



CLEAN ENERGY
M I N I S T E R I A L

Accelerating the Transition to Clean Energy Technologies

ACHIEVING A SOCIAL LICENCE FOR CLEAN ENERGY DEPLOYMENT

Pre-Read for Public-Private Roundtable

Sixth Clean Energy Ministerial (CEM6)

27 May 2015

Mérida, Mexico

OUTLINE

This pre-reading material is structured to support the proposed Roundtable process and, in particular, its division into three core areas of consideration: what builds social acceptance, what inhibits it, and what the opportunities for action are.

Each section has accompanying slides outlining key topics that may inform participants' thinking. Additionally, each section is accompanied by a two-page case study that seeks to put these issues into a specific context from which lessons for clean energy can be inferred.

- 1 **Objectives**
- 2 Social licence to operate
- 3 Building social acceptance
- 4 Inhibiting social acceptance
- 5 Opportunities for action

RATIONALE FOR ROUNDTABLE

Our clean energy future is dependent on the public acceptance of new technologies and the successful and efficient operation of clean energy installations.

However, experience of clean energy deployment around the world is marked by community rejection and conflict. Technologies that on face value offer broad societal benefits such as wind, hydropower, solar, carbon capture and storage, and bio fuels have encountered significant local opposition leading to delays, closures, and loss of value.

Community rejection of innovation and industrial activity has been encountered in many sectors. In the extractive industries, public acceptance (articulated as holding a “social licence to operate”) is now an accepted condition for operation. In this sector, as in others, there is a deep body of practical knowledge of social licence for industrial operations, and methods that may be adapted in the clean energy area.

This roundtable will explore pragmatic pathways towards the social acceptance of clean energy technologies and processes.

OBJECTIVES

- To provide an understanding of the issues that determine the social acceptance of clean energy technology, based on experience from other technology-based primary energy and resource industries
- To identify emerging challenges, practices, and policies for delivering a social licence to operate for clean energy technology implementation at local and national levels
- To provide perspective, solutions, and inspiration on how to integrate and accelerate deployment of clean energy technologies through public–private collaboration and social awareness within the context of the Clean Energy Ministerial

DISCUSSION QUESTIONS

| | |
|--|---|
| <p>Building social acceptance <i>Processes for encouraging clean energy technology acceptance</i></p> | <p>1: What are the principles driving sound processes for obtaining and maintaining a social licence to operate for new clean energy technologies?</p> <p>Procedural fairness and ensuring community benefits – how can this be delivered and monitored? Free, prior, informed consent – what does this mean? How does the public form judgements about clean energy? What role can, are, and should governments play in fostering social licence? How does the variability of social acceptance affect ongoing acceptance? How should intercultural context be considered in shaping social license (i.e., among indigenous communities)?</p> |
| <p>Inhibiting social acceptance <i>Behaviors that inhibit clean energy technology acceptance</i></p> | <p>2: What factors become impediments to the development and maintenance of a social licence for widespread clean energy deployment?</p> <p>How important is organisational behaviour and attitude to social risk? What role does NIMBYism have in the development of public opinion? What widens the gap between acceptance and rejection? How do we bridge between science-driven and value-driven perspectives? What needs to be understood more clearly?</p> |
| <p>Opportunities for action <i>Structural solutions</i></p> | <p>3: How have governments addressed these issues, and what levers are available to facilitate future widespread clean energy deployment?</p> <p>What institutional arrangements facilitate clean energy technology? How can a social licence be measured and validated? What role can technology assessment and deliberative democracy play?</p> |

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**Case Study 1:
Understanding drivers
of social acceptance**

SOCIAL LICENCE TO OPERATE – WHAT IS IT?

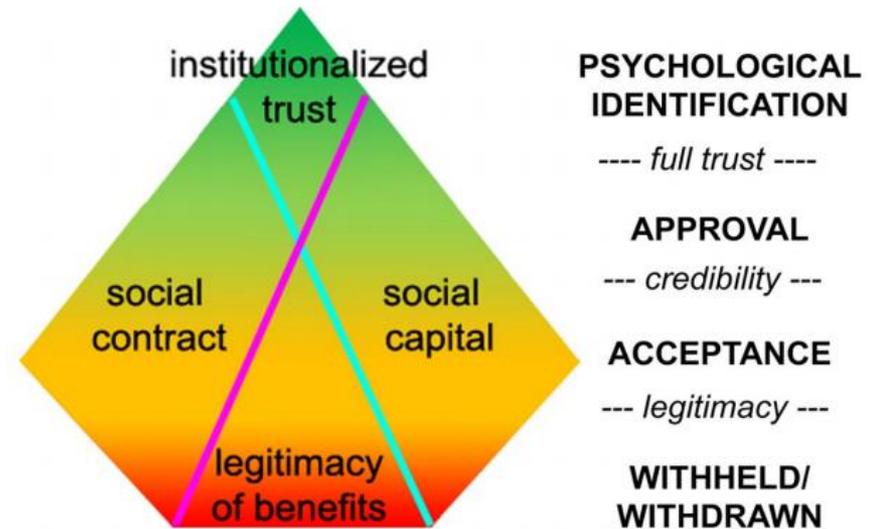
“My company spends US\$7 million per year on community programs. We still face work interruptions from the communities we help. Obviously the money does not buy us the goodwill we need, but I have no idea where we are missing the point.”

(Managing director of an oil company, from Zandvliet and Anderson [2009, p. 5])

To hold a social licence is to have the “Ongoing **acceptance or approval** for an operation or industrial activity from the local community ...and others that can affect its profitability”

The heuristic model of SLO (at right) illustrates the central role of trust and other relational elements in shaping and holding a SLO.

The pathway to acceptance, approval, and a sense of co-development among stakeholders in an operation is therefore a conversation about what builds trust, credibility, and legitimacy within this set of relationships.



Boutilier, Black & Thomson, 2012

SOCIAL LICENCE TO OPERATE – WHAT IS IT?

From the academic literature – a social licence to operate is reflected in:

- **Meaningful partnerships** based on **mutual trust** that the company will meet the needs of local communities
- A set of **demands and expectations** for how a business will operate held by multiple local stakeholders and broader civil society
- The likelihood of holding a social licence will depend on “the degree of match between stakeholders’ individual **expectations** of corporate behaviour and companies’ **actual behaviour**”



by Geraint Rowland

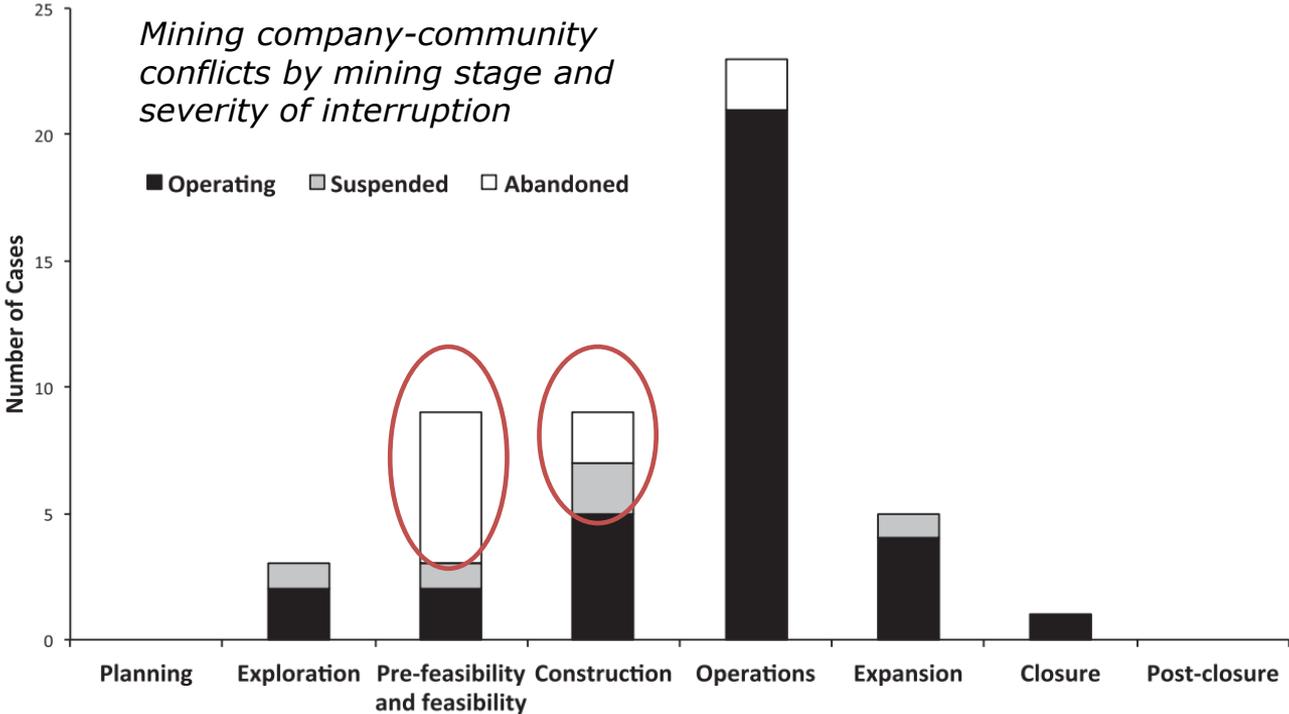
SOCIAL LICENCE TO OPERATE – WHAT IS IT?

Behind the definitions, SLO represents a powerful concept:

- SLO is an **institution** (i.e., sets of rights, rules and decision-making procedures), where SLO “rules”(i.e., the expectations both parties have in regards to one another) are **negotiated** between mining companies and local communities throughout the mining lifecycle.
- SLO represents a **social contract** between companies and communities: it formalises some of the **implicit ethical assumptions** about resource development impacts.
- SLO reflects the **power of communities** to influence development trajectories – this already occurs through processes that are less controlled, and often divisive and destructive.
- In the renewable energy industries, the term “**ensuring community benefits**” speaks to some of the same principles underpinning “social licence.”
- The challenge for industry actors is to **create spaces and processes** for meaningful contributions and participation in decision making by affected communities and interested stakeholders.

SOCIAL LICENCE TO OPERATE – A REAL ISSUE

From the *mining* industry, a study of 50 mine sites affected by social conflict reveals that *feasibility* and *construction* phases are overrepresented among projects that are suspended or abandoned, with significant economic consequences.



Franks et al., 2014

SOCIAL LICENCE TO OPERATE – A REAL ISSUE

The causes of conflict most commonly *reported* by those involved were:

1. Environmental impacts
2. Lack of involvement by communities in consent seeking processes
3. Community health and safety

The *underlying* causes of conflict were:

1. Distribution of benefits
2. Cultural/normative differences between company and community
3. Poor ongoing consultation processes with community

Clean energy technology faces similar risks early on in the deployment cycle – the power of disaffected stakeholders to influence deployment is strongest at the time when proponents are least certain about or committed to their investment

Franks et al., 2014

INSTITUTIONAL RESPONSES

Mining as an exemplar, an industry under pressure:

- Faced with a genuine threat to its social legitimacy in the 1990s, the industry responded by developing/embracing institutional structures to:



Examine the position of mining with respect to the principles and practice of sustainable development (Mining, Metals and Sustainable Development initiative)



Create an industry body to build a framework for better practice and standard setting



Embrace and support initiatives that facilitate transparency and rigour in the relationship between mining and governments



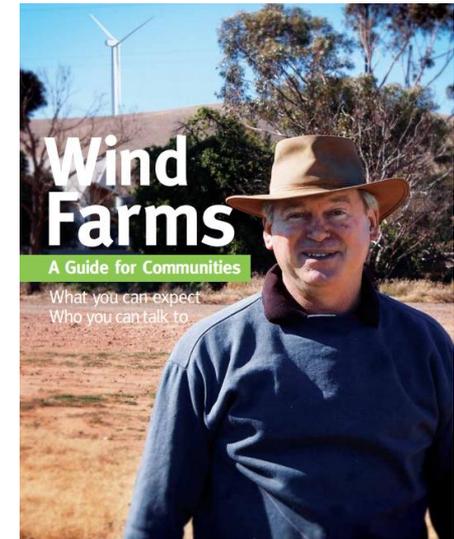
Contribute to processes that incorporate social impact indicators for monitoring and tracking social performance across time

Lessons to draw from this example include:

- Work proactively to establish trust and accountability within the clean energy deployment system *before* social rejection
- Coordinate approaches across industries to elevate standards and drag poor proponents up
- Develop or engage institutions that independently verify and support deployment of clean energy technology *for* social acceptance and monitor progress transparently

RESPONSES TO SOCIAL LICENCE CONCERNS

- Similar to the extractive industries, renewable energy technology deployment has also suffered from local community resistance and threats to social licence.
- In Australia, the Clean Energy Council (the clean energy sector's peak body) responded by developing a suite of resources to support wind deployment.
- These resources aimed to help all actors in the sector to improve the way wind is deployed and elevate the level of public knowledge regarding the benefits of wind.
- **They included:**
 - Guidelines for community engagement around wind farm development
 - A guide for communities to help them develop realistic expectations of the sector and living near wind farms
 - Best practice guidelines for proponents, owners and operators
 - An independent economic assessment of the benefits of wind



visit cleanenergycouncil.org.au



Community Engagement Guidelines

For the Australian Wind Industry



visit cleanenergycouncil.org.au



THREATS TO SOCIAL LICENCE PERSIST

Despite institutional and sectoral efforts to help the community better understand the value proposition of new industries and proponents to engage them more effectively, we still have significant social resistance and conflict.

With respect to SLO: **It is no longer enough to meet the formal obligations of a licence to operate: communities (and society) require something more.**

The question is, what “more” do communities require? One answer is simply, “voice”.

- Institutional responses and formal rules reflect the assumed needs of communities and citizens without often bringing their voice directly into the dialogue (one exception is the use of **(participatory) Technology Assessment** methods to seek to engage and include citizens in the design, development and deployment of new technologies)
- This is often the case around ensuring community benefits (and minimising community risks and impacts) from development activities
- Where ‘voice’ does enter into the public debate, it is often the voice of a specific group of citizens with a specific set of values which can sometimes be expressed through activism
- This is not necessarily representative of the views of community members or citizens

SOCIAL LICENCE IS A MULTISCALAR ISSUE

Social licence is a global issue, played out at a local level, mediated by national debate.

In a world as connected as ours is via social media and global trade, social licence to operate is a multiscalar issue – taking wind turbines as an example:

- Global renewable energy targets are established to meet the challenge of global climate change
- Wind turbines offer one technological option to partially meet this challenge
- National governments adopt renewable energy targets and support deployment of wind technology
- The private sector invests in deployment, supported by government incentives
- **But** local communities reject deployment based on a completely different set of conditions – the global case for deployment doesn't translate into a strong value proposition locally

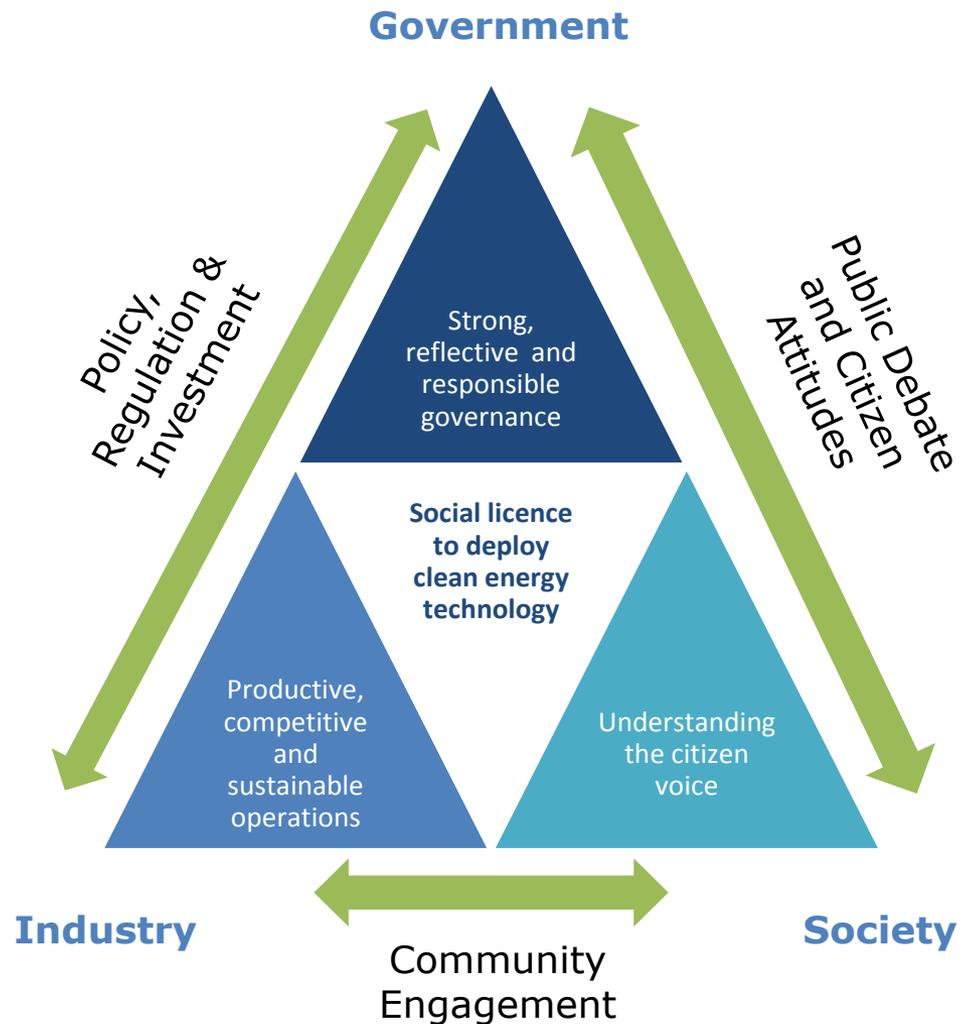


CLEAN ENERGY DEPLOYMENT

The social licence concept tells us that acceptance is a product of a three-way set of relationships between governments, industry and citizens.

However, public/private attention and action tends to be economically focussed (infrastructure and jobs) which means the integration of these three dimensions, in a certain location for a specific technology can be neglected.

Meaningful dialogue with citizens as an integral part of the decision-making process is the missing dimension in our current mechanisms for building social licence.



COST OR INVESTMENT?

Social investment by industry (supporting local development programs, investing in local suppliers, sponsorship of sporting teams) costs resource companies between \$50,000 and \$10 million per site per year. However, this is not necessarily, of itself, a process of including citizens and involving them as an integral part of the decision making process for clean energy investment.

In the Malampaya Deep Water Gas-to-Power project in The Philippines, an analysis of the costs and benefits of investing continuously in consent seeking processes among local communities found (based on some assumptions regarding number of delays due to social opposition) that for a USD\$6 million investment, benefits/avoided costs were between USD\$50-\$72 million

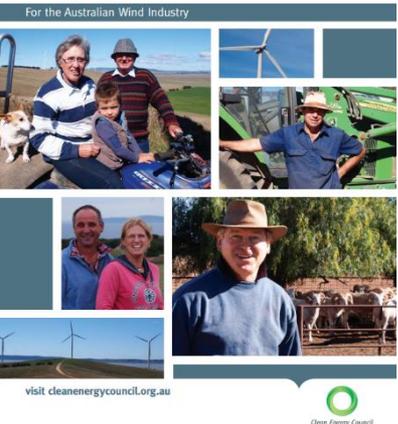
So if the opportunity cost of NOT addressing the citizen concerns far outweighs the costs involved in doing so, shouldn't we view citizen dialogue as an investment?

Why don't we?

1. It's hard to do and there are risks involved;
2. We are not clear who's job it should be; and
3. Specific interest groups tend to dominate the public discourse and drive reactions.

As a result, government, industry and citizens can be reluctant to commit to a deeper dialogue about a specific development because the outcome, and accountability for the outcome, is not always clear.

Community Engagement Guidelines



CASE STUDY 1

Understanding the Social Acceptance of Renewable Energy Industries

The notion of a social licence to operate (SLO) reflects increasing industry awareness of the need to genuinely negotiate with communities and other stakeholders about the costs and benefits associated with their developments.

The SLO concept is applicable to industries developing renewable energies, such as wind, solar, geothermal and biomass.

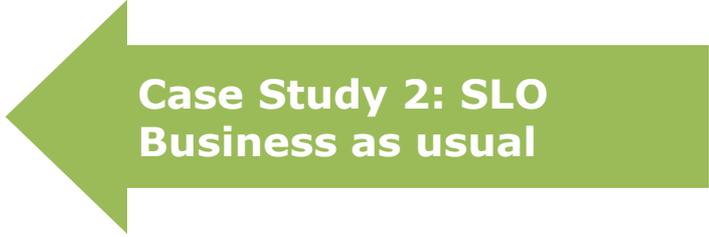
Case Study 1 describes key elements of achieving SLO for renewable energy industries.



Source: <http://www.ausenco.com/case-studies/grasmere-wind-farm#>

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Case Study 2: SLO
Business as usual

FOR ROUNDTABLE CONSIDERATION:

What are the principles driving sound processes for obtaining and maintaining a social licence to operate for new clean energy technologies?

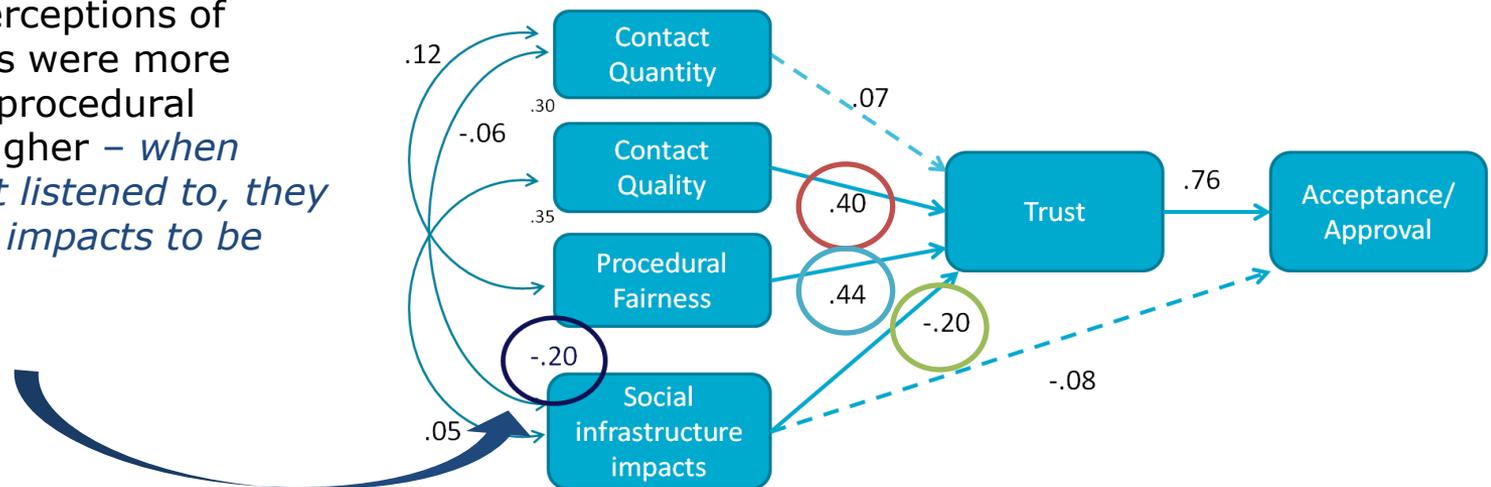
- How does the public form judgements about clean energy technologies, and what is the role of science in this process?
- How stable is social acceptance over time and geographies, and what does this mean for ongoing stakeholder engagement processes?
- Procedural fairness – how can this be delivered and monitored?
- Free, prior, informed consent – what does this mean in the context of clean energy?
- What role can, are, and should, governments play in fostering social acceptance of clean energy technologies?
- How does context drive appropriate processes to achieve social licence (i.e., among indigenous communities)?

ANTECEDENTS OF ACCEPTANCE - LOCALLY

Several key factors drive the development of trust, and then acceptance, in the development of new industries (Moffat and Zhang 2015).

A longitudinal assessment of an Australian CSG project is summarised in Case Study 2 and demonstrates that:

- As **experience of impacts is more negative**, trust in the company is reduced.
- The **quality of contact** (positive/pleasant) with company personnel, and not the quantity, was a stronger positive predictor of trust.
- The **strongest** predictor of trust was **procedural fairness** – that the company listens to community, respects it, and changes its behaviour based on community concerns.
- In addition, perceptions of project impacts were more positive when procedural fairness was higher – *when community felt listened to, they also perceived impacts to be less severe.*



N = 123

ANTECEDENTS OF ACCEPTANCE - NATIONALLY

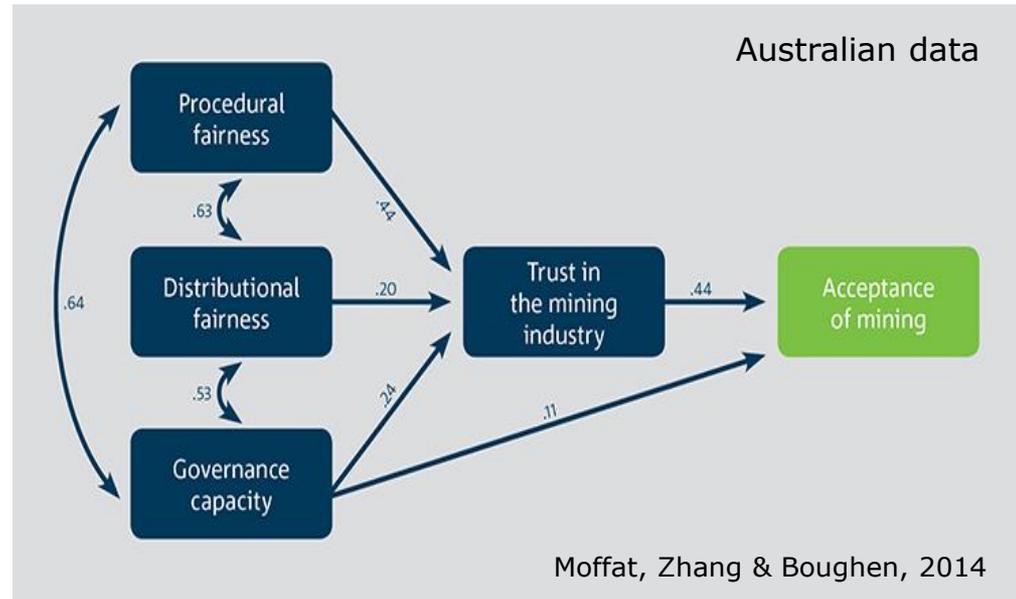
At a national level, the drivers of (extractives) industry acceptance among citizens in Australia, China, Chile have been evaluated through large-scale national surveys. A pilot has also been run in Zambia and results indicate:

In all countries, procedural fairness, the fair distribution of benefits, and faith that government can hold the industry to account were strong positive drivers of trust/acceptance.

But the relative importance of each differed by country:

- Australia: procedural fairness strongest
- China: distributional fairness strongest
- Chile: governance capacity strongest
- Zambia: even spread across all three

Critically, **social licence** was the product of all three factors working together – social licence is everyone's business.



PROCEDURAL FAIRNESS – WHAT IS THIS?

- Will the process be **fair**?
- Is it **transparent**?
- Will anyone **listen** to us?
- Can we **have a say** in what happens?
- Who can I **call**?



Member for Condamine, Ray Hopper, outside Queensland Parliament with the (then opposition's) proposed Strategic Cropping Land legislation in 2010 (Toowoomba News, 2010)

Bradbury et al. (2009)

FPIC – FREE, PRIOR AND INFORMED CONSENT

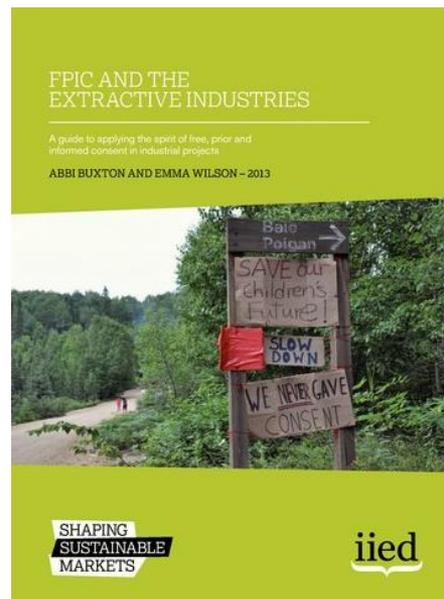
Originally focused on indigenous peoples, this concept may be extended to all peoples affected by a development. While FPIC has been debated strongly, implementing the “spirit” of FPIC can enhance a social licence to operate.

FPIC is about managing risk of rejection, and has three elements:

- Clarity of “consent”
- An agreed approach to impact management and benefit distribution
- A defined process for handling “grievance” that addresses the risk of instability and unpredictability

In some ways, FPIC is more tangible than social licence to operate, but there are conditions to be met, including:

- A functional regulatory framework
- Freedom from coercion
- A serviceable land tenure system
- Parties that are willing to engage in a public process about land access and economic participation



FPIC may be seen as an opportunity to establish the terms by which an ongoing social licence may be judged and appraised – adhering to the “spirit” of FPIC can support efforts by governments and companies to develop mutual trust with affected communities and the conditions for social acceptance.

PUBLIC OPINION – FICKLE OR RELIABLE?

There is often a reluctance among companies to engage more deeply with communities around development projects because of the “inevitability” of negative perceptions about the company and its activities – controlling the situation and “holding tight” are more usual responses.

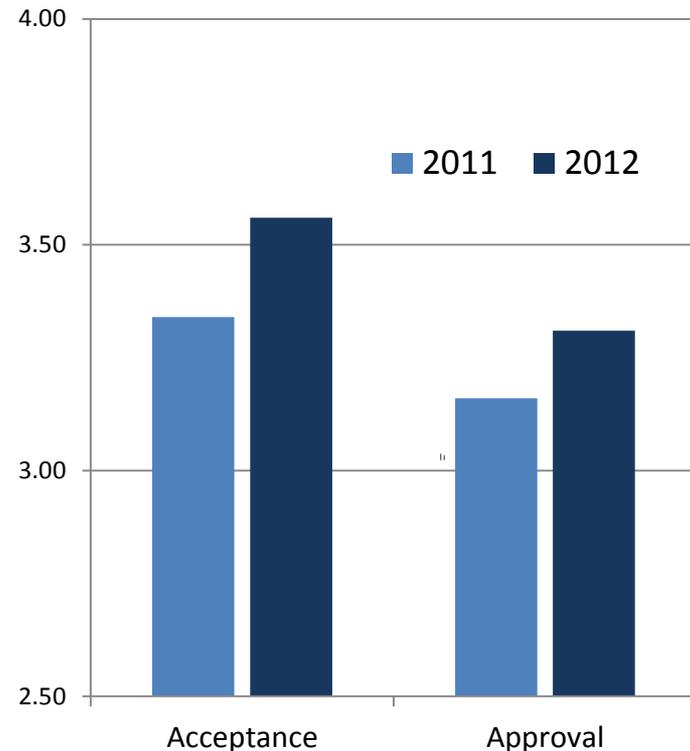
However, research by CSIRO with a CSG company in Australia has demonstrated that not only can the relationship between company and community be maintained through large scale construction periods, but even improved through careful engagement.

Through the two heaviest years of construction for GLNG, the relationship with the company actually significantly improved.

Two things were key here:

1. Procedural fairness was perceived to be high among community members.
2. This, and other drivers of trust/acceptance, remained consistent across time.

Relationships with communities can be deepened even through difficult periods – the needs of communities remain consistent throughout these times.



Acceptance/approval of GLNG across two years of heavy construction

CASE STUDY 2

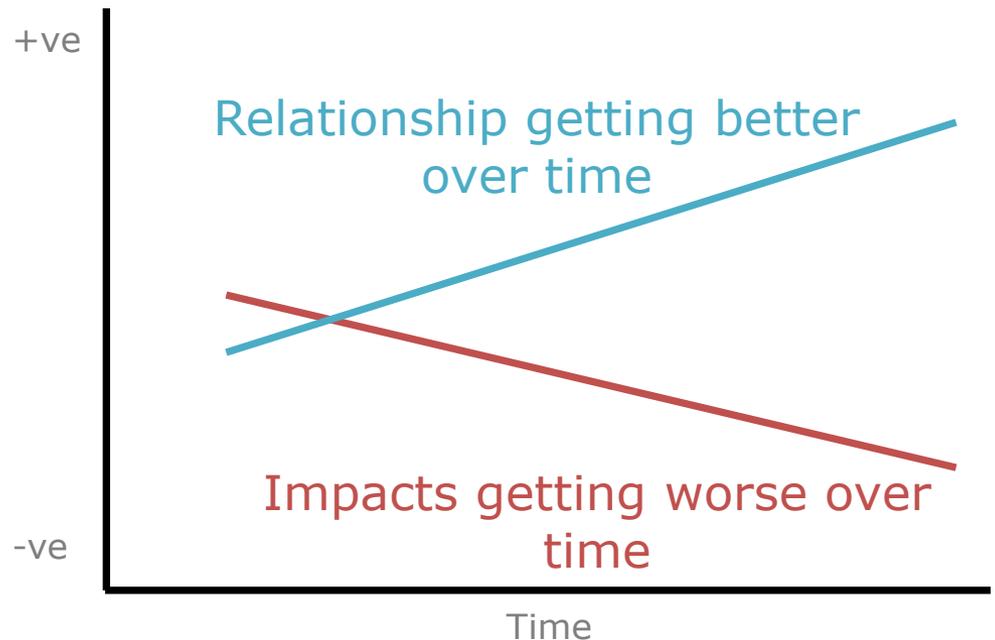
Extractives development in Australia – partnering for trust

CSG in Australia is a complex issue with a strong public debate. One company has been working with CSIRO for four years to understand the impact of their operations on citizens and what will improve their experience and build trust.

For this company, a strong commitment to meaningful community engagement meant that their relationship with stakeholder communities *improved* while operational impacts *increased*, over time.

As Case Study 2 shows, it was the company's demonstration of procedural fairness that kept acceptance strong:

- Listening to community concerns
- Demonstrating respect for community
- Changing their behaviour based on community concerns



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Case Study 3: Farming wind in Mexico

WHAT INHIBITS SOCIAL ACCEPTANCE?

How important is organisational behaviour and attitude to social risk, and community perspectives?

- NIMBYism: what role can affected and interested publics have in the development of public opinion and social policy?
- The cost of conflict – what widens the gap between acceptance and rejection?
- How can the gap between science-driven decision making and value-driven opinion be bridged?
- What needs to be understood more clearly to inform successful deployment strategies?



BARRIERS TO DEPLOYMENT

How important is organizational behavior and attitude to social risk and community perspectives?

Society can delay or halt the implementation of a new technological process if they perceive the risk to be too great (Oskamp, 2000).

There is increasing recognition that the public is no longer a passive recipient of technological innovation, rather the public's relationship with technologies is influenced by a range of factors, strong enough to change the trajectory of technology uptake (Niemeyer & Littleboy, 2006).

A key issue for the diffusion of technology into society is the manner in which it is perceived and the risks that are associated with it (Slovic, 2000).

When a technology is emerging, the ideas are novel and unfamiliar, and they involve **uncertainties and risk** that will influence public perceptions about the acceptability of a technology.

A lack of confidence (**trust**) in the ability of industry, government and science to manage the associated risks of any technology is likely to compound any negative risk perceptions already held (Slovic, 2000).

Similarly, **trust** influences **how information is interpreted and how well messages are received**. If trust in the messenger exists, communication is relatively easy; if trust is lacking, the process is much more difficult (Slovic, 2000).

NIMBYISM

What role can affected and interested publics have in the development of public opinion, social policy, and private sector deployment?

NIMBYism, the not in my backyard attitudes that manifests in response to renewable energy technology and developments, is typically a “**juxtaposition** of high and stable levels of **general public support with frequent local opposition to actual development**” (Devine-Wright, 2005: 126).

These attitudes contrast with those expressed in response to non-renewables, such as fossil fuels and nuclear energy, which are typically characterised by consistently low levels of general and local support.

However, there are **a range of psychosocial factors** that influence attitudes towards renewable energy (e.g. Carr-Cornish & Romanach, 2014) and local opposition is not always present to the extent it inhibits development (Devine-Wright, 2005).

Furthermore, sources of **NIMBYism** can be engaged with, by acknowledging that local attitudes can manifest from a genuine **sense of place** and **attachment to place**, and recognising there is a need for developers and governments **to assess compatibility with the local area and community, early** (Hall, Ashworth and Devine-Wright, 2013).

THE COST OF CONFLICT

What widens the gap between acceptance and rejection?

There are significant long-term costs in the form of changes in climate, associated with **failing to gain the emissions reductions** associated with implementing renewable energy at scale (Stern, 2006).

There are also **costs associated with the conflict** that arises in response to renewable energy deployments.

In the **extractive sector** the cost of such conflicts, including **protests and sit-ins** have been an enduring challenge and motivation for engaging citizens about the **social licence to operate** (Davis and Franks, 2014).

For example, **lost productivity due to temporary shutdowns or delay** has been estimated to cost a typical world-class mining project with capital expenditure of US\$3-\$5 billion, approximately US\$20 million per week (Davis and Franks, 2014).

The presence of or potential for conflict and opposition can **limit the access** to lands and resources that may be required (Paragreen and Woodley, 2013) and **increase the perceived risk** of the associated **investment** (Ricketts, 2013).

The **sources** of such conflict and opposition may include **local community** but also extend to **wider social movements** (Ricketts, 2013) and the **media** (Romanach, Carr-Cornish & Muriuki, 2015).

SCIENCE IN SOCIETY

How can the gap between science driven decision making and value-driven opinion be bridged with due respect to the validity of both?

In science-policy interactions associated with renewable energy, there are **a range of roles science and scientists can occupy** in these interactions, these are: **pure scientist, science arbiter, issue advocates** and the **honest broker of policy alternatives** (Pielke, 2007). The choice of roles is influenced by the disposition of the individual scientist but should also be **consistent with the available scientific knowledge and uncertainties**.

There is often a **gap between the attitudes and actions of citizens**. Part of this gap is determined at the societal level (Bell, Gray and Haggett, 2005). The **“social gap”** can be explained by:

- **Democratic deficit:** Development decisions are controlled by the minority.
- **Qualified support:** There are general limits and controls that should be placed on development.
- **Self-interest:** Oppose any developments in their own area for self-interested reasons.

DEVELOPING AN ATMOSPHERE FOR ACCEPTANCE

What needs to be understood more clearly to inform successful deployment strategies for clean energy technologies?

The successful implementation of renewable energy technology, often requires or could benefit from associated improvements in the **energy efficiency practices** of citizens, including household and organisations.

Despite the rational arguments for accepting renewable energy technologies and changes in energy consumption practices, there is often a “**knowledge-action gap**” or “**value-action gap**” (Frederiks, Stenner & Hobman, 2015). Meaning, there is often a discrepancy between self-reported knowledge, values, attitudes and intentions, and actual behaviour (Frederiks, Stenner & Hobman, 2015).

These discrepancies may appear as **irrational contrast between intentions and behaviours**, due to a range of **cognitive and motivational mechanisms** (Dowd, Ashworth, Carr-Cornish & Stenner, 2015; Frederiks, Stenner & Hobman, 2015).

There are also **engagement processes** and **behaviour change programs** that have been demonstrated to be successful at challenging these intentions and behaviours, and can be **scaled** to engage large segments of the population (e.g. Ashworth et al., 2013; Dowd, Ashworth, Carr-Cornish & Stenner, 2015; Hobman & Ashworth, 2013).

CASE STUDY 3

Wind Farm in Isthmus of Tehuantepec

Wind power generation is still a ***nascent industry*** in Mexico.

Mexico currently has 26 wind farms producing 2,559 megawatts of electricity through wind power (AMDEE) and expects some \$14 billion of ***investment*** in wind farms between 2015 and 2018, which will more than triple installed capacity in the country.

Wind developments in Mexico have already faced challenges regarding gaining and maintaining a social licence, e.g., Isthmus of Tehuantepec (teh-wahn-teh-pek), Oaxaca, Mexico. Concerns expressed around the planning and development practices with respect for the human rights of affected communities, i.e., ***free, prior, informed consent***, the availability of ***timely & comprehensive information***, a perceived ***absence of comprehensive and community-wide benefits and fair lease negotiations*** and concerns about ***environmental impacts***.



OUTLINE

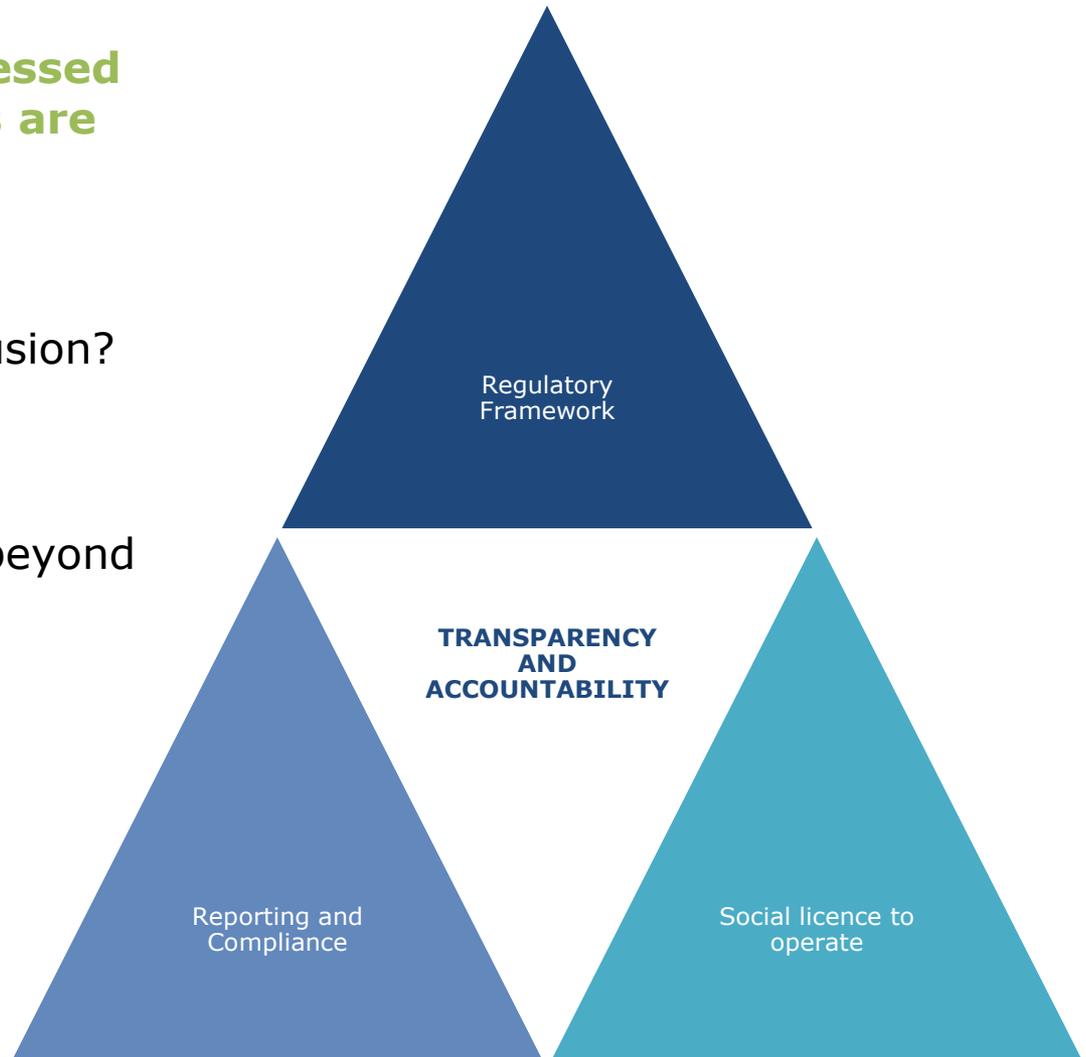
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**Case Study 4:
Parliamentary
Technology Assessment**

FOR ROUNDTABLE CONSIDERATION

How have governments addressed these issues, and what levers are available to facilitate future widespread clean energy deployment?

- How do you structure for inclusion?
- Monitoring and evaluation for transparency
- Decision processes that look beyond economy and productivity



PARLIAMENTARY TECHNOLOGY ASSESSMENT

Technology assessment (TA) is best understood as the study and evaluation of technologies, including new or more extensive use of clean energy technologies.

Parliamentary TA (PTA) is about harnessing this process to provide policy relevant advice direct to parliaments in order to support democratic policy making on technology and innovation for societal benefit.

Involving stakeholders in shaping the design of solutions to societal challenges is increasingly expected. This represents a new form of democratic innovation in the development, adoption, and deployment of new technologies and innovations.

The key aims of PTA include:

- Provision of comprehensive and independent insight about opportunities and consequences.
- Facilitating democratic processes of debate and clarification between all stakeholders.
- Supporting the formulation of policy options.
- PTA is widely established in Europe, and a recent case study from Germany highlights the value of developing information and materials on energy technologies that can be used by parliamentarians directly with their constituents.

OPPORTUNITIES FOR ACTION

1. Understanding the technology and potential impacts or concerns of affected stakeholders

- The economic and “global good” value proposition does not reflect the experiences or concerns of affected stakeholders that may withhold social licence.
- Technology assessment that explicitly includes examination of social implications may assist in developing a more compelling value proposition for stakeholders.

2. Understanding what people think and include them in decision making

- Rejection of social licence often reflects the inability of affected stakeholders to feel heard within existing decision making processes or a broader deployment discourse.
- Systematic understanding not only of **what** stakeholders think but also what factors contribute to trust between actors and drive social acceptance allows for proactive engagement.
- Involvement in genuine dialogue that allows these stakeholders to feel heard and shape the way deployment takes place is an investment in future acceptance.

OPPORTUNITIES FOR ACTION (CONTINUED)

3. Aligning company practice with community needs

- A framework for deployment of clean energy technologies that reflects and engages community concerns will only be effective if companies reflect these principles in their practice.
- Developing resources to support **both** companies and communities (alongside governments and regulators) to relate to each other more constructively is a good investment.
- Reputation is a product of company behaviour rather than marketing and communications when it comes to industrial activity that directly affects communities – elevating the standard of company practice supports longer term acceptance.

4. Creating consensus around the value proposition for clean energy deployment

- In countries like Germany, the public sentiment regarding the need to deploy clean energy is strong, creating a climate of acceptance among citizens.
- Exploring through national discourse the need to balance development with environmental sustainability positions clean energy technologies as the solution to a complex problem we all share.

OPPORTUNITIES FOR ACTION (CONTINUED)

5. Understating the interactions between social licence and environmental licence

- Environmental impact assessment (EIA) has evolved in recent years and could provide experiences and practices that can be useful for attaining and holding a SLO.
- The EIA can help the process of building social license:
 1. Through ***stakeholder engagement and community based approaches***, when the assessment process takes place, and particularly with regard to identifying environmental impacts, risks and issues that are critical for communities.
 2. Through ***cumulative environmental impacts assessment***, that can respond in the long term to communities' concerns regarding the impacts on the environment of a specific project acting in concert with other activities.

OPPORTUNITIES FOR ACTION (CONTINUED)

6. Understanding the nature of the SLO in intercultural contexts

- According to the UN, around 60 million indigenous people around the world depend almost entirely on forests for their survival. The UN Permanent Forum has said the majority of the world's remaining natural resources – minerals, freshwater, potential energy sources and more – are found within indigenous peoples' territories. Access to and ownership and development of these resources remains a contentious issue.
- Indigenous communities have a profound and often spiritual relationship with the land, territories, and natural resources used in new clean energy technology deployment: wind, hydropower, solar, carbon capture and storage, and bio fuels.
- The constituent elements of SLO and emphasis on them may differ when this development takes places within indigenous territories or lands. The foundations (ethical and theoretical) and the strategies for exploring and establishing a SLO must reflect these differences. For example, as for the social contract, the implicit ethical assumptions must reflect the understanding of the spiritual relations with natural resources, and the dialogue must rely on appropriate intercultural strategies.

OPPORTUNITIES FOR ACTION (CONTINUED)

7. Incorporating a human rights based approach in developing SLO

- The extractive industries have developed a deep body of practical tools and knowledge regarding the human rights-based approach to development. For instance, the IFC has developed the Guide to Human Rights Impact Assessment and Management (HRIAM), which could be adapted in the clean energy sector.
- In the clean energy sector, companies could benefit from practical tools to promote a new set of principles and practices in their risk-management and decision-making processes, from the human rights perspective. Tools that allow the sector to understand, anticipate, and manage a project's potential human rights impacts (risk management); to engage stakeholders in a structured discussion about human rights issues related to a project (engagement); and to facilitate inclusive and reflexive decisions about project design and management of human rights issues (decision making).