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Civil Society and Project Development in Russia

The status and potential of
Social Impact Assessment

Ilya Gulakov

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Civil Society and Project Development in Russia

The status and potential
of Social Impact Assessment

PhD thesis

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the decision by the College of Deans.

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Chapter 1

Introduction

Background

In 1993, following the collapse of the Soviet Union, the Russian Federation developed a new Constitution, which proclaims human rights and freedoms, and the inviolability of the democratic basis of the country (Russian Federation, 1993, Introduction). Democracy and civil society, which are strongly connected and reinforcing one another (Seligman, 1992; Putnam, 1993; Ehrenberg, 1999; Warren, 2011), imply all forms of people's participation in decision-making, and therefore refer to much more than just to an election process in which people periodically vote for governments. In particular, this is relevant to the project development level, and the right of those affected to influence decision-making that affect their lives. This right has been asserted as a fundamental principle of the social impact assessment (SIA) (Vanclay, 2003; Vanclay et al., 2015).

However, social change does not happen as fast as policy change. Today, Russia is the country where the transparent, democratic, civil policies and practices still have to become fully established in the post-Soviet context. Russia is an exemplar of countries in transition. It is also the largest country by area, and with over 140 million people, Russia is one of the ten most populated countries of the world. During the last two decades, variety of investment projects have been implemented in Russia, including those involving international funding (IFC, 2019; EBRD, 2019).

As with many other countries around the world, Russia has implemented national requirements to assess the potential impacts of projects and, as a result, a common understanding of expected impact assessment practice has evolved (Cherp and Golubeva, 2004; Solodyankina and Koeppel, 2009). In opening its doors to international financing, Russia has also let in the international standards and practices of Social Impact Assessment (SIA), which are a good benchmark for examining the SIA process as performed in Russia. In certain cases, implementation of impact assessment processes according to international and national requirements is performed for the same project, therefore providing good opportunities for their comparison.

At least two things are essential for implementing an effective SIA process. First, a meaningful impact assessment process should be performed to analyse how people might be affected by a project (Pisani and Sandham, 2006). It should be clear who will be affected, in what manner, for how long, and how these impacts will be mitigated and managed. Second, it requires that there should be effective stakeholder engagement processes to ensure the adequate involvement of the people potentially impacted by project development (Pisani and Sandham 2006). Affected people should have access to information on anticipated impacts and proposed measures, and should be involved in consultation processes with their views reflected in the impact assessment process and documentation. Implementation of these two preconditions is critical for enabling people to influence the decision-making that affects their lives, and therefore for meeting SIA and democratic principles at the project development level. Thus, assessment of the SIA requirements and practices in Russia provide a good ground to assess whether the process of project development in Russia is in line with the principles of civil society and democracy.

The key research question of this PhD therefore is: *How does SIA as practiced in Russia enable people to influence the decision-making that affects their lives, and what potential does it have to contribute to community and civil society development?*

To answer this key research question, several sub-questions are also addressed by the chapters comprising this PhD:

- Is meaningful SIA performed in Russia to be the subject to decision-making for those potentially affected by a project? This question relates to whether social impacts are fully identified and properly managed as per the Russian requirements and practices. And, whether the results of SIA do (and can) contribute to a meaningful decision-making process, especially from the perspective of those who are potentially affected by a project.
- Are people potentially affected by project development effectively engaged in discussion of the SIA results? This question refers to the issue of proper stakeholder

identification, representation and form of engagement, as well as of the influence they have over decision-making process.

- What are the key challenges emerging while implementing international SIA in Russia?

This question relates to the issue of what hinders performance of meaningful SIA in Russia, and therefore why those affected might be unable to influence decision-making.

- What potential does SIA have to contribute to community development?

This question refers to the issue how SIA can contribute to better social development outcomes from a project and how it can facilitate involvement of affected people in discussion of project benefits.

In order to address these questions, in the next section we introduce some key concepts as discussed in literature: civil society, democracy, social impact assessment, stakeholder engagement, social investment and community development.

Theoretical framework and key concepts used in this thesis

Civil society is a primary concept/discourse of this research. As the precise meaning of civil society remains subject to debate, we employed the definition provided by Edwards (2009) who suggests that there are three key meanings. Civil society can be understood as ‘associational life’, i.e. the totality of voluntary associations and networks, commonly referred to as the third or non-profit sector. It can also mean ‘the good society’, i.e. a society that observes the inherent values of freedom and democracy, non-discrimination, non-violence, tolerance and trust. Finally, civil society can mean ‘the public sphere’, the institutional arena for public deliberation in which people discuss issues democratically in conditions of freedom, equality and non-violent interaction. The concept of civil society is also strongly connected to the notion of democracy (Seligman, 1992; Putnam, 1993; Ehrenberg, 1999; Warren, 2011). It is this last meaning that is primarily implied in this thesis.

Social impact assessment, another primary concept of this research, has evolved over time (Burdge and Vanclay, 1996; Lockie, 2001; Vanclay, 2003; Esteves et al., 2012; Vanclay, 2014, 2015). Though originally conceived as being complementary to environmental impact assessment (Esteves et al., 2012; Vanclay, 2014), contemporary SIA is rooted in the concepts of civil society and democracy (Vanclay, 2003, 2012; Götzmann et al., 2016). The key value shared by democratic theory and SIA is that people should be involved in and have influence on the decision-making that is likely to affect their lives (Vanclay, 2003; O’Faircheallaigh, 2010; Hartz-Karp and Pope, 2011; Salomons and Hoberg, 2014; Warren, 2011). It is also important to state that the core values of SIA, civil society and democracy are embedded in the policies and standards of most international institutions (IFC, 2012; EBRD, 2014; World Bank, 2017).

Consideration of the social aspects of projects’ implementation in Russia is performed as part of the national environmental impact assessment process. However, the general national legislative framework for SIA includes such overarching documents as the Russian Constitution (Russian Federation, 1993), Federal Law on Environment Protection (Russian Federation, 2002) and Urban Development Code (Russian Federation, 2004), as well as regulations specifying these documents (Russian Federation, 1995, 2007, 2008). All these documents – especially those specifically related to the impact assessment process (Russian Federation, 2000, 2012) – are analysed as part of the research to analyse the overall SIA process in Russia.

Along with review of the national requirements, the two main approaches to SIA are used when analysing the SIA aspect associated with stakeholder engagement (SE) in Russia: traditional and participatory (Becker et al., 2003; Dale and Lane 1994; Hartz-Karp and Pope, 2011; Lockie, 2001; Roberts, 2003). Assuming the specifics of each approach (Roberts, 2003; Craig, 1990; Vanclay, 2006; Hartz-Karp and Pope, 2011), it should be stated that participatory SIA is generally aligned with the core concepts of civil society and democracy. It seeks to correspond with the three principles of participatory democracy: representativeness, deliberativeness and influence (Hartz-Karp and Pope, 2011). Various methods,

approaches and handbooks exist to facilitate effective stakeholder engagement, which is a fundamental component of impact assessment (Glucker et al., 2013; Hartley and Wood, 2005; Salomons and Hoberg, 2014; Vanclay et al., 2015) and of public governance (Arnstein, 1969; Edelenbos and Meerkerk, 2016). Key useful resources include various documents from the International Finance Corporation (IFC, 2007, 2014); the Inter-American Development Bank (Kvam, 2017); the Organisation for Economic Co-Operation and Development (OECD, 2001, 2005, 2017), the International Institute for Environment and Development (Wilson et al., 2016), and the International Association for Public Participation (www.iap2.org). The reference to the key approaches to SIA, as well as to the methods and tools on how these are implemented in practice, give a good ground for assessing the SE practice in Russia, or the way people are involved in decision-making that affect their lives at the project level.

Communities should be engaged in decision-making not only when there is a risk to be negatively affected, but also when defining their development priorities. This raises the question of SIA potential to contribute to social investment and community development, and to promote civil society development in general. The contemporary approach to SIA acknowledges that ‘a good practice SIA’ is the one that leads to social development and community empowerment (Vanclay, 2003; Esteves et al., 2012; O’Faircheallaigh, 2010). On the other hand, the field of community development predates SIA, and has evolved as a distinct practice and discourse (Phillips and Pittman, 2009; Shaw, 2009; Cavaye and Ross, 2019) separate to SIA (Vanclay et al., 2015; Smyth and Vanclay, 2017). Today there is a confusion about the meanings of ‘social investment’ and ‘community development’ as these concepts are often used as synonyms. Analysing various definitions of these notions (Frank and Smith, 1999; IFC, 2000, 2010; Lee, 2006; Phillips and Pittman, 2009; UN, 2010; ICMM, 2012; Robinson and Green, 2011), this PhD research assumes that community development should be a consideration in corporate social investment performed by the private sector.

There are three theoretical but practical models that are useful in understanding the dynamics of a community and that can inform

a community development. The Sustainable Livelihoods Approach presumes that communities are multidimensional, and community development is not limited to enhancing the level of income or standard of living (Gutierrez-Monteset et al., 2009; Smyth and Vanclay, 2017). Another model – Asset Based Community Development – stresses the need to build on a community's capacities or 'assets' rather than to focus on its problems (Kretzmann and McKnight 1993a, 1993b, 2005; Mathie and Cunningham 2003; Haines, 2009; McKnight, 2013; INRC, 2016). It does not provide any specific assets framework – the assets and community development priorities and options are defined by each community for itself (Owen and Kemp, 2012). The third model, which is rather practical, is Social Framework for Projects. It features the eight key social issues that contribute to people's well-being and is meant to ensure that all the key issues relevant to community development and SIA are considered in projects (Smyth and Vanclay, 2017).

The contribution of this research

This research makes a contribution to the discourse of SIA by linking it with civil society and democracy, asserting their interrelation, and therefore broadening the theoretical foundations of the SIA. The research also contributes to the civil society discourse by viewing SIA as a valuable component of civil society development at the project level as SIA is fundamentally about people's participation in decision-making that affect their lives. The SIA discourse contributes to civil society discourse at both theoretical and practical levels as SIA is both an elaborated concept, having its expected understandings, values and guiding principles (Howitt, 2011; Vanclay and Esteves, 2011; Franks and Vanclay, 2013; Vanclay, 2015; Vanclay et al., 2015), as well as the practice area, supported by various frameworks and legislative requirements, and having established practices of its implementation.

Drawing from project development, impact assessment and public participation, this research contributes to analysis of impact assessment requirements and practices in Russia. There is lack of analysis of how these processes are performed in Russia, especially

in the international discourse. Although there are some publications analyzing the basic framework of impact assessment in Russia (Cherp and Golubeva, 2004; Solodyankina and Koeppel, 2009), most of the current Russian publications revolve around the issue of the Russian North and indigenous peoples (Novikova and Wilson, 2017; Nenasheva et al., 2015). This research provides a thorough review of the Russian legislative framework and practice with respect to the SIA process in general, as well as its stakeholder engagement aspect. It also provides analysis of the Russian practices against the best international practice. The research also identifies key challenges emerging while implementing international SIA in Russia. Altogether, this provides very good grounds for comprehensive assessment of the status of SIA in Russia, which is a good example for analysis of applicability of international standards in other countries in transition (in particular, those of the post-Soviet context).

This research also contributes to analysis of SIA potential with respect to community development. The international SIA discourse asserts that SIAs should assist in developing local affected communities and in enhancing the development opportunities arising from projects (Vanclay, 2003; Esteves and Vanclay, 2009; João et al., 2011; Vanclay et al., 2015; Imperiale and Vanclay, 2016; Vanclay and Hanna, 2019). However, as currently framed and practiced SIA still remains to be mostly focused on mitigation and management of projects' adverse impacts. This research analyses SIA potential and limits to contribute to community development by reviewing each step of the corporate community development process and considering how it could benefit from SIA. Enhancement of SIA potential to contribute to community development also strengthens its ability to promote civil society development as enabling people to participate in decision-making that affects their lives not only in negative, but also in positive way.

The social contribution of this research relates to provision of recommendations on improvement of the Russian legislative requirements and practices of SIA and stakeholder engagement that are directed to the policy-makers and the professional community. The results of the research on challenges emerging while implementing international SIA in Russia might be also

of interest for companies that already have or plan to implement projects in Russia. Analysis of situation with SIA in Russia might be to a certain extent relevant to the other countries in transition, in particular to the post-Soviet countries. Finally, the recommendations on alignment of the SIA and community development processes might be also of interest to the international SIA and community development communities, as well as policy-makers.

Methodology

In order to address the research questions, I used several case studies implemented throughout Russia. It is a good example of a country in transition where democratic and civil society procedures still need to be effectively established, and which is experiencing development of various investment projects, each of them having social impacts and certain level of people's participation. These case studies included different prominent projects in mining and oil & gas infrastructure sectors, implemented in very different locations – from remote area in Siberia to the areas of Russian Black Sea and Baltic Sea coasts, etc. The first case study was about SIA performed for the Karmen coal mining project in the Russian Siberia. I compared the SIA process and results performed for this project according to the national and international requirements. The ESIA process according to standards of international financial institutions was performed for this project by a Moscow-based consultancy, Branan Environment in 2013-2014 years, and I was responsible for managing social issues within this company. The Environmental Impact Assessment (EIA) processes according to the national requirements were performed separately for different project facilities by the other Russian companies. First, I analysed the Russian SIA requirements as part of the EIA process. Then I assessed how the SIA process according to the national requirements was performed in practice. Comparison of these results with the results of the international SIA process gave a good ground to assess how the national process works in practice, and whether its results can be the subject of meaningful decision-making process. Finally, I reflected on the strengths and weaknesses of the national EIA/SIA process and proposed certain steps to improve it.

While analysing the SIA aspect associated with stakeholder engagement, I focused on the case of South Stream pipeline project, which was a prominent international project in Russia at the time of its development. The Russian section of the project required an EIA/ESIA to meet both international and national requirements, and it is these processes that I analysed. To do this, I reviewed all relevant project documentation, including the Environmental and Social Impact Assessment (ESIA) and the Stakeholder Engagement Plan, which contained comprehensive information about the project-related consultations and other engagement activities. I also analysed the minutes of meetings conducted for the project as part of the national EIA and the international ESIA processes. The national EIA materials were developed by the Russian company, Petergaz. The international ESIA process was managed by URS Infrastructure & Environment UK Limited (now part of AECOM). Branan Environment was engaged as a subcontractor to assist in conducting the SIA and performing stakeholder engagement in Russia. I was responsible for managing social issues within Branan Environment for this project from 2012 to 2014, and for several months acted on site as an interim community liaison officer. As such, the analysis of this project is also something of a personal professional reflection.

The South Stream project provided a good opportunity to compare the results of its stakeholder engagement against Russian and international standards, because processes to meet national requirements and international standards were run in parallel. The project also enabled evaluation of whether those affected were effectively engaged in decision-making, and whether the stakeholder engagement complied with the principles of civil society and democracy.

While analysing the weaknesses of the national SIA process and different challenges that the one may face while implementing SIA in Russia according to the international standards, I primarily referred to my personal experience of performing SIAs in Russia for various projects within the teams of Branan Environment and Ramboll CIS, an international consultancy having its branch in Moscow. I joined this company in the beginning of 2018

as a Senior Social Consultant. My colleague within Ramboll CIS also took part in the performed analysis, contributing with his own expertise of implementing SIAs in Russia. We described the challenges that we faced while implementing the international SIAs for the large-scale Russian companies. Even though these companies might show high-quality performance with respect to technical aspects of their operation, the way they deal with the social issues impedes performing international SIA. The analysis we made was also supplemented by conducting several semi-structured interviews with well-known Russian and international specialists in the field. Describing these problematic aspects of SIA implementation in Russia were useful for indicating factors disrupting performance of meaningful SIA process and people's participation in decision-making, and therefore restraining civil society development and effective functioning. We did not name the companies we described with respect to this matter due to confidentiality reasons.

Finally, I reflected on the SIA potential using the Nord Stream 2 case. This is also one of the most prominent international projects in contemporary Russia being broadly discussed in press (primarily due to political issues). The SIA report for the Russian section of this project was developed by Branan Environment in collaboration with ERM UK in 2016-2017, whereas the Community Investment Framework was prepared by Branan Environment in collaboration with Community Insights Group in 2017. I was involved in both of the processes while working for Branan Environment. Describing the social investment process as performed for this project considering the results of the previously performed SIA process gives good opportunity to reflect on the SIA boundaries and potential, as well as on how to make SIA contribute more to community and civil society development.

Thesis outline

The thesis includes six chapters, having introduction (this chapter) and conclusion as the first and the last ones. Chapter 2 introduces the concepts of SIA, civil society and democracy, as well as asserts their interrelation. It provides analysis of the regulatory framework for

the overall SIA process in Russia. It also compares SIAs performed for the same project according to national requirements, and those of the international financial institutions. For this purpose, it employs the case of Kolmar coal mining project in the Russian Siberia. Finally, it reflects on whether the SIA in Russia is in line with the key values of civil society and democracy, and whether its results could be the subject of meaningful decision-making.

Chapter 3 focuses on the stakeholder engagement aspect of the SIA process, or on how effective those affected are involved in decision-making. For that purpose, it introduces the traditional and participatory approaches to SIA. It also analyses the national requirements to stakeholder engagement as part of the Environmental Impact Assessment process, which comprises SIA. I refer to the case study of South Stream Offshore Pipeline project that was being implemented in the Black Sea region of Russia to compare stakeholder engagement activities performed for the same project according to national and international requirements. This enables to reflect whether the national SE process enables people to fully participate in decision-making processes and adequately influence them.

Chapter 4 reflects on the challenges emerging while implementing international SIA in the Russia context. For this purpose, it introduces the contemporary approach and key requirements for international SIA, as well as sketches the requirements and practice for SIA in Russia that were considered in more detail in the two previous chapters. Drawing on my personal experience, as well as experience of other people involved as co-authors and consultants for this chapter, it describes challenges associated with tension between international and national standards, lack of understanding of the international standards and practice by companies' personnel, limited stakeholder engagement, as well as those related to combining the national and international impact assessment processes. As noted above, I will not be able to name projects used to illustrate the chapter's argument due to confidentiality reasons. Drawing on that, I will reflect on what are the key challenges that impede performing meaningful SIA and effective participation in decision-making process.

Considering that those affected should be involved in discussion of not only adverse impacts but also development opportunities a project could bring, Chapter 5 explores SIA potential to contribute to community development. It introduces the stance contemporary SIA has towards enhancing project development outcomes, analyses community development as part of corporate social investment, as well as the frameworks to assist in developing corporate social investment activities. The chapter employs the Nord Stream 2 project in Russia to compare SIA and community development practice, and to analyse SIA potential and limits to contribute to community development.

Finally, Chapter 6 presents conclusions drawing on all the previous chapters. It summarises the role SIA plays in civil society development, the status and potential of SIA in Russia, as well as provides relevant recommendations.

Personal interest in the topic and research ethics

The interest in the topic stems from my personal interest in the civil society discourse, as well as from my practice as a social consultant in Russia, during which I was privileged to work on major projects in the country and collaborate with best Russian and international consultants in the field. Therefore, this PhD thesis is also something of a personal professional reflection.

It is important that the research doesn't harm interests of organisations under study and their stakeholders. Thus, I consulted with the organisations in order to achieve their permission to write about them and use materials obtained while collaborating with them.

The projects described in Chapter 4 when analysing challenges emerging while implementing international SIA in Russia were described without naming the organisations or the area of their operation to avoid reputational risks for the companies.

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Chapter 2

Social Impact Assessment in the Russian Federation: Does it meet the key values of democracy and civil society?

Social Impact Assessment in the Russian Federation: does it meet the key values of democracy and civil society?

Abstract

Contemporary social impact assessment (SIA) is rooted in the concepts of civil society and democracy. We analyse whether SIA as practiced in the Russian Federation as part of environmental impact assessment (EIA) is consistent with the key values of civil society and democracy. We consider whether the Russian EIA requirements enable preparation of meaningful assessments that effectively contribute to the decision-making processes that affect people's lives. We review the Russian EIA legislation and its requirements for SIA and social baseline, and consider the EIA/SIA practice undertaken in response to these requirements. We specifically analyse the Karmen coal mining project in South Yakutia. We compare the EIA documents completed according to national requirements against the ESIA documents prepared to be consistent with international standards, as defined by the International Finance Corporation Performance Standards. We conclude that the national requirements for SIA in Russia and the way they are implemented do not encourage the development of meaningful SIAs that comply with the key concepts and social values of SIA, civil society and democracy.

Keywords: good international industry practice; public participation; community engagement; extractive industries and society; environmental licensing; environmental permitting

Introduction

Although social impact assessment (SIA) was originally conceived as being complementary to the assessment of the environmental impacts of projects (Esteves et al. 2012; Vanclay 2014), contemporary SIA has evolved over time (Howitt 2011; Vanclay and Esteves 2011; Franks and Vanclay 2013; Vanclay 2015). SIA now has an established understanding, including guiding principles and acknowledged values, and is rooted in the concepts of civil society and democracy (Vanclay 2003; Esteves et al. 2012; Vanclay et al. 2015). This understanding provides an effective basis by which to assess the adequacy of the implementation of SIA in different social contexts. In this paper, we consider the application of SIA in the Russian Federation.

Russia is the largest country in the world in terms of area, and with over 140 million people, it is one of the ten most populated countries. Following the collapse of the Soviet Union in 1991, the Russian Federation developed a new Constitution, which proclaims the inviolability of the democratic basis of Russia (Russian Federation 1993, Introduction). As with many other countries around the world, Russia has implemented national requirements to assess the potential social and environmental impacts of projects and, as a result, an understanding of common practice has evolved around their implementation (Cherp and Golubeva 2004; Solodyankina and Koepfel 2009). In this paper, we assess whether the requirements and practice of impact assessment in Russia is consistent with the basic principles of SIA, civil society and democracy. In order to do this, we first introduce the concepts of civil society, democracy and SIA. Second, we describe the Russian regulatory framework for impact assessment and compare it to international standards (using the International Finance Corporation Performance Standards as a benchmark). Third, we reflect on SIA practice in the Russian Federation by examining a specific project, the Karmen coal mining project in the Far East of Russia. Finally, we reflect on whether the legislative framework and SIA practice in the Russian Federation are based on and/or consistent with the key principles of SIA, civil society and democracy.

Social Impact Assessment, Civil Society and Democracy

Even though SIA began as a regulatory tool alongside environmental impact assessment (EIA) (Burdge and Vanclay 1996; Lockie 2001; Esteves et al. 2012), the contemporary understanding of SIA is strongly connected with the concepts of civil society and democracy (Vanclay 2003; Vanclay et al. 2015). However, the precise meaning of these two concepts remains subject to much debate. Edwards (2009), for example, suggests that there are three key meanings of ‘civil society’. It can be understood as ‘associational life’, i.e. the totality of voluntary associations and networks, commonly referred to as the third or nonprofit sector. It can also mean ‘the good society’, i.e. a society that observes the inherent values of freedom and democracy, non-discrimination and non-violence, tolerance and trust. Finally, civil society can mean ‘the public sphere’, the institutional arena for public deliberation in which people discuss issues democratically in conditions of freedom, equality and non-violent interaction.

The concept of civil society is strongly linked to the notion of democracy (Seligman 1992; Putnam 1993; Ehrenberg 1999). Warren (2011:377) asserted that: “the correlation between robust civil societies and functioning democracies has been so striking that we have to come to understand them as reinforcing one another”. He also argued that the institutions, organisations and practices that comprise democracy should enable those who are potentially affected by collective decisions to have the opportunity to influence those decisions, a position that is widely accepted and is, for example, a fundamental principle of the Aarhus Convention (UNECE 1998). Thus, the understanding of democracy refers to much more than just an election process in which people periodically vote for governments, it refers to all forms of people’s participation in decision-making, in other words to governance rather than to government (Kooiman 2003). Civil society and democracy are inherently grassroots concepts – they are fundamentally about the local level, the level of communities and community associations. A key principle of democracy is that decisions should be made by free and equal citizens, respecting the values of trust and mutual understanding (Hartz-Karp and Pope 2011).

SIA shares key values and principles with civil society and democracy (Vanclay 2003; Vanclay et al. 2015). As Vanclay (2003) argued: SIA considers equality to be a key underpinning value; SIA asserts people's right to be involved in the decision-making about the planned interventions that affect their lives; SIA is a grassroots process that draws on local knowledge and experience; and SIA asserts the right of local and affected people to be involved in decision-making processes. Along with civil society and democracy, SIA is inherently participatory (Lockie 2001; Esteves et al. 2012). It acknowledges the right of people to self-determination (Hanna and Vanclay 2013) and builds on certain key principles and values (Vanclay 2003), including respect for human rights (Vanclay 2003; Kemp and Vanclay 2013; Götzmann et al. 2016; Esteves et al. 2017). Vanclay (2012) asserted that the understandings, experiences, philosophy and methods of SIA greatly enhance democratic decision-making and planning processes.

The core values of SIA, civil society and democracy are also embedded in the policies and standards of most international institutions, for example, the World Bank (2017) and the European Bank for Reconstruction and Development (EBRD 2014) (Vanclay 2017a, 2017b). The Performance Standards of the International Finance Corporation (IFC 2012a), the private sector arm of the World Bank Group, are considered to have international standing, especially because of their endorsement by the Equator Principles, the sustainability framework for the international banking industry (Smyth and Vanclay 2017; Vanclay 2017a). The IFC Performance Standards cover overarching issues such as gender, stakeholder engagement, social impact assessment and management, as well as certain specific issues like land acquisition, labour and working conditions, Indigenous peoples, cultural heritage, and health and safety. These standards and the way they are implemented provide a good benchmark for determining appropriate requirements and what might be regarded as 'good international industry practice' (GIIP).

This broad perspective of SIA and its association with the concepts of civil society and democracy suggest it is appropriate to consider how they apply in different social contexts, especially in democratic societies. We therefore analyse SIA as it is practiced

in the Russian Federation, a country which professes commitment to democratic principles in its Constitution (Russian Federation 1993, Introduction). For the purposes of this paper, we consider that the single overarching key principle is that people should be involved in and able to influence the decision-making processes that affect their lives. For this principle to be effectively implemented requires at least two things. First, it requires that meaningful SIA be undertaken to analyse how people might be affected by a project (Pisani and Sandham 2006). Secondly, it requires that there be effective stakeholder engagement processes to ensure the adequate involvement of potentially-impacted people in project development (Pisani and Sandham 2006). This paper focuses primarily on the first of these two issues (SIA), with stakeholder engagement to be addressed in a forthcoming paper.

The regulatory framework for Social Impact Assessment in the Russian Federation

The Constitution of the Russian Federation recognises the principles of equality and self-determination of peoples, and asserts the democratic basis of the nation (Russian Federation 1993, Introduction). It confirms people's right to a favourable environment and to reliable information about the state of the environment. It also states that any loss or damage caused to a person's health or property by environmental transgressions must be compensated (Russian Federation 1993, Article 42). The implication is that this applies to both private and public sector projects.

In line with the Constitution, and building on people's right to a favourable environment, the Russian Federal Law on Environmental Protection requires that an EIA be conducted to assist decision-making relating to economic activities (Russian Federation 2002, Articles 3 and 32). The contemporary permitting system in Russia requires EIA to be performed as part of the project documentation to be submitted to State Review, which considers administrative compliance, and where the project is likely to have major environmental impacts to State Environmental Review ('State Ecological Expertise'). The State Review process is performed

within the framework of the Urban Development Code (Russian Federation 2004) and is regulated by the Order on Organisation and Performance of the State Review of Project Documentation and Results of Baseline Surveys (Russian Federation 2007). Another government decree specifies the requirements relating to the contents of project documentation, which include a requirement for a special section on 'Environmental Protection Measures'. This section should include the EIA results, as well as relevant mitigation and monitoring measures (Russian Federation 2008, Article 25).

The process of State Environmental Review is within the framework of the Law on Environmental Protection and is regulated by the Federal Law on Environmental Review, which requires an EIA (Russian Federation 1995, Article 14). Over the last decade, Russian legislation has changed with respect to the kinds of projects that should be subject to State Review and/or to State Environmental Review. At present, most projects in Russia are subject to State Review, whereas offshore projects, projects that affect protected natural areas, and projects with potentially severe environmental impacts are subject to State Environmental Review. Nevertheless, both review processes are undertaken by government agencies which assesses whether the project documents for a specific project comply with national requirements, and both require preparation of EIA materials.

Russian laws assert people's right to a favourable environment, their participation in decision-making processes, and require that impact assessment be conducted for certain types of intended activities (planned interventions). However, the requirements are primarily concerned with environmental issues, and socio-economic issues are only considered in a secondary way. The requirements for consideration of environmental and social issues are established in two key documents: The Provisions for Environmental Impact Assessment (Russian Federation 2000) (hereinafter: The Provisions); and The Code of Practice on Engineering Survey for Construction: Basic Principles (Russian Federation 2012) (hereinafter: The Code of Practice). The Provisions regulates the overall process of impact assessment. Amongst other things, the Code of Practice outlines the requirements for conducting a social baseline survey. A baseline

survey provides a benchmark against which potential impacts can be anticipated. Since these documents are of critical importance to the SIA process as practiced in Russia, they are discussed below.

The Code of Practice requires that a social baseline survey be conducted as part of an Engineering and Environmental Survey. As evident by this name, this survey is mostly focused on environmental issues, although it should also include socio-economic, sanitary-epidemiological and health surveys (Russian Federation 2012). The type and characteristics of a project and its location will determine whether these studies are required (Article 8.1.2). The surveys need to be reliable and adequate for the subsequent impact assessment (Articles 8.1.1 and 8.4.1). Amongst other things, the review process determines whether additional research is required (Article 8.1.2). The Code of Practice also details what information the baseline survey should contain, including demographics, employment and standard of living, economics, land ownership and traditional land use, infrastructure, etc. (Article 8.1.2).

In addition to the typical expectations of a baseline survey at an international level (Vanclay et al. 2015), the Code of Practice requires various things relevant to social management, stakeholder engagement and community development, such as a description of proposed measures to enhance people's living conditions, for conducting community engagement, and "shaping public attitudes towards the project implementation in order to resolve potential conflicts" (Russian Federation 2012, Article 8.4.22).

Although originally adopted in 2000, The Provisions (Russian Federation 2000) have not yet been updated. The Russian EIA process is mostly focused on environmental issues, although it also considers "social, economic or other impacts that are related to the environmental ones" (Article 1.5). The Provisions do not detail what should be considered as part of these social or economic impacts, although later in the text "land resources" and "load on transport infrastructure and other types of infrastructure" are indicated (Article 3.1.1).

The Provisions specify certain requirements regarding the impact assessment process in general. For example, the assessment should

be based on complete and valid baseline information (Article 1.5). The level of detail should be appropriate to the scale and type of the intended activity and be specific to the project's area of implementation (Article 5.2). It should be adequate to define and assess the potential project impacts (Article 1.5). The Provisions require that impact mitigation and avoidance measures be implemented (Article 1.1) and that an environmental monitoring programme be developed as part of the impact assessment process (Article 3.2.2).

Comparing the Russian requirements for social baseline and SIA with international standards as represented by the IFC Performance Standards (IFC 2012a, 2012b), it is evident that they have much in common. For example, the IFC Performance Standards do not provide much detail with respect to what the social baseline survey and SIA should include, just indicating general requirements about the process. The Russian requirements regarding the baseline survey as outlined in The Code of Practice are more specific, although in some cases less consistent. The Russian requirements subordinate social issues to the environmental ones, whereas the IFC considers them on a more-or-less equal basis. Finally, the IFC standards discuss managing social impacts, whereas the Russian requirements focus primarily on the impact assessment process and related compensation.

The Russian requirements have much in common with the IFC standards and potentially could be sufficient to ensure that meaningful SIA is performed. Its key weakness is the subordination of social issues with respect to environmental ones. Such an approach is conceptually flawed (Pisani and Sandham 2006) and could lead to key social issues being easily missed or under-addressed in the assessment process (Vanclay 2012; Vanclay et al. 2015). However, no matter how detailed the written requirements may or may not be, and no matter how consistent or inconsistent they are, arguably more important is the way they are implemented in practice, which we consider by examining a specific coal mining project in Russia.

Methodology

In order to review the practice of SIA in Russia, we consider the Karmen coal mining project in the Russian Far East. This is an operation valued at approximately US \$2.5 billion. We analyse the SIAs conducted as part of larger Environmental and Social Impact Assessments (ESIA) for the project, which were done twice: once according to Russian requirements to gain environmental permitting approval (hereinafter the national EIA); and another to international requirements to gain financing from an international bank (hereinafter the international ESIA).

The lead author of this paper, a native Russian, works as a social consultant in Russia and was a member of Branan Environment, the lead consultancy firm responsible for the international ESIA for the Karmen project, although the SIA component was developed in collaboration with an independent social consultant, Frederic Giovannetti. Work on the ESIA commenced in 2013 and was completed in 2014. This paper is partly a critical reflection on how the social component of ESIA was done. The Karmen coal mining project is used in this paper as an illustrative case to enable comparison between Russian and international requirements. The paper also draws on the professional experience of the lead author and the experience of Branan Environment more generally.

The international ESIA for the Karmen coal mine comprised an initial scoping report and the final ESIA report. Both stages included consultations with project stakeholders. The key sources of information for the SIA included the relevant branch of the Federal State Statistics Service, information and documents provided by local and district authorities, and interviews with their representatives. To collect information on the activities of Indigenous peoples in the project area, a focus group with the leaders of the local Indigenous communities and local organisations was conducted. Also, an indepth interview with the district Hunting Inspector was conducted. Key company staff were also interviewed. A total of 17 in-person interviews were undertaken. Data collection was supplemented by three site visits undertaken in 2013 and 2014 to gain an overview of the potentially affected communities and to validate the data.

All interviews were done in a manner consistent with ethical social research in impact assessment (Vanclay et al. 2013).

The international ESIA, which was undertaken to be consistent with IFC Performance Standards, is used as the benchmark against which the national EIA was assessed. By assessing the differences between the national EIA and the international ESIA, it was possible to identify the shortfalls in the Russian EIA process.

The Karmen coal mining project

The Karmen coal mining Project comprises the Denisovsky and Chulmakansky coalfields in Eastern Siberia, Republic of Sakha (Yakutia), in the Russian Federation (see Figures 2.1 and 2.2). The mineable reserves of these two coalfields together is over 1 billion tonnes. The project is being implemented and operated by the Kolmar Coal Mining Company (<http://www.kolmar.ru/en/>), whose goal is to achieve a leading position in the coking coal market based on the large deposits of South Yakutia and their strategic proximity to Asian markets. To achieve that, the company has planned to develop several sites (both greenfield and brownfield) within the two coalfields. The ESIA was based on Kolmar's plans to achieve a total production of 12.9 million tonnes per annum by 2021. However, in 2017 the company announced that it intended to increase the project's expected capacity to 20 million tonnes per annum. The developments include four underground mines, three open-cast mines, two coal preparation plants, and associated infrastructure facilities. The Russian Government supports the project and finances part of the project infrastructure – specifically the access railway and powerline (approx. 7 km each). The different project components will progressively come into operation, with the mine slated to operate until around 2080. At the time the ESIA was prepared, it was considered that the project would employ 3,500 people when operating at full capacity (in about 2021). However, after the project increased its capacity, the anticipated number of employees is now around 7,000 people. Because the focus in our paper is the ESIA process in the Russian Federation rather than on the specifics of this case, we discuss the project as it was described in the ESIA materials.

Figure 2.1: Location of the Karmen coal mining project within the Russian Federation
Source: Project Karmen. Environmental and Social Impact Assessment, 2014

Overview of the EIA done to national requirements

Consistent with the Russian requirements, separate EIAs were conducted for each project facility associated with the Karmen Coal Mining Project. The documents available for our review were developed by two Russian companies during 2007-2008 (Ecoprojekt 2007; Sibgiproshakht 2008a, 2008b, 2008c). These documents contained only very limited socio-economic information. They provided distances to the closest communities, and sometimes distances to the main public road, railway line and powerline in the district. They listed the businesses in the vicinity of project facilities. The EIA materials described land ownership and acquisition issues, as well as the proposed compensation measures for landowners. The EIAs for some facilities considered impacts on nearby communities associated with air emissions and noise. Some EIA materials also identified the positive impact on employment by the creation of jobs. However, the materials did not contain information about the project area of influence, or analysis of the communities potentially affected by the project. The socio-economic baseline information that was provided was insufficient to identify the potential social impacts of the project. No social impacts, except those associated with air and noise

Figure 2.2: Layout of the Karmen coal mining project
Source: Project Karmen. Environmental and Social Impact Assessment, 2014

emissions, were identified or mitigated. Therefore, the results of SIAs undertaken as part of the national EIA process could be considered as being insufficient for assessing and addressing social impacts. Although no major social impacts were anticipated to arise from the project, these SIA reports are too inadequate to provide appropriate information to contribute to meaningful decision-making regarding project design and implementation.

Overview of the ESIA done to international standards

Kolmar intended to obtain funding from international financial institutions and therefore commissioned an ESIA that would meet IFC requirements. It contracted the Russian consulting company, Branan Environment, in collaboration with an international consultant, Frederic Giovannetti, with the ESIA being compiled during 2013-2014. Drawing on the ESIA (Branan Environment 2014), below we describe the key characteristics of the project area and the main potential social impacts of the project as identified in the ESIA undertaken according to international requirements. Compared to the study undertaken to national requirements (as described above), the ESIA prepared to be consistent with international standards provided much more information, which we consider below according to typical key topics in an ESIA.

Project area of influence

The project is in the Neryungri District of Yakutia. The majority of this district is undeveloped and covered by Siberian taiga. Climatic conditions are severe with short summers and long winters. The history of the non-Indigenous communities in the area only goes back to the period between the 1950s and 1970s, when the then Soviet government decided on a programme of industrial development involving the coal industry, metallurgy and railroad construction. Today, nearly 80,000 people live in the district, mostly residing in the city of Neryungri (60,500 people) and in nine smaller communities. The project area of influence includes four communities: Neryungri, Chulman, Serebryany Bor, and Berkakit. The first three were included because they are the closest communities to the project

area and because a sizeable number of the project workers will be accommodated there. Berkakit was included as project-affected community because it has a railway junction that will experience increased rail traffic because of the project. The project facilities are located between 7 and 34 km from residential areas.

Neryungri is the district centre and houses most of the workforce and social infrastructure (see Figure 2.3). Serebryany Bor (population 4,200) has developed around the district power station (see Figure 2.4); while Berkakit (population 4,100) has developed around the railway and railway station. Chulman (population 9,800) was founded in 1926 as a checkpoint to enable authorities to control gold smuggling. Its subsequent development is associated with the industrial development of the area. Some members of this community assist in the maintenance and operations of the local airport. In 1948, a forced labour camp (gulag) was established in Chulman. Its prisoners participated in the construction of the community and industrial development of the local area.

Figure 2.3: Street with residential houses in Neryungri
Source: Project Karmen. Environmental and Social Impact Assessment, 2014

Figure 2.4: Serebryany Bor and power station in the background
Source: Project Karmen. Environmental and Social Impact Assessment, 2014

Figure 2.5: Summer house in Pionerka
Source: Project Karmen. Environmental and Social Impact Assessment, 2014

There are also two summer-garden communities, Ugolny and Pionerka, located approximately 1 km and 3 km from the company's license areas (see Figure 2.5). Comprising some 20 to 40 garden plots (sometimes with summer houses), they do not have official status as a settlement, nevertheless they are important to local people. Pionerka and a cemetery are located less than 500 metres from the railway and powerline.

Demographic impacts

The Neryungri District has been facing a steady decline in population in recent decades due to the out-migration of people. Between 2007 and 2012, more than 20,000 people have left the district. During Soviet times, people went to explore the North and other remote regions for the so-called 'big money', with wages in these regions being several times higher than in other parts of the country. Many people came to Neryungri District with the goal of making a lot of money in a short time and with the intention of returning to their original place of living. However, after obtaining housing and permanent jobs, many chose to remain living in the district.

With the collapse of the Soviet Union in 1991 and the shift towards a market economy, payment of high wages in these regions ceased. In the absence of high salaries, given the harsh climatic conditions and general stagnation of the area, many people decided to leave. A large portion of the out-migrants were pensioners, former employees who wanted to return to their original homes. Young people, particularly those with a high level of education, also tended to leave. Despite the general tendency for out-migration and population decline, some people still move to the district, typically coal industry workers and their families. In the period of 2007–2012, about 13,200 in-migrants arrived in the district.

The Karmen project is associated with the creation of a significant number of jobs, with 3,500 intended jobs at the time the ESIA was conducted (although in 2017 this was increased to 7,000). The provision of direct and indirect employment will contribute to reducing unemployment in the local population and to reducing the out-migration of youth, which is a major issue.

Economic impacts

The economy of the Neryungri District directly depends on coal mining, the dominant industry greatly influencing all other economic activities in the region. According to official statistics, around 25% of workers in the district are in the coal mining industry. As in many locations around the world, especially areas that are remote, mining may be the only development option for the region (Esteves and Vanclay 2009). The main enterprises of the district reflect this dependence with the two large coal-mining companies (including Kolmar) being the major employers in the district. Other economic activities are mainly focused on providing services to the coal industry and/or to the local population. The domination of coal mining in the district structures the job market – e.g. there is high demand for technical mining specialists and little demand for non-mining related professions.

The main other employers in the surrounding communities reflect the legacy of Soviet times. For example, in Berkakit the main employer is the railway station, with Berkakit being the focal point for coal transportation in the district. Serebryany Bor has a power station that supplies electricity to local communities and industries. As the community furthest from the mine, Chulman has the highest unemployment rate among the project-affected communities.

The proposed project will likely positively affect the local economy, especially if the negative impacts are properly managed. The positive impacts are primarily associated with local employment and procurement, as well as the taxes paid by the company.

Impacts on social infrastructure and housing

The houses and social infrastructure in Neryungri, as well as in other project-affected communities, were mainly built in the 1970s and 1980s, during the period of active development. There are concrete (masonry) and wooden houses in the district (see Figures 2.6 and 2.7), with the proportions of each depending on the particular community. Wooden houses tend to be two-storey buildings on piles/stumps that were meant to be temporary housing for workers. Housing of this type is typical for mining settlements in Siberia. At present, almost

all wooden houses in Neryungri District are in disrepair, although a significant number of people still live in them. The proportion of substandard housing in the communities varies from 9% to 80%, and is directly proportional to the proportion of wooden houses in each community.

Figure 2.6: Concrete houses in Neryungri

Source: Project Karmen. Environmental and Social Impact Assessment, 2014

Figure 2.7: Wooden houses in Neryungri

Source: Project Karmen. Environmental and Social Impact Assessment, 2014

The educational and healthcare institutions in the communities were mainly built in the 1970s and 1980s. At present, most of them require minor if not major repair. Our observations revealed some to be in very poor condition. Many kindergartens were overcrowded, with the number of children vastly exceeding the intended capacity. A lack of medical personnel was also an issue for the healthcare institutions in the district.

The implementation of the project and the expected associated influx of job-seekers have the potential to put strain on existing social infrastructure, which will be exacerbated by the fact that much of this infrastructure is in poor condition and is already overloaded. In planning accommodation for its workers, the company will need to consider the limited availability of housing.

Traffic impacts

Various impacts are associated with project traffic. All project-affected communities are distributed along the one primary road and railway line that cross the district from North to South. These are the only transport arteries in the district, and they will be heavily utilized by the project. Therefore, there will be risks to community safety associated with the movement of heavy machinery and the project's light vehicles on public roads. Severance of land and disturbance and annoyance to communities may also occur when roads have to be closed for project construction.

Indigenous peoples

About half of the Neryungri District is subdivided into territories allocated to Indigenous peoples, while other territories are hunting areas or protected areas (nature reserves) used by the Indigenous peoples, the Evenks. During Soviet times, many Indigenous people assisted in the industrial development of the area by working as guides, in mapping the region, and in a range of other activities, so today many Indigenous peoples are fully assimilated into mainstream life and reside in Neryungri and other communities, rather than subsist on reindeer herding or other traditional livelihood activities. However, some Indigenous peoples still do maintain

traditional ways of life, with reindeer herding and hunting as key activities. Some project license areas are within public hunting areas and partly within the hunting area of a private company. The company's licence plots do not directly affect the territories allocated to Indigenous peoples. However, several hunters from one Indigenous organisation do hunt in the public hunting areas not far from the company's south coalfield. Another Indigenous community is likely to hunt near the company's north coalfield. Thus, the project is associated with potential impacts on land with related impacts on the livelihoods of these Indigenous groups, although the extent of these impacts is likely to be limited.

Other impacts

The settlements of Ugolny and Pionerka are located close to the project footprint. The cemetery of Pionerka is likely to be affected by project facilities. Relocating a cemetery is a difficult task from a permitting perspective and is potentially traumatic to the communities and individuals involved. The company has indicated that it will seek to avoid negative impacts on these settlements and the cemetery, and will attempt to locate project facilities at a reasonable distance, even if this requires a change to the design of its facilities.

The experience of similar projects in the Russian Federation indicates that there is a risk to a company and its workers if labour and health and safety issues are not properly addressed. This is especially relevant given to the high number of project workers who could potentially be engaged by the many contractors. Health and safety risks are also relevant with respect to workers accommodation, especially given the lack of adequate housing in the district.

Stakeholder engagement

Two rounds of consultations were organised as part of the SIA process for the Karmen project. Public meetings were held in each community following disclosure of project information in each affected community. Even though several notification methods were employed to inform local residents and stakeholders, they

showed only limited interest in the project and its potential impacts. No comments were received via the comment spaces, and the public meetings had only a very low attendance. There are several reasons for this including that: it was already a mining area and there was tacit support for the project; the project was generally seen as having little impact and it was not critical for people to participate; there was not a strong culture of participation in the region; and perhaps the overall socio-economic stagnation of the area negatively influenced people. As noted earlier in the paper, the analysis of the stakeholder engagement issues in Russia will be considered further in a separate paper.

Evaluating the Russian requirements by comparing the national EIA with the international ESIA

By comparing the national EIA undertaken for the Karmen project according to Russian requirements against the International ESIA prepared according to IFC requirements, we conclude that national EIA studies are likely to be inadequate in that they lack details of the local social context. This was true not only for the Karmen project we considered, but, according to our knowledge of project documentation for other Russian projects, this was also true for most projects in Russia. Social information is either entirely absent or only provided in the form of high level statistical data with questionable relevance to the proposed project and its likely area of influence. Information directly about the potentially-affected local communities was either entirely or largely lacking, even though this should be the focus of SIA (Vanclay et al. 2015). On the other hand, the international ESIA done for the Karmen proved that adequate social baseline information is obtainable in the Russian context and that quality SIAs can be conducted to meet or exceed international standards.

Baseline information is usually available at the Federal Statistics Service and its regional branches, at various district and local authorities, and at relevant agencies for specific issues, e.g. hunting and Indigenous peoples. Our experience reveals that there is often limited socio-economic information at the community level, although

this deficiency can be addressed by the qualitative information provided by local authorities and other local stakeholders.

The limited social baseline information that is typically included in national EIA reports is not adequate for identifying project social impacts. For example, the national SIA conducted for the Karmen project failed to identify the presence of Indigenous peoples and hunters in the area, did not indicate that there would be potential impacts on the non-official summer-garden communities in the proximity of project facilities, and did not consider the existence of a nearby cemetery and the implications that locating project infrastructure near the cemetery might cause. The issue of increased demand (strain) on district social infrastructure was also not considered in the Russian SIA.

Experience suggests that, in Russia (and elsewhere), the limited social baseline data is often the only social information included in project EIA documentation. This means that SIAs developed to meet national requirements fail to consider most social impacts. Only very limited project social impacts tend to be identified, for example, those associated with transport issues. Many other likely project impacts are not identified, and therefore are not mitigated or managed. Even though there are EIAs for some projects in Russia that identify certain social impacts and may even propose mitigation measures for these social impacts, the proposed mitigation measures often do not relate directly to the identified social impacts. In other words, the links between the social baseline, social impacts, social mitigation, and management measures are missing. Even in situations where a company conducts SIA according to the IFC requirements and develops ESIA materials where social impacts are properly addressed, this information is typically not submitted to State Review as part of the national study. Instead, in order to be approved at the national level, projects tend to only submit the documents necessary to meet the minimal requirements and expectations of the review process.

The impact assessment process in Russia tends to focus only on environmental impacts. Our experience reveals that any SIAs done are typically managed by the environmental specialists within

the companies. These specialists usually have a lot of environmental issues to be concerned with and therefore they do not pay much attention to social issues.

The social baseline information that is usually provided in project documentation developed according to the Russian requirements is not sufficient to identify potential project social impacts. The results of the impact assessment process conducted according to national requirements are usually weak. They do not ensure that the potential impacts on the communities are identified and addressed, and do not contribute to meaningful decision-making processes. Even if a company takes the initiative to develop an international ESIA and address social impacts properly, this is not reflected in the national EIA materials for the project.

Conclusion

As with many other countries (Ahmadvand et al. 2009; Hanna et al. 2014; Hansen et al. 2016), the environmental impact assessment process in the Russian Federation does not adequately address social issues. Even though the Russian national requirements have much in common with international standards, they do not ensure that meaningful and useful social impact assessment is undertaken. Similar to the issues identified elsewhere by others previously (e.g. Burdge and Vanclay 1996; Vanclay 2004), the key weaknesses of the Russian national EIA process with respect to social issues are as follows:

- Social impacts are regarded as being subordinate to environmental impacts;
- There is an expectation that only high-level social baseline data is required, and therefore only limited information regarding the potentially affected communities and stakeholders tends to be provided;
- Few (if any) social impacts are properly considered;
- The links between the social baseline, social impacts, social

mitigation, and the management of the project are not identified;

- The review process has minimal requirements and expectations, and does not appreciate any additional effort or extra documentation;
- There is a lack of capacity within companies to terms of social expertise to address the social impacts of projects.

In this paper, we considered the overarching key principle of SIA, civil society and democracy – that people should be involved in and able to influence the decision-making processes that affect their lives – and the extent to which it was served by the Russian EIA procedures. For this principle to be effectively implemented requires two things: that meaningful SIA be undertaken; and that there be a proper decision-making process that allows discussion of the SIA results with the affected people. It is difficult to establish which of these two things is more important, however, without a meaningful SIA process, the decision-making process has little information to consider.

The weaknesses of the national EIA process are such that they do not lead to project developers performing an adequate SIA that enables the social impacts to be fully identified and properly managed. A limited assessment cannot contribute to meaningful decision-making processes, or to ensuring good outcomes for those who are potentially affected by or interested in a project. Potentially affected people and other stakeholders do not have appropriate information about potential disturbance, benefits, or the social changes that will be brought about by a proposed project. Therefore, discussion of the pros and cons of a project is difficult. This means that the SIA process, as undertaken according to the national requirements in Russia, is not consistent with the international principles of SIA, civil society and democracy.

We agree with Esteves et al. (2012) that regulators can assist by better formulation of the terms of reference for SIA studies. There are a number of ways by which this could be achieved. First, there should be a requirement to consider social impacts more generally, rather than only those social issues associated with biophysical environmental impacts. In other words, there should be a shift in the focus of the

assessment process from ‘environmental impacts’ to ‘environmental and social impacts’. Second, the national requirements should be more stringent in relation to the identification and management of social impacts. In particular, the links between social baseline, social impacts, social mitigation and management should be clearly spelled out. Finally, the practice of SIA in Russia needs significant improvement. We believe that this is primarily the task of the project documentation reviewers. No matter how good the companies are, they usually do not make adequate effort or spend resources on things they consider are not required. The reviewers should be more demanding in respect to the social aspects of the projects they review and they should reject the documents when they are inadequate.

The experience with the Karmen project shows that it is possible to conduct proper SIA in Russia, and to an international standard. There are adequate sources of data available to enable social baselines to be compiled. Thus, there is an opportunity to improve the SIA practice in Russia to enable meaningful results that can ensure the potentially affected people are involved in and can influence the decision-making processes relating to projects that affect their lives.

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Chapter 3

Social Impact Assessment and stakeholder engagement in the Russian Federation: representativeness, deliberativeness and influence

Social Impact Assessment and stakeholder engagement in the Russian Federation: representativeness, deliberativeness and influence

Abstract

We analyse two approaches to social impact assessment (SIA) – traditional SIA and participatory SIA – in the context of a large project in the Russian Federation. The key difference between these approaches is the level and depth of stakeholder engagement in the impact assessment process and project. Participatory SIA seeks to observe the three principles of participatory democracy: representativeness, deliberativeness and influence. We identify the requirements for stakeholder engagement in the Russian impact assessment process, and analyse implementation practice by reviewing the stakeholder engagement activities undertaken for the South Stream gas pipeline project, according to national requirements and international best practice (e.g. the International Finance Corporation Performance Standards). We conclude that the Russian process reflects traditional SIA. Its main weaknesses are poor stakeholder identification and planning of engagement activities. The Russian SIA/EIA process is not consistent with the principles of representativeness, deliberativeness and influence and does not enable people to adequately participate in or influence decision-making.

Keywords: environmental impact assessment; community engagement; public participation; deliberative democracy; extractive industries and society; social license to operate

Introduction

Although social impact assessment (SIA) developed as a technocratic regulatory tool alongside environmental impact assessment (EIA) (Esteves et al., 2012; Vanclay et al., 2015), SIA is now more aligned with the notions of civil society and democracy (Vanclay, 2003, 2014). A key value shared by democratic theory and SIA is that people should be involved in and have influence on the decision-making that is likely to affect their lives (Hartz-Karp and Pope, 2011; O'Faircheallaigh, 2010; Salomons and Hoberg, 2014; Vanclay, 2003). To implement such a principle in practice, at least two things are required. First, it requires that meaningful SIA be undertaken to analyse how people might be affected by a project (Pisani and Sandham 2006). Second, stakeholder engagement must be effectively implemented enabling project-affected people and other interested stakeholders to take part in decision-making (Dare et al., 2014; Pisani and Sandham, 2006). In this paper, we focus on this second aspect, by considering the stakeholder engagement process as practiced in the implementation of large projects in the Russian Federation and the extent to which this complies with principles of participatory democracy.

Historically there have been two main approaches to SIA: traditional and participatory (Becker et al., 2003; Dale and Lane 1994; Hartz-Karp and Pope, 2011; Lockie, 2001). Key differences between these approaches are the extent of and commitment to stakeholder engagement in the impact assessment process. Traditional SIA is a top-down, expert-driven process primarily focused on addressing the regulator's information needs (Buchan, 2003). Participatory SIA is positioned as a mechanism to empower affected people, and embodies the democratic principles of representativeness, deliberativeness and influence (Carson, 2009; Fishkin, 2009; Hartz-Karp and Pope, 2011). In this paper, we consider stakeholder engagement undertaken in SIA in the Russian Federation. In Russia, SIA might be performed along with EIA as part of a national permitting process. Alternatively, it may be undertaken as part of an international Environmental and Social Impact Assessment (ESIA) when a company is seeking project financing. We analyse the Russian legal requirements for stakeholder engagement and reflect on their consistency with democratic

values. We reflect on stakeholder engagement practice in Russia by considering the South Stream Offshore Pipeline, one of the largest projects to have commenced in Russia. Reviewing its stakeholder engagement, we reflect on the traditional versus participatory nature of the process. We analyse whether the stakeholder engagement process makes the Russian SIA/EIA process consistent with the democratic principles of representativeness, deliberativeness and influence. This paper was written by a Russian social practitioner, who was involved in the South Stream project, together with an international SIA academic.

The role of stakeholder engagement in SIA

Much academic writing on SIA has distinguished between two approaches to SIA: traditional and participatory (Hartz-Karp and Pope, 2011; Lockie, 2001; Roberts, 2003). Traditional SIA has been referred to as linear, technocratic, top-down, expert-driven and bureaucracy-driven (Craig, 1990; Roberts, 2003; Vanclay, 2006; Hartz-Karp and Pope, 2011). Traditional SIA is generally undertaken by consultants on behalf of project proponents to provide government regulators with the information needed for their decision-making (Buchan, 2003). The role of local residents and other stakeholders is usually limited to providing data for the ESIA and/or project (e.g. for the baseline or social profile). Consultations are sometimes also undertaken to determine the potential impacts of the project. A classic aspect of this approach is the use of public hearings (also called town hall meetings), which tend to only give voice to the views of lobby-groups, people with specific interests, and vocal stakeholders. The degree of influence local residents and other stakeholders have on decision-making in this situation is minimal, and the engagement process has limited effectiveness. The output of traditional SIA is a statement that is largely controlled by the proponent, with minimal input from the public (Roberts, 2003; Hartz-Karp and Pope, 2011).

Participatory SIA has been described as power-sharing, iterative, negotiation-based, and deliberative (Hartz-Karp and Pope, 2011; Lockie, 2001; Roberts, 2003). Acknowledging that many social

impacts can be predicted (Vanclay, 2002, 2003), participatory SIA recognizes that social impacts are socially constructed (Domínguez-Gómez, 2016; Hartz-Karp and Pope, 2011; Lockie, 2001; Vanclay, 2012). Therefore, the likely social impacts should be identified and interpreted based on community and stakeholder perceptions of these impacts and through a process of public deliberation or negotiation (Hartz-Karp and Pope, 2011; Smyth and Vanclay, 2017). No single entity (individual, group, party, organisation, government agency) has a monopoly on understanding a particular issue (Daniels and Walker, 1996; Stolp et al., 2002). Thus, SIA should be performed in collaboration with the affected people and other stakeholders (Lockie, 2001; Vanclay, 2003; Vanclay et al., 2015). The scope of the SIA should also be established collaboratively (Hartz-Karp and Pope, 2011). Deliberation should occur in an environment of trust and egalitarianism to be “more inclusive and representative of community viewpoints, and more committed to mutual understanding and project solving” (Hartz-Karp and Pope, 2011: 259). The results of an SIA should be a shared product, jointly owned by all involved (Roberts, 2003; Hartz-Karp and Pope, 2011; Vanclay et al., 2015).

Participatory SIA should not be based on a single event, but on many events using a variety of engagement activities (Hartz-Karp and Pope, 2011). “Through respectful dialogue, participants tend to solve problems creatively, develop empathic understandings of that which they don’t agree on, and find common ground that reflects the broadest public interest” (Hartz-Karp and Pope, 2011: 269). Perhaps, the most tangible difference between traditional and participatory SIA is the degree to which those involved are able to influence decision-making (Roberts, 2003). Deliberative SIA aspires to power-sharing between the decision-maker, affected communities and other stakeholders (Hartz-Karp and Pope, 2011), and it is accepted that there are many decision-makers who should have influence in the process (Lockie, 2001; Vanclay, 2003). Participatory SIA promotes community empowerment and has greater legitimacy (Bond et al., 2018; Hartz-Karp and Pope, 2011; Vanclay et al., 2015).

Participatory SIA is generally aligned with the core concepts of civil society and democracy. It seeks to correspond with the three principles

of participatory democracy: representativeness, deliberativeness and influence (Hartz-Karp and Pope, 2011). Representativeness ensures that those deliberating should be generally representative of the population with respect to demographics, attitudes and other key characteristics of the local communities. It also implies that those who are marginalised or vulnerable should be included and that special care is taken to ensure their participation (van der Ploeg and Vanclay, 2017; Vanclay, 2017). Deliberativeness is a process of shared reasoning and learning to come to mutually-accepted, legitimate decisions (Hartz-Karp and Pope, 2011). Influence refers to the notion that those participating should have a real impact on the decision-making process. They should be seen as a valued and valuable partner in the decision-making process (Hartz-Karp and Pope, 2011).

Participatory SIA is an ideal and will not occur easily (Hartz-Karp and Pope, 2011). Practice shows that not all decision-making is performed in an environment of trust, not all stakeholders are well informed on the topic under discussion, not every participant in the decision-making process pursues the common good or is ready to listen to and understand opposing viewpoints, and so on. Consensus is not always feasible or might be difficult to obtain (André et al., 2006). A trusting and participatory culture to enable effective deliberation needs to be cultivated, which makes participatory SIA both resource and time consuming (André et al., 2006). Although limited in many respects, because it is straightforward and manageable, traditional SIA is often seen as having advantages over participatory SIA. Roberts (2003) considers that both approaches are likely to be feasible, doable and appropriate in certain project situations and that traditional SIA and participatory SIA are opposite ends of a spectrum, with what actually occurs in practice usually being somewhere in-between.

Various methods, approaches and handbooks exist to facilitate effective stakeholder engagement. Key resources include documents from the International Finance Corporation (IFC, 2007, 2014a); the Inter-American Development Bank (Kvam, 2017); the Organisation for Economic Co-Operation and Development (OECD, 2001, 2005, 2017), the International Institute for Environment and Development (Wilson et al., 2016), the International Association for Public Participation (www.iap2.org), and the International Association for Impact Assessment (www.iaia.org).

Russian and international requirements for stakeholder engagement

The Russian Federation's requirements for participation in decision-making are established in its Constitution, which recognises the principles of equality and self-determination of peoples, and asserts the democratic basis of the country (Russian Federation, 1993). It asserts that people, their rights and freedoms are supreme (Russian Federation, 1993, art. 2) and that "the bearer of sovereignty and the only source of power in the Russian Federation shall be its multinational people" (Russian Federation, 1993, art. 3). Russia aims to create conditions for a worthy life and the free development of its people (Russian Federation, 1993, art. 7). The Constitution confirms people's right to a favourable environment and to reliable information on the state of the environment (Russian Federation, 1993, art. 42).

As in other countries, SIA practice in Russia is derived from and based in EIA (Cherp and Golubeva, 2004; Gulakov and Vanclay, 2018). Below we explain the requirements for stakeholder engagement that are part of the Russian EIA process. Russian federal law on environmental protection proclaims people's right to reliable information on environmental conditions (Russian Federation, 2002, art. 3). The law states that economic and other activities that have an impact on the environment can only be carried out in accordance with the principle of citizen participation in decision-making (Russian Federation, 2002, art. 3). It also states that decisions on locating facilities with potential adverse environmental impacts should only be made after considering public opinion or the results of a referendum (Russian Federation, 2002, art. 13). Unfortunately, it is not clear at what scale (local, regional, national) public opinion should be considered. Furthermore, we are not aware of any situation where a referendum has been undertaken. The Federal Law on Environmental Review declares that transparency, participation of civil society organisations, and consideration of public opinion are among the principles of the review process (Russian Federation, 1995, art. 3). This law also enables a Public Environmental Review Process to be conducted (Russian Federation, 1995, art. 4), although this is rarely done.

Detailed prescriptions about EIA and stakeholder engagement are provided by the Provisions for EIA (Russian Federation, 2000). According to this document, public participation should be organised by the local (municipal) authorities with support from the project proponent. In Russia, the formal impact assessment process has three stages: initial assessment; draft EIA; and final EIA (see Figure 3.1). There is also a review process.

Figure 3.1: Stakeholder engagement as part of the Russian EIA process
Source: Branran Environment

The first stage of the EIA process is an initial assessment and the development and disclosure of the Terms of Reference (ToR) for the EIA that is to follow. The project proponent develops a draft EIA during the second stage, discloses it to the public, and conducts 'public discussions'. These discussions can be in the form of public hearings, social surveys, or a referendum (Russian Federation, 2000, art. 4.3). During the third stage, the project proponent finalizes the EIA materials and submits them to the government review process.

In general, the public discussions tend to be in the form of public hearings. They are usually one-off events conducted in a public hall by the administration of a local municipality together with the project proponent. Minutes from these discussions are required to be included in the annexes of the EIA report (Russian Federation, 2000, art. 4.9).

Stakeholder engagement activities and their timing are prescribed in the EIA regulations. For example, press announcements should be made at least 30 days prior to the public hearings (Russian Federation, 2000, art. 4.8), the draft EIA materials should be disclosed for a minimum of 30 days (Russian Federation, 2000, art. 4.10), and comments on the published EIA materials must be received for at least 30 days after the public hearings (Russian Federation, 2000, art. 4.10). The requirements are also very clear regarding how notifications about a project can be made. For example, if a project is to be subject to Federal review, the notifications should be made in federal, regional and local newspapers (Russian Federation, 2000, art. 4.3). Additional ways of informing about the proposed project can be utilized (e.g. radio, TV, etc.), although in practice these are seldom used. The stakeholder engagement process finishes at the end of the EIA commenting period. However, when the EIA materials are finalized, they should be publicly available until a decision about the project is made (Russian Federation, 2000, 4.11). Where Indigenous peoples are present, there are additional requirements, including an anthropological expert review (*etnologicheskaya ekspertiza*) (Novikova & Wilson, 2017).

The main strengths of the Russian requirements for stakeholder engagement are that they are straightforward, clear and manageable.

They contain detailed prescriptions about what activities should be undertaken and when. They allow other engagement activities, such as additional ways of informing the public. Russian law allocates a key role to the administration of the local municipality, since presumably it should have local knowledge and a good understanding of the best means of engaging with local communities. The administration is also supposed to act in the interests of the local communities. However, it is debatable whether the local municipality or project proponent should take leadership of the engagement process – especially where an administration lacks capacity and/or fails to organise engagement activities properly. Stakeholder engagement can do more harm than good when it is not properly designed or adequately resourced (Dietz and Stern, 2008; Salomons and Hoberg, 2014).

One weakness is that the Russian requirements nominate a limited range of options for conducting consultations: public hearings, social surveys and referenda. Referenda are a very limited form of stakeholder engagement, and are seldom if ever utilized in Russia. A survey might be useful for collecting information or assessing public opinion, but it is not deliberation. Thus, among these three methods, public hearings are arguably the most appropriate and are frequently used in the Russian EIA process. However, limiting consultation to public hearings might lead the stakeholder engagement process the wrong way, especially if the project is controversial and/or there are significant issues to be considered. Public hearings have many weaknesses (Nadeem and Fischer, 2011). For example, they tend to give inappropriate weight to the most vocal stakeholders, with the voices of the most affected remaining unheard. Since public hearings are usually conducted in municipal centres that may be some distance from the affected communities, those most affected might not be represented properly at the hearing. Organising a series of events, perhaps at different locations, would be appropriate. Sometimes it makes sense to discuss certain project-related issues with specific stakeholder groups (e.g. with NGOs, local businesses, etc). For this purpose, other forms of engagement, like roundtable meetings, open house meetings, or focus groups, might be more suitable. Listening sessions are another type of public forum designed to avoid the confrontational atmosphere of public

hearings and provide an unhurried and unpressured atmosphere in which people feel comfortable and secure in sharing their thoughts (Webler et al., 2001).

The notification methods required by the Russian legislation have limited potential to adequately inform project stakeholders. Practice suggests that just making media announcements will likely not be adequate for informing affected residents. Announcements in the national or regional press may be sufficient for the wider general public, but will likely not inform many people in local communities. Announcements in the local press are useful, but also have limitations. Not all residents may read a particular newspaper, and there may be a limited supply of this newspaper in the community. If the announcement is only made once, 30 days before the public hearing, the locals may forget. Therefore, putting up posters shortly before the meeting (e.g. about a week) and sending reminder notices to stakeholder groups will be useful. However, although the Russian requirements provide opportunities for employing these other methods of notification, they are seldom used.

Perhaps the key weakness of the Russian stakeholder engagement process is that it lacks adequate stakeholder identification and engagement planning. The requirements prescribe a certain number of obligatory events without considering the location of the project or project-specific differences. Because of the way engagement processes are prescribed, a project in the sparsely-settled area will have largely the same engagement process as one in a heavily-populated area.

Another shortcoming is that the Russian requirements do not enable stakeholders to impact decision-making. People and organisations can only announce their views during the hearings or while commenting on materials made available for public comment, but it is up to a project proponent whether or not to consider them. Thus, project-affected people are excluded from decision-making, which questions the legitimacy of this process and the project itself (Bond et al., 2018; Glucker et al., 2013; Jijelava and Vanclay, 2017, 2018). Sometimes people are asked to vote on a semi-formal motion to confirm that the public hearing has been done, however,

this voting has little legal basis, and such an action might not be proposed if a negative outcome would be expected. Altogether, it is not surprising that people in Russia often wonder about the point of these engagement activities.

Another deficiency is that the stakeholder engagement process finishes with the draft EIA comment period, and there is no requirement for ongoing engagement, although some companies do undertake activities additional to the minimum requirements. In the way it is prescribed, the stakeholder engagement process undertaken as part of EIA in Russia is a classic example of traditional SIA. It is evident that the Russian stakeholder engagement process fails to meet the requirements of participatory democracy. The Russian SIA process would benefit from changes to promote greater stakeholder identification and stakeholder engagement planning, and by being focused on the affected people. A procedure providing residents and other stakeholders with an opportunity to impact decision-making should be established.

The international institutions have requirements for stakeholder engagement. The most prominent are those of the International Finance Corporation, especially as described in its Performance Standard 1 and its associated guidance note (IFC, 2012a, 2012b). The international institutions require projects to identify affected communities, ensure they are provided with information about the intended project and its potential impacts, and are involved in appropriate consultations. This should be described in a stakeholder engagement plan, tailored to the specifics of the affected communities and potential project risks. The international standards require that projects have an ongoing process of engagement with affected communities and adequate communication procedures. Although more comprehensive than the Russian requirements, the international requirements are not specific. For example, unlike the Russian requirements, they don't specify the number of days for information disclosure, the format of consultations, or the way press announcements should be made. In Figure 3.2, we present the summary of the IFC performance standards with respect to stakeholder engagement (IFC, 2012a, 2012b).

Project Management	<ul style="list-style-type: none"> • Develop a Stakeholder Engagement Plan • Focus stakeholder engagement on affected communities • Tailor stakeholder engagement to project's risks and impacts
Information Disclosure	<ul style="list-style-type: none"> • Disclose, in a timely manner, relevant and understandable information on risks, impacts and opportunities of the project
Consultation	<ul style="list-style-type: none"> • Conduct consultations to provide stakeholders opportunity to express their views on project risks, impacts and relevant mitigation measures • Respond to concerns raised and consider them in the ESIA
Grievance Mechanism	<ul style="list-style-type: none"> • Establish a transparent mechanism to receive and facilitate resolution of communities' concerns and grievances (at no cost to stakeholder)

Figure 3.2: Summary of international requirements for the stakeholder engagement process

Methodology

To analyse the practice of SIA and stakeholder engagement in Russia, we consider the Russian section of the South Stream Offshore Pipeline, part of a large project that was intended to deliver Russian natural gas to Europe. Construction of the pipeline commenced in mid-2014, however the project was halted in December 2014, with President Putin indicating this was due to a lack of commitment by the European Union (OffshoreEnergyToday, 2014). With considerable investment already made, the project was then transformed into the TurkStream project to supply gas to Turkey.

We consider that the South Stream Offshore Pipeline is still a reasonable case for this research because all EIA and ESIA materials were fully conducted, preparatory work was completed, and construction had commenced. The whole South Stream project would have been one of the largest and most prominent projects in Russia, and was subject to much scrutiny by the wider public and especially by interested professionals. However, except for some papers on engineering topics or energy politics, not much has appeared in academic journals about the project. During our research, it was evident that the consortium partners were committed to performing best practice in project design and implementation.

South Stream provides an opportunity to analyse the Russian SIA practice by comparing the results of the project's stakeholder engagement against Russian and international standards, because these processes were run in parallel. The project also enables evaluation of whether the stakeholder engagement complied with the principles of deliberativeness, representativeness and influence, and gives a good opportunity to reflect on the character (traditional or participatory) of the SIA process in Russia.

For this paper, we reviewed all relevant project documentation, including the Environmental and Social Impact Assessment and the Stakeholder Engagement Plan, which contained comprehensive information about the project-related consultations and other engagement activities. We also analysed the minutes of meetings conducted for the project as part of the national EIA and international ESIA processes. The project materials were originally prepared in 2012-2014, whereas our document review was performed in 2017-2018. The national EIA materials were developed by the Russian company, Petergaz. The international ESIA process was managed by URS Infrastructure & Environment UK Limited (URS; now part of AECOM). A Moscow-based consultancy, Branan Environment, was engaged as a subcontractor to assist in conducting the SIA and performing stakeholder engagement in Russia. The lead author of this paper was responsible for managing social issues within Branan Environment for this project from 2012 to 2014, and for several months acted on site as an interim community liaison officer. Therefore, we also use descriptive analysis reflecting on the

experience of working on the project and summarising performed activities relevant to stakeholder engagement. As such, this paper is also something of a personal professional reflection.

The ESIA was performed in two stages, scoping and assessment. Both stages included extensive consultations with the potentially-affected communities and stakeholder groups. Targeted engagement with key project stakeholders was performed on an ongoing basis during the ESIA process. The main sources of information for the ESIA included the administrations at local and district levels, federal and regional state statistics bodies, local land owners and land users, businesses and non-governmental organisations.

The Russian Section of the South Stream Offshore Pipeline

The South Stream Pipeline System was a US \$40 billion project that was intended to deliver natural gas from Russia to various countries in Europe. An international joint venture entity, South Stream Transport BV, was established to implement the project and involved: Russian Gazprom, Italian Eni S.p.A., French EDF and German Wintershall Holding GmbH. The offshore section was planned to comprise four 32-inch (813 mm) diameter pipelines traversing 931 km across the bottom of the Black Sea from near Anapa on the Russian coast, via Turkish territorial waters, to Varna on the Bulgarian coast (see Figure 3.3). When fully operational, 63 billion cubic metres of natural gas would have been transported annually. The Russian section of the offshore pipeline was approximately 230 km in length, including a land section of about 4 km (South Stream, 2014a). This Russian section required an EIA/ESIA to meet both international and national requirements, and it is these processes that we analyse in this paper.

Figure 3.3: Route of the proposed South Stream Offshore Pipeline
Source: South Stream, 2014a

The ‘dry’ or ‘landfall section’ of the offshore pipeline included landfall facilities, a section of buried pipeline and four microtunnels to traverse coastal cliffs (South Stream, 2014b). The compressor station and the onshore pipelines upstream from the landfall facilities were not considered part of this specific subproject, and were subject to separate assessments. The landfall section was in the municipal district of the Anapa Resort Town on the Black Sea coast. In summer, this area is a popular tourist area. At 1 km from the pipeline, Varvarovka (population 2,250) was the closest community to experience impacts from construction (South Stream, 2014a). Anapa (population 59,000) was the closest urban settlement to the pipeline (see Figure 3.4). Anapa was designated as a potentially-affected community since it would accommodate the project workforce (South Stream, 2014a). Other than Anapa, the area surrounding the pipeline was largely rural, with several small communities. The project area was primarily woodland and agricultural land, especially vineyards belonging to the local winery, Kavkaz.

Figure 3.4: Screen shot from Google Maps showing the locations discussed in this paper
Source: South Stream, 2014c

The project would generate considerable traffic during construction. To manage the impacts created, a bypass road was planned so that construction vehicles could avoid the main road through Varvarovka (South Stream, 2014c). Furthermore, the main project access road would be in close proximity to Gai-Kodzor (population 3,370). Rassvet (population 1,180), located on the A-290 just north of Gai-Kodzor, would also experience impacts from construction traffic (South Stream, 2014c). Two other local communities, Supsekh (population 8,760) and Sukko (population 3,150), were also located close to the project construction site.

Several specific stakeholders relevant to the project were identified during the ESIA process. For example, two holiday complexes, Shingari and Don, between Varvarovka and Sukko, were approximately 1.5 km from the landfall section. These complexes have a private

beach, and the visual amenity here may be affected. Several fishing companies operated in the project area. A horse riding business was also identified. These stakeholders were treated similar to other affected groups with respect to stakeholder engagement and impact assessment (South Stream, 2014a).

At peak construction of the landfall section, about 330 workers would have been employed, along with 1,750 workers for the nearshore and offshore sections. However, when operational, no full time workers would be needed (South Stream, 2014b). Construction was planned from 2014 to 2017, with the pipeline intended to be operating for 50 years (South Stream, 2014b). As indicated earlier, the South Stream project stopped in December 2014 for political reasons. However, it has been transformed into the TurkStream project.

Stakeholder engagement for the South Stream project compared to national and international requirements

This section describes the stakeholder engagement activities that were performed for the project to be consistent with national requirements, as well as the activities performed to meet the requirements of international financial institutions. Both processes had two stages, an initial assessment or scoping stage, and the impact assessment.

Initial assessment (Scoping)

The stakeholder engagement for the ToR for the national EIA was done strictly in accordance with the specified national requirements, with the ToR being available for public comment in July 2012 for 30 days (South Stream, 2014a). It was also available on the company's website and printed copies were available at the district administration office in Anapa, and at community centres in Varvarovka and Gai-Kodzor. Comment forms and comment boxes were available at these locations. Press announcements about the ToR and the public comment period were made at national, regional and local levels. The company and municipal administration went beyond minimum requirements by making the ToR available at several locations.

The stakeholder engagement undertaken as part of the international ESIA process started with the development of the Stakeholder Engagement Plan, and included stakeholder identification, planning of consultation activities, development of a grievance mechanism, and other activities. The scoping report was disclosed for public comment for 30 days in December 2012, at the same locations as the ToR. Public release of the materials was followed by the first round of consultations. Stakeholders were informed about upcoming meetings through notices in the print media, posters in affected communities, and invitation letters to stakeholder groups. Notification in the press was only at the local level to focus on local stakeholders and those most affected. Invitation letters with copies of the documents were sent by email, post or delivered to representatives of vulnerable groups and key project stakeholders. Community meetings were held in Varvarovka, Gai-Kodzor and Supsekh. Thus, residents of all affected communities and the generally-interested public were invited to participate. However, at this stage, the community of Rassvet had not yet been identified as being affected. Two roundtable meetings were held in Anapa for fishing companies and other businesses, as well as for local and regional NGOs. Another roundtable meeting was held in Moscow with national NGOs (South Stream, 2014a).

The stakeholder engagement performed according to international requirements was more resource-consuming than that undertaken according to national requirements. However, it helped the company gain a better understanding of the stakeholders, their willingness to participate, and their interests in and concerns about the project. Most comments at this stage referred to potential project impacts, employment opportunities, and gas supply issues in Varvarovka. Varvarovka did not have gas at this time, and its residents were keen for the South Stream project to supply gas to their community (as well as to Europe!). The consultation meetings also helped shape plans for stakeholder engagement at the later stage of the ESIA.

Impact assessment

The EIA materials for the national permitting process were made available to the public for the minimum period of 30 days. Printed

copies were available in the same three locations – Anapa, Varvarovka and Gai-Kodzor. The public comment period and upcoming public hearing were announced in local, regional and national newspapers. The municipal administration held the public hearing in Anapa in May 2013. Representatives from the administration, company and the EIA consultant gave presentations, followed by a short question-and-answer session. This consultation identified several issues of concern to the local communities, including risk of seismic activity in the region, and the potential impact of the project on fisheries and the marine environment.

Notices about availability of the ESIA materials and public consultations were made as per the scoping stage. The company issued press announcements, put posters in the potentially-affected communities, and sent invitation letters to specific stakeholder groups. The materials were made available in each community, and on the company's website.

The company organised community meetings with residents and stakeholders of the two most-affected communities, Varvarovka and Rassvet. The meetings were similar to the public hearings, with representatives from the company and the consultants giving presentations and responding to questions. With Varvarovka being the closest community, it would experience construction impacts, and most questions referred to construction activities, noise and vibration, traffic, and job opportunities.

There was an expectation of people in Varvarovka that the project should supply them with gas, which had also been identified during the scoping stage. Such expectations had been promulgated by statements of some local officials, which were amplified by the local press. Residents considered it unfair that a pipeline supplying Russian gas to Europe would go their community while they still had to heat their houses with wood. During the public meeting, the company explained it was not within the scope of their project to supply gas locally. The company argued this was the responsibility of the authorities and gas distribution companies. South Stream invited gas distribution companies to take part in the meeting to respond to questions regarding the local supply of gas. This process of discussion with Varvarovka residents helped

prevent community discontent and addressed this potential conflict issue in a constructive manner.

In the Rassvet meeting, the key issue discussed was traffic. At the time, the company had not yet started construction for this project. However, another company was constructing the compressor station, which was subject to a separate EIA process. Its trucks were regularly passing through Rassvet, generating noise, dust and vibration. The residents could not distinguish the project's future traffic from the current traffic of the other project. Being already impacted, the local residents were not happy to see additional construction traffic. The situation was complicated because it was not feasible to construct a bypass.

Residents in another community some distance away had blockaded a local road in protest about truck traffic. This action was known to the residents of Rassvet, and the possibility of a blockade was articulated at the meeting. The company admitted there would be traffic impacts during construction and explained it was not feasible to build a bypass. However, the company explained it was taking the traffic impacts very seriously and would make efforts to mitigate them as much as it could. The company also explained that their construction traffic would only last 4 months, and invited the community to provide ideas about how to make these months go smoothly.

Generally, Rassvet residents were supportive of the project. During the meeting, they realised that the company acknowledged the traffic issues, and was committed to mitigation. They also understood the impact was only short term. This reduced potential conflict. We believe that the discussion during the public meeting, together with a grievance redress mechanism, and the on-going interaction between the company and residents were important for securing the project's social licence to operate.

During development of the ESIA, a company responsible for construction of another part of the South Stream Pipeline System built a bypass road near Gai-Kodzor. Therefore, they should not have experienced project impacts associated with traffic. Nevertheless, the company decided to involve them in a stakeholder engagement

process anyway, since it was one of the closest communities, and its residents might still have concerns and questions regarding the project and its impacts. Amongst other things, the company organised a drop-in session in this community. In particular, it arranged several roundtables at the local community centre. Each discussion was devoted to certain aspect of the project – e.g. socio-economics, noise and vibration, etc. Representatives of the company and consultants were present to respond to questions from local residents. The company also displayed posters with information about different aspects of the project and organised catering for attendees. This engagement gave the company an opportunity to present the ESIA findings and discuss the project and its impacts in an informal manner.

The company also ran roundtable meetings with representatives of local NGOs in Anapa and another with fishery and other businesses in affected communities. Various other stakeholders were engaged during the ESIA development. At the scoping stage, several environmental NGOs were invited to the meeting in Moscow, however only one group attended. Therefore, at the ESIA stage the company decided to invite international NGOs to attend roundtable meetings in Anapa or Moscow.

The stakeholder engagement activities for this project varied between the national and international processes. For the national process, there was a fixed set of pre-determined events, whereas for the international process, the activities were more extensive achieving greater engagement outcomes. The process helped the project identify critical issues and avoid potential conflict.

Representativeness, deliberativeness and influence in stakeholder engagement in Russia

Here we consider the key elements of the stakeholder engagement process – notification of stakeholders, information disclosure, and consultations – and reflect on whether these elements as legally prescribed and conducted for the Russian Section of the South Stream Offshore Pipeline were in accordance with the key principles of participatory democracy: representativeness,

deliberativeness and influence. We note that the main weakness of stakeholder engagement for the national EIA process was that it was not project-specific. National stakeholder engagement only requires a small number of simple actions. There is no requirement for effective stakeholder identification and stakeholder engagement is not planned according to the needs of each stakeholder group. Consequently, certain stakeholder groups, including those most affected, might not be involved in decision-making. This questions the representativeness of the national process, and may lead to poor consideration of impacts. With South Stream, the national process failed to adequately engage the residents of Varvarovka and Rassvet, and failed to identify issues associated with gas supply and traffic that were important to the communities. Although the Russian requirements allow additional methods of stakeholder notification, the only obligatory method is a newspaper announcement. It is assumed that newspaper announcements at the relevant level (local, regional or national) are adequate to inform all stakeholders. However, this is not adequate because, given the large number of newspapers, people may read ones other than the one in which the announcement was published. Furthermore, in any particular community, there may be a limited number of copies of that particular newspaper available.

The required 30 days notification prior to a public hearing may not be effective because it is too far before an event. Making more than one announcement would be more effective, e.g. at one month, two weeks and the day before the event. Additional forms of notification would also be desirable, e.g. putting-up posters in the communities about a week before an event, and sending invitation letters to stakeholder groups. We believe that the use of these methods for the international ESIA helped the company address the limitations of the national process, increased stakeholder awareness of the consultation process, and raised the extent of participation of local residents.

Public access to the project materials for the national EIA process was provided in the municipal centre and in two communities. This might be considered adequate, however the materials were not available in three other potentially-affected communities, including the one likely to be most affected, Rassvet. For the international

ESIA process, the materials were made available in each project-affected community.

We suggest it is appropriate that ESIA materials be available in all affected communities, in the municipal centre, and online. In some cases, affected communities may not have appropriate premises for displaying project materials. Sometimes there may be many affected communities, and since a complete set of project documents are frequently thousands of pages long, it is difficult, costly and time-consuming to make them available everywhere. We suggest that multiple copies of the Non-Technical Summary should be available in each community, but only a small number of copies of the complete report need to be available. In planning stakeholder engagement, a company should justify why it discloses materials in some locations and not others. It also needs to reveal where the documents can be accessed.

Along with notification and release of project materials, another aspect of stakeholder engagement is consultations, which have two key aspects: who participates and what format (Salomons and Hoberg, 2014). The national EIA process usually fails to provide an adequate arena for the participation of community members and other stakeholders. This is partly due to a lack of planning. Often, the locations where administrations hold public hearings are not appropriate. Holding hearings only in a municipal centre will limit representation of the more-distant communities, as was the case for South Stream. The administration held public hearings only in the municipal centre. As a result, participation by local residents was poor, and the important issues of gas supply and traffic were not articulated. Sometimes, the municipal centres might have the only suitable premises for holding hearings. In this case, free transport should be provided to enable distant residents to attend (Nadeem and Fisher, 2011). Considering the notification about the project, information disclosure, and participation of stakeholders, we conclude that the representativeness of the national engagement process was very low, whereas for the international ESIA it can be considered as adequate.

The form of consultation is also important. Public hearings results in the views of the loudest stakeholders being expressed. Sometimes

public hearings are held in a very formal manner with no real discussion or exchange of views. Since the national EIA process only had a question-and-answer session during public hearings, its overall deliberativeness was very low, much less than in the international ESIA process. Stakeholder engagement in the international process included consultations in several project-affected communities in a variety of forms. Two public meetings, a drop-in session, and two roundtable meetings were used. This encouraged participation of the various communities and stakeholders, revealed their expectations and concerns, and enabled real discussion of the project and its likely impacts. We believe that this discussion, as well as the company's ongoing stakeholder engagement, helped reduce conflict with locals and developed a positive relationship with them. Although conducted precisely in accordance with national requirements, the EIA consultations failed to achieve that.

The third aspect is influence, the degree to which those involved in the stakeholder engagement processes are able to affect decision-making. In the Russian EIA process, the level of influence accorded to communities and other stakeholders is not high. Affected people are usually inadequately informed, not actively involved, and there is no formal mechanism to enable them to influence decision-making. People may shout or stomp, they may raise their hands and/or vote for something during public hearings, but this has no real effect. Their concerns may be reflected in the minutes of the public hearing to be attached to the EIA materials. The level of influence of local communities in the international ESIA process is greater since communities and stakeholders are better informed and more involved in the discussion, but there is still no formal procedure for them to give or withhold approval of a project or its components.

A comparison between the national EIA and international ESIA against the principles of participatory democracy is provided in Table 3.1. The national EIA process failed to comply with any of the principles, whereas the international ESIA was consistent with the principles of representativeness and deliberativeness, but not the influence principle. Overall, the national EIA process proved to be a traditional or linear process with a dubious outcome, whereas the international ESIA process got closer to being fully participatory.

Table 3.1: Russian EIA and international ESIA processes assessed for representativeness, deliberativeness and influence

Participatory Democracy Principle	Russian EIA Process	International ESIA Process
Representativeness	<ul style="list-style-type: none"> • stakeholders are not identified • stakeholder engagement is not planned • press announcements are only form of invitation/ notification • project materials are not disclosed in all affected communities • inappropriate places and forms of stakeholder engagement • certain stakeholder groups, including those most affected, are not involved 	<ul style="list-style-type: none"> • stakeholders are identified • a Stakeholder Engagement Plan is developed • multiple methods of notification are used • project materials are disclosed in affected communities • adequate places and different forms of stakeholder engagement • all stakeholder groups are engaged
Deliberativeness	<ul style="list-style-type: none"> • one-off meeting • the public hearings provide little opportunity for deliberation • no on-going interaction • potential for conflict with the affected communities and other stakeholders 	<ul style="list-style-type: none"> • multiple meetings • different forms of engagement • on-going interaction with communities • potential for conflict is limited
Influence	<p>Those affected:</p> <ul style="list-style-type: none"> • are inadequately informed • are poorly involved • have no opportunity to influence decision-making 	<p>Those affected:</p> <ul style="list-style-type: none"> • are adequately informed • are sufficiently involved • have no opportunity to influence decision-making

Conclusion

In Russia, Social Impact Assessment is part of Environmental Impact Assessment, and is an example of traditional SIA. SIA is led by the government with the support of the project proponent and provides only limited opportunities for communities and other stakeholders to participate in decision-making. The national EIA process lacks representativeness since it does not enable all affected

and interested people to be involved (Nenasheva et al., 2015; Sidortsov et al., 2016). It lacks deliberativeness since it provides only limited space for discussion. Finally, it lacks influence since it does not provide any procedure for communities or other stakeholders to influence decision-making. Therefore, the process is not consistent with the principles of democracy to which, according to its Constitution, Russia is committed (Russian Federation, 1993), and is far from the ideals of the participatory SIA and participatory democracy. Being regulated by the Provisions for EIA (Russian Federation, 2000), the Russian EIA process is not even in line with the requirements of the overarching Federal Law on Environmental Protection, which proclaims the right of people to participate in decision-making (Russian Federation, 2002, art. 3). However, this right is seldom observed. The reason for non-compliance with this right has to do with the weaknesses and traditional character of the Provisions for EIA, as well as the poor practice of its implementation. Thus, the requirements and practice of SIA in Russia should be improved.

The first thing that should be addressed is the lack of stakeholder engagement planning. Prior to performing any engagement, there should be a preliminary process of identifying stakeholders and the engagement process should be planned to address all needs, paying special attention to the most affected. This will influence appropriate ways for information disclosure, notification and consultation. Although the methods for appropriate engagement are subject to ongoing debate (Glucker et al., 2013), this plan should provide justification for why certain ways and methods of engagement are used for a particular project. We believe this plan should also be part of the project documentation to be submitted to the state review.

The shift from traditional to participatory SIA can not be achieved quickly but should be developed over time. Our research showed that even high-quality SIA performed according to the international requirements does not fully comply with the values of participatory SIA – especially in terms of influence. Apparently, the stakeholder engagement process in Russia should evolve towards more representation, more deliberation and greater community empowerment to enable people to impact on the decisions that affect their lives.

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Chapter 4

Challenges in meeting international standards in undertaking Social Impact Assessment in Russia

Challenges in meeting international standards in undertaking Social Impact Assessment in Russia

Abstract

Implementing good practice social impact assessment (SIA) that meets international standards in countries in transition is problematic. We reflect on the challenges faced when undertaking SIA in the Russian Federation. These challenges restrict meaningful SIA processes from being undertaken and limit public participation and the effective community engagement of project-affected local people. Based on the self-reflexive professional experience of two Russian-based social practitioners, and their discursive interactions with two leading academics in environmental and social impact assessment, as well as on in-depth interviews with prominent Russian and international experts, we identified the key challenges that prevent effective SIA from being implemented in Russia: a lack of understanding of the international standards; discrepancy in the determination of the social area of influence between the national requirements and international standards; difficulties in combining national and international impact assessment processes; and a tendency by companies to restrict stakeholder engagement to the minimum. We hope that by having an awareness of these limitations, improvements to SIA practice in Russia and elsewhere will be made.

Keywords: environmental impact assessment; emerging markets; stakeholder engagement; extractive industries and society; social licence to operate; reflexive practice

Introduction

Social impact assessment (SIA) is a concept and practice that is well established and elaborated internationally (Esteves et al., 2012), having agreed values and principles (Vanclay, 2003), and guidelines for practice (Vanclay et al., 2015; Kwam, 2018). SIA is required by multilateral development banks and other international financial institutions, notably the International Finance Corporation (IFC) (IFC, 2012a) and ostensibly by all banks that are signatories to the Equator Principles (<https://equator-principles.com/>) and thus most project financing institutions (Vanclay, 2017a; Vanclay and Hanna, 2019). SIA is primarily about managing the social issues of projects (Vanclay et al., 2015; Vanclay, 2020). SIA can be done voluntarily by companies, but also because it is required by national law (in this paper ‘national SIA’), or demanded by international standards, either as a condition of project financing or because of the requirements of an international collaborator (in this paper ‘international SIA’).

International SIA is implemented across a wide range of different social contexts, with countries having their own expectations of what SIA is and how it should be implemented (i.e. national SIA). There can be many discrepancies between international and national expectations. This is especially the case for countries in transition, where democratic procedures are typically not fully understood or implemented, and national policies, procedures and practices for SIA and environmental impact assessment (EIA) may not be well developed, elaborated, or complied with (Cherp and Golubeva, 2004; Kovalev et al., 2009; Glucker et al., 2013; Gulakov and Vanclay, 2018, 2019). In this paper, we reflect on the challenges that emerge from implementing international SIA in the context of countries in transition, specifically in the Russian Federation. To our knowledge, there has been little or no discussion of such challenges in Russia. The paper is primarily based on the self-reflexive experience of Gulakov and Ignatev, who are social practitioners based in Russia, as well as on their interviews with five leading practitioners in Russia.

International best practice Social Impact Assessment

Internationally, SIA is now a well elaborated concept, with clear understandings, values, guiding principles, theories and methods (Vanclay, 2003; Howitt, 2011; Esteves et al., 2012; Franks and Vanclay, 2013; Vanclay et al., 2015). There are many ways by which SIA is implemented, with SIA being a fully independent process in some jurisdictions (Parsons et al., 2019). However, even though SIA is conceptually independent from other forms of impact assessment (Vanclay, 2015), contemporary practice is to integrate it with the assessment of other impacts in an Environmental, Social and Health Impact Assessment (ESIA or ESHIA) (Dendena and Corsi, 2015).

Democratic principles are embedded in the contemporary approach to SIA (Vanclay, 2003; Vanclay et al., 2015; Aucamp and Lombard, 2018; Gulakov and Vanclay, 2018, 2019), and SIA includes consideration of human rights issues (Kemp and Vanclay, 2013; Götzmann et al., 2016; Esteves et al., 2017; van der Ploeg and Vanclay, 2017, 2018). The fundamental values of SIA include that people have a right to be involved in decision-making about the planned interventions that will affect their lives and that this decision-making should be just, fair and transparent (Vanclay, 2003; O’Faircheallaigh, 2010; Hartz-Karp and Pope, 2011; Salomons and Hoberg, 2014). Decision-making should not only be the prerogative of experts, but should be taken as close to the affected people as possible, in other words, subsidiarity (Vanclay, 2003). SIA is intended to strengthen democratic processes and improve decision-making (Vanclay, 2003, 2012; Hartz-Karp and Pope, 2011).

Traditional approaches to SIA tend to accord affected people with little influence in decision-making processes, often with the only form of engagement being limited forms of consultation. A typical method used by traditional SIA is public hearings, usually performed as a once-off event. Even though academic analyses of traditional SIA are dismissive (Lockie, 2001; Hartz-Karp and Pope, 2011), the traditional approach is still in use in some jurisdictions (Gulakov and Vanclay, 2019). Contemporary SIA requires development projects to have legitimacy, and to be broadly acceptable to the members of affected communities, in other words, to have a social licence to operate (Dare et al., 2014; Jijelava and Vanclay, 2017, 2018).

The contemporary understanding of SIA advocates that projects must contribute to development and development outcomes (Vanclay, 2003, 2012; Esteves et al., 2012; Vanclay et al., 2015). The approach that sees SIA as only intended to mitigate adverse project impacts is conceptually outdated. Contemporary SIA promotes community development, capacity building, poverty reduction, and requires investigation of ways to turn impacted peoples into beneficiaries (Vanclay et al., 2015; Vanclay, 2017a, 2017b).

Over the past decade or so, internationally-financed development projects in Russia and elsewhere would normally be expected to comply with international standards. Depending on the specifics of the particular project, one or more of the following standards would apply (for a longer discussion of international standards, see Vanclay and Hanna, 2019):

- Environmental and Social Sustainability Policy and related Performance Standards of the International Finance Corporation (IFC, 2012a, 2012b, 2019);
- Environmental and Social Policy and related Performance Requirements of European Bank for Reconstruction and Development (EBRD, 2014);
- Guidelines for Confirmation of Environmental and Social Considerations by Japan Bank for International Cooperation (JBIC, 2015);
- OECD Guidelines for Multinational Enterprises (OECD, 2011);
- OECD Recommendation of the Council on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence (OECD, 2016);
- Equator Principles (EP, 2013).

It should be noted that, amongst all these standards, the IFC Performance Standards (PS) serve as the key benchmark (Vanclay and Hanna, 2019). Although internationally the United Nations Guiding

Principles on Business and Human Rights would be considered a key document (Götzmann et al., 2016), there has been little reference to this in Russia to date.

Specific requirements in these international standards are intended to ensure detailed consideration of a wide range of aspects typically addressed in ESIA's, including public participation, and assessment and management of the potential negative and positive effects on local communities. The impact assessment process that is expected to be followed is outlined in the various international standards and other documents, e.g. the Guidance Notes for each IFC Performance Standard (IFC, 2012b). The IFC Performance Standards ensure that there is sufficient reflection on: labour and working conditions (PS2); resource efficiency and pollution prevention (PS3); community health, safety and security (PS4); land acquisition and involuntary resettlement (PS5); biodiversity conservation (PS6); Indigenous peoples (PS7); and cultural heritage (PS8). Special attention must be paid to vulnerable communities, their needs and aspirations. Following the assessment of impacts, project proponents are expected to establish an ongoing monitoring process and have a social and environmental impact management system in place. The IFC Performance Standards also provide a definition of the area of influence, including impacts of the intended project, associated facilities, as well as cumulative impacts (IFC, 2012a).

Various other documents also inform preparation of impact assessments, notably including: "Social Impact Assessment: Guidance for assessing and managing the social impacts of projects" published by the International Association for Impact Assessment (Vanclay et al., 2015); the Aarhus Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters (UNECE, 1998); and various guidelines published by the International Council on Mining and Metals (ICMM, 2012, 2015a, 2015b), IPIECA (2011, 2015, 2019), and the IFC (2012b, 2019) – including guides related to promotion of development outcomes from projects (IFC, 2000, 2010; ICMM, 2012).

Methodology

Two of the four authors of this paper (Gulakov and Ignatev) are native Russians who work as social consultants for Ramboll CIS, the lead environmental and social consultancy firm in Russia. The lead author (Gulakov) previously worked for another Russian consultancy firm, Branen Environment. They each have around 10 years of professional experience in Russia, collectively working on over 50 different projects. This paper is primarily based on analysis of completed SIAs, or components of them (e.g. reviews of SIA materials, Stakeholder Engagement Plans, minutes of meetings). It is also based on analysis of interactions the Russian authors had with colleagues and project collaborators, including staff in civil administration and companies, and analysis of correspondence such as emails and official letters, and conference calls and meetings. The analysis of materials and interactions was supplemented by the self-reflection of the Russian authors on their experiences. Self-reflection is a well-established research method in the social sciences (Spry, 2001). Self-reflection was based around the following issues: what challenges occurred in the most problematic projects in which the authors were involved?; are these challenges typical for Russia?; what are the key reasons for their occurrence?; and how were similar issues addressed in other projects? In their reflections, they identified several key challenges that are discussed in this paper.

To counter any potential for bias in the self-reflection process, the paper is also based on in-depth interviews with five leading national and international practitioners (experts) who work in Russia, and on active debate between the two Russian authors (Gulakov and Ignatev) and two EIA/SIA academics (Vanclay and Arts), who are co-authors of this paper and the supervisors of Gulakov's PhD research as an external student at the University of Groningen, the Netherlands.

The key challenges identified by the two Russian authors formed the basis of the interviews with the expert practitioners. The issues covered in the interviews related to SIA practice in Russia generally, stakeholder engagement, the potential to combine the national and

international impact assessment processes, as well as any other significant issues related to SIA practice in Russia. The interviewees were asked to give their opinions on the challenges identified by the Russian authors, and to share their own insights.

Four of the five interviews were done with both Gulakov and Ignatev being present, and one was done by Gulakov alone. Two interviews were with the general directors of two consultancy firms in Russia, Branen Environment (Julia Kamenskaya) and Ramboll CIS (Ivan Senchenya), while three were with foreign practitioners who work in Russia: Ron Bisset (Ramboll UK), Frederic Giovannetti (freelance consultant), and Jane Upperton (Upperton Associates, UK). All interviews were done in a manner consistent with ethical social research (Vanclay et al., 2013). The interviewees confirmed that they were happy to be named, and were provided with a draft version of the paper prior to publishing.

The interviews were done in person or via Skype between October 2018 and August 2019. They were done in Russian or English at the choice of the interviewee. Each interview lasted from 60 to 90 minutes. All the interviewees were informed about the topic of the interviews in advance. Since the interviewees are experienced SIA specialists and familiar with the Russian context, there was no confusion about the purpose of the research. Each interview followed a previously-prepared guide with detailed notes being taken by both interviewers (thus the interviews were not recorded). The interview guide was structured in accordance with the key challenges previously identified by the two Russian authors and contained several open-ended questions allowing in-depth discussion with each interviewee. Following each interview, the two Russian authors conferred to discuss the implications of the interview for the general understanding they had previously developed. The lead author was primarily responsible for writing this paper, although the content was much influenced by the discussions with the two PhD supervisors, one of whom (Vanclay) did major editing.

Specific requirements for SIA in Russia

In Russia, social issues are considered to be part of the EIA process, which is regulated by The Provisions for Environmental Impact Assessment (Russian Federation, 2000) (hereinafter: The Provisions). The Provisions provides general requirements for the EIA (and SIA) process, requiring that “social, economic or other impacts that are related to the environmental ones” be considered (Article 1.5). The impact assessment process is mainly focused on environmental impacts, considering social impacts only in a secondary way. The Provisions gives only limited specification on how to deal with social impacts, but outlines general requirements for the impact assessment process. For example, it says that the assessment should be based on valid baseline information, have an appropriate level of detail to address potential project impacts (Article 1.5), and nominate relevant mitigation measures (Articles 1.1 and 3.2.2). The results of the impact assessment process are submitted to various governmental agencies.

Even though having a broad, general framework for considering social impacts might be appropriate, it does not really work as part of the EIA process in Russia for several reasons. In practice, EIAs have poor social baseline information, often with questionable relevance to the project’s area of influence or to the project affected communities. Few if any social impacts are considered, and there is no clear link between the social baseline, social impacts, social impact mitigation and impact management of the project (Gulakov and Vanclay, 2018). In reality, the EIA process in Russia does not adequately identify or address social impacts.

Although the Provisions only includes vague requirements for identifying and addressing social impacts, they outline precise requirements about the stakeholder engagement process. In general, the stakeholder engagement process should be organised by the local municipal authorities with support from the proponent. In Russia, the stakeholder engagement process consists of two stages: an initial stage associated with development of the Terms of Reference for the EIA that is to follow, and the impact assessment stage. For both stages, a proponent needs to make

notifications in the mass media, disclose the materials, and collect comments from the public. The impact assessment stage includes the public hearing stage, which is usually a once-off event performed by authorities together with the company in a municipal center. This event culminates with preparation of the protocol, which is signed by the involved parties and attached to the EIA materials. After that, the EIA materials are submitted to the government's review process.

Although the described stakeholder engagement process is straightforward and manageable, it reveals that the Russian EIA is a typical example of traditional SIA. It lacks proper stakeholder identification and engagement planning (and therefore is not project-specific), and it provides limited opportunities for affected communities and other stakeholders to fully participate in decision-making (Gulakov and Vanclay, 2019).

The Russian practice of SIA has much room for improvement. There are various examples of SIAs performed as part of ESIA processes according to international requirements that show it is possible to conduct proper SIA in Russia, and to meet international standards – e.g., the ESIA materials developed for South Stream Offshore Pipeline Project in Russia (South Stream, 2014a and 2014b) or for Yamal LNG project (Yamal LNG, 2014). However, application of international practices in a specific national context does not always go smoothly (van der Ploeg and Vanclay, 2018).

Challenges encountered when performing international SIA in Russia

Here, we reflect on the key challenges that emerge when attempting to implement international SIA in the Russian context. As described in the Methodology section, the challenges were identified from the authors' reflections as practitioners, and relate to the ways in which the Russian SIA requirements and practice are inconsistent with international requirements. The challenges were discussed in the interviews with key informants to validate and/or refine them. Five key challenges were identified, which we discuss below: (1) a lack of understanding of international standards and practice

by company staff; (2) tension between the international and national standards; (3) discrepancies in determining the social area of influence; (4) the complexity of combining the national and international impact assessment processes; and (5) limited requirement or practice in effective stakeholder engagement.

Challenge 1: Lack of understanding of international standards and practice

One of the biggest challenges to implementing international SIA in Russia is the lack of understanding of the international standards by company staff. The traditional way of looking at standards or requirements is to view them as regulations that specify what the project is obliged to do. This way of looking at them is promulgated by the traditional nature of the EIA requirements in Russia. For example, the Russian requirements prescribe the number of days for disclosure of EIA materials, the period when comments about disclosed materials must be received, the means of notification about the disclosure, etc. Although rigid, the EIA requirements are clear, straightforward and easy to apply. They give precise instructions for the company to follow. Importantly, they also imply that anything beyond what is prescribed is excessive and unnecessary.

Having such an understanding of the national requirements and having much experience in their application, Russian companies tend to use a similar approach to international SIA. However, applying such a traditional understanding to the international requirements is inherently flawed and counter to their intention. The international standards are not prescriptive or restrictive, instead they provide a framework which companies can utilize to manage the potential social impacts an intended activity might pose. They do not prescribe specific details such as the number of press announcements to be made. However, they do require that affected communities and other stakeholders be sufficiently informed about the project. It is up to the proponent and/or their consultants to select and tailor the methods to ensure adequate information sharing and engagement. As one interviewee noted, the international standards indicate the principles to be followed, whereas the Russian requirements prescribe the specifics of the processes. Another interviewee suggested that by being too focused on the details prescribed by the

national regulations, company personnel sometimes lose sight of the big picture. Another interviewee mentioned that some employees viewed extensive stakeholder engagement and international SIA as a “waste of time”.

One company requested that Free, Prior and Informed Consent (FPIC) (IFC, 2012a; Hanna and Vanclay, 2013) be obtained from potentially-affected Indigenous peoples by getting “some sort of paper” signed by their representatives at a very early stage in the project. In discussions with the company about this, it became clear that the company had a very poor understanding about FPIC and that they just wanted a short list of simple actions to follow. Another example of the simplistic implementation of SIA was when a company representative requested removal from the ESIA of the section describing the project’s social area of influence arguing that the IFC requirements do not prescribe it. Because social impacts are usually different to environmental impacts, it is typical for the social area of influence to be different to the area of influence for the assessment of environmental impacts (Vanclay et al., 2015). In both examples, the issue was similar, that is, the client understood the requirements as a set of literal dos and don’ts, did not comprehend the difference between the spirit and letter of the Russian regulations and international guidance, and probably did not understand the meaning and intention of these activities.

In comparison to environmental issues, for the reasons discussed below, social issues tend to receive less consideration (Hanna et al., 2016a, 2016b; Mottee et al., 2020). Whether for good or bad, SIA in Russia is practiced within the EIA framework. Therefore, it is normally managed by the environmental specialists in companies, although some interviewees noted that this situation is changing now that companies are becoming more familiar with international requirements. When a company attempts to perform international ESIA, by default it applies the national EIA practice-based approach; hence the social impacts are managed by the environmental specialists. Since the social issues are typically outside their primary scope of interest, and as the requirements about how to manage them are not precise or clear, the social aspects are often considered unnecessary and therefore are only poorly addressed. A lead environmental

specialist for a large mining company said “Do you know how much work an environmental specialist in a mining company has to do?”, and indicated that he was too busy to take responsibility for additional and ‘strange’ social obligations that were being imposed on him. Obviously, if such a person had to reduce costs or ‘cut corners’, this would be at the expense of social considerations.

Challenge 2: The tension between international and national standards

In addition to meeting the IFC requirements, IFC clients must also comply with applicable national law (IFC, 2012, Overview, art. 5). However, sometimes there are discrepancies between national law and IFC requirements. In one large oil & gas project in Russia, the company representative insisted that the stakeholder engagement to be undertaken for the international ESIA process should be performed according to the national requirements. However, this is problematic, because the stakeholder engagement procedure for the national requirements is quite simple and would not meet IFC expectations.

The national procedure is as follows. The proponent makes a request to the municipal administration. Based on this request, the administration issues an order stating the date and place where the public hearing for the project will be held. Stakeholder engagement is performed according to the prescriptions in the EIA Provisions, which is not compliant with the IFC requirements.

As one interviewee noted, the EIA Provisions view stakeholder engagement as just one of the procedural steps in the permitting process and that, by having signed minutes of a public hearing, a company ostensibly ‘obtains a permit’ from the public. Thus, the process is not aimed at ensuring meaningful engagement or participation in decision-making. This way of doing stakeholder engagement has many problems. First, it is problematic for the company doing the ESIA to hand over responsibility for stakeholder engagement to an external party (i.e. the municipal administration) over which it has no influence. Second, it is highly probable that the administration will only conduct a public hearing as a once-off

event in a municipal center, which is an inadequate way of engaging affected communities (Hartz-Karp and Pope, 2011; IFC, 2007, 2014). Third, the local administration often only undertakes public hearings in a brief, perfunctory manner without any real input from local people. Sometimes various tricks and distortions are used. For example, at one public hearing, the administration increased the number of people attending by requesting local educational institutions to ensure that their students attended the event. The students did attend the meeting; however, they demonstrated zero interest in the topic spending the whole time looking at their phones waiting for the event to finish. Fourth, public hearings might not be the most appropriate form of engagement and are best avoided. Finally, performing ESIA stakeholder engagement according to the national requirements will lock the company and ESIA developers into a rigid timeframe with no flexibility: when an administration sets a certain date, it will not be easy for a company to change it. A company will also need to comply with the strict timeframe requirements of the EIA provisions with respect to making press announcements, etc. As a result, trying to comply with the EIA Provisions will put the ESIA stakeholder engagement in a process that is inappropriate and inflexible, and over which the company will have very limited influence.

The rigidity of the Russian regulatory framework poses a danger for project developers since it can lead to them having conflicts with local communities. This can be illustrated by the case of a large mining project where the mine site was surrounded by several small villages, including some that were to be resettled. The company ran stakeholder engagement strictly in compliance with the national requirements: it made the required press announcements, disclosed project materials for receiving feedback, and held a single public hearing. As a result of the limited engagement, the company received thousands of grievances opposing the project, and the public hearing experienced many participants whistling, stomping, or jeering. The company then had constant conflict with the local communities. It was clear that more extensive stakeholder engagement was necessary than was prescribed by the national requirements.

A company needs to engage with the local municipal administration. However, it would be more appropriate not

to give all responsibility for stakeholder engagement to a third party. Otherwise, the attempt to respect national law may result in stakeholder engagement being conducted in a manner that was not consistent with international requirements, and may even lead to conflict with local communities. This is one reason why some international companies operating in Russia tend to perform stakeholder engagement for national EIA and for international ESIA as two separate processes.

Some company representatives make vigorous attempts to comply with the national law without understanding the risks of pushing the stakeholder engagement process as part of international ESIA into the unsuitable Russian legislative framework. This can perhaps be explained by the familiarity and relatively ease of the Russian framework, and partly by the lack of understanding of international standards by company personnel.

The issue of coordination of the national and international requirements is a worthy issue to consider while performing the international ESIA. For some companies, this discussion considers the issues of the form but not the essence. As noted above, some company representatives argued that if the IFC standards say that national law should be respected, they should act strictly according to the national law. Often this is the only argument during the discussion on how the stakeholder engagement process should be framed. Such a dialogue does not typically involve discussion of the essential constituents of community involvement planning: on the most appropriate methods of notification of the affected communities, on more inclusive forms of engaging them or, in the end, on what these affected communities are as the national EIA process does not request to identify them. The argumentation is quite straightforward: "If the national requirements prescribe the documents to be disclosed for 30 days, it is obligatory to do this". The fact that these materials might be disclosed in inappropriate premises, or that affected communities might be not aware of the disclosure, etc. appears to be a secondary issue for at least some of company representatives in Russia. Unfortunately, for some people, a stamp on the protocol of the public hearings seems to be more important than the actual engagement.

Challenge 3: Discrepancies in determining the social area of influence

An important difference between the Russian EIA and international ESIA relates to how the scope of the assessment is determined. Perhaps this is most evident in that the international standards require the ESIA to consider impacts of associated facilities, but the Russian requirements do not. Associated facilities are defined as “facilities that are not funded as part of the project and that would not have been constructed or expanded if the project did not exist and without which the project would not be viable” (IFC 2012, PS1, art. 8). These facilities typically include construction camps, pipelines, electricity transmission lines, access roads, etc. In an international ESIA, the social impacts of the project and of all these facilities must be considered. It would be expected that there would be a single social area of influence for the project, since separating-out the social impacts of the interrelated facilities from one another can be difficult and arbitrary. Vanclay et al. (2015) argued that the social area of influence is the total area comprising all project-affected communities, including those whose location may not neatly align with the geographic boundaries of the project and its associated facilities.

The national approach to determining the scope of the assessment is somewhat different. In particular, the way the ‘project area of influence’ is determined can cause controversy especially by the common practice of dividing up a large project into many small subprojects, with separate impact assessments being done for each subproject. Each assessment usually only addresses the direct impacts of the specific minor subproject, and they typically have separate stakeholder engagement processes and public hearings. There is much duplication of effort, and an increased burden on the community, leading to much skepticism about the process.

In one situation, a major company opted to manage a complex project by creating several subsidiary companies, each of which was involved in a different subproject. Each subproject involved extracting, processing and transferring fossil fuels from the oil and gas field owned by the parent company. One subproject, a production unit occupying only a small amount of land, was seeking international

financing, hence an IFC standards-compliant ESIA was necessary, in which the different activities and their impacts would form a single social area of influence. Inclusion of three subprojects in the area of influence was considered indispensable for the ESIA, as the subprojects potentially would heavily influence the livelihoods of local communities. However, the proponent demanded that the social area of influence be changed. On the basis of the need to limit company liability, the proponent was reluctant to make any mention of impacts from the associated facilities. This segmented approach potentially could lead to leaving many major impacts out of the assessment.

Challenge 4: The complexity of combining the national EIA and international ESIA processes

When a project is in its early stages and the proponent is seeking international financing, the project will generally require both national EIA and international ESIA. Thus, the issue of combining these two processes arises. Can these two processes be performed together? Are they largely the same, or are they so different that they should be conducted separately (or in parallel) rather than as a joint process?

At present, combining these processes is very difficult in Russia, if not impossible. As one interviewee stressed, some companies have attempted to combine them – but usually at some later point have come to the decision that not mixing them is more practical and pragmatic. The main reason for this is the discrepancy in determining the social area of influence. Russian law requires separate EIAs for each project facility, and the results of these EIAs might even undergo separate review processes. Conversely, the international ESIA requires an integrated assessment of all project components collectively. Thus, the proponent needs to prepare two different packages of documents, one to meet the lender's expectations, and one to meet the needs of the national regulators. Combining them would be complex. This dual system has many implications, including additional cost and effort, and increased burden on the community.

In an attempt to simplify the process, some companies complete the national EIA according to national requirements and prepare a Supplementary ESIA to address the specific issues that are missing from the national EIA (for example, with respect to cumulative impacts). However, the SIA sections of the ESIA report generally have to be developed from scratch given the deficiencies of the national EIA with respect to social issues. Typically, the national EIAs only provide high-level social baseline data which has little relevance to the potentially affected communities, do not adequately consider all the social impacts (Gulakov and Vanclay, 2018), and therefore have little to contribute to the international ESIA process.

Another issue relates to the stakeholder engagement processes undertaken as part of the national EIA and international ESIA: can they be combined, or should they be conducted in parallel? We consider that both options are possible. However, in our experience in Russia, these processes are mostly run in parallel. A critical issue is that for the national EIA, the stakeholder engagement activities are regulated and undertaken by the municipal administration within the strictly prescribed framework, whereas when undertaken as part of international ESIA stakeholder engagement is conducted by the proponent, who then has some flexibility with respect to the timing, number and form of the engagement activities. Our experience shows that when municipal administrations lead the engagement process according to the national requirements, they can also support performance of the 'additional' ESIA engagement process led by the project proponent.

There are cases when the stakeholder engagement processes for the national EIA and international ESIA were combined. For one large petrochemical project in Russia, public hearings were the only consultation activities done for the national EIA process. However, these were also some of the events held for the international ESIA process, which were supplemented by two additional meetings with residents of the affected communities so they would comply with the international requirements. It should be noted that representatives of this company were very collaborative and effective with respect to organisation of stakeholder engagement events (such as making press announcements and arranging venues for consultations).

Combining stakeholder engagement processes as part of the national EIA and international ESIA process therefore might be an appropriate decision. However, it requires the ESIA developers to meet the deadlines set by the administration for the EIA stakeholder engagement process, which holds certain risks. From a consultant perspective, such a procedure may be feasible when company representatives are collaborative and assist consultants to arrange stakeholder engagement activities. However, when company staff are not collaborative or do not comprehend the justification for more extensive ESIA consultations and/or try to limit them, it is advisable to run EIA and ESIA stakeholder engagement in parallel.

Challenge 5: Limited stakeholder engagement

The typical approach of traditional SIA in Russia was to limit the extent of stakeholder engagement and/or make it as simple as possible. The attitude of companies was often that the smaller the number of participants in engagement activities, the less questions, and therefore the more smoothly the engagement proceeds. This mentality is a key reason why some companies limit stakeholder engagement as much as possible. Companies can use many strategies to minimize the disclosure of information. Often, they avoid disclosure of materials online. Restricting online access means that stakeholder groups have no option but to travel (often to another city or region) to access the materials, which usually are only available during the opening hours of the public reception office where the printed materials are disclosed. Given the vastness of Russia, such travel can be very inconvenient and costly. Furthermore, some companies prohibit stakeholders from making photocopies of the materials to limit the extent to which they can be shared.

Even though some companies do make targeted notification to specific stakeholder groups by e-mail, another strategy is not to attach digital copies of the ESIA materials and/or fail to notify the stakeholders of the possibility to receive digital copies. One company argued that “the notification letter contains contact details and if a stakeholder wishes to request the materials, they will find a way to do this”. Thus, a stakeholder would need to ‘solve a riddle’ to find the materials on which they are entitled to comment.

The way some companies deal with stakeholder engagement is similar to the situation described by Douglas Adams (1979, pp.9-10) in *The Hitchhiker's Guide to the Galaxy*, about the impending demolition of Arthur Dent's house for a bypass:

'But, Mr Dent, the plans have been available in the local planning office for the last nine months.'

'Oh yes, well, as soon as I heard I went straight round to see them, yesterday afternoon. You hadn't exactly gone out of your way to call attention to them, had you? I mean like actually telling anybody or anything?'

'But the plans were on display....'

'On display? I eventually had to go down to the cellar to find them.'

'That's the display department.'

'With a flashlight.'

'Ah, well the lights had probably gone.'

'So had the stairs.'

'But look, you found the notice, didn't you?'

'Yes,' said Arthur, 'yes I did. It was on display in the bottom of a locked filing cabinet stuck in a disused lavatory with a sign on the door saying Beware of the Leopard.'

A company might refuse to disclose more than the required single copy of each document in a public reception office even though this copy may be misplaced, taken away or damaged. A company might disclose only limited information from the ESIA, for example only the Non-Technical Summary instead of the full ESIA package. Another way to hamper disclosure is to disseminate the ESIA only at one venue while only disclosing the Non-Technical Summary in other venues. However, providing that each affected community has access to the disclosed documents, we do agree that this might be acceptable in small communities where there is no suitable location to place the full ESIA package, especially when it runs to thousands of pages. We are familiar with an extraordinary case where the project representatives asserted to local communities that the full ESIA package was available, even though it was not actually provided at any location. Even though notifications of the ESIA disclosure were made in the press and by e-mail to certain stakeholder groups, the company only disclosed the Non-Technical Summary.

By taking a traditional approach to stakeholder engagement and having limited capacity to undertake it, some companies are unwilling to embrace meaningful engagement. Some companies pay more attention to the formal requirements of the engagement process (getting the stamps, signatures, etc.) than to the genuineness of the process or the outcomes of the meeting.

Poor stakeholder engagement is usually associated with inadequate grievance management. For example, one company representative was not pleased about receiving a grievance from an NGO that was not initially informed of the ESIA disclosure. Companies with deficient stakeholder engagement processes tend to perceive grievances as an indication of a mistake or evidence of poor performance rather than being a normal part of the project lifecycle and an opportunity to improve. Grievances tend to be perceived as a jolt 'out of the blue'. As some interviewees noted, Russian experience with grievance management is usually about managing internal grievances from workers, not those from communities or external stakeholders.

Some companies attempt to hide the conflicts they have. For instance, one project, which had received thousands of grievances from affected community members opposed to the project, requested its consultant to remove information about stakeholder views from a report in order to conceal what they perceived as negative information. Their rationale for this action was that some grievances referred to potential impacts it considered were very unlikely, over-exaggerated, or bizarre. It took much effort by the consultants to convince the company that proper procedure was to note all received grievances, make a response to them, and develop an appropriate stakeholder engagement program to allow meaningful discussion of the project's impacts to clarify misunderstandings.

Conclusion

Implementation of international SIA in the Russian context is usually not easy. A key challenge relates to the differences between the requirements of the national EIA and international ESIA procedures.

The Russian EIA process is rather prescriptive, and is primarily about dos and don'ts. In contrast, the international ESIA framework establishes principles but does not provide precise specification of the expected process. It can be a challenge when company personnel, who are used to performing activities within the national EIA framework, extrapolate this approach to the international ESIA process.

It should be noted that, even though international institutions expect companies to comply with national law, in some cases the attempt to perform international ESIA along with the national EIA requirements might be problematic. Attempting to undertake SIA in line with national law will lead the company and SIA consultants to follow the rigid framework of the national EIA process, and give the key role of stakeholder engagement to the municipal administration, which will likely take a traditional approach not compliant with international standards.

Another important challenge relates to how the social area of influence is determined and the scope of the impact assessment process. The international SIA implies performing integrated assessment of impacts associated with development of the project, its associated facilities, and cumulative impacts. However, it is quite common for the Russian practice to subdivide a large project into a number of minor subprojects, for which separate impact assessment and stakeholder engagement are done. It could take much effort to persuade project proponents to accept responsibility for managing the impacts of associated facilities, given their concern about liability. Dealing with the impacts of associated facilities is always arduous, however it becomes a double challenge when there is resistance by company personnel, or when a company pretends the associated facilities are not there.

Given that the results of the national and international ESIA processes are submitted to different review processes and need to meet different expectations, combining national EIA and international ESIA processes is challenging. Some interviewees insisted that they should be separate processes, however others suggested that there should be more integration. Perhaps, it would be feasible to perform national EIA to meet the expectations of regulators, and to perform a supplementary ESIA to meet the needs of lenders. Such

an approach will help companies avoid the duplication of work, and therefore save time and cost. Stakeholder engagement as part of the international SIA potentially can be integrated with the national EIA process by supplementing it with additional meetings with affected communities. However, integration also poses certain risks related to performing stakeholder engagement activities within the framework prescribed by local administration.

A key challenge for implementing international ESIA relates to company attempts to avoid or limit stakeholder engagement, presuming that the fewer participants the engagement process has, the easier the engagement process will be. The practice of limited stakeholder engagement is supported by the national EIA requirements. As one interviewee noted, these requirements view stakeholder engagement as one of the steps of the permitting process and do not aim at ensuring meaningful engagement and participatory decision-making.

The challenges described above may affect the integrity of the international SIA process in Russia, especially, in relation to the meaningfulness of SIA, and in the way affected communities and other stakeholders are involved in decision-making. As some interviewees noted, these challenges are relevant not only for Russia but also to other post-Soviet countries. This is confirmed by the experience the Russian authors of this paper have in countries such as Belarus (Eastern Europe), and Kazakhstan and Uzbekistan (Central Asia). However, the described challenges are likely also to be relevant to the broader context, and especially to other countries in transition.

Both the international ESIA process in Russia and the national EIA process should be more transparent, meaningful and participatory. Our interviewees argued that this may be facilitated by: (1) improving the national EIA requirements; (2) more active discussion about and application of best practice requirements among the SIA practitioner community rather than being enforced by top-down regulations; and (3) educating regulators and reviewers. Awareness of the challenges described above will assist practitioners in developing the practice of international SIA in Russia and other situations. SIA has considerable value for all countries, including Russia and other countries in transition.

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Chapter 5

Modifying Social Impact Assessment to enhance the effectiveness of company social investment strategies in contributing to local community development

Modifying Social Impact Assessment to enhance the effectiveness of company social investment strategies in contributing to local community development

Abstract

Good practice social impact assessment (SIA) should lead to improved local community development outcomes. However, the social benefits alleged to flow from projects are often not as evident to affected communities as the project's adverse impacts. Projects still give inadequate attention to social issues and fail to achieve social development outcomes. Using a prominent gas project in Russia, the Nord Stream 2 project, as an illustrative example, we explore the potential of environmental and social impact assessment (ESIA) to enhance the effectiveness of project contributions to local community development. We analyse the main steps of the community development process for the Nord Stream 2 project, and consider how it benefitted from the SIA process. We also reflect on the potential further contribution of SIA to community development. Even though SIA and community development are interrelated, we conclude that SIA, as currently practiced, is constrained in its ability to contribute to community development outcomes. Adjustments to the SIA and corporate social investment frameworks are needed to make them more effective in achieving social development outcomes.

Keywords: environmental impact assessment; community development agreement; strategic social investment; community engagement; extractive industries and society; International Finance Corporation Performance Standards

Introduction

Social impact assessment (SIA) is a well-established field of research and practice that is essentially the process of assessing and managing the social impacts of development projects (Esteves et al., 2012, 2017; Vanclay et al., 2015). The international SIA discourse advocates that projects, and the SIAs undertaken for them, should assist in developing local affected communities and in enhancing the development opportunities arising from projects (Vanclay, 2003; Esteves and Vanclay, 2009; Vanclay et al., 2015; Vanclay and Hanna, 2019). The International Principles for SIA (Vanclay, 2003:6) declare that “assisting communities and other stakeholders to identify development goals, and ensuring that positive outcomes are maximised, can be more important than minimising harm from negative impacts”. However, many of the benefits local communities expect to receive do not always eventuate. Even the two major benefits new projects are argued to bring – jobs and taxes – might not actually be experienced by project affected people (Ejdemo and Söderholm, 2015; Söderholm and Svahn, 2015). Local communities are often unable to provide the skilled or even semi-skilled workers needed for a project, especially in rural areas (Rowan and Streather, 2011). Providing local employment can be complex in that the project proponent often has limited control over the hiring practices of contractors (Esteves et al., 2016). In some countries there may be legal restrictions that prohibit employment preference on the basis of place of residence, including Russia (Russian Federation, 2001, art. 3). Limited employment opportunities for local people mean that there will likely be community dissatisfaction with the project (Esteves and Barclay, 2011; Hanna et al., 2016a; Vanclay and Hanna, 2019).

Taxes and other remittances might not necessarily provide social benefits, especially as perceived at the local level (van der Voort and Vanclay, 2015). The unfortunate reality is that often only a limited share of project remittances are returned to the local region, and these funds might not be effectively used by local administrations and/or might not bring tangible benefits to the people affected by the project (Ogwang et al., 2018, 2019). In addition to creating jobs and generating taxation revenue, a project proponent would normally be expected to contribute to local development as part

of its Corporate Social Responsibility (CSR) strategy, usually through a social investment programme (Esteves and Vanclay, 2009; Vanclay, 2017a, Vanclay and Hanna, 2019). However, it is uncertain whether social investment activities will be implemented or not, and even if they are undertaken, whether they will be effective and/or focused on the needs of local communities (IFC, 2010). Local people will always feel the project's adverse impacts, even when there is an attempt to mitigate them (Hanna et al., 2016b). Experience suggests there is a low likelihood of affected communities receiving benefits from projects (Cernea, 1997; Smyth and Vanclay, 2017). It is therefore desirable to explore the potential of SIA to contribute to community development in project affected communities and to corporate social investment strategies (João et al., 2011; Aucamp and Lombard, 2018; Vanclay and Hanna, 2019).

In this paper, we analyse the similarities and differences in the project-based processes of SIA and social investment/community development planning. We consider how SIA and social investment might be aligned to enhance the development outcomes from projects. We examine how social investment was considered in the Nord Stream 2 project, a prominent gas pipeline project in Europe, specifically looking at the pipeline's landfall area in Russia. We outline the project's SIA process and consider how it interacted with social investment planning and intended community development activities. We draw conclusions on the potential and limits of SIA to contribute to social investment, and reflect on how SIA and social investment can be better implemented in projects to facilitate better development outcomes.

Current understanding of Social Impact Assessment

SIA originally developed alongside environmental impact assessment (EIA) as regulatory tool, but is now well-elaborated as a separate, albeit related, discourse and process that primarily assists projects in the management of social issues (Esteves et al., 2012; Vanclay et al., 2015). SIA is fundamentally rooted in civil society and democracy (Vanclay, 2003; Gulakov and Vanclay, 2018, 2019). There are international principles (Vanclay, 2003) and guidelines (Vanclay et al., 2015) endorsed

by the International Association for Impact Assessment that codify the field of SIA. SIA is a requirement of the International Finance Corporation (IFC) and the Equator Principles, and has become standard industry practice (IFC, 2012; Vanclay and Hanna, 2019).

The SIA discourse embodies discussion of many concepts and issues including: social license to operate (Dare et al., 2014; Jijelava and Vanclay, 2017, 2018); social performance (Smyth and Vanclay, 2017); public participation and community engagement (O’Faircheallaigh, 2010; Hartz-Karp and Pope, 2011; Glucker et al., 2013; Gulakov and Vanclay, 2019); human rights issues (Kemp and Vanclay, 2013; Götzmann et al., 2016; Esteves et al., 2017; van der Ploeg and Vanclay, 2017, 2018); project induced displacement and resettlement (Vanclay, 2017a; Smyth and Vanclay, 2018); livelihood restoration (Smyth et al., 2015; Rowan, 2017); cultural heritage (Patiwael et al., 2019, 2020); corporate social investment (Esteves, 2008; Esteves and Vanclay, 2009); and benefit sharing (Vanclay, 2017b). Contemporary good practice suggests that SIA and projects should contribute to social development and community empowerment (Esteves et al., 2012; Vanclay et al., 2015). There are three main ways by which this is achieved: the participation of affected people in decision making; effective mitigation of negative impacts; and enhancement of benefits (João et al., 2011; Vanclay and Hanna, 2019). It is this third aspect that is the primary subject of this paper.

Community capacity building and empowerment can only be realized by involving communities in the decision-making that affects their lives, and by giving voice to marginalized and vulnerable people (Vanclay, 2003; Hartz-Karp and Pope, 2011). In this respect, SIA can be seen as helping people to develop their capacities as citizens (O’Faircheallaigh, 2010; Glucker et al., 2013; Aucamp and Lombard, 2018). Some researchers see SIA as being a means to change the political power-balance within communities (e.g. O’Faircheallaigh, 2010). Along with mitigating adverse impacts, SIA should not seek only to restore affected livelihoods, but to improve them (Vanclay, 2017a; IFC, 2012a). In projects, this is typically done by developing social investment strategies in which community development activities are negotiated. This is especially the case in the extractives sector, where it is widely accepted that there should be project benefit

sharing schemes (Esteves and Vanclay, 2009; ICMM, 2012; Owen and Kemp, 2012; Dupuy, 2014; Martinez and Franks, 2014; IPIECA, 2017). Promoting community development is associated with realizing the full potential of SIA to contribute to the achievement of the United Nations Sustainable Development Goals (Vanclay et al., 2015; Smyth and Vanclay, 2017). As discussed by the SIA International Principles, “the primary focus of all development should be positive outcomes, such as capacity building, empowerment and realisation of human and social potential” (Vanclay, 2003: 9).

In practice, of course, project proponents do not always fully share or commit to this conceptual stance on social development and they may undertake SIA only in order to meet the minimum regulatory expectations (Gulakov and Vanclay, 2018). Over time, this will be moderated by increasing expectations in formal requirements for SIA, as well as by improved normal practice understandings within the SIA community of practice. The need for projects to meet the expectations of project finance institutions make proponents not only more tolerant of SIA expectations, but also leads them to become more positive about SIA (Vanclay and Hanna, 2019). In this paper, we seek to explore the potential of SIA, which means that we go beyond current normal practice conventions. Given that we presume there will be improvement over time, in this paper we make an assumption that project proponents will be interested in performing good-quality SIA and share a commitment to community empowerment.

Community Development as part of Corporate Social Investment

The field of community development predates SIA, and has evolved as a distinct practice and discourse (Phillips and Pittman, 2009; Cavaye and Ross, 2019) separate to SIA (Smyth and Vanclay, 2017), although there are examples of integration being suggested (Imperiale and Vanclay, 2016a). The United Nations Global Compact defines social investment as “the practice of making voluntary financial and non-financial contributions that demonstrably help local communities and broader societies to address their development priorities” (UNGC, 2010, p.1). Some key principles are that responsible social investment

should be purposeful, accountable, respectful and ethical (UNGC, 2010). The IFC defines strategic community or social investment as “voluntary contributions or actions by companies to help communities in their areas of operation address their development priorities, and take advantage of opportunities created by private investment – in ways that are sustainable and support business objectives” (IFC, 2010: i). The IFC (2010) indicate that social investment should be strategic, aligned, multi-stakeholder driven, sustainable and measurable. Ideally, these efforts should be adapted to local community needs and aligned to the company’s operations or business strategy, when it is called Strategic Social Investment (Fossgard-Moser, 2005; IFC, 2010).

There are various reasons why companies engage in social investment, including: improving company reputation (Hedin and Ranängen, 2017); maintaining good relationships with nearby communities, i.e. obtaining a ‘social license to operate’ (Jijelava and Vanclay, 2017, 2018); and running the business in an environmentally and socially sustainable manner (IFC, 2010). Many companies, especially those at risk of having problems with host communities, seek remediation of tension by undertaking social investment activities (Esteves et al., 2017; Pasaribu et al., 2020). Sometimes social investment might be required by project lenders (Vanclay and Hanna, 2019).

Social investment activities vary in content and how they are implemented (IFC, 2010). Companies can be proactive or reactive, and may invest in education, capacity building, rural development, cultural development and so on (IFC, 2010). Some companies undertake their own social investment activities, whereas others outsource this to external organizations, often NGOs. The way a company performs social investment depends on the social context, the community’s strengths and needs, the nature of the company’s activities, and its ability to cooperate with project stakeholders (Esteves and Vanclay, 2009).

There is confusion about the use and meanings of ‘social investment’, ‘community investment’ and ‘community development’. For example, for largely similar activities, the IFC used ‘community development’ in 2000 (IFC, 2000) but ‘community investment’ in 2010 (IFC, 2010). Citing the IFC guidelines, ICMM (2012) used ‘community development’

in its guidance. We consider ‘social investment’ and ‘community investment’ to be synonyms. Some scholars associate the emergence of ‘community development’ with work on poverty reduction and housing development in rural America in the 1950s (Phillips and Pittman, 2009). Today, the discourse of community development is broader, relating to improvement in all the multiple aspects of community wellbeing. Community development is about people coming together to identify and articulate their needs, to solve common problems, and to influence the decisions that affect their lives. As a collective action, it inherently implies the building of social capital and improving the quality of life (Frank and Smith, 1999; Phillips and Pittman, 2009; Robinson and Green, 2011). Many actors, including governments, NGOs, developers, and professional associations contribute to community development. In this paper, we argue that community development should receive greater consideration in the corporate social investment actions of large projects.

Frameworks to assist in developing Corporate Social Investment programmes

There are three frameworks that are particularly useful in understanding the dynamics of a community, and that can be used to inform a community development strategy: the Sustainable Livelihoods Approach; Asset Based Community Development; and the Social Framework for Projects.

The Sustainable Livelihoods Approach (SLA) emerged in the 1990s, drawing on the concept of sustainable development (Scoones, 1998, 2009; Carney, 2002). SLA was an operational tool to assist development cooperation work especially on poverty reduction, and for a time was championed by the UK Department for International Development (Smyth and Vanclay, 2017). It argues that poverty should be understood broadly, and regards livelihoods and wellbeing as more important than ‘level of income’ or ‘standard of living’. Greater awareness of the wide range of assets in a community led to thinking about ‘capital’ in multiple ways, including social, natural, financial, physical and human capital (Gutierrez-Montes et al., 2009). Analysing how people manage their livelihoods

strategies using these assets within the political, institutional and environmental context lies at the heart of the SLA approach. Despite several critiques (Arce, 2003; Brocklesby and Fisher, 2003; Moser and Dani, 2008; Owen and Kemp, 2012; Smyth and Vanclay, 2017), SLA was significant in promoting a shift in development practice from needs-based, resource-centered solutions to a focus on people and their capacity to initiate and sustain positive change (Brocklesby and Fisher, 2003).

Asset Based Community Development (ABCD) seeks to build on a community's capacities or assets rather than focus on its problems (Kretzmann and McKnight 1993a, 1993b, 2005; Mathie and Cunningham 2003; McKnight, 2013; INRC, 2016). ABCD elaborates the different assets within a community, including those related to individuals, associations and institutions (McKnight, 2013; INRC, 2016). The various assets are interlinked, and the more assets and capacities people and communities have, the less vulnerable they are. Thus creating links between community members and building social capital is essential (McKnight, 2013; INRC, 2016). The ABCD approach has been criticized not being specific, being difficult to implement in practice, and for subjectivity in the definition and determination of community assets (Smyth and Vanclay, 2017).

To address the deficiencies in the SLA and ABCD approaches, Smyth and Vanclay (2017) proposed the Social Framework for Projects, which features the eight key social issues that contribute to people's well-being:

- People's capacities, abilities and freedoms to achieve their goals;
- Community/social supports and political context;
- Culture and religion;
- Livelihood assets and activities;
- Infrastructure and services;
- Housing and business structures;
- The living environment; and
- Land and natural resources.

The Social Framework for Projects is meant to ensure that all key issues relevant to community development and SIA are considered in projects. It is meant to be user-friendly for experts and lay people.

The benefit of this framework is that it is easily applied to the SIA context as it uses similar language.

Comparing SIA and Community Development practice

As discussed above, social investment and SIA are interrelated concepts. They share key underlying values and have a common position regarding capacity building and community empowerment. To analyse the interrelations between them and explore the potential of SIA to contribute to social investment, in Figure 5.1 we outline their respective processes, drawing on Vanclay et al. (2015) for the SIA process, and IFC (2010) for the social investment process.

Figure 5.1: Comparing SIA and Social Investment practice

Source: authors adapted from Vanclay et al. (2015) and IFC (2010)

The SIA and social investment processes both begin with community profiling and a social baseline survey. This is done to understand the

area where the project is being implemented, to define the project area of influence, and consider the scope of the social investment process. Then, the SIA process follows with identification and elaboration of the project's potential impacts. Since SIA is inherently participatory (Vanclay, 2003; Vanclay et al., 2015), it requires stakeholder analysis and community engagement (IFC, 2012; EBRD, 2014). When a project's potential impacts and enhancement and mitigation measures have been determined, discussed with communities and other stakeholders, and implemented, monitoring and reporting processes should also be established.

Following the community profiling and social baseline survey steps, the social investment process requires an analysis of relevant government development plans to make corporate social investment contextualised and more effective. Obviously, many documents will be the same as those collected and analysed as part of the social baseline survey. However, analysis of development plans is a distinct part of the social investment process that is worth considering separately. After that, consultations with the affected communities and/or a community needs assessment should be performed. Social investment is a participatory process that requires stakeholder engagement, since it is the communities not the third parties who best know their strengths, areas to be improved, and potentially the specific measures that should be implemented (Imperiale and Vanclay, 2016b). Following this, the social investment process continues with an analysis of the strengths, weaknesses, opportunities and threats of the community, as well as a description of the potential options for social investment. After that, focus investment areas should be defined, and a specific implementation plan should be developed.

Methodology

To consider the potential of SIA to contribute to community development, we used the Nord Stream 2 project as an illustrative example. The Nord Stream 2 project is the duplication of a gas pipeline running from Russia to Germany. Intended to increase the delivery of Russian natural gas to Europe, at the time of writing it was a prominent project in Europe. For the purpose of this paper,

we focus on the SIA and social investment activities associated with the landfall section of the project in the North-West of Russia. We analysed the project's SIA documentation and its initial community investment documents. Below, we analyse the main steps of the company's community investment process as described by the relevant documents and consider how they did and/or could have benefitted more from the SIA process.

The SIA document was developed in 2016-2017 using information collected from a number of sources, including from the relevant branches of the Russian statistics service, local and district administrations, educational and healthcare institutions, local businesses, hunting, forestry and fishery organisations, etc. Meetings with local stakeholders were conducted to collect primary data, and to ground-truth any secondary data being utilised. For preparation of the draft SIA, three site visits were conducted by the SIA team, which included the lead author of this paper.

The Community Investment Framework was an initial step in the company's social investment process. It was developed based on the SIA materials and information collected during its preparation. No additional data or consultations with affected communities were performed as part of development of the Community Investment Framework, however it was expected that they would be done in the future.

We note that the lead author, a Russian national, worked for Branan Environment, a Russian consultancy, which, in collaboration with the UK-based consultancy, ERM, undertook the SIA for the Nord Stream 2 project in Russia. Branan Environment developed a Community Investment Framework for the project in collaboration with Community Insights Group. As such, this paper is something of a personal professional reflection.

The Nord Stream 2 project

The Nord Stream 2 project is a pipeline system across the Baltic Sea that will deliver natural gas from Russia to the European Union gas

market. Nord Stream 2 is a duplication of the initial project, which was completed in 2011. Both Nord Stream 1 and Nord Stream 2 are twin subsea pipelines. Completion of Nord Stream 2 will increase capacity from 55 billion cubic metres of gas per year to 110 billion cubic metres (Nord Stream 2, 2017a). At over 1,200 km in length, the Nord Stream 2 pipeline will travel from the coast of Russia, through the Baltic Sea, reaching landfall near Greifswald in Germany (see Figure 5.2). The pipeline route crosses the territorial waters of Russia, Finland, Sweden, Denmark, and Germany (Nord Stream 2, 2019a). As at early 2020, construction was expected to be completed by the end of 2020 and to have a service life of at least 50 years.

Figure 5.2: Routes of the Nord Stream and Nord Stream 2 projects

Source: Gazprom, Viewed 20 February 2020, from https://www.gazprom.com/f/posts/34/784591/map_sp2e2017-09-08.png

Nord Stream 2 will connect into the existing systems of pipelines in Russia and Germany. The ‘project’ being considered for this paper is a segment of the larger project, and only comprises the Russian section of the Nord Stream 2 project. The Russian segment includes an onshore section of approximately 4 km, an offshore section of approximately 114 km (from the shoreline to the border of the Finnish Exclusive Economic Zone), and a Pig Trap Area (the location of the facilities for cleaning the pipelines) (see Figure 5.3).

Figure 5.3: Nord Stream 2 Russian Onshore Section

Source: Nord Stream 2, 2019b

The onshore section of the project lies alongside the Gulf of Finland in an area of Russia near the border with Estonia. The surrounding area is rural and includes forests, agricultural land, and small communities. The population varies seasonally as most local housing is intended for weekend or holiday use. The closest residential building of the nearby community, Khanike, is less than 500 metres from the project's onshore facilities (Nord Stream 2, 2019c). Part of the land required for the onshore section is within the Kurgalsky Nature Reserve (Nord Stream 2, 2017b).

Discussion of the SIA and Community Development processes for the Nord Stream 2 project

This section reviews the development of the Community Investment Framework for the Russian section of the Nord Stream 2 project and considers its relationship to the SIA process that was previously

performed. In addition to some general aspects, the review considers the key elements of the social investment process: namely community profiling and social baseline survey; analysis of the development plans of authorities; assessment of community strengths, needs and development opportunities; and stakeholder engagement. Although this section focuses on the Nord Stream 2 project as an illustrative example, it also includes general discussions about SIA and the social investment process.

Community profiling and social baseline survey

Community development, as well as SIA, should be based on local knowledge and data (IFC 2010). In undertaking the social investment process, the first thing is to sketch the characteristics of the project area and determine the scope of the social investment process. Therefore, the first task is to gain an understanding of the project area and identify those communities that fall within the area of project operations, and those that don't.

The social investment process for the project was focused on the project area of influence as defined in the SIA (Nord Stream 2, 2017b). A total of 18 communities were identified as being project affected. Five communities were located near the project site, including three that might be affected by construction. The other potentially affected communities were located along the two access routes that will be used to transport construction materials and equipment from the port in Ust-Luga. These include the seven villages that comprise the Kuzemkinskoe Rural Settlement, as well as the villages comprising the Bolshelutskoe and Ust-Luzhskoe rural settlements (see Figure 5.4). Most project affected communities are small, with the exception of two administrative centres that might be affected by project traffic, which have approximately 1,000 residents (Bol'shoe Kuzemkino) and 2,500 residents (Ust'-Luga).

Figure 5.4: Project affected communities and site access routes

Source: Nord Stream 2, 2017a. Russian Social Impact Assessment. London: Environmental Resources Management Limited

The SIA described each affected community and key issues, including demographics, economics and labour market, land ownership and land use, social infrastructure and services, tourism and recreation, traffic, etc. This information was collected using a range of sources. The SIA also identified vulnerable groups.

The community profiling and socio-economic survey provided a good basis for the company's social investment process. Along with provision of sufficient information, the survey linked the potential social investment process to the project and its impacts, and focused on those communities that would potentially be affected.

A social investment process that is not based on the SIA is likely to be inadequate. For example, some communities that experience negative impacts from a project might deliberately or accidentally be excluded from the list of communities that are to receive project benefits (Vanclay, 2017a). In contrast, the Nord Stream 2 project was a good example of an adequate approach to integrating SIA and social investment. Potentially, if the social investment process for Nord Stream 2 was not based on the SIA, it might have only focused on the administrative locality of Kuzemkinskoe Rural Settlement, in which the project facilities for Nord Stream 2 were located (see Figure 5.4). However, there are several communities along the project access roads that will also be potentially affected by project traffic, especially during construction. As these are located a considerable distance from the project site, the impacts on them would not be immediately evident. Without the SIA, these communities might not have been included in the company's social investment process.

Despite SIA being able to provide community profile information for the social investment process, there are some things worth mentioning for the analysis of SIA and social investment processes in general. SIA and social investment have different foci. The primary goal of SIA is to identify project impacts in order to avoid or manage them. Therefore, the social baseline survey as part of the SIA tends to be focused only on those issues that relate to potential impacts. Some other information is included in the baseline survey only to provide a general overview of the project area. However, even if other information is collected, it is usually not fully addressed in the SIA materials. The SIA materials for Nord Stream 2, for example, only briefly described information relating to access to public utilities in the affected communities as the project would not affect it, even though this is a key dimension of community wellbeing. Conversely, the SIA materials provided detailed information on traffic since traffic impacts were a major concern for

the project. Data collection as part of social investment should collect information on all key aspects of community wellbeing. Clearly, SIA needs to rethink the information that is normally collected to realise its potential to contribute to social investment.

This raises the issue that the frameworks for SIA and social investment need to be adjusted. Although SIA is a well-developed concept, the procedures for its implementation are non-specific. According to the International Principles for SIA, “all issues that affect people, directly or indirectly, are pertinent to social impact assessment” (Vanclay, 2003: 8). However, there are certain key points that must always be considered, because they are relevant to almost every project, or because they have potential to be a significant risk. The IFC, for example, requires that attention always be paid to issues such as gender, labour issues, community health and safety, land acquisition and resettlement, Indigenous peoples, and cultural heritage (IFC, 2012). Although social investment practice needs to have a holistic view of a community, it is helpful to have a useful framework to assist in its implementation, such as that provided by the Social Framework for Projects (Smyth and Vanclay, 2017). Using a framework like this ensures that all key aspects of community wellbeing are considered and no important ones are missed.

Despite the usefulness of frameworks, social investment priorities should be determined by local people themselves rather than being imposed by pre-existing ideas or pre-determined by analytical framework. The social investment process will require effective facilitation and analysis. It is important to realise that communities can sometimes become pre-occupied by pet projects (Esteves, 2008; Esteves and Vanclay, 2009), and may need to be reminded of other key topics that would be worth considering. To ensure that no important issues are left out of consideration, it is wise to start with a wide scope, discuss each potential social investment project, and then come to a short list for detailed assessment.

The SIA documents for Nord Stream 2 project were developed in accordance with the IFC requirements. However, the IFC framework primarily focuses on impacts and does not provide a holistic approach to community wellbeing that is needed for the

social investment process. Therefore, although the results of the social baseline survey provided by the SIA were sufficient for the initial stage of social investment, another approach was employed to ensure that the social investment process proceeded.

Analysis of existing development plans

A social investment process is likely only to be effective when it is aligned with existing development plans for the project area. Therefore, another key component of social investment is analysis of any development plans of local administrations and development agencies. Knowledge of the content of these plans can provide a basis for collaboration between a company and project stakeholders. Collaboration is important to ensure that the company is just one contributor to the development process, and to avoid dependency of the community on the company (IFC, 2010).

In the Nord Stream 2 project, various regional planning documents were assessed, including the Concept of Socio-Economic Development for the district, the Spatial Planning Scheme and other municipal development programs of the district administration. From these documents, various development projects relevant to the project affected communities and the district administrative centre (Kingisepp) were identified. The projects considered in Kingisepp related to facilities being used by the whole district, including health care, sports and cultural activities. It should be noted that analysis of Kuzemkinskoe Master Plan and other planning documents was also performed as part of the SIA process. However, in the social investment process, the analysis was much more detailed, and related to how projects might be developed to enhance community wellbeing.

Assessment of community strengths, needs and development opportunities

The next step of the Nord Stream 2 social investment process was to assess community strengths, needs and development opportunities. As indicated above, the company's social investment process did not include a separate socio-economic survey but used the SIA. The SIA materials for the Nord Stream 2 project were developed in accordance

with the IFC framework that primarily focuses on impacts and does not provide the holistic approach to community wellbeing that is necessary for the social investment process. Therefore, an approach more appropriate for social investment purposes was adopted, being an adaptation of the Social Framework for Projects (Smyth and Vanclay, 2017).

Except for the categories ‘environment’ and ‘natural resources’ (because they were the subject of another company programme), the 6 other dimensions of the Social Framework were elaborated in the course of the social investment process (see Table 5.1). Each dimension was described drawing on the results of the SIA social baseline survey. This was complemented by information on the project’s potential impacts and relevant mitigation measures, and information about the community needs, which were identified in the data collection for the SIA process, in meetings with stakeholders, and from visual observation of the project area. Much information was taken from the SIA materials, however, it was restructured so that it would be more suitable for social investment purposes. The information was supplemented by description of the specific development projects relevant to each dimension of community wellbeing. This led to potential opportunities for company social investment being tentatively identified. The opportunities were tentative because community needs, development areas and specific development projects still had to be developed by the communities themselves. To sum up, such an important aspect as ‘assessment of community strengths, needs and development opportunities’ was not covered by the SIA process.

Table 5.1: Example template for Assessment/Analysis of Community Strengths, Needs and Potential Opportunities for Social Investment

Source: Nord Stream 2, 2017b. Community Investment Framework – Russia

Current Context	Potential Social Impacts and Mitigation Measures	Community Needs	Planned Development Projects	Potential Opportunities for Community Development
1. PEOPLE’S CAPACITY AND ABILITY				

Stakeholder engagement

The preliminary analysis of community needs and development opportunities was performed using desktop activities. This supported and prepared the next step of the social investment process, identification of community needs and development opportunities as determined by the residents of the affected communities and local stakeholders (i.e. a Community Needs Assessment). The absence of this step would undermine the participatory nature of the social investment process and would make it 'top-down' and 'expert-driven'. A development process initiated by a company without meaningful community participation should be regarded as philanthropy, CSR or sponsorship activities, not as 'social investment'.

The SIA process informed the planning of stakeholder engagement activities for the social investment process in that the key stakeholders had already been identified and initial contacts were already established. Although for various reasons it was not actually implemented as part of the initial social investment process, the SIA consultant for the Nord Stream 2 project proposed that a set of focus groups be undertaken for the community needs assessment. This method was chosen because it provides an opportunity to collect meaningful qualitative information on community needs and development opportunities directly from local residents. In addition, follow-up discussions with targeted stakeholders and community representatives were intended so that any issues or suggestions raised could be investigated further. Participants in each focus group were intended to discuss the key strengths and capacities of their communities, as well as their community's needs, and the reasons for these needs. The participants would also be able to consider what could be done to meet these needs. The proposed framework describing key dimensions of community wellbeing would have underpinned the discussion. After the discussion, the dimensions of community wellbeing were to be prioritised with respect to the envisaged development process.

Generally speaking, an issue that commonly arises while implementing social investment and SIA processes is whether they could be combined. Both processes are participatory, and

arranging separate consultations requires considerable effort from a company as well as extra burden on the community. Potentially, the issues related to community needs could be discussed in the SIA consultations, especially given that they are often raised during SIA consultations. Although there is a strong rationale for combining the processes, we suggest this is difficult. SIA consultations are a specific exercise aimed at provision of information in relation to an envisaged project and its impacts, as well as at discussion of relevant issues with local communities. These are usually performed by public meetings, although best practice suggests using a variety of methods (Hartz-Karp and Pope, 2011).

One purpose of the social investment consultations is to identify the capacities and needs of the communities, and to identify potential ways to address the needs and utilise local capacities. That is why focus groups are appropriate for this type of consultation; they provide a reasonable amount of time to collect meaningful qualitative information on various aspects of community wellbeing. Focus groups offer the opportunity to listen to all participants (not only to vocal people or those who are experienced in public speaking). Having several focus groups provides the opportunity to collect information from different groups, for example, young, aged, and in certain circumstances, women only. The intended deliberativeness of the SIA consultations is not applicable for these purposes. Since the SIA consultations are open to all people, their representativeness might be questionable, as one part of the community can be over-represented compared to others. Obviously, SIA and social investment consultations should be aligned, but they are two different processes.

Assessment of investment areas

When the strengths and needs of communities are identified and potential development opportunities are sketched, it is important to determine the focus areas the company will develop. Social investment is most effective when it is focused on a few key areas relevant to the company's business (IFC, 2010). The focus investment areas for the Nord Stream 2 project were identified using a methodology that considered three factors: socio-economic feasibility, level of support, and alignment with the company's business objectives. The socio-economic feasibility should be established by analysis of

the SIA results, development planning documents, and information obtained during meetings with local stakeholders during the SIA process. The level of support should be determined by the residents of the affected communities and other stakeholders during the community needs assessment described above. The level of support is a subjective value communities give to the potential investment area, and whether they support or give priority to the potential investment area compared to the other areas. The combination of the expert-defined ‘socio-economic feasibility’ with the ‘level of support’ by residents shows the ‘investment area importance’, or whether it makes sense to participate in its development.

The remaining point is to assess whether the considered investment area is aligned with the company’s business objectives. This is based on the project description, project implementation schedule, as well as other project features. Consideration of the ‘investment area importance’ and ‘alignment with company’s business objectives’ gives the ‘investment area priority’. An overview of the investment area assessment process is provided in Figure 5.5.

Step 1. Elaboration of Investment Area Importance

Socio-Economic Feasibility	Level of Support		
	Low	Medium	High
Low	Negligible	Low	Medium
Medium	Low	Medium	High
High	Medium	High	Major

Step 2 . Elaboration of Investment Area Priority

IA Importance	Alignment with NSP2 Business Objectives		
	Low	Medium	High
Negligible	Negligible	Negligible	Low
Low	Negligible	Low	Medium
Medium	Low	Medium	Medium
High	Medium	High	Major
Major	High	High	Major

Figure 5.5: Investment Area Assessment Methodology

Source: Nord Stream 2, 2017b. Community Investment Framework – Russia

The intention of this methodology was to avoid subjectivity in determining the focus investment areas and to make the process simple and transparent. The process can be revised or updated in the course of the company's social investment process or project implementation. This methodology was developed specifically for the company's social investment process and was not covered by the SIA materials.

Implementation plan

It is important to not only determine community needs and development opportunities in a participatory manner, but to establish a participatory plan to implement the investment process. Traditionally, there are two main approaches to implementation of investment projects: proactive and reactive (Skinner and Mersham, 2008). The proactive approach emphasizes partnering, leveraging resources, capacity building, etc. and has a longer-term agenda. In contrast, the reactive approach is primarily associated with responding to current immediate needs and waits for proposals. The Nord Stream 2 project used both approaches for its social investment process.

The proactive approach was planned to be implemented via a framework cooperation agreement to be concluded between the company and the regional government. The agreement would regulate key aspects of the collaboration between the company and authorities. A working group was to be established, including representatives of regional, district and local authorities, various experts and company representatives. The working group would hold bi-annual meetings to decide on the community development projects to be implemented. Residents of the affected communities will not participate directly in these meetings but will be represented by their authorities. However, since the development projects are to be implemented within the project area of influence and within the key focus investment areas determined in collaboration with the residents of affected communities, such a method is valid and appropriate for social investment purposes.

As part of the reactive approach to social investment, the company will implement a small grants programme to support activities

initiated by the affected communities or local stakeholders. The suitability of the proposed initiatives will be assessed using criteria that consider the long-term beneficial effect on the communities and other matters. The investment initiatives should be focused on the affected communities and fall within the defined focus investment areas. A committee will be established to manage implementation of the small grants programme. Local residents and stakeholders will be engaged in assessment and evaluation of proposed initiatives, as well as in monitoring their implementation. These residents will be identified using the stakeholder list developed as part of the Stakeholder Engagement Plan as part of the ESIA process.

The proposed implementation model was developed specifically for the social investment process. It was not covered within, and did not naturally flow from, the SIA materials developed for the project. However, the Stakeholder Engagement Plan from the ESIA will be used to engage local residents and stakeholders in the implementation of the social investment process.

Increasing the potential of SIA to contribute to local community development

The first tasks of the SIA process performed for the Nord Stream 2 project, community profiling and social baseline survey, provided to be very useful for the social investment process. They presented an understanding of the project area and defined the scope of the social investment process. When based on SIA results, the social investment process can be linked with project impacts. Neglecting this link may lead to a disproportionate distribution of project benefits and related risks to a project. The results of the SIA process for the Nord Stream 2 project has informed planning of stakeholder engagement activities as part of project social investment. However, when performing SIA and social investment processes for a project, the issue of aligning SIA and social investment frameworks arises. The SIA framework focuses primarily on the project's potential impacts, whereas the social investment framework is interested in all key aspects of community wellbeing. This leads to differences in collecting and structuring the data during social baseline surveys

for the SIA and social investment processes. To implement both processes in a project, or for a development-oriented SIA, an aligned framework should be utilised from the beginning.

An important step in the social investment process, analysis of existing development plans, is not covered by the SIA process. Although the SIA process collects and analyses these planning documents, it is focused on project impacts and only briefly considers other issues. In contrast, the social investment process needs to consider all key dimensions of community wellbeing in sufficient detail.

The other key aspect of the social investment process is assessment of community strengths, needs and opportunities. This is not covered by the SIA process. This assessment is performed as a distinct part of the social investment process, although it should consider project impacts and mitigation measures as determined by SIA. This assessment should be performed in collaboration with the local communities. Acknowledging that there are no universal solutions, we consider that SIA and social investment stakeholder engagement activities should be aligned but run separately. The SIA and social investment stakeholder engagement have different purposes. The aim of SIA-related stakeholder engagement is to provide information on a project and to discuss its impacts and related issues. This implies relevant methods to facilitate this discussion. The purpose of social investment stakeholder engagement is to identify the capacities and needs of the communities, as well as to identify potential investment opportunities. This purpose implies using appropriate research methods, e.g. focus groups.

The methodology used by the social investment process for assessing the development areas is different from the one used by the SIA process for assessing project impacts. The development priorities might be determined based on socio-economic feasibility, level of support, an alignment with company operations. These are determined specifically for the social investment process and are not covered by SIA, although they consider the SIA results. Establishing an adequate implementation plan is a distinct part of the social investment process that does not naturally flow from the SIA process. However, the results of the SIA-related stakeholder

engagement are useful for engaging local residents and stakeholders while implementing the social investment process.

Conclusion

Social impact assessment and corporate social investment are interrelated concepts, sharing key values and a commitment to capacity building and community empowerment. Thus, a social investment process could and should be seen as a natural component of the broader SIA process (Vanclay et al., 2015). The social investment process can benefit much from SIA. For example, the baseline survey and community profile can be very useful. Using the results of the SIA is important to focus the company's social investment strategy on the communities who are most affected. The social investment process might also utilise the results of the SIA stakeholder engagement activities, for example, to identify the stakeholders who would assist in identifying community needs, and in developing the plan for participatory social investment. Despite all these benefits, the actual capacity of SIA to undertake social investment is limited. The social investment process has distinct aims, focus, methodology, and manner of implementation that are quite separate to the SIA process. The social investment process also requires a much more extensive analysis of the relevant planning documents.

To be effective, the SIA and social investment processes obviously need to be aligned. It would be desirable for there to be one framework that combined the SIA and social investment processes, that could be applied from the beginning of the SIA process. Such a framework should include collection of baseline data in a manner that would suit both SIA and social investment purposes. An integrated stakeholder engagement approach should be developed and applied to harmonise information disclosure and the community consultation activities needed for both SIA and social investment processes. Aligning SIA and social investment could lead to them being considered as two aspects of one development process that has potential to enhance the development outcomes from a project. The social investment initiatives should be discussed with communities along with project impacts and

be part of the community development agreement or impacts and benefits agreement that is developed between a project proponent and local communities.

Discussion of whether SIA should be aligned with social investment, or the other way round, is pointless. SIA and social investment were developed as distinct concepts and practices. However, SIA is a requirement in many jurisdictions and is an essential part of project financing required by international financial institutions, whereas social investment is less regulated and typically considered to be a voluntary practice. Therefore, it is the SIA discourse and practice that should be modified to encompass social investment goals and realise the potential of SIA to contribute to social development and community empowerment.

Such an alignment would meet the interests of project proponents, communities and international financial institutions (IFIs). For project proponents, an aligned framework would assist in SIA contributing to obtaining a social license to operate by assisting communities in understanding that a project will not only bring disturbance but also benefits. It would also reduce costs and frustration related to data collection and stakeholder engagement by avoiding duplication of actions.

From a community perspective, the combination of these approaches is also important. The social benefits from projects might not be evident to affected communities. Project employment opportunities might be limited and tax revenues might be hidden within centralized national bureaucratic procedures and not tangible at the local level. Local residents always experience adverse impacts from a project, even when mitigation measures are implemented. Potentially, project proponents could provide CSR activities to enhance local benefits, but where these activities are disconnected from the SIA, there will always be concern about whether they will actually be provided; whether they will be focused on those who are most affected; and whether the activities will really meet the needs of local communities.

SIA is an established practice that is applied by IFIs as part of project financing. Social investment is not necessarily required. Given that the primary goal of many IFIs is to contribute to development (poverty

reduction, increased wellbeing) and to the Sustainable Development Goals in their regions of operation, it is in their interests to improve the development outcomes from the projects they finance. Therefore, increasing the capacity of SIA to contribute to community development by better alignment of SIA with social investment is highly desirable.

SIA and social investment have direct and indirect benefits. The international requirements for implementing these processes bring international standards to countries where national legal requirements are often underdeveloped. The very presence of large projects (such as Nord Stream 2) that need to meet international requirements (e.g. to achieve project financing) reveal the deficiencies of domestic requirements and practice. Nevertheless, such projects build the capacity of their staff (national and international). These projects also enhance the governance culture (e.g. transparency and accountability) and effectiveness of the institutional environment in which they are being implemented. Because social investment is inherently participatory, involvement in the implementation of effective social investment practices contributes to capacity building of all parties and to local community development. Potentially, the financial institutions, other development agencies, and the larger professional community should consider stimulating alignment of the SIA and social investment processes, as well as strengthening their commitment to SIA and social investment.

Social investment is a complicated process that has many pitfalls. One issue is that a company should not usurp the responsibilities of government, or create dependency of local communities on the project. It is also important to keep social investment processes manageable and not give communities promises that a company is unable to fulfil. We believe that stimulating project social investment and appropriate modification to SIA procedures can make a significant contribution to enhancing project development outcomes.

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Chapter 6

Conclusion

Conclusion

Introduction

The key research question of the thesis was: “How does SIA as practiced in Russia enable people to influence the decision-making that affects their lives, and what potential does it have to contribute to community and civil society development?”. To address this question, it is necessary to identify the key principles of civil society and democracy, as well as the way these could be realised. In this thesis, I assert that the principle of civil society and democracy, as well as of the international SIA, is to enable those who are potentially affected by a project to influence the decision-making processes that affect their lives. To analyse whether this principle is implemented, it is necessary to respond to several questions as defined in the Introduction:

- Is meaningful SIA performed in Russia to be the subject to decision-making for those potentially affected by a project?
- Are people potentially affected by project development effectively engaged in discussion of the SIA results?
- What are the key challenges emerging while implementing international SIA in Russia? and
- What potential does SIA have to contribute to community and civil society development?

These questions were addressed across Chapters 2 to 5 of this thesis. This chapter summarises the key findings and the overall line of argument of the thesis. It also provides recommendations for improvement of the SIA practice in Russia.

The SIA framework in Russia: does it enable to perform meaningful SIA to be the subject of decision-making?

As discussed in Chapter 2, the requirements to perform social impact assessment in Russia, as in many countries around the globe, stem from the EIA regulatory framework (Cherp and Golubeva, 2004; Gulakov and Vanclay, 2018 and 2019). They can be traced back to the Constitution of the Russian Federation (Russian Federation, 1993), the Federal Law on Environmental Protection (Russian Federation, 2002), the EIA Provisions (Russian Federation, 2000), and the document specifying performance of baseline surveys (Russian Federation, 2012). As one of the experts interviewed during this research noted, there was an active discussion of the EIA procedures in Russia in 1980s-1990s (the years around the collapse of the Soviet Union, and the years of democratic hopes and aspirations), and of the need for these procedures to be more transparent, effective and aligned with international practice. These discussions culminated in adoption of the EIA Provisions in 2000 that still regulate this process. The Provisions are focused on environmental issues, although they prescribe the consideration of ‘social, economic or other impacts that are related to environmental ones’ (Russian Federation, 2000, article 1.5). These social and other impacts are not really specified. However, the Provisions outline requirements relating to the impact assessment process in general that might be also extrapolated to its social aspects, saying that the assessment should be based on valid information, be appropriate to the scale and type of the intended activity, be project-specific, and include relevant mitigation and monitoring measures (Russian Federation, 2000).

Comparison of the Russian SIA requirements with international standards represented by the IFC Performance Standards (IFC, 2012a and 2012b) reveals that they have much in common. Although being more elaborated and consistent, the IFC standards don’t provide specific detail about the SIA process, just indicating principles about the process and specifying the consideration of certain specific issues related to community health and safety, land acquisition, etc. (IFC, 2012a and 2012b). What is important is that the IFC standards consider social issues to be on an equal basis to environmental issues, and that there is a robust practice of SIA performance.

In practice, social impacts are poorly considered as part of the national EIA process performed in line with the named requirements. The developed materials usually provide high-level social baseline data, which is not project-specific. Few (if any) social impacts are identified and therefore mitigated. There is also no clear link between social baseline, social impacts, social mitigation and management of the project (Gulakov and Vanclay, 2018; Aucamp and Lombard, 2018). Assessment of social impacts as part of the national EIA is often very superficial, and therefore it is not surprising that some people question if there is any SIA in Russia. Consequently, the national EIA requirements do not ensure that meaningful SIA is undertaken. The national SIA is unable to inform those affected on the potential risks and impacts, and therefore has little to contribute to decision-making. This makes the national SIA process non-compliant with the basic value of the international SIA and civil society, which relates to enabling those potentially affected to influence decision-making that affect their lives.

Stakeholder engagement in Russia: are people potentially affected by project development effectively engaged to influence the decision-making?

The stakeholder engagement process as part of SIA in Russia is regulated by the EIA Provisions described above (Russian Federation, 2000). As shown in Chapter 3, while the Provisions' requirements relating to the overall SIA process are vague, they are very precise with respect to the stakeholder engagement process. In general, the stakeholder engagement process should be organised by the local (municipal) authorities with the support of the project proponent. It consists of two main stages: the initial stage associated with development of the Terms of Reference for the EIA, and the impact assessment stage. For both stages, a project proponent needs to provide notification in press, disclose the materials in public, and collect comments. Although the Provisions give opportunity to perform some other forms of notification, these are seldom observed as organisations usually tend to meet the minimum requirements (Aucamp and Lombard, 2018). The Provisions are very specific with the timing of all these activities, usually prescribing

30-day periods. The impact assessment stage also includes the ‘public discussions’, which are usually (if not always) run in a form of public hearings. These are primarily one-off events conducted in a public hall by the administration of a municipality together with the project proponent. The minutes of the public hearings are attached to the EIA materials that are subsequently submitted to the government’s review process.

Though the described stakeholder engagement process is very straightforward and therefore manageable, in practice the Russian EIA is a classic example of the ‘traditional’ or ‘top-down’ process (Craig, 1990; Roberts, 2003; Hartz-Karp and Pope, 2011). First of all, the national stakeholder engagement process lacks stakeholder identification and engagement planning, and is therefore not project-specific. The national stakeholder engagement process lacks representativeness since it does not enable all affected and interested people to be involved (Nenasheva et al., 2015; Sidortsov et al., 2016). It lacks deliberativeness since it provides only limited space for discussion. Finally, it lacks influence since it does not provide any procedure for communities or other stakeholders to influence decision-making. Therefore, it leaves limited opportunities for affected communities and other stakeholders to participate in decision-making that affect their lives. The way stakeholder engagement is practiced in Russia is not in line with the values of participatory SIA (Hartz-Karp and Pope, 2011; Lockie, 2001; Roberts, 2003), which is generally consistent with the core values of civil society, and seeks to correspond with the principles of participatory democracy (Hartz-Karp and Pope, 2011; Gulakov and Vanclay, 2019). Such limited involvement of people limits the potential of SIA to contribute to the development of civil society.

Implementing international SIA in Russia: the key challenges

Considering the previous two sections, any description of regulatory SIA practice in Russia could hardly be anything but dismissive. Social impacts are poorly considered (if at all) as part of the national EIA process (Gulakov and Vanclay, 2018); the way the EIA results

are disclosed and discussed could be hardly considered effective (Gulakov and Vanclay, 2019). Therefore, the abilities for those potentially affected to participate in decision-making are limited as they are neither properly informed on potential impacts of a project nor effectively engaged in consultations process. It should be stressed that such a poor practice is performed on the background of implementing good quality SIA and stakeholder engagement in the contemporary Russia, to an international level. Cases described in Chapters 2 and 3, as well as many others, show that there are opportunities for performing international SIA in Russia, and there are good examples of doing that. These international SIAs are performed for projects gaining international financing, and the very presence of such cases illuminates deficiencies of the domestic requirements and practices, and shifts it to an upper level.

Implementation of the international SIA in Russia faces challenges – as has been discussed in Chapter 4. These largely relate to the overall impact assessment process in the country rather to its SIA component. One of the key challenges relates to fundamental differences between the national framework, which is prescriptive and regulates the processes of the impact assessment, and the international SIA framework which rather regulates the principles and guides the assessment. Misunderstanding of these differences by companies' personnel and 'lack of specifications' provided by the international standards sometimes make them difficult to apply by those used to perform within the prescriptive regulatory framework.

Another key challenge relates to the difference in definition of the social area of influence. In essence, the international ESIA process requires integrated assessment of the project impacts, including those of the associated facilities – whereas the national EIA primarily focuses on assessment of each separate aspect (facility) of a project. Evidently, lack of the integrated approach is non-compliant with the best international practice. However, companies' personnel used to perform within the national regulatory framework might oppose to take any liabilities related to associated facilities' impacts. Since dealing with associated facilities is already not a simple task for any project, such an opposition might become a real challenge for the international SIA.

The third key challenge relates to combination of the international EIA and national ESIA processes that might be required for the same project, especially at its early stage. Some experts view these processes to be so different that consider their separate implementation as the only way to manage them. Primarily, this relates to different expectations of national regulators and lenders to which materials are to be submitted. However, certain combination options could have been also adopted. In particular, the national impact assessment could be supplemented by additional activities to make it compliant with the international standards. In this case, not a separate ESIA but a Supplementary ESIA might be performed.

Finally, one of the key challenges relates to the current practice of limited stakeholder engagement during project development in Russia, which is supported by the national EIA requirements. Being used to limited stakeholder engagement, many companies also tend to limit it as part of the international SIA, and to perform it in a prescriptive manner of what's being conceptualised as the 'traditional SIA'. Consequently, such performance hinders meaningful engagement and participatory decision-making process.

The challenges described above may seriously disrupt performance of the meaningful international SIA process and people's involvement in decision-making process in Russia. These two factors may therefore limit people's ability to perform as civil society actors at project development level. As our interviewees noted, the described challenges are often also relevant to the other countries of the post-Soviet context.

What is the potential of SIA to contribute to community development?

International SIA stresses the importance of enabling people to take part in making the decisions that affect their lives. At project development level, this participation should be ensured while discussing not only adverse impacts of a project, but also of benefits it might bring. Conceptually, SIA has a clear stance

towards social development and community empowerment (Esteves et al., 2012; Vanclay et al., 2015; Vanclay, 2017; IFC, 2012a). As discussed in Chapter 5, however, as currently practiced it is mostly focused on managing adverse impacts of intended projects. This shows the clear need for exploration of the SIA potential to contribute to community development for achieving better development outcomes of a project.

The field of community development predates SIA, and has evolved as a distinct practice and discourse (Phillips and Pittman, 2009; Shaw, 2008; Cavaye and Ross, 2019) separate to SIA (Smyth and Vanclay, 2017; Vanclay et al., 2015). Similar to SIA, it relates to bringing people together to identify and articulate their needs to solve common problems, and influence decision-making process that affect their lives (Phillips and Pittman, 2009; Lee, 2006; Frank and Smith, 1999; ICMM, 2012). At the project level, community development activities are usually performed by developing social investment strategies. Although today there is some level of performance, and specific guidance notes have been developed to assist in their implementation (IFC, 2000 and 2010; ICMM, 2012), these practices are still relatively new and evolving.

As currently practiced, social investment can benefit much from SIA. Social investment needs to be focused on the project social area of influence as defined by SIA to ensure project benefits are also targeted on those most affected. Basic information on these communities, as well as on the key project stakeholders might be also shared from the SIA process. However, the capacity of SIA to contribute to social investment is limited. The social investment process has distinct aims, focus, methodology, and manner of implementation that are quite separate to the SIA process. The social investment process also requires a more extensive analysis of the relevant development planning documents. An adjusted framework for SIA and social investment is required to harmonise both processes, including relevant data collection and stakeholder engagement. Today international SIA might be considered effective in managing adverse impacts of projects and people's involvement in the relevant decision-making. However, SIA's conceptual stance towards community development and

people's involvement in decision-making on project's positive outcomes has not been fully realised and requires further discussion and elaboration. By aligning SIA and corporate social investment, they could be considered as two aspects of one development process that has a potential to enhance the development outcome of a project. In its turn, it will enhance SIA potential to contribute to civil society development at the project level.

Social impact assessment in civil society: discussion and recommendations

SIA is rooted in civil society, sharing the key principle that people should be involved in and able to influence decision-making that affects their lives. The scientific contribution of this research relates to grounding SIA concept in civil society discourse and viewing SIA as a valuable component of civil society, which ensures meaningful public participation at project development level.

Along with being conceptually embedded in civil society discourse, SIA is also an elaborated practice area, supported by various frameworks and legislative requirements, and having established practices of its implementation. To that end, SIA has potential to integrate its and civil society principles into peoples' daily life practices at project development level, including companies' practices as project proponents and people's practices as citizens. This is especially important for the countries in transition, where internal legal frameworks and practices might not be that transparent, democratic and people-oriented.

As currently practiced, SIA is still focused on mitigation and management of projects' adverse impacts. However, contemporary good practice clearly suggests going beyond impact-oriented SIA, viewing SIA as contributing to community development and empowerment. Thus, SIA implies people's engagement in decision-making both regarding potential negative impacts that might affect them and positive outcomes of a project, though the latter SIA aspect still requires more elaboration, as has been demonstrated by this research.

In Russia, SIA is not successfully implemented. Although adoption of the national EIA framework in 2000 (which also regulates aspects related to social impacts and stakeholder engagement) resulted in an attempt to make the national procedures more effective and transparent, it could hardly be considered as best practice. In addition, the new EIA framework should have been also applied to the context of the post-Soviet legacy, which provided limited opportunities for people's participation in decision-making. As currently practiced, the national EIA framework neither enables preparation of meaningful SIA to inform those potentially affected on project potential impacts, nor does it effectively engage them in decision-making. However, there are cases of successful SIA implementation as part of the international ESIA process when projects were seeking for international financing. Such cases prove that implementation of the good quality SIA in Russia is possible, though it still faces challenges. These relate to misunderstanding of the international SIA process by companies' personnel given they are used to implementation of the 'traditional' national EIA framework, to attempts of project personnel to limit stakeholder engagement, and so on. These challenges faced in Russia are also to a certain extent relevant to the other countries in transition, in particular those of the post-Soviet context. However, the issue of applicability of international standards in these countries requires further research. We suggest that the following actions are required to shift the national practice: (1) to consider social impacts more generally, rather than only those social issues associated with environmental impacts, i.e. to shift in the focus of the assessment process from 'environmental impacts' to 'environmental and social impacts'; (2) to make a shift to management of social impacts, rather than identifying and mitigating them; (3) to be more consistent with the clear links between social baseline, social impacts, social mitigation and management; (4) to identify stakeholders and plan relevant engagement for each project, which is to drop using standard procedure for every project.

In addition, performance of the community development practices along with the SIA process should be encouraged. However, given the current deficiencies of the SIA process in Russia, performance of community development practices in the country should

be rather viewed as a good practice 'add on' to the SIA process, not as a requirement. Implementation of the community development activities should be just anticipated and have certain relevance to the SIA process (at least being focused on the social area of influence as defined by SIA). Implementation of the effective SIA process, including relevant stakeholder engagement, should be the higher priority.

These recommendations, which along with analysis of the Russian legislative requirements and practices of SIA constitute the societal contribution of the research directed to the policy-makers and professional community, are of relevance to discussion on the potential amendments to be made to the impact assessment regulations undergoing these days in Russia.

The shift of the national practice may stem from improvement of the national requirements to the impact assessment process, from educating the reviewers, or from more intensive application of best practice requirements by the SIA practitioners' community rather than via enforcing top-down regulations. It should be noted that most of the experts we interviewed during this thesis preparation voted for the latter option.

Evidently, SIA has a great potential for Russia and for other countries in transition. It enables people to participate in decision-making that affects their lives, including those decisions that may influence them in negative and positive ways. Doing this, it contributes to civil society development and robust functioning.

Civil society is rather a discourse than a well-defined concept, which to a certain extent makes it difficult to implement. Being a theoretical concept rooted in civil society discourse, and an elaborated practice area, SIA has potential to implement civil society principles into companies' performance and people's daily life practices at project development level.

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Samenvatting (Summary in Dutch)

Inleiding. Na het uiteenvallen van de Sovjet-Unie ontwikkelde de Russische Federatie in 1993 een nieuwe Grondwet, waarin mensenrechten, vrijheid en de onschendbaarheid van de democratische basis van het land zijn vastgelegd. Democratie en civiele maatschappij, twee begrippen die met elkaar verbonden zijn en elkaar versterken, impliceren dat de bevolking op allerlei manieren is betrokken bij het nemen van beslissingen, en verwijzen dus naar veel meer dan alleen een verkiezingsproces waarbij het volk periodiek een regering kiest. Dit is in het bijzonder relevant op het niveau van projectontwikkeling, en het recht van de betrokkenen om invloed uit te oefenen op beslissingen die hun leven beïnvloeden. Dit recht is vastgesteld als fundamenteel principe van social impact assessment (SIA, sociale effectrapportage), het primaire concept voor het onderzoek dat aan de basis ligt van dit proefschrift.

Zoals vele andere landen ter wereld heeft Rusland nationale richtlijnen geïmplementeerd voor het bepalen van de potentiële effecten van een project. Als gevolg hiervan heeft zich een gezamenlijk begrip van de te verwachten impact assessment-praktijk ontwikkeld. Met het openen van haar deuren voor internationale financiering heeft Rusland ook de internationale standaarden en praktijken voor Environmental and Social Impact Assessment (ESIA, Milieu- en Sociale Effectrapportage) binnengelaten, die een goede benchmark vormen voor het onderzoeken van de sociale effectrapportage die in Rusland wordt uitgevoerd. In mijn onderzoek ben ik vooral geïnteresseerd in de wijze waarop men kijkt naar sociale problemen en vraagstukken.

Daarom is de centrale vraag van dit promotie-onderzoek: Hoe zorgt de SIA zoals die in Rusland wordt beoefend ervoor dat mensen invloed kunnen uitoefenen op de besluitvorming die impact heeft op hun leven, en welk potentieel heeft SIA om een bijdrage te leveren aan de ontwikkeling van de gemeenschap en civiele maatschappij? Om mensen in staat te stellen invloed uit te oefenen op de besluitvorming, en dus te voldoen aan de SIA- en democratische principes op projectontwikkelingsniveau, is het essentieel dat er is voldaan aan twee basisvoorwaarden. Ten eerste moet er een betekenisvol

effectrapportageproces worden uitgevoerd om te analyseren wat de impact van een project op mensen zou kunnen zijn. Het moet duidelijk zijn wie er impact van het project ondervindt, op welke manier, hoe lang, en hoe deze impact zal worden beperkt en beheerd. Ten tweede is het vereist dat er effectieve processen zijn voor het geven en ontvangen van inbreng van belanghebbenden, zodat de betrokkenheid van de mensen die mogelijk impact van het project ondervinden verzekerd is. De betrokkenen moeten toegang hebben tot informatie over de verwachte impact en voorgestelde maatregelen, en moeten betrokken worden bij een consultatieproces waarbij hun mening wordt weergegeven in het effectrapportageproces en de rapportdocumentatie. Bij het analyseren of het SIA-proces in Rusland aansluit bij de principes van de civiele maatschappij en democratie, is het ook zinvol om te analyseren met welke uitdagingen of belemmeringen de implementatie van betekenisvolle SIA in Rusland te maken heeft, en dus waarom de betrokkenen mogelijk niet in staat zijn invloed uit te oefenen op de besluitvorming.

Volgens de hedendaagse aanpak van SIA leidt een 'goed uitgevoerde SIA' tot maatschappelijke ontwikkeling en gemeenschapsversterking. Om te onderzoeken in welke mate SIA de effectiviteit van projectbijdragen aan lokale maatschappelijke ontwikkeling (community development) kan versterken, is het noodzakelijk om te analyseren hoe SIA kan bijdragen aan betere maatschappelijke investerings-/ontwikkelingsresultaten van een project en hoe SIA kan faciliteren dat betrokkenen kunnen deelnemen aan gesprekken over de voordelen van een project.

Om deze vragen te kunnen beantwoorden heb ik verschillende case studies uit heel Rusland gebruikt, waaronder verschillende prominente projecten uit de mijnbouw en olie- en gasinfrastructuur. Door voor twee verschillende adviesbureaus in Rusland te werken had ik toegang tot deze projecten, die op zeer verschillende locaties werden uitgevoerd - van een afgelegen gebied in Siberië tot de kustgebieden van de Russische Zwarte Zee en Baltische Zee. Dit proefschrift is hierdoor in zekere zin ook een reflectie op mijn persoonlijke professionele carrière. Voor bepaalde projecten werkte ik samen met andere consultants, zowel binnen Rusland als internationaal. De implementatie van effectrapportageprocessen

volgens nationale en internationale eisen verliep voor een aantal van de projecten parallel, waardoor ze goed konden worden vergeleken en de Russische praktijk goed kon worden geanalyseerd.

De bijdrage van dit onderzoek. Dit onderzoek draagt bij aan het discours over SIA door SIA in verband te brengen met de civiele maatschappij en democratie, de onderlinge relatie te bevestigen, en daardoor de theoretische basis van de SIA te verbreden. Het onderzoek draagt ook bij aan het maatschappelijk discours door SIA te beschouwen als waardevol onderdeel van de ontwikkeling van de civiele maatschappij op projectniveau, aangezien SIA in de basis gaat over het betrekken van mensen bij de besluitvorming die van invloed is op hun leven. Het SIA-discours draagt zowel op theoretisch als praktisch niveau bij aan een civiele maatschappij-discours, aangezien SIA zowel een veelomvattend concept is met verwachtingen, waarden en leidende principes, als een praktijkgebied, ondersteund door verschillende kaders en wettelijke eisen, met een gevestigde implementatiepraktijk.

Dit onderzoek draagt bij aan de analyse van effectrapportage-vereisten en -praktijken in Rusland en put daarbij uit projectontwikkeling, effectrapportage en publieke inspraak. Vooral in het internationale discours ontbreekt het aan analyse van de wijze waarop deze processen plaatsvinden in Rusland. Dit onderzoek biedt een grondige beoordeling van het Russische wettelijke kader en de praktijk met betrekking tot het SIA-proces in het algemeen, alsook van het aspect van betrokkenheid van belanghebbenden. Ook wordt de Russische praktijk geanalyseerd en vergeleken met de beste internationale praktijken. Verder blijkt uit het onderzoek wat de belangrijkste uitdagingen zijn bij het implementeren van internationale SIA in Rusland. Alles bij elkaar zorgt dit voor een goede basis voor een grondige evaluatie van de status van SIA in Rusland, wat een goed voorbeeld is voor de toepasbaarheid van internationale standaarden in andere landen in transitie (met name voormalige Sovjet-landen).

Dit onderzoek draagt ook bij aan een analyse van het SIA-potentieel met betrekking tot maatschappelijke ontwikkeling. Volgens het internationale SIA-discours behoort SIA bij te dragen aan de ontwikkeling

van lokale gemeenschappen die door een project worden geraakt en het verbeteren van de ontwikkelingskansen die daaruit voortkomen. In de huidige praktijk blijft SIA echter voornamelijk gericht op beperking en beheersing van de nadelige impact van een project. Het onderzoek analyseert het potentieel en de beperkingen van SIA om een bijdrage te leveren aan de maatschappelijke ontwikkeling door elke stap van het maatschappelijke ontwikkelingsproces door bedrijven te bekijken en te overwegen welke bijdrage SIA daaraan kan leveren.

De sociale bijdrage van dit onderzoek behelst het doen van aanbevelingen aan de beleidsmakers en het werkveld over verbeteringen van de Russische juridische vereisten en praktijken van SIA en betrokkenheid van belanghebbenden. De bevindingen van het onderzoek over de uitdagingen van de implementatie van internationale SIA in Rusland zijn mogelijk ook relevant voor bedrijven die reeds projecten uitvoeren in Rusland of dat van plan zijn. De analyse van de SIA-situatie in Rusland kan tot op zekere hoogte relevant zijn voor andere landen in transitie, met name voormalige Sovjet-landen. Ten slotte zijn de aanbevelingen over het afstemmen van SIA- en maatschappelijke ontwikkelingsprocessen mogelijk ook van belang voor de internationale SIA-werkveld en maatschappelijke ontwikkeling, alsook voor beleidsmakers.

Opbouw van het proefschrift. Ik begin met een introductie van de concepten van SIA, civiele maatschappij en democratie, en het vaststellen van hun onderlinge verband (verder beschreven in Hoofdstuk 2). Verder geef ik in het hoofdstuk een gedetailleerde analyse van het wettelijke kader voor het SIA-proces in Rusland in het algemeen. Om de manier waarop deze eisen worden geïmplementeerd te analyseren, vergelijkt dit hoofdstuk ook de SIA's die voor een hetzelfde project zijn uitgevoerd met de nationale vereisten en de vereisten van internationale financiële instellingen. Hiervoor gebruik ik de casus van het steenkoolmijnproject van Kolmar in Siberië. Het hoofdstuk eindigt met de conclusie dat er slechts matig rekening wordt gehouden met de maatschappelijke effecten als onderdeel van het nationale milieu-effectrapportageproces (EIA) in lijn met de genoemde vereisten. De ontwikkelde materialen voorzien meestal in data van hoog niveau over de maatschappelijke uitgangssituatie.

Dit is echter niet project-specifiek, waardoor weinig (of zelfs geen) maatschappelijke effecten worden vastgesteld, en deze effecten worden dus ook niet beperkt. Ook is er geen duidelijk verband tussen maatschappelijke Ausgangssituatie, maatschappelijke effecten, beperking van de maatschappelijke effecten en beheer van het project. Dientengevolge zorgen de nationale EIA-eisen niet voor de uitvoering van een betekenisvolle SIA. De nationale SIA is niet in staat de betrokkenen te informeren over de mogelijke risico's en effecten, en draagt daardoor weinig bij aan de besluitvorming. Hierdoor voldoet het nationale SIA-proces niet aan de basiswaarde van de internationale SIA en civiele maatschappij die stelt dat mensen die mogelijk effecten van een project ervaren in staat gesteld moeten worden het besluitvormingsproces te beïnvloeden.

Hoofdstuk 3 concentreert zich op de betrokkenheid van belanghebbenden bij het SIA-proces, of op de vraag hoe effectief de belanghebbenden bij het besluitvormingsproces worden betrokken. Hiertoe worden in Hoofdstuk 3 de traditionele en participatieve aanpak van SIA besproken. Ook wordt geanalyseerd wat de nationale eisen zijn aan betrokkenheid van belanghebbenden als onderdeel van het EIA-proces (dit omvat de SIA). In dit hoofdstuk verwijs ik naar de case study van het South Stream Offshore Pipeline-project dat werd geïmplementeerd in het Russische gebied aan de Zwarte Zee. Ik vergelijk de activiteiten m.b.t. betrokkenheid van belanghebbenden voor hetzelfde project ten opzichte van de nationale en internationale vereisten. Het hoofdstuk eindigt met de conclusie dat het vereiste proces voor betrokkenheid van belanghebbenden weliswaar zeer overzichtelijk en daardoor goed uitvoerbaar is, maar dat de Russische EIA in de praktijk een klassiek voorbeeld is van een top-downproces. Allereerst stelt het nationale proces voor betrekken van belanghebbenden niet vast wie de belanghebbenden zijn en wordt er niets gepland om de belanghebbenden te betrekken. Dit proces is derhalve niet project-specifiek. Het nationale proces voor het betrekken van belanghebbenden voorziet niet in representativiteit, aangezien het niet alle betrokkenen en geïnteresseerden in staat stelt mee te praten. Het deliberatieve proces is onvoldoende, aangezien er slechts beperkt ruimte is voor discussie. Ten slotte ontbeert het proces invloed, aangezien er niet voorzien is in een procedure waarmee gemeenschappen of andere belanghebbenden

invloed kunnen uitoefenen op de besluitvorming. Er zijn dus slechts beperkte mogelijkheden voor betrokken gemeenschappen en andere betrokkenen om deel te nemen aan de besluitvorming die van invloed is op hun leven. De manier waarop betrokkenheid van belanghebbenden in Rusland in de praktijk wordt gebracht komt niet overeen met de waarden van participatieve SIA die gewoonlijk overeenstemmen met de kernwaarden van de civiele maatschappij en die trachten aan te sluiten bij de basisbeginselen van de participatiedemocratie.

In Hoofdstuk 4 wordt gereflecteerd op de uitdagingen die zich voordoen bij het implementeren van de internationale SIA in de Russische context. Hiertoe worden de hedendaagse aanpak en kernvereisten van internationale SIA uiteengezet en worden de vereisten en praktijken voor SIA in Rusland, zoals gedetailleerd beschreven in de voorgaande hoofdstukken, in grote lijnen herhaald. Op basis van mijn eigen ervaring en de ervaringen van anderen die als co-auteur of consultant betrokken waren bij dit hoofdstuk, beschrijven we dat de belangrijkste uitdagingen met betrekking tot het implementeren van internationale SIA in Rusland voortkomen uit de spanning tussen internationale en nationale standaarden, medewerkers van bedrijven die onvoldoende kennis en begrip hebben van de internationale standaarden en praktijk, en beperkte betrokkenheid van belanghebbenden. Daarnaast ontstaat ook spanning door het combineren van de nationale en internationale effectrapportageprocessen. In verband met de vertrouwelijkheid zijn de projecten die als onderbouwing voor dit hoofdstuk dienen niet met naam genoemd.

Uitgaande van de veronderstelling dat betrokkenen niet alleen inspraak moeten kunnen hebben over nadelige effecten, maar ook over de mogelijke ontwikkelingskansen van een project, onderzoeken we in Hoofdstuk 5 het potentieel van SIA om bij te dragen aan maatschappelijke ontwikkeling. Hoofdstuk 5 beschrijft het standpunt van de hedendaagse SIA met betrekking tot het verbeteren van het projectresultaat. Ook analyseren we maatschappelijke ontwikkeling als onderdeel van sociale investeringen door bedrijven, alsmede de kaders die bijdragen aan het realiseren van sociale investeringsactiviteiten door bedrijven. In dit hoofdstuk

wordt het project Nord Stream 2 in Rusland gebruikt om SIA en maatschappelijke ontwikkelingspraktijken te vergelijken, en om het potentieel en de beperkingen van SIA om een bijdrage te leveren aan maatschappelijke ontwikkeling te analyseren. Het hoofdstuk eindigt met de conclusie dat SIA in de huidige praktijk veel zou kunnen bijdragen aan sociale investering. Sociale investering moet met name gericht zijn op de maatschappelijke invloedskant van een project (zoals gedefinieerd door SIA), om te zorgen dat de voordelen van het project met name ten goede komen aan de mensen die de effecten van het project het sterkst voelen. Het vermogen van SIA om een bijdrage te leveren aan sociale investeringen is echter beperkt. De specifieke doelen, focus, methodologie en implementatiewijze van het sociale investeringsproces staan duidelijk los van het SIA-proces. Om beide processen op elkaar af te stemmen is een aangepast kader voor SIA en sociale investering nodig, waarin ook is voorzien in het verzamelen van relevante data en betrokkenheid van belanghebbenden. Het conceptuele standpunt van SIA met betrekking tot maatschappelijke ontwikkeling en betrokkenheid van mensen bij de besluitvorming omtrent de positieve resultaten van een project is nog onvoldoende gerealiseerd. Hiertoe zijn verdere discussie en uitwerking vereist. Door SIA en sociale investeringen door bedrijven op elkaar af te stemmen, kunnen zij worden beschouwd als twee aspecten van één ontwikkelingsproces dat potentieel kan zorgen voor betere projectontwikkelingsresultaten.

Ten slotte presenteren we in Hoofdstuk 6 de conclusies op basis van alle voorgaande hoofdstukken. Dit hoofdstuk vat samen welke rol SIA speelt bij de ontwikkeling van de civiele maatschappij, en wat de status en potentie van SIA in Rusland zijn. Daarnaast worden in dit hoofdstuk relevante aanbevelingen gedaan voor het verschuiven van de nationale praktijk, waaronder de aanbevelingen: (1) meer te kijken naar sociale effecten in het algemeen, en niet alleen naar sociale problemen die samenhangen met milieueffecten, m.a.w. om de focus van de effectrapportage te verschuiven van ‘milieueffecten’ naar ‘milieu- en maatschappelijke effecten’; (2) een verschuiving te bewerkstelligen naar het beheren van maatschappelijke effecten, in plaats van deze alleen vast te stellen en te beperken; (3) consequenter om te gaan met de duidelijke verbanden tussen sociale uitgangssituatie, maatschappelijke effecten, beperking en

beheer; (4) voor elk project te bepalen wie de belanghebbenden zijn en relevante betrokkenheid te plannen, en het gebruik van een standaardprocedure te laten vervallen. Daarnaast moet gestimuleerd worden dat naast het SIA-proces ook aandacht is voor het in de praktijk brengen van maatschappelijke ontwikkeling. Dit moet echter gezien worden als een 'good practice'-toevoeging aan het SIA-proces, niet als een vereiste.

De conclusie van dit proefschrift stelt dat SIA, als theoretisch concept dat is geworteld in het discours van de civiele maatschappij en als uitgewerkt werkgebied, het potentieel heeft de beginselen van de civiele maatschappij te implementeren in de bedrijfsprestaties en dagelijkse werkpraktijk op het projectontwikkelingsniveau.

Резюме (Summary in Russian)

Введение. В 1993 году, после распада СССР, в Российской Федерации была принята новая Конституция, которая провозглашает права и свободы человека, а также незыблемость демократической основы страны. Демократия и гражданское общество, будучи тесно взаимосвязаны, подразумевают все формы участия людей в процессе принятия решений и не ограничиваются лишь участием в голосовании во время выборов в государственные органы власти. Вышесказанное в том числе относится к процессу принятия решений на уровне реализации проектов и к праву затрагиваемых проектом сообществ участвовать в принятии тех решений, которые оказывают влияние на их жизнь. Это право участия является фундаментальным принципом оценки воздействия на социальную сферу (ОВСС), ключевого понятия данного диссертационного исследования.

Как и во многих других странах, в России были разработаны и внедрены национальные требования к оценке потенциального воздействия проектов и, как следствие, сформировалась общепринятая практика их применения. С появлением возможностей для международного финансирования проектов в России также стали применяться международные стандарты и практика Оценки воздействия на окружающую среду и социальную сферу (ОВОСС), которые могут использоваться в качестве определенного ориентира при изучении проводимых ОВСС проектов в России. Именно на оценке социальных воздействий я фокусируюсь в своем исследовании.

Основной вопрос данного исследования: Каким образом ОВСС, практикуемая в России, позволяет людям влиять на процесс принятия тех решений, которые влияют на их жизнь; и какой потенциал имеет ОВСС для развития местных сообществ и гражданского общества? Для того, чтобы предоставить людям возможность оказывать влияние на процесс принятия решений и, следовательно, для соблюдения принципов ОВСС и демократии на уровне реализации проектов критически важно выполнение двух предварительных условий.

Во-первых, чтобы понять, каким образом люди могут быть затронуты проектом, необходимо провести содержательную оценку воздействия. Необходимо четко определить, кто, каким образом и на протяжении какого времени будет подвержен воздействиям, а также как планируется смягчать данные воздействия и управлять ими. Во-вторых, необходимо проведение эффективного взаимодействия с заинтересованными сторонами, обеспечивающего надлежащее участие потенциально затрагиваемого населения. Так, затрагиваемые проектом сообщества должны иметь доступ к информации об ожидаемых воздействиях и предлагаемых мерах по их минимизации, а также должны быть вовлечены в процесс консультаций; их мнения должны быть отражены в процессе оценки воздействия и в разрабатываемых материалах. Кроме того, при рассмотрении процесса ОВСС в России на предмет соответствия принципам гражданского общества и демократии также целесообразно проанализировать препятствия, которые возникают при проведении ОВСС, и, таким образом, ограничивают возможности затрагиваемых сообществ влиять на процесс принятия решений.

Современный подход к ОВСС подразумевает, что она должна содействовать развитию местных сообществ. Для исследования потенциала ОВСС в отношении развития местных сообществ необходимо проанализировать, какую роль ОВСС может играть в повышении эффективности социального инвестирования в рамках реализуемых проектов, а также как ОВСС может способствовать вовлечению затрагиваемых проектом сообществ в обсуждение тех выгод, которые приносит с собой проект.

Для того чтобы ответить на поставленные вопросы, я рассматриваю несколько «кейсов» (проектов), реализованных на территории России. Это различные крупные проекты в нефтегазовой сфере и горнодобывающем секторе, реализованные в самых разных регионах — от отдаленного района Сибири до побережья Черного и Балтийского морей. У меня была возможность участвовать в реализации данных проектов во время работы в двух консалтинговых компаниях в России. Таким образом, в данном исследовании в том числе

содержатся личные профессиональные размышления. В работе над указанными проектами также принимали участие лучшие российские и международные консультанты. Для некоторых из рассмотренных проектов процесс оценки воздействия в соответствии с национальными и международными требованиями проводился параллельно, таким образом давая хорошую возможность для их сравнения, а также для анализа российской практики.

Значимость работы. Данное исследование вносит вклад в дискурс ОБСС, обозначая ее связь с гражданским обществом и демократией, и таким образом расширяя теоретические основания ОБСС. Исследование также вносит вклад в дискурс гражданского общества, рассматривая ОБСС в качестве ценного компонента его развития на уровне реализации проектов (поскольку фундаментальным принципом ОБСС является участие людей в принятии решений, которые оказывают влияние на их жизнь). Вклад, который ОБСС вносит в дискурс гражданского общества, имеет значение как на теоретическом, так и на практическом уровне, поскольку ОБСС является одновременно хорошо разработанной концепцией (имеющей общепринятое понимание, ценности и руководящие принципы) и областью практики (поддерживаемой различными методиками и законодательными требованиями, а также сложившейся практикой их применения).

Данное исследование способствует анализу требований к оценке воздействия в России, а также практики их применения. На сегодняшний день процесс оценки воздействия в России недостаточно изучен, особенно в международном контексте. В работе детально рассмотрены требования и практика реализации как процесса ОБСС в целом, так и такого его аспекта, как взаимодействие с заинтересованными сторонами. Российская практика также проанализирована в контексте лучших международных подходов. Кроме того, в исследовании выявлены основные препятствия, возникающие при проведении ОБСС по международным стандартам в России. Все вышеперечисленное дает очень хорошие основания для комплексного анализа статуса ОБСС в России, что, в свою очередь, является хорошим примером применимости

международных стандартов в других странах с переходной экономикой (в частности, в странах бывшего СССР).

Исследование вносит вклад в анализ потенциала ОБСС в отношении развития местных сообществ. В международном дискурсе ОБСС утверждается, что ОБСС должна содействовать развитию местных сообществ и росту возможностей, возникающих при реализации проектов. Тем не менее, современные практики ОБСС скорее показывают, что ОБСС все еще в значительной мере фокусируется на минимизации негативных воздействий и управлении ими. В данном исследовании анализируются возможности и ограничения ОБСС в отношении развития местных сообществ. Для этого в нем рассматриваются основные этапы процесса развития сообществ, реализуемого частными компаниями, а также анализируется применимость результатов ОБСС на каждом из этих этапов.

Практическая значимость работы касается предоставления рекомендаций по улучшению законодательных требований и практики как ОБСС, так и взаимодействия с заинтересованными сторонами в России. Рекомендации могут быть использованы государственными органами и профессиональным сообществом. Результаты исследования, относящиеся к препятствиям, возникающим при реализации международной ОБСС в России, могут быть интересны для компаний, которые реализуют или планируют реализовать проекты в России. Анализ ситуации с ОБСС в России может быть также в определенной степени актуален для других стран с переходной экономикой, в частности для постсоветских стран. Наконец, рекомендации по согласованию процессов ОБСС и развития местных сообществ могут представлять интерес для международного профессионального сообщества в указанных сферах, а также для международных финансовых институтов и прочих разработчиков руководящих принципов и документов.

Структура диссертации. В главе 2 представлены концепции ОБСС, гражданского общества и демократии, а также показана

их взаимозависимость. В главе также приведен детальный анализ требований к проведению процесса ОВСС в России. Чтобы оценить, как эти требования применяются на практике, приводится сравнение результатов ОВСС, проведенной для одного и того же проекта в соответствии с национальными требованиями и требованиями международных финансовых институтов. Для этого я использую пример проекта разработки угольных месторождений компании Колмар в Сибири. В главе делается вывод, что на практике в процессе Оценки воздействия на окружающую среду (ОВОС), проведенной в соответствии с национальными требованиями, социальные воздействия проектов рассмотрены недостаточно. В разработанных материалах, как правило, представлена социально-экономическая информация довольно общего характера, которая не имеет прямого отношения к реализуемому проекту. Далее, в материалах часто представлена информация лишь о некоторых воздействиях – и, соответственно, мерах по их минимизации (иногда информация о социальных воздействиях отсутствует в материалах оценки в принципе). Таким образом, в материалах отсутствует четкая связь между фоновыми социально-экономическими характеристиками территории реализации проекта, его социальными воздействиями, а также мерами по их минимизации и управлению ими. Следовательно, национальные требования к проведению процесса ОВОС не позволяют провести содержательную ОВСС. Разрабатываемые материалы не в состоянии представить затрагиваемым сообществам содержательную информацию о социальных рисках и воздействиях проекта, и, таким образом, вряд ли могут быть полезны при обсуждении этих воздействий и принятии решений. Следовательно, оценка социальных воздействий, проводимая в соответствии с российскими требованиями, не соответствует основному принципу международной ОВСС (а также принципу гражданского общества), который заключается в предоставлении потенциально затрагиваемым сообществам возможности влиять на принятие тех решений, которые влияют на их жизнь.

Глава 3 фокусируется на таком аспекте, как взаимодействие с заинтересованными сторонами – то есть на том, насколько

эффективно затрагиваемые сообщества вовлечены в процесс принятия решений. С этой целью в главе рассматриваются «традиционный» и «соучаствующий» ('participatory') подходы к ОВСС. В ней также приведен анализ национальных требований к взаимодействию с заинтересованными сторонами в процессе ОВОС, который включает оценку социальных воздействий. В данной главе я использую пример проекта Южный поток в районе побережья Черного моря в России. В главе приводится сравнение мероприятий по взаимодействию с заинтересованными сторонами, проведенных для одного и того же проекта в соответствии с национальными и международными требованиями. Делается вывод, что, несмотря на то что требуемый законодательно процесс взаимодействия с заинтересованными сторонами является простым и удобным с точки зрения его реализации, на практике он превращает процесс национальной ОВОС в классический пример «традиционного» (или реализуемого по принципу «сверху вниз») процесса оценки воздействия. Во-первых, в процессе взаимодействия с заинтересованными сторонами в соответствии с национальными требованиями заинтересованные стороны не выявляются, а взаимодействие с ними не планируется; таким образом, этот процесс не имеет «привязки» к проекту и конкретным условиям его реализации. Национальный процесс взаимодействия с заинтересованными сторонами недостаточно репрезентативен ('representativeness'), поскольку он не позволяет вовлечь всех затрагиваемых и заинтересованных сторон. Ему не хватает дискуссионности ('deliberativeness'), поскольку он предоставляет лишь ограниченные возможности для обсуждения воздействий. Наконец, ему не хватает влияния ('influence'), поскольку он не предоставляет какой-либо процедуры, позволяющей затрагиваемым сообществам или другим заинтересованным сторонам повлиять на процесс принятия решений. Таким образом, возможности затрагиваемых сообществ и других заинтересованных сторон участвовать в принятии решений, влияющих на их жизнь, весьма ограничены. Взаимодействие с заинтересованными сторонами при реализации проектов в России не соответствует ценностям соучаствующей ОВСС, а также ценностям гражданского общества и демократического участия.

В главе 4 рассмотрены препятствия, возникающие при проведении ОВСС по международным стандартам в России. Для этого в главе представлен современный подход и основные требования к проведению международной ОВСС, а также кратко описаны требования и практика проведения ОВСС в России (которые более детально рассмотрены в двух предыдущих главах). На основе моего собственного опыта работы консультанта, а также опыта других экспертов, привлеченных в качестве соавторов и консультантов при написании этой главы, в ней отмечается, что основные препятствия, возникающие при реализации международной ОВСС в России, относятся к противоречиям между национальными и международными требованиями, отсутствию понимания международных требований и практики их реализации у персонала компаний, общеприменимой практике ограниченного взаимодействия с заинтересованными сторонами, а также к тем, которые возникают при попытке комбинирования процессов национальной и международной оценки воздействия. Из соображений конфиденциальности мы не называем проекты, которые используем для иллюстрации приведенных в этой главе аргументов.

Принимая во внимание, что затрагиваемые сообщества должны участвовать в обсуждении не только негативных воздействий проекта, но также и возможностей, которые он с собой приносит, в главе 5 рассмотрен потенциал ОВСС в отношении развития местных сообществ. В ней описана расположенность современной ОВСС к повышению положительных результатов реализации проектов, представлен анализ развития местных сообществ в рамках корпоративного социального инвестирования, а также приведены основные подходы, которые используются при корпоративном социальном инвестировании. В главе используется пример проекта Северный Поток 2 в России для сравнения практик ОВСС и развития местных сообществ, а также для анализа потенциала и ограничений ОВСС в отношении развития местных сообществ. В главе делается вывод, что процесс социального инвестирования может в значительной степени использовать результаты ОВСС. В частности, процесс социального инвестирования должен быть сфокусирован на зоне

социального влияния проекта, которая определяется в рамках ОБСС, чтобы выгоды проекта были также сконцентрированы на тех лицах и сообществах, которые подвержены его негативным воздействиям. Однако в то же время возможности ОБСС вносить вклад в социальное инвестирование ограничены. Процесс социального инвестирования имеет свои цели, фокус, методологию и способ реализации, которые в значительной степени отделены от процесса ОБСС. Таким образом, необходим адаптированный подход к процессам ОБСС и социального инвестирования для согласования обоих процессов, включая такие их аспекты как сбор информации и взаимодействие с заинтересованными сторонами. На сегодняшний день потенциал ОБСС в отношении развития местных сообществ и вовлечения людей в процесс принятия решений в отношении выгод, получаемых сообществами от проекта, не полностью реализован и, таким образом, нуждается в дальнейшем исследовании и проработке. При согласовании ОБСС и корпоративного социального инвестирования они могут рассматриваться в качестве двух аспектов одного процесса и таким образом повышать вклад проектов в развитие местных сообществ.

Наконец, в главе 6 представлены выводы исследования, сделанные на основе всех вышеупомянутых глав. В ней резюмируется роль, которую ОБСС играет в развитии гражданского общества, статус и потенциал ОБСС в России, а также представлены следующие рекомендации по улучшению российской практики: (1) при проведении оценки воздействия рассматривать социальные воздействия в целом, а не только те, которые связаны с экологическими воздействиями – то есть сместить акцент оценки с «воздействий на окружающую среду» на «воздействия на окружающую среду и социальную сферу»; (2) перейти от выявления и минимизации социальных воздействий к управлению ими; (3) обеспечить последовательность в определении четкой связи между описанием фоновых социально-экономических характеристик, социальных воздействий, а также мер по их минимизации и управлению ими; (4) выявлять заинтересованные стороны и планировать взаимодействие с ними для каждого проекта,

то есть отказаться от использования одинаковой процедуры для всех проектов. Кроме того, при реализации процесса ОБСС стоит поощрять реализацию практик по развитию местных сообществ. Однако их стоит рассматривать скорее в качестве наилучшей практики, дополняющей процесс ОБСС, а не в качестве требования.

В заключении исследования утверждается, что ОБСС, будучи концепцией, укорененной в дискурсе гражданского общества, и в то же время сложившейся практикой, обладает потенциалом внедрения принципов гражданского общества в деятельность компаний и повседневную жизнь людей на уровне реализации проектов.

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Sincerely,
Ilya