



Canada is tying foreign aid to overseas mining development. It's touted as "win-win," but in Burkina Faso there are already some losers

By [Marco Chown Oved](#) Staff Reporter

ESSAKANE, BURKINA FASO—Under the golden light of the setting Saharan sun, two types of workers shuffle between concrete huts on their way home, still bathed in sweat from a day in the mines.

The makeshift miners are barefoot; the mud from their hand-dug pits is splattered on their faces and ground into their clothing. In the dusty streets, they intermingle with the employees of a nearby industrial mine, wearing safety vests and hard hats. A way of life is ending for one group, while the other is being touted as the way to bring Burkina Faso out of poverty.

Essakane village was built from scratch by the Canadian mining company Iamgold in 2009 to house the 16,000 people it displaced to make way for an open pit gold mine. The frontier town sits isolated on a sepia-toned moonscape at the edge of the Sahara Desert. It is so hot — 43 degrees Celsius in the shade — when the wind blows, it's like a convection oven.

Before the mine came, virtually everyone here was an *orpailleur* — French for "gold digger" — heading down narrow holes in the desert to hammer gold from the rock as deep as 70 metres underground. The haphazardly dug shafts frequently collapse, killing dozens of people every year. But the lure of gold in a barren landscape attracted thousands of people to scrape a meagre existence out of the ground.

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A look at life as an industrial miner (left) vs. life as an artisanal miner (right).

Now, 150-tonne trucks rumble up earthen ramps leading out of the open pit mine, terraced like an Italian orchard. More than 1.5 kilometres end-to-end and 100 metres deep, it's not only the biggest mine in West Africa, it is also Burkina Faso's biggest private investment and largest single employer. Every day during 2013, the mine produced an average of 686 ounces of gold — worth about \$880,000 on the world market.

Here at the intersection of old and new mining, an experiment in overseas aid is taking place. The Canadian government has partnered with Iamgold to fund a development project that seeks not only to benefit local people, but also to promote Canadian business abroad.

As austerity-minded governments cut foreign aid, these private-sector development partnerships are

gaining popularity. The United States and United Kingdom have been working with mobile phone and soft drink companies for more than 10 years, but Canada is belatedly joining the game. When the government announced three pilot projects in 2011, it chose to partner exclusively with mining companies.

This may seem like a good place to start — Canada is home to more than 60 per cent of all mining companies in the world — but the practice of extracting minerals has been both socially and environmentally disruptive.

Canadian mining companies have been implicated in violence, human rights abuses and environmental destruction on four continents. But for the pilot projects, the government chose three mines with particularly good reputations — in Burkina Faso, Ghana and Peru. The three projects have avoided the higher-profile controversies, but the simple act of partnering with any mine to fund a development project creates a troubling conundrum.

While development seeks sustainable solutions to poverty, mines, with their limited lifespans, only offer unsustainable prosperity.

For people in Essakane, the material conditions of existence have improved dramatically. Five years ago, new concrete houses were built. They now line the main thoroughfares and people have added verandas made from branches and woven millet stalks. Children and women fill plastic jugs with clean water at public pumps. Two new schools, a medical centre and a youth centre have helped transform what used to be several scattered mining camps into a planned town.

But the *orpailleurs* here aren't happy. What they have gained in infrastructure, they have lost in livelihood.

When *Iamgold* arrived, it kicked the local miners off the richest gold deposits, though it allows them to dig anywhere on its 1,200-square-kilometre concession that isn't being mined. The company hired from the local community, trained former diggers and gave them well-paid work. But it can't employ everyone. Those who don't have a job returned to digging — and the digging isn't as good.

Just outside town, Mamadou Dicko, 45, emerges from a hole in the ground no wider than his shoulders. He hauls out flour bags filled with rocks, piling up his bounty. It could bring him \$60 on a good day, but now, as often as not, leaves him with nothing.

"There was a lot of gold before, but since (the mine) came here, there's nothing," Dicko said, turning his empty palms to the sky. "We're suffering."

Like many diggers, Dicko applied for work at the mine, he says, but was rejected. "It's too late for me. I want my kids to get a job at the mine. I don't want them working in the holes — it's too hard and too dangerous."

Iamgold's open pit is expected to operate until 2025. At that time, some of Dicko's children will barely be teenagers. And with no gold left, Essakane is likely to follow in the footsteps of resource-dependent settlements around the world and become a ghost town.



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Mamadou Dicko's hands are caked in mud after he emerges from his mine hole near Essakane. He used to make as much as \$60 per day, but since the Canadian mining company *Iamgold* opened an open pit mine, he makes far less.

WATCH: Dicko goes into his mine

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Following sweeping reforms to mining regulations in 2003, Burkina opened its doors to international companies. The ensuing rush can only be described as a mining boom — and Canada has been at its centre.

Canadian companies opened the country's first mine and, by the time Essakane opened in 2010, they owned half the gold mines countrywide. Canada is Burkina Faso's largest source of foreign direct investment with assets soon expected to reach \$2 billion.

The mining boom has been a windfall for the Burkinabé government. Taxes and royalties from mines went from \$3.8 million in 2008 to \$236 million (US) in 2011, the last year for which figures are available, according to the Extractive Industries Transparency Initiative, an international agreement that makes tax and royalty payments from mining companies public. Mining revenues now represent 24 per cent of Burkina's budget, though the stability of this income was cast into doubt when [street protests forced longtime president Blaise Compaoré from power](#) in October.

Yet Burkina remains one of the poorest countries in the world. It ranks 183rd out of 187 countries on the UN's Human Development Index, which measures health, education and standard of living. The World Bank estimates that nearly half the population is below the poverty line, living on less than \$1.25 (US) per day. According to UNICEF, only 29 per cent of adults can read. All of these numbers are worse in the remote northern region that includes Essakane.





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An aerial view of lamgold's Essakane gold mine, which, at more than 1.5 kilometres long and 100 metres deep, is the biggest mine in West Africa.

This makes it difficult for locals to benefit from the mining boom. While lamgold reports that 93 per cent of its 2,300 employees are Burkinabé, less than half of those are from Essakane's province, and only 16 per cent are from the nearby villages. That's 368 jobs for more than 16,000 people.

For lamgold, the challenge has been to take *orpailleurs* and turn them into safety-conscious industrial miners. Even basic jobs like driving a truck or cooking require an employee to understand French (in addition to the local Fulfulde language) and to be literate. In the dusty northern reaches of the country, this is a rare skill set; so the company brings in a dozen busloads of workers from the capital each week.

The gleaming white coaches roll up the highway and past Essakane village, a stark reminder to the unemployed locals of the money being earned by others with what used to be their gold.

When the mine opened, there was a round of hiring and training for people who lived nearby. A recent expansion brought another wave of construction contracts. But training on the fly isn't countering the nationwide shortage in skilled labour — the bricklayers, plumbers, electricians and cement mixers needed to build and service the mines. The shortage will only get more severe as new mines open and prospecting expands.

This is the logic behind Canada and lamgold's development partnership: to train young people in trades, not only for mines but for the future spinoff economic activity.

"Burkina Faso is very poor, with a very low level of industrialization. A few years ago, you didn't have specialists like mechanics or electricians," said lamgold West Africa vice-president Oumar Toguyeni. "That's why (this program) is huge: because you're providing skills to teenagers who otherwise would have ended up in the streets. They could become the next entrepreneurs and set up their own businesses."



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Welding students watch a lesson at the vocational college in Tougouri, Burkina Faso. The college was renovated and new courses were developed by a partnership between Plan Canada, the Canadian government and Iamgold.

Two hundred kilometres from Essakane, laughter echoes from the technical college in Tougouri.

Teenagers wearing aprons, work gloves and welding goggles are watching as Abdulatif Kafando uses a disk grinder to finish a welded joint, sending sparks flying. This time last year, this government-run centre for dropouts was largely empty — offering a single class in motorcycle mechanics for 22 students — and 19-year-old Kafando was down a hole scraping for gold.

Like many here, Kafando left school early and joined the *orpailleurs* to help support his family. ARM, an international organization that pushes for increased regulation for artisanal miners, estimates that there are 700,000 people working in informal mines in Burkina Faso, producing 20 tonnes of gold per year — a figure comparable to the production of all the industrial mines in the country. Yves Bertrand, who oversees ARM's programs in West Africa, says many of the *orpailleurs* are children who, because they never finish school, will be stuck in the industry for life.

For Kafando, a friend's death in a mine collapse convinced him to get out.

"Yes, I made some money and that was good. But I was scared. It's very dangerous. People die in those holes. When you're down there, you realize that you're all alone in the world."

The Canadian government and Iamgold teamed with PLAN Canada, a large international development organization, to renovate 24 technical colleges, providing equipment and revamping the curriculum.

"The large-scale mines that are coming into Burkina Faso are in some ways discouraging artisanal mining, but (they're) also taking jobs away from people, even if they are unsafe jobs," said Nadine Grant, program director at PLAN Canada. "So it's very important that new and different opportunities that are safe for young people become available and that's part of the issue that our project is trying to address."

Word of the classes spread quickly. Enrolment has shot up to 115 students in three programs: tailoring, motorcycle mechanics and welding. While some graduates may find a job in the mines, the idea is that in-demand skills could lead to work anywhere.

"When a mine sets up shop, they need plumbers," said Grant. "There's a shortage of plumbers in Burkina Faso and our training centres are producing qualified plumbers and these people can move around to where the need is."

The college's principal, Eloi Zidouemba, strides into each class, greeting the teachers and students. He repeatedly thanks PLAN and Iamgold, but what is more important, he says, is that the community supports the centre because parents see it as a way for their children to get jobs.

"The parents' association manages the school cafeteria and feeds the students every day," Zidouemba says. "Our community management committee is working on selling the products prepared by the students to pay for equipment repairs."

"We're breathing new life into these centres, which had been more or less forgotten," said Grant. "It's not only the locals who are taking notice, it's the government itself, which is now looking at the (technical colleges) as an important tool for dealing with youth unemployment."

"If it goes well, the idea is to replicate the methodology across the country."



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Men show grain stored in their grainery, built with the help of Iamgold. The grainery helps the community store their surplus harvest for tougher times.

On the ground, the youth training program is everything a good development project should be: it works with the local government to reduce youth unemployment. Yet these schools have sparked a big debate in Canada due to how they're funded.

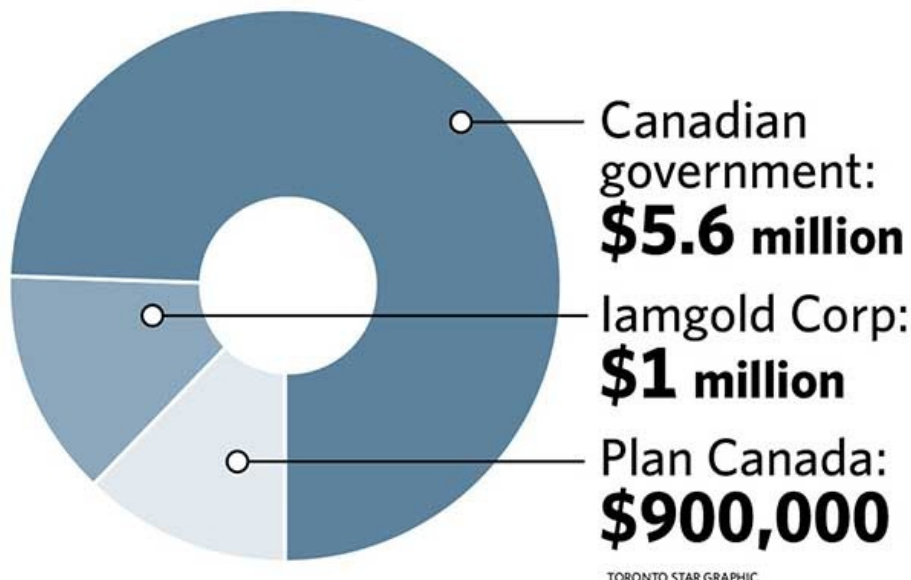
Iamgold and Plan designed the program in 2010 shortly after the federal government released a new international development strategy, which proposed, among other things, that some Canadian international aid dollars fund partnerships with mining companies.

Burkina Faso, Ghana and Peru were launched as pilot projects with a federal government contribution of \$6.7 million (a tiny fraction of Canada's approximately \$4.5 billion foreign aid budget). In Burkina Faso, the Canadian government contributed \$5.6 million to the five-year project, Iamgold contributed \$1 million and Plan \$900,000.

Much of the [initial backlash](#) was based on fears that the projects would do more to burnish the image of Canadian mining companies than they would to help the needy.

In 2013, the Canadian [International Development Agency \(CIDA\)](#) merged with the [Department of Foreign Affairs](#) to create the Department of Foreign Affairs, Trade and Development (DFATD). Critics decried this as another step toward [subordinating aid to trade](#). The government's message of "economic diplomacy" did little to assuage these fears.

Canada's foreign aid in Essakane, Burkina Faso



"The government's Advantage Canada strategy underscores the importance of government partnerships

with the private sector aimed at enhancing the sector's entrepreneurial advantage in a competitive world market," read the 2010 initiative, called "Building the Canadian Advantage: A CSR Strategy for the International Extractive Sector."

This strategy marks a "key shift" in Canada's overseas aid priorities, according to a report on public-private development partnerships from [the North-South Institute](#).

By law, Canadian overseas aid must help the poorest of the poor. The Official Development Assistance Accountability Act, passed by the Conservative government in 2008, enshrines an altruism principle — development dollars must contribute to poverty reduction and take into account the perspectives of the poor.

But the new strategy is more concerned with meeting the needs of the job market, write the report's authors, Graeme Douglas and Shannon Kidornay.

"The danger in this policy shift is that it risks turning development projects into appendages of private sector investments," they say.

In 2012, the OECD Development Assistance Committee cautioned Canada that "there should be no confusion between development objectives and the promotion of commercial interests."

Yet, through three international development ministers — Julian Fantino, Bev Oda and now Christian Paradis — the government's message has been consistent: what's good for Canadian foreign investment can also be good for the economies of developing countries. It's win-win.

"Canadian businesses are models of best practice," said Paradis at the Canada Africa Business Summit in September. "They use innovative approaches, financial instruments and technologies to build local capacity and create benefits for communities. Their presence is positive for the countries in which they operate, and perhaps even more importantly, for those who live there."

Stephen Brown, a political science professor at the University of Ottawa who specializes in overseas development, worries that the interests of locals and the interests of mining companies aren't always parallel — and are often contradictory.

"We already have money to support Canadian business, why spend aid money on it as well?" he said. "It's facile to call it win-win. But it is really? And who wins more?"

Brown points out that the Investment Cooperation Program, a previous federal government initiative that funded development partnerships with Canadian companies was [shut down in 2012 due to financial irregularities](#). It was difficult to determine if the funds were really being used to pursue development objectives, he said, and these new partnerships suffer from the same ambiguity.



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Essakane village women tend vegetables in the garden built by Iamgold. The garden is irrigated by an advanced, solar-powered system. The only problem is that people here have never eaten the tomatoes and eggplants they're being encouraged to grow.

In Essakane Village, Iamgold is helping prepare people for life after the mine closes. One project teaches women to grow fruit and vegetables in a fenced garden. Instead of buying food grown further south, the garden allows the women to feed their families and sell the surplus harvest to the mine for profit.

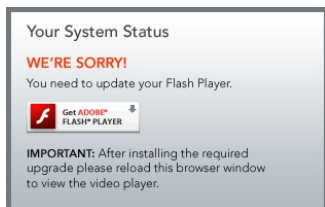
But the project has met resistance. People here have never eaten tomatoes or eggplants before and have had to learn to cook with these unfamiliar ingredients. What's more, the solar-powered irrigation system, which saves water, has to be monitored by an engineer from the mine.

In about 10 years, when Iamgold expects to close the mine, the market for these strange vegetables and the technical expertise that keeps them growing in the desert will be gone.

The garden, like many of the improvements Iamgold has brought to these people's lives, is undeniably positive. There are concrete houses where there were mud huts, public wells instead of a dry riverbed and even concrete posts that will soon hold electrical wires.

But village council president Talatout Boukari is not satisfied with Iamgold's efforts to help. The few jobs that exist are often temporary and, like the mine itself, fleeting.

WATCH: People abandoning new homes



Many of the new concrete houses are empty. Despite the mining boom, people are actually leaving town. They have given up on getting hired at the mine and the orpaillage isn't good enough to keep them here, says Boukari.

No one has done a head count, but a quick survey turns up dozens of the new houses that are shuttered and locked. Many have "for rent" signs.

These empty houses, with their right angles and fresh paint, show the double-edged sword of mining development. While it has improved people's living conditions, it has also taken away their ability to fend for themselves.

Or, as Boukari puts it: "You can build a house out of gold for me, but if I can't feed my family, I'm not going to live in it."

A new form of foreign aid

In 2011, the Conservative government announced an experiment in foreign aid. Instead of funding international development organizations directly, foreign aid dollars would support partnerships between charities and Canadian mining companies operating abroad. Three pilot projects — in Burkina Faso, Ghana and Peru — received \$6.7 million in public funding.

Three years on, two of the projects have wrapped up and one continues to operate. The experiment has been deemed enough of a success that the government has earmarked up to \$25 million per year to cooperation projects in the extractive sector in Africa.

About the Travers Fellowship

Star reporter Marco Chown Oved's trip to Burkina Faso, Ghana and Peru was underwritten by the 2014 R. James Travers Foreign Corresponding Fellowship.

The fellowship commemorates the career and ideals of Jim Travers, a former reporter, foreign correspondent, general manager for Southam News, editor of the Ottawa Citizen, executive managing editor of the Toronto Star and national columnist for the Star.

The Travers Fellowship finances significant foreign reporting projects by Canadian journalists and is based on Travers' belief that Canadians deserve first-hand, in-depth coverage of important stories outside our borders.

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makeshift mine to fiancée's finger

Marco Chown Oved followed gold from a makeshift mine shaft on the edge of the Sahara desert all the way to his wedding ceremony, showing how dangerous practices continue in West Africa.



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