

**Advisory Assistance Programme
for Environmental Protection in Central and Eastern Europe, the Caucasus and
Central Asia of the German Federal Ministry of the Environment**

**„Practical application and further development of a toolkit for environmental
assessment of impacts affecting biodiversity in Russia”**

Brief Summary of the Project Results

Between December 2010 and May 2013, a joint German-Russian project for the further development of the toolkit on environmental impact assessment in the case of major projects in Russia was carried out in the context of the German-Russian Government Agreement on Environmental Protection and the Conservation of Nature, funded by the Advisory Assistance Programme of the German Federal Ministry for the Environment (FKZ 380 01 257). The implementing organizations were the Leibniz Institute of Ecological Urban and Regional Development in Dresden and the Sochava Institute for Geography, of the Siberian Branch of the Russian Academy of Sciences in Irkutsk. The first goal of the project was consultation of the Russian side on issues of evaluation, and especially compensation of project-caused environmental impacts. This consultation was oriented especially toward the Ministry of Natural Resources and Ecology of the Russian Federation and the above-named Institute in Irkutsk. The second goal was the further development of the Russian toolkit, and the establishment of a corresponding technical/methodological compendium, in which the derivation of compensation measures was, as a priority, to be presented and illustrated on the basis of numerous examples. The goal is to provide the basis for formulating a broad technical standard, and minimum requirements for Russian planning practice.

The key goal of environmental impact assessment in Russia is, first, the Ecological Experts' Report (OVOS), as a component of application documentation, and second, the ensuing official examination procedure of the State Ecological Expertise. The competence of these instruments was greatly restricted by a law passed at the end of 2006. Since then however, both state institutions and project sponsors in Russia have repeatedly argued for preservation of environmental assessment. Compensation for environmental impact assessment is seen almost exclusively as monetary compensation. Since the abolition of the Environmental Fund, compensation payments are no longer earmarked for environmental measures, but rather go directly into the federal budget of Russia. In recent years, Russia, too, has however increasingly paid attention to the environmental impact of major projects, such as the construction of the Olympic sites in Sochi, or the motorway between Moscow and St. Petersburg. Generally however, compensation payments are the issue here, too. Often, there is also a lack of technical know-how and efficient methods for the ascertainment and measurement of the scope of compensation, and of corresponding measures.

The policy documents adopted in 2011 and 2012, in which a long-term ecologization of Russia was stated as the goal, do, however, raise hopes for an improvement of the situation in the area of the environment. Thus, the *Foundations of State Environmental Policy Through 2030*, issued on April 30, 2012, demanded compliance with the principles of precautionary environmental policy in investment projects,

mandatory environmental impact assessment of planned projects, the complete compensation for environmental damage, avoidance and minimization of negative environmental impacts, the introduction of measures for environmental risk assessment in administrations for improved management of environmental quality, procedural and methodological improvement of environmental impact evaluation and the taking into account of these factors in decision-making, as well as the introduction of compensation measures, instead of compensation payment, for significant environmental damage. According to the *Instructions of the Russian President to the government* of June 21, 2011, changes in Russian legislation are to be introduced, including improvement of the organization and implementation of the State Ecological Expertise and of the OVOS, and also improvement of environmental monitoring by the state. Moreover, measures for ensuring comprehensive evaluation of negative environmental impacts, including improvement of processes and work steps, and differentiation of the evaluation investigation framework according to types of projects and the nature and extent of environmental impacts, are to be adopted.

The compilation of the Compendium was accompanied by a total of seven consultation events. In the three workshops, in which not only the Ministry for Natural Resources and Ecology, but also a large number of state agencies and project sponsors participated, the goal was especially to build a common understanding of the compensation systems in the two countries, to ascertain the expectations and desires of the Russian side, and to present and discuss a draft of the compendium. The four working meetings, each of them lasting several days, had the purpose of discussing a large number of German working aids, selecting suitable examples, and coordinating the translations and contents of the Compendium.

The results of the advisory assistance project include three publications. Since the project staff have already addressed issues of environmental impact evaluation in the predecessor project (FKZ 806 82 100), and moreover since the current project is a direct continuation of that one, *Publication 1* was, at the request of the funder, a summary of the Compendium translated from German into English. The emphasis of the Environmental Impact Evaluation Compendium was on recommendations for improvement of the Ecological Experts' Report OVOS, which is part of the examination procedure, the process and contents of which were methodologically and practically prepared for this purpose. It was published in 2012 under the title *Assessment of Environmental Impacts and Ecological Expertise – Professional Experience of EIA Issues in Russia and Germany*, and is 76 pages in length.

The central elements of the new publications are substantive/methodological issues of compensation of project-caused impacts on the environment. Since it can be assumed that Russia will not introduce an independent instrument comparable to the German Impact Mitigation Regulation into its Conservation Law, the authors propose the integration of compensation as a further work step into the Ecological Experts' Report. For this reason, the new Compensation Compendium is oriented toward the structuring of the Environmental Impact Evaluation Compendium from the predecessor project, and, of course, toward the OVOS process. Both Compendiums thus constitute a unified substantive/ technical whole. We have deviated from the originally planned approach of limitation to very strongly biodiversity-relevant impacts, since in Russia, environmental impact evaluation tends to prioritize abiotic factors, or the environment as a whole. For this reason, not only biodiversity, but also other

assets to be protected under the Impact Mitigation Regulation, such as the soil, the climate/air, water, and the landscape have been discussed.

Since in Russia, compensation stipulations are fulfilled almost exclusively via offset payment, the new compendium is focused upon as comprehensive as possible a presentation of the derivation process of compensation measures, supported by numerous methodological examples. A suitable instrument is the German Impact Mitigation Regulation which regulates the sequence of examination and decision-making steps, in the form of a decision-making “cascade”. First of all, the question of whether avoidable impacts can in fact be avoided, and non-avoidable impacts minimized to the maximum extent possible, must be examined. The compensation for unavoidable considerable impacts can be achieved through in-kind compensation measures, or through equivalent offsetting measures. Compensation payments are not an alternative to natural compensation, but rather a measure of last resort for impacts which are so serious that their effects cannot be corrected.

A total of 75 German work aids were evaluated for the Compendium. These include both guidelines of a general nature, independent of the type of project, and such project-specific special guidelines as mining/quarrying, road building, or urban land-use planning, and for particular assets or uses. After a joint discussion, which involved primarily clarification of questions of comprehension and also the issue of whether these examples could be transferred to the Russian system, a total of 121 methodological examples from 51 work aids were selected. In addition, a brief glossary of the relevant German terminology is to contribute to a better understanding of concepts.

What has emerged is a comprehensive compendium for the evaluation and compensation of impacts upon the environment, in both Russian and English. Both publications are to appear in 2013, and each is to be approx. 220 pages long. *Publication 2* is to be published under the title *Otsenka narushenii okruzhayushchei sredy i ikh kompensatsiya. Rossiysko-germanskoye metodicheskoye posobie* [Evaluation and Compensation of Impacts on the Environment: Russian-German Compendium]. The title of the English translation (*Publication 3*) is: *Assessment, Compensation and Biodiversity Offsets of Environmental Impacts: A German-Russian Compendium*.

The results of the advisory assistance project constitute an important step toward harmonizing the Russian compensation system with international standards, and thus a contribution toward implementation of the German-Russian Government Agreement on Environmental Protection and the Conservation of Nature. The documents adopted in Russia at the policy level underscore the significance and urgency of the issues addressed in the project. Analogously to the Environmental Impact Evaluation Compendium from the predecessor project, on the basis of which the Russian Ministry of Natural Resources and Ecology has developed its “Methodological Instructions on Environmental Assessment for Olympic Structures in the Sochi Area”, which are to provide orientation for future investment projects in Russia and have already been adopted in expert circles, the new Compensation Compendium could enjoy an equally major response.

The Compensation Compendium could also be of interest for the other post-Soviet countries, since in most of them, EIA legislation is modelled on the Russian legal system. But for other European countries, too, which, while they do not plan to introduce any independent instrument such as the German Impact Mitigation Regulation, nonetheless want to integrate the compensation approach into their existing legal systems, or which may engage in cross-border projects together with Russia, the results of the Advisory Assistance Project may provide an interesting impetus.