2. The Current Environmental Approvals Process

As stated in PHL's Interim Report, approvals for environmental projects in Russia must be obtained from federal, regional (Oblast) and local (municipal) authorities in Russia. Responsibilities of each of these levels of government are described in the Russian Law on Environmental Protection, which is included as Appendix B to this report in order to illustrate the division of responsibilities between the various levels of government. During meetings with federal and regional environmental officials, NGOs and representatives of international financing institutions throughout this project, it was made clear to PHL that the level of government from which project approvals must be obtained and the process by which such approvals are completed, varies with each project. It would be misleading therefore, to suggest that a clearly-defined approvals process exists which must be followed by each project proponent.

Three Avenues to Project Approval

Generally speaking, there are three avenues which can be followed by project proponents in order to inform appropriate officials about a project and to obtain approval for it:

a. <u>Contact with the Federal Ministry of Environmental Protection and Natural Resources (MEPNR), or with officials of the regional committees of the MEPNR.</u>

The MEPNR has undergone a major reorganization during the past four months. A chart of the MEPNR as it is now organized, follows this page. Further changes, both in structure and in personnel, can be