



IGF

INTERGOVERNMENTAL FORUM
on Mining, Minerals, Metals and
Sustainable Development

IGF Guidance For Governments:
Leveraging Local Content Decisions
for Sustainable Development

CASE STUDY

CANADA: DIRECT EMPLOYMENT

IMPACT-BENEFIT AGREEMENTS (IBAS); INDIGENOUS EMPLOYMENT AT VOISEY'S BAY MINE

OVERVIEW

LEVEL OF OPERATION:

Project

GOVERNMENT ROLE:

Funding support

LINK TO POLICY ADOPTED:

See Vale's *Case Study on Aboriginal Workforce Development*, published November 2016.¹

KEY COMMODITIES:

Gold, copper, potash, iron ore, coal²

TOTAL NATURAL RESOURCE RENTS (AS % OF GDP) (2015):

0.9 per cent³

NATIONAL EXTRACTIVES COMPANY:

N/A

UNDP HUMAN DEVELOPMENT INDEX VALUE (2016):

0.920 (Global Rank 10)⁴

DIRECT EMPLOYMENT IN MINING SECTOR (2016):

403,000 (>2 per cent of total workforce)⁵

Canada's mining industry is currently the largest private sector employer of Indigenous people on a proportional basis.⁶ The country has implemented the "Impact and Benefit Agreement" (IBA) framework as an instrument to protect fundamental Indigenous rights in the extraction of natural resources on traditional Indigenous territory. IBAs work as formal (sometimes legally binding) contracts that set out the respective obligations

¹ Langlois, P. (2016). *Case study on Aboriginal workforce development*. Toronto, Canada: Vale. Retrieved from <https://www.oecd.org/dev/inclusivesocietiesanddevelopment/Session%205%20-%20Vale%20Case%20Study%20on%20Aboriginal%20Workforce%20Development.pdf>

² Natural Resources Canada. (2017). *Canadian mineral production* (Information Bulletin, March 2017). Ottawa, Canada: Canadian Government. Retrieved from <http://www.nrcan.gc.ca/mining-materials/publications/17722>

³ World Bank Group. (2017). *Total natural resource rents (% of GDP)*. Washington, DC. Retrieved from <https://data.worldbank.org/indicator/NY.GDP.TOTL.RT.ZS>

⁴ United Nations Development Programme. (2016). *Human Development Reports: Canada*. Geneva, Switzerland. Retrieved from <http://hdr.undp.org/en/countries/profiles/CAN>

⁵ Natural Resources Canada. (2016). *Minerals sector employment* (Information Bulletin, 2016). Ottawa, Canada: Canadian Government. Retrieved from <http://www.nrcan.gc.ca/mining-materials/publications/16739#fig1>

⁶ Prospectors & Developers Association of Canada (PDAC). (2017). *Foundational policies can lead to bright future for Canada's mineral and mining industry* (Press Release, August 14). Toronto, Canada. Retrieved from <http://www.pdac.ca/multimedia/press-releases/communications-press-releases/2017/08/14/foundational-policies-can-lead-to-bright-future-for-canada-s-mineral-and-mining-industry>



and terms of engagement between an Indigenous community and the Canadian government/mining company within an extractives project. Developed in negotiation with community leaders, IBAs usually include commitments pertaining to the employment and training of Indigenous peoples or to Indigenous business development.

IBAs reflect the “free, prior and informed consent” (FPIC) principle as articulated in the United Nations (UN) Declaration on the Rights of Indigenous Peoples,⁷ as well as the International Labour Organization (ILO) Convention 169 on Indigenous and Tribal Peoples.⁸ The FPIC principles recognize the right of Indigenous peoples to be effectively involved in decision making related to the use of their ancestral lands or natural resources, particularly where such decisions are likely to affect the livelihoods of Indigenous communities.

As the majority of Canada’s Indigenous communities live within 200 kilometres of a producing mine or exploration property, IBAs represent an important facilitative tool for protecting the agency and connections to land of many of the country’s traditional owners.

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VOISEY’S BAY AND THE JOINT EDUCATION AND TRAINING AUTHORITY (JETA)

Voisey’s Bay is a nickel mine located in the sub-arctic region of Canada’s north-east coast, in the province of Newfoundland and Labrador. The mining impact of the Voisey’s Bay project is subject to land claims by two Indigenous groups: the Innu Nation and the Nunatsiavut government.

In 2002, Vale Inco—a wholly owned subsidiary of Brazilian mining company Vale—signed separate Impact and Benefit Agreements (IBAs) with both Indigenous governments in order to set up the nickel mine. These IBAs included commitments to employ Innu and Inuit peoples, and established that Vale Inco would give first consideration to local Indigenous businesses in the sourcing of goods and services for the mine’s operations. These provisions were also driven by Vale’s need to minimize costs associated with the fly-in/fly-out nature of the Voisey’s Bay site, a contextual factor which favoured the employment of members of the Indigenous communities in the region.

Under the Aboriginal Human Resource Development Program (AHRDP), the Canadian government channelled CAD 25 million into the establishment of the Innu, Inuit, Métis Human Resources Development Strategy (IIMHRDS), a federal initiative designed to support the IBAs by assisting Innu, Inuit and Métis to obtain employment at the Voisey’s Bay mining site. This initiative led to the establishment of the non-profit,

Indigenous-controlled Joint Education and Training Authority (JETA), an administrative organization operating independently of, but in collaboration with, Vale Inco. JETA served to maximize

⁷ United Nations (UN). (2007). Declaration on the Rights of Indigenous Peoples 2007, UN General Assembly Resolution 61/295, adopted September 13, 2007. Retrieved from http://www.un.org/esa/socdev/unpfii/documents/DRIPS_en.pdf

⁸ International Labour Organization. (1989). *C169 – Indigenous and Tribal Peoples Convention, 1989 (No. 169)*. Retrieved from http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0:NO:P12100_ILO_CODE:C169



the employment and career advancement opportunities of Indigenous peoples within the region through the provision of training and workplace experience programs and resources.

Working primarily in the construction and initial operational phases of the mine, JETA trained more than 1,000 Innu and Inuit peoples to have the skills ready to begin work when, or soon after, the mine opened in 2005. Working in collaboration with Vale, JETA supported those undertaking entry-level operational roles and trade apprenticeships through on-the-job training and structured progression plans. The organization also developed a comprehensive skills inventory of local residents who were interested in undertaking employment opportunities. When JETA ceased operations in 2006 at the end of IIMHRDS funding, the career development of Indigenous employees continued to be supported by Vale's Human Resources department. In November 2016, approximately 55 per cent of Vale's total workforce at Voisey's Bay were Innu and Inuit peoples, 90 per cent of whom were from adjacent communities.

PROGRAM SUCCESSES AND CHALLENGES

The broader IBA framework, of which JETA was a product, serves to respect the traditional ownership and agency of the Innu and Inuit peoples in the Voisey's Bay area, who have become the gatekeepers to Vale's "social licence to operate."

The benefit of JETA was its position as an Indigenous-led intermediary—a centralized platform for meeting the needs of different stakeholders. Most importantly, JETA served to promote the interests of local Indigenous people,

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THE ROLE OF GOVERNMENT

In addition to providing funding through the IIMHRDS, the Canadian federal government facilitated the establishment of JETA as a pilot program, working collaboratively with Vale and community stakeholders to ensure the organization's administrative and educational remits matched both the needs of the mining company as well as those of the Indigenous governments.

Newfoundland and Labrador's provincial government assisted in the provision of training advice and resources, while the Indigenous governments coordinated education programs and provided community infrastructure for JETA's administration and service delivery.

many of whom would not have been able to access the potential employment opportunities of the Voisey's Bay project in the absence of such an organization. JETA's extensive community outreach and skills inventory identified the human resources present in adjacent communities and provided the means by which Vale could engage in targeted skills development that benefited both the project and communities themselves.



KEY LESSONS

- Initiatives for community empowerment can't be imposed—local employment initiatives have the best chance of working sustainably when there is direct input from those who will be affected by their implementation.
- Protecting Indigenous rights is critical to the success and longevity of any local content framework. Extractives projects should offer benefits for those who have traditional ownership over the area of extraction.
- JETA, under the IIMHRDS, was part of a broader national policy framework of IBAs that had regional and Indigenous government input. Multi-level coordination and integration with existing policies meant that JETA, as an intervention, had multistakeholder support and didn't exist in isolation from other local content initiatives.
- The remote location of Voisey's Bay Mine meant it has had to operate as a fly-in/fly-out project. It has therefore been in Vale's interests to hire as locally as possible in order to minimize employee transportation costs. Multiple factors can influence a company's desire to comply with policies or local content.



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