

SAKHALIN ENERGY INVESTMENT COMPANY: A PARTICIPATORY PROCESS FOR THE SAKHALIN INDIGENOUS MINORITIES DEVELOPMENT PLAN

Sakhalin II is an integrated oil and gas offshore and onshore development project for the recovery, processing, and export of oil and gas from offshore oil fields on and around Sakhalin Island, in the Far East of the Russian Federation. There are approximately 3,500 indigenous people on the island, in four groups; the Nivkhi, Uilta, Evenki, and Nanai. Some are directly affected, some indirectly affected, and others not affected at all by the project. The company, Sakhalin Energy Investment Company – SEIC, undertook the development of a Sustainable Indigenous Minorities Development Plan (SMDP), in order to comply with policy requirements of potential lenders, and to improve relationships with indigenous people on the island following protests against all of the oil and gas operators on Sakhalin. The SIMDP had two broad objectives: to mitigate the impacts of the project on indigenous peoples and to provide a framework for the delivery of socio-economic benefits to the indigenous communities.

The Consultation Process

As relations between the indigenous peoples and all oil and gas companies on Sakhalin Island had not been optimal, it was decided to be as participatory as possible in developing the plan, so as to allow communities a greater degree of ownership. This entailed ensuring that the process not only involved Sakhalin minority community leaders, but also ordinary community members who would not otherwise have had an opportunity to interact with the company and/or authorities.

The first round of consultations focused on ascertaining priorities for benefits-sharing components, and were also used to gather input for mitigation planning. The process, which engaged community leaders and members of the indigenous communities who were directly affected by the project, involved nearly 200 people, or more than 5 percent of the entire indigenous population of the island. Information about the process was disseminated through formal channels, such as the company's community liaison officers, as well as informally through the network of clans. The indigenous

SAKHALIN ENERGY INVESTMENT COMPANY

continued

communities on the island were not homogenous. Different clans had differing views and interests due to their differences in locations, occupations, and family ties. Consultations were also held with indigenous peoples and other stakeholders, including Oblast officials, other oil company operators, non-governmental organizations, and social development and indigenous experts.

A **Working Group** of company staff and consultants, Oblast representatives, and Sakhalin Indigenous Minorities Peoples Council members was formed to provide guidance and feedback to the company team preparing this plan. **Working Group Committees** composed of Oblast, indigenous, and civil society representatives as well as company staff/consultants were also set up to advise on appropriate mitigation measures, indigenous peoples' development projects, and other forms of benefits sharing.

A **second round of consultations** was held in the early autumn of 2005 to report back to stakeholders with a tentative outline of the project components selected. This was followed up by a **third round of consultations** which lasted three months and had the objective of assessing the proposed mitigation measures and social program benefits that had been developed based on previous rounds of consultations. The process was then expanded to include areas not directly affected by the project but included in the benefits-sharing as part of a strategy of inclusion of all Sakhalin indigenous peoples.

Making Consultation Accessible

As the majority of the consultations took place in the winter months, special attention needed to be made to ensure that more vulnerable community members, such as the "babushkas" (grandmothers) could attend. Special transportation was arranged when necessary, or younger members of the community accompanied the more elderly. As central a location as possible was chosen and the meetings were timed to coincide with the end of the fishing day. Food and beverages were served as they comprise an essen-