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# A Clearing in Canada: Ottawa's New Standards for Sustainability

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For Vancouver-based Nevsun Resources Ltd., the timing could hardly have been worse: Just as Canada issued its latest corporate social responsibility (CSR) standards for extractive companies in November, the Eritrea-focused miner was sued over "forced" labor allegations at its copper-gold project 90 miles east of Asmara, the capital.

The British Columbia Supreme Court filing followed a [2013 Human Rights Watch \(HRW\) report](#) alleging employment of pressganged military conscripts at the operation, a 60:40 joint venture with the "pariah" government. "Based on company-led and third-party audits," countered CEO Cliff Davis, "the Bisha mine has adhered to international standards of governance, health and safety."

In any case, Nevsun, pending Bisha's 90,000 tons of copper output in 2014, isn't the only Canadian miner in a jam: Indeed, with 800 companies [active in more than 100 countries representing 37% of global exploration expenditures](#), Canada's storied mining industry has long faced withering criticism worldwide.

[In October, for instance, the Inter-American Commission on Human Rights \(IACHR\) heard 30 activist claims that Canada has broadly denied Latin American mining abuse victims justice in its courts.](#) "At least 50 people have been killed and 300 wounded in connection with mining involving Canadian companies in recent years," Shin Imai, a lawyer with [Canada's Justice and Corporate Accountability Project](#), told the Washington-based, independent tribunal. "There has been little to no accountability."

The changes, announced by the [Department of Foreign Affairs, Trade and Development \(DFATD\)](#) include a more specific role for a current CSR ombudsman, and a larger one for the Organization for Economic Co-operation Development (OECD) National Contact Point (NCP) pending a new strategy.

It remains unclear, however, how this "economic diplomacy" will be applied; Canada's first voluntary CSR extractive sector policy emerged in 2009. Canada has long allowed the overlap of two offices addressing conflicts between miners and communities: one for the extractive sector, the other for private sector disputes. Now both complement each other: The counselor will be prevention and early-stage dispute-focused; the NCP assumes all formal mediation.

Yet "this isn't much different than current practices," [Mining Association of Canada \(MAC\)](#) President Pierre Gratton told Canadian reporters. However, "this clarifies dispute resolution better."

Nongovernmental organizations (NGOs) like [target=" hplink">MiningWatch Canada \(MwC\)](#) are less charitable, noting neither the CSR counselor nor the NCP can independently investigate a conflict and make recommendations "If the counselor finds someone has been harmed, it doesn't necessarily say those would be reasons to withdraw support," said Catherine Coumans, a MwC research coordinator.

Canadian officials, meanwhile, maintain Ottawa has "one of the world's strongest legal and regulatory frameworks toward its extractives industries."

## Nations and Relations

Positive elements of CSR among Canadian miners, on the other hand, have been informed by their own entrenched geology--and, in particular, tried and tested relations with indigenous communities, noted Dion Jamieson Arnouse, an expert in First Nations industry relations.

A top potash, uranium, aluminum, titanium, tungsten and nickel producer, moreover, Canada is also home to more than 630 recognized First Nations <http://www.afn.ca/index.php/en/about-afn/description-of-the-afngovernments> and some 900,000 people.

The legacy of such experience has been a driving force behind the work of companies like [Angkor Gold Corp.](#), an Alberta-based junior with some of Southeast Asia's most aggressive CSR via Free Prior and Informed Consent (FPIC) and initiatives ranging from comprehensive education to agriculture in Cambodia's countryside.

In rural Uganda, [Rakai Resources](#), a JV uniting the SeedRock Group, a resource-focused investment firm, and the Salama Shield Foundation, a locally established Canadian NGO, has a similarly CSR-pioneering mandate. The Toronto-headquartered Rakai is applying direct social development principles through education, health, microcredit and revolving loans along with food security while advancing exploration licenses prospective for gold and other minerals.

But controversies involving other Canadian miners remain depressingly common--especially in Latin America, where they control more than 60% <http://globalnews.ca/news/1393152/canadian-mining-companies-under-fire-for-latin-america-operations/>of operations. In the coming weeks, for example, a former Tahoe Resources Inc. security manager stands trial for shooting protesters outside Guatemala's Escobal <http://www.miningwatch.ca/news/tens-thousands-oppose-tahoe-resource-s-escobal-project-guatemala> silver project in 2013; that year, government officials issued a licensing ban over mining abuses.

Foreign plaintiffs have sought remedy in Canada against Cambior Inc. <http://www.afn.ca/index.php/en/about-afn/description-of-the-afn> over a tailings dam spill in Guyana, as well as human rights abuses connected to Copper Mesa Mining Corp. <http://www.ramirezversuscoppermesa.com/in> Ecuador. In 2012, litigation was filed against Anvil Mining Ltd. <http://www.cbc.ca/news/canada/montreal/supreme-court-won-t-hear-appeal-in-congo-massacre-case-1.1297191>over an alleged massacre by the Democratic Republic of Congo (DRC) military; Toronto-based giant Barrick Gold Corp. has been sued over gang rapes <http://www.porgeraalliance.net/2013/09/barrick-under-global-pressure-to-withdraw-conditions-on-remedy-for-papua-new-guinea-rape-victims/>by security forces at its vast Porgera project in Papua New Guinea.

Despite "such difficult questions," [Natural Resources Canada](#), for its part, is cautiously upbeat. "Management, responsiveness to societal pressures, reputation, and the presence or absence of environmental accidents all impact share prices," it said. But "although contributing to sustainable development costs the industry," added the government agency, "it can also be the basis for increased profits."

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