



Participation of Indigenous Nenets People in the International Polar Year Research

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1. Introduction

Nenets Autonomous Region (*Nenetskiy Avtonomny Okrug* - NAO) in northwestern Russia is home to approximately 8000 Nenets and 3000 Izhma-Komi indigenous people. Many of them depend directly or indirectly on reindeer husbandry, fishing and hunting for their livelihood. In the past, reindeer pastures covered almost all of the region territory. Now, however, large tracts of land have been degraded by oil prospecting and production or have become difficult to access across oil pipelines and infrastructure.

In light of this it is noteworthy that not all the companies make agreements with reindeer herders. Most agreements with herders are only valid for 1-2 years, whereas the company's license is for a longer period. Many agreements are confidential and cannot be evaluated by public opinion. There is no mechanism for the investigation of reindeer herders' opinions on land allocation issues and oil companies' operations.

One of the challenges in efficient management and use of traditional pastures is the lack of up-to-date land use plans for future activities. Other challenges are the lack of proper management of Traditional Land use Areas (TLA) and ambiguity regarding which government authority is responsible for this, the lack of compulsory and independent assessment of industrial projects' impact on the traditional lands and lifestyle of the indigenous people and the absence of a common forum in the region where representatives of government authorities, industrial companies and indigenous peoples could negotiate and make common decisions to achieve a balance of interests of all stakeholders.

2. Facts about Russia and Nenets Autonomous Region

Rating of Russia among 207 countries in the world (UNESCO, 2010)

1 st Natural gas deposits 32%	
1 st Gas extraction and export 35%	
1 st Timber and forest resources 23%	
1 st Drinking and fresh water	67 th Life standard level
1 st Diamond deposits	70 th Communication and information technology use
1 st Fishing resources in 200-mile zone	97 th Gross National Product per person
1 st Spirit and strong alcohol consumption and sales	127 th Health of population
1 st Number of suicides among children and teenagers	134 th Man's life span
1 st Rate of USD billionaires increase	175 th Civilian safety
2 nd Number of USD billionaires	182 nd Population mortality rate

<http://www.adm-nao.ru/>

Population of the Nenets region in 1989:

54,000

of which 21,000 (39%) in Naryan-Mar

Nenets: 12%, Komi: 9.5%

Population in 2002:

45,000

of which 27,000 (60%) in Naryan-Mar

Population in 2008:

41,547

of which 26,648 (64%) in Naryan-Mar

5623 persons outside Naryan-Mar are Nenets

Land resources in the region:

Agricultural lands	16 799 300 (95,01 %), including
reindeer pastures	13 202 200 (74,67 %),
grazing	827 500 (4,68 %),
pastures and ploughed lands	25 900 (0,15%),
Settlements	12 400 (0,07 %);
Infrastructure	including
transport, industrial, etc.	39 800 (0,23 %);
Environmental protection	2 000 ra (0,01 %);
Forests	847 800 (4,8 %),
Wetlands	1089 300 (6,2 %),
Fresh waters	1 000 400 (5,66 %)
TOTAL:	17 681 048 hectares (100 %)

Regional target programs to stabilize reindeer industry since 2002:

- Technical support
- Purchase of slaughtering houses and refrigerators
- Veterinary actions
- Actions against predators
- Reindeer insurance
- Financial support (480 Roubles for each reindeer in 2011)
- Subsidies of 53.5 Roubles/kg sold meat inside the Nenets region
- Coverage of 80% of transportation cost for meat to customers

NAO: largest oil development area in the Russian North:

- 83 oil and gas fields
- Over 50% licensed for development
- Ca. 25 different companies
- Most Russian; limited foreign involvement
- By 2002: 34,500,000 tons of oil extracted
- Resource estimate: 1,100,000,000 tons
- 12 gas fields discovered, insignificant production
- 90 % of all incomes are from oil and gas industry
- Increasing revenues for regional budget
- But: increasing portion of revenue goes to Moscow and Arkhangelsk
- Jobs are preferably given to migrant seasonal workers
- 4% of oil tax goes to a fund for the support of indigenous peoples (culture, education, health care, reindeer husbandry) - **until 2007**

Traditional land use

- Region area: 176 700 km²
- Suitable grazing lands: 132 000 km² (75% of area)
- Number of reindeer breeding farms (private / collectives): 21
- Number of workers in reindeer husbandry: 818 (2003), 899 (2004)
- Grazing lands of farms extend into Komi Republic

Number of reindeer:

1990: 190 000
1995: 186 000
1996: 179 000
2000: 124 000
2005: 163 000
2007: 157 000
2012: 176 000

Socio-economic crisis of 1990s:

Cuts in financial support (gross subsidies in Soviet times)
High prices for products (incl. fuel and equipment)
Break-down of transportation system
High taxes (unable to pay)
Reorganization of entrepreneurship
Considerable loss of reindeer
Most reindeer herding enterprises went bankrupt

3. Monitoring of Development of Traditional Indigenous Land Use Areas (IPY project MODIL)

The international project MODIL-NAO is a collaboration between the Norwegian Polar Institute and the regional non-governmental organization of Nenets People (Yasavey) under the aegis of International Polar Year (IPY) in 2007-2008. The principal objective of the project is to give the indigenous residents in the region a tool – a GIS map database – to promote their interests in the situation of intensive economic and rapid spatial development. A major source of data for the project is a questionnaire campaign directed towards traditional land users, mainly reindeer herders. Topics include all spheres of their living, their traditional occupations, their socioeconomic situation, and the condition of their natural environment. Satellite images in GoogleEarth were used to monitor visible, physical damage of the tundra. These data are combined with various publicly available data in a bilingual (Russian and English) GIS database. The project has been implemented in 2008-2010, project report is published in English and Russian (<http://ipy-nenets.npolar.no>)

The GIS database, in addition to the present report, is the main outcome of the MODIL-NAO project. The database is published on the Internet using a GoogleEarth- based system that does not require special skills or software for the users. Information on access to the database is provided on the project website <http://npolar.no/ipy-nenets> and Yasavey's website <http://www.yasavey.org>.

It is hoped that the database will be used by the indigenous people to make informed decisions about their future, to discuss land use plans with government authorities, to negotiate compensations, and so on. It is also hoped that the representatives of the Nenets people will have the resources to maintain and further develop the database.

4. Circumpolar Land Use and Ethnicity (IPY CLUE project)

Circumpolar Land Use and Ethnicity (CLUE) project funded by the National Science Foundation (USA) has been designed and is being implemented with an outreach component aimed at participation of the indigenous peoples and consideration of their opinions and views in the project. The fulfillment of this objective is the necessary phase for further elaboration of the local development programs in 3 model regions – Sakhalin Island, Krasnoyarsk and Nenets Regions. In each model region 3 indigenous communities with various land use types and different indigenous groups were surveyed. Involvement of the indigenous peoples into the research project is ensured through the following actions:

- Representative selection of communities in the traditional land use areas of the indigenous peoples of the European North, Siberia and Far East in Russia for the participatory discussion and survey. Discussions were held in the communities, selection of the indigenous community helpers has been organized by the major national indigenous organization - Russian Association of Indigenous Peoples of the North (RAIPON) and its regional affiliates. Pavel Sulyandziga, vice-president of the RAIPON, personally participates in the field research, and writes a book on his personal experiences as a prominent indigenous leader;
- Design and testing of the special questionnaire, aimed at the identification of the local problems and opinions on their solution;
- Organization of the public discussions, elaborated by the project in cooperation with the RAIPON. Management of the project finances, reporting and logistic support in the field is implemented by the regional and local indigenous organizations;
- Elaboration of the project recommendations for local and regional activities with involvement of the wider public via RAIPON affiliates and northern communities.

In 2009-2012 during four field seasons international research team visited 9 model communities in Sakhalin, Evenkia and the Nenets region (Russian North, Siberia and Far East), collected and processed information and presented the interim report and relevant recommendations to be published in the Internet after the project termination. The outreach project component will bring the following results of high practical social significance:

- Indigenous peoples and their communities in the most depressive regions and remote settlements will be involved into the research and project management. By these means their social activity and the level of participation in the decision-making process will be enhanced.
- Capacity building for participation of indigenous peoples in the discussion and their involvement into the elaboration and implementation of the local development programs will be provided.
- Identification and inventory of the local problems and definition of the tasks for local sustainable development and heritage preservation in 9 settlements of the indigenous peoples of the North, Siberia and Far East will be executed with consideration of traditional knowledge and aboriginal visions.
- Regional and local authorities, Federal departments will receive the project report and recommendations for consideration of indigenous peoples' opinions and concerns.
- The project will create sound basis for indigenous self-organization and institutional development.

Reindeer herders and community residents from traditional land use areas within the NAO were interviewed about diverse spheres of their lives, their traditional occupations, their socioeconomic situation, and the condition of their natural environment. Information about land use was drawn on maps. The respondents were mostly interviewed by indigenous people or co-villagers who were trained for this purpose by project team members or at the project seminars in the region capital Naryan-Mar. Their responses to the questionnaire made clear their high level of dependency on traditional subsistence activities. This indicates that if these subsistence activities are negatively affected it will have serious consequences on their welfare.

Concerning the attitude of industrial (including oil and timber development) companies towards indigenous peoples, the interviews revealed that companies formally comply with the requirements of public discussions and agreements with indigenous communities, although there is no fixed procedure for these discussions. Such procedures should aim at minimizing negative social and environmental impacts and at facilitating the cooperative monitoring of industrial projects to ensure they comply with the legal regulations, social norms, and environmental requirements. The ethical component in such agreements is lacking, while the resulting responsibility of the authorities, decision-makers and leaders has no formal indicators or informal procedures.

Key findings

- 1) Difficulties that affect reindeer herding units, apart from deterioration and reduction of the pasture areas, include such social factors like poor management, the loss of prestige in reindeer husbandry as a livelihood, loss of traditional knowledge, a significant change of values in the Nenets society, social apathy, unemployment, and the abuse of alcohol.
- 2) There are frequent complaints by local populations regarding oil companies and their responsibility towards degradation of pastures, illegal waste disposal, pollution of water resources, decrease of fish stocks, poaching by oil workers and others, and attacks by stray dogs on domestic reindeer.
- 3) In areas where future oil development is expected, people are afraid of its negative influence on traditional land use. In areas where oil development has been a reality for some time, people noticed this negative influence but simultaneously saw an improvement of the economic situation due to investments by oil companies into the system of social security.
- 4) Traditional land users have little to no influence over the most of the development of oil and gas installations, apart from providing minor technical recommendations.
- 5) The high consumption of traditional food among traditional land users indicates a high degree of indigenous people's vulnerability in the event of reduced or eliminated traditional sources of subsistence. The continuous replacement of traditional food by market food will seriously affect the health and the general wellbeing of the indigenous population.
- 6) Environmental regulations are not satisfactory, as there are no effective mechanisms of control. A severe deficiency is the lack of control over the use and misuse of the environment; companies unlawfully use tracked vehicles on summer pastures, pollute lakes and rivers, etc.
- 7) Only a few companies fulfill their legal obligations towards indigenous peoples; in recent years' the trend shows that such liabilities are no longer included in the license agreements.

5. Present-Day Situation

Reindeer husbandry still is the most popular indigenous occupation in the agricultural sector of the region. Most herders are settled and semi-nomads working in brigades of cooperatives or as private reindeer herders. The indigenous people also participate both in subsistence and commercial fishing. Fishing provides a subsidiary occupation for reindeer herders, as well as other traditional subsistence activities like hunting and gathering.

Several reindeer herding cooperatives also have fishing and hunting brigades, while a minor number of cooperatives have mainly specialized in fishing. The unemployment rate (registered people without a monetary income) among indigenous people is high. Life expectancy is extremely low – 40-45 years – because of poor access to medical care and alcohol abuse. These and other factors go hand in hand with a general degradation of indigenous society. Oil development in the tundra exacerbates the problem. An uncontrolled situation has developed around oil and gas exploitation in many parts of the region. Numerous oil spills and other degradations of the upper soil layers occur periodically in the tundra, inflicting damage on the Arctic natural environment, which is the basis for the livelihood of the indigenous people.

Since the Russian socio-economic crisis of the 1990s herds have been rebuilt and stock numbers seem to have flattened out at a level around 150,000 reindeer. The overall productivity is still rising. There is no direct relation between oil development in an area and the economic well-being of the reindeer herding enterprise using the same area. State subsidies and support programmes for reindeer husbandry at the regional and federal level have certainly been a major reason for the overall recovery of reindeer husbandry after 2000. Additionally, oil companies also pay compensation for ceded pasture lands, but there are no statistics about this: such compensations are based on a variety of individual, often confidential, agreements.

Region is rated 4th in number of domestic reindeer among 18 northern regions practicing reindeer husbandry. Since 2002 three consequent programs had been adopted to assist this agricultural activity:

- Target regional program “Stabilization and further development of the reindeer husbandry in 2002-2006” (total 42.1 million Roubles);
- Target regional program “Development of the northern reindeer husbandry in 2007-2008” (36.9 million Roubles);
- Long-term target regional program “Formation and regulation of the market of agricultural production in 2011-2015 (total funding 463.9 million Roubles).

Since the economic crisis of 1990s this traditional activity has been steadily improving in NAO, but the situation 20 years ago was a mere catastrophe that triggered the public movement of indigenous peoples and establishment of the Yasavey association. This non-governmental organization was successful in negotiations to provide various assistance to aboriginal population: for example in 2011 Administration of the Nenets region allocated 2.5 million Roubles for the support of the indigenous movement. Funds have been allocated on request by regional governor from the profit of the regional “Nenets Oil Company”. Other industrial companies also participate in the funding for the urgent needs of the regional residents.

At the national level indigenous movement is represented by the umbrella organization of the Russian Association of Indigenous Peoples of the North (RAIPON). Since its establishment in 1991 it has been very active in legal defense of the indigenous rights and ensured adoption of three federal laws that are supporting indigenous peoples’ rights. However, they have primarily general declarative character and do not specify the duties of the non-indigenous resource extractors – such as oil or gas companies - to preserve these rights.

According to regional legislation, persons working in reindeer husbandry and their authorised representatives have the right to request ecological and ethnological impact assessments of activities potentially infringing the interests of reindeer husbandry and other traditional occupations and to participate in carrying out such impact assessments. But after a legislative modification from 1 January 2007 the Environmental Impact Assessment (EIA) of the planned industrial project is a formal procedure under the spatial development at the broader scope. At the same time, technical regulations pertaining to environmental protection are lacking and there is a certain danger that proper environmental assessments are not carried out at all.

Indigenous peoples’ participation in decision-making regarding how hydrocarbon projects are carried out is possible at several stages of a project, for instance, through referenda, coordination meetings, public EIA (Federal level legal requirements).

According to the Constitution and the previous version of the Land Code indigenous peoples engaged in traditional economic activities were entitled to use the land, i.e. reindeer pastures, for free and unconditionally. As of 2001 reindeer pastures can be leased to companies by the state if traditional land users are compensated for the calculated loss of reindeer pastures and reindeer. There is no compensation for losing fishing, hunting and gathering resources, which contribute substantially to reindeer herders’ subsistence economy.

Federal and NAO legislation open for the formal establishment of Traditional Land use Areas (TLA). At present, 8 out of 22 agricultural production cooperatives have established TLA at a regional level in NAO. Unfortunately, the regulations for such territories lack provisions on how to manage them. However, they include provisions stating that the natural resources within such territories shall be managed and their monitoring carried out by Northern indigenous communities or organizations representing them.

Prospecting for hydrocarbons in the NAO began in the 1960s. The real oil boom in the area started in the 1990s, in the Bolshezemelskaya Tundra, the Pechora River delta and, to a minor extent, on Kolguev Island. Oil is exported by pipeline southward, and by ship from the terminal of Varandey. There is a minor terminal for local export on Kolguev Island.

Another large terminal is planned at the village of Indiga. The oil extraction puts high pressure on reindeer pastures. Pastures with sufficient quality of lichen for the reindeer have been reduced by almost 20% from 1984 to 2002. All land assigned to reindeer husbandry is federal land. The total area of reindeer pastures has decreased from 90 % to 73 % of the NAO. The remaining land has changed its status through negotiations. Negotiations for agreements regarding compensation for lost land are the only way of influencing the development. Despite certain legal guarantees, indigenous people have no opportunity to change major, politically approved decisions. It is also questioned if the establishment of TLA has any practical effect, as now many major oil development areas are within TLA. At the same time, companies often assist with helicopter transportation of people and goods between city, villages and pastures.

Only one out of 38 analyzed agreements stipulates license holder's liability to compensate for losses as a result of resource development operations as demanded by legislation. In addition, most of the license agreements, which to various extents stipulate subsoil users' liability to observe the rights of indigenous peoples, were concluded in 2001-2003, while those recently made (2008-2009) do not provide for such liability. The tendency at present is to move oil extraction to the sea shelf rather than to continue to expand the land operations.

The move to open the Arctic shelf to foreign investors received support from Russian President-Vladimir Putin, who together with his deputy, Russia's energy czar, Igor Sechin—had a prominent role in securing three most important agreements. Norway's Statoil recently signed a potential \$100 billion cooperation agreement with Russian state oil company Rosneft to develop Russia's mostly untapped offshore energy resources in the Arctic. Statoil joined Exxon Mobil Corporation and Italy's Eni SpA, which signed similar deals earlier 2011, in a so-called "scramble for the Russian Arctic" following Russia's approval of long-awaited tax breaks for the potentially rich offshore fields.

Russia faces declining oil production from its traditional oil regions and is eager to attract Western energy companies with money and expertise to develop the Arctic shelf. The companies will jointly explore the Russian part of the Barents Sea and three licenses north of Sakhalin island in the Sea of Okhotsk.

Statoil is also a part of an international consortium, together with Total (France) and Russian Gazprom to develop the Stockman liquefied natural gas project off the Russian Arctic Circle. When Putin was a Prime Minister he promised to open for non-state companies an access to explore offshore reserves, but now he personally deals with the decision-making in this area and recently it was confirmed that only state-controlled OAO Gazprom and OAO Rosneft will retain rights to develop strategic offshore reserves.

OAO Rosneft, the state-controlled Russian oil giant, reached a sweeping strategic alliance with ExxonMobil that will give the U.S. titan access to potentially huge oil fields in the Arctic Ocean. Experts estimate oil deposits in Prirazlomnoe at 72 million tons with the planned extraction of 6.6 million tons per year. According to Gazprom, oil drilling in the Arctic is postponed till March 2013 and the works shall not start until the safety standards are guaranteed, the development of the Prirazlomnoe oil field is one of the capital investment projects by Gazprom

requiring significant efforts in different spheres – from tax incentives to the preferences in licensing.

According to the Skolkovo business school experts, Russian tax regime is one of the most liberal in the world for the shelf development – i.e. Brazil state takes 65 percent of profit from the oil companies, Canada - 52, Norway – 85, while in Russia state budget accumulates merely 45 percent of the profit.

The extraction in Prirazlomnoe is planned from the reconstructed Hutton platform exploited since 1984 by American company in the British sector of the North Sea. It has been re-sold by Norwegian firm in early 2000ies and re-modeled and modernized in Murmansk by Russian craft works. The general investments to this project are estimated at 7 billion Roubles. According to the published by the state Environmental Impact Assessment, Gazprom agreed to pay off for the damage of the unique fisheries in the Pechora river basin 6.6 million Roubles during 25-year period. The other details of the EIA and deals on compensation has been top secret, and all efforts by Bellona, Greenpeace, WWF or the other environmental NGOs to get materials for the public assessments were blocked by the authorities (*RusNord information sources*). Ecological organizations demand not only environmental but also economic and risk assessments, they urge that platform does not meet safety requirements and project lacks compulsory plan for oil spill reduction and compensation. In August 2012 Greenpeace International organized in Russia an action to protest Prirazlomnoe oil project and ecologists have collected over 10,000 signatures against this project under their joint appeal to stop it – this protest was submitted to Putin. Meanwhile, the Arctic shelf development is planned in Canada, United States, Norway, Great Britain, Greenland and Denmark, and the only option for environmental and indigenous activists is to cooperate in demands for higher safety and more precautious financial policy of the oil companies and the Arctic states. Stockman oil field development has been frozen due to the same reasons – the disability of the Russian companies and the state to guarantee the safety of the oil drilling in the high Arctic region (http://www.bellona.ru/articles_ru/articles_2012/1348485618.78).

6. Conclusion

In a year the tentative Arctic Energy Summit in Akureyri (October 8-11, 2013) will be discussing leading approaches on Arctic energy issues. This multidisciplinary event will address energy extraction, production and transmission in the Arctic as it relates to three thematic areas, namely the richness including prosperity of northern peoples and their resource wealth; social and ecological resilience and responsibility. The Yasavey NGO through direct participation in the IPY research has gained a vital experience in monitoring and evaluation of the land use and is ready to participate in the elaboration of the agenda for development at the regional scale together with the other Arctic actors and stakeholders.