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The Canadian International Development Agency's funding of Corporate Social Responsibility projects mostly near mine sites is intended to help Canadian mining companies compete for access to lucrative ore bodies in developing countries in the face of increasing local opposition to mining.

As I write this, thousands of Cajamarcans in Peru are protesting Newmont Mining Corp.'s proposed Conga mine that will destroy four lakes they depend on for their water supplies and livelihoods.

Last month an estimated 10,000 people marched at the governor's office in La Rioja, Argentina calling for the cancellation of Osisko's gold mine agreement citing fears that the water they need for their world-class wines, olives, and nuts would be depleted and polluted.

There are at least 10 provincial and 32 municipal moratoriums on large-scale mining in the Philippines leading to a resolution tabled in the House of Representatives in 2010 calling for a moratorium on large-scale mining in the country as a whole, noting that local government units "are not convinced of the claimed development benefits of mining" (House Resolution No. 528).

In Latin America, communities are increasingly carrying out consultas, or referendums, to demonstrate their collective opposition to mining, invariably citing the need to protect the natural resources they depend on for their food security and future development.

Community-level opposition to mining, often by poor and marginal peoples at great cost to themselves, is increasingly taking place before a mine has received its permits, as even remote communities have become aware of the severe and long-term risks mining poses. Local-level opposition and conflict is a serious problem for mining companies seeking to secure stable access to ore bodies. The industry recognizes this when it speaks of needing to secure a "social licence to operate."

CONFLICT COMES HOME

In Canada, encounters between parliamentarians and people who travelled from afar to relate the harm they suffered as a result of Canadian mining operations led to a groundbreaking parliamentary report in 2005 recommending that the Canadian government "establish clear legal norms in Canada to ensure that Canadian companies and residents are held accountable when there is evidence of environmental and/or human rights violations associated with the activities of Canadian mining companies." This report led to government-mandated Corporate Social Responsibility Roundtables on the extractive sector in 2006 and a greatly increased awareness among Canadians of the negative impacts associated with mining in developing countries.

The back story to CIDA-mining partnerships

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As a participant in the multi-stakeholder advisory group of the CSR Roundtables I heard mining industry participants repeatedly decry the reputational damage the industry was suffering as a result of heightened attention in Canada on the industry's problems overseas. I also heard industry pleas for greater support from the Canadian government to ensure continued competitive advantage for Canadian mining companies operating globally.

In particular, industry participants asked for unprecedented support from CIDA directly at mine sites where companies often face fierce community opposition. The industry was strongly opposed to any mandatory accountability measures by the Canadian government that would enforce better social and environmental performance overseas.

JOINING FORCES

As the final report of the CSR Roundtables was presented to the Canadian government in 2007, industry leaders, disgruntled with the consensus recommendations of the report, initiated closed-door meetings with large development NGOs, creating what was to be called the Devonshire Initiative. I learned that as the Devonshire Initiative, mining and development NGO executives jointly lobbied CIDA to 'partner' with them on mine site CSR projects. It wasn't until 2009 when the Canadian government issued its response to the CSR Roundtable report, called "Building the Canadian Advantage," that CIDA was officially given the policy cover the agency needed to enter into such partnerships—policy cover that was not intended by the CSR Roundtable report.

It is not the least surprising that Pierre Gratton, president of the Mining Association of Canada, recently wrote a piece that appeared in the Ottawa Citizen titled "CIDA changes long overdue." Nor is it particularly surprising that CIDA, as ever a tool of foreign policy objectives of the government of the day, is responding to direct appeals from the industry by channelling taxpayer dollars to mining companies to subsidize their CSR projects mainly near mine sites.

CIDA is spending \$26.7 million to support three pilot projects that Canadian NGOs Plan Canada, World University Service of Canada, and World Vision Canada are running in partnership with IAMGOLD, Rio Tinto Alcan, and Barrick Gold, respectively. The projects involve skills training and capacity-building for local leaders mostly near mine sites.

Subsidizing the CSR projects of well-endowed multinationals is an irresponsible use of public funds by CIDA, particularly as these CSR projects mask rather than address the serious local- and national-level development deficits caused by mining.

If the Canadian government were interested in addressing the negative impacts of mining on development it would have implemented the recommendations of the parliamentary report of 2005 and the CSR Roundtables of 2007.

For the first time, top executives of World Vision, World University Service of Canada, and Plan Canada last week published their collective view on their current partnerships with mining companies in the Globe and Mail. In an opinion piece these Devonshire Initiative NGOs advance the industry's own message that mining companies are "already significant development actors in their own right."

Mining companies' branding of themselves as bringers of development needs to be critically examined against the burgeoning 'resource curse' literature that links mining to deepening national impoverishment in mining-dependent developing countries (through loss of competitiveness, loss of development of other economic sectors, and unequal distribution of benefits associated with mineral wealth, for instance) and against the growing global local-level opposition to mining.

The Devonshire Initiative NGOs further justify their partnerships on the basis that mining is "at the heart of a developing country's own economic development plans," showing no awareness of the fact that the industry itself, as I have documented elsewhere, through the International Council on Mining and Metals, promoted for the inclusion of mining in the poverty reduction strategies of mineral-rich developing countries.

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Finally, the NGO executives note that "sitting on the sideline is not an option." Here we can agree. These NGOs played no role in attempts by parliamentarians and civil society organizations to develop home state accountability mechanisms to ensure high environmental and social standards for the operations of Canadian mining companies overseas. Their support for this ongoing effort would be welcomed.

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* This article was first published by embassymag.ca [2].

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Article-Summary:

Mining companies' branding of themselves as bringers of development needs to be critically examined against the burgeoning 'resource curse' literature that links mining to deepening national impoverishment in mining-dependent developing countries

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