

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: May 07, 2012

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I. PIF Information *(Copied from the PIF)*

FULL SIZE PROJECT **GEF TRUST FUND**

GEF PROJECT ID: 4964

PROJECT DURATION : 5

COUNTRIES : Russian Federation

PROJECT TITLE: ARCTIC Environment Project (Financial Mechanism for Environmental Rehabilitation in Arctic)

GEF AGENCIES: World Bank

OTHER EXECUTING PARTNERS: Ministry of Economic Development, Russian Federation

GEF FOCAL AREA: Multi Focal Area

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

Based on this PIF screening, STAP's advisory response to the GEF Secretariat and GEF Agency(ies): **Consent**

III. Further guidance from STAP

STAP welcomes the World Bank's proposal "Arctic Environment Project (Financial Mechanism for Environmental Rehabilitation in Arctic)" in the Russian Federation. STAP confirms that the project is aligned with the SAP-Arctic program, the primary goal of which is to create conditions necessary for taking actions to prevent, reduce, and eliminate negative consequences of human activities on the environment in the Arctic Zone of the Russian Federation for the period up to the year 2020. The program includes the prevention, management and abatement of environmental pollution and the deterioration of surface and groundwater quality of the rivers, lakes, and coastal areas of the Russian Arctic.

Planned activities are focused on improving environmental management systems to deal with environmental risks and pollution in the Arctic Zone through establishment of Arctic Environmental Fund and strengthening of environmental management systems, including legal framework and institutional capacity.

STAP welcomes the innovative establishment of the Arctic Environment Fund, which will provide financing for environmental clean up and other activities in the AZRF. It will create fiscal discipline and financial accountability, and enhance transparency in priority setting and other decision making to environmental investments in the AZRF. However, for scientific and technical validation, STAP wishes to request more information on the baseline situation in the country, including current environmental concerns in the country.

The Project Framework contains considerable detail on actions intended to be undertaken by the project. However, the Framework does need to be revisited and restructured. The framework includes components that are not described in the body of the proposal. For example, energy efficiency policy and regulation in place is not described in terms of activities of the project. STAP advises that it is important to align the Framework with the project objectives and, therefore, the specific mention of impact indicators, their tracking and measurement and target values should be included. In addition, the PIF should give some idea as to the methods that will be used to monitor and track impact indicators.

STAP also wishes to highlight missing elements in the project proposal, including:

- Component 1 (capacity-building) is not currently supported by GEF finance. STAP would like reassurance that capacity will be built in the understanding and application of environmental criteria in the use and application of the Arctic Environmental Fund. Capacity-building is also needed in designing impact indicators for individual projects to be funded under AEF, methods for monitoring and tracking (especially changes in total system carbon), and evaluation of co-benefits.

- Incrementality of the GEF investment at Component 2 – the Arctic Environment Fund (AEF). Would the project have happened without GEF grant? What criteria will the AEF have for ensuring delivery of Global Environmental Benefits; what GEBs are envisaged to be delivered; what indicators will be used; and how will these be measured? The two designated GEF ‘windows’ (for CCM and IW) are noted but how will ENVIRONMENTAL criteria be included in final selection? STAP accepts that this level of detail may only be developed during project preparation; however, STAP wishes to flag these items in order to make the proposal accord with GEF financing requirements.
- Pre-investment studies are mentioned in the proposal. STAP would like to see a description of the methods that will be used for their screening as appropriate for the AEF and for the successful implementation of the project. There should be sound scientific rationale for the inclusion of these cases, including assessment of the GEBs and co-benefits for development.
- Ranking of identified risks. At Section B4, risks are not rated and environmental risks – ‘except severe winters’ – are missing. STAP would appreciate the risk analysis being rather more thorough, including an assessment of how far further climate change may jeopardise the overall project and individual projects under the AEF.

<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: <ul 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.