Mainstreaming Biodiversity Conservation into Russia's Energy Sector Policies and Operations

Russian Federation

GEF Agency: United Nations Development Programme
Executing Partner: Federal Ministry of Natural Resources and Environment
GEF Biodiversity Focal Area
GEF Project ID: 3909
UNDP PIMS: 4241; UNDP Atlas Project ID: 00077026

Mid-term Evaluation Report

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Cover photos sources, clockwise from top left: Sakhalin II platform, from http://www.gazprom-sh.nl; Kemerovo oblast coal mine, Josh Brann; Karakan Ridge Protected Area flora, Josh Brann; Lower Bureyskaya Hydropower facility, from http://www.englishrussia.com.

Acronyms

APR	Annual Project Report
CBD	Convention on Biological Diversity
CPAP	Country Program Action Plan
CPD	Country Programme Document
EIA	Environmental Impact Assessment
FSP	Full-size project
GDP	Gross Domestic Product
GEF	Global Environment Facility
Ha	hectares
KM	Kilometers
M&E	Monitoring and Evaluation
MNRE	Ministry of Natural Resources and Ecology
NGO	Non-governmental Organization
PIMS	Project Information Management System
PIR	Project Implementation Report
PMU	Project Management Unit
PPG	Project Preparation Grant
RAS	Russian Academy of Sciences
RF	Russian Federation
PSC	Project Steering Committee
TOR	Terms of Reference
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
USD	United States dollar
WB	World Bank
WWF	World Wide Fund for Nature

I. Executive Summary

Table 1 Project Summary Data

Project Title:	Mainstreaming Biodiversity Conservation into Russia's Energy Sector Policies and Operations			
GEF Project ID:	3909		*At endorsement (million US$)*	*At completion (million US$)*
UNDP Project ID:	4241	GEF financing:	7.20	N/A
Country:	Russian Federation	IA/EA own:		
Region:	Europe & CIS	Government:		
GEF Focal Area:	Biodiversity	Other:		
GEF Focal Area Objectives (OP/SP):	GEF-4 BD-2: "To mainstream biodiversity in production landscapes/seascapes and sectors" SP-4: "Strengthening policy and regulatory framework for mainstreaming biodiversity"	Total co-financing:	31.95	N/A
Executing Agency:	Ministry of Natural Resources and Environment	Total Project Cost:	39.15	N/A
Other Partners Involved:	Multiple private sector energy companies, as well as many other execution partners	ProDoc Signature (date project began):		July 25, 2011
		(Operational) Closing Date:	June 30, 2016	

PROJECT DESCRIPTION AND EVALUATION OVERVIEW

1. The Russia Energy Sector Biodiversity Mainstreaming project is a GEF-funded project working to integrate biodiversity conservation considerations in Russia's energy sector, in particular the oil and gas, coal, and hydropower sectors. The project officially started in July 2011, and is currently planned for completion in June 2016, although an extension into 2017 is anticipated. The project is within the biodiversity focal area of the GEF portfolio. The full-sized project has GEF funding of $7.20 million USD, and planned co-financing of $31.95 million USD, for a total project budget of $39.15 million. The project is executed under UNDP's National Implementation (NIM) modality (i.e. national execution), with the Ministry of Natural Resources and Environment (MNRE) as the national executing partner. UNDP is the implementing agency, responsible for oversight of delivery of agreed outputs, financial management, and for ensuring cost-effectiveness.

2. The long-term goal towards which the project is contributing is that energy sector operations in Russia 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 six demonstration areas of the country.*" The project objective will be realized through four outcomes:

- **Outcome 1:** Enabling policy, legislative and institutional environment is in place for mainstreaming biodiversity conservation considerations in the oil, hydropower and coal sectors
- **Outcome 2:** "Avoid-reduce-remedy-offset" principle is demonstrated for the oil sector
- **Outcome 3:** "Avoid-reduce-remedy-offset" principle is demonstrated for the hydropower sector
- **Outcome 4:** "Avoid-reduce-remedy-offset" principle is demonstrated for the coal sector

3. The project is working with private sector energy companies in six demonstration regions around the country. These are: Nenets Autonomous Okrug (Arctic), Sakhalin Oblast (far east), and Northern Caspian for the oil sector; Republic of Khakassia and Kemerovo Oblast for the coal sector; and Amur Oblast for the hydropower sector. The project strategy is to pursue actions at the systemic level, while also demonstrating mainstreaming actions in the six demonstration areas. Activities at the systemic level will help ensure the enabling environment is in place for progressive mainstreaming actions even after project-end. Actions at the pilot site level will enable stakeholders to field test new legal and policy frameworks, and test and develop new tools for mainstreaming.

4. According to GEF and UNDP evaluation policies, mid-term evaluations are required practice for GEF funded FSPs, and the mid-term evaluation was a planned activity of the monitoring and evaluation (M&E) plan of the Russia Energy Sector Mainstreaming project. As per the evaluation Terms of Reference (TORs) the mid-term evaluation reviews the actual performance and progress toward results of the project against the planned project activities and outputs, based on the standard evaluation criteria: relevance, efficiency, effectiveness, results and sustainability. The evaluation assesses progress toward project results based on the expected objective and outcomes, as well as any unanticipated results. The evaluation identifies relevant lessons for other similar projects in the future, and provides recommendations as necessary and appropriate. The evaluation methodology was based on a participatory mixed-methods approach, which included three main elements: a) a desk review of project documentation and other relevant documents; b) interviews with key project participants and stakeholders in Moscow; and c) a field visits to a selection of project activity sites in the Kemerovo demonstration region (coal sector). The evaluation is based on evaluative evidence from the project development phase through June 2015, when the mid-term evaluation data collection phase was completed. The desk review was begun in March 2015, and the evaluation missions were carried out from April 15-17, and May 18-22, 2015.

FINDINGS AND CONCLUSIONS ON THE MAIN EVALUATION CRITERIA

5. With respect to **relevance**, the project is considered ***relevant / highly satisfactory*** for mainstreaming biodiversity conservation practices in the energy sector. The project clearly supports priority biodiversity conservation issues in the Russian Federation (particularly in the Arctic), and is in line with numerous national policies and legislation. The project is also relevant to local resource user needs and priorities at the demonstration site level. The project is supportive of the agreed UNDP country priorities for the Russian Federation, and is in-line with the GEF strategic priorities for the biodiversity focal area. Further, the project clearly supports implementation of relevant multilateral environmental agreements, including the Convention on Biological Diversity (CBD) and Ramsar Convention.

6. Project **efficiency** is rated ***satisfactory***. Project implementation and execution is considered satisfactory, while project management is assessed as highly satisfactory. The project's financial delivery is low, with 28.6% ($2.06 million) of the total GEF financing disbursed as of June 30, 2015, compared to the originally planned 43.1% during the first two years of project implementation. Though lower than ideal, the financial delivery is not yet cause for significant concern, considering the increasing annual disbursement amounts, and the project's track record

of 95.5% annual budget delivery in 2014. To remain on track, the 2nd half of the project implementation must remain intensely focused and rapid, as annual disbursement in each of the last two years of the project will need to be higher than in any previous year.

7. Although the project officially started in July 2011 when the project document was signed, actual implementation did not begin until approximately January 2013. Thus to complete the originally planned full five year implementation period, it is expected the project will request a no-cost extension until approximately the end of 2017. This mid-term evaluation was therefore conducted at nearly the exact mid-point of the actual implementation period (28 of 60 months). A financial audit was conducted for 2014, with no major issues identified; project financial management is in-line with UNDP and Russian standards and legal requirements, and in-line with norms for international development projects. The Project Implementation Unit (PIU) is comprised of a well-qualified, experienced, highly professional and dynamic team. Project adaptive management, budget planning, work planning, and project reporting is of high quality. Project management costs are slightly higher than planned, at 15.9% of total project expenditure thus far, but the project team is conscious of this issue (raised in the audit), it is anticipated the project will be able to remain approximately within the planned management budget by project completion. Project co-financing is on-track with 62.7% received of the originally planned $31.50 million co-financing (co-financing ratio of 1 : 4.4). The project has also leveraged an additional $11.11 million thus far from six private sector partners and one regional government.

8. The BD-Energy Mainstreaming project is on-track to achieve most, if not all of its key results indicator targets. Project **results** thus far are rated **satisfactory**, and project **effectiveness** is also rated **satisfactory**. If progress toward the planned results remains on-track, the project has significant potential to achieve highly satisfactory ratings by the end of the project, as the project has also opportunistically pursued unplanned initiatives that are likely to have highly valuable results (e.g. Arctic biodiversity conservation programs). In spite of the lower than planned level of financial disbursement, the project has made significant progress toward achievement of the project outcomes and objective. Of the 18 main indicators in the revised project results framework, the mid-term evaluation assesses that *the project has achieved or is likely to achieve 100% of the targets*, including the three main objective level targets. What is particularly impressive is that the project has managed to maintain the engagement and interest of its private sector partners during a global market environment of decreasing energy prices (i.e. significant drops in the price of oil, gas, and coal), which could theoretically lead companies to "tighten their belt", and reduce their activities that are not critical to production, such as environmental initiatives.

9. The project works in the framework of the biodiversity conservation and impact mitigation approach of "Avoid-Reduce-Restore-Offset" (ARRO), partnering with companies to improve future practices, and implement practical measures on the ground. At the objective level, the project has already indirectly contributed to improved biodiversity management in more than 5 million ha of production landscapes and seascapes. The project has already achieved direct impact of reduced threats to biodiversity over more than 100,000 ha, mainly through the establishment of the Bureyskiy Nature Park (104,478 ha) in Amur Oblast. In addition, the project has had an indirect impact on improving the status or reducing threats to biodiversity across more than 350,000 ha (primarily through 320,000 ha covered by the development of an

environmental monitoring program in partnership with the company Pechora LNG, in Nenetsk Autonomous Okrug). The project has also contributed to the potential reduction of threats and improved biodiversity status in an additional 20 million ha in the scope of the Ashgabat Protocol for the Conservation of Biological Diversity, of the Tehran Convention, covering Caspian Sea shelf oil and gas leasing areas.

10. The results framework includes multiple specific species or ecosystem-based impact indicators for each of the energy sector components; in most cases it is too early to determine the project's contribution toward progress of these targets, and considering the slow rate at which ecosystems respond to management measures, and the natural stochastic variation in species' populations, it may be too early to assess many of the project's impact level results even at project completion.

11. Key results achieved thus far include:

- Basic existence of the project partnerships with the energy companies, which is a significant achievement and sets national and global precedents;
- Critical financial and political support contributing to the adoption of the Ashgabat Protocol of Tehran Convention for biodiversity conservation in Caspian oil and gas production areas;
- Adoption of project-supported (in partnership with WWF Russia) arctic biodiversity conservation programs for the major oil and gas producers working in arctic (Lukoil, Rosneft, Gazprom, Yamal LNG and Novatek), in response to Presidential Order #1530 of June 29, 2014;
- Reduced negative impact measures of Lower Bureyskaya hydropower facility in Amur oblast in collaboration with RusHydro, through approval of the Bureyskaya Nature Reserve, and specific field-based biodiversity offset measures;
- Oil sector, hydropower sector, and coal sector compendiums on best available industry biodiversity solutions;
- Establishment of eight biodiversity conservation agreements between energy companies and relevant government authorities, which secure incremental costs to be voluntarily incurred by the companies;
- Progress toward development of three GIS databases to support improved biodiversity conservation and management, in NAO, Kemerovo Oblast, and Amur Oblast;
- Federal Order 540 by Russian Federal Statistics Agency (RosStat) requiring that all industrial companies in Russia report on biodiversity conservation expenditures separately from general environmental protection investments;
- Drafting of seven guidelines (three for government and four for private companies), that are under various stages of review and adoption: Environmental Management Systems, Oiled Lands Restoration, Coal Mine Recultivation, Dialog with Indigenous People, Cetaceans Monitoring, Water Bioresources Compensations, and Arctic Biodiversity Conservation;
- Regional law on biodiversity conservation for Astrakhan Oblast (Caspian Sea pilot region); and
- Sakhalin Biodiversity Action Plan concept officially endorsed, to be further developed as the Sakhalin Biodiversity Strategy and Action Plan to be adopted by the Sakhalin Oblast government.

12. Although there are many positive aspects of the project results progress, there are a few weak areas as well. The planned project activities working with the coal sector in the Khakassia pilot region have progressed slowly.

13. Key areas for attention for the Russia BD-Energy Mainstreaming project in the second half of implementation relate more to maintaining the strong performance thus far, rather than significant challenges and or shortcomings. These include:

- Maintain or increase a rapid rate of implementation, to compensate for the slow start-up, and ensure the project can be completed within its planned 5 year implementation period;
- On a corresponding issue, develop appropriate project workplans and budgets, and secure formal approval for implementation beyond the originally scheduled March 2016 closing;
- Address slow progress and low stakeholder engagement in Khakassia demonstration region;
- Continue to strengthen biodiversity guidelines in the hydropower sector, considering that RusHydro is in a different market position than partner companies in the oil and coal sectors;
- Develop approaches to increase public reporting of biodiversity investment by energy sector companies;
- Continue development of a Business and Biodiversity platform in Russia, with linkage to the global CBD initiative;
- Maintain strong and positive working relationships with the project partner companies;
- Maintain high level of dexterity, and take advantage of ongoing opportunities and an ever-changing political and economic landscape, such as re-engaging on relevant EIA legislation and regulations at the federal level when national reform measures re-gain momentum;
- "Lock in" the sustainability of project results through all possible means, including official adoption of guidelines, regulations, etc. by relevant government agencies and companies themselves;
- Leverage mechanisms to scale up and increase roll-out of relevant biodiversity conservation measures more widely within the oil and coal sectors, beyond the primary project partner companies;

14. Sustainability is difficult to assess at the mid-term of a project, but risks to the sustainability of project results appears to be limited, and overall **sustainability** is considered **moderately likely**. In addition, the Russia BD-Energy Mainstreaming project has such a range of results at different levels (i.e. national, site-level) and in so many parts of the country that sustainability risks may vary from one specific result to another. Financial risks are limited, though perhaps the most significant is the potential impact of low energy prices in global markets during the remainder of the project implementation period; continued or even greater price drops for oil and coal may reduce the partner companies ability or willingness to maintain their commitments in relation to biodiversity conservation. Socio-political risks are not significant, as the project has succeeded in effectively engaging a wide range of key stakeholders. Institutional and governance risks are not critical, but are present; sustainability of many of the project's results depend on effective institutions and governance, in relation to the development, adoption, implementation, monitoring and enforcement of biodiversity-related energy sector legislation, regulations, guidelines, etc. There are also not major environmental risks to

sustainability, though the potential for a catastrophic event affecting one of the project partners (i.e. major oil spill, mine waste spill, etc.) should be considered a risk, as such an event would have significant negative reputational implications for the project, in addition to potentially having negative biodiversity impacts in one of the pilot regions.

MID-TERM EVALUTION RECOMMENDATIONS

15. The Russia BD-Energy Mainstreaming project is making good progress toward virtually all planned results, and there is no need for major changes to the project strategy or activities at this point in time. The mid-term evaluation provides a few recommendations below, intended to enhance the effectiveness of the project, and ensure the sustainability of results.

16. ***Recommendation 1:*** The project should revise the results framework to strengthen results-based management approach, improve the "SMART-ness" of indicators, and improve the project's ability to report on key results *(Note: Revision already completed in time for 2015 PIR based on discussions during mid-term evaluation, prior to publishing of the mid-term evaluation report)*.

17. ***Recommendation 2:*** The project must prioritize maintaining high annual financial delivery of the project budget. The initial low disbursement in 2012 and 2013 means that the project cannot afford further slippage without risking a loss of cost-effectiveness if the project requires long extensions.

18. ***Recommendation 3:*** Increase and expand the project's work on oil sector spill and emergency response preparedness. This is not significant focus on the project document, yet oil spills have the potential for catastrophic biodiversity impacts; minimizing the chance of such catastrophic events would be a highly valuable result for the project. In addition, this is a cost-effective approach, as remediation for oil spills is much more expensive than prevention. The project has gained some additional results in this area through the preparation of guidelines for assessing offshore oil spill response plans, as requested by the MNRE, and it would be desirable to further develop the project's work on these issues.

19. ***Recommendation 4:*** The project must assess the situation in relation to the potential progress and engagement of coal companies and regional and local authorities in the Khakassia pilot region. The project may consider scaling back originally planned project activities in this pilot region (e.g. further development of Trekhozerka zakaznik, etc.), and re-directing resources to the most effective pilot sites. This would reduce the project's potential impact in the coal sector, but the project scope is already significant, and the results in the coal sector in the Kemerovo pilot site have been positive. The mid-term is the time to assess areas of the project that are not progressing adequately, and re-direct resources to more effective areas of the project.

20. ***Recommendation 5:*** The project must work to ensure that the public-private partnerships for biodiversity conservation are fully handed off and transitioned to sustainable status at the end of the project. The partnerships represented in the project between UNDP, the Government of Russia, and the private sector energy company partners are innovative and unique. At the global level there are is an increasing number of partnerships between biodiversity conservation stakeholders and the private sector, and the project should work to link the Russian companies involved in this project into other national and global initiatives and partnerships. At the

international level, these include the World Business Council on Sustainable Development, the CBD platform on Business and Biodiversity, the initiative on The Economics of Ecosystems and Biodiversity, and multiple international NGOs that have built positive working relationships with the private sector, such as WWF, and Conservation International's Business & Sustainability Council. In short the project must work to ensure that following completion of this project, the good will built during the project flourishes, and the private sector partners that are involved are effectively engaged in further public partnerships for biodiversity conservation, and not just left to find their own way.

21. ***Recommendation 6:*** In the second half of implementation, the project must establish an effective balance between achieving results and ensuring results are sustained after completion. Many project teams are so focused on delivery of results up until the last minute of a project's life that they neglect aspects important for ensuring sustainability. This can include the publication and wide dissemination of key project outputs, workshops or conferences highlighting key results, and aspects such as ensuring a sustained online repository of key project output documents. Specific steps to address this issue may include a.) Developing a project exit strategy that outlines steps to be taken, and how results will be sustained; b.) Holding project planning sessions to brainstorm specific approaches to enhancing sustainability; c.) Engaging key stakeholders, such as PSC members and other partners, to disseminate project outputs within their respective constituencies and take follow-up steps; d.) Assigning specific project team members with responsibilities relating to the exit strategy.

22. ***Recommendation 7:*** The project must leverage mechanisms to scale-up and increase the roll-out of biodiversity conservation measures more widely within each of the energy sectors the project is working on, beyond just the primary project partner companies. Private sector companies want a level playing field in the marketplace, and do not want to be at a disadvantage to their competitors. If some companies implement voluntary environmental protection measures that have financial costs, they may not be as competitive in the market compared to companies that choose not to take on such responsibilities. The project should support the adoption of relevant biodiversity conservation measures by all companies in a particular sector, to ensure that the primary partner companies maintain their willingness to work on these issues. The project's work through the Russian Union of Industrialists and Entrepreneurs is an excellent start in this direction, but the project must explore any other such opportunities, including government adoption of regulations and requirements that would apply to all companies.

RUSSIA ENERGY MAINSTREAMING PROJECT MID-TERM EVALUATION SUMMARY RATINGS

Evaluation Ratings:			
1. Monitoring and Evaluation	**rating**	**2. Implementation & Execution**	**rating**
M&E Design at Entry	MS	Quality of UNDP Implementation	S
M&E Plan Implementation	S	Quality of Execution - Executing Agency	HS
Overall Quality of M&E	S	Overall Quality of Implementation / Execution	HS
3. Assessment of Outcomes	**rating**	**4. Sustainability**	**rating**
Relevance	R / HS	Financial Resources	ML
Effectiveness	S	Socio-political	L
Efficiency	S	Institutional Framework and Governance	ML
Overall Project Outcome Rating	S	Environmental	L
5. Impact	**rating**	Overall Likelihood of Sustainability	ML
Environmental Status Improvement	M		
Environmental Stress Reduction	S		
Progress Toward Stress/Status Change	S	**Overall Project Results**	S

II. Russia BD-Energy Mainstreaming Project Mid-term Evaluation Approach

A. Evaluation Purpose, Objective, and Key Elements

23. The mid-term evaluation is initiated by UNDP, which is the GEF Agency for the project, in line with the monitoring and evaluation plan of the project. The evaluation was carried out as a collaborative and participatory exercise, and identifies key lessons and any relevant recommendations necessary to ensure the achievement and sustainability of project results.

24. The **purpose** of the evaluation is to provide an independent external view of the progress of the project at its approximate mid-point, and to provide feedback and recommendations to UNDP and project stakeholders that can help strengthen the project and ensure its success during the second half of implementation.

25. The **objective** of the mid-term evaluation is to:

- Identify potential project design issues;
- Assess progress toward achievement of expected project results;
- Identify and document lessons that can both improve the sustainability of benefits from this project and aid in the overall enhancement of UNDP and GEF programming in the region; and
- Make recommendations regarding specific actions that should be taken to improve the project.

26. The **scope** of the evaluation will be as outlined in the Terms of Reference for the evaluation, and will include aspects covering:

- Project design, development, risk assessment / management, and preparation
- Project timing and milestones
- Implementation and execution arrangements, including GEF agency oversight
- Stakeholder participation
- Partnership approach
- Work planning, financial management/planning, co-financing
- Flexibility and adaptive management
- Progress toward results
- Key remaining barriers
- Sustainability
- Catalytic role: Replication and up-scaling
- Monitoring and evaluation (project and results levels)
- Impact and Global Environmental Benefits

27. In addition, the UNDP requires that all evaluations assess the **mainstreaming of UNDP programming principles**, which include:

- UN Development Assistance Framework (UNDAF)/Country Program Action Plan (CPAP) / Country Programme Document (CPD) Linkages
- Poverty-Environment Nexus / Sustainable Livelihoods
- Disaster Risk Reduction / Climate Change Mitigation / Climate Change Adaptation

- Crisis Prevention and Recovery
- Gender Equality / Mainstreaming
- Capacity Development
- Rights-based Approach

28. Evaluative evidence will be assessed against the main UNDP and GEF evaluation criteria, as identified and defined in Table 2 below:

Table 2. GEF and UNDP Main Evaluation Criteria for GEF Projects

Relevance
• The extent to which the activity is suited to local and national development priorities and organizational policies, including changes over time. • The extent to which the project is in line with the GEF Operational Programs or strategic priorities under which the project was funded. • Note: Retrospectively, the question of relevance often becomes a question as to whether the objectives of an intervention or its design are still appropriate given changed circumstances.
Effectiveness
• The extent to which an objective has been achieved or how likely it will be achieved.
Efficiency
• The extent to which results have been delivered with the least costly resources possible; also called cost-effectiveness or efficacy.
Results
• The positive and negative, foreseen and unforeseen changes to and effects produced by a development intervention. • In GEF terms, results include direct project outputs, short to medium-term outcomes, and longer-term impact including global environmental benefits, replication effects and other local effects.
Sustainability
• The likely ability of an intervention to continue to deliver benefits for an extended period of time after completion: financial risks, socio-political risks, institutional framework and governance risks, environmental risks • Projects need to be environmentally, as well as financially and socially sustainable.

29. The GEF M&E Policy[1] includes principles for evaluation, which are outlined as follows:

- Credibility
- Utility
- Impartiality
- Transparency
- Disclosure
- Participation

30. The evaluation was also conducted in line with United Nations Evaluation Group norms and standards.[2]

[1] See http://www.thegef.org/gef/Evaluation%20Policy%202010.

[2] See http://www.uneval.org/normsandstandards/index.jsp?doc_cat_source_id=4.

B. Evaluation Approach and Data Collection Methods

31. The desk review was begun in March 2015, and the evaluation missions were carried out from April 15-17, and May 18-22, 2015. The evaluation field visit itinerary is included as Annex 6 to this evaluation report. The evaluation was done in accordance with the UNDP Handbook on Planning, Monitoring and Evaluating for Development Results,[3] and in-line with the GEF M&E Policy.

32. The collection of evaluative evidence was based on three data collection methodologies:

1. Desk review of project and other documentation
2. Interviews with stakeholders at local, regional, and national levels
3. Field visit to projects sites

33. The mid-term evaluation involved four main steps, which overlapped temporally:

1. Desk review of project documentation, and logistical preparation and coordination with the project team for the field visit
2. In-country field visit, including visits to project field sites, and qualitative interviews with key stakeholders at the national and local levels
3. Analysis of data, follow-up to address any data gaps, and drafting of the evaluation report, then circulation to evaluation participants for additional feedback and input
4. Finalization of the evaluation report with the project team and stakeholders

34. Individuals targeted for interviews were intended to represent the main project stakeholders, partners and beneficiaries, and those most knowledgeable about various aspects of the project. The evaluation also sought to include a representative sample covering all different types of stakeholders, including national and local government, civil society, local communities, and the private sector.

C. Limitations to the Evaluation

35. All evaluations face limitations in terms of the time and resources available to adequately collect and analyze evaluative evidence. For the Russia BD-Energy Mainstreaming mid-term evaluation, the evaluator was not able to visit all project pilot regions; the only field visit was conducted to multiple sites in the Kemerovo pilot region. The evaluator did not travel to other demonstration regions for multiple reasons, including the scheduling availability, and cost-effectiveness of the evaluation; with six demonstration regions spread widely across Russia it would have required significant time and resources to visit all regions. In addition, because the Kemerovo field visit was completed during a Project Steering Committee meeting, it was possible to collect data from stakeholders from other demonstration regions without traveling there. Also, as is understandable, some project documents were available only in Russian language, although the project team and UNDP worked to ensure that language was not a barrier to the collection of evaluative evidence. In addition, all key documents were available in English. Altogether the evaluation challenges were not significant, and the evaluation is believed to represent a fair and accurate assessment of the project.

[3] See http://www.undp.org/evaluation/handbook.

III. Project Overview

A. Russia BD-Energy Mainstreaming Project Development Context

36. This section includes a brief summary of some geographic and socio-economic aspects of the BD-Energy Mainstreaming project development context; much more extensive and detailed information is available in the project document, with detailed information in annex B. Portions of the below section are drawn directly from the project document.

i. Biodiversity Context

37. The demonstration areas of the project – Kemerovo Oblast, Republic of Khakassia, Nenetsk Autonomous Okrug, Northern Caspian region within Astrakhan and Kalmykia Oblasts, Amur Oblast, and Sakhalin Oblast – are repositories of globally significant biodiversity. The Republic of Khakassia and Kemerovo Oblast are home to a WWF Global 200 ecoregion, the Northern steppes in intermountain basins. This area also has the Mountain Shoria and large boreal forest stands. It is one of Russia's biodiversity centers located at the juncture of south taiga and mountain-steppe zones. The Nenetsk Autonomous Okrug (NAO) in the northeast tundra is characterized by arctic ecosystems; the Pechora Sea, coastal tundra, and is the eastern-most habitat of migratory Atlantic salmon. The North Caspian is characterized by low-salinity ecosystems and is the global center for diversity and endemism of members of the genus Salmo, especially the bull trout (*Salmo trutta*). Sakhalin Oblast, in the Far East, provides habitat for the globally significant species of the western gray whale (*Eschrictius robustus*), Steller's sea-eagle (*Haliaeetus pelagicus*) and Sakhalin taimen (*Parahucho perryi*), as well as containing diverse coastal ecological systems.

38. A significant share of Russia's biological wealth will continue to exist outside the national network of protected areas, which covers only around 10% of the territory. Economic development will continue to place pressure on biodiversity outside protected areas, and the current orientation of the economy towards natural resource exploitation is evidenced in the fact that export of natural resources yields over 70% of currency income for the country. The value of natural ecosystems embodied in their biosphere function and ecosystem services are, thus far, not fully taken into account in the economic sphere. Damage to biodiversity from economic development is not being compensated fast enough by the establishment of new protected areas. The annual increase in areas disturbed by economic activities is faster than the annual increase in extent of reclaimed lands. Most importantly, Russia's regions of globally significant biodiversity – namely the Arctic, Siberia, Far East, and Caucasus – are increasingly becoming the focus of energy development.

ii. Energy Sector Context

39. Russia possesses great energy resources – its territory contains $1/10^{th}$ of oil reserves, $1/5^{th}$ of coal reserves and 14% of uranium reserves – and a powerful fuel and energy complex. Russia's current hydropower sector is second after China (46,000 MWt installed capacity). Russia's energy sector is the backbone of its economy, and it is expanding to support growing domestic and external energy demands.

40. Russia possesses substantial reserves of hydrocarbons. Its forecast reserves of oil are estimated at 44 billion tons. However, the currently available mineral hydrocarbon feedstock is characterized by a diminishing amount of proven oil reserves, while the share of hard-to-recover reserves is increasing. Traditional oil production areas are now greatly exhausted. Further geographical expansion of production is expected, primarily in the North of European Russia, on the Arctic shelf, in the Yamal-Nenets Autonomous District, and in the northwestern part of Krasnoyarsk Krai. All the above-mentioned regions harbor globally significant undisturbed natural ecosystems and are known for extremely low environment resilience to technological impact. At the same time, Russia's oil sector companies are seeking increasing entry in the global market, and are eagerly working to improve their technology and corporate practices in line with global best practice standards and norms.

41. Russia has over 4,000 billion tons of coal reserves. This includes booked reserves as of January 01, 2008 of 272.6 billion tons and non-commercial coal in place of 50.2 billion tons. Power generating coal constitutes the majority of these resources (3,641.9 billion tons or 89 %); coking coal amounts to only 445.6 billion tons or 11%. Most coal resources are located in Siberia (64 %) and the Far East (30%). The European part of Russia and the Urals account for 6%. As of January 01, 2008, explored deposits of coal suitable for open-pit mining amounted to 117.6 billion tons (61 %), which mainly include lignite coal (93.4 billion tons or 79.4%). 99% of the said deposits are located in Siberia and the Far East. Deposits of coking coal, suitable for open-pit mining, are estimated to be 3.2 billion tons or 2.7 % (mainly Kuznetsky and Yuzhno-Yakutsky basins). Development of coal production is planned to take place in the major basins i.e., Kuznetsky and Kansko-Achinsky. To achieve its strategic goals in the coal sector Russia's Energy Strategy envisages: (i) Development and implementation of technical procedures, raising requirements of coal fuel quality, including setting quality standards by types of coal consumption, certification of products and introduction of international quality standards at enterprises; and (ii) Consistently bringing environmental protection regulations for coal industry enterprises into compliance with international standards.

42. As of January 2009, there were 117 hydropower plants and two pump-storage power plants owned by national generating companies, and 21 hydropower plants owned by various business entities, giving a total of 140 hydropower plants. The significance of hydropower for the country's power industry is reflected in the fact that, in 2008, hydropower accounted for 20% of all installed power generating capacity, and 16% of power production. It is estimated that only 18% of Russia's hydropower potential is currently in use. The Energy Strategy of Russia (2003-2030) provides for an expansion of hydropower construction in the Northern Caucasus, primarily consisting of small and medium capacity hydropower stations. Large hydropower facilities are under development and planned in Amur Oblast on major tributaries of the Amur river, such as the Bureyskaya and Zeya, impacting biodiversity-rich river systems in Amur Oblast. RusHydro is Russia's primary hydropower company, and Russia's largest power producer. In November 2014 RusHydro and its Chinese counterpart, Three Gorges Corporation, reached an agreement to develop four new hydropower facilities in Amur Oblast, and neighboring Khabarovskiy Kray: Nizhe-Eyskaya (400 MW), Selemzhinskaya (300 MW), Gilyuiskaya (462 MW) and Lower-Limanskaya (600 MW). This expected growth presents a serious threat of biodiversity disturbance.

B. Problems the Project Seeks to Address

43. Energy production can have a wide range of negative impacts on biodiversity through many different types of activities. Key threats identified in the project document are summarized in Table 3 below. At the macro scale, these threats include issues such as water pollution and habitat destruction.

Table 3 Key Threats to Biodiversity from the Energy Sector[4]

Sector	Threats
Oil and Gas	• Habitat fragmentation, degradation and destruction from extraction activities • Acoustic disturbance • 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	• 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	• 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

C. Project Description and Strategy

44. The long-term goal towards which the project is contributing is that energy sector operations in Russia 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 six demonstration areas of the country.*" The project objective will be realized through four outcomes, as outlined below. The project strategy is to work on the enabling environment for biodiversity conservation in the energy sector at the national level

[4] Source: Summarized from Section 1.3 of the project document.

(Outcome 1), while addressing specific sectors (oil and gas, coal, hydropower) through practical on-the-ground demonstrations in pilot regions (Outcome 2-4).

- **Outcome 1:** Enabling policy, legislative and institutional environment is in place for mainstreaming biodiversity conservation considerations in the oil, hydropower and coal sectors
    - Output 1.1 Capacities to implement international best practices in mainstreaming biodiversity conservation in all three energy sectors are developed
    - Output 1.2 Government regulations and methodological guidelines that support application of the avoid-reduce-remedy-offset paradigm are adopted
    - Output 1.3 EIA development responsibilities are fully clarified, and policies and practices are revised to include assessments of biodiversity impact
    - 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
    - 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.
- **Outcome 2:** "Avoid-reduce-remedy-offset" principle is demonstrated for the oil sector
    - Output 2.1 Compendium of biodiversity solutions for the oil sector
    - Output 2.2 Sector-specific regulations and corporate standards for the oil sector
    - Output 2.3 Biodiversity impact assessment and monitoring
    - Output 2.4 Biodiversity risk mitigation measures demonstrated in oil fields in NAO, Sakhalin and North Caspian
    - Output 2.5 Demonstration of a trilateral agreement between local communities/ indigenous peoples, regulatory authorities and energy companies
    - Output 2.6 Scaling up and dissemination of lessons learned
- **Outcome 3:** "Avoid-reduce-remedy-offset" principle is demonstrated for the hydropower sector
    - Output 3.1 Compendium of biodiversity solutions for the hydropower sector
    - Output 3.2 Sector-specific regulations and corporate standards for hydropower sector
    - Output 3.3 Biodiversity impact assessments
    - Output 3.4 Baseline sector practices and technologies modified to reduce biodiversity impacts at design phase of the Kankunskaya Large Hydropower Plant (LHPP)
    - Output 3.5 Biodiversity offset demonstrated for endangered Siberian Grouse affected by hydropower development
    - Output 3.6 Reducing barriers for the promotion of selected biodiversity-friendly technologies (small hydro)
    - Output 3.7 Scaling up and dissemination of lessons learned

- **Outcome 4:** "Avoid-reduce-remedy-offset" principle is demonstrated for the coal sector
    - Output 4.1 Compendium of biodiversity solutions for the coal sector
    - Output 4.2 Sector-specific regulations and corporate standards for coal sector
    - Output 4.3 Biodiversity impact assessments
    - Output 4.4 Baseline sector practices and technologies modified to reduce biodiversity impacts at recultivation phase
    - Output 4.5 Biodiversity offset demonstrated through establishment of a regional zakaznik
    - Output 4.6 Reducing barriers for the promotion of selected biodiversity-friendly technologies (water treatment technologies)
    - Output 4.7 Scaling up and dissemination of lessons learned

45. The main results expected from the project are highlighted in the project results framework, included as Annex 9 to this evaluation report, with a summary of progress toward key results.

46. The project officially started in July 2011, and is currently planned for completion in June 2016, although an extension into 2017 is anticipated. The project is in the biodiversity focal area of the GEF portfolio, and the full-sized project has GEF funding of $7.20 million USD, and planned co-financing of $31.95 million USD, for a total project budget of $39.15 million.

D. Implementation Approach and Key Stakeholders

i. Implementation Arrangements

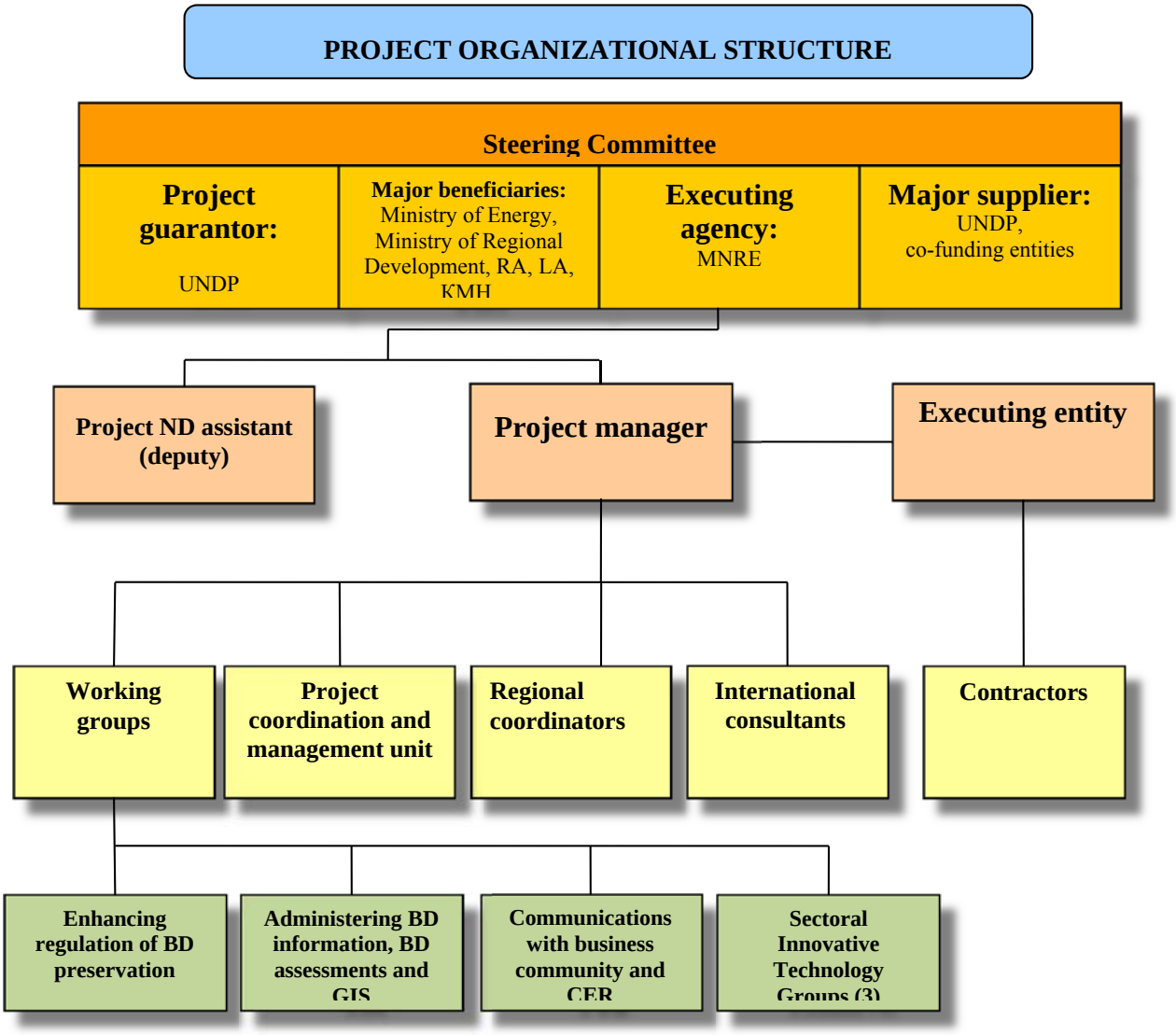
47. The implementation structure of the project is indicated in Figure 1, below. The project is executed under UNDP's "National Implementation" modality, with the Federal Natural Resource Management Supervisory Service ("Rospriradnadzor"), of the Ministry of Natural Resources and Environment (MNRE), as the executing agency. The National Project Director (NPD) is a senior member (Deputy Head) of this agency. The project also has a deputy NPD from the national implementing partner agency, who is more directly engaged with and consulted on the day to day project activities. The national implementing partner agency has the following responsibilities: (i) certifying expenditures under approved budgets and work plans; (ii) tracking and reporting on procurement and outputs; (iii) coordinating the financing from UNDP and GEF with that from other sources; (iv) preparation/ approval of Terms of Reference for contractors and required tender documentation; and (v) chairing the Project Board. The national implementing partner also facilitates the implementation of the required policy reforms.

48. The Project Management Unit (PMU) is responsible for the day-to-day management and operations of the project. The PMU is based in Moscow, at the UNDP office. The staff consists of the Project Manager, Project Administration and Logistics Assistant, and three biodiversity experts. The project also has regional coordinators for each of the demonstration sites, based in the respective regions.

49. UNDP is the project implementing agency, with direct support and oversight provided by the UNDP Russia Project Support Office, in Moscow. The UNDP-GEF regional office in Istanbul further oversees the project. As the project implementing agency, UNDP is responsible for

financial management, including 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 Implementing Partner. The UNDP Russia Project Support Office also monitors the project's implementation, and achievement of the project outputs and ensure the proper use of UNDP/GEF funds.

Figure 1 BD-Energy Mainstreaming Project Implementation Structure[5]



50. The main project oversight and participatory decision-making mechanism is the PSC. As described by the project document, the PSC "is responsible for making management decisions for a project in particular when guidance is required by the Project Manager. It plays a critical role in project monitoring and evaluations by quality assuring these processes and products, and using evaluations for performance improvement, accountability and learning. It ensures that

[5] Source: Project Inception Report.

required resources are committed and arbitrates on any conflicts within the project or negotiates a solution to any problems with external bodies." The membership of the PSC was confirmed at the project Inception Workshop, and is indicated in Table 4 below. The PSC membership includes representatives of federal and regional governments, the private sector, and civil society.

51. The first PSC meeting was held during the project Inception Workshop, on July 19, 2012. Subsequent meetings have been held annually: February 25 – March 18, 2013 (in absentia); February 27, 2014; December 23, 2014 – January 31, 2015 (in absentia); and May 19-21, 2015.

Table 4 BD-Energy Mainstreaming Project PSC Membership

Organization	Status	Stakeholder Type
Deputy Head, RF Supervisory Natural Resource Management Service (Rosprirodnadzor), Project National Director, Steering Committee Chairman	Member	Federal Government
Deputy Head, RF Supervisory Natural Resource Management Service (Rosprirodnadzor)	Member	Federal Government
Deputy Head, Department of International cooperation, RF Ministry of Natural Resources and Environment	Member	Federal Government
Head of ecology and use of natural resources, Department of State Regulation of Tariffs, Infrastructural Reforms and Energy Efficiency, RF Ministry of Economic Development and Trade	Member	Federal Government
Chief specialist – expert, Department of Energy Efficiency and Fuel & Energy Sector, RF Ministry of Energy	Member	Federal Government
Regional Technical Advisor, UNDP	Member	Implementing Agency
Head, UNDP Project Support Office, Russia	Member	Implementing Agency
Minister of Natural Resources and Environment of the Republic of Kalmykia	Member	Regional Government
Deputy Head of Astrakhan Region (oblast) Government on the functioning of life support systems and environmental safety	Member	Regional Government
Deputy Head, Department of natural resources and environment of the Nenetsk Autonomous Okrug	Member	Regional Government
Head, Natural Resources and Ecology Department, Kemerovo Oblast	Member	Regional Government
Acting First Deputy Minister – Head, Department of the Environment, Ministry of Industry and Natural Resources of the Republic of Khakassia	Member	Regional Government
Deputy Minister of economic development of Amur region (oblast)	Member	Regional Government
Head, Department of Environment Protection, LUKOIL	Member	Private Sector
Head, Environmental Protection Department, Sakhalin Energy Investment Company Ltd.	Member	Private Sector
Technical policy and development Director, RusHydro	Member	Private Sector
Technical Director, Kuzbasskaya Toplivnaya Company	Member	Private Sector
President, Russian Association of Indigenous Peoples of the North, Siberia and Far East (RAIPON)	Member	Civil Society
Deputy Chairman, Committee for Ecology and Natural Resource Use, Russian Union of Industrialists and Entrepreneurs	Member	Civil Society
Chief Specialist, Department of Environment Protection, LUKOIL	Observer	Private Sector
Deputy General Director for Common Affair, LUKOIL-Nizhnevolzhskneft	Observer	Private Sector
Head, Ecology Department, LLC Lukoil-Nizhnevolzhskneft	Observer	Private Sector

Organization	Status	Stakeholder Type
Deputy General Director on Environment and Industrial Safety, CJSC SN Invest	Observer	Private Sector
Technical Director, SUEK-Kuzbass	Observer	Private Sector
Head, Department of environmental safety and protection, SDS-Ugol	Observer	Private Sector
Head, Environmental Department, South Kuzbass	Observer	Private Sector
Biodiversity Manager, Central HSE, Sakhalin Energy Investment Company Ltd.	Observer	Private Sector
Minister for Federal Relations and External Relations of the Republic of Sakha (Yakutia), Chairman of the regional coordinators of the Northern Forum	Observer	Regional Government
Deputy Head, Astrakhan Region (oblast) Department of Environment	Observer	Regional Government
1st Deputy Chairman of the Supreme Council of the Republic of Khakassia	Observer	Regional Government
Director of Conservation Policy, WWF Russia	Observer	Civil Society
Extractive Industries Environmental Policy Officer, WWF Russia	Observer	Civil Society
Moderator of the Thematic community "Dams and development"	Observer	Civil Society
Deputy Provost, M.V. Lomonosov Moscow State University – Deputy Head, Scientific Policy and Research Organization Department	Observer	Academic
Associate Professor of Economic and Social Geography, M.V. Lomonosov Moscow State University	Observer	Academic
Member of the Presidium of the Executive Committee of the Russian Geological Society, Chairman of the Medical and the geological section of the Russian Geological Society	Observer	Academic
Member of the RF Public Chamber, Adviser to President of the Russian Association of Indigenous Peoples of the North, Siberia and Far East (RAIPON)	Observer	Civil Society
Director of Information Center, legal issues expert, Russian Association of Indigenous Peoples of the North, Siberia and Far East (RAIPON)	Observer	Civil Society
Chairman of the department of "Protection of nature and biodiversity" of Russian Academy of Natural Sciences, head of the Analytical Center of the inventory and monitoring of natural resources center VNIIPrirody	Observer	Academic

ii. Key Stakeholders

52. Given the scope of the project, working in three sectors in six different pilot regions and at the national level, the relevant stakeholders for mainstreaming biodiversity conservation in the energy sector are numerous. Stakeholders cover government authorities at local, regional, and federal levels, numerous civil society stakeholders, local land users and other private sector actors, as well as multiple academic and research institutes. Annex E of the project document outlines the range of stakeholders at the federal and regional level for the demonstration regions. The most critical stakeholders can be considered as those represented on the project steering committee, as indicated in Section III.D.i above.

E. Key Milestone Dates

53. Table 5 below indicates the key project milestone dates. Information on the initial origins of the project concept was not available, but the government signed off on the PIF submission in February 2009, and the PIF and PPG were approved a month later in March 2009, initiating the official project development phase. However, a project PIF was re-submitted in January 2010 (despite the initial PIF approval), and the GEF Council then approved the project for GEF workplan inclusion in March 2010. The CEO Endorsement Request was not submitted until December 2010, and then re-submitted in January 2011. CEO Endorsement was not received until March 8, 2011, approximately 24 months after the initial PIF submission.

54. The project start-up phase was also delayed. Although UNDP's Local Project Appraisal Committee review was completed immediately following CEO Endorsement (in March 2011), the NPD was not appointed until November 2011 (eight months later), and the project inception workshop was not held until July 2012, 16 months after CEO Endorsement. The project did not truly start even after the inception workshop, as a new NPD had to be appointed in November 2012, and the project manager was not hired until December 2012. Therefore "actual" implementation of project did not begin until December 2012 or January 2013, approximately 22 months after the planned implementation start of March 2011.

55. The project PIF was officially approved in the GEF-4 period (within the four years preceding June 30, 2010), during which time the GEF business standard for FSPs for the period from identification to start of implementation was 22 months. From initial PIF approval to actual implementation of activities was 44 months. This is a delay of 22 months relative to the GEF business standard. If the UNDP-Government Prodoc signature is considered as the official start of project activities (ignoring the fact that activities didn't really start until much later), then the delay is only five months. According to project stakeholders, the delays were mainly due to institutional changes in the MNRE, which related to the delayed initial NPD appointment, and then the NPD re-appointment 12 months later. Fortunately, following the actual start of activities, the project has been relatively on track.

56. The project was planned for a 60-month (five year) implementation period. With the UNDP-Government Prodoc signature in July 2011, this would indicate expected completion in June 2016. However, considering that actual activities did not start until approximately January 2013, it would be expected that the project would need to receive an 18-month no-cost extension to approximately December 2017 to have the full amount of required time to complete the planned activities. Any extension would need to be discussion between UNDP and the government, and be approved by the Project Steering Committee.

57. The mid-term evaluation was carried out approximately 28 months after the actual start of project activities (the approximate mid-point of a 60 month implementation period); this is 45 months after the official start of the project, at the UNDP-Government Prodoc signing.

Table 5 Russia BD-Energy Mainstreaming Project Key Milestone Dates[6]

Milestone	Expected date [A]	Actual date [B]	Months (total)
1. Government GEF Focal Point Endorsement	N/A	February 6, 2009	0 (0)
2. Project Information Form (PIF) Submission	N/A	March 3, 2009	1 (1)
3. Project Preparation Grant (PPG) Request	N/A	March 6, 2009	0 (1)
4. PIF Approval	N/S	March 12, 2009	0 (1)
5. Project Preparation Grant (PPG) Approval	N/S	March 12, 2009	0 (1)
6. PIF Re-submission	N/S	January 20, 2010	10 (11)
7. GEF Council Workplan Inclusion Approval	March 2010	March 17, 2010	2 (13)
8. CEO Endorsement Request	December 2010	December 2010	9 (21)
9. CEO Endorsement Request Re-submission	N/S	January 19, 2011	1 (22)
10. Posting for Council Review	N/S	February 4, 2011	0.5 (22.5)
11. CEO Endorsement	March 5, 2011	March 8, 2011	1 (23.5)
12. Local Project Appraisal Committee Review	N/S	March 11, 2011	0 (23.5)
13. UNDP-Country Prodoc Signature ("GEF Agency Approval")	February 2011	July 25, 2011	4.5 (28)
14. Appointment of Government Executing Agency National Project Director	March 2011	November 24, 2011	4 (32)
15. Inception Workshop	May 2011	July 18-19, 2012	8 (40)
16. Implementation Start	March 2011	November 2012	4 (44)
17.Appointment of New Government Executing Agency National Project Director	N/A	November 8, 2012	0 (44)
18. Hiring of Project Manager	April 2011	December 1, 2012	1 (45)
19. Mid-term Evaluation	September 2013	April-May 2015	28 (73)
20. Project Operational Completion	March 2016	TBD - November 2017	N/A
21. Terminal Evaluation	January 2016	TBD - August 2017	N/A
22. Project Financial Closing	December 2016	TBD - December 2017	N/A

[6] Sources: 1.A. Not applicable; 1.B. Government endorsement letter; 2.A. Not applicable; 2.B. PIF Re-submission Document; 3.A. Not applicable; 3.B. PPG Request Document; 4.A. Not specified; 4.B. GEF online PMIS; 5.A. Not specified; 5.B. GEF online PMIS; 6.A. Not specified; 6.B. PIF Re-submission Document; 7.A. Expected PPG completion, as per PPG Document; 7.B. GEF online PMIS; 8.A. PIF Re-submission Document; 8.B. Request for CEO Endorsement Re-submission Document (indicated initial submission date); 9.A. Not specified; 9.B. Request for CEO Endorsement Re-submission Document; 10.A. Not specified; 10.B. GEF CEO Letter to GEF Council; 11.A. 30 days after posting for GEF Council review, as per GEF business standards; 11.B. GEF CEO Endorsement Letter; 12.A. Not specified; 12.B. Project Inception Workshop Report; 13.A. Request for CEO Endorsement Re-submission Document milestones; 13.B. Project Inception Workshop Report; 14.A. Following UNDP-Government Prodoc Signature; 14.B. Project Inception Workshop Report; 15.A. Within three months of agency-government Prodoc signature; 15.B. Project Inception Workshop Report; 16.A. Immediately following UNDP-Government Prodoc signature; 16.B. Project Inception Workshop Report; 17.A. Not applicable; 17.B. Project Inception Workshop Report; 18.A. Following UNDP-Government Prodoc Signature; 18.B. Project Inception Workshop Report; 19.A. At mid-point of project planned implementation period from expected implementation start; 19.B. Dates of mid-term evaluation data collection and field visits; 20.A. Request for CEO Endorsement Re-submission milestones; 20.B. To be determined – as per discussion with UNDP and project team; 21.A. Within three months prior to planned project completion; 21.B. To be determined – within three months prior to actual completion; 22.A. As per standard UNDP financial procedures; 22.B. To be determined - As per standard UNDP financial procedures.

EVALUATION FINDINGS AND CONCLUSIONS

IV. Relevance

A. Relevance of the Project Objective

58. The Russia BD-Energy Mainstreaming project is considered ***relevant*** (or "highly satisfactory" in terms of the relevance criteria), as the project represents a cutting edge partnership between the private sector, government, and the public. The project is built on the overall fundamental concept and acceptance of the fact that operations in the energy sector have potential negative impacts on biodiversity, and the private and public sectors must build partnerships to apply the Avoid-Reduce-Restore-Offset principles. The project is in-line with the agreed UNDP priorities for Russia, and is in-line with the GEF strategic priorities for the biodiversity focal areas. Further, the project clearly supports relevant multilateral environmental agreements, including the CBD, the Ramsar Convention, and the World Heritage Convention.

i. Relevance to National and Local Policies and Strategic Priorities

59. The project broadly supports the broad national and sub-national legislative and policy framework of Russia for biodiversity and nature conservation, as the energy sector is obligated to work within this underlying framework. In addition, the project supports various energy-sector specific initiatives, policies, laws and regulations related to biodiversity conservation. The project document extensively discusses the Russian environmental policy and legislative framework and context in section 1.4 of the project document. This includes the national Environmental Impact Assessment (EIA) regulations and guidelines.

60. The relevant policy context includes the Presidential Order 889 of June 4, 2008 "On measures to increase energy and environmental effectiveness of Russian economy", which defines a direct link between environment protection objectives and energy industries. Another relevant policy document is the "Energy Strategy of Russia for the Period to 2030", adopted November 13, 2009. The key guidelines of this strategy highlight the importance of the energy sector minimizing the effects of air and water pollution from the energy sector on ecosystems.

61. In addition, Russia's National Biodiversity Strategy and Action Plan (NBSAP) explicitly highlights the impact of the energy sector on biodiversity; as stated in the project document:

> *"[The NBSAP] recognizes that the key threat to its biodiversity is 'destruction and disturbance of habitat'. The scale of biodiversity priorities to be tackled under the NBSAP places 'oil and gas extraction and transport, exploratory drilling for oil and gas in coastal areas and on shelf' as one of the key concerns in the Russian Arctic, for which it claims 'Russia bears global responsibility'. In the NBSAP, 'inappropriate allocation of forest stands for mining, building of roads, other linear structures, and degradation of forest stands under the influence of discharges from smelters and power stations' are among top five key problems for tackling in forest ecosystems. The hierarchy of priorities for marine and coastal ecosystems starts with need to deal with '(i) pollution by hydrocarbons and drilling fluids, (ii) inappropriate engineering works and mining activities in the coastal zone'; for freshwater ecosystems areas of priority for biodiversity are (i) hydroengineering works, (ii) pollution as a result of oil development. Finally, for peatland ecosystems, NBSAP puts first priority on the need to deal with 'changes in the natural hydrological conditions as a result of construction of roads, oil and gap pipelines, hydrotechnical works'.*

ii. Relevance to UNDP Country Priorities

62. The BD-Energy Mainstreaming project supports the agreed UNDP priorities for Russia. Since the UNDP Russia office currently only has the status of a Project Support Office, and not a full Country Office, the 2008-2010 UNDP Russia Country Programme Document is the last relevant UNDP strategy for the country. This document highlights five main strategies to be applied under the area of environmental sustainability, including the following: "Integration of biodiversity considerations into economic activities, in part by promoting incentives for the private sector to engage in biodiversity conservation." This strategy supports the Output 3.2: "Conserved ecosystems are considered as important resources for sustainable development."

iii. Relevance to GEF Strategic Objectives

63. The GEF has limited financial resources so it has identified a set of strategic priorities and objectives designed to support the GEF's catalytic role and leverage resources for maximum impact. Thus, GEF supported projects should be, amongst all, relevant to the GEF's strategic priorities and objectives. The Russia BD-Mainstreaming project was initially submitted and had its PIF approved during GEF-4, and the project uses GEF funding from the GEF-4 replenishment. However, the project received final approval and is being implemented under the GEF strategic priorities for GEF-5 (July 2010 – June 2014).[7] Under the GEF-5 biodiversity strategic objectives, the project supports Objective 2: "Mainstream Biodiversity Conservation and Sustainable Use into Production Landscapes, Seascapes, and Sectors," and contributes to both Outcome 2.1: "Increase in sustainable managed landscapes and seascapes that integrate biodiversity conservation" and Outcome 2.2: "Measures to conserve and sustainably use biodiversity incorporated in policy and regulatory frameworks."

64. The relevant GEF biodiversity focal area results framework indicators are:

- Indicator 2.1: Landscapes and seascapes certified by internationally or nationally recognized environmental standards that incorporate biodiversity considerations (e.g. FSC, MSC) measured in hectares and recorded by GEF tracking tool.
- Indicator 2.2: Polices and regulations governing sectoral activities that integrate biodiversity conservation as recorded by the GEF tracking tool as a score.

65. The project supports the GEF's second biodiversity strategic objective in multiple ways. Through application of the "ARRO" approach, the project is directly and indirectly contributing to increases in the area of production landscapes under improved biodiversity management. In the energy sector there are no independent 3rd party verification systems, such as the Forest Stewardship Council for forestry, or the Marine Stewardship Council for fisheries. Therefore the project is working to produce industry-specific compendiums of best-practices for biodiversity conservation and management in each sector. Under the project's Outcome 1, the project is also working at the national level to incorporate biodiversity in policy and regulatory frameworks, including improved industry reporting on biodiversity conservation expenditures, and the development of guidelines and regulations on aspects such as restoration and re-cultivation of affected lands, cetacean monitoring, and dialog with indigenous peoples.

[7] For the focal area strategic priorities for GEF-5, see GEF Council document GEF/R.5/31, "GEF-5 Programming Document," May 3, 2010.

66. The project is also supportive of Objective 1: "Improve Sustainability of Protected Areas systems," under Outcome 1.1: "Improved management effectiveness of existing and new protected areas." For example, the project is supporting the improved management of existing protected areas in multiple pilot regions, such as the Caspian, Sakhalin Island, and NAO. In other regions, the project is supporting the establishment of new protected areas, such as Bureyskaya Nature Reserve in Amur oblast, and Karakan Ridge in Kemerovo oblast.

iv. Relevance to Multilateral Environmental Agreements

67. The CBD is a key multilateral environmental agreement for which the GEF is the financial mechanism. Russia is a party to the CBD, having ratified the agreement on April 5, 1995. The BD-Energy Mainstreaming project supports the CBD's Biodiversity and Business platform, and meets CBD objectives by supporting the Convention's Articles 6 (General Measures for Conservation and Sustainable Use), 7 (Identification and Monitoring), 8 (In-situ Conservation), 10 (Sustainable Use of Components of Biological Diversity), 11 (Incentive Measures), 12 (Research and Training), 13 (Education and Awareness), 14 (Impact Assessment and Minimizing Adverse Impacts), and 17 (Exchange of Information). The project also supports the CBD's Aichi targets for 2020, including:

- *Target 1: By 2020, at the latest, people are aware of the values of biodiversity and the steps they can take to conserve and use it sustainably.*
- *Target 2: By 2020, at the latest, biodiversity values have been integrated into national and local development and poverty reduction strategies and planning processes and are being incorporated into national accounting, as appropriate, and reporting systems.*
- *Target 3: By 2020, at the latest, incentives, including subsidies, harmful to biodiversity are eliminated, phased out or reformed in order to minimize or avoid negative impacts, and positive incentives for the conservation and sustainable use of biodiversity are developed and applied, consistent and in harmony with the Convention and other relevant international obligations, taking into account national socio economic conditions.*
- *Target 4: By 2020, at the latest, Governments, business and stakeholders at all levels have taken steps to achieve or have implemented plans for sustainable production and consumption and have kept the impacts of use of natural resources well within safe ecological limits.*
- *Target 5: By 2020, the rate of loss of all natural habitats, including forests, is at least halved and where feasible brought close to zero, and degradation and fragmentation is significantly reduced.*
- *Target 8: By 2020, pollution, including from excess nutrients, has been brought to levels that are not detrimental to ecosystem function and biodiversity.*
- *Target 11: By 2020, at least 17 per cent of terrestrial and inland water, and 10 per cent of coastal and marine areas, especially areas of particular importance for biodiversity and ecosystem services, are conserved through effectively and equitably managed, ecologically representative and well connected systems of protected areas and other effective area-based conservation measures, and integrated into the wider landscapes and seascapes.*
- *Target 12: By 2020 the extinction of known threatened species has been prevented and their conservation status, particularly of those most in decline, has been improved and sustained.*
- *Target 14: By 2020, ecosystems that provide essential services, including services related to water, and contribute to health, livelihoods and well-being, are restored and safeguarded, taking into account the needs of women, indigenous and local communities, and the poor and vulnerable.*

- *Target 15: By 2020, ecosystem resilience and the contribution of biodiversity to carbon stocks has been enhanced, through conservation and restoration, including restoration of at least 15 per cent of degraded ecosystems, thereby contributing to climate change mitigation and adaptation and to combating desertification.*
- *Target 19: By 2020, knowledge, the science base and technologies relating to biodiversity, its values, functioning, status and trends, and the consequences of its loss, are improved, widely shared and transferred, and applied.*

68. The project demonstration regions include Ramsar sites and World Heritage sites, and as such the project supports implementation of these conventions in Russia. The project could also be considered supportive of the Convention on Migratory Species, considering that within the project demonstration regions there are multiple species that migrate between Russia and neighboring countries, particularly birds and fish, but also mammals and cetaceans.

B. Relevance of the Project Approach: Project Strategy and Design

69. The project strategy and design is sound, working at the level of both the enabling environment and in multiple demonstration sites, in multiple sectors. The project strategy includes working at the level of the enabling environment (Outcome 1), while implementing practical activities and on-the-ground demonstration actions for each of the selected sectors.

70. There is one minor, and one more notable, issue related to the project design. First, the minor issue is that the project scope is extremely expansive. The project demonstration regions span virtually the entire Russian territory (from the Arctic shelf, to the shores of the Caspian, to the Far Eastern Pacific shelf). This wide scope could potentially limit the project's effectiveness by spreading the resources and focus too thinly. Addressing the mainstreaming of biodiversity could have been undertaken with the project budget in just one of the energy sectors targeted with one or two pilot regions, with the same budget and timeframe.

71. The second, more significant, issue is that the project implementation structure does not include a high-level technical advisory panel (or a similar body) to provide external independent scientific and technical input on project activities - in relation to both biodiversity conservation and practical realities of energy industry operations. In practice this has not yet been a major issue during implementation, as the project is working with and has engaged high quality scientists and technical experts in many different project activities. The project has established technical working groups for each sector, with the engagement of recognized scientific experts. However, for a project of this size and scope, with such innovative and cutting edge partnerships between the public and private sector, the existence of a high-level technical advisory body would ensure solid overall scientific quality assurance, and could serve as a buffer against the reputational risk of working directly with private sector.

V. Project Management and Cost-effectiveness (Efficiency)

72. Project **efficiency** is rated ***satisfactory***. Project implementation and execution is considered satisfactory, while project management is assessed as highly satisfactory. The project's total financial delivery is low, with 28.6% ($2.06 million) of the total GEF financing disbursed as of June 30, 2015, compared to the originally planned 43.1% during the first two years of project implementation. This means 66.5% of the amount planned for disbursement in

the first two years of the project has been disbursed. Though lower than ideal, the financial delivery is not yet cause for significant concern, considering the increasing annual disbursement amounts, and the project's track record of 95.5% annual budget delivery in 2014.

73. To remain on track, the 2nd half of the project implementation must remain intensely focused and rapid, as annual disbursement in each of the last two years of the project will need to be higher than in any previous year. A financial audit was conducted for 2014, with no major issues identified; project financial management is in-line with UNDP and Russian standards and legal requirements, and in-line with norms for international development projects. The Project Implementation Unit (PIU) is comprised of a well-qualified, experienced, highly professional and dynamic team. Project adaptive management, budget planning, work planning, and project reporting is of high quality. Project management costs are slightly higher than planned, at 15.9% of total project expenditure thus far, but the project team is conscious of this issue (raised in the audit), it is anticipated the project will be able to remain approximately within the planned management budget by project completion. Project co-financing is on-track with 62.7% received of the originally planned $31.50 million co-financing (co-financing ratio of 1 : 4.4). The project has also leveraged an additional $11.11 million thus far from six private sector partners and one regional government.

A. Implementing Agency (UNDP) Oversight

74. UNDP is the responsible GEF Agency for the project, and carries general backstopping and oversight responsibilities, as described in previous Section III.D.i. UNDP's has fully and adequately supported the project during implementation, with no notable issues. UNDP implementation is considered **satisfactory**. The UNDP Russia Project Support Office is the primary line of support within the country. The responsible UNDP Regional Technical Advisor has participated in PSC meetings. The project design and strategy is relevant and appropriate, with no major quality assurance issues. The project development timeframe was also relatively timely, being only two months longer than the GEF business standard at the time. The delays in project start-up after approval seem to be related primarily to institutional issues within the MNRE, as the NPD had to be changed within the first year of appointment. During implementation, reporting has been comprehensive and timely, and UNDP has provided all necessary oversight support.

B. Execution, Including Country Ownership

i. Project Management

75. As indicated in Section III.D above, the responsible national executing partner is Rospriradnadzor of the MNRE in Russia. While the project is implemented under the "national implementation" modality, the PMU is actually external to the MNRE. Therefore project execution can also be considered "project management", and relates directly to the work of the PMU, in combination with the financial management and administrative aspects handled by UNDP.

76. Project management is considered **highly satisfactory**. The Russia BD-Mainstreaming project is characterized by highly professional and efficient project management, with excellent planning, reporting, and engagement of stakeholders. Indicators of the high quality project execution include strong adaptive management and strategic workplanning, the effective

engagement of and relationship building with the private sector partners, a strong annual financial delivery rate (73.6% in the first full year of the project, and 94.4% in 2014, as further discussed in Section V.F below), the project's comprehensive and timely reporting, and good recordkeeping and project documentation.

77. The execution structure, with the PMU based in Moscow, and regional coordinators in the pilot regions has also proven to be effective. Because the project pilot regions are so geographically spread, it would not be possible for the project team to have an effective or meaningful presence in the pilot regions without the engagement of the regional coordinators.

ii. Country Ownership

78. The Russia BD-Mainstreaming project includes multiple stakeholders related to the concept of "country ownership" of the project. Country "drivenness" is one of the GEF's ten operational principles, and stakeholder ownership has been identified in various GEF evaluations and assessments as important element for the sustainability of results. This concept is not easily defined in terms of specific indicators, but is generally assessed through qualitative means. Qualitative data collected during the Russia BD-Mainstreaming MTE indicates that country stakeholder ownership is positive in almost all respects. Notably, the MNRE is firmly committed to the project. Although there was a significant delay in the project start-up, this seems to have been more due to exogenous institutional changes in the MNRE, rather than a lack of commitment to the project. One indicator of the MNRE's commitment is the continued high-level participation in the PSC, and the MNRE's requests for the project to take on additional activities (e.g. in relation to oil spill response preparedness). The regional level governments in the pilot regions also continue demonstrating their commitment through participation in the PSC, and willingness to develop and implement relevant environmental regulations (with the exception of Khakassia, where little progress has been made).

79. In relation to private sector stakeholders, the very fact that the private sector companies have decided to join the project, and continue participating, is one positive indicator, as they are not compelled to do by any influence other than their own self-interest. The private companies in each project sector – oil, coal, and hydropower – have maintained their interest in participating in the project, and have undertaken project activities that indicate their commitment to the project's objective. One exception has been the coal companies in Khakassia, which, according to the project team, have not fully lived up to initial commitments to take biodiversity conservation actions. At the same time, while the project is engaging multiple large companies, there are also key energy companies in Russia that are not major partners in the project – notably, Gazprom and Rosneft. The project is working with Gazprom subsidiaries in Sakhalin on conservation of the Taiman, and with both Gazprom and Rosneft on arctic biodiversity programs. However, a stronger commitment is needed by these major oil and gas sector players to significantly increase the project's impact.

C. Partnership Approach and Stakeholder Participation

80. The Russia BD-Mainstreaming project includes a large number of diverse stakeholders, as previously highlighted in Section III.D.ii on key stakeholders, including Table 4, showing PSC members. The project's engagement of stakeholders is impressive, with one indication being the

range of stakeholder types involved in the PSC, including federal and regional government, private sector, and civil society.

81. The engagement of the private sector has been partially discussed in the preceding Section V.B.ii on country ownership. However, the continued engagement of the private sector would not be possible without the project's strong partnership approach, characterized by excellent communication, transparency, and trust-building through iterative steps. Representatives of private sector companies interviewed during the MTE identified the project's good communication and earnestness as strong aspects, in addition to the valuable technical input received.

82. Civil society is involved in the project in various ways at the level of the project demonstration regions. For example, in Kemerovo, individuals with strong ties to a local environmental NGO have been directly involved in project activities, and a former staff member of the NGO is serving as the project's regional coordinator in the region. In addition, civil society and local resource users are represented on the PSC through the organization Russian Association of Indigenous Peoples Organizations (RAIPON).

83. The project also allows numerous PSC members with observer status, which includes additional civil society organizations, such as the Russian branch of WWF, and scientific/academic representatives (e.g. Russian Geological Society).

D. Risk Assessment and Monitoring

84. Section 2.4 of the project document discusses identified risks, and includes seven risks, with four rated low, two rated moderate/low, and one rated moderate. The last of the seven relates to climate change risks, as required. In addition, the project results framework (Section 3 of the project document, p. 43) includes a column on "Risks and Assumptions" for each of the indicators listed. The project inception report updated the risk assessment analysis (section 3.3 of the inception report), and included a total of 11 risks, with all risks rated between low and moderate. The inception report also highlights changes that were made to the project activities due to various identified risks. For example, the inception report states, "Outcome 3 had to be enhanced by alternative decisions due to higher risks of a negative dynamics of implementation of project activities related with the Kankun HPP." Risks are monitored on a regular basis by UNDP and the PMU through the ATLAS project management system, which includes a risk log. Monitoring of "critical" risks is then reported on in the annual PIR; the project's 2015 PIR indicates that there are currently no critical risks identified, which is validated by this MTE. The project is fortunate to have not encountered any critical risks as yet, but the PMU and UNDP must continue diligent risk monitoring during the second half of the project, and develop mitigation measures for specific risks.

E. Flexibility and Adaptive Management

85. Flexibility is one of the GEF's ten operational principles, and all projects must be implemented in a flexible manner to maximize efficiency and effectiveness, and to ensure results-based, rather than output-based approach. Thus, during project implementation adaptive management must be employed to adjust to changing circumstances.

86. The Russia-BD Mainstreaming project is being implemented in a flexible and adaptive manner, and there have been a number of changes and adjustments made to the project plans and expected results, as needed. No changes have been made at the objective or outcome levels. Adjustments have been made at the inception phase, and further changes are made annually when each year's project workplan and budget is developed. Detailed information on various changes are available in the project inception report, and in the annual PIR reports.

87. One of the most significant early adjustments was to change one of the originally planned pilot regions – Southern Yakutia (hydropower sector). The hydropower sector activities were originally planned in association with the expected development of the Yuzhno Yakutsky hydropower complex including the Kankun HPP, but the development of this hydropower facility was delayed. Therefore the project switched the hydropower sector portion of the project to work in Amur oblast, with RusHydro as the key private sector partner. Amur is a highly active region for hydropower development in Russia (as highlighted in previous Section III.A.ii on energy sector context), and so this was a logical and highly appropriate adaptive management measure. In addition to help mitigate any new risks to results in the hydropower sector, the project also proceeded to support work on the Lower Volga HPP, as a follow-up to the previous UNDP-GEF project "Preserving Biodiversity of the Lower Volga Wetland".

88. Other minor changes have been made in the activities for each of the outcomes. For example, at the inception phase, *"Due to the protected status being assigned to the Karakan Ridge, the previously planned activity to support creation of a regional botanical reserve here for protecting the unique rocky steppe ecosystems was no longer relevant. For this reason, it was decided to develop compensation activities of the "coal component" by supporting the initiative of the State Committee of Khakassia for Fauna and Environmental Protection and provide assistance for creating a natural reserve of the regional importance in the Republic of Khakassia ('Urochische Trekhozerki')."* The 2013 PIR summarizes key changes from the inception phase of the project:

- New activities to recover the damaged areas licensed to OJSC LUKOIL in the Nenetsk Autonomous District;
- New activities to be performed in shelf deposits in the Nenetsk Autonomous District;
- New activities to be performed in the Lower Volga region;
- Activity on Zhemchuzhny Island excluded from the project work plan;
- New activity to support creation of a natural reserve of regional level in Khakassia (Urochische Trekhozerki).

89. Due to changes in the planned project activities and change to the Amur oblast as the pilot region for the hydropower sector, and the fact that the project results framework was not sufficiently developed to begin with, the project results framework has been revised multiple times. The latest revision has taken place in conjunction with this mid-term evaluation (in accordance with the recommendations and input of the mid-term evaluator), and is expected to provide the final adjustment for the remainder of the project. The basic structure of the results framework has been maintained, while various indicators have been modified and adjusted as appropriate. The results framework has been improved to better align with the GEF corporate

global biodiversity focal area results framework, while also responding to changes in the planned project activities (i.e. changing Yakutia for Amur, etc.).

F. Financial Planning by Component and Delivery

90. Detailed tables of the project's planned and actual financing by component are included in Annex 9 of this report. The summary breakdown of the project's planned GEF financing, and actual expenditure as of June 30, 2015, is indicated in Table 6 below. The total project budget is $7,200,000 USD, not including the PPG amount or implementing agency fee. The four project outcomes are all budgeted for roughly similar amounts, ranging between 19.1% and 27.0% of the total project budget. The planned project management budget equates to 8.5% of the total GEF resources. The M&E budget indicated in the M&E plan in the project document was $0.22 million, or 3.1% of the total budget. However, the M&E costs are drawn from various project budget lines, and do not have their own separate budget line. Figure 2 below shows the breakdown of planned and actual spending by outcome. As of June 30, 2015, the project had disbursed $2.06 million, or 28.6% of the project budget. Figure 3 shows the project planned, revised, and actual budget total budget expenditure by year. The gray bars for 2016 and 2017 are the implied revised project budget for those years (based on an even split of the budget between the two years), based on the projected budget balance at the end of 2015, if the project delivers 100% of the revised 2015 budget.

Table 6 Project Planned vs. Actual Financing, Through June 30, 2015 ($ million USD)

	GEF amount planned	% of total GEF amount	GEF amount actual	% of total actual so far	% of original planned
Outcome 1	1.37	19.1%	0.43	20.7%	31.0%
Outcome 2	1.94	27.0%	0.71	34.6%	36.7%
Outcome 3	1.63	22.6%	0.35	16.9%	21.5%
Outcome 4	1.65	22.9%	0.25	11.9%	14.9%
Monitoring and Evaluation*	0.22	3.1%	N/S	N/A	N/A
Project Coordination and Management	0.61	8.5%	0.33	15.9%	53.8%
Total[‡]	7.20		2.06		

Sources: Project Document for planned amount; data provided by PMU for actual GEF amounts.
**The project document includes a detailed M&E budget. However, the total M&E budget includes activities that would be funded from the project management budget line (such as annual reporting) or other sources (such as UNDP oversight). As such, the funds for M&E activities are drawn from across project budget lines.*

Figure 2 Project Actual Spending By Component *($ USD)*

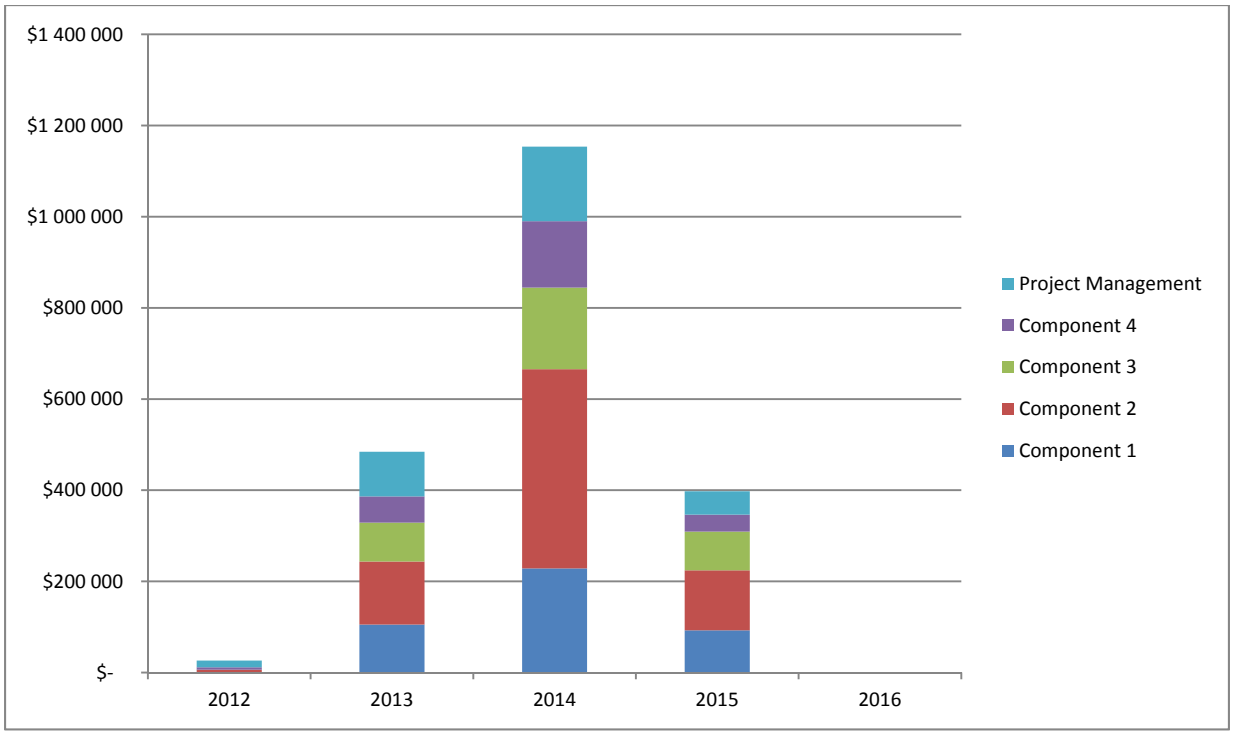
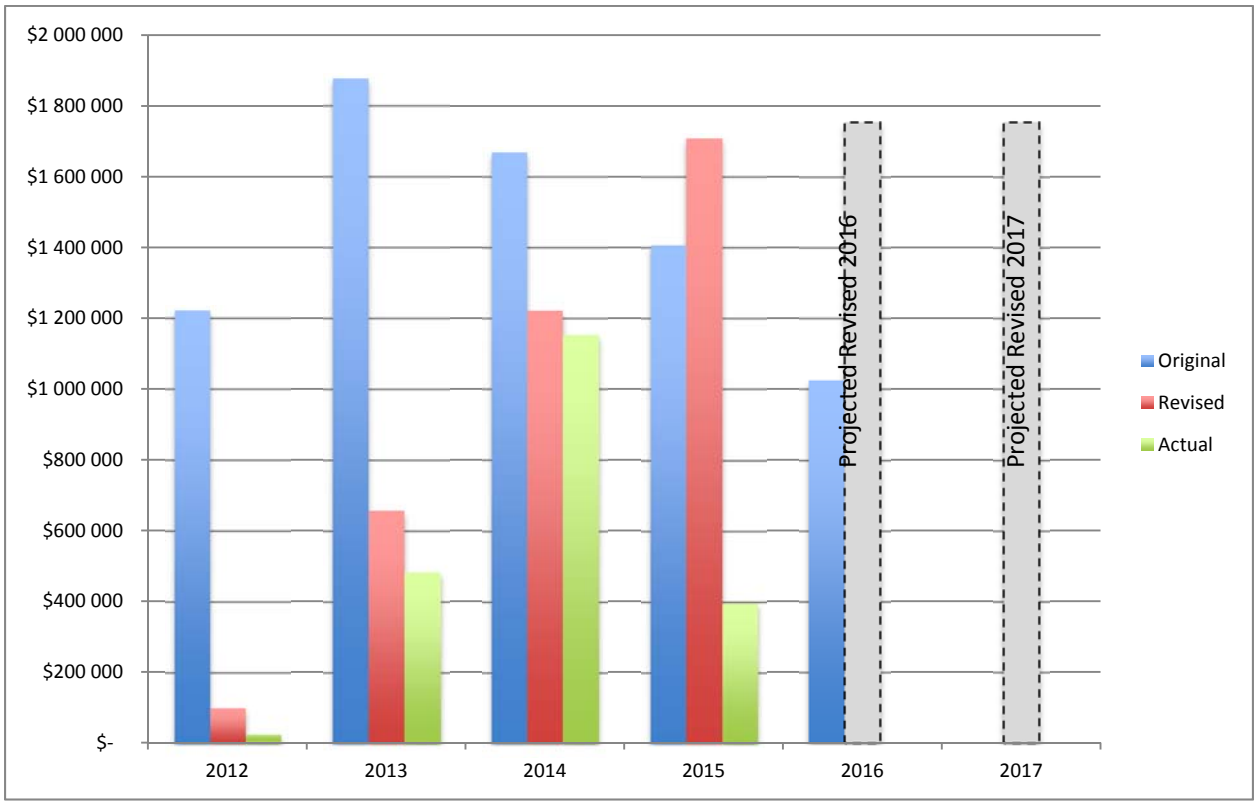


Figure 3 BD-Energy Mainstreaming Project Planned, Revised, and Actual Spending *($ USD)*



91. The project's overall financial delivery rate is only 28.6%, which equates to 66.5% of the budget that was originally planned for the project's first two years. This is lower than it should be at the mid-term of the project, partially due to the slow start of the project, but also due to an overly optimistic original budget plan. As can be seen in Figure 3 above, it was originally planned that the project's largest annual expenditure would come in 2013, with the budget declining each subsequent year. In fact, most projects are able to ramp up financial delivery in each successive year, and rarely able to deliver the largest foreseen annual budget in the second year of the project.

92. Due to the initial slower than planned implementation, budget revisions have been undertaken annually, through 2015. Keeping in mind that the project manager was not in place until December 2012, the project's financial delivery of the 2013 revised budget was 73.6%, and delivery of the 2014 revised budget was 94.4%. It is anticipated that the project will be able to delivery at a high level for 2015 as well. Given this two-year track record of delivering on the revised annual project budgets, the current overall financial delivery rate is not currently a critical concern. Nonetheless, in the second half of the project, the PMU will need to have utmost diligence in ensuring a high financial delivery rate. To avoid an implementation period longer than the originally planned 60 months, the projects revised annual budgets for 2016 and 2017 will need to be larger than in any previous year (see Figure 3). As previously mentioned, although the project officially started in 2012 and therefore is scheduled to close in mid-2017, a no-cost extension until at least the end of 2017 is anticipated.

93. The project management costs are another indicator related to project efficiency and project financial management. The planned management costs were 8.5% of the total GEF funding, which is below the GEF's stated 10% threshold. Total management costs through June 30, 2015 were 15.9% of the total disbursed thus far, which is a higher share than the originally planned 8.5%. However, this represents 53.8% (approximately half) of the originally planned project management costs, which is appropriate considering the project is about halfway through its expected implementation period. In other words, although project management expenditures are outpacing project activity expenditures, this is mainly because project activity expenditures are lagging, rather than significant over expenditure on management costs. Nonetheless, the PMU and UNDP will need to maintain attention on the issue of management costs to ensure the project remains cost-effective, particularly if a no-cost extension is granted beyond the end of 2017.

94. The project has had one financial audit for the 2014 calendar year, which also noted the management costs issue, and UNDP and the PMU are working to address this. The audit noted two other financial record keeping items (one rated low risk, one rated medium risk), which are being addressed by the PMU and UNDP.

G. Planned and Actual Co-financing and Leveraged Financing

95. The expected project co-financing was $31.5 million USD from a variety of government and private sector sources. This is an expected co-financing ration of 4.4 : 1. Table 7 below shows planned and actual co-financing. According to data provided by the project team, the project had received a total of $19.8 million USD in cash and in-kind co-financing as of June 30, 2015. This is

62.7% of the expected co-financing. The breakdown of co-financing is not tracked by project outcome because it is not managed by the project.

Table 7 Planned and Actual Co-financing Received, as of June 30, 2015 (USD)

Source	Cash/In-Kind	Type	Planned	Actual	% of Planned
LUKOIL	Cash	Private Sector	$2,500,000	$1,736,511	69.5
SUEK	Cash	Private Sector	$5,583,300	$5,583,300	100.0
Sakhalin Energy	Cash	Private Sector	$10,750,000	$5,839,961	54.3
RusHydro	Cash	Private Sector	$4,590,000	$4,590,000	100.0
Shell	Cash	Private Sector	$200,000	$200,000	100.0
NAO Administration	Cash	Government	$76,700	$76,700	100.0
SN-Invest	Cash	Private Sector	$5,667,000	$1,660,000	29.3
UNDP Global Compact	Cash	Multilateral	$75,674	$67,775	89.6
Sakha Energo	Cash	Private Sector	$1,933,000	N/A – Yakutia pilot region switched to Amur	0.0
The Republic of Sakha (Yakutia) Government	Cash	Government	$120,000	N/A – Yakutia pilot region switched to Amur	0.0
Total			**$31,495,674**	**$19,754,247**	**62.7**

Sources: Planned from CEO Endorsement Request. Actual total co-financing received from PMU data.

96. In addition to the co-financing received, the project has also leveraged an additional $11.1 million USD (as per GEF co-financing definitions) (see Table 8 below). This is from six private sector companies, and one additional regional government.

Table 8 Russia BD-Mainstreaming Leveraged Financing as of June 30, 2015 (USD)

Source	Type	Amount
RusHydro	Private sector	$3,902,596
LUKOIL Komi	Private sector	$1,813,602
SUEK-Kuzbass	Private sector	$5,022,746
SUEK-Khakassia	Private sector	$120,000
KTK	Private sector	$64,776
SDS-Ugol	Private sector	$32,800
NAO Administration	Regional government	$156,300
Total		$**11,112,820**

H. Monitoring and Evaluation

97. The Russia BD-Mainstreaming project monitoring and evaluation generally meets UNDP and GEF minimum standards, and the **overall M&E** is considered **satisfactory**. **M&E design** is considered **moderately satisfactory**, as the original results framework required revision to strengthen the results focus, and improve alignment with SMART criteria. **M&E implementation** is also considered **satisfactory**.

i. M&E Design

98. There are no significant shortcomings in the project's M&E design. The Russia BD-Mainstreaming project M&E plan is outlined in the project document (Part 6, pp. 54-58). The

project document describes each of the planned M&E activities, including roles, responsibilities, and timeframe. The identified M&E activities include inception workshop and report, annual progress reporting (APR/PIR), Project Board meetings, quarterly status reports, project technical reports, the independent mid-term and terminal evaluations, project terminal report, audit, and monitoring visits from UNDP. The M&E plan is summarized in a table showing responsible parties, budget, and timeframe for each of the M&E activities, with the total expected budget of $220,000. This is fully adequate for a project of this size and scope, representing approximately 3.1% of the GEF allocation; however the plan does not indicate if the M&E costs are to be fully covered by GEF resources, or would be also partially funded by project partners such as the main national executing partner. The project ATLAS budget does not have a specific M&E budget line, although budget line 74100 under Component 1 is indicated to include mid-term and terminal evaluations, inception and terminal reports, and lessons learned, and is budgeted for $100,000; the cost of the remaining M&E activities is presumably to be drawn from various project components, such as project management. The project M&E plan is appropriately designed and well-articulated, and conforms to GEF and UNDP M&E minimum standards.

99. The results framework has required revision due to the project's adaptive management, and some shortcomings in the initial results framework. The PSC approved an initial revision to the results framework in February 2014, with the following changes, as summarized by the 2014 PIR:

- Dropped one of the two indicators at the objective level, the Ecosystem Integrity Index, as a) the methodology used for the index calculation is questionable; and b) the ecosystem integrity index is not indicative of the project impact and could not be used for the project performance evaluation.
- New indicator species were proposed as the most representative of the possible impacts by extractive industries and relevant in terms of planned project activities targeting those species. For the hydropower sector, the indicator species were changed following the change of the pilot project region from Yakutia to the Amur Oblast. Plus, an additional demonstration area – Lower Volga – was added, so a number of indicator species plus the restored habitats coverage have been suggested for the inclusion into the results framework.
- The indicator initially expecting a twofold reduction in the reservoir inundation area, with no change in energy generated, is believed to be unfeasible, as it actually requires the HPP shut down. Therefore, the indicator was reformulated as reduction of biodiversity impact for planned HPP projects, with a target of 10% reduction in the size of the reservoir inundation area.

100. A recommendation of this evaluation is that the project should further revise the results framework to strengthen results-based management approach, improve the "SMART-ness" of indicators, and improve the project's ability to report on key results. This has in fact already been carried out to feed into the project's 2015 PIR, prior to the publication of this mid-term evaluation report. At the project's request, this mid-term evaluation provided input to a second results framework revision. A key adjustment was to align the indicators with the project's "ARRO" approach to producing results, as well as to align the indicators and targets with the GEF's corporate biodiversity focal area global results framework, which feeds into the GEF biodiversity focal area tracking tools.

ii. M&E Implementation

101. The project M&E activities are generally being implemented as foreseen. The PMU is doing a good job reporting at the quarterly and annual reporting intervals, UNDP monitoring missions have been completed, and the mid-term evaluation was commissioned in a timely manner – at approximately 28 months of the 60 month planned implementation period. The project has done a good job of holding PSC meetings, both in person, and remotely, considering the large number of PSC members spread across the country, although no PSC meeting was held in 2013; however, two meetings were held in 2015.

102. One minor issue in M&E implementation is that the M&E plan calls for annual audits, while the project has only had one audit, covering the 2014 calendar year.

VI. Effectiveness and Results: Progress Toward the Objective and Outcomes

103. It is difficult to overstate the scope and significance of the results achieved and in progress from the Russia BD-Mainstreaming project, even though many results are still in progress and much work remains to be done in the second half 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. 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.

104. The significance of the results of the BD-Mainstreaming project is not adequately conveyed by the project's results framework indicators, though the results framework provide a useful basic means of assessing project progress at the mid-term. The project is on-track to achieve most, if not all of its key results indicator targets. A detailed assessment of progress toward the project results framework indicators and targets is included in Annex 10 of this evaluation report. Project **results** thus far are rated **satisfactory**, and project **effectiveness** is also rated **satisfactory**. If progress toward the planned results remains on-track, the project has significant potential to achieve highly satisfactory ratings by the end of the project, as the project has also opportunistically pursued unplanned initiatives that are likely to have highly valuable results (e.g. Arctic biodiversity conservation programs).

105. In spite of the lower than planned level of financial disbursement, the project has made significant progress toward achievement of the project outcomes and objective. Of the 18 main indicators in the revised project results framework, the mid-term evaluation assesses that *the project has achieved or is likely to achieve 100% of the targets*, including the three main objective level targets.

106. What is particularly impressive is that the project has managed to maintain the engagement and interest of its private sector partners during a global market environment of decreasing energy prices (i.e. significant drops in the price of oil, gas, and coal), which could

theoretically lead companies to "tighten their belt", and reduce their activities that are not critical to production, such as environmental initiatives.

107. The project works in the framework of the biodiversity conservation and impact mitigation approach of "Avoid-Reduce-Restore-Offset" (ARRO), partnering with companies to improve future practices, and implement practical measures on the ground. At the objective level, the project has already indirectly contributed to improved biodiversity management in more than 5 million ha of production landscapes and seascapes. The project has already achieved direct impact of *reduced threats to biodiversity* over more than 100,000 ha, mainly through the establishment of the Bureyskiy Nature Park (104,478 ha) in Amur Oblast. In addition, the project has had an indirect impact on *improving the status or reducing threats to biodiversity* across more than 350,000 ha (primarily through 320,000 ha covered by the development of an environmental monitoring program in partnership with the company Pechora LNG, in Nenetsk Autonomous Okrug). The project has also contributed to the potential reduction of threats and improved biodiversity status in an additional 20 million ha in the scope of the Ashgabat Protocol for the Conservation of Biological Diversity, of the Tehran Convention, covering Caspian Sea shelf oil and gas leasing areas.

108. The results framework includes multiple specific species or ecosystem-based impact indicators for each of the energy sector components; in most cases it is too early to determine the project's contribution toward progress of these targets, and considering the slow rate at which ecosystems respond to management measures, and the natural stochastic variation in species' populations, it may be too early to assess many of the project's impact level results even at project completion.

- Basic existence of the project partnerships with the energy companies, which is a significant achievement and sets national and global precedents;
- Critical financial and political support contributing to the adoption of the Ashgabat Protocol of Tehran Convention for biodiversity conservation in Caspian oil and gas production areas;
- Adoption of project-supported (in partnership with WWF Russia) arctic biodiversity conservation programs for the major oil and gas producers working in arctic (Lukoil, Rosneft, Gazprom, Yamal LNG and Novatek), in response to Presidential Order #1530 of June 29, 2014;
- Reduced negative impact measures of Lower Bureyskaya hydropower facility in Amur oblast in collaboration with RusHydro, through approval of the Bureyskaya Nature Reserve, and specific field-based biodiversity offset measures;
- Oil sector, hydropower sector, and coal sector compendiums on best available industry biodiversity solutions;
- Establishment of eight biodiversity conservation agreements between energy companies and relevant government authorities, which secure incremental costs to be voluntarily incurred by the companies;
- Progress toward development of three GIS databases to support improved biodiversity conservation and management, in NAO, Kemerovo Oblast, and Amur Oblast;

- Federal Order 540 by Russian Federal Statistics Agency (RosStat) requiring that all industrial companies in Russia report on biodiversity conservation expenditures separately from general environmental protection investments;
- Drafting of seven guidelines (three for government and four for private companies), that are under various stages of review and adoption: Environmental Management Systems, Oiled Lands Restoration, Coal Mine Recultivation, Dialog with Indigenous People, Cetaceans Monitoring, Water Bioresources Compensations, and Arctic Biodiversity Conservation;
- Regional law on biodiversity conservation for Astrakhan Oblast (Caspian Sea pilot region); and
- Sakhalin Biodiversity Action Plan concept officially endorsed, to be further developed as the Sakhalin Biodiversity Strategy and Action Plan to be adopted by the Sakhalin Oblast government.

109. In carrying out the wide range of project activities, the project has organized or participated in a variety of meetings and conferences. A summary list of these meetings is included as Annex 11 of this report, to provide a reference highlighting additional details about the project results.

110. Although there are many positive aspects of the project results progress, there are a few weak areas as well. In particular, the planned project activities working with the coal sector in the Khakassia pilot region have progressed slowly.

111. Key areas for attention for the Russia BD-Energy Mainstreaming project in the second half of implementation relate more to maintaining the strong performance thus far, rather than significant challenges and or shortcomings. These include:

- Maintain or increase a rapid rate of implementation, to compensate for the slow start-up, and ensure the project can be completed within its planned 5 year implementation period;
- On a corresponding issue, develop appropriate project workplans and budgets, and secure formal approval for implementation beyond the originally scheduled March 2016 closing;
- Address slow progress and low stakeholder engagement in Khakassia demonstration region;
- Continue to strengthen biodiversity guidelines in the hydropower sector, considering that RusHydro is in a different market position (i.e. less competitive market) than partner companies in the oil and coal sectors;
- Develop approaches to increase public reporting of biodiversity investment by energy sector companies;
- Continue development of a Business and Biodiversity platform in Russia, with linkage to the global CBD initiative;
- Maintain strong and positive working relationships with the project partner companies;
- Maintain high level of dexterity, and take advantage of ongoing opportunities and an ever-changing political and economic landscape, such as re-engaging on relevant EIA legislation and regulations at the federal level when national reform measures re-gain momentum;
- "Lock in" the sustainability of project results through all possible means, including official adoption of guidelines, regulations, etc. by relevant government agencies and companies themselves;

- Leverage mechanisms to scale up and increase roll-out of relevant biodiversity conservation measures more widely within the oil and coal sectors, beyond the primary project partner companies;

112. Considering the scope of the Russia BD-Mainstreaming project, it is beyond the capacity of this evaluation report to mention all project activities and outputs, and only a number of key results are discussed under each of the outcomes below. The project reports annually in detail on activities, outputs, and other results within the scope of the annual PIR, and in an annual implementation report produced as an input to the PSC meeting.

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

113. Outcome 1 was budgeted for $1,374,000, which is 19.1% of the total project budget. Outcome 1 addresses policies, guidelines, and regulations related to mainstreaming biodiversity in the three targeted sectors. Under this outcome the project has worked at the international and federal levels, and at the regional level in the project demonstration regions.

114. At the international level the project contributed to the inclusion of strong biodiversity considerations in the Biodiversity Protocol to Tehran Convention on the Protection of the Caspian Sea. All parties to the convention signed the protocol in February 2015. This will prescribe improved biodiversity management for all oil and gas companies working in the Russian territory of the Caspian Sea.

115. The project also made a significant contribution to the draft CIS Model Law "On Biodiversity Conservation and Restoration." The CIS Inter-Parliamentary Assembly Permanent Commission on Agrarian Policy, Natural Resources and Ecology approved the first version of the draft law on October 23, 2014. The draft law was then forwarded to relevant committees of CIS parliaments. In 2015-2016, the second and third version of the draft law will be prepared, and will undergo expert evaluation by the relevant committees of the CIS countries' parliaments. The law as amended after the review is pending adoption by the fourth quarter 2016. To develop the law, the base of existing national and foreign biodiversity conservation and restoration legislation was analyzed, and on this basis, the draft model law chapters were written. This law provides a foundation for the creation of biodiversity conservation and restoration legislation, including in the Russian Federation. Adoption of this Law will have the following results:

1) A legal basis for the development and adoption of a special biodiversity conservation law in Russia based on the CIS model law will be created;
2) The laws prescribe obligations on funding and implementation of biodiversity conservation activities for energy companies;
3) Liability of energy companies for non-performance of biodiversity conservation activities or a refusal to fund them will stimulate the companies to conform to the regulations.

116. At the federal level, a key result of the project thus far under Outcome 1 has been the drafting of seven guidelines (three for government and four for private companies) that are under various stages of review and adoption:

- Environmental Management Systems,

- Oiled Lands Restoration (oil sector),
- Coal Mine Recultivation (coal sector),
- Dialog with Indigenous People,
- Cetaceans Monitoring (oil sector),
- Water Bioresources Compensation, and
- Arctic Biodiversity Conservation (oil sector).

117. The project contributed to these outputs in different ways. For example, for the restoration and recultivation guidelines, in 2014 the project initiated a public discussion on legal regulation of reclamation of affected and contaminated lands. Work was carried out on a draft order of the MNRE "On Approval of the Recommendations for the Development of Land Reclamation Projects," which has provisions for biodiversity conservation for coal mining and other energy companies. After consideration of the draft order at public meetings, it was decided to transform the instrument into the draft resolution of the Government of the Russian Federation "On the procedure for determining the requirements for land and area reclamation." The project prepared proposals for the draft resolution, with further work on-going in 2015.

118. Also at the federal level, the project contributed to the issuing of an order by RosStat (the new Russian national agency for statistics) on "Reporting on actual expenditures on environmental protection and environmental payments." This order prescribes that all industrial companies in Russia must report on biodiversity conservation expenditures separate from general environmental protection investments. With this order the authorities have a legal mechanism to monitor companies' biodiversity expenditures, and use this data as a tool to influence corporate environmental responsibility. To achieve this the project joined WWF (Russia) to create an "eco-rating" for oil and gas and coal sectors based on the best evaluation methods and Global Reporting Initiative standards.

119. Another element of the project strategy is to establish agreements directly between the private sector partner companies and the regional governments (with UNDP as a supporting partner of the agreements) on roles and responsibilities related to biodiversity conservation, and remediation of negative impacts. The project has helped negotiate eight such agreements between companies and government authorities. On the one hand, these agreements are groundbreaking in the sense that they actually represent direct agreements with the private sector supporting biodiversity conservation. At the same time, it is unclear how or if the mechanism of such agreements can be replicated or scaled up within the country to establish more standardized practice in the industry, or if the eight agreements established can even be sustained after project completion.

120. At the regional level the project has contributed to the following key results:

- Kemerovo Oblast: Draft methodology on calculation of damage to Red List species
- Astrakhan Oblast: Adoption of law on environmental protection and biodiversity conservation
- Amur Oblast: Contributions to the oblast protected areas law
- Sakhalin Oblast: Support for development of the Sakhalin Biodiversity Strategy and Action Plan

- Volgograd Oblast: Support for development of the Volgograd Conservation and Sustainable Use Action Plan, to be integrated in the regional socio-economic development strategy

121. The draft Methodology for Calculation of the Damage inflicted to the Kemerovo Oblast Red Book animals, plants, and their habitats due to violations of the law on environment protection and nature management and the draft resolution of Board of the Kemerovo Oblast Administration on approval of this Methodology were enclosed with an official letter to the Department of Natural Resources and Environment of the Kemerovo Oblast; the document is pending approval by the public authorities of the Kemerovo Oblast. This methodology raises the degree of energy company responsibility for environmental damage inflicted on Kemerovo oblast Red List species, and sets the government body responsible for control of compensation whether remedial in-kind, or monetary compensation. The methodology also sets the procedure for remedial compensation procedures. The establishment of this methodology will also be preventative, as companies will take measures necessary to avoid causing damage to begin with.

122. Within the framework of the project's oil sector work, the Draft Law of the Astrakhan Oblast "On Particular Issues of Legal Regulation of Environment Protection and Biodiversity Conservation in the Astrakhan Oblast" was presented at the meeting of the working group focused on the improvement of environmental laws, created by the Decree of the Government of the Astrakhan Oblast of April 12, 2013, No. 163-Pr, adopted by the Astrakhan Oblast Duma on November 11, 2014 and signed by the Governor of the Astrakhan Oblast. This law was the first time the concept of "biodiversity" was formalized at the level of Astrakhan's regional legislation, and emphasized the importance of maintaining a register of plants, animals and other species inhabiting a particular area through biodiversity monitoring. Local governments are responsible for annually submitting their register of flora and fauna, which is compiled into a single database at the oblast level, which is then used as a reference for estimating damages from energy sector activities.

123. In the framework of the project's hydropower sector work, the project contributed to the Amur Oblast draft protected areas law. Amendments were submitted to the legislative assembly of Amur Oblast, and the amendments were 90% integrated in the text of the law through adoption by the assembly. The overall protected areas law 417-OZ of October 7, 2014 was adopted and is in effect. The project was just one of many participants involved in this work, but the project's contributions included editing of the draft preamble to emphasize the conservation of biodiversity as a key purpose of the environment, and which is essential for life on earth. The project also provided amendments to the regulations on the process of changing protected area boundaries, and the recovery of protected areas of regional and local significance, including the minimization of flooded areas during hydropower plant construction.

124. The project is working on regional biodiversity strategy and action plans in Sakhalin and Volgograd oblasts. The project assists regional authorities to learn about best international practices, and ensures access to international expertise for developing such biodiversity action plans. These biodiversity action plans will be a useful input for regional strategic development planning, including the identification of potential locations for future industrial sites. The linkage of this project activity in Russia's broader biodiversity conservation policy and practices is the Russian National Biodiversity Strategy, as amended based on the biodiversity CBD Strategic Plan for 2011-2020 and the Aichi biodiversity targets.

125. In Sakhalin Oblast, the project supported development of the Biodiversity Strategy and Action Plan concept, and the further development of this regional strategy. The second stage of the BSAP was prepared by the Institute of Marine Geology and Geophysics, Far Eastern Branch of the Russian Academy of Sciences. A survey on "The Concept of the Biodiversity Conservation Action for the Sakhalin Oblast" is in progress. The development of the BSAP Concept involved all the key stakeholders of Sakhalin Oblast.

126. In 2015 the project supported preparation of the Volgograd Oblast Biodiversity Conservation and Sustainable Use Action Plan, for integration with the Volgograd Oblast Socio-Economic Development Strategy. The Lower Volga region will have special emphasis in the plan. A preliminary discussion of the draft concept and its objectives took place at the end of 2013 through a workshop with the Volgograd MNRE, with the participation of ministry employees, officers and employees of the regional protected areas, and business representatives. In December 2014, a working meeting was held on the draft concept process and coordination. Implementation of the regional biodiversity conservation plans will expand the area of restored territories that have been damaged due to energy sector activities.

127. Also under Outcome 1 is the project's on-going work developing three GIS databases to improve regional biodiversity management: 1. GIS-based environmental sensitivity maps for coal exploration in Kemerovo Oblast; 2. Flora/fauna/soils/landscapes plots and satellite images to be included in web-based GIS for NAO; and 3. Web-based geo-portal for Amur Oblast. Such tools can be extremely valuable for planning and environmental management for regional authorities and the private sector alike, as geographically referenced environmental data is still lacking in many regions.

128. The one notable shortcoming thus far in the project's work under Outcome 1 relates the anticipated project work on EIA procedures and guidelines. This was to be a significant focus of the project's Outcome 1 work, as described in the project document. Unfortunately the national policy process on EIA procedures has not progressed as foreseen during the project's lifetime thus far, as Russia is in a process of integrating new national requirements related to Strategic Environmental Assessments, which is linked with the EIA process. Therefore the project has delayed its work on the EIA issue, to avoid producing guidelines or recommended regulations that would not be taken up and inte

B. Outcome 2: "Avoid-reduce-remedy-offset" principle is demonstrated for the oil sector

129. Outcome 2 is the project's largest in terms of planned budget, originally budgeted for $1,941,000, which is 27.0% of the total project budget.

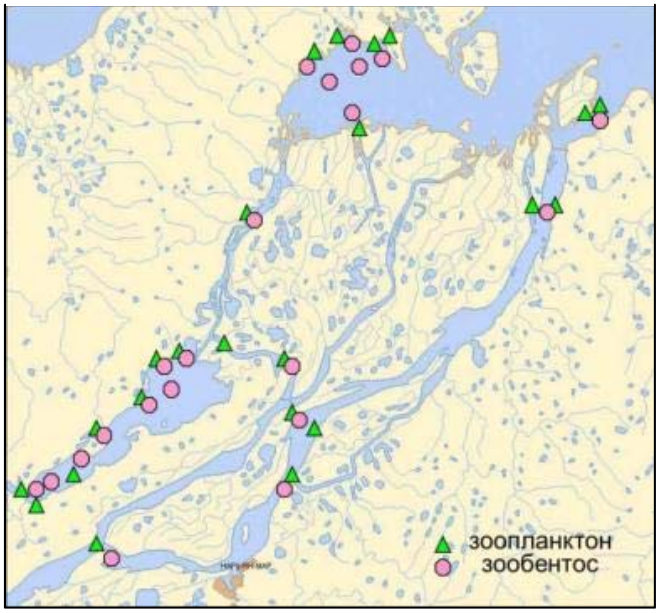
130. With the project's support the "Compendium of Biodiversity Conservation Innovative Solutions for the Oil Sector" was completed and published. The compendium includes practical proposals, innovative biodiversity conservation solutions, examples of minimizing negative impacts on biodiversity with new technologies, practical cost-benefit analysis, and examples of biodiversity conservation technologies. The contents of each section of the compendium were analysed and discussed during meetings of the project's oil sector working group. This document will be a key reference in the future for private sector oil and gas companies to enhance their operations to positively influence biodiversity. The compendium will also serve as a reference for

government authorities to develop draft legislation encouraging the private sector to invest in Best Available Technologies and Best Available Practices. The compendium materials were presented at the International Conference "Biodiversity and Business: Approaches and Solutions", hosted by the Russian MNRE on October 2-3, 2014, and at the research and practice workshop "Regional Aspects of Biodiversity Conservation in Energy Projects" in Yuzhno-Sakhalinsk, November 25-26, 2014.

131. As with other project outputs, there are two important elements relating to the compendiums (which were also produced for the hydropower and coal sectors, as mentioned under Outcomes 3 and 4 below) to ensure they actually contribute to positive outcomes. First is that these documents must be widely disseminated and shared; the project is working to ensure dissemination of the compendiums through appropriate channels, and this must remain a priority. Second is to identify how these documents can remain "living" documents, so they can be updated in the future to maintain their relevance for the energy sectors, even after project completion.

132. Under Outcome 2 the project is supporting a variety of biodiversity impact assessment and monitoring activities. For example, the project contracted monitoring small and major water flows to assess oil sector impacts on fish stocks and fisheries in the Komi Republic and the NAO (see Figure 4). For fish stock and fishery impact assessment in the Komi Republic and NAO oil fields, the project studied the fish stock structure in the water bodies affected directly or indirectly by oil contamination. The 2014 survey covered about 5,000 square km of water area. The results are to be included as a standalone data layer in the object-oriented database/environmental sensitivity map, integrated with the GIS being designed by the project under the contract "NAO Object-Oriented Database Development and Geobotanical Zoning as the Framework for Vulnerable Area Mapping." The results will be handed over to the NAO Administration to compile the NAO Environmental Certificate, as defined in the agreement established by the project between the private sector companies, government, and UNDP.

Figure 4 Environmental Monitoring Sites in Pechora River Estuary, NAO



133. Also in NAO, among the guidelines the project is producing, in the NAO demonstration region for the oil sector work, the project is supporting development of the framework "Plans for Restoration of Oil-Polluted Lands," and the "Criteria for the Governmental Approval for the Restored Lands," is in progress. In addition, an environmental monitoring protocol including biodiversity issues for Korovinskoye oilfields was developed and is being implemented by LUKOIL.

134. The project carried out a baseline habitat and biodiversity assessment, and implemented monitoring of legacy oil exploration ecosystem damage at Kumzhinskoye oil deposit. This deposit is located near the Nenetski State Nature Reserve. The total land area is 313,400 ha, and the water area is 181,900 ha. As a result of the project's monitoring work, oil companies working in the region are developing and integrating systems of monitoring vegetation, fauna and ornithofauna biodiversity after oil exploration operations, including in the protected area, which covers the main ranges of regional endangered indicator species. Ultimately the biodiversity conservation monitoring systems are implemented in protected areas in a total area of about 500,000 ha.

135. The efficiency of oil waste disposal technologies was assessed in terms of biodiversity conservation in the terrestrial ecosystems of the NAO and the Republic of Komi on LUKOIL licensed sites in the Usinsk district (on the Usinsk and Vozeyskoe fields), as well as on the NAO Kharyaga and South Khylchuyu fields. In 2014, demonstration areas were selected for different ways to recycle oil waste sludge (see Figure 5 and Figure 6). A detailed description of the sites was made, along with the assessment of the impact on the adjacent areas, and data was gathered on plant successions, micro-, macro- and meso-fauna, and soil micro-flora change resulting from various technical and biological soil remediation, with the indicators tentatively to be included in the monitoring program. In total, 55 ha of reclaimed land were surveyed, with a potential (adjacent) impact area of 500 ha. The first stage of the remediation is to assess the properties of the oil waste before and after different recycling methods. The remediation appraisal results are in demand by LUKOIL-Komi as the basis for developing design documentation on surveyed sludge dump removal and remediation. This effort is to cover 20 ha of land reclamation and 300,000 tons of oil sludge utilization. In total, the impact area surveyed by the project comprised 200 ha of the sludge dumps currently in use, including key plant and microbiota indicators. A preliminary opinion will be prepared on the most viable means of recycling, as well as proposals for the monitoring program for oil waste recycling plants.

Figure 5 Demo Sludge Storage Site

Figure 6 Demo Site After Preliminary Cleaning

136. In the Caspian region, the project undertook a comprehensive assessment of historical oil pollution at the abandoned Sokolovskiye Yamya oil storage site in Astrakhan Oblast, in the Volga

River watershed (see Figure 7). This led to the inclusion of this site in the regional hot-spots list as a target for immediate remediation. In collaboration with government and private sector stakeholders, the project developed new proposals on sludge disposal technology and land reclamation, as well as monitoring programs for the follow-up preparation of design and budget documentation for the liquidation of the 10 ha facility.

137. Another guideline document the project has produced is the marine mammal monitoring guidelines for oil companies working offshore. These guidelines were reviewed by the stakeholders and are being finalized.

Figure 7 Portion of the Kizan River Bank with Oil Contamination

138. The previously mentioned output of the guidelines for dialogue with indigenous peoples was also primarily completed in the context of the project's oil sector work.

139. The Russia BD-Mainstreaming project document did not include a focus on addressing oil spill response and preparedness, but this is one area where the project has taken on new initiatives. At the request of the MNRE, the project prepared "Guidelines for EIA of marine Oil Spill Response Plans during State Environmental Expert Review", and submitted these guidelines to the MNRE. Oil spills are a major threat to biodiversity, and this is an issue on which this MTE believes there is further scope for the Russia BD-Mainstreaming project to expand its activities. Increasing and expanding the project's work on oil sector spill and emergency response preparedness is one of the recommendations of this evaluation. Minimizing the chances of such catastrophic events would be a highly valuable result for the project, and this is a cost-effective approach, as remediation for oil spills is much more expensive than prevention.

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

140. Outcome 3 was budgeted for $1,625,500, which is 22.6% of the total project budget.

141. As with the other two sectors, a compendium on best available biodiversity conservation solutions for the hydropower sector was prepared and published. The compendium is a practical tool including over 50 biodiversity conservation procedures for the hydropower sector. Employees of hydropower research and development centers contributed to the compendium through the identification and description of successful Russian practices in biodiversity

conservation. RusHydro has positively acknowledged the compendium in writing, and expressed interest to promote and distribute the compendium throughout the company. The compendium was also presented at the International Water Conference in South Korea in April, 2015.

142. The project's demonstration regions for the hydropower sector are Volgograd oblast and Amur oblast, with a significant portion of the work being completed in Amur. A key result is the project's work in relation to the Lower Bureskaya hydropower plant. The hydropower dam was already nearing completion when the project started, though the dam had not been closed to initiate the inundation of the lower Bureskaya gorge. The project supported the development of the "Liability Distribution Matrix" for flora and fauna conservation and compensation measures in relation to the Lower Bureskaya HPP, which was agreed and signed by RusHydro and Amur oblast government. The project jumped in to support RusHydro in undertaking as many offsetting biodiversity conservation measures as possible prior to inundation. For the first time in Russia the project implemented the "Biodiversity Offset Principle" by supporting the establishment of the new Nature Park Bureskaya (104,478 ha) adjacent to the lower Bureskaya inundation area. The project supported preparation of the justification of the new protected area, conducted the required public hearings, facilitated the state environmental appraisal, and followed-up for the protected area gazettement.

143. In addition to establishing the protected area, biodiversity offset actions included construction of 25 feedboxes for boar and Manchurian elk (see Figure 8 and Figure 9), delivery of grain and salt for extra nutrition for wildlife, construction of 40 nest boxes for Mandarin duck (to compensate loss of habitats during the reservoir filling), five artificial nest supporting structures for Far East stork. In terms of flora, 200 Red Book plants were replanted from the expected flooded area. The activities had strong media coverage on regional TV. The offsetting measures were undertaken with input and expertise of ecological and biodiversity scientific experts.

Figure 8 Lower Buoreyskaya Biodiversity Offset Measures

Figure 9 Amur Demonstration Region Indicator Species

144. The project also prepared recommendations to incorporate biodiversity issues into RusHydro's draft corporate environmental policy document, and into the environmental and social monitoring program of the Lower Bureskaya HPP, which were adopted by RusHydro. It is expected that the project's contributions developed and implemented for the Lower Bureskaya

HPP will be integrated in another major RusHydro hydropower project in Amur, the Lower Zeya HPP, which is currently under construction.

145. In the Lower Volga demonstration region, the project supported selection of baseline indicators for evaluation of the state of aquatic and semi-aquatic ecosystems of the Lower Volga in the context of human-induced load, and prepared proposals on legal and regulatory support for their management use. In addition, work was initiated to establish a scientific basis for concrete measures to restore biodiversity in the Kashirin shallow channel and Lake Proklyatoye. This was done in cooperation with the Ministry of Natural Resources and Ecology of Volgograd Region, complementing work undertaken by the Ministry to clear and restore the Kashirin channel. These measures are aimed at the stabilization and restoration of the key species population in the demonstration area of the Lower Volga in a certain area of the Kashirin channel and Lake Proklyatoye.

146. Also for the hydropower sector, the project reviewed the requirements of the "Hydropower Sustainability Assessment Protocol" produced by the International Hydropower Association,[8] and prepared a set of guidelines for the inclusion of the protocol's requirements in RusHydro's corporate standards.

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

147. Outcome 4 was budgeted for $1,650,500, which is 22.9% of the total project budget. As suggested in project documentation, the greatest achievement under this outcome has been the creation of four tri-partite agreements on cooperation in biodiversity conservation between the project, Department of Natural Resources and Ecology of the Kemerovo Oblast Administration, and Kuzbass coal companies. The four companies engaged are Kuzbasskaya Toplivnaya Company, SUEK-Kuzbass, SDS-Ugol and Yuzhny Kuzbass. Each of the companies has commitments to carrying out research in relation to biodiversity conservation on a variety of topics. For example, the Kuzbasskaya Toplivnaya Company is working on "*Mining and ecological monitoring of vegetation communities and analysis of BD dynamics at the level of mining production impact at Karakan Ridge in order to advance the measures aimed at plant world recovery and conservation."*

148. As for the oil and hydropower sectors, a compendium of "state of the art" best practice biodiversity solutions for the coal sector was prepared and published. The contracted organization selected to produce the compendium worked closely with the project's coal sector working group. The working group met six times to discuss and make decisions related to the compendium. During the initial phase the team sought sources of external information and expertise for inputs to the compendium. The work started with a mass circulation of the information and invitations to potential partners to work together. A total of seven organisations located in the UK, Germany, USA and Netherlands were notified; 25 requests to management companies of coal mining enterprises in Kuzbass, Khakassia, Vorkuta, Primorye, Yakutia, Krasnoyarsk, and Irkutsk, and 20 requests to research institutes and universities were sent. The compendium was produced as a two-part book, with a theoretical component and a practical

[8] See http://www.hydrosustainability.org/ for additional information.

component. The compendium contains 22 practices and research articles presented by various authors (researchers, coal-mining companies and institutes). Over a half of the practices lie in the area of damaged land remediation, i.e. elimination of negative consequences and restoration of biodiversity; six practices are aimed at prevention and reduction of impact on biodiversity; two practices at offsetting direct biodiversity losses; and two practices give examples of charitable educational activities of coal-mining companies in the area of biodiversity.

149. The project is also working to create a regional zakaznik, "Bachatskiye Fells" for conservation of the Kuznetsk depression native steppes. Field studies aimed at flora and fauna structure determination and grounding of the area to be allocated protected status were conducted. Boundaries of future zakaznik were adjusted. Land allocation was agreed upon with the administration of Belovo City District, and administration of Belovo Municipal District, where the zakaznik will be created. An outline map indicating owners of land sites for public hearings was developed. The project also supported establishment of a protected area, the regional natural monument "Chumaysky Buhtaya", which includes four ha of protected undisturbed rocky steppe habitat. The project provided expert input in feasibility assessment, preparation of justification materials, public hearings and agreements with the regional government.

150. Fourteen test plots have been established at the perimeter of the dump of Vinogradovskiy strip-mining field, for research and development of methods for restoration of meadow-steppe vegetation industrial habitats (see Figure 10, below). The practical results and experience from these tests will be included in the Kuzbasskaya Toplivnaya Company corporate standards. This work is implemented under the agreement between the company, project and regional government, and aims to prepare and test methods of meadow-steppe vegetation restoration at the mines where such vegetation has been removed.

151. The project provided the expert support for SUEK-Kuzbass to organize river biodiversity monitoring in the potential impact zone of the discharge from the Ruban mine. This new monitoring program was developed and initiated in 2014.

Figure 10 Project Vegetation Restoration Demonstration Plots, Vinogradovskiy Dump Site

E. Assessing Achievement of the Results Chain

i. Outputs to Outcomes

152. There is no question that the outputs produced by the project are directly contributing to achievement of the planned outcomes and the project objective. As described in the results section above, the project has produced or directly contributed to numerous government guidelines and regulations, and industry policies and standards. These have either been adopted by the relevant stakeholders, or remain in the uptake process. For example:

- Environmental management authorities in NAO, Kemerovo oblast, and Amur oblast will directly use the three geo-referenced GIS maps produced by the project to improve management of biodiversity in their territory;
- The criteria of the Hydropower Sustainability Assessment Protocol is being integrated into RusHydro's corporate standards; and
- The biodiversity strategy and action plans developed for Volgograd oblast and Sakhalin oblast will directly influence development planning in these regions.

153. Actual implementation of regulations, standards, etc. is the next step in generating improved outcomes for biodiversity conservation in Russia's energy sector – as directed by the indicator from the GEF biodiversity mainstreaming tracking tool that provides a 0-6 rating, which the project has incorporated in its results framework. Although implementation takes time, all indications are that the project's private sector partners will be implementing improved biodiversity conservation practices, with support from relevant government institutions. The primary motivation of the private sector partners is market-based, i.e. to improve their corporate

social responsibility, to gain wider access to more international markets (particularly the oil and gas sector). This motivation is not likely to disappear, even with depressed international oil prices – in fact, Russia's oil and gas sector companies may even have greater motivation as they do everything they can to improve market access in difficult times.

ii. Impacts and Global Environmental Benefits

154. For the GEF biodiversity focal area, project impacts are defined as documented changes in environmental status of species, ecosystems or genetic biodiversity resources. Global Environmental Benefits have not been explicitly defined, but are generally considered to involve sustained impact level results of a certain scale or significance.

155. The project document mentions the various expected impacts and Global Environmental Benefits to be achieved at various points throughout the document, and the expected impacts are diverse and widespread, considering the scope of the project in technical and geographic terms. The project results framework also includes numerous impact level indicators, with the inclusion of specific indicator species in each of the demonstration regions. These include, for example, the following indicators:

- NAO: Population of nesting pairs of Peregrine falcon *(Falco peɛegrinus, Tunstall*) does not decline at specified demonstration sites
- Sakhalin: Population of nesting pairs of Steller's Sea-eagle (*Haliaeetus pelagicus*) in demonstration sites is comparable with control site
- Caspian: Target of an average of 0.4 Caspian seals (*Phoca caspica*) per square km observed offshore for the summer/autumn season

156. The remaining impact level indicators, and assessment of progress toward the indicator targets, can be found in the project results framework, in Annex 10 of this report. In most cases it is too early to determine the project's contribution toward progress of the specific impact indicator targets, and considering the slow rate at which ecosystems respond to management measures, and the natural stochastic variation in species' populations, it may be too early to assess many of the project's expected impact-level results even at project completion.

157. The project has contributed to some site-based impact-level results at this stage, though achievement of impacts at the scale of Global Environmental Benefits would only be expected much later, once the policies, guidelines, etc. that the project has produced are under implementation, and on-the-ground demonstrations are replicated and scaled up. Examples of impact level results achieved thus far include:

- Reduced threats to key indicator species (Manchurian elk, Mandarin duck, sable, Red List flora) in Amur oblast in relation to inundation from the Lower Bureskaya hydropower facility;
- Two ha of remediated land in Kemerovo oblast, as part of testing for remediation approaches for areas affected by coal mining;
- Improved water quality in a small area of Kemerovo oblast as a result of improved waste water treatment by coal mining company;
- Three ha of remediated land in NAO, as part of assessment of remediation options of oil waste affected land, with a larger influence area of 30 ha; and

- More than 17 ha of improved watershed territory of Kizan river in Volgograd oblast, from waste site cleanup and restoration.

iii. Remaining Long-term Barriers

158. As ambitious and broadly scoped (and successful) as the Russia BD-Mainstreaming project is, it still is too limited to completely catalyze major changes in the entire Russian energy sector. Notably, two key private sector companies, Gazprom and Rosneft, are not heavily involved in the project activities. Even by the end of the project, securing the buy-in and commitment of all key private sector energy companies is likely to remain a long-term barrier to fully mainstreamed biodiversity conservation in the Russian energy sector. While the project is likely to make progress on improving financial incentives for the mainstreaming of biodiversity conservation, much more work will need to be done in the future.

159. Also likely to remain a long-term barrier is knowledge the status of biodiversity, and experience in best practices for the energy sector in relation to biodiversity conservation. Again this is an area where the project is making many contributions (i.e. testing restoration methods, increasing biodiversity monitoring, developing improved ecosystem data management tools, etc.), but there will remain large knowledge gaps in these areas at the end of the project.

VII. Key GEF Performance Parameters: Sustainability and Catalytic Role

160. Sustainability is one of the five main evaluation criteria, as well as being considered one of the GEF operational principles. Another key GEF operational principle is a project's catalytic role, relating to replication and up-scaling project results.

161. UNDP-GEF project evaluations are also required to discuss the mainstreaming of UNDP program principles. This is covered in Annex 12 of this evaluation report.

A. Sustainability

162. While a sustainability rating is provided here as required, sustainability is a temporal and dynamic state that is influenced by a broad range of constantly shifting factors. It should be kept in mind that the important aspect of sustainability of GEF projects is the sustainability of results, not necessarily the sustainability of activities that produced results. In the context of GEF projects there is no clearly defined timeframe for which results should be sustained, although it is implied that they should be sustained indefinitely. When evaluating sustainability, the greater the time horizon, the lower the degree of certainty possible. In addition, by definition, mid-term evaluations are not well positioned to provide ratings on sustainability considering that many more activities will be undertaken before project end that may positively or negatively affect the likelihood of sustainability.

163. Based on GEF evaluation policies and procedures, the overall rating for sustainability cannot be higher than the lowest rating for any of the individual components. Therefore the overall sustainability rating for the Russia BD-Mainstreaming project for this mid-term evaluation is ***moderately likely***.

164. In the second half of implementation, the project must establish an effective balance between achieving results and ensuring results are sustained after completion. Many project teams are so focused on delivery of results up until the last minute of a project's life that they

neglect aspects important for ensuring sustainability. This can include the publication and wide dissemination of key project outputs, workshops or conferences highlighting key results, and aspects such as ensuring a sustained online repository of key project output documents. Specific steps to address this issue may include a.) Developing a project exit strategy that outlines steps to be taken, and how results will be sustained; b.) Holding project planning sessions to brainstorm specific approaches to enhancing sustainability; c.) Engaging key stakeholders, such as PSC members and other partners, to disseminate project outputs within their respective constituencies and take follow-up steps; d.) Assigning specific project team members with responsibilities relating to the exit strategy.

i. Financial Risks

165. There are limited financial risks to sustainability for the Russia BD-Mainstreaming project, and this aspect of sustainability is considered likely. The project strategy and design is based substantially on putting factors related to the "enabling environment" in place, such as guidelines, tools, good practices, and the development of knowledge through demonstration of field-based activities. Therefore, if the project continues on its current track and is fully successful at completion, there will be little financial requirement to sustain the project results.

166. There are two primary financial considerations related to sustainability, although these currently do not immediately threaten the project results. First is the fact that continuing and expanding the mainstreaming of biodiversity conservation in Russia's energy sector requires private sector partnership, and private sector companies sometimes have short-term financial constraints that limit their ability to invest and budget for long-term priorities such as measures to support biodiversity conservation in their operations. This relates to the second factor, which is that even in a free market system, the government is responsible for establishing market incentives to support financial attractiveness of long-term goals such as biodiversity conservation. Even if the project is successful, it is unlikely that Russia's energy sector regulations will fully address naturally occurring short-term market failures that do not adequately price in the long-term necessity of biodiversity conservation.

ii. Socio-political Risks

167. Stakeholder engagement and support is one of the strengths of the Russia BD-Mainstreaming project, and socio-political aspects of sustainability are considered moderately likely. As mentioned previously in this report, the project has involved a large number of stakeholders, representing a wide diversity of companies, organizations, institutions, and communities. There are undoubtedly going to be some socio-political risks involved when working with the energy sector, which has high political and economic importance. However, thus far the project seems to be negotiating potential pitfalls successfully through strong communication, transparency, and technical expertise. As highlighted earlier in this report, the very existence of this project, which leverages strong partnerships with private sector companies in the coal, oil and hydropower sectors, speaks to the project's socio-political buy-in. As of the mid-term, key government and private sector partners remain committed to the project's objective, and thus to the sustainability of the project's results.

168. A key aspect in terms of socio-political sustainability is for the project to ensure that as of project completion there are strong partnerships and mechanisms in place between key government, civil society, and private sector partners. The private sector partners have shown great faith and openness in participating in this project. This innovative partnership must be institutionalized before the end of this project; the private sector partners must not be left dangling or left to fall back into their own isolated realms at project completion. In fact, the model approach to sustainable development is one where government, the private sector, civil society and communities work together toward common social, economic, and ecological goals (the three pillars of sustainability).

169. A key recommendation of this mid-term evaluation is that the project must work to ensure that the public-private partnerships for biodiversity conservation are fully handed off and transitioned to sustainable status at the end of the project. The partnerships represented in the project between UNDP, the Government of Russia, and the private sector energy company partners are innovative and unique. At the global level there are is an increasing number of partnerships between biodiversity conservation stakeholders and the private sector, and the project should work to link the Russian companies involved in this project into other national and global initiatives and partnerships. At the international level, these include the World Business Council on Sustainable Development, the CBD platform on Business and Biodiversity, the initiative on The Economics of Ecosystems and Biodiversity, and multiple international NGOs that have built positive working relationships with the private sector, such as WWF, and Conservation International's Business & Sustainability Council. In short the project must work to ensure that following completion of this project, the good will built during the project flourishes, and the private sector partners that are involved are effectively engaged in further public partnerships for biodiversity conservation, and not just left to find their own way.

iii. Institutional and Governance Risks

170. Institutional and governance risks are perhaps the most pertinent type of risks in terms of the sustainability of project results, considering the vast realm of policies and regulations relating to the energy sector, including many specific items related particularly to the coal, hydropower, oil, or gas sectors. In addition, for the objective of this project, the energy sector policy framework intersects directly with the policy framework for environmental (and specifically biodiversity) conservation. In this sense, the policy framework with which the project is interacting is so broad, the institutional and governance risks to sustainability of the project results may be considered in the context of the overall quality of institutions and governance in Russia.

171. With this context in mind, this mid-term evaluation is not aware of any overarching immediate or acute institutional or governance risks to sustainability for the Russia BD-Mainstreaming project. One notable issue relates to the slow progress of EIA reform in Russia, but this is more likely to affect the actual achievement of planned project results on this issue rather than the sustainability of results. The myriad individual results achieved may face some risks – for example, the regional government in NAO must implement the project's GIS-based map to improve environmental management, and the Sakhalin oblast government must

integrate and apply the biodiversity strategy and action plan developed with project support. However, on the whole, sustainability in this respect is considered moderately likely.

iv. Environmental Risks

172. There are no critical environmental risks to the achievement of project results, and sustainability in this regard is considered moderately likely. The most significant potential environmental risk is the potential for one of the project's private sector partners to have a catastrophic-level accident in one of the demonstration regions. For example, a major oil spill in the Caspian, NAO, or Sakhalin regions, similar to the recent Deep Water Horizon oil spill in the Gulf of Mexico. However, thanks to the project's interventions, these risks are continuously being reduced – although they can never be completely eliminated.

B. Catalytic Role: Replication and Up-scaling

173. The catalytic aspect of the Russia BD-Mainstreaming project is the critical element that will determine whether the project results remain circumscribed within the relatively small number of project private sector partners, or whether good practices and regulations related to biodiversity conservation can be up-scaled within the full energy sector in Russia, compelling (voluntarily, or through regulation) all energy companies to apply best practices for biodiversity conservation. Indications as of the mid-term evaluation are that the project has the potential to achieve a significant catalytic role, but this is far from guaranteed at this stage.

174. Some key project results are expected to have a catalytic effect. For example, any regulatory results at the federal level should be applied beyond the scope of the project, such as the project's contribution to the RosStat order for companies to report specifically on biodiversity conservation expenditures within their overall environmental expenditures. Also, for example, any results relating to regional development planning and improved environmental management should lead to scaled-up results – such as the biodiversity strategy and action plans in Sakhalin and Volgograd, and the three GIS-based environmental maps.

175. A recommendation of this mid-term evaluation is that the project must leverage mechanisms to scale-up and increase the roll-out of biodiversity conservation measures more widely within each of the energy sectors the project is working on, beyond just the primary project partner companies. Private sector companies want a level playing field in the marketplace, and do not want to be at a disadvantage to their competitors. If some companies implement voluntary environmental protection measures that have financial costs, they may not be as competitive in the market compared to companies that choose not to take on such responsibilities. The project should support the adoption of relevant biodiversity conservation measures by all companies in a particular sector, to ensure that the primary partner companies maintain their willingness to work on these issues. The project's work through the Russian Union of Industrialists and Entrepreneurs is an excellent start in this direction, but the project must explore any other such opportunities, including government adoption of regulations and requirements that would apply to all companies.

VIII. Main Lessons Learned and Recommendations

A. Lessons from the Experience of the Russia BD-Mainstreaming Project

176. The mid-term evaluation is early for there to be significant lessons from the project, but a few lessons that have been identified are included below. In addition, lessons identified by the project in the 2015 PIR are included in Box 1 below.

177. ***Lesson:*** The most significant and critical lesson from the Russia BD-Mainstreaming project is that with strong communication and with transparency, trust and good partnership can be created between diverse stakeholders, such as private sector energy companies, civil society, and government. In this sense, this project should serve as one excellent model for environmental conservation in terms of both the project's strategy and its execution.

178. ***Lesson:*** It is much cheaper to prevent ecosystems from becoming polluted than it is to restore ecosystems and biodiversity. As the experience of the Russia BD-Mainstreaming project shows, remediating and restoring even relatively small areas of land (i.e. 1-50 ha) can be very costly, and it takes a long time to return the land to an original state. While it is important and valuable to have the scientific knowledge to restore land areas that are inevitably disturbed during energy sector operations (such as areas where coal has been extracted), in most cases it is much cheaper in the long run to do everything possible to prevent and minimize pollution and disturbance than to remediate afterwards.

179. ***Lesson:*** Even though Russia is considered to have generally strong scientific and technical experts, there are some topics and issues for which it is challenging to find sufficiently qualified personnel. The Russia BD-Mainstreaming project team noted that for some project activities it has been virtually impossible to find qualified contractors. The technical requirements of any UNDP-GEF project activity should be well-considered in the planning stages to ensure that the necessary technical expertise is actually available.

180. ***Lesson:*** Even when stakeholders make commitments about planned activities, actions speak louder than words. The Russia BD-Mainstreaming project has encountered partners who have been slow to fulfill their initial commitments (e.g. in Khakassia), and partners who have completely lived up to initial commitments, and in some cases gone beyond. Fortunately for the project, the vast majority of partners and stakeholders engaged in this project have been of the latter type. Nonetheless, this project and all projects should keep in mind that results are only achieved once actions are actually implemented on the ground, and not just through verbal or written commitments.

181. ***Lesson:*** Establishing protected areas in regions with many different land owners is a challenge, and can require extensive time and effort. Although the Russia BD-Mainstreaming project is working to mainstream biodiversity conservation in production landscapes, protected areas are also an important element of the "ARRO" approach, as they can be used as offsets, or leveraged in other ways. The project's activity to establish the "Bachatskiye Fells" protected area in Kemerovo oblast has taken longer than originally planned, because the targeted area is owned by many individuals, including absentee owners. Any project planning to establish protected areas must carefully consider the land tenure situation in a prospective protected area before initiating the establishment process.

182. ***Lesson:*** When aiming to influence national-level policy, a project's plans can get caught up in exogenous factors that limit a project's ability to progress toward the intended policy result. The Russia BD-Mainstreaming project had high ambitions for influencing the EIA procedures, which are established at the national level. It was anticipated the project's work would be integrated with the national EIA reform process. However, this national reform process has not taken the track foreseen during the project development phase, and thus the project's results in this area have thus far been diminished. In the context of biodiversity conservation it is still important for projects to aim to influence national level policies, but expectations about actual results should be well-grounded in political reality.

Box 1 Russia BD-Mainstreaming Project Lessons from the 2015 PIR

1. The private sector focuses on a risk-based and activity-based outlook and expects to receive valued practical advice and credibility through the public dialog with NGOs and the general public.

2. To build a bridge, build the trust at first to become a warranty of the structure you create.

3. Although the business and the governmental authorities are usually on the opposite sides in many respects, they have the common interests where UNDP projects may act as the mediator and facilitator of private-public partnerships.

4. Keeping in mind the big picture, gain full appreciation of the risks in a certain area and act locally.

B. Mid-term Recommendations for the Russia BD-Mainstreaming Project

183. The Russia BD-Energy Mainstreaming project is making good progress toward virtually all planned results, and there is no need for major changes to the project strategy or activities at this point in time. The mid-term evaluation provides a few recommendations below, intended to enhance the effectiveness of the project, and ensure the sustainability of results.

184. ***Recommendation 1:*** The project should revise the results framework to strengthen results-based management approach, improve the "SMART-ness" of indicators, and improve the project's ability to report on key results (Note: Revision already completed in time for 2015 PIR based on discussions during mid-term evaluation, prior to publishing of the mid-term evaluation report).

185. ***Recommendation 2:*** The project must prioritize maintaining high annual financial delivery of the project budget. The initial low disbursement in 2012 and 2013 means that the project cannot afford further slippage without risking a loss of cost-effectiveness if the project requires long extensions.

186. ***Recommendation 3:*** Increase and expand the project's work on oil sector spill and emergency response preparedness. This is not significant focus on the project document, yet oil spills have the potential for catastrophic biodiversity impacts; minimizing the chance of such catastrophic events would be a highly valuable result for the project. In addition, this is a cost-effective approach, as remediation for oil spills is much more expensive than prevention. The project has gained some additional results in this area through the preparation of guidelines for

assessing offshore oil spill response plans, as requested by the MNRE, and it would be desirable to further develop the project's work on these issues.

187. ***Recommendation 4:*** The project must assess the situation in relation to the potential progress and engagement of coal companies and regional and local authorities in the Khakassia pilot region. The project may consider scaling back originally planned project activities in this pilot region (e.g. further development of Trekhozerka zakaznik, etc.), and re-directing resources to the most effective pilot sites. This would reduce the project's potential impact in the coal sector, but the project scope is already significant, and the results in the coal sector in the Kemerovo pilot site have been positive. The mid-term is the time to assess areas of the project that are not progressing adequately, and re-direct resources to more effective areas of the project.

188. ***Recommendation 5:*** The project must work to ensure that the public-private partnerships for biodiversity conservation are fully handed off and transitioned to sustainable status at the end of the project. The partnerships represented in the project between UNDP, the Government of Russia, and the private sector energy company partners are innovative and unique. At the global level there are is an increasing number of partnerships between biodiversity conservation stakeholders and the private sector, and the project should work to link the Russian companies involved in this project into other national and global initiatives and partnerships. At the international level, these include the World Business Council on Sustainable Development, the CBD platform on Business and Biodiversity, the initiative on The Economics of Ecosystems and Biodiversity, and multiple international NGOs that have built positive working relationships with the private sector, such as WWF, and Conservation International's Business & Sustainability Council. In short the project must work to ensure that following completion of this project, the good will built during the project flourishes, and the private sector partners that are involved are effectively engaged in further public partnerships for biodiversity conservation, and not just left to find their own way.

189. ***Recommendation 6:*** In the second half of implementation, the project must establish an effective balance between achieving results and ensuring results are sustained after completion. Many project teams are so focused on delivery of results up until the last minute of a project's life that they neglect aspects important for ensuring sustainability. This can include the publication and wide dissemination of key project outputs, workshops or conferences highlighting key results, and aspects such as ensuring a sustained online repository of key project output documents. Specific steps to address this issue may include a.) Developing a project exit strategy that outlines steps to be taken, and how results will be sustained; b.) Holding project planning sessions to brainstorm specific approaches to enhancing sustainability; c.) Engaging key stakeholders, such as PSC members and other partners, to disseminate project outputs within their respective constituencies and take follow-up steps; d.) Assigning specific project team members with responsibilities relating to the exit strategy.

190. ***Recommendation 7:*** The project must leverage mechanisms to scale-up and increase the roll-out of biodiversity conservation measures more widely within each of the energy sectors the project is working on, beyond just the primary project partner companies. Private sector companies want a level playing field in the marketplace, and do not want to be at a disadvantage to their competitors. If some companies implement voluntary environmental protection measures that have financial costs, they may not be as competitive in the market compared to

companies that choose not to take on such responsibilities. The project should support the adoption of relevant biodiversity conservation measures by all companies in a particular sector, to ensure that the primary partner companies maintain their willingness to work on these issues. The project's work through the Russian Union of Industrialists and Entrepreneurs is an excellent start in this direction, but the project must explore any other such opportunities, including government adoption of regulations and requirements that would apply to all companies.

IX. Annexes

Annex 1: Mid-term Review Terms of Reference

Annex 2: GEF Operational Principles

Annex 3: Russia BD-Mainstreaming Project Mid-term Evaluation Matrix

Annex 4: Interview Guide

Annex 5: Mid-term Evaluation Rating Scales

Annex 6: Mid-term Evaluation Mission Itinerary

Annex 7: Documents Reviewed

Annex 8: Russia BD-Mainstreaming Stakeholders

Annex 9: Russia BD-Mainstreaming Project Finance Table

Annex 10: BD-Energy Mainstreaming Results Framework and Assessed Indicator Target Achievement

Annex 11: List of Russia BD-Energy Mainstreaming Project Formal Meetings and Workshops

Annex 12: Russia BD-Mainstreaming Project Mainstreaming of UNDP Programme Principles

A. Annex 1: Mid-term Review Terms of Reference

1. INTRODUCTION

This is the Terms of Reference (ToR) for the UNDP-GEF Midterm Review (MTR) of the full-sized project titled **"Mainstreaming biodiversity conservation into Russia's energy sector policies and operations"** (PIMS#4241) implemented through the Ministry of natural resources and environment of the Russian Federation, which is to be undertaken in 2015 year. The Project Document was signed on July 25, 2011; however, the project was not operationalised till July 2012; this is the third year of the project implementation. Due to the protracted project start, the MTR will be conducted just before the submission of the third Project Implementation Report (PIR). This ToR sets out the expectations for this MTR. The MTR process must follow the guidance outlined in the document *Guidance For Conducting Midterm Reviews of UNDP-Supported, GEF-Financed Projects* (http://web.undp.org/evaluation/documents/guidance/GEF/mid-term/Guidance_Midterm%20Review%20_EN_2014.pdf).

2. PROJECT BACKGROUND INFORMATION

The Project was designed to improve the status of biodiversity in the industrialized regions of Russia, assisting in the arrangements of biodiversity monitoring system and implementation of environmentally and biodiversity friendly techniques within oil production, coal production and hydropower sector business companies in demonstration regions: Kemerovo, Amur, and Sakhalin oblasts, Republic of Khakassia, North Caspian / Lower Volga region, and the Nenets Autonomous District.

The project Objective is to promote management practices compatible with the principles of biodiversity conservation.

The Project is implemented through four major Outcomes:

- putting in place a legislative, regulatory and institutional framework to mainstream the principles of biodiversity preservation into business standards in the oil, coal and hydro power sectors (project Outcome 1);
- demonstrating the prevent-reduce-recover-compensate principle in oil, coal and hydro power sectors (project Outcomes 2, 3, 4);
- replicating the project's strategies, experience and achievements on a country-wide scale.

Overall the Project promotes the adoption of federal and regional laws / regulations on EIA, SEA, environmental damage remediation, and other mechanisms aimed at reduction of negative biodiversity and general environmental impacts and mainstreaming ecosystems issues in the energy sector business. The Project is also aimed at identification and sharing of information on implementation of best available techniques on biodiversity management among energy companies within Russia. Promotion of efforts to protect ecosystems will have a positive effect on biodiversity within demonstration areas, as well as indigenous peoples and local communities' quality of life.

The project is supported by key federal and regional authorities in the energy sector, including Ministry of Natural recourses and environment of the Russian Federation, Federal Service for Supervision of Natural Resource Usage, core committees of The Council of the Federation of the Federal Assembly of the Russian Federation and core Ministries and Committees of the Project demonstration sites. The Project stakeholders include key energy companies operating across Russia and on the Project demonstration sites, which are oil companies LUKOIL, Sakhalin Energy Investment Company Ltd., coal mining companies SUEK, SDS-Coal, KTK (Kuzbasskaya Toplivnaya Company), RusHydro and its regional divisions.

The Project encourages companies operating in various segments of the energy sector to cooperate and exchange the best practices in the area of corporate environmental responsibility, environmental and social risk assessment, and other project areas.

The Project budget is:
7,200,000 USD (GEF funds)
31,950,000 USD (co-financing), according to ProDoc.

The Project implementation started in December 2012 and expected to end in 2017.

3. OBJECTIVES OF THE MTR

The MTR will assess progress towards the achievement of the project objectives and outcomes as specified in the Project Document, and assess early signs of project success or failure with the goal of identifying the necessary changes to be made in order to set the project on-track to achieve its intended results. The MTR will also review the project's strategy, its risks to sustainability.

4. MTR APPROACH & METHODOLOGY

The MTR must provide evidence based information that is credible, reliable and useful. The MTR team will review all relevant sources of information including documents prepared during the preparation phase (i.e. PIF, UNDP Initiation Plan, UNDP Environmental & Social Safeguard Policy, the Project Document, project reports including PIRs, project budget revisions, lesson learned reports, national strategic and legal documents, and any other materials that the team considers useful for this evidence-based review). The MTR team will review the baseline GEF focal area Tracking Tool submitted to the GEF at CEO endorsement, and the midterm GEF focal area Tracking Tool that must be completed before the MTR field mission begins.

The MTR team is expected to follow a collaborative and participatory approach[9] ensuring close engagement with the Project Team, government counterparts (the GEF Operational Focal Point), the UNDP Country Office, UNDP-GEF Regional Technical Adviser, and other key stakeholders.

[9] For ideas on innovative and participatory Monitoring and Evaluation strategies and techniques, see UNDP Discussion Paper: Innovations in Monitoring & Evaluating Results, 05 Nov 2013.

Engagement of stakeholders is vital to a successful MTR.[10] Stakeholder involvement should include interviews with stakeholders who have project responsibilities, including but not limited to MNRE as an Implementing Partner for the project, major energy sector companies such as LUKOIL, Skhalin Energy, RusHydro, KTK, SDS-Coal; regional government officials, project implementation team and task leaders, key experts and consultants in the subject area, Project Steering Committee members, academia, local government and CSOs, etc. Additionally, the MTR team is expected to conduct a field mission to one of the pilot regions of the project.

The final MTR report should describe the full MTR approach taken and the rationale for the approach making explicit the underlying assumptions, challenges, strengths and weaknesses about the methods and approach of the review.

5. DETAILED SCOPE OF THE MTR

The MTR team will assess the following four categories of project progress. See the *Guidance For Conducting Midterm Reviews of UNDP-Supported, GEF-Financed Projects* for extended descriptions.

i. Project Strategy

Project design:

- Review the problem addressed by the project and the underlying assumptions. Review the effect of any incorrect assumptions or changes to the context to achieving the project results as outlined in the Project Document.
- Review the relevance of the project strategy and assess whether it provides the most effective route towards expected/intended results. Were lessons from other relevant projects properly incorporated into the project design?
- Review how the project addresses country priorities. Review country ownership. Was the project concept in line with the national sector development priorities and plans of the country (or of participating countries in the case of multi-country projects)?
- Review decision-making processes: were perspectives of those who would be affected by project decisions, those who could affect the outcomes, and those who could contribute information or other resources to the process, taken into account during project design processes?
- Review the extent to which relevant gender issues were raised in the project design. See Annex 9 of *Guidance For Conducting Midterm Reviews of UNDP-Supported, GEF-Financed Projects* for further guidelines.
- If there are major areas of concern, recommend areas for improvement.

Results Framework/Logframe:

[10] For more stakeholder engagement in the M&E process, see the UNDP Handbook on Planning, Monitoring and Evaluating for Development Results, Chapter 3, pg. 93.

- Undertake a critical analysis of the project's logframe indicators and targets, assess how "SMART" the midterm and end-of-project targets are (Specific, Measurable, Attainable, Relevant, Time-bound), and suggest specific amendments/revisions to the targets and indicators as necessary.
- Are the project's objectives and outcomes or components clear, practical, and feasible within its time frame?
- Examine if progress so far has led to, or could in the future catalyse beneficial development effects (i.e. income generation, gender equality and women's empowerment, improved governance etc…) that should be included in the project results framework and monitored on an annual basis.
- Ensure broader development and gender aspects of the project are being monitored effectively. Develop and recommend SMART 'development' indicators, including sex-disaggregated indicators and indicators that capture development benefits.

ii. Progress Towards Results

Progress Towards Outcomes Analysis:

- Review the logframe indicators against progress made towards the end-of-project targets using the Progress Towards Results Matrix and following the *Guidance For Conducting Midterm Reviews of UNDP-Supported, GEF-Financed Projects*; colour code progress in a "traffic light system" based on the level of progress achieved; assign a rating on progress for each outcome; make recommendations from the areas marked as "Not on target to be achieved" (red).

Table. Progress Towards Results Matrix (Achievement of outcomes against End-of-project Targets)

Project Strategy	Indicator[11]	Baseline Level[12]	Level in 1st PIR (self-reported)	Midterm Target[13]	End-of-project Target	Midterm Level & Assessment[14]	Achievement Rating[15]	Justification for Rating
Objective:	Indicator (if applicable):							
Outcome 1:	Indicator 1:							
	Indicator 2:							
Outcome 2:	Indicator 3:							
	Indicator 4:							
	Etc.							
Etc.								

Indicator Assessment Key

Green= Achieved	Yellow= On target to be achieved	Red= Not on target to be achieved

In addition to the progress towards outcomes analysis:

[11] Populate with data from the Logframe and scorecards
[12] Populate with data from the Project Document
[13] If available
[14] Colour code this column only
[15] Use the 6 point Progress Towards Results Rating Scale: HS, S, MS, MU, U, HU

- Compare and analyse the GEF Tracking Tool at the Baseline with the one completed right before the Midterm Review.
- Identify remaining barriers to achieving the project objective in the remainder of the project.
- By reviewing the aspects of the project that have already been successful, identify ways in which the project can further expand these benefits.

iii. Project Implementation and Adaptive Management

Management Arrangements:

- Review overall effectiveness of project management as outlined in the Project Document. Have changes been made and are they effective? Are responsibilities and reporting lines clear? Is decision-making transparent and undertaken in a timely manner? Recommend areas for improvement.
- Review the quality of execution of the Executing Agency/Implementing Partner(s) and recommend areas for improvement.
- Review the quality of support provided by the GEF Partner Agency (UNDP) and recommend areas for improvement.

Work Planning:

- Review any delays in project start-up and implementation, identify the causes and examine if they have been resolved.
- Are work-planning processes results-based? If not, suggest ways to re-orientate work planning to focus on results?
- Examine the use of the project's results framework / logframe as a management tool and review any changes made to it since project start.

Finance and co-finance:

- Consider the financial management of the project, with specific reference to the cost-effectiveness of interventions.
- Review the changes to fund allocations as a result of budget revisions and assess the appropriateness and relevance of such revisions.
- Does the project have the appropriate financial controls, including reporting and planning, that allow management to make informed decisions regarding the budget and allow for timely flow of funds?
- Informed by the co-financing monitoring table to be filled out, provide commentary on co-financing: is co-financing being used strategically to help the objectives of the project? Is the Project Team meeting with all co-financing partners regularly in order to align financing priorities and annual work plans?

Project-level Monitoring and Evaluation Systems:

- Review the monitoring tools currently being used: Do they provide the necessary information? Do they involve key partners? Are they aligned or mainstreamed with national systems? Do they use existing information? Are they efficient? Are they cost-effective? Are additional tools required? How could they be made more participatory and inclusive?
- Examine the financial management of the project monitoring and evaluation budget. Are sufficient resources being allocated to monitoring and evaluation? Are these resources being allocated effectively?

Stakeholder Engagement:

- Project management: Has the project developed and leveraged the necessary and appropriate partnerships with direct and tangential stakeholders?
- Participation and country-driven processes: Do local and national government stakeholders support the objectives of the project? Do they continue to have an active role in project decision-making that supports efficient and effective project implementation?
- Participation and public awareness: To what extent has stakeholder involvement and public awareness contributed to the progress towards achievement of project objectives?

Reporting:

- Assess how adaptive management changes have been reported by the project management and shared with the Project Board.
- Assess how well the Project Team and partners undertake and fulfil GEF reporting requirements (i.e. how have they addressed poorly-rated PIRs, if applicable?)
- Assess how lessons derived from the adaptive management process have been documented, shared with key partners and internalized by partners.

Communications:

- Review internal project communication with stakeholders: Is communication regular and effective? Are there key stakeholders left out of communication? Are there feedback mechanisms when communication is received? Does this communication with stakeholders contribute to their awareness of project outcomes and activities and investment in the sustainability of project results?
- Review external project communication: Are proper means of communication established or being established to express the project progress and intended impact to the public (is there a web presence, for example? Or did the project implement appropriate outreach and public awareness campaigns?)
- For reporting purposes, write one half-page paragraph that summarizes the project's progress towards results in terms of contribution to sustainable development benefits, as well as global environmental benefits.

iv. Sustainability

- Validate whether the risks identified in the Project Document, Annual Project Review/PIRs and the ATLAS Risk Management Module are the most important and whether the risk ratings applied are appropriate and up to date. If not, explain why.
- In addition, assess the following risks to sustainability:

Financial risks to sustainability:

- What is the likelihood of financial and economic resources not being available once the GEF assistance ends (consider potential resources can be from multiple sources, such as the public and private sectors, income generating activities, and other funding that will be adequate financial resources for sustaining project's outcomes)?

Socio-economic risks to sustainability:

- Are there any social or political risks that may jeopardize sustainability of project outcomes? What is the risk that the level of stakeholder ownership (including ownership by governments and other key stakeholders) will be insufficient to allow for the project outcomes/benefits to be sustained? Do the various key stakeholders see that it is in their interest that the project benefits continue to flow? Is there sufficient public / stakeholder awareness in support of the long term objectives of the project? Are lessons learned being documented by the Project Team on a continual basis and shared/ transferred to appropriate parties who could learn from the project and potentially replicate and/or scale it in the future?

Institutional Framework and Governance risks to sustainability:

- Do the legal frameworks, policies, governance structures and processes pose risks that may jeopardize sustenance of project benefits? While assessing this parameter, also consider if the required systems/ mechanisms for accountability, transparency, and technical knowledge transfer are in place.

Environmental risks to sustainability:

- Are there any environmental risks that may jeopardize sustenance of project outcomes?

Conclusions & Recommendations

The MTR team will include a section of the report setting out the MTR's evidence-based conclusions, in light of the findings.[16]

Recommendations should be succinct suggestions for critical intervention that are specific, measurable, achievable, and relevant. A recommendation table should be put in the report's executive summary. See the *Guidance For Conducting Midterm Reviews of UNDP-Supported, GEF-Financed Projects* for guidance on a recommendation table.

The MTR team should make no more than 15 recommendations total.

[16] Alternatively, MTR conclusions may be integrated into the body of the report.

Ratings

The MTR team will include its ratings of the project's results and brief descriptions of the associated achievements in a *MTR Ratings & Achievement Summary Table* in the Executive Summary of the MTR report. See Annex E for ratings scales. No rating on Project Strategy and no overall project rating is required.

Table. MTR Ratings & Achievement Summary Table for "Mainstreaming biodiversity conservation into Russia's energy sector policies and operations" Project

Measure	MTR Rating	Achievement Description
Project Strategy	N/A	
Progress Towards Results	Objective Achievement Rating: (rate 6 pt. scale)	
	Outcome 1 Achievement Rating: (rate 6 pt. scale)	
	Outcome 2 Achievement Rating: (rate 6 pt. scale)	
	Outcome 3 Achievement Rating: (rate 6 pt. scale)	
	Etc.	
Project Implementation & Adaptive Management	(rate 6 pt. scale)	
Sustainability	(rate 4 pt. scale)	

6. MTR SCHEDULE AND TIMEFRAME

The total duration of the MTR will be approximately 31 days over a time period of April - July 2015*,* and shall not exceed five months from when the consultant(s) are hired.

The evaluation is planned in two stages with tentatively two missions to the country. During the first stage the MTR consultant will review the project design and assess the proposed strategy to achieve the development objective and outcomes of the project. The consultant is to confirm/otherwise that the project strategy is relevant to country priorities, country ownership, and is believed to be the best route towards expected results. The consultant will review the original Logframe indicators against progress made towards the end-of-project targets. He/she is also requested to assist the project team with revision of the Logframe indicators according to the SMART criteria; the consultant is expected to propose alternative/additional indicators which would be fully relevant and indicative of the project impact. The key deliverable for the first stage of the MTR is the proposals for the project Logframe revision.

During the second stage of the MTR process, the evaluator will conduct a field trip to one/two of the project pilot sites. Having met with the key project stakeholders and the project team, the consultant will finalise analysis of progress towards outcomes and the achievement of the target indicators. The second stage of the MTR will include assessment of project management arrangements, project finance, monitoring tools, quality of reporting and adaptive management, stakeholder engagement, communication aspects of the project. The MTR consultant is advised to revisit the risk analysis for the project and specifically assess the risks to project sustainability. The second stage of the MTR will result in the evaluation report with the recommendations for the 2nd half of project implementation.

The tentative MTR timeframe is as follows:

TIMEFRAME	ACTIVITY
By April 8, 2015	Select MTR consultant
April 9-12, 2015 (3 days maximum)	Prep the MTR consultant for the first field mission; handover of relevant document such as Prodoc, PIRs, track record for the Project Logframe development and revision
April 13-17, 2015 (tent. 3 days)	First MTR mission: meetings with the project team and key experts aimed to review and revise project Logframe
April 18-30(3 days maximum)	Presentation of proposals for revised project Logframe
May 1-12 (3 days maximum)	Debriefings for the second stage of the MTR
May 14-21, 2015(tent. 7 days)	Second MTR mission: stakeholder meetings, interviews, field visits
May 21, 2015	Mission wrap-up meeting & presentation of initial findings- earliest end of MTR mission
By June 15, 2015 (maximum 10 days)	Preparing draft report
By July 31 (tent. 2 days)	Incorporating audit trail from feedback on draft report/Finalization of MTR report

7. MIDTERM REVIEW DELIVERABLES

#	Deliverable	Description	Timing	Responsibilities
1	**Proposals for Project Logframe indicator revisions**	Justified proposals for revision of project Logframe indicators	No later than April 30, 2015	MTR team submits to the Commissioning Unit and project management
2	**Presentation**	Initial Findings	End of the second MTR mission: May 21, 2015	MTR Team presents to project management and the Commissioning Unit
3	**Draft Final Report**	Full report (using guidelines on content outlined in Annex B) with annexes	Within 3 weeks of the MTR mission: June 15	Sent to the Commissioning Unit, reviewed by RTA, Project Coordinating Unit, GEF OFP
4	**Final Report***	Revised report with audit trail detailing how all received comments have (and have not) been addressed in the final MTR report	Within 1 week of receiving UNDP comments on draft: tentatively not later than July 31	Sent to the Commissioning Unit

*The final MTR report must be in English. If applicable, the Commissioning Unit may choose to arrange for a translation of the report into a language more widely shared by national stakeholders.

8. MTR ARRANGEMENTS

The principal responsibility for managing this MTR resides with the Commissioning Unit. The Commissioning Unit for this project's MTR is the UNDP Project Support Office in Russia.

The commissioning unit will contract the consultant and ensure the timely provision of per diems and travel arrangements within the country for the MTR consultant. The Project Team will be responsible for liaising with the MTR consultant to provide all relevant documents, set up stakeholder interviews, and arrange field visits.

9. TEAM COMPOSITION

An independent consultant will conduct the MTR who did not participate in the project preparation, formulation, and/or implementation (including the writing of the Project Document) and does not have a conflict of interest with project's related activities. The consultant is expected to have the following qualifications:

- Recent experience with result-based management evaluation methodologies;
- Experience applying SMART indicators and reconstructing or validating baseline scenarios;
- Competence in adaptive management, as applied to the GEF BD Focal Area;
- Experience working with the GEF or GEF-evaluations;
- Experience working in Russia;
- Work experience in relevant technical areas for at least 10 years;
- Excellent communication skills;
- Demonstrable analytical skills;
- Project evaluation/review experiences within UNDP/GEF system will be considered an asset;
- A Master's degree in environmental science, or other closely related field.

10. PAYMENT MODALITIES AND SPECIFICATIONS

20% of payment upon submission of proposals for the revised project Logframe;
60% upon submission of the draft MTR report
20% upon finalization of the MTR report

Or, as otherwise agreed between the Commissioning Unit and the MTR team.

11. APPLICATION PROCESS[17]

Recommended Presentation of Proposal:

a) **Letter of Confirmation of Interest and Availability** using the template[18] provided by UNDP;
b) **CV** and a **Personal History Form** (P11 form[19])

[17] Engagement of the consultants should be done in line with guidelines for hiring consultants in the POPP: https://info.undp.org/global/popp/Pages/default.aspx

[18] https://intranet.undp.org/unit/bom/pso/Support%20documents%20on%20IC%20Guidelines/Template%20for%20Confirmation%20of%20Interest%20and%20Submission%20of%20Financial%20Proposal.docx

[19] http://www.undp.org/content/dam/undp/library/corporate/Careers/P11_Personal_history_form.doc

c) **Brief description of approach to work/technical proposal** of why the individual considers him/herself as the most suitable for the assignment, and a proposed methodology on how they will approach and complete the assignment; (max 1 page)
d) **Financial Proposal** that indicates the all-inclusive fixed total contract price and all other travel related costs (such as flight ticket, per diem, etc.), supported by a breakdown of costs, as per template attached to the Letter of Confirmation of Interest template. If an applicant is employed by an organization/company/institution, and he/she expects his/her employer to charge a management fee in the process of releasing him/her to UNDP under Reimbursable Loan Agreement (RLA), the applicant must indicate at this point, and ensure that all such costs are duly incorporated in the financial proposal submitted to UNDP.

All application materials should be submitted by email at the following address ONLY: irina.bredneva@undp.org by April 7, 2015 COB. Incomplete applications will be excluded from further consideration.

Criteria for Evaluation of Proposal: Only those applications which are responsive and compliant will be evaluated. Offers will be evaluated according to the Combined Scoring method – where the educational background and experience on similar assignments will be weighted at 70% and the price proposal will weigh as 30% of the total scoring. The applicant receiving the Highest Combined Score that has also accepted UNDP's General Terms and Conditions will be awarded the contract.

B. Annex 2: GEF Operational Principles

http://www.gefweb.org/public/opstrat/ch1.htm

TEN OPERATIONAL PRINCIPLES FOR DEVELOPMENT AND IMPLEMENTATION OF THE GEF'S WORK PROGRAM

1. For purposes of the financial mechanisms for the implementation of the Convention on Biological Diversity and the United Nations Framework Convention on Climate Change, the GEF will **function under the guidance of, and be accountable to, the Conference of the Parties** (COPs). For purposes of financing activities in the focal area of ozone layer depletion, GEF operational policies will be consistent with those of the Montreal Protocol on Substances that Deplete the Ozone Layer and its amendments.

2. The GEF will provide new, and additional, grant and concessional funding to meet the agreed **incremental costs** of measures to achieve agreed global environmental benefits.

3. The GEF will ensure the **cost-effectiveness** of its activities to maximize global environmental benefits.

4. The GEF will fund projects that are **country-driven** and based on national priorities designed to support sustainable development, as identified within the context of national programs.

5. The GEF will maintain sufficient **flexibility** to respond to changing circumstances, including evolving guidance of the Conference of the Parties and experience gained from monitoring and evaluation activities.

6. GEF projects will provide for **full disclosure** of all non-confidential information.

7. GEF projects will provide for consultation with, and **participation** as appropriate of, the beneficiaries and affected groups of people.

8. GEF projects will conform to the **eligibility** requirements set forth in paragraph 9 of the GEF Instrument.

9. In seeking to maximize global environmental benefits, the GEF will emphasize its **catalytic role** and leverage additional financing from other sources.

10. The GEF will ensure that its programs and projects are **monitored and evaluated** on a regular basis.

C. Annex 3: Russia BD-Mainstreaming Project Mid-term Evaluation Matrix

Evaluation Questions	Indicators	Sources	Data Collection Method
Evaluation Criteria: Relevance			
• Does the project's objective align with the priorities of the local government and local communities?	• Level of coherence between project objective and stated priorities of local stakeholders	• Local stakeholders • Document review of local development strategies, environmental policies, etc.	• Local level field visit interviews • Desk review
• Does the project's objective fit within the national environment and development priorities?	• Level of coherence between project objective and national policy priorities and strategies, as stated in official documents	• National policy documents, such as National Biodiversity Strategy and Action Plan, National Capacity Self-Assessment, etc.	• Desk review • National level interviews
• Did the project concept originate from local or national stakeholders, and/or were relevant stakeholders sufficiently involved in project development?	• Level of involvement of local and national stakeholders in project origination and development (number of meetings held, project development processes incorporating stakeholder input, etc.)	• Project staff • Local and national stakeholders • Project documents	• Field visit interviews • Desk review
• Does the project objective fit GEF strategic priorities?	• Level of coherence between project objective and GEF strategic priorities (including alignment of relevant focal area indicators)	• GEF strategic priority documents for period when project was approved • Current GEF strategic priority documents	• Desk review
• Was the project linked with and in-line with UNDP priorities and strategies for the country?	• Level of coherence between project objective and design with UNDAF, CPAP, CPD	• UNDP strategic priority documents	• Desk review
• Does the project's objective support implementation of the Convention on Biological Diversity? Other relevant MEAs?	• Linkages between project objective and elements of the CBD, such as key articles and programs of work	• CBD website • National Biodiversity Strategy and Action Plan	• Desk review
Evaluation Criteria: Efficiency			

Evaluation Questions	Indicators	Sources	Data Collection Method
• Is the project cost-effective?	• Quality and adequacy of financial management procedures (in line with UNDP, and national policies, legislation, and procedures) • Financial delivery rate vs. expected rate • Management costs as a percentage of total costs	• Project documents • Project staff	• Desk review • Interviews with project staff
• Are expenditures in line with international standards and norms?	• Cost of project inputs and outputs relative to norms and standards for donor projects in the country or region	• Project documents • Project staff	• Desk review • Interviews with project staff
• Is the project implementation approach efficient for delivering the planned project results?	• Adequacy of implementation structure and mechanisms for coordination and communication • Planned and actual level of human resources available • Extent and quality of engagement with relevant partners / partnerships • Quality and adequacy of project monitoring mechanisms (oversight bodies' input, quality and timeliness of reporting, etc.)	• Project documents • National and local stakeholders • Project staff	• Desk review • Interviews with project staff • Interviews with national and local stakeholders
• Is the project implementation delayed? If so, has that affected cost-effectiveness?	• Project milestones in time • Planned results affected by delays • Required project adaptive management measures related to delays	• Project documents • Project staff	• Desk review • Interviews with project staff
• What is the contribution of cash and in-kind co-financing to project implementation?	• Level of cash and in-kind co-financing relative to expected level	• Project documents • Project staff	• Desk review • Interviews with project staff
• To what extent is the project leveraging additional resources?	• Amount of resources leveraged relative to project budget	• Project documents • Project staff	• Desk review

Evaluation Questions	Indicators	Sources	Data Collection Method
			• Interviews with project staff
Evaluation Criteria: Effectiveness			
• Are the project objectives likely to be met? To what extent are they likely to be met?	• Level of progress toward project indicator targets relative to expected level at current point of implementation	• Project documents • Project staff • Project stakeholders	• Field visit interviews • Desk review
• What are the key factors contributing to project success or underachievement?	• Level of documentation of and preparation for project risks, assumptions and impact drivers	• Project documents • Project staff • Project stakeholders	• Field visit interviews • Desk review
• What are the key risks and barriers that remain to achieve the project objective and generate Global Environmental Benefits?	• Presence, assessment of, and preparation for expected risks, assumptions and impact drivers	• Project documents • Project staff • Project stakeholders	• Field visit interviews • Desk review
• Are the key assumptions and impact drivers relevant to the achievement of Global Environmental Benefits likely to be met?	• Actions undertaken to address key assumptions and target impact drivers	• Project documents • Project staff • Project stakeholders	• Field visit interviews • Desk review
Evaluation Criteria: Results			
• Have the planned outputs been produced? Have they contributed to the project outcomes and objectives?	• Level of project implementation progress relative to expected level at current stage of implementation • Existence of logical linkages between project outputs and outcomes/impacts	• Project documents • Project staff • Project stakeholders	• Field visit interviews • Desk review
• Are the anticipated outcomes likely to be achieved? Are the outcomes likely to contribute to the achievement of the project objective?	• Existence of logical linkages between project outcomes and impacts	• Project documents • Project staff • Project stakeholders	• Field visit interviews • Desk review
• Are impact level results likely to be achieved? Are the likely to be at the scale sufficient to be	• Environmental indicators • Level of progress through the project's Theory of Change	• Project documents • Project staff • Project stakeholders	• Field visit interviews • Desk review

Evaluation Questions	Indicators	Sources	Data Collection Method
considered Global Environmental Benefits?			
Evaluation Criteria: Sustainability			
• To what extent are project results likely to be dependent on continued financial support? What is the likelihood that any required financial resources will be available to sustain the project results once the GEF assistance ends?	• Financial requirements for maintenance of project benefits • Level of expected financial resources available to support maintenance of project benefits • Potential for additional financial resources to support maintenance of project benefits	• Project documents • Project staff • Project stakeholders	• Field visit interviews • Desk review
• Do relevant stakeholders have or are likely to achieve an adequate level of "ownership" of results, to have the interest in ensuring that project benefits are maintained?	• Level of initiative and engagement of relevant stakeholders in project activities and results	• Project documents • Project staff • Project stakeholders	• Field visit interviews • Desk review
• Do relevant stakeholders have the necessary technical capacity to ensure that project benefits are maintained?	• Level of technical capacity of relevant stakeholders relative to level required to sustain project benefits	• Project documents • Project staff • Project stakeholders	• Field visit interviews • Desk review
• To what extent are the project results dependent on socio-political factors?	• Existence of socio-political risks to project benefits	• Project documents • Project staff • Project stakeholders	• Field visit interviews • Desk review
• To what extent are the project results dependent on issues relating to institutional frameworks and governance?	• Existence of institutional and governance risks to project benefits	• Project documents • Project staff • Project stakeholders	• Field visit interviews • Desk review
• Are there any environmental risks that can undermine the future flow of project impacts and Global Environmental Benefits?	• Existence of environmental risks to project benefits	• Project documents • Project staff • Project stakeholders	• Field visit interviews • Desk review
Cross-cutting and UNDP Mainstreaming Issues			
• Did the project take incorporate gender mainstreaming or equality, as relevant?	• Level of appropriate engagement and attention to gender-relevant aspects of the project	• Project documents • Project staff • Project stakeholders	• Field visit interviews • Desk review

D. Annex 4: Interview Guide

Overview: The questions under each topic area are intended to assist in focusing discussion to ensure consistent topic coverage and to structure data collection, and are not intended as verbatim questions to be posed to interviewees. When using the interview guide, the interviewer should be sure to target questions at a level appropriate to the interviewee. The interview guide is one of multiple tools for gathering evaluative evidence, to complement evidence collected through document reviews and other data collection methods; in other words, the interview guide does not cover all evaluative questions relevant to the evaluation.

Key
Bold = GEF Evaluation Criteria
Italic = GEF Operational Principles

I. PLANNING / PRE-IMPLEMENTATION
- A. **Relevance**
  - i. Did the project's objectives fit within the priorities of the local government and local communities?
  - ii. Did the project's objectives fit within national priorities?
  - iii. Did the project's objectives fit GEF strategic priorities?
  - iv. Did the project's objectives support implementation of the relevant multi-lateral environmental agreement?
- *B. Incremental cost*
  - i. Did the project create environmental benefits that would not have otherwise taken place?
  - ii. Does the project area represent an example of a globally significant environmental resource?
- *C. Country-drivenness / Participation*
  - i. How did the project concept originate?
  - ii. How did the project stakeholders contribute to the project development?
  - iii. Do local and national government stakeholders support the objectives of the project?
  - iv. Do the local communities support the objectives of the project?
  - v. Are the project objectives in conflict with any national level policies?
- D. Monitoring and Evaluation Plan / Design *(M&E)*
  - i. Were monitoring and reporting roles clearly defined?
  - ii. Was there either an environmental or socio-economic baseline of data collected before the project began?

II. MANAGEMENT / OVERSIGHT
- A. Project management
  - i. What were the implementation arrangements?
  - ii. Was the management effective?

iii. Were workplans prepared as required to achieve the anticipated outputs on the required timeframes?
iv. Did the project develop and leverage the necessary and appropriate partnerships with direct and tangential stakeholders?
v. Were there any particular challenges with the management process?
vi. If there was a steering or oversight body, did it meet as planned and provide the anticipated input and support to project management?
vii. Were risks adequately assessed during implementation?
viii. Did assumptions made during project design hold true?
ix. Were assessed risks adequately dealt with?
x. Was the level of communication and support from the implementing agency adequate and appropriate?

B. Flexibility

i. Did the project have to undertake any adaptive management measures based on feedback received from the M&E process?
ii. Were there other ways in which the project demonstrated flexibility?
iii. Were there any challenges faced in this area?

C. **Efficiency** *(cost-effectiveness)*

i. Was the project cost-effective?
ii. Were expenditures in line with international standards and norms?
iii. Was the project implementation delayed?
iv. If so, did that affect cost-effectiveness?
v. What was the contribution of cash and in-kind co-financing to project implementation?
vi. To what extent did the project leverage additional resources?

D. Financial Management

i. Was the project financing (from the GEF and other partners) at the level foreseen in the project document?
ii. Where there any problems with disbursements between implementing and executing agencies?
iii. Were financial audits conducted with the regularity and rigor required by the implementing agency?
iv. Was financial reporting regularly completed at the required standards and level of detail?
v. Did the project face any particular financial challenges such as unforeseen tax liabilities, management costs, or currency devaluation?

E. Co-financing *(catalytic role)*

i. Was the in-kind co-financing received at the level anticipated in the project document?
ii. Was the cash co-financing received at the level anticipated in the project document?
iii. Did the project receive any additional unanticipated cash support after approval?

iv. Did the project receive any additional unanticipated in-kind support after approval?

F. Monitoring and Evaluation *(M&E)*
   i. Project implementation M&E
      a. Was the M&E plan adequate and implemented sufficiently to allow the project to recognize and address challenges?
      b. Were any unplanned M&E measures undertaken to meet unforeseen shortcomings?
      c. Was there a mid-term evaluation?
      d. How were project reporting and monitoring tools used to support adaptive management?
   ii. Environmental and socio-economic monitoring
      a. Did the project implement a monitoring system, or leverage a system already in place, for environmental monitoring?
      b. What are the environmental or socio-economic monitoring mechanisms?
      c. Have any community-based monitoring mechanisms been used?
      d. Is there a long-term M&E component to track environmental changes?
      e. If so, what provisions have been made to ensure this is carried out?

E. Full disclosure
   i. Did the project meet this requirement?
   ii. Did the project face any challenges in this area?

III. ACTIVITIES / IMPLEMENTATION

A. **Effectiveness**
   i. How have the stated project objectives been met?
   ii. To what extent have the project objectives been met?
   iii. What were the key factors that contributed to project success or underachievement?
   iv. Can positive key factors be replicated in other situations, and could negative key factors have been anticipated?

B. Stakeholder involvement and public awareness *(participation)*
   i. What were the achievements in this area?
   ii. What were the challenges in this area?
   iii. How did stakeholder involvement and public awareness contribute to the achievement of project objectives?

IV. RESULTS

A. Outputs
   i. Did the project achieve the planned outputs?
   ii. Did the outputs contribute to the project outcomes and objectives?

B. Outcomes
   i. Were the anticipated outcomes achieved?

ii. Were the outcomes relevant to the planned project impacts?

C. Impacts
   i. Was there a logical flow of inputs and activities to outputs, from outputs to outcomes, and then to impacts?
   ii. Did the project achieve its anticipated/planned impacts?
   iii. Why or why not?
   iv. If impacts were achieved, were they at a scale sufficient to be considered Global Environmental Benefits?
   v. If impacts or Global Environmental Benefits have not yet been achieved, are the conditions (enabling environment) in place so that they are likely to eventually be achieved?

D. Replication strategy, and documented replication or scaling-up *(catalytic role)*
   i. Did the project have a replication plan?
   ii. Was the replication plan "passive" or "active"?
   iii. Is there evidence that replication or scaling-up occurred within the country?
   iv. Did replication or scaling-up occur in other countries?

V. LESSONS LEARNED

A. What were the key lessons learned in each project stage?
B. In retrospect, would the project participants have done anything differently?

VI. SUSTAINABILITY

A. Financial
   i. To what extent are the project results dependent on continued financial support?
   ii. What is the likelihood that any required financial resources will be available to sustain the project results once the GEF assistance ends?
   iii. Was the project successful in identifying and leveraging co-financing?
   iv. What are the key financial risks to sustainability?

B. Socio-Political
   i. To what extent are the project results dependent on socio-political factors?
   ii. What is the likelihood that the level of stakeholder ownership will allow for the project results to be sustained?
   iii. Is there sufficient public/stakeholder awareness in support of the long-term objectives of the project?
   iv. What are the key socio-political risks to sustainability?

C. Institutions and Governance
   i. To what extent are the project results dependent on issues relating to institutional frameworks and governance?
   ii. What is the likelihood that institutional and technical achievements, legal frameworks, policies and governance structures and processes will allow for the project results to be sustained?
   iii. Are the required systems for accountability and transparency and the required technical know-how in place?

iv. What are the key institutional and governance risks to sustainability?

D. Ecological
   i. Are there any environmental risks that can undermine the future flow of project impacts and Global Environmental Benefits?

E. Annex 5: Mid-term Evaluation Rating Scales

Progress towards results: use the following rating scale	
Highly Satisfactory (HS)	Project is expected to achieve or exceed all its major global environmental objectives, and yield substantial global environmental benefits, without major shortcomings. The project can be presented as "good practice".
Satisfactory (S)	Project is expected to achieve most of its major global environmental objectives, and yield satisfactory global environmental benefits, with only minor shortcomings.
Moderately Satisfactory (S)	Project is expected to achieve most of its major relevant objectives but with either significant shortcomings or modest overall relevance. Project is expected not to achieve some of its major global environmental objectives or yield some of the expected global environment benefits.
Moderately Unsatisfactory (MU)	Project is expected to achieve its major global environmental objectives with major shortcomings or is expected to achieve only some of its major global environmental objectives.
Unsatisfactory (U)	Project is expected not to achieve most of its major global environment objectives or to yield any satisfactory global environmental benefits.
Highly Unsatisfactory (HU)	The project has failed to achieve, and is not expected to achieve, any of its major global environment objectives with no worthwhile benefits.
Adaptive management AND Management Arrangements: use the following rating scale	
Highly Satisfactory (HS)	The project has no shortcomings and can be presented as "good practice".
Satisfactory (S)	The project has minor shortcomings.
Moderately Satisfactory (S)	The project has moderate shortcomings.
Moderately Unsatisfactory (MU)	The project has significant shortcomings.
Unsatisfactory (U)	The project has major shortcomings.
Highly Unsatisfactory (HU)	The project has severe shortcomings.
Sustainability: use the following rating scale	
Likely (L)	There are no or negligible risks that affect this dimension of sustainability/linkages
Moderately Likely (ML)	There are moderate risks that affect this dimension of sustainability/linkages
Moderately Unlikely (MU)	There are significant risks that affect this dimension of sustainability/linkages
Unlikely (U)	There are severe risks that affect this dimension of sustainability

F. Annex 6: Mid-term Evaluation Mission Itinerary and Persons Interviewed

Date	Interview format	Stakeholders / representatives
April 14th	Personal interviews	- UNDP Russia Project Support Office: Ms. Irina Bredneva
April 16-17th	Personal interviews	- PMU: o Ms. Svetlana Sheynfeld, Project Manager o Mr. Alexey Vladimirov, Chief Technical Advisor, Oil Sector and Biodiversity Specialist o Mr. Valery Orlov, Biodiversity Consultant for the project o Mr. Arthur Alibekov, Hydropower Sector Specialist o Ms. Antonina Hovanskaya, Project Assistant - Deputy National Project Director: Mr. Igor Kostin, Federal Ministry of Natural Resources and Environment
May 18th or 22nd *(to be defined)*	Personal interviews	- Amirkhanov Amirkhan, National Project Director, Ministry of natural resources and environment of the Russian Federation - Rozhnov Viacheslav, Severtsov Institute of Ecology and Evolution RAS
May 19th	Common / Round table format	Kemerovo oblast authorities: - Vashlaeva Nina, Deputy Governor on natural resources and environment - Klimovskaya Irina, Head of Kemerovo oblast Rosprirodnadzor - Vysotskyi Sergey, Head of Kemerovo oblast Department of natural resources and environment Other Project demo-regions authorities (*to be defined upon confirmation of the participation in the PSC meeting*): - Amur oblast - Sakhalin oblast - Astrakhan oblast etc.
	Personal interviews	Kemerovo environmental NGO - Kupriyanov Andrey, doctor of biology, Head of Kemerovo environmental NGO "IRBIS"
May 20th	Common/Round table format	Stakeholders/coal companies (4-5 people): - Mogileva Elena, Head of the Department of the environment, SUEK-Kuzbass - Turgeneva Lyubov, Head of the environmental safety and protection Department, SDS-Coal - Poklonov Anatoly, Technical director, Kuzbasskaya Toplivnaya Company - Shatilov Dmitry, Head of Environmental department, South Kuzbass Company

G. Annex 7: Documents Reviewed

Project Documents

- Project document, including associated signature letters, co-financing letters, and other supporting accompanying documentation
- Project Inception Workshop Summary, including agenda
- Project Inception Workshop Report
- Project Events List
- Project Budget Revisions
- List of Contracts and Procurement Items
- Co-financing summary table
- Project financial data provided by the project management unit
- Annual Project Implementation Report 2013
- Summaries of the meetings of plenipotentiaries for 2010, 2011, 2012, 2013
- Documentation of project correspondence (letters numbered 1-129)
- Project quarterly progress reports for 2012 and 2013
- Project annual workplans
- Project output reports and summaries for project activities (more than 40 reports, as available on the project website)
- Project Results & Events Summary Publication, 2012-2013
- Project Steering Committee documentation, including agenda, minutes, annexes, and presentations
- GEF Biodiversity Focal Area Tool

ssia BD-Mainstreaming Stakeholders

instreaming Federal-level Stakeholders *(Source: Project Document)*

ue	Main Institutional Actors
urces	Ministry of Natural Resources and Ecology (MNRE) / Federal Subsoil Agency
	Ministry of Agriculture / Federal Forestry Agency
ed Data Book species)	MNRE/ Federal Service on Environmental Management Control
ioresources	Federal Fishery Agency
	Federal Security Service
	Ministry of Natural Resources and Ecology
	Ministry of Natural Resources and Ecology
	Ministry of Regional Development
ert Review	MNRE/ Federal Service on Environmental, Technological and Nuclear Control
	Ministry of Regional Development
	Ministry of Energy
	MNRE/ Federal Service on Environmental, Technological and Nuclear Control
	Ministry of Regional Development
g	MNRE/ Federal Service on Hydrometeorology and Environmental Monitoring

ainstreaming Regional-level Stakeholders *(Source: Project Document)*

horities	Research Institutions	Major Companies	Environmental NGOs
t of the l Veterinary ytosanitary lance Service erovo Oblast t of the l Nature gement lance Service erovo Oblast Oblast tment for l Resources vironment	University of Kemerovo	Energy sector: Kuzbassenergo OJSC Kemerovskaya GRES Novo-Kemerovskaya Heat Station Kemerovskaya Heat Station Belovskaya GRES Tom'-Usinskaya GRES West-Siberian Heat Station Kuznetskaya Heat Station Yuzhno-Kuzbasskaya GRES Coal-mining sector: "Kuzbassrazrezugol" Coal Mining Company OJSC Kuzbassugol Coal Mining Company	Kemerovo regional NGO "Environmental Information Agency" ("INEKA" KROO), Novokuznetsk Kemerovo regional NGO "Kuzbass Environmental and Local Lore Organization" ("Kuzbass EKRO KROO), Novokuznetsk "Initiative" Kemerovo regional environmental NGO ("Initiative" KROEO), Mezhdurechensk Kemerovo regional NGO "Taiga Study and Conservation Agency" ("AIST" KROO), Mezhdurechensk

Pilot Area	Public Authorities	Research Institutions	Major Companies	Environmental NGOs
	Kemerovo Oblast Forestry Department Kemerovo Oblast Education and Science Department Kemerovo Oblast Wildlife Protection Department		SUEK OJSC Siberian Coal" PA OJSC "Yuzhkuzbassugol" United Coal Mining Company OJSC "Siberian Business Union" Holding Company CJSC "Prokopyevskugol" Coal Mining Company Ltd. "ROSA-Kuzbassa" Ltd. "Southern Kuzbass" Coal Mining Company OJSC "Russian Coal" Coal Mining Company CJSC 'Stroiservice" CJSC "Raspadskaya" Coal Mining Company CJSC "Sibuglemet" Holding Company Ltd.	"Zelenyie" Mezhdurechensk City Children's Environmental Organization ("Zelenyie" MGDEOO), Mezhdurechensk Mezhdurechensk Hunters and Fishermen Organization, Mezhdurechensk "Kuznetskaya Volna" Kemerovo Children and Youth Environmental Organization, Kemerovo Kemerovo Regional Youth Organization "Youth Environmental Association" (UNECO KRMOO), Kemerovo Kemerovo Regional NGO "Union of Kuzbass Ecologists" (SEK KemOOO), Kemerovo Kemerovo Regional NGO "Children's and Youth Ecological Parliament" (DUEP KROO), Kemerovo Kemerovo Regional Environmental NGO "Irbis" ("Irbis" KREOO), Kemerovo Kemerovo Regional Branch of NGO "Russian Environmental Academy", Kemerovo Kemerovo regional Environmental NGO "Raduga, Berezovsky Kemerovo Regional Environmental Youth and Students NGO "Ariadna", Kemerovo WWF Russia
Khakassia	- Department of the Federal Veterinary and Phytosanitary Surveillance Service in the Republic of Khakassia; - Department of the Federal Nature Management Surveillance Service in the Republic of Khakassia	University of Krasnoyarsk	"Rusal Sayanal" OJSC – production of semi-products from aluminum or aluminum alloys "Khakasenergosbyt" OJSC – power distribution "Khakasenergo" OJSC – power supply "Razrez Stepnoi" Coal Trading House Ltd. – coal cleaning "Sayano-Shushenskaya GES" OJSC – hydropower generation	Bograd Environmental Group (Bograd village) WWF Russia

Pilot Area	Public Authorities	Research Institutions	Major Companies	Environmental NGOs
	- State Committee for Environmental Protection and Management; - Territorial Environmental Management Agency of the Republic of Khakassia; - Forestry Agency of the Republic of Khakassia		"Rusal Sayanogorsky Aluminum Smelter" OJSC – primary aluminum production "Chernogorskaya Coal Mining Company" Ltd. (branch of SUEK OJSC) – open-cast coal mining	
NAO	Department for International and Interregional Relations, Information and Communication at the Nenets Autonomous Okrug Administration	State Nature Reserve "Nenetsky" (Naryan-Mar) Nenets Federal Game Reserve (Naryan-Mar) Nenets Analytical Information Center (Naryan-Mar) Nenets Energy Efficiency and Production Purity Center (Naryan-Mar) Northern Branch of the Polar Fishery Research Institute (PINRO) (Arkhangelsk) St. Petersburg State University (St. Petersburg) RAS Botanical Institute named after Komarov (St. Petersburg) Institute of Biology under the Komi Research Center of the RAS Ural Branch (Syktyvkar)	"SN-Neftegas" Ltd. (Moscow) "SN-Invest" CJSC (Moscow) RusVietpetro (Moscow) Lukoil OJSC (Moscow)	Nenets People Association "Yasavei" of Nenets AO Nenets Regional Movement of Komi-Izhemets "Izvatasyas"

Pilot Area	Public Authorities	Research Institutions	Major Companies	Environmental NGOs
		Birds Ringing Center under the RAS Institute of Ecology and Evolution Problems (Moscow) All-Russia Environmental Protection Research Institute (Moscow)		
Southern Yakutia	Government of the Republic of Sakha-Yakutia (Yakutsk) Ministry of Nature Protection of the Republic of Sakha-Yakutia (Yakutsk)	Institute of Applied Ecology of the North of the Academy of Sciences of Sakha-Yakutia (Yakutsk) Institute of Cryolite Zone Biological Problems of the Academy of Sciences of Sakha-Yakutia (Yakutsk) Yakutsk State University (Yakutsk) Institute of Regional Economy of the Academy of Sciences of Sakha-Yakutia (Yakutsk) Nerungri branch of the Yakutsk State University (Nerungri) Yakutsk State Academy of Agriculture (Yakutsk) Olekminsky State Nature Reserve Institute of Human Ecology of the RAS Siberian Branch (Novosibirsk) North Mining Institute of the RAS Siberian Branch (Novosibirsk)	Kolmar Company Yakutugol Company RusHydro Company Mechel Company Southern Yakutia Development Corporation (Moscow)	Yakutian Public Ecological Center Yakutian Nonprofit Environmental Monitoring Network "Eige" Yakutian Ecological Education Center Yakutian Regional Brach of the All-Russia Nature Protection Society Yakutian Evenk Association

Pilot Area	Public Authorities	Research Institutions	Major Companies	Environmental NGOs
		Water and Environmental Problems Institute (Barnaul)		

I. Annex 9: Russia BD-Mainstreaming Project Finance Table

Table 11 Russia BD-Mainstreaming Detailed Project Finance Table, as of June 30, 2015 *(USD)*

		2012	2013	2014	2015	2016	Total
Original	Outcome 1	$314,000	$464,000	$250,000	$165,000	$181,000	$1,374,000
	Outcome 2	$310,300	$459,300	$490,300	$410,300	$270,800	$1,941,000
	Outcome 3	$235,300	$415,300	$395,300	$349,300	$230,300	$1,625,500
	Outcome 4	$240,300	$420,300	$415,300	$359,300	$215,300	$1,650,500
	Management	$123,000	$118,000	$118,000	$123,000	$127,000	$609,000
	Total	$1,222,900	$1,876,900	$1,668,900	$1,406,900	$1,024,400	$7,200,000
Revised	Outcome 1	$35,000	$185,500	$248,000	$300,000	N/A[20]	$768,500
	Outcome 2	$22,000	$176,735	$435,000	$364,300	N/A	$998,035
	Outcome 3	$15,000	$118,199	$240,300	$441,780	N/A	$815,279
	Outcome 4	$20,000	$74,451	$169,000	$481,074	N/A	$744,525
	Management	$9,000	$103,066	$129,500	$122,167	N/A	$363,733
	Total	$101,000	$657,951	$1,221,800	$1,709,321		$3,690,072
Actual	Outcome 1	$-	$105,400	$228,435	$92,649	N/A	$426,484
	Outcome 2	$6,398	$138,083	$437,013	$131,533	N/A	$713,028
	Outcome 3	$-	$85,361	$178,975	$84,894	N/A	$349,231
	Outcome 4	$5,119	$57,560	$145,753	$37,259	N/A	$245,690
	Management	$14,678	$97,879	$163,630	$51,282	N/A	$327,469
	Total	$26,195	$484,284	$1,153,806	$397,616[21]		$2,061,902
	Actual % of Original	2.1%	25.8%	69.1%	28.3%[22]		
	Actual % of Revised	25.9%	73.6%	94.4%	23.3%		

[20] A revised budget for the upcoming year is prepared at the end of the year based on the year's progress, thus at the time of the MTE no revised budget had been prepared beyond 2015.

[21] 2015 disbursement only as of June 30, 2015.

[22] Delivery rate for 2015 as of only June 30, 2015.

D-Energy Mainstreaming Results Framework and Assessed Indicator Target Achievement

Assessment Key

likely to be achieved	*Yellow = Achievement uncertain*	*Red = Achievement unlikely*	*Gray = Not applicable*

Indicator	Baseline	Target Level at End of Project	2015 PIR	MTE Assessment
ctares of production dscapes and ascapes under proved biodiversity nagement (i*ndirect* *pact*)	0 ha	> 1,700,000 ha (energy companies' production sites and licensed areas under the improved management)	**> 5,000,000 ha** cumulative since the project start: approximate area of all RusHydro HPPs + 3 coal sites of KTK):	Achievement likely. It is fully anticipated that the project will succeed in having a significant influence on energy companies' operational practices in relation to biodiversity impacts. At the mid-term evaluation it may be difficult to say that this has in fact fully occurred, though some outcome and impact level results have already been achieved.
			> 5,000,000 ha RusHydro implemented IHA Sustainability Protocol into the corporate Biodiversity Assessment Standard. For this the project had prepared the Guidelines and the Roadmap in 2013-2014.	Concur with self-reported assessment. However, it will be helpful for the project to demonstrate evidence of actual implementation of the sustainability protocol in RusHydro operations.

Outcome	Indicator	Baseline	Target Level at End of Project	2015 PIR	MTE Assessment
				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	Concur with self-reported assessment.
				In 2015 Lukoil, Rosneft, Gazprom and Novatek developed the corporate Arctic Biodiversity Conservation Programmes following the recommendations of the project to incorporate IOGP/IPIECA, IFC/WB, ISO and Arctic Council best biodiversity practices (impact area with monitoring programmes implemented will be assessed next year)	Concur with self-reported assessment.
	Hectares of *direct* impact with improved biodiversity status or reduced threat based on the avoid-reduce-restore-offset principle	0 ha	80,985 ha	**104,498 ha**	Achieved. Concur with self-reported assessment.
				Achieved: 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	Concur with self-reported assessment.

Outcome	Indicator	Baseline	Target Level at End of Project	2015 PIR	MTE Assessment
				ecosystems of Sazanye and Zapornoye lakes (restored)	
				In progress: 154 ha of protected plant species habitat in Amur Oblast will be offset in another near-by place as recommended by the project	
				8 ha of historical oil polluted site in Astrakhan Oblast are included as "hot-spot" for the liquidation under the Federal Programme following the studies conducted under the Project (restored)	
	Hectares of *indirect* impact with improved biodiversity status or reduced threat based on the avoid-reduce-restore-offset principle achieved by project completion	0 ha	61,500,000 ha	**20,357,127 ha**	Achievement likely. Concur with self-reported assessment, though it would be helpful to understand how many hectares of the covered area is actually critical ecological zone, and the actual level of implementation of the Ashkabad Protocol. Also, it would be helpful to have a better understanding of the critical necessity of the project's contribution to the signing of the Ashkabad Protocol.
				20,000,000 ha – North Caspian known shelf oil and 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	

Outcome	Indicator	Baseline	Target Level at End of Project	2015 PIR	MTE Assessment
				320,000 ha covered in NAO's protected landscapes by environmental monitoring programme of oil and gas company Pechora LNG, Ltd. (Programme developed jointly with the Project)	Concur with self-reported assessment.
				470 ha in Komi Republic have reduced impact due to the implementation of the best recultivation methods applied by Lukoil oil and gas company verified by the project-sponsored studies	
				1,000 ha of Karakan Ridge Refuge in Kemerovo Oblast are under the regular ecosystem monitoring	
				2,500 ha of rocky steppes in Kemerovo Oblast and Khakassia Republic avoided from the coal exploration as corporately agreed by coal companies	
				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	

Outcome	Indicator	Baseline	Target Level at End of Project	2015 PIR	MTE Assessment
				6,480 ha in Lower Volga Region – restoration of ecosystem functions through the local water management	
	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)	*Integrated index as per the indicators below:*	*Integrated index as per the indicators below:*	*Indicator no longer applicable per Steering Committee decision; cleared by RTA*	***N/A – Indicator discontinued***
		2.28	*3.0*		
		2.47	*3.0*		
		0.76	*1.0*		
		0.83	*1.0*		
		0.40	*0.5*		
		0.85	*1.0*		
Outcome 1 (Enabling environment)	Level of implementation of best-practice biodiversity considerations in the energy sector policy, legislation and regulations (as	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	Score = 2 / 6 (Biodiversity considerations are mentioned in sector policy through specific legislation however there are no regulations in place yet)	Achievement likely. The project is on-track to make significant progress in supporting the development and adoption of relevant energy sector biodiversity regulations.

Outcome	Indicator	Baseline	Target Level at End of Project	2015 PIR	MTE Assessment
	measured by GEF Tracking Tool)			Current score achieved through the following: 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 and gas companies working in Russian sector of the Caspian Sea.	Concur with self-reported assessment.
				In 2014 Sakhalin Oblast Environmental Council approved Sakhalin BAP Concept initiated by the project to be followed-up with Sakhalin Oblast Biodiversity Conservation Strategy and Action Plan with future endorsement by Sakhalin Oblast Administration.	

Outcome	Indicator	Baseline	Target Level at End of Project	2015 PIR	MTE Assessment
				The project supported Astrakhan Oblast Administration to develop and endorse a 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.	
				In progress: Guidelines with the recommended recultivation methods for coal mining prepared for Khakassia Republic (currently under the revision in the Ministry).	
				In progress: Guidelines with the recommended rehabilitation methods of oil-polluted sites prepared for Komi Republic (currently under the revision in the Ministry). The update of the guidelines on reclamation of disturbed and contaminated lands initiated by the project in 2013 led in 2015 to the shift in its status to be endorsed at the Federal level by Russian Federal government.	

Outcome	Indicator	Baseline	Target Level at End of Project	2015 PIR	MTE Assessment
				In progress: Guidelines for EIA of marine Oil Spill Response Plans during SEER developed and sent to the RF Ministry of Natural Resources and Environment	
	GIS-based mapping of sensitive areas integrated in territorial planning of all major energy regions of RF	0	3	Score 0+ meaning development of 4 GIS in progress: The development of the GIS-based Environmental Sensitivity Maps for Coal Exploration is undergoing in Kemerovo Oblast.	Achievement likely. Concur with self-reported assessment. No significant obstacles foreseen. This will be a significant contribution of the project in the four targeted areas.
				The flora / fauna / soils / landscapes plots and satellite images developed as the separate layers to be included in web-based GIS for NAO	
				Scope of Work for the development of web-based Geoportal for Amur Oblast was discussed with the local Authorities and finalized	
				The development of web-based GIS was supported by Sakhalin Oblast Administration as the mechanism supporting the local Biodiversity Action Plan	
	Inclusion of biodiversity conservation	Sakhalin Energy	Sakhalin Energy plus at least one other company	Same as baseline: Sakhalin Energy	Achievement likely.

Outcome	Indicator	Baseline	Target Level at End of Project	2015 PIR	MTE Assessment
	expenditures in widely applied corporate social responsibility assessment systems (i.e. "eco-ratings")	through GRI Reports		Lukoil calculated BD expenses using the methodology suggested by the project, however doesn't officially disclose such expenses to the public.	Concur with self-reported assessment. Although it will not be easy to achieve the result of companies publicly reporting their spending on biodiversity conservation-related activities, this will be an excellent means of assessing the trend in rate of private sector investment in biodiversity conservation, which the project seeks to increase.
	Major energy companies in demonstration areas report on biodiversity conservation expenditures separate from general environmental protection investments	0	100%	**100%** Achieved through the new reporting regulation adopted by Rosstat: Order # 540 of 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.	Achieved. Concur with self-reported assessment, however, it would be helpful to understand what necessary contribution the project made to achieving this result, or what the project is doing to support the companies in implementation of the government order.
	Improved methodological guidelines on incorporation of avoid-reduce-remedy-offset principle and best biodiversity practices	Score: 0 / 6	Score of 4 / 6	Score of 3 / 6: guidelines in place. Work in progress: the guidelines on the inclusion of biodiversity consideration under ISO 14001 Environmental Management Systems	Achievement likely. Concur with self-reported assessment. There remains discussion about whether it is within the scope of the project to aim for a target score of 3 or 4.

Outcome	Indicator	Baseline	Target Level at End of Project	2015 PIR	MTE Assessment
	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	No such guidelines / No implementation	Guidelines created / best practices recognized and implemented in energy projects	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)	
	Establishment of biodiversity agreements between the government and energy companies for ensuring	Score: 0 / 6	Score: 3 / 6	Score: 3 / 6	Achieved.

Outcome	Indicator	Baseline	Target Level at End of Project	2015 PIR	MTE Assessment
	no net loss of biodiversity	No Agreements in PPP field	PPP agreements in each sector concluded	Achievements during the reporting period: The agreement on biodiversity protection signed between the project and "SUEK-Khakassia" where the company takes the obligations to protect the biodiversity. The agreement on taymen protection signed between the project and Gazprom-dobycha-shelf where the company takes the obligations to protect this rare fish. Multilateral Agreement on Biodiversity conservation during the construction of Lower-Bureyskaya HHP signed by the Project, RusHydro and Regional Authorities.	Concur with self-reported assessment.
Outcome 2 (Oil pilots)	Populations of key species in oil sector demonstration areas remain stable (due to space limitations in the logframe, specific risk avoidance / mitigation / offsetting solutions and technologies that will be implemented to reduce pressures and therefore improve status of these species are described in	Nenetsk pilot site - Nelma (*Stenodus leucichthys nelma*): Pechora Delta - from 14% to 17.5% in the catches	Share of nelma in catches no less than 15%	Nelma. The share of nelma in the total capture is 15%. Data source: local population informal inquiry. No official sources can be used due to prohibition on the indicator species catching.	*Note: For most, if not all, of the biodiversity impact indicators it is early to conclude that the project has contributed to any changes seen in the indicator levels. The project is applying good practice by relying on well-qualified 3rd party external monitoring data.* Concur with self-reported assessment. It may be necessary to change or add an

Outcome	Indicator	Baseline	Target Level at End of Project	2015 PIR	MTE Assessment
	Annex B in the UNDP Project Document)				additional species indicator, if this indicator cannot be tracked in the future.
		Nenetsk pilot site - Peregrine falcon (*Falco peregrinus*): Pechora Delta: 8 nesting pairs; Kolguev island, Peschanoozerskoe oil and gas field: 2-4 pairs	Population number does not decrease	Peregrine falcon. Population at baseline level. Data source: Nenetsk State Nature Reserve, RAS Institute of Geography.	Concur with self-reported assessments.
		Nenetsk pilot site - Bewick's swan (*Cygnus bewickii Yarrell*): Kolguev island, Peschanoozerskoe oil and gas field: 15 nesting pairs; Pechora Delta: 80-90 pairs	Population number does not decrease	Bewicks swan. Marginal increase of population. Data source: Nenetsk State Nature Reserve, RAS Institute of Geography.	

Outcome	Indicator	Baseline	Target Level at End of Project	2015 PIR	MTE Assessment
		Nenetsk pilot site - White-tailed sea eagle (*Haliaeetus albicilla*): Pechora Delta: 3-5 nesting pairs	Population number does not decrease	White-tailed sea eagle. Population at baseline level. Data source: Nenetsk State Nature Reserve	
		Sakhalin pilot site - Grey whale (*Eschrichtius robustus*): 150 adults, census dated 2012	Population number for gray whales does not decrease; the number increases by approximately 3% a year.	Gray whale. 137 whales identified, including 12 whale calves and 2 adults who haven't been seen in the Sakhalin northeast waters before.	
		Sakhalin pilot site – Steller's Sea-eagle (*Haliaeetus pelagicus*): Approximately 30 nesting pairs in the Sakhalin-2 impact area	Stable population number, productivity is comparable with that in the control area (natural monument "Lunsky Bay")	Steller's Sea eagle. 25 nesting sites identified, including 17.5% active and 15% occupied, 6 juvenile individuals. At the Lunskoe license area (control) 39 nesting sites identified, including 35% active and 27% occupied, 7 juvenile individuals.	
		Sakhalin pilot site - Sakhalin Taimen (*Parahucho perryi*): In the model water courses, it accounts for 0.4-1.2% of the	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.	Sakhalin Taimen. 0.5 – 0.7% in the ichthyocenosis of the modal stream (Lazovaya river).	

Outcome	Indicator	Baseline	Target Level at End of Project	2015 PIR	MTE Assessment
		ichthyocenosis, the species is understudied			
		North Caspian pilot site - Dalmatian pelican (*Pelecanus crispus*): 0.88 birds per 100 ha	Spring census in the delta-front coastal zones	Dalmatian pelican. Population at base line level.	
		North Caspian pilot site - European coot (*Fulica atra*): 3.15 birds per ha	Summer census	European coot. Population at base line level.	
		North Caspian pilot site - Caspian seal (*Phoca caspica*): 0.4 seals per sq.km	Observed offshore – an average for the summer/autumn season	Caspian seal. 0.32 seals per sq. km.	
		North Caspian pilot site - Round gobi	Average data for the summer/autumn season	Round gobi. 154 fish caught per hour of trawl fishing.	

Outcome	Indicator	Baseline	Target Level at End of Project	2015 PIR	MTE Assessment
		(*Neogobius melanostomus*): 63 fish caught per hour of trawl fishing			
	Biodiversity solution compendium for oil sector available and used by companies in drafting environmental management plans	Score: 0 / 6	Score: 4 / 6	Score: 3 / 6	Achievement likely. Concur with self-reported assessment. As previously mentioned, there remains discussion about whether the target value for the project should be 3 or 4, according to the scope, time and resources of the project.
			One compendium available and used	Biodiversity compendium for oil sector prepared and published. The second version of the compendium will be prepared and published by the end of the Project	
	Corporate standards in oil sector for conservation of biodiversity adopted and complied with	Score: 0 / 6	Score: 4 / 6	Score: 3 / 6 In 2016 the implementation of a monitoring program in accordance with the biodiversity conservation programs will result in a score of 5/6 because it will strengthen the existing monitoring programs.	Achievement likely. Concur with self-reported assessment. The project's work to take advantage of the opportunities presented by the federal decree related to arctic biodiversity conservation programs by partnering with private sector companies to develop conservation programs is a significant result.
		Standards non-existent	Standards adopted and complied with	Lukoil adopted the Corporate Arctic Biodiversity Conservation Programme following the Guidelines developed jointly by the project and WWF Russia.	

Outcome	Indicator	Baseline	Target Level at End of Project	2015 PIR	MTE Assessment
				Yamal-LNG prepared the Corporate Arctic Biodiversity Conservation Programme following the Guidelines developed jointly by the Project and WWF Russia	
				Rosneft prepared the Corporate Arctic Biodiversity Conservation Progrzmme following the Guidelines developed jointly by the Project and WWF Russia	
				Gazprom Group prepared the Corporate Arctic Biodiversity Conservation Programme following the Guidelines developed jointly by the Project and WWF Russia	
	Protocols for biodiversity impact assessment and monitoring incorporated in company environmental management systems in a routine manner	No protocols	Protocols adopted by pilot companies and incorporated in company management	Environmental monitoring protocol including biodiversity issues for Korovinskoye oil field is currently under implementation	Achievement likely. Concur with self-reported assessment. As with many of the other indicators, it would be helpful to more clearly understand the project's critical contribution to the achievement of the result.
				Environmental monitoring protocol including biodiversity issues has been prepared for Kumzhinskoye oilfield and is currently under implementation.	

Outcome	Indicator	Baseline	Target Level at End of Project	2015 PIR	MTE Assessment
				Environmental monitoring program including biodiversity issues for Northern Caspian Region has been drafted in cooperation with federal and regional authorities and oil companies. This program was presented as an official input of the RF to the BD protocol of the Tehran Convention	
Outcome 3 (Hydropower pilots)	Populations of key species in oil sector demonstration areas remain stable (due to space limitations in the logframe, specific risk avoidance/ mitigation/ offsetting solutions and technologies that will be implemented to reduce pressures and therefore improve status of these species are described in Annex B in the UNDP Project Document)	*Yakutia pilot site – 0.2-0.4 birds per one km of census route*	*Species population number is restored for the suitable habitats in the river valleys of the southern Yakutia*	*Discontinued indicator, pilot site no longer part of project.*	***N/A – Indicator discontinued***
		Yakutia pilot site – 5-8 pairs per 100 km of the Timpton River valley	*The species population number does not decrease*		
		Yakutia pilot site – 25 newts per 100 measurement units (trap-days)	*The species population number does not decrease*		
	Amur Oblast pilot site				
	Manchurian elk (*Cervus elaphus xanthopygus);*	2.4 adults per 1000 ha	Population number does not decrease	Manchurian elk. 2.4 individuals per 1,000 ha	*Note: For most, if not all, of the biodiversity impact indicators it is early to conclude that the project has contributed to any*
	Mandarin duck *(Aix galericulata)*	6.7 adults per sq. km	Population number does not decrease	Mandarin duck: 2.75-2.8 individuals per 10 km	

Outcome	Indicator	Baseline	Target Level at End of Project	2015 PIR	MTE Assessment
	Sable (*Martes zibellina*)	1.15 adults per 100ha	Population number does not decrease	Sable. The population is stable.	*changes seen in the indicator levels. The project is applying good practice by relying on well-qualified 3rd party external monitoring data.* Concur with self-reported assessment.
	<u>Lower Volga pilot site</u>				
	Carp (*Cyprinus carpio)*	2,690 fish per 1 ha	Population number within the Volzhskaya HHP impact area is unchanged or grows	Carp population at baseline level. Data source: Budget institution "Lower Volga basin department on fishery and aquatic bioresources conservation"	
	White-tailed eagle (*Haliaeetus albicilla*)	200-230 pairs within the entire floodplain area	Population number within the Volzhskaya HHP impact area is unchanged	Population at baseline level and stable. Data source: Volga-Akhtuba Nature park.	
	Restoration of degraded aquatic and flood-plain ecosystems	At an area of at least 7,800 thousand hectares	Restored from 0 to 100%	6,500 ha restored (about 83% of target). Data source: Volga-Akhtuba Nature park.	
	Original indicator: Reduction in size of ecosystems inundated by reservoirs Revised indicator: Reduction of biodiversity impact by optimizing technical parameters of the reservoir inundation areas for planned hydropower plant projects. Indicator no longer applicable, confirmed during the mid-term Project Evaluation.	*26.5 ha/ 1 million kW h of electricity generated*	*13 ha/ 1 million kW h of electricity generated*	*Indicator discontinued.*	***N/A – Indicator discontinued***

Outcome	Indicator	Baseline	Target Level at End of Project	2015 PIR	MTE Assessment
	Biodiversity solution compendium for hydropower sector available and used by companies in drafting environmental management plans	Score: 0 / 6	Score: 4 / 6	Score: 3 / 6	Achievement likely. Concur with self-reported assessment. As previously mentioned, there remains discussion about whether the target value for the project should be 3 or 4, according to the scope, time and resources of the project.
		Compendium non-existent	One compendium available and used	Biodiversity compendium for hydropower sector prepared, published and presented at the International Water Conference in South Korea in April, 2015. The second version of the compendium will be prepared and published by the end of the Project.	
		Score: 0 / 6	Score: 4 / 6	Score: 2 / 6	

Outcome	Indicator	Baseline	Target Level at End of Project	2015 PIR	MTE Assessment
	Corporate standards in hydropower sector for conservation of biodiversity adopted and complied with	Standards non-existent	Standards adopted and complied with	Identification of biodiversity indicators for aquatic and riparian ecosystems is currently under progress for Lower Volga Region. Initial set of indicators (biodiversity standards) has been drafted and agreed upon. Indicators will be used in corporate EIA and monitoring protocols. The project reviewed the requirements of HPP Sustainability Protocol and prepared the set of Guidelines for the inclusion in the corporate Standards of RusHydro. The revision of the requirements on fish protection techniques and methods for the adoption in RusHydro corporate Standards is undergoing.	Achievement likely. Concur with self-reported assessment. As previously mentioned, there remains discussion about whether the target value for the project should be 3 or 4, according to the scope, time and resources of the project.
	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 implemented for Lower-Burejskaya HPP construction site will be extended to incorporate biodiversity issues (protocol of intent has been signed).	Concur with self-reported assessment.

Outcome	Indicator	Baseline	Target Level at End of Project	2015 PIR	MTE Assessment
Outcome 4 (Coal mining pilots)	Populations of key species in coal sector demonstration areas remain stable (due to space limitations in the logframe, specific risk avoidance/ mitigation/ offsetting solutions and technologies that will be implemented to reduce pressures and therefore improve status of these species are described in Annex B in the UNDP Project Document)	Khakassia pilot site - Sheld-Duck (*Tadorna tadorna*): 3.7 (2.0-5.7) birds per 1km^2 (within the suitable areas)	Population number increases by 5% due to diversification of the habitat as a result of proper reclamation	Sheld-Duck (*Tadorna tadorna*): population at baseline level.	*Note: For most, if not all, of the biodiversity impact indicators it is early to conclude that the project has contributed to any changes seen in the indicator levels. The project is applying good practice by relying on well-qualified 3rd party external monitoring data.*
		Khakassia pilot site - Grey heron (*Ardea cinerea*): Colony of 30 pairs and 120 young birds	Population number within the colony stays the same / increases	Grey heron (*Ardea cinerea*): population at baseline level.	Concur with self-reported assessment. This indicator may have lost relevance since the project was conceived, and will need to be appropriately considered in the project's final assessment. According to the project team, the project activities are not targeted in the areas of the indicator species.
	Original indicator: Undisturbed Rocky steppe ecosystems in demonstration areas Revised indicator: Undisturbed steppe ecosystems in demonstration areas	Undisturbed steppe ecosystems in demonstration areas	Area of undisturbed steppe ecosystems in Kemerovo pilot sites of 3,500 ha	Undisturbed steppe areas in Kemerovo Oblast are not decreased and are the subject for enhanced conservation through the network of the Regional Protected areas (Karakan ridge - 1,000 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	Concur with self-reported assessment.

Outcome	Indicator	Baseline	Target Level at End of Project	2015 PIR	MTE Assessment
				ha, Podkatunskaya ridge - 100 ha (Total - 3,500 ha)	
				In Kemerovo Oblast HC SDC Coal Company financed the creation of the steppe refuge in Kostenkovo Rocks (under the implementation as a part of the project planning (ESHIA) phase.	
	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. Measurement units: ammon. ion - 0.386 mg/dm3, BOD - 2.8 mgO2/dm3, solids - 577.8	Quality of water discharged after treatment is according to the environmental norms and regulations. 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, petrol. prod. - 0.05 mg/dm3,	Demonstration project with SUEK: operation of new water treatment facility installed at one of SUEK coal mines (named after F.D. Ruban) in the end of 2013 has reduced water pollution to the levels meeting Russian environmental standards. Measurements (average Jan-Jun, 2015): ammon. ion - 0.263 mg/dm3,	Concur with self-reported assessment.

Outcome	Indicator	Baseline	Target Level at End of Project	2015 PIR	MTE Assessment
		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.	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.	BOD - 2.717 mgO2/dm3, solids - 4.433 mg/dm3, iron - 0.098 mg/dm3, manganese - 0.01 mg/dm3, copper - 0.001 mg/dm3, petrol. prod. - 0.037 mg/dm3, nickel - 0.01 mg/dm3, nitrates(NO3) - 2.483 mg/dm3, nitrates(NO2) - 0.053 mg/dm3, sulfates – 95.75 mg/dm3, phenol - 0.0005 mg/dm3, chlorides - 71.35 mg/dm3, chromium(VI) - 0.01 mg/dm3, zinc - 0.0005 mg/dm3.	
		Score: 0 / 6	Score: 4 / 6	Score: 3 / 6	

Outcome	Indicator	Baseline	Target Level at End of Project	2015 PIR	MTE Assessment
	Biodiversity solution compendium for coal sector available and used by companies in drafting environmental management plans	Zero	One compendium available and used	Biodiversity compendium for coal sector prepared and published. The second version of the compendium will be prepared and published by the end of the Project.	Achievement likely. Concur with self-reported assessment. As previously mentioned, there remains discussion about whether the target value for the project should be 3 or 4, according to the scope, time and resources of the project.
	Corporate standards in oil sector for conservation of biodiversity adopted and complied with	Score: 0 / 6 Standards non-existent	Score: 4 / 6 Standards adopted and complied with	Score: 3 / 6 In 2014 KTK Coal Company was certified according to ISO 14001:2007 (Environmental Management System, meaning biodiversity risk) following the Agreement between the company and the Project	Achievement likely. Concur with self-reported assessment. As previously mentioned, there remains discussion about whether the target value for the project should be 3 or 4, according to the scope, time and resources of the project.
	Protocols for biodiversity impact assessment and monitoring incorporated in company environmental management systems in a routine manner	No protocols	Protocols adopted by pilot companies	All sites of "SDS-Coal" Company incorporated in Environmental and Biodiversity Monitoring Programme developed jointly with the Project (started in 2015) The Project helped SUEK-Kuzbass to organize river biodiversity monitoring in the potential impact zone of the discharge from the Ruban Mine (started in 2014). 14 testing grounds are currently set for the assessment of the recultivation methods to	Achievement likely. Concur with self-reported assessment. As previously mentioned, there remains discussion about whether the target value for the project should be 3 or 4, according to the scope, time and resources of the project.

Outcome	Indicator	Baseline	Target Level at End of Project	2015 PIR	MTE Assessment
				be included in KTK Company corporate standards.	
				The Project develops Karakan Ridge Biodiversity Monitoring Programme for KTK Coal Company: research methods identified (started in 2015)	

K. Annex 11: List of Russia BD-Energy Mainstreaming Project Formal Meetings and Workshops

Source: Project Team.

Formal meetings and Workshops			
No.	**Activity**	**Date/venue**	**Description of activity**
2013			
	Theory and Practice of Biodiversity Conservation in Oil Industry (workshop)	October, 9-11, 2013, Astrakhan	Workshop organized by UNDP/GEF-MNR RF Project: Mainstreaming Biodiversity Conservation into Russia's Energy Sector Policies and Operations, in conjunction with the UN Global Compact Network Russia. Attendance: federal and regional authorities, UNGAN-participating oil companies, experts, and the Project. Five discussion groups: •Biodiversity conservation (BDC) is a priority in Russia's environmental policy. •Biodiversity is a critical ecosystem conservation factor. •Best BDC practices in Russia's oil/gas sector. •BDC legal issues in oil/gas projects. •Project activities to make the Collection of Oil Industry Best Practices. Agenda: BDC challenges; basic legal acts on RF policy; and Rosprirodnadzor role in BDC. Also, approaches to bioresource and habitat conservation in the context of economic activity impact on fisheries. See more details on: http://bd-energy.ru/news.php?lan=ru&id=69 http://www.undp.ru/index.php?cmd=news&id=1170&iso=RU&lid=2 http://www.asi.org.ru/announcement/9-11-oktyabrya-seminar-teoriya-i-praktika-sohraneniya-bioraznoobraziya-v-neftyanom-sektore-rossii/
	Downstream Volga BC: Hydropower Sector Input (workshop)	November 6, 2013, Volzhskiy	Attendance: Federal Water Resource Agency, Lower Volga Basin Department, RusHydro, Rosprirodnadzor, Roshydrometeo; environmental agencies of Volgograd, Astrakhan Regions and Kalmyk Republic; and research and design institutes of Volgograd, Astrakhan and Moscow. Agenda: Efficient water resource management; hydropower sector (HPS) sustainable development and downstream Volga hydrologic facilities operation; unique Volga-Akhtuba flood plain conservation; and Volga-Kama extra reservoir cascade construction relevance. Also, data was provided on local and international BC experience in HPS. Outcome: Agreement reached with HPS on search for joint on VK reservoir filling solutions irrespective of Volzhskaya HPP operation. See more details on: http://bd-energy.ru/news.php?lan=ru&id=77

			http://pandia.ru/text/78/637/56505.php http://solex-un.ru/dams/obzory/ges-i-bioraznoobrazie/obzor/zasedanie-rabochey-gruppy http://energo-24.ru/news/2161.html
	International seminar (jointly with WWF Russia): Implementing Strategic Environmental Assessment Mechanism (SEA) in Russia Building on International and Local Experience.	November 26, 2013, Moscow	Attendance: MNR RF, companies, professionals, NGO and international experts. Seminar context: Implementing European and global environmental standards, including SEA as priority, and facilitating Espo Convention and SEA Protocol ratification and enforcement. Agenda: Wide range of issues, including overview of SEA international experience and best practice: energy sector case; possible approaches to SEA implementation in Russian context; Russian legislation perspective after Espo Convention/SEA Protocol are ratified; public involvement in environmental decision-making in Russia; and SEA methodology basics in Russia, etc. See more details on: http://www.wwf.ru/about/what_we_do/law/development
2014			
	International conference: Legal Framework on Biodiversity Conservation/Recovery in the Context of Economic Activity	February 27, 2014, Moscow; Council of the Federation (upper chamber), Federal Assembly RF	Attendance: Members of CF and State Duma, federal government agencies, businesses, educational and research institutions. It was noted that BD C/R for sustainable development of RF is a critical and most relevant priority in current Russia's economy development phase. Recommendations were addressed to FC and federal government agencies on BDC. See more details on: http://bd-energy.ru/news.php?lan=ru&id=81 http://ria56.ru/posts/34613411731.htm http://www.nacpriroda.ru/index.php?catid=1:latest-news&id=1160:2014-02-27&option=com_content&view=article
	Legal Framework on BDC in Coal Mining Regions (industry workshop)	March 27-28, 2014, Kemerovo	Organizers: the Project and the Natural Resource/Environment Department of Kemerovo Region (KR). Agenda: • Environmental challenges; • Modern environmental practice in coal industry; • Disturbed land reclamation; • UNDP/GEF-MNR RF Project demo activities in KR and the Khakassia Republic; • Estimation of BD damage by economic activity.

			See more details on: http://www.prirodasibiri.ru/show_new.php?id_new=8130 http://ecokem.ru/ugolshhiki-kuzbassa-pomogut-v-sozdanii-oopt/ http://2014.uk42.ru/index.php?id=9176
	BDC in Industrial Regions (field meeting)	June 3-4, 2014, Belovo, Kemerovo Region	Attendance: KR administration departments, Rosprirodnadzor departments for Siberian Federal District and KR, academics, coal miners, and public figures. Regarding the BDC agenda in industrial regions (KR case), participants agreed to build up the efforts and addressed recommendations to federal and regional government agencies. For instance, the need for accelerated adoption of BDC regulations for mining regions. Include in the future provisions on environmental impact assessment (EIA) a clause/section on BD status evaluation, BD impact assessment, and development of a proposal on BDC activities. Another proposal: Consider in future guidelines on disturbed land reclamation design the need for waste rock dump zoning and suitability appraisal for bio-recovery and rare/endangered plant/animal species conservation. See more details on: http://gazeta.ecokem.ru/vtoruyu-zhizn-bajatskim-sopkam/ http://depoozm.ru/?doc=news&item=154
	Meeting on Sakhalin taimen (Hucho taimen) conservation	June 16, 2014, Skhalin Fisheries and Oceanography Institute, Yuzhno Sakhalinsk	Attendance: Research institutes, fisheries agencies, oversight bodies, and oil companies. Recommendations were drafted for this unique Salmonidae breed conservation in Sakhalin rivers. Resolution handed over to developers of Regional BDC Action Plan Concept. Supported by Ministry of Natural Resources/Environment, Sakhalin Region. See more details on: http://bd-energy.ru/news.php?lan=ru&id=88 http://www.sakhniro.ru/news_263.htm http://www.fishnet.ru/news/syrievaya_baza/40964.html
	BDC in the Context of Oil/Gas Deposit Development in North Caspian Sea, on the margins of the 2014 Day of Caspian (roundtable)	August 13, 2014, Astrakhan	Official meeting under the aegis of MNR RF, Astrakhan Region Government, and the Teheran Convention, supported by LUKoil-Nizhnevolzhskneft and the UNDP/GEF-MNR RF Project: Mainstreaming Biodiversity Conservation into Russia's Energy Sector Policies and Operations, attended by public figures, businesses, government agencies, and academics to discuss public role in Caspian environmental policy implementation, priorities of Teheran Convention/protocols, primarily the Protocol on BDC (Ashgabat Protocol) as critical for the region. Caspian littoral regions RF reported environmental activities with high focus on regional BD law improvement, community involvement in Caspian environmental problem

			detection, and the role and forms of relevant support by the state and NGO. Also, the environmental role of littoral regions' authorities was noted in their interface with companies, especially oil/gas producers. See more details on: http://bd-energy.ru/documents/CaspianDay.pdf http://rpn.gov.ru/node/4019
	Roundtable: Oil/Gas Company Record in Marine Mammal Monitoring and Impact Reduction, on the margins of VIII International conference: Holarctic Marine Mammals.	September 23, 2014, St. Petersburg	Attendance: Academics, environmental community, and oil companies. Focus was given to projects: Guidelines on Large Cetacean Monitoring during Economic Activity in the Far East Seas of Russia, and Instructions to Large Cetacean Impact Reduction during Economic Activity. Specific recommendations were drafted by academics and oilmen to complete draft guidelines expected to provide a new impetus to industrial environmental monitoring of offshore hydrocarbon deposits. See more details on: http://bd-energy.ru/news.php?lan=ru&id=116 http://www.arctic-info.ru/news/18-09-2014/konferencia-po-morskim-mlekopitausim-golarktiki-prodlitsa-nedelu https://kec.org.ru/viii-mezhdunarodnaya-konferentsiya-morskie-mlekopitayushhie-golarktiki/ http://www.biodiversity.ru/news/forum/2014/mmc.html http://akvarium-moskva.ru/science/confresume.php
	1st International conference: Biodiversity and Business: Approaches and Solutions	October 2-3, 2014, MNR RF, Moscow	Attendance: Federal government agencies, environmental departments of Kemerovo, Amur, and Volgograd regions, Khakassia Republic, and LUKoil, Rosneft, Sakhalin Energy Investment, Gazprom Neft Shelf, RusHydro, Nizhne Bureyskaya HPP, SUEK Kuzbass, Kubasskaya Fuel Company, etc. Russian environmental community was represented by Ecology and Evolution Institute named after A.N. Severtsov RAS, Moscow State University, Computer Technology Institute of Siberian Branch RAS, NGO (IFAW, WWF Russia), and protected natural areas. Best international practice in BDC was presented by France, the Netherlands and Sweden. The agenda covered BDC challenges and solutions in following sectors: •Hydropower •Oil/gas • Coal See more details on: http://bd-energy.ru/news.php?lan=ru&id=118 http://www.mnr.gov.ru/multimedia/videogallery/detail.php?ID=136626

			http://www.forbes.com/sites/francisvorhies/2014/10/07/oil-gas-coal-hydropower-biodiversity-in-russia/?utm_source=followingimmediate&utm_medium=email&utm_campaign=20141007 (ENG) http://gazeta.ecokem.ru/itogi-kruglogo-stola-po-ugolnomu-komponentu/ http://ineca.ru/?dr=about/news/2014/10/10&pg=01 http://kuzbasseco.ru/?p=234
	Training seminar on oil waste processing methods considering regional environmental and economic profile	October 7-8, 2014, Astrakhan	UNDP/GEF-MNR RF Project provided training on technical support for and management of oil waste processing. Attendees: Astrakhan State Technical University faculty collaborating with UNDP/GEF-MNR RF Project in: Oil Waste Utilization Technology Evaluation for BDC in North Caspian. Agenda: Total oil waste handling monitoring and BD impact assessment in adjacent areas, including aquatic ecosystems, as well as reporting requirements. See more details on: http://bd-energy.ru/news.php?lan=ru&id=120 http://www.undp.ru/index.php?iso=ru&lid=2&cmd=news&id=1258
	Regional BDC Issues in Energy Projects (seminar)	November 24-26, 2014, Yuzhno Sakhalinsk	Attendees: MNR RF, Sakhalin Region Ministry of Forestry and Game Husbandry, SR Department of Rosprirodnadzor, SR Fisheries Agency, subsidiaries of Gazprom, Rosneft, LUKoil, Exxon Neftegaz (Sakhalin-1) and Sakhalin Energy Investment (Sakhalin-2), and research institutes, educational establishments and NGO from Moscow, SR, Astrakhan and Kemerovo regions, and the Komi Republic. Agenda: - Best BDC practice in oil/gas sector; - Allowed residual oil limit in soil and land reclamation; - Regional BDC experience. Recommendations were drafted on further stakeholder cooperation with UNDP/GEF-MNR RF Project and provision of support for joint activities on efficient BDC mechanism development at all levels: See more details on: http://bd-energy.ru/news.php?lan=ru&id=126 http://mpr.admsakhalin.ru/page.php?news=315 http://gazeta.ecokem.ru/itogi-kruglogo-stola-po-ugolnomu-komponentu/
	Building Social Dialogue of Business and Indigenous	December 22, 2014, Moscow	Organizers: UNDP/GEF-MNR RF Project: Mainstreaming Biodiversity Conservation into Russia's Energy Sector Policies and Operations, UN Global Compact Network in RF, and the Association of Numerically Small Indigenous Peoples of North, Siberia and Far East RF.

	Peoples: Action Algorithm (seminar)		Goal: Share Russian company experience in modern partnership with NSIP during industrial development of their territories of traditional residence and nature management. An overview was taken of current status, with regional and national points of growth identified. Also, first version of Business Guidance on Social Dialogue with NSIP: Action Algorithm was presented. See more details on: http://bd-energy.ru/news.php?lan=ru&id=130 http://shor-people.ru/news/seminar-postroenie-socialnogo-dialoga-biznesa-i-korennyx-narodov-algoritm-dejstvij.html http://www.raipon.info/info/news/921/ http://www.batanifund.org/index.php?option=com_content&view=article&id=1595:-l--------r----&catid=6:russiannews&Itemid=32&lang=ru
2015			
	BD Evaluation and Conservation Cost Effectiveness in Energy Projects (seminar)	February 26, 2015, Department of Economics, Moscow State University, Moscow	Approaches discussed to BD evaluation and conservation cost effectiveness in energy projects. Prof. Sergei Bobylev, Nature Management Chair, presented his recommendations and suggested to allocate two items of costs, namely: a) targeted expenses on BDC, primarily extra conservation/lost BD offset costs; b) general technology costs of a more generic nature related to energy project technology choice. The recommendations were reviewed by Acad. Renat Perelet, D.E., Senior Researcher, System Analysis Institute, Russian Environmental Academy; Prof. Olga Medvedeva, State Public Administration University; and Vladimir Zakharov, Correspondent Member RAS, Managing Director, Sustainable Development Institute, Public Chamber RF. The recommendations were highly appreciated. See more details on: http://bd-energy.ru/news.php?lan=ru&id=134 http://www.undp.ru/index.php?iso=ru&lid=2&cmd=news&id=1286 http://www.econ.msu.ru/science/bioeco/news/News.20150304200221_8892/
	Caspian Seal: Current Status, Conservation and Management (working meeting)	March 12-13, 2015, Severtsov Ecology and Evolution Institute, RAS Moscow	Organizers: Severtsov Institute, Marine Mammal Council, Theriologic Society RAS, and UNDP/GEF-MNR RF Project: Mainstreaming Biodiversity Conservation into Russia's Energy Sector Policies and Operations. It was noted that Caspian seal population conservation is a common objective littoral states, business and the public at large. The following proposals were made: 1. Caspian seal population size, distribution area and habitat structure. 2.CS population wellbeing.

			3. CS habitat stutus. See more details on: http://bd-energy.ru/news.php?lan=ru&id=137 http://ihe.kz/news/neobhodimy-sovmestnye-issledovaniya-kaspijskogo-tyulenya/ http://therio.ru/conference/rabochee-soveshchanie-kaspiyskiy-tyulen-sovremennyy-status-problemy-sokhraneniya-i-ispolzovaniya/
	Interregional conference: Local Improvement of Hydrology Regime at Water Bodies in Regulated River Valleys for Ecosystem and BD Recovery (Volga-Akhtuba flood plain case)	March 17-18, 2015, Volgograd	The conference included a workshop on sustainable hydropower project development considering BDC, attended by Volzhskaya HPP, Nizhne Volzhskiy Basin Administration, Lake and River Economy Institute (Gosniorkh), Volga-Akhtuba Flood Plain Natural Park, and regional NGO. Agenda: Sustainable development, local SD systems (hydropower project case), and the need for an ongoing dialogue and stakeholder interface, including project-sensitive communities, at each project lifecycle. See more details on: http://bd-energy.ru/news.php?lan=ru&id=139 http://vspu.ru/node/7544

L. Annex 12: Russia BD-Mainstreaming Project Mainstreaming of UNDP Programme Principles

UNDAF / CPAP / CPD	Russia did not go through a full UNDAF process, and the latest Country program is for the period 2008-2010, which was before the start of the BD-Mainstreaming project. Nonetheless, the project supports the environmental sustainability component of the program, which includes elements focused on biodiversity conservation, such as sustainable financial mechanisms for biodiversity conservation, promotion of eco-friendly public-private partnerships, supporting national efforts in monitoring ecological standards. The project directly supports Output 3.2 of the country program results framework: "Conserved ecosystems are considered as important resources for sustainable development". The indicator for this aspect of the country program focused on ecosystem services, which is highly relevant in the context of well-functioning ecosystems where energy sector companies are operating. For example, ecosystems in each of the target regions are important for ecosystem services such as water resource regulation, fisheries, hunting, and tourism.
Poverty-Environment Nexus / Sustainable Livelihoods	The project is highly relevant to addressing the poverty-environment nexus, as rural development in the project pilot regions is often heavily dependent on the energy sector. At the same time, energy sector development and associated rural development must take place in a sustainable manner. Thus, the project's objective of mainstreaming biodiversity in the energy sector is directly relevant to the poverty-environment nexus. However, the project has relatively few activities specifically addressing sustainable livelihoods at the local level, as this is not the scope of the project.
Disaster Risk Reduction, Climate Change Mitigation/Adaptation	This is not a major focus of the project, although climate change impacts are highly relevant. One area that could be considered partially relevant is that the project's work in each of the three energy sectors is intended to reduce the risk of catastrophic pollution events, such as major oil spills or coal mine pollution spills. The project's work to improve environmental monitoring should also contribute to improved capacity for Russian governmental and other stakeholders to adapt environmental management in the face of climate change. Reducing environmental impacts of the energy sector in the arctic may also contribute to climate change mitigation by reducing negative impacts on arctic peatlands that lead to increased GHG emissions.
Crisis Prevention and Recovery	This is not significantly relevant in the context of the BD-Mainstreaming project.
Gender Equality / Mainstreaming	The project is ensuring that professionals of both genders are directly involved in and contributing to project activities. For example, women fill the roles of project manager, regional coordinator for Sakhalin region, regional coordinator for Lower Volga/Caspian region, and Head of Working Group on Strengthening Regulatory Framework for Biodiversity Conservation. The project does not include a major focus on working directly with local resource users, but to any extent that the project's work does extend in this direction there is consideration of gender issues.
Capacity Development	Capacity development is a significant focus of project activities, and is discussed throughout this report where relevant.
Rights	Rights aspects are not highly relevant in the context of the BD-Mainstreaming project. However, the project is contributing to some possible benefits in this area, for example through the guidelines "Businessman's Guide on Social Dialogue with Indigenous Minorities," and activities such as the workshop "Towards Social Dialogue Between the Business and Indigenous Population", held in Moscow, 22 December 2014.