

Rights Action
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With Government and NGO “Aid” Like This, Who Needs Exploitation and Repression?

- What to do/ How to get involved? ~ See below

Canadian Development Aid No Longer Tied – Just Shackled to Corporate Mining Interests

March 27, 2014, By Jen Moore

<http://canadiandimension.com/magazine/issue/november-december-2013/>

It has been more than two years since the former Minister of International Development, Bev Oda, announced that the (also former) Canadian International Development Agency (CIDA) would fund partnerships between non-governmental organizations and mining companies.

In September 2011, Oda committed \$6.7 million to **World Vision, Plan Canada, and World University Services Canada (WUSC)** for partnership projects with Barrick Gold, IAMGOLD, and Rio Tinto Alcan in Peru, Burkina Faso, and Ghana respectively. Another \$20 million was committed to an “Andean Regional Initiative” to foster NGO-mining company partnerships in Colombia, Peru, and Bolivia.

The ripples of this announcement are still making news and provoking heated discussion.

By and large, directing taxpayer dollars to corporate social responsibility programs of billion-dollar companies such as Barrick Gold has not been well-received. NGOs, including World Vision and Plan Canada, have had to engage in an uncomfortable public debate to argue that their projects are not just another subsidy to a lucrative industry whose projects often lack community consent.

Even mainstream news outlets have started to take note that from Eastern Europe to Latin America, communities are increasingly saying ‘no’ before mining starts, given risks to water sources, sacred areas, other livelihoods, and community wellbeing. Ernst & Young identified community opposition, frequently called lack of ‘social license’, as a top risk facing mining companies in 2013-2014.

Meanwhile, organizations critical of the Canadian government’s active promotion of extractive industries have faced cuts. Faith-based initiatives, including Development & Peace and the Mennonite Central Committee, recently shared the fate of KAIROS: Canadian Ecumenical Justice Initiatives and now receive far less federal funding.

Nonetheless, as NGOs such as World Vision soft-peddle their partnerships as ‘learning experiences,’ and as the risk of being labelled ‘anti-development’ is never far off if one questions support for mining jobs or a new health clinic at a mine site, it is valuable to recall the process that gave rise to these partnerships and the massive development deficits that Canadian mining creates in order to understand the government-backed corporate agenda that they serve.

The Devonshire Initiative

Ten Devonshire Place is the street address of the Munk Centre for Global Affairs at the University of Toronto where development NGOs and Canadian mining companies began meeting in 2007 to discuss

'partnerships'. Former Munk Centre Director, Marketa Evans, now Canada's Extractive Sector Corporate Social Responsibility Counsellor, hosted the Devonshire Initiative, as it came to be called.

It was no coincidence that their meetings took place in parallel with government-sponsored cross-country roundtable discussions about the impacts of Canada's overseas mining industry. The roundtables gave rise to a report that, while essentially ignored by the federal government, eventually formed the basis for a private member's bill (C-300) to make government support to the mining industry conditional on companies upholding international standards.

World Vision, Plan Canada, and CARE Canada were founding members of the Devonshire Initiative, as were Barrick Gold, IAMGOLD, and Inmet, among others.

From the corporate perspective, the Initiative was a chance to meet with NGOs friendlier to their interests. Inmet indicated on its website at the time that the roundtables "highlighted the polarized and unproductive nature of the relationship between the extractive sector and a small segment of non-governmental organizations (NGOs). To overcome this polarization and move towards productive, on-the-ground solutions to issues of mutual concern, development NGOs and some industry members have come together in a new dialogue that could see both sides working together in developing countries to achieve mutual objectives."

For development NGOs, which in some cases (like World Vision and Barrick) were already in partnerships through individual contracts, the Initiative offered the opportunity to seek external funding, such as from the Government of Canada.

Canadian policy was re-formed to fit the Devonshire proposal. In March 2009, the Canadian government tabled its highly belated response to the roundtable report called Building the Canadian Advantage: A CSR Strategy for the International Extractive Sector, which created Marketa Evans' new job and expanded CIDA's mandate to include private-public partnerships. The Devonshire Initiative is now hosted at the University of Ottawa and Canadian government representatives are regular observers.

Development Deficits

Beyond the evidence of unseemly corporate influence in public policy making, what is wrong with NGOs working with mining companies toward community economic development where mining is taking place?

Principally, this approach fails to consider the long-term development deficits that the industry generates at the local and national levels, usually without communities' consent (much less consent that is free, prior and informed), and often through deceitful and sometimes violent means that devastate the communities' social fabric as much as their living environment.

Tufts University's economic benefits and environmental risks assessment of Goldcorp's Marlin mine in northwestern Guatemala found that when long-term environmental risks are weighed with economic gains, the benefits are "meager and short-lived," especially for local indigenous communities. While the bulk of the benefits leave communities, 100% of the environmental risk is left behind, and those risks "are exacerbated and likely to rise over time."

The report identifies numerous reasons for this, including lack of adequate environmental regulation and oversight, absence of an adequate mine closure plan, and failure to account for projected climate change impacts. Additionally, the study reports a lack of financial assurance for post-closure remediation and monitoring. Goldcorp has posted a surety bond for mine closure at only \$1 million USD, while closure costs have been estimated at around \$49 million.

Repeated recommendations to respect community rights, including to consultation and consent, have also gone unheeded, fuelling opposition to mining across the country.

The Path to More Pollution

In northern Peru, where Barrick Gold and World Vision partner, the latter recently portrayed its partnership as a learning process, noting that it successfully brought Barrick into a dialogue with local actors. A World Vision spokesperson told the Montreal Gazette that this is “the best pathway forward in order to promote economic development for the community.”

But the Interprovincial Association for the Defence of Environmental Rights, a committee involving communities from three provinces affected by Barrick’s Lagunas Norte gold project, suggests otherwise. In an April 2012 letter to the Minister of International Development, the Association reported: “communities have been divided, and parallel organizations to those that already existed have been formed, through which existing organizations have been denied representation in projects that [Barrick’s local subsidiary] planned.”

“Multiple times we have provided technical studies that demonstrate that their activities are contaminating our water sources. But they do not want to recognize these studies, for which reason we believe that they will most likely continue their contaminating practices [...] We feel cheated by these and other so-called social responsibility activities because this has not helped to reduce poverty nor to address exclusionary processes.”

In this way, not only do the affected communities stand to lose NGOs as an avenue for support and independent advice, the company-NGO relationship may actually block community access to other channels.

The Association concluded asking CIDA to stop funding partnerships and to “monitor the activities of this company in our country, and coordinate with the state such that the rights of those affected by its activities would be respected.”

CIDA’s involvement at the national or policy level is a higher priority than partnerships for the Canadian Government. Unfortunately, it is even more problematic.

Policy Change Putting Corporations Before People

In February 2013, a CIDA representative outlined three pillars for its role in the extractive sector at a mining conference in South Africa. The speech, obtained through an access to information request shared with MiningWatch Canada, states, “the first pillar – and the one where the majority of CIDA’s efforts are concentrated – is our work with developing country governments to strengthen their capacity to govern their extractive sectors transparently and responsibly.”

CIDA, Mining and Military Coups in Honduras

But CIDA’s role, as in post-coup Honduras, has hardly been transparent or responsible.

Hondurans realized shortly after Goldcorp’s San Martín mine in the Siria Valley went into production around 2000 that their mining law, rushed through in the wake of Hurricane Mitch in 1998, provided no recourse for communities suffering negative impacts. As a result, they lobbied for reforms to ban open-pit mining and the use of certain toxins in mine processing, and to give communities a decisive say early in the process over whether mining could take place or not on their lands.

They made headway. In 2006, their government put a moratorium on new mining projects and by 2009, a draft law incorporating their demands was ready for debate.

But this came to a halt with a military-backed coup in June 2009 – a coup, and systematic human rights violations against the coup resistance, that Canada failed to denounce and sanction. The mining bill was never debated.

Canadian authorities wasted no time after the 2009 elections – widely criticized as illegitimate – to lobby for a mining law to suit the industry and lift the moratorium. In 2012, culminating a series of Canadian government efforts, CIDA sponsored a technical project to finalize the mining law, which passed in January 2013.

The new law is both a setback compared to what Hondurans had been proposing and opens the gates to new mining projects in what is now the most violent country in the region. Journalists, lawyers, organized communities and social organizations are regularly targeted and murdered.

Canada's Mining Debt

Threats to the wellbeing of whole communities, and the loss of lives to violence over mining projects in Honduras and elsewhere, go beyond development deficits, and represent Canada's rising debt to mining-affected communities for continued promotion of multinational mining interests.

In this context, NGO-mining company partnerships are likely to be of greatest benefit to corporate public relations, and to restrain participating NGOs from joining the fight against corporate impunity in solidarity with affected communities and workers.

Meanwhile, those that choose not to partner will be punished through diminished access to public funding, representing another component in the Canadian government's overall agenda to further big business interests at the expense of collective rights and community-determined development.

Online: <http://www.miningwatch.ca/article/canadian-development-aid-no-longer-tied-just-shackled-corporate-mining-interests>

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- Reading: Eduardo Galeano "Open Veins of Latin America" / Howard Zinn "A People's History of the United States" / James Loewen "Lies My Teacher Told Me" / Ronald Wright "Stolen Continents" / Naomi Klein "The Shock Doctrine" / Dr Seuss's "Horton Hears A Who" /

Join an Educational Delegation to Guatemala

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- July 3-10, 2014: "Mayan Communities & Environmental Well-Being ~ versus ~ Large-Scale Mining And Hydroelectric Dam Projects, In An Unjust Global Economic Order", in the context of on-going struggles for truth, memory and justice for the genocides and repression of the past. Hosted by Rights Action and Mayflower United Church of Christ (Minneapolis). Contact: info@rightsaction.org

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