

13 September 2018

For the companies working in the energy and natural resources sector, sustainable development and the social license to operate lie at the heart of their enterprise.

The development of energy and natural resources can be the engine that lifts an impoverished nation into a developed economy. The key is to use the capital generated from the development of natural resources to build a sustainable economy.

Sustainable development

In 1987, the World Commission on Environment and Development, also known as the Brundtland Commission, provided the foundational formulation of the idea of sustainable development in a report called *“Our Common Future”*^[1]:

“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

One of the key messages in the Brundtland Commission report is that the impediments to sustainability are interlocking and complex, and require similarly complex strategies and approaches to achieve sustainability.

In *Breaking New Ground*, a research report drawing on two years of consultation and research, the Mining, Minerals and Sustainable Development Project describes four pillars of sustainable development: Economic, Environmental, Social, and Governance^[2]. In implementing a strategy for sustainable development of natural resources and energy production, operators, governments and other stakeholders must look at all four of these factors. Such a strategy will, by definition, be interlocking and complex.

The social license to operate

As lawyers, we know how to get the licenses and permits and concessions necessary to have the legal right to operate. Our clients are better served if they also have a social license to operate – in other words, a commitment from the stakeholders and communities affected by the project that that this project is socially beneficial. Having the social license to operate minimizes conflict and protest, and allows the mutually acceptable, cooperative development of natural resources.

Our challenge, as advisors to energy and natural resources companies, is to broaden the focus of our advice to gain not just a legal license, but also the social license. The social license can be a shifting target but, fundamentally, securing that license requires engagement with communities and stakeholders as well as a willingness to understand their goals and concerns, and developing strategies to meet those goals and address those concerns.

The commitment to sustainable development promotes the social license to operate. By seeking to implement the concepts in the four pillars of sustainable development, and by more generally making a commitment to future generations, energy and natural resources companies will have made substantial progress toward securing the social license to operate.

Conclusion

There is a temptation to see sustainable development and the social license as abstract concepts or intangible goals imposed by ivory tower thinking. In fact, the concepts are practical and immediate.

By incorporating sustainable development and the social license into the culture and planning of energy and natural resources development, companies integrate their projects into the community, assuring that the benefits of the projects are shared by all stakeholders. This approach minimizes the risks arising from challenges to projects and promotes a stable, mutually beneficial enterprise.

[1] World Commission on Environment and Development (1987). Our Common Future. Available at:
<http://www.un-documents.net/wced-ocf.htm>

[2] International Institute for Environment and Development (2002). Breaking New ground: Mining, Minerals, and Sustainable Development Project. Available at: <http://pubs.iied.org/9084IIED/>

To find out more please contact our author(s) or visit our [webpage](#).

Contacts



Scot
Anderson

Partner

> [Read the full article online](#)