



GEF SECRETARIAT REVIEW FOR FULL/MEDIUM-SIZED PROJECTS* THE GEF/LDCF/SCCF TRUST FUNDS

GEF ID:	4964		
Country/Region:	Russian Federation		
Project Title:	ARCTIC Environment Project (Financial Mechanism for Environmental Rehabilitation in Arctic)		
GEF Agency:	World Bank	GEF Agency Project ID:	131289 (World Bank)
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Multi Focal Area
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	CCM-2; CCM-2; CCM-3; IW-2; IW-2; CHEM-3; Project Mana;		
Anticipated Financing PPG:	\$0	Project Grant:	\$5,504,587
Co-financing:	\$230,000,000	Total Project Cost:	\$235,504,587
PIF Approval:		Council Approval/Expected:	June 01, 2012
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Christian Severin	Agency Contact Person:	Angela Armstrong

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating country eligible?	19th of April 2012 (cseverin): Yes, the country is eligible.	
	2. Has the operational focal point endorsed the project?	19th of April 2012 (cseverin): Yes, the Russian Focal point has endorsed the proposed project.	
Agency's Comparative Advantage	3. Is the Agency's comparative advantage for this project clearly described and supported?	19th of April 2012 (cseverin): Yes the World Banks comparative advantage as an investment organisation has been described and is supported.	
	4. If there is a non-grant instrument in the project, is the GEF Agency capable of managing it?	DER, April 18, 2012. The project includes the use of a non-grant instrument in the form of a revolving loan program. The agency is capable of managing it. The GEF funding will be transferred in the form of a grant to the executing agency for the Arctic Environment Fund and any reflows from the GEF funding will stay with the Fund at the end of the project to	

	5. Does the project fit into the Agency's program and staff capacity in the country?	19th of April 2012 (cseverin): Yes, as the project will be executed through the Ministry of Economic Development	
Resource Availability	6. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• the STAR allocation?	19th of April 2012 (DER): There is enough funds available under the STAR allocation, and it is in coherency with the endorsement letter.	
	• the focal area allocation?	19th of April 2012 (cseverin): Yes the IW funds are available under the already approved Artic Programme.	
	• the LDCF under the principle of equitable access		
	• the SCCF (Adaptation or Technology Transfer)?		
	• Nagoya Protocol Investment Fund		
Project Consistency	• focal area set-aside?		
	7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF/NPIF results framework?	DER, April 18, 2012. The project is aligned with CCM-2, energy efficiency and CCM-3, renewable energy and with IW-2. 19th of April 2012 (cseverin): Please make sure that at time of CEO Endorsement to include a budget line of 1% of the IW funding towards IWLEARN activities such as setting up a website following IWLEARN guidance, participate in IWLEARN regional conferences as well as IWCs, while also producing a couple of IW Experience Notes.	
	8. Are the relevant GEF 5 focal/	DER April 18 2012 The appropriate	

	objectives identified?	identified.	
	9. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, or NAP?	DER, April 18, 2012. The project responds to the Third National Communications of the Russian Federation.	
	10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of project outcomes?	DER, April 18, 2012. Through the use a revolving fund, the Arctic Environment Fund will promote sustainable funding for project outcomes.	
Project Design	11. Is (are) the baseline project(s), including problem (s) that the baseline project(s) seek/s to address, sufficiently described and based on sound data and assumptions?		
	12. Has the cost-effectiveness been sufficiently demonstrated, including the cost-effectiveness of the project design approach as compared to alternative approaches to achieve similar benefits?		
	13. Are the activities that will be financed using GEF/LDCF/SCCF funding based on incremental/additional reasoning?	DER, April 18, 2012. For CCM activities, the incremental reasoning makes a strong case that GEF funding will help catalyze additional investment. The case is much less clear for IW, even though Wastewater treatment is mentioned. Please strengthen this at time of CEO Endorsement.	
	14. Is the project framework sound and	DER, April 18, 2012. For CCM	

		<p>proposes to use GEF funding for investment to help catalyze the Arctic Environment Fund. The focus on key energy efficiency and renewable energy technologies is appropriate.</p> <p>19th of April 2012 (cseverin): The focus on wastewater treatment and hence limiting nutrients influx into the Arctic is valid, however, the framework would at time of CEO endorsement need to be much more clear regarding potential planned quantitative outputs.</p>	
	<p>15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?</p>	<p>DER, April 18, 2012. For CCM, the benefits description is sound and appropriate. Through the investments in energy efficiency and renewable energy, the estimated avoided emissions of GHG equals to 2.61 m tCO₂e over the lifetime of the project. From the perspective of the GEF contribution of \$4 million, this works out to slightly more than US\$1.5 per tonnes of CO₂eq.</p> <p>19th of April 2012 (cseverin): at time of CEO endorsement it is needed to be much more clear on the assumed incrementality of the IW investment.</p>	
	<p>16. Is there a clear description of: a) the socio-economic benefits, including gender dimensions, to be delivered by the project, and b) how will the delivery of such benefits support the achievement of incremental/additional benefits?</p>	<p>19th of April 2012 (cseverin): Yes, the PIF includes a description of the Socio economic benefits.</p>	
	<p>17. Is public participation, including CSOs and indigeneous people, taken into consideration, their role identified and addressed properly?</p>	<p>19th of April 2012 (cseverin): Yes, the public participation including the indigeneous people have been taken into consideration. However, please do at time of CEO endorsement include more</p>	

		roles for both CSO and indigenous people.	
	18. Does the project take into account potential major risks, including the consequences of climate change and provides sufficient risk mitigation measures? (i.e., climate resilience)	19th of April 2012 (cseverin): Yes, risks have been identified along with some relatively well described mitigation measures. However, the potential consequences of climate change does not seem to be addressed. please include at time fo CEO endorsement.	
	19. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	DER, April 18, 2012. We are glad to see planned coordination with other projects, especially the EBRD project under the Arctic program. At CEO endorsement we expect detailed description of the coordination.	
	20. Is the project implementation/ execution arrangement adequate?	19th of April 2012 (cseverin): Yes, the arrangements have been described with adequate information at PIF stage, however, at CEO endorsement please provide more information.	
	21. Is the project structure sufficiently close to what was presented at PIF, with clear justifications for changes?		
	22. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?		
	23. Is funding level for project management cost appropriate?	19th of April 2012 (cseverin): Yes, the GEF funded PM budget is appropriate, as this budget line will be entirely funded by co-financed sources of funding.	
Project Financing	24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs?	19th of April 2012 (cseverin): Yes the funding and co-financing seems adeqaute. however, it is interesting to note that component 1 (capacity building) seems to be entirely funded	

		is hence not easy to identify if it is merely a parallel activity. Please clarify this at time of CEO Endorsement.	
	25. At PIF: comment on the indicated cofinancing; At CEO endorsement: indicate if confirmed co-financing is provided.	19th of April 2012 (cseverin): Indicated co-financing is appropriate.	
	26. Is the co-financing amount that the Agency is bringing to the project in line with its role?	19th of April 2012 (cseverin): Yes, the agency is bring \$150 mio hard loan towards the project.	
Project Monitoring and Evaluation	27. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?		
	28. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		
Agency Responses	29. Has the Agency responded adequately to comments from:		
	• STAP?		
	• Convention Secretariat?		
	• Council comments?		
	• Other GEF Agencies?		
Secretariat Recommendation			
Recommendation at PIF Stage	30. Is PIF clearance/approval being recommended?	19th of April 2012 (cseverin): Yes PIF is recommend for approval in coherency with agreement between DER and IZavadsky	
	31. Items to consider at CEO endorsement/approval.	DER, April 18, 2012. a) At CEO endorsement we expect detailed description of the coordination with other projects, include UNEP and EBRD projects under the Arctic programs, as well as other bilateral initiatives. b) We expect clear description of safeguards that will apply to the board and activities of the Arctic Environment	

		are consistent with approved project outcomes for each focal area.	
Recommendation at CEO Endorsement/ Approval	32. At endorsement/approval, did Agency include the progress of PPG with clear information of commitment status of the PPG?		
	33. Is CEO endorsement/approval being recommended?		
Review Date (s)	First review*		
	Additional review (as necessary)		
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* **This is the first time the Program Manager provides full comments for the project. Subsequent follow-up reviews should be recorded. For specific comments for each section, please insert a date after comments. Greyed areas in each section do not need comments.**

REQUEST FOR PPG APPROVAL

Review Criteria	Decision Points	Program Manager Comments
PPG Budget	1. Are the proposed activities for project preparation appropriate?	
	2. Is itemized budget justified?	
Secretariat Recommendation	3. Is PPG approval being recommended?	
	4. Other comments	
Review Date (s)	First review*	
	Additional review (as necessary)	

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