CASE STUDY

Canada as mining superpower

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The case of Burkina Faso

CANADIAN MINERS WERE among the first foreign miners in Burkina Faso and they now dominate the impoverished West African country's main export industry, holding nearly $2 billion in assets in 2015.

In 2010, IAMGOLD opened a major open pit gold mine in northern Burkina Faso, which gobbles up the arid region's water. To make way for the Toronto company's Essakane project, the government forced 13 villages to relocate.[2] The government and IAMGOLD promised to provide new land, houses and jobs to the over 10,000 people displaced, a pledge that was only partially fulfilled.[3]

Before IAMGOLD began its operations, most people in the area were small-scale miners who descended underground to hammer gold from rock. Miners had been living off of Essakane for over a quarter-century, but when IAMGOLD is finished extracting, sometime around 2025, the area is likely to become a ghost town.

Ottawa provided support for IAMGOLD's operations in 2011. As part of its Corporate Social Responsibility Strategy for the Canadian International Extractive

Sector, Ottawa financed "a job skills training project in 13 communities to meet labour market demands in a variety of sectors, including the mining sector and its sub-sectors."[4] The initiative was run by the Toronto company and Plan Canada. Ottawa put $5.6 million into the project while IAMGOLD invested $1 million and Plan Canada spent $900,000.[5]

The project was the signature initiative in a controversial effort to strengthen the bonds between mining companies and non-governmental organizations. According to the head of training programs at Burkina Faso's education ministry, Adama Traore, the goal of the CIDA-funded project was to "respond to the needs of the mining company," and that "a number of graduates are expected to go directly into jobs at the mining company."[6]

The Plan Canada–IAMGOLD training took place in a charged political context. To scare its workers, IAMGOLD closed the Essakane mine in May 2011.[7] The company's CEO, Steve Letwin, warned the miners: "I have zero tolerance for strikes that are illegal. And, as they [the workers] will find out, will not tolerate anything that has a negative impact on our stakeholders."[8] In March 2012, *Bloomberg* reported that 100 people protesting the terms of their contract and a lack of local employment at the Essakane mine were scattered by the police.[9]

These protests partially explain why the company saw the CIDA-funded job training as helpful. The day *Bloomberg* reported protests at the mine, the *Globe and Mail* quoted Letwin describing youth unemployment in the community as a major obstacle for the company, arguing that "over the course of time, they're [youth] going to want more of a take," which could mean "increased taxes and royalties" for IAMGOLD.[10]

The second largest miner in Burkina Faso, SEMAFO is an outgrowth of Benoit La Salle's work for Plan Canada, a subsidiary of Plan International, "one of the world's largest development organizations." SEMAFO "was created in 1995 during my first visit to Burkina Faso as part of a mission with the NGO-Plan," said LaSalle. "I am the president of the administration council of Plan Canada and a director of Plan International. So, after the Plan-organized visit to Burkina Faso provided me an opportunity to get close with national authorities, I decided to create SEMAFO to participate in the development of Burkina Faso's mining industry."

As Plan Canada's designated Francophone spokesperson, La Salle got to know former Burkina Faso president Blaise Compaoré in the mid-1990s. "The president turned to me and said that I should come back to his country with Canadian expertise to help his country develop its mining sector," La Salle told another reporter.[11] La Salle procured mining expertise while Compaoré granted the Canadian a massive stretch of land to prospect. "The land package we have is way beyond what you'd see anywhere else in the world," La Salle boasted.[12]

While the president of the country backed Canadian miners, they backed the Compaoré government. During a visit to the African nation in March 2014, IAMGOLD's Letvin, who had previously been made Officer of the National Order of Burkina Faso, thanked the prime minister for expanding the company's concession.[13] At a September 2014 Gold Forum in Australia, SEMAFO lauded the government as "democratic and stable."[14]

A strong backer of the mining industry, Compaoré was ousted by popular protest in October 2014 after he attempted to amend the constitution to extend term limits. In 1987, Compaoré seized power by killing Thomas Ankara, "Africa's Che Guevara," who oversaw important social and political gains during four years in office. Two years after Ankara's death, Compaoré, who was part of a triumvirate, claimed his co-rulers were plotting to overthrow the government and had them executed. He then won a largely uncontested presidential election in 1991.

After ending Compaoré's 27-year rule, community groups and mine workers launched a wave of protests against foreign-owned mining companies. Vancouver's True Gold Mining shuttered its Karma gold project for five months when local residents damaged its equipment. Protesters also forced Ottawa's Orezone Gold to close and targeted IAMGOLD's Essakane mine. SEMAFO's director of corporate affairs, Laurent Michel Dabire, told a *Bloomberg* reporter, "the insurrection has really been a catalyst for serious social movements in the mining sector.... They think 'if we can chase somebody who's been in power for 27 years, we can chase the managing director.'" Dabire added that Quebec's leading miner was looking to fund a new police unit that would focus on protecting mining interests in the country.

In the aftermath of Compaoré's ouster, Canadian companies relied on military and foreign influence to protect their mining licenses. A December 2014 *Business Monitor Online* analysis, titled "Mining Audit Poses Little Risk to Established Players," concluded: "foreign pressure will also be brought to bear. Burkina Faso is heavily dependent on foreign aid, much of it from Canada, the home jurisdiction of most of the miners that would be hurt by significant review. The political influence of the military — which will likely continue under any future government — will prevent the introduction of aggressively populist legislation."[15]

Four days after Compaoré was ousted, Canada suspended development monies to the government until a "legitimate and accountable civil authority has been re-established." Three weeks later, Ottawa restarted aid to Burkina Faso, which had been added to Canada's list of priority aid recipients earlier that year. "We are satisfied that a legitimate and accountable civil authority is leading Burkina Faso toward what we hope will be peaceful and democratic elections in 2015," said Christian Paradis, then minister of international development.[16]

Yet the interim Burkina Faso regime was little more than "a masked military junta," according to Christopher Abbott, a junior research fellow at the NATO Council of Canada. Ottawa was little concerned with the constitution or democracy, but rather focused on the authorities' mining policy. When the military killed at least 10 people protesting Compaoré just before he was overthrown, then foreign minister John Baird called on "all sides to exercise restraint and avoid resorting to further violence," even though the violence was largely meted out by the Compaoré regime.[17]

Only four months before the popular revolt, Trade Minister Ed Fast visited Burkina Faso to open an office of the Canadian Institute of Mining, Metallurgy and Petroleum.[18] During his visit, Fast also concluded negotiations on a Foreign Investment Promotion and Protection Agreement (FIPA). The agreement would protect Canadian miners from popular discontent. Harper's Conservative government negotiated the FIPA with the Compaoré government then signed it with the unelected transition administration that took over after the president was ousted.

The West African nation was represented at the April 2015 FIPA signing ceremony in Ottawa by Prime Minister Yacouba Isaac Zida, who was deputy commander of the presidential guard when Compaoré was ousted by popular protest. A U.S.- and Canadian-trained Lieutenant Colonel, Zida was one of five military men in the cabinet overseeing Burkina Faso's transition toward elections after Compaoré's 27-year rule.[19]

While the caretaker government was supposed to move aside after an election planned for the fall of 2015, the investment treaty will live on for at least 16 years. According to the FIPA, "the termination of this Agreement will be effective one year after notice of termination has been received by the other Party." The subsequent line, however, reads that "in respect of investments or commitments to invest made prior to the date when the termination of this Agreement becomes effective, Articles 1 to 42 inclusive, as well as paragraphs 1, 2 and 3 of this Article, shall remain in force for a period of 15 years."

In other words, any elected government, even if they cancel the FIPA, will be effectively bound by the accord, which gives Canadian corporations the right to sue Burkina Faso internationally — for example, if changes to mining policy negatively affect Canadian extractive industry profits — for another decade and a half.

Endnotes

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