



**This plan is supported
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Sakhalin Indigenous Minorities Development Plan



SAKHALIN INDIGENOUS MINORITIES DEVELOPMENT PLAN

The Sakhalin Indigenous Minorities Development Plan (SIMDP) is a tripartite programme run jointly by Sakhalin Energy (operator of the Sakhalin II Project), the regional administration, and the regional council of authorised representatives of the indigenous minority peoples of the North (the IP Council).

The key objectives of the SIMDP are:

- ⑥ to improve the quality of life of Sakhalin's indigenous minorities through social development programmes carried out in a culturally appropriate and sustainable manner;
- ⑥ to enhance the ability of these communities and individuals to take an active role in the management of the SIMDP and other initiatives; and
- ⑥ to avoid or help mitigate any potential negative affects arising from the implementation of the Sakhalin II project.

The first five-year plan running from 2006-2010 provides annual financing of US\$300,000. Sakhalin Energy has formally stated that these plans will be maintained throughout the life of Sakhalin II.

Since the programme was launched, Sakhalin Energy has financed over 150 projects (as of the start of 2009). These were all chosen and developed by the indigenous population. Programmes to date have addressed education, healthcare, the preservation and study of languages as well as support for tribal enterprises and local communities to help preserve traditional culture.

THE INDIGENOUS PEOPLE OF SAKHALIN

Sakhalin Island in Russia's Far East is home to some 3,500 indigenous people, accounting for 0.7% of the population. They belong to four main ethnic groups: the Nivkh; the Uilta (also known as the Oroch); the Evenk; and the Nanai.



"The experience gathered with the Sakhalin Indigenous Minorities Development Plan should be widely adopted under the framework of corporate social responsibility"

*Gennady Oleinik,
Chairman of the Federation Council
(upper chamber of the RF Federal Assembly)
Committee on Northern Territories
and Indigenous Minorities Issues*



SIMDP Development

Sakhalin Energy had carried out social programmes to benefit the indigenous population since its creation in 1994. But the SIMDP has heralded the start of a new era in relations between the company and the island's original inhabitants.

The SIMDP conforms to World Bank Operational Directive 4.20 and is carried out according to international best practice. The three sponsors signed the agreement to launch the plan in May 2006 although preparatory work had begun one year previously with a wide-ranging consultation with the indigenous population. Meetings were held in Nogliki, Okha, Poronaish, Tymovsk and Aleksandrovsk-Sakhalinski districts as well as in the city of Yuzhno-Sakhalinsk. Working group members included specialists from Sakhalin Energy, IP Council members, and representatives from regional authorities, NGOs as well as international experts. The participation of the Russian Association of the Indigenous People of the North (RAIPON) was key in helping to establish a multilateral dialogue.

Governing Bodies

As mandated by the original agreement, the plan is governed by: a Supervisory Board (the highest authority); an Executive Council (which operates between Supervisory Board meetings); two committees – the Traditional Economic Activities Support Programme and the Social Development Programme – and the Small Grants Funding Council.

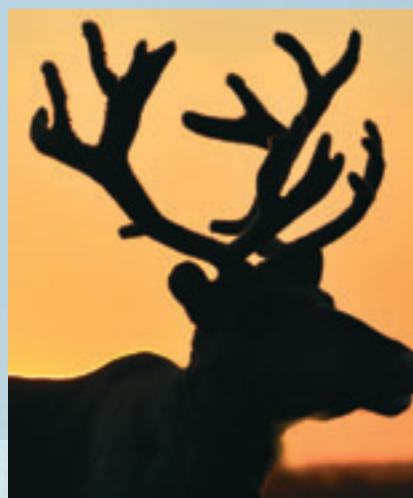
Membership of these groups includes representatives from the IP Council, regional administration bodies and Sakhalin Energy (although company representatives are in the minority).

Independent Monitoring

External, independent monitoring is carried out on a regular basis. Monitoring reports are available to Russian and international audiences and copies are also distributed at libraries located in the indigenous communities as well as on Sakhalin Energy's website in both Russian and English.

"We would recommend sharing Sakhalin Energy's experience of relations between indigenous people and industrial companies in accordance with international standards and norms"

Extract from recommendations of the Sixth Congress of Sakhalin Indigenous People in the North, Yuzhno-Sakhalinsk, October 2008





"The culture and lifestyle of the indigenous minorities of the North form an integral part of our Russian spiritual heritage. The Sakhalin Indigenous Minorities Development Plan has been developed and is being implemented thanks to the combined efforts of regional authorities, Sakhalin Energy and the indigenous population. One of the Plan's main aims is to preserve local cultural heritage, ethnic identity and support traditional lifestyles of the indigenous peoples in a modern setting. This is a responsibility that is shared by authorities at all levels, business and the indigenous communities and associations"

*Aleksandr Khoroshavin,
Governor of the Sakhalin region*

Social Development Programme

A need for projects to support education, healthcare and local culture was identified very early on during the initial consultation process and, today, the Social Development Programme has become a very important element of the overall plan.

Programmes are carried out in close co-operation with the relevant departments at regional authorities and district administrations as well as educational, health and cultural institutions. The Programme has bought equipment for remote paramedic stations, funded mobile dental surgeries and paid for groups of medics from the regional capital to visit remote communities to ensure timely diagnosis and subsequent treatment of diseases.

In addition, the SIMDP funds scholarships for 140 indigenous students. There is also a special focus on building capacity within indigenous organisations and communities with training sessions and workshops on offer.



Small Grants Fund

The SIMDP stipulates that the indigenous population should take ownership of the programmes themselves. Some 10% of the Plan's budget is assigned for small grants. Annual competitions are held in which local people can submit applications for funding. These have proved very popular and have helped encourage and support various initiatives and projects. Funding awards are determined by a council made up exclusively

of indigenous people. Before applications are submitted, they are evaluated by an expert team which can also make recommendations. The Small Grants Fund acts as a blueprint for the future governance of the overall SIMDP so that eventually all decision-making, programme implementation and control of the framework of the initiative will become the exclusive prerogative of Sakhalin's indigenous population.

FIRST PRIMARY SCHOOL LANGUAGE BOOK FOR UILTA CHILDREN



One of the most notable SIMDP projects was the publication of the first primary school "ABC" book in the Uilta (or Orok) language which belongs to the southern grouping of the Tungus-Manchurian languages and is closely related to Ulch and Nanai.

Unfortunately, the Uilta language is about to die out as today there are only 20-30 native speakers left. As other members of this ethnic group had found it difficult to study the language, a project was devised to commit it to paper based on a Cyrillic script. This was carried out by renowned Japanese linguist Prof. Jiro Ikegami with the support of the Institute of Linguistic Studies at the Russian Academy of Science.

Preparing the book took several years and involved a large team of scientists and native speakers. Publishing it also presented a challenge as Cyrillic does not contain certain letters to denote phonemes, meaning a new computer programme had to be created to incorporate the missing letters for the electronic version of the book.

Particular attention was paid to the illustrations with Uilta speakers monitoring how images of everyday life as well as animals and plants, for example, were depicted.

The book has been acclaimed by the scientific community with renowned Russian and foreign scholars visiting Sakhalin to witness its publication. It also attracted a lot of interest during parliamentary hearings in Moscow in October 2008 on issues relating to indigenous language preservation held by the Council of Federation's (the upper chamber of the RF Federal Assembly) Committee on Northern Territories and Indigenous Minorities Issues. This book is now an important tool which is helping to promote the wider use of the written and spoken language of this small ethnic group.

"NIVKHINKA CLUB"

The "Nivkhinka Club" was established more than 10 years ago at a local history museum in Nogliki settlement. Around 20 local people (the oldest being over 80) decided to launch an initiative to help preserve their ethnic and cultural Nivkh heritage.

One of the Nivkh settlements was until the middle of the last century situated at Nyivo Bay on the shores of the Okhotsk Sea before the population was subsequently moved to an adjacent area. But the Bay remains the favourite location for these people to carry out their traditional activities. "Nivkhinka Club" members now take up residence here during summer and autumn together with their extended families. During this time, traditional skills such as fishing, hunting, plant-gathering and local crafts, including making clothes and shoes, are passed down to younger generations. It acts a kind of open-air classroom with young children and teenagers being taught how to find and use different herbs for medicinal purposes, preserve and store berries for the winter, prepare ethnic dishes and cure fish for the traditional "yukola".

The idea to establish this seasonal camp at the Bay was one of the first projects to be financed by the Traditional Economical Activities Support programme. This funded such items as boat engines and power generators. The project has now helped improve living conditions with club members (despite their advanced years) actively involved in all activities such as holding traditional festivals and traditional cooking demonstrations. The various activities of this unique group are all designed to preserve the cultural heritage of Sakhalin's indigenous population – a truly remarkable achievement for Nogliki.

"Sakhalin Energy has been working with indigenous people of Sakhalin since our first days on the island. The launch of the tripartite Sakhalin Indigenous Minorities Development Plan marked a key improvement in that as it combined and coordinated the efforts of indigenous people, the Company and the authorities and established a new framework for our cooperation"

Ian Craig,
Chief Executive Officer
Sakhalin Energy





"This is a long-term programme based on mutual co-operation that also provides invaluable experience in capacity building for Sakhalin's indigenous people of the North"

*Sergey Kurmanguzhinov,
Chairman of the Regional Council of authorised
representatives of the indigenous
minority peoples of the North of Sakhalin*

Traditional Economic Activities Support Programme

Projects that seek to revive and/or maintain the traditional economic activities of the indigenous population are a way of preserving centuries' old customs. Support programmes here have included: reviving the practice of Nivkh dog-breeding; helping Uilta reindeer herders; and supporting the communities of the indigenous peoples in the North.

The Traditional Economical Activities Support programme also helps local entrepreneurs to develop economic activities that can benefit the communities and also seeks to gradually increase the competitiveness of local businesses.



"The Sakhalin Indigenous Minorities Development Plan acts as a point of reference for life as it is today for Sakhalin's indigenous people"

*Vladimir Agnyun,
Indigenous People representative
in the Sakhalin regional Duma
(legislative assembly)*

Mitigation of Impacts

One of the most important aims of the SIMDP is to avoid or mitigate any potential negative impact Sakhalin II may have on the local environment and which could jeopardise the way nature has been traditionally used here. Following multilateral consultations, a "Mitigation Matrix" was developed. This is a document which highlights possible issues and proposes mitigation measures in order to address them. It is updated whenever necessary and is considered at every Supervisory Board meeting.



"The Sakhalin Indigenous Minorities Development Plan is blazing a trail. This plan — through its preparation and implementation — demonstrates the appropriate level of interaction between local populations and the private sector, based on international standards that govern the human rights of indigenous peoples"

*Pavel Sulyandziga,
First Vice-President of the Russian Association
of the Indigenous People of the North (RAIPON)*

Evaluations and Opinions

The constructive dialogue and high level of activity under the Sakhalin Indigenous Minorities Development Plan over recent years has not gone unnoticed both within Russia and by the wider international community. In 2007, the World Bank Group's private sector arm, the International Finance Corporation included the plan's development and implementation as a model example in its handbook "Stakeholder Engagement: A Good Practice".



Also, in October 2008, the three SIMDP partners were invited to participate in RF Council of Federation parliamentary hearings looking into issues relating to indigenous language preservation.

In 2008 the Sakhalin Indigenous Minorities Development Plan was awarded laureate status in the Russia-wide competition for social investment "Corporate Donor" in the category "Best programme for tripartite cooperation between business, authorities and NGOs in the regions".

Then in 2009, Sakhalin Energy won the international Vitus Bering award in the category "Best Industrial Company" at the Sixth Russian Congress of Indigenous Peoples in Moscow. This prestigious award is established by RAIPON and the Russian-Danish "Batani" Fund. Its aim is to honour and acknowledge organisations that have made significant contributions to the social, economic and cultural development of Russia's indigenous peoples.

"A product of a successful collaboration between indigenous, company, and government representatives, the SIMDP is remarkable for giving Sakhalin's Indigenous Peoples the opportunity to work out their own path to a sustainable development future"

*Gregory Eliyu Guldin,
Anthropologist, External Monitor for the SIMDP*



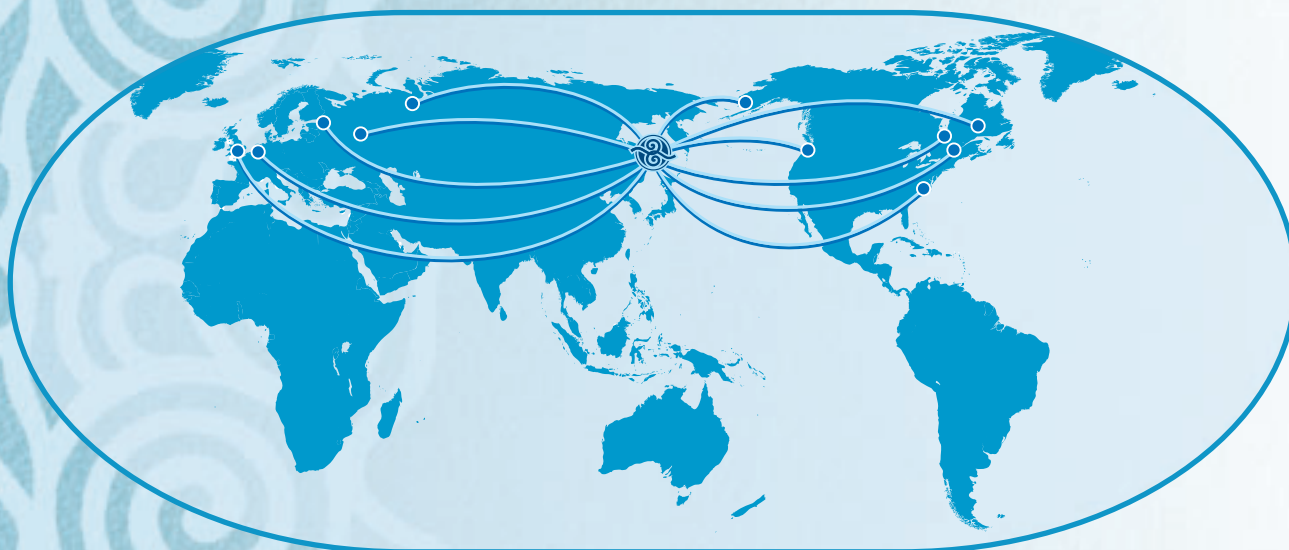
The SIMDP in Russia and in the wider world

“We would recommend the active adoption of the co-operation laid out in the framework of the Sakhalin Indigenous Minorities Development Plan, implemented by the Sakhalin regional administration, Sakhalin Energy and Regional Council of Authorised Representatives of the indigenous minority people of the North of Sakhalin Oblast”

Extract from recommendations to government bodies in RF regions following parliamentary hearings by the Council of Federation (the upper chamber of the RF Federal Assembly) Committee on Northern Territories and Indigenous Minorities Issues

Laureate of the international Vitus Bering award

Laureate status of all-Russia competition of social investments “Corporate Donor”



The SIMDP's success has also helped encourage more active dialogue between indigenous peoples from different countries.

In November 2007 representatives of the indigenous population from Alaska visited Sakhalin. As a result of plans to increase oil and gas projects in this US state, its local people were interested to see at first hand how Sakhalin had reconciled this kind of development with the preservation of traditional ways.

Also in 2007, representatives from the Cree Nation in Canada accompanied by First Peoples Worldwide (USA), which supports indigenous economic development, visited Sakhalin to find out more about the SIMDP and share knowledge and experiences. Then, in April 2009 some of Sakhalin's indigenous population visited remote areas of the Cree Nation at Mistissini and Ouje-Bougoumou in northern Quebec.

Indigenous peoples in different countries often face similar issues and so can share experience of ways to address them in areas such as healthcare, education, preservation of traditional culture, and economic development.

International Finance Corporation (the private sector arm of the World Bank Group) on the Sakhalin Indigenous Minorities Development Plan:

“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.

The meetings were timed to coincide with the end of the fishing day. Time was given to attendees to express their general frustrations and problems.

Attention was paid to giving all attendees respect and to seeking consensus, which meant that the meetings could be very long, but that people felt that they had a role...”

The design of this brochure includes motifs and decorations found in traditional arts and crafts of Sakhalin's indigenous people