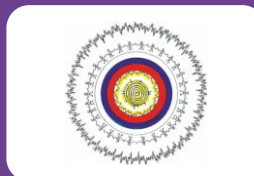
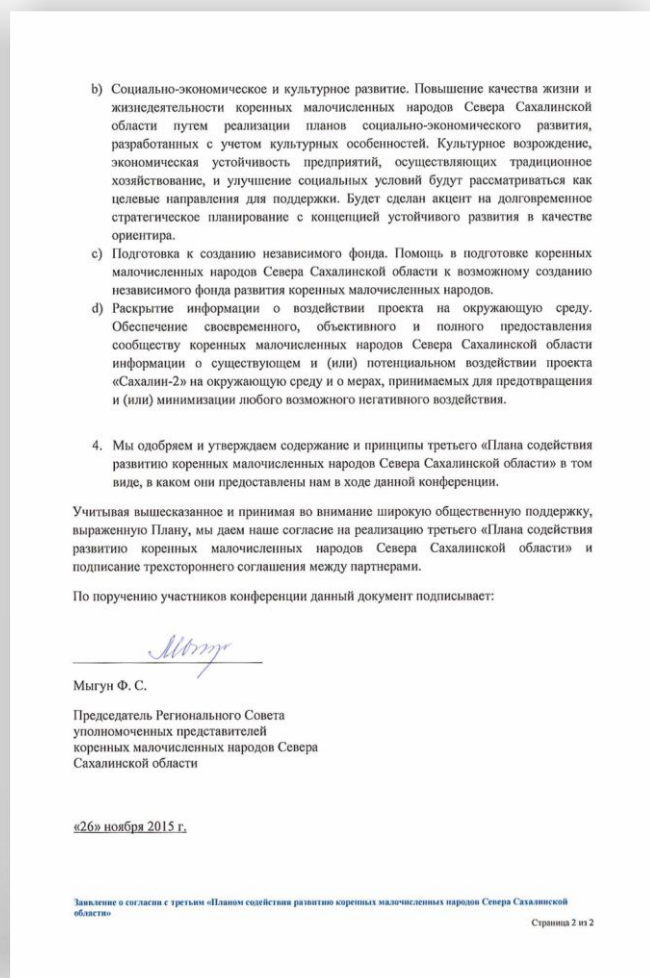
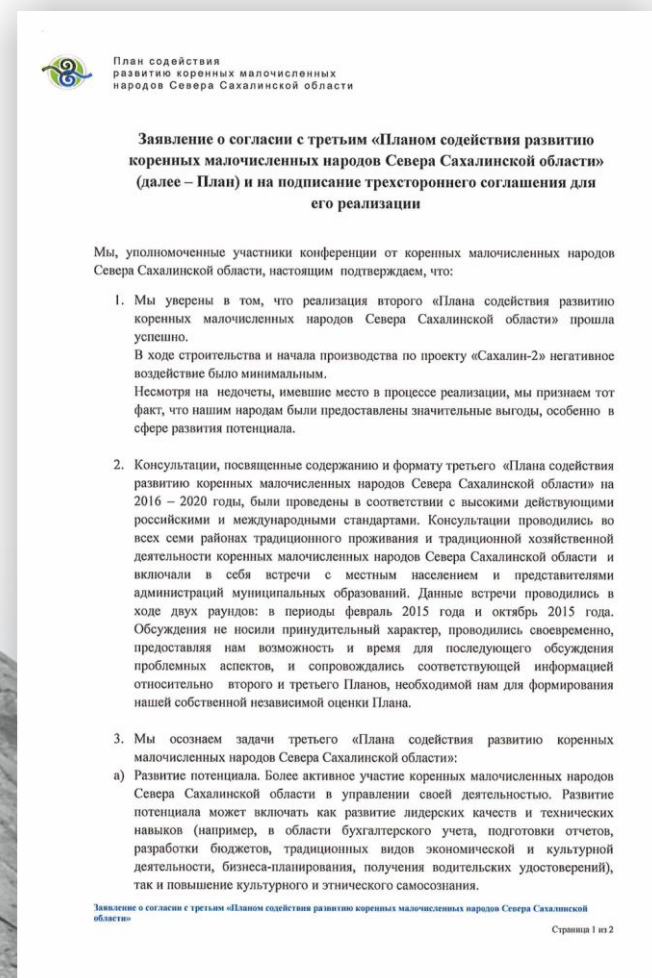




STATEMENT OF CONSENT WITH THE THIRD SAKHALIN INDIGENOUS MINORITIES DEVELOPMENT PLAN



INDEPENDENT APPRAISALS AND OPINIONS

SIMDP is one of the best Russian and international practices, and above all, it is highly praised and trusted by indigenous people.

For many years the SIMDP has been attracting interest of RF governmental authorities, Russian and international public. It was recommended for distribution in the regions of Russia.

The Plan became a winner of many Russian and international contests.



SAKHALIN INDIGENOUS MINORITIES DEVELOPMENT PLAN (SIMDP)



www.simdp.ru

2016–2020



REQUIREMENTS OF INTERNATIONAL STANDARDS: FREE, PRIOR AND INFORMED CONSENT (FPIC)

WORKING GROUP FOR THE SIMDP3

- Equal partnership
- Nine members, seven of them are SIM representatives

THE FIRST ROUND OF CONSULTATIONS IN THE FRAMEWORK OF SIMDP3 DEVELOPMENT

- All districts of traditional Sakhalin Indigenous Minorities (SIM) residence
- Collection of proposals
- Polling (231 questionnaires, 14 communities)

FINAL EVALUATION OF SIMDP2

- Participation of an independent expert, sociologist and SIM representative
- Public opinion survey

THE SECOND ROUND OF CONSULTATIONS IN THE FRAMEWORK OF SIMDP3 DEVELOPMENT

- Presentation of draft SIMDP3 in all districts of traditional SIM residence
- Community comments

SPECIAL SIM CONFERENCE

- 52 delegates from all districts of traditional SIM residence
- Amending and approval of the Plan by majority (29 delegates)

PUBLIC
CONSENT
(approval)



SAKHALIN INDIGENOUS MINORITIES (SIM)

Approximately 4,000 representatives of SIM reside on Sakhalin. It is about 0.7% of the island's population. They are representatives of the four main SIM ethnic groups: the Nivkh, the Uilta (Orok), the Evenk and the Nanai.

Seven municipalities of Sakhalin Oblast are officially recognised as the areas of traditional residence and traditional economic activities of the Sakhalin Indigenous Minorities. Okha, Nogliki, Tymovsk, Alexandrovsk-Sakhalinsky, Poronaysk, Smirnykh districts, and the City of Yuzhno-Sakhalinsk.



THE NIVKH (Nivkh means human and Nivkhgu means humans). The Nivkh people live on Sakhalin Island and the lower Amur River (Khabarovsk Krai). The population of the Nivkh in Sakhalin is 3,091. Native language is Nivkh.

THE UILTA (also known as the Orok or Orochens) are among Russia's smallest ethnic minorities, indigenous inhabitants of Sakhalin Island. The population is 430. The minority name Uilta is derived from the word ula, which means a reindeer. Customary economy of the Uilta is multi-sector subsistence farming based on hunting, fishing and reindeer herding. Before the beginning of XXI century they had no written language.

THE NANAI (main self-designation is Nanai, Nani – local, people of this place, earlier Golds). The Sakhalin Nanai people are back-settlers from the Amur. Their population is 205. Main traditional occupations are fishing and hunting.

THE EVENK (main self-designation is Evenk). Name Evenk became official in 1931, earlier Tungus. The Evenk people of Sakhalin are a small branch (numbering 323) and have been closely associated with the Uilta. The traditional trades of the Evenk are reindeer herding, hunting, fishing, making articles of wood, bone and metal.

SAKHALIN INDIGENOUS MINORITIES DEVELOPMENT PLAN (SIMDP / PLAN)

Sakhalin Indigenous Minorities Development Plan is a programme jointly implemented by Sakhalin Energy (the operator of Sakhalin-2 project), Sakhalin Oblast Government and the Regional Council of the Authorised Representatives of the Sakhalin Indigenous Minorities (RCAR). SIMDP is renewed every five years and will last for the entire duration of the Sakhalin-2 project.

On 16 December 2015, in Moscow Sakhalin Energy, the Regional Council of Authorised Representatives of the Sakhalin Indigenous Minorities and the Sakhalin Oblast Government signed a cooperation agreement on implementation of the third SIMDP for 2016 – 2020.

KEY OBJECTIVES OF SIMDP IN 2016–2020

CAPACITY-BUILDING: implies leadership training and technical skills enhancing (e.g., for accounting, report-writing, budget preparation, traditional economic and cultural activities, business planning), and heightened cultural and ethnic self-awareness.

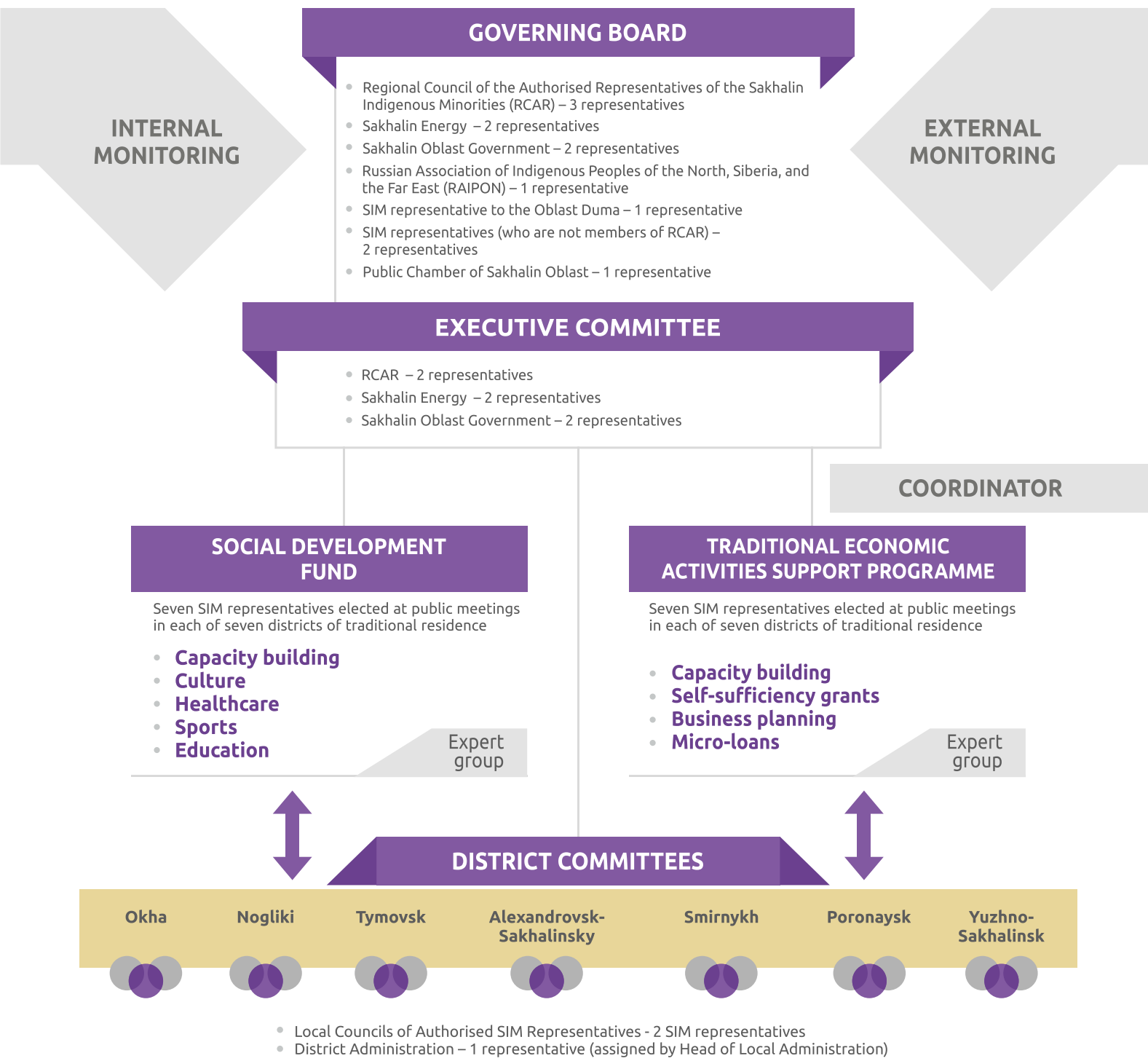
SOCIAL, CULTURAL, AND ECONOMIC DEVELOPMENT: cultural revival, economic viability of traditional economic enterprises, and improved social conditions will be targeted areas for support. Long-term strategic planning with the concept of sustainable development as an objective will also be emphasised.

INDEPENDENT FUND PREPARATION: assisting Sakhalin's Indigenous Minorities to prepare for the eventual establishment of an independent Indigenous Minorities development fund.

PROJECT ENVIRONMENTAL EFFECTS DISCLOSURE: providing timely, objective and complete information to the Sakhalin Indigenous Minorities' community of the actual and/or potential impacts of the Sakhalin-2 project on the environment, and the measures taken to prevent and/or minimise any potential negative impacts.

During ten years of SIMDP implementation (2006–2015) Sakhalin Energy has supported over 550 projects in the spheres of capacity building, education, healthcare, linguistic studies and preservation of indigenous languages, support of traditional economic activities and preservation of indigenous traditional culture. These projects have amounted to more than 97 million roubles. They were developed by indigenous public organisations, individuals, enterprises and communities, and were approved for further financing by indigenous representatives.

2016 – 2020 GOVERNANCE STRUCTURE



MONITORING

Internal monitoring is performed to track the implementation of the SIMDP programmes and ensure the allocated funds are used as intended. It is conducted by an internal monitoring team that includes representatives from each of the three Plan partners.

External monitoring is an independent review of the Plan which provides periodic objective evaluation of its programmes, their outcomes and impacts. It helps to identify problems in a timely manner so that corrective actions may be developed. Monitoring is conducted by an expert on social issues with vast international experience in indigenous minorities-related project development and monitoring.

MITIGATION MATRIX

The list of issues related to implementation of Sakhalin-2 project and measures to address them was developed on the basis of the multilateral consultations in response to the concerns of the Indigenous Peoples. These issues and mitigation measures have been transformed into the Mitigation Matrix.

The Mitigation Matrix is updated as required and reviewed at each meeting of the SIMDP Governing Board, presented to the Regional Council of the Authorised Representatives of the Sakhalin Indigenous Minorities as well as provided for information to other stakeholders.

GRIEVANCE PROCEDURE

A special Grievance Procedure has been developed for effective and timely management of potential concerns and grievances related to SIMDP.

The Procedure has been developed based on the principles and key requirements of Sakhalin Energy's Community Grievance Procedure. The Procedure complies with the Guiding Principles on Business and Human Rights and international standards. It was recognised by UN experts as one of the global best practices in the field of development and implementation of grievance mechanisms.



THE PLAN CAN BE IMPLEMENTED IF ALL OF ITS PARTIES OBSERVE THE PRINCIPLES OF TRANSPARENCY AND OPENNESS

FOR THIS PURPOSE THE FOLLOWING WAS ARRANGED:

- ▶ SIMDP web site is launched at: www.simdp.ru;
- ▶ Information leaflets distribution system is set up;
- ▶ Information boards with information about SIMDP are installed in all indigenous communities;
- ▶ Training workshops are made available to members of SIMDP coordinating bodies.