



1. Project Data:		Date Posted : 08/09/2001	
PROJ ID: P008799		Appraisal	Actual
Project Name: Greenhouse Gas Reduction In Natural Gas Global Environmental Facility	Project Costs (US\$M)	3.7	0.56
Country: Russian Federation	Loan/Credit (US\$M)		
Sector(s): Board: ENV - Oil and gas (100%)	Cofinancing (US\$M)	3.2	0.53
L/C Number:			
	Board Approval (FY)		96
Partners involved : GEF	Closing Date	06/30/1999	06/30/1999
Prepared by :	Reviewed by :	Group Manager :	Group:
John C. English	Roy Gilbert	Alain A. Barbu	OEDST
2. Project Objectives and Components a. Objectives To identify and prioritize investment projects and changes in procedures in the natural gas supply and utilization system which would result in a decrease in greenhouse gas (GHG) emissions and would be part of a cost-effective GHG mitigation program for the Russian Federation . b. Components 1. Assessment of the release of methane, and the development of mitigation programs for natural gas production, transmission, and distribution subsectors . 2. Assessment of GHG (primarily CO ₂) emissions from gas utilization and development of mitigation programs for the utilization subsector . These activities were to be undertaken in parallel with a Bank funded Gas Distribution and Energy Efficiency Project, with a total cost of \$128 million. The project was the responsibility of the Ministry of Fuel and Energy (MoFE), with Gazprom as the implementing agency for Component 1 and a joint stock company (Investenergoeffect) was established by MoFE to undertake the implementation of Component 2 . c. Comments on Project Cost, Financing and Dates GEF provided a grant of \$3.2 million to cover the estimated foreign cost of the total cost of \$ 3.7 million for the above components. Component 1, was to account for 75% of project cost and Component 2 25%.			
3. Achievement of Relevant Objectives: The component on reduction of methane gas emissions (75% of project cost) was not undertaken. The planned identification and appraisal of investment programs to decrease CO ₂ emissions from the gas utilization sub-sector (25% of project cost) was achieved in full. The regional investment programs are ongoing, and the activities initiated under this part of the project are judged likely to be to be sustained and expanded .			
4. Significant Outcomes/Impacts:			
5. Significant Shortcomings (including non-compliance with safeguard policies): Gazprom never put in place a workable implementation arrangement for its component . On the other hand JSC performed satisfactorily and continues to operate . Overall the borrower failed to establish the required implementation arrangements, including administrative and financial management capacity agreed at appraisal, to fully achieve project objectives . The first component, comprising 75 percent of original project cost, was not implemented . Therefore, the borrower's performance is rated unsatisfactory and the overall outcome is also rated as unsatisfactory .			

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Unsatisfactory	Moderately	The element of the project that was

		Unsatisfactory	completed is not insignificant. It is rated as satisfactory and its sustainability is rated as likely.
Institutional Dev .:	Modest	Modest	
Sustainability :	Likely	Likely	
Bank Performance :	Satisfactory	Satisfactory	
Borrower Perf .:	Unsatisfactory	Unsatisfactory	
Quality of ICR :		Satisfactory	

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

7. Lessons of Broad Applicability:

In countries where implementation experience is limited, arrangements for interministerial cooperation and provision of counterpart funds should be elaborated in legal documents and made effectiveness conditions

8. Assessment Recommended? ☐ Yes ☒ No

9. Comments on Quality of ICR:

The ICR provides a clear and fully satisfactory report on the outcome of the project .