



CAIRN ENERGY COMPANIES
in BANGLADESH

PUBLIC CONSULTATION AND DISCLOSURE
PLAN (PCDP)

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1 INTRODUCTION

In Bangladesh, Cairn operates the offshore Sangu gas field with an onshore processing plant located near Chittagong, and operates exploration activities in Block 16 (offshore), and Blocks 5 and 10 onshore. It also holds a non-operated interest Block 7 onshore.

The Sangu gas field development comprises an onshore gas processing facility in Chillimpur near Chittagong; a small, unmanned offshore platform in the Bay of Bengal located at about 48 km southwest of Chillimpur; and a sub-sea pipeline to transfer produced gas and liquids from the platform to the Sangu facility. Gas production started in June, 1998. The Sangu Joint Venture (JV) comprises Cairn Energy Bangladesh Ltd (Cairn) and Halliburton Brown & Root Ltd (HBR). Cairn is the operator of the JV.

The Sangu JV are currently considering two projects, the development of the South Sangu Field, approximately 5.5 km south east of the Sangu platform, and the installation of a new bypass pipeline connecting the onshore gas processing facility to the Chittagong ring main.

Cairn is committed to publicly disclosing its information about the project, potential impacts and compensation and mitigation measures following its own corporate commitment, international best practices as well as the International Finance Corporations (IFC) guidelines on developing a Public Consultation and Disclosure Plan (PCDP). This document describes Cairn's ongoing stakeholder engagement as well as the proposed consultation and disclosure programme to be undertaken through the project life cycle.

Guidance on the development of stakeholder management plans is provided in the Cairn Energy PLC's Group HSE Management System. Stakeholder identification and consultation has an important role in managing Cairn's business relationships at both corporate and local levels. A more detailed update on the engagement process specific to the proposed South Sangu Satellite Field Development and Sangu By-pass Pipeline is described in section 2.

1.1 CAIRN ENERGY PLC'S GROUP PUBLIC CONSULTATION AND DISCLOSURE PROGRAMME

Cairn Energy PLC is an Edinburgh based upstream Oil and Gas Exploration and Production Company listed on the London Stock Exchange. The Company has extensive exploration, development and production operations and further growth opportunities in South Asia,

principally in India and Bangladesh. Cairn is seeking a corporate loan from the International Finance Corporation (IFC) to help finance a portion of the capital expenditure to develop its recent discoveries in India and Bangladesh.

2 BANGLADESH PROJECT OVERVIEW

2.1 INTRODUCTION

This section provides a brief overview of the projects, project impacts, the legal framework for consultation and disclosure in Bangladesh and a review of the stakeholder engagement under the project till date.

2.2 PROJECT BACKGROUND

The Sangu offshore gas field is contained within the Sangu Development Area formerly part of Block 16 in the Bay of Bengal. Cairn and others were initially awarded a Production Sharing Contract on the block in 1994 and discovered Sangu in 1996, with first gas production in 1998. The current Joint Venture (JV) interests in Sangu are Cairn 75% and Halliburton (HBRE) 25%. Cairn is the operator for the JV.

The offshore platform is located about 48 km to the SE of Chittagong. The platform is a normally unmanned installation though frequent visits occur via marine transfer from an Operations Support Vessel. There is no processing on the platform. There are a total of 15 well slots available – 7 wells have been drilled and completed to date plus one which has been suspended above top pay. There is a 20” subsea line from the platform back to the onshore plant.

The Sangu onshore gas processing plant is located at Chillimpur near the major industrial city of Chittagong on approximately 17 acres of land on the coast where the Sangu subsea line make landfall. The processing of the gas is required to meet the sales specifications. However it is relatively simple as the gas contains no contaminants. Initial gas liquid separation occurs in the inlet slug catcher. The gas is then dehydrated in a standard glycol (TEG) tower and re-generation package. Following dehydration the hydrocarbon dew-point is reduced to specification by using either a turbo-expander or a Joule-Thompson valve. In the current and future mode the J-T valve will be used. The gas is then metered (via fiscal meters) for rate and quality, and then flowed into the main gas transmission system operated by a state company

(GTCL). The plant was designed with two 100% trains but due to the reduced gas reservoir pressures both trains are in routine operation in order to maximize throughput.

The liquids undergo further processing to separate out water and hydrocarbon condensate with final separation achieved by using one of the three condensate storage tanks as a final knock-out vessel. The condensate is trucked to a local refinery.

The produced water is finally decanted into a produced water pond where it is aerated to reduce the Chemical Oxygen Demand by stripping out poly aromatic hydrocarbons. The produced water is then diluted with raw water in order to meet the discharge limits on chloride, total dissolved solids, oil-in-water, and chemical oxygen demand. These project limits are set by the Dept. of Environment for Bangladesh and routine reporting of volumes and concentrations of the key components is required. The diluted water is then pumped via a 4 inch line 500m out from the shoreline into the Bay of Bengal. A review of the produced water processing is underway with a view to stopping dilution following either a modification to the existing water processing or the installation of a produced water injection system at the plant to dispose of the produced water by injection into saline aquifers.

Sangu is currently producing 160mmscfpd of gas and provides 60 – 70% of Chittagong's gas demand of 260 – 280 mmscfpd. Operation of the Sangu plant and platform is contracted to KBR Production Services.

2.3 OVERVIEW OF DEVELOPMENT IN THE BLOCKS 5, 10 AND 16

2.3.1 BLOCK 5

The PSC for Block 5 was awarded to a JV comprising Cairn Energy Bangladesh Ltd and BAPEX in July, 2001 which expires in July 2006. In late 2004, the JV acquired 68.7 line km 2D seismic survey by its Contractor, Grant Geophysical Inc. The whole seismic operations took around 45 days and ended on 20th January 2005. About 400 personnel were engaged in the operation, mostly from the local area. The interpretation of the seismic survey data revealed no leads in the conventional gas reserves within Block 5. Further evaluation of data covering parts of West Bengal, onshore and offshore is underway to establish the potential of oil reserves in West Bengal.

The area of the block available for operations is reduced by the Sundarbans Reserve Forest, which is a UNESCO World Heritage Site. Cairn has committed not to operate within the Sundarbans or its 10 km wide buffer zone.

2.3.2 BLOCK 10

The PSC for Block 10 was awarded to a JV comprising Cairn Energy Bangladesh Ltd and BAPEX in July, 2001 which expires in July 2006. During 2004, the JV acquired 1233.3 line km 2D seismic survey by its Contractor, Grant Geophysical Inc. The whole seismic operations took around 7 months and ended on 5th January 2005. About 1200 personnel were engaged in the operation, mostly from the local area.

Current development activities comprise the Shabhazpur gasfield development operated by BAPEX within the ring fenced area. Outside the ring fenced areas, the 2004 – 2005 seismic survey revealed a single prospective area within the surveyed area, Char Jabbar, and a second prospect shared with open acreage in the erstwhile Block 15, Begumganj South.

2.3.3 BLOCK 16

South Sangu Satellite Field Development

The South Sangu prospect is approximately 5.5km SE of Sangu-A platform in approx 12m of water. An exploration well was drilled on South Sangu in September, 1999 and a follow-up appraisal well was drilled in October, 2000

Conceptual planning carried out in late 2005 envisages a satellite development using a single monopod jacket with basic topsides/facilities, and a 12 inch pipeline back to the main Sangu-A platform. There would initially be two production wells. The ability to flow up to 180mmscfpd has been built into the design to provide redundancy and back-up in the case of complete shutdown of Sangu-A platform.

The reserves at South Sangu require better definition but have significant upside and it is planned to drill an appraisal well in early 2007 to confirm the reserves. If the well is successful the development would proceed immediately with a target first gas date of April 2008.

Sangu Gas Bypass Pipeline

Sangu gas is exported via a short line from Sangu Plant into a major transmission line, the Bakhrabad-Chittagong line (B-C line) down to the Chittagong City Gate pressure let-down station and then into the Chittagong ring main. The operators of the B-C line are planning to install a compression facility that will raise the operating pressure of the line; this will have a significant negative impact on Sangu gas production rates. As a consequence CESFL is planning to install a new gas pipeline from Sangu plant directly to the Chittagong city gate station and ring main thus bypassing the B-C line. Preliminary plans call for a 2.5km, 20inch pipeline with a typical operating pressure of approx. 25barg. The line is onshore and will be buried. The required completion date, driven by the B-C compression project is 1st September 2006.

2.4 PROJECT IMPACTS

2.4.1 South Sangu Satellite Field Development

The offshore Sangu Field Development activities will be completed within a short period affecting a minimal area in the shallow region of the Bay of Bengal. The development activities will be undertaken within 6km to the south east of the existing Sangu-A platform. The EIA of such development activity is in process, Cairn is working on the TOR for submission and approval from DOE in order to start the actual report (i.e. EIA) preparation. The proposed EIA, as stated earlier, in general will identify and evaluate the possible potential impacts on key areas.

Based on past experience and the recently approved EIA for the offshore Hatiya and Manpura prospects in the same Block 16, it is assumed that there will be some impacts on fish (species) and fisheries (people).

Most of the commercially important fish species spawn in the rainy season and this spawning is followed by larval and juvenile growth to adulthood. During this time, fish species feed, graze and migrate along the shallow area of the Bay of Bengal.

The proposed area for drilling activities is not within a fishing zone although it may interrupt fishing activities to some extent depending upon the seasonality and schedule of the proposed drilling activities. Minimum seabed disturbance along with the movement of supply vessels will be undertaken to reduce such kinds of impacts.

One possible impact is that there will be no fishing within 500m radius of the drilling activities. However, compared to the size of the total fishing area, this is a very small area. The other

fishing restriction that may happen is the exclusion of fishing nets in certain locations along the movement of the vessels. In such conditions, as we have done before, the Cairn Public Relation Officer will under take assessment of such claims in accordance with the Cairn procedures for affected fishing operations, fishing net damage and compensation, in line with IFC guidelines.

2.4.2 The Sangu Bypass Pipeline

In order to minimise any new land acquisition, it is planned to lay the new line in the existing Right of Way (ROW) for the B-C line. This ROW will need to be widened as it is too narrow to accommodate the new line in accordance with the Natural Gas Safety Rules and Explosives Department Rules of Bangladesh. The existing ROW is approx. 20 feet wide providing for a 9 foot safety zone either side of the buried pipeline which is laid down the centre of the ROW. The new line will need to be 1.5m away from the existing line consequently it is envisaged that a minimum of 1.5 – 2 metres of land will be required for the wider ROW. The existing ROW runs through agricultural land and near to habitation. It also crosses major roads and rail lines.

This widening of the ROW is expected to have a minimal impact on the existing landowners, in particular not requiring displacement and resettlement of landowners. The main impact will be temporary loss of income from crops grown on the affected land and landowners will be compensated for such loss of income.

3 STATUS OF PUBLIC CONSULTATION AND DISCLOSURE IN BANGLADESH

3.1 INTRODUCTION

This section provides a brief overview of the the legal framework for consultation and disclosure in Bangladesh.

Consultation also plays an important role in the review and approval process by the authorities for projects in India and Bangladesh. The Government of Bangladesh, with a view to providing for conservation and improvement of environmental quality enacted the Environment Conservation Act (1995) and the Environment Conservation Rules (1997). These rules stipulate that ‘No industrial unit or project shall be established or undertaken without obtaining environmental clearance from the Director General, Department of Environment (DG, DOE) in the manner prescribed by the rules. It further added ‘ evaluate, review the Environmental Impact Assessment (EIA) of various projects and activities, and procedures be established for approval’. Projects related to oil and gas exploration fall under red category and must fulfill the above to obtain an Environmental Clearance.

Within the EIA for specific projects, there is a section where Public Consultation is a mandatory requirement and all concerns/issues raised by the local communities and primary stakeholders are incorporated in the report.

Land required for onshore exploration and appraisal drilling is on a temporary lease basis. Land required for Development project is on permanent lease basis. Cairn may need to acquire land on permanent basis for specific projects which means issues like resettlement, rehabilitation and compensation assume high priority. In Bangladesh, the Land Acquisition Act, 1894 (Act I of 1894) and “The Acquisition and Requisition of Immovable Property Ordinance II” enacted in 1982, are key legal framework(s) for the resettlement and compensation issues.

Where projects require to acquire land, resettlement, rehabilitation or execute compensation related issues, the EIA must include the required legal framework of a Resettlement Action Plan (RAP), which describes all laws, decrees, policies and regulations relevant to the resettlement activities associated with the project. This RAP must be approved by the DG, DOE prior to the execution of the project.

3.2 REGULATORY FRAMEWORK REQUIRED FOR CONSULTATION AND DISCLOSURE IN BANGLADESH

3.2.1 Land Acquisition Act, 1894

Many countries have legislation and policies governing land expropriation and compensation for affected assets. However, policy-governing resettlement is often poorly defined, if not altogether lacking. IFC requires the project sponsor to identify, review and abide by all laws of the host country that are applicable to land acquisition and involuntary resettlement. Therefore, the development of the RAP legal framework requires the sponsor to compare prevailing laws and regulations of the host country with the policy on involuntary resettlement.

The first law and the land acquisition in the sub-continent was promulgated in 1870. It was amended by the Land Acquisition Act, 1894 (Act I of 1894). While the land acquisition act of 1894 remained enforce, the East Bengal (Emergency) Requisition of Property Act was promulgated in 1948 after the partition of India. The 1948 Requisition of Property Act was extended from time to time on a triennial basis and finally modified by "The Acquisition and Requisition of Immovable Property Ordinance II" enacted in 1982. This ordinance provided certain safeguards for the owners as far as payment of compensation was concerned and also against wastage and misuses of land. This ordinance with subsequent amendments in 1993-94 is the final version of the relevant law now in practice in Bangladesh. The law has provision for "payment of fair value for the whole property as compensation for acquired land".

The salient features of the ordinance are that, once the government decides to acquire a piece of land for public purpose, the act of 1982 is applied. Notice is served to person(s) interested in the land i.e. legal owner of the land. Matter to be considered or not to be considered for determining compensation is dealt with under this law. The Deputy Commissioner (DC) on behalf of the government then tender payment notice. DC would serve the notice at-convenient places on or near the property in the prescribed form and manner stating that the property is proposed to be acquired.

The DC for acquired property on the basis of its market value awards the owners with compensation money. The market value of the property (land, structure, pond etc.) is assessed on the basis of average recorded value for preceding 12 months, in addition, a sum of 50 percent premium on the market value. The affected persons are also to be compensated for loss of standing crops, trees, perennials, and fishes as assessed by DC. When any property acquired

contain any standing crops cultivated by the bargadar/tenant (having seasonal customary right), such portion of the compensation as may be determined by DC for the crops shall be paid to the bargadar in cash. This law does not permit the affected persons to take the salvageable materials for which they are being compensated. However, worship, graveyard and cremation ground are not to be acquired for the purpose.

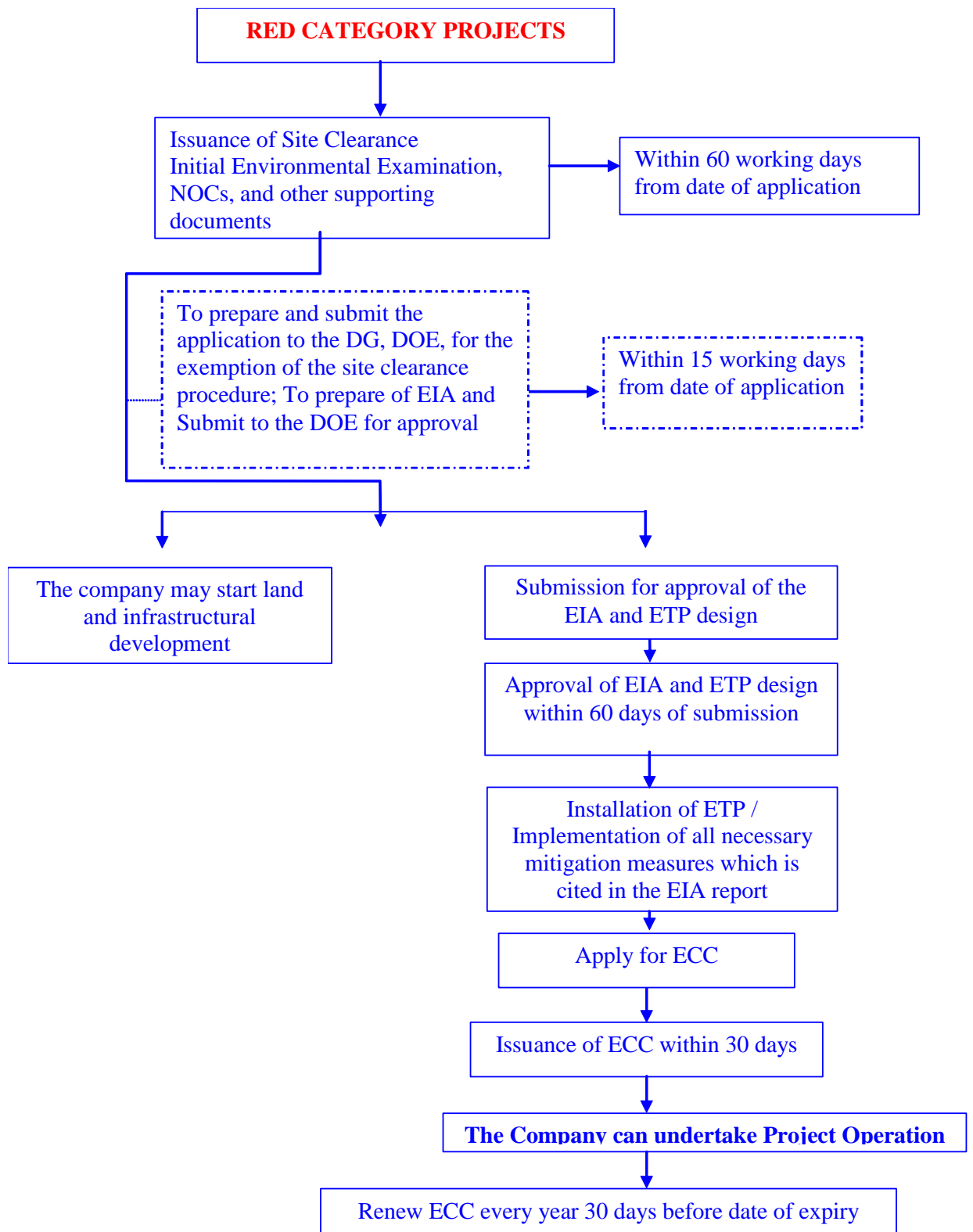
As regards disputes in fixing the rate of compensation, there are provisions to go for arbitration and subsequently to an Arbitration Appellate Tribunal where the compensation earlier decided can be revised up to 10 per cent at each stage.

Under the 1982 Act, the Government is obliged to pay compensation only for the assets under acquisition and then hand them over to the requiring body. Under this law the government has neither any obligation to resettle the affected person nor any provision to restoring their income. Non-titled people are not covered under the 1982 Act.

3.2.2 The Environment Conservation Act, 1995 and The Environment Conservation Rules, 1997

The Environment Conservation Act, 1995 (and subsequent amendment in 2000 and 2002) and The Environment Conservation Rules, 1997 (and subsequent amendment in 2002 and 2003) are the key legal instruments for obtaining the Environmental Clearance for any development project. To achieve the Clearance, one has to prepare the Environmental Impact Assessment (EIA). It is a formal process to be used to examine the environmental consequences of proposed development projects, programmes and policies and suggest relevant management actions.

Procedural steps for obtaining the environmental clearance certificate under red category (in which oil and gas exploration and development falls) are in the following flowchart.



3.2.3 International Finance Corporation Requirements

OP4.01 for Environmental Assessment (EA) requires project developers to consult project affected groups and local non-government organisations (NGOs) about the project's environmental aspects and take their views into account. These consultations need to be initiated as early as possible - shortly after environmental screening and before terms of reference for the EA are finalised and once after draft EA report is prepared. These groups also need to be consulted throughout project implementation.

IFC requires project sponsor to provide project affected groups and local NGOs relevant material and information in a timely manner, prior to consultation and in a language that is understandable for meaningful consultation. The information provided is in a summary form describing project's objectives, components and potential impacts after the preparation of draft EA report. This information needs to be made available at a public place accessible to these stakeholders. The summary of EA report in English is made available to the members of IFC's Board of Directors.

Cognizance has also been taken of IFC's new Policy and Performance Standards on Social and Environmental Sustainability (in particular the section on community engagement contained in Performance Standard 1 – Social and Environmental Assessment and Management System), which are expected to come into effect in the first half of 2006.

3.3 REVIEW OF STAKEHOLDER ENGAGEMENT COMPLETED TO DATE

Identification of stakeholders and their inclusion in the decision making process is an integral aspect of project viability and success. Continuous stakeholder engagement is an ongoing process throughout the project life cycle.

Stakeholders for this project have been identified as internal stakeholders, comprising the project owners at various levels, and external stakeholders, comprising the outside community, which have direct or indirect as well as high to low interest in the project.

3.3.1 Stakeholders

Internal stakeholders have direct stakes in the project and are the project owners. They have both high influence and high interest in the project. These include:

- Joint Ventures
- Cairn Corporate Office
- HSE, Security and CSR Team
- Asset Team
- Sub-surface Team

The external stakeholders identified in the project include, amongst others:

Local Community

- Local social groups (different professions, caste and ethnicity)
- Other local residents/villagers/women
- Marine and Artisanal Fishermen Groups and co-operatives
- Local boat owners
- Local Union Council Chairman, Members
- Local business groups

Regulatory Authorities

- Department of Environment, Ministry of Environment and Forest (MoEF), GOB (both Head office in Dhaka and regional Office in Chittagong)
- Petrobangla, Ministry of Energy and Mineral Resources, GOB
- Inspector of Explosives, Ministry of Energy and Mineral Resources, GOB
- Nuclear Safety and Radiation Control Department, Bangladesh Atomic Energy Commission, Ministry of Science and Technology

District & Local administrative bodies:

- Divisional and District Commissioners, Chittagong
- Local Government Administration, Upazila level, Sitakundo, Chittagong
- Chittagong Port Authority
- Civil Aviation, Chittagong Airport
- Coast Guard, Ministry of Home Affairs

- Navy, Ministry of Defense

Others

- International Finance Corporation (IFC)
- NGOs
- Media (both national and local and press clubs)
- Local MPs and other politicians
- Contractors, vendors / Sub contractors for JV

3.3.2 Status of Stakeholder Engagement

Prior to preparation of EIAs, Cairn conducts public consultation with the local community (in the case of Sangu, the marine fishermen are the key group for offshore development activities) in consultation with the consultant/firm given responsibility to do the EIA. Cairn staff and Sangu personnel maintain a periodic liaison with the local administration and local community leaders for obtaining local clearance certificates and identification, and evaluation of affected bonafide fishing communities.

During the seismic programmes on Block 5 and 10, consultation with local administration and local communities both during the EIA process and during the operations played a key part in ensuring a successful programme. In total approximately 200 people were consulted during these surveys.

In addition Cairn supports a number of CSR projects in the fields of biodiversity conservation, education and skill development in different areas of blocks 16, 5, 10 and in Dhaka.

At Sangu, there are ongoing CSR activities focused on community development in the Sangu project area. The project partner, an NGO called Mamata and periodic monitoring and evaluation done by the CSR Manager are managing the project activities. The Sangu Processing plant personnel in consultation with MAMATA and CSR Manager jointly review the project activities. The beneficiaries of the current project titled ' Chillimpur Community based Adolescent Project' are mostly women and children of the surrounding villages. Key project activities include, Primary health care, skill development training and income enhancing activities. Recently, two of the successful trainees from the project have been given opportunity

to work in the plant in administrative and electrical department for one year to enhance their capacity to get better opportunity in the wider workforce.

During the Sangu Development project implementation period in 1998, six families who were needed to be relocated and resettled in nearby villages, in addition to the compensation of land and houses jobs were given from the family members in the plant.

Sangu personnel helped the victims of an accidental fire in a near by village, in providing emergency medical support and house-building materials to rebuild their houses. During the cyclone of August 2000, the affected HHs of Sandwip, an island near the Sangu platform was given emergency relief materials.

These kinds of community related activities have made Cairn a ‘good neighbor’ with the surrounding villagers.

4 BANGLADESH PUBLIC CONSULTATION AND DISCLOSURE PLAN

This section provides the detailed consultation and disclosure plan for the Sangu Satellite Field Development and Sangu by-pass pipeline projects. Based on previous experience and nature of the projects, it is assumed that the South Sangu development project is related to mostly fisheries compensation where as the other project is mostly related to land acquisition. As the PCDP has been developed as a process oriented document, it is a “living document” and is amenable to changes and updates as the project progresses and as requirements from the PCDP undergoes change. However, the broad principles and objectives will remain as outlined in the following sub-sections.

4.1 KEY PRINCIPLES FOR PUBLIC CONSULTATIONS AND DISCLOSURE PROGRAMME

This section outlines the key principles applied in the development of the PCDP. These principles are in conformity with IFC guidelines suitably modified to align with the cultural specificities of the impact area. The principles are:

- All concerned stakeholders will be consulted, as appropriate and be involved in a two-way communication with the project sponsors.
- The consultation will be preceded by providing all required relevant and accurate information.
- Consultations will be a continuous process to allow the participants to know whether their concerns are being addressed by the project sponsors.
- Supply of information and consultation with different stakeholders will be through a language and medium they are comfortable with.
- In certain cases, for example the land acquisition process, where the government is the main provider of information, the project sponsors will supplement the governmental information and ensure that the affected people understand the whole process.
- There will be a specific and transparent mechanism for recording of grievances and a feedback mechanism to know the action taken by the project sponsors.

- Roles, responsibilities and accountability procedures have been clearly delineated, with a commitment to make available adequate personnel and resource for effective implementation of PCDP.

4.2 STAGES OF CONSULTATION

Consultation with the affected (if any) community and the key stakeholders is an ongoing process. However, there are distinct stages when key issues/points need to be discussed with the key stakeholders. These include:

- Scoping
- Environmental Assessment
- Construction phase of the project
- Operation phases of the project
- Project closure and decommissioning and
- During on going monitoring and evaluation throughout the life of the project

4.3 INFORMATION REQUIREMENT

For a public consultation to be effective, it is important that relevant and comprehensive information is disseminated to all the stakeholders. The following are the key information/documentation that will be disclosed:

This Public Consultation and Disclosure Plan (PCDP)

- A Summary of Project Information (SPI) containing the main elements of the project, its sponsors, project costs, location, a description of the project and a brief summary of environmental and social impacts and the proposed mitigation of measures.
- An Environmental Impact Assessment (EIA), which has been prepared for obtaining environmental clearance for the project. The EIA report details the potential environmental impacts of the proposed project and an environment management plan which will be made available to all the stakeholders and kept at designated places for easy accessibility to the public.

- A Resettlement Action Plan (RAP), containing an explanation of the extent and location of any land and other assets to be acquired; detailed information on land acquisition process, the principles used for determination of compensation amount, the amounts due as compensation, method and procedure for transference of compensation money and other entitlements.
- Other relevant Action Plans such as community development plans, corrective action plans; closure plans, etc. addressing community development, rehabilitation and other measures proposed by the project authorities.
- Information on the grievance redressal mechanism..

4.3.1 Medium of Providing Information

The official language for providing the EIA to the DOE is English. However, the Bengali version of the specific sections of the EIA report (Executive summary, public consultation, compensation and resettlement Action Plan) will be prepared and kept in the Sangu Plant Office for public access.

4.4 PLACE & METHOD OF CONSULTATION

The place and methodology for consultation should be decided keeping in view the appropriateness of the place for specific stakeholders, the ease and comfort in free expression of their views, and acceptability of the place. The place and method of consultation for various groups of stakeholders has been chosen in the following manner:

4.4.1 Government, Media, NGOs & Politicians

Historically, these meetings are taken place in the respective offices of the respective agency/organization. However, meeting with the local government agencies will be conducted in the Sangu facilities area in Chittagong.

4.4.2 Residents of Affected Villages

The meetings will be organized in the Union Council office, school building or community hall. However, while deciding the venue, it will be ensured that it is accessible to all social groups in the village. Information dissemination through discussions in the village meetings will be supplemented through leaflets, posters and individual verbal and written communications in

local language. In general, the survey of fishermen villages will take place before the project execution.

4.5 REPRESENTATIVE INSTITUTION

The project related briefing meetings will be held with the DC and village representatives to disseminate timely information on the progress of the project and implementation of any community related programs. This forum will also be used for receiving grievance and communicating the redressal measures.

The project sponsor will organize separate consultation sessions with the government officials from the relevant departments such as the Regional DOE Office in Chittagong and other Administrative offices.

4.6 RECORD OF CONSULTATIONS

All records of public consultation sessions will be maintained and made available to interested parties on request at the Sangu Processing Plant Facilities

- Location and dates of consultations (meetings, workshops, FGDs, etc.)
- Names and profile of people consulted
- Implementation of community projects
- Communities issues discussed and concerns raised
- Responses of interested parties to issues/concerns raised
- Details of outstanding issues and next steps.

4.7 RESPONSE

A response will be provided to all relevant and concerned queries and grievances raised in the meetings at the following meeting or else reasons will be explained for delay with possible time frame for redressal. A record of all the grievances received and the mechanism adopted for their redressal will be maintained. All written complaints and queries would be responded in writing within 30 days of receipt of the letter.

4.8 PERIODICITY OF PUBLIC CONSULTATION

The frequency of the public consultations would depend on the intensity of the impact. Media and NGOs, consultations would be less frequent, and will be held as and when thought necessary.

4.8.1 Pre- Construction Phase

Consultations at this stage should be held monthly to apprise the affected people regarding the update on progress with project development and likely immediate impacts on the following:

- Compensation amount;
- Other entitlements;
- Land purchase assistance;
- CSR programmes; and
- Other rehabilitation assistance.

4.8.2 Construction Stage

In the construction phase, meetings will have to be organized on a monthly basis every month to understand people's concerns about any outstanding issues related to land acquisition, labour camps, security issues, pressure on local resources like water and fuel wood and construction related impacts and mitigation.

4.8.3 Operations Phase

The meetings in operation phase are being held monthly in a forum represented by the DC, Village representatives and JV officials. These meetings review progress made in community development initiatives and operation related issues.

With other stakeholders, such as the government officials the project proponents will maintain a regular process of dialogue and information sharing as and when required.

5 TASKS FOR AN EFFECTIVE PCDP

A step-by-step task list is provided to guide the effective implementation of the PCDP.

Task 1: Preparation of a Public Information Summary

A Summary of Project Information (PIS) containing the main elements of the project, its sponsors, project costs and location, a description of the project and a brief summary of environmental and social impacts (based on detailed studies) and the proposed mitigation of measures will be prepared by the project proponents.

Task 2: Stakeholder Analysis

Cairn will prepare a Stakeholder Management Strategy, which will identify the key stakeholders. This identification will be analyzed to assess the degree of influence of the stakeholder groups and their specific interest in the project. Based on this analysis, a stakeholder-specific engagement strategy will be designed.

Task 3: Preliminary Information Dissemination on Project and Consultation

Once the key stakeholders have been identified, information has to be provided to all stakeholders regarding the project design, the environmental and social impacts and the proposed mitigation measures. The PIS will be directly shared as required with interested parties, government officials and the district administration. The EIA summary will be placed at designated place and consultations will be held with the local people to elicit their views and incorporate them into their planning process. People's concerns, wherever possible, will be incorporated in the final project designs.

Task 4: Providing Information Regarding Land Acquisition and Other Related Issues

Information to affected people:

The Land Acquisition process requires notifications regarding acquisition to be publicly disclosed. At every stage of the land acquisition process, there are provisions for adequate flow of communication by virtue of publication of various notifications, declarations, notices etc in the Government Gazette, local press, local areas etc. This ensures provision of timely and reasonable opportunity to all the interested persons to claim rights and compensation.

Task 5: Information and Consultation on CSR Activities

The DC and the Asset Team in a common forum will discuss with the village representatives on specific project planning, implementation and monitoring of the selected projects.

Periodic consultations will be held to obtain feedback from the people regarding the effectiveness of the ongoing skill training programs in the village.

Task 6: Information and Consultation on Grievance Redressal & Dispute Settlement Mechanism

In order to establish an effective and operational grievance redressal mechanism, a fortnightly consultation schedule will be developed. The consultation schedule will ensure that any queries or grievances shall be addressed within a period of two weeks at the next consultation session.

The following table describes the Action Plan for Public Disclosure of different documents.

Table 4.1 Action Plan for Public Consultations and Disclosure

NOTE: The contents of this table are indicative only and require further discussion

Sr No.	Strategy	Target	Dissemination Methods	By Whom	Feedback Mechanism
1	Disseminate LA Act in local simplified language	Affected families and local communities	Leaflets/ small group meetings	Assistant Commissioner-Land (AC Land)	Approach AC Land
2.	Identify and inform affected families about land acquisition processes	Affected families and local communities	Notices in local languages and group meetings	AC Land	Approach AC Land
4	Disseminate information about the project, the findings of the EA, intimate on Environment Management Program (EMP) ,PCDP, Community Development Plan, etc and seek suggestions	Affected families/ Villagers /Local Administration	Executive summary, "Guide to Land Acquisition and Compensation (GLAC)" Leaflets to be placed at the pre decided locations	Asset Team	Bangladesh Managemnt Team
6	Disseminate information compensation process, place and schedule of payment	Affected families and local communities	Written notices	AC Land	Approach AC Land
7	Disseminate	Affected families	Brochures/ meetings	Asset Team	Bangladesh

Sr No.	Strategy	Target	Dissemination Methods	By Whom	Feedback Mechanism
	information CSR activities	and local communities, partner NGOs			Managemnt Team
8	Disseminate information Grievances Redressal Cell (GRC)	Affected Project affected people/ local communities, & Local administration	Meetings and written communications	Asset Team	Bangladesh Managemnt Team / DC

Resources

- Sangu Asset Manager (Sangu Operations)
- HSE, Security and CSR
- Logistics and Permits
- Finance

Asset Team

The Asset Manager (AM) will lead the process and has the overall responsibility of liaison with all government authorities to ensure that all project related permits, clearances, land acquisition, etc. happen in a timely manner. The AM will also coordinate with other stakeholders like IFC and other JV, who have stakes in the project. The HSE, CSR, Logistics and Permits and Finance departments will assist in the liaison with regulatory authorities as appropriate..

Field Team

- Public Relations Officers (PROs)
- CSR Manager
- Logistics and Permits Manager

6 GRIEVANCE/DISPUTE REDRESSAL MECHANISM

The Grievance Procedure supports the long-term goal of building strong and effective relationships with all those directly impacted by Cairn's activities. The Grievance Procedure has the following specific objectives:

- to facilitate timely feedback from local communities about Cairn and their Contractor/Subcontractor performance in order to support Bangladesh Management Team commitment to continuous improvement;
- to ensure effective and timely resolution of grievances thereby reducing the risk of escalation of conflicts and avoiding unnecessary costs;
- to ensure careful documentation of grievances and remedial actions to enhance accountability and to reduce liability.

The Grievance Procedure has the following six steps:

Step 1 - Receive Grievance:

Grievances can be provided to the Bangladesh Management Team either verbally through the Asset Team or another identified individual, or in writing. Where possible the Asset Team, or other individual authorized to receive a grievance, will resolve the issue immediately and report its resolution to the Asset Manager.

Step 2 - Preliminary Assessment

The Asset Manager assesses the grievance to identify the underlying cause and to rate the severity of the grievance according. The grievance rating determines who in the asset should manage and be aware of the grievance. An internal investigation into the cause of the grievance is undertaken where this is required.

Step 3 - Acknowledge Grievance

Within 10 working days of receipt of the grievance the Asset Manager will send a letter to the Complainant to acknowledge the grievance. The letter will provide information as to steps that will be undertaken to resolve the grievance and the expected time for its resolution. The letter will also give the telephone number of the individual (usually the Asset Team) who can provide information on the progress of resolution of the grievance.

Step 4 - Investigate and Resolve

The Asset Manager will, where necessary, investigate the underlying cause of the grievance and to action any changes required to internal systems to prevent reoccurrence of a similar grievance. In parallel and where necessary, the asset shall hold meetings or other appropriate communication with the complainant with the aim of reducing any tensions that may have resulted and prevent them from escalating.

Step 5 – Close-out

Once the investigation has been completed, the results will be communicated to the Complainant. The asset will seek to confirm that its actions have satisfied the Complainant through asking them to sign a Statement of Satisfaction.

Step 6 - Follow-up

The Asset Team and the Installation Manager will monitor the satisfaction of complainants and Project personnel with the way that the grievance was resolved and initiate further investigation into any grievances that have not been signed-off as resolved by the Complainant.

Detailed information booklets on the GR mechanism will be provided in the Asset Team's Office to ensure that all are aware of the process and is able to access it whenever they feel the need. The effectiveness of the GR mechanism will be one the crucial monitoring indicators.

7 MONITORING AND EVALUATION

Provision will be made for regular monitoring and evaluation of the public consultation process and 'lessons learned' will be taken into account to improve performance. The local level PCDPs is 'living documents' which will be updated periodically (every one to two years) to record consultation undertaken, issues raised, actions taken; to describe any changes to the consultation process and to outline the schedule for on-going interaction.

8 REFERENCES

- Cairn Energy Group HSE Management System – Procedure D2 - Guidelines for Stakeholder Management
- International Finance Corporation. 1998. Policy on Disclosure of Information.
- ‘Doing Better Business through Effective Public Consultation and Disclosure: a good Practice manual’. IFC, 1998
- ‘Investing in People: Sustaining Communities through Improved Business practice. A Community Development Resource Guide for Companies’. IFC, 2000.
- ‘Draft Policy and Performance Standards on Social and Environmental Sustainability’. IFC, 22nd September 2005.
- EIA Guidelines for Industries, Department of Environment, Ministry of Environment and Forest, Government of the People’s Republic of Bangladesh, June, 1997