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DATE/DATE: April 08, 2019 10:00 ET

LOCATION/ENDROIT: Foyer of the West Block, House of Commons, Ottawa, ON

PRINCIPAL(S)/PRINCIPAUX: John McKay, Liberal Member of Parliament

Jim Carr, Minister of International Trade

Diversification

Sheri Meyerhoffer, Canadian Ombudsperson for

Responsible Enterprise

John Ruggie, Professor, Human Rights and

International Affairs, Kennedy School of Government,

Harvard University

SUBJECT/SUJET: Minister of International Trade Diversification Jim Carr makes an announcement about the Canadian Ombudsperson for Responsible Enterprise (CORE).

Hon. John McKay: Good morning, ladies and gentlemen. My name is John McKay. I'm the Member of Parliament for Scarborough-Guildwood. And before we start, I want to acknowledge that we're on the traditional lands of the Algonquin.

I'm here with Minister Carr, Professor John Ruggie and Sheri Meyerhoffer to announce something that's been in – ten years in the making. I introduced a bill about ten years ago called C-300, a modest, little bill, which, according to some, was the end of western civilization as we know it. We fought it all the way through various stages of Parliament, and ultimately lost on the floor of the House by six votes. Apparently there was a outbreak of diplomatic flu at the time, or a urgent call to the washroom, not yet quite determined which. Nevertheless, that should have been the end of C-300. But it was not, because of people like yourselves in the NGO community, and because of people like Professor Ruggie and Sheri Meyerhoffer, who have kept the idea of having an ombudsperson alive in dealing with responsible enterprise in Canada.

So it is a personal pleasure for me to see a very significant stage in this journey being completed, and I want to thank Minister Carr's predecessors, Chrystia Freeland and Francois-Philippe Champagne, who also worked very hard to make sure that this day is a reality. So with that, I'll ask Minister Carr to come forward.

Hon. Jim Carr: Well, good morning, everyone. In mid-January of 2018, my predecessor in the international trade portfolio, the Honourable Francois-Philippe Champagne, made an important announcement right here in Ottawa. It was to create the Canadian Ombudsperson for Responsible Enterprise, or CORE, the first position of its kind in the world. By establishing an ombudsperson, Canada set a global benchmark for corporate social responsibility. Canadians trade. Canada is a trading nation. We invest, and we invite international investment. Canadian companies operate around the world, bringing their experience, know-how, and innovation to new and emerging markets, and we want to build

on that. Canada is a diverse and open country.

Our trade diversification agenda is focused on opening even more doors to trade for Canadian businesses, workers, and their families. Our businesses thrive and tap new markets, and we want to strengthen the environment for responsible trade and development. We want to promote responsible business practices among Canadian companies operating abroad. We want to help them avoid the pitfalls. And if problems arise, we want to be able to help resolve the issue. The goal is to work with companies, communities, civil society, and host governments to make that trade and investment can work for the benefit of everyone.

I want to acknowledge that this announcement wouldn't have been possible without hard work by many people, including my colleague John McKay, the Member of Parliament for Scarborough-Guildwood, who has advocated for such a position for more than a decade. And I think you heard just a few minutes ago, and saw in his body language, that this is a very exciting day for him, as it should be. And the Standing Committee on Foreign Affairs and International Development, which is chaired by my colleague Michael Levitt, the MP for York Centre, they have done invaluable work on the issue.

We called on experts outside government to provide advice and guidance. They included Dr. John Ruggie, Professor in Human Rights and International Affairs at the Harvard Kennedy School, who was kind enough to join us today. Professor Ruggie has been generous, offering his insight into business conducting activities globally while respecting human rights and operating lawfully, in socially and environmentally responsible ways. And I would also like to recognize citizens and organizations across Canada raising this issue and presenting opportunities for Canada to shape its leadership in the global landscape of responsible business conduct. Industry partners have embraced the importance of corporate responsibility and want good advice to be shared.

The Canadian Ombudsperson for Responsible Enterprise, an advisory body, will strengthen Canada's commitment to responsible business conduct for Canadian companies doing business beyond our borders. These initiatives are an important first step. Today we are taking the equally important next step. And I am pleased to announce the appointment of Sheri Meyerhoffer as the Canadian Ombudsperson for Responsible Enterprise. Ms. Meyerhoffer is a Canadian lawyer with a distinguished record advancing constitutional and regulatory law reform here in Canada, in Russia, Cuba, China, Jamaica, and Nepal. She was most recently Head of Mission for the Nepal Program at the International Institute for Democracy and Electoral Assistance, where she played a pivotal role supporting Nepal to draft and implement its new constitution. And now Canadians will benefit from her deep and varied experience.

Ms. Meyerhoffer, it is my pleasure to welcome you. And on behalf of all Canadians, to yish you—wish you much success in your new role. As Ombudsperson, you will have the mandate to jointly and independently review allegations of human rights abuses arising from Canadian company operations abroad in the mining, oil and gas, and garment sectors. We expect the scope of these reviews to expand, within a year of the ombudsperson taking office, to other business sectors.

She will work collaboratively [sic] to resolve disputes or conflicts between Canadians and communities that may be affected, and she will work to prevent the pursuit of frivolous claims. She will be empowered to report independently, to make recommendations, and to monitor their implementation. And our government remains committed to ensure the ombudsperson has the legislative and policy tools required to guarantee compliance with information requests, for example, the compelling of witnesses and documents in the very rare circumstances where a company is not fully and appropriately cooperating. Should a company be found not to be acting in good faith, she will have the power to recommend withdrawal of trade advocacy support and future Export Development Canada financial support.

To bolster the strength and independence of the office, I am seeking external legal advice to make sure the CORE has sufficient tools to engage in credible and effective investigations of alleged human rights abuses. This advice will consider the legislative and policy framework surrounding Canada's approach to responsible business conduct abroad, and will include an assessment of the appropriateness of the Inquiries Act as a tool to provide the CORE with powers to compel witnesses and documents on an

ongoing basis. I expect to be able to review the conclusions of this review by early June.

Canadian companies understand that operating abroad while adhering to Canadian and globally accepted standards and values is the best way forward. Ms. Meyerhoffer, thank you for accepting this important mandate. With you as ombudsperson, we will strengthen the reputation of Canadian companies as international business partners of choice. Thank you, and I now would invite Sherry to say a few words.

Sheri Meyerhoffer: Thank you, Minister Carr, for your kind words.

Je suis ravie d'être là aujourd'hui.

I would like to begin by acknowledging that we are gathered today on the traditional territories of the Algonquin Nation.

I'm honoured and humbled to accept this appointment as Canadian Ombudsperson for Responsible Enterprise and to have the chance to serve Canadians and Canadian businesses at home and abroad. I am grateful to Canada for its proof of leadership with this initiative. As a Canadian lawyer who has worked in business and international development, I am proud that Canada is the first to devote time and resources, and, above all, the vision and commitment, to create the first ombudsperson role of this kind in the world. It is a role that will help enhance the capacity for Canadian companies to succeed in doing business abroad while adhering to international norms that underpin Canada's reputation as a global leader in the practical and effective support of human rights.

For me personally, it is a role that will draw on my many years of experience in designing and implementing inclusive, rights-based, multi-stakeholder programs in the domains of business and international development.

Le gouvernement du Canada appuie ces programmes par l'intermédiaire d'initiatives nationales et internationales recevant la (inaudible) de la collectivité mondiale.

I am excited about the great potential for success that can be found in a collaborative approach to ensuring that Canadian companies adopt the best human rights practices when conducting responsible business operations abroad. Throughout my pro—professional career, I have been passionate about equality and building bridges between stakeholders across the spectrum of business development and human rights. My most recent work in supporting Nepal's peace and constitution building processes reflect my approach. It's really about helping to build bridges between people, and I am really excited about that.

Il s'agit d'une première au Canada, en fait d'une première mondiale et nous en sommes toutes (inaudible).

I am looking forward to getting my office up and running and to helping Canadians who are doing business in international markets put the right foot forward in their interactions with local communities and people in—involved. Thank you. Merci. And I would now like to introduce Professor Ruggie (crosstalk) –

Dr. John Ruggie: (Off microphone)

Sheri Meyerhoffer: -- my – my professor, John Ruggie.

Dr. John Ruggie: OK. Thank you, Sheri. I – I suspect my – my role here is to give a secular benediction, and – which I'm – I'm happy to do. I'm the former UN Special Representative for Business and Human Rights, and developed the UN guiding principles for human rights, which currently are the international standard for business and human rights. I'm very proud to have done that. Since they were unanimously endorsed by the UN Human Rights Council back in 2011, I've spent a lot of time working with individual governments, with businesses, with civil society to ensure the progressive implementation

of these guiding principles.

Now, in some countries, legislation has been adopted requiring non-financial disclosure, for example. In others it has to do with modern-day anti-slavery legislation or with mandatory due diligence before an operation is launched, particularly in difficult environments. What I appreciate about the Canadian initiative, if I may say so, is that its scope is much broader than any of those. Those are fairly focused on a particular issue, whether it's child – child labour or – or whether it's the disclosure of non-financial information. This covers the full spectrum of business activity and conflict resolution, and the ability to recommend measures that will provide remedy to individuals who feel they have been harmed by corporate activity.

So I think the comprehensiveness of this mandate that Sheri has makes it, to my knowledge, unique among nations. And it gives Canada the opportunity to ensure that Canadian values and Canadian expectations are – are fully embedded in the conduct of business operations overseas, particularly when operating in difficult environments. And so I – my benediction is that I – I'm very happy to be here and share this moment. It's been a long time coming, but it's here, and that's what's important. It's here. And now we go forward. And whatever assistance I can pro—provide going forward, I'd of course be very happy to do so. But congratulations to the Government of Canada, and congratulations to Sheri on being the first and – and most important ombudsperson ever in Canadian history.

Question: (Off microphone). Minister Carr, I – one of the ideas is to give the ombudsperson the power to compel documents and to have coher—coversative [sic] tools. So are you saying that she already has that, or you have to wait for this consultation that will resume in June?

Hon. Jim Carr: We will wait for the consultation to see what the recommendations are for an expert in these matters to fill out the powers that will be available to the ombudsperson. So we will not have to wait long. We – we will --

Question: For now, she doesn't have (crosstalk) --

Hon. Jim Carr: She doesn't have – she doesn't have the powers of the Inquiries Act, no.

Question: So why did you not launch this thing a year and a half ago, when this thing was announced, that we – they – they told us that they would have the – those powers?

Hon. Jim Carr: Well, for two reasons. The first is that this is the first in the world. And when you are breaking new ground, you want to take the time necessary to get it right. And secondly, as you can tell from the description of the mandate, the person you want to lead a first-time effort as complex as this one is absolutely essential. And we were very happy – delighted – to have found Sheri. This doesn't happen overnight either. So the combination of the complexity of establishing it from scratch and finding the leader takes us to this day. You're always – you're always wanting things in government to move faster than they do.

Question: But she will have a say in (inaudible – noise) – but she – you say you need her in order have – to – her to have a say on the – those tools that you (inaudible – noise)?

Hon. Jim Carr: She will – she will work with the expert to – to determine what powers are considered to be appropriate. And we will all know what those powers are within the next four or five weeks. This is on a very narrow timeframe.

Question: (Off microphone) you – you do not consider the power of applying sanctions, right? That's not in the picture. It's only to recommend sanctions or – or (crosstalk)?

Hon. Jim Carr: Well, yes. That's true at the moment, and we'll await the advice of the expert to determine going forward, and as soon as five weeks from now, what that those powers will be. And we of course will have the benefit now, because of today's announcement, of Sheri's advice to work with the independent expert to determine the most appropriate package.

Question: Minister, I do have a relevant question, but before that I'd like to ask a local one. You know, we're expecting an election call in Manitoba this year. It could be quite soon. Are you concerned about untapped funding allocations? Is that what's been motivating you to talk about (crosstalk)?

Hon. Jim Carr: Premier Pallister has not asked for my advice on when he should call an election. I'm not sitting by the phone either. So he will call an election when he feels it's right for him and when he will make an argument that it's right for the people in Manitoba. We for a very long time have been seeking to conclude agreements with Manitoba so that federal monies can be matched and can flow as soon as possible. In some cases we go directly to the municipalities, as we did several weeks ago by transferring more than a billion dollars to the Federation of Canadian Municipalities on green projects, \$72 million to the municipalities in Manitoba, 43 million of which goes directly to the City of Winnipeg. And the councillors will have all the freedom in the world to make their own decisions.

Question: And is there – the ombudsperson's office going to be separate, independent from the government, with its own --

Hon. Jim Carr: Entirely.

Question: -- (crosstalk)? So will it get its own separate funding from Parliament, or will there --

Hon. Jim Carr: No. It gets an appropriation. It gets a mandate from the government, it gets a budget from the government, and then is entirely independent to do her work the way she sees fit, without any --

Question: (Off microphone)

Hon. Jim Carr: No, it's entirely independent.

Question: Can you (off microphone) you know, a collaborative approach with what Ms. Meyerhoffer talked about here and, you know, about building bridges?

Hon. Jim Carr: Right.

Question: Some people will say we need a harder approach when you have these atrocities happening. Can you walk through the – the thought process that you've – you've come to that approach as opposed to something more hard-handed?

Sheri Meyerhoffer: Yeah. I mean, I would just say that I think that these dire situations are fewer than there are situations that require, you know, some mediation, negotiation. So in – in cases where it – there's more critical, immediate action required, it's important for the office to have the relevant tools. But outside of that, it's really important that the office take a collaborative approach, that it works with all stakeholders, that it is seen as a neutral arbitrator for all – all vested parties.

Question: There is an example that comes to mind, obviously, is the case of SNC-Lavalin and what happened in Libya. Can – just for the sake of an example, can you tell us how Canada would have dealt differently with what happened in Libya and SNC-Lavalin with these – this new office coming up and your role? Could have it changed it anything?

Sheri Meyerhoffer: Yeah. I mean, I can't say how it would have been different in the past. It did—the office didn't exist, and we're – you know, we're getting set up now. I can say that the office will be – is independent from the government. We are open to all complaints and investigating any – any serious complaints in the future. So going forward.

Question: We're being told that you will have a – you will be involved in the – the drafting of those rules. So can I have your thoughts on whether or not you should have those coercive [sic] powers to require documents? What's your take on this?

Sheri Meyerhoffer: Yeah. I mean, I think the more tools the Office of the Ombudsperson has in order to fulfil the mandate, the better. And you know, you would hope that you would only use certain tools very rarely.

Question: (Off microphone)

Sheri Meyerhoffer: Well, I mean, in dire – like in – to – to compel or to do anything impactful.

Question: And what about financial sanctions? Some people said that a company found doing something, you know, unethical should be sanctioned or fined. What's your take on that?

Sheri Meyerhoffer: Yeah. I mean, we're – we're working through the mandate right now. I think the – those are tools. We'll see what the toolbox ends up having at the end of the day.

Question: (Off microphone)

Sheri Meyerhoffer: You know, I'm going to look at – at everything that's available. And of course I'm going to – to want, you know, to have as many tools as I can.

Question: Do you think it could be useful that you have the power to apply these sanctions, financial sanctions, instead of recommending them, but applying them?

Sheri Meyerhoffer: Yeah. I mean, recommendations also are going to have – be quite impactful, I would say. And there's a lot of other agencies that exist right now that are able to do exactly that. So you know, the office will also collaborate with all these other agencies that are in place.

Question: (Inaudible) what – what's your broad philosophical view on the need for companies to pay bribes in certain jurisdictions because that's just how it's done and that's how business is done?

Sheri Meyerhoffer: My broad philosophical view on that is there's – there's no need to pay bribes. It's illegal. It's difficult to do business in some jurisdictions. I've worked in jurisdictions where it's difficult. I understand that culture. But just because everyone else is doing it doesn't mean we also need to do it, and Canada's brand is – is we follow international norms. That is our advantage internationally. And you know, we – this office would be able to help companies understand that brand and understand how they can get around --

Question: (Off microphone) governments on – in making recommendations on perhaps something like in a DPA or some other tools? Are these some of the tools that could be in your toolbox?

Sheri Meyerhoffer: You know, the – I think the ombuds office will be open that one of our – one of the mandates of the office and – and myself is to provide input on – on all policy options in those cases.

Question: (Off microphone) councillor also had the power to recommend the withdrawal of government services financing, didn't do so, was criticized. How is your office going to be different if you have the same powers?

Sheri Meyerhoffer: We – we're going to be reporting on an ongoing basis, not just, you know, on – at the end of a investigation. It's going to be open and transparent, not all in confidence. And we will – are going to have more tools, at the end of the day.

Question: People were asking you about bribes. Does that fall within the scope of your mandate? Is, you know, paying bribes abroad something that you would look into?

Sheri Meyerhoffer: Well, we're focused on human rights abuses. So if – if that – if that spilled over into something that was considered a human rights abuse, yes. If it's a pure financial, no.

Moderator: Last question.

Question: (Off microphone) you said that Canada's brand is that we follow international norms. I think that would be news to a lot of people who follow what mining companies do abroad, about the bribes in Libya, about everything SNC's been hit against in Bangladesh, the Rana Plaza thing. How do you – how do you justify that statement?

Sheri Meyerhoffer: Well, that is Canada's brand. I mean, the government and individuals and – and people who work abroad do comply with international norms, and we – we make sure that people are aware of those international norms. You may have bad actors, but that is not every Canadian or every situation. I think, broadly speaking, those are the norms that we follow, the – they're the norms that we promote, and this office will help companies and businesses that are working abroad to understand what those are and to help make sure that they comply with them.

Question: Will you have a look at how Canadian companies act on the environmental front? Mining companies have been heavily criticized about how they leave the landscape when they're done. Will you have a look at – at that s—in particular?

Sheri Meyerhoffer: There are a number of environmental issues that are also human rights issues, so in those contexts, yeah.

Moderator: OK. Thanks, everybody. Thank you.

Question: (Crosstalk) Minister, I'd like to hear you about the – the Liberals' notice that was sent to Mr. Scheer about his comments on the SNC-Lavalin affair. Do you think it was relevant to – to send it strategically to --

Hon. Jim Carr: I am not – as – as you can see, I'm very much focused --

Question: -- (crosstalk) --

Hon. Jim Carr: -- on my portfolio and some good news advice, and that's what (off microphone).