



1. Project Data:		Date Posted : 06/14/2004	
PROJ ID: P008801		Appraisal	Actual
Project Name : Russia Biodiversity Conservation Project	Project Costs (US\$M)	26.0	39.8
Country: Russian Federation	Loan/Credit (US\$M)	20.1grant	18.0
Sector(s): Board: ENV - General agriculture fishing and forestry sector (57%), Central government administration (23%), Sub-national government administration (10%), Other social services (10%)	Cofinancing (US\$M)	1.1	1.2
L/C Number:			
	Board Approval (FY)		96
Partners involved : Switzerland	Closing Date	06/30/2002	09/30/2003
Prepared by :	Reviewed by :	Group Manager :	Group:
Peter W. Whitford	Roy Gilbert	Alain A. Barbu	OEDST
2. Project Objectives and Components			
a. Objectives			
<u>Overall Objective:</u> To assist the Russian Federation maintain optimum levels of biodiversity in accordance with the principles of economic and environmentally sound sustainable development .			
<u>Specific Objectives:</u>			
i) supporting the development of federal and regional biodiversity strategies;			
ii) developing and implementing mechanisms and approaches which will mainstream biodiversity conservation and environmental protection into the policy making process;			
iii) assessing the protected area institutional framework;			
iv) enabling the participation of all interested stakeholders, including aboriginal peoples and local communities into biodiversity conservation; and			
v) developing an inter-regional demonstration of inter-sectoral biodiversity conservation and environmentally sustainable natural resource management.			
b. Components			
A. Strategic Overview - estimated costs \$3.4 m; actual \$4.2 m.			
i) development of national and regional biodiversity strategies;			
ii) biodiversity policy support; and			
iii) establishment of biomonitoring information system.			
B. Strengthening Protected Area System - estimated costs \$13.8 m; actual \$15.9 m.			
i) institutional support;			
ii) support to protected areas (PAs) operations and planning;			
iii) public support and education programs;			
iv) ecosystem protection; and			
v) training for PA staff.			
C. Lake Baikal Regional Program - estimated costs \$6.3 m; actual \$17.6 m.			
i) inter-regional biodiversity conservation strategy and action plan;			
ii-iv) model biodiversity conservation activities in three participating regions; and			
v) small grants program for local initiatives.			
D. Project Management and Coordination (operating costs of a Project Implementation Group (PIG) affiliated to the Ministry of Natural Resources (MNR)) - estimated costs \$2.5 m; actual \$2.1 m.			
c. Comments on Project Cost, Financing and Dates			
The project was entirely grant funded. In common with some other GEF biodiversity ICRs, the 50% cost overrun is			

treated as a virtue, related to increased project scope, mainly for Component C . Although the reasons are not clearly specified in the ICR, establishment of new protected areas (PAs) around Lake Baikal appears to be a major one . According to Section 10.5 and Annex 2, the additional resources were obtained from federal, regional and local budgets.

Given that the MNR and PIG were reorganized several times during project implementation, the time overrun of 15 months is understandable and does not seriously detract from project quality, especially considering the increased project scope.

3. Achievement of Relevant Objectives:

Given the dislocations of economic transition faced by Russia in the early -1990s, the project objectives were appropriate and the components comprised a balanced and comprehensive approach, spelled out in painstaking detail in the Project Document (PD). However, the ICR might have examined whether other project models might have been preferable e.g. a staged approach through a series of simpler projects or using the leverage of a large GEF grant to achieve more in policy reform, in areas like decentralization of PA management to the regions, or developing a stable funding mechanism, or allowing greater public access to Nature Reserves (which are major beneficiaries of the project but normally reserved for research only). Nevertheless, the project has been successful in achieving most of its stated objectives . Looking at the five specific objectives:

- i) The federal and two model regional biodiversity strategies were completed and adopted by the respective governments. Thus, the objective was fully achieved .
 - ii) Mainstreaming biodiversity conservation into policy making was partly achieved . A number of economic and financial studies were completed and published . The ICR gives two examples of mainstreaming in the economic area but there is no mention of any results from the work on financing mechanisms which was specifically mentioned in the PD as an expected project outcome - see below on sustainability .
 - iii) "Assessing the protected area institutional framework" was a somewhat nebulous objective and it is difficult to judge what was achieved, as the ICR is organized by components not objectives . The ICR cites a number of achievements related to strengthening the federal authorities, training of PA managers, enhanced "inspection" (an all-purpose word in Russia which includes law enforcement), regional associations of PAs, strengthening of protection services in 38 PAs covering 400,000 ha, and, improved information management . Although the ICR lacks an overall assessment of the current institutional capacity compared with pre -project, this objective appears to have been largely achieved, based on the above results .
 - iv) Stakeholder participation - albeit in a narrow sense - was strong and the ICR cites many examples . Given the country's history, one should not really be surprised that "participation" was mostly of a top-down variety, through awareness, education, training, information centers etc . There is less evidence of stakeholder participation in project design and implementation, with the notable exceptions of the small grants program and "extensive consultations" on the Lake Baikal program, which "triggered a large number of initiatives from regional governments and the locally based industry" (no mention of civil society). The ICR makes no mention at all of participation by indigenous peoples, which was a clear expectation at appraisal . Achievement of this objective was therefore modest .
 - v) The "inter-regional demonstration of intersectoral biodiversity conservation" objective led to the Lake Baikal program, which is shared by three regions . The ICR shows that this objective was clearly achieved and, in fact, exceeded, with the possible exception of participation by indigenous communities .
- Nevertheless, quantitative information is lacking in some key areas, especially related to biodiversity conservation itself and thus the project's overall objective . While Section 10 states that the conservation of 568 rare species has been strengthened, little further information is given . For example, the status (and trend) of the three species mentioned in the Objectives paragraph of the PD (tiger, leopard and sea eagle) is not mentioned . The ICR should have included an overall statement (quantitative, if possible) assessing the overall impact of the project on conservation status.

4. Significant Outcomes/Impacts:

Information on *outcomes* and *impacts* is scarce in the ICR e.g. Annex 1 states that "Total area covered by improved protection is 14 million ha (40% of Russia's total federal PA system", but does not analyze how this has affected (or is likely to affect) the conservation status of key species or habitats .

Section 10 and Annex 8 of the ICR include very detailed lists of project *outputs*, some of the most significant being :

- national biodiversity conservation strategy and action plan and model regional strategies and action plans
- incorporation of the results of economic and financial analysis into federal and regional legislation
- development of 1500 investment proposals
- establishment of an Information and Analytical Center for Biodiversity Conservation
- establishment of 10 regional associations of PAs to foster cooperation *
- development and initial implementation of integrated management plans for seven model PAs
- conservation studies in 50 PAs through competitive grants
- increased public awareness, including the annual national campaign "March for Parks"
- establishment of an Education and Scientific Information Center, another education center and a video production center
- development of four eco-networks*

- restoration of a number of critically endangered natural habitats and wildlife populations
- participatory development and adoption of a Biodiversity Conservation Strategy and Action Plan for Lake Baikal, together with a legal and regulatory framework, economic mechanisms, information systems, and inputs into decision-making
- completion of three model watershed programs
- undertaking 364 community based conservation activities through the small grants program **

* The ICR lays great stress on the regional associations and eco -networks as a major project achievement without explaining exactly how they add value .

** More information on how effectively the small grants program operated, especially on issues like transparency and overhead costs, would be useful, as this mechanism has been disappointing in other programs like the Mediterranean Environmental Technical Assistance Program (METAP) and the Caspian Sea.

5. Significant Shortcomings (including non-compliance with safeguard policies):

General

In common with all projects in Russia at the time, this project relied on a project implementation unit (the PIG) outside the line agency for conservation, in order to offer salaries well above standard government scales . While this was a very valid concern, the PD does not analyze alternatives or address the risk that creating the PIG would weaken the line agency and detract from the project's institution building objective - a shortcoming in project design . Project management suffered from several reorganizations in the MNR and its predecessors, particularly as the PIG was shifted from one MNR affiliate to another and this adversely affected project delivery and timeliness .

Sustainability

We understand that sustainability remains the Achilles heel of GEF biodiversity projects . This review finds insufficient information in the ICR to reach any conclusion on sustainability .

Safeguards

Safeguard issues appear to have been underplayed at each stage of the project cycle, constituting a shortcoming in project design and possibly in implementation, although almost no information is available on the latter . On the other hand, there is also no mention of any adverse environmental or social impacts as a result of the project .

Relevant *environmental* safeguard policies would have been : environmental assessment; natural habitats; and, possibly, forestry . In the PD, the project was assigned Category C, though it anticipated that small -scale civil works and development of new enterprises would require "environmental screening carried out in accordance with guidelines acceptable to the Bank, " which would fit a Category B assignment . In the event, civil works amounted to \$1.4 million.

The treatment of *social* safeguards raises more concerns, the relevant policies being : involuntary resettlement and indigenous peoples . The PD stated that the project would not involve any resettlement, which might have been further explored and discussed, as encroachment of populations onto the territories of PAs might have been expected in the rather chaotic transition period Russia was going through . The PD makes frequent references to indigenous people (also called aboriginal people or ethnic minorities), especially in reference to Lake Baikal, and commendably states that their needs would be "closely monitored" and that management plans and community projects would "require detailed review of minority issues", also that "minorities will participate directly in the design and implementation of project activities and all components will be screened to avoid adverse impacts on indigenous peoples." The ICR provides no information as to whether these provisions were implemented . If they were not implemented and there were adverse impacts, this would constitute a significant shortcoming, calling for a downgrading of project outcome .

The Grant Agreement has no requirements with respect to environmental or social safeguards, which is a significant shortcoming.

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
Outcome :	Satisfactory	Satisfactory	Assuming that the lack of attention to safeguard issues, especially indigenous peoples, has not led to negative impacts .
Institutional Dev . :	Substantial	Substantial	
Sustainability :	Likely	Non-evaluable	The arguments presented in the ICR are qualitative and possibly optimistic . No estimation of future operating costs and comparison with expected future budgets was made.
Bank Performance :	Satisfactory	Unsatisfactory	Safeguard issues were underplayed in project design and legal documents and were likely not monitored during

			implementation (see section 5).
Borrower Perf .:	Satisfactory	Satisfactory	As noted in the ICR, Borrower performance was Unsatisfactory during two periods of project implementation but timely corrective actions were taken .
Quality of ICR :		Unsatisfactory	

NOTE: ICR rating values flagged with '*' don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

1. Even in a country as vast as Russia a rather centralized approach to conservation - and project - management can work. However, the experiments in decentralization initiated under the project, including the regional associations of PAs and eco-networks, may point the way to effective alternatives .
2. Estimating the sustainability of project benefits is especially important for GEF biodiversity projects, where benefits are intangible and global, and funding of operating costs may depend on uncertain budgetary support . This makes it important for a self-evaluation such as an ICR to analyze fully operating costs, expected budgetary support and various means of cost recovery, such as tourism taxes .
3. Successful biodiversity conservation depends critically on real stakeholder participation, including local populations (especially indigenous communities), local NGOs, and eco-tourists. This is especially challenging for countries like Russia, with a tradition of centralized management and authoritarian approaches to land use .
4. Competitively awarded small grants can be effective instruments both for research studies and for field conservation activities.

8. Assessment Recommended? ☒ Yes ☐ No

Why? This project should be a priority candidate for assessment, given its size and importance within the GEF portfolio and the number of follow-up GEF projects in the country . An assessment would allow the question of sustainability to be fully addressed, as well as various other questions raised in Sections 5 and 9.

9. Comments on Quality of ICR:

Although somewhat lengthy, the ICR does an adequate job of summarizing the project's achievement of expected outputs and its implementation history; however, it falls short in the following areas :

1. Assessing the project design, especially in regard to alternative project designs and to the use of a project implementation unit
2. Assessing outcomes and impacts and the achievement of objectives - see section 3.
3. Sustainability - The ICR makes several qualitative arguments to demonstrate sustainability as Likely but a crucial omission is any estimate of the annual costs of operating the various programs, action plans, and investments generated by the project. Estimated costs should then be compared with recent budgetary support and projections for the future. Annex 1 mentions that the FY2004 budget allocation for PAs and other environmental protection activities, including Lake Baikal, was to be increased by 12.5% from 2003, which is a very positive indication but falls short of the full analysis one would expect. The ICR might have also have discussed the impacts of eco-tourism, which is now substantial, at least for Lake Baikal. Is tourism generating tax revenues which can be plowed back into conservation? The PD mentions the development of "comprehensive and innovative financial mechanisms" as a project activity under Component A.2.3. The ICR mentions that "extensive analysis of economic and financial mechanisms" was done, the outcomes of which are being incorporated in legislation and regulations, but the examples cited are in the economic not the financing mechanisms area . While one gains the impression that conservation funding in Russia is now much better assured than when the project began, it may still not be one of the government's top priorities.
4. Safeguard policies. The ICR does not say whether and how adequately any screening for environmental impact was done, apart from a bland statement that "The project complied with the applicable Bank's policies and procedures." The ICR does not mention whether any cases of involuntary resettlement were in fact encountered and, if so, how they were dealt with. There is no evidence in the ICR that the proposals in the PAD to involve indigenous people in various aspects of project design and implementation (and to avoid adverse impacts on them) was done; in fact, there is no mention of indigenous peoples in the ICR (except in the project objectives - quoted above).