

A Social License to Operate in the Arctic

Studying oil and gas development in Greenland

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Introduction

- Working as Social Consultant at Royal HaskoningDHV
 - Energy & Resources, the Netherlands

- PhD Candidate at the Wageningen University
 - Environmental Policy Group

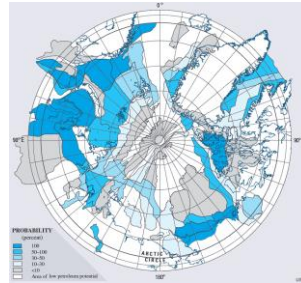
- Research about Social License to Operate in the Arctic
 - Focus on oil and gas development in Greenland

- Today's presentation:
 - My research about a SLO in Greenland
 - Interaction between scientific research & the industry



Arctic Oil & Gas

- Region is opening up
- Large resource potential (U.S.G.S. 2008) estimates:
 - 90 billion Barrels of Oil Equivalent (BOE)
 - 1.670 trillion cubic feet of natural gas
 - Equals ~22% of the World's undiscovered hydrocarbon resources
- Energy is national security issue
- Current price volatility



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Social License to Operate

- Concept from the mining industry, late 1990s
- Doubling project's time to come on-line (Franks et al. 2014)
- Response to non-technical / social risks
- SLO is about:
 - Ongoing acceptance & approval
 - By local communities & other stakeholders
 - Key elements: Trust & legitimacy



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Regional / Arctic Level

- A (missing) SLO in one country can influence operations in other countries
- No binding Arctic regulatory framework on oil and gas development
- Risk: Weakest link causing an oil spill in Arctic waters
- Opportunity: Raising the standards as an industry

- **Greenland:**
 - Strong regulatory framework on paper, but government's capacity to enforce is very limited.

International Level

- Development of oil and gas happens in EEZ of Arctic states
- Use of Arctic oil and gas mainly by the rest of the World
- Global civil society critical
 - Arctic oil and gas
 - Fossil fuels in climate change and energy transition

- **Greenland:**
 - Whether or not to develop oil and gas is subject to national decision making
 - Development is strongly connected to independence from Denmark

Conclusion

- Social License to Operate on the rise in oil and gas industry
- Many dimensions and a complex arrangement
- Social License to Operate in the Arctic not different from elsewhere
- However: Stronger link between various levels
- Practical considerations: How to obtain and maintain?
- Ethical considerations: Should it be there at all?

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Interaction Research and Industry

- Working as consultant on project basis for private sector clients
- Working for the industry worldwide, not only in the Arctic
- Social License to Operate is a topic within our projects
- Also addressed via existing mechanisms: Social Impact Assessments, stakeholder engagement programs, local content plans etc.
- Main difference: Focus on theory versus practical application
- Important to generate high-level take away messages
- Make the link with non-Arctic case studies / projects
- Summarise or present in an understandable way

12 A Social License to Operate in the Arctic | 11 May 2016



