North Sea Energy offshore system integration

D2.2 WHITE PAPER

North Sea Energy 2023-2025

Best practices in stakeholder engagement for offshore energy projects

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Best practices in stakeholder engagement for offshore energy projects

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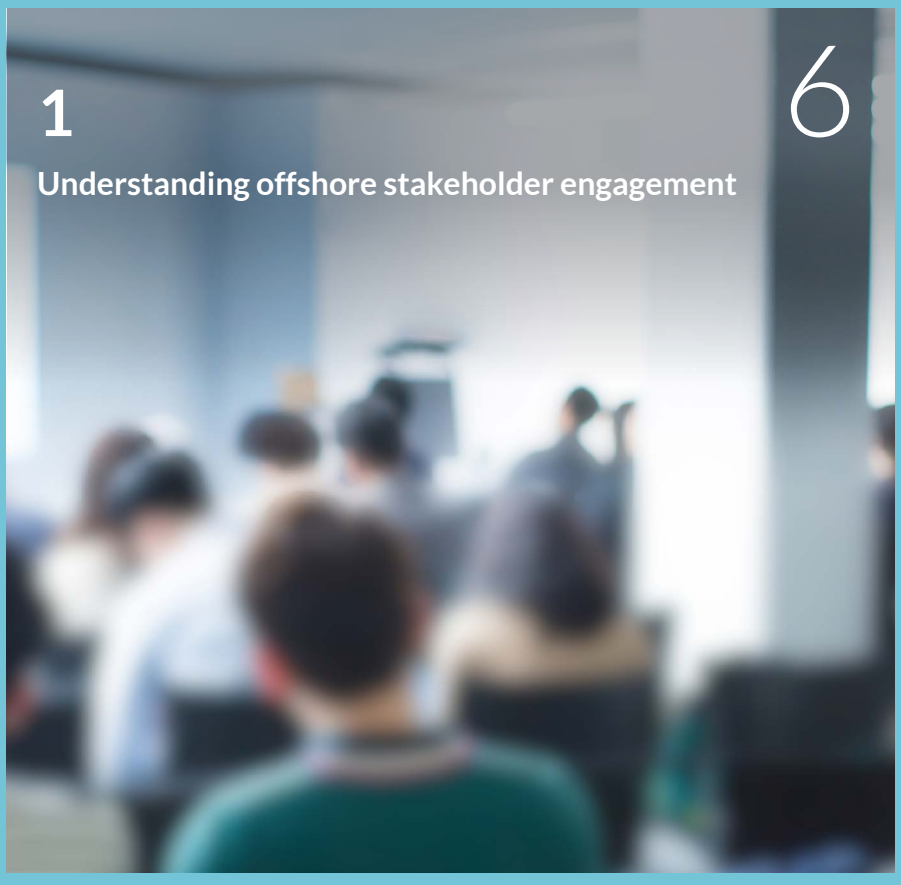
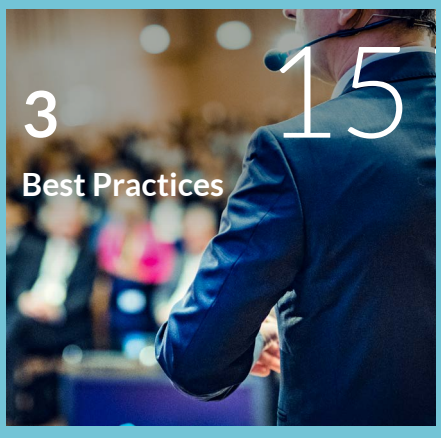




Summary

The North Sea Energy Program (NSE) aims to harness the North Sea's potential in Europe's energy transition through an integrated approach to offshore energy systems. Stakeholder engagement is one of the crucial social challenges. While significant research exists on stakeholder engagement for onshore energy projects, offshore projects remain less explored. In this whitepaper, we aim to address this gap by focusing on best practices in stakeholder engagement in innovative offshore energy projects such as carbon capture and storage (CCS), hydrogen production, and energy hubs. An analysis of seven international cases and discussions with NSE partners have informed this whitepaper.

Insights

- There is substantial national and local resistance towards wind energy, solar fields, and CCS on land. Partly for this reason, these types of energy projects move offshore. While at first glance there appears to be plenty of open space on the North Sea, we are approaching spatial and ecological boundaries.
- Societal support for offshore energy is largely undetermined. When discussed, opinions are not robustly informed by knowledge and experience of the specific offshore technologies or the marine environment. Rather, views are formed by the moulds that consist of the experiences with offshore technologies and opinions on the actors involved.
- The type of activity in the energy transition has a significant impact on the level of support at which dialogue with other stakeholders starts out. Fossil-based transition technologies can expect far less support than renewable technology. Consequently, the amount and character of stakeholder engagement will also be different.
- Undetermined public support for offshore energy presents both a risk and an opportunity. Public opinion can suddenly change in unexpected ways. At the same time, opinions are still malleable by communicating about the relevance of offshore energy for onshore sustainable development.
- The innovative offshore projects studied show that many engagement best practices that are recommended for onshore projects are also valid offshore. These include early involvement of stakeholders and transparency. The emphasis of engagement activities will however be different for offshore energy due to specific issues or challenges and a different stakeholder field.

Implications for NSE partners

The general methods and practices for stakeholder engagement onshore are applicable for offshore energy as well.[1] These include the following key strategies:

Be transparent with the outcome of studies to build trust and address concerns.

Engage all stakeholders as early as possible.

Make sure there is room to adapt engagement strategies.

Make sure that there is a good coupling between project management and stakeholder engagement.

Based on our research, we recommended paying attention to the following aspects for stakeholder engagement in the North Sea:

- Embed offshore projects in a vision that appeals to multiple perspectives on the future of the North Sea. A North Sea vision should clarify how various developments and scenarios may impact the North Sea as well as the energy transition and onshore developments and landscape.
- Support the development of a realistic public debate on offshore developments in which political and citizens' understanding of North Sea issues improve.
- Use a transition perspective for offshore energy developments. Consider how communicating the reversibility or temporality of developments can improve support.
- Be actively involved in the national and international marine spatial planning processes.

1 See e.g. Wesselink, M. (2022) *Handboek Strategisch OmgevingsManagement 2.0*

1 Understanding offshore stakeholder engagement

Stakeholder management and stakeholder engagement are often used interchangeably, but they represent distinct approaches in dealing with stakeholders. Stakeholder management is a centralized, top-down exercise where decisions and strategies are primarily directed by the organization to control and influence stakeholders. In contrast, stakeholder engagement is more collaborative and tends to be a bottom-up process. It emphasizes building mutual understanding, fostering dialogue, and involving stakeholders in multiple related processes or rounds of decision-making, ensuring their perspectives and contributions shape outcomes. This distinction highlights the difference between managing stakeholders as external entities versus engaging them as active participants in achieving shared goals. Stakeholder management will thus be appropriate for individual projects, such as an offshore wind park, while stakeholder engagement is better suited for organisations and for programs such as North Sea Energy.

Common to both stakeholder approaches are the development of a stakeholder strategy. This strategy includes a description of relevant stakeholders and stakeholder groups, including their positions and concerns regarding issues. Depending on power and influence, the strategy then typically differentiates between engagement levels like (Luyet et al. 2012):

Engagement level	Description
Information	Informing stakeholders on the project
Consultation	Presenting the project to stakeholders, collecting stakeholders' suggestions, and then making decisions with or without considering the stakeholders' input
Collaboration	Cooperating with stakeholders towards an agreement for solution and implementation
Co-decision	Presenting the project to stakeholders, collecting stakeholders' suggestions, and then making decisions considering their input, whilst engaging the stakeholders in the decision-making process
Empowerment	Delegating decision making for the project development and implementation to the stakeholders

When developing an offshore stakeholder engagement strategy, it is important to distinguish between the goal of the strategy and the level of engagement. While these concepts may seem overlapping, they serve distinct purposes:

1. **Goal of the strategy:** The goal defines what you aim to achieve through stakeholder engagement. It is the overarching purpose or desired outcome, such as building trust, securing project approvals, fostering long-term partnerships, or addressing specific concerns of offshore communities or regulatory bodies. Goals provide direction and ensure that all engagement efforts align with broader organizational objectives.
2. **Engagement level:** The engagement level describes how stakeholders are involved in achieving the strategy's goals. It refers to the depth and nature of interaction with stakeholders—ranging from informing (providing information) to consulting (seeking input), involving (collaborating on decisions), or empowering (giving stakeholders decision-making authority). Engagement levels are tactical and operational, focusing on the degree of participation required to meet strategic goals.

By clearly defining the goals of your strategy and aligning them with appropriate engagement levels, you can create a structured approach that balances organizational objectives with stakeholder needs. This distinction not only enhances understanding but also ensures that every interaction serves a purposeful role in achieving your overall vision.

The development of offshore energy presents several distinctive challenges compared to onshore energy projects. First, societal support is mostly undetermined.[2] The dialogue on offshore energy projects is predominantly conducted between individuals that are professionally involved. So far, at least in the Netherlands, there is hardly any public debate about offshore developments. This means that most people have not yet formed an informed opinion on offshore energy technologies. This contrasts with (renewable) energy production onshore. Here, people have more knowledge and daily experiences of the energy technology and the environment in which it operates. Thus, for onshore energy, a larger share of the population has a conditional or determined attitude towards the specific technology.

This undetermined societal support for offshore energy is a risk and an opportunity. The risk is that public opinion can suddenly and unexpectedly change (see figure 1). A well-informed dialogue is hindered by the fact that many of the impacts of the technologies are still largely uncertain. After all, we know less about the North Sea environment in which the technologies will be applied, and we have limited or no experience with the application of the technologies, at least offshore. Also, it is expected that the impacts of technologies may be different when applied at a very large scale than what is seen when applied at a small (pilot) scale. At the same time, the undetermined societal support means that opinions

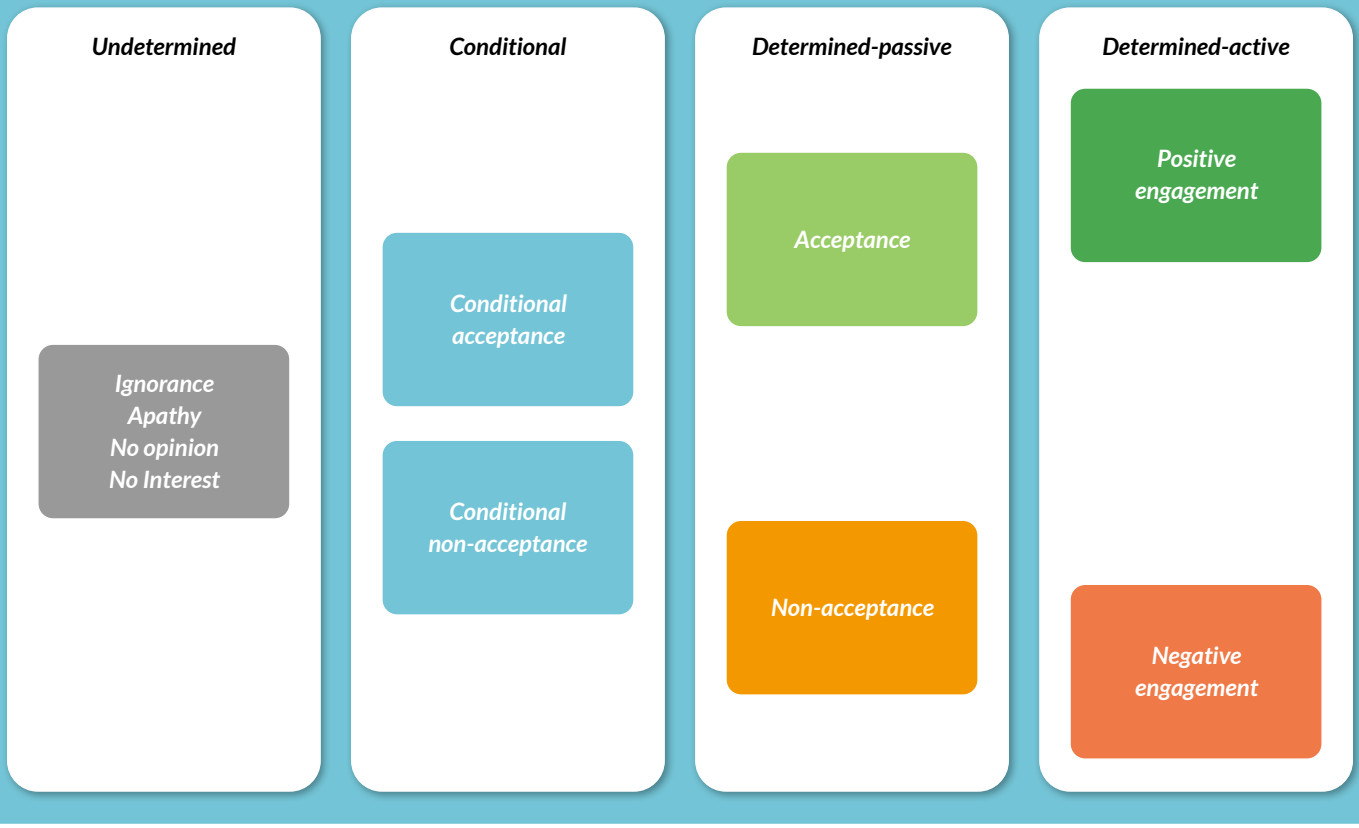
2 Using a framework for acceptance by Buijs, A. E., F. Langers, T.J.M. Mattijssen & I.E. Salverda (2012) Draagvlak in de energieke samenleving: Van acceptatie naar betrokkenheid en legitimatie. Wageningen: Alterra-WUR.

are still largely malleable. This presents an opportunity to better inform and engage the public by communicating about the relevance of offshore energy for onshore sustainable development.

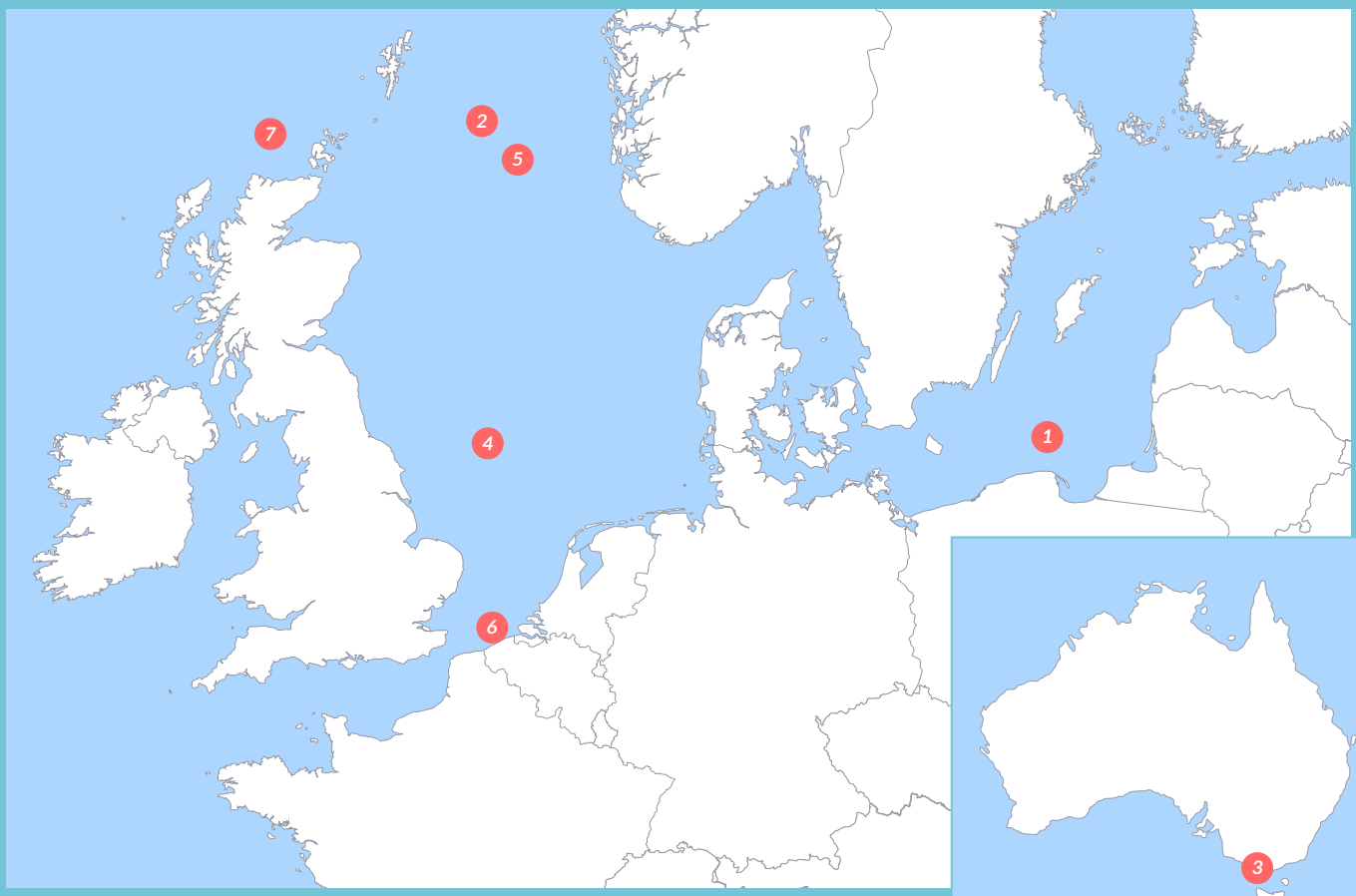
Second, in offshore projects there is less emphasis on engagement of local communities. The community that is relevant in all cases is fisheries, which perceive themselves very much as a local community of the sea. This is typically a relatively small group with strong emotions, a large amount of social coherence, and a highly effective political lobby. In contrast to onshore energy projects, there is much less emphasis on local residents. Depending on the project, there could be coastal communities that need to be considered such as: residents, entrepreneurs that exploit the coastal area for tourism and other recreational activities (sailing, diving, birdwatching etc.), but for energy hubs far offshore these are likely to be less important, except for the onshoring of energy.

Third, much stakeholder engagement around offshore energy developments takes place in marine spatial planning (MSP) processes led by national governments. The North Sea is one of the busiest seas in the world. This makes MSP a highly complex undertaking, in particular because this involves a multitude of national and international government agencies with a strictly sectoral mandate rather than integrated responsibility. This means that gaining regulatory support is an absolute priority for offshore energy projects. Due to the fragmented governance of the North Sea, organisations can struggle to determine where they should direct their efforts to engage with the North Sea decision-making processes.

Figure 1. A model for societal support, showing different levels of engagement. developed by MSG Sustainable Strategies, based on Rathenau 2020. Duurzame energie op land: acceptatie, betrokkenheid en draagvlak



2 Main challenges in stakeholder engagement



International offshore energy cases

1. Baltic Power
2. Brent Spar
3. Australia CarbonNet
4. Dogger Bank Wind
5. Northen Lights
6. Princess Elisabeth Island
7. West of Orkney

Offshore energy projects face several challenges in stakeholder engagement. Here, we primarily look at stakeholder engagement through the lens of social acceptance. We distinguish between three interdependent facets (based on Wüstenhagen et al., 2007):

- Socio-political acceptance
- Market acceptance
- Community acceptance

Socio-political acceptance involves the acceptance of energy technologies, policies, and visions by policymakers and regulators. Market acceptance involves the acceptance of renewable energy applications by providers and users. Think, for example, of entrepreneurs who decide to bring green hydrogen to the market. At the community level, it is about acceptance of a specific energy project and the implementation of it by those affected by it, such as the implementation of a wind turbine (Wüstenhagen et al., 2007).

Using these three types of acceptance, we have analysed the international cases to identify the relevant stakeholder groups and to find challenges that are common in offshore energy projects. Next, we have done the same for NSE and the technologies that are researched in the programme. There we focus on the Dutch part of the North Sea.

Case descriptions

Baltic Power: a large-scale offshore wind farm project in the Baltic Sea, approximately 23 kilometres off the coast of Poland. It is being developed by PKN Orlen Poland, a petrol retailer and Northland Power, a Canadian power producer specializing in renewable energy. With a planned capacity of 1.2 GW, the project aims to begin construction in 2024 and achieve commercial operation by 2026.

Brent Spar: the decommissioning of the Brent Spar, an oil storage and tanker loading buoy operated by the energy company Shell UK in the North Sea, sparked a major environmental campaign in the 1990s, led by Greenpeace, which protested Shell's plan to dispose of the structure in the deep Atlantic. The structure was eventually repurposed to create a quay in Norway.

Australia CarbonNet: a government-led initiative in Gippsland, Victoria, focused on establishing a commercial-scale Carbon Capture and Storage (CCS) network under the Bass Strait. The project is backed by significant public and private investment and is designed to capture up to six million tons of CO_2 annually. CarbonNet is in the advanced stages of feasibility and development, moving toward a final investment decision.

Dogger Bank Wind: a major offshore wind farm development located off the coast of England. Developed by Forewind, a consortium including RWE, SSE, Statkraft, and Equinor (formerly Statoil), the project is divided into multiple phases (Dogger Bank A, B, C, and D). Upon completion, it will generate up to 4.8 GW of power.

Northern Lights: the first cross-border, open-source CCS infrastructure network, situated in Norway. This project is a collaborative effort involving Equinor, Shell, and TotalEnergies, whilst in close cooperation with Gassnova, a Norwegian state enterprise with the goal of managing Norway's interests in CCS. Set to begin operations in 2024, Northern Lights aims to capture and permanently store up to 1.5 million tons of CO2 per year during its first phase, with plans to expand this capacity to 5 million tons by 2026 to accommodate increasing demand. It is part of Norway's larger Longship project, which is focused on developing a full-scale CCS value chain.

Princess Elisabeth Island: the world's first artificial energy island. It will serve as a hub, connecting offshore wind farms in Belgium's second offshore wind zone to the onshore high-voltage grid. It will also facilitate power exchanges with neighbouring countries through hybrid interconnectors. This project, tendered by Elia (a transmission-system operator), and driven by a consortium including contractors Jan De Nul and DEME, also received €100 million from the government to aid construction. The project aligned with national strategic priorities of tripling offshore wind capacity by 2030.

West of Orkney: a windfarm developed by the *Offshore Wind Power Limited* (OWPL) consortium, including Corio Generation, TotalEnergies, and Scottish developer RIDG. It is part of the ScotWind leasing round, managed by the Scottish Crown Estate. It is projected to generate 2 GW of power and is set to commence operation by 2029.

2.1 Stakeholder challenges observed in international case studies

Socio-political acceptance

Many of the barriers to achieving successful projects at the implementation level can be considered a manifestation of a lack of social acceptance. Policies as well as technologies can be subject to societal acceptance, or a lack thereof. In general, successful navigation of the regulatory environment involves a mixture of early and sustained engagement with stakeholders, adaptability to changing regulations, comprehensive planning and risk management, and leveraging strategic collaborations.

Stakeholders: national and international policymakers, regulatory bodies.
Informed by: interest groups such as those of industry and environmental NGOs, the public.

Challenges observed in case studies

- Policy alignment: ensuring projects align with national and international energy policies. Additionally, navigating complex policies related to marine environments can be challenging. Especially complex in offshore energy projects where multiple regulatory frameworks should be aligned with the project.
- Public perception: overcoming societal resistance to new and developing technologies. CCS projects are particularly vulnerable to a negative public opinion.
- Complex regulations: adapting to changing legal requirements across jurisdictions.
- Strategic collaborations: building partnerships with regulatory authorities, local municipalities and maritime authorities to facilitate compliance.
- Risk management and planning: developing comprehensive strategies to mitigate regulatory risks. regulatory risks that may occur in the offshore energy industry are lengthy and complex permitting processes, changing policies and regulations, environmental compliance requirements, maritime safety regulations, etc.

Nature in itself is not a stakeholder, but it provides a fundamental basis for all human activities. Marine ecosystems are under increasing stress from a multitude of human activities. These stressors can act together, often reinforcing each other. The typical challenges observed in the case studies, include

- Ecosystem stressors: addressing cumulative impacts like pollution, overfishing, and climate change.
- Regulatory compliance: meeting stringent environmental laws and regulations.
- Conservation efforts: implementing biodiversity protection measures.

Market acceptance

In the context of the studied cases, market acceptance is the market adoption of an innovation. For energy projects this is inherently complex due to several dependencies, most notably the dependency on infrastructure and the development of demand for new products and services such as green hydrogen and CO_2 storage that is highly dependent on uncertain factors like government (climate) policies, international competition and investment decisions made within large industrial clusters and chains. In offshore projects, costs and uncertainties are generally higher than onshore, which will affect investor confidence.

Stakeholders: investors (private and public), consumers, utilities/TSOs, industrial manufacturers, technology and service providers.
Informed by: knowledge institutes, consultancies, media, policy makers, other stakeholders, partners and competitors. Partners can be suppliers, subcontractors, research institutes and universities, government agencies, local businesses and communities, etc. Competitors may be other offshore wind developers, alternative renewable energy providers such as tidal and floating solar, fossil fuel companies transitioning to renewable and adjacent maritime industries that compete for a claim of space in the North Sea.

Many engagement best practices for onshore projects are also recommended offshore

Challenges observed in case studies

- Infrastructure dependency: Energy technologies require substantial infrastructure, often in chains with a range of actors with different interests, complicating the diffusion of innovations. For instance, electricity produced by offshore wind farms needs to be brought to shore through cables or pipelines (in form of hydrogen), which again need to connect to infrastructure onshore. CO_2 storage in turn depends on a full chain of emitters capturing the CO_2 and preparing it for transport, temporary storage facilities, and vessels or pipelines for transport to the offshore storage location.
- Investor confidence: Securing investment from investors requires demonstrating economic viability and market potential, which is more difficult in markets with many uncertainties and interdependencies.
- Interdependencies: Coordination with other companies and sectors is crucial for successful system integration.

Community acceptance

For onshore projects, community acceptance refers to the specific acceptance of siting decisions and renewable energy projects by local stakeholders, particularly residents and local authorities. For offshore projects, these challenges can occur with regard to onshore communities if a project is visible from the shore or involves the realisation of infrastructure at or near the coast. They also face challenges in the acceptance of marine communities.

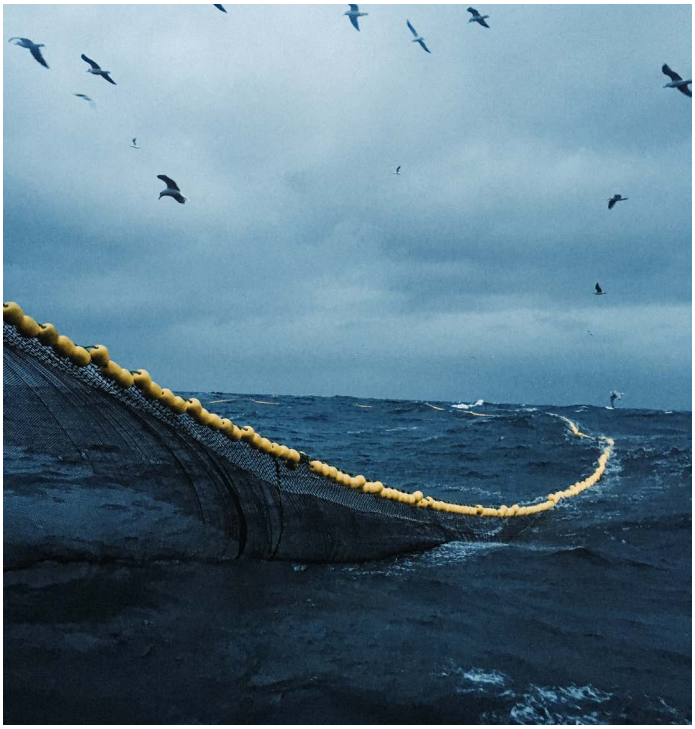
Stakeholders: coastal residents, fisheries, community organizations, and NGOs.
Informed by: local and national authorities, press/media, and professional stakeholders.

Challenges observed in case studies

- NIMBYism (Not In My Backyard): local opposition due to perceived negative impacts. Fisheries tend to have similar reluctancies towards new offshore energy projects, fuelled by a potential loss of income: 'not on my fishing grounds'.
- Justice: ensuring fair distribution of costs and benefits (distributional justice) and inclusive decision-making processes (procedural justice) is very challenging. A lack of distributional justice (how are costs and benefits shared?) and procedural justice (is there a fair decision-making process giving all relevant stakeholders an opportunity to participate) can negatively impact the community's perception of the project
- Trust: gaining trust from the local communities in the information and intentions of investors and actors outside of the community.
- Evolving attitudes: acceptance can change from planning through operational phases.

Fisheries form a category in and of themselves in offshore stakeholder engagement. What sets them apart from other users at sea is, firstly, that they have a strong link to land and the onshore communities as well as a deep, emotional and spiritual sense of their 'right to the sea'. For fishermen, fishing is not just a profession that could in principle be substituted by a new way of earning an income, but a way of life that is strongly related to cultural values, tight communities and a sense of purpose in life. Secondly, fisheries form a crucial element of the transition to a sustainable economy: not just in the energy transition, but also in the food transition. And thirdly, fisheries typically have the largest spatial claim, making them a stakeholder in nearly all offshore energy projects. The typical challenges observed for fishing communities and related industries are:

- Spatial conflicts: balancing space usage between fisheries and energy projects.
- Economic impact: addressing potential economic disruptions to fishing activities.
- Public opinion influence: fisheries are considered to be a part of the public and often hold sway over the general public perceptions due to their cultural significance.



2.2 Stakeholder challenges for the Dutch North Sea

In the context of offshore energy projects in the Dutch North Sea, several stakeholder engagement challenges are important to address in order to promote sustainable and effective development.

First, there is high competition for space in the North Sea. Current MSP processes are not yet adequately equipped to plan for integrated, combined use of space by multiple (energy) functions. Regulatory frameworks do not always allow for integrated decision-making. For example, in areas designated for offshore wind energy, it is still possible to apply for permits for gas production or CO_2 storage, which can hinder wind farm development. The multifunctional use of areas will largely depend on users collaborating, developing tailor-made solutions for spatial issues, and adapting their development timelines to minimize mutual disturbance. This is of particular relevance to the fisheries, which face steady reduction of their fishing grounds and are in a process of transition towards lower-impact fishing. Energy developers might collaborate with innovative fishermen to facilitate/develop low-impact business models

Resource

In NSE4, fact sheets were published about the different stakeholder groups active on the Dutch North Sea and their interests, needs, and concerns concerning offshore energy projects. The fact sheets are available in the 2022 report Social embedding of North Sea energy system integration.

Second, onshore developments have disproportionate effects on the acceptance of offshore projects. The disadvantages or perceptions of onshore wind are directly noticeable to nearby residents. This includes visible or noticeable negative effects on bird populations, noise, and shadow flicker from rotating blades. In offshore wind projects, these disadvantages are not visible to ordinary citizens, but discussions about onshore wind do influence discussions about offshore wind. On the other hand, people tend to see the North Sea as a vast empty body of water, a place where onshore energy projects can be relocated to.

Third, there is a lack of ecological space in the North Sea. The North Sea ecosystem is currently in poor condition. Its ability to recover depends on the cumulative impacts of all human activities at sea and factors such as climate change, diseases, and onshore impacts. Permission for individual activities may be denied if they exceed certain ecological damage thresholds. Therefore, new users depend on current users reducing their impact on the ecosystem, especially concerning birds, and on governments across the North Sea implementing sufficient protection and restoration measures to create enough ecological space for new uses. In line with agreements from the Dutch North Sea Agreement, all new infrastructure should be developed using nature-inclusive designs that aim to minimize ecological disturbance and facilitate ecological restoration. To facilitate ecological restoration, Energy developers will need to collaborate with scientists, green NGOs, and other users to develop effective nature-inclusive designs that complement each other.

Fourth, the regulatory framework for the North Sea is complex. In part, this is a consequence of the lack of physical and ecological space, which result in a need to elaborately regulate how activities relate to each other and ecological boundaries. Many regulations are also sectoral in nature, leading to potential mismatches. This is compounded by the fact that the North Sea is fragmented. It is bordered by seven countries, of which five are EU members and two are not. Policies and regulations are often developed with a national focus, even when they concern the implementation of EU regulations such as the Marine Strategy Framework Directive. This can result in a disjointed regulatory framework as well as competition between countries or the externalization of negative effects, for example when it comes to fishing grounds. Multilevel and multilateral collaboration is key for preventing this but is challenging.

Overall, stakeholder engagement in offshore energy projects, particularly in regions like the North Sea, faces significant challenges due to the complex and crowded nature of the marine environment. The North Sea is a crossroads of conflicting interests, with offshore wind farms, shipping routes, fisheries, and oil and gas extraction all competing for limited space. This creates potential conflicts between stakeholders, such as developers, governments, and local communities. Although MSP aims to harmonize these activities, regulations remain largely sectoral, forcing companies to navigate multiple regulatory frameworks simultaneously. To succeed, companies must engage closely with government bodies and organize their internal processes effectively, often using specialized tools like SOM software to manage stakeholder interactions and participate in broader spatial planning discussions.

3 Best Practices

In addressing these challenges, good stakeholder engagement is key. Below, we present best practices in offshore stakeholder engagement. These are based on the international cases and applied to the North Sea. It should be noted that for the cases there generally is no public evaluation of the stakeholder engagement process available. The best practices are thus derived from internal evaluations of the stakeholder engagement processes.

3.1 Communication practices

Almost every project emphasizes the need for clear, consistent, and transparent communication with stakeholders. This includes informing stakeholders about the plans and progress of the project and actively engaging them in discussions to address their concerns and expectations. Communication practices are key to successful stakeholder engagement, as evident in the projects analysed.

Communication best practices

- Key practice: be transparent with the outcome of studies to build trust and address concerns.
- Organise regularly scheduled meetings to disseminate information and gather feedback from various stakeholder groups.
- Use diverse methods of engagement.
- Define a reasonable period for stakeholders to provide feedback.
- Make sure engagement methods are accessible to all stakeholders.
- Appeal to the common ground of different stakeholder groups.

3.1.1 Lessons from the international cases

The importance of transparent communication

Transparent communication is crucial in building trust and addressing concerns in offshore energy projects. For example, the Northern Lights project experienced increased tensions with fisheries due to a lack of communication about potential pipeline location changes. Including affected stakeholders in discussions could have mitigated these issues.

Building trust and market acceptance

Transparent communication prevents miscommunication and supports project goals by aligning stakeholder expectations and contributions. Both Baltic Power and Northern Lights effectively used workshops, information exchanges, and consultations to build trust and ensure stakeholders feel their inputs are valued. This approach not only mitigated conflicts but also fostered a cooperative environment. Additionally, transparent communication indirectly boosted market acceptance, as seen in Baltic Power, where engaged suppliers helped enhance market viability.

3.1.2 Implications for the North Sea

Communication strategies in Dutch offshore wind projects

There are various issues with offshore wind which are – rightfully so – frequently addressed in news articles, but it's also important to communicate what we, as a country, are doing quite well. For example, recent tenders have applied nature-inclusive and circular criteria. The same is planned for offshore solar. These requirements set an example for other countries and companies.

A clear narrative for innovative technologies

A key goal concerning communication is supporting the development of a realistic public debate on offshore developments. Currently, many people implicitly have an inaccurate perception of the North Sea as a vast, empty water surface where unwanted onshore activities can be relocated. This misconception can lead to unrealistic policy goals, resulting in unstable policies and frustrated investors. It is crucial to enhance both political and public understanding of North Sea issues to foster better comprehension and set realistic expectations.

It is easier to communicate a clear narrative for fully renewable technologies than for temporary or transition technologies, such as (new) gas extraction and CCS. For these technologies, it is important to communicate their temporary character, the reversibility of their impacts, and their role as one piece of the bigger transition to a carbon neutral energy system. For project success, it is very important that this narrative is explicitly supported by government policy and preferably also (some) green NGOs.

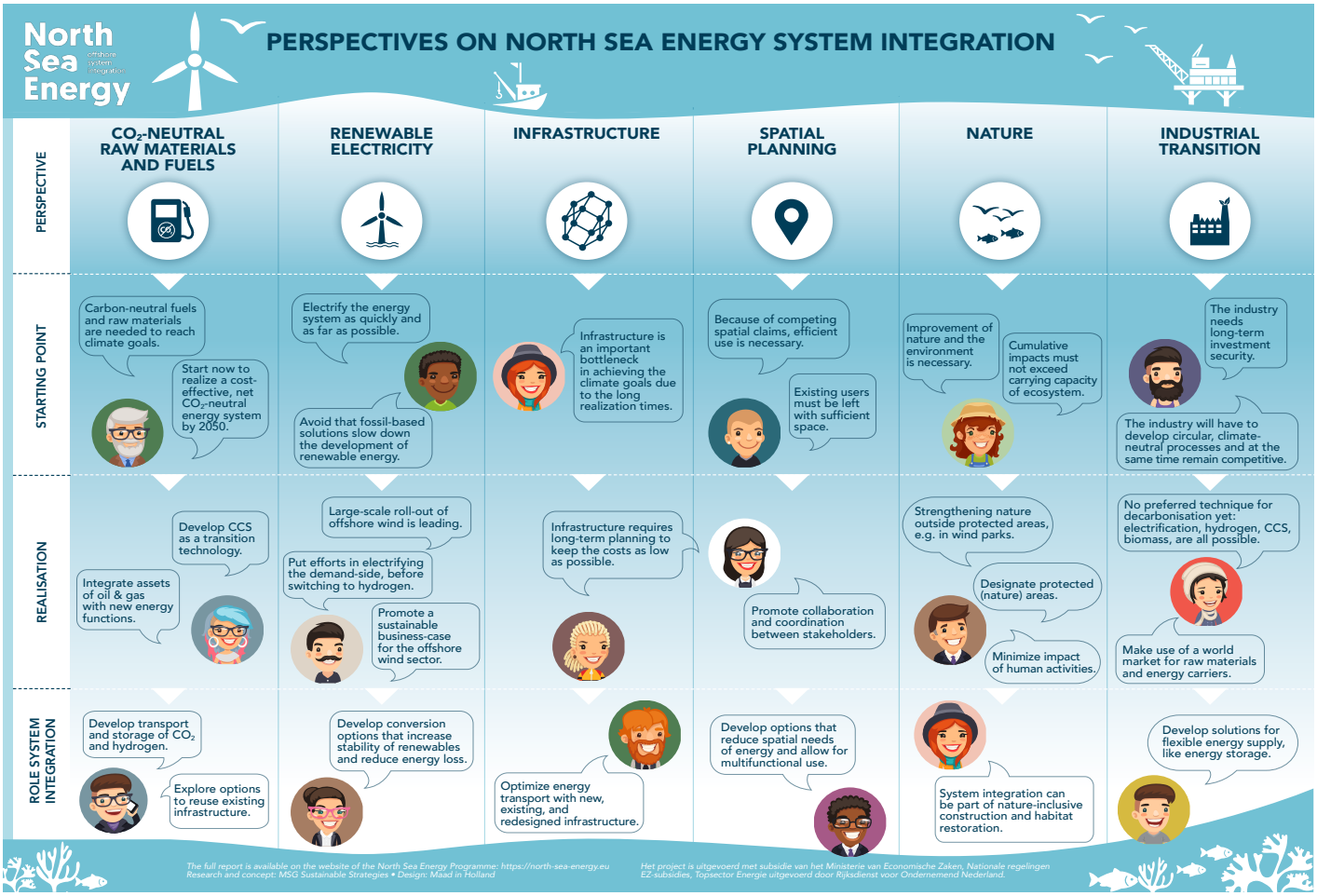
Integrating perspectives
North Sea energy system integration involves various technologies, requires collaboration across the energy value chain, demands long-term investments, and competes with other sectors for space and resources. Societal support is essential for its success.

When viewed in isolation, the energy transition often focuses on reducing CO_2 emissions at the lowest cost, with system integration serving as an optimization tool. However, while cost-effectiveness is important for public support, it's not the only factor. Many energy technologies that have claimed to deliver the most "bang for the buck" (nuclear, CCS on land) have had to deal with strong opposition. A more successful approach seeks to create win-win outcomes for all stakeholders.

For specific projects, this means engaging stakeholders to align technical options, locations, and timing with their needs. At a broader level, system integration should incorporate diverse values and perspectives into a shared vision or roadmap. Spatial concerns are often overlooked but are crucial, as the spatial impact of renewable energy can conflict with other users and ecosystem services. Nature conservation regulations, such as those related to NOx emissions, can also hinder new activities unless paired with efforts to reduce harm and restore ecosystems.

Resource

In NSE4, a perspective map on energy system integration on the North Sea was published, showcasing an overview of the different stakeholder groups and their concerns about offshore energy projects. The perspective map is available in the 2022 report Social embedding of North Sea energy system integration.



3.2 Process-oriented practices

The process of stakeholder engagement has multiple aspects. The initiation of the stakeholder engagement process is important to consider. Particularly, the question of who to engage and when. Effective stakeholder management needs to be tailored to the specific project needs and to the diverse landscape of stakeholder interests, ensuring a balanced approach to the timing and frequency of interactions.

Process-oriented best practices

- **Key practice: Engage all relevant stakeholders as early as possible.**
- Commit to continuous stakeholder engagement, beyond the initial consultation.
- Have a database of stakeholder consultation records, and continuously update it.
- Establish technical working groups for discussion and consultation on the technical aspects of the project.
- When issues are particularly complex, organise public consultation events or surveys dedicated to the subject.

Resource

Identifying all relevant stakeholders in the offshore energy transition can be quite challenging. Work package 2 has assembled a longlist of stakeholders that may be relevant for offshore energy projects in the North Sea. This longlist is available for NSE partners on the TNO SharePoint.

The reason why you in general would want to engage with all stakeholders as early as possible is because of several key benefits:

- **Building trust and transparency:** early engagement fosters trust by demonstrating a commitment to transparency and inclusivity. This helps mitigate opposition later in the process.
- **Identifying concerns proactively:** early discussions allow developers to identify potential conflicts (e.g., environmental concerns or economic disruptions) before they escalate into major challenges.
- **Shaping project design:** stakeholder input can inform project design decisions that minimize negative impacts while maximizing benefits for affected communities.
- **Meeting regulatory requirements:** many jurisdictions require stakeholder engagement as part of permitting processes. Starting early ensures compliance with these regulations.
- **Avoiding delays and cost overruns:** addressing stakeholder concerns upfront reduces the risk of delays caused by protests, lawsuits, or regulatory hurdles.

3.2.1 Lessons from the international cases

Tailored stakeholder engagement

In the studied cases, process-oriented strategies for stakeholder engagement were tailored to address specific issues as they emerged. The effectiveness of these strategies varied based on the nature of the project and the diversity of stakeholder interests.

Benefits and challenges of early engagement

Early engagement often led to enhanced regulatory compliance. For instance, Northern Lights engaged EU policymakers early, aligning with CCS regulations and accelerating approvals. Similarly, Australia CarbonNet's proactive engagement of local communities and environmental groups during impact assessments facilitated regulatory approvals and built local support. The Brent Spar decommissioning highlighted the risks of not engaging the community and media early, leading to reputational damage.

Potential downsides of early engagement

Early engagement also presented challenges. Baltic Power faced potential misalignment of stakeholder priorities, exposing the project to local political dynamics that could disrupt timelines and increase costs. Additionally, stakeholder fatigue from frequent consultations can diminish interest and engagement.

3.2.2 Implications for the North Sea

Effective stakeholder engagement in offshore energy projects in the North Sea requires understanding and addressing the barriers faced by all stakeholders. To achieve this, early and inclusive engagement is crucial. It is key to show generosity to stakeholders on topics where there is room for this. Engaging a wide range of stakeholders, especially NGOs, also ensures that diverse perspectives are considered. This approach also helps identify potential legal challenges early on, particularly from critical NGOs that might initiate legal actions.

Engaging governmental entities early is crucial. It pays dividend to put effort into identifying the proper office to engage on specific issues. However, even when engaging the right people, fragmented mandates between various policymakers, implementing agencies, and regulatory bodies can be a challenge.

Involving other space users like fishermen is essential, as their concerns may differ from those of the energy project. For instance, fishermen face challenges due to Brexit and restrictions on fishing methods such as pulse fishing, which have reduced their fishing grounds and increased operational costs. Even though these challenges are hard to resolve, acknowledging these specific concerns through early dialogue can mitigate conflicts and foster cooperation.

3.3 Response and adaptability practices

Response and adaptability practices in stakeholder engagement focus on establishing mechanisms and processes that ensure efficient communication and issue resolution and allow flexibility to adapt strategies. Changing contexts, evolving stakeholder perspectives and needs, and constant feedback are a given in stakeholder processes. Responsiveness and adaptability are necessary for maintaining good and productive relations in the long run.

Response and adaptability best practices

- **Key practice: Make sure there is room to adapt engagement strategies.**
- Establish a clear and accessible grievance redress mechanism for efficient communication.
- Address stakeholder concerns with evidence-based responses.
- Demonstrate the responsiveness to stakeholder concerns.
- Make detailed plans and risk management strategies to anticipate and mitigate any challenges.

3.3.1 Lessons from the international cases

Adaptability in stakeholder engagement

In the studied cases, adaptability enhanced the ability to engage stakeholders effectively, ensuring eventual project success and sustainability. Projects like Northern Lights prioritized establishing clear grievance redress mechanisms and maintaining open communication channels. This allowed them to address issues early and adapt strategies as needed. Dogger Bank Wind modified project plans based on environmental and community feedback to minimize impacts. Brent Spar demonstrated responsiveness to concerns by adjusting its decommissioning strategy.

Proactive strategies and risk management

A proactive, evidence-based approach was a common feature across the projects, aiming to address potential issues and create collaborative relationships with all stakeholders involved. For instance, West of Orkney prepared detailed plans for anticipated challenges, a crucial approach for proactive risk management and fostering stakeholder cooperation. These proactive strategies relied heavily on extensive risk assessments and regulatory compliance studies. Such foundational elements were essential for informing stakeholders, guiding decision-making, and enhancing project viability. By integrating these studies into planning processes, projects were able to develop informed strategies that ensure environmental management and stakeholder engagement, ultimately fostering broader acceptance and support from local communities and regulatory bodies.

3.4 Resource and capacity-building practices

In large-scale energy projects, the effective implementation of resource and capacity-building strategies for stakeholder engagement is illustrated through detailed planning and proactive measures. Sufficient resources and capacity are a key condition for implementing the best practices mentioned before.

Resource and capacity-building best practices:

- **Key practice: Commit capacity-building initiatives to enhance understanding and participation.**
- Allocate substantial resources to stakeholder engagement activities.
- Conduct pre- and post-project assessments to ensure a collaborative process.

3.4.1 Lessons from the international cases

Effective capacity-building strategies
Successful stakeholder strategies require sufficient capacity. Projects like Australia CarbonNet and Princess Elisabeth Island exemplified this through well-resourced and strategically planned initiatives. Australia CarbonNet engaged stakeholders such as environmental groups and landowners at critical project phases, aligning their input with specific project impacts. Similarly, Princess Elisabeth Island utilized substantial EU funding to facilitate extensive stakeholder interactions through task forces and workshops, integrating feedback into project planning and enhancing local biodiversity.

Building mutual understanding
These projects demonstrate that successful stakeholder engagement hinges on early, continuous, and adaptable communication. By committing to capacity-building initiatives, they enhance understanding and participation among stakeholders, ensuring project goals align with community and environmental needs.

Interested in more information?

The full report Best Practices in Stakeholder engagement - a study of offshore energy projects is available on request. Please contact George Wurpel for more information: george@msgstrategies.nl.

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