

Scientific and Technical Advisory Panel

The Scientific and Technical Advisory Panel, administered by UNEP, advises the Global Environment Facility
(Version 5)



STAP Scientific and Technical screening of the Project Identification Form (PIF)

Date of screening: 29 August 2009 (rev. Feb.1, 2010) Screener: David Cunningham and Lev Neretin

Panel member validation by: Brian Huntley

I. PIF Information

Full size project **GEF Trust Fund**

GEFSEC PROJECT ID: 3909 **PROJECT DURATION:** 60 months

GEF AGENCY PROJECT ID: 4241

COUNTRY: Russia

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

GEF AGENCY: UNDP

OTHER EXECUTING PARTNER: Ministry of Natural Resources and Environment

GEF FOCAL AREA: Biodiversity

GEF-4 STRATEGIC PROGRAM: SO-2, SP-4 Strengthening policy and regulatory frameworks for mainstreaming biodiversity

II. STAP Advisory Response (*see table below for explanation*)

1. Based on this PIF screening, STAP's advisory response to the GEF Secretariat and GEF Agency:
Minor revision required

III. Further guidance from STAP

2. STAP notes the efforts described in this project concept to mitigate the impacts on biodiversity of an expanding energy industry in Russia. The PIF is candid in its bleak assessment that biodiversity will continue to decline under the country's energy policy and all that can be done is to reduce the rate of this decline through improving environmental safeguards.
3. A minor revision is required to include community involvement and consultations as a part of project components 2 to 4, paying particular attention to adequate representation of regional governments, local communities and particularly indigenous peoples. Biodiversity co-management should be recognized as an integral part of these consultations not only at the design stage, but also during project implementation. In addition STAP recommends that the broader policy value of the project be explained in an ecosystem context.
4. The full project PIF proposal could consider more positive options with the potential to conserve biodiversity, rather than just reduce the rate of its decline. For example, the PIF notes at paragraph 4 that every dollar invested in oil deposits destroys 3m² of natural ecosystems. If the proposed biodiversity valuation reveals that 3m² of natural ecosystem is in fact worth more than the return on \$1 to someone other than the energy industry there is no point simply presenting that information to the energy industry. Such trade-offs must be considered in a broader policy-setting context and the full proposal should explain the wider policy and decision-making processes that the project is able to inform, if any.
5. The most innovative aspects of the project are the development of biodiversity valuation methods (component 1.iii) and the intention to evaluate the effectiveness of the planned interventions through comparison with control areas where interventions are not made (paragraph 15).
6. Land degradation and habitat fragmentation are considered to be the main threats to biodiversity loss in the Russian North. It has been recognized by the Arctic Council that "the overall goal [of biodiversity conservation] is to maintain and enhance ecosystem integrity in the Arctic and to avoid habitat fragmentation and degradation"¹. This goal recognizes a holistic (ecosystem) approach to biodiversity conservation, including not just the flora and fauna, but also the physical environment and the socio-economic environment of people living within the area. The PIF considers biodiversity risks in isolation

¹ CAFF, 2002. Arctic Flora and Fauna: Recommendations for Conservation. Conservation of Arctic Flora and Fauna, International Secretariat, Akureyri, available at: http://arctic-council.npolar.no/Meetings/Ministeral/2002/CAFF_rec.pdf

from the provision of other ecosystem services. However, mainstreaming of biodiversity issues into policies, regulations and guidance for energy companies requires an ecosystem approach considering biodiversity as an integral part of a broader physical and social system. Climate change risks to biodiversity should also be considered together with other environmental risks.

7. The project concept envisages a “top-down approach” to biodiversity mainstreaming through improved regulations, EIA policies, biodiversity damage assessments etc. (Component 1) and promotion of biodiversity safeguards (Components 2 to 4) assuming that regulatory improvements upstream of the project design stage will reduce biodiversity risks. Though a valid starting point, these policies may not be effective without project interventions aimed at a “bottom-up” consultative approach. The project concept is deficient in that it fails to recognize an integrated ecosystem management or ecosystem co-management concept to assure the sustainability of project interventions. It follows the previously used centralised management approach to natural resources in the former Soviet Union without due attention to local and indigenous peoples’ rights and roles in natural resource management including biodiversity conservation.

<i>STAP advisory response</i>	<i>Brief explanation of advisory response and action proposed</i>
1. Consent	STAP acknowledges that on scientific/technical grounds the concept has merit. However, STAP may state its views on the concept emphasising any issues that could be improved and the proponent is invited to approach STAP for advice at any time during the development of the project brief prior to submission for CEO endorsement.
2. Minor revision required.	STAP has identified specific scientific/technical suggestions or opportunities that should be discussed with the proponent as early as possible during development of the project brief. One or more options that remain open to STAP include: <ol style="list-style-type: none"> (i) Opening a dialogue between STAP and the proponent to clarify issues (ii) Setting a review point during early stage project development and agreeing terms of reference for an independent expert to be appointed to conduct this review The proponent should provide a report of the action agreed and taken, at the time of submission of the full project brief for CEO endorsement.
3. Major revision required	STAP proposes significant improvements or has concerns on the grounds of specified major scientific/technical omissions in the concept. If STAP provides this advisory response, a full explanation would also be provided. Normally, a STAP approved review will be mandatory prior to submission of the project brief for CEO endorsement. The proponent should provide a report of the action agreed and taken, at the time of submission of the full project brief for CEO endorsement.