Edited by Stephen Brown, Molly den Heyer and David R. Black, this revised edition not only analyzes Canada’s past development assistance, it also highlights important new opportunities in the context of the recent change in government.

Designed to reach a variety of audiences, contributions by twenty scholars and experts in the field offer an incisive examination of Canada’s record and initiatives in Canadian foreign aid, including its relatively recent emphasis on maternal and child health and on the extractive sector, as well as the longer-term engagement with state fragility.

Rethinking Canadian Aid is essential reading for anyone interested in Canada’s changing role in the world.

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CHAPTER XV

Undermining Foreign Aid:
The Extractive Sector and the Recommercialization of Canadian Development Assistance

Stephen Brown

In 2011, the Canadian International Development Agency (CIDA) announced three new development projects in conjunction with Canadian NGOs and mining companies.1 The total amount of CIDA funding committed was not especially high, nor was it the first time that the CIDA had supported such projects. Nonetheless, the partnerships attracted considerable media attention, much of it critical. Claims and counterclaims about whether CIDA was subsidizing mining companies multiplied in the press, on the radio, and in the blogosphere, as the various parties involved struggled to establish a clear and consistent narrative on the concrete nature of the partnerships and their underlying rationales.

This chapter argues that the new initiative was emblematic of a new turn in Canadian development assistance — namely, the explicit recommercialization of aid. Canadian trade interests have always had some influence on Canadian aid (Morrison 1998). However, a clear trend in the 2000s, under Jean Chrétien, Paul Martin, and the Stephen Harper minority government, had been to move away from commercial self-interest. The progressive elimination of the requirement that aid funds be tied to procurement in Canada, first in the area of food aid and then for goods and services more generally, epitomized that trend. The new partnerships thus represent a shift in the “first principles” of foreign aid, openly reintroducing and celebrating benefits to Canadians — or, more accurately, shareholders of Canadian
companies — as a motive for the renewed commercialization of Canadian aid, with an emphasis on Canadian foreign investment rather than on the Canadian farming and manufacturing sectors that had been the main historical beneficiaries of tied aid.

The package that CIDA announced in 2011 represented a stark public declaration of the Harper government’s intention to reorient official development assistance (ODA) towards the interests of private Canadian companies, particularly those in the extractive sector. The government’s use of aid funds to support the mining sector was impelled primarily by a top-down desire to rehabilitate the image of the Canadian mining sector and increase its investment opportunities — and hence its profits — overseas. Although undoubtedly some benefits will accrue to poor people in developing countries, the emphasis on extractives is an ineffective and potentially illegal use of ODA funds that will benefit large mining companies more. This utilization of ODA resources for non-development purposes is facilitated by nebulous discourse in two areas: (1) the role of the private sector in development, which conflates small and medium-sized businesses in developing countries with large Canadian multinational extractive firms, and (2) corporate social responsibility (CSR).

Below, I first introduce the projects mentioned above. Second, I consider whether the CIDA funding constitutes a subsidy or not — a significant bone of contention. Third, I explore the competing rationales invoked to justify the projects, most of which are contradictory and implausible. Fourth, I assess the potential benefits to the various parties involved in the partnerships, as well as the risks. Finally, I conclude by contextualizing these initiatives within Canadian foreign aid and government policy, and in relation to the extractive industry and commercial self-interest.

The Three “Pilot Projects”

The CIDA announcement, made by Minister of International Cooperation Bev Oda on September 29, 2011, comprised three “pilot projects” with well-established Canadian NGOs and mining companies (total budget $9.5 million, of which $6.7 million were CIDA funds), presented as a package (CIDA 2011b). Of the three projects, the one that received the most attention was a $7.6 million youth training program in Burkina Faso, to which CIDA is contributing 75 percent and the mining company IAMGOLD only 13 percent, while
the implementing NGO, Plan Canada, is providing the remaining 12 percent. The second project, implemented by World University Service of Canada (WUSC) and co-financed by Rio Tinto Alcan, provided assistance to residents of the mining communities of Bibiani-Anhwiaso Bekwai district in Ghana, notably via education and improved access to water (CIDA 2011b; 2013). CIDA allocated $500,000 to the project, over half of the total cost of $928,000. By the time CIDA announced the project, Rio Tinto Alcan had sold its mine to a Chinese company and no longer operated in Ghana. CIDA also contributed $500,000 (50 percent) to the third project, implemented by World Vision Canada and co-funded by Canadian giant Barrick Gold. It provided socio-economic assistance to residents of the Quiruvilca district of Peru, where Barrick operates a mine. The latter two projects were completed in 2014, while the first one is scheduled to continue until 2017.

The total value of Canadian development assistance to these three pilot projects is $6.7 million, to be provided over five and a half years (CIDA 2011b). This represents a very small proportion of Canadian ODA, barely 0.1 percent of annual disbursements. It was also not the first time CIDA had partnered with NGOs and Canadian mining companies. For instance, CIDA provided almost $500,000 to a reforestation project near a Barrick Gold mine site in Peru, run by Quebec-based NGO SOCODEVI, to which the mining company contributed $150,000 (Blackwood and Stewart 2012, 229). However, since the government presented the partnership arrangements as “pilot projects” and suggested they would be replicated in the future (Mackrael 2012b), they merit closer analysis as indicators of future trends. In fact, the Canadian government subsequently allocated over $17 million in aid funds between 2013 and 2020 to a Barrick/SOCODEVI development project in Peruvian mining communities (GAC 2015).

**Subsidies or Not?**

Following the announcement, critics decried the use of public funds to subsidize private mining companies (Leblanc 2012). Part of the confusion around the issue of subsidies related directly to the largest project, in Burkina Faso. Especially controversial was CIDA’s claim that youth “will receive job skills training linked to labour market needs in the mining sector and its sub-sectors” (CIDA 2011b). Further
suggesting that IAMGOLD would benefit from the training, the *Globe and Mail* cited a Burkinabé government official statement that “A number of graduates are expected to go directly into jobs at the mining company.” It also reported that the project would “provide at least 500 internships” with the mining company (York 2012), a claim that Plan officials subsequently and vehemently denied.3

The government responded to accusations of subsidization by emphasizing that no funds were being transferred to the mining companies themselves (e.g., Fantino 2012a), which was technically accurate but sidestepped two key critiques. First, CIDA was still subsidizing the companies’ CSR programs, even if not the companies directly (MiningWatch Canada 2012). In a sense, this resembles the way aid agencies fund NGO projects, which are only called subsidies by critics. However, a key difference is the profit-making nature of the private corporations carrying out the CSR projects studied here.

Second, CIDA funds were being directed specifically to communities affected by Canadian mining companies, providing them with benefits that they would not otherwise have received. This will have a positive impact on the companies’ reputation and also make it easier to obtain and maintain a “social licence to operate,” that is to say, the consent of mining communities (Bodruzic 2015). In short, the message to skeptical local communities is that if they accept Canadian mining projects, the Canadian government will provide them with extra assistance. Arnold (2012) refers to this as a “pacification program.”

Pierre Gratton, the president of the Mining Association of Canada, initially argued in an interview with the *Globe and Mail* that such endeavours “make it easier for mining firms to sell their sometimes controversial projects to local populations” (Leblanc 2012). Gratton, a key lobbyist for the industry, later stated that “the mining industry does not need nor want subsidies from CIDA” (Gratton 2012b, 8), echoing CIDA minister Bev Oda’s claim that “In no way are public funds being used to increase the profitability (of these companies)” (quoted in Payne 2012). These denials were contradicted by Oda’s successor, Julian Fantino, who declared that “CIDA’s work with mining companies would help them compete on the international stage” (Mackrael 2012a). If this is indeed the case, it is hard to deny that Canadian foreign aid is providing a public subsidy to private businesses.
Confused Rationales

CIDA announced the three-project package as part of “Canada’s Corporate Social Responsibility (CSR) Strategy for the Canadian International Extractive Sector” (CIDA 2011b). The Canadian government conceptualizes its broader support for CSR as a means to “improve the competitive advantage of Canadian international extractive sector companies by enhancing their ability to manage social and environmental risks” — implying a subsidy to increased profitability by enhancing international competitiveness. The strategy’s title, “Building the Canadian Advantage,” also suggests that Canadian companies are the desired beneficiaries (FATDC 2013a; see also Goyette, this volume). The CSR rationale created an oxymoron: public funds being used for private CSR. This was especially contradictory for the Burkina Faso project, where three-quarters of the project’s financing comes from Canada’s aid budget and the private corporation is providing only 13 percent. For that reason, NGO and mining company officials have expressed discomfort with the government’s decision to apply the CSR label to the partnerships.4

The Mining Association’s Pierre Gratton (2012a) argued that the public-private partnerships helped companies access NGO expertise, ignoring the fact that mining companies could enter into agreements with NGOs or hire experts without CIDA funding, which in fact several already had. He further stated that CIDA funding would help ensure that the mining companies would be held accountable for their development projects (Gratton 2012b), inadvertently suggesting that they otherwise were not — and that this was a problem. He also effectively sidestepped the issue of their lack of accountability for their actual mining activities. A senior representative from one of the three NGOs involved, however, argued that there was little benefit to the mining companies or the extractive industry more broadly, and that they were acting purely philanthropically.5 This contradicts public statements on the CIDA website and others by two CIDA ministers, as well as the presidents of World Vision Canada, IAMGOLD, and the Mining Association of Canada.

CIDA and other Canadian government officials have also justified the partnerships on the grounds that they provide better development assistance. Bev Oda, for instance, stated, “It’s another way of improving the effectiveness of CIDA’s work” (quoted in Payne 2012). There are two separate and somewhat contradictory strands
to the effectiveness argument. One is that the private sector does things better than the public sector (such as job creation or achieving concrete results). The other is that the main advantage of such partnerships is resource mobilization for CIDA’s work. Neither of these arguments is convincing.

Those invoking the first strand (see, for instance, Conservative MP Bob Dechert’s comments in SCFAID [2012b]) ignore the fact that the mining companies are not implementing the projects, but rather the NGOs are. As mining industry lobbyist Gratton admitted, “We’re miners, we’re not in the business of social and community development that the NGOs are experts at” (quoted in Mackrael 2012c). The mining companies’ inputs are mainly financial and the projects themselves do not differ substantively from traditional aid projects.

Second, if the main concern is leveraging funds (Mackrael 2012c), why seek funds from specifically Canadian companies and why only companies in the extractive sector and not, say, RBC or Tim Horton’s? When I asked a CIDA official those questions, he replied that it was because CIDA already had contacts with the Canadian mining sector, failing to mention that CIDA had actively sought out those contacts. Moreover, the actual contributions of the mining companies to the three projects range from $300,000 to $1 million—meagre sums by CIDA standards (not to mention mining company budgets). If CIDA was doing it for the money, it failed to mobilize much.

Other reasons invoked by the projects’ supporters include the fact that other donor countries, such as the US and the UK, are already funding similar partnerships, that it is “the way of the future,” or that public-private partnerships are inherently more efficient (CBC 2012; Dade 2012, 7; Fantino 2012b). Deploying huge, vague, and highly debatable generalizations, they fail to address the specific merits of the projects themselves, or show how corporate involvement actually makes a difference.

The origins of the partnerships could shed some light on the underlying motives. IAMGOLD president Steve Letwin stated in a radio interview that CIDA “came to see us” (CBC 2012), a claim contradicted by the other parties. According to a senior CIDA official, Plan and IAMGOLD developed the project on their own and then applied for CIDA funding that would “probably” have been approved even without mining company participation. Such claims are disingenuous because CIDA actively encouraged the mining–NGO partnerships and had in fact let it be known that special funds had
been set aside to fund them, at a time when it was cutting the foreign aid budget, including support to Canadian NGOs. CIDA’s messaging on these partnerships has been inconsistent. Is it subsidizing or promoting the mining industry or not? Does it constitute CSR or not? Will Canada mining companies benefit or not? Clearly, there was insufficient coordination among the various parties in explaining the initiative’s nature and rationale to the Canadian public. Many actors involved may also have lacked an understanding of the issues, or even competence in public relations. It could also be that different actors were trying to sell different messages to distinct audiences, hoping observers would not notice discrepancies and contradictions.

The Benefits and Risks of Involvement

The lack of coherent narrative does not mean that the various parties do not have their own reasons for participating in such partnerships. For NGOs, participation allows them to access additional funds and scale up their operations (McCarney on CBC 2012), even if they assert that it is “not about money,” but rather that—as stated by the heads of the three NGOs—“our goal is to see that maximum benefits accrue to the communities where we work, while also working diligently to mitigate and prevent harm” (Eatong, McCarney, and Toycen 2012). Claims by the executive director of WUSC (quoted in Schulman and Nieto 2011) and others that working with mining companies will help the latter improve their corporate practices can be considered magical thinking, as the projects contain no provisions for NGO input on actual mining practices or activities. For instance, an external evaluation of the World Vision project in Peru noted that “this project did not formally attempt to affect its [Barrick Gold’s] core operations and way of doing business in ways that would benefit the community” (van Geest 2014, 3).

Moreover, by focusing on mining companies’ “philanthropic” side activities, the partnerships actually deflect attention away from accountability for Canadian corporate malpractice in the extractive sector (Denault, Abadie, and Sacher 2008) and the significant problems associated with mining-led development (Coumans 2012). Public relations “greenwashing,” if anything, can make it easier for environmental and human rights abuses to continue (Hamann and Kapelus 2004). In that sense, to use John Cameron’s terminology,
the projects may “do good,” but they fail to support the more fundamental imperative to “do no harm” and may even facilitate harm (see Cameron, this volume).

Rosemary McCarney, then president of Plan Canada, stated that accepting money from IAMGOLD would not prevent her organization from criticizing it: “No partnership … would keep us from speaking out when we see abuses or bad practices,” adding, “Shame on us if that would silence us in any way” (CBC 2012). Other NGO actors, such as Samantha Nutt, were more skeptical of any NGO’s willingness to “[bite] the hand that feeds” (quoted in Westhead 2013; see also Nutt 2012). In fact, Plan Canada’s official project documentation suggests that Plan would refrain from commenting publicly on any allegations regarding IAMGOLD’s mining practices and foresees helping the company manage public relations problems in case of public outcry.10

For mining companies, CIDA funding allows them to scale up their CSR programs. The partnerships allow them to claim credit and get positive publicity for development projects to which they contribute as little as 13 percent of total costs. These partnerships also help them refashion their image. CIDA-funded projects help extractive companies, generally seen as highly problematic actors,11 reinvent themselves as philanthropic development agents and dodge demands for accountability for their actual operations — though mining companies have done very little to advertise in Canada their involvement in these partnerships. They, along with some NGO officials, were in fact unpleasantly surprised when CIDA publicized their projects as part of a broader strategy, which brought unwanted Canadian public attention to them.12 Still, as mentioned above, the partnerships can help convince local communities to welcome mining operations, and specifically Canadian ones, with the promise that the Canadian government and Canadian NGOs will provide some sweeteners. Moreover, by mobilizing additional Canadian government resources, the companies help protect themselves from tax and royalty increases or even expropriation in the host countries (Dawson 2013; see also Schulman and Nieto 2011).

For CIDA, DFATD, and the Canadian government more broadly, the reasons for initiating and supporting the partnerships appeared to be mainly commercial and ideological; they advocated a non-critical, pro-business stance across various areas of activity — not just in foreign aid — often in favour of the widely criticized extractive
sector. In early 2011, the Harper government started to develop a new strategy to increase the involvement of the Canadian private sector in Canadian aid programs, which included having a parliamentary committee study of the issue (Foster 2013). The report of the committee, which was dominated by Conservative MPs, recommended setting aside funds for public-private partnerships, among other measures (SCFAID 2012a). It portrayed the private sector as the motor of economic growth worldwide (see also Fantino 2012a), but repeatedly confused growth with development and conflated local small and medium-sized enterprises with Canadian multinationals. Moreover, the committee ignored the meagre results from CIDA’s history of supporting the Canadian private sector (see CIDA 2007). I do not mean to imply that the private sector should play no role in development assistance; rather, the government overstated its case and poorly justified its rationale for using aid funds to work with Canadian multinational corporations.

Under the Harper government, successive development ministers defended both the record of Canadian companies and the idea that they should benefit from Canadian aid. For instance, Oda said in April 2012, “There’s nothing wrong with the private sector, and particularly our Canadian private sector. They’re responsible. They’re good” (quoted in Shane 2012, 5). In November 2012, Fantino echoed that perspective, stating, “Canadian companies have shown themselves to be socially responsible,” adding, “most importantly: this has contributed to [their] bottom line” and that, “building on [Canada’s free-trade agreement with Peru], CIDA has focused its work in areas of benefit to Canadian interests” (Fantino 2012a). The following month, Fantino further developed his argument concerning the centrality of self-interest in Canadian foreign aid when he stated, “we have a duty and a responsibility to ensure that Canadian interests are promoted” and that “Canadians are entitled to derive a benefit” (quoted in Mackrael 2012b). In 2013, Fantino told the board of directors of the Mining Association of Canada, “we want to help you succeed” (quoted in Mackrael 2013). This framing of aid is reflective of Cranford Pratt’s “dominant class perspective” (see discussion in Black, this volume).

The partnerships also pose risks for all parties involved, but unequally. The NGOs’ reputations have already been somewhat compromised by their partnerships with mining companies whose operations are seen by many as unethical. Both WUSC and Plan Canada
have lost private donors as a result. McCarney initially defended Plan Canada’s partnership with IAMGOLD, stating that they knew the risks and did “an extraordinary amount of due diligence … on the ethical standards of that company” (CBC 2012; see also York 2012). However, her subsequent comments suggest Plan Canada might have regretted its involvement: “Would we try it again? Probably not … It’s upsetting to donors. People are mad. The reality is that working with any mining company is going to be a problem. There are going to be (employee) strikes and spills. Is it worth the headache? Probably not” (quoted in Westhead 2013).

Risks can extend to NGOs who do not work with mining companies. Some NGO officials feel that the sector as a whole has been discredited as development actors in their own right and will be increasingly viewed by beneficiaries as handmaidens of the mining companies or, in the words of Samantha Nutt (2012), “bagmen, advancing Canadian mining interests with taxpayer funding by appeasing local communities with gifts of health care and education,” instead of advocates for the poor. Moreover, these partnerships have proven highly divisive in the NGO community, in effect driving a wedge between those that prioritize access to funding and those that are more interested in playing an advocacy role.

Like the NGOs, CIDA/DFATD/GAC will also suffer a reputational risk if a scandal erupts concerning any of the three mining companies. A Swiss business intelligence firm considers two of them — Rio Tinto and Barrick — to be among the world’s ten most controversial mining companies because of their “negative impacts on communities and the environment” (RepRisk 2012, 1). An American NGO placed Barrick Gold on its “Top 10 Corporate Criminals List” — covering all industries, not just mining — for “contaminating waterways in Latin America and failing to uphold safety promises to nearby residents” (Global Exchange 2013; see also Arnold 2012). For the mining companies, however, there are few risks, unless the NGO-run projects prove disastrous, which is highly unlikely, or if the partnerships bring extra attention to their transgressions linked to their extractive activities, as they have begun to do (which might help to explain why the mining companies have done little to publicize the partnerships in Canada). Meanwhile, the companies stand to gain financially from associating with development actors.
Conclusion: The Bigger Picture

Although ODA grants to date for CIDA–NGO–mining company partnerships are relatively small, they could well be a harbinger of things to come, as the Canadian government has reiterated on several occasions its intent to expand the three “pilot projects,” even though using aid funds to support for the Canadian extractive sector lacks a justifiable rationale. The three projects will surely, as their proponents assert, provide assistance to thousands of people, even if the results of the three pilot projects have been disappointing overall, according to a Toronto Star investigation (Oved 2014abc). However, there are more fundamental issues at play. The World Vision/Barrick Gold project in Peru, the WUSC/Rio Tinto project in Ghana (though not the Plan/IAMGOLD one in Burkina Faso), as well as the $20 million Andean Regional Initiative for Promoting Effective Corporate Social Responsibility, all focus on mining-affected communities. Though poor people in such communities are worthy of assistance, the same can be said about all poor people — certainly not just those living in communities affected by Canadian mining companies specifically.14 Moreover, such activities use ODA funds to provide public subsidies to private corporations, even if only indirectly, which is highly problematic and poses reputational risks to both the Canadian government and NGOs (see Grinspun and Mills 2015). The partnerships do nothing to actually improve the operational practices of extractive companies; they merely encourage adding on charitable side projects.15 As the external evaluation of the World Vision project argued, “Any future NGO–mining company partnerships should aim to be more transformational in nature, and move beyond traditional philanthropic funding relationships” (van Geest 2014, 4).

The central question is: Why has the Canadian government set aside resources and allocated them to these projects, particularly at a time when it was reducing its overall aid budget and cutting back on funding to NGO projects that did not include mining company involvement? Explanations based on the mobilization of additional resources or expertise are not convincing, since the amounts the mining companies are contributing are relatively small and those companies do not actually have development expertise. Nor do the projects include components that monitor or help improve the practices of the companies. Indeed, the greatest beneficiaries of the projects are the mining companies themselves: public funds enhance their ability to
operate in mining-affected communities and their competitiveness on the global scene, while reducing their risks. In short, through at least two of the three “pilot projects,” foreign aid is, in fact, aiding the profitability of Canadian companies, which contradicts the provisions of Canada’s Official Development Assistance Accountability Act (which mandates a central focus on poverty reduction) and may therefore be illegal (Blackwood and Stewart 2012).

The use of foreign aid to bolster the Canadian mining industry constitutes a significant shift in the renewed commercialization of Canadian development assistance and the latter’s “first principles.” Although self-interested goals and altruistic objectives can be compatible in some “win-win” situations, the growing emphasis on aid’s benefits to Canada led other Western donors to remind the government that “there should be no confusion between development objectives and the promotion of commercial interests” (OECD 2012, 11). Canada’s concerted efforts to promote its own mining sector as a tool of development abroad also contradict the principles of the Paris Declaration on Aid Effectiveness, endorsed by Canada, which emphasizes the importance of donors aligning their policies with recipient countries’ priorities, rather than selecting their own.

Under the guise of support to CSR and the private sector as the driver of growth, the Canadian government’s aid discourse increasingly shifted from a focus on support to the poorest people in the poorest countries to explicit claims of “mutual benefit” (Fantino 2012a; Mackrael 2012b). These claims echoed the Chinese government’s justification of its use of aid to promote Chinese commercial and investment interests, as well as some of the discourse of African elites who seek to move away from a charity-based approach.

For decades, commercial self-interest characterized much Western foreign aid, but this decreased as Canada and most other donors progressively eliminated aid tied to procurement in the donor country. However, commercial interests have now resurfaced under a new form, in Canada and among other OECD/DAC donors. At least in the Canadian case, aid is promoting Canadian companies’ foreign investment and overseas operations far more than the export of Canadian products. On current trends, benefits will therefore accrue to shareholders and not support job-creating manufacturing industries and agricultural production in Canada. The benefits of the recommercialization of aid are thus likely to be more concentrated
among wealthy Canadians, along with foreign shareholders, than was previously the case.

Support to the mining sector via Canada’s aid budget is not limited to the activities discussed here. The aid program funds at least one NGO set up by the extractive industry, the Lundin Foundation, to which it granted $4.5 million in 2011, with an additional $2.8 million in 2012 for its work in conjunction with Engineers without Borders (CIDA 2011a; 2013).\(^\text{16}\) CIDA/DFATD/GAC is also contributing $25 million to create the Canadian International Institute for Extractive Industries and Development, housed at the University of British Columbia (discussed in Goyette, this volume). In 2014, Minister of International Development Christian Paradis announced a new aid fund “to support large-scale development projects in the extractive sector in Africa” with an annual budget of $25 million (FATDC 2014). However, very little information is available on this fund, entitled the Extractives Cooperation for Enhanced Economic Development (EXCEED), and no call for proposals has been issued. For a fuller picture of aid-supported extractivism, future research should consider these and other government-supported projects involving the mining sector.

Another promising path for future research is the concept of conflict of interest, invoked by Helleiner (2013, 296) and Payne (2013a), which applies when a country such as Canada that has powerful mining interests not only advocates foreign investment in mining as a path to development, but uses ODA funds — legally committed to fighting poverty in developing countries — in ways that benefit its own industry. For instance, CIDA funds helped rewrite the Colombian mining code in ways that favour Canadian companies, including by reducing the royalty rates that foreign companies have to pay (Blackwood and Stewart 2012). In Peru, Canada announced it would help “streamline” the environmental impact assessments that proposed mining projects must undergo (Berthiaume 2013). CIDA’s absorption into DFATD/GAC is likely to increase pressure for the use of ODA funds for commercial purposes — a prospect that warrants close monitoring. In this regard, it is noteworthy that the chief executive officer of Rio Tinto Alcan was one of five members of an external advisory group on the merger-related restructuring (Payne 2013b). DFATD’s first post-merger policy blueprint mentions the government’s intention to “leverage development programming to advance Canada’s trade interests” (FATDC 2013b, 14).
This chapter has limited its discussion to ODA funds, but the Canadian government is in fact deploying a “whole-of-government approach” in favour of the extractive sector that extends far beyond the use of foreign aid, including the erstwhile Department of Foreign Affairs and International Trade (DFAIT), as well as Export Development Canada (Blackwood and Stewart 2012). DFAIT, for instance, contributed $564,000 directly to Quebec-based Société d’exploitation minière–Afrique de l’Ouest (SEMAFO), whose president, Benoît La Salle, used to chair Plan Canada’s Board of Directors (FATDC 2012). In future research, more attention should be paid not only to such grants from different government actors, but also to the formal and informal connections between government, NGOs, and mining interests, which could shed more light on the recommercialization of Canadian aid, the broader corporatization of development assistance, and the Canadian government’s ties to the mining sector.

The election of a Liberal government in October 2015 provides a window of opportunity to reverse or at least arrest these trends. The mandate letter of the new Minister of International Development, Marie-Claude Bibeau, identifies as a priority the refocusing of “Canada’s development assistance on helping the poorest and most vulnerable, and supporting fragile states” and “creating a new policy and funding framework to guide Canada’s aid decisions, empower people, and support broad-based, sustainable growth in the developing world” (Trudeau 2015). However, what this will mean in practice remains to be seen. It may be emblematic that the Trudeau government has confirmed its continued support for the controversial mining institute at the University of British Columbia, using funds from the aid budget (Mazereeuw 2016, 4). More broadly, the Liberals’ lack of commitment to increasing aid spending, their history of close ties with the private sector, and renewed economic problems at home following their election combine to suggest that the Trudeau government is unlikely to significantly decommercialize Canadian aid in the near future, even if it makes improvements to other components of Canada’s aid and foreign policy.

Notes

1. Although CIDA was absorbed into the expanded Department of Foreign Affairs, Trade and Development (DFTAD) in 2013, renamed Global
Affairs Canada (GAC) in 2015, I still refer to it in this chapter mainly by the name it had at the time.

2. The announcement also included the mining-related Andean Regional Initiative for Promoting Effective Corporate Social Responsibility, with a CIDA contribution of $20 million, to cover Colombia, Peru, and Bolivia, but provided little detail. In the GAC website’s international development project browser, one can find an entry under the initiative for each of the countries. They all list WUSC as the executing agency and mention partnerships with other Canadian NGOs, namely CARE, CECI, and SOCODEVI. The Peruvian component, to which the Canadian government is contributing $7 million, includes partnerships with Rio Tinto and Barrick Gold. One of the sub-projects explicitly targets people “living in Barrick’s zone of influence” (GAC 2015).

3. Unattributable author conversation with Plan Canada officials.

4. Schulman and Nieto (2011); unattributable interviews with NGO and mining company officials.

5. Unattributable interview with an NGO official.

6. This exchange took place at a public event under the Chatham House rule. I cannot therefore provide additional information on his identity.

7. The CIDA official was speaking at a public event under the Chatham House rule and therefore cannot be identified here by name.

8. Unattributable interview with NGO officials. See also Bodruzic (2015).

9. On the limits of CSR, the failure of court cases to date against mining companies, and the need for Canadian government regulation, see Campbell (2008) and North and Young (2013).

10. The project’s implementation plan recognizes that allegations of mal-practice against IAMGOLD and other mining companies operating in Burkina Faso are “probable” and that this poses a reputational risk to Plan and the project. The document anticipates that Plan and IAMGOLD will develop a crisis management strategy that could best be described as public relations damage control, in case the media generate negative publicity (in other words, the joint strategy would try to counter media criticisms and not address any actual malpractice). The document also strongly suggests that Plan Canada and its local counterpart Plan Burkina would not share information critical of IAMGOLD with the public or in any way act contrary to the company’s interests. In particular, it specifies that Plan should not address any allegations concerning IAMGOLD’s mining operations and would limit its public comments to matters directly related to the project itself (Plan Canada 2011, 26, 32–33). McCarney assumed Canada’s ambassadorship to the United Nations in Geneva in September 2015, in the final days of the Harper government.

11. A study commissioned by the Prospectors and Developers Association of Canada in 2009 but never officially released found that “Canadian
mining companies are far and away the worst offenders in environmental, human rights, and other abuses around the world,” as well as “more likely to be engaged in community conflict, environmental and unethical behaviour” than companies based in other countries (Whittington 2010).

12. Unattributable interviews with NGO and mining company officials. Had the government not specifically used ODA funds to support these three projects or had CIDA not prominently announced them as a package, the partnerships might have escaped public attention in Canada.

13. Oda’s assertions flew in the face of well-documented record of abuses by numerous Canadian mining companies, as recognized by the industry’s internal report cited by Whittington (2010). They were also swiftly contradicted by multiple corruption scandals at construction and engineering giant SNC-Lavalin. The company had held numerous CIDA contracts, including for the Dahla Dam in Afghanistan, and was subsequently banned from bidding on CIDA and World Bank projects for a ten-year period.

14. That Rio Tinto Alcan ceased operating in Ghana after the project with WUSC was initiated does not obviate the fact that it would have similarly benefited had it stayed.

15. Mining is often destructive, but nonetheless a necessary economic activity. Some degree of public-private interaction is therefore essential to try to mitigate the damage to communities and the environment. For a discussion of positive measures the Canadian government and its industry partners could undertake in the extractive sector, see McLeod Group (2012).

16. The Lundin Foundation, initially named Lundin for Africa, was established by the Lundin Group of Companies, which includes Lundin Petroleum, accused of complicity with war crimes and crimes against humanity in Sudan (Dahlstrom 2016; Sunderland 2010).

17. It was a SEMAFO mine in Niger that Robert Fowler and Louis Guay had just visited when they were kidnapped in 2008 (Engler 2009). Barrick Gold hired Fowler, a career diplomat, to serve on its CSR advisory board in 2012.

18. For instance, Barrick Gold employed John Baird — whom it used to lobby — as an advisor in March 2015, barely a month after he resigned as Minister of Foreign Affairs and only weeks after he gave up his seat in the House of Commons. Baird became a strong advocate of the extractive sector and spoke against the use of government funds to support any group that opposes mining interests. In a public speech, he stated, “When it comes to mining … the department of foreign affairs — and in my judgment, its minister — should be a global advocate for the industry. Not just in terms of trade and commerce, but in terms of diplomacy
and advocacy on the political and regulatory front” (quoted in Saywell 2015). Also in 2015, the Canadian government appointed Barrick Gold Vice President Alanna Heath (who is also a Director of the Mining Association of Canada) to the Board of Governors of the Ottawa-based International Development Research Centre.

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