



International Assistance Review
Development Policy Planning Division (PVP)
Global Affairs Canada
125 Sussex Drive
Ottawa, ON, K1A 0G2
e-mail: IARReview.ExamenAI@international.gc.ca

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Introduction

MiningWatch Canada works to change public policy and mining practices to ensure the health of individuals, communities and ecosystems in Canada and overseas. We welcome Canada's international assistance review, particularly given our concerns based on analysis and research undertaken in collaboration with mining-affected communities and organizations around the world where Canadian mining companies are operating and/or where Canadian-backed natural resource policies have been enacted.

Based on this experience, it is vital that Global Affairs Canada rethink its proposal to continue a close alignment between Canadian aid, trade and diplomacy.¹ We have observed how close coordination between these three areas in past years has led the government to prioritize ODA disbursements that favour the interests of Canadian mining companies at the expense of the rights and wellbeing of Indigenous peoples and affected communities. In this brief, we illustrate how this has taken place at the project and at the policy level in countries where Canadian foreign direct investment in the mining, oil and gas sectors is considerable. We also provide an overview of the long-term harm and development deficits caused by large-scale mineral extraction itself at the national and local levels.

Rather than alleviate poverty, especially in countries that rely on the mining sector for growth, mining tends to deepen poverty and create long-term development deficits at national and local levels through national-level economic impacts, collectively referred to as the "resource curse" and "Dutch Disease," and local-level damage to the environment and people's health, as well as loss of land-based livelihoods,

¹ Global Affairs Canada, "International Assistance Review: Discussion Paper" states on page 24: "Our diplomatic, trade, and international assistance actions must be better aligned..."

social dislocation and economic distortions. Better “governance” and better distribution and reinvestment of mining revenue are presented as a solution to these harmful impacts. But building up such governance can be prohibitively expensive and diverts funds away from sectors that do reduce poverty. Furthermore, oil, gas and mining companies are increasingly resorting to provisions in free trade and investment protection agreements that prevent “host” governments from implementing measures that could otherwise ensure respect for community self-determination and well-being, environmental protection and good working conditions.

These tendencies run counter to the commitments that Global Affairs Canada seeks to achieve as laid out in the International Assistance Review 'Discussion Paper' and the 2030 Sustainable Development Goals to which Canada is committed. Below, we begin by laying out some of the long-term development deficits that mining creates at national and local levels. Following this, we raise concerns about the direction that Canada's international assistance has taken to promote large-scale mineral extraction around the world through project-level supports, as well as through efforts to influence natural resource governance policies and institutions in other countries. Reorienting Canada's international assistance policy away from promotion of this economic development model would be a significant step and free up funds that could go a long way to supporting more sustainable options with respect for Indigenous peoples and human rights of the most vulnerable around the world.

The long-term development deficits created by mining²

a. National Level Development Deficits

National level development deficits related to resource extraction occur in many developing countries as a result of, among others:

- provisions in often confidential contracts, development and stability agreements between states and investors that secure investor protection from potential costs associated with evolving environmental, social, or fiscal regimes that support a country's development objectives (Oshionabo 2009);
- provisions in investment treaties (such as “full protection and security”) that allow investors to sue host states (IISD 2011; Malik 2011, CCIC 2015³) for example for declining to issue an operating permit regardless of cause;⁴

² This section draws on a presentation made by Mining Watch Canada to the House of Commons Standing Committee on Foreign Affairs and International Development's Study on the Role of the Private Sector in Achieving Canada's International Development Interests. Catherine Coumans. January 2012 *CIDA's Partnership with Mining Companies Fails to Acknowledge and Address the Role of Mining in the Creation of Development Deficits* see http://miningwatch.ca/sites/default/files/Mining_and_Development_FAAE_2012.pdf.

³ *Whose rights are we protecting? Ensuring the primacy of human rights over investor protections in the international legal regime.* A report prepared for the Regional Working Groups of the Canadian Council for International Co-operation.

http://www.ccic.ca/_files/en/what_we_do/2015_12_Whose%20rights%20are%20we%20protecting-December%202015.pdf

⁴ A pertinent current example is that of Vancouver-based mining company Pacific Rim vs El Salvador. In 2008 Pacific Rim launched a case against El Salvador under the Central American Free Trade Agreement (CAFTA) when it was denied permits for a controversial gold and silver mine. Pacific Rim is demanding compensation from the government of El Salvador that could rise to hundreds of millions of dollars. In order to launch this case, Pacific Rim moved its Cayman Islands subsidiary to Nevada to establish jurisdiction under CAFTA. The case will be decided by a tribunal at the International Centre for Settlement of Investment Disputes (ICSID), associated with the World Bank. For other examples of these types of cases see: <http://www.iiapp.org/treaties/>

- provisions in mining laws that secure lengthy tax holidays for mining projects while assuring low tax and royalty levels (Akabzaa, 2009; Belem, 2009; Campbell, 2009a, 2009b, 2009c; Sarrasin, 2009);
- capital flight and tax avoidance through abuse of accounting mechanisms such as transfer pricing⁵ and the use of tax havens such as the Cayman Islands (Baker 2005; Emmons, 2010);
- factors described in the ‘resource curse’ literature, such as: overvaluation of the real exchange rate (RER) leading to price inflation and higher costs for local producers, loss of competitiveness and loss of development of other economic sectors (so-called Dutch Disease); volatility in mineral values; over consumption based on a non-renewable resource; and unequal distribution of benefits associated with mineral wealth (Coumans 2011; Haglund:2011);⁶
- corruption;
- long-term environmental liability from an increasing number of inadequately rehabilitated and abandoned mines;
- lost-opportunity costs to fund development as a result of the high costs involved in developing and funding national institutions to monitor and regulate the activities of the mining industry (Thorp et al 2012).⁷

Each of the above factors is associated with a growing body of scholarly literature. Here, we call particular attention to a publication by Dan Haglund (December 2011) of Oxford Policy Management that summarizes the *consequences* for most mineral-dependent countries of development-deficit creating factors associated with mining.

Haglund notes that the number of low-and middle-income countries that depend on minerals for more than 25% of their tangible exports increased from 46 to 61 countries between 1996-2010 and that this increase has grown sharply since 2004. His research finds that rather than enjoying economic prosperity, these **mineral-dependent countries “are more likely to have lower economic development than other countries, including countries dependent on oil and other fuel minerals.”**

Haglund found a strong correlation between dependence on mining and low GDP per capita. Haglund further notes that:

...many least developed countries are also highly aid-dependent, and some of those with mineral resources are now receiving significant foreign exchange flows both from minerals and from aid, exacerbating the risk of RER appreciation. (2011:21)

Among the 20 most vulnerable countries are: Bolivia, Burkina Faso, the Democratic Republic of Congo, Ghana, Guinea, Guyana, Laos, Mali, Mauritania, Mongolia, Papua New Guinea, Peru, Sierra Leone, Tanzania and Zambia. Many of these countries have a strong presence by Canadian mining companies and are countries on which Canada has focused its international assistance.

b. Local Level Development Deficits created by Mining

⁵ “Transfer pricing happens when affiliated companies – say, a parent and a subsidiary, or two subsidiaries – can set their own artificial (non-market) transaction price” (Emmons, Harvard Business School 2010) and through this mechanism avoid paying taxes on profit. Commonly the revenues from this form of capital flight end up in tax havens. See <https://www.alumni.hbs.edu/stories/Pages/story-bulletin.aspx?num=136> also Christian Aid (2009).

⁶ Note Haglund works for Oxford Policy Management which has been the lead contractor for the International Council on Mining and Metals’ (ICMM) Resource Endowment Initiative for the past seven years. This initiative has attempted to challenge the resource curse literature, even as it has sought ways to address the very real impacts of the resource curse. Haglund’s report (2011) demonstrates that the resource curse is still very much in effect.

⁷ Thorp, R., Battistelli, S., Guichaoua, Y., Orihuela, J., Paredes, M. 2012. *The Developmental Challenges of Mining and Oil: Lessons from Africa and Latin America*. Palgrave Macmillan.

At the local level, serious and potentially very long-lasting development deficits are created through environmental, social and economic impacts commonly associated with large-scale mining. The following sections highlight just some of these impacts.

Environmental

Large scale mining's biggest environmental problem is the massive volume of waste it produces per mine through extraction and processing of ore, especially in open pit (as opposed to underground) mining. The sheer volume of this waste presents serious environmental risks as does its frequently long-term toxic nature. Acidic drainage and toxic metal leaching from mountains of mine waste (waste rock and mill tailings) are a particular threat to surface and ground water and, as a consequence, to human health and food security. Acidic draining and toxic metal leaching can persist and remain a threat for hundreds, even thousands, of years. In order to seal this waste off from the surrounding environment, large and expensive containment structures must be built. These take up significant land and must be carefully maintained to avoid catastrophic failure, as well as everyday leaks and seeps into the surrounding environment. This maintenance imposes costs not just while the mine is operating but for many mines "in perpetuity" after closure. As an expert in engineering, and mining consultant, pointed out, "[m]any, if not most, large mines will be closed with an on-going need for interaction to ensure environmental protection and safety" (Robertson 2011).

Tufts University's (2011)⁸ economic benefits and environmental risks assessment of Goldcorp's Marlin mine in north-western Guatemala found that when long-term environmental risks are weighed against economic gains, the benefits are "meagre and short-lived," especially for local Indigenous peoples. 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.

As developing country governments do not, and will not for the foreseeable future, have the resources to deal with perpetual care and maintenance of waste impoundments, the risks and costs associated with mine waste are now, and will be into the future, borne by local communities and environments in developing countries.

In November 2011, Green Cross Switzerland and the U.S.-based Blacksmith Institute issued its list of the top ten worst toxic pollution problems world-wide. **Mining and ore processing was the number one worst toxic pollution problem, putting an estimated 7.02 million people at risk of poor health or loss of life.** Looking just at lead, the report notes that "lead contamination from mining poses a serious health risk to 1.2 million people, particularly in Africa" (2011: 44).

Social and economic

Local level social impacts typically occur as a result of:

- Increased poverty as a result of a degraded environment on which, in many cases, community subsistence depends (World Bank (2003: 20); MMSD (2002: 202);

⁸ *Searching for Gold in the Highlands of Guatemala: Economic Benefits and Environmental Risks of the Marlin Mine.* By Lyuba Zarsky and Leonardo Stanley. September 2011.
http://www.ase.tufts.edu/gdae/policy_research/marlinminereport.html

- An overall increased cost of living due to higher wages earned by a small segment of the population;
- Increased internal economic inequality between those with jobs at the mine and those without, between those who receive royalty payments and other benefits and resource rents and those who do not;
- Increased gender inequality as a result of unequal access to jobs in the mine, loss of male support for household work, and degraded environments that cause women to expend more energy procuring safe water and food for the family;⁹
- Economic dependency as local economic activity is reorganized to meet the needs of the mine, leaving the community vulnerable to a typical “boom and bust” economy when the mine closes down (Akabzaa 2000; Kuyek and Coumans 2003);
- Militarization as a result of the need to protect the mine’s assets from local opposition, from scavenging by poor communities, or from existing local conflicts that may be exacerbated by “revolutionary taxes” from mines;
- Displacement, forcible eviction, or forced relocation leading to impoverishment and loss of cultural and social cohesion;
- Problems related to accelerated in-migration of outsiders, e.g., conflicts due to different socio-cultural values between newcomers and native residents, overuse of local resources, and imported diseases;
- Problems related to increased accessibility of previously remote or “traditional” communities – exposure to new health risks (e.g., influenza, TB, HIV/AIDS) and unhealthy dietary changes (e.g., through consumption of imported processed foods);
- Increases in alcohol and drug use, prostitution, gambling, and internal law and order problems as a result of an influx of mainly men who are not integrated into the local community nor subject to its social constraint mechanisms, or the unusually rapid accumulation of wealth by local men;
- Human rights abuses – e.g., as a result of militarization, increased sexual violence, and forced relocation;
- Loss of land, loss of sustainable livelihoods, and loss of livelihood from small-scale mining as a result of displacement of communities by mining;
- Loss of identity, cultural cohesion and loss of sacred places – e.g., as a result of displacement from traditional lands and territories and the destruction of sacred sites;
- Loss of development choices and options, loss of power over community decision making, loss of control over the future of the community and its assets, with further economic and social dislocation at mine closure; and
- Breaches of core labour standards by, for example, denying workers the right to unionize and to collective bargaining, breaches in health and safety standards.

“Governance gaps” (Ruggie 2008) are now widely recognized to exist in many countries where governments do not have the institutional nor financial capacity to adequately regulate, monitor, mitigate, or manage the social and environmental impacts associated with industries such as large-scale mining. In Peru, CIDA entered into a bilateral agreement with the Peruvian Ministry of Energy and Mines (MEM) in 1998 known as the Peru-Canada Mineral Resources Reform Project (PERCAN). Independent studies have found that: **“During the last decade of growth, in spite of the considerable effort put forward... policies and institutions have not been developed sufficiently in order to deal with environmental impacts and social conflicts arising from mining activity” (PERCAN and MEM, 2009, p. 2 in Campbell et al 2011, p. 100).**

⁹ See particularly the proceedings and final statement, declaration, and resolutions of the Third International Women and Mining conference held in Visakhapatnam, India, October 2004 (www.mmpindia.org/womenmining.htm).

Shackled Aid

Heightened coordination between aid, trade and diplomacy, is highly likely further to tie decisions about Official Development Assistance (ODA) to Canadian corporate interests. Canada's Official Development Assistance Act, not trade and economic diplomacy, should govern decisions about Canadian International Assistance. According to this law, decisions about the use of Canadian ODA should be governed by its potential to contribute to poverty reduction, the perspectives of the poor, and in coherence with international human rights standards.¹⁰

Trade – or rather trade and investment – policy should not determine ODA policy when we consider that the current trade model allows corporations to sue governments when they or their courts make decisions that impact corporate interests. For example, Australian-Canadian company OceanaGold is suing El Salvador for US\$250 million for not having granted it a permit to mine, despite having failed to meet regulatory requirements to obtain such a permit and broad-based opposition to metallic mining in affected communities and in the country, given concerns over potential negative impacts on already stressed water sources.¹¹

Diplomacy, particularly as adopted under the prior government, also should not determine ODA policy. With the launch of the 2013 Global Markets Action Plan, the government adopted an 'economic diplomacy' policy, according to which “all diplomatic assets of the Government of Canada will be marshalled on behalf of the private sector in order to achieve the stated objectives within key foreign markets.”¹² Canada's economic diplomacy has already had negative impacts on poverty reduction overseas. For example, in the case of Excellon Resources in Durango, Mexico. Two formal complaints were filed in Canada by workers and landowners for labour and land rights violations at Excellon's La Platosa mine site. Excellon chose not to dialogue in good faith with landowners. In spite of this, the Canadian Embassy in Mexico shared privileged information gathered from community members and their legal representation with the company, facilitated high level contacts, and lobbied on the company's behalf, even wishing the company well the night before police and soldiers went to break up a peaceful protest on private property outside of the mine.¹³

The past government entrenched coordination between Canadian aid, trade and diplomacy with regard to the extractive sector through: 1) subsidies to the Corporate Social Responsibility projects of mining companies at or near their mine sites overseas;¹⁴ 2) stepped up efforts to influence the policies and

¹⁰ Official Development Assistance Accountability Act, S.C. 2008, c. 17, June 25, 2013.

¹¹ Dr. Robin Broad, “Corporate Bias in the World Bank Group's International Center for Settlement of Investment Disputes: A Case Study of a Global Mining Corporation Suing El Salvador,” School of International Service, American University, Paper No. 2015-3, March 25, 2015.

¹² Department of Foreign Affairs, Trade and Development, “Global Markets Action Plan: The Blueprint for Creating Jobs and Opportunities for Canadians Through Trade,” 2013.

¹³ *Unearthing Canadian Complicity: Excellon Resources, the Canadian Embassy and the Violation of Land and Labour Rights in Durango, Mexico*. MiningWatch Canada and United Steelworkers, February 2015.

http://miningwatch.ca/sites/default/files/excellon_report_2015-02-23.pdf

¹⁴ On September 29, 2011, then Minister of International Cooperation Bev Oda announced CIDA funding of \$6.7 million for three ‘pilot projects’ in which Canadian NGOs were partnering with mining companies on their CSR projects. This same day, the Minister also announced \$20 million in funding to the Andean Regional Initiative which fosters NGO-mining company partnerships in Colombia, Peru and Bolivia, not necessarily with Canadian NGOs nor Canadian companies. It has also been funding other partnership projects, such as Quebec-based SOCODEVI's project entitled “Promoting Economic Competitiveness and Diversification in Extractive Regions” with \$17.4 million of funding and in partnership with companies such as Barrick Gold in Peru. See Canadian International Development Agency, Press Release, “Minister Oda announces initiatives to increase the benefits of natural resource management for people in Africa and South America,” September 29, 2011; Also, examples of Global

institutions governing mineral extraction in mineral-rich countries, including through the founding of an institute – the Canadian International Resources and Development Institute (CIRDI);¹⁵ and 3) through focusing on countries, especially those with which it could pact bilateral trade and investment agreements, that protect corporate interests at the expense of sovereign decision making and peoples' self-determination over policies and projects in the mining sector. We look further at the first two mechanisms below.

a. Private sector partnerships

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

Increasing local level conflict at mine sites around the world, and the growing severity of these conflicts, is most often related to struggles by poor people to protect the natural resources and the agricultural practices that sustain them from destruction by mining, often at great cost to themselves.

It is in part local opposition to mining, and the reputational damage of high-profile conflict, that mining companies seek to address through partnerships with development NGOs and through CSR projects. These CSR projects, however, will not and cannot address the long-term harm and development deficits caused by mining impacts such as the depletion and contamination of surface and ground water upon which local food security and livelihoods depend, or the loss of national level revenues through tax evasion schemes, or the creation of resource dependent economies as described in the “resource curse” literature.

In northern Peru where Barrick Gold and World Vision are partners, 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 partnership “has been fruitful” and “has empowered locals to feel they can hold companies accountable.”¹⁶ 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.” They continue: “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.” The Association concluded asking CIDA to stop funding company-NGO

Affairs Canada project profiles: <http://www.acdi-cida.gc.ca/cidaweb/cpo.nsf/vWebProjByPartnerEn/48300A9DCF0EA77585257B18003B2858> and <http://www.acdi-cida.gc.ca/cidaweb/cpo.nsf/vWebCSAZEn/69894B6BD2DC12B58525800B00363CA1>

¹⁵ The institute was originally named the Canadian International Institute for Extractive Industries and Development. See: University of British Columbia, Media Release, “UBC, SFU to further global sustainable mining practices through \$25M Institute,” November 23, 2012; MiningWatch Canada, “Brief: The Canadian International Institute for Extractive Industries and Development (CIIED),” March 2014, <http://miningwatch.ca/sites/default/files/ciieidoverviewmarch2014.pdf>

¹⁶ Montreal Gazette, Catherine Solyom, “Cozying up with mining industry,” August 10, 2013.

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.”¹⁷

b. Influencing natural resource governance around the world

In addition to project-level support for CSR at Canadian mine sites, the Canadian government has devoted ODA to influence the policies and institutions that oversee and regulate extractive sectors in other countries in ways that benefit Canadian mining companies while putting Indigenous peoples and mining-affected communities at heightened risk. The Canadian government’s recent role in the development of a new mining law shortly after a military-backed coup took place in Honduras in June 2009, provides a devastating illustration of this.

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 pressed 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 in place a moratorium on new mining projects. By 2009 a draft law incorporating Honduran’s demands was ready for debate. This process came to a halt through a military-backed coup in June 2009. Canada failed to denounce and sanction the coup and systematic human rights violations against those resisting the coup. The mining bill was never debated.¹⁸

Canadian authorities wasted no time after the 2009 elections – widely criticized as illegitimate – to lobby for a mining law to suit the industry and to lift the existing moratorium. In 2012, in culmination of a series of Canadian government efforts, the Canadian International Development Agency (CIDA) sponsored a technical project to finalize the new mining law,¹⁹ which passed in January 2013. The new law opens the gates to new mining projects in what is now the most violent country in the region and is a major setback compared to what Hondurans had been proposing before the coup. For example, despite high levels of corruption among police and increasing military cooperation with police, the mining law establishes a 2% security tax on mining activities that will provide a direct incentive to security forces to protect corporate interests.²⁰

Well before this, CIDA financed a technical-assistance project to reform Colombia’s mining law in the mid 1990s.²¹ These reforms were approved in 2001, in the context of a still-ongoing war in which rural, Indigenous and afro-Colombian peoples are disproportionately represented among the millions of victims of forced displacement and systematic violence – especially in mineral-rich areas.²² Developed with the support of lawyers who work closely with the mining industry, these reforms paved the way to dismantle

¹⁷ *Canada’s Development Aid Dollars at Odds with Communities*. 26 November 2012.

<http://miningwatch.ca/blog/2012/11/26/canada-s-development-aid-dollars-odds-communities>

¹⁸ Jennifer Moore, MiningWatch Canada, “Canada’s Subsidies to the Mining Industry Don’t Stop at Aid: Political Support Betrays Government Claims of Corporate Social Responsibility,” June 2012.

http://miningwatch.ca/sites/default/files/Canada_and_Honduras_mining_law-June%202012.pdf

¹⁹ *Ibid.*

²⁰ MiningWatch Canada, “Honduran organizations fight to have Canadian-backed mining law declared unconstitutional: Summary of two complaints against Honduras’ 2013 General Mining Law,” February 26, 2015.

<http://miningwatch.ca/blog/2015/2/26/honduran-organizations-fight-have-canadian-backed-mining-law-declared>

²¹ CENSAT-Agua Viva and MiningWatch Canada, “Land and Conflict: Resource Extraction, Human Rights, and Corporate Social Responsibility - Canadian Companies in Colombia”, September 2009.

²² Americas Policy Group, “Briefing Note: Mining”, April 2012;

http://www.ccic.ca/_files/en/working_groups/apg_2012-04-12_mining_note.pdf

the state mining company, criminalize the artisanal and small-scale mining sector, subordinate local land use plans to mining interests, and limit the role of environmental authorities.²³

Another result of this policy is heightened insecurity and conflict, for example:

- The town of Marmato, with a long history of small-scale and artisanal mining and a large afro-Colombian and Indigenous Embera-Chamí population, is fighting Gran Colombia Gold's plans to move the town in order to build an open pit mine.
- The Committee in Defence of Water and Páramo of Santurbán have held repeated marches, tens of thousands strong, in the city of Bucaramanga against the plans of Eco Oro Minerals and other exploration companies to build industrial gold mines in and near wetlands that provide water to millions of residents downstream. Rural communities dependent on small-scale mining and agriculture are already militarized. They would lose their current source of livelihood and be utterly transformed by proposed large-scale projects.
- Afro-Colombian communities in the department of Cauca and Indigenous people of Taraira in the Amazonian department of Vaupés have opposed Cosigo Resources's efforts to enter their communities without consent or to buy off leadership in order to open up their territories to mining.

National mobilizations across Colombia in 2013 demonstrated growing opposition to industrial mining, with calls for mining concessions and contracts to be repealed from indigenous territory,²⁴ and the effective participation of communities and traditional and small-scale miners to be guaranteed in mining policy development.²⁵

As a further effort to influence mining policies and related institutions around the world, in 2013, the Canadian International Resources and Development Institute (CIRDI) was established through a \$24.6 million donation from CIDA. It was formally launched on January 29, 2014 as a partnership between the University of British Columbia (UBC), Simon Fraser University (SFU), and the École Polytechnique de Montreal.²⁶ The Institute's purported mission is to work with national, regional, and local governments so that resource extraction will contribute to sustainable growth and poverty reduction. This institute is not independent of government and industry, and prioritizes projects on the basis of Canadian economic interests around the world. Consistent with the Canadian government's overall shackling of ODA to Canadian private interests, the Contribution Agreement reveals that CIRDI's programs will prioritize countries where Canadian investments are greatest. The top criterion that the Institute will use to determine its "Tier A" programs is "[s]ignificant presence of Canadian capital investment in the extractive sector in a CIDA country of focus or other significant bilateral relationship."²⁷

²³ Americas Policy Group, April 2012.

²⁴ Congreso de los Pueblos, "Llamamiento a la Minga Indígena, Social y Popular," October 12, 2013; <http://congresodelospueblos.org/index.php/pueblo-en-lucha/ultimas-noticias/49-ultimas-noticias/407-llamamiento-a-la-minga-indigena-social-y-popular-por-la-vida-el-territorio-la-autonomia-y-la-soberania>

²⁵ Mesa Nacional Agropecuaria y Popular de Interlocución y Acuerdo, "Paro Nacional Agrario y Popular: Pliego Nacional de Peticiones Agropecuarias y Populares," August 19, 2013; <http://colombiaesmia.blogspot.ca/2013/10/pliego-nacional-depeticiones.html#more>

²⁶ Derrick Penner, Vancouver Sun, "New institute promotes sustainable mining in developing countries," January 29, 2014.

<http://www.vancouver.sun.com/business/institute+promotes+sustainable+mining+developing+countries/9446664/story.html>

²⁷ Mining Watch Canada, March 2014.

Recommendations

- *Global Affairs Canada should reconsider its stated intention to “better align” Canadian diplomacy, trade and international assistance. In recent years, as Canadian Official Development Assistance was shackled to Canadian trade and economic diplomacy, it became subservient to corporate interests – frequently those of mining companies – at the cost of the wellbeing of Indigenous peoples and affected communities;*
- *GAC should phase out ODA contributions to subsidize the CSR projects of mining companies operating around the world, and desist sponsoring partnerships between NGOs and mining companies;*
- *GAC should end its efforts to try to influence the policies and institutions that govern extractive sectors, and Canadian mining interests, in other countries;*
- *GAC should not renew funding to the Canadian International Resources and Development Institute (CIRDI);*
- *GAC should focus on creating a comprehensive corporate accountability strategy to replace the current corporate social responsibility strategy and ensure that it: is consistent with Canada’s obligations to protect and promote Indigenous and human rights; focuses on harm prevention; and ensures that mining companies are held to account in Canada for harms occurring in connection with their operations abroad.*
- *Mining Watch Canada supports the creation of an independent Ombudsperson for the extractive sector and better access to Canadian courts for those who have been harmed by the international operations of Canadian companies.*