

Case Study

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Squaring Off on Sakhalin

A “Glocal” NGO Campaign Against Big Oil

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EXECUTIVE SUMMARY

The Sakhalin Energy Investment Company (SEIC) is setting up the largest foreign investment project in Russian history. Formed by Royal Dutch/Shell, Mitsui and Mitsubishi, the consortium is planning to extract oil and gas on the Far Eastern island of Sakhalin. Called Sakhalin II, the project operates in a sensitive environment. This has given rise to a number of environmental, legal and social issues that have engulfed the project. Thus issues such as oil spill preparedness, pipeline routing and river crossings, fisheries, native rights and local infrastructure, among others, have all proven to be conflict-laden.

The publicity these issues have received is largely due to a powerful NGO campaign that has formed around Sakhalin II. Centred on its lead agency, local NGO Sakhalin Environment Watch, the campaign has created a global network fighting to see Sakhalin II adhere to international best practices. This group of campaigners spans at least 146 organisations in 22 countries. The network operates on several levels, with close, loose and internal networks formed according to different priorities. For example, there is a very close cooperation between the American group Pacific Environment and Sakhalin Environment Watch, while loose associations exist with a whole number of groups who tend to do little more than lend their names to the campaign on a regular basis. Large international actors such as Friends of the Earth, in turn, are able to mobilise their internal networks, drawing on their chapters in numerous countries for support.

The campaign has proven adept at using the Western Pacific Grey Whale as a lead topic to market its message, but is advocating on numerous issues. This kind of cross-issue campaigning means that few of the NGOs involved are focusing entirely on their original field of expertise. Furthermore, the campaign has targeted SEIC strategically, focusing in particular on its most vulnerable spot: obtaining public financing for Sakhalin II. It has seen moderate success so far in forcing SEIC to reroute a sensitive part of its pipeline and delaying project financing from the European Bank for Reconstruction and Development (EBRD).

While more research is needed to determine what the degree of the campaign's representativeness on Sakhalin Island is, it is very clear that relations between the campaign and SEIC are strained. Stemming from initially hostile attitudes on the part of the consortium, SEIC's attempts to mend the relationship are likely to face difficulty, as the campaign's positions have hardened.

INTRODUCTION

The Sakhalin Energy Investment Company, formed by Royal Dutch/Shell, Mitsui and Mitsubishi, is currently undertaking the largest foreign investment project in Russia's history. On the far eastern island of Sakhalin, the consortium is pursuing an oil and gas exploration project of massive proportions. A campaign opposing the project has formed both locally and internationally, focusing on the environmental, social and financial implications of the project. After providing a brief background of the project and its contentious points, this paper studies the advocacy campaign. It focuses on the campaign's network character and strategies. It briefly touches upon local reactions to the campaign, before describing the relations between SEIC and the advocates. As a case study, the paper's main aims are to synthesise available information, and shed light on the issues at hand and the way the campaign has formed, and what its defining characteristics and results have been.

This case study is based on information available in the public domain: documentation from the NGOs and companies concerned, and media reports. Its accuracy thus rests on the reliability on the sources used, which have been quoted throughout the paper. Care has been taken to use reliable sources. However, where NGO or consortium information was used, any errors reflect the standpoints and dynamics of the stakeholders.

THE PROJECT

Sakhalin Island is Russia's largest island, located off its eastern coast (see Figure 1, p. 5). It has been the subject of oil exploration since the 1920s. In the 1990s, however, major new reserves were discovered with the entry of foreign companies. Two projects are currently active: Sakhalin I, Sakhalin II and Sakhalin V. Sakhalin I is made up of ExxonMobil, SODECO, RN-Astra, Sakhalinmorneftegas-Shelf, and ONGC Videsh Ltd., while Sakhalin V is spearheaded by BP and Rosneft. This case study will focus on Sakhalin II, the biggest foreign investment project in Russia, which has received more international media and campaigning attention in what is being billed as the "biggest environmental campaign in Russia" (Brown 2005). The reason a large campaign has formed around Sakhalin II and not around Sakhalin I is that Sakhalin II's investors have sought public financing to carry out their project. This gives campaigners leverage as they can target public institutions that by their very nature have to be more accountable than private ones. It must be stressed that whatever positive or negative repercussions Sakhalin II may have, these effects are not limited to Sakhalin II but apply to Sakhalin I (and future projects) in similar ways. Similarly, the oil projects are not the sole influence on some of the controversies they have created.¹

Sakhalin II has been producing oil in a first phase since 1999 from its Molikpaq offshore drilling platform. Phase 2, however, will be much larger. The consortium behind the effort is Sakhalin Energy Investment Company Ltd. (SEIC), a consortium led by Royal Dutch/Shell² through its subsidiary Shell Sakhalin Holdings B.V., which holds a 55% stake in the venture. Mitsui Sakhalin Holdings B.V., a subsidiary of the large Japanese conglomerate Mitsui is involved with 25% of the investment, and Diamond Gas Sakhalin, a Mitsubishi company, with a 20% share. Negotiations for Russian hydrocarbons giant Gazprom to join SEIC are underway, and at the time of writing, first reports indicated that Gazprom looked set to exchange a stake in the venture for exploration rights in one of its gas fields with Shell (RIA Novosti 2005a; Butrin 2005).

Phase 2 was projected to require an investment of USD 10 billion (SEIC 2005a), making it the biggest single foreign investment in Russia's history. Costs projections have since been revised to USD 20 billion (Catan 2005). The project will involve the construction of one existing and two new oil and gas platforms, an onshore processing facility, a pair of pipelines that cover more than 800 km, an oil export terminal, a liquefied natural gas (LNG) processing plant as well as upgrades to the island's infrastructure. SEIC expects the project to yield 1 billion barrels of crude oil and 500 billion cubic feet of natural gas (SEIC 2005b). At the time of writing, the key oil and gas markets for the project are in Northeast Asia (Harrison 2002), where SEIC has signed contracts to provide some 35% of its gas to Japan (RIA Novosti 2005b), namely to Tokyo

¹ For example, illegal fishing is said to contribute to the decline of local fisheries, and gray whales also reportedly suffer from adverse effects off the coasts of Korea and Japan.

² Henceforth referred to as "Shell."

Gas (SEIC 2003a; Associated Press 2005), Kyushu Electric Power Company (SEIC 2004b), Tokyo Electric Power Company (Rigzone.com 2004), and Toho Gas (RIA Novosti 2005b). The Korea Gas Corporation has also signed a contract (Asia Pulse 2005). Plans are afoot to sell to Taiwan and China, and Shell Eastern Trading will purchase LNG from SEIC to supply its new Energia Costa Azul plant that is to be constructed in Baja California, Mexico (Pacific Russia Oil & Gas Report 2004) to tap into the Mexican and U.S. energy markets. As of February 25, SEIC had sold 70% of its planned capacity of LNG and the consortium expects to sell the rest in 2005 (Rao 2005).

Given the immense sum involved, SEIC has been seeking financing from export credit agencies and international financial institutions for its project as detailed in Table 1 (p. 8).

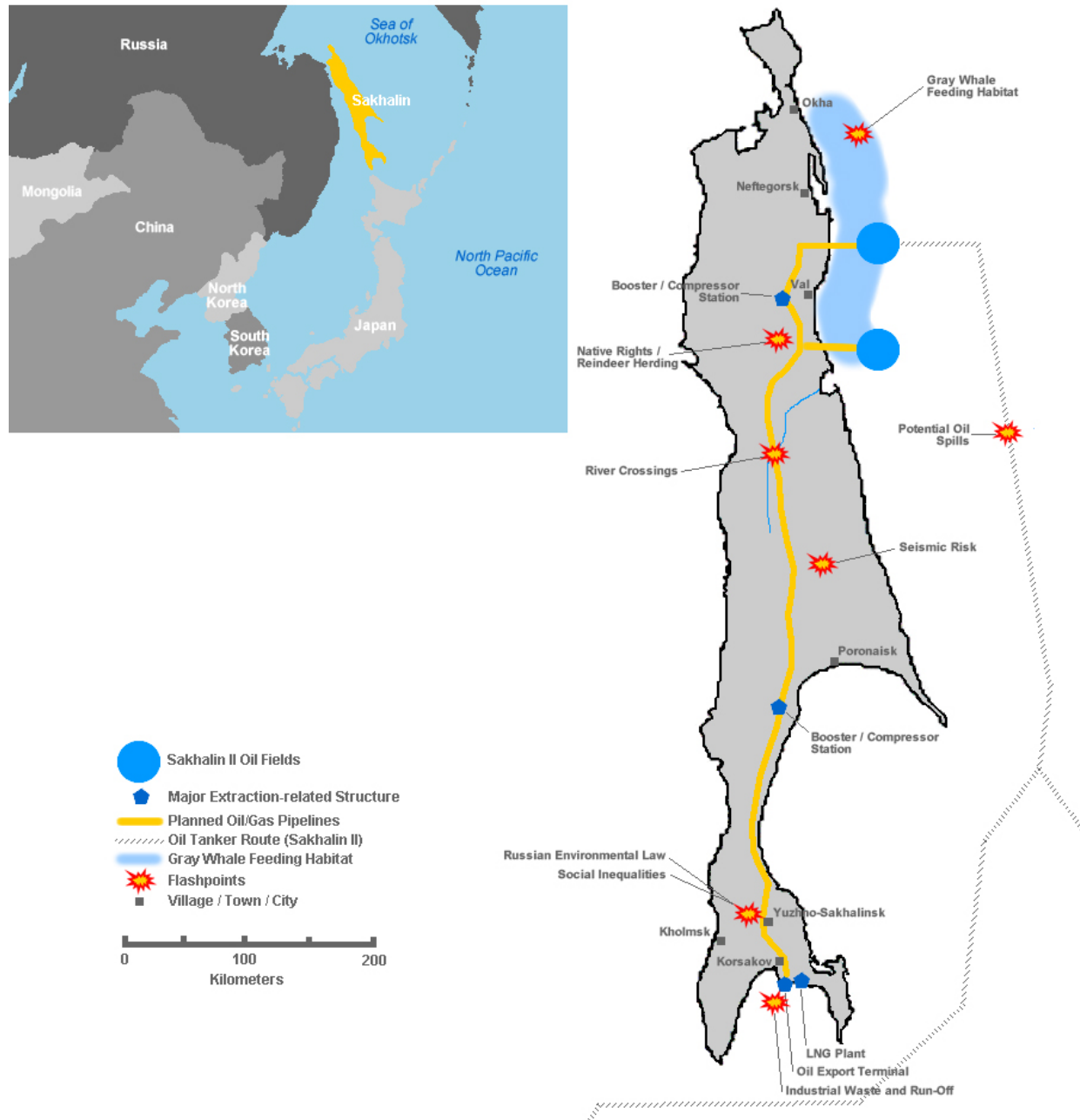


Figure 1: Map of Sakhalin Island

THE ISSUES

As any project of its size, Sakhalin II has a host of impacts in the environmental, social, financial and legal domains. In itself, this fact is not surprising. What makes Sakhalin II an interesting case study is the size of the project, the number of campaigning organisations the issues have attracted, the alliances that these campaigners have formed around the issues, and the resulting cross-issue character of the campaigns. Before we can investigate the campaign, it is worth listing and briefly describing the issues at stake. Of course, none of the issues can be viewed in complete isolation, as we shall quickly see. For example, a threat to salmon fishing will have a particular impact on Sakhalin's native population, and oil spill prevention measures concern humans, fish and whole ecosystems alike. The following discussion tries to separate the matters somewhat and hence invariably simplifies them for ease of understanding. While the discussion is not exhaustive, it does pick out the major themes that have attracted the attention of campaigners. It should also be noted that the below list is not intended as a judgment on SEIC's performance, but merely as an account of what campaigners perceive to be problems despite SEIC's mitigation measures. No in-depth analysis of SEIC's social and environmental programmes and mitigation measures will be conducted here, as this would exceed the scope of this study.

Environmental Issues

In general terms, environmental groups have argued that the best available technology should be applied to Sakhalin II (FoE Japan 2002), in particular since the companies involved are Western ones. Dimitri Lisitsyn of Sakhalin Environment Watch (SEW) argues that these standards have not been employed (Dougherty 2001), a point of view that even a relatively business-friendly newspaper like the *Wall Street Journal* has echoed (Carlton 2002).

Western Pacific Grey Whale – A “critically endangered” species

The Sakhalin II project is set to take place in the only known feeding habitat of the Western Pacific Grey Whale (see Figure 1, p. 5), which the World Conservation Union (IUCN) lists as “critically endangered.” Fewer than 100 specimens of this species remain, meaning that any additional losses, particularly of female whales, would likely spell disaster for the species' survival (ISRP 2005, p. 96).

Threats to the whales from Sakhalin II are said to emanate from a variety of sources. Oil exploration and extraction involve the use of loud machinery, which is thought to scare away the whales. Collisions with ships, the danger of oil spills and the physical alteration of the whales' habitat due to platform and pipeline construction are regarded as hazardous to the whales (ISRP 2005).

Oil Spill Preparedness – Can SEIC be quick enough?

Oil spills are a major concern of any oil exploration project. Oil spill preparedness is of particular importance in the Sakhalin II project, as Sakhalin is very geologically active. There has been considerable controversy surrounding SEIC's assessment of seismic risks and the companies' mitigation strategies (Feinberg 2004), and about general oil spill preparedness (Lawn et al. 1999). The consortium seemed to take a slightly nonchalant approach to certain aspects of preparedness. In 2001, Dennis Royal, SEIC's health, environmental and safety manager appeared to be willing to sacrifice the beaches, having been quoted as saying that “We think we have a pretty good oil-spill response set up [at the Molikpaq platform]. [...] The lagoons are the most sensitive area along the coastline. The rest of the coastline is very sandy shore and relatively environmentally inactive” (Dougherty 2001). According to one news report, “Shell's closest [oil spill] cleanup equipment and manpower is about 80 kilometres from the oilfields,” farther than would be permissible in Western countries (Carlton 2002). Things came to a head when a dredging ship involved in the construction efforts ran aground and caused 200 tons of oil and diesel to pollute 3 km of beachfront. SEIC response teams took nine hours to get to the scene (Mathiason 2004).

Fisheries – Traditional livelihoods

According to an action alert from Pacific Environment (2005c), an environmental campaigning organisation, “Sakhalin's indigenous peoples have documented significant adverse impacts from the projects, including a massive herring die-off near Shell's offshore drilling platform and sharp decreases of saffron cod in north-eastern Sakhalin where waste from the project is dumped into the waters” (see also Sheets 2005c). Conservationists are further concerned about the effect on the fisheries and scallops industries of dumping

1.5 million tons of sand into Aniva Bay, which produces 20% of the fish catch on Sakhalin. Fishermen gave up on diving for scallops there in June 2004 as the water had become too murky to see (Murphy 2004).

Further threats to the salmon fisheries are feared, as the pipeline will cross some 1100 watercourses. SEIC classified 63 of these streams as “watercourses with significant salmon spawning and major importance for fisheries” and stated it would cross all but these using open trenching (SEIC 2003b, p. 9). The strong sedimentation resulting from this technique causes environmentalists to “categorically oppose trench crossings of salmon streams and rivers” (WWF 2004, p. 4) and to demand bridge crossings. There is considerable disagreement over the number of streams which merit such classification, with the Russian Federal Research Institute of Fishery and Oceanography (VNIRO) arguing that no fewer than 663 streams should receive that designation (*ibid.*). Further, there are indications of contradictory or missing information in SEIC documentation (Martin 2004).

Industrial Waste and Run-off

Environmentalists are concerned that industrial waste such as drilling mud and run-off, and from the LNG processing plant will spoil the marine ecosystem and the local fishing economy in Aniva Bay (Pacific Environment 2005c). In a recent incident, divers discovered “a huge amount of debris” that seemed to have been dumped into the bay by SEIC subcontractors (Mathiason 2005b), although Shell has by now been cleared of charges brought against it in court (Brown 2005).

Fossil Fuels

Conspicuously absent from the Sakhalin II campaign were, for the most part, any mentions of the impact of fossil fuels on climate change. The notable exceptions were Friends of the Earth (FoE) and Rate Payers for Affordable Green Energy (RAGE), a U.S. coalition formed by Greenpeace USA, Public Citizen, Pacific Environment and Local Power (Hirsch 2004), who oppose hydrocarbons projects on the grounds that they eventually contribute to climate change. Most importantly, however, SEW, the lead campaigning group – and a local one at that – does not oppose the project altogether, but merely wants to see best practices applied (Wills 2000; Brown 2005).

Social Issues

Indigenous People – Small, but also strong?

Sakhalin is home to 3150 native people of the Nivkhi, Nanai (Nanay), Oroch, Oroch, Evenk, Ulch, and Ainu tribes, who are said to be particularly affected by Sakhalin II. The reindeer pastures, forests and fish stocks they rely on for their subsistence lifestyle have already been “destroyed” (UN Commission on Human Rights 2005). In reaction to the damages, between 200 and 300 natives – almost 10% of the indigenous population – staged a 5-day protest in January 2005, blocking access roads to project sites and demanding an independent cultural impact assessment (Oxley 2005; Sovetski Sakhalin 2005). The fisheries issue also directly affects the native population, as especially the Nivkh heavily rely on this natural resource (Baranova 2001, p. 50).

Social Divide – Are the benefits trickling down?

The large influx of foreign capital has significantly affected Sakhalin, and in particular its capital Yuzhno-Sakhalinsk. Housing prices have tripled due to the influx of foreigners (Paton Walsh 2003a). The prices for foodstuffs have also risen dramatically, while few economic benefits have come to those not employed by SEIC or in the service industry (Quartly 2003; WWF 2005). Fears are that if vital industries and resources like fishing are damaged, the social divide will increase even further. Other actors assert that the influx of workers into the relatively small communities on Sakhalin poses a strain on local social services and infrastructure to the detriment of the local population (Lazebnik 2004). Lazebnik also states that only about 10% of workers on the construction site of the LNG plant in Korsakov are locals, meaning that the benefit to the local economy is limited as there is very little trickle down effect from foreign workers, who often send home the larger part of their wages. It must be added that the PSA requires 70% of the labour, contract services, materials and equipment to be Russian over the life of the entire project. Conclusive figures can hence only be provided in retrospect.

Financial Issues

Involvement of Export Credit Agencies and International Financial Institutions

Given the enormous investment required for Sakhalin II, SEIC has decided to turn to public investors for financial backing. It has approached numerous export credit agencies (ECAs) and international financial institutions (IFIs) (see Table 1 below), which has caused particular criticism because ECAs and IFIs are publicly funded. They hence are subject to more public scrutiny, and have been the target of several actions that will be discussed below.

Revenues for Russia and Sakhalin– Is it a good deal?

The Sakhalin II project was the first foreign investment in Russia to be negotiated under the terms of a Production Sharing Agreement (PSA), signed in 1994. In a PSA, the Russian government receives no royalties or taxes from energy sales until the investing companies have been compensated for the costs of exploration, development and production (Craft 2003, p. 31) and a 17.5% real rate of return on investment (Rutledge 2004, p. 3). After this point, the PSA still denies the Russian state majority returns until SEIC's profits are ensured at a 24% real rate of return. In other words, the risks of the project are largely borne by the Russian state, since the oil deposits had already been discovered prior to the signing of the PSA and exploration costs were thus at a minimum. Moreover, compared to international standards of between 10 and 20%, the royalties agreed to in the PSA are low, at 6% (Rutledge 2004, p. 4). Furthermore, Pacific Environment alleges that the PSA limits the applicability of Russian environmental law to the project (Pacific Environment 2005c). The Russian parliament, the Duma, has since abolished PSAs as a method of foreign investment (Craft 2003, p. 31). Part of the issue is also the division of revenues between Moscow and Sakhalin, where Sakhalin is receiving less than some people think it deserves.

Institution	Amount	Date Signed	Source
Coface (France)	Unknown	Under negotiation	Norlen 2003
European Bank for Reconstruction and Development (EBRD)	USD 116,000,000 USD 500-700,000,000	1998 Under negotiation	EBRD 1997 BankTrack 2004, p. 4
Export-Import Bank of the United States (Ex-Im Bank)	USD 300,000,000	Under negotiation	BankTrack 2004, p. 4
Export Credits Guarantee Department (ECGD, UK)	USD 500-700,000,000	Under negotiation	BankTrack 2004, p. 4
Japan Bank for International Cooperation (JBIC, formerly JEXIM)	USD 116,000,000 USD 3,500,000,000	1997 Under negotiation	JBIC 1997 BankTrack 2004, p. 4
Nederlandsche Credietverzekering Maatschappij (NCM, Netherlands)	Unknown	Under negotiation	ECA Watch 2003, p. 54
Overseas Private Investment Corporation (OPIC, USA)	USD 116,000,000	1997	OPIC 1997
Servizi Assicurativi del Commercio Estero (SACE, Italy)	Unknown	Under negotiation	Norlen 2003 Simmons 2003

Table 1: Public Financing of Sakhalin II Project

Compensation

Farmers and indigenous groups have been dissatisfied with SEIC's handling of compensation payments where the pipeline has led to expropriations, with native groups demanding an independent compensation fund (Pacific Environment 2005e; SEW 2004e). The director of WWF Russia, Igor Chestin, even went as far as to say that land owners had received no compensation whatsoever for loss of land (WWF 2005).

Legal Issues

Russian Environmental Law

In March 2004, a group of Russian environmental non-governmental organisations (NGOs) filed a lawsuit to stop all activities of Sakhalin II, arguing that the government had allowed Sakhalin II to proceed despite Russian environmental legislation's prohibition on activity that can damage populations of species contained in the IUCN's Red Book of endangered species. In this case, the Western Pacific Grey Whales, Stellar sea eagle and Sakhalin Taimen salmon were concerned (ECA Watch 2004).

CEE Bankwatch Network asserted that, already in its early stages, SEIC performed exploration activities without the necessary permits, without having conducted the legally required Environmental Impact Assessment (EIA), and in contravention to other aspects of Russian law (Baranova 2001, pp. 50-51). Furthermore, SEIC is accused of ignoring the recommendations of the State Ecological Panel Reviews, an integral part of the EIA (Spiridonov & Gorokhov 2003, p. 11). In a related matter, the NGO Pacific Environment charged that SEIC's refusal to release project information of importance to the EIA constituted a breach of Russian law, leading to flaws in the EIA (Pacific Environment 2005c).

Equator Principles – Banks and their commitments

The financial backers of the project have been accused of violating the Equator Principles (BankTrack 2004, p. 25; PLATFORM 2004b). The Equator Principles are a voluntary industry standard “for financial institutions in determining, assessing and managing environmental & social risk in project financing” developed at the initiative of the International Finance Corporation in 2002 (EquatorPrinciples.com 2005). To date, 29 financial institutions have signed on to the principles, among them many of the largest ones in the world, including Crédit Suisse First Boston, which has been acting as a financial advisor to SEIC.

The campaigners have exerted pressure on the financial institutions on the grounds that the EIA carried out for the project was deficient, that the site of the project would be in a Critical Natural Habitat, and that public consultation processes in the lead-up to the project were flawed (BankTrack 2004, pp. 25-26; PLATFORM 2004).

Public Consultation and Interaction – Does public opinion count?

Several groups have taken issue with SEIC's strategies of public consultation in project planning and design. A coalition of 25 environmental organisations stated that the public comment period for feedback about SEIC's whale protection plan was inadequate (SEW 2002b). Similarly, native groups whose traditional reindeer herding grounds the pipeline will cross were not consulted in the initial consultation process for phase 2, when officials and scientists approved the planned pipeline route (Wilson 2003, p. 38). Wilson, however, is quick to point out that the Social Impact Assessment (SIA) that SEIC subsequently conducted in 2002/03 was comprehensive and has since become a benchmark for industry practice.

Activists also charge that SEIC has refused to enter into discussions when they tried to organise public meetings on Sakhalin II. SEW (2004d) lists seven such efforts between March and June 2004. Although SEIC is under no legal obligation to attend such meetings, its absence speaks to its approach to the atmosphere of mistrust between the project critics and SEIC.

Emma Wilson (2003, p. 39) sums up the islanders' feelings: “Today, the multinational oil companies, and their allies in the regional and federal governments, are likewise perceived as an immutable force. Local participation in decision-making is further hampered by the emphasis on specialist knowledge in public debate, again a universal phenomenon.”

THE CAMPAIGN

A significant campaign has emerged in response to the Sakhalin II project, which got started at least as early as 1994 (FoE Japan 1995). Due to the multitude of issues involved in the project, the campaign is highly complex. It will be impossible to treat all aspects comprehensively in this paper, however there are some general conclusions that can be drawn on their nature.

Advocacy Networks – Joining forces

All campaigners, by their very nature, are to some extent involved in advocacy. For the purpose of this paper, advocacy will be defined as “an act of organizing the strategic use of information to democratise unequal power relations” (Jordan & van Tuijl 2000, p. 2052).

Perhaps most importantly, the campaign is characterised by a network spanning the gamut from Russian grassroots initiatives to global actors like Greenpeace and the Worldwide Fund for Nature (WWF). The very word “campaign” has come to imply a network of NGOs, rather than a single organisation pursuing a solitary goal. Networks allow NGOs to mobilise large, international constituencies for a particular cause, in this case to plead the cause of others – hence the reference to advocacy networks (Keck & Sikkink 1998, p. 8). Most often, this happens in the name of awareness building, but also to organise letter-writing campaigns and sometimes for direct actions and demonstrations. Importantly, advocacy networks also are often seen to allow marginalized groups of people to become actors in development (Henry et al. 2004, p. 852). While these networks often lack a formal structure, they are mostly well coordinated. The Internet greatly facilitates the creation of advocacy networks by providing conduits for coordination, communication, research and information dissemination.

Generally, an advocacy network will have one or a coalition of lead organisations. The most active organisations in the Sakhalin campaign have been SEW and Pacific Environment. The former is an NGO based in Yuzhno-Sakhalinsk, and enjoys a close relationship with California-based Pacific Environment. SEW organises numerous grassroots campaigns, with protest actions drawing up to 300 participants (Sakhalin Independent 2005). It is also starting to act as a voice for smaller local NGOs and initiatives. Co-founded by Emma Wilson, at the time a graduate student from Britain, it has also proven very adept at forming international links to further its cause, using a version of what Keck and Sikkink (1998, p. 12) call the “boomerang strategy.” In this strategy, an NGO bypasses its host state and seeks international allies to bring pressure on a target when direct access to the state is either unfruitful or impossible. Since the Russian state is heavily reliant on oil and gas exports, which make up the majority of its export earnings, it has been hesitant to intervene and regulate Sakhalin II. It also is not particularly concerned about environmental issues. Thus, the boomerang tactic has become a strategic choice for the campaign. The boomerang strategy is advantageous to both sides: the local actor receives access, leverage and information, while the northern group can assert that they are supporting their partners. The resulting associations have enabled SEW to spread its message across the globe, increasing public pressure on the project’s backers. Furthermore, it has repeatedly issued press releases jointly with other organisations, most frequently with Pacific Environment, CEE Bankwatch Network and FoE (SEW 2004c).

Creating a network also yields benefits to its members by allowing for a division of labour. Thus, it would be very difficult for one organisation to cover all the issues involved in a complex project such as Sakhalin II. Bringing more organisations into the fold has allowed for a certain degree of specialization. It also enables using the organisations’ comparative advantages. Thus, a WWF Russia representative has acknowledged that FoE is more experienced than WWF in staging protests and direct action events (Serykh 2005). Furthermore, the network also confirmed that Sakhalin II was not just a niche issue, but that a relatively wide interest had formed around the project.

We can distinguish between three types of networks when exploring NGO campaign networks in this context: close networks, loose networks, and internal networks. Each of these archetypes can be national or international, and the number of participating organisations is theoretically unlimited.

The first type of network is a “close network.” While there often is a lead agency for a campaign, SEW in particular has formed close partnerships with a number of organisations, most notably with Pacific Environment. Part of Pacific Environment’s mission is to support local environmental struggles. To this end, it commits more than one third of its annual budget to funding grassroots organisations working on significant environmental issues (Pacific Environment 2005a). Pacific Environment’s name also appears on virtually every one of SEW’s published documents. Moreover, Pacific Environment has a network of grassroots organisations it supports, which have lent their names to SEW’s and Pacific Environment’s activities on numerous occasions (Pacific Environment 2005b). The relationship between Pacific Environment and SEW, therefore, is a case of close mentoring and support.

Other institutional networks are much weaker, and are mainly designed to give the semblance of a large constituency supporting a particular cause or demand. This kind of network can be termed a “loose network.” For example, Whale Day International, a small California-based organisation used International

Whale Week 2004 to highlight the plight of the Western Pacific Grey Whale. In cooperation with Global Response and Pacific Environment, they assembled a group comprising 50 other organisations that supported a letter-writing campaign targeting the EBRD and ECAs and lent their names to the cause. These organisations ranged from a number of Russian grassroots organisations to giants such as Greenpeace and Environmental Defense (Whale Day International 2004). Other examples include a letter to Shell's Chairman Lord Oxburgh demanding a moratorium on marine construction activity. Written and published by SEW, the letter included 109 institutional and 64 individual signatories from numerous countries (SEW 2004a).

International NGOs, such as FoE International, Greenpeace International, and WWF International, will make use of their umbrella international, chapter-based structure to increase their impact. An example of such an "internal network" is FoE. The organisation's international federation, FoE International, shares information with its highly autonomous member organisations. FoE groups in turn share information and support each other, as well as partner organisations. As a result, FoE Japan and FoE England, Wales & Northern Ireland have been particularly active in the Sakhalin campaign, with more superficial support – in the form of press releases, web publications, or support for a study, for example – coming from FoE Netherlands (*Milieudefensie*) and FoE France (*Amis de la Terre*). Likewise, WWF has developed an effective lobbying system, where the UK chapter lobbies the EBRD and the Russian chapter puts pressure on the Russian parliament and the Ministry of Natural Resources (Serykh 2005).

These three types of networks are not mutually exclusive. For example, FoE England, Wales & Northern Ireland is part of a close network with SEW, at the same time as forming an internal network with FoE International and a loose network with FoE Japan. Similarly, WWF International supports the demands of a Russian NGO coalition through its Russian branch, while the Russian branch has a loose association with SEW as well as a number of other organisations.



Figure 2: Location of NGOs Involved in Sakhalin II Campaign

Geographically, the advocacy network spans the globe, with at least 146 NGOs directly participating in at least 22 countries.³ However, some observations are pertinent: As is to be expected, in terms of absolute numbers, the campaign is heavily based in Russia. Russian civil society seems to be fairly well networked, as at least 80 of the organisations involved are based in the country. It is notable that although many Russian NGOs implicated are based in Moscow, there also is a broad network that spans the rest of the country, in particular Siberia (see Figure 2 above). SEW forms the nucleus for this network, although Pacific Environment lists many of the organisations as partners on its website, meaning it may well have acted as an intermediary. SEW functions in part as an intermediary between local Sakhalin community, fisheries and native peoples' organisations, and local politicians opposed to the project, informing them on activities at the international level (Gordon et al. 2005). Importantly, SEW was able to set the general tone of the campaign, avoiding to oppose Sakhalin II altogether, and aiming instead to improve it (Brown 2005).

³ These numbers were identified in background research for this report. They may not be comprehensive, however.

Sakhalin NGOs also seem quite successful at building bridges internationally. In a survey carried out in 1998, Akaha and Vassilieva (2000, p. 236) found that among a wide sample of NGOs and civil society organisations (which were not necessarily involved in the campaign), 46% had ties with organisations abroad. It is likely that this percentage would be significantly higher for organisations involved in the Sakhalin Campaign, given that the nature of their work is more international than that of other organisations surveyed. Moreover, compared to NGOs in other parts of post-Perestroika Russia, environmentalists on Sakhalin got off to a late start organizing and forming local, regional and international links due to Sakhalin's relative isolation, its former status as a restricted area, a lack of personal contacts and leadership skills, and conflicting agendas. Funding for these Russian organisations came from American grant-making bodies originally, and has now been supplemented with funding from Europe and the oil companies involved on Sakhalin (Wilson 2003). Bringing small NGOs from the Russian Far East into the campaign has on the one hand allowed the larger organisations to get a feeling for events and moods on the ground, and on the other hand has lent some legitimacy in numbers to the campaign (Serykh 2005).

Significantly, members of the campaign credit SEW especially, but other Russian organisations as well, with a very large degree of the campaign's influence. Through successful networking and collaboration, a relatively small organisation has been able to leverage significant influence. In a cooperative environment, SEW provided information, developed the content for press and other public campaigns, and formulated most legal approaches the campaign has taken (Cook 2005; Gordon et al. 2005). At the same time, it received legal assistance from other Russian NGOs. While Russian actors provided content, international partners offered support and a global audience, as well as access to international finance institutions (Cook 2005). In the eyes of some of the key campaigners, the campaign's influence rests on its integration of local activism with international activities (Gordon et al. 2005).

Pacific Environment mobilised in a similar manner to SEW in the United States, making the U.S. the second most-heavily represented country in the campaign with 17 organisations. It is interesting to note that they remain involved even though there currently are no American stakeholders in SEIC, unlike the situation when U.S. companies McDermott and Marathon Oil were still invested in Sakhalin II (until April 1997 and October 2000, respectively). Apart from these two countries of concentration, however, the campaign is relatively spread out as far as the headquarters of the participating organisations are concerned. Reflecting their generally lower number of civil society organisations, developing countries are only sparsely represented, making this campaign a largely northern-based one.

Sakhalin II's perceived adverse effects on the native population have resulted in some of the first political activity for Sakhalin native groups, leading to a different kind of advocacy network on a local level. A congress held in March 2005 for the first time brought together all local indigenous leaders, creating a council that represents the population in negotiations with the oil companies (Budjeryn 2005). This may have consequences beyond the oil developments for indigenous relations with the government on land rights issues. The Russian Association of Indigenous Peoples of the North (RAIPON) facilitated this kind of network, where previously no formal organisation existed to link the indigenous groups. In this case, a national organisation acted as a catalyst to organise local actors into a coalition to strengthen their voice, creating both a local-local network and a local-national network.⁴

The only apparent weak spot about the advocacy network that has developed around Sakhalin II is the occasional contradiction between foreign and local campaigners. While SEW, the campaign's lead organisation, calls for the application of best practices to the project, the agenda of some foreign campaigners (e.g. FoE) sometimes calls for the abolition of all oil development projects, primarily on climate change grounds. The legitimacy of these claims, especially if presented as "speaking for the locals," is questionable, given SEW's stance on the issue. Similarly, using the grey whales as the lead topic (see below) has somewhat crowded out issues that are of more concern to the Sakhalin population, such as oil pollution and in particular the project's impact on fisheries. While this does seem to be a weakness from the outside, some of the lead campaigners do not perceive the strategic choice of whales as a lead topic as

⁴ The council has not unified the indigenous population, however, as not all factions are represented (Anonymous 2005). Bradshaw (2005b) notes that Shell's and EBRD's policies and projects on indigenous issues have greatly empowered the native communities to seek additional compensation, despite the fact that most of the damage to indigenous groups was done during collectivisation and onshore development under Soviet rule (Bradshaw 2005a). As a result, SEIC has spent a lot of time on indigenous issues. Both Bradshaw and an SEIC insider (Anonymous 2005) also alluded to the fact that, while there are legitimate issues involved in the indigenous campaign, the motivations of the protest organizers are questionable, as there appear to be clear financial incentives involved.

a problem, as the threat they face is considered an issue of global importance (Cook 2005; Gordon et al. 2005).

Cross-Issue Campaigning – Your enemy is my enemy

Gone are the days when an environmental NGO would campaign strictly on environmental matters. The Sakhalin campaign is a prime example of the cross-issue character of modern campaigning. Nearly all internationally oriented organisations that are heavily involved in the campaign against Sakhalin II use arguments beyond their traditional core competency. This relates particularly to campaigns geared at the project's financing (see "Strategic Targeting" below). Environmental groups generally cover a large cross-section of the environmental issues.

A distinction, however, can be made between internationally focused organisations, which tend to concentrate on the broad environmental impact of Sakhalin II, and local organisations, which tend to be more issue-specific in their actions. For example, until early 2005, native rights received relatively little attention on the international scene (see also Wilson 2003, p. 37). This stands in stark contrast to the indigenous rights dimension of the campaign against Shell's activities in Nigeria, where indigenous rights have greatly broadened and strengthened the campaign (Said 2005, p.81). One of the few notable exceptions occurred when native Sakhalin groups were picketing in January 2005 to call for better treatment and a cultural impact study to be carried out. Yevgeny Shvarts, WWF Russia's Conservation Director was quick to "call on oil companies to stop putting pressure on the indigenous minorities of Sakhalin [...]" (Oxley 2005). Along with WWF Russia, Greenpeace Russia also supported the protest (Greenpeace Russia 2005), as did a curious political alliance of the Russian Green Party and Vladimir Zhirinovskiy's ultra-nationalist Liberal Democratic Party of Russia. Similarly, issues such as compensation for landowners or the social impact remain largely in the domain of local grassroots organisations.

SEW and Pacific Environment have waged the most comprehensive campaigns. Both organisations have proven very adept at exploiting the complex nature of Sakhalin II's impact for their campaigns, likely in part due to their close partnership described above. Both also have highlighted environmental concerns as well as financial, social justice, legal and native rights issues. Such breadth could be expected given their lead function in the campaign.

Cross-issue campaigning can also take on a different facet when a particular issue is addressed via another one. This is the case with environmental rights, which are mainly framed as indigenous rights in the Sakhalin campaign. These "issue networks" are an important defining characteristic of a broad, international campaign such as this one, as no issue can be separated from the other, in accordance with the complexity and interconnectedness of the project's impacts.

Lead Topics – Issues that work

While the most involved NGOs have spread their energies relatively wide, they have also managed to rally global support for what I call "lead topics." Lead topics are integral to an effective campaign as they develop a "common frame of meaning," which bind together a campaign made up of numerous actors (Keck & Sikkink 1998, p. 7). The Sakhalin campaign's lead topic has clearly been the Western Pacific Grey Whale. Salmon fisheries also feature prominently in the campaign, but receive far less attention. Meanwhile, other issues such as industrial waste, financial benefits for Sakhalin or Russia, or indigenous rights have received a smaller share of the spotlight, likely because they are harder to "market" to the public than the fate of the whales, an embattled species that enjoys prominence in the Western public conscience due to previous and parallel campaigns on their behalf. Moreover, the whales are what set Sakhalin II apart from other oil-related campaigns, such as the movement surrounding the Baku-Tbilisi-Ceyhan pipeline, or Shell's projects in the Niger Delta. As a result, this lends a unique selling point to the Sakhalin campaign. A more generally applicable topic, such as the impacts of oil exploration and consumption on climate change, would have been harder to market. As noted above, the organisations involved thus largely shunned the topic of climate change, with the sporadic exception of FoE.

It must be added, however, that the lead topic in this campaign has been largely determined without much regard for local opinion. As mentioned below, the whales are not the primary concern of most local campaigners, or even among ordinary citizens of Sakhalin. The seemingly unified voice that the campaign presents thus largely drowns out other concerns that are of more immediate concern to the Sakhalin population, and which are not necessarily represented in an organised fashion (Anonymous 2005).

Strategic Targeting – Hitting the soft spot

An effective campaign will strike at its target's softest spot. In the present case, this spot is public project financing. The sheer enormity of money required for Sakhalin II, combined with the lucrative terms of public finance available, have led SEIC to approach numerous public finance institutions – primarily export credit agencies, but also the EBRD, an international financial institution – for funding. In Sakhalin II's first phase, SEIC received some USD 350 million. The stakes for the project's second phase are much higher, with total sums under negotiations in the billions.

As a result, the campaigning organisations have focused much of their energy on advocacy work aimed at the public financial institutions involved. This is the issue over which the campaigners have the most leverage, as the public financial institutions involved have to justify their investment decisions to the public. It is important to note, however, that most of the time they did not urge potential financial backers to hold back financing altogether. Rather, following the cross-issue character of the campaign, they sought influence over the process leading up to the project's implementation by trying to ensure minimal impact on whales, fisheries, adherence to due EIA process, etc. However, whales remained the lead topic as indicated above. The Sakhalin campaign has been able to build on expertise already established in organisations such as CEE Bankwatch Network. Their main target has been the EBRD, which received several letters and reports highlighting (mainly) environmental problems and urging the bank to address environmental issues before distributing financing (see for example CEE Bankwatch Network 1997, 2004; SEW 2001b, 2003b, 2004b). Similarly, reports meant both as a pressure tool and as an awareness-building measure have been published on the EBRD's activities (Baranova 2001). Other reports that criticise the Sakhalin II project also lent themselves to the purpose of influencing the EBRD, even though they were less closely targeted. Although the EBRD has been the main object of NGO campaigning, it has not been the only one. Letters have also been sent to Ex-Im Bank (SEW 2002a) and OPIC (SEW 2001a), and a pre-written letter is available for sending to the ECGD, EBRD, Ex-Im Bank and JBIC (Pacific Environment 2005). PLATFORM also sent a "preventative" letter to executives of signatory banks to the Equator Principles (PLATFORM 2004), suggesting that Sakhalin II did not meet Equator Principle standards. In one of its brochures, SEW (2003a) specifically asked readers to organise letter-writing campaigns and direct actions against public finance institutions and the companies involved. A coalition including the Rainforest Action Network, Pacific Environment, BANKTrack, the Berne Declaration, Greenpeace Switzerland, Platform and SEW staged direct action against SEIC's financial advisor, Crédit Suisse First Boston, on Sakhalin, in New York and in Zurich in April 2005, demanding that the bank cut ties with SEIC because of the project's destructive environmental impact (Berne Declaration 2005). This example illustrates that the campaigning NGOs have carried out involves a plethora of activities, in order to prevent project financing which fails to enforce stringent environmental precautions.

A more localised example of strategic targeting is RAGE, which unsuccessfully tried to reduce the demand for natural gas in California by trying to influence the California Public Utilities Commission's decision on whether or not to authorise the state's utility companies to negotiate natural gas contracts. Seeking to push cleaner energy sources like wind and solar power, RAGE's action sought to undermine a large potential new market for Sakhalin gas (Hirsch 2004).

Campaign Successes

The Western Pacific Grey Whales – An easy sell?

In making the whales the campaign's lead topic, its organisers have been able to build on a subject that already is familiar to much of the public. The campaign is trying to assert that the whales would go extinct if the project goes ahead as planned. In other words, their task is to establish scientific certainty where to date there was no such certainty. Using the whale argument has been the most successful strategy of campaigning organisations: SEIC's decision to alter its original underwater pipeline course in order to avoid the whales' feeding habitat was prompted by an IUCN report it had commissioned to evaluate the consortium's whale protection measures. Although SEIC claims that it commissioned the report as a result of its own doubts of previous SEIC studies (SEIC 2005c), it seems relatively safe to assume that the Sakhalin II campaign can at least take partial credit for the consortium's decision. Prior to this decision, a consortium spokesperson was quoted as saying that SEIC "had not changed any policies because of local protests," but had "altered the focus of [its] concerns" (Paton Walsh 2003a). Whereas SEIC had indeed been very reluctant to heed NGO demands, public pressure eventually forced the consortium to seek independent scientific advice from a recognised NGO. In order to maintain credibility, it then had to follow the panel's advice. It is doubtful that SEIC would have gone to the same lengths in whale research without

public pressure. Although the change in the pipeline marks a victory for the campaigners, SEIC's decision did not fully satisfy environmental groups. The WWF's Extractive Industries Policy Officer, James Leaton, responded to the decision by saying that "location alternatives have only been considered for the offshore pipeline, not for the platform. The majority of the whale panel's concerns remain outstanding regarding location, oil spill response, ship-whale collisions, sedimentation, noise and cumulative impacts" (Mathiason 2005b).

While the use of whales as a lead topic, skilfully staged complete with large inflatable whales in front of corporate headquarters, has been successful, this success has come at the expense of less marketable issues such as river crossings or waste dumping in Aniva Bay, the effects of which will ultimately be more severe for the Sakhalin population than for the whales. A project insider also pointed out that the amount of attention SEIC has had to pay to the whale issue in response to the campaign has meant that the consortium has had fewer resources to deal with issues such as community development, contractor management, river crossings or a sustainability strategy (Anonymous 2005).

The EBRD – Public accountability for public institutions

Another front where the campaign saw a preliminary success is the EBRD's reaction to the project. Although causality is harder to establish in this case, at its 2004 Annual Meeting that involved NGO consultations, the EBRD's President, Jean Lemierre, said that the NGOs "have raised most of the issues. The answers we have received (from sponsors) are not appropriate. We are not going to take a decision quickly because we are not satisfied" (EBRD 2004). According to a recent article in the *Observer*, the EBRD decided to "freeze" funding for the project "until problems with the environmental impact of the pipeline's construction are resolved." The article quotes an EBRD spokesperson as saying that "the project is not at this stage ... in material compliance with our policy and the company's commitments" (Mathiason 2005a). SEIC denies this is the case, and maintains it will conclude a loan agreement in 2005 (Forbes.com 2005).

REACTIONS TO THE CAMPAIGN

One way to measure the success of the Sakhalin II campaign is to compare the SEIC's actions with the campaign's demands, although once again, a caveat must be made with regard to causality. NGOs published a "Statement of Common Demands" in late 2002 (see Annex 5; FoE Japan 2002; Pacific Environment 2003). As of September 2003, ECA Watch maintained that SEIC had "refused to meet" the general conditions that are contained in the Statement of Common Demands, namely that the project not move forward until it "use[s] the best available technology, meet[s] the highest international environmental standards and compl[ies] with Russian law" (ECA Watch 2003, p. 55). More recently, WWF Russia similarly described the response as "not honest or informative" (Serykh 2005), and representatives from Pacific Environment and SEW have also slammed SEIC's response (Gordon et al. 2005, see footnote 9), so that a twofold problem seems to exist here. On the one hand, this is a clear communications problem. The other part of the problem lies in the naturally opposing points of view of the two protagonists.

Media Exposure

The Sakhalin II campaign illustrates that media coverage – especially in the international media – plays a crucial role in an effective campaign. In a letter to Ex-Im Bank, for example, SEW made reference to a front-page *Wall Street Journal* article (Carlton 2002). This reference enabled SEW to increase the perceived public pressure on the bank, as the article was unfavourable to SEIC.

The campaign as a whole has not received broad international coverage. However, the controversy surrounding the project did attract the attention of the *BBC* (Quartly 2003), the *Guardian* (Paton Walsh 2003a, b), the *Los Angeles Times* (Murphy 2004), *National Public Radio* (Sheets 2005a, b, c), the *New York Times* (2002), the *Observer* (Mathiason 2004, 2005b), the *San Francisco Bay Guardian* (Hirsch 2004), the *Times* (Cecil 2003), and the *Wall Street Journal* (Carlton 2002). Added to that is the extensive Russian coverage, which ranges from the local *Sakhalin Independent* to the national *Kommersant* and news agency *RIA Novosti*. The campaign has been quite successful in influencing the international media in particular, as all mainstream articles have been very favourable of the campaign's concerns and critical of SEIC's behaviour and impact. Surprisingly, however, the campaign has made little reference in its materials to the wide media attention the project's problems have received.

On the Ground – What do the locals think?

Meanwhile, on the ground on Sakhalin, the project has created divisions. Some inhabitants of Sakhalin have formed interest groups to protest SEIC's activities. Others have been happy to benefit from the wages the project brings to the island. Even an SEIC spokesperson, however, has been careful not to depict the locals' reactions too positively: "There is a general support, maybe support is too strong a word, but in general [locals] have seen an improvement in conditions" (Paton Walsh 2003a). It is apparent, though, that more research on the wider economic effects and on the general popularity of Sakhalin II and the surrounding campaign is needed.

As in all resource extraction-dependent regions, the oil projects make up a large portion of district and oblast budgets.⁵ They also bring stresses to the local economy by straining the island's infrastructure, however (Lazebnik 2004). Putting the number of locals employed in the oil business at only "hundreds," Quartly (2003) also acknowledged that "the promised oil bonanza will take a long time to trickle down to the ordinary people." SEIC's CEO Ian Craig, however, puts the figure of local employees at 2,700 (Brown 2005). Yet in a non-representative survey carried out in 1998, 64.5% of respondents expected some benefits to accrue for Sakhalin citizens from the project (Akaha & Vassilieva 2000, p. 223). Only 39% expected to benefit personally, however (p. 226). At the same time, fully 81% expected negative effects, primarily in the environmental realm (p. 224), with 47% expecting negative effects on their own person (p. 227). Some maintain that rampant corruption is partly to blame for the lack of money making it into the hands of ordinary people (see Sheets 2005a). However, regardless of the economic effects, in the town of Korsakov, where the LNG plant is being constructed, 90% of the population now opposes the plant (Brown 2005). Western media tends to highlight the frustrations of the local population (see Brown 2005; Paton Walsh 2003a; Quartly 2003). And Sakhalin II's effects are as complex as the project itself. While SEIC has created employment in the energy sector, the fishery sector is losing out not only due to the reported declines in fish stock, but also because workers leave the fish industry for the oil and gas business. In addition, advocacy groups such as the local NGO Knowledge is Power point out that most of the workers on the project have been brought in from abroad (Lazebnik 2004).

Meanwhile, the local government (or what is reported of it in the Western media) for a long time was not too concerned about the project. Sakhalin's governor was very supportive of the project, whereas the opposition cited concerns that the project isn't bringing enough benefits to the island (Zimine & Bradshaw 2003, p. 302). Nevertheless, Zimine and Bradshaw's research did not indicate that financial benefits for Sakhalin were an issue in the earlier stages of the project, as the one candidate in the 1999 Sakhalin State Duma elections who argued that Sakhalin didn't profit enough from the energy projects only achieved third place in the election (p. 292). This can perhaps be attributed to the fact that the Sakhalin II campaign was still in its early stages at that point, while it is sure to have raised more awareness today, six years later. As of late, however, Sakhalin Oblast Governor Malakhov strongly criticised the consortium at its supervisory board meeting, stating that he had "evaluated the work of the project's operator, (its) senior and mid-level management as unsatisfactory" because Russian companies and local workers did not benefit sufficiently from the project (Mihailescu 2005). His reaction followed a report that the Russian Audit Chamber accused SEIC of inflicting USD 2.6 billion in damages on Russia's economy by not awarding the portion of contracts agreed to in the Production Sharing Agreement to Russian companies (Mosnews.com 2005).

Environmental aspects of the projects did not seem to be an election issue, either (Zimine & Bradshaw 2003, p. 302). Indeed, even Dimitri Lisitsyn, SEW's head, acknowledged, "Nobody is thinking about [the grey whale]," and his colleague Natasha Barannikova added, "People are very poor. Life is so hard. [...] They don't think about whales because it is too far from their real lives" (Dougherty 2001). The local political ruling class seemed to fall into that category of thinkers in the recent past, reacting "defensively to what they see as the imposition of external values [by Western advocacy NGOs] that threaten their future livelihoods" (Bradshaw 2003, p. 83). A recent quote of Governor Malakhov illustrates this: "No one has ever cared whether the grey whales were fat or skinny, playful or sluggish, and all that. Now, everyone cares! And it all started as soon as the Molikpak [sic] derrick rose in the sea. People say we are destroying wildlife" (quoted in Sinitsyna 2005). Bradshaw (2003, p. 83) also noted that Malakov did not appear to be especially worried about native rights in 2003, however he observes that this attitude is changing as the governor perceives the native issue as a way to leverage money out of the oil companies. Similarly, Bradshaw says that the local government is starting to see a role for NGOs (2005b).

⁵ Wilson (2003, p. 22) cites a newspaper report which states that "payments from [Sakhalin oil company] Rosneft-Sakhalinmorneftegaz make up more than 80 per cent of the district budgets of Okhinskii and Noglikiskii districts ... and 26 per cent of the Sakhalin regional budget."

In a troubled economy such as Sakhalin, campaigning against a potential income generator is not always popular. This has manifested itself for SEW from the side of government authorities and Russian business (Wills 2000). According to Bradshaw (2005b), the campaign enjoys “little to no” public support on Sakhalin, for the simple reason that the public is not really aware of it. A project insider who is also familiar with the campaign confirmed this, adding that the local media doesn’t cover the issue in terms of an NGO campaign, but in terms of the issues affecting the islanders (Anonymous 2005).⁶

SEIC – NGO INTERACTION: FIRST IMPRESSIONS COUNT

SEIC’s interaction with the campaign was for a long time largely limited to crisis management: When the NGOs identified a problem, SEIC would react. This reflects a general defensive attitude marked by an aggressive posture that one project insider observed on the part of the consortium (Anonymous 2005). Although SEIC did participate in the occasional ad-hoc dialogue, it does not seem as though this is taking place in a regular, institutionalised form. Meetings have been held between senior SEIC staff and some NGOs in Moscow at least in July 2002 and May 2005. There now seems to be a wish on the part of SEIC to increase both formal and informal avenues for dialogue. According to a consortium spokesperson, there is a lack of understanding of the business world on the part of some campaigners, a problem that could perhaps be remedied by increased interaction (Walls 2005).

One of the results of this lack of dialogue has been a certain frustration on the part of SEIC, as the extent of campaign demands has remained unclear to some in the consortium (Bradshaw 2005b). Another result is that the campaigners don’t seem to fully understand how the consortium works, according to one consortium insider (Anonymous 2005). The same interlocutor has observed that SEIC’s defensive attitude may be changing with an influx of new staff committed to establishing a meaningful dialogue with the campaigners, which is indeed mirrored in a spokesperson’s recognition of a “history” existing between SEIC and the campaign (Walls 2005).

SEIC also faces a challenge from Shell’s reputation among campaigners. FoE, one of the primary activist groups that have targeted Shell for years, bases its claims against SEIC not only on the facts on Sakhalin, but in part also on negative community experiences around Shell projects elsewhere in the world (Bennett 2005). Thus, SEIC faces an uphill battle against Shell’s reputation among advocacy groups. Fearing NGO and media reactions similar to Shell’s projects in the Niger Delta, SEIC has consequently expended considerable resources dealing with indigenous reindeer herders, of which only 15 remain on the island. This is in spite of the fact that reindeer herding is in decline on the island, not so much because of Sakhalin II but because it is no longer economically viable (Anonymous 2005). The skewed investment of resources on SEIC’s part as a result of campaign pressure highlights the need for formal dialogue. Yet it is also a double-edged sword for the consortium, as engaging the NGOs implies empowering them (Bradshaw 2005b). Nevertheless, SEIC faces an uphill battle, as the following quote from some core campaigners illustrates: “So far, Shell and SEIC have not shown themselves to be any better than your average Soviet oil company. Indeed, in several ways, they can be considered worse” (Gordon et al. 2005).

Campaign strategies have often been confrontational. In pursuit of its own strategies, SEIC in its early days did not respond well (or at all) to these tactics, being rather standoffish itself. There thus is a significant lack of trust of SEIC on the part of the campaigners. This manifests itself in the attitudes of campaigners when dialogue is attempted, as well as in campaigning material. Campaigns are a blunt tool by their very nature. Differentiating between good and bad actions of a consortium seldom fits into the simplified mould that a campaign creates. In the case of the Sakhalin II campaign, the lack of trust is partially based on the fact that SEIC has not shared information as freely as it could have, with the result that the NGOs feel as though the consortium is hiding information (Anonymous 2005). SEIC seems to have recognised this problem, and now claims to be more open about its information, while recognizing that some campaigners would probably disagree (Walls 2005).⁷ Nevertheless, the relationship between SEIC and campaigners

⁶ Nevertheless, Cook maintains that press coverage is substantial and has led to the public “mostly supporting” the campaign (2005). Gordon et al. (2005) say that support for Sakhalin II has dipped over the course of its lifespan as discrepancies between expectations and benefits became clear. These claims cannot be independently verified in the scope of this study, however. In the absence of reliable data on these issues, no final judgment can therefore be made.

⁷ Indeed, Gordon et al. (2005) maintain that SEIC does not provide reliable information about what is happening on Sakhalin.

carries with it the burden of the lack of trust which was bred in the early stages of the campaign, and which will be hard to (re)build. While the consortium now may wish to enter into more cooperative dialogue with campaigners (Walls 2005), achieving this will be hard given the frontlines that have been drawn.

The lack of trust has resulted in a significant communications problem. Both sides acknowledge that interactions have become somewhat better since the early stages of the project. Both purport to want to enter into more dialogue and cooperation with each other (Cook 2005; Gordon et al. 2005; Walls 2005). Yet the increased dialogue and cooperation that might be expected from such desires seems to be elusive, despite attempts to establish them from both SEIC and the campaign.⁸ The history of the relationship seems to weigh heavily on current relations, illustrating the importance of early constructive engagement.

CONCLUSIONS

The campaign surrounding Sakhalin II is only one of many that are being waged on a global level for a largely local purpose. Yet the campaign has proved illustrative in its strategic approach and network character. Advocates have successfully targeted the threatened grey whales as a lead topic that greatly helped it gain international public and media attention, eventually contributing to the EBRD's decision to delay its financing. The campaign achieved this and other results by leveraging a broad international network of NGOs and activists that spans the gamut from local citizen groups in Siberia to giants like Greenpeace.

SEIC has been the an easy campaign target because it has sought public financing. It is not the only source of positive or negative repercussions on Sakhalin Island, but has made itself vulnerable as a result of its decision to pursue public financing. The campaign has not targeted the Russian government as extensively as SEIC because the government is considered quite impervious to NGO voices. Its most promising avenue for success was hence a concerted campaign against SEIC.

Both sides of the conflict have recognised that if SEIC had started a dialogue and taken campaign views into account earlier, the project planning and implementation process would have been less painful and lengthy. SEIC's initially dismissive stance has damaged relations between the consortium and campaigners until this day. A lack of trust characterises the relationship between both sides, and even though SEIC has launched efforts to remedy this situation, the process is going to be lengthy and fraught with difficulties. In the often-emotional spirit of so many campaigns, the Sakhalin II campaign rarely uses positive language to talk about SEIC, nor does it often publicly laud the consortium for positive steps taken. This confrontational stance contributes to the cool relations between the two sides.

The dispute has already opened and will continue to expand political space for civil society action on Sakhalin. NGOs were virtually nonexistent on the island before the campaign got started, and it is likely that it will engender more citizens' initiatives for social change. Apart from the campaign's results to date, this is perhaps one of the most important marks of the campaign, which finds that it is being taken more seriously now than at the outset by local government as well as corporate representatives. Nevertheless, the result of the conflict is unlikely to satisfy both sides because of the relative hard-line stance of the campaign, representatives of which have stated that "SEW won't be satisfied until Shell and SEIC resolve" the as yet unaddressed pleas on the Statement of Common Demands (Gordon et al. 2005). The space for negotiations is hence limited.

⁸ Statements from interviews illustrate this: SEIC does "not reply to all the requests by SEW and other attempts to cooperate, (and when they have replied, it is often with just words, and seldom with any real actions)" (Cook 2005); "NGOs have tried repeatedly to enter into a productive dialogue with SEIC in order to get SEIC to make the reasonable changes that NGOs have requested through the Statement of Common Demands. SEIC has responded at times with conflict, at times with dialogue that goes nowhere, and at times with silence (Gordon et al. 2005)."

ABBREVIATIONS

EBRD	European Bank for Reconstruction and Development
ECA	Export Credit Agency
ECGD	Export Credits Guarantee Department (the British Export Credit Agency)
EIA	Environmental Impact Assessment
Ex-Im Bank	Export-Import Bank of the United States
FoE	Friends of the Earth
IFI	International Financial Institution
IUCN	World Conservation Union
JBIC	Japan Bank for International Cooperation
JEXIM	Japan Export-Import Bank
LNG	Liquefied natural gas
NCM	<i>Nederlandsche Credietverzekering Maatschappij</i>
NGO	Non-governmental organisation
OPIC	Overseas Private Investment Corporation
PSA	Production Sharing Agreement
RAGE	Ratepayers for Affordable Green Energy
RAIPON	Russian Association of Indigenous Peoples of the North
SACE	<i>Servizi Assicurativi del Commercio Estero</i> (Foreign Trade Insurance Services, the Italian Export Credit Agency)
SEIC	Sakhalin Energy Investment Company
SEW	Sakhalin Environment Watch
SIA	Social Impact Assessment
USD	United States dollars
VNIRO	Russian Federal Research Institute of Fishery and Oceanography
WWF	Worldwide Fund for Nature

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ANNEX 1: PRINCIPAL CORPORATE ACTORS

NB: This list does not include SEIC's contractors and subcontractors.

SEIC



SEIC is the company led by Shell formed for the Sakhalin II project. While Shell holds a 55% stake in the venture, the Japanese companies Mitsui Sakhalin Holdings B.V., a subsidiary of the large Japanese conglomerate Mitsui, and Diamond Gas Sakhalin, a Mitsubishi company, are involved with 25% and 20% of the investment, respectively. As of April 2005, Gazprom looks set to join the venture.

seic.com

Royal Dutch / Shell



Founded in 1907, the Royal Dutch/Shell Group now operate in over 145 countries, employing more than 119,000 people. Shell companies are involved in exploring, producing, transporting and trading oil and gas on land and at sea, selling fuel for ships and planes; generating electricity, including wind power, and producing solar panels; producing petrochemicals that are used for plastics, coatings and detergents; and developing technology for hydrogen vehicles.

shell.com

Mitsui & Co., Ltd.



Based in Japan with branches throughout the world, Mitsui & Co. is involved in exploration, development and mining activities in iron ore, coal, non-ferrous metals, and precious metals. It prides itself on being an international business organiser and provider of integrated trade facilitating services.

mitsui.co.jp/tkabz/english

Mitsubishi Corporation



Originally founded in Japan in 1870, Mitsubishi's 45 members today pride themselves on being Japan's industry leaders in the following sectors: marine transport, aircraft manufacturing, shipbuilding, nuclear power engineering, waste treatment plants, satellites, defence contracting, glass, petrochemicals, oil products, beer, property and casualty insurance, and warehousing.

mitsubishi.com

ANNEX 2: NGO ACTORS

The following is a list of the NGO actors involved in the Sakhalin II Campaign. The list is likely not comprehensive. Wherever possible, a brief portrait of the organisation is provided, as well as a link to the organisation's website. Where no URL or information is provided, research in the public domain did not yield any results.

Action for Solidarity, Equality, Environment and Development (A SEED) Japan



A SEED is a Japan-based, broad network which aims to forge alliances among young people committed to social and environmental justice across the world. Formed in response to the 1991 UNCED Earth Summit, A SEED's decentralised network encompasses regional "hubs" in Europe (Amsterdam), North America, Africa, Latin America and Japan. A SEED targets the structural causes of the environment and development crisis.

aseed.net

Alaska Forum for Environmental Responsibility (AFER)

Based in Valdez, Alaska, AFER is dedicated to holding industry and government accountable to the laws designed to safeguard the environment, provide a safe and retaliation-free workplace, and achieve a sustainable economy in Alaska. It specialises in resources for "whistleblowers." Supported Statement of Common Demands (2003).

Advocates For Environmental Human Rights (AEHR)

AEHR is a non-profit public interest law firm based in New Orleans, USA. It conducts public advocacy and uses litigation as a tool to promote human rights laws to protect the environment, human health, and cultural traditions. AEHR supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

All-Russian Movement "For Human Rights"

Based in Novocherkassk, Russia, this organisation has campaigned against state immunity in CIS countries and supported the Demand for Moratorium on Sakhalin II Marine Activity (2004).

Amur Ecological Club "Ulukitkan"

Based in Blagoveschensk, Russia, Ulukitkan protested against imports of nuclear waste into Russia, and supported the Demand for Moratorium on Sakhalin II Marine Activity (September 2004).

Amur Socio-Ecological Union

SOCIO-ECOLOGICAL UNION Works to create a representative network of protected areas and conducts field studies to prepare documents to establish a forest refuge of the region's forest ecosystems. Work with policy-makers has ensured biodiversity conservation and protection of indigenous peoples' traditional lands. The group also raises public awareness and support for forest protection through a mass media campaign and environmental education activities. Also see Socio-Ecological Union. Supported response to SEIC Whale Protection Plan and the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

seu.ru/index.en.htm

ANO Resource Centre "PILOT"

ANO Resource Centre "PILOT" is based in Petropavlovsk-Kamchatskiy, Russia. It supported Statement of Common Demands (2003).

Arkhangelsk Association of Ecological Organizations



Based in Maikop, Russia, this organisation has lobbied for greater accountability in international financial institutions (IFIs) and supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

arkheco.ru

Association of Indigenous Nations of North Sakhalin

[also "Sakhalin Association of Indigenous Peoples of the North"] The Association discusses and analyses development-related issues (such as exploration of oil and gas fields) and their influence on the native environment, traditional land-use, and life style of the Sakhalin indigenous peoples (the Nivkhi, Nanai, Oroch, Oroch, Evenk , Ulta, Ainu, and Ulch). It was involved in the January 2005 indigenous protests.

Association of Native Peoples of Irkutsk

Based in Irkutsk, this association supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

Astrakhan State Refuge

Based in Astrakhan, Russia, this organisation supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

Baikal Centre for Environmental Expertise

The Centre is based in Ulan-Ude, Russia, and affiliated with the Buryat Regional Association. BCEE's membership includes environmental specialists from Eastern Siberia's research and development institutions as well as industrial entities, scientists from Moscow and international experts. It has been involved in the following activities: establishing a public interest environmental impact assessment of exploratory drilling for uranium in the Lake Baikal region; analysing the Russia-China oil pipeline by YUKOS and Transneft; and overall coordination of input of public expertise for gas and oil pipeline projects in the Republic of Buryatia. BCEE supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

Baikal Environmental Wave (BEW)

Established in 1990 in Irkutsk, Russia, with a view to preserving Lake Baikal, BEW promotes the consistent orientation of the economy and society towards environmental protection and sustainable development through encouraging education, information-sharing, discussion, teacher training, exhibits, publications, video production, and public participation in decision-making processes. Its project areas include forestry, sustainable agriculture, environmental education, Lake Baikal, alternative energy and eco-journalism. BEW supported the January 2003 Statement of Common Demands, the response to SEIC Whale Protection Plan, and the 2004 Demand for Moratorium on Sakhalin II Marine Activity. BEW partners include Buntstift Foundation (Germany); Baikal Watch (Earth Island Institute, USA); Ecological Business Forum (Ecological Institute - Japan); London Initiative; Greenpeace (Russia); Baikal Ecological Parliament; Baikal Centre for Environmental and Citizen Initiatives; Baikalsk Centre for Environmental Education; Centre for Information and Coordination of the Socio-Ecological Union; Eco-Institute (Japan); WWF UK.

baikalwave.eu.org/Oldsitebew/eng.html

"Baikalo-Lenskiy" State Nature Refuge

This organisation, based in Irkutsk, Russia, supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

Bangla Praxis

Bangladesh-based NGO focusing on globalisation-related issues.

BankTrack



banktrack.org

Operating out of Utrecht, the Netherlands, BankTrack is a network of fourteen civil society organisations tracking the operations of the private financial sector and its effect on people and the environment.

Berne Declaration



Berne Declaration is a Swiss NGO with 19,000 members. Through research, public education and advocacy work, it has promoted more equitable, sustainable and democratic North-South relations since 1968.

Birds Protection of Belarus (Akhova Ptushak Belarusi)



Birds Protection of Belarus seems to be associated with the Minsk-based organisation Bird Life Belarus, and supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

apb.iatp.by

Biodiversity Conservation Center



The Biodiversity Conservation Center (BCC) is a Moscow-based non-profit, non-governmental organisation. The philanthropic fund works with the

development and support of groups that work with environmental protection issues and problems throughout Russia. The group develops environmental protection projects in Northern Eurasia, and coordinates with other nature protection organisations throughout Russia and abroad. BCC supports nature reserves, national parks, and initiative groups with information, strategy, and consultations. The Centre supported both the September 2004 Demand for Moratorium on Sakhalin II Marine Activity and response to the SEIC Whale Protection Plan.

biodiversity.ru/eng

Both Ends



Based in Amsterdam, Both ENDS supports the work of environmental organisations, primarily in developing countries and Central and Eastern Europe. Its activities include information-sharing, research, advocacy, campaigning, networking and capacity-building. This organisation supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

bothends.org

British Russian Eco-Cultural Network (BREN)



With branches in Edinburgh and Moscow, BREN aims to promote communication between grass roots organisations and individuals who are working on projects of social, cultural and ecological restoration and sustainable development in the Russian Federation, its neighbouring countries and the U.K. BREN supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

brenweb.org

BTC Monitoring Project

Based in Saint Petersburg, BTC supported the Statement of Common Demands (2003) and the 2004 Demand for Moratorium on Sakhalin II Marine Activity.

Bureau for Regional Outreach Campaigns (BROC)

Based in Vladivostok, the BROC is a small organisation of journalists who are concerned about the environment. It raises awareness through public education in the areas of forests, oil, oceans and nuclear energy. BROC supported the Statement of Common Demands (2003).

broc.arsvest.ru

Buryat Regional Union for Baikal (BRUB)

BRUB is an NGO based in Ulan-Ude, Buryatia, Russia dedicated to the preservation of Lake Baikal. The union strives to save the unique forests of Buryat Republic and valuable forest ecosystems of the Trans-Baikal territory through the organisation of public discussion on local issues. Projects address a wide range of complex issues between the development of GIS for forest conservation, maps of forest fires and their impact on global climate change, to recommendations for forest management economic mechanisms that protect biological and cultural diversity. It supported both the Statement of Common Demands (2003) and the response to the SEIC Whale Protection Plan.

Campagna per la Riforma della Banca Mondiale (CRBM)



CRBM was established in 1996 as a member of the International Crossroads Centre that supports 41 development, environment, and human rights civil society organisations. Based in Rome, it campaigns for a radical reformation of the international financial institutions (IFIs) to address environmental and social concerns in

all aspects of IFIs' operations. CRBM supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

crbm.org

CEADES Bolivia

The Collective of Applied Studies on Social Development (*Colectivo de Estudios Aplicados al Desarrollo Social*) enables indigenous communities in Bolivia to monitor oil, gas and mining projects that threaten their livelihoods. In addition, it has lent its name to various campaigns targeting international financial institutions and supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

CEE Bankwatch Network



The CEE Bankwatch Network is an international NGO based in Prague, Czech Republic, with member organisations currently from 10 countries of the CEE and CIS region. The basic aim of the network is to monitor activities of international financial institutions (IFIs) in the region, and to propose constructive alternatives to their policies and projects. The Network focuses mainly on energy, transport and EU enlargement issues. The organisation supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

bankwatch.org

Centre for Defense of Wild Nature "Zov Taigi"

Based in Vladivostok, Zov Taigi has been involved in campaigns opposing logging of the boreal forest in Siberia and the Russian Far East. Conducts public education and outreach programmes for logging villages throughout the Primorsky Region. Educates the public and local administration officials about the need to protect habitat and forest ecosystems throughout the Sikhote-Alin mountain range. Zov Taigi releases an environmental magazine, first published in 1992, that has become an authoritative source for environmental news throughout the Russian Far East. Zov Taigi supported Statement of Common Demands (2003).

zovtaigi.org

Centre of Environment Initiative

The Saint Petersburg-based centre supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

Centre of Environment Politics

This Moscow-based organisation supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

Centre for Public Initiatives "Trioniks"

Centre for Public Initiatives "Trioniks" is based in the Khabarovsk Region and supported the Statement of Common Demands (2003).

Centre for Russian Environmental Policy



The Centre for Russian Environmental Policy was founded in 1993 in Moscow as a non-profit organisation, bringing together environmental specialists in order to search for solutions to urgent ecological issues on both the global and Russian national levels. The Centre's activities include defining issues of environmental security, environmental protection and public health; carrying out environmental risk assessments; policy review

and advocacy; and raising public awareness in the above areas. The Centre supported the Statement of Common Demands (2003).

ecopolicy.ru

Centre for Environmental Education “Eyge”

Eyge is a Russian regional organisation aiming to raise public awareness of ecological concerns. It carries out ecological, educational and research programmes and conservation projects in addition to building capacity in civil society. Eyge supported the response to SEIC Whale Protection Plan.

eyge.ru

Co-Creation

This Russian-based NGO supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

Cook Inlet Keeper (CIK)

Conceived in 1995 (Homer, AK, USA), CIK is a private, non-profit organisation dedicated to protecting Alaska’s Cook Inlet watershed and the life it sustains. CIK activities include water quality monitoring, environmental education, and effective advocacy. Since its inception in 1995, CIK has become a leading advocate for watershed-based protections in the rich but threatened streams, lakes and estuaries of the Cook Inlet watershed. CIK supported the Statement of Common Demands (2003).



inletkeeper.org

Corner House (The)

Since its founding in Dorset, UK, 1997, the Corner House not-for-profit company has aimed to support democratic and community movements for environmental and social justice. Through its analyses, research and advocacy, the organisation aims to stimulate informed discussion and encourage an alliance-based approach to tackling critical environmental and social issues. This organisation supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

thecornerhouse.org.uk

Crast School

This school in Yuzhno-Sakhalinsk, Russia supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

Ecological Centre “Dront”



Created in 1989 in Nizhny Novgorod, this NGO’s primary goal is the consolidation and coordination of the activities of the environmental NGOs of Nizhni Novgorod province and of the Volga river basin. It accomplishes the following tasks: work with environmental NGOs; implementation of various projects and programmes in the environmental field; work with the authorities; raising awareness; and implementation of joint actions and projects. Dront is a member of the International Socio-Ecological Union and maintains close ties with many groups in Russia and abroad. It supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

dront.ru/english.ru.html

Discovery

This Russia-based NGO supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

Earth Island Institute (EII)



EII was founded in 1982 in San Francisco to address human-induced degradation of the biosphere. Through education and activism, EII develops and supports projects that promote the

conservation, preservation, and restoration of the Earth. It supported the Statement of Common Demands (2003).

earthisland.org

ECA Watch



ECA Watch is a Washington, D.C.-based organizing and outreach mechanism of the larger international campaign to reform export credit agencies (ECAs). Organisations participating in the campaigns include non-governmental organisations and bodies working on issues related to the environment, development,

human rights, community, labour, and anti-corruption.

eca-watch.org

"Ecocenter Dauria"

Ecocenter Dauria is the Chita-based affiliate of the Siberian Civic Initiative Support Centre (SCISC) based in Novosibirsk, Russia. The centre carries out seminars to help develop capacity in other eco-oriented NGOs, hosts a regional radio programme, and organises events with high-level authorities to engage in policy discussion. The Ecocenter supported the Statement of Common Demands (2003) and the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

ECODAL

Based in Khabarovsk, Russia, ECODAL works to promote a greater public understanding of environmental issues and sustainable development through consultations of citizens' rights protection, documentation of environmental law, and continual analysis of the ecological-economic market. The organisation also participates in various international ecological programmes and projects. ECODAL supported the response to SEIC Whale Protection Plan and 2004 Demand for Moratorium on Sakhalin II Marine Activity.

"Eco-Factor"

"Eco-Factor" (Regional Public Organisation in Russia) supported the Statement of Common Demands (2003).

ECOCITY

This Russian NGO supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

Ecohome

Based in Minsk, Belarus, this NGO promotes the creation of energy efficient and environmentally sustainable homes and is now developing its own permaculture demonstration site. It has also been involved in anti-nuclear campaigns and is part of the Sacred Earth Network. Ecohome supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

Ecojuris

Founded in 1991, Ecojuris is a public interest environmental law firm based in Moscow. It analyses and prepares recommendations on environmental laws and regulations; maintains a database of environmental legislation; consults with businesses and foreign investors on potential violations of environmental and land use laws; and conducts litigation. Ecojuris supported the Statement of Common Demands (2003) and the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

webcenter.ru/~ecojuris/eindex.htm

"Ecological Committee/Club"

"Ecological Committee" is a not-for-profit organisation based in Altai that supported the Statement of Common Demands (2003) and the 2004 Demand for Moratorium on Sakhalin II Marine Activity.

Ecological North West Line, "Oneg"

Oneg has offices in Saint Petersburg and Great Novgorod, and supported the Demand for Moratorium on Sakhalin II Marine Activity (2004).

Eco-Patrol

Based in Vladivostok, Russia, Eco-Patrol supported both the Statement of Common Demands (2003) and the response to SEIC Whale Protection Plan.

EE Information Centre "Lach"

Lach is based in Kamchatsky and involved with indigenous peoples' use of traditional natural resources in Kamchatka. It supported the Statement of Common Demands (2003).

Environmental Defense



Founded in 1967 with its headquarters in New York, ED is one of America's most influential environmental advocacy groups, today with a membership of over 300,000. ED pays special attention to U.S. environmental problems and to America's role in causing and solving global problems. ED produces print and email newsletters, fact sheets and educational materials on "green" behaviour and business practices, and maintains a 750,000-member Action

Network. ED supported the Statement of Common Demands (2003) and the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

environmentaldefense.org/home.cfm

Environmental Watch on North Caucasus

Since 1998, this NGO has worked to assert public control over conservation of box forests in the Tsitse River valley on the territory of Kurdzhips Leskhov, and has opposed the construction of the Cherkessk - Adler highway and Baku-Tbilisi-Ceyhan pipeline. It publishes a mailing list and supported the Demand for Moratorium on Sakhalin II Marine Activity (September 2004).

Environment Protection Service

Based in Kazan, Russia, this organisation supported the Demand for Moratorium on Sakhalin II Marine Activity (2004).

ETNOS

This ecological/cultural/social NGO based in Russia supported the 2004 Demand for Moratorium on Sakhalin II Marine Activity.

Forests and the European Union Resource Network (FERN)



Billing itself as "the EU forest campaign," the Brussels-based NGO was created in 1995 by the World Rainforest Movement. It promotes the conservation and sustainable use of forests and respect for the rights of forest peoples in the policies and practices of the European Union. Its main campaign areas are climate change, forest certification, export credit agencies, WTO & trade agreements, intergovernmental agendas, aid & development cooperation and rights of forest peoples. FERN supported the Demand for Moratorium on Sakhalin II Marine Activity (2004).

fern.org

Friends of the Earth England, Wales & Northern Ireland



Normally referred to as Friends of the Earth (FoE), the England (London), Wales (Cardiff) and Northern Ireland (Belfast) chapter (EWNl) is one of 70 national groups around the world that comprise the FoE environmental network. The major campaign issues of FoE EWNl include corporate responsibility, real food, climate change, global trade, biodiversity, waste, safer chemicals and transport. This organisation supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

foe.co.uk, foe.co.uk/england (England), foe.co.uk/cymru (FoE Wales/Cymru) foe.co.uk/northern_ireland (Northern Ireland)


Friends of the Earth France (Les Amis de la Terre)



Les Amis de la Terre (Friends of the Earth) is a French organisation aiming to protect people and the environment through advancing democracy and solidarity.

Through its 18 regional branches it advances sustainable development at the national and international level, mobilizing citizens through conferences, discussions, media events, and putting pressure on decision makers. FoE France supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity. amisdelaterre.org

Friends of the Earth Japan

 FoE Japan (Tokyo office) has been active since 1980 tackling problems such as global warming, deforestation and development aid to the Third World. Focusing at the local, national and international level, FoE achieves its objectives through information and education campaigns, conducting research, and presenting proposals to government. FoE Japan supported the Statement of Common Demands (2003) as well as the September 2004 Demand for Moratorium on Sakhalin II Marine Activity. foejapan.org/en

Friends of the Earth Netherlands (Milieu Defensie)



Friends of the Earth Netherlands (Milieudefensie) is a national organisation with a hundred local groups. Founded in 1971, it has approximately 70,000 members and contributors. National campaigns focus on legal protection of green and open spaces, opposing the growth of Schiphol airport, climate change and intensive agriculture. International campaigns address conservation of tropical and virgin forests, as well as activities of Shell Oil around the world. This organisation supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity. milieudefensie.nl

Friends of the Earth USA



The U.S. chapter of FoE was founded in San Francisco in 1969. It campaigns at the national and international level to promote policies in line with sustainable development objectives. FoE supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity. foe.org

Forest Action Network

Based in British Columbia (Bella Coola and Victoria) on Canada's West Coast, FAN is a network of over 500 activists that uses non-violent direct action to defend Canada's temperate rainforests and boreal forests. Since 1993 FAN has confronted industry and worked to build coalitions between First Nations, communities, and environmental groups. Along with campaigning against fish farming, FAN supported the 2004 Demand for Moratorium on Sakhalin II Marine Activity. fanweb.org

Fukuoka NGO Forum on ADB

Fund for Altai – 21st Century

Based in Barnaul, Russia, Fund for Altai is an NGO working on environmental, cultural and scientific matters in Altai Krai and the Altai Republic in south-western Siberia. Its activities include weekly TV and radio broadcasts, publishing the "Asian Russia" almanac focused on forest logging issues, and organizing three international "Altai-Cosmos-Microcosm" scientific conferences. In addition, it uses Geographic Information Systems (GIS) in its projects to develop the Katun National Park, protecting the Pyzha taiga, and opposing the Katun river power station. The Fund for Altai supported the response to the SEIC Whale Protection Plan, the January 2003 Statement of Common Demands and the 2004 Demand for Moratorium on Sakhalin II Marine Activity. wildrockies.org/ActivOrg/Altai/alt_eng.html

Fund for Wild Nature of Sakhalin

Based in Yuzhno-Sakhalinsk, Russia, the Fund for Wild Nature of Sakhalin supported both the response to SEIC Whale Protection Plan and also the January 2003 Statement of Common Demands. The NGO collaborates closely with Sakhalin Environmental Watch and the Oregon-based Wild Salmon Centre.

Global Response (GR)



Based in Boulder, Colorado, USA, GR has a membership of 5,500 people from 92 different countries. At the request of indigenous peoples and grassroots organisations, GR organises urgent international letter campaigns to help communities prevent many kinds of environmental destruction. GR was also involved with the Tunkinskii National Park / Russia campaign in 2003. GR supported the January 2005 indigenous protest.

globalresponse.org

Global Community Monitor (GCM)



Based in San Francisco, USA, GCM is an environmental justice and human rights non-profit that works with communities to develop their own community-based environmental and health monitoring programmes. Through promoting leadership development, grass-roots capacity building and effective research strategies, GCM assists communities worldwide to establish air-monitoring programmes to verify pollution and health concerns. GCM supported the 2004 Demand for Moratorium on Sakhalin II Marine Activity.

gcmonitor.org

Goodwill Without Borders

GWB is a Moscow-based NGO that promotes international public information. It has been active in campaigns advocating peace in Chechnya and children's rights, and supported the 2004 Demand for Moratorium on Sakhalin II Marine Activity.

Green Don

Founded in 1990 in Novocherkassk, Russia, Green Don (Zeleny Don) is a regional environmental association serving the southern Don. Its primary concerns are the preservation of fish stocks in the Azov Sea and improving legislation on fishing rights. Zeleny Don helped to create an interparliamentary commission on the Azov to discuss international fishery legislation and the problems of illegal harvesting of fish in the Azov Sea. Zeleny Don also runs an information centre and holds seminars to discuss regional environmental issues and opportunities for joint cooperation among local groups. The group has six branch offices in the Rostov and Volgograd oblasts located in the cities of Rostov, Shakhty, Sulin, and Aksai. It is a member of the Socio-Ecological Union, and supported the 2004 Demand for Moratorium on Sakhalin II Marine Activity.

Green Korea United



Based in Seoul, Green Korea United is an NGO that focuses on the following areas: monitoring the 93 U.S. Army bases throughout South Korea and their associated activities; opposition to the Saemangeum Reclamation Project which jeopardises South Korea's largest and most internationally significant wetland; construction of eco-villages; conservation of Baekdudaek mountain chain; opposing nuclear energy and encouraging use of alternative power in addressing climate change issues. The NGO also seeks to engage with North Korean environmental interests to promote bilateral action on issues including management of the Demilitarised Zone (DMZ), Tuman River, supplying renewable energy facilities, and forestation. GKU supported the Statement of Common Demands (2003).

greenkorea.org/english

Green Light Ecologic Association

Information Centre of Ukraine

Based in Kiev, Ukraine, this organisation supported the 2004 Demand for Moratorium on Sakhalin II Marine Activity.


Greenpeace International



Greenpeace International is a non-profit organisation with a presence in 40 countries across Europe, the Americas, Asia and the Pacific and a head-office in Amsterdam. It focuses on what it perceives to be the most crucial worldwide threats to the planet's biodiversity and

environment. Campaigns include climate change, protecting ancient forests, saving oceans, stopping whaling and opposing genetic engineering. GP supported the Statement of Common Demands (2003). greenpeace.org/international

Greenpeace Russia

 The Moscow-based branch of Greenpeace International formally emerged in 1992. It campaigns in the following areas: ensuring protection and sustainable management of ancient forests; saving Lake Baikal; protecting Russia's World Natural Heritage Sites; eliminating toxic pollution and ensuring resource recycling and reuse; opposing the nuclear threat; and protecting marine and river biodiversity. GP Russia supported the Statement of Common Demands (2003), the response to the SEIC Whale Protection Plan (2002) and the 2004 Demand for Moratorium on Sakhalin II Marine Activity.

greenpeace.org/russia/en

Green World Association



Formed in 1988, GWA is an eco-NGO working in the regions of St. Petersburg and the Baltic Sea. It obtains, analyses and distributes environmental information on nuclear safety, energy efficiency and renewable energy in the region, in addition to promoting protection of marine ecosystems and sustainable development. GWA supported the 2004 Demand for Moratorium on Sakhalin II Marine Activity.

greenworld.org.ru/eng

Gutta-Club National Centre for Children and Youth

Based in Chisinau, Moldova, this NGO supported the 2004 Demand for Moratorium on Sakhalin II Marine Activity.

Halifax Initiative (HI)



Formed in 1994 in Halifax, Canada, HI is a coalition of development, environment, labour, human rights and faith groups whose work has primarily focused on the World Bank, the IMF, debt, the Tobin Tax, and Export Development Canada. Its methods of work include research, education, advocacy and alliance building to ensure that the international financial system contributes towards poverty eradication, environmental sustainability, an equitable distribution of wealth and the full realisation of human rights.

halifaxinitiative.org

Independent Environmental Watch on North Caucasus

Based in Krasnodar, this organisation has lent its name to campaigns aimed at regional financial institutions (e.g. the EBRD) and the preservation of the Caucasian Biosphere Reserve. It also supported the 2004 Demand for Moratorium on Sakhalin II Marine Activity.

Initiative for Social Action and Renewal (ISAR), Moscow, Washington, D.C.



ISAR: Resources for Environmental Activists was founded in 1983, as the Institute for Soviet and American Relations, to encourage citizen diplomacy and facilitate exchange between the U.S. and the Soviet Union. ISAR's network includes offices in Moscow, Novosibirsk and Vladivostok, Russia and Minsk, Belarus as well as local NGO partners in Central Asia, the Caucasus, and the Western NIS. It offers programmes on environmental advocacy, infrastructure, and media and information. ISAR focuses on the areas of nuclear energy, natural resources, sustainable energy, environmental health and sustainable livelihoods. ISAR supported the Statement of Common Demands (2003) and the 2004 Demand for Moratorium on Sakhalin II Marine Activity.

isar.org

Initiative for Social Action and Renewal (ISAR)- MOBO Far Eastern Resource Centre

Based in Vladivostok. See ISAR above. It supported Statement of Common Demands (2003) and the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

Initiative for Social Action and Renewal (ISAR)- Siberia: Interregional Public Ecological Fund

Based in Novosibirsk. See ISAR above. Supported the 2004 Demand for Moratorium on Sakhalin II Marine Activity and the Statement of Common Demands (2003).

Institute for Sustainable Resource Use

This Vladivostok-based organisation supported the 2004 Demand for Moratorium on Sakhalin II Marine Activity.

International Fund for Animal Welfare (IFAW)



IFAW was founded in Canada in 1969 to confront the commercial slaughter of harp and hooded seals. Today, it is the world's leading international animal welfare organisation. Launching a Moscow-based chapter in 1999, IFAW Russia's activities include: supporting scientific studies on sea mammals and the development of alternatives to hunting seals for fur in the White Sea; the protection of whales, brown and polar bears; the protection of domestic and wild animals that have been the victims of commercial trade; the protection of endangered tigers in the Russian Far East. IFAW supported the Statement of Common Demands (2003).

ifaw.org

International Whaling Commission (IWC)



With its secretariat headquarters in Cambridge, England, the IWC was set up under the International Convention for the Regulation of Whaling, signed in 1946. The purpose of the Convention is to provide for the proper conservation of whale stocks and facilitate the orderly development of the whaling industry. In addition to reviewing and revising measures laid down in the Schedule to the Convention which govern the conduct of whaling throughout the world, the IWC encourages, coordinates, funds and publishes whale research, and promotes studies into related matters such as the humaneness of the killing operations.

iwcoffice.org

IsoEU Oil Observation/Forest Company

This Moscow-based organisation supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

IUCN (World Conservation Union)



Established in 1948 with its Secretariat in Gland, Switzerland, IUCN now has members from 140 countries including 77 States, 114 government agencies, and 800-plus NGOs. In pursuit of its mission of "a just world that values and conserves nature," IUCN's activities include: policy advice and technical support; assessing new sites nominated for natural World Heritage status; species monitoring; supporting the Millennium Ecosystem Assessment; promoting community-based natural resource management; engaging with the corporate sector on energy, biodiversity, mining and protected areas; and facilitating Parks for Peace between countries in areas of conflict.

iucn.org

Japan Centre for a Sustainable Environment and Society (JACSES)



jacses.org/en

Based in Tokyo, JACSES was established in 1993 as an independent centre/think tank to conduct policy research and advocacy on a range of environmental issues. It monitors and evaluates the social and environmental effects of Japanese domestic policy as well as Japanese ODA and IFI involvement.

"Kaira Club" Chukotka Ecological Union



Established in 1995, the Kaira Club aims to promote community-based natural resource monitoring, the retention of traditional uses of natural resources, and the development of a network of conservation areas. Members hold environmental awareness programmes for students in

remote indigenous settlements, summer eco-education camps, and 'ecological Olympics.' During the school year, their 'after school programmes' include ecological role playing games, environmental art exhibits, and other events. Kaira Club supported both the Statement of Common Demands (2003) and also the response to SEIC Whale Protection Plan.

kairaclub.narod.ru/KK_WP/hp_kaera/Kaera3.htm

Kamchatka League of Independent Experts (KLIE)



Established in 1996, KLIE is an NGO that aims to provide independent expert advice, public comments, and review to ensure that proposed natural resource extraction projects are not approved without meeting the highest possible environmental standards. KLIE also works to develop Kamchatka's network of protected territories. KLIE supported the Statement of Common Demands (2003), the response to SEIC Whale Protection Plan and the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

klie.ru/Engl/eliga.htm

Kamchatka Regional Association of Public Associations of Native Small-Numbered Peoples of the North

Based in Kamchatka, Russia, this organisation supported the Statement of Common Demands (2003).

Kamchatka Itelmen Council "Tkhsanom"/ Itelmen Council of Kamchatka

Based in Koyrak Autonomous Okrug, "Tkhsanom" supported the Statement of Common Demands (2003).

Khabarovsk Association of Indigenous Peoples of the North (Khabarovsk RAIPON)

See "RAIPON"

Knowledge is Power/Strength

This local grass-roots group of citizens based in Korsakov, Sakhalin, produced the December 2004 report, Negative Impacts of the Sakhalin II LNG Plant on the Infrastructure of Korsakov (ecawatch.org/problems/eu_russ/russia/sakhalin/LazebnikKorsakovLNG_04dec04.htm). It also supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity

Krasnoyarsk Centre for Rights Defense

This organisation supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

Krasnoyarskiy Region Ecologic Union

The Sosnovoborskoye branch of KREU supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

Krasnoyarskiy Region Environment Institute

Based in Krasnoyarsk, this organisation supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

Legal Centre "Rodnik"

Rodnik is a Moscow-based public nature protection organisation. It has filed legal complaints against oil companies (including Exxon Neftegaz Ltd. and Sakhalin Energy) whose operations jeopardise whale populations. Sakhalin Activity: In 2004, Rodnik filed a lawsuit to stop the implementation of Sakhalin II on the grounds that it violates Russian environmental code, which stipulates that any activities harmful to the IUCN Red List of Threatened Species should be stopped. It was also involved in analysing a January 2005 "Agreement" (non-legally binding statement of intent), signed by oil companies' representatives and two representatives of Sakhalin indigenous peoples' groups. Rodnik supported the Statement of Common Demands (2003), the response to SEIC Whale Protection Plan and the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

LiK Centre

This Russia-based Centre supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

Living Seas Coalition

Supported Statement of Common Demands (2003), the response to SEIC Whale Protection Plan, and the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

Louisiana Bucket Brigade

The LBB was formed in 2000 in Louisiana, GA, USA as a community-based initiative to monitor refinery and other toxic air emissions. The LBB supported September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

labucketbrigade.org

Magadan Centre for the Environment

Based in Magadan, Russia, MACE is an NGO working to protect nature in the Magadan region for present and future generations. It conducts studies and educational programmes in addition to supporting local activists and working to improve nature conservation legislation. Its programmes include monitoring mining and oil development, promoting eco transportation, and the publication of the Magadan radio transmission "green wave." MACE supported the Statement of Common Demands (2003), the response to SEIC Whale Protection Plan, and the 2004 Demand for Moratorium on Sakhalin II Marine Activity.

mace.ru

Marine Connection



The Marine Connection is a London, UK-based charity committed to working internationally for the care and protection of dolphins and whales. Through continuous education, campaigning and research, it contributes towards a world that understands and respects all

cetaceans and their natural habitat.

marineconnection.org

Milieu Defensie

see "Friends of the Earth Netherlands"

Mineral Policy Institute (MPI)

MPI was formed in Erskineville, NSW, Australia in 1995 as a not-for-profit NGO. It specialises in research, capacity building, advocacy and campaigning to prevent environmentally and socially destructive mining, minerals and energy projects and to protect and enhance the natural environment. With an extensive network in Australia, Asia, the Pacific and internationally, MPI is a member of the Australian Council for International Development (ACFID), Climate Action Network Australia (CANAN), Nature Conversation Council NSW (NCC), Australian Fair Trade and Investment Network (AFTINET), Friends of the Earth International, BankTrack, ECA-Watch and the Asia-Pacific Research Network. MPI supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

mpi.org.au

MIT Program on Human Rights & Justice

Established in 2000 in Boston, USA, the Program aims to create an inter-disciplinary environment for research, teaching, curricular development and real-world application in human rights, especially relating to the global economy and science and technology. It is the first human rights programme in a leading technology school and the first in the world with a specific focus on the human rights aspects of economic, scientific and technological developments. Cross-cultural dimensions of human welfare, security and dignity animate all the activities of the Program.

web.mit.edu/phrj

Moscow State University Student Nature Protection Team

The Moscow-based organisation has been active since at least 2003. It supported the 2004 Demand for Moratorium on Sakhalin II Marine Activity.

dop-mpgu.ecologia.ru

MROO "SoDeistvie - Team Work"

Based in Magadan, Russia, "SoDeistvie - Team Work" supported the Statement of Common Demands (2003).

MROO "Taiga Rangers"

See "Taiga Rangers"

Natural Resource and Development Institute (NADI)

This Jakarta, Indonesia, based NGO's main focal areas are the involvement of export credit agencies in Indonesia's oil and gas industry and debt cancellation. NADI supported the 2004 Demand for Moratorium on Sakhalin II Marine Activity.

Natural Resource Defence Council



NRDC is an environmental action organisation based in New York with 3 offices throughout the USA. It employs law, science and the support of more than 1 million members and online activists to protect the planet's wildlife and wilderness to ensure a safe and healthy environment for all living things.

nrdc.org

Netwerk-Vlaanderen



Netwerk Vlaanderen is a Belgian organisation that promotes responsible investment by financial institutions.

netwerk-vlaanderen.be/nv.html

NGO Working Group on EDC

Formed by the Halifax Initiative (see above) in 1999, the NGO Working Group on EDC is made up of environment, faith, human rights and labour groups. It supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

halifaxinitiative.org/index.php/aboutus_EDC/EDC_membership

Nikolaevsk City Environment Protection Union/ The Nikolaev City Organisation of the Ukrainian Company of Wildlife Protection

Based in Nikolaevsk, Ukraine, this organisation supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

"Obereg" (TROO)

Based in Tomsk, Russia, Obereg is a member of the regional movement for socially active schools. It carries out anti-corruption awareness raising campaigns and encourages transparency and openness of public authorities and non-governmental control. Its other activities include advocacy and lobbying of anti-corruption reforms; encouraging public authorities to adopt ethical codes; youth programmes (anti-corruption and civic education courses and out-of-school programmes); and other anti-corruption programmes designed for entrepreneurs and journalists. Obereg supported the Statement of Common Demands (2003)



ODANET

Pacific Environment

Pacific Environment (PE) protects the living environment of the Pacific Rim by strengthening democracy, supporting grassroots activism, empowering communities, and redefining international policies. From its head office in San Francisco, PE runs programmes in China, Japan, California and Russia, and has been one of the most active NGOs in its involvement in Sakhalin

Island. PE supported the Statement of Common Demands (2003) as well as the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

pacificenvironment.org

Pechenigy Environmental Group

Based in Kharkiv, Ukraine, Pechenigy is primarily involved in the area of fossil fuels, mining, and anti-nuclear activism. It supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

PLATFORM

PLATFORM promoting creative processes of democratic engagement to advance social and ecological justice

Since 1983 PLATFORM has established itself as one of Europe's leading exponents of social practice art, combining the talents of artists, social scientists,

activists and environmentalists to work across disciplines on issues of social and environmental justice. PLATFORM works in London and the Thames Valley, but its methodologies and strategies have influence outside the UK. This organisation supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

platformlondon.org

Property & Environment Research Centre (PERC)



PERC is a non-profit, environmental think tank in Bozeman, Montana, USA, seeking market solutions to environmental problems. Its activities include research and policy analysis; outreach through conferences, books and articles; and environmental education at all levels.

perc.org

Proyecto Gato

Proyecto Gato is a Belgian business watchdog focusing on issues of economic, social and environmental responsibility. The organisation supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

proyectogato.be

Public Centre for Protection of Human Rights of Sakhalin Region

The Kurilsk-based Centre supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

Public Ecological Children's-Youth Organisation "Rostok"

Based in Partizansk, Russia, "Rostok" supported the Statement of Common Demands (2003).

Public Environmental Nature Guard "Voron"

Based in Yuzhno Sakhalinsk, Russia, "Voron" supported the Statement of Common Demands (2003).

Ratepayers for Affordable Green Energy (RAGE)

Based in Washington, D.C., RAGE is a coalition of organisations working to promote clean energy policies.

Royal Society for the Prevention of Cruelty Against Animals (RSPCA)



Launched in London in 1824, the RSPCA was the first national animal protection society in the world. RSPCA International is now one of the main organisations assisting in the humane treatment of animals overseas. Its activities include advising governments and organisations on animal welfare legislation; responding to appeals for help with crises caused by natural disasters; and training and improving animal welfare standards in communities and countries where funds and resources are minimal.

rspca.org.uk

"Roza Vetrov" (TROO)

Based in Tomsk, Russia, "Roza Vetrov" supported the Statement of Common Demands (2003).

Russian Association of Indigenous Minority Peoples of the North (RAIPON)

Established in 1990, RAIPON works to unite Russia's indigenous groups. Support is given to realizing and protecting the rights of indigenous peoples, addressing socio-economic problems, and preserving the means to renew traditional ways of life through advocacy for the protection and renewal of traditional land use of indigenous groups. RAIPON is a Permanent Participant of the Arctic Council and maintains good relations with other indigenous peoples organisations such as the Inuit Circumpolar Conference (ICC), the Saami Council, and the Aleut International Association. RAIPON supported the response to SEIC Whale Protection Plan. RAIPON supported the January 2005 Indigenous protest and the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

raipon.net/english

Russian House

This Russian NGO supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

Sakhalin Environment Watch (SEW)

One of the lead agencies in the Sakhalin campaign, SEW supported the Statement of Common Demands (2003) and September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

sakhalin.environment.ru/en

Siberian Ecological Centre

Based in Novosibirsk, Russia, SEC works at the national level in the following issue areas: Russian Boreal Forest, restoration and conservation, forest ecology, and national legislation. It works through education and awareness raising, NGO and indigenous peoples capacity building, networking, research, and direct action. SEC supported the 2004 Demand for Moratorium on Sakhalin II Marine Activity.

Siberian Environmental Alliance (SEA)

Founded in 2000 and with its headquarters in Tomsk, Russia, SEA focuses on restoration and conservation in Russia's Boreal Forest. SEA works to build capacity among NGOs and indigenous peoples and launches media campaigns. Ongoing projects include working to establish a national park and studying the effects of radiation pollution of forests and the influence of natural gas exploration in the taiga region. SEA supported the response to SEIC Whale Protection Plan.

iatp.tsu.ru/grant/mt-11/sea/sixpage.html

Siberian Scientists for Global Responsibility

Based in Novosibirsk, SSGR is a non-profit institute active in the realms of human rights and monitoring nuclear pollution. It was involved in the Government Accountability Project to conduct monitoring at sites in Siberia, and opposed logging in the Kudryashevskii Bor. SSGR supported the Statement of Common Demands (2003).

Sochi Department of the Russian Geographical Society

Based in Sochi, Russia, the Society's mission is to develop geographical sciences, education, nature protection and rational utilization of nature resources. Its objectives are to develop social initiative, conduct scientific research, promote geographical knowledge, contribute to the development of local geography and tourism, environmental review of projects, and establish scientific contacts. Its activities promote geographical sciences, oceanography, local geography tourism, biological geography, geology and mineralogy, speleology, school geography, nature protection. The society holds conferences and seminars, issues publications and organises expeditions. It supported the 2004 Demand for Moratorium on Sakhalin II Marine Activity.

Socio-Ecological Union

SOCIO-ECOLOGICAL UNION Founded in Moscow in 1988, the SEU is an international ecological organisation that brings together more than 25 thousand people from 19 countries of Europe, Asia and North America to share environment-related

information. It publishes the SEU Times, a newsletter devoted to environmental news, events, and NGO work within the former Soviet Union territory. It also conducts environmental performance reviews and rating of Russian big business. SEC supported the Statement of Common Demands (2003). SEU of Moscow, the West Caucasus (Maikop), and Turkmenistan (Dashoguz) supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

seu.ru/index.en.htm

South Durban Community Environmental Alliance (SDCEA)

Founded in 1997 in South Durban, South Africa, SDCEA is a democratic coalition of eight community-based organisations and 2 NGOs that speak out for environmental justice. SDCEA supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

SROO "TKK 'Piligrim'"

Based in the Sakhalin Region, TKK Piligrim supported the Statement of Common Demands (2003).

Studio Effect-tiv Ltd

Russian-based, supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

Survival International

Based in London, UK, with branches in France, Germany, Italy and Spain, SI calls itself the only international organisation supporting tribal peoples worldwide. It was founded in 1969 and presently has supporters in 82 countries. It works for tribal peoples' rights through education, advocacy and campaigns.

survival-international.org

"Svobodnoe Slovo (Free Word)" IA

Based in Yuzhno-Sakhalinsk, Russia, "Svobodnoe Slovo" supported the Statement of Common Demands (2003)

Taiga Rangers

Based in Khabarovsk Region, "Taiga Rangers" supported the Statement of Common Demands (2003) and the September 2004 Demand for Moratorium on Sakhalin II Marine Activity

Taiga Rescue Network



With offices in Jokkmokk, Sweden, in Moscow, Russia, and in Winnipeg, Canada, the Taiga Rescue Network (TRN) was established in 1992 to support local struggles and strengthen the cooperation

between individuals, NGOs and indigenous peoples and nations concerned with the protection, restoration and sustainable use of the boreal forests.

taigarecue.org

Taiga Research and Protection Agency (AIST)

Based in Siberia, the Taiga Research and Protection Agency (AIST) works to promote conservation and public participation in natural resource decisions and operates a monitoring programme that tracks mining and forest development activity in the region. It also maintains a public inspection programme to monitor local mining enterprises and promote sustainable recreation. AIST supported the response to SEIC Whale Protection Plan.

Tomsk Association of Native People from the North

This association supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

Union For Chemical Safety (UCS)

Founded in 1993 in Moscow, UCS is an interregional NGO working to eliminate the proliferation and widespread misuse of toxic chemicals in Russia, including biological and chemical weapons, dioxins, PCBs, liquid rocket fuels, and pesticides. UCS publishes articles in the mass media; lobbies government; conducts risk assessment in the field of chemical safety; carries out ecological monitoring; undertakes medical monitoring and assistance to people suffering from the consequences of chemical toxins; advocates ecologically safe destruction of chemical weapons (CWs) and military/non-military toxins; and lobbies for a

conversion of the CWs industry. UCS supported Statement of Common Demands (2003) and the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

Union of Public Organisations (Communities) of Native Small-Numbered People of the North of Kamchatka Region "YaYaR"

Based in Kamchatka Region, YaYaR supported the Statement of Common Demands (2003).

United Front to Oust Oil Depots (UFO-OD)

Based in Manila, Philippines, UFO-OD is a local coalition made up of diverse NGOs and concerned citizens who monitor an oil depot in Pandacan, Manila run by the multinational oil companies Shell, Caltex, and Petron. Using the bucket, other tools, and media, citizens monitor their own health and environment. The group demands that the hazardous oil depot be relocated far away from the district that is home to 80,000 residents, schools, historical sites, and the Pasig River. UFO-OD supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

urgewald



urgewald is an environmental and human rights organisation that understands itself to be a contact partner for environmental, development and human rights organisations from around the world who see their community threatened by development projects with German participation. The organisation lobbies the German parliament and government as well as IFIs. urgewald fights for a reform of traditional environmental, development and economic policies according to social and ecological criteria. Its target audience are consumers. This organisation supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

urgewald.de

Wild Bird Society of Japan



The organisation was founded in Tokyo in 1934 and presently has a membership of 54,000.

wing-wbsj.or.jp

Wild Salmon Center



Founded in 1992 with several branches throughout the USA and Russia (Portland, OR Head Office; branches in Seattle and Forks, WA; Moscow and Elisovo [Kamchatka Oblast], Russia), the Wild Salmon Center is an international non-profit organisation dedicated to protecting Pacific salmon, steelhead, char and trout stocks and their ecosystems. WSC runs biodiversity programmes on Cascadia, Kamchatka, and Russian Far East salmon, is developing a database on North Pacific Tillamook salmon, and campaigns to conserve Tillamook, Oregon's Coastal Rain Forest (USA). WSC supported the Statement of Common Demands (2003) and the September 2004 Demand for

Moratorium on Sakhalin II Marine Activity.

wildsalmoncenter.org

Woods Hole Research Center (WHRC)



Based in Woods Hole, Massachusetts, USA, the WHRC conducts research, identifies policies, and supports educational activities that advance the well-being of humans and of the environment. With programmes in the Amazon Basin, Eurasia, the Congo Basin and North America, WHRC aims to understand the causes and consequences of environmental change as a basis for shaping policy. It specialises in ecological research on land use in forested regions and seeks to conserve and sustain forests, soils, water, and energy resource management. WHRC supported the response to SEIC Whale Protection Plan.

whrc.org

World Society for the Protection of Animals



World Society for the Protection of Animals

Founded in 1981 in London through the merger of two animal protection organisations, WSPA envisages a world in which animal welfare is understood, respected, and protected by effective legislation. Through its 13 international offices WSPA works with more than 500 member organisations to raise the standards of animal welfare throughout the world. It is the world's largest network of animal protection specialists and is the only animal welfare organisation to have consultative status at the United Nations and the Council of Europe.

wspa-international.org



World Wildlife Federation (WWF)

Founded in 1961 with its headquarters in Gland, Switzerland, the WWF is among the world's largest and most experienced independent conservation organisations with a global network spanning more than 90 countries. Aiming to promote education and research to conserve the world's endangered species and habitats, WWF focal areas include the survival of species and habitats, climate change, sustainable business and environmental education.

wwf.org

World Wildlife Federation (WWF) Russia



Founded in 1994, the Moscow-based branch of WWF Russia addresses climate change, forests, ocean, endangered species, toxic substances and conservation, while working to build an environmental legal framework. WWF supported the Statement of Common Demands (2003) and the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

wwf.ru/eng

World Wildlife Federation (WWF) UK



Launched in 1961, WWF-UK (London) was the first National Organisation in the WWF network. Its objective is promoting education and research to conserve the world's endangered species and habitats.

wwf-uk.org

Youth Ecological Movement of Chuvash Republic

Based in Chuvash Republic, Russia, this movement supported the September 2004 Demand for Moratorium on Sakhalin II Marine Activity.

ANNEX 3: POLITICAL PARTIES

Green Party (Russia)

Supported the January 2005 indigenous protest

Liberal Democratic Party (Russia)

Supported January 2005 indigenous protest

United Russia (Russia)

Supported January 2005 indigenous protest

ANNEX 4: FINANCIAL ACTORS

Credit Suisse First Boston (CSFB)



CSFB is a business unit of Zurich-based Credit Suisse Group. As financial advisor to Sakhalin II, it is a global investment bank serving institutional, corporate, government and high net worth clients. It operates in about 70 locations across more than 33 countries on five continents. The firm has been active in Russia since 1993 and has invested over USD 30 billion into the Russian economy over the past ten years.

csfb.com

Coface



Founded in 1946, Coface is a subsidiary of Natexis Banques Populaires and the Banque Populaire Group, whose regulatory capital amounted to €12.2 billion at 31 December 2003. Coface facilitates global trade by offering companies solutions to manage, finance and protect their customer portfolio and enabling them to outsource all or part of their receivables management, as well as the related risks.

coface.fr

European Bank for Reconstruction and Development (EBRD)



The EBRD was established in 1991 (London office) as a means for central and eastern Europe and ex-soviet countries to support and nurture a new private sector in a democratic environment. As at 31 December 2004, the European Bank for Reconstruction and Development (EBRD) had signed 210 investments in Russia totalling €5.9 billion. Alongside EBRD funding, an additional €10.3 billion has been mobilised. A total of 81% of investments are in the private sector. The EBRD's key objectives largely coincide with the Russian Government priorities and include, among others, the reduction of Russia's dependence on its natural resources. (Report "Promoting Development in Sakhalin Oblast, EBRD Action Plan" <http://www.ebrd.com/country/country/russia/sakhali.pdf>).

ebrd.com

Export-Import Bank of the United States (Ex-Im Bank)



With its headquarters in Washington, D.C., USA, Ex-Im Bank is the official export credit agency of the U.S. whose mission is to assist in financing the export of U.S. goods and services to international markets. Ex-Im Bank has been actively pursuing financing opportunities in the Russian Federation since opening for business in Russia over a decade ago. The Bank has been working to expand the scope of its financing activities to take advantage of Russia's current economic expansion and growth. Although there was a decrease in activity in the wake of the financial crisis of 1998, in the last several years authorizations for Russia have steadily increased and have averaged approximately USD 150 million per year. Today, Ex-Im Bank has an outstanding portfolio of approximately USD 1.4 billion in such sectors as aircraft, health care and mining, and a pipeline of pending projects equivalent to USD 750 million.

exim.gov

Export Credits Guarantee Department (ECGD, UK)



Based in London, ECGD is the UK's official export credit agency and separate Government department reporting to the Secretary of State for Trade and Industry. As well as helping UK exporters and investors to win business abroad, ECGD states that its purpose is also to help the Government meet its international objectives, including those of sustainable development, human rights and good governance. It has drawn up a set of Business Principles, in consultation with others within Government, industry and the NGO community to define how this will be put in practice.

ecgd.gov.uk

Japan Bank for International Cooperation (JBIC, formerly JEXIM)



**JAPAN BANK FOR
JBIC INTERNATIONAL COOPERATION**

JBIC is Japan's export credit agency. Its overall capital for international financial operations is 985.5 billion yen (about USD 9 billion), with 6,704.6 billion yen (USD 63 million) for overseas economic cooperation operations. In December 1997 JEXIM (the Export-Import Bank of Japan) signed an agreement to extend

a project finance loan totalling USD 348 million to the Sakhalin II Project (Phase 1). Of this total amount, JEXIM provided USD 116 million.

jbic.go.jp/english/index.php

Nederlandsche Credietverzekering Maatschappij (NCM, Netherlands)

Overseas Private Investment Corporation (OPIC, USA)



OPIC was established in 1971 in Washington, D.C., USA, as a development agency of the U.S. government. OPIC helps U.S. businesses invest overseas, fosters economic development in new and emerging markets, complements the private sector in managing the risks associated with foreign direct investment, and supports U.S. foreign policy. OPIC projects have generated USD 63.6 billion in U.S. exports. Beginning in January 1997, OPIC began listing projects for which an Environmental Impact Assessment (EIA) or Audit will be required. OPIC publishes an Annual Environmental Report, as well as an Environmental Handbook (2004) and the report "Climate Change: Assessing our Actions."

opic.gov

Servizi Assicurativi del Commercio Estero (SACE, Italy)



The Italian export credit agency SACE became a joint stock company in January 2004 (transition from a public corporate entity) whose objective is to support Italian businesses in foreign market competition. It aims at new and important goals: first and foremost, a greater presence in OECD markets in the marketable risk segment. In January 2001 an environmental unit was established in response to the introduction of an environmental procedure, the aim of which is

to analyse thoroughly environmental effects due to Italian exports.

isace.it/portale/home.asp?l=eng

ANNEX 5: STATEMENT OF COMMON DEMANDS BY ENVIRONMENTAL NGOS REGARDING THE SAKHALIN-1 AND SAKHALIN-2 OIL AND GAS PROJECTS

December 12, 2002

This document is a list of common demands from Sakhalin, Russian Far Eastern, Russian and international environmental non-governmental organizations regarding key environmental issues associated with Sakhalin oil and gas development on Sakhalin Island and on the island's coastal shelf, as well on the shelf and coastal areas of Khabarovsk Region that will be affected by development of the Sakhalin-1 and Sakhalin-2 projects.

Environmental organizations believe that the Sakhalin oil and gas projects, including:

- Sakhalin - 1 (operator: Exxon Neftegas Ltd, a subsidiary of ExxonMobil Corporation, further referred to as Exxon);
- Sakhalin - 2 (operator: Sakhalin Energy Investment Company, Ltd, a subsidiary of the Royal Dutch/Shell Corporation, Mitsui, and Mitsubishi, further referred to as Sakhalin Energy-Shell)

should not move forward until the companies involved adopt the following commitments as the minimum necessary actions required to protect the environment and biological resources, and to ensure that oil development on Sakhalin Island, in Khabarovsk Region, and in the seas that surround and that are adjacent to these regions takes place in an environmentally and socially responsible manner.

Environmental organizations believe that until oil companies fully comply with these minimal criteria, Russian and Sakhalin authorities, international financial institutions, consumers, and other interested parties should not allow the Sakhalin projects to move forward.

1. General Demands

- All companies must use Best Available Technology (BAT). For example, companies should re-inject drilling wastes back into the geological formations.
- All companies must comply with highest global environmental standards, norms, and rules. For example, companies should comply with the "zero discharge" standard and oil spill prevention and response preparedness standards as used in Alaska and the North Sea.
- All companies must comply with Russian law, especially environmental protection law. For example, it is unacceptable to violate the laws in the way that Sakhalin Energy - Shell has done, by discharging drilling wastes into the sea even though the Russian Federation Water Code and other Russian laws directly forbid this action.

2. Gray Whale Conservation

- Any anthropogenic activity that could potentially disturb gray whales, or deleteriously impact the ecosystems in which they feed or migrate, should fully protect gray whale habitat and should be mitigated to eliminate disturbance while feeding and protect this critically endangered species. Oil companies must use the precautionary principle to prevent any potential impacts to the species.
- Any proposed drilling platform should be installed sufficiently distant from shore and gray whale feeding habitat to mitigate all potential acoustic and other impacts. Specifically, the new proposed platform for the Piltun-Astokhskoye field for Sakhalin Energy - Shell's Sakhalin-2 Phase 2 must be moved at least 12 nautical miles from shore in order to ensure that the platform does not harm gray whale habitat. Exxon needs to ensure, with the help of preliminary scientific study that is freely available to the public, that its onshore drilling pads at Piltun will not have a negative acoustic impact on the gray whales.
- All underwater pipelines should be constructed and routed outside of the gray whale feeding habitat to

ensure their safety. In particular, Sakhalin energy - Shell should change the route of its proposed pipeline from Molikpak to shore further to the South - at least 12 nautical miles from gray whale feeding habitat - to fully avoid any disturbance to critical gray whale habitat.

- Sakhalin Energy - Shell must immediately stop all discharges of drilling muds and cuttings, as well as all other types of waste water, from Molikpak into the sea and must refuse to discharge any wastes from any future platform to prevent deleterious impacts to benthic communities and to prevent toxic impacts to the whales themselves.
- Any disruption of the seabed must be avoided year-round in the feeding area of gray whales or within 12 miles of gray whale habitat.
- Exxon should not construct pipelines in or otherwise disturb Piltun Lagoon. Alternatively, Exxon should construct its pipeline by land around the north end of Piltun Lagoon.
- Exxon should eliminate planned construction of a pier off of Piltun Lagoon into gray whale habitat and any marine offloading of equipment in gray whale habitat and within 12 miles of habitat. Alternatively, Exxon should transport equipment to site by road;
- All oil companies should avoid any seismic exploration within 30 km of gray whale feeding habitat and migration corridors during periods that whales are present in these areas; O All companies should avoid any construction activities in gray whale feeding habitat and in a 30 km zone around that habitat as well in migration lanes during those portions of the year when gray whales are found in these areas.
- All companies should reject any development of underwater quarries or dredging of the seabed (as was done to provide seabed for the Molikpak platform), and should limit impact to the seabed within the specific infrastructure areas.
- All companies should review the issue of cumulative impacts to gray whales and to their habitat from all oil production projects on the Sakhalin shelf over the entire period of development.
- All companies should guarantee financing for independent, peer-reviewed scientific research with complete transparency of information from all research projects.

3. Pipelines

- Environmental organizations demand that offshore-to-onshore pipelines not cross either gray whale feeding habitat or Piltun Lagoon. These pipelines must be constructed in a manner that eliminates any noise impact in gray whale habitat.
- Although there are problems even with the Trans-Alaska Pipeline, environmental organizations demand that the safety level of Sakhalin pipelines be no lower than that used for construction of the Trans-Alaska pipeline.
- All pipelines for the Sakhalin-1 and Sakhalin-2 projects must be built with all necessary safety measures to protect from seismic activity and to guarantee accident free operation without ruptures in the event of a 9.0 Richter scale earthquake. To ensure this, pipelines must be built above ground on special vertical support systems to guarantee adequate flexibility without ruptures during earth movements.
- Pipeline crossings across all spawning rivers and streams on Sakhalin Island and on the coast of Khabarovsk Region must be made with a bridge over the river, on specially designed suspension systems, to avoid damage to the streambed and water channels. Environmental organizations categorically oppose trench crossings of salmon streams and rivers.
- Environmental organizations demand that the construction of new pipeline infrastructure be limited to a minimum in order to maximally protect spawning rivers, fisheries resources and forests. Therefore, environmental organizations demand that oil companies involved in the Sakhalin-1 and Sakhalin-2 projects use a common infrastructure for transport of oil (processing, pipelines, and off-loading terminals). First and foremost, this should involve improving the current Rosneft - Sakhalinmorneftegaz pipeline to the mainland

and using this pipeline to transport all oil from both shelf projects to a single off-loading terminal facility on the mainland.

- Exxon must reject its plans to construct a subsea gas pipeline from the Sakhalin-1 fields to Japan due to the large threat of extremely negative impacts to marine biological resources and fisheries, especially to salmon migration routes.

4. Oil Spill Dangers

- Environmental organizations believe that Sakhalin Energy - Shell and Exxon must adopt much more aggressive and effective measures in order to prevent oil spills and to be prepared for their clean up. The first priorities for such measures should be the primary recommendations from the report "Sakhalin's Oil: Doing It Right," (Yuzhno-Sakhalinsk, 1999) including the establishment of mandatory, safe tanker routes along all coastlines, mandatory inspections of each tanker by independent inspectors, introduction of tugboat escort of tankers in critical navigation areas, installation of a real-time, continuous tanker traffic monitoring system for the entire route in coastal waters and continuous communications between tankers and shore side dispatchers, a significant increase of the volume of oil spill response equipment stockpiled on Sakhalin Island and its placement at special bases along tanker routes and in those locations most vulnerable to oil spills (for example, at the entrances to the bays in northeastern Sakhalin) or that are considered dangerous from the point of view of potential accidents (for example, La Perouse Strait) (cf: "Sakhalin's Oil: Doing It Right," (Yuzhno-Sakhalinsk, 1999).
- Sakhalin Energy - Shell and Exxon must carry out response trainings in the open sea and in coastal waters in various weather conditions, and that provide for both product cleanup and also for wildlife and environmental response.
- Sakhalin Energy - Shell and Exxon must categorically reject the use of dispersants as an oil spill response technique in or near gray whale habitat and within a 30 km zone around this habitat, and in or near key fisheries areas. Dispersants should in no instance be used in waters less than 40 meters deep.
- Environmental organizations categorically oppose any winter transport of oil in ice conditions with the use of icebreakers, as currently proposed by Exxon from the port of De-Kastri, and demand that Exxon develop an alternative that does not involve transport of oil through ice-clogged seas. Any current oil transport operations in the vicinity of Molikpak must also occur only in ice-free conditions.

5. Discharge of Drilling Wastes

- Sakhalin Energy - Shell must provide for zero discharge, i.e. 100% reinjection of all drilling wastes (including oil-based, synthetic-based, and water-based drilling muds, drilling cuttings, produced waters, and sewage) back into the formations. "Zero discharge" standards must be applied at Molikpak and at any other platform. Environmental organizations fully support the decision of Exxon to introduce the "zero discharge" standard that calls for 100% reinjection of all drilling wastes at all future drilling platforms and drilling sites.
- Existing discharge at Molikpak must be immediately halted.

6. Fisheries

- Sakhalin Energy - Shell and Exxon, prior to the start of operations, must fully estimate damage to commercial and non-commercial fisheries resources, to spawning grounds, to migratory fish populations (salmonids), to terrestrial flora and fauna that is caused during construction and operations. All damages must be compensated to stakeholders (government, fishermen, indigenous peoples, hunters, municipal administrations, etc.).
- Special routes and safety corridors must be set up for all tankers transporting oil along the eastern shore of Sakhalin Island and through the Tatar Strait, as well as in the Sea of Japan. All other types of vessels should be denied entry into these areas. Losses caused to fisheries as a result of annexation of fishing zones for tanker corridors should be paid by the oil companies to the fishing community.
- All technical plans and decisions whose implementation will have a negative impact on fisheries must be

coordinated with all fishing companies and organizations, and personally with the heads of the ten largest fishing companies in the region whose interests will be affected by such plans.

7. Access to Information and Public Participation

- Sakhalin Energy - Shell and Exxon must provide complete access to all information on the status and protection of the environment, and in particular, all data on environmental monitoring. The public must be provided information, in print and electronic forms, promptly upon a first inquiry. Environmental organizations believe that the responsibility associated with the current extreme difficulties in receiving environmental information about the Sakhalin projects are first and foremost the responsibility of Sakhalin Energy - Shell and Exxon.

- Oil companies must coordinate their activities, projects, and activities with all interested parties, and in particular with all indigenous peoples upon whose traditional lands the projects are developing, which has not yet fully occurred. It is necessary also to fully research all potential impacts to all interested parties together with their representatives.

- All scientists carrying out research as part of the Sakhalin projects must be allowed to freely use and disseminate all information obtained. Oil companies must exclude from contracts all conditions requiring the confidentiality of scientific research and scientists should retain all rights to publish such research. The right of final review of all scientific research must rest only with the authors of this research, and not with international consulting firms hired by oil companies or with the oil companies themselves, as is now the general practice.

- Sakhalin Energy - Shell and Exxon must adopt and guarantee much more proactive measures to ensure effective and appropriate public participation than is currently provided. For example, Shell's public participation measures both for public consultations on phase 2 of its project and for public discussions of its Western Gray Whale Protection Plan were extremely lacking and did not provide the public with the opportunity to make substantive recommendations for improving this work. Exxon's public participation measures for public consultations on phase 1 of its project were also extremely lacking.

8. Socio-Economic Issues and Financial Responsibility

- It is extremely concerning that research by the Russian Federation Audit Chamber (2000-2001) shows that the people of Sakhalin will not receive their fair share of project revenues. Sakhalin Energy - Shell and Exxon must agree to immediately restore all Sakhalin regional and local tax payments from the Sakhalin-1 and Sakhalin-2 project and from all project contracts and subcontracts.

- Environmental organizations believe that oil companies, in order to solve a very serious energy crisis on Sakhalin, must sell extracted natural gas on the local market for heat and electricity at domestic Russian prices and not at world prices as is now planned by Sakhalin Energy - Shell.

- Production sharing agreements for both projects should be available to the public (except for information that by Russian law is secret). The project budgets for all development phases must also be transparent to avoid financial dealings of the "Enron" type and to avoid unjustified project cost overruns and infringement upon the interests of Sakhalin and Russian contractors.

- Sakhalin Energy - Shell and Exxon must fully pay for normative and excessive emissions and discharges to the environment, as required in the Russian Federation "Law on Protection of the Environment." Exxon currently refuses to comply, which is unacceptable.

- Sakhalin Energy - Shell and Exxon must incur full financial responsibility for any oil spill, without exception, that results from their operations, including tanker accidents, oil loading, and other causes. This responsibility must include an obligation to pay for all clean up costs of polluted areas, damage and compensation payments to oil spill victims (local residents, indigenous peoples, fishing companies, tourist companies, local governments, etc.) as well as all non-economic (environmental) damages.

- Sakhalin Energy - Shell must immediately cease flaring gas at Molikpak since it is not prescribed in the project and was not approved through the government environmental impact review ("ekspertiza") or by Russian officials and so therefore is illegal. Such irresponsible corporate behavior with valuable resources

leads to thoughtless environmental pollution and losses to the Russian side, which could use this gas as fuel.

The following public environmental non-governmental organizations agree with and sign on to these demands:

Regional Public Organization "Sakhalin Environment Watch"
Dmitry Vasilievich Lisitsyn, Chair of the Board

Pacific Environment
Catriona Glazebrook, Executive Director
David Gordon, Associate Director
Doug Norlen, Policy Director

Worldwide Fund for Nature (WWF)
Igor Yevgenievich Chestin, Director of the Russian Office

Center for Russian Environmental Policy
Aleksi Vladimirovich Yablokov, President

Центр экологической политики России,
Президент Алексей Владимирович Яблоков,

Ecojuris Institute
Vera Leonidovna Mischenko, President

Legal Center "Rodnik"
Olga Alekseevna Yakovleva, Executive Chair

Friends of the Earth Japan
Tokiharu Okazaki, director of Programs

The "Living Seas" Coalition of Public Environmental Conservation Organizations, including:

Fund for Wild Nature of Sakhalin
Sergey Stepanovich Makeev, Chair

SROO "TKK 'Pilgrim'"
Sergei Mikhailovich Pervukhin, Head

Bureau for Regional Outreach Campaigns
Anatoly Viktorovich Lebedev, Chair

MOBO Far Eastern Resource Center ISAR
Valentina Innokentievna Dmitrieva, Director

Center for Defense of Wild Nature "Zov Taigi"
Vasily Anatolievich Solkin, Director

Public Ecological Children's-Youth Organization "Rostok"
Liubov' Pavlovna Samchinskaya, President

NP "Ecopatrol"
Galina Mikhailovna Stetskaya, Chair of the

Public Council

Magadan Center for the Environment
Timofei Ilyich Savchenko, Executive Director

MROO "SoDeistvie - Team Work"
Olga Yaroslavna Moskvina, Chair of the Board

Chukotka Ecological Union "Kaira Club"
Gennady Pavlovich Smirnov, Chair

MROO "Taiga Rangers"
Liudmila Valerievna Churikova, Chair of the Board

Kamchatka League of Independent Experts
Olga Andreevna Chernyagina, President

EE Information Center "Lach"
Nina Nikitichna Zaporotskaya, Director

Kamchatka Regional Association of Public Associations of Native Small-Numbered Peoples of the North
Valery Anatolievich Sankovich, President

Kamchatka Itelmen Council "Tkhsanom"
Oleg Nikitovich Zaporotsky, President

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ANO Resource Center "PILOT"
Dmitry Viktorovich Panov, Director

Public Environmental Nature Guard "Voron"
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IA "Svobodnoe Slovo (Free Word)"
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Center for Public Initiatives "Trioniks"
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Public Environmental Nature Guard "Nizhne-Amurskaya Ecological Inspection"
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Interregional Public Ecological Fund "ISAR-
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Public Institute "Siberian Scientists for Global
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ROO "Baikal Environmental Wave"
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Union "For Chemical Safety"
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TROO "Roza Vetrov"
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TROO "Obereg"
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Non-Commercial Partnership "Ecological
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