

# DATA SOCIAL for a stronger LICENSE

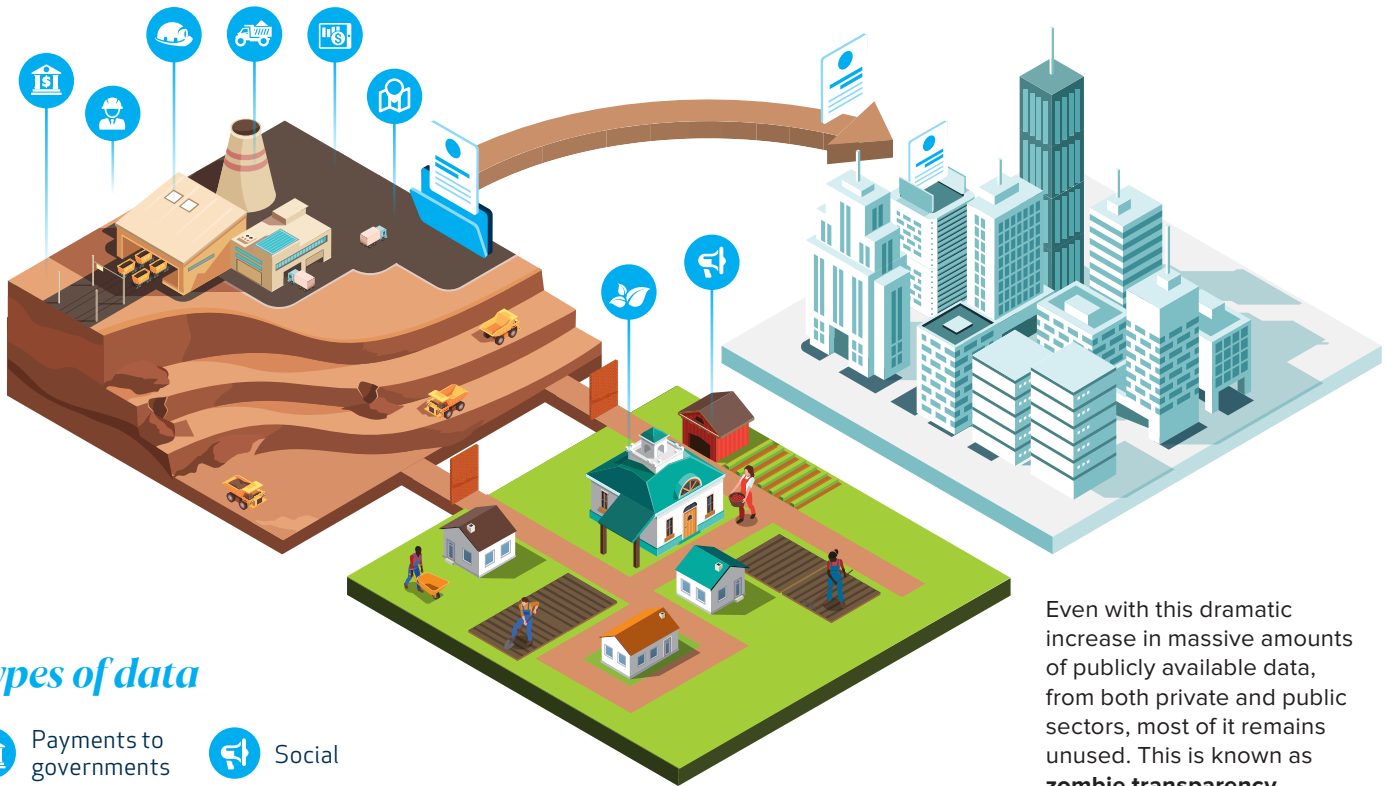
Data Innovation for Transparency  
and Accountability in the Natural  
Resource and Other Sectors



# Power of Data

Developing natural resources is critical for many of the world's poorest countries. An abundance of natural resources does not always translate into healthy wealth distribution or growth.

Natural resource projects can exacerbate inequalities, corruption and conflict. Disclosure and strategic use of data helps foster transparency and accountability, enabling more equitable benefit sharing.



## Types of data

- |  |  |
|--|--|
|  Payments to governments |  Social     |
|  Environmental           |  Production |
|  Employment              |  Financial  |
|  Procurement             |  Geological |

### Social License to Operate

An informal consent or support by local stakeholders for a project to exist in the community.

Even with this dramatic increase in massive amounts of publicly available data, from both private and public sectors, most of it remains unused. This is known as **zombie transparency**.

This phenomenon threatens to undermine the progress in informing and entrusting citizens to participate in decision making, and mining companies' **social license to operate** in communities.

## Break in Trust

Zombie transparency can strain relations between a mining company and nearby communities, and exacerbate conflict.

### MINING COMPANIES

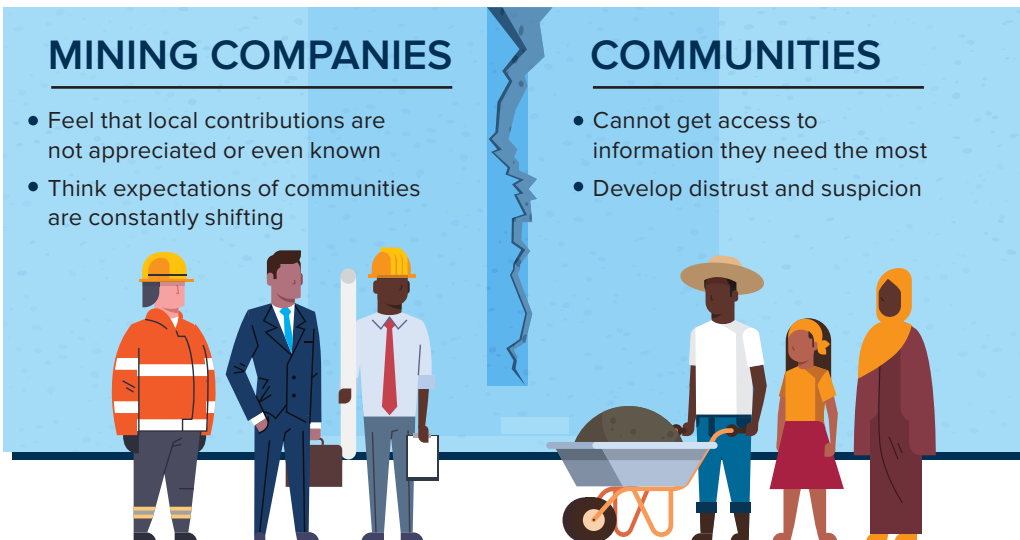
- Feel that local contributions are not appreciated or even known
- Think expectations of communities are constantly shifting

### COMMUNITIES

- Cannot get access to information they need the most
- Develop distrust and suspicion

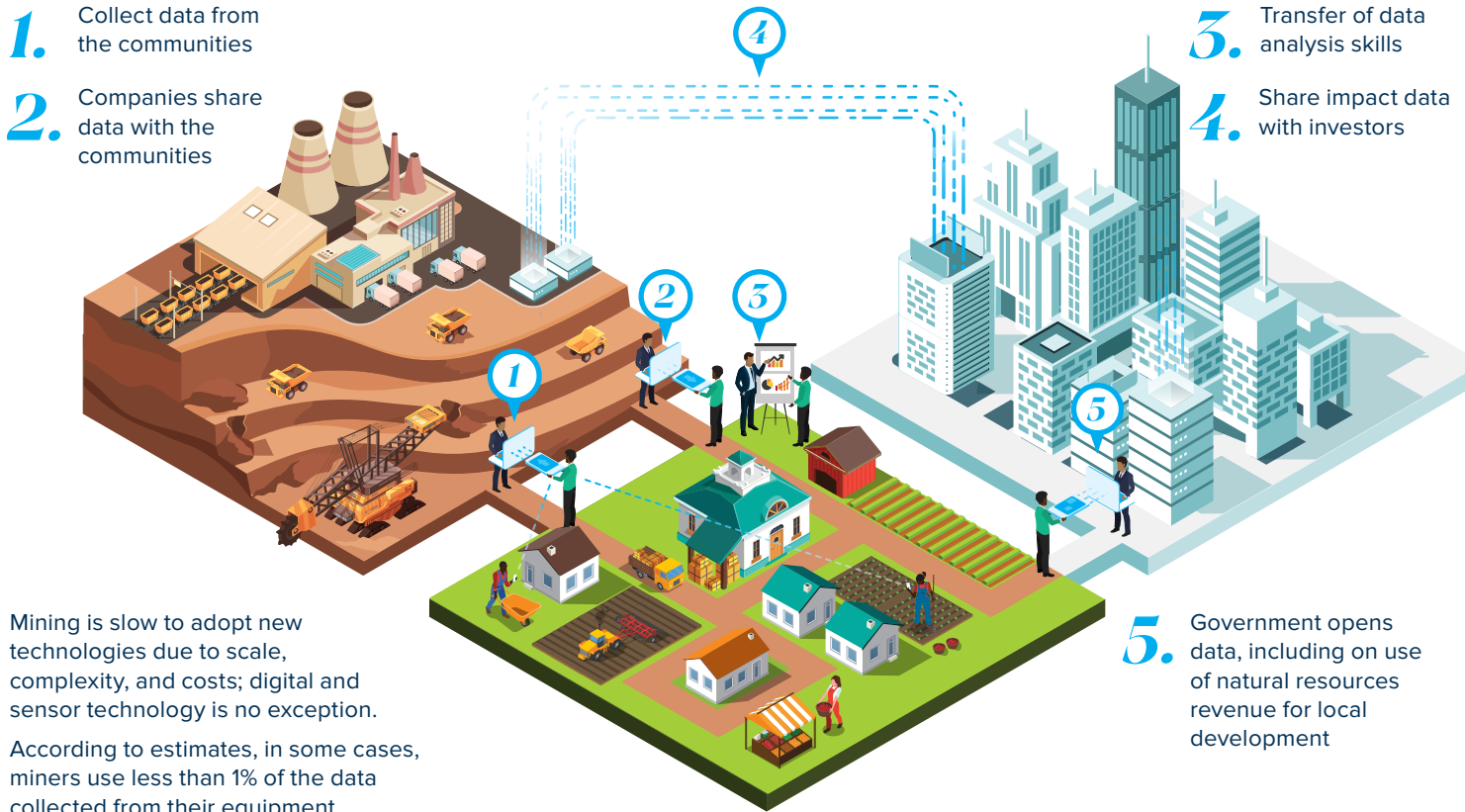
Research on 50 projects found losses of roughly **US\$20 million** per week from delays due to conflicts.

Company data can be an opportunity to bridge companies and communities to **strengthen social license**.



# A Better Way for Companies to Share Data

A digital revolution is underway. The world is facing unprecedented trends – Internet connectivity and mobile phone use among previously remote populations, increasing accessibility and affordability of big data analytics, use of sensors on site, cloud computing, and growing levels of digital literacy.



Mining is slow to adopt new technologies due to scale, complexity, and costs; digital and sensor technology is no exception.

According to estimates, in some cases, miners use less than 1% of the data collected from their equipment.

## Data Opportunities

Companies can now engage communities and bring value in radically new ways with new technology.

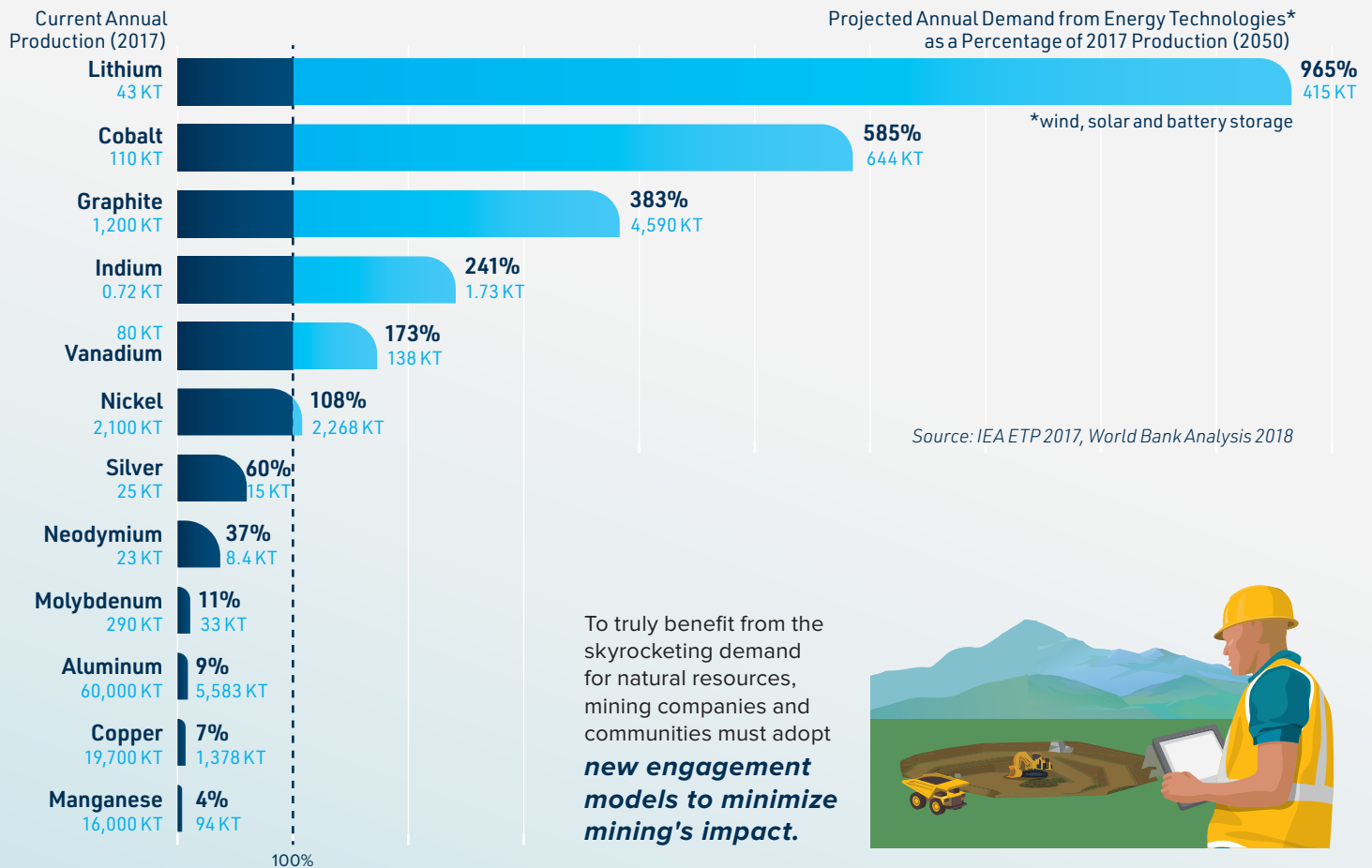
### CHALLENGES

### OPPORTUNITIES

	<b>RELEVANCE</b>	⊗ Macro-level data with little local insight	✓ Local conditions and operations
	<b>TIMELINESS</b>	⊗ Lag in disclosure to local communities	✓ Timely data collection and disclosure
	<b>ACCESS</b>	⊗ Lack of rights to information and limited local dissemination	✓ Proactive data sharing, and developing digital skills
	<b>VALUE</b>	⊗ No tangible economic or social benefit to the community	✓ New data related to jobs and entrepreneurship ✓ Clearer information about local social impact
	<b>TRUST</b>	⊗ Fake news, biased information	✓ Responsive communication and collaborative generation of data
	<b>FORMATS</b>	⊗ Technical information and lack of context	✓ Translation of information in local contexts and languages

# Growing Demand

*Social license is more important than ever to communities and the mining industry. The shift to low carbon power generation will be mineral intensive and create significant opportunities for the poorest of nations to develop their natural resources.*



To truly benefit from the skyrocketing demand for natural resources, mining companies and communities must adopt **new engagement models to minimize mining's impact.**



Companies and communities that work well together can benefit from higher economic and social returns.



There's a market value placed on good relationships with communities where mining companies operate. Studies show that they account for a full one-third of the market cap of junior mining companies' market capitalization.



The first steps companies take to open their data can help spur local digital economy.

**Look out for the full report by IFC's "From Disclosure to Development" (D2D) program in late 2019.**

Do you know of innovative uses of data by natural resources companies? Contact us at [www.commddev.org](http://www.commddev.org) and contribute to improving transparency and accountability.