



Joint Public Advisory Committee (JPAC)
Comité Consultivo Público Conjunto (CCPC)
Comité consultatif public mixte (CCPM)

10 September 2004

Mr. William Kennedy
Executive Director
Commission for Environmental Cooperation
393, St-Jacques West, Office 200
Montreal, Québec H2Y 1N9

RE: How to better engage the private sector in CEC activities

Dear Mr. Kennedy:

Following your request to the Joint Public Advisory Committee (JPAC), made in March 2004, to provide information to the Commission for Environmental Cooperation (CEC) on “how to engage the private sector constructively,” JPAC is pleased to provide some information on this issue, in accordance with Article 16(5) of the North American Agreement on Environmental Cooperation (NAAEC). You will also find attached observations made by JPAC members and the public during our regular session, held on 12 March in Oaxaca and on 23 June 2004, in Puebla.

1. To improve communications between the business sector and the public, it is essential to involve the private sector at the trilateral level and foster its participation in CEC activities.
2. JPAC recently provided an Advice to Council on future directions of the NAAEC, which urges that high priority be placed on some Ten-year Review and Assessment Committee (TRAC) recommendations, including two specifically related to the involvement of the private sector in CEC activities:

TRAC Recommendation 4: Building Capacity for Stronger Environmental Partnerships

We recommend that the CEC direct its capacity building efforts to helping build institutional capacities, and a new generation of knowledgeable environmental officials and experts inside and outside government, including in the academic and business sectors.

In order to achieve this goal, we recommend that the CEC systematically integrate capacity building into most of its programs, with an emphasis on: 1) supporting Mexican government institutions and private organizations to strengthen the implementation of environmental laws and policies; and 2) building effective relationships among like-minded environmental organizations in all three countries.

The design of this cross-cutting program should include:

- *Developing a broad definition of capacity building which includes sharing of best practices and investing in local capacity;*

- *Setting clear goals and objectives, with measurable indicators of progress and monitoring of results achieved; and*
- *Facilitating direct partnerships involving Canadian or US business and private foundations with Mexican organizations, which then can carry out capacity building activities in the country.*

We further recommend that the CEC maintain its support for NAFEC, as an element of its capacity building efforts, and as a means of continuing to broaden the CEC's constituency base.

Recommendation 13: Building the CEC Constituency

To strengthen links with key constituencies, and to increase its understanding of their needs, we recommend that the Council direct the executive director, with the assistance of JPAC, to ensure the CEC pursues a more systematic and balanced engagement of the business community, indigenous groups, academics, community-based interests and environmental and socioeconomic NGOs in the three countries, across all CEC programs and activities.

We also recommend that the executive director seek secondments of relevant experts from the business community and academic institutions.

3. The CEC should consider developing criteria for entering into partnerships that best serve the interests of the institution and the environment. JPAC will be pleased to review the criteria and provide further information.
4. Emphasis should be placed on getting the private sector better acquainted with the public and vice versa.
5. It should be also clear that the exchange of information works both ways—i.e., the private sector provides information to the CEC and the CEC provides information to the private sector and the exchanges are made public.
6. In the CEC operational plan, a specific activity must directly involve the private sector. For example: 1) under the area of capacity building, a project could be developed that focused on helping Mexican industries improve their environmental infrastructure and technology with the support of Canadian and American businesses.
7. It is a challenge to engage the private sector, and mainly small and medium-size businesses, in CEC activities. To assist in this, a subcommittee composed of private sector representatives from the three countries should be appointed by the Council. Its mandate would be to design and promote ways of involving the private sector in CEC activities.
8. The experience of small and medium-size enterprises in Canada and the United States could be helpful to Mexican businesses as they strive to comply with the new regulation that is being implemented in Mexico. One way to achieve greater success would be to involve their associations, along with chambers of commerce and colleges of professionals.

9. Creating an Information Center of Environmental Events in North America is an option that could be explored. To the extent possible, CEC activities might be planned in parallel with other events that would be attended by representatives of the business sector. This would aid their participation at the CEC and strengthen their interaction with the public. For example, the CEC could be more involved in the organization of the Americana/Globe Conference organized each year, alternating between Montreal and Vancouver. This is a premier event for the Americas that features the latest environmental technologies.
10. We would encourage the CEC to work jointly with other organizations as much as possible in order to gain access to outside sources of funding. Examples for such partnerships include the World Bank, the Inter-American Development Bank, the Global Environment Fund, etc.

Finally, please note that JPAC is considering addressing this issue as part of our program next year.

I trust that the above information is useful.

Sincerely,

A handwritten signature in cursive script that reads "Donna Tingley".

Donna Tingley
JPAC Chair for 2004

c.c. CEC Council
JPAC members

**Observations made by JPAC members and the public
12 March in Oaxaca and on 23 June 2004 in Puebla**

- It is important to increase participation from the private sector. Its participation has in fact been decreasing over the years. However, equal effort should be put on engaging other sectors of society, such as academia and social actors.
- Insist on a fair balance of representatives on mutli-sectoral advisory committees.
- It is useful to learn more about how companies can incorporate sustainable development into their decision-making processes.
- Regarding private sector participation, if there is a decision to move more into a sustainable development mode and focus more on trade and environment, it is essential to ensure more positive and constructive participation from the private sector. There are clear benefits—knowledge of markets, technical expertise and the resources to get things done. It would also ensure a more balanced approach in decision-making. It is also important to involve small and medium-size business but they have limited resources. We need the large multinationals. Market forces move them toward being good corporate citizens. The CEC could organize workshops where the private sector would be involved on issues of common concern such as management of toxic substances, movement of hazardous waste, transboundary pollution. There is no private sector representative on JPAC from Canada. The Secretariat should also consider hiring more staff with backgrounds in the private sector.
- It is the larger companies that have voluntary programs and that are moving in the right direction. It is important to take advantage of this experience.
- From an indigenous people's perspective, an agenda directed primarily at engaging the private sector and international financial institutions may not be viewed very positively. Many of the indigenous presenters at the CEC symposium on maize voiced grave reservations about multinationals and big business. It is important to keep indigenous concerns in mind when building new relationships. The CEC should consider developing criteria for entering into partnerships that best serve the interests of the institution and the environment.
- Before making decisions about concrete actions on this issue [engaging the private section in CEC activities], we should have clear objectives. Is it funding, exchange of expertise, cooperation that is most needed? You must understand your needs and develop criteria for meeting them. You have to choose the type of partnership that suits your institution. Funding may not be the best fit. When you accept money, there is always the risk of losing independence and credibility.
- Industry has something to offer, but not more or less than others. Is the focus to get funding, to learn about management, or other specific things that industry does well? There are always strings attached to funding.
- Be very cautious when involving multinationals. Global free markets are giving more and more power to large multinational companies beyond the control of democratic governments.
- More stakeholder representation is all right, but we have to be careful with getting involved with the private sector. We all know that money talks. Convening workshops with the private sector raises red flags for me. Include the private sector, but not at the expense of the public sector.
- For the most part, pollution derives from the private sector and they have solutions in their hands and have to be made accountable. There is a great deal of work to be done.

- It is much more complicated to involve small industry in the work of the CEC. Any involvement, however, has to be handled carefully. Any mention of industry partnerships in a Puebla Declaration must be done very, very carefully so as not to establish the CEC as an institution oriented towards industry.
- Who is responsible for assuring that people with no access get access to the CEC? That is a JPAC role—not running after the private sector. If you do, you need to reach out to small businesses, not the large multinationals who will take you over. They already have access to decision-makers. Why do you need to help them more?
- Expand effort to focus on specific issues that fall within priority areas for businesses.
- We must recognize that to a certain extent, the annual *Taking Stock* reports and Articles 14 and 15 processes have set up an antagonistic relationship between the CEC and industry.
- Need to get small and medium-size industries engaged—these industries also create environmental impacts, as evidenced by the trends in the *Taking Stock* report for 2000.
- The CEC must not aim to establish an institution oriented towards industry.
- No one wants to see the privatization of the CEC.