

BRIEFING NOTE #9: 17th NOVEMBER 2017

EXTRACTIVE INDUSTRY DEVELOPMENT AND CURRENT PUBLIC PARTICIPATION PRACTICES IN GREENLAND



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This briefing note arises from the seminar on Public Participation in Arctic Extractives Industry Seminar held by the AOGRC at Ilisimatusarfik, 17th October 2017. The seminar presentations and public discussion can be viewed at: <http://uk.uni.gl/research/arctic-oil-and-gas-research-centre/videos.aspx>

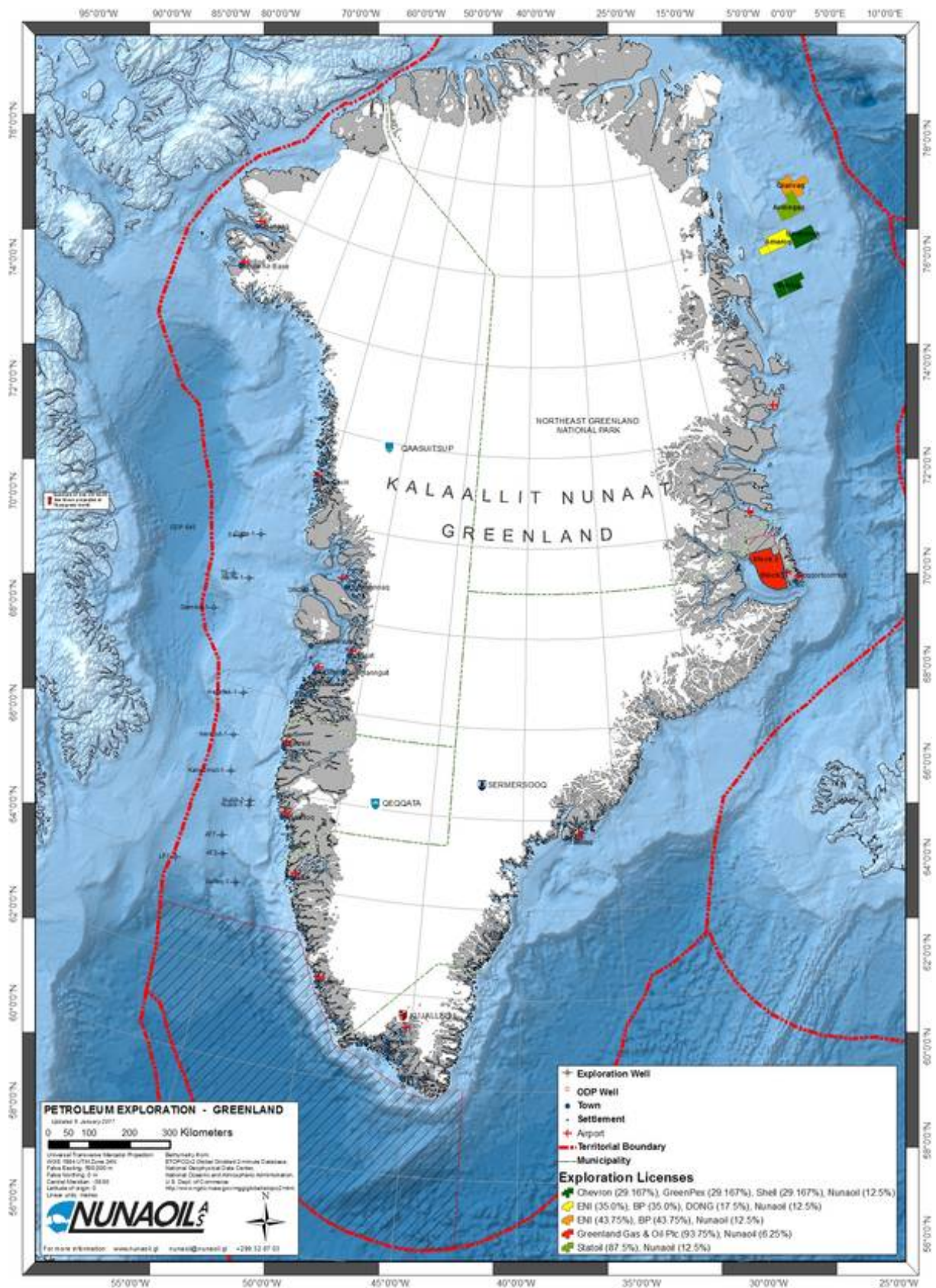
On the lookout for new deposits of various natural resources, the World has turned its attention towards the Arctic. The changing climate exposes new land and opens up waters until recently covered in ice. Due to its strategic position in the heart of the Arctic between the US and Russia, its richness in rare earth metals, iron, gold and potentially petroleum, and its contrasting pristine and vulnerable Arctic environment, Greenland has become a hot and widely discussed topic internationally.

The geological mapping of Greenland is thorough and extensive, and Greenland holds a long history of natural resources exploration and extraction. The first attempts at mineral exploration took place even before the colonization of Greenland by Denmark at the beginning of the 18th century, and extraction was initiated in the 1840s with the opening of the highly profitable cryolite mine in Southern Greenland. The first petroleum exploration activities in Greenland were commenced in 1939 in the search for expected oil deposits in the Nuussuaq area. The interest in exploration for oil and gas grew during the late 1960s, which led to the first few offshore drillings in the 1970s. The results were poor and left the oil companies with the impression that there were no commercially viable oil deposits in Western Greenland.

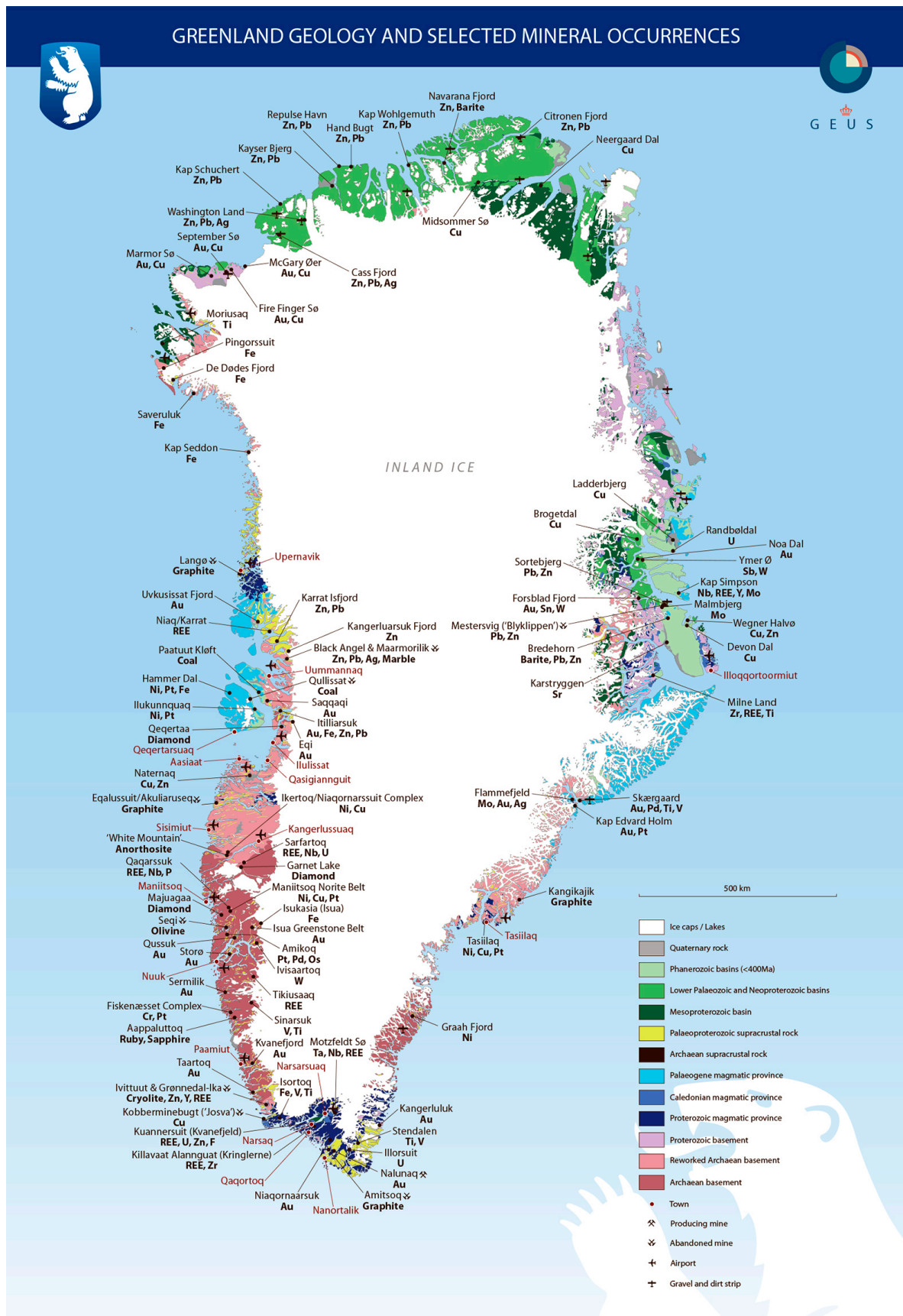
A report by the USGS in 2008, estimating that a vast amount of the last unexploited oil and gas reserves are hidden offshore Greenland, sparked renewed interest for oil and gas exploration. The promising oil adventure paused with the oil price crash in 2014, and to date there has been no commercially viable oil find. Meanwhile, only a few minor mineral projects have been implemented.

Nonetheless, Greenland is experiencing a period of rapid transformation due to the recent expansion of the extractive sector and exploration activities. The development is highly welcomed and actively promoted by the Government of Greenland. Since Greenland gained Self-Government in 2009, the desire for independence from Denmark and the Danish block grant seem stronger than ever and the interest to develop exploitation of the extractive industries within Greenland remains. With incentives to sustain societal prosperity and welfare through new sources of income and employment opportunities, the Government

strives to increase the mining activities and further the chances of a commercially viable oil find.



Petroleum Exploration License Map 2017, Source: Nunaoil A/S (nunaoil.gl)



A map of the geological potentials and selected mineral occurrences. Source: Government of Greenland (govmin.gl)

Tools to promote sustainable development

The recent developments have already brought drastic changes in Greenland at both local and national levels. Experience with extractive industry development is yet limited in Greenland, and concerns about governmental capacity to manage large-scale projects stir both within and outside Greenland. With respect to the vulnerable Arctic nature and small communities, it is vital that the extractive development takes place in an environmentally, economic and societally sustainable way.

To promote resilience within communities, Environmental Impact Assessment (EIA), Social Impact Assessment (SIA), and Impact and Benefit Agreements (IBA) are tools implemented in the legislative framework of Greenland to make sure decision-making happens on an informed basis in cooperation with the local communities. These complement educational institutions, local businesses and the public sector, to enable the locals to adapt to and manage change, as well as to overcome challenges and make the most of the new opportunities,

Public Participation (PP) comprises an integrated part of both EIA and SIA, which is described in the recently updated 'SIA Guidelines' (bmp.gl). The guidelines claim high standards and a high level of PP in relation to mineral and petroleum exploration activities in Greenland. Close collaboration and dialogue with the Greenlandic population is highlighted as a necessity to ensure sustainable relations between the companies, municipalities, the affected individuals, other stakeholders as well as the general society. Yet, the PP process in Greenland has been heavily criticized. Criticism is levelled at, for instance, lack of transparency, difficulties in finding and assessing information, difficulties with translation and understanding technical terms, lack of two-way communication and dialogue, and not least doubts regarding the actual influence of the public on the decision-making process.

Effective PP is arguably vital for securing a sustainable development of the extractive sector as well as a sustainable development at both local and national level. However, the call for a strengthened PP practice has so far prompted only minor changes in the SIA guidelines including a stated increased focus on the consultation process, but the current primary public participation form of public consultation meetings does not seem to facilitate an effective and satisfying engagement. Initial studies show a great gap between the stated public participation aims in the legal guidelines and the current public participation practices, and there is thus still much room for improvement. The current challenges emphasize a need to explore new perspectives as to how public participation is to be perceived, approached and practised in the specific context of Greenland.