amended legislation (i.e., thereby compelling, through law, that companies incorporate biodiversity into their policies and practices – for example, as part of a longer-term amendment to the Law on Environmental Protection), then: i) the companies would adhere and comply more strongly – hence there will be more significant impacts and ii) it would be robust, resilient and sustainable.

65. There were also other mechanisms that the project used for enhancing the partnerships. These included: having an *inclusive* PSC – thus, the PSC allowed for *observers* to attend the PSC meetings (i.e., it allowed people to participate in process despite not being a voting member of PSC). The project also formed *working groups* in each of the sectors with whom it was working – thereby also ensuring participation. Finally, the project used *public chambers*¹⁰ as a tool for bringing stakeholders together and to ensure mainstreaming.

66. Some of the processes introduced by the project were participative by definition. One good example of this was the development of SEAs in Kemerovo and Amur Oblasts: SEAs are developed through participatory processes in which stakeholders need to be involved.

67. Finally, it should be noted that unlike many (if not the majority) of GEF projects across the globe, the project did not pay any form of *incentives* (for example, sitting fees or per diems) to people who attended meetings, seminars or conferences: people attended because of their interest in the

¹⁰ The TE assumes that the *public chambers* are equivalents of chambers of commerce elsewhere.

subject; they attended because they were personally or professionally motivated to do so. In the world of GEF projects (as well as many international development projects), this is quite remarkable.

68. Finally, the project also sought to make connections with international organisations, including, for example, the IUCN's Global Business & Biodiversity Programme and the NGO Better Coal.

69. In summary, then, the TE concurs with the MTR's assessment that the involvement of a large number of stakeholders and actors is securing strong stakeholder support for the project at the levels at which it operated – thus, at the national and regional levels (in those regions in which the project's pilots were implemented).

3.2.3 Feedback from M&E activities used in adaptive management

70. As indicated in Section 3.2.1, this was one of the strengths of the project and there were numerous examples of adaptive management.

3.2.4 Project Finance

71. The value of the grant from the GEF Trust Fund for the project was USD 7.2 million. In addition, UNDP pledged a further USD 530,000 and partner managed co-finance was estimated to be USD 31.95 million in the project design making the total cost of the project USD 39.15 million.

72. At the time of the MTR (specified as 30 June 2015), the project was underspent with only 28.6% of the GEF grant spent at that time¹¹.

73. At the point of the TE mission to Russia, a total of USD 6.292 million of the GEF grant had been expended (equating to 87.39% of the grant). Therefore, at this point, USD 907,758.51 remained unspent. While there are two months until final project closure, it is unlikely that all these funds will be spent (especially given the rate at which the project has been spending money!) and the remaining funds at project closure should be returned to the GEF. In this, the TE feels no compunction to chastise the project team and/or the UNDP-CO for "lack of delivery" on expenditure; they should, instead, be congratulated for their cost-efficiency and cost-effectiveness. Indeed, this is not the first time that a GEF project has been implemented out of the UNDP-CO in Russia that has come to completion well under budget – while hitting the majority if not all the targets. Surely there are lessons to be learned here?

74. One of the notable and possibly unique aspects of the project's financial matters was the degree of synergy with that of the MNRE. The annual workplan and budget of the project was developed in synergy with that of the

¹¹ Perhaps coincidentally but quite remarkably, this was almost precisely the same level of delivery in the UNDP-GEF Steppe project at its MTR as well; in that project at the MTR stage, the financial delivery was 28.8% of the GEF grant.

MNRE; this, if nothing else, is a testimony of the degree to which the NPD and the staff of the MNRE took the project seriously.

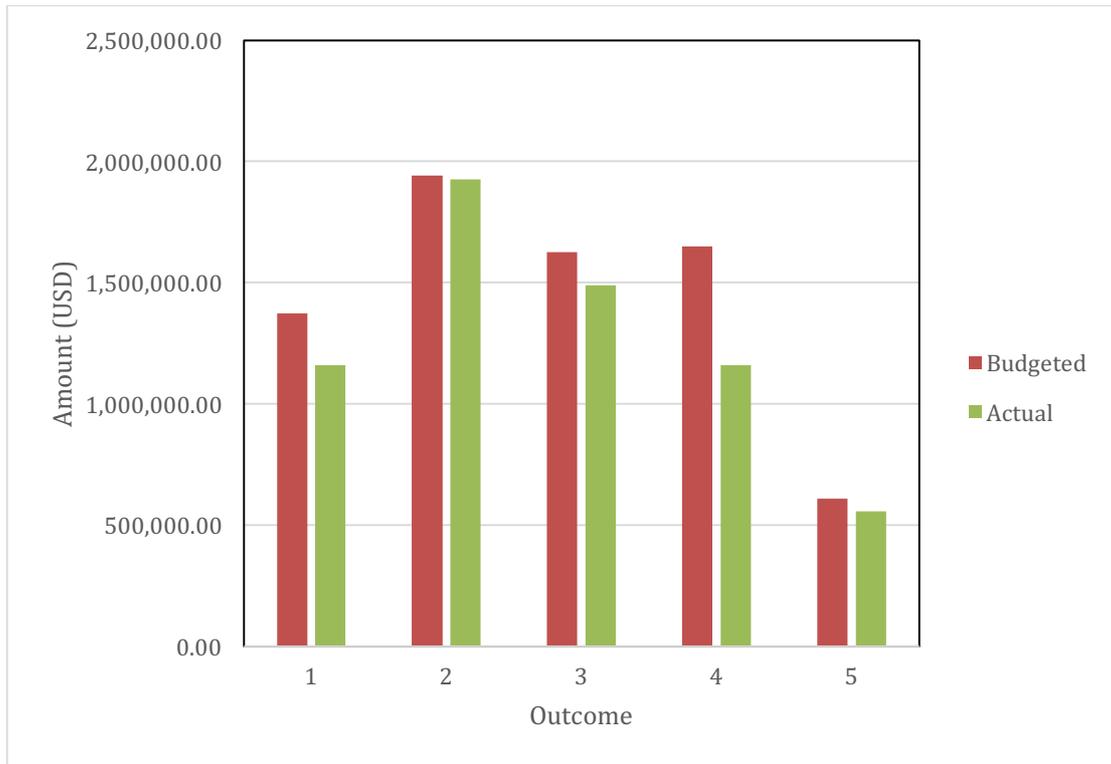


Figure 2. The expenditure compared to the (revised) budgeting across all years by Component

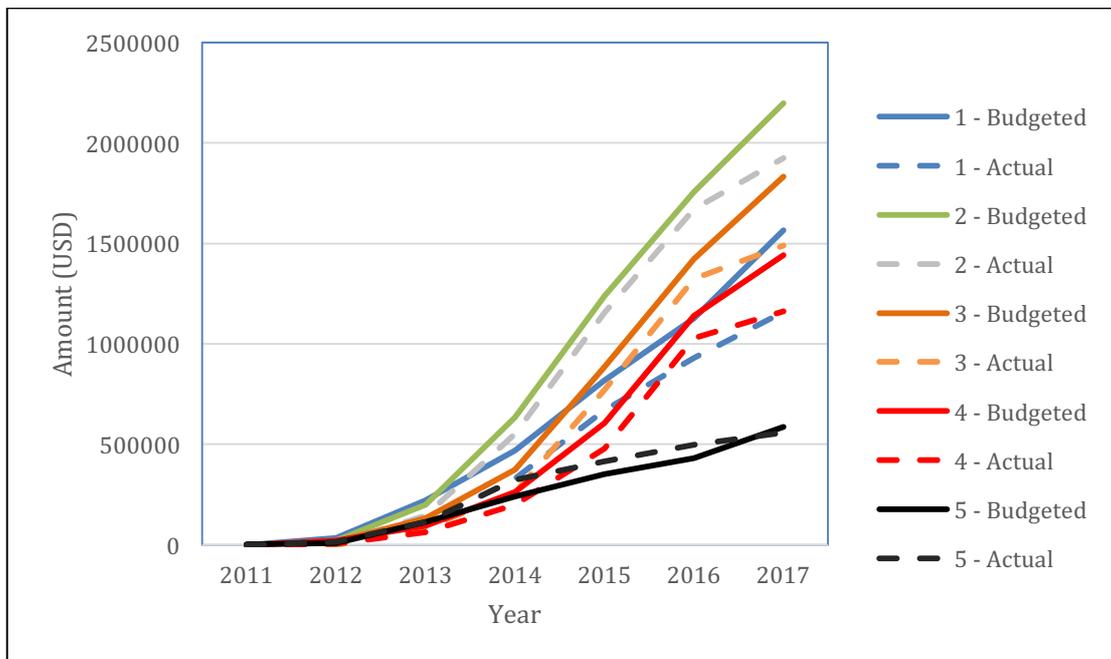


Figure 3. The cumulative expenditure by year for each component compared to the (revised) budgets

Table 3. The total budget (as it appears in the annual, approved workplan) and actual expenditure, by Outcome, for the project to date.

Outcome	2011			2012		
	Budgeted	Actual	% spent	Budgeted	Actual	% spent
1				35,000.00	0.00	0.00
2				22,000.00	6,398.29	29.08
3				15,000.00	0.00	0.00
4				20,000.00	5,118.59	25.59
5	1,000.00	326.99	32.70	8,000.00	14,351.39	179.39
Total	1,000.00	326.99	32.70	100,000.00	25,868.27	25.87

Outcome	2013			2014		
	Budgeted	Actual	% spent	Budgeted	Actual	% spent
1	185,500.00	105,400.39	56.82	248,000.00	223,246.53	90.02
2	176,735.00	138,083.33	78.13	435,000.00	408,581.63	93.93
3	118,199.00	85,361.45	72.22	240,300.00	175,226.43	72.92
4	74,451.00	57,560.09	77.31	169,000.00	137,388.24	81.29
5	103,066.00	97,878.83	94.97	129,500.00	209,363.54	161.67
Total	657,951.00	484,284.09	73.60	1,221,800.00	1,153,806.37	94.43

Outcome	2015			2016		
	Budgeted	Actual	% spent	Budgeted	Actual	% spent
1	350,565.31	339,544.92	96.86	309,382.50	262,312.79	84.79
2	605,286.62	603,181.83	99.65	516,296.55	513,698.76	99.50
3	513,104.71	510,559.25	99.50	535,181.00	554,197.32	103.55
4	341,321.33	277,487.78	81.30	535,756.00	550,220.77	102.70
5	111,036.66	92,202.82	83.04	79,467.00	84,183.72	105.94
Total	1,921,314.63	1,822,976.60	94.88	1,976,083.05	1,964,613.36	99.42

Outcome	2017			TOTAL		
	Budgeted	Actual	% spent	Budgeted	Actual	% spent
1	438,307.21	229,052.98	52.26	1,374,000.00	1,159,557.61	84.39
2	442,624.41	255,205.50	57.66	1,941,000.00	1,925,149.34	99.18
3	410,725.69	164,438.13	40.04	1,625,500.00	1,489,782.58	91.65
4	300,041.10	133,026.70	44.34	1,650,500.00	1,160,802.17	70.33
5	156,425.91	58,642.50	37.49	609,000.00	556,949.79	91.45
Total	1,748,124.32	840,365.81	48.07	7,200,000.00	6,292,241.49	87.39

75. Analyses of the total expenditure against the (originally) budgeted amount across all years (2011 – 2017) demonstrate a consistent underspend across all components including project management (see Figure 2).

76. One external factor that affected delivery was the devaluation of the rouble that occurred over the project’s lifetime. At the beginning of the project, the exchange rate was RUB 27.7 = USD 1; at the point of the TE mission (November 2017), the exchange rate was RUB 60.1 = USD 1. On a number of occasions this affected contractors but not the project: indeed this meant that the total amount of roubles increased thereby extending the funds available for those things originally budgeted in roubles and whose price did not increase significantly following devaluation.

77. In terms of co-financing, the actual amount, as submitted to the TE, was USD 39.6 million – thus, this surpassed the co-financing pledged at the beginning of the project (of USD 31.95 million). Unlike the majority of other UNDP-GEF projects, this project sought to secure *annual cofinance commitments*, each year, from project partners, in writing. In other words, unlike all other GEF projects that request cofinance letters at the beginning of the project, this project sought such cofinance letters on an annual basis.

78. The project also monitored these substantial cofinance expenditures – and not the smaller contributions – such as monetised time or in kind contributions. In addition and perhaps as an example, the project did not calculate or monetise the contribution that the MNRE made to the project (it does not appear in the data submitted to the TE, see Table 4). Other project partners – who doubtless did have costs in the process – were also not included: the best two examples are WWF-Russia and the IUCN.

79. As a result, the cofinance calculations are not exhaustive – but the major cofinance contributions have been included.

Table 4. The sources and types of co-finance with the originally pledged and actual amounts at the TE

Sources of Cofinance	Name of Cofinancer	Type of Cofinance	Amount confirmed at CEO endorsement (USD)	Actual amount at TE (USD)	Actual % of Expected Amount
Multilateral	UNDP (through Global Compact)	Direct cash	530,000.00	212,103.16	22.9
Government	NAO Administration	Parallel cash	76,700.00	233,000.00	303.8
	The Republic of Sakha		120,000.00	0.00	N/A
Private Sector	LUKOIL (including LUKOIL Komi, Varandey terminal)		2,500,000.00	6,049,640.00	242.0
	SUEK (including SUEK Kuzbass, SUEK Khakassia)		5,583,300.00	11,103,445.9	198.9

	Sakhalin Energy		10,750,000.00	15,730,457.85	146.3
	RusHydro		4,590,000.00	4,261,873.37	92.9
	Sakha Energy		1,933,000.00	0.00	N/A
	Shell		200,000.00	389,709.93	194.9
	SN-Invest		5,667,000.00	1,528,117.36	27.0
	PAO "Kuzbasskaya Toplivnaya Company"		0.00	78,612.40	N/A
	SDS-Ugol		0.00	84,423.83	N/A
	OAO Youzhny Kuzbass		0.00	25,576.70	N/A
	Totals		31,950,000.00	39,605,960.99	124.0

3.2.5 Monitoring & Evaluation

80. The project's M&E framework is similar to the majority of all UNDP-GEF projects with USD 220,000 (equivalent to 3.1% of the GEF grant) allocated for project monitoring.

81. The M&E was implemented in a satisfactory way. The MTR and TE are central to the M&E processes, as are the (satisfactory) reporting that has been carried out by the project.

82. In addition, as pointed out by the project, the Project Manager prepared additional annual reports, in Russian, and disseminating them with project partners including the regional coordinators, the members of the PSC; this proved an efficient tool to keep all parties informed, engaged and committed

3.2.6 UNDP and Implementing Partner implementation, execution, coordination and operational issues

83. A basic description of the management arrangements and implementation modalities has been given above (see Section 3.1.8). Thus, as with other UNDP-GEF projects in Russia, the PMU was based in the UN House (in which the UNDP-CO and PSO was also housed). In addition, an Executing Entity was recruited to manage contracts and making payments, with quarterly financial reporting.

84. As with all UNDP-GEF projects, the PSC was the overriding body with the responsibility for delivery and management of the project. As indicated above (see Section 3.2.1), the PSC changed over the life of the project. It started small but grew into a committee of 15-20 people with an additional 20 "observers" – with the observers being people who could attend meetings for the sake of information and interest but who were not voting members of the PSC (see Annex V). As such, the PSC was *inclusive* and empowering. In the view of the TE, this represents good practice to increase transparency and inclusivity in PSCs.

85. The National Project Director (NPD) was a senior figure in the MNRE. He was pivotal to the successes that the project has achieved. In itself, this reinforces the assertion that personalities make a significant difference to the success (or otherwise) of projects. There are a number of ways in which he contributed to the success of the project and a number of reasons that underpin these ways. First, he was happy to take responsibility for the project and for the funding that was associated with the project – signing off significant amounts of money. He was also happy to support the project, with judicious words to the right people and applying leverage to make things happen at key moments through the project's life. In part, this may be explained by the fact that he has a profound interest in the subject as he is a biologist (and specifically a botanist) by training. Now, with apparently only one year remaining in MNRE before he retires (although that does not preclude time working elsewhere once he has retired from the Ministry), but given that what the Ministry says is critically important (both to sustainability and achieving impact), it is essential that in the coming year, he builds on his legacy in the MNRE to ensure that like-minded people remain.

86. The project also enjoyed the support of the UNDP-GEF RTA (based in Istanbul).

87. The team that implemented the project was notable (see Table 5). Unlike the majority (if not all) previous UNDP-GEF projects implemented in Russia, the Project Manager (PM) was a relatively young woman. She was organized, determined, demanding, forthright, vocal and, when warranted, ruthless¹². These things deserve mention only because there was some scepticism about her appointment – and, indeed, despite her qualifications to do the job, she was not at first appointed for the position – but she was self-conscious about being a relatively young woman doing this job. She also was not always supported by other Project Managers.¹³

¹² Behavioural psychologists suggest that in a work environment, women may be compelled to *over-perform* or at least *outperform* their male colleagues; it is possible that this was the case here.

¹³ **Comment on draft TE:** *“The gender and age are not the central part in this story. This is about human resources and skill pool management. From PMU standpoint the most notable thing about the Project team is that PM had managed to assemble and mobilize proper specialists despite it took time and efforts rotating the team members. One of the most important achievement of PM towards the success of the Project was to find and bring on board everyone who understands Project goals and objectives, thus, biodiversity conservation and industrial development and the balance of the sustainable use. Active people with the Ministerial, Industry, NGO and Academia background and experience; those who developed NBCAP, Laws, Policies and Regulations, Industry standards, EMP and EIA, successful previous UNDP/GEF PMs and National Directors, those who managed international cooperation agreements, environmental monitoring programs and implemented mitigation measures.”* **TE response:** While gender and age are not central to the story, they are definitely part of the story; the history UNDP-GEF project in Russia is that the greater

88. The team that she selected to work with her were dedicated and not always the easiest people¹⁴. Irrespective, they earned respect of the people with whom they worked. This also included the regional coordinators: they were similarly carefully selected from local organisations (and as noted above, this was mainly from academic or research institutions¹⁵ working in the project's pilot regions). In effect, the regional coordinators were partial secondments made by their institutions to the project with the PM demanding that they spend a minimum of 70% of their time on project business and ensured that they had no conflicts of interest. She also demanded that they read the project document and "tested" them on its contents – all in an effort to ensure they understood the project and what needed to be done! They assumed responsibility for implementing project activities and coordinating with project partners and stakeholders in the pilot regions. They turned out to be a dedicated group of people, many of whom are still involved in project business even though their contracts with the project had, in some cases, long expired.

89. It is notable, too, that the project used available technologies (especially software allowing Voice-Over-Internet protocols) to communicate with all the regional coordinators – and made compromises to overcome the (sometimes substantial) time differences.

90. There was some turnover in team members (see Table 5), mainly because of the demanding, uncompromising nature of the PM. She refused to accept "recycled work" (meaning work that had already been completed under different contracts, often with other organisations) which, in some cases, led to the termination of contracts.

91. The PM was also demanding of consultants and contractors: the Terms of Reference (TOR) that were issues to consultants and contractors demanded not just reports but actual *implementation* of the recommendations that the consultants and contractors were proposing (see Annex VII for a list of consultancies). This forced academics and people from research organisations to consider the application and implementation of their work¹⁶.

92. The project did contract a number of international consultants to work on various aspects of the work. Perhaps most notable among these were three

majority of projects have been implemented by men who were generally in the later period of their careers. In addition, the second point being made here has also been made in the report.

¹⁴ This was a comment made by a number of the interviewees.

¹⁵ This *may* have reflected a slight bias in the Project Manager, coming from an academic background herself.

¹⁶ Anecdotally, this surprised the contractors and consultants as they were used to simply submitting reports – but not implementing them. It turned out that they were also not very good at reading and digesting their TOR as the implementation was included therein!

consultants from South Africa who worked on various aspects of the application of the mitigation hierarchy in the coal and hydropower sectors¹⁷.

93. By the end of the project, various people expressed regret that not more international consultants had had the opportunity to work with the project, visit the country and increase the stakeholders to international practices and experiences. Certainly, international consultants do represent a key mechanism to increase exposure and international best practice (without the need to translate many documents into Russian).

Table 5. The people involved in the implementation of the project

Name	Position	Employment dates
Svetlana Sheynfeld	Project Manager	December 1, 2012 – EOP
Igor Kostin	Deputy National Project Director	January 1, 2013 – EOP
Alexey Vladimirov	Senior Technical Advisor	April 1, 2015 – EOP
Antonina Khovanskaya	Project Associate	February 13, 2013 – EOP
Kuzmina Alyona	Administrative and communication specialist	July 20, 2017 – EOP
Valery Orlov	Consultant on BD conservation	November 1, 2014 – EOP
Vladimir Vasilevsky	Head of the oil sector working group	February 1, 2014 – EOP
Natalia Tolstykh	Head of the legislative working group	May 1, 2016 – EOP
Zaretsky Vladimir	Regional coordinator for Khakassia	May 9, 2016 – EOP
Arthur Alibekov	Head of the hydropower working group	June 20, 2013 - March 20, 2017
Manakov Yury	Regional coordinator for Kemerovo oblast/Head of	July 10, 2013 - December 31, 2016

¹⁷ Botha, M. (2016) *Assessment of Biodiversity Mitigation for the Nizhne-Bureyskaya hydroelectric power plant*. Stage 1 report to the UNDP-GEF Project on “Mainstreaming biodiversity conservation into Russia’s energy sector policies and operations”. July 2016; Botha, M. (2016) *Assessment of Biodiversity Mitigation in Kuzbass, Kemerovo Oblast*. Stage 2 report to the UNDP-GEF Project on “Mainstreaming biodiversity conservation into Russia’s energy sector policies and operations”. July 2016; van Zyl, H. & J. Kinghorn (2016) *The Economic Value of Ecosystem Services from the Karakan Ridge Reserve, Kemerovo, Russia*. Report prepared for the United Nations Development Programme, Russia. Independent Economic Researchers, Cape Town; Brownlie, S. (2017) *General Guideline on Biodiversity Assessment, the Mitigation Hierarchy and Offset Principles for Russia’s Energy Sector*. For UNDP-GEF Project on “Mainstreaming biodiversity conservation into Russia’s energy sector policies and operations”. February 2017.

	coal working group	
Lopantseva Natalia	Regional coordinator for Lower Volga and North Caspian	June 1, 2013 - March 31, 2017
Zavarzina Natalia	Regional coordinator for Sakhalin oblast	June 10, 2013 - June 30, 2016
Uvarov Sergey	Regional coordinator for Nenetsk okrug	May 14, 2014 - August 13, 2017
Bolshakov Ruslan	Regional coordinator for Nenetsk okrug	February 20, 2013 - December 31, 2013
Kovalchuk Igor	Regional coordinator for Amur oblast	May 20, 2014 - September 30, 2017
Kuznetsova Olga	Head of the legislative working group	January 1, 2014 - December 31, 2015

3.3 Project Results

3.3.1 Overall results

94. In its journey to mainstream biodiversity into business policies and operations, the project has done a huge amount of work. This evaluation report will not attempt to describe, in detail, all the results that have been achieved by the project. Instead, the TE will examine whether the project has achieved its targeted objective and outcomes (as summarised in Section 2.6). However, in the coming weeks, the project team will put together the project's final report. This should include in much more detail the project's results.

95. It should be noted that there was an almost fanatical adherence to the project document and the PRF. As indicated above, the PM tested potential contractors and staff on the project document¹⁸. She herself read through it four times (twice in Russian, twice in English) before starting the work.

96. A brief summary of some of the highlights of the project's results include (but were by no means limited to) the following:

- a. The legislative cascade built on the basis of the laws on standards and best available technologies (BAT) - through the guideline/reference book to the four standards for the sectors. This then led to the regional legislation and the corporate standards developed with the companies themselves (and see Annex VIII for a list of the different outputs related to this legislative cascade).

¹⁸ A counterpoint to this statement was the fact that there was still some adaptive management (see Section 3.2.1).

- b. The production of three compendia, one for each of the targeted sectors. The compendia, in the words of the MTR (with which the TE concurs), “include practical proposals, innovative biodiversity conservation solutions, examples of minimizing negative impacts on biodiversity with new technologies, practical cost-benefit analysis, and examples of biodiversity conservation technologies. The contents of each section of the compendi[a] were analysed and discussed during meetings of the ... sector working group. [The compendia] will be ... key reference[s] in the future for ... companies to enhance their operations to positively influence biodiversity. The compendi[a] will also serve as ... reference[s] for government authorities to develop draft legislation encouraging the private sector to invest in Best Available Technologies and Best Available Practices.”
- c. The processes of coordination, organisation and catalysing among groups of people to result in more organised or systematic thinking.
- d. The use of agreements (usually tripartite agreements among project, company and local authorities) to ensure compliance and action. Of course, having *tripartite* agreements – to which the project was also a party – does beg the question of sustainability.
- e. Also in terms of the *methods* adopted by the project, there was the creation of (or regeneration of or building on existing) *platforms* – working groups and the so-called “public chambers”. These similarly proved to be successful.
- f. The inclusion of biodiversity specific criteria into the eco-rating for the oil and gas sector (that had been produced by WWF-Russia), and replicating that rating for the mining sector (which obviously includes coal). The eco-ratings were not only designed to encourage companies to take heed of the criteria (thereby including, for example, biodiversity into their thinking and practices) but also simply to increase their transparency.
- g. The project established “geo-portals” (or web-based GIS databases) for three regions (Kemerovo, Amur and NAO) that should improve regional biodiversity management. The geo-portals have been transferred to regional authorities to ensure their use, ownership and sustainability.
- h. The project has resulted in the establishment of a number of protected areas (including “Bachatskiye Hills”, “Chumayskiy Bukhtay” and “Kostenkovo Rocks” in Kemerovo Oblast; “Vashutkinskiy” Protected Area on the NAO, and “Bureyskiy

Nature Park” in the Amur region) – although it is evident that these fit in different aspects of the mitigation hierarchy (or even within the companies’ corporate social responsibility).

- i. With different partners, the project trialled different technical solutions, primarily related to restoration and water treatment.
- j. Two Strategic Environmental Assessments (SEAs) were developed – for the Kemerovo and Amur Oblasts, respectively.
- k. The project provided support to Western Grey Whale Advisory Panel
- l. There was significant effort made to build platforms and to get experts heard: approximately 60 events (conferences, seminars, roundtables) were held under the auspices of the project

97. Thus, as can be seen, the emphasis of the project was not to try to take on amending the federal Environmental Protection Law (even though this would have led to much higher degrees of impact and sustainability; but it was simply not practicable). Instead, the project identified pragmatic and practicable mechanisms to introduce the concept of biodiversity to the energy sector in Russia – for example: i) through the adoption of four federal level “standards” that included biodiversity, ii) through the adoption of corporate standards, iii) through the adoption of regional level legislation. This required an understanding of the appropriate and realistic *entry points* to create change.

98. One of the mechanisms that the project attempted to use was to demonstrate success in pilot sites (e.g., rehabilitation and restoration) and then build on these successes to integrate the concepts into policy and legislation¹⁹.

99. One of the most consistent responses that was given by interviewees was that the project had led to *changes in attitudes*. Because the project did not come up with an innovative way of measuring (and hence demonstrating) this, it must be taken at face value. And yet, changes in *attitude* do not necessarily lead to changes in behaviour or practice (but on the contrary, changes in *aspiration* may). Indeed, there were two counterpoints to the assertion that attitudes had changed. First, when expressing themselves about the activities and results of the project, few, if any, of the interviewees responded using the mitigation hierarchy to frame their answers (although this may be also associated with entrenched thinking that persisted, including the culture of “compensation” or paying cash for damage.). Second, it

¹⁹ This was in contrast to the ClimaEast Pilots Project which, in effect, only demonstrated successes but had less success in achieving integration into policies and legislation – perhaps partly because there was an expectation that the ClimaEast Policy Project would do this.

appeared as if some of the people still struggle with the concept of the mitigation hierarchy – not fully understanding where within the mitigation hierarchy any given activity or result fits. A good example of this was the persistent confusion regarding “set aside”, “avoid”, “offsets”, “compensation” and what was “corporate social responsibility”. Indeed, over the course of the TE mission, there was much inconsistency of language (not only associated with the terminology associated with the mitigation hierarchy)²⁰. On occasion, there was some irony to this as one of the federal standards developed by the project was something that was variously called a “guideline” or “reference book” and which was designed precisely to provide definitions for terms!

100. It would, as a result, be good if the project could summarise the practical results achieved by the project (with the project partners) and frame these within the mitigation hierarchy to deepen people’s understanding of the mitigation hierarchy. In addition, the project should, where possible, provide practical examples and evidence of how the policies that have been developed (for example, the compendia and standards) are actually being used (including in the final PRF). After all, the project is titled “Mainstreaming Biodiversity Conservation in ... Operations” – suggesting practical application²¹.

101. It was interesting to determine *why* the companies that were involved in the project showed any interest whatsoever in incorporating biodiversity into their policies and practices. Over the course of the mission, the TE heard a number of motivational factors and points of leverage (see also comments on motivations of companies in Section 3.2.2 on Partnerships above), including:

- a. The use of tripartite agreements between the government, the companies and the project
- b. The use of the eco-rating systems for both the oil and mining sectors

²⁰ And the TE fully believes that this was *not* associated with the interpretation but rather how the interviewees were actually using language. Indeed, this TE report is, of course, being written in English but I can only report some of the terminology that I heard over the course of the mission. On occasion, the terminology *changed* even within a single sentence.

²¹ In this, the project is **not** acting as an “auditor”, but, rather, it is turning to its partners and having a conversation along the lines of:

Project: “Friends, we know that you’re now doing some good things for biodiversity in your projects. Could you give us some examples that illustrate these things?”

Partners: “Of course! We’re implementing the standards and compendium and what that actually means is (a), (b) and (c) – and we have data to demonstrate it!”

Project: “Wow, thanks! Do you mind if we include that information in our PIR? The folks in the GEF will be really pleased to know that!”

- c. While the project did not attempt to amend federal level legislation, it worked on a series of “soft laws” – thus, including standards and regulations
- d. Social networks also present a point of leverage – linked primarily with reputational risk

102. On a slight aside, one interesting statement from the ‘coal miners’ in Kemerovo (and others) was the assessment that coal’s future was assured. This flies in the face of all trends and data from around the globe with reductions in coal use.

103. In addition to the above mentioned results, the project also had several (positive) inadvertent impacts. These included:

- a. People associated with the project have now ended up teaching at oil and gas universities – and have been taking the results and thinking of the project into the classroom; as a result, the project’s message will be infused into future professionals in the sector.
- b. Some of the project’s outputs – and most specifically the Compendia – are already being incorporated into university curricula
- c. It was estimated by a number of the interviewees that even though the project did not address the legislation head on (and opted for “soft law” solutions instead), the philosophy of incorporating biodiversity will become slowly imbued into other pieces of legislation and regulations – even, ultimately, becoming part of ‘environmental expertise’ or ESIA process.

104. That, then, is a fairly effusive description of some of the results of the project. Were there any limitations?

105. The first limitation faced by the project was to introduce the mitigation hierarchy (or even other tools such as ESIA or SEAs) into existing projects in which the negative impacts on the environment (and specifically biodiversity) have already been had. Indeed, the mitigation hierarchy (and ESIA) are really useful for the complete project cycle but most especially during the early stages – otherwise the “avoid” and “minimise” aspects of the hierarchy are redundant and any attempts to calculate damage (for “mitigation” and/or “offsetting”) near impossible. In recognition of this, the project tried to find projects that were in their earliest stages of planning or execution. To some extent the project was successful in doing this, but time will only tell how successful the mitigation hierarchy will be used in all future projects by the companies.

106. One of the most persistent questions that lay over the project and its results was where was the increment (as defined by the GEF)? In other words, if the project had not come along, what would the state of mainstreaming biodiversity into Russia's energy sector be at this point in history. There were a number of different opinions stated by the people met over the TE mission. However, it is likely that the following are accurate estimations. First, the impact that the project has had differed among the three sectors in which it engaged. The *process* of incorporating biodiversity into the oil sector's policies and operations was already somewhat underway (led, for example, by Sakhalin Energy's efforts in the Sea of Okhotsk with the Sakhalin II project and WWF's already existing eco-rating for the oil and gas sector). In contrast, the coal and hydropower sectors had hardly considered biodiversity whatsoever. As such, it is likely that the project *accelerated* what was an already ongoing process for the oil sector while it catalysed change in the coal and hydropower sectors. In the words of one respondent, "the project did in three years what might have happened in ten." Irrespective, because of the slow nature of change and because environmental impacts can take years to become apparent, it is likely that the project's actual impact will not be seen for some time.

107. In addition, the project did not tackle various points of leverage over the energy sector. Probably the most important of these is the financial institutions – and especially Russian banks and lending institutions. The greater majority of development projects in the energy sector require finance (with the notable exception of some projects carried out by some of the oil and gas giants in Russia: these are large enough to finance their own projects). At an international level, the leverage that finance has is well recognised. Indeed, the Performance Standards (both environmental and social) associated with the International Finance Corporation (IFC) set the international standard for managing environmental and social risks. Most specifically and pertinent to the project's objective, the IFC's PS6 relates to "Biodiversity Conservation and Sustainable Management of Living Natural Resources". Anecdotally²², Russian finance institutions, including banks, have little or no standards associated with lending. As such, the project could potentially have exerted significant influence had it successfully engaged with Russian financial and lending institutions.²³

²² "Anecdotally" – because the TE did not interview any representatives from Russian financial institutions.

²³ **Comment on draft TE:** "This point wasn't raised during TE mission, so we can address it here. In fact this idea was considered but left as not achievable as the part of the current Project. Some notes: i) project worked with Sakhalin Energy and Yamal LNG which are 2 of 5 Project financed developments in Oil&Gas sector in Russia (other 3 just initiated; haven't started EIA during the Project implementation and, simply, outside of the Project Pilot Regions); ii) No PF developments in Coal or

108. The project will also *always* suffer from the shortcoming that it did not tackle the legislative amendments that will, ultimately, be necessary to wholly transform the sectors and ensure mainstreaming of biodiversity (and, ideally, ecosystem services and ecological processes) into the energy sector's policies and operations. However, as a time and resource limited project, there was little it could do about this: amending federal legislation in Russia is notoriously difficult and time consuming.

109. There was one issue that did, apparently, arise with indigenous people in one of the demonstration areas. However, the TE did not managed to speak to the person or peoples involved and, as a result, can say little on the subject.

110. There were two aspects of the PRF that warrant mention. First the indicators were not all very precisely defined such that they were subject to interpretation by the project management team. Ideally, indicators should be so precisely defined that there is no room for interpretation. Second, the project management team was inclined to overemphasise their successes when reporting within the PRF; in addition, evidence for some of the statements was not always provided. This is especially important when "scales" are used to measure the degree to which any given policy or legislation (whether governmental or non-state) is implemented. Evidence should be provided to support the claims of "implementation" – including within the project's final report.

111. Finally, there are still some barriers that also persist. One of these, repeated fairly often to the TE, was the lack of capacity and the "smallness-of-world" Russia²⁴. In addition, in a globalised world, people within Russia remain very sheltered and cut off – and part of this hinges around the lack of English skills. As long as this persists, innovative and emerging concepts will always take additional time before they are mainstreamed within Russia.

Hydro; iii) One of the Project findings is that IFC PS6 is relevant to only a few projects while others do not recognize or follow such requirements; iv) State and private companies in Russia never disclose the information whether they work for own or loaned money. It's absolutely closed commercial information – subject for litigation in court if disclosed. Thus, it's impossible to get the information which bank finances the certain project; The only way is to approach Russian Banking Association (not obliged to Equator Principles) integrating Biodiversity requirements in all loan agreements – it's completely different and difficult full-size project with own goals and objectives and cannot be done as something easy and parallel to the current Project." **TE response:** In part, this comment reinforces the statement made in the report: i.e., it needs to be done – but it is challenging and would require a great deal of work. Hopefully, in the future, someone decides to tackle this as it is a good mechanism to incorporate environmental concerns into development projects.

²⁴ While there is some truth to this statement; in itself, such a statement is almost tragicomic if one considers the breadth of the countries with which the GEF and UNDP engage – some of which profoundly suffer from the barrier of a lack of capacity.

3.3.2 Relevance

112. The relevance of the project at various levels is well explored and explained in the MTR. The following levels are discussed within the MTR: national and local policies and strategic priorities; the UNDP Country Priorities; GEF's Strategic Objectives; and Multilateral Environmental Agreements.

113. The TE would like to reiterate one further aspect of relevance: the project expanded its focus to include Russia's Arctic region. This is a timely and important intervention (and one that warrants more attention and work) because of i) its environmental sensitivity but also ii) because of its political significance (which the TE does not believe can be underestimated).

3.3.3 Effectiveness & Efficiency

114. *Effectiveness.* The list of successes articulated in Section 3.3.1 is indicative of the effectiveness of the project. As also described in various sections above, the project was not without its shortcomings – from the ambitious design through to the barriers that remain in place. However, the achievements of the project far surpass the shortcomings.

115. Various factors appeared to have contributed to effectiveness: i) having an extremely competent team to implement the project, ii) retaining a firm focus on the PRF and the project document.

116. *Efficiency.* The project has achieved a great deal in what is a relatively short amount of time and with a relatively small amount of money. Indeed, at the point of the TE, it appeared as if the project will have to return some of the unspent money back to the GEF. This is really quite remarkable given the size and breadth of the project in such a vast country.

117. Part of the efficiency can be attributed to the hard line that the PM took on ensuring that all actors attend events (including PSC meetings) at their own cost. However, this represents global best practice and more projects from around the world could learn from this. What it meant was that the people and actors that did attend events did so because they were interested and motivated to do so – not just because there was an overgenerous daily subsistence allowance (or DSA) attached to attendance.

118. The PMU also took pains over ensuring that the Terms of Reference that they produced for contractors and consultants were accurate and targeted. They were also “very demanding”, ensuring that consultants did not just deliver a report but that they also took steps to implement the recommendations.

119. However, as the project rolled on towards its completion and as the UNDP-PSO began to wind down, apparently efficiencies began to wane as well. Some of the interviewees voiced the opinion that (some) international

competitions were not properly organised meaning that they needed to be re-launched. There were also other interesting comments on the UNDP-CO: i) from a business perspective, UNDP procedures are inefficient²⁵, ii) various made some disparaging comments about the UNDP-CO being more focused on *delivery* (usually taken to mean financial delivery) than project impact, and their own image than that of the project in question.

3.3.4 Country Ownership

120. If it is any measure of country ownership, when the President of the Russian Federation formally opened the Lower-Bureyskaya HPP (with which the project was associated), he specifically referred to the biodiversity conservation that was linked to the HPP.

121. Probably a better measure of country ownership was the degree to which the NPD was engaged in the project and was a catalyst for its success.

122. There was another indication of ownership that use of language by many of the project partners: they frequently referred to the project as “our project”. In addition, when describing the activities and results of the past few years, the lines between what were project activities and the activities of the project partners became blurred to the extent that they became indistinguishable. While this may not have been an articulated objective of the project, arguably there can be no better measure of the degree to which the project became integrated into the partners.

123. One factor that has been previously mentioned in this report is the agreement of the majority of the project partners to attend meetings, conferences, seminars and roundtables at their own cost. This is an excellent measure of the interest and motivation of people – which, in itself, is also a measure of ownership.

3.3.5 Mainstreaming

124. This section is almost redundant in the context of a project whose singular objective was to achieve mainstreaming of biodiversity in Russia’s energy sector. Either the project was successful or unsuccessful: either way tells the story of whether the mainstreaming was successful.

125. However, it may be worthwhile to reflect a little on *replication* in this section. First, it is notable that replication did actually occur over the life of the project. For example, the coal company, Suek, although not originally a project partner, engaged with the project to demonstrate innovative water treatment technologies.

²⁵ This, then, may be the cost of interacting with the private sector: they might choose to give feedback as well!

126. In addition, the principle of application of eco-ratings is to catalyse replication or, rather, to influence other companies to improve their performance and transparency. Eco-ratings are a successful leverage mechanism as they *transfer responsibility* to the companies.

127. What is much more difficult to say is whether there will be replication of some of project processes in the absence of a project; the project has been pivotal in catalysing many processes, for example: agreements among actors (the tripartite agreements under the project); engagement of public chambers; establishment, as necessary, of working groups. What happens when there is no longer a project to catalyse these things remains to be seen.

128. One mechanism that remains for replication is to work through the existing agreements ($n = 27$) that the MNRE has with various companies; nonetheless, the team (and partners) still need to think carefully about how to replicate elsewhere.

3.3.6 Sustainability

129. A firm set of foundations have been built by the project and while the project team has worked hard to put in place whatever they can to increase the likelihood of sustainability (some of which is described below), there is an overriding sense that this is really the start of what could be a long process. There are some ideas that were voiced over the course of the TE mission on how this process should continue (and some of these are further discussed in the Recommendations – see Section 4). In short, these revolved around building on the foundations laid by the project and, in particular, to continue to build a business and biodiversity platform through whichever vehicle seems appropriate. There are some emerging opportunities – for example, the IUCN is wishing to open an office in Russia; given the IUCN's existing Global Business & Biodiversity Programme, it is possible that this would present one vehicle and opportunity to continue to the work – and, thereby, increasing the likelihood of sustainability.

3.3.6.1 Financial Risks to Sustainability

130. Financial sustainability is probably the most important test of the degree to which this, as a mainstreaming project, has been successful. This is particularly pertinent because the project has been primarily targeting the private sector (with obvious exceptions of RusHydro and the oil companies in which the government is the major shareholder). As mentioned previously in the report, sustainability – and most especially financial sustainability – would have been assured had the project had managed to engage successfully with amending federal level legislation. This was, of course, not the case (and wisely so). Thus, without this legislative leverage, the question of whether the companies and the government will continue to invest in integrating biodiversity into their systems and practices remains to be seen. The sort of

investments that the TE would like to see include: i) investments in staffing with appropriate budgets allocated to those departments in which the staff sit; ii) published policies and SOPs – and made available publically (e.g., on websites); and iii) companies taking the initiative to make the ESIAAs (with their own EMPs and M&E reports) for their work publically available, *ad infinitum*, on their own websites. These may appear to be utopic pipedreams – but they are the logical and sustainable outcomes of a successful mainstreaming project.

131. Financial sustainability in a mainstreaming project is also closely linked to institutional sustainability; this is discussed below.

3.3.6.2 Socio-economic Risks to Sustainability

132. The degree of participation and involvement of stakeholders – including at the regional and local levels – in project processes enhances the likelihood of socio-economic sustainability. Indeed, many of the stakeholders actually had responsibilities for different aspects of the project’s implementation.

133. There was one indigenous people’s grievance: it is the PSC’s responsibility to investigate and mediate, mitigate this conflict, as necessary.

134. The numerous references to the Project Manager through this report is an indication of the impression she made on many of the stakeholders interviewed over the course of the TE mission to Russia. Indeed, with a small number of other women that were involved in the project, she is a role model of what is possible in the face of what is a relatively conservative working environment (particularly within the energy sector companies). As a woman leading the project, the PM made the conscious decision to target women – although the entire project was implemented on the ideal of “allowing people, regardless of gender, to achieve their potential”.

135. The PM mentioned to the TE that she was considering publishing the story of the women involved in the project. It was interesting to note that the response of one of the women that would be featured in such a publication responded positively to the proposal, but added the request not to “tell our men as they’ll jeer at us”. This response, then, is symptomatic of sometimes challenging working environment.²⁶

²⁶ **Comment on draft TE report:** “Of course, this is up to evaluator whether to include it or not. It doesn’t look like any form of socio-economic risk to sustainability. The Project and team had no issues arising from managing the gender balance and equity”. **TE response:** Any activity that promotes women or that can be inspirational to generations of girls or young women will be transformational; it is not a question of “managing the gender balance or equity” – it is finding mechanisms that will actively inspire women.

3.3.6.3 Institutional Framework and Governance Risks to Sustainability

136. As above, the project worked to try to ensure institutional sustainability (although institutions in Russia, in and of themselves, are relatively robust and, as a consequence, sustainable). However, what was more important here was the robustness of the *policies* and *practices* that have been adopted by the government and companies.

137. The project used tripartite agreements as one mechanism for ensuring involvement and compliance. Once the project has closed, one party to the agreement vanishes! The validity of the agreements, once the project has closed, is open to question and the project and partners should ensure that they remain in place.

138. The project has also transferred systems – and, therefore, responsibility – to various project partners. The best example of this is transfer of the geo-portals. The institutions to which these responsibilities have been transferred are all robust and resilient; the question is whether they will be used and updated.

139. As has been stated earlier in the report, *personalities* are important. But people do not stay in their positions ad infinitum. There are examples of two key people both of whom were pivotal to the success of the project and both of whom will be moving on from their positions in the relatively near future. This was the NPD in the MNRE and the Governor of Kemerovo. It is difficult if not impossible to predict what the impact of the departure of these two people will be. Ideally, of course, it is something for which they (and the project partners) should plan – and yet, in the words of Robert Burns, “*the best laid plans o’ mice an’ men, /Gang aft agley*”²⁷ means that planning for these events (the departure of significant people) is nigh on impossible and this, alone, signifies the need for institutionalisation. When not fully achieved, the likelihood of sustainability is reduced.

140. Notwithstanding these (minor) caveats, the project carried out the following activities to increase the likelihood of institutional sustainability:

- a. The regional coordinators were recruited from local organisations (primarily but not exclusively academic or research organisations). These were motivated people who will remain in their organisations once the project has closed. As motivated people with a vested interest to see the continuation of the processes and sustainability of the impacts of the project.

²⁷ This is transliterated as “The best laid plans of mice and men often go awry” – a proverbial expression used to signify the futility of making detailed plans when the ability to fully or even partially execute them is uncertain.

- b. The project worked through public chambers; these are sustainable, but it is the people who attend them that make them function.
- c. The project built capacity, both through conferences, seminars, roundtables and other events, and also through transferring responsibility. In part, there was exposure through international consultants.

It was also notable that the capacity of the project team was significantly developed through the project's life through a range of different mechanisms and exposures. As a result, they have a significant responsibility to continue to build on the work whenever the opportunity arises.

- d. The fact that some of the project's outputs are being incorporated into curricula and some people associated with the project are teachers means that some of the project's influence will continue after the closure of the project.
- e. Notwithstanding the fact that there was no measurement of it, the changed attitudes (to which interviewees so often referred) are also difficult to undo (and hence sustainable).
- f. Finally, as mentioned above, many institutions are sustainable and robust – as are many of the policies and operations. Thus, it is very likely that activities such as the eco-ratings carried out by WWF-Russia will continue to grow. This is one of the significant benefits of partnerships.

3.3.6.4 Environmental Risks to Sustainability

141. In the short- to medium-term, environmental sustainability seems likely. The most significant risks to environmental sustainability in the context of a mainstreaming project comes from politics. Whatever is put in place may be undone on the turn of political change. This may seem inconceivable at present; but if we think in timeframes of, say, one hundred years (which clearly we should be), then some form of political change is inevitable.

142. There is also the question of economic/financial imperatives trumping environmental sensibilities. Here is one pertinent example to illustrate this point: in order to maintain the (economic) viability of the trans-Alaska oil pipeline (in the US), more drilling needs to occur in the sensitive environments of northern Alaska. In other words, the economic imperative is trumping the environmental rationale.

143. In addition, there is the question of whether some of the new technologies will actually be used?

144. It is quite difficult to determine the answer to these questions. The project team were, quite understandably, optimistic and upbeat; other stakeholders were more gloomy. The reality may lie somewhere in between.

3.3.7 Impact

145. Measuring actual biodiversity impacts over the course of a mainstreaming project that is limited in time (even with the extension) is wholly unrealistic. Interestingly, the project team kept referring to the species included as biodiversity indicators within the PRF as “our reference species”, suggesting that they did not believe that they would really be able to demonstrate changes to the status of these species over the lifetime of the project. Indeed, short of some catastrophic event that would have been well beyond the scope and sphere of influence of the project, no significant changes to the populations could be expected.

146. That being said, the project has built the foundations for what should (and even could) lead to significant impact. As a testament to this, one interviewee – who had been involved in a previous UNDP-GEF Biodiversity project – stated that these things take much time to come to fruition but given the people involved, it was quite likely to happen. Therefore, impacts are not always immediate apparent; but in long-term, the project’s threads will be seen to be interwoven in fabric of work being carried out, in this case in the environment sector.

147. The practice that the project adopted of forcing consultants (who were often academics) to secure agreements, orders or policy changes by government agencies (thus, not just writing reports on what *should* happen but demanding that they take responsibility for the next important step – to make it happen) did two things: i) it built capacity of consultants by forcing them to consider and enact their recommendations, and ii) it catalysed a higher likelihood that there would be impacts.

148. Given that there was a blurring of the boundaries between the project and what companies ended up doing implies successful mainstreaming. The philosophy of incorporating biodiversity into their thinking may be working its way into corporate culture. If this stands the test of time, there will be significant impacts.

149. Finally, in the telling words of one interviewee: “the CEOs of old would howl with laughter if they knew that now we’re planting trees!”

4 Conclusions and Recommendations

4.1 Conclusions

150. So the MTR made the following observation: *“The project is on-track to be in the rare upper echelon of GEF projects that have truly made a large-scale difference in improving outcomes for biodiversity at the scale of Global Environmental Benefits. Unfortunately the scope of this mid-term evaluation does not provide the opportunity to fully describe the significance of all of the project results, and it is hoped that at project completion the project experiences in each sector will be well documented and publicized. At the same time, the project has the exciting potential to catalyze even more significant changes if the key project results can be sufficiently scaled-up, replicated, and sustained through Russia’s entire energy sector, and not just with the project’s specific private sector partners.”* The question, then, at the stage of the Terminal Evaluation, is whether the project has achieved this? Does it rank in the “upper echelon of GEF projects that have truly made a large-scale difference in improving outcomes for biodiversity at the scale of Global Environmental Benefits”?

151. The project was thrust into an exceptionally challenging environment: to make changes among government actors and corporations (within some of which the state had a stake as a major shareholder) such that they incorporate biodiversity into their policies and operations. The environment is doubly challenging because making changes to legislation in Russia (at least at the federal level) is nigh on impossible.

152. What is most impressive about this project is that they used all the available tools to forward this agenda. The people involved in the project were fully aware of the limitations of what could be done and, just as importantly, what could not be done. They pursued the completion of those aspects that they identified that could be done with fierce intensity and, now, some five years later, they have achieved what they set out to achieve – on a relatively small budget. Things have, as a result, shifted. Short of some Trumpian revolution in which the environmental agenda is significantly rolled back, things will never be the same again.

153. Of course, the story has just begun. The people associated with this project operated within the limitations or constraints imposed by GEF: there was some limit to the budget (although, as it turns out, this was not a limitation) but, rather, they were limited in time. The full integration of biodiversity considerations into business policies and operations, in the context of Russia, will only be complete when it is written into the Federal Environmental Protection Law. And even before reaching these utopic ends, there is much to do: i) including financial institutions and lenders into those who apply leverage over businesses to continue improving their practices, ii) replicating the project’s results – including, perhaps, the expansion of tools

such as the eco-rating system – across other regions of the countries and to other sectors (including, also perhaps, the financial sector), iii) build on the foundations that have been built to stretch the thinking to ecosystem services and ecological processes – because our conservation efforts should not be constrained to biodiversity (albeit including ecosystem, species, and genetic variation) but also include ecosystem services and ecological processes.

154. For all those constraints imposed by the GEF, the project could be seen to have adhered to and achieved the GEF adage of “overcoming fears and demonstrating successes”.

155. Does this mean that the project qualifies to be in the rarefied “upper echelon”²⁸? It may be difficult to answer this question directly (because it demands comparison with other projects), but what can be stated with certainty is that if all GEF project achieved as much as this one did then, first, the world would be a considerably different place today (and, second, the need for GEF funding may even be diminishing). As it is, we are far from this place.

156. This project also marks the end of an era: it is the last project that the GEF is funding in Russia; the UNDP-PSO will be closing down shortly after the project comes to a close. For all the imperfections of GEF projects and of the GEF itself, these projects have made a significant difference in providing exposure and experiences; in addition, the projects provide additional leverage that has led to catalysing change. There are complicated reasons that underpin the decision not to continue providing Russia with GEF funding. However, things like sanctions are indiscriminate and do have negative impacts of what are otherwise significant incremental activities. There is, therefore, something tragic that good, catalytic programs have become bycatch in the political machinations.

157. Finally, there are two other points to reiterate here. First, as mentioned above, throughout the TE mission and through all the interviews, it was consistently difficult to distinguish the activities and results of the project and the activities that were being carried out by the companies: is there a better measure of success for a mainstreaming project? Second, the energy sector as a whole really has no excuse now. The proverbial ball is in their court; the responsibility has been transferred to them.

²⁸ Somewhat perversely, for all this, the TE left Russia *slightly underwhelmed*. In an attempt to rationalize this feeling, the TE reflects that it may have been because there might have been because so anxious are the team for the highest ratings possible that they variously attempted to thrust all the successes at the TE while at other times were slightly aloof and even arrogant. If the TE had been gently led through the successes of the project, having them revealed in all their beauty in an elegant – but not aggressive manner – then the TE might have left feeling much more impressed!

4.2 Criteria for success: lessons to be learned

158. In this section, the TE reflects on the factors that contributed to the success of the project – and, therefore, the lessons that can be learned from the process. Being the final GEF project being implemented in Russia, these lessons are only partly for people and organisations within the country. Hopefully, however, they will be of use to other project implementers around the world – especially when the assumptions and dependencies are similar. These, then, were the criteria for success of the project:

- a. The project bridged the gap between government and companies, thereby breaking barriers and overcoming distrust.
- b. The team, in its entirety, was serious, earnest and dedicated.
- c. The project focused all of its efforts on getting the job done – and was not distracted by demands to put a spotlight on the UNDP-CO
- d. The project was supported by numerous people – reinforcing the idea that personalities are important – not least the NPD with the leverage afforded by his high position within the MNRE
- e. While it took time before the final selection was made, the people who worked for the project – and especially the Regional Coordinators – made significant contributions to the success of the project
- f. There is something about Russia and her people that coalesces to make these projects a success. It is quite difficult to pin down, but it includes aspects such as: a profound sense of responsibility to make the most of the opportunity afforded to them by such projects; a good dose of sensibility and gritty determination; the responsiveness to various points of leverage (see Section 3.3.1); the responsiveness, too, to the international community; the people are driven and motivated.
- g. The success of the PSC: relationships built around it, it was inclusive.
- h. The various *tools* that were used by the project to ensure compliance and participation, including i) the formation of working groups, ii) the use of existing public chambers and iii) the tripartite agreements.
- i. Forcing contractors to take extra step beyond simply delivering a report full of recommendations and demanding that they *contribute* to the implementation of those recommendations and that they *demonstrate* results

- j. The project was built on the foundations of the many previous UNDP-GEF projects in the countries and maintained the synergies among those projects
- k. The project chose to work with local companies where possible to demonstrate success – rather than choosing to work with the behemoths with their headquarters in Moscow (thus remote from the biodiversity) and their bureaucracies.
- l. The interest of people in the project and their commitment to the project – best illustrated by the people covering their own costs to attend conferences, seminars, roundtables, PSC meetings and other events²⁹.
- m. The use of carefully selected international consultants was successful to build capacity and expose people to new ideas and different ways of thinking.

4.3 Recommendations

159. In this section, the TE makes some recommendations. As with the lessons explored in the section above, these are made in the strange circumstances that there will be no further GEF projects in Russia (despite their transformational nature and despite inconsistencies) – thus, these could be seen to be recommendations being made into a recently cleared room. On the other hand, some of them are pertinent as they seek a way to build on the foundations put in place by the project.

160. *There's more work to be done.* The project has built the foundations, planted the seed. There is much still to be done – but, importantly, there are opportunities to do it. The Business and Biodiversity Platform needs to continue – and it will probably be led by non-state actors (e.g., WWF-Russia and the IUCN – if and when they open an office in Russia). In whatever time remains, the project should seek to support everything possible to continue the momentum that has been generated through the project.

161. As suggested above, the project team has a responsibility to take the story forward.

162. *Demonstrate and illustrate the mitigation hierarchy.* As has been mentioned, it was apparent that understanding of the mitigation hierarchy was not complete; there was still confusion and misunderstanding. Whenever possible and drawing off the examples from the project, where activities and results sit in the mitigation hierarchy should be made clear. In other words, the project should demonstrate where activities that have been

²⁹ Research has long demonstrated that the higher the financial incentive, the lower the actual interest – and vice versa.

carried out fit into the mitigation hierarchy, thereby illustrating the mitigation hierarchy, so as to enhance understanding of the mitigation hierarchy. In addition, the report by Brownlie needs to be translated into Russian and widely disseminated (perhaps a summary on paper and the rest of the report electronically).

163. *Look for opportunities to disseminate and communicate results and good practices.* Apparently, the UNDP-GEF RTC in Istanbul had “little interest” to disseminate the results and good practices across their network, perhaps because they did not have similar mainstreaming or business-biodiversity projects. There are opportunities and the project team should seek these out to share and disseminate the results and lessons from the project. For example, the IUCN, other NGOs (e.g., the RSPB) and other organisations have business and biodiversity programmes.

164. *Close out various processes.* There are a number of processes that require completion before the project formally closes; the project team should ensure that as much as possible is elegantly closed and not left hanging.

165. *Tackle financial institutions and lenders.* To build on the foundations that the project has built, the institutions that finance energy sector development projects (and other sectors) should integrate environmental aspects (including biodiversity) – akin to the Performance Standards of the IFC. With the issue of the federal level legislation, this represents the most significant gap in the project³⁰.

166. *Improve ESIA transparency.* While ESIA (“environmental expertise”) is obligatory, apparently the ESIA themselves and the responsive Environmental Management Plans (EMPs) are not accessible in perpetuity. This means that it is difficult to monitor and evaluate the degree to which they are implemented. These documents need to be made available online in perpetuity.

167. *Expand eco-ratings to other sectors.* The project catalysed the expansion of the eco-rating system to the mining sector (thereby capturing the coal sector); there are other sectors to which the rating system could be expanded including, for example: i) the power-generation sector, and ii) the financial sector – thereby capturing the lenders and financiers.

168. *Replicate to other regions.* While the project took on an additional two regions (from the originally proposed six regions), there are many other

³⁰ **Comment on draft TE report:** “This point was covered in the comment previously – it’s clear for everybody that this is far beyond any scope or objectives of the Project! Financial institutions is completely different from the Industry, let alone, narrower Energy sector” **TE response:** Agreed; let’s hope that in the future someone addresses this as the financial institutions hold great leverage over all industries, including the energy sector.

regions in the country. This begs the question of *how* the processes of mainstreaming will be replicated in the absence of the project to catalyse the process. [There are some processes that operate at a national level but the project has demonstrated that operating at a regional level was productive and beneficial.] It would, as a result, be worthwhile for project partners to reflect on how this replication may be best done and to initiate the process before the project closes (or transfer the responsibility to whoever is best placed to catalyse the replication).

169. *Synergies among the many projects.* As has been suggested in various places in the report, the project builds upon previous projects and was implemented in synergy with another set of projects. In order to demonstrate and illustrate this, the project should make efforts to *map* these synergies and include this map in the project's final report.

170. *UNDP procedures.* Notwithstanding the comments made earlier about the *inefficiencies* of UNDP administrative systems – from a business perspective (see Section 3.3.3), there is a rationale for the way that they are (not least that UNDP is a global organisation and needs a system that is applicable across the many developing countries of the world). Rather than just expect project partners to comply and adhere to the systems, UNDP should provide training to explain the rationale of why the administrative system are the way they are. This would probably improve compliance and at least create goodwill among partners.

171. *Licensing remains an issue.* The project also did not broach the licensing issues. It is a global issue, apparently, with licensing agencies considering that social or biodiversity issues are not their responsibility. They are simply concerned with the subsoil resources and allocate licenses on their basis – irrespective of what lies on the surface. There is the assumption that the systems (e.g., ESIA, EMP, CSR, etc) that should follow the allocation of a license are sufficiently robust to cater for the above-soil issues. However, as we have seen, this assumption is flawed; and, therefore, it is more that the licensing authorities are shirking their responsibilities and not abdicating them. In the long-term, having the licensing authorities join the ranks of responsible peoples would be ideal.

172. *Extend thinking to ecosystem services and ecological processes.* The project focused on biodiversity, the definition of which usually includes ecosystems, populations, species and genetic variation. However, it does not include either ecosystem services or ecological processes. Ultimately, our thinking should expand to include these and not remain focused on biodiversity alone.

173. *Using all the tools available to improve levels of compliance.* Conservationists can be quite naïve. This is probably best seen in the sphere of providing benefits to offset the apparent costs of conservation. The

thinking goes along the lines of this: the application of regulations to conserve an aspect of biodiversity, x , will have impacts on community, y . Find a mechanism, most often some small financial benefit to be distributed among community, y , and the problem will be solved. There is a plethora of assumptions that underpin (and often undermine) such thinking.

174. A cursory glance at the tools that businesses and government use to improve compliance or increase uptake among human communities and it quickly becomes apparent that as conservationists, we are both limited and naïve in our use of the tools that are available. We should be applying all the tools available. Here are two examples: i) the impact of social media on human behaviour is only now becoming apparent, ii) for some years, the Government of the United Kingdom has been applying behavioural sciences to improve compliance or increase uptake – or as they state it “to encourage people to make better choices for themselves and society”³¹.

175. *Testing impacts of eco-ratings.* The misfortune of the eco-ratings system is that it is (almost) an experiment where $n = 1$. However, at present, the oil and gas ratings are applied to 33 companies: while these are the largest and most important companies (both from the perspective of their economic but also ecological footprints) there are some companies that are currently not rated. It would be good to test the impact of the eco-ratings system by examining those that are rated vs. those not rated³².

176. *The scope of regional GEF projects.* As the GEF withdraws from Russia, much to the dismay of many people, other people have pointed out another issue with GEF funding: that is that potential regional projects that include non-recipient states cannot be formulated. This is probably best illustrated by an idea: it would not be possible to formulate a regional GEF project that addresses grey whale conservation because some of the range states are not eligible for GEF funding. While there is some logical to this, there could be a good argument for using a GEF grant to catalyse such a regional project while eliciting significant co-finance from those range states that are otherwise donors to the GEF. Such a scheme would, of course, simply be harnessing the catalytic strengths of the GEF.

³¹ This is The Behavioural Insights Team or “Nudge Unit” (see <http://www.behaviouralinsights.co.uk>).

³² An evaluation of the eco-rating systems was beyond the scope of the TE, but it would be interesting to know whether a detailed baseline was established and how the *success* of the eco-ratings systems is being monitored and evaluated. Is there a results framework?

Mainstreaming Biodiversity Conservation in Russia's energy sector policies and operations

PIMS 4241, Atlas project number 00077026

Terminal Evaluation Volume II (Annexes)

Russian Federation

GEF SO-2 SP-4 “Strengthening the Policy and Regulatory Framework for
Mainstreaming Biodiversity”.

Russian Federation

Ministry of Natural Resources and Environment

United National Development Program (UNDP)

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Annex 1 Terms of Reference

Background

In accordance with UNDP and GEF monitoring and evaluation policies and procedures, all full and medium-sized UNDP-supported GEF-financed projects are required to undergo a terminal evaluation upon completion of implementation. These terms of reference set out the expectations for a terminal evaluation of the “Mainstreaming biodiversity conservation into Russia’s energy policies and operations” project (PIMS 4241).

The long-term goal towards which the project is contributing is for the energy sector operations in Russia to have improved capacity to minimize their adverse impacts on biodiversity so that the conservation prospects of the affected ecosystems are greatly improved. The immediate objective of the project is to mainstream biodiversity conservation priorities into Russian energy sector development policies and into the operations of energy production sectors through pilot activities in 6 demonstration areas in the country, including 3 pilot demonstrations in the oil sector (Nenets Autonomous Okrug, Sakhalin Oblast, Astrakhan Oblast and Kalmykia Republic), 2 pilot demonstrations in the coal sector (Republic of Khakassia, Kemerovo Oblast), and 1 pilot demonstration in the hydropower sector (Amur Oblast).

The terminal evaluation will be conducted according to the guidance, rules and procedures established by UNDP and GEF as reflected in the UNDP evaluation guidance for GEF financed projects. The objectives of the evaluation are to assess the achievement of project results, and to draw lessons that can both improve the sustainability of benefits from this project, and aid in the overall enhancement of UNDP programming. The main purposes of evaluation are:

- to improve future aid policy, programmes and projects through feedback of lessons learned;
- to provide a basis for accountability, including the provision of information to the public.

Evaluation approach and methodology

An overall approach and methodology for conducting project terminal evaluation of UNDP-supported GEF-financed projects has developed over time. The evaluator is expected to frame the evaluation effort using the criteria of relevance, effectiveness, efficiency, sustainability, and impact.

The evaluation must provide evidence-based information that is credible, reliable and useful. The evaluator is expected to follow a participatory and consultative approach ensuring close engagement with government counterparts (in particular with the federal Ministry of natural resources and environment), the GEF operational focal point, UNDP project support office, project team, UNDP/GEF technical adviser based in the region and key stakeholders.

The evaluator will review all relevant sources of information, such as the project document, project reports – including annual APR/PIR, project budget revisions, midterm review, progress reports, GEF focal area tracking tools, project files, national strategic and legal documents, and any other materials that the evaluator considers useful for this evidence-based assessment.

Evaluation criteria and ratings

An assessment of project performance will be carried out, based on expectations set out in the project logical framework/results framework, which provides performance and impact indicators for project implementation along with their corresponding means of verification. The evaluation will assess the key financial aspects of the project, including the extent of co-financing planned and realized.

The evaluator will assess the extent to which the project is achieving impacts or progressing towards the achievement of impacts. Key findings that should be brought out in the evaluation include whether the project has demonstrated:

- verifiable improvements in ecological status;
- verifiable reductions in stress on ecological systems; and/or
- progress towards these impact achievements.

The evaluation report must include a chapter providing a set of conclusions and recommendations and a separate chapter on lessons learned.

Evaluation timeframe

The total duration of the evaluation will be up to 35 working days, distributed as follows:

- Preparation work: 5 working days (June 2017);
- First field mission to the Russian Federation: 3 working days in Moscow (end of June 2017);
- Second field mission to the Russian Federation: 5 working days in Moscow, 4 working days in Blagoveschensk, Amur Oblast, and 3 working days in Kemerovo, Kemerovo region, excluding travel (end of September 2017);
- Development of draft evaluation report: 10 working days (mid-October 2017);
- Finalization of terminal evaluation report: 5 working days (beginning of November 2017).

Evaluation deliverables

The evaluator is expected to submit 3 key deliverables:

- Presentation of initial findings after the 1st evaluation mission;
- Draft evaluation report, including a separate annex with analysis of best practices and lessons learned within 4 weeks from the 2nd evaluation mission;
- Final evaluation report within 1 week from receiving UNDP comments on the draft evaluation report.

When submitting the final evaluation report, the evaluator is also required to provide an 'audit trail', detailing how all received comments have (and have not) been addressed in the final evaluation report.

Annex 2 Rating Scales

Ratings for Progress Towards Results: (one rating for each outcome and for the objective)		
6	Highly Satisfactory (HS)	The objective/outcome is expected to achieve or exceed all its end-of-project targets, without major shortcomings. The progress towards the objective/outcome can be presented as “good practice”.
5	Satisfactory (S)	The objective/outcome is expected to achieve most of its end-of-project targets, with only minor shortcomings.
4	Moderately Satisfactory (MS)	The objective/outcome is expected to achieve most of its end-of-project targets but with significant shortcomings.
3	Moderately Unsatisfactory (HU)	The objective/outcome is expected to achieve its end-of-project targets with major shortcomings.
2	Unsatisfactory (U)	The objective/outcome is expected not to achieve most of its end-of-project targets.
1	Highly Unsatisfactory (HU)	The objective/outcome has failed to achieve its midterm targets, and is not expected to achieve any of its end-of-project targets.
Ratings for Project Implementation & Adaptive Management: (one overall rating)		
6	Highly Satisfactory (HS)	Implementation of all seven components – management arrangements, work planning, finance and co-finance, project-level monitoring and evaluation systems, stakeholder engagement, reporting, and communications – is leading to efficient and effective project implementation and adaptive management. The project can be presented as “good practice”.
5	Satisfactory (S)	Implementation of most of the seven components is leading to efficient and effective project implementation and adaptive management except for only few that are subject to remedial action.
4	Moderately Satisfactory (MS)	Implementation of some of the seven components is leading to efficient and effective project implementation and adaptive management, with some components requiring remedial action.
3	Moderately Unsatisfactory (MU)	Implementation of some of the seven components is not leading to efficient and effective project implementation and adaptive, with most components requiring remedial action.
2	Unsatisfactory (U)	Implementation of most of the seven components is not leading to efficient and effective project implementation and adaptive management.
1	Highly Unsatisfactory (HU)	Implementation of none of the seven components is leading to efficient and effective project implementation and adaptive management.
Ratings for Sustainability: (one overall rating)		
4	Likely (L)	Negligible risks to sustainability, with key outcomes on track to be achieved by the project’s closure and expected to continue into the foreseeable future
3	Moderately Likely (ML)	Moderate risks, but expectations that at least some outcomes will be sustained due to the progress towards results on outcomes at the Midterm Review
2	Moderately Unlikely (MU)	Significant risk that key outcomes will not carry on after project closure, although some outputs and activities should carry on
1	Unlikely (U)	Severe risks that project outcomes as well as key outputs will not be sustained

Annex 3 List of documents reviewed

1. PIF
2. UNDP Project Document
3. Project Inception Report
4. Project Midterm Review
5. All Project Implementation Reports (PIR's) with the project's results framework
6. Budgets and annual workplans
7. Project lessons learned logs
8. Project Risk logs
9. Many examples of the publications that the project put out
10. Audit reports
11. Finalized GEF focal area Tracking Tools at CEO endorsement (Tracking tool for Biodiversity (BD-1))
12. Project site location maps
13. All the technical reports from various studies and consultancies
14. Environmental Responsibility Rating of Oil & Gas Companies in Russia 2015, 2016
15. Russian Minerals Industry Environmental Responsibility Rating, 2017
16. The Russian Arctic: On the way to Common Ground in Biodiversity Conservation
17. Biodiversity Restoration in the Lower Volga
18. Spoil tips of Kuzbass: from Rehabilitation to Landscape and Biodiversity Restoration
19. Land Rehabilitation in the Arctic
20. Success Stories, Naryan Mar

Annex 4 TE Itinerary & list of persons interviewed

Date	Item and person(s) met
05 November	Arrival of International Consultant in Moscow
06 November	<ul style="list-style-type: none"> • Meeting with Project Management Team, UNDP Offices, Moscow: <ul style="list-style-type: none"> - Svetlana Sheynfeld - Alexei Vladimirov, Senior Technical Advisor - Igor Kostin, National Director Deputy
07 November	<ul style="list-style-type: none"> • Meeting with Mr. Amirkhanov, NPD, MNRE, Moscow • Meeting with Svetlana Sheynfeld, PM, UNDP offices, Moscow • Meeting with Alexei Vladimirov, STA, UNDP offices, Moscow • Meeting with Portfolio Manager, UNDP-CO, Moscow <p>Travel to Kemerovo</p>
08 November	<p>Arrival in Kemerovo</p> <ul style="list-style-type: none"> • Meeting with A.A. Poklonov, Technical Director, Kuzbasskaya Toplivnaya coal mining company • Meeting with A.P. Podsmazchenko, Technical Director, Yuzhny Kuzbass Management Company • Meeting with S.V. Burtsev, First Deputy General Director – Technical Director, SDS-Ugol Holding Company • Meeting with A.A. Meshkov, First Deputy General Director – Technical Director, SUEK-Kuzbass
09 November	<ul style="list-style-type: none"> • Attending Workshop on project results in the Kemerovo Oblast and roadmap / the action plan for follow-up actions in the Kemerovo Oblast after Project completion (in Administration of Kemerovo Oblast, Small Hall, 58 Sovetski Prospekt) • Meeting with V.M. Zaretski (former PSC member, First Deputy Minister of Industry and Natural Resources of the Khakas Republic. At present: Regional Project Coordinator in the Khakas Republic)
10 November	<ul style="list-style-type: none"> • Meeting with I.A. Klimovskaya, Head of the Russian Committee for Supervision of Natural Resources and Ecology for Kemerovo; S.V. Vysotski, Head of the Department of

	<p>Natural Resources and Environment of the Kemerovo Oblast</p> <ul style="list-style-type: none"> • Meeting with Alexei Vladimirov, STA (re PRF) • Meeting with A.N. Kupriyanov, Director of the Kuzbass Botanical Garden, and Y.N. Manakov, Head of Laboratory for Environmental Assessment and Biodiversity Management, Deputy Head of Public Chamber of the Kemerovo Oblast
11 November	<p>Travel to Moscow</p> <p>Analysis and writing</p>
12 November	<p>Analysis and writing</p>
13 November	<ul style="list-style-type: none"> • Meeting with Deputy National Director Igor Kostin (UN House); • Meeting with Project Manager Sv. Sheynfeld and Mr. A. Alibekov, Head of Project's working Group, (general discussion about the Outcome 3, UN House); • Meeting with RusHydro and Association «Hydroenergy in Russia»: Popov P.B. (the PSC member from RusHydro), Mr. Lushnikov V. and Zhdanova N. (Association «Hydroenergy in Russia», Architect Vlasov Street, 51); • Meeting with RusHydro: B.B. Bogush, First Deputy Director General, and I.S. Schuplova, Lead Expert of the Sustainable Development Department (Architect Vlasov Street, 51).
14 November	<ul style="list-style-type: none"> • Skype with Kovaltschuk I.V. (Amur regional coordinator); • Skype with Lopantseva N.B. (Lower Volga regional coordinator); • Meeting with Orlov V.A. (Project's senior expert for biodiversity conservation); • Meeting with Knizhnikov A.Y. (WWF Russia).
15 November	<ul style="list-style-type: none"> • Meeting with PAO "LUKOIL", Abashin A.N., Deputy Director of Department for Industrial and Environmental Safety, and Zhdanov I.K., Department Officer (Pokrovsky Boulevard 3, Bld.1) • Meeting with Markarova M.Y., Chief Expert of DIEM, Research and Production Company (UN House) • Meeting with Vladimir Gorshenin, First Engineer of Nizhne-Bureyskaya HPP (Amur region), which has been arranged today at 15.30. • Meeting with Lykov E.L., Senior Advisor of Unit for regulation of forest and soil relations on NPA and conservation of wildlife (Department of public policy and regulation in

	<p>environmental protection of the Ministry of natural resources and Environment of the Russian Federation) (UN House). Egor Lykov is responsible for corporate biodiversity conservation programmes in Arctic region and for launching in the Ministry the new working group on business and biodiversity in Arctic. He is the key person for the Project on this issue.</p>
16 November	<ul style="list-style-type: none"> • Skype conversation with S.A. Uvarov, Regional Project Coordinator in the NAO, currently WWF regional expert • Meeting with A.D. Samatov, Environment Protection manager, Sakhalin Energy Investment Company • Meeting with Julia Carbone, Director of the Business and Biodiversity Programme, IUCN
17 November	<ul style="list-style-type: none"> • Meeting with T.V. Boravskaya, Expert of the Committee on Agricultural Policy and Ecology of the Federation Council, and M.A. Volosatova, BAT Bureau • Meeting with Orlov V.A. (Project's senior expert for biodiversity conservation); • Meeting with Svetlana Sheynfeld, PM, UNDP offices, Moscow • Debriefing with Project Team, UNDP offices, Moscow
18 November	<ul style="list-style-type: none"> • Departure of international consultant

Annex 5 List of members of the Project Steering Committee

Name	Position	Institution
Members		
Amirkhan Amirkhanov	Deputy Head of Federal Service for Supervision of Nature Resource Usage, Project's National Director, Chairman of the Project's Steering Committee	Rosprirodnadzor (Federal Service for Supervision of Natural Resource Usage)
Vladimir Smolin	Deputy Head of Federal Service for Supervision of Nature Resource Usage	RF Ministry of Natural Resources and Environment
Irina Fominykh	Deputy Director of the Department for International Relations	RF Ministry of Natural Resources and Environment
Vladimir Maksimov	Head of Environment and Natural Resource Use at the Department of State Regulation of Tariffs, Infrastructure Reforming and Power Efficiency	Ministry of Economic Development of Russia
Kuznetsov Timofey Dmitrievich	Chief Expert at the Department of Power Efficiency and Modernization of Fuel and Energy Complex	Ministry of Energy of Russia
Maxim Vergeichik	Regional Technical Advisor	UNDP - Global Environment Finance IRH
Natalia Olofinskaya	Portfolio Manager	UNDP IRH
Victor Yakovlev	The Deputy Chairman of the Government of the Astrakhan Oblast for Performance of Life Support Systems and Environmental Safety	The Government of the Astrakhan Oblast
Sergey Chibisov	Deputy Head of the Department of Natural Resources and Environment of the Nenets Autonomous Region	Department of Natural Resources and Environment of the Nenets Autonomous Region
Sergey Vysotskiy	Head of the Department of Natural Resources and Environment of the Kemerovo oblast	Department of Natural Resources and Environment of the Kemerovo oblast

Viktor Odorodko	Deputy Minister for Economic Development of the Amur Oblast	Ministry for Economic Development of the Amur Oblast
Marina Chikovani	Head of the Environment protection Department	LUKOIL
Andrey Samatov	Head of Environmental Protection Department	Sakhalin Energy Investment Company Ltd.
Natalya Starodubtseva	Acting Head of the Department of Environmental Protection	Ministry of Natural Resources and Environmental Protection of Sakhalin Oblast
Pavel Popov	Head of Hydroscheme Division, Department for Production Development and Standardization	RusHydro
Anatoliy Poklonov	Technical director	Kuzbasskaya Toplivnaya Company
Ledkov Grigory Petrovich	President of RAIPON	RAIPON
Maksimenko Yuri Leonidovich	Deputy Chairman of Russian Union of Industrialists and Entrepreneurs Committee for Ecology and Natural Resource Use	The Russian Union of Industrialists and Entrepreneurs
Observers		
Zhdanov Igor Khusainovich	Chief Expert at the Division of Environmental Protection	LUKOIL
Gennadiy Ordenov	Deputy general director for general affairs	LUKOIL-Nizhnevolzhskneft, LLC
Aleksey Kuzin	Head of Environment Department	LUKOIL-Nizhnevolzhskneft, LLC
Rasim Khaziakhmetov	Executive Director	Hydroenergetics of Russia Non-commercial Partnership
Evgeniy Volkov	General Director Deputy for Environment and Industrial Safety at ZAO "SN Invest"	
Elena Mogileva	Head of Environmental Division	SUEK-Kuzbass
Anna Romanova	Head of the Environmental safety and protection	Holding Company "SDS-Ugol", JSC
Dmitry Shatilov	Head of Environmental Response Unit	Yuzhniy Kuzbass
Liliya Zaolesskaya	Deputy Head of Nature Management and Environment Protection Service of the	Environment Protection Service of the Astrakhan Oblast

	Astrakhan Oblast	
Evgeny Schwartz	Director for Conservation Policy	World Wildlife Fund (WWF) Russia
Aleksey Knizhnikov	Extractive Industries Environmental Policy Officer	World Wildlife Fund (WWF) Russia
Alexander Martynov	Moderator of the Community "Dams and Development"	Community "Dams and Development"
Sergey Egorov	Deputy Prorector of Lomonosov Moscow State University; Deputy Head of the Head Office for Science Policy and Research Management	Lomonosov Moscow State University
Vladimir Gorlov	Associate Professor at the Department of Economic and Social Geography of Russia of Lomonosov Moscow State University	Lomonosov Moscow State University
Joseph Wolfson	Presidium Member of the Executive Committee of Russian Geological Society, Chairman of Medical and Geological Section of Russian Geological Society	Russian Geological Society
Pavel Sulyandziga	Member of the Civil Chamber of the Russian Federation, Advisor to the President of Association for International Affairs of RAIPON	RAIPON
Olga Murashko	Director of Informational Center of the Association, Expert in Legal Affairs of RAIPON	RAIPON
Vitaly Krivenko	Chairman of the Division "Nature and Biodiversity Conservation" of Russian Academy of Natural Sciences, Head of Analytical Center for Cadaster and Monitoring of Natural Resources of All-Russian Research & Development Institute of Nature	Russian Research & Development Institute of Nature

Annex 6 Project Results Framework

6.1 Comments on PRF design (including MTR amendments)

Strategy	Original indicator	Amended indicator*	Original baseline	Adjusted baseline	Original target	Adjusted target*	TE comments
Objective: To mainstream biodiversity conservation priorities into Russian energy sector development policies and into the operations of energy production sectors through pilot activities in 6 demonstration areas of the country	Increase in hectares of land currently under energy exploitation or impacted from historic practices that are being restored to an agreed upon level of ecosystem function and biodiversity (as defined through the ecosystem-based biodiversity impact assessment) with special emphasis on key habitats for regionally sensitive species within each of the pilot areas.	(1) production sites and energy sector licensed areas covered by the improved biodiversity management (indirect project impact)	Oil: 0 km ² Hydropower: 0 km ² Coal: 0 km ²	0 ha	Oil: 59,200 km ² Hydropower: 20,260 km ² Coal: 1,525 km ²	1) 1700000 ha - taken to mean energy companies' production - sites and licensed areas under the improved management; indirect impact) – corporate standards ISO 14001, EM systems developed, or good management systems, signature or reference	The MTR amendments require the demonstration of indirect and direct impacts. The MTR did not define these too closely and thus somewhat incomplete – because they all demand evidence (or further indicators) to demonstrate how impact is measured across the areas (even though the wording, as it appears, was recommended by the MTR and approved by the RTA and PSC). As a result, the project made their own interpretations (as indicated in the “Adjusted target” column) specifying their interpretation (thus, “direct” if could actually be measured – i.e., through the use of other measures. Overall, therefore, not a wholly satisfying set of indicators because they are subject to interpretation and
		2) direct impact of the Project resulted in the avoidance, reduction, restoration and offsetting in the Pilot Regions;			2) 80985 ha – taken to mean direct impact with improved biodiversity status or reduced threat based on the avoid-reduce-restore-offset principle – e.g., Borinski NP – protected status applied, actual management – could be METT measured - direct restoration of low Volga lakes, cleaning, etc demonstration that it is actually happening		
		(3) indirect impact of the Project where the Project contributed to the implementation of the avoid-reduce-restore-offset biodiversity principle.			3) 61500000 ha (indirect impact with improved biodiversity status or reduced threat based on the avoid-reduce-restore-offset principle) no real on the ground improvement, but potential – “verifiable reduction in stress”		

Strategy	Original indicator	Amended indicator*	Original baseline	Adjusted baseline	Original target	Adjusted target*	TE comments
							secondary measures.
	Ecosystem Integrity Index of the Russian Independent Rating Agency for the demonstration areas improves 5 years after adoption of regulations and policies (index is estimated as a ratio of environmental efficiency in the region to the average environmental efficiency of the Russian economy)		Nenetsk 2.28 Sakhalin 2.47 North Caspian 0.76 Yakutia 0.83 Kemerovo 0.40 Khakassia 0.85		Nenetsk 3.0 Sakhalin 3.0 North Caspian 1.0 Yakutia 1.0 Kemerovo 0.5 Khakassia 1.0		The indicator was included on the whim of the consultant who developed the project documents; even though it passed through the project approval process, the index was not developed further and, as a result, the indicator was removed by the PSC.
Outcome 1 - Enabling policy, legislative and institutional environment is in place for mainstreaming biodiversity conservation considerations in the oil and gas, hydropower and coal sectors	Improved EIA policies, with thorough ecosystem and biodiversity impact assessment process, applied to new energy projects entering EIA approval process.	Level of implementation of best-practice biodiversity considerations in the energy sector policy, legislation and regulations (as measured by GEF Tracking Tool).	0	Score = 0/6 (No changes in the energy sector policy, legislation and regulations)	100%	Score = 3/6 (Evidence of changes in the energy sector policy, legislation and regulations at regional or federal levels)	The original indicator was focused only on EIA; the amended is a clever adaptation of the GEF's own Tracking Tool (and the idea should be used more widely). The project's final report should refer to all legislation and regulations to which the indicators, in turn, refer.
	GIS-based mapping of sensitive areas integrated in territorial planning of all major energy regions of RF		0		3	4	The indicator was not revised during the MTR – although the target was revised and the revision approved by the PSC. It should be noted that these were <i>regional</i> tools to work with whichever sector predominated in that

Strategy	Original indicator	Amended indicator*	Original baseline	Adjusted baseline	Original target	Adjusted target*	TE comments
							region.
	Increase in investments in biodiversity conservation by energy companies over baseline five years after international best practices in mainstreaming are successfully demonstrated in pilot sites	Inclusion of biodiversity conservation expenditures in widely applied corporate social responsibility assessment systems (i.e. "eco-ratings")	To be documented within 1st 3 months of project	Sakhalin Energy through GRI Reports	20%	Sakhalin Energy plus at least one other company	Initially, the indicator was flawed because the companies did not publically disclose their expenditure with biodiversity spending disaggregated from other environmental spending budget lines. Thus, the project's task here was not only to persuade the companies to spend more on biodiversity but also to disclose the figures. The indicator neither reveals the trend (increasing, decreasing?) in environmental spending or whether the other aspects of environmental spending were cut as a result of inclusion of biodiversity.
	Major energy companies in demonstration areas report on biodiversity conservation expenditures separate from general environmental protection investments		0		100%		This is implicit in the indicator above; they could have combined.

Strategy	Original indicator	Amended indicator*	Original baseline	Adjusted baseline	Original target	Adjusted target*	TE comments
	Improved methodological guidelines on incorporation of avoid-reduce-remedy-offset principle and best biodiversity practices implemented in energy projects covering following issue areas: Assessment of Investment Projects; Pre-project determination of appropriate restoration of ecosystem services and biodiversity; standard for environmental assessment of strategic planning documents in the energy sector; Standardized process/methodology for full-cost biodiversity valuation and damage compensation policies.	One part of the indicator was removed during the MTR to be formulated as a separate indicator (see below).	Score = 0/6; No such guidelines/No implementation	Baseline adapted to including scoring	Score = 4/6 Guidelines created/best practices recognized and implemented in energy projects	Target similar adapted to include scoring	In principle, the indicator was fine; in practice, it was ambitious to have them fully implemented by the end of the project – partly because leverage was lacking.
	Establishment of biodiversity agreements between the government and energy companies for ensuring no net loss	Moved at MTR from above.	Score = 0/6 No Agreements in PPP field		Score = 3/6 PPP agreements in each sector		The target adapted from scorecard (range from 1 to 6 along a scale of developed, implemented, enforced, enforcement

Strategy	Original indicator	Amended indicator*	Original baseline	Adjusted baseline	Original target	Adjusted target*	TE comments
	of biodiversity.						monitored). The indicator, when disaggregation has two functional aspects: i) securing agreements and ii) demonstrated "no net loss of biodiversity".
Outcome 2: "Avoid-reduce-remedy-offset" principle is demonstrated for the oil sector	Populations of key species in oil sector demonstration areas remain stable		<p>Nenetsk pilot sites</p> <ul style="list-style-type: none"> - Nelma (<i>Stenodus leucichthys nelma</i>): Pechora Delta - from 14% to 17,5% in the catches - Peregrine falcon: Pechora Delta - 8 nesting pairs; Kolguev island, Peschanoozersoe oil & gas field – 2-4 pairs - Bewick's swan (<i>Cygnus bewickii</i> Yarrell): Kolguev island, Peschanoozersk oe oil&;gas field -- 15 nesting pairs Pechora Delta -- 80-90 pairs - White-tailed sea eagle: 		<p>Nenetsk pilot sites</p> <ul style="list-style-type: none"> - Nelma (<i>Stenodus leucichthys nelma</i>): Share of nelma in catches no less than 15% - Peregrine falcon: Population number does not decrease - Bewick's swan (<i>Cygnus bewickii</i> Yarrell): Population number does not decrease - White-tailed sea eagle: Population number does not decrease <p>Sakhalin pilot sites</p> <ul style="list-style-type: none"> - Grey whale (<i>Eschrichtius robustus</i>): Population number for grey whales does not decrease; the number increases approximately by 3% 		Encouragingly, the majority of indicator species and the targets are sensible (asking that effectively the populations of target species remain stable) unlike many UNDP-GEF projects. This is even more the case for a mainstreaming project – with impacts on biodiversity one step removed from these species. It begs the question of how can one really hold a project to account using such measures – even more so when at least one of the listed species is "understudied"?

Strategy	Original indicator	Amended indicator*	Original baseline	Adjusted baseline	Original target	Adjusted target*	TE comments
			<p>Pechora Delta - 3-5 nesting pairs</p> <p>Sakhalin pilot sites</p> <ul style="list-style-type: none"> - Grey whale (<i>Eschrichtius robustus</i>): 150 adults (census dated 2012) - Steller's Sea-eagle (<i>Haliaeetus pelagicus</i>): approximately 30 nesting pairs in the Sakhalin-2 impact area - Sakhalin Taimen (<i>Parahucho perryi</i>): in the model water courses, it accounts for 0,4-1,2% of the ichthyocenosis, the species is understudied <p>North Caspian pilot sites</p> <ul style="list-style-type: none"> - Dalmatian pelican (<i>Pelecanus crispus</i>): 0,88 birds per 100 ha 		<p>a year</p> <ul style="list-style-type: none"> - Steller's Sea-eagle (<i>Haliaeetus pelagicus</i>): Stable population number, productivity is comparable with that in the control area (natural monument "Lunsky Bay") - Sakhalin Taimen (<i>Parahucho perryi</i>): The share of Sakhalin Taimen in the ichthyocenosis of the model water courses does not decrease. Additional data have been obtained about its biology and spatial and temporal distribution patterns. <p>North Caspian pilot sites</p> <ul style="list-style-type: none"> - Dalmatian pelican (<i>Pelecanus crispus</i>): Spring census in the delta-front coastal zones - European coot (<i>Fulica atra</i>): Summer census - Caspian seal (<i>Phoca caspica</i>): Observed offshore – an average for the 		

Strategy	Original indicator	Amended indicator*	Original baseline	Adjusted baseline	Original target	Adjusted target*	TE comments
			- European coot (<i>Fulica atra</i>): 3,15 birds per ha - Caspian seal (<i>Phoca caspica</i>): 0,4 seals per sq.km - Round gobi (<i>Neogobius melanostomus</i>): 63 fish caught per hour of trawl fishing		summer/autumn season - Round gobi (<i>Neogobius melanostomus</i>): Average data for the summer/autumn season		
	Biodiversity solution compendium for oil sector available and used by companies in drafting environmental management plans		Score = 0/6 zero		Score = 3/6: compendium available and used by companies		For comment on baseline, see para 26 of the main report. "Used" (in the target) is difficult to define and measure.
	Corporate standards in oil sector for conservation of biodiversity adopted.		Score = 0/6 (Standards non-existent)		Score = 4/6 (Standards adopted and complied with)		Again, the scoring system was adopted for this indicator
	Protocols for biodiversity impact assessment and monitoring incorporated in company environmental management systems in a routine manner		No protocols		Protocols adopted by pilot companies		As this indicator would be difficult to monitoring using the scoring systems, it was not used here. In principle, it is a binary (yes/no) indicator and should be reported as such.
Outcome 3: "Avoid-reduce-remedy-offset"	Populations of key species in hydropower sector		Amur pilot sites:		Amur pilot sites: - Manchurian Elk		See comment above re. biodiversity indicators

Strategy	Original indicator	Amended indicator*	Original baseline	Adjusted baseline	Original target	Adjusted target*	TE comments
principle is demonstrated for the hydropower sector	demonstration areas remain stable		<ul style="list-style-type: none"> - Manchurian Elk (<i>Cervus elaphus xanthopygus</i>): 2,4 adults per 1000 ha - Mandarin duck (<i>Aix galericulata</i>): 2,7 adults per sq. km - Sable (<i>Martes zibellina</i>): 1,15 adults per 100ha <p>Lower Volga pilot sites:</p> <ul style="list-style-type: none"> - Carp (<i>Cyprinus carpio</i>): 2,690 fish per 1 ha - White-tailed eagle (<i>Haliaeetus albicilla</i>): 200-230 pairs within the entire floodplain area - Restoration of degraded aquatic and flood-plain ecosystems: At an area of at least 7,800 hectares 		<p>(<i>Cervus elaphus xanthopygus</i>): Population number does not decrease</p> <ul style="list-style-type: none"> - Mandarin duck (<i>Aix galericulata</i>): Population number does not decrease - Sable (<i>Martes zibellina</i>): Population number does not decrease <p>Lower Volga pilot sites:</p> <ul style="list-style-type: none"> - Carp (<i>Cyprinus carpio</i>): Population number within the Volzhskaya HHP impact area is unchanged or grows - White-tailed eagle (<i>Haliaeetus albicilla</i>): Population number within the Volzhskaya HHP impact area is unchanged - Restoration of degraded aquatic and flood-plain ecosystems: Restored from 0 to 100% 		
	Reduction in size of ecosystems inundated	Reduction of biodiversity impact	26.5 ha/ 1 million kW h of	Flooded area – 100% of the	13 ha/ 1 million kW h of electricity	Flooded area – 90% of the planned as the result of proposed	Despite the fact that apparently the MTR

Strategy	Original indicator	Amended indicator*	Original baseline	Adjusted baseline	Original target	Adjusted target*	TE comments
	by reservoirs	by optimizing technical parameters of the reservoir inundation areas for planned hydropower plant projects.	electricity generated	planned HPP parameters	generated	optimization parameters	recommended that this indicator was “no longer applicable”, it was nonetheless amended during the MTR. The TE concurs that the original indicator makes little sense; the amended indicator makes slightly more sense – but only to pipeline projects.
	Biodiversity solution compendium for hydropower sector available and used by companies in drafting environmental management plans		Score = 0/6 zero		Score = 3/6: compendium available and used by companies		Comments as above (for oil sector)
	Corporate standards in hydropower sector for conservation of biodiversity adopted.		Score = 0/6 (standards non-existent)		Score = 4/6 (standards adopted and complied with)		
	Protocols for biodiversity impact assessment and monitoring incorporated in company environmental management systems in a routine manner		No protocols		Protocols adopted by pilot companies		
Outcome 4: “Avoid-reduce-remedy-offset” principle is demonstrated for the hydropower sector	Populations of key species in coal sector demonstration areas remain stable		Khakassia pilot sites - Sheld-Duck (<i>Tadorna tadorna</i>): 3,7 (2.0-5.7) birds per 1km ² (within the		Khakassia pilot sites - Sheld-Duck (<i>Tadorna tadorna</i>): Population number increases by 5% due to diversification of the habitat as a result of		

Strategy	Original indicator	Amended indicator*	Original baseline	Adjusted baseline	Original target	Adjusted target*	TE comments
			<p>suitable areas)</p> <p>- Grey heron (<i>Ardea cinerea</i>): Colony of 30 pairs and 120 young birds</p>		<p>proper reclamation</p> <p>- Grey heron (<i>Ardea cinerea</i>): Population number within the colony stays the same/increases</p>		
	Undisturbed steppe ecosystems in demonstration areas		<p>Area of undisturbed steppe ecosystems in Kemerovo pilot sites – as measured in YR 2013:</p> <p>Undisturbed steppe areas in Kemerovo Oblast conserved and subject to conservation (Name of the area - Territory, ha)</p> <p>Karakan ridge - 1,000 ha,</p> <p>Krutaja mountain - 600 ha,</p> <p>Bayatskie hills - 100 ha,</p> <p>Rocks near Novoromanovo village - 100 ha,</p> <p>Chumayskie</p>		No decrease		No issue with this indicator.

Strategy	Original indicator	Amended indicator*	Original baseline	Adjusted baseline	Original target	Adjusted target*	TE comments
			bukhtai - 1,500 ha, Rocks near Kostenkovo village - 100 ha, Podkatunskaya ridge - 100 ha, Total - 3,500 ha				
	Mineral content, bacteria pollution level, particle content, heavy metal content, pH factor in the treated mine drainage water		Baseline measured in Kemerovo pilot sites in Year 1. Indicators for untreated mine drainage water pollution were selected and measured as baseline. Mine drainage water pollution indicators reference matrix (Indicator - baseline (before treatment)* - Measur. units): ammon. ion - 0.386 mg/dm ³ , BOD - 2.8		Quality of water discharged after treatment is according to the environmental norms and regulations. Mine drainage water pollution indicators reference matrix (Indicator - baseline (before treatment)* - Measur. units): 1. After treatment (progress). Indicators for treated (progress indicator - at discharge point to the Meret river) mine drainage water as average of monthly measurements during April-June 2014. ammon. ion - 0.2613		The measurements for baseline data of the indicator of mine drainage water taken as monthly average of measurements during April-June 2014

Strategy	Original indicator	Amended indicator*	Original baseline	Adjusted baseline	Original target	Adjusted target*	TE comments
			mgO2/dm3, solids - 577.8 mg/dm3, iron - 3.4 mg/dm3, manganese - 0.037 mg/dm3, copper - 0.0063 mg/dm3, petrol. prod. - 0.037 mg/dm3, nickel - 0.013 mg/dm3, nitrates(NO3) - 3.17 mg/dm3, nitrates(NO2) - 0.11 mg/dm3, sulfates - 117 mg/dm3, phenol - 0.005 mg/dm3, chlorides - 49.5 mg/dm3, chromium(VI) - 0.01 mg/dm3, zinc - 0.005 mg/dm3.		mg/dm3, BOD - 2.1 mgO2/dm3, solids - 11.7 mg/dm3, iron - 0.07 mg/dm3, manganese - 0.01 mg/dm3, copper - 0.00 mg/dm3, petrol. prod. - 0.02 mg/dm3, nickel - 0.01 mg/dm3, nitrates(NO3) - 2.93 mg/dm3, nitrates(NO2) - 0.08 mg/dm3, sulfates - 94 mg/dm3, phenol - 0.005 mg/dm3, chlorides - 36.6 mg/dm3, chromium(VI) - 0.01 mg/dm3, zinc - 0.005 mg/dm3.		
					2. Standard (target). Russian discharge standards (maximum permissible concentrations –		

Strategy	Original indicator	Amended indicator*	Original baseline	Adjusted baseline	Original target	Adjusted target*	TE comments
					target indicator: ammon. ion - 0.4982 mg/dm3, BOD - 3 mgO2/dm3, solids - 14.85 mg/dm3, iron - 0.1 mg/dm3, manganese - 0.01 mg/dm3, copper - 0.001 mg/dm3, petrol. prod. - 0.05 mg/dm3, nickel - 0.01 mg/dm3, nitrates(NO3) - 39.67 mg/dm3, nitrates(NO2) - 0.08 mg/dm3, sulfates - 100 mg/dm3, phenol - 0.001 mg/dm3, chlorides - 300 mg/dm3, chromium(VI) - 0.02 mg/dm3, zinc - 0.001 mg/dm3.		
	Biodiversity solution compendium for coal sector available and		Score = 0/6 zero		Score = 3/6: compendium available and used by		As previous comments

Strategy	Original indicator	Amended indicator*	Original baseline	Adjusted baseline	Original target	Adjusted target*	TE comments
	used by companies in drafting environmental management plans				companies		
	Corporate standards in coal sector for conservation of biodiversity adopted.		Score = 0/6 (standards non-existent)		Score - 4/6 (standards adopted and complied with)		
	Protocols for biodiversity impact assessment and monitoring incorporated in company environmental management systems in a routine manner		No protocols		Protocols adopted by pilot companies		

6.2 The PRF, as reported to the TE (with TE comments)

Strategy	Indicator	Baseline level	Target	Level at TE (as reported by project)	TE comments
Objective: To mainstream biodiversity conservation priorities into Russian energy sector development policies and into the operations of energy production sectors through pilot activities in 6 demonstration areas of the country	(1) production sites and energy sector licensed areas covered by the improved biodiversity management (indirect project impact);	0 ha	1) 1700000 ha (energy companies' production - sites and licensed areas under the improved management; indirect impact)	Indicator at the end of the Project achieved with the value of > 5 000 000 ha of the improved Biodiversity management within production Licenced Areas: 12 906 ha – LAs covered by corporate standard on Integrated Assessment of Biodiversity for Re-cultivation Plans implemented by Mechel Holding in operations of PAO «South Kuzbas» companies 1 750 ha – 3 coal sites in Khakassia of adopted restoration technology through the corporate restoration plans following EIA reports and as the subject for Biodiversity Action Plans to be developed during the exploration phase 2 978 ha - SUEK-Khakassia included Project's Guidelines on the re-cultivation of the disturbed lands in all coal sites in Khakassia Republic as recommended by	Aside from the fact that the baseline value is taken as a reference value for the beginning of the project (i.e., the increases are relative to “zero” at that point – irrespective of whether or not the actual value was “zero”). See also comment in table above for these indicators. Because the indicators were not very precisely defined, they were subject to interpretation; as a result, the report “impacts” are

Strategy	Indicator	Baseline level	Target	Level at TE (as reported by project)	TE comments
				<p>National Standard and Order of Khakassia Ministry of Natural resources</p> <ul style="list-style-type: none"> - 5 000 000 ha RusHydro implemented IHA Sustainability Protocol into the corporate Biodiversity Assessment Standard; - 2 129 ha following certification (in 2014) of KTK Coal Company according to ISO 14001:2007 (Environmental Management System, meaning biodiversity risk) following the Agreement between the Company and the Project; - 3 000 ha licensed areas of Lukoil-Komi in Komi Republic following adoption of the corporate Land Restoration plan with the reclamation methods and standards designed by the Project 	<p>probably not very sustainable in all cases; thus, for example, it is unlikely that all areas in which “improved management” has been reported will be better managed, as a result of the project’s inputs in, say five-ten years’ time. It might be wiser to think carefully about those areas in which tangible change has either been made or will be made, as a result of the project, and in which those changes are likely to be sustainable in the very long term.</p>
	<p>(2) direct impact of the Project resulted in the avoidance, reduction, restoration and offsetting in the Pilot Regions;</p>		<p>2) 80985 ha (direct impact with improved biodiversity status or reduced threat based on the avoid-reduce-restore-offset principle)</p>	<p>Indicator at the end of the Project achieved with the value of 105 246,9 ha of the direct Project impact above the target level of > 80 985 ha.</p> <ul style="list-style-type: none"> 80 ha – new Protected Area “Kostenkovo Rocks” established in Kemerovo to protect rare rocky-steeps ecosystem under the Agreement among the Project, Regional Authorities and SDS-Ugol Coal Company reported in 2017 4 ha – new Protected Area “Chumayskiy Bukhtay” established in Kemerovo Oblast to protect rare rocky-steeps ecosystems. 470 ha – new Protected Area “Bachatskiye Hills” established in Kemerovo Oblast to protect rare rocky-steeps ecosystems. - 72,7 ha - oil-contaminated lands additionally restored by Lukoil-Komi in Komi Republic - 104,478 ha in Amur Oblast covered by Bureyskiy Nature Park established according to the Project proposal (offset); - 20 ha in Lower Volga Region – restoration of biodiversity in the ecosystems of Sazanye and 	

Strategy	Indicator	Baseline level	Target	Level at TE (as reported by project)	TE comments
				<p>Zapornoye lakes (restored).</p> <p>- 8 ha - in Astrakhan Oblast - historically oil-polluted site "Sokolovskiye yamy" oil storage were isolated from the river flow with the protective wall</p> <p>- 9,2 ha - in Komi - recultivation of Lukoil-Komi oilslime storehouse with the technology recommended by Project</p> <p>- 105 ha - in Komi - restoration of Lukoil-Komi oil-contaminated lands</p>	
	(3) indirect impact of the Project where the Project contributed to the implementation of the avoid-reduce-restore-offset biodiversity principle		3) 61500000 ha (indirect impact with improved biodiversity status or reduced threat based on the avoid-reduce-restore-offset principle)	<p>Indirect impact of 116 825 500 ha achieved above the target level</p> <p>- 268 400 ha – Agreement between Astrakhan Biosphere Reserve and Kamyzyak Municipal Area on the protection of biodiversity in Volga river delta signed as the part of the contract between the Project and Astrakhan Biosphere Reserve;</p> <p>- 8 426 000 ha – improved management system (spatial planning, identification of areas of concern and conservation priorities, establishing new monitoring points etc.) of National Park “Russian Arctic” based on the data and materials of the joint vessel expedition;</p> <p>- 4 100 ha – Tyuleniy Island in Caspian Sea has been included in Dagestan Zapovednik following the justification developed as a part of Project activities;</p> <p>- 2 000 000 ha –application of biodiversity quality indicators developed under the Project for Volga-Akhtuba floodplain to monitor the effect of anthropogenic activities on Volga ecosystems, especially, resulted from HPP and water-flow regulations by RusHydro</p> <p>- 20,000,000 ha – North Caspian known shelf Oil&Gas licensed areas covered by Ashkhabad (Biodiversity) Protocol of Tehran Convention. The Project financed the preparation of the justification materials for the Meeting of the Parties signed the Protocol in Feb, 2015;</p> <p>- 320,000 ha covered in NAO's protected landscapes by</p>	

Strategy	Indicator	Baseline level	Target	Level at TE (as reported by project)	TE comments
				<p>Environmental Monitoring Programme of Oil&Gas Company Pechora LNG, Ltd. (Programme developed jointly with the Project);</p> <p>- 470 ha in Komi Republic have reduced impact due to the implementation of the best recultivation methods applied by Lukoil Oil&Gas Company verified by the Project-sponsored studies;</p> <p>- 1,000 ha of Karakan Ridge Refuge in Kemerovo Oblast are under the regular ecosystem monitoring;</p> <p>- 2,500 ha of rocky steeps in Kemerovo Oblast and Khakassia Republic avoided from the coal exploration as corporately agreed by Coal Companies;</p> <p>- 27,577 ha in Amur Oblast are under restricted industrial activities or recreational use to ensure the sustainability of Bureyskiy Natural Park established according to the Project proposal;</p> <p>- 6,480 ha in Lower Volga Region – restoration of ecosystem functions through the local water management.</p> <p>- 557 000 ha - in Amur Oblast surveyed under the development of Monitoring Programme and BAP of Nizhne-Bureyskaya HPP</p> <p>- 85 212 000 ha – existing Oil&Gas Licensed Areas in Arctic covered by corporate Biodiversity Conservation Programmes developed following the recommendations of the Project, where:</p> <p>83 928 600 ha – 15 LAs under Rosneft management;</p> <p>1 077 800 ha – 3 LAs under Gazprom Neft management;</p> <p>203 100 ha – LA of Yamal LNG;</p> <p>2 500 ha – Varandei Terminal and Port areas under Lukoil monitoring Programme.</p>	
	Ecosystem Integrity Index of the Russian Independent Rating Agency for the	Nenetsk 2.28 Sakhalin 2.47 North Caspian 0.76 Yakutia 0.83 Kemerovo 0.40	Nenetsk 3.0 Sakhalin 3.0 North Caspian 1.0 Yakutia 1.0 Kemerovo 0.5		Indicator deleted (see comment in table above)

Strategy	Indicator	Baseline level	Target	Level at TE (as reported by project)	TE comments
	demonstration areas improves 5 years after adoption of regulations and policies (index is estimated as a ratio of environmental efficiency in the region to the average environmental efficiency of the Russian economy)	Khakassia 0.85	Khakassia 1.0		
Outcome 1	Level of implementation of best-practice biodiversity considerations in the energy sector policy, legislation and regulations (as measured by GEF Tracking Tool).	Score = 0/6 (No changes in the energy sector policy, legislation and regulations)	Score = 3/6 (Evidence of changes in the energy sector policy, legislation and regulations at regional or federal levels)	<p>Achieved above the target Score = 5 / 6: biodiversity requirements developed, endorsed through the specific regulations, implemented by the Industry and enforced existing practice and operations. Enforcement hasn't been monitored yet.</p> <p>.....</p> <p>Legal acts were endorsed by Federal and Regional Authorities and came into force for the Industry:</p> <ul style="list-style-type: none"> - Sakhalin Oblast Administration approved Sakhalin Oblast Biodiversity Strategy developed by Project (Governmental Order from 07.06.2017 # 263) - The National Standard "On the recultivation of oil-contaminated lands" was developed by Project and endorsed by Rosstandard Agency (Order # 284-st from 18.05.2017) - The National Standard "On the restoration of the disturbed lands" was developed by Project and endorsed by Rosstandard Agency (Order # 283-st from 18.05.2017) - The National Standard "On the compensation for water biological resources" was developed by Project and submitted to Rosstandard Agency (to be endorsed in November, 2017) - The Project included biodiversity conservation and monitoring requirements in MNRE Order from 	As described in the main body of the report, the project used all tools available to influence the legislative framework, in full recognition that amending existing federal legislation within the time frame of such a project is simply overambitious. This, therefore, is a satisfactory result.

Strategy	Indicator	Baseline level	Target	Level at TE (as reported by project)	TE comments
				<p>16.03.2017 #92 «On the requirements for the Industrial Environmental Control composition, procedure and terms of the submission of Insudtrial Environmental Control reporting»</p> <p>- The guidelines on the restoration of the lands disturbed by coal companies were endorsed by Order from 04.05.2017 # 010-404-pr of Ministry of Natural Resources and Environment of Khakassia Republic and came into force for the Coal Industry</p> <p>- Biodiversity Compendium for Coal Sector developed by Project was used as the basis for National Compendium of the best available technologies ITS 16-2016 "Mining Industry. General processes and methods" (Rosstat Order # 1886 from 15.11.2016)</p> <p>- The Project expert materials were used in the preparatory process for the Biodiversity Protocol to Tehran Convention on the Protection of the Caspian Sea. The Protocol signed in Feb 2015 will prescribe improved biodiversity management for all Oil&Gas Companies working in Russian sector of the Caspian Sea.</p> <p>- In 2014 Sakhalin Oblast Environmental Council approved Sakhalin BAP Concept initiated by the Project.</p> <p>- The Project supported Astrakhan Oblast Administration to develop and endorse new regional law on Biodiversity Conservation. The Project team worked closely with the Administration to include specific biodiversity requirements and harmonise regulations for regional PA establishment.</p> <p>- The framework CIS Law "On the conservation, sustainable use and restoration of Biodiversity" was endorsed by the Interparliamentary CIS Assambly in May, 2016</p> <p>- The National Standard "Best Available Technologies. Biodiversity: terminology and definitions" was developed by Project and endorsed by Rosstandard Agency</p>	
	GIS-based mapping of	0	4 (one GIS per each	3/3	The target was revised and

Strategy	Indicator	Baseline level	Target	Level at TE (as reported by project)	TE comments
	sensitive areas integrated in territorial planning of all major energy regions of RF		industry component)	<p>- GIS-based Environmental Sensitivity maps for the Coal Exploration was completed and placed on the official web-site of Novokuznetskiy Municipal District (http://www.admnkr.ru/karta.html). GIS portal developer and Novokuznetskiy Municipal District Administration has signed the Agreement on the integration of GIS layers into the Municipal District Planning Scheme.</p> <p>- The flora/fauna/soils/landscapes plots and satellite images for NAO developed as the separate layers to be available for the industry at NAO Administration web-site (http://adm-nao.ru/).</p> <p>- GIS Portal for Amur Oblast was adopted by Interdepartmental Commission on Biodiversity and Protected Areas of Amur Oblast and placed on the web-site of the Directorate of Protection and Use of the Wildlife and Protected Areas (available at www.gisamur.ru). GIS Portal is currently used as the basic tool for the Strategic Environmental Assessment of the energy development of Amur Oblast.</p>	<p>approved by the PSC.</p> <p>Three geoportal successfully and satisfactorily developed.</p>
	Inclusion of biodiversity conservation expenditures in widely applied corporate social responsibility assessment systems (i.e. "eco-ratings")	Sakhalin Energy through GRI Reports	Sakhalin Energy plus at least one other company	<p>Score: 8/3</p> <p>.....</p> <p>All 4 major Oil&Gas Companies working in Arctic (Gazprom-neft, Rosneft, Lukoil and Yamal LNG) reported Biodiversity expenditures to the Ministry of Natural Resources and Environment separately from general Environmental expenditures</p> <p>- In 2017 3 project partners in coal industry, namely KTK Ltd. Coal Company, SDS-Ugol and SUEK-Khakassia reported Biodiversity monitoring expenditures separately from general environmental expenditures</p> <p>- The Project included biodiversity criteria in Mining&Metal Eco-Rating including the assessment of corporate social and environmental responsibility of 33 companies in 2017 which increases the transparency of the industrial activities. The Project put the Agreement with WWF-Russia transferring Mining&Metal Eco-</p>	Satisfactory.

Strategy	Indicator	Baseline level	Target	Level at TE (as reported by project)	TE comments
				<p>Rating to WWF-Russia for future continuation and development after the Project expires.</p> <ul style="list-style-type: none"> - In 2016 Surgutneftegas publically reported own biodiversity expenses under the process of the submission of the corporate information for Oil&Gas Eco-Rating - In 2017 RusHydro informed about biodiversity expenses separately from general expenses - In 2015 Gazprom-neft separated Biodiversity Conservation expenditures from the General Environmental ones and showed 49 mln RUR in the corporate GRI Report 2015. http://www.gazprom-neft.ru/annual-reports/2015/GPN_SR_2015_rus_web.pdf - The Project included Biodiversity criteria in Oil&Gas Eco-Rating including the assessment of corporate social and environmental responsibility of 21 companies in 2015 which increases the transparency of the industrial activities. - Sakhalin Energy continues to report own Biodiversity expenses through annual GRI Report 	
	Major energy companies in demonstration areas report on biodiversity conservation expenditures separate from general environmental protection investments	0	100%	<p>100% - Achieved through the new reporting regulation supported by the Project. New Rosstat Order # 540 from 29.08.2014 "Reporting on actual expenditures on environmental protection and environmental payments" prescribes all Industrial Companies in Russia report on biodiversity conservation expenditures separate from general environmental protection investments.</p> <p>In 2017 all 4 major Oil&Gas Companies working in Arctic (Gazprom-neft, Rosneft, Lukoil and Yamal LNG) reported Biodiversity expenditures to the Ministry of Natural Resources and Environmnet separately from general Environmental expenditures</p>	Satisfactory.
	Improved methodological guidelines on incorporation of avoid-reduce-remedy-offset	Score = 0/6 No such guidelines/No implementation	Score = 4/6 Guidelines created/best practices recognized and implemented in energy	Achieved above the target Score of 5 / 6: guidelines are developed, available for the Companies, implemented by the Industry and enforced existing practice and operations. Enforcement hasn't been monitored yet.	As above, because the indicators were not very precisely defined, they were subject to interpretation; as a result,

Strategy	Indicator	Baseline level	Target	Level at TE (as reported by project)	TE comments
	<p>principle and best biodiversity practices implemented in energy projects covering following issue areas: Assessment of Investment Projects; Pre-project determination of appropriate restoration of ecosystem services and biodiversity; standard for environmental assessment of strategic planning documents in the energy sector; Standardized process/ methodology for full-cost biodiversity valuation and damage compensation policies.</p>		<p>projects</p>	<p>.....</p> <p>Prepared General Guidelines on Biodiversity Assessment, Mitigation Hierarchy and Offsetting principles developed and disseminated among the Industry, International organizations, NGOs and Consulting Companies.</p> <p>Also prepared the Guidance Box #1 on the implementation of Biodiversity Conservation during Environmental Impact Assessment which includes following specific Guidelines:</p> <ol style="list-style-type: none"> 1. Guidelines on inclusion of Biodiversity Conservation factor in EIA process 2. Guidelines on protection of rare plant species and translocation to new habitats in coal sector projects 3. Guidelines on protection of rare plant species in hydropower sector projects 4. Guidelines on the equipment of 6-10 Ki power lines with bird protective devices in Oil&Gas and general Energy sector projects 5. Guidelines on the technology of restoration of steep and meadow ecosystems during designing and recultivation of the disturbed land in coal sector projects in Kuzbass region 6. Guidelines of the recultivation of the disturbed lands in coal sector projects in Khakassia Republic <p>Prepared the Guidance Box #2 on the implementation of Biodiversity Conservation in the Strategic Planning in the Russian Federation which includes following specific Guidelines:</p> <ol style="list-style-type: none"> 1. Guidelines on Inclusion of Biodiversity Conservation in Strategic Environmental Assessment of Strategic Planning documents in the Russian Federation 2. Guidelines on Inclusion of Biodiversity Conservation in Strategic Environmental Assessment of Energy Sector in the Russian Federation 	<p>the project reports “implementation” without referring to or providing evidence. These should be provided, at least in the narrative reporting.</p>

Strategy	Indicator	Baseline level	Target	Level at TE (as reported by project)	TE comments
				<p>3. Guidelines on Inclusion of Biodiversity Conservation in Strategic Planning documents at Regional level in the Russian Federation</p> <ul style="list-style-type: none"> - Two Coal Companies in Khakassia used the Guidelines on Bird protection Technologies in EIA for the development of the compensation measures. - The guidelines on the restoration of the lands disturbed by coal companies were endorsed by Order from 04.05.2017 # 010-404-pr of Ministry of Natural Resources and Environment of Khakassia Republic and came into force for the Coal Industry in Khakassia for the Land Restoration Plans. - KTK Ltd. Coal Company adopted Guidelines on Monitoring of the physiological parameters of vegetation used in corporate Industrial Environmental Control - Guidelines on the translocation and ex-situ cultivation of rare plants developed and to be submitted to RusHydro and Regional Authorities in Amur Oblast - Guidelines on water bioresources conservation and compensation were finalized and presented to all major fishery organizations as the subject for adoption and submission to Fishery Council; - The Project jointly with WWF Russia prepared the Guidelines on the development of the corporate Arctic Biodiversity Conservation Programmes for all major oil companies working on the arctic shelf (Rosneft, Gazprom neft, Lukoil, Yamal LNG). Rosneft, Gazprom Group, Lukoil and Yamal LNG followed the Guidelines, developed and adopted their corporate Programmes accordingly. Adoption of the Programmes has led to the enforcement of the existing Monitoring Programmes and Mitigation Plans with Biodiversity Conservation obligations. - Guidelines on the inclusion of Biodiversity factor in Environmental Management Systems was adopted and recommended by Russian Union of Industrialists and Entrepreneurs and tested at the plant of Polimetall 	

Strategy	Indicator	Baseline level	Target	Level at TE (as reported by project)	TE comments
				<p>Company</p> <p>- Guidelines on Bird Protection Technologies are published on MNRE web-site and officially circulated by Ministry to all Oil&Gas Companies and recommended for use.</p>	
	<p>Establishment of biodiversity agreements between the government and energy companies for ensuring no net loss of biodiversity.</p>	<p>Score = 0/6</p> <p>No Agreements in PPP field</p>	<p>Score = 3/6</p> <p>PPP agreements in each sector</p>	<p>Achieved above the target Score of 5 / 6: Agreements are in place, implemented by the Authorities and Industry and enforced existing corporate practice and operations. Enforcement hasn't been monitored yet.</p> <p>.....</p> <p>In 2017 the Project supported the Agreement between Novokuznetsk Municipal Administration and UK "Sibirskaya" Coal Company on the Biodiversity Protection</p> <p>The financial legal Agreement among RusHydro, Federal and Regional Authorities, local Botanic Garden and Natural park "Bureyskiy" developed and expected to be signed by the end of 2017</p> <p>Using the shared experience of Sakhalin Energy Lukoil-Nizhnevolzhskneft has signed the legal agreement with the Directorate of Ilmeno-Bugrovoy Reserve for the establishment of Oiled Wildlife Response and Rehabilitation Centre to support the corporate operations at Caspian Sea</p> <p>- BD Conservation Agreements between the Project, the Kemerovo Oblast government and three coal mining companies (SUEK, SDS, KTK and Youzhnj Kuzbass);</p> <p>- Agreement for promoting BD conservation between the Project, the Amur Oblast Authorities and RusHydro</p> <p>- The Agreement on biodiversity protection signed between the Project and ""SUEK-Khakassia"" where the company takes the obligations to protect the biodiversity.</p> <p>- The Agreement on taymen protection signed between the Project and Gazprom-dobycha-shelf where the</p>	<p>As indicated in table above, the indicator has two functional aspects (but was probably not designed as such). The project has provided information on the first (the agreements) but not on the "no net loss of biodiversity". Indicators need to be carefully worded so as not to be misleading and to ensure that project management teams understand very clearly what they should be monitoring to demonstrate the success (or otherwise) of the projects.</p>

Strategy	Indicator	Baseline level	Target	Level at TE (as reported by project)	TE comments
				<p>company takes the obligations to protect this rare fish.</p> <ul style="list-style-type: none"> - Multilateral Agreement on Biodiversity conservation during the construction of Lower-Bureyskaya HHP signed by the Project, RusHydro and Regional Authorities. - Biodiversity Conservation Agreement on the Restoration of Historical Damage among the Project, Natural Resources and Environmental Protection Service of Astrakhan Oblast and Privolzhskiy Municipal District of Astrakhan Oblast - Agreement on the establishment of Vashutkinskiy Protected Area among the Project, Department of Natural Resources, Environment and Agriculture of NAO and "Vostok NAO" Oil Company - Biodiversity Conservation Agreement among the Project, Wildlife and Environment Protection Committee of Khakassia Republic and Khakassia Coal Company - Biodiversity Conservation Agreement among the Project, Wildlife and Environment Protection Committee of Khakassia Republic and "VostSibUgol-Khakassia" - Micro Capital Grant Agreement between UNDP and IUCN to support Biodiversity practices in Russia 	
	Populations of key species in oil sector demonstration areas remain stable	<p>Nenetsk pilot sites</p> <ul style="list-style-type: none"> - Nelma (<i>Stenodus leucichthys nelma</i>): Pechora Delta - from 14% to 17,5% in the catches - Peregrine falcon: Pechora Delta - 8 nesting pairs; Kolguev island, Peschanoozerskoe oil&gas field – 2-4 pairs 	<p>Nenetsk pilot sites</p> <ul style="list-style-type: none"> - Nelma (<i>Stenodus leucichthys nelma</i>): Share of nelma in catches no less than 15% - Peregrine falcon: Population number does not decrease - Bewick's swan (<i>Cygnus bewickii</i> Yarrell): Population number does 		Data not provided (but see comments in table above).

Strategy	Indicator	Baseline level	Target	Level at TE (as reported by project)	TE comments
		<p>- Bewick's swan (<i>Cygnus bewickii</i> Yarrell): Kolguev island, Peschanoozerskoe oil&gas field -- 15 nesting pairs Pechora Delta -- 80-90 pairs</p> <p>- White-tailed sea eagle: Pechora Delta - 3-5 nesting pairs</p> <p>Sakhalin pilot sites</p> <p>- Grey whale (<i>Eschrichtius robustus</i>): 150 adults (census dated 2012)</p> <p>- Steller's Sea-eagle (<i>Haliaeetus pelagicus</i>): approximately 30 nesting pairs in the Sakhalin-2 impact area</p> <p>- Sakhalin Taimen (<i>Parahucho perryi</i>): in the model water courses, it accounts for 0,4-1,2% of the ichthyocenosis, the species is understudied</p> <p>North Caspian pilot sites</p> <p>- Dalmatian pelican (<i>Pelecanus crispus</i>): 0,88 birds per 100 ha</p> <p>- European coot (<i>Fulica atra</i>): 3,15 birds per ha</p> <p>- Caspian seal (<i>Phoca caspica</i>): 0,4 seals per</p>	<p>not decrease</p> <p>- White-tailed sea eagle: Population number does not decrease</p> <p>Sakhalin pilot sites</p> <p>- Grey whale (<i>Eschrichtius robustus</i>): Population number for grey whales does not decrease; the number increases approximately by 3% a year</p> <p>- Steller's Sea-eagle (<i>Haliaeetus pelagicus</i>): Stable population number, productivity is comparable with that in the control area (natural monument "Lunsky Bay")</p> <p>- Sakhalin Taimen (<i>Parahucho perryi</i>): The share of Sakhalin Taimen in the ichthyocenosis of the model water courses does not decrease. Additional data have been obtained about its biology and spatial and temporal distribution patterns.</p> <p>North Caspian pilot sites</p> <p>- Dalmatian pelican (<i>Pelecanus crispus</i>): Spring census in the delta-front coastal zones</p> <p>- European coot (<i>Fulica atra</i>): Summer census</p> <p>- Caspian seal (<i>Phoca</i></p>		

Strategy	Indicator	Baseline level	Target	Level at TE (as reported by project)	TE comments
		sq.km - Round gobi (<i>Neogobius melanostomus</i>): 63 fish caught per hour of trawl fishing	<i>caspica</i>): Observed offshore – an average for the summer/autumn season - Round gobi (<i>Neogobius melanostomus</i>): Average data for the summer/autumn season		
Outcome 2	Biodiversity solution compendium for oil sector available and used by companies in drafting environmental management plans	Score = 0/6 zero	Score = 3/6: compendium available and used by companies	Score: 4/6 Biodiversity compendium for oil sector revised and used as the basis for the development of national Best Available Technologies Compendium for Oil Sector (to be adopted in December, 2017 according to the Governmental Plan)	Before the project closes, it would be good to see the adoption of the BAT Compendium adopted by the government. In terms of the other levels of the scoring system (5 & 6), it does beg the question of who will take these things up and, for example, monitor the enforcement?
	Corporate standards in oil sector for conservation of biodiversity adopted.	Score = 0/6 (standards non-existent)	Score = 4/6 (Standards adopted and complied with)	Achieved above the target Score = 6 / 6: corporate biodiversity standards developed, endorsed by Management, implemented and enforced existing practice and operations. Enforcement of corporate Arctic Biodiversity Programmes is monitored by Federal Service on the Supervision of Nature Use and Ministry of Natural Resources and Environment. In 2017 Gazprom Dobycha Shelf Yuzhn-Sakhalinsk endorsed Taymen Monitoring Programme developed under the auspices of the Project activities jointly with Sakhalin State University. New corporate standard was elaborated, 'On Organizing the System of Sea Environment Quality Management in the fields of OOO LUKOIL-NizhneVolzhskNeft in the Caspian Sea basing on the Project Oil&Gas Compendium practices and solutions. Oiled Wildlife Response Training Programme adopted by Lukoil and RPN for Varandey Terminal Oil Spill Response system as per Year of Environment Governmental Action Plan.	In principle, a score of 6/6 would mean that that the corporate standards are fully operationalised, and the companies are fully compliant with the standards which is demonstrated through a comprehensive M&E system. There is some evidence provided by the project that this is the case – but it is likely that a score of "5" would be a more accurate reflection of the actual situation. Nonetheless, this exceeds the target and is satisfactory.

Strategy	Indicator	Baseline level	Target	Level at TE (as reported by project)	TE comments
				<p>- 4 Companies ("Rosneft", "Gazpromneft", "Lukoil" and "Yamal LNG") developed Monitoring Programmes and Plans under corporate Arctic Biodiversity Conservation Programmes which are monitored by MNRE and controlled by RPN where the Project has been requested to continue to assist with the common reporting and monitoring format (http://www.mnr.gov.ru/news/detail.php?ID=143865)</p> <p>- 4 Companies ("Lukoil-Nizhnevolzhskneft", "EuroSibOil", "Volgogradneftegaz" and "Ritek") incorporated Guidelines on Bird Protection Technologies in their corporate standards and Bird Protection Systems were installed at 6 kms of power lines</p> <p>- "Lukoil-Komi" adopted the Standard on the Restoration of Oil-contaminated lands developed by Project</p> <p>- As per the requirements of the corporate Arctic Biodiversity Conservation Programme and the Project recommendations Varandei Terminal Ltd. has developed Biodiversity Action Plan for 2016 considering 2,6 mln RUR of Biodiversity expenses</p>	
	Protocols for biodiversity impact assessment and monitoring incorporated in company environmental management systems in a routine manner	No protocols	Protocols adopted by pilot companies	<p>Four Companies (Rosneft, Gazprom-neft, Lukoil and Yamal LNG) continue the implementation and adaptive improvement of the corporate Arctic Biodiversity Monitoring programmes.</p> <p>- Environmental monitoring of rehabilitation and recultivation of oil-contaminated lands in NAO is currently under the implementation by Lukoil-Komi</p> <p>- The monitoring of Sakhalin taymen in Nabil Bay and River will be continued by Gazprom dobycha shelf Yuzhno-Sakhalinsk according to the official letter from the Comapny.</p> <p>- The Biodiversity monitoring and research Programme to support Ministerial Arctic Action Plan with respect to the potential oil spills implemented in July-August, 2016 jointly with Natinal park "Russian Arctic". Report will be sent to Arctic Research Center of Rosneft to be used</p>	It is slightly odd that after adopting a scoring system for measuring the degree to which policies are implemented, the "protocols for biodiversity impact assessment" were not included in the scoring system. Reference to the monitoring reports would be good.

Strategy	Indicator	Baseline level	Target	Level at TE (as reported by project)	TE comments
				for the improvement of corporate Arctic Biodiversity Monitoring programme.	
	Populations of key species in hydropower sector demonstration areas remain stable	<p>Amur pilot sites:</p> <ul style="list-style-type: none"> - Manchurian Elk (<i>Cervus elaphus xanthopygus</i>): 2,4 adults per 1000 ha - Mandarin duck (<i>Aix galericulata</i>): 2,7 adults per sq. km - Sable (<i>Martes zibellina</i>): 1,15 adults per 100ha <p>Lower Volga pilot sites:</p> <ul style="list-style-type: none"> - Carp (<i>Cyprinus carpio</i>): 2,690 fish per 1 ha - White-tailed eagle (<i>Haliaeetus albicilla</i>): 200-230 pairs within the entire floodplain area - Restoration of degraded aquatic and flood-plain ecosystems: At an area of at least 7,800 hectares 	<p>Amur pilot sites:</p> <ul style="list-style-type: none"> - Manchurian Elk (<i>Cervus elaphus xanthopygus</i>): Population number does not decrease - Mandarin duck (<i>Aix galericulata</i>): Population number does not decrease - Sable (<i>Martes zibellina</i>): Population number does not decrease <p>Lower Volga pilot sites:</p> <ul style="list-style-type: none"> - Carp (<i>Cyprinus carpio</i>): Population number within the Volzhskaya HHP impact area is unchanged or grows - White-tailed eagle (<i>Haliaeetus albicilla</i>): Population number within the Volzhskaya HHP impact area is unchanged - Restoration of degraded aquatic and flood-plain ecosystems: Restored from 0 to 100% 		EOP data not provided.
Outcome 3	Revised indicator: Reduction of biodiversity impact by optimizing technical parameters of the reservoir inundation areas for planned hydropower plant	Revised baseline: Flooded area – 100% of the planned HPP parameters	Revised EoP Target Level: Flooded area – 90% of the planned as the result of proposed optimization parameters		Indicator no longer applicable , confirmed during the mid-term Project Evaluation.

Strategy	Indicator	Baseline level	Target	Level at TE (as reported by project)	TE comments
	projects.				
	Biodiversity solution compendium for hydropower sector available and used by companies in drafting environmental management plans	Score = 0/6 zero	Score = 3/6: compendium available and used by companies	Score: 4/6 The 2nd revision of Biodiversity compendium for hydropower sector is prepared to serve as the basis of Best Biodiversity Practices database in RusHydro	As with previous comments, the use of the term "implementation" or "used" is not backed up with examples or evidence; it is simply stated. In the project's final report, it would be good to provide evidence.
	Corporate standards in hydropower sector for conservation of biodiversity adopted.	Score = 0/6 (standards non-existent)	Score = 4/6 (standards adopted and complied with)	Score = 4 / 6: corporate biodiversity standards developed, endorsed by Management and implemented by RusHydro for specific operations and projects within and outside Pilot region. Following the adoption of IHA Sustainability Protocol into the corporate management system in 2014 RusHydro established corporate Sustainability Working Group in 2016 and endorsed 2-years Roadmap developed with the support from the Project. In 2017 Sustainability Working Group reviewed the following documentation developed jointly with the Project and adopted for the specific operations and projects in Amur Oblast and Krasnoyarskiy Kray: <ul style="list-style-type: none"> • Standard on EIA process • Standard on fish protection methods and techniques • Guidelines of the assurance of hydropower projects and compliance with IHA sustainability criteria In 2017 RusHydro started the development of 3-yrs corporate Biodiversity Conservation Programme basing on the approaches and the experience of the Project. Biodiversity Assessment Indicators for water and flooded ecosystems developed by the Project were endorsed for Volga-Alhtuba regions as the methodological approach for collaboration between	As above – please provide examples or evidence; the project is not so successful unless it can provide evidence or examples of how behaviours have changed – which, after all, is the ultimate point of these projects.

Strategy	Indicator	Baseline level	Target	Level at TE (as reported by project)	TE comments
				Volga-Akhtuba PA and Volzhskaya HPP (Order # 278-pr from 01.07.2016).	
	Protocols for biodiversity impact assessment and monitoring incorporated in company environmental management systems in a routine manner	No protocols	Protocols adopted by pilot companies	Environmental and social monitoring program at Nizhne-Burejskaya HPP was updated in the end of 2016 according to the input from the Project to assess the biodiversity impacts (new contract awarded by RusHydro).	As previous comment for this indicator under oil.
	Populations of key species in coal sector demonstration areas remain stable	Khakassia pilot sites - Sheld-Duck (<i>Tadorna tadorna</i>): 3,7 (2.0-5.7) birds per 1km ² (within the suitable areas) - Grey heron (<i>Ardea cinerea</i>): Colony of 30 pairs and 120 young birds	Khakassia pilot sites - Sheld-Duck (<i>Tadorna tadorna</i>): Population number increases by 5% due to diversification of the habitat as a result of proper reclamation - Grey heron (<i>Ardea cinerea</i>): Population number within the colony stays the same/increases		No data provided.
Outcome 4	Undisturbed steppe ecosystems in demonstration areas	Area of undisturbed steppe ecosystems in Kemerovo pilot sites (To be measured in Year 1). Project baseline as of 2013: Undisturbed steppe areas in Kemerovo Oblast conserved and subject to conservation (Name of the area - Territory, ha) Karakan ridge - 1,000	No decrease	No decrease Undisturbed steppe areas in Kemerovo Oblast remains the same protected through the network of the Regional Protected areas (Karakan ridge - 1000 ha, Krutaya mountain - 600 ha, Bachyatskiye hills - 100 ha, Rocks near Novoromanovo village - 100 ha, Chumayskiy bukhtay - 1,500 ha, Rocks near Kostenkovo village - 100 ha, Podkatunskaya ridge - 100 ha (Total - 3,500 ha).	There is "no decrease" – but there is no suggestion of how difficult this was to achieve? Also the project could have reported any <i>increase</i> in the protected areas as well.

Strategy	Indicator	Baseline level	Target	Level at TE (as reported by project)	TE comments
		ha, Krutaja mountain - 600 ha, Bayatskie hills - 100 ha, Rocks near Novoromanovo village - 100 ha, Chumayskie bukhtai - 1,500 ha, Rocks near Kostenkovo village - 100 ha, Podkatunskaya ridge - 100 ha, Total - 3,500 ha			
	Mineral content, bacteria pollution level, particle content, heavy metal content, pH factor in the treated mine drainage water	Baseline measured in Kemerovo pilot sites in Year 1. Indicators for untreated mine drainage water pollution were selected and measured as baseline. Mine drainage water pollution indicators reference matrix (Indicator - baseline (before treatment)* - Measur. units): ammon. ion - 0.386 mg/dm ³ , BOD - 2.8 mgO ₂ /dm ³ , solids - 577.8 mg/dm ³ ,	Quality of water discharged after treatment is according to the environmental norms and regulations. Mine drainage water pollution indicators reference matrix (Indicator - baseline (before treatment)* - Measur. units): 1. After treatment (progress). Indicators for treated (progress indicator - at discharge point to the Meret river) mine drainage water as average of monthly measurements during April-June 2014. ammon. ion - 0.2613 mg/dm ³ ,	Achieved above the target. Two years of Monitoring of Meret' River represented that the contamination level of the discharged water was within the environmental limits and discharged water was cleaner than the natural water in the river. This technology was used as the best practice for National Compendium of the best available technologies ITS 16-2016 "Mining Industry. General processes and methods" (Rosstat Order # 1886 from 15.11.2016)	No data provided; this is essential (or, alternatively, to cite the report in which the data are presented). The upscaling that the best practice inclusion in the compendium is to be applauded.

Strategy	Indicator	Baseline level	Target	Level at TE (as reported by project)	TE comments
		iron - 3.4 mg/dm3, manganese - 0.037 mg/dm3, copper - 0.0063 mg/dm3, petrol. prod. - 0.037 mg/dm3, nickel - 0.013mg/dm3, nitrates(NO3) - 3.17 mg/dm3, nitrates(NO2) - 0.11 mg/dm3, sulfates - 117 mg/dm3, phenol - 0.005 mg/dm3, chlorides - 49.5 mg/dm3, chromium(VI) - 0.01 mg/dm3, zinc - 0.005 mg/dm3. * Indicators for untreated (baseline indicator) mine drainage water as average of monthly measurements during April-June 2014	BOD - 2.1 mgO2/dm3, solids - 11.7 mg/dm3, iron - 0.07 mg/dm3, manganese - 0.01 mg/dm3, copper - 0.00 mg/dm3, petrol. prod. - 0.02 mg/dm3, nickel - 0.01mg/dm3, nitrates(NO3) - 2.93 mg/dm3, nitrates(NO2) - 0.08 mg/dm3, sulfates - 94 mg/dm3, phenol - 0.005 mg/dm3, chlorides - 36.6 mg/dm3, chromium(VI) - 0.01 mg/dm3, zinc - 0.005 mg/dm3. 2. Standard (target). Russian discharge standards (maximum permissible concentrations – target indicator: ammon. ion - 0.4982 mg/dm3, BOD - 3 mgO2/dm3, solids - 14.85 mg/dm3, iron - 0.1 mg/dm3, manganese - 0.01 mg/dm3, copper - 0.001 mg/dm3,		

Strategy	Indicator	Baseline level	Target	Level at TE (as reported by project)	TE comments
			petrol. prod. - 0.05 mg/dm3, nickel - 0.01mg/dm3, nitrates(NO3) - 39.67 mg/dm3, nitrates(NO2) - 0.08 mg/dm3, sulfates - 100 mg/dm3, phenol - 0.001 mg/dm3, chlorides - 300 mg/dm3, chromium(VI) - 0.02 mg/dm3, zinc - 0.001 mg/dm3.		
	Biodiversity solution compendium for coal sector available and used by companies in drafting environmental management plans	Score = 0/6 zero	Score = 3/6: compendium available and used by companies	Score: 5/6. The 2nd revision of Biodiversity Compendium for Coal Sector developed by Project was used as the basis for National Compendium of the best available technologies ITS 16-2016 "Mining Industry. General processes and methods" (Rosstat Order # 1886 from 15.11.2016) implemented by the Industry enforcing Biodiversity Conservation.	The scoring suggests implementation and use; evidence and/or examples should be provided (as above).
	Corporate standards in coal sector for conservation of biodiversity adopted.	Score = 0/6 (standards non-existent)	Score - 4/6 (standards adopted and complied with)	Achieved above the target Score: 5 / 6: corporate biodiversity standards developed, endorsed by Management, implemented and enforced existing practice and operations. Enforcement is not monitored. In 2014 KTK Ltd. Coal Company was certified according to ISO 14001:2007 (Environmental Management System, meaning biodiversity risk) following the Agreement between the Company and the Project. The Project developed the methodological approach for environmental monitoring Programme for KTK Ltd. Coal Company adopted through the corporate procedures at Vinogradovskiy Coal site KTK Ltd. Coal Company adopted Guidelines on	

Strategy	Indicator	Baseline level	Target	Level at TE (as reported by project)	TE comments
				<p>Monitoring of the physiological parameters of vegetation to be used in corporate Industrial Environmental Control</p> <p>In 2017 SDS-Ugol adopted the special Programme on the improvement of water treatment systems at 4 Coal sites</p> <p>In 2017 Mechel Holding developed the corporate standard on Integrated Assessment of Biodiversity for Reclamation Plans implemented in operations of PAO «South Kuzbas» companies</p> <p>In 2017 SUEK-Khakassia included Project's Guidelines on the reclamation of the disturbed lands in all coal sites in Khakassia Republic as recommended by National Standard and Order of Khakassia Ministry of Natural resources</p>	
	<p>Protocols for biodiversity impact assessment and monitoring incorporated in company environmental management systems in a routine manner</p>	<p>No protocols</p>	<p>Protocols adopted by pilot companies</p>	<p>Since 2012 KTK Coal Company has been running Environmental Monitoring at Vinogradovskiy coal site including Biodiversity Monitoring at Karakan Reserve within the company's LA</p> <p>Since 2016 SDS-Ugol has been running environmental and biodiversity monitoring at the coal sites of Sibenergougol Ltd. and Istokskiy site and awarded the contract with Kuzbas Botanic Garden for rare species identification study at 3 other company's LAs</p> <p>PAO «South Kuzbas» (Mechel Holding) conducted identification of rare and protected species of plants within all coal sites and incorporated methodological guidelines for monitoring of the disturbed lands in corporate environmental monitoring studies</p> <p>Since 2016 SUEK-Khakassia has been running biodiversity research and monitoring on the improvement of forestry reclamation of the disturbed lands</p>	<p>While this appears to be satisfactory, it would be good to give references to the reports that would have resulted from the various pieces of work (as cited in the column to the left – the “Level at TE”).</p>

Annex 7 List of consultancies and consultants

Individual consultants	
2.1.	<p>Individual consultants costs in terms of the Project implementation.</p> <p>Key consultants:</p> <ol style="list-style-type: none"> 1. Russian consultant (biologist) on biodiversity risk mitigation in energy projects (Components 2, 3 and 4). 2. Russian consultant on technical regulation and energy industry standards (Component 2, 3 and 4). 3. Russian consultant on energy companies corporate standards and non-financial reporting (Component 2, 3 and 4). 4. Russian consultant on methodology and biodiversity impact assessment (Component 2, 3, and 4). 5. Russian consultant on regional legislation on biodiversity conservation (Component 1). 6. Russian consultant - workshops organizer (Component 1). 7. Russian consultant - regional Project Coordinator (Component 2, 3 and 4). 8. Russian consultant - assistant to project working groups (Component 2, 3 and 4). 9. Russian consultant – external/independent reviewer (Component 1, 2, 3 and 4). 10. Russian consultant on ecosystem services and biodiversity economic assessment (Component 1). 11. Russian consultant on legal execution of biodiversity conservation guidelines (Component 1). 12. Russian consultant on biodiversity conservation strategies (Component 1). 13. Russian consultant - moderator of Web portal for energy sector participants on biodiversity conservation in course of energy project implementation (Components 1,2,3,4). 14. Russian consultant - Head of working group for strengthening BD conservation legal framework (Component 1). 15. Russian consultant - moderator of the thematic portal “White Book. Dams and Development” (Component 3). 16. Russian consultant - technical administrator of the thematic portal “White Book. Dams and Development” (Component 3).
Contractors (works/services)	
3.1.	Preparation of innovative solutions compendiums on biodiversity conservation (for oil, coal and hydropower sectors).
3.1.1.	Preparation of the first version of innovative solutions compendium on biodiversity conservation for coal sector.
3.1.2.	Preparation of the first version of innovative solutions compendium on

	biodiversity conservation for oil sector.
3.1.3.	Preparation of the first version of innovative solutions compendium on biodiversity conservation for hydropower sector.
3.2	Draft proposals to improve EIA procedures and implement SEA, including pilot activities at demo sites.
3.3	Draft guidelines on industry-related environmental vulnerability/ risks, including biodiversity, and respective demo site mapping.
3.4	Design GIS based environmental assessment maps on demo sites.
3.5	Baseline biodiversity assessment in the Nenets Autonomous District.
3.6	Baseline biodiversity assessment, design and implementation of the disturbed ecosystem legacy monitoring at Kumzhinskoye deposit.
3.7.	Review ecosystem and biodiversity impact in North Caspian oilfields in compliance with the Teheran Convention; draft proposals on GIS in the region.
3.8	Monitor land reclamation technique efficiency for biodiversity conservation in Nenets Autonomous District and the Komi Republic (Phase 1 and 2).
3.9	Oil waste disposal technology efficiency evaluation for ground ecosystems biodiversity conservation Nenets Autonomous District and the Komi Republic (Phase 1 and 2).
3.10	Monitor small and major water flows for oil production impact on fish stocks and fisheries in Nenets Autonomous District and the Komi Republic
3.11	Evaluate North Caspian oil waste disposal technologies for cumulative environmental damage reduction in the Astrakhan Region (oblast).
3.12	Develop biodiversity conservation action plan concept for Sakhalin Region (oblast).
3.13.	Establish and implement biodiversity monitoring (also front-end) at Project demo sites in HPP design, construction and operation areas.
3.14	Provide scientific rationale and demonstrate water body biodiversity recovery activities at demo sites.
3.15	Select baseline indicators to assess downstream Volga aquatic and terrestrial systems under industrial load; draft respective management regulations.
3.16	Comprehensive geo-ecological environmental and biodiversity assessment in SDS Ugol coal mining areas.
3.17	Improve geo-ecological information and guidance for a mining area (Kuznetsk coal basin).
3.18	Draft a demo project plan on pristine landscape recovery technology design (land relief, vegetation, indicative species habitats).
3.19	Assess soil microbiologically and measure wild plant chlorophyll concentration under biodiversity impact monitoring in Karakanskiy regional wildlife reserve.
3.20	Draft design and budget documentation for protected natural areas at demo sites.

3.21	Update the Bureyskiy protected area materials as compensatory activity to minimize impact on biodiversity by Nizhne Bureyskaya HPP construction project.
3.22	Scientific rationale for biodiversity recovery in Kashirin dead river arm and Proklyatoye Lake; prepare respective design/estimate documentation for biodiversity recovery following respective evidenced-based action plan.
3.23	Demonstrate trilateral agreement/dialogue between indigenous communities, state authorities, and energy companies.
3.24	Create biodiversity conservation web-portal for energy sector projects.
3.25	Publications, educational handouts (brochures, booklets, etc.).
3.26	Workshops, conferences, roundtables, trainings, also at Project demo sites.
3.27	Implement activities to compensate Nizhne Bureyskaya HPP impact on plant and animal life in reservoir flood area.
3.28	Implement a compensatory activity to minimize oil production impact in the North Caspian, i.e. prepare materials justifying Tyuleniy Island federal or regional protected area legal status.
3.29	Draft guidelines on assessment indicators for monitoring aquatic and terrestrial habitats and downstream Volga habitat recovery and improvements.
3.30	Baseline biodiversity assessment, development and implementation of ecosystems disturbed by exploration legacy monitoring system in the Nenets Autonomous District oilfields.
3.31	Information support and popular-science film making on Nizhne Bureyskaya HPP construction impact compensation activities in flood area.
3.32	Facilitate local protected area creation in Kamyzyakskiy District, Astrakhan Region (oblast).
3.33	Draft guidelines on providing power transmission lines with modern efficient bird-protection devices to be used by oil companies in Republic of Kalmykiya.
3.34	Draft guidelines on industrial environmental monitoring using stress-related plant response (for coal companies).
3.35	Establish the regional Bachatskiye Sopki protected area for steppe ecosystem conservation in indigenous community areas in Kemerovo Region (oblast).
3.36	Develop environmental ratings to assess biodiversity conservation performance of energy sector companies.
3.37	Complete the innovative solutions compendium on biodiversity conservation for coal sector
3.38	Complete the innovative solutions compendium on biodiversity conservation for oil sector
3.39	Complete the innovative solutions compendium on biodiversity conservation for hydropower sector

3.40	Unification of terms and definitions on best available practices/technologies required to draft respective guides for oil and coal industries.
3.41	Create an environmental sensitivity geo-portal for geo-ecological planning in Amur Region (oblast) industrial/energy sector development.
3.42	Test and complete the “Guidance on social dialogue with small indigenous peoples. Action Algorithm” (business case of coal companies in Kemerovo Region).
3.43	Monitor Sakhalin taimen population (Parahucho perryi) in North-East Sakhalin oilfield development area; assess oil/gas sector and other impacts to draft comprehensive conservation activities.
3.44	Develop SEA methodology and practice for Russia considering biodiversity conservation.
3.45	Implement compensatory activities to minimize Nizhne Zeyskaya HPP impact on Amur Region: create regional Prizeyskiy natural park protected area.
3.46	Draft an environmental rating to assess mining companies’ efficiency in terms of environment protection, including biodiversity conservation.
3.47	Develop the National Standard “Best Available Technologies. Biological diversity. Terms and Definitions.”
3.48	Implement SEA of the coal mining area development plan / programme for the Kemerovo Oblast that would take into consideration BD conservation.
3.49	Implement SEA of the coal mining area development plan / programme for the Amur Oblast that would take into consideration BD conservation.
3.50	Provide methodology grounds for disturbed land rehabilitation by restoring plant diversity of steppe and meadow steppe ecosystems.
3.51	Carry out offsetting measures to conserve the population of the plants registered in the Kemerovo Oblast Red Book, which grow in the area proposed for construction of the Razrez Istokski coal pit.
3.52	Draft and ensure adoption of national standards on the use of best available technologies aimed to conserve biodiversity in course of rehabilitation of lands contaminated by oil and oil products, and of disturbed lands (two national standards).
3.53	Identify and gather the necessary data about biodiversity in order to support implementation of a set of biodiversity conservation measures including prevention of deaths of items of fauna due to oil and oil product spills in the Arctic area of the Russian Federation.
3.54	Provide methodological grounds for reclamation of disturbed lands of coal mining companies in the Khakas Republic.
3.55	Prepare justification materials for the setup of ‘Vashutkinsky’ zakaznik, the SPNA of a regional significance, with the aim of further compensatory activities around intensive oil & gas deposits development in NAO.

3.56	Prepare Methodological recommendations on elaborating a conservation, sustainable-use and biodiversity-recovery related component, in the documents on strategy planning of RF territorial entities.
3.57	Assessment of the impact over biodiversity of the developing coal facilities around Beysk coal deposit and articulation of compensatory activities.
3.58	Hydrological and Hydrogeological studies at SPNA of a regional significance, the state natural zakaznik "Tryokhozerki" Stow' in the Altay regions of the Khakassia Republic.
3.59	Follow-up revision and content of the web portal for energy industry experts on biodiversity conservation and for energy projects.
3.60	Develop and ensure the adoption of the National Standard on the use of best available technologies to prevent and minimize negative impact from operational activities over water bio resources and their habitat.

Annex 8 List of project outputs and publications

Laws/regulations

Federal Level Documents	
Order of the RF MNR No. 92, dated 16 March 2017 "On Approval of Requirements to the Contents of the Industrial Environmental Control Programme, the Procedure and Dates of Reports on Organisation and Results of Industrial Environmental Control."	The RF Ministry of Natural Resources approved the requirements on the contents of the industrial environmental control applicable to businesses. The Project initiated inclusion of the previously non-existent chapter "Industrial Environmental Control over Items of Fauna and Flora" in the requirements. Owing to this initiative, companies, which have a negative impact on biodiversity, are obliged to prepare a list of measures for protection of animal world and animal habitats, and to implement such measures.
Interparliamentary CIS Assembly decree dd. 20 May 2016 #44-9.	The Interparliamentary CIS Assembly officially adopted the law "On the conservation, sustainable use and restoration of Biodiversity", initiated by the Project. The document served as a methodological basis for integrating the ecosystem approach and mitigation hierarchy into normative and methodological documents within the framework of the Project. This law is in demand when drafting regulatory legal acts of different levels in Russia, and is also directly for drafting corporate policies and standards on biodiversity conservation.
Order of the Federal Agency for Technical Regulation and Metrology No.810st, dated 5 July 2016 «On Approval of the National Standard of the Russian Federation»	GOST R 57007-2016 "Best available techniques. Biodiversity. Terms and definitions" officially approved. This facilitates integration of the biodiversity conservation issues into the system of rationing the negative impact of industry on the environment in Russia, through the use of the best available technologies. It was further used for the three subsequent standards and two BREFs.
Order of the Federal Agency for Technical Regulation and Metrology No. 284-st, dated 18 April 2017 "Best available technologies. Reclamation of lands and plots of land contaminated with oil and oil products".	The national standard on reclamation of lands and plots of land contaminated with oil and oil products has been formally approved. This enables replicating best practices in all Russian oil companies starting from 1 December, 2017. In fact, provisions of the standard are already applied in LUKoil-Komi, OOO (approved by company order.)
Order of the Federal Agency for Technical Regulation and Metrology No. 283-st, dated 18	The national standard on reclamation of lands and plots of land damaged due to coal extraction has been formally approved. What makes this document

<p>April 2017 “Best available technologies. Reclamation of lands and plots of land damaged due to coal extraction. Biodiversity restoration”.</p>	<p>innovative is the description of the technology of biodiversity restoration carried out in addition to the technical and biological reclamation (initially, it was not available). This enables replicating best practices in all Russian coal extraction companies starting from 1 December, 2017. In fact, provisions of the standard are already applied in SUEK-Khakassia and Kuzbasskaya Toplivnaya coal mining company.</p>
<p>Order of the Federal Agency for Technical Regulation and Metrology No. 1115-st, dated 14 Sept 2017 “About RF National standard approval”</p>	<p>The national standard GOST R 56828.34-2017 “Best available technologies. Efficient use of resources. Methodology of making managerial decisions for conservation of aquatic biological resources and their habitat” has been formally approved. The main practical purpose of the standard is to raise conformity of the production processes with the environmental protection and safety requirements. Application of the standard will be ensured by the federal executive authorities, economic entities while implementation of the best available technologies for the conservation of the aquatic biological resources and their habitats.</p>
<p>Order of the Federal Agency for Technical Regulation and Metrology No. 1886, dated 15 December 2016.</p> <p>Letter confirming implementation of the Project outcomes No. 41-06/NDT-4663, dated 07 November, 2016.</p>	<p>Reference Book on the best available technologies No. ITS 16-2016 “Mining Industry. General Processes and Approaches” based on the Compendium of innovative biodiversity conservation solutions for the coal mining sector has been formally approved. The Reference Book will come into force on July 1, 2017. From now on, companies that introduce technologies aimed at biodiversity conservation will enjoy government benefits.</p>
<p>On approval by the Federal Agency for Technical Regulation and Metrology</p> <p>(Letter confirming implementation of the Project’s results # Б-17-07-1 dated 18 July 2017)</p>	<p>The information and technical handbook on best available technologies ITS 28-2017 “Oil production” has been formally approved. The Project “Compendium of innovative solutions for biodiversity conservation for the oil extracting sector” was used for the handbook development. As a result, technologies and methods on biodiversity conservation in oil production are now part of the new system for normalizing negative impacts based on the best available technologies.</p>
<p>Regional Level Documents (Project’s demo sites)</p>	
<p>Resolution of the Sakhalin Oblast Administration No. 263 dated 07 June 2017.</p> <p>The Project’s involvement is documented in numerous minutes meetings of Working Group on Biodiversity Conservation at the</p>	<p>The Biodiversity Conservation Strategy of the Sakhalin Oblast until Year 2025 prepared by the Project has been formally approved. In view of this (a) the region’s social and economic development strategy will take into account the necessity to conserve biodiversity, (b) Russia’s best practice of joining efforts of the authorities, public and oil-and-gas business will gain more stability, (c) important measures will be undertaken to conserve the population of the Project’s indicator species Sakhalin</p>

<p>Environmental Council of the Sakhalin Oblast.</p>	<p>taimen.</p>
<p>Order of the government of the Khakas Republic No. 010-404-PR, dated 04 May 2017 “On Approval of the Guidelines on Reclamation of Lands Damaged by Coal-mining Companies of the Khakas Republic”.</p>	<p>The government of the Khakas Republic has formally approved the Guidelines on Reclamation of Lands Damaged by Coal-mining Companies of the Khakas Republic that were prepared and tested by the Project. The Guidelines aim to restore pristine landscapes of Khakassia, which is important in terms of biodiversity conservation but not always possible if conventional approaches are used. In addition, this technology is economically efficient. The guidelines are already used by Khakas companies SUEK-Khakassia, Arshanovski open-pit mine, and Stepnoy open-pit mine. Furthermore, this technology has been included in the standard developed by the Project.</p>
<p>Kemerovo oblast decree #357-p dated 10 August 2017 “On methodic recommendations for disturbed lands reclamation”</p>	<p>The Board of the Kemerovo oblast Administration approved three methodic documents, developed by the Project, on approval of lands disturbed by the coal mining at the regional level. Due to this, Kemerovo oblast coal enterprises can use the Project recommendations while carrying out reclamation of disturbed lands in Kuzbass. Project institutes are recommended to develop project documentation for the reclamation of lands disturbed by coal mining, with due consideration of the Project's methodological recommendations.</p>
<p>Order of the Volga-Akthuba Floodplain Nature Park No. 278-pr, dated 01 July 2016 “On Approval of Reference Sites”; letter to the project dated 30 June 2016.</p>	<p>The Evaluation Indicators for the Biological State of Water and Near-water Ecosystems, and reference sites in the Volga-Akthuba floodplain have been formally approved. Indicators and items were identified and tested by the Project. This has enabled restoring biodiversity and floodplain ecosystems taking the state of pristine floodplain ecosystems as a reference. The Nature Park uses this approach in its work with the Volzhskaya HPP to demonstrate the ability of an HPP to offset its negative impact in kind. The Volzhskaya HPP is to allocate Rub 1,700,000 for this work in 2017.</p>
<p>Astrakhan oblast Law #77/2014-O3 dated 9 November 2014 “On certain issues of legal regulation of environmental protection and conservation of biodiversity in the Astrakhan region”</p>	<p>Astrakhan oblast governor adopted regional law on environmental protection, which specially regulates the conservation of biodiversity in the region. The law systematically regulates implementation of issues related to biodiversity conservation by the Astrakhan oblast executive authorities. The main practical value of the law is start of the regional information database on biodiversity formation. On the basis of this information, a decision may be made to conduct restoration works, to grant or refuse in providing lands for use and other management decisions.</p>

Recently published handbooks, publications

Outcome 1	
General Guideline on Biodiversity Assessment, the Mitigation Hierarchy and Offset Principles for Russia's Energy Sector	http://bd-energy.ru/documents/ENG%20Site/Reports/General%20guideline%20for%20Russia%20on%20Mitigation%20Hierarchy.pdf RUS version for publication: https://drive.google.com/file/d/1rN0DCLHpHW9FI2YoMPOigKcX_4azBZCE/view
Guidelines box 1 on BD conservation and restoration by the energy sector	https://drive.google.com/file/d/0B1q02jnJq8NVW11QUlrS2ljeHc/view
Guidelines box 2 on incorporation of the BD conservation into the strategic planning documents	http://bd-energy.ru/documents/%D0%9F%D0%BE%D1%81%D0%BE%D0%B1%D0%B8%D1%8F/%D0%9F%D0%BE%D1%81%D0%BE%D0%B1%D0%B8%D0%B5%202_%D1%81%D1%82%D1%80%D0%B0%D1%82%D0%B5%D0%B3%D0%B8%D1%87%D0%B5%D1%81%D0%BA%D0%BE%D0%B5%20%D0%BF%D0%BB%D0%B0%D0%BD%D0%B8%D1%80%D0%BE%D0%B2%D0%B0%D0%BD%D0%B8%D0%B5_WEB.pdf
Factsheet on SEA	http://bd-energy.ru/documents/%D0%98%D1%81%D1%82%D0%BE%D1%80%D0%B8%D0%B8%20%D1%83%D1%81%D0%BF%D0%B5%D1%85%D0%B0/Case_SEA.pdf
Factsheet on business and protected areas interaction in the regional context	http://bd-energy.ru/documents/%D0%98%D1%81%D1%82%D0%BE%D1%80%D0%B8%D0%B8%20%D1%83%D1%81%D0%BF%D0%B5%D1%85%D0%B0/Case_PA%20&%20Business.pdf

Outcome 2	
Compendium of innovative solutions for biodiversity conservation for the oil extracting sector	http://bd-energy.ru/art.php?lan=en&id=140
Principles and Guidelines for the Monitoring and Mitigation of Impacts on Large Whales from Offshore Industrial Activity in Russian Waters	http://bd-energy.ru/documents/ENG%20Site/Reports/Guidelines%20on%20Whales%20Monitoring.pdf
Common Project-IUCN factsheet on Arctic activities	https://www.iucn.org/files/mainstreaming-bd-factsheet-10-russian-arctic

Project factsheet on wildlife response	http://bd-energy.ru/documents/%D0%98%D1%81%D1%82%D0%BE%D1%80%D0%B8%D0%B8%20%D1%83%D1%81%D0%BF%D0%B5%D1%85%D0%B0/CASE-ARKTIKA.pdf
Project factsheet on lands reclamation in the far north	http://bd-energy.ru/documents/%D0%98%D1%81%D1%82%D0%BE%D1%80%D0%B8%D0%B8%20%D1%83%D1%81%D0%BF%D0%B5%D1%85%D0%B0/CASE-KOMI.pdf
Video on the Project training on wildlife response	Translated at the federal channel (in the region)

Outcome 3	
Compendium of innovative solutions for biodiversity conservation for the hydropower sector	http://bd-energy.ru/art.php?lan=en&id=140
Lower Volga factsheet	http://bd-energy.ru/documents/%D0%98%D1%81%D1%82%D0%BE%D1%80%D0%B8%D0%B8%20%D1%83%D1%81%D0%BF%D0%B5%D1%85%D0%B0/CASE-VOLGA.pdf
Amur oblast factsheet	https://drive.google.com/file/d/15EsI3vz7BLqR9gPObCugrN3lu-qme3_t/view
Video on the Project activities in Amur oblast	Translated at the federal channel (in the region), won the 1 st prize MediaTEK contest in the nominee “Social and ecological initiatives”

Outcome 4	
Compendium of innovative solutions for biodiversity conservation for the coal mining sector	http://bd-energy.ru/art.php?lan=en&id=140
Factsheet on the Project activities in Kuzbass	http://bd-energy.ru/documents/%D0%98%D1%81%D1%82%D0%BE%D1%80%D0%B8%D0%B8%20%D1%83%D1%81%D0%BF%D0%B5%D1%85%D0%B0/CASE-KEMEROVO.pdf
Factsheet on the Project activities in Khakassia	http://bd-energy.ru/documents/%D0%98%D1%81%D1%82%D0%BE%D1%80%D0%B8%D0%B8%20%D1%83%D1%81%D0%BF%D0%B5%D1%85%D0%B0/Case_Khakasia.pdf

Video on the Project activities in Kemerovo oblast	Translated at the federal channel (in the region)
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Annex 9 Example questionnaire used for data collection

1. What is the achievement, so far, of which you are most proud?
2. If you could go back in time, what would you change or do differently?
3. If you could go back in time, which activities would you definitely do again?
4. If the project had an extra USD 2 million and an extra two years, what else would you consider doing?
5. What are you doing to ensure take up/replication of the concept and processes in other landscapes?
6. What are the effects of inflation or changes in the exchange rates to the budgeting and/or expenditure?
7. Please give examples of how you are ensuring cost effectiveness?
8. Please provide all information on cofinance to date, including both cash and in-kind expenditure and a summary of the items on which the co-finance has been spent.
9. What is your role/relationship with the project?
10. What are you doing to ensure sustainability of the project's processes and impacts?
11. This (xxx) success seems very good: what did you do to achieve it?
12. Who are the partners (i.e., people actively working to the same goals) on the project?
13. Who would you say *owns* the project?
14. Who are the stakeholders in the project (i.e., people that are involved in the project, either actively or passively or will be affected by the project in some way)?
15. Who prepares the TOR for all contracting?
16. Who signs the contracts?
17. Imagine this scenario: if the Minister phones you up and says that he needs to make a brief report on the project to the President and he needs 5 bullets on the following subjects:
 - Key successes
 - what would you advise the next door country to do if they were to implement a similar project
 - what works and why
 - what does not work and why
 - key challenges
18. Is the project having any useful (but unplanned) spin-offs?
19. Is the project having any detrimental or negative (but unplanned or unintended) impacts?
20. This is a UNDP project – what advantages or disadvantages does this bring?
What if it was a World Bank project instead – what difference would that bring?
21. If you were to re-write the Project Document, what would you change?
22. Who are the project's champions?
23. Standard issues:

- Project Manager Forum
 - Procurement rules and efficiencies
 - UNDP training/support
 - Financial audits
 - Cofinance information
 - Communication strategy?
 - Monitoring awareness/knowledge
 - Backing up data and digital information
 - Team functionality
 - Staff turn over
 - If training is provided, how is training is now being used in job?
 - How including gender and/or indigenous peoples issues?
 - Need to provide all information, including equipment, inputs, infrastructure, tracking tool data.
 - If there was a delay, what was the reason?
24. How is the project aligned to the national development plan, region-level development plans and the UNDAF?
 25. Is the project trying to increase awareness? If so, among which target groups? How is the project monitoring changes in awareness and attitude? How has any changes in attitude and awareness affected project implementation, and how is it being used in the daily, professional lives of the target groups?
 26. Infrastructure has been developed over the course of this project. Was it in alignment with the strategic plan developed at the landscape level? If not, how was the decision made for any given infrastructural input?
 27. New institutions have been created over the course of the project (specifically the landscape management committees). How will these be sustainable? In five years' time, how do you imagine the committees functioning?
 28. Why did the Financial and Administrative Assistant resign?
 29. At a landscape level, what monitoring activities are being undertaken to determine the impact of the project?
 30. How does the project interface with the land reform processes in the country?
 31. The Project Advisory Committee (PAC) appears to be largely unsuccessful: we aim to propose that no further effort be expended to make it active. However, in the long-term, particularly once the GEF project has ended, will there be a role for i) an umbrella coordination body (to continue the work of the PCU – and if so, should it be independent or remain within govt?) and/or ii) a centralised technical body to assist landscapes with technical issues?
 32. It appears as if some key stakeholders are not part of the landscape management committees – e.g., Regional Governments, Roads, Water, etc. Would it be useful to try to include some of these organizations, at least on an ad hoc basis?
 33. How is the project – and landscape management committees in particular - interfacing with regional governments?
 34. To what extent is the project strategy relevant to country priorities, country ownership, and the best route towards expected results?
 35. To what extent have the expected outcomes and objectives of the project been achieved thus far?

36. Has the project been implemented efficiently, cost-effectively, and been able to adapt to any changing conditions thus far?
37. To what extent are project-level monitoring and evaluation systems, reporting, and project communications supporting the project's implementation?
38. To what extent are there financial, institutional, socio-economic, and/or environmental risks to sustaining long-term project results?
- 39.

Six questions to overcome fear of failure:

1. What would you attempt to do if you knew you could not fail?
2. What if I fail — how will I recover?
3. What if I do nothing?
4. What if I succeed?
5. What's truly worth doing, whether you fail or succeed?
6. In this failure, what went right?

Annex 10 Audit trail of comments on draft TE

Comment, location	TE response
Minor edits, typographical errors	All corrected and incorporated into the final version of the report
Factual errors (of which there were a small number)	All corrected and incorporated into the final version of the report
Specific comments requiring response from TE	In footnotes through final version of report

Annex 11 UNEG Code of Conduct Form

Evaluators/Consultants:

1. Must present information that is complete and fair in its assessment of strengths and weaknesses so that decisions or actions taken are well founded.
2. Must disclose the full set of evaluation findings along with information on their limitations and have this accessible to all affected by the evaluation with expressed legal rights to receive results.
3. Should protect the anonymity and confidentiality of individual informants. They should provide maximum notice, minimize demands on time, and respect people's right not to engage. Evaluators must respect people's right to provide information in confidence, and must ensure that sensitive information cannot be traced to its source. Evaluators are not expected to evaluate individuals, and must balance an evaluation of management functions with this general principle.
4. Sometimes uncover evidence of wrongdoing while conducting evaluations. Such cases must be reported discreetly to the appropriate investigative body. Evaluators should consult with other relevant oversight entities when there is any doubt about if and how issues should be reported.
5. Should be sensitive to beliefs, manners and customs and act with integrity and honesty in their relations with all stakeholders. In line with the UN Universal Declaration of Human Rights, evaluators must be sensitive to and address issues of discrimination and gender equality. They should avoid offending the dignity and self-respect of those persons with whom they come in contact in the course of the evaluation. Knowing that evaluation might negatively affect the interests of some stakeholders, evaluators should conduct the evaluation and communicate its purpose and results in a way that clearly respects the stakeholders' dignity and self-worth.
6. Are responsible for their performance and their product(s). They are responsible for the clear, accurate and fair written and/or oral presentation of study limitations, findings and recommendations.
7. Should reflect sound accounting procedures and be prudent in using the resources of the evaluation.

MTR Consultant Agreement Form

Agreement to abide by the Code of Conduct for Evaluation in the UN System:

Name of Consultant: Stuart Williams

I confirm that I have received and understood and will abide by the United Nations Code of Conduct for Evaluation.

Signed at Lilongwe, Malawi (Place) on 01 February 2018 (Date)



Signature: _____

Annex 12 TE Final Report Clearance Form

TE Review Report Reviewed and Cleared By:

Russia UNDP Project Support Unit

Name: _____

Signature: _____ Date: _____

UNDP-GEF Regional Technical Advisor

Name: _____

Signature: _____ Date: _____