



Russian Federation: Support to the National Programme of Action for the Protection of the Arctic Marine Environment

**Half-Yearly Progress Report
of the Project Activities for the period from 01 July 2007 to 31
December 2007**

**Project Office in Moscow
[December 31, 2007]**

Half-Yearly Progress Report of the Project Activities for the period from 01 July 2007 to 31 December 2007

Prepared: by Project Office

Status: for consideration by Executive and Implementing Agencies

HALF-YEARLY PROGRESS REPORT As of 31 December 2007

Project Number: GFL / 2732 – 03 – 4694
GF/3010-03-21

Project Title: Russian Federation – Support to the National Programme of Action for the Protection of the Arctic Marine Environment

Division/Unit: UNEP/DGEF

Coordinating Agency or Supporting Organization: UNEP is the Implementing Agency and Ministry for Economic Development and Trade of the Russian Federation acts as the Executing Agency

Reporting Period (the six months covered by this report): July 2007 – December 2007

I. SUMMARY

The main achievements of the Project implementation in the past half-year period were finalizing the SAP document and submitting it to Executing and Implementing Agencies for consideration, preparation of updated list of hot spots and issuing the tender documentation for preparation of regional pre-investment studies and beginning of practical implementation of demonstration and pilot projects. One of the main Project achievements is establishing of good working relationship with Arctic regional administrations and non-governmental organizations. Two demo (BASES and COMAN) and two pilot (CLEANUP and KOLABAY) projects have been registered in the Commission for Humanitarian and Technical Assistance under the Government of the Russian Federation and The Certificate of Accepting of the Project as a Grant (technical assistance) has been obtained (tax-free status).

Key project achievements for the reporting period are as follows:

SAP component. The first official draft of the SAP document is finalised, approved by Task Team and submitted to Executing and Implementing Agencies. Four official TT SAP meetings and workshops were held for the reported period with the final completion of structure and content of the SAP document. Diagnostic analysis of environmental problems of the Russian Arctic and Causal chain analysis have been performed. Draft SAP has been discussed at regional consultation in Arkhangelsk oblast, Republic of Sakha (Yakutiya) and Nenets and Chukchi Autonomous okrugs.

PINS component. An update and review of the existing hot spots identified at PDF-B stage in the Russian Arctic are rectified and finalized. An updated list of 100 hot spots has been prepared and a prioritized short list of hot spots (30 hot spots) potential subjects for pre-investment studies implementation has been prepared. Call for Expressions of Interest has been published and 9 Russian and international companies have been short-listed and invited for participation in a tender to take a role of leading cooperating organizations for western, central and eastern parts of Russian Arctic. Tender dossier was prepared by the Project Office and Request For Proposals has been sent to short-listed companies. Terms of Reference for this assignment has been approved by IA and EA.

Demonstration projects component. Four tenders had been prepared and completed and four contracts with lead cooperating organizations for two main demo projects and two pilot projects have been signed. First Phases of both BASES-DEMO project - Environmental remediation of Decommissioned Military Bases on Franz Josef Land Archipelago and CLEANUP-PILOT project - Remediation of the Environment through the use of Brown Algae were successfully implemented and field reports are submitted to the Project Office. First phase of COMAN-DEMO project - Indigenous Environmental Co-management was started as well. The first phase of the KOLABAY-PILOT

project - Cleaning of hazardous substances from the bottom sediments of the Kola Bay. Phase 1. Monitoring of hazardous substances in the bottom sediments of the Kola Bay has been also started.

The Project Manager together with the representative of the Implementing Agency visited five Russian Arctic regions with purpose to discuss with local authorities the draft of the SAP and explore new possibilities for cooperation, future demo and pilot projects in respective regions.

The main activities to be performed for the next reporting period (January - July 2008) are as follows:

- To finalize the SAP document after comments received from key Russian federal ministries, regional administrations, academia, and NGOs. To present this document to SC members and partner agencies. By the end of the next reporting period SAP should be ready or in the process of endorsement at the level of the federal government;
- To complete contracting and start PINS implementation in the western, central and eastern sectors of the Russian Arctic;
- To complete implementation of DEMO-BASES and pilot KOLABAY; enter into final stage of implementation for DEMO-CLEANUP and DEMO-COMAN;
- To start EPS component of the project in line with IWP
- To complete project documentation prepared for new demonstration and pilot projects approved by the second meeting of the Project Steering Committee; contracts with leading organizations to be signed and projects implementation to be started;
- To complete tender process and start implementation of three pilot projects to be funded in the framework of UNEP/EPA Agreement and one pilot project to be funded by Iceland; complete tender process and start implementation of the pilot project “Decontamination of oil sludges and oil contaminated soil” testing efficiency of bioremediation technology in conditions of the Russian Arctic;
- To study possible new demonstration and/or pilot projects to be submitted for the Project Steering Committee approval;
- To prepare and publish a summarized version of the Transboundary Diagnostic Analysis in Russian and English, distribute on the web and in paper form widely.

II. PROGRESS ON PROJECT COMPONENTS (according to the Project IWP Phase I)*

*Present Integrated Work Programme reflects changes approved at the 2nd Steering Committee Meeting in April 2007.

Activity I. Strategic Action Programme (SAP)

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency *	Set in IWP target date	Actual date of completion or date to be completed and by whom if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
1.1	Proposals and selection of the Task Team (TT) Co-ordinator.	Approval of TT Co-ordinator familiar with the methodology for the preparation of the SAP and familiar with the organisations and individuals that might be involved in the preparation of the SAP. <i>Output 100 %</i>	Manager/ ExA	January 2006	February 2006	completed
1.2	Proposals and selection of the TT members.	Selection of TT members to cover all major sectors of the SAP and the NPA-Arctic. <i>Output 100 %</i>	Manager/ ExA	January 2006	February 2006	completed
1.3	Preparation of the consultancy contract with TT Co-ordinator.	Signed contract with TT Co-ordinator, including duties, outputs, work plan, timetable and other details. <i>Output 100 %</i>	Manager/ ExA	January 2006	February 2006	completed
1.4	Preparation of consultancy contracts with TT members.	Draft contracts including duties, outputs, work plan, timetable and other details discussed with the potential TT members and signed subsequently. <i>Output 100 %</i>	Manager	January 2006	March 2006	completed
1.5	Preparation of the working document to be considered at the First Meeting of the TT.	Working document to include the basic SAP concept; objectives; principles; content; outputs; work plan; timetable; role of TT co-ordinator and members, as well as lead organisation; procedure for the national and international review of the draft SAP; procedure for the adoption of the SAP; and basic ideas about the implementation mechanism. The document is also to contain proposals for the terms of reference for the TT. This document is to	TT co-ordinator/ Manager	February 2006	February 2006	completed

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency *	Set in IWP target date	Actual date of completion or date to be completed and by whom if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
		be considered, amended and adopted by the First Meeting of the TT. <i>Output 100 %</i>				
1.6	Review of the working document at the First Meeting of the TT.	Report of the meeting to include the basic SAP concept; objectives; principles; content; outputs; work plan; timetable; role of TT co-ordinator and members, as well as lead organisation; procedure for the national and international review of the draft SAP; procedure for the adoption of the SAP; and basic ideas about the mechanism of the implementation; terms of reference for the TT; tender documentation for selection of the lead co-operating organisation; and decision on the establishment of working groups. <i>Output 100 %</i>	TT co-ordinator/ Manager	February 15, 2006	February 15, 2006	completed
1.7.1.	Development of financial mechanisms of the SAP implementation	Scoping report on mechanisms of financing the activities included into the SAP. <i>Output 100 %</i>	TT co-ordinator/ Manager in coordination with ExA and PA	Jan.- June 2007	September 2007	completed
1.7.2.	Regional aspects of SAP	Scoping report on regional SAP sub-programs with recommendations for SAP. <i>Output 100 %</i>	TT co-ordinator/ Manager in coordination with ExA and PA	Jan.- June 2007	October 2007	Completed by the PO, ACOPS provided report only for 1 region
1.7.3.	Strategic environmental assessment on the SAP	Report on SEA to support SAP with recommendation on improvement of SAP <i>Output 70 %</i>	Manager in coordination with ExA	June 2007	April 2008	according to schedule
1.7.4.	Diagnostic analysis of environmental situation in Arctic region	Diagnostic analysis considering all environmental aspects of the Russian Arctic incl. causal-chain analysis and prepared according to international standards <i>Output 90 %</i>	TT co-ordinator/ Manager in coordination with ExA and PA	July 2006 – March 2007 Publication – end of June 2007	July 2006 – data are collected; Publication is delayed	Preparation of publication is responsibility of PM. Delay is due to other project office

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency *	Set in IWP target date	Actual date of completion or date to be completed and by whom if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
						commitments
1.7.5.	Causal chain analysis	Report on causal chain analysis with recommendations. <i>Output 100 %</i>	TT co-ordinator/ Manager in coordination with ExA and IA	March 2007	November 2007	completed
1.7.6.	Stakeholder analysis and development of public involvement	Stakeholder perception survey report and draft public involvement plan. <i>Output 30 %</i>	TT co-ordinator/ Manager in coordination with ExA and PA	Regional reports ready by 15 th June 2007; PPS is ready by 20 th Jul 2007	Dec 2008	Initially planned to be executed by ACOPS (only 2 regional reports were completed). PO has a lead now
1.7.7.	Information to stakeholders and communication strategy to public on project results	Specific public awareness actions (round tables, TV broadcasting, newspapers, internet and other public activities) for all Arctic regions. <i>Output 20 %</i>	TT co-ordinator/ Manager in coordination with ExA	Apr. 2007 - Sept. 2008	Constantly	New strategy for public involvement developed and implementation to be started in the 1 st half of 2008
1.8	Preparation of the first draft of the SAP	The first draft of the SAP prepared in accordance with the conclusions and recommendations elaborated at the First Meeting of the TT. <i>Output 100 %</i>	TT co-ordinator/ Manager	Dec. 2006	August 2007	completed
1.9	Review of the first draft of the SAP	SAP TT reviews the first draft of SAP and provides written comments. SAP document is translated and reviewed by the international SAP consultant. <i>Output 100 %</i>	TT co-ordinator/ Manager in coordination with ExA	Jan. - March 2007	September 2007	completed
1.10	Preparation of the second draft of the SAP.	Project office combines comments received by SAP TT and international SAP reviewer and organizes for translation. <i>Output 100 %</i>	TT co-ordinator/ Manager	Jan. - March 2007	December 2007	completed

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency *	Set in IWP target date	Actual date of completion or date to be completed and by whom if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
1.11	Review of the second draft of the SAP by federal and regional executive authorities.	Comments by federal and regional executive authorities that will be taken into account in preparing the third draft of the SAP. <i>Output 0 %</i>	TT co-ordinator/ Manager in coordination with ExA	July – Sept. 2007	February 2008	IAWG is to review 2 nd draft SAP
1.12	Preparation of the third draft of the SAP	The third draft of the SAP, to address comments by federal and regional executive authorities is reviewed by SAP TT. <i>Output 0 %</i>	TT co-ordinator/ Manager	July – Sept. 2007	February 2008	Planned for February 2008
1.13	International review of the SAP	SAP document is circulated among Arctic Council WGs, UNEP divisions, GPA and other partners. Comments by international community on the third draft of the SAP. Comments received are addressed <i>Output 0 %</i>	TT co-ordinator/ Manager in coordination with ExA and IA	July – Dec. 2007	April-May 2008	Planned for April-May 2008
1.14	Preparation of the 4 th draft of the SAP.	The fourth draft of the SAP, to address comments by the international community. <i>Output 0 %</i>	TT co-ordinator/ Manager	October – Dec. 2007	May 2008	Planned May 2008
1.15	Endorsement of the SAP by relevant state authorities after taking into account comments received on a basis of international evaluation	Endorsed SAP, ready for approval. <i>Output 0 %</i>	Manager/ExA	December 2007 – March 2008	June 2008	Planned for June 2008

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency *	Set in IWP target date	Actual date of completion or date to be completed and by whom if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
1.16	Adoption of the SAP by the relevant executive authority.	SAP adopted by the relevant executive authority of the Russian Federation. <i>Output 0 %</i>	Manager/ExA	March 2008	July 2008	Planned for August 2008

Activity 2. Pre-investment studies (PINS)

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency *	Set in IWP target date	Actual date of completion or date to be completed and by whom if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
2.1	Proposals for and selection of the Co-ordinator of the Working Group (WG) for Pre-Investment Studies (PINS) will be prepared.	Approval of the selected WG Co-ordinator familiar with the methodology for the preparation of PINS and familiar with the organisations and individuals that might be involved in the preparation of PINS. <i>Output 100 %</i>	Manager/ExA	March 2006 Jan. – March 2007 for new person	November 2007	Completed
2.2	Proposals for and selection of the WG members.	Approval of the selected WG members for development of criteria for the hot spots selection and co-ordination of PINS taking into account environmental, economic, social and political factors. The WG will be composed of 8 Russian and 3 International consultants, and 1 representative from the Executing Agency. <i>Output 100 %</i>	Manager/ExA	April 2006	May 2006	Completed
2.3	Preparation of the consultancy contract with	Signed contract with WG Co-ordinator, including duties, outputs, work plan, timetable and other	Manager/ExA	April 2006 Apr. – June	May 2006	Completed

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency *	Set in IWP target date	Actual date of completion or date to be completed and by whom if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
	WG Co-ordinator.	details. <i>Output 100 %</i>		2007 for new person		
2.4	Preparation of consultancy contracts with WG members.	Draft contracts, including duties, outputs, work plan, timetable and other details, to be discussed with the potential consultants and signed subsequently. <i>Output 100 %</i>	WG Co-ordinator / Manager	April 2006	May 2006	Completed
2.5	Preparation of the working document to be considered at the First Meeting of the WG.	Working document to include the basic concept of PINS; overview of priority environmental hot spots selected during the work on the NPA-Arctic and PDF B GEF Project; objectives and the content of PINS; work plan; timetable; and the role of the co-ordinator of the WG and its members and of the lead cooperating and participating organisations. The document is also to contain proposals for the criteria for the selection of hot spots for which PINS will be prepared and terms of reference for the WG. This document is to be considered, amended and adopted by the First Meeting of the WG. <i>Output 100 %</i>	WG Co-ordinator / Manager	April 2006	June 2006	Completed
2.6	Review of the working document at the First Meeting of the WG, Moscow.	Report of the meeting to include the basic concept of PINS; overview of hot spots selected during the work on the NPA-Arctic and PDF B GEF Project; objectives and targets, the content and outputs of PINS; work plan and timetable; the role of the co-ordinator of the WG and its members and of lead cooperating and participating organisations. The Report is also to contain proposals for the criteria for selection of hot spots for which PINS will be prepared and terms of reference for the WG. <i>Output 100 %</i>	WG Co-ordinator / Manager	May 2006	April 2006	Completed. Problems were with selecting consultants having proper expertise in this field; Coordinator of the WG resigned; prepared report was criticized by PO, ExA and IA for below-standard quality.

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency *	Set in IWP target date	Actual date of completion or date to be completed and by whom if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
2.7	Update and review of the existing hot spots identified at PDF-B stage	Update (data collection), review and analysis of the situation with hot spots <i>Output 100 %</i>	WG co-ordinator / Manager in coordination with PA	Jan. - June 2007	July 2007	Completed
2.8.	Preparation of Guidelines on conduction of pre-investment studies	Guidelines for conducting the pre-investment studies (methodology and procedures) <i>Output 100%</i>	WG co-ordinator / Manager in coordination with PA	June 2007	August 2007	Completed
2.9	Development of criteria for selection of hot spots for which PINS will be prepared, on the basis of comments given at the First Meeting of the WG.	Criteria for selection of hot spots for which PINS will be prepared, which will include criteria for taking into account environmental, economic, social, and other aspects in the process of selection. <i>Output 100 %</i>	WG Co-ordinator / Manager in coordination with PA	Apr. - June 2007	August 2007	Completed
2.10	Hot spots screening and selection. Preparation of the list of potential pre-investment studies.	On the basis of the work done on analysis of environmental hot spots in the PDF B GEF Project, the hot spots identified in the NPA-Arctic and submitted by federal and regional authorities, the list of potential pre-investment studies will be prepared. Using the adopted criteria for selection, about 8-10 hot spots will be selected for which PINS will be prepared. The Report of the Second Meeting will include selected hot spots and the rational for the selection. <i>Output 100 %</i>	WG Co-ordinator / Manager in coordination with PA	Apr. - June 2007	October 2007	Completed
2.11	Preparation of tenders dossiers and ToRs for cooperating organisations. Selection of lead cooperating organisations for the	Tender for the selection of three lead cooperating organizations for conducting PINS (for the western, central and eastern parts of the Russian Arctic) will be announced by the Project Office. Terms of reference for lead cooperating organisations will be included in the conditions of the tender.	WG Co-ordinator / Manager in coordination with PA	July – Sept. 2007	January 2008	Announced in December 2007

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency *	Set in IWP target date	Actual date of completion or date to be completed and by whom if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
	conduction of PINS.	<i>Output 100 %</i>				
2.12	Concluding the contracts with bid-winners	On the basis of the tender and criteria adopted by the Executing Agency, three lead cooperating organisations are selected. Contracts are concluded that includes schedule of payments. <i>Output 0 %</i>	WG Co-ordinator / Manager	September 2007	February 2008	Planned for February 2008
2.13.	Investment Forum (Partnership conference)	Investment forum is organised and conducted <i>Output 0 %</i>	Manager in cooperation with ExA and IA	April - June 2008	September 2008	. It was proposed to have a special session on SAP during Northern Forum conference "Oil and gas companies and MDGs" in Khanty-Mansiysk in Sep 08.
2.14.	Consultations with potential financiers for selected PINS	Consultations with potential financiers for selected PINS are performed\ <i>Output 0 %</i>	Manager in coordination with PA and PINS bid winner	2007 – first half of 2008	Continuous	Consultations with business, EBRD, IFC and others are planned during PINS implementation

Activity 3. Environmental Protection System Improvements (EPS)

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency *	Set in IWP target date	Actual date of completion or date to be completed and by whom if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
3.1	Proposals for and selection of the Co-ordinator of the Task Team on Implementation	Approval of the TT Co-ordinator familiar with the methodology for the implementation of the SAP and with organisations and individuals that might be involved.	Manager/ExA	July – Sept. 2007	March 2008	Implementation of this Project component can be started after the 2 nd draft SAP review by

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency *	Set in IWP target date	Actual date of completion or date to be completed and by whom if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
	of the SAP (TT SAP).	<i>Output 0 %</i>				authorities.
3.2	Proposals for and selection of TT members.	Approval of the TT members to cover various aspects of this activity, to be developed by three WGs (Legislative Improvements, Administrative Improvements and Institutional and Technical Improvements). It is envisaged that the TT will be composed of 10 Russian and 3 international consultants and 1 representative of the Executing Agency. <i>Output 0 %</i>	Manager/ExA	July – Sept. 2007	April 2008	As above
3.3	Preparation of the consultancy contract with the TT Co-ordinator.	Signed contract with the TT Co-ordinator, including duties, outputs, work plan, timetable and other details. <i>Output 0 %</i>	Manager/ExA	July – Sept. 2007	April 2008	As above
3.4	Preparation of consultancy contracts with TT members.	Signed contracts with TT members, including duties, outputs, work plan, timetable and other details, to be discussed with the potential consultants and signed subsequently. <i>Output 0 %</i>	TT Co-ordinator / Manager	July – Sept. 2007	April 2008	As above
3.5	Preparation of the working document to be considered at the First Meeting of the TT.	Working document to include basic concept of the Environmental Protection System (EPS); overview of priority improvements in environmental protection mechanisms for which the need was identified during work on the NPA-Arctic and PDF B GEF Project; proposals for the establishment of three WGs subordinate to the TT, including proposals for the respective Co-ordinators, tasks on EPS improvement in general and in all three directions for lead cooperating and participating organisations, outputs, work plan, timetable and other details. The document is also to contain draft	TT Co-ordinator / Manager	Oct.-Dec. 2007	April 2008	As above

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency *	Set in IWP target date	Actual date of completion or date to be completed and by whom if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
		terms of reference for the TT, including expected outputs, work plan, timetable and other details; the role of the co-ordinator of the TT and its members; as well as the role of cooperating and participating organisations. This document is to be considered, amended and adopted by the First Meeting of the TT. <i>Output 0 %</i>				
3.6	Review of the working document at the First Meeting of the TT, Moscow.	Report of the meeting to include basic concept of EPS; overview of priority improvements in environmental protection mechanisms for which the need was identified during work on the NPA-Arctic and PDF B GEF Project; and proposals for the establishment of three WGs subordinate to the TT, including proposals for the respective Co-ordinators, tasks on EPS improvement in general and in all three directions for lead cooperating and participating organisations, outputs, work plan, timetable and other details. Report is also to contain terms of reference for the TT, including outputs, work plan, timetable and other details; the role of the co-ordinator of the TT and its members; as well as the role of cooperating and participating organisations. <i>Output 0 %</i>	TT Co-ordinator / Manager	Jan-March 2008	June 2008	As above
3.7	Preparation of tender documents for organization to improve EPS Preparation of ToR for the lead cooperating organisation.	ToR for the lead cooperating organisation and tender dossier <i>Output 0 %</i>	TT Co-ordinator / Manager	March 2008	June 2008	As above
3.8	Carrying out tender and	As a result of the tender, the lead cooperating	TT Co-ordinator /		June 2008	As above

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency *	Set in IWP target date	Actual date of completion or date to be completed and by whom if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
	selection of the organization to improve EPS	organization for the development of the EPS (in general) is selected. Signed contract with this organisation to include terms of reference, expected outputs, work plan, timetable and other details. Contracts with cooperating organisation are concluded. <i>Output 0 %</i>	Manager	Jan-March 2008		
3.9	Preparation of the report on EPS improvements and its approval by EPS TT	The report on EPS improvements approved by EPS TT <i>Output 0 %</i>	WG and TT Co-ordinators / Manager	Apr.-June 2008	December 2008	As above

4. Demonstration Projects (DEMOS)

CLEANUP-PILOT project (Remediation of the Environment through the use of Brown Algae). A contract with a bid-winner (OOO "Sirena") was signed on 29/08/2007. Practical implementation of this project started in September 2007 and 1st phase finished in October 2007. A field report was received by the Project office in December and a photo report was uploaded on the official website of the NPA-Arctic Project (<http://npa-arctic.ru/>).

COMAN-DEMO project (Indigenous Environmental Co-management). A contract with a bid-winner (Consortium RAIPON, "BATANI" Fund and GRID-Arendal) was signed on 15/11/2007. The project implementation started straight after the contract has been signed.

BASES-DEMO project (Environmental remediation of Decommissioned Military Bases on Franz Josef Land Archipelago). A contract with a bid-winner (Non-profit organisation "Polar Foundation") was signed on 29/08/2007. The project was implemented on Nagurskaya Station (Alexandra Land island, FJL archipelago) from the deck of a research vessel "Mikhail Somov" in September 2007. A field report was received by the Project office in December and a photo report was uploaded on the official website of the NPA-Arctic Project (<http://npa-arctic.ru/>).

KOLABAY-PILOT project (Cleaning of hazardous substances from the bottom sediments of the Kola Fjord. Phase 1. Monitoring of hazardous substances in the bottom sediments of the Kola Bay). A contract with a bid-winner (Non-profit Organisation Ecologic Foundation “Environmental harmony evolution fund”) was signed on 15/11/2007. Works under the project started straight after the contract has been signed.

The progress as compared with the original Integrated Work Plan is illustrated in the Table below:

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency	Set in IWP target date	Actual date of completion or date to be completed and by whom if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
4.1	Proposals for and selection of the Co-ordinator of the WG on Contaminant Clean-up (WG CLEANUP).	Approval of the WG Co-ordinator familiar with the methodology for decontamination of marine waters through the use of brown algae as well as of organisations and individuals that might be involved. <i>Output 100 %</i>	Manager / ExA	March 2006	March 2006	Completed
4.2	Proposals for and selection of the WG CLEANUP members.	Approval of the WG members to cover various aspects of this demonstration project. <i>Output 100 %</i>	Manager / ExA	April 2006	March 2006	Completed
4.3	Preparation of the consultancy contract with the WG CLEANUP Co-ordinator.	Signed contract with the WG Co-ordinator, including duties, outputs, work plan, timetable and other details. <i>Output 100 %</i>	Manager / ExA	April 2006	October 2006	Completed
4.4	Preparation of consultancy contracts with the WG CLEANUP members.	Draft contracts, including duties, expected outputs, work plan, timetable and other details, to be discussed with the potential consultants and signed subsequently. <i>Output 100 %</i>	WG Co-ordinator / Manager	April 2006	October-November 2006	Completed
4.5	Preparation of the working document to be considered at the First Meeting of the WG CLEANUP.	Working document to include basic concept of the Contaminant Clean-up method; draft terms of reference for the WG, including expected outputs, work plan, timetable and other details; the role of the co-ordinator of the WG and its members; the	WG Co-ordinator / Manager	May 2006	October 2006	Completed

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency	Set in IWP target date	Actual date of completion or date to be completed and by whom if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
		role of the lead cooperating organisation. This document is to be considered, amended and adopted by the First Meeting of the WG. <i>Output 100 %</i>				
4.6	Review of the working document at the First Meeting of the WG CLEANUP, Moscow.	Report of the meeting to include basic concept of Contaminant Clean-up method; terms of reference for the WG, including outputs, work plan, timetable and other details; the role of the co-ordinator of the WG and its members; the role of the lead cooperating organisation. <i>Output 100 %</i>	WG Co-ordinator / Manager	June 2006	February 2007	Completed
4.7	Preparation of ToR and conduct of the tender and preparation of the contract with the lead cooperating organisation for the development of Contaminant Clean-up demonstration.	ToR for the lead cooperating organization for the development of CLEANUP-DEMOS is prepared. Signed contract with the lead cooperating organisation (which won the tender) to include duties, expected outputs, work plan, timetable and other details. Contract is concluded that includes schedule of payments. <i>Output 100 %</i>	WG Co-ordinator / Manager	August 2006	August 21, 2007	Completed
4.8	Proposals for and selection of the Co-ordinator of the WG on Indigenous Environmental Co-Management (WG COMAN).	Approval of the WG Co-ordinator familiar with the methodology for the implementation of the Indigenous Environmental Co-Management Project as well as of organisations and individuals that might be involved. <i>Output 100 %</i>	Manager /ExA	July 2006	August 2006	Completed
4.9	Proposals for and selection of the WG COMAN members.	Approval of the WG members to cover various aspects of this demonstration project. <i>Output 100 %</i>	Manager	August 2006	August 2006	Completed
4.10	Preparation of the contract with the WG COMAN Co-ordinator.	Signed contract with the WG Co-ordinator including duties, expected outputs, work plan, timetable and other details. <i>Output 100 %</i>	Manager /ExA	September 2006	November 2006	Completed

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency	Set in IWP target date	Actual date of completion or date to be completed and by whom if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
4.11	Preparation of contracts with the WG COMAN members.	Draft contracts, including duties, outputs, work plan, timetable and other details, to be discussed with the potential consultants and signed subsequently. <i>Output 100 %</i>	WG Co-ordinator / Manager	October 2006	November 2006	Completed
4.12	Proposals for and selection of the Co-ordinator of the WG on the Environment Remediation in the areas of Two Decommissioned Military Bases (WG BASES).	Approval of the WG Co-ordinator familiar with the methodology for the environment remediation in the areas of two decommissioned military bases as well as of organisations and individuals that might be involved. <i>Output 100%</i>	Manager /Executing Agency	November 2006	August 2006	Completed
4.13	Proposals for and selection of WG the BASES members.	Approval of the WG members to cover various aspects of this demonstration project. <i>Output 100 %</i>	ExA/Manager	November 2006	August 2006	Completed
4.14	Preparation of the contract with the WG BASES Co-ordinator.	Signed contract with the WG Co-ordinator, including duties, expected outputs, work plan, timetable and other details. <i>Output 100 %</i>	ExA/Manager	November 2006	October 2006	Completed
4.15	Preparation of contracts with the WG BASES members.	Draft contracts, including duties, expected outputs, work plan, timetable and other details, to be discussed with the potential consultants and signed subsequently. <i>Output 100 %</i>	WG Co-ordinator / Manager	November 2006	November 2006	Completed
4.16	Preparation of the working document to be considered at the First Meeting of the WG COMAN.	Working document to include basic concept of the environmental co-management method for extracting companies and indigenous peoples of the North; overview of relevant needs identified during the work on the NPA-Arctic and PDF B GEF Project; draft terms of reference for the WG, including expected outputs, work plan, timetable and other details; the role of the co-ordinator of the WG and its members; the role of the lead cooperating organisation. This document is to be	WG Co-ordinator / Manager	October 2006	December 2006	Completed

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency	Set in IWP target date	Actual date of completion or date to be completed and by whom if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
		considered, amended and adopted by the First Meeting of the WG. <i>Output 100 %</i>				
4.17	Preparation of the working document to be considered at the First Meeting of the WG BASES.	Working document to include basic concept of the environmental remediation method for the areas of two decommissioned military bases; overview of relevant needs identified during the work on the NPA-Arctic and PDF B GEF Project; draft terms of reference for the WG, including outputs, work plan, timetable and other details; the role of the co-ordinator of the WG and its members; the role of the lead cooperating organisation. This document is to be considered, amended and adopted by the First Meeting of the WG. <i>Output 100 %</i>	WG Co-ordinator / Manager	October 2006	April 2007	Completed
4.18	Review of the working document at the First Meeting of the WG COMAN, Moscow	Report of the meeting to include basic concept of the environmental co-management method for extracting companies and indigenous peoples of the North; overview of relevant needs identified during the work on the NPA-Arctic and PDF B GEF Project; terms of reference for the WG, including expected outputs, work plan, timetable and other details; the role of the co-ordinator of the WG and its members; the role of the lead cooperating organisation. <i>Output 100 %</i>	WG Co-ordinator / Manager	November 2006	May 2007	Completed
4.19	Preparation of ToR and conduct of the tender and preparation of the contract with the lead cooperating organisation for Indigenous Environmental Co-Management	ToR is prepared. Signed contract with the lead cooperating organization (which won the tender) to include ToR, expected outputs, work plan, timetable, schedule of payments for the contract and other details. <i>Output 100 %</i>	WG Co-ordinator / Manager	November 2006	October 03, 2007	Completed
4.20	Review of the working document at the First	Report of the meeting to include basic concept of the environmental remediation method for the	WG Co-ordinator	November	July 2007	Completed

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency	Set in IWP target date	Actual date of completion or date to be completed and by whom if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
	Meeting of the WG BASES, Moscow.	areas of two decommissioned military bases; overview of relevant needs identified during the work on the NPA-Arctic and PDF B GEF Project; draft terms of reference for the WG, including outputs, work plan, timetable and other details; the role of the co-ordinator of the WG and its members; the role of the lead cooperating organisation. <i>Output 100 %</i>	/ Manager	2006		
4.21	Preparation of ToR and conduction of the tender and preparation of the contract with the lead cooperating organisation for the environmental remediation in the areas of two decommissioned military bases	ToR is prepared. Signed contract with the lead cooperating organisation (which won the tender) to include ToR, expected outputs, work plan, timetable, schedule of payments for the contract and other details. <i>Output 100 %</i>	WG Co-ordinator / Manager	December 2006	August 23, 2007	Completed
4.22	Preparation and review of Progress Report to be considered at the Second Meeting of the WG CLEANUP.	Progress Report to include suggestions for further work. <i>Output 50 %</i>	WG Co-ordinator / Manager	January 2007	February-March 2008	Planned for January-February 2008
4.23	Preparation and Review of Progress Report to be considered at the Second Meeting of the WG BASES	Reviewed Progress Report with suggestions for further work <i>Output 50 %</i>	WG Co-ordinator / Manager	April 2007	February-March 2008	Planned for January-February 2008
4.24	Preparation and Review of Progress Report to be considered at the Second Meeting of the WG COMAN	Reviewed Progress Report with suggestions for further work <i>Output 0 %</i>	WG Co-ordinator / Manager	February 2008	February-March 2008	Planned for January 2008

No.	Activity	Output and Output status (estimate in %)	Responsible person / Agency	Set in IWP target date	Actual date of completion or date to be completed and by whom if different from previous column	Status and description of problems encountered if activity is not completed as scheduled
4.25.	Consultations with potential financiers on pilot projects	Potential financiers are found for pilot projects <i>Output 50 %</i>	Manager	2007 – first part of 2008	first part of 2008	Continuously
4.26.	Preparation of project documentation for pilot projects	Project documents for pilot projects are ready Output – 70 %	Manager	Second - third quarter of 2007	1 st -2 nd quarters of 2008	Planned for 1 st -2 nd quarters of 2008
4.27.	Contracting companies on selected pilot projects (preparation of tenders where applicable)	Contracts with companies on selected pilot projects are concluded Output – 50%	Manager	Third-fourth quarter of 2007	1 st -2 nd quarters of 2008	Planned for 1 st -2 nd quarters of 2008
4.28.	Final evaluation of conducted pilot projects and their replicability potential	Reports on pilot projects with recommendations for their replicability	Manager	Third quarter of 2008	Third –fourth quarters of 2008	Planned for 3 rd – 4 th quarters of 2008

As it was stated in the initial Project Document for possible expansion of the donor base for the Project several additional demonstration and pilot projects have been developed by the PO in close cooperation with local administrations. The projects were introduced at the second meeting of the Steering Committee and approved conceptually.

New demonstration projects:

1. Disposal in environmentally sound manner of outdated RITEGs at the Arctic coast of Republic of Sakha (Yakutiya) and Chukchi autonomous okrug. The RITEGs are special devices developed to transform thermal energy from decay of radioactive material (strontium-90) into electricity. Main objectives of the project is to demonstrate safe approaches for collection, interim storage, transportation and final disposal/recycling of the RITEGs in the Republic of Sakha (Yakutiya) and Chukotsky AO in line with requirements of radiation safety. Special working meeting is planned in Feb 08 to discuss details of this demo program to be funded using GEF project financing.

2. Processing of associated gas and use for heat supply in Konda Region of Khanty-Mansiysk AO. Main objectives of the project is utilization of associated natural gas (ANG) with the purpose of supplying of the ANG processing products to meet the needs of Konda and

October districts to reduce the cost of heat supply for the Konda region population. The project to be funded in the framework of the UNEP/EPA Agreement. The Agreement was finalized in Dec 07 and should enter into force during 1st quarter of 2008.

3. Distant identification of local sources of contamination of environment by POPs at the coast of Arctic seas and evaluation of risks of their negative impact (costs of Arctic ocean at territory of Nenetsky AO). Before final decision on the following up with this project, project technology and implementation modalities will be discussed at the special expert group meeting in Feb 08.

New pilot projects:

1. **Localisation and removal from a thermokarst crater two radioisotope thermoelectric generators (RITEGs) of GONG type at the Kondratiev navigation beacon site (Sakha (Yakutia) Republic, Ust-Yanski Ulus).** Objectives: to determine the depths of two RITEGs which are buried near Kondratiev navigation beacon site and to dig up both RITEGs from a thermokarst crater to the surface for following removal to the special storage. The project to be funded in the framework of the UNEP/EPA Agreement. The Agreement was finalized in Dec 07 and should enter into force during 1st quarter of 2008.

2. **Increasing the efficiency of electrostatic precipitators at Arkhangelsk pulp and paper mill.** Objectives: to reduce emissions from electric filters in use at the Novodvinsk PPC and cleaning the environment in Archangelsk Oblast. In addition, the project can be used as a model for increasing the efficiency of electric filter at PPMs elsewhere. The project to be funded in the framework of the UNEP/EPA Agreement. The Agreement was finalized in Dec 07 and should enter into force during 1st quarter of 2008.

3. **Salvation and scrapping of the hunting ship "Teriberka"** Objectives of this Project is to remove the hunting ship "Teriberka" from the bottom of the Kola Fjord and utilise it as well as its load, in an environmentally safe way (due to its location in the mid of the fairway close to the surface). This project is funded by NEFCO with in-kind support provided by the NPA-Arctic project.

4. **Complete salvation and utilisation of the 12 remaining ships at the dumping site "Lavna"** Objectives of this Project is to remove all remaining vessels and other constructions from the Lavna dumping site and serve for its safe and environmentally safe utilisation (since almost half of them were removed and utilised in 2005 and it would be positive to have a whole dumping site completely eliminated). The project to be funded in the framework of the UNEP/EPA Agreement with co-financing from NEFCO. UNEP/EPA Agreement was finalized in Dec 07 and should enter into force during 1st quarter of 2008.

5. **Complete data base on abandoned vessels in Murmansk Oblast.** Objectives of this Project is to get a thorough overview on the potential content of environmentally hazardous substances and estimated salvation costs of all abandoned vessels and other constructions

along the shores of Murmansk Oblast as a guidance to future salvation projects aimed at the complete elimination of Hot Spot M9. Project is financed by NEFCO with in-kind support from the NPA-Arctic project.

6. *Cleaning of hazardous substances from the bottom sediments of the Kola Bay. Phase 1. Monitoring of hazardous substances in the bottom sediments of the Kola Bay.* Objectives of this Project is to map the concentrations of hazardous substances of the bottom sediments of the Kola Fjord with the aims to a) identify pollution sources and deposits and b) to map the changes of concentrations over time. (A contract with bid winner Non-profit Organisation Ecologic Foundation “Harmonic Evolution” has been signed already.)

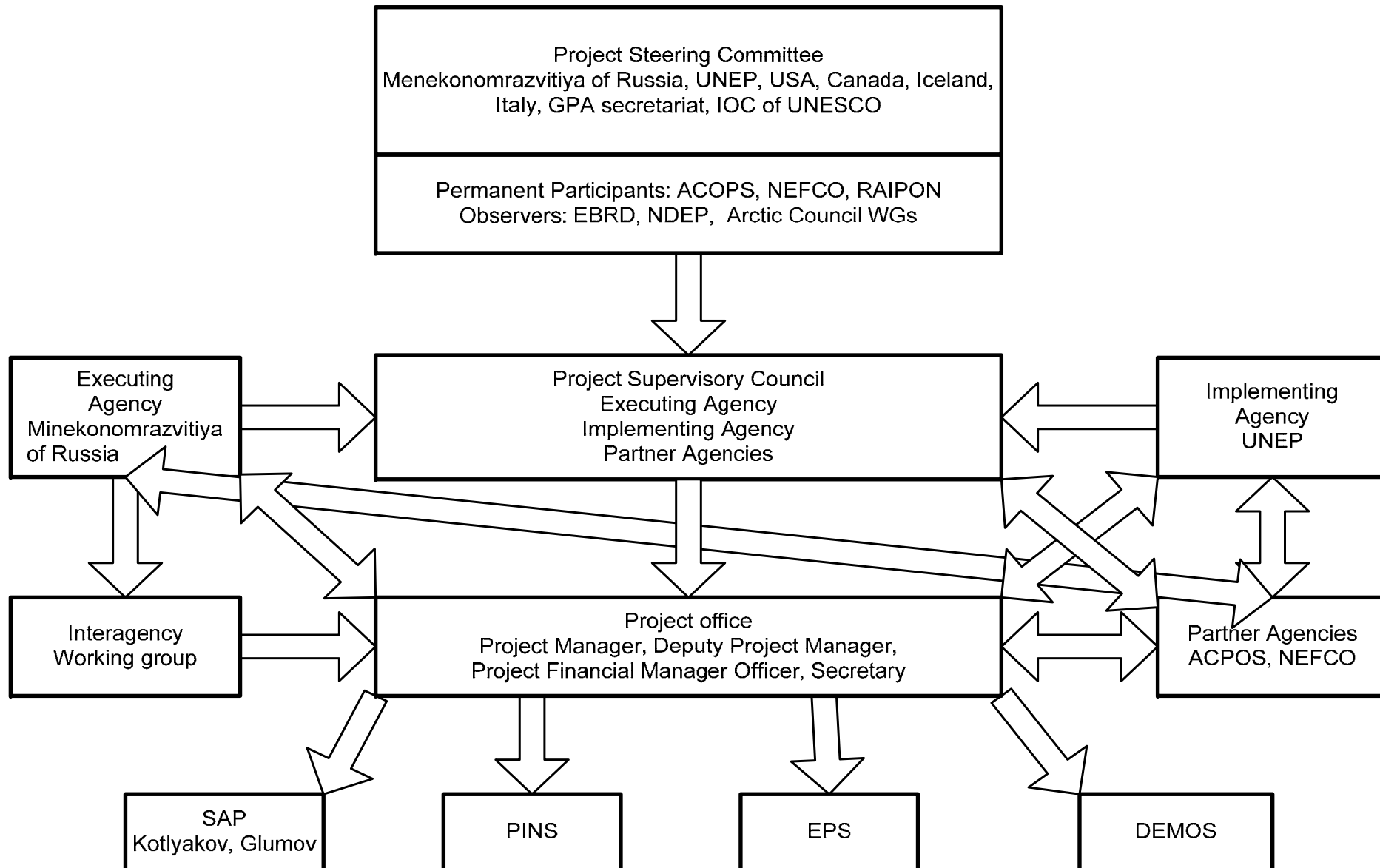
7. *Decontamination of oil sludges and oil contaminated soil.* Objectives of this Project are to test bioremediation technology for oil contaminated soil. Additional pre-feasibility study is required for this project. Project concept is finalized and tender should be advertised in Feb 08. Funding should come from GEF.

8. *Waste treatment plant for problematic hazardous wastes including oil sludges.* Objectives: to develop an efficient system for oil-slime treatment accumulated by enterprises and plants located on the Kola region territory and in Murmansk, Kola, Severomorsk cities.

9. *Removing sunken wood and ship frames from the sea bottom in Tiksi Bay.* Objectives: to clean sea bottom of submerged wood items and to collect and recycling 5 ship frames in Tiksi Bay’s water area. Iceland agreed to support this project financially.

Project office continues the work on further preparation of project documents for these pilot projects.

III.1. PROJECT ADMINISTRATION AND CO - ORDINATION



III.2. Staffing Details of Cooperating Agency/ Supporting Organization (Applies to personnel / experts/ consultants paid by the project budget)

Functional Title (position)	Name (Nationality)	IWP taskline	Budget line / Amount (USD)	Person months	Person months used to date
Project Manager	I.Senchanya (RUS)	All tasks	1101/ 3700	6	6 21 848
Project Deputy Manager	S. Tambiev (RUS)		1102/2000	6	6 11 610
Project Financial Management Officer	G. Zaytseva (RUS)		1103/2600	6	6 15 302
Lead Russian Consultant, TT, SAP	V. Kotlyakov (RUS)	1.8, 1.10, 1.11	1206/3900	1	1 3 900
Lead Russian Consultant, TT, SAP	I. Glumov (RUS)	1.8, 1.10 1.11	1206/3900	1	1 3 900
Russian Consultant, TT, SAP	M. Zhukov (RUS)	1.10-1.13	1207/3300	1	1 3 299
Russian Consultant, TT, SAP	Yu.Kochemasov (RUS)	1.10-1.13	1208/3300	1	1 3 299
Russian Consultant, TT, SAP	A. Tishkov (RUS)	1.10-1.13	1209/3300	1	1 3 299
Russian Consultant, TT, SAP	V. Gruzinov (RUS)	1.10-1.13	1211/3300	1	1 3 299
Russian Consultant, TT, SAP	V. Solomatin (RUS)	1.10-1.13	1212/2600	1	1 2 600
Russian Consultant, TT, SAP	V. Gordeev (RUS)	1.10-1.13	1213/2600	1	1 2 600
Lead Russian Consultant, PINS, WG	A. Evseev (RUS)	2.5-2.12	1223/3900	1	1 3 900

Functional Title (position)	Name (Nationality)	IWP taskline	Budget line / Amount (USD)	Person months	Person months used to date
Russian Consultant, Project Advisor	B. Melnikov (RUS)		1245/3300	6	6 9 900
Project Secretary	L. Anashkina (RUS)		1302/1000	6	6 5 753
TOTAL				39	39 94 509

III.3. ADMINISTRATIVE ISSUES DURING THE REPORTING PERIOD

Please describe administrative issues existed during the reporting period incl. staff changes, refusals to complete work, administrative changes in organizations-Project stakeholders, signed MoU if any, and etc.

Project Office ensured that all Project activities are carried out in compliance with the Project design and the instructions of the Steering Committee, Executing and Implementing Agencies. Detailed quarterly reports have been prepared and submitted to UNEP/DGEF by the Project Office in a timely manner. Details of expenditures have been reported on an activity-by-activity basis, in line with Project budget codes as set out in the Project Document, as at 30 September and 29 December 2007 using the format given in Annex XVI (Quarterly Expenditures Report) of the Project Document. UNEP/GEF PIR review for 2007 FY has been submitted to UNEP.

Two benchmarks for the completion of the Phase I are fully accomplished:

1. Successful establishment of Project implementation structure, including Project Office, Project Steering Committee, and Project Supervisory Council;
2. Fully designed demonstration activities.

Other benchmarks are at varying degree of accomplishment: 1. SAP is fully developed, but awaiting for comments from federal ministries and regions; 2. PINS tendering is close to completion; 3. Approach to EPS changed and actual implementation is planned for the 2nd half of 2008; 4. As 2nd phase of the project was cancelled, Terminal Evaluation instead of Mid-term Review is planned

Among activities performed by the Project Office within Project Management component are the following:

- **Organization of the different meetings required by Project Document:** TT-SAP and WG-SAP meetings; DEMOS-WG

meetings. In addition different meetings devoted to discussion of potential small pilot project, prepared conceptual documents for DEMOS have been also organised. Packages of documents have been prepared for all the above meetings. Interagency Working Group meeting is postponed for the first quarter of 2008. Project Manager set up and participated in workshops in 5 Arctic regions: Arkhangelsk, Murmansk, Nenets, Chukotka, Sakha (Yakutia) with the purpose of familiarising local authorities, businesses and NGOs with the NPA-Arctic Project, its objectives and targets as well as to collect regional proposals for SAP planned activities and suggestions for PINS.

- **Selection of leading organisations, consultants and service providers:** tender documentations to select leading participating organisations for 2 demo and 2 pilot projects as well as for PINS were prepared. ToRs were prepared and agreed with both Executing and Implementing Agencies. Project Office in cooperation with both Executing and Implementing Agencies held several tenders to select leading participating organisations for demo projects (BASES and COMAN) and pilot projects (CLEANUP and KOLABAY). A tender for new PINS coordinator was also held.
- **Participation in demo project implementation:** Deputy Project manager participated in implementation of BASES-DEMO project Environmental remediation of Decommissioned Military Bases on Franz Josef Land Archipelago. It was the first practical activity of the UNEP/GEF Project NPA-Arctic and project management decided by to delegate one of the Project personnel with the purpose of strengthening the demo project operation team and collection of visual materials for the Project publicity.
- **Increasing awareness on the Project:** Project website (<http://npa-arctic.ru/>) has been updated: materials obtained from demo project teams were reworked and included in both Russian and English versions of materials. The website maintenance has been fulfilled on the permanent base.
- **Other activities:**
 - meetings of Executing and Implementing Agencies with the Project office;
 - meetings with prospective donors: a) Senior technical advisor, Office of air quality planning and standards, EPA, US Environmental Protection Agency; b) Program advisor-Arctic program, The J.M. Kaplan Fund, USA.

List of proposals from regions have been prepared and submitted to both prospects.

III.4. PROJECT MONITORING & EVALUATION SYSTEM AND REPORTING QUALITY CONTROL

Please summarize any completed project reviews during the reporting period, including Annual Steering Committee meetings and its key recommendations, and quality control of the project technical reports (who is doing, how, which problems exist, lessons learned).

III.4.1 Completed Project Reviews

During the reporting period to Quarterly Financial Reports has been submitted to UNEP DGEF Nairobi via Moscow UNEP office.

UNEP/GEF PIR review for 2007 FY has been submitted to UNEP

Detailed reports for all meetings, demo and pilot projects implementation with all associated documentation distributed among all interested parties and uploaded on the official Project website: <http://npa-arctic.ru>. Visual materials (photo and video) obtained during demo and pilot projects implementation uploaded to the Project website.

III.4.2 Quality Control of the Project Technical Reports

The PO scrutinised all technical reports prepared by the project consultants. Quality of the reports has been of a varying degree; some of them were seriously delayed or had a different content from what was agreed in the consultant contracts. Consultants were asked to rewrite technical reports if they were under standard. After that, most of the consultant technical reports were reviewed by ExA (through its Project advisor) and IA (through its representatives to the UNEP Moscow Office). From the other hand, all documentations issued by PO were also under thorough quality control provided by both ExA and IA. These include half yearly and quarterly reports, UNEP/GEF PIR review, all financial documents. Packages of necessary documents for all project consultants' tenders as well as for lead cooperating organisations (including ToRs) for 3 demo projects tenders have been prepared by PO in close cooperation with both ExA and IA. Normally both ExA and IA representatives participated in most of TT SAP and WG meetings and workshops hold by PO. All draft versions of the SAP document and its separate chapters and sections were closely reviewed also by the representatives of both agencies.

IV PROCUREMENT OF EQUIPMENT

Please provide inventory of non-expendable equipment purchased against UNE/GEF project unit value US\$1,500 and above and items of attraction

No procurement of equipment has been done during reporting period.

V FINANCIAL MANAGEMENT

Project Currency account:

Beneficiary Bank: SBERBANK (OPERATIONS DEPARTMENT) MOSCOW

Swift code: SABRRUMM 011

To beneficiary account # 40 703 840 600 020 116 434

Beneficiary: NPAF ED

V.1. BALANCE OF DISBURSEMENTS

TABLE 1. ACTUAL EXPENDITURE PER QUARTER, AGAINST THE CASHFLOW PREDICTION PER QUARTER

Period (quarterly)	Planned (USD)	Actual (USD)	Difference	Notes
2005 Q3	74816	0	74816	
2005 Q4	119700	107442	12258	

Period (quarterly)	Planned (USD)	Actual (USD)	Difference	Notes
2006 Q1	115300	43122	72178	
2006 Q2	138550	94793	43757	
2006 Q3	271100	76459	194641	
2006 Q4	80550	144247	- 63697	
2007 Q1	61050	37196	23854	Delays with consultants remuneration – 20200 USD
2007 Q2	161050	102758	58292	Delays with consultants remuneration – 37500 USD (planned for 3 rd quarter of 2007), 1601 Business travel – 8500\$ - planned for 3 rd quarter of 2007, 5201 Reports & translation – 6000\$ - saving, 5301 Sundry – 4500\$ - planned for the whole year of 2007
2007 Q3	630550	48518	582032	Delays with Contracts for Demo-projects payments – 523500\$ - planned for the year of 2008
2007 Q4	0	68665	-68665	Delays with Contracts for Demo-projects payments – 523500\$ - planned for the year of 2008

TABLE 2. Quarterly Project Expenditure Accounts for Supporting Agencies

Quarterly project statement of allocation (budget), expenditure and balance (Expressed in US\$) covering the period October 01, 2007 to December 31, 2007.

Project No GF/2732-03-4694 GF/3010-03-21 Agency name: Ministry of Economic Development and Trade of the Russian Federation
 Project title: Russian Federation – Support to the National Programme of Action for the Protection of the Arctic Marine Environment
 Project commencing: July 18, 2005. Project ending: June 30, 2010

Object of expenditure by UNEP budget code	Project budget allocation for year 2007.		Total expenditure for quarter IV 2007*	Total unliquidated obligations	Cumulative expenditure for year 2007	Unspent balance of budget allocation for year .2007	
	m/m (1)	Amount (2)				m/m (6)	Amount (2)-(5)
1100 Project personnel	36	99 600	23 898		99 472		128
1200 Consultants	79	264 200	35 066		99 174	46	165 026
1300 Administrative support	12	12 000	2 748		11 911		89
1400 Volunteers							
1600 Travel		64 000	2 908		15 476		48 524
2100 Sub-contracts							
2200 Sub-contracts		2 987 000	0		0		2 987 000
2300 Sub-contracts							
3100 Fellowships							
3200 Group training							
3300 Meetings/conferences		162 000			14 546		147 454
4100 Expendable equipment		2 400	394		403		1 997
4200 Non-expendable equipment		8 000	0		0		8 000
4300 Premises							
5100 Operation		4 500	869		1 729		2 771
5200 Reporting costs		30 000			4 772		25 228
5300 Sundry		22 000	2 782		9 653		12 347
99 GRAND TOTAL	127	3 655 700	68 665		257 136	46	3 398 564

*breakdown of expenditures per quarter with related information such as name of person hired, duration of contract, fees, purpose should be reported in a separate annex.

Signed:  I. Senchenya, Project Manager

 G. Zaytseva, Project Financial
 Management Officer

Cleared: _____
 Duty authorised official of co-operating agency


 B. Morgunov

REPORT ON CO-FINANCING

The current status with co-financing is given in Table 3. **REPORT ON CO-FINANCING.**

Co-financing contribution from Russia received to date was in cash contribution for Project Office premises amounted to 142,500.0 US\$ and in-kind contribution totally amounting to USD 3,634.930 (30th June 2007). Donors contribution is based on unofficial information provided by ACOPS with regard to Italian and Canadian funds.

TABLE 3. REPORT ON CO-FINANCING

Title of Project:	Russian Federation - Support to the National Programme of Action for the Protection of the Arctic Marine Environment							
Project Number:	GFL/2732-03-4694 GF/3010-03-21							
Name of Executing Agency:	Ministry of Economic Development and Trade of the Russian Federation (Mineconomrazvitiya of Russia)							
Project Duration:	From: July 18,2005		To: June 30, 2010					
Reporting Period (to be done annually):	January 1, 2007 - June 30, 2007							
Source of Co-inance	Cash Contributions				In-kind Contributions			Comments
	Budget original (at time of approval by GEF)	Budget latest revision	Channelled to ACOPS incl. Preparatory Phase ¹	To date Through UNEP/Project office	Budget original (at time of approval by GEF)	Budget latest revision	Received to date	
1	2	3	4	5	6	7	8	9
EPA	4 000 000	944 100	501 000	0	0	0	0	. No official report on expenditures during this period was presented by ACOPS and no official proof exists that all or some of those funds were spent on activities directly related to the project
Canada	732 000	732 000	732 000	0	0	0	0	
Italy	500 000	0	500 000	0	0	0	0	
Iceland	100 000	100 000	0	22 993	0	0	0	
IOC of UNESCO	500 000	0	0	0	0	0	0	
RAIPON	270 000	0	0	0	0	0	0	

¹ On a basis of unofficial data provided by ACOPS

1	2	3	4	5	6	7	8	9
NEFCO	1 000 000	1 000 000	0	0	0	0	0	NEFCO has so far not contributed co-financing to the project
GPA	250 000	250 000		50 000	0	0	0	50000 per year to support UNEP technical staff
Russia	199 500	199 500	0	142500	5 800 000	6 207 700	3,634.930	
Total	7651599	3 225 600	1 733 000	215 493	5 800 0000	6 207 700	3,634.930	

V.2. FINANCIAL PROBLEMS

Please describe in a narrative form existing project's financial problems during the reporting period and suggestions for improvement. Problems may include consultant procurement, UNDP disbursement procedures, regional obstacles for smooth financial operations and etc.

Main problems were associated with ED NPAF performance regarding Project contracts with consultants and lead participating organizations that resulted in long delays with fund transfer to the lead participating organizations and consultants remunerations. These problems were partially fixed only to the end of this year.

VI PROJECT PERFORMANCE EVALUATION

TABLE. PERFORMANCE ON PROJECT INDICATORS ACCORDING TO THE PROJECT LOGICAL FRAMEWORK MATRIX

Overall Goal	Objectively Verifiable Indicators	Means of Verification	Baseline value	Achievement status as at the end of the reporting period	Rating (to be completed by UNEP)**
Protect the Arctic marine environment from land-based activities in the Russian Federation.	Specific process, stress reduction, and environmental status indicators and their means of verification will be developed within the context of the SAP.		The National Action Plan for the protection of the Arctic marine environment has been developed and agreed upon.	Project implementation units as well as TT and WGs for different project components have been established; diagnostic analysis of the Russian Arctic environment completed and the first draft of SAP document produced. Tender for PINS has been prepared, Some demo-projects are in the process of practical implementation	S Project has made substantial progress in launching key activities during the reporting period
Objectives					
Improved management of the Arctic environment in the Russian Federation and clear appreciation of priorities.	Adoption of the Strategic Action Plan (SAP) for the Protection of the Arctic Marine Environment from Land-based Activities by the relevant executive authority of the Russian Federation.	1. Adoption of the SAP for the Arctic as a component of the FTOP 'World Ocean' by the Russian Federation. 2. The minutes of the inter-agency WG and confirmations from federal and regional authorities indicate that the SPA is adopted by the Russian Federation.	The National Action Plan for the protection of the Arctic marine environment has been developed and agreed upon.	SAP is prepared and passed to the Ministry of Economic Development and Trade.. Diagnostic analysis of the current state of Arctic environment and causal-chain analysis have been performed	S SAP has been cleared for further approval by MEDT and IAWG
Environmentally sustainable development of natural resources in the Russian Arctic.	The reformed regulatory framework is implemented by local, provincial, federal	1. Report in National Gazette and other official media of application	There is an existing regulatory framework, which does not take into consideration the programmatic	According to the revised IWP this work	N/A now Project did not start yet EPS component. PO to

Overall Goal	Objectively Verifiable Indicators	Means of Verification	Baseline value	Achievement status as at the end of the reporting period	Rating (to be completed by UNEP)
	administrations.	decrees and circulars. 2. The survey of the regulatory framework at the local, provincial and federal levels indicates that environmentally sustainable development concerns are incorporated as the means to implement the SAP.	requirements to be outlined in the SAP and NPA.	should be started in 2008	observe closely situation of administrative reform and acceptance of ecological codex to find entrance points for SAP; EPS concept was redesigned and its implementation to be started during 2-3 rd quarters of 2008
Improved regional co-ordination of the management of the Arctic; and Russia meeting its obligations under the AEPS and its commitments to objectives of the GPA.	Contributions by the Russian Federation to the Arctic Environment Protection Strategy of the Arctic Council. Acknowledgement by the Arctic Council of the SAP as a component of the Regional Programme of Action for the Arctic.	The Russian representative at the Arctic Council provides information on the SAP and the minutes of the Arctic Council can indicate the contribution of the SAP to the Arctic Council process.	The initiated work of this project is recognized by the Arctic Council and GPA.	Progress reports on project implementation are delivered to the Arctic Council (AC) and AC WG. NPA-Arctic project is mentioned in all minutes of the AC as well as in Salekhard Declaration of the AC. Presentation on NPA-Arctic project progress was given at PAME meeting in Reykjavik	S
Outcomes					
Successful establishment of the project implementation structure, incl. Project Office, Project Steering Committee, Project Supervisory Council (Phase I benchmark)	All project implementation units are functional and deliver expected outcomes on time.	Minutes of the Project Steering Committee and Supervisory Council	There was no project structures before.	All project implementation units are established	S Comment: All necessary project implementation structures have been established
Finalization and endorsement of the SAP for the Russian Arctic (Phase I benchmark)	By the end of Phase I, SAP fully developed and endorsed by relevant stakeholders	Steering Committee meeting report. The minutes of the inter-agency WG and confirmations from federal and regional authorities indicate that the SAP is adopted by the relevant executive authority of the Russian Federation.	There is no SAP formulation at the onset of the project.	The SAP has been developed and passed to the Ministry	S
Improved legislation, administrative procedures and institutional capacity for the environmental protection of the Arctic environment.	By the end of Phase I, selection of lead implementing organization and members of each the three working groups (Phase I benchmark). By the end of Phase II, adoption of agreed proposals for revised legislation and new administrative	Adoption of a work plan of concrete follow-up actions that will lead to the implementation of the proposals for EPS improvements in the Russian Arctic	There is an existing legal, regulatory and administrative framework, which does not take into consideration the programmatic requirements to be outlined in the SAP and NAP.	According to the revised IWP this work should be started in 2008	Not applicable

Overall Goal	Objectively Verifiable Indicators	Means of Verification	Baseline value	Achievement status as at the end of the reporting period	Rating (to be completed by UNEP)
	arrangements, including assignments of responsibility and capacity requirements, to the relevant federal Ministries, the Government of the Russian Federation and provincial governments.				
Conditions for further interventions and investments to remediate or prevent the degradation of the Arctic Environment are realised.	<p>By the end of phase I, working documents are revised at the working group meetings for each pre-investment study (Phase I benchmark).</p> <p>By the end of Phase II, investments are prepared based on at least 8-10 pre-investment studies. By the end of phase II, demonstration projects are ready to be replicated elsewhere in Russia.</p>	The minutes of the PINS working groups and the Steering committee should indicate that the progress and adoption of the pre-investment studies to be accepted by financial institutions. Round tables and Partnership Conference will be held taking into account PINS..	The project PDF-B; NEFCO and Russian authorities, respectively issued a list of hot spots. Limited demonstrative activities have been developed or implemented.	<p>Tender dossier for PINS has been prepared</p> <p>Some additional demonstration and pilot projects have been submitted to the Supervisory Council and Steering Committee</p>	<p>MS</p> <p>Comment: PINS component was substantially delayed; tender will be completed soon, but PINS implementation may take longer than expected. Hot-spots update is finalized, but still requires inputs from regions; this process is slow, but manageable</p>
Results					
Identification of the highest priority damage and sources of damage to the environment of the Russian Arctic and acceptance by the Russian Government of the priority list of interventions proposed for investment by Russian sources and/or other countries	Review* and publication* of the analysis including specification of priorities for interventions in the Russian Arctic.	The minutes of the PINS working groups and the Steering committee should indicate that the first draft PINs are prepared and reviewed by the steering committee	Environmental hot spots were identified by project PDF-B and NEFCO, but actual remediation actions should be intensified	Updated list of hot spots has been prepared	<p>S</p> <p>Comment: The work on this component is half-through. Diagnostic analysis of the Russian Arctic environment is completed and major environmental threats are identified. Revision of prepared during PDF-B hot-spots is finished and PINS methodology is developed. Additional clarifications see above</p>

Overall Goal	Objectively Verifiable Indicators	Means of Verification	Baseline value	Achievement status as at the end of the reporting period	Rating (to be completed by UNEP)
10 pre-investment studies are submitted to potential financiers, including bilaterals and the private sector, and/or to a Partnership Conference and round tables.	Pre-investment studies are submitted to and discussed at the Partnership Conference and round tables.	Reports of round tables and the Partnership Conference.	As above	Tender dossier has been prepared, international tender has been announced, short-list of companies has been formed. Kist of potential PINS has been discussed with regional authorities	MS – Implementation of PINS is delayed, but ongoing
Results of 3 demonstration projects, including specifications for replicability elsewhere disseminated widely within Russia.	By the end of Phase I all demonstration projects are fully designed and ready for implementation (Phase I benchmark).	Number of reports printed and distributed. Number of agencies, provincial administration, community leaders etc that have been sent the reports. Progress report to UNEP/GEF from the Project Office and Executing Agency.	Limited demonstration actions (ACAP and others) were designed and implemented	3 DEMO-projects and 1 new pilot project are in the process of practical implementation.	MS-S: all 3 DEMOS are launched, several pilots are prepared, but only one started. Component requires close monitoring of implementation and dissemination of upcoming results
Revised national water-quality objectives and effluent and emission standards fully consistent with relevant international guidelines and agreements	By the end of phase I, all lead organisations and members of working groups are selected and approved (Phase I benchmark) Adoption of revised environmental quality and standards, effluents and emission standards by the Government of the Russian Federation and other relevant administrations (as by the end of phase II).	The steering committee report indicates that the organisations and members of working groups are selected (by the end of phase I)	Work on EPS Improvement in the Russian Arctic should be better organized and intensified.	According to the revised IWP this work should be started in 2008.	Not applicable probably. EPS component did not start yet and in the timeframe of the project, hardly any practical regulations can be passed on through relevant authorities
Improved compliance assessment procedures.	By the end of phase I all lead organisations and members of working groups are selected and approved (Phase I benchmark) Adoption of new compliance assessment procedures fully supported by technical capability by the Government of the Russian Federation and other stakeholders.	As above	As above	According to the revised IWP this work should be started in 2008. This works should start after the SAP finalization and approval by the Russian federal authorities	See above

Overall Goal	Objectively Verifiable Indicators	Means of Verification	Baseline value	Achievement status as at the end of the reporting period	Rating (to be completed by UNEP)**
Demonstration that increased involvement of Indigenous Peoples in co-management can increase the level of protection the Arctic Environment whilst increasing their quality of life.	Acceptance by the Russian Association of Indigenous Peoples Of the North (RAIPON) of the plans for and the analysis of replicability of the demonstration project. Minutes of the Steering Committee and Minute of IAWG.	Publication of the results of the indigenous people management of the environment demonstration project.	Only limited co-management activities are implemented, incl. ECORA project outcomes	COMAN demo project is at the implementation stage.	MS – start of COMAN project was delayed,
Project mid-term evaluation indicates that the project meets its expectations	MTR shows satisfactory project implementation	TOR for MTR team, review process is smooth and timely; results of MTR are distributed among project stakeholders	No project MTR	Project evaluation will have to be done at the end of Phase I	Not applicable

*The terms “*review*” and “*publication*” in this matrix refer to project documents distributed to major stakeholders and submitted for endorsement by the Project Steering Committee.

**Rating is provided using the following scale: Highly satisfactory=HS; Satisfactory=S; Moderately Satisfactory=MS; Moderately Unsatisfactory=MU; Unsatisfactory=US; Highly Unsatisfactory=HU.

VII SUMMARY of FOLLOW-UP CORRECTIVE ACTIONS

Summary of identified problems in the HYR for the 1st half of 2007 and Actions undertaken to remediate problems

Overall problem	Actions undertaken to correct this problem
1 PINS WG is not functional after submitting its report on criteria	New PINS WG coordinator has been selected on a basis of competitive bid. The PINS WG has prepared updated list of hot spots.
2. Prepared DEMOs proposals are inadequate	Tender dossiers for all DEMO-projects have been agreed with Executing and Implementing Agencies. Demo project are under implementation
3 Co-ordination mechanism between PO, IA and ACOPS as well as NEFCO is insufficient	ACOPS has been withdrawn from the Agreement with EPA
4 Quality of technical reports prepared within the project is often of suboptimal quality	Partially addressed (see point 4.2. in the table below under VII Summary of follow-up corrective actions)
5 Co-operation between existing international programs and structures working on Arctic environment is insufficient	Some co-operation has been started however problem still exists; see explanation below
6. ACOPS does not act in line with their functions prescribed in the Project Document	Problem still exists; see explanation below

7 Involvement of regional authorities and industrial companies in the project activities is insufficient	Problem still exists; see explanation below
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Overall problem	Specific problems	Follow-up Action	Responsible actor	Date to be remediate
1. Development of new pilot and demonstration projects is very slow	1.1. Preparation of pilot project for Tiksi Bay, remote sensing and RITEGs is delayed because of other project office commitments	1.1. To organize expert-group meetings to clarify the remaining issues before issuing invitation to national bids	1.1. PO	1.1. February – March 2008
2. Stakeholder analysis has not been finalised by ACOPS as previously decided	2.1. Perform SA for remaining regions	2.1. Project office should issue call for consulting services for this assessment	2.1. PO	2.1. March 2008
3. Public outreach campaign in designated Arctic region is very slow	3.1. Public outreach campaign in designated Arctic is delayed	3.1. PO should prepare ToR for this activity and negotiate with regional NGOs the possible activities planned	3.1. PO	3.1. March 2008
4 Time of consideration of technical reports prepared within the project is often too long	4.1. Both ExA and IA often do not consider technical reports prepared by consultants in a timely manner (contracts require 10 days period for comments) 4.2. Most technical reports are cleared by the PO, ExA and IA alone; available in the project and external expertise is not fully utilized	4.1. Project Office should issue preliminary comments to the reports sometimes with assistance of external consultants 4.2. Develop formal quality control procedure for technical reports produced by the project	4.1. PO 4.2. PO with the assistance of ExA and IAs	4.1. Immediately 4.2. Immediately
5 Co-operation between existing international programs and structures working on Arctic environment is insufficient	5.1. Project does not co-operate enough and use the expertise of the existing Arctic programmes such as WGs of the Arctic Council, GPA and etc. 5.2. Project results are not disseminated widely enough in the national and international media	5.1. Develop information exchange approach with international programs operating in the Arctic. Prepare reports for coming PAME meeting in May 2008 as well as to the meetings of other Arctic Council WGs 5.2. Continue extending project website and increase publicity by publishing project results both nationally and internationally	5.1. PO with the assistance of the IA and ExA 5.2. PO with the assistance of ExA	6.1. Continuously 6.2. Continuously
6. ACOPS does not act in line with their functions prescribed in the Project Document	6.1. ACOPS did not perform a work on attraction new bi-lateral and multi-lateral donors. No acceptable reports on activities associated with co-financing have been prepared	6.1. PO to start activities associated with attracting new bi-lateral and multi-lateral donors	6.1. PO with assistance of IA and ExA	7.1. End of September
7. Involvement of regional authorities and industrial companies in the project activities is insufficient	7.1. Regional aspect in the draft SAP is not developed yet. 7.2. There were no meetings of the Interagency Working Group since spring 2006. 7.3. Key regional stakeholders of the project representing industrial companies do not have the sense of the project “ownership”	7.1. Complete round-table discussions in all Arctic regions 7.2. Hold IWG meeting to discuss draft SAP 7.3. Assure that regional consultants working for project activities are well represented; organize round-table SAP discussions in regions as early as the 2 nd draft of SAP is	7.1. PO, IA 7.2. PO 7.3. PO in consultation with ExA	7.1. March-April 2008 7.2. February 2008 7.3. March-July 2008

Overall problem	Specific problems	Follow-up Action	Responsible actor	Date to be remediate
	7.4. Industrial companies operating in the Russian Arctic are not engaged in project activities at this stage, except participation in Interagency working group	ready 7.4. Performed working meetings with industrial companies on SAP and other project activities	7.4. PO	7.4. February – April 2008

VIII KEY LESSONS LEARNED

The success of the project depends on level of involvement of top-level stakeholders from governmental institutions at federal and regional level, the implementation of the activities at the regional level as well as on proper channelling contributions from donors and the Russian Federation for the project needs. Bearing this in mind, during the reporting period for the project implementation Project Office continued to pay special attention to defining clear procedures of project management mechanisms and administrative procedures. Special emphasis was also given to establish good working relations with the Arctic regions of the Russian Federation.

The success achieved to date in the implementation of the project is directly related to sustained political commitment at federal and regional levels, ensuring the adequate level of the project ownership, to the broad-based public support, including support of indigenous communities it has received as well as to closer cooperation with existing and planned programmes and projects in Arctic region. The maintenance of this support requires effective dissemination of accurate information about the objectives, achievements and challenges of the project. The broad support is critical for mobilization of domestic resources and obtaining commitments from municipalities, local NGOs and companies of all forms of ownership. However it should be noted that the dissemination of information on project implementation requires further improvement.

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

Amongst other lessons learned it should be noted the following:

Institutional arrangements, including project governance

- Closer cooperation amongst existing and planned programmes that address the impact of various sources and activities on the Arctic marine and coastal environments is needed. Information on the Project was presented at the Arctic Council ministerial meeting as

well as to Senior Arctic Officials and PAME Working Group. Russian NPA-Arctic activity is noted in Salekhard Declaration, SAOs' Report to Ministers, Arctic Marine Strategic Plan and work plan of PAME for 2006-2008. The work of several other Arctic Council Working Groups, first of all ACAP, is very pertinent to the NPA-Arctic and Project Office should consider how these sources of expertise could be best incorporated.

Follow-up action: Establish more closer co-operation with existing initiatives

- The compatibility of NPA-Arctic that corresponds to related governmental obligations under the Arctic Council, the GPA, different conventions and other pertinent intergovernmental agreements as well as reflection of the national practices needs to be considered by Project Office, and SAP and PINS WGs. Format of the final SAP document as well as the endorsement procedure should accommodate both, national and international practices, NPA-Arctic GEF project decided to develop SAP document incorporating elements of the Federal Targeted Programme (regional interventions matrix with cost estimates and financial sources) keeping at the same time internationally recognized elements of such documents (e.g., causal chain analysis)
- Key federal and regional bodies' technical support in the process of finalisation of diagnostic analysis of current state of Arctic environmental situation is of very high importance. Regional and federal authorities provided necessary information (copies of latest reports on environmental protection for the regions, other information specifically requested by the Project Office). Scheduled meetings to the Arctic regions could be useful to fill the gaps in.
- Information on the project should be further disseminated at the widest possible levels through the project web-site as well as mass-media, including regional sources. Formal and informal communication mechanisms for the exchange of information should be further developed. Scheduled meetings to the Arctic regions will provide further impetus to this process.

Follow-up action: To update the web-site allowing interactive communication and providing the basis for long-term dialogue and for the continuous participation of regional stakeholders in the project. To use regional sources of information to provide broader dissemination of information on the project.

- There are still problems with the information exchange among PO, IA, ACOPS and NEFCO and day-to-day planning of project activities

Follow-up action: In addition to the Project Supervisory Council meetings it was agreed to hold consultative meetings between PO and representatives of the ExA, IA on a monthly basis. Technical issues as well as financial arrangements will be discussed at these

meetings. Project office should prepare detailed documentation for these meeting and send to both agencies at least 5 days in advance before the meeting. .

Financial management and co-financing

- Project is executed in the framework of Agency Agreement between Ministry of Economic and Trade of the Russian Federation (Trustee) and the Legal Entity "Executive Directorate of the Russian National Pollution Abatement Facility" (Agent), which did not provide a Power of Attorney to the PM for procurement of goods, works and services, including awarding of contracts with Russian and international consultants under the Project, members of task teams and working groups, and leading organizations, etc and raised additional requirements not specified in the Agreement. This results in delay with payments of consultants contracts, etc.

Follow-up action: Executing Agency should try to resolve this issue.

- Further work is needed for involvement of key stakeholders from Arctic regions and industrial companies to increase their commitments, obtaining necessary information on regional and private co-financing and their involvement in preparation of investment projects.

Follow-up action: To establish closer cooperation with regions and industrial companies of all forms of ownership and invite them to participate in PINS working group. Scheduled meetings to the Arctic regions could be useful. IAWG should have its meeting on a regular basis twice a year as stipulated in the Project Document.

- There is no clear understanding with donors' funding for the whole project, despite of this issue was raised several times for ACOPS at the meeting of different level.

Follow up action: As ACOPS withdrawn from the Agreement with EPA. Ask EPA to provide latest report on activities performed within the agreement.

- Taking into account that ACOPS did not perform fund-raising activities this work should be performed by the Project Office in co-operation with both Implementing and Executing Agencies

Follow up action: Project Office should start independent fund-raising activity

The following advantages can be formulated:

- Sustain political commitment at federal and regional level ensuring the adequate level of project ownership;
- Broad public involvement including organization of indigenous people of North;

- Formal and informal communication mechanisms for the exchange of information, which have been developed;
- Institutional procedures and structures have been established for long-term dialogue and for the continuous participation of multiple-stakeholders.
- Creation of the Project website what helps in the Project publicity: <http://npa-arctic.ru/>. The website should become a forum on Arctic environmental issues after its renewal.

The following disadvantages or weaknesses can be noted:

- Members of interagency working group (IAWG) in Arctic regions as a rule are heads of corresponding environmental agencies or top-level representatives of regional administrations with a rather tight schedule and a lot of duties which caused delays in responses from Arctic regions. Contact persons for day-to day communication can be proposed. Representatives of industrial companies in this group are as a rule the persons who are responsible for environmental issues in their companies and they respond only after getting permission of top managers. This also causes delays in communication. IAWG was convened only once since the Project commencing,
- Relatively small involvement at this stage of industrial companies of different ownership in the process. ExA invited several large companies to participate in the Project implementation and to hold negotiations on this issue. Positive responses were received. Representatives of three companies were included in Interagency working group. However negotiations on co-financing have not been hold yet. They should be arranged by Project Office together with ExA. Representatives of companies should be invited to participate in PINS working group ASAP.
- Insufficient capacities of the Project Office staff. Project Office organizes and coordinates all the activities, prepares all ToRs for task teams, working groups, individual consultants, etc. In addition all these documents should be prepared in English and Russian, which require additional resources and time. More active involvement of working groups' co-ordinators in preparation of ToRs for consultants and meetings of working groups is needed.

IX Discussion acknowledgment (To be completed by UNEP)

PROJECT Coordinator's General Comments/Observations	First Supervising Officer's General Comments
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Name:	Name:
Date:	Date:
Signature:	Signature:

ATTACHMENTS

Attachments to Half-Yearly Progress Report: Format for Inventory of Outputs/Services

A) Meetings

No	Meeting Type	Title	Venue	Dates	Convened by	Organised by	# of Participants	List attached Yes/No	Report issued as doc No	Language
1.	Steering Committee Meeting	Second Meeting of the Project Steering Committee	Saint-Petersburg, RF	April 25-26, 2007	EA	PO	20	Yes	StC2 Report	Russian and English
2.	International Forum	9th International Scientific-Industrial Forum "Great rivers – 2006" (ecological, hydrometeorological and power security)	Nizhny Novgorod, RF	15-19 May, 2007	UNDP, UNESCO, WMO, MNR of Russia and others	MNR of RF	300	No	No	Russian and English
3.	Expert Group Meeting	Scientific workshop on brown algae use for clean-up of marine environment	Moscow	March 21, 2007	PO	PO	14	No, please visit project web-site	Meeting minutes published at the Project web-site	Russian

No	Meeting Type	Title	Venue	Dates	Convened by	Organised by	# of Participants	List attached Yes/No	Report issued as doc No	Language
4.	Inter-governmental Meeting	IPY meeting	Moscow	June 21, 2007	State Duma	State Duma	1000	No	No	Russian
5.	Expert Group Meeting	Meeting on Franz Josef Land decontamination project	Moscow	June 20, 2007	State Duma	State Duma	20	No	No	Russian and English
6	Expert Group Meeting	Meeting in Murmansk on environmental problems of Murmansk region and identification of possible pilot and investment projects in region	Murmansk	March 27, 2007	Murmansk region environmental protection committee	PO in cooperation with Murmansk region environmental protection committee	30	No	No	Russian
7	Expert Group Meeting	Meeting in Archangelsk on environmental problems of Archangelsk region and identification of possible pilot and investment projects in region	Arch-k	July 25, 2007	Archangelsk administration's committee on environmental protection	PO in cooperation with Archangelsk administration's committee on environmental protection	30	No	No	Russian
8	Expert Group Meeting	Meeting in Yakutsk on environmental problems of Republic Sakha (Yakutiya) and identification of possible pilot and investment projects in region	Yakutsk	August 13-15, 2007	Ministry of Environment of Republic of Sakha (Yakutiya)	PO in cooperation with Ministry of Environment of Republic of Sakha (Yakutiya)	30	No	No	Russian

No	Meeting Type	Title	Venue	Dates	Convened by	Organised by	# of Participants	List attached Yes/No	Report issued as doc No	Language
9	Expert Group Meeting	Meeting in Nar'yan Mar on environmental problems of Nenets AO and identification of possible pilot and investment projects in region	Nar'yan Mar	28 September, 2007	Nenets AO Committee on Natural Resources	PO in cooperation with Nenets AO Committee on Natural Resources	30	No	No	Russian
10	Expert Group Meeting	Meeting in Anadyr on environmental problems of Chukchi AO and identification of possible pilot and investment projects in region	Anadyr	November 14, 2007	Chukchi AO Committee on Natural Resources	PO in cooperation with Chukchi AO Committee on Natural Resources	30	No	No	Russian
11	Inter-governmental Meeting	PAME meeting	Rejkyavik	Sep.26-27, 2007	PAME	PAME	50	No	YES	English

B) Printed Materials

No	Type (note 5)	Title	Author(s)/Editor(s)	Publisher	Symbol	Publication Date	Distribution List Attached Yes/No
1.	TR	Status of indigenous peoples of Russia. International instruments and Russian legislation. Volume four.	Vladimir Kryazhkov, Ed. O.Murashko	RAIPON, Moscow	703 p, 1000 copies	2007	No
2.	TR	Evaluation of the losses	Mikhalyov O., Vassiliev E.,	RAIPON, Moscow	48 p, 1000 copies	2007	No

		extent of lands and other natural resources on places of traditional habitat and traditional economic activities of indigenous peoples of the North, Siberia and the Far East of Russian Federation	Fadeev A., Mikhalyova L. Ed. O.Murashko				
3.	TR	Importance of traditional knowledge for indigenous peoples' sustainable development: Handbook for indigenous organizations on collection, documentation and usage of traditional knowledge	Ed. O.Murashko	RAIPON, Moscow	60 p, 1000 copies	2007	No
4	TR	Participation of indigenous peoples of Russia in natural	Ed. O.Murashko	RAIPON, Moscow	54 p, 1000 copies	2007	No

		resources co-management: Legal framework and experience					
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C) Technical Information / Public Information

No	Description	Date
1.	About twenty articles on the results of round-table discussions in regions as well as on demonstration and pilot projects have been published in regional newspapers. In addition several TV reportages have been shown in regional TV programs. Some of this information is reflected at the Project web-site	Different date

D) Technical Cooperation

No	Type (note 6)	Purpose	Venue	Duration	For Grants and Fellowships		
					Beneficiaries	Countries/Nationalities	Cost (in US\$)
1.							

E) Other Outputs/Services (e.g. Networking, Query-response, Participation in meetings etc.)

No	Description	Date
1.	Constant maintenance and updating the Project website: http://npa-arctic.ru/	January 01 – June 30, 2007

Note 4

Meeting types (Inter-governmental Meeting, Expert Group Meeting, Training Workshop/Seminar, Other)

Note 5

Material types (Report to Inter-governmental Meeting, Technical Publication, Technical Report, Other)

Note 6

Technical Cooperation Type (Grants and Fellowships, Advisory Services, Staff Mission, Others)