

CASE STUDIES



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This section illustrates the “business case” for obtaining the consent of host communities by considering several case studies. First, it examines a more positive case study, the Malampaya gas project in the Philippines, in which the project sponsor avoided significant costs during project planning and implementation through early and consistent attention to FPIC issues. Then it considers three cases in which the sponsors suffered significant adverse business impacts due to the failure to secure or maintain community support: (1) the Esquel gold mine in Argentina, (2) the Samut Prakarn Wastewater Management Project in Thailand, and (3) the Yanacocha gold mine in Peru. These cases highlight some of the myriad ways in which community opposition can impede the development—or compromise the profitability—of large-scale, high-impact projects. Based on publicly available information, each case study attempts to quantify the financial impacts that community opposition (or its avoidance) has had on the project and its sponsor. In addition, this section includes several boxes that highlight other aspects of the business case for FPIC that are not captured in the case studies.

Projects that generate significant public opposition are, by definition, highly controversial, and the reasons for conflict are often in dispute. To ensure objectivity in describing the relevant events, we tried to solicit the help of the project sponsors or other key proponents in developing the case studies. However, with the exception of Shell Philippines in the Malampaya case, cooperation was not forthcoming, despite our best efforts. Shell’s participation enabled us to visit project sites, review project documentation, and interview a number of senior corporate officials. The other case studies did not benefit from such access—they were limited to desk reviews of primary and secondary source materials. To maintain balance in those cases, we emphasized public materials produced by the project sponsor or financiers, independent third-party investigators or dispute resolution mechanisms, and well-respected news sources.