

SESSION 01-06 OF ALTERNATE REPRESENTATIVES

SUMMARY RECORD

The Council, represented by its Alternate Representatives, met on 14, 15 and 16 November 2001, in Montreal, Canada. Ms. Christine Guay and Ms. Norine Smith (Canada) successively chaired the meeting. Ms. Olga Ojeda Cárdenas and the Honorable Judith E. Ayres represented Mexico and the United States respectively. Ms. Janine Ferretti, CEC executive director, represented the Secretariat and Mr. Cristóbal Vignal, Council secretary, acted as secretary for the session. Ms. Liette Vasseur, JPAC chair, represented the JPAC. Other officials of the Parties and the Secretariat were also in attendance (Annex A).

Item 1 Adoption of the agenda

The Alternate Representatives adopted the agenda based on the provisional agenda (Annex B).

Item 2 Report by the executive director

The executive director welcomed the newly appointed Alternate Representatives from Mexico and the United States. She congratulated the General Standing Committee (GSC) for its work on the review and approval of the proposed 2002–2004 Program Plan and presented an overview of the initiatives undertaken by the CEC following the eighth Regular Session of the Council, held in June 2001 in Guadalajara, Mexico (Annex C). She also provided a progress report on other projects and activities of the CEC. The notes from the report of the executive director can be found under Annex D.

Item 3 Report by the chair of JPAC

The JPAC chair welcomed the new Alternate Representatives from Mexico and the United States. She reported on the results of the third Regular Session of the JPAC held on 22 and 23 October in Montreal, which led to the adoption of two JPAC Advice to the Council, namely JPAC Advice 01-06, relating to the proposed 2002–2004 Program Plan, and JPAC Advice 01-07 on Citizen Submissions on Enforcement Matters under Articles 14 & 15 of NAAEC. Recalling the Council's suggestion that JPAC undertake activities relating to accessibility of environmental information, she indicated that JPAC had unanimously decided during that session not to act directly on this subject. Instead, JPAC suggested that the Secretariat could examine this issue with the support of JPAC.

Referring to the Article 10(6) meeting of Environment and Trade Officials, to be held on 18 January 2002, she expressed JPAC's disappointment that the meeting will be held in-camera, thereby preventing the public from participating. She suggested that members of the public be invited to attend as observers.

She congratulated Canada for having proposed a date and venue for the ninth Regular Session of the Council in such a timely manner, and encouraged the United States to confirm the availability of Governor Whitman as soon as possible. She noted that a newly formed working group had recently been established within JPAC in order to look into ways to improve public participation at the Council's public meeting, and noted that JPAC will be submitting a recommendation to the Council on this issue shortly. She further noted that JPAC would determine at its next session the themes and format of the JPAC round table to be held in parallel to the 2002 council session. She indicated that JPAC would also be submitting an advice to Council on the electricity market in North America during the upcoming JPAC session.

The JPAC chair then referred to JPAC's Advice to Council on Submissions on Enforcement Matters, which had been unanimously adopted by JPAC following the report of the US National and Governmental Advisory Committees, and the letter from the Center for International Communication relating to the submission on migratory birds. She voiced her outrage that the concerns expressed by a great majority of citizens of North America during the consultation process, which had led to the submission of various Advice to Council from JPAC and to the Lessons Learned report on Articles 14 and 15, had not been taken into consideration in the drafting of the Council resolutions for the five pending submissions being addressed at this meeting.

In closing, she asked that her remarks, and the fact that JPAC does not support any type of manipulation of the Articles 14 and 15 Guidelines, be reflected in the summary record of this session. She further noted that the Council's decisions, as reflected in the five resolutions, will be the subject of a discussion by JPAC during its next regular session, to be held on 30 November 2001 in San Diego. She also took the opportunity to extend an invitation to the Alternate Representatives to come and explain their decisions to the public. She noted that, as an independent consultative group, JPAC regards the lack of consideration of its advice to Council and several of the recommendations in the JPAC's Lessons Learned report as a lack of respect for the citizens of North America and JPAC.

The Alternate Representatives thanked the chair of JPAC for her comments and welcomed JPAC's initiative to improve the public portion of the Council session. In response to the JPAC's suggestion to invite representatives of the public as observers at the meeting of Article 10(6) Environment and Trade officials, the Alternate Representatives indicated that the suggestion will be taken into account, but that any decision would need to consider both the value of such public involvement and the need for a forum in which Parties can speak freely amongst themselves. In response to the JPAC's invitation to the Alternate Representatives to attend the JPAC meeting in San Diego, the Alternate Representatives from Canada and Mexico indicated that they would not be able to attend the meeting. The Alternate Representative from the United States indicated that she would advise JPAC whether she might be able to attend.

Item 4 Approval of Summary Record

The Alternate Representatives approved the summary records of their previous sessions, held on 18 and 19 June 2001, as well as the summary record of the eighth Regular Session of the Council and the summary of interventions made at the public portion of that session.

Item 5 Proposed 2002–2004 Program Plan

Further to the pre-approval of the 2002–2004 Program Plan at the GSC level, the following projects were referred to the Alternate Representatives. They discussed and approved all projects, asking that their comments be taken into account in the final version of the Program Plan:

- Identifying Financial Mechanisms in Support of Environmental Protection and Conservation;
- Exploring Market-based Mechanisms for Carbon Sequestration, Energy Efficiency, and Renewable Energy in North America;
- North American Bird Conservation Initiative (NABCI);
- Sustainable Use and Conservation of Freshwater in North America;
- Capacity Building for Pollution Prevention; and
- Comparative Report on Environmental Standards.

The Alternate Representatives further agreed to direct the Enforcement Working Group to include Environment Management Systems among the subjects to be discussed by the Working Group in 2002 and to develop a report that would allow the Council to make decisions on future actions in that regard.

The Alternate Representatives also discussed the proposed budget for Specific Obligations under NAAEC (SOUN) and directed the Secretariat to provide more information regarding the allocation of funds for Articles 14 and 15.

Item 6 Articles 14 and 15 of NAAEC

Item 6.1 Submissions on Enforcement Matters

The Alternate Representatives exchanged views on five outstanding submissions and instructed the Secretariat to prepare factual records on all five submissions, as follows: Oldman River II (SEM 97-006), Aquanova (SEM 98-006), Migratory Birds (SEM 99-002), BC Mining (SEM 98-004) and BC Logging (SEM 00-004).

Item 6.2 JPAC Lessons Learned Report on Citizen Submissions

The Alternate Representatives exchanged preliminary views on four issues from the JPAC Lessons Learned report which the Council had agreed, during its eighth Regular Session, to consider expeditiously. They also discussed a fifth question raised by Mexico. The Alternate Representatives agreed to discuss these issues further at their next session and, in the meantime, invited JPAC to come back with additional information regarding the current discussion. The JPAC chair pointed out that the

operation of Council Resolution 00-09 is to be reviewed by June 2002.

Item 7 Other Issues

The Secretariat presented an outline of a proposal made to the Global Environment Facility (GEF) by the CEC, the Pan American Health Organization (PAHO) and the governments of Belize, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua and Panama, known as the *Regional Program of Action and Demonstration of Sustainable Alternatives to DDT for Malaria Vector Control in Mexico and Central America* (PAEDDDT).

This was followed by a presentation on the Secretariat's Article 13 initiative on Environmental Challenges and Opportunities of the Evolving North American Electricity Market.

The Parties agreed that the CEC Secretariat should do some thinking about a possible CEC contribution to the World Summit on Sustainable Development.

Item 8 Administrative and other issues

Item 8.1 Recommendation to develop a NARAP on lindane

The Alternate Representatives exchanged views on the recommendation of the Substance Selection Task Force to develop a NARAP on lindane. They indicated that this could be something the Council might wish to announce in June 2002 and that work on the NARAP could begin in the latter half of 2002.

Item 8.2 Tax situation of professional staff of the CEC

The Secretariat indicated that it would get in touch with Mexico and the United States in order to try to resolve the tax situation of professional staff of the CEC by March 2002.

Item 8.3 Amended version of the CEC's Financial Rules

The Alternate Representatives adopted the amended version of the CEC's Financial Rules, with the exception of Rule 5.6 relating to funding received from third Parties, which will be addressed at the time of the next session of Alternate Representatives.

Item 8.4 Publications from 2000 work program

The Alternate Representatives adopted a resolution authorizing the Secretariat to extend the period during which the funds, which were committed for the publication of the State of the Environment report, the 1999 annual report and the 2000 special enforcement report, would remain available (i.e., until 31 December 2001).

Item 9 Next session of Alternate Representatives

The Alternate Representatives did not set a firm date for their next meeting. However, they did discuss with the JPAC chair the possibility of holding an informal meeting with JPAC sometime in March. At that time, they agreed that they could also have a regular session of Alternate Representatives.

Item 10 Closure of the session

The session adjourned on 16 November at 11:00 AM.

SESSION 01-06 OF ALTERNATE REPRESENTATIVES

Montreal, Canada, 14-16 November 2001

Delegations list

CANADA

Alternate Representative Norine Smith, Environment Canada
Christine Guay, Environment Canada
Jenna MacKay-Alie, Environment Canada
Ron Burnett, Environment Canada
Rita Cerrutti, Environment Canada
Jean-François Dionne, Environment Canada
Tudor Hera, Department of Foreign Affairs and International Trade
David Morgan, Department of Foreign Affairs and International Trade

MEXICO

Alternate Representative Olga Ojeda Cárdenas, Semarnat
Israel Nuñez, Semarnat
Mauricio García Velasco, Semarnat
Margarita Palafox, Semarnat
Luis Ernesto González, Mexican Embassy in Ottawa

UNITED STATES

Alternate Representative Judith E. Ayres, U.S. EPA
Paul Cough, U.S. EPA
Lorry Frigerio, U.S. EPA
Jocelyn Adkins, U.S. EPA
Erwin Rose, Department of State, OES
Kent Shigetomi, Office of the U.S. Trade Representative

JOINT PUBLIC ADVISORY COMMITTEE (JPAC)

JPAC Chair Liette Vasseur
Manon Pepin
Lorraine Brooke

SECRETARIAT
Executive Director

Janine Ferretti
Greg Block
Hernando Guerrero
Cristóbal Vignal
Eduardo Delgadillo
Julie-Anne Bellefleur
Scott Vaughan
Chantal Line Carpentier
Hans Herrmann
Jürgen Hoth,
Victor Shantora
Carlos Valdés Casillas
Paul Miller
Erica Phipps
José C. Tenorio Marañón
Ignacio González
Geoffrey Garver
Carla Sbert
Katia Opalka

**SESSION 01-06 OF ALTERNATE REPRESENTATIVES
AGENDA**

Held at the CEC Secretariat
393, St-Jacques Street West, Suite 200, Montreal
Tel.: 514-350-4300
Fax: 54-350-4314

From Wednesday, 14 November to Friday, 16 November 2001

Wednesday, 14 November 2001, 11:30—19:00

- 11:30—13:00 Item 1 Adoption of the agenda
- Item 2 Report by the Executive Director
- Item 3 Report by the Chair of JPAC
- Item 4 Adoption of summary records
- Item 5 Proposed 2002—2004 Program Plan
- 13:00—14:00 Lunch
- 14:00—19:00 Item 5 Proposed 2002—2004 Program Plan (cont'd)
- 19:30 Private dinner for the Alternate Representatives, the Chair of JPAC and the Executive Director at the Intercontinental Hotel (Les Continents)
- 19:30 GSC meeting at the Secretariat to discuss outstanding factual records

Thursday, 15 November 2001, 9:00—18:00

- 8:30—9:00 Coffee and croissants
- 9:00—13:00 Item 5 Proposed 2002—2004 Program Plan (cont'd)
- 12:30—14:30 Lunch (private lunch for Alternate Representatives at Les Continents (Intercontinental Hotel))

14:30—18:00 Item 6 Submissions on Enforcement Matters under Articles 14 and 15

19:00 Informal dinner for delegates at the Executive Director's home

Friday, 16 November 2001, 9:00—15:00

8:30—9:00 Coffee and croissants

9:00—12:00 Item 6 Submissions on Enforcement Matters under Articles 14 and 15 (cont'd, if required)

Item 5 Proposed 2002—2004 Program Plan (cont'd)

12:00—13:00 Lunch

13:00—15:00 Item 5 Proposed 2002—2004 Program Plan (cont'd)

Item 7 Other issues

Item 8 Administrative and other issues

Item 9 Next session of Alternate Representatives

Item 10 Closure of the session

Notes:

- In order to comply with new security measures in place at the Secretariat, the Parties are asked to provide the Secretariat with their delegation list.
- Interpretation in the three languages will be provided for the meeting of Alternate Representatives.

**SESSION 01-06 OF ALTERNATE REPRESENTATIVES
ANNOTATIONS TO THE AGENDA**

Item 1 Adoption of the agenda

The Council shall adopt the agenda.

DOCUMENTS:

- a) Draft annotated agenda (distributed 7-11-2001) C/C.01/01-06/AGEN/01/Rev.4

Item 2 Report of the Executive Director

The Executive Director will briefly address the Council on Secretariat activities and matters requiring their attention.

DOCUMENTS:

- a) Executive Director's report (distributed 7-11-2001)

Item 3 Report by the Chair of JPAC

Under this item the JPAC Chair will provide an update to the Alternate Representatives on the JPAC Meetings held on 22-23 October 2001 in Montreal, including JPAC's decision on the Council's initiative related to public access to environmental information.

DOCUMENTS:

- a) JPAC Advice 01-06 to Council on proposed Program-Plan for 2002-2004 (distributed 23-10-2001)
- b) JPAC Advice 01-07 re: Citizen Submissions on Enforcement Matters under Articles 14 and 15 of NAAEC (distributed 23-10-2001)
- c) Letter from the JPAC Chair to the Center for International Environmental Law (CIEL) dated 26 October 2001 (distributed 26-10-2001)
- d) Letter from CIEL to JPAC dated 17 October 2001 (distributed 26-10-2001)
- e) Summary Record of JPAC Session 01-03 (distributed 13-11-2001)
- f) Letter dated 27 September 2001 from the JPAC Chair to Council (distributed 27-9-2001)

Item 4 Adoption of Summary Records

In accordance with Council Rules of Procedure (R.11), the Executive Director prepared the summary record of Sessions 01-00, 01-04, 01-05 and of the public portion of the 8th Regular Session of the Council. The Alternate Representatives are expected to approve the summary records.

DOCUMENTS:

- a) Session 01-04 draft Summary Record (distributed 22-06-2001) C/C.01/01-04/SR/01

- | | |
|---------------------------------------------------------------------------------------------------------|--------------------------|
| b) Session 01-05 draft Summary Record (distributed 26-09-2001) | C/C.01/01-05/SR/01/Rev.3 |
| c) Session 01-00 draft Summary Record of Eighth Regular Session of the Council (distributed 26-10-2001) | C/01-00/SR/01/Rev.3 |
| d) Summary of interventions made at the public portion of the session (distributed 25-09-2001) | C/01-00/SR/02/Rev.1 |

Item 5 2002–2004 Proposed Program Plan

The Alternate Representatives are expected to review, and approve as appropriate, the proposed 2002-2004 Program Plan.

DOCUMENTS:

- a) Proposed 2002-2004 Program Plan and Budget (distributed 10-09-2001)
- b) Revised project descriptions (to be distributed by the Secretariat, as they become available)
- c) Program updates (distributed 24-10-2001)
- d) Report of the Executive Director presented to Council at its 2001 Session (distributed 18-06-2001)
- e) Quarterly financial report for 6 months ended 30 June 2000 (distributed 30-08-2001)
- f) Proposed timeline for the approval of the proposed 2002-2004 Program Plan (distributed 27-9-2001)

Item 6 Submissions on Enforcement Matters under Articles 14 and 15

As agreed to during their last session held on 28 June 2001 in Guadalajara, the Alternate Representatives are expected to address outstanding submissions on enforcement matters.

Item 6.1 Submission SEM-97-006: Oldman River II

Pursuant to Council Resolution 00-02, and noting that one specific case presented in Submission SEM-97-006 –The Sunpine Forest Products Forest Access Road Project– was the subject of domestic proceedings in Canada, the Council decided on 16 May 2000 to defer consideration of the Secretariat’s notification to the Council dated 19 July 1999, to the effect that the development of a factual record is warranted in relation to Submission SEM-97-006. Considering that the domestic proceedings have concluded, the Council may wish to consider the Secretariat’s Article 15(1) notification of 19 July 1999.

DOCUMENTS:

- a) Draft Council Resolution (distributed by CA 31-10-2001)
- b) Secretariat’s Article 15(1) notification dated 19 July 1999
- c) Council Resolution 00-02 dated 16 May 2000
- d) Letter dated 3 October 2000 from The Friends of the Oldman River to the CEC (distributed 4-10-2000)
- e) Letter dated 3 October 2000 from Norine Smith to Janine Ferretti
- f) Letter dated 24 May 2001 from Norine Smith to Janine Ferretti

Item 6.2 Submission SEM-98-006: Aquanova

Pursuant to Guideline 10(2), the Secretariat informed the Council on 4 August 2000 that it considers that submission 98-006 warrants developing a factual record. As provided by Article 15(2) of the NAAEC, Council may, by a two-thirds vote, instruct the Secretariat to prepare a factual record on the matter.

DOCUMENTS:

- a) Revised draft Council resolution (distributed by CA 28-09-2001)
- b) Draft Council Resolution (distributed by MX 12-09-2001; English translation distributed 17-09-2001)
- c) Secretariat's Article 15(1) notification dated 4 August 2000

Item 6.3 Submission SEM-99-002: Migratory Birds

Pursuant to Guideline 10(2), the Secretariat informed the Council on 15 December 2000 that it considers that submission 99-002 warrants developing a factual record. As provided by Article 15(2) of the NAAEC, Council may, by a two-thirds vote, instruct the Secretariat to prepare a factual record on the matter.

DOCUMENTS:

- a) Revised draft council resolution (distributed by CA 5-11-2001)
- b) Draft Council resolution (distributed by US 1-11-2001)
- c) Secretariat's Article 15(1) notification dated 15 December 2000
- d) Letter dated 19 January 2001 from William A. Nitze to Olga Ojeda and Norine Smith (faxed by US 19-01-2001)

Item 6.4 Submission SEM-98-004: BC Mining

Pursuant to Guideline 10(2), the Secretariat informed the Council on 11 May 2001 that it considers that submission 98-004 warrants developing a factual record. As provided by Article 15(2) of the NAAEC, Council may, by a two-thirds vote, instruct the Secretariat to prepare a factual record on the matter.

DOCUMENTS:

- a) Draft Council resolution (distributed by CA 28-09-2001)
- b) Secretariat's Article 15(1) notification dated 11 May 2001

Item 6.5 Submission SEM-00-004: BC Logging

Pursuant to Guideline 10(2), the Secretariat informed the Council on 27 July 2001 that it considers that submission 00-004 warrants developing a factual record. As provided by Article 15(2) of the NAAEC, Council may, by a two-thirds vote, instruct the Secretariat to prepare a factual record on the matter.

DOCUMENTS:

- a) Draft Council resolution (distributed by CA 2-11-2001)
- b) Secretariat's Article 15(1) notification dated 27 July 2001

Item 6.6 JPAC Lessons Learned Report on Citizen Submissions under Articles 14 and 15

The Alternate Representatives may wish to address other matters in the JPAC Lessons Learned report which the Council agreed to consider expeditiously, where it deems appropriate.

DOCUMENTS:

- a) JPAC Lessons Learned Report on Citizen Submissions under Articles 14 and 15
- b) Revised list of other matters in the JPAC report on Lessons Learned which the Council agreed to consider expeditiously where it deems appropriate (distributed by MX 15-10-2001)
- c) Memo dated 14 September 2001 from the Secretariat to the Alternate Representatives re: confidentiality of information (distributed 14-09-2001)
- d) Council Resolution 01-06: Response to the Joint Public Advisory Committee (JPAC) Report on Lessons Learned regarding the Articles 14 and 15 Process

Item 7 Other issues

Item 8 Administrative and other issues

Item 8.1 Recommendation to develop a NARAP on Lindane

The Alternate Representatives are invited to exchange views on the recommendation of the Substance Selection Task Force to develop a NARAP on Lindane.

DOCUMENT(S):

- a) Letter dated 6 August 2001 from the Chair of the SMOC Working Group to the Alt. Reps (distributed 23-08-2001)
- b) Letter dated 5 July 2001 from the Chair of the Substance Selection Task Force to the Chair of the SMOC Working Group (distributed 23-08-2001)

Item 8.2 Tax situation of professional staff of the CEC

Under this item, the Secretariat will brief the Parties on the tax situation of professional staff of the CEC. The United States may wish to provide an update on the status of US income tax paid by the CEC on behalf of American employees of the CEC.

DOCUMENT(S):

- a) Memo dated 4 September 2001 from the Executive Director to the Alternate Representatives re: Income taxes for Professional staff of the CEC (distributed 4-09-2001)

b) Memo from the Executive Director to the Alternate Representatives (to be distributed)

Item 8.3 Amended version of the CEC's Financial Rules

The Alternate Representatives are invited to adopt an amended version of the CEC's Financial Rules which, in addition to resolving the issue of funds in excess of 5%, takes into account all other changes agreed upon by the Parties since the inception of the CEC, as well as changes reflecting the current practice.

DOCUMENT(S):

- a) Proposal from the Secretariat (distributed by CA 6-11-2001)
- b) Proposed changes to Financial Rule 5.6 (distributed by CA 16-10-2001)
- c) Proposed changes to Financial Rule 5.6 (distributed by US)
- d) Revised draft Council resolution with US proposed changes (distributed by CA 10-09-2001)
- e) Revised draft amended version of Financial Rules (distributed by CA 10-09-2001)
- f) Memo dated 28 February 2001 from the Secretariat's controller to the GSC re: Update on Financial Rules (distr. by SEC 28/02/01)

Item 8.4 Publications from 2000 work program

Under this item, the Alternate Representatives are invited to sign a resolution authorizing the Secretariat to extend the period during which the funds—committed for the publication of the State of the Environment report, 1999 annual report and 2000 special enforcement report— would remain available until 31 December 2001.

DOCUMENT(S):

- a) Draft Council Resolution (distributed 25-09-2001)

Item 9 Next session of Alternate Representatives

The Alternate Representatives are expected to confirm the date of their next session to be held in mid-December, for the purpose of approving the proposed 2002-2004 Program-Plan.

DOCUMENTS:

- a) Schedule of sessions of Alternate Representatives for 2001 (distributed 7-11-2001)

C/C.01/01-01/PLAN/01/Rev.6

Item 10 Closure of the session

The Chairperson is expected to close the session.



North American Commission for Environmental Cooperation (CEC)

Council Session 2001

Council decided to undertake new and additional efforts to:

- explore further opportunities for market-based approaches for **carbon sequestration, energy efficiency and renewable energy** in North America;
- initiate the development of a North American approach to the **environmentally sound management of hazardous wastes**, recognizing the serious environmental and human health consequences of improper **tracking** and **disposal**;
- analyze issues relating to **local water pricing** and **watershed management**, and promote accessible, affordable **technologies for improving water management**; and
- incorporate the **core set of environmental indicators** of the Organization for Economic Cooperation and Development in the CEC's periodic reports on the state of the North American environment, to assess environmental outcomes and track progress in relation to environmental goals.

Council Session 2001
Guadalajara
New Framework emphasizing:

- gathering, compiling, and sharing **high-quality environmental information**,
- promoting the use of **market-based approaches**,
- **cooperating regionally** in the implementation of **global commitments**,
- **building capacity** for stronger environmental partnerships,
- **strengthening strategic linkages to improve sustainability**, and
- promoting **public participation** in the CEC's work.

Council Session 2001

Other initiatives include:

- Explore possibility of convening a **joint ministerial meeting** between CEC and the North American Free Trade Commission for 2003
- Assess the role the CEC might play in **Plan Puebla Panama** including collaboration with other institutions
- Explore how CEC can assist the Pan American Health Organization (PAHO)/ UNEP with the **hemispheric initiative on health and environment**

Notes for the report of the Executive Director on the Activities of the Commission for Environmental Cooperation

Meeting of the Alternate Representatives
14–16 November 2001

1 PROGRAM UPDATE

1.1 Environment, Economy and Trade

1.1.1 Assessing Environment and Trade Relationships

The proceedings and revised final papers of the first North American Symposium on Understanding Linkages between Trade and Environment have been translated and will be published shortly. An executive summary highlighting some of the lessons learned from the symposium (supported by a grant from the Ford Foundation) will also appear shortly.

A meeting on Assessing the Environmental Effects of Trade Liberalization is scheduled for 17–18 January 2002. The meeting will focus on three issues:

- Assessment methods
- Land use and change
- Energy

Several background papers are being prepared for this meeting, including:

- an overview of recent ex-ante assessment methodologies, and some implications regarding comparability, distinctiveness and constraints in different approaches;
- an overview of the link between trade liberalization, land-use change and agro-biodiversity;
- an analysis of NAFTA forecasts in the agricultural sector in 1993–1994, against the current situation of the farm sector, with discussion of some lessons regarding ex-ante and exports analysis; and
- a background report on assessing the environmental effects of liberalization and cross-border trade in the electricity sector.

Links with the OECD Joint Working Party on Agriculture and the Environment on their agricultural indicator work and their economic incentive to support biodiversity work continue to be strengthened.

The three reports commissioned by the CEC for the [Article] 10(6) group were received and will be distributed to government officials three weeks before the 18 January meeting.

1.1.2 Critical and Emerging Environmental Trends in North America

The final report on critical and emerging trends (for which an executive summary was presented at Guadalajara) has been reviewed by the Trends group and is now being edited. The report will be presented along with others at the environmental assessment meeting on 17 and 18 January in Montreal. This meeting will be the first to combine the trends and NAFTA effects project to look both backward and forward at the environmental effects of trade on specific sectors. The January meeting will decide upon terms of reference for future meetings and project work, and the possible creation of an advisory group comprising government officials and others.

1.1.3 Financing and the Environment

The CEC meeting on financing and the environment, originally scheduled for early November in New York, has been moved to February 2002, due to the events of 11 September and the 8 November meeting at EPA. Several papers are

currently being prepared and will be used as a background to the meeting: (a) an update on private sector financing of environmental goods and services; (b) the response of financial markets to voluntary disclosure of environmental information (including environmental management systems) and (c) the response of financial markets to mandatory environmental information disclosure provisions in Canada, Mexico, and the United States.

1.1.4 Green Goods and Services

An experts' summary report on lessons learned from the project has been sent to the Parties for review. A report drawing lessons from consumer (demand) related issues from: renewable electricity; tourism; palm; and coffee will be sent to the Parties for review once the results of the last market analysis is completed.

Databases on tourism, coffee, office products and electricity have been updated, and a new one on demand-side energy efficiency products will be online prior to the November symposium in San Diego.

Shade coffee

Work to document the economic, financial, and environmental advantages of sustainable (shade) coffee has continued. Extensive contacts have been made in Mexico with groups that can help us create a map of actors in the sustainable coffee business in order to identify a loan distribution mechanism that will maximize chances of success. Work with local producers and cooperative groups has also continued and led to the creation of a Mexican Council for Sustainable Coffee on September 6th. The CEC has received and translated the first-ever sustainable coffee industry survey in North America. The survey is available on the CEC web site.

Sustainable Palm

On 5–6 July, the CEC hosted the second meeting of the Intergovernmental Advisory Group on Trade and Wildlife Species. The two papers on production in Mexico and commercialization of the palm on the international markets were presented and discussed. It was decided that the papers be combined for publication. The Parties were asked to assign priority rankings to their steps for concluding the project, to be chosen from among those listed during the meeting. A conference call of the group on 7 November resulted in a decision to go ahead and determine criteria for sustainable palm harvesting and document the link to biodiversity and forest protection. The initiative will be led by Conabio. This will be the first step in applying the methodology that was applied to shade-grown coffee, and more specifically test how it can be applied to a good that is also a wild species and that has institutions for “consumers” (as opposed to households in the case of coffee). The advisory group also decided to ask for an extension for this year’s budget expenditures, given the delay incurred in obtaining the positions of the three countries.

Tourism

To conclude the tourism project, an initiative is being conducted to bring the ecotourism sector, an important constituency, into the marine protected area (MPA) network of the Baja to Bering (B2B) priority ecoregion in the hope of both: (a) strengthening the network and demonstrating its value as well as that of the MPA and B2B frameworks; and (b) supporting sustainable tourism initiatives and the communities that benefit from them by bringing them into the B2B/MPA process. This effort will open a dialogue regarding what constitutes sustainable tourism in and around MPAs, hopefully one that will result in practical guidelines and opportunities to highlight and reward best practices. Support from the CEC will aim to integrate sustainable tourism as an important aspect of the B2B Initiative as a long-term project. The best practices document has been translated and will be available on the web shortly.

1.2 Conservation of Biodiversity

1.2.1 Strategic Directions for the Conservation of Biodiversity

Given that the Council agreed to create the Biodiversity Conservation Working Group during their meeting in Guadalajara, as per Council Resolution 01-03, the Conservation of Biodiversity program area prepared a tentative schedule to assist the parties in “the completion and implementation of the CEC’s Strategic Plan for the Conservation of Biodiversity” (attached).

1.2.2 North American Bird Conservation Initiative

A trilateral NABCI meeting took place in August (Cuernavaca, Mexico) to discuss the basis for the trilateral bird conservation agreement. The rationale of this agreement is to provide NABCI a formal standing within each country. Moreover, with support from the CEC, the Parties have already prepared a draft trilateral communication strategy. As part of this strategy, the CEC is constructing an updated NABCI web site.

1.2.3 Species of Common Conservation Concern

The basis for the trilateral grassland conservation strategy is being developed by compiling a grasslands level-III map for North America, assisting Mexico to develop its own position on grassland conservation, and developing a draft grassland conservation strategy.

To assist in developing a strategy for the grasslands SCCC, the CEC currently has three contracts under way: 1) creating a grasslands ecoregional map (level III); 2) assisting Mexico to develop its own position regarding the conservation of grasslands, from a multi-stakeholder perspective; and 3) developing a draft grassland strategy for North America based upon the information obtained in 1) and 2) and upon experiences on this matter accumulated within the last 20 years of national and binational grassland conservation efforts. As follow-up, a meeting will be organized in about May 2002, by the CEC, together with several key partners (The Nature Conservancy, National Wildlife Federation, the US Fish and Wildlife Service, etc.) to endorse the strategy and devise joint action plans.

1.2.4 Mapping Marine and Estuarine Ecosystems of North America

Presently, Country Teams constituted for this project are working together to review existing initiatives, assess gaps found in current North American marine mapping initiatives, and develop criteria by which this effort will be led. By building on existing efforts in the three countries, by year-end a draft map will have been developed and reviewed during an expert workshop.

1.2.5 North American Marine Protected Areas Network

In order to advance this initiative, the following activities are being implemented:

MPA networking and capacity building

Inventory

In coordination with the CEC's NABIN project, the Consejo Nacional de Áreas Naturales Protegidas (CONAP), Canada's National Atlas, Canada's Department of Fisheries and Oceans (DFO), the US National Oceanic and Atmospheric Administration (NOAA), IUCN's World Commission on Protected Areas (WCPA) (North America Marine), and other international initiatives, governmental and NGO partners, the CEC is working to develop a Marine Protected Areas web-based information management tool for MPA practitioners, NGOs, decision makers, academics and other users to support the North American MPA Network. This visual, geographic information system (GIS)- and collaborative web-based tool will:

- 1) facilitate communications and provide a vehicle for members of the North American MPA Network to inform each other about important marine conservation-related documents, events and issues;
- 2) allow access to and query capability for different North American MPA inventory databases, providing information on the essential elements of North American MPA projects;
- 3) compile site-level MPA management effectiveness results to illustrate important trends, and valuable lessons-learned about MPAs across broader geographic scales, including networks of entire ecological regions.

The project is currently in its scoping phase (in terms of content and web design) and, by year's end, a prototype will have been developed based on feedback received from MPA managers and decision-makers.

North American MPA Managers Meeting

By the end of 2001, North American MPA managers will have been brought together to identify commonalities and identify needs (including those to be fulfilled by the *North American Gateway for Marine Conservation*, and work on *Targets and Indicators*).

Trinational conservation priorities and measuring effectiveness

Marine Species of Common Conservation Concern (MSCCC)

Through this initiative, governments, NGOs and marine conservation scientists are working together to develop a list of migratory and transboundary species of trinational importance at risk. To produce the list, a workshop was held to build consensus on the methodology to be used for identifying priority species (Monterey Workshop, 1 May 2001). The results of the meeting can be found on Marinet at <<http://www.orchestrabycrossdraw.com/marinet>>. By the end of 2001, a report on the MSCCC will have been developed, describing the status of the species and identifying opportunities for collaboration.

Identifying Priority Areas for B2B

This initiative seeks to identify the highest priority areas to protect in the Exclusive Economic Zone off the West Coast of Canada, Mexico and the US—an essential first step towards establishing a network of marine protected areas along the Pacific Coast of North America. The priority areas map will focus the attention of all players on the resources that most deserve protection, serving as a means of catalyzing viable systems of marine protected areas from Baja to Bering. To produce the map, a strategy building session, involving marine conservation NGOs, governmental agencies, intergovernmental organizations, and fisherman's organizations, was held to build consensus on the methodology to be used for identifying priority areas (Monterey workshop, 2–3 May 2001). The results of the meeting can be found on Marinet <<http://www.orchestrabycrossdraw.com/marinet>>. Presently, through a partnership with the Marine Conservation Biology Institute (MCBI), the best available scientific data and traditional ecological knowledge are being compiled.

Marine Conservation Targets and Indicators

This initiative is helping to provide a realistic appraisal by scientists of the ability of MPAs to achieve specific goals, and how these goals will be measured. During a workshop held 2–3 May 2001, the development of a generic framework to gauge management effectiveness was initiated. By the end of 2001, these results will have been incorporated into broader practices focused on employing effectiveness measures in the successful management of MPAs.

1.2.5 Global Programme of Action for the Protection of the Marine Environment from Land-based Activities in North America

In its final year, the GPA project is successfully securing transition of the project from the CEC to the regions. For the Bight of Californias region, the principal transitional activity is the development of a feasibility analysis for a proposal to the GEF. The main objective of this proposal is to strengthen the management capacity to conserve marine and coastal biodiversity, as well as to mitigate and eliminate the threats to biodiversity, particularly those derived from point and non-point source land-based activities. The Bight of the Californias initiative has also developed an *Enhanced Access to Resource Management Data* tool. This web-based tool allows users to access—from a single web location—data and information relevant to addressing the Bight of the Californias priority coastal use and management issues and is designed for users with different levels of data and analysis needs <http://spo.nos.noaa.gov/projects/boc2/boc_index.html>.

For the Gulf of Maine, discussion continues on the proposed advisory role of the Global Program of Action Coalition (GPAC) to the Gulf of Maine Council (GOMC), especially as this relates to the new GOMC Action Plan. Some of the GPAC priority issues and actions were also included in the GOMC draft Action Plan. In addition, the GPAC has continued to advance its relationship with the United Nations Environment Programme GPA office. GPAC submitted both summary reports of its activities and, along with a representative from the Bight of California, is presenting

these activities to the government summit on the GPA, to be held in Montreal, 26–30 November 2001. A booklet, “50 Ways to Save the Gulf of Maine,” developed to educate school children about the importance of the Gulf of Maine, its water cycle, ways by which human activities on land impact the GOM, and fifty things that can be done to help keep the Gulf of Maine healthy, was finalized and will be printed by the end of November. In addition, the GPAC has initiated its most ambitious project to date, taking the lead in planning a binational Summit on the State of the Gulf, projected for 2003. Leading up to the Summit will be a series of locally organized fora to examine issues, opportunities, knowledge gaps and priorities at the watershed level. Moreover, the GPAC working session (held at St. Andrew’s, New Brunswick, on 5 November) provided the opportunity for GPAC task groups to advance their planning and development of projects and continue to build new relationships with First Nations and Founding Tribes. And finally, the web site for the project—originally hosted on the CEC homepage—is being developed at <<http://www.gpac-gom.org>>.

1.3 Pollutants and Health

1.3.1 Cooperation on North American Air Quality Issues

The CEC air quality program continued progress in a number of activities within its 2001 workplan. These include efforts related to air emission inventories, linkages between air quality and children’s health, and North American trade and transportation corridors.

Work has been completed on a background discussion paper outlining comparability and information access issues of air emission inventories in North America. The paper received initial review from government experts in all three countries. It will be a basis for discussion at November 15 meeting sponsored by the CEC in Montreal among local, state and federal government inventory experts. The CEC will revise the draft based on the results of the November 15 government meeting, and present it publicly prior to a follow-up December 13 meeting in Montreal that will include nongovernmental participants. The December 13 meeting will immediately follow a meeting of the PRTR consultative group in order to provide greater opportunity for public and governmental participants to exchange views on issues shared between PRTR and the air emissions inventory work.

The CEC air program completed an agreement with the *Instituto Nacional de Salud Pública* (INSP) in Cuernavaca to assess linkages between air quality and children’s health in Ciudad Juárez, Chihuahua. Various studies conducted in Latin America provide evidence of the adverse effect of air pollution on health in different groups of populations. Few studies, however, have focused on young children and none evaluated the impact of air pollution on groups of children that may be more vulnerable because of poor living conditions. This is important because there is a need for a fair impact assessment of air pollution on children’s health accounting for factors that increase vulnerability, such as social inequality, in order to support public policies of prevention and control in the most disadvantaged populations.

The CEC-funded study will be the first step in providing an integrated picture of the effect of air pollution on mortality and morbidity among children in large Mexico cities. As an initial pilot project, researchers at INSP will analyze data from Ciudad Juárez, Chihuahua, México. The pilot project will serve as a foundation for similar efforts in other large and/or border cities in Mexico, including Mexico City, Guadalajara, Monterrey, Toluca, Mexicali, and Tijuana. The analysis will use a uniform approach to assess common characteristics in the effect of air pollution and potential causes of heterogeneity in its effect on different population groups, in particular social inequity factors. It lays groundwork for future efforts by creating a model for integrated assessment of environmental health data that can be expanded to additional cities.

Following the CEC trade and transportation corridors workshop in Winnipeg on 15 March 2001, the air program received a number of comments on potential future work directions. A major initiative the CEC is pursuing is a diesel truck “smoke testing” project coordinated through the Northeast States for Coordinated Air Use Management (NESCAUM) in Boston, Massachusetts. NESCAUM is a multi-state organization that works with the air agencies of eight northeastern US states. NESCAUM has previously developed a common protocol among a number of states regarding pollution inspections of heavy-duty trucks. The CEC is sponsoring an initiative to broaden the cooperative

aspects of this agreement to include key provinces and states elsewhere in Canada, Mexico and the US. An aspect of the initiative will be a pilot project to reduce diesel emissions from trucks at a congested border crossing, a key issue raised at the Winnipeg workshop and in comments submitted to the CEC.

1.3.2 Sound Management of Chemicals (SMOC)

In the Sound Management of Chemicals Program, a number of initiatives have been launched or advanced since June 2001.

The statement of mutual concern for lindane was finalized and the SMOC Working Group approved a recommendation from the Substance Selection Task Force that a NARAP be prepared for this chemical. The recommendation has gone forward to the Alternate Representatives for their consideration at their meeting on 14–16 November and, if endorsed, should go to Council for approval in June 2002.

The NARAP on chlordane has been underway since 1997. A key deliverable was the cessation of use and production of this pesticide in North America. This has now been accomplished with the latest actions that Mexico has undertaken. A final report describing all the actions has been completed and the Chlordane Task Force has recommended to the SMOC Working Group to publish the final report and disband the task force. As there continues to be concern about illegal transboundary shipments of chlordane, the task force also is recommending that this issue be tracked by the Enforcement Working Group.

A communications package was prepared for the Stockholm POPs meeting in May 2001 in order to highlight the actions North America, and in particular Mexico, has taken to stop production and use of DDT. Two new NARAPs are under development and nearing completion. One on dioxins, furans and hexachlorobenzene (D/F/HCB) and the other on Monitoring and Assessment (M&A). An experts workshop on monitoring and assessment was completed in March 2001 in Toronto. A public workshop on (D/F/HCB) was completed in October in Mexico City with over 100 stakeholders being represented. Draft NARAPs will be ready for consultation by Jan/02 and it is anticipated that these will be presented to Council for approval in June 2002.

Given recent Council public statements of concern about the lead, a Statement of Mutual Concern is in preparation for lead and its compounds and a recommendation is expected to go to the SMOC Working Group shortly.

The Substance Selection Task Force has undertaken a public review of the substance selection process and will request public feedback on its report shortly.

1.3.3 North American Pollutant Release and Transfer Register (PRTR) Project

In July 2001, *Taking Stock 98* was published, the fifth in the *Taking Stock* series. Concurrent with the release of report was the launching of the new *Taking Stock* web site <<http://www.cec.org/takingstock>>, which enables users to generate their own queries of the data sets used in the *Taking Stock* reports. Work is well underway on *Taking Stock 99*, which is scheduled for release in Spring 2002. A meeting of the Consultative Group for the North American PRTR Project will be held in Montreal on 12–13 December 2001, to obtain input on the development of the *Taking Stock 2000* report and to explore ways of strengthening the use of PRTR as a tool within the context of other CEC programs, such as SMOC. A trilateral consulting team is preparing the special feature on toxic chemicals and children's environmental health, which will be published in spring 2002 as part of the *Taking Stock* series. Work continues to promote improved comparability among the three national PRTR systems. An "Action Plan to Enhance the Comparability of North American PRTRs" was developed and agreed by the national PRTR representatives in June 2001. This document outlines a number of opportunities for increasing comparability among the national systems and specifies actions that could be taken by each government to that end.

Guidance material on estimation techniques for industries in Mexico, a project initiated in 2000, is near completion. The manual will be published in hard copy and on CD-ROM, and distributed through an outreach campaign in coordination with Semarnat and several industry associations. An NGO-led project is also underway to build

awareness and support for the proposed shift to a mandatory, publicly accessible PRTR program in Mexico. In September, the trinational Ad Hoc PRTR Group, composed of individuals from industry, academia and civil society who are interested in innovative uses of PRTRs, prepared a brochure on the benefits of PRTR reporting as a means of supporting the further development of the PRTR program in Mexico.

1.3.4 Capacity Building for Pollution Prevention

The Pollution Prevention Roundtable in Mexico held its second national event on 12–14 September 2001 in Monterrey. The event was organized into three thematic workshops and five panels around various themes. Also, a meeting was held to set up regional pollution prevention roundtables for the Mexico-United States border. Liaison has been established between the pollution prevention roundtables of North America. They are currently reviewing the domestic pollution prevention policies and strategies of each country with a view to developing a common vision for a regional strategy. The next meeting will be held in conjunction with the fall event of the US pollution prevention round table in Charleston, South Carolina, this November. The meeting will review progress on the analysis of domestic policies and strategies that will serve as a basis for a joint proposal to be presented to the CEC Council of Ministers in June 2002. A joint declaration of cooperation will be made public, and potential joint projects for 2002 and 2003 will be discussed.

Pollution Prevention Fund (Fondo para Proyectos de Prevención de la Contaminación—Fiprev)

With the contributions from the CEC and the *Fundación Mexicana para la Innovación y Transferencia de Tecnología en la Pequeña y Mediana Empresa* (Funtec) to Fiprev this year, the fund attained a capitalization of more than US\$1 million. So far, 48 credit applications have been approved and 30 loans have been extended for an amount of P\$7.1 million. Environmental and economic follow-up on the projects has shown that the investments are generally recovered within one year; that the projects are viable to such an extent that they have no outstanding debts; that the savings realized to date by the first 25 projects are on the order of P\$7.4 million annually, and that water savings of 89,500 m³ and air pollutant reduction of 1,800 tons per year are being achieved.

In order to promote Fiprev's capacity to support Mexican SMEs, negotiations have taken place with Nacional Financiera (the Mexican federal business development bank) and the Ministry of Economic Development (*Secretaría de Economía*) for their participation in pollution prevention financing activities. The latter has engaged a contribution of P\$2 million to the Fund. Fiprev is right now in the process of creating the administrative infrastructure to operate funds from the *Nacional Financiera* up to P\$9 million. This will lead to a significant increase in Fiprev's lending capacity.

1.3.5 Children's Health and the Environment in North America

In October 2001 the Expert Advisory Board on Children's Health and the Environment in North America was formed. The Board, which is composed of three individuals from each country, will provide advice to Council on matters of children's health and the environment. Terms of Reference for the board were approved by Council in their Resolution 01-04 in June 2001. The first meeting of the board is scheduled for 26 November 2001 in Montreal.

Preparations are well underway for the Trilateral Workshop on Children's Health and the Environment in North America, which will take place on 27–28 November in Montreal. Governmental representatives and members of the Expert Advisory Board will spend two days further developing the CEC cooperative agenda for children's environmental health, building on the priorities outlined in Council Resolution 00-10. A draft cooperative agenda will be prepared based on the workshop outcomes and circulated for public comment, including a JPAC session on children's health and the environment, tentatively slated for March 2002. An inventory of national, bilateral and trilateral activities related to children's environmental health has been compiled as a basis for identifying opportunities for trilateral collaboration.

An initial planning meeting was held in September 2001 among the CEC, the IJC Health Professionals Task Force, Pan American Health Organization (PAHO) and the World Health Organization (WHO) to discuss proposed collaboration on the development of a core set of children's environmental health indicators for North America. Considerable

interest was expressed by the three governments and institutional partners, and a feasibility study was proposed as a next step.

1.4 Law and Policy

Comparative Report on Environmental Standards

As reported in June, after reviewing the preliminary scoping work carried out by consultants from each of the NAFTA countries, intensive agriculture practices has been identified as an area of critical importance in all three countries because of its effects on air, water and soil, as well as its close ties to current work in Environment, Economy and Trade. There is currently a great deal of activity in regulatory agencies at the state and federal levels in North America as evidenced by the current spate of hearings and regulatory change taking place, particularly in the United States and Canada. Consultants in Canada, Mexico and the United States are carrying out research to provide a comparative overview of the regimes in place (of a regulatory and guidance nature) and highlight current trends. The study will provide a baseline report on how environmental and human health concerns are addressed by selected regulatory authorities in this area. Preliminary drafts for review by the CEC will be submitted by the end of the year.

Planning work is underway for a comparative standards project on pretreatment and disposal standards for hazardous waste. This is one aspect that the CEC is looking into to carry out the Council directive on developing a North American approach to the environmentally sound management of hazardous wastes. Preliminary discussions have taken place with government officials from all parties to define the scope of the project.

1.4.1 Enforcement Cooperation

North American Regional Enforcement Forum

The North American Working Group on Environmental Enforcement and Compliance Cooperation (EWG) has not met this year as originally planned and has instead conducted its ongoing business by conference calls. The EWG has postponed its meeting of senior enforcement officials until 7–8 February 2002, pending finalization of all the administrative changes resulting from the elections in Mexico and the United States. This meeting will provide an opportunity for new enforcement officials in all three countries to meet jointly for the first time to discuss new avenues for regional enforcement cooperation and to inform the CEC enforcement cooperation program.

The “lessons learned” report on the EWG pilot project to develop compliance indicators in the area of hazardous wastes is still outstanding. EPA had assumed the responsibility for this report and expects to deliver it by the end of November 2001. This is the last effort in this area since the group agreed that it was unable to make further progress on compliance indicators at this time.

Collaborative work with the SMOC program is concentrating on one particular area under the mercury NARAP—controls on the transboundary movement of mercury for processing and final disposal. The CEC is working with consultants from all three countries to produce background papers on this issue, with a view to scheduling a meeting with the government experts from all three countries in 2002.

Planning is also underway with hazardous waste officials in all three countries to determine appropriate follow-up to the recommendations in the 1998 CEC report on tracking transborder hazardous waste movements

Enforcement and Compliance Capacity Building

The NAWEG has postponed its two-day forum on public participation in wildlife enforcement activities originally scheduled for 27–28 September 2001, in Washington, DC. The capacity building workshop on enforcement issues related to ozone-depleting substances (ODSs), originally scheduled for September 13-14, 2001, was also postponed and is rescheduled for 7–8 November 2001, in Mexico City.

Enforcement and Compliance Reporting

The Special 2000 Enforcement Report has now gone to print and should be available at the end of October 2001. The topics being covered are inspections, compliance promotion activities and results measurement.

Environmental Management Systems to Promote Compliance and Environmental Performance

The EWG task group has encouraged the creation of pilot projects to promote use of the guidance document: *Improving Environmental Performance and Compliance: 10 Elements of Effective Environmental Management Systems*. DuPont Mexico agreed to be the first participant in a pilot project in collaboration with Profepa and a report on its experience with the guidance document should be ready by the beginning of 2002. The US EPA has also initiated projects to promote use of the Guidance Document, including funding grants to Texas and California for similar purposes. EPA has proposed discussions to encourage closer collaboration between Profepa and EPA to promote its use with small and medium-size enterprises. In the US, the Board of Environmental, Health and Safety Auditor Certification has undertaken to incorporate the Guidance Document's 10 elements in the material required for competency testing.

Challenges

The postponement of several key activities in the Law and Policy area has been a disappointment to those people from all three countries involved in their planning. The CEC has already rescheduled all events to maximize the hard work that has already gone into their organization. This will make the program heavy with rescheduled 2001 activities early in 2002 as well as with regular 2002 program activities.

2 FOLLOW-UP TO COUNCIL SESSION IN GUADALAJARA

Council agreed to undertake new initiatives in the areas of energy, hazardous waste, water, and environmental indicators. Specifically, Council decided to:

- explore further opportunities for market-based approaches for carbon sequestration, energy efficiency and renewable energy in North America;
- initiate the development of a North American approach to the environmentally sound management of hazardous wastes, recognizing the serious environmental and human health consequences of improper tracking and disposal;
- analyze issues relating to local water pricing and watershed management, and promote accessible, affordable technologies for improving water management; and
- incorporate the core set of environmental indicators of the Organization for Economic Cooperation and Development in the CEC's periodic reports on the state of the North American environment, to assess environmental outcomes and track progress in relation to environmental goals.

They also established a framework for this work that emphasizes:

- gathering, compiling, and sharing high-quality environmental information,
- promoting the use of market-based approaches,
- cooperating regionally in the implementation of global commitments,
- building capacity for stronger environmental partnerships,
- strengthening strategic linkages to improve sustainability, and
- promoting public participation in the CEC's work.

2.1 Follow-up Actions

The Secretariat has undertaken the following actions to help scope out these areas to enable Council to review progress and consider appropriate next steps at its upcoming Council Session in June in Ottawa:

Energy and carbon-sequestration

The Secretariat is organizing a meeting of key stakeholders in early 2002 to help identify concrete opportunities for market-based approaches for carbon-sequestration, energy efficiency and renewable energy. The results of this meeting will be presented to the Parties in winter 2002 for their review and to identify next steps the Council may wish to consider.

Hazardous waste

The Secretariat is organizing an experts meeting in late January to scope out issues and opportunities for North American cooperation related to tracking and disposal, and a follow-up meeting of task force officials to identify key issues and areas for cooperation. The officials meeting to be held in late January will narrow and prioritize the areas of focus to develop a North American approach for sound management of hazardous waste. This first meeting of the officials will provide Council with a preliminary set of potential elements of a North American approach to hazardous waste for Council's review and discussion in June.

Water

The Secretariat is organizing an experts meeting in January 2002, in Toronto, to assess potential program opportunities related to local water pricing and watershed management, and of promoting accessible, affordable technologies for improving water management. The results of this meeting will be presented to the Parties in January for their review and consideration to enable Council to provide direction on specific activities in this area.

Core set of indicators

The CEC will invite OECD staff and government OECD representatives responsible for data compilation and delivery to attend a workshop designed to assess the feasibility of providing a more in-depth North American regional focus on the agreed upon core set of OECD environmental indicators. Based on the results of this meeting, the CEC will prepare an outline of the proposed SOE publication.

2.2 Other Follow-up Actions

2003 Trade and Environment Ministerial

As chair, Canada and the Secretariat are working closely to develop an agenda for the next 10:6 meeting, including requesting the Parties to identify possible topics of interest for the proposed 2003 Trade and Environment Ministerial.

Plan Puebla Panama

The activities of the Secretariat related to the phase-out or reintroduction of DDT in Mexico and Central America have continued and an action plan is now in place that involves eight countries. In October 2001, the proposal accepted by the representatives of the eight participating countries was sent to the Global Environment Facility (GEF) for its evaluation. A favorable response from the GEF Executive Council regarding the financing of the project is expected by February 2002 (as mentioned under section "Current status of the Regional Program of Action and Demonstration of Sustainable Alternatives for Malaria Control without the Use of DDT in Mexico and Central America").

Public Access to Environmental Information

The Secretariat has hired consultants in Mexico, Canada and the United States to assist in updating the CEC's previous report published in the winter 1999 edition of North American Environmental Law and Policy, entitled *Public Access to Government-held Environmental Information*. The updated reports will include a summary of regulations on confidentiality of information in the three countries, as Council requested during the Guadalajara Council Session. The reports are scheduled for completion in spring 2002.

3 MONITORING AND EVALUATION

The CEC initiated the development of a CEC Planning, Monitoring and Evaluation Plan as part of a process to develop the principles and procedures for the Implementation of a Monitoring and Evaluation Framework. CEC's *Evaluation Framework: Principles and Procedures* now covers the basics of monitoring and evaluation. It also introduces the key Results-based Management (RBM) concepts which we will apply to our evaluation process. This document includes the planning and reporting templates necessary to carry out evaluations and which cover,

respectively:

- the projects' objectives, reconstituting to the best of our abilities projects since their inception; and
- the projects' results to date.

We are currently in the process of identifying evaluators for two of CEC's program areas: Law and Policy and Conservation of Biodiversity, as well as evaluators for the Mexico Liaison Office. The terms of reference for the evaluation of the abovementioned areas and the Mexico Liaison Office are currently being prepared. Input will be sought from the Parties prior to their finalization. It is expected that these evaluations will take place prior to the end of 2001 and final evaluation reports should be ready early 2002. During the month of November we are initiating the evaluation process of the two remaining areas: Pollutants and Health, and Environment, Economy and Trade. It is expected that the evaluation report for these two areas could be ready during the early part of the second quarter of 2002.

4 ARTICLE 13—ELECTRICITY RESTRUCTURING

Planning for the November symposium is complete, with over 100 participants having confirmed their attendance. Appointments to the Advisory Board are complete, with Ambassador Jesus Reyes Heróles filling out the group. The results of the Mexican survey of interest in the renewable electricity in the industrial sector—with CONAE and in partnership undertaken by Gallup Mexico—was released on 10 October 2001. Results have been sent to the Parties.

The five following background papers will be available for review and comment in late November:

1. Discussion paper: Environmental Challenges and Opportunities in the Evolving North American Electricity Market
2. Main working paper: Environmental Challenges and Opportunities in the Evolving North American Electricity Market
3. Estimating Future Air Pollution from New Electric Power Generation
4. A Retrospective Review of FERC's Environmental Impact Statement on Open Transmission Access
5. NAFTA Provisions and the Electricity Sector
6. European Electricity Generating Facilities: An Overview of European Regulatory Requirements and Standardization Efforts

5 ARTICLE 14 SUBMISSIONS

The Secretariat is working to fulfill Council's commitment in Guadalajara to improving the timeliness and efficiency of the citizen submissions process.

First, we have added a legal officer to the SEM Unit. I am delighted to introduce you to Katia Opalka, who was an associate with McCarthy Tetreault in Montreal before joining the CEC staff in September.

As well, in the past year, the Secretariat has eliminated its backlog of work on all Canadian and US submissions, with factual record recommendations for the Migratory Birds, BC Mining and BC Logging submissions, and dismissal of the Great Lakes submission.

The Secretariat has also made good progress on the pending Mexican submissions. We will finalize the Metales y Derivados factual record by the end of November, and we are near completion of our review on whether to recommend factual records for the Río Magdalena, Molymex and Cytrar II submissions.

With regard to confidentiality, we are working with consultants on a summary of regulations, to be finished next spring, and as requested in Guadalajara we have also presented the Parties with a proposal on confidentiality. We look forward to assisting the Parties as they move forward in regard to confidentiality and as Council fulfills its commitment from Guadalajara to consider additional action on JPAC's recommendations for the process.

5.1 The status of the ten submissions currently under review is as follows:

- *Pending Council Decision on Development of Factual Records*

- 1) **Aquanova.** On 4 August 2000, the Secretariat informed Council that SEM-98-006/*Grupo Ecológico Manglar A.C.* (concerning Mexico's enforcement in regard to wetlands impacts of shrimp farm) warrants developing a factual record.
- 2) **Migratory Birds.** On 15 December 2000, the Secretariat notified Council that submission SEM-99-002/*Alliance for the Wild Rockies, et al.* (concerning enforcement by the US of the Migratory Bird Treaty Act against logging operations) warrants developing a factual record.
- 3) **BC Mining.** On 11 May 2001, the Secretariat notified Council that submission SEM-98-004/*Sierra Club of British Columbia, et al.* (concerning Canada's enforcement of the Fisheries Act against mining operations in British Columbia) warrants developing a factual record.
- 4) **BC Logging.** On 27 July 2001, the Secretariat notified Council that submission SEM-00-004/*David Suzuki Foundation, et al.* (concerning Canada's enforcement of the Fisheries Act against logging operations in British Columbia) warrants developing a factual record.
- 5) **Oldman River II.** The Council has deferred consideration of the Secretariat's notification that a factual record is warranted with respect to SEM-97-006/*The Friends of the Oldman River* (concerning Canada's enforcement of the Canadian Environmental Assessment Act and the Fisheries Act).

Regarding these five cases, Council may, upon a two-thirds vote, instruct the Secretariat to prepare a factual record.

5.2 *Factual Record in Development*

Metales y Derivados. The Secretariat is currently developing a factual record on SEM-98-007/*Environmental Health Coalition, et al* (concerning Mexico's enforcement related to abandoned lead smelter site).

5.3 *Determination Pending Whether Factual Record is Warranted Under Article 15(1)*

- 1) **Río Magdalena.** SEM-97-002/*Comité Pro Limpieza del Río Magdalena* (concerning Mexico's enforcement in relation to wastewater discharges)
- 2) **Molymex II.** SEM-00-005/*Academia Sonorense de Derechos Humanos et al.* (concerning Mexico's enforcement in relation to air quality and environmental impacts of molybdenum processing plant)
- 3) **Cytrar II.** SEM-01-001 / *Academia Sonorense de Derechos Humanos, A.C. et al.* (concerning Mexico's enforcement in relation to hazardous waste landfill)

These submissions are being reviewed by the Secretariat in light of the Party's response to determine whether development of a factual record is warranted. On 13 September 1999, the Secretariat requested additional information from Mexico under Article 21(1)(b) concerning SEM-97-002/*Comité Pro Limpieza del Río Magdalena* (concerning Mexico). No response to this request has been received.

5.4 *Awaiting Response from Party under Article 14(3)*

Tarahumara. SEM-00-006/ *Comisión de Solidaridad y Defensa de los Derechos Humanos, A.C* (concerning Mexico's enforcement in relation to access to environmental justice to indigenous communities). On 6 November 2001, the Secretariat determined that part of the submission warranted a response from Mexico.

5.5 *Recent Dismissal of two Submissions*

- 1) **Dermet.** SEM-01-003/ *Mercerizados y Teñidos de Guadalajara, S.A.* (concerning Mexico's enforcement in relation to the probative value in a civil trial of a *Profepa* technical opinion in relation to on groundwater contamination caused by the Dermet, S.A. de C.V., in the city of Guadalajara in Jalisco). On 19 September 2001, the Secretariat dismissed the submission because it did not meet the criteria of Article 14(1). However, the Submitter may provide the Secretariat with a submission that conforms to the criteria of Article 14(1), within 30 days of receipt of the determination.
- 2) **Great Lakes.** SEM-98-003/*Department of the Planet Earth et al.* (concerning enforcement by the US in relation to

dioxin and mercury emissions from solid and medical waste incinerators). On 5 October 2001, the Secretariat dismissed the submission because it considered, in light of the United States' response to the submission, that development of a factual record is not warranted.

5.6 Historical Background of Submissions

The **twenty-one** submissions that are no longer pending were addressed as follows:

- *Eleven submissions have been dismissed on the grounds that they did not warrant further consideration, based on Article 14(1) or (2):*

Spotted Owl- SEM-95-001/*Biodiversity Legal Foundation et al.*

Logging Rider- SEM-95-002/*Sierra Club et al.*

Tottrup- SEM-96-002/*Aage Tottrup*

CEDF- SEM-97-004/*Canadian Environmental Defence Fund*

Biodiversity- SEM-97-005/*Animal Alliance of Canada et al.*

Guadalajara- SEM-98-001/*Instituto de Derecho Ambiental, A.C., et al.*

Ortiz Martínez- SEM-98-002/*Ortiz Martínez*

Molymex I- SEM-00-001/*Rosa María Escalante de Fernández*

Jamaica Bay- SEM-00-003/*Hudson River Audubon Society of Westchester, Inc., et al.*

AAA Packaging - SEM-01-002/*Submitter's name confidential.*

Dermet. SEM-01-003/*Mercerizados y Teñidos de Guadalajara, S.A.*

- *Two submissions have been terminated under Article 14(3)(a)*

Methanex- SEM-99-001/*Methanex Corporation*

Neste- SEM- 00-002/*Neste Canada Inc.*

- *Four submissions have been terminated under Article 15(1)*

Oldman River I- SEM-96-003/*The Friends of the Oldman River*

Lake Chapala- SEM-97-007/*Instituto de Derecho Ambiental*

Cytrar- SEM-98-005/*Academia Sonorense de Derechos Humanos*

Great Lakes. SEM-98-003/*Department of the Planet Earth et al.*

- *One submission has been withdrawn by the Submitters*

Fort Huachuca- SEM-96-004/*The Southwest Center for Biological Diversity et al.*

- *Two factual records have been prepared and made public*

Cozumel- SEM-96-001/*Comité para la Protección de los Recursos Naturales, A.C. et al.*

BC Hydro- SEM-97-001/*B.C. Aboriginal Fisheries Commission et al.*

- *The Council has dismissed one submission under Article 15(2) following notification from the Secretariat that preparation of a factual record was warranted*

Quebec Hog Farms- SEM-97-003/*Centre québécois du droit de l'environnement. et al.*

6 PARTNERSHIPS

Current status of the Regional Program of Action and Demonstration of Sustainable Alternatives for Malaria Control without the Use of DDT in Mexico and Central America.

A meeting was held in Mexico City on 11–12 September 2001 to analyze the proposed Regional Program of Action and Demonstration of Sustainable Alternatives for Malaria Control without the Use of DDT in Mexico and Central America. The meeting was attended by representatives of the ministries of health and environment of the eight countries involved in the program.

In October 2001, the proposal accepted by the representatives of the eight participating countries was sent to the

Global Environment Facility (GEF) for its evaluation. A favourable response from the GEF Executive Council regarding the financing of the project is expected by February 2002. The Commission sent the GEF a letter of support for the program and plans to contribute US\$ 200,000 during its implementation.

The program would run for a three-year period. Its main objective would be to demonstrate that malaria vectors can be cost-effectively, replicably and sustainably controlled without the use of DDT in Mexico and Central America. The GEF would be providing an amount of US\$ 7,495,000. This contribution, together with the funds invested by the eight participating countries (\$2,544,000), the Commission would contribute an additional US\$ 200,000 to the \$100,000 used in the preparation phase (PDF phase) of the proposal (total of \$300,000) and the Pan-American Health Organization (\$754,000), would yield a grand total of \$11,093,000.

7 ADMINISTRATION AND FINANCE

7.1 Financial Resources

The audited financial statements corresponding to the year 2000 have been submitted to the Parties for approval. The Secretariat has considered the recommendations of the accounting firm in the preparation of future financial statements. At the closing of the 3rd trimester of year 2000, the proportional contributions from the three parties were received.

7.2 Human Resources

On 27 September Katia Opalka was hired as Legal Officer within the Submissions for Enforcement Matters Unit. The Head of Law and Policy Division occupied by Darlene A. Pearson is vacant as of 26 October. The Direction of Communications, occupied by Charles Dickson will also be vacant as of 2 November.

7.3 Headquarters Agreement with Quebec

After receiving the three Parties' approval for the signature of the Understanding with the Government of Quebec, we are awaiting the dates for the official signature.

7.4 Security

Security measures have been increased subsequent to the events of September 11th in New York. The Secretariat has requested assistance from the RCMP to review and assess security measures.

8 COMMUNICATIONS AND OUTREACH

For the first time, the *Taking Stock* report consisted of two printed volumes (*Sourcebook* and *Summary*) as well as an electronic version available online at the CEC's website. Also new with this year's release was the online query feature by which visitors to the site may access the data and pose their own custom-made questions.

Ongoing improvements to the content, function and appearance of the CEC web site continue. In concert with coordinated transmission of e-mails alerting the CEC community to new developments in the work of the Commission, our electronic communication is enjoying a steadily growing audience. The launch of *Taking Stock 98* made July and August two of the heaviest months ever in terms of volume of information downloaded from our site. Data on visits to our site reveal an overall tripling of traffic over the past 14 months. While there are now typically 40 visitors to our site at any given moment, the launch of *Trio 5* in early October brought that figure up to over 100 on the day it was published. Over 60,000 unique visits in each of September and October registered approximately 1,000,000 hits (mouse clicks) on our site per month.

Trio 5 (fall issue) was published in early October. In addition to sending a listserv message to everyone on our database to promote the posting of the latest *Trio* on our website, our list of people receiving the printed version by mail has grown to 1200.

The development of a new graphic style continues to be applied to more of our major publications, brochures, posters and web site. The designs have a naïve, hand-hewn look and employ a strong use of color, sending a message of immediacy, earthiness and humanity. As public skepticism over bureaucratic institutions appears to continue to grow, our imagery helps establish a connection to people and conveys a sense of relevance that is untypical of organizations such as ours. It gives the CEC a distinctive branding that, despite small publicity budgets, helps us stand out from the barrage of messages competing for public attention.

Press releases since June have included (in reverse chronology):

18 October 2001

Ministers appoint children's health advisory board

The environment ministers of Canada, Mexico and the United States have named the members of the Expert Advisory Board on Children's Health and the Environment in North America. The three ministers work together through the Montreal-based North American Commission for Environmental Cooperation (CEC) in addressing environmental issues of common concern.

9 October 2001

Mexico's big industries want more "green" electricity

Mexico's biggest industries want more renewable electricity, according to the results of a survey released today by the North American Commission for Environmental Cooperation (CEC). Janine Ferretti, executive director of the CEC said that "this demand creates a significant opportunity for the rapid expansion of the green energy industry in Mexico."

5 October 2001

CEC dismisses 'Great Lakes' submission on mercury and dioxin from US incinerators

The North American Commission for Environmental Cooperation (CEC) today dismissed a citizen submission that alleges failure on the part of the United States in its enforcement of Clean Air Act provisions concerning mercury and dioxin emissions from municipal and medical waste incinerators.

1 October 2001

Slide presentations on dioxins, furans and hexachlorobenzene available

The North American Task Force on Dioxins and Furans, and Hexachlorobenzene was established by the North American Working Group on the Sound Management of Chemicals to prepare a [North American Regional Action Plan](#) on Dioxins and Furans, and Hexachlorobenzene, as called for by [Council Resolution 99-01](#) of the North American Commission for Environmental Cooperation (CEC). Both the SMOC Working Group and its task forces operate under the CEC's [Sound Management of Chemicals initiative](#), which is a part of the CEC's [Pollutants and Health program](#).

20 September 2001

Invitation to attend a regular session of the Joint Public Advisory Committee of the CEC

Public Input on CEC proposed Program Plan for 2002–2004

The Joint Public Advisory Committee (JPAC) of the Commission for Environmental Cooperation (CEC) invites the public to its regular session, to be held on 22–23 October 2001, at the Intercontinental Hotel in Montreal, Quebec.

19 September 2001
CEC dismisses submission on dispute over
Guadalajara groundwater contamination

12 September 2001
JPAC solicits your comments on CEC proposed
Program Plan for 2002–2004

29 August 2001
Children, oceans feature in environment
commission grants

9 August 2001
Mexico requests termination of Cytrar II
submission

3 August 2001
CEC Secretariat recommends factual record on
Suzuki's BC Logging submission

20 July 2001
Study tracks over 3.2 million tonnes of toxic
chemicals from industrial sources in 1998

18 July 2001
CEC releases Citizen Submission documents
following Council's 'transparency' resolution

29 June 2001
CEC Council Communiqué

9 NORTH AMERICAN FUND FOR ENVIRONMENTAL COOPERATION (NAFEC)

In July 2001, the North American Fund for Environmental Cooperation (NAFEC) awarded 17 grants totaling US\$411,400 to projects related to two areas of CEC's work: (1) Marine Protected Areas and (2) Children's Health and the Environment. This makes for a total of 160 grants to community-based projects awarded since 1996.

The 2001 NAFEC grants are as follows (amounts are expressed in US dollars):

Conservation and Sustainable Use of Biodiversity Involving Marine Protected Areas (MPAs)

Community Strategy on Fisheries and Tourism Management in the Parque Nacional Arrecifes de Xcalak Protected Natural Area (Mexico)

Amigos de Sian Ka'an A.C. (\$25,000)

On the Path of the Grey Whale: Linking Local MPA Efforts from Baja California to the Bering Sea (Canada)

Canadian Parks and Wilderness Society - British Columbia Chapter (\$25,000)

Strengthening Public Participation in the Conservation of the "Arrecifes de Cozumel" Protected Natural Area (Mexico)

Centro Mexicano de Derecho Ambiental, A.C. (CEMDA) (\$25,000)

Marine Protected Areas Initiative (USA)

Conservation Law Foundation, inc. (\$25,000)

Orca Pass International Stewardship Area: The Outreach and Involvement Campaign (Canada-US)

People for Puget Sound (\$25,000)

Developing Economic Incentives for Marine Resource Conservation in Two Marine Protected Areas of the Baja California Peninsula, Mexico (Mexico-US)

Wildcoast (\$25,000)

Igalituuq: Community Stewardship of a Bowhead Whale Sanctuary (Canada)

World Wildlife Fund Canada (\$12,900)

Enhancing Community Access to Information and Participation in Addressing Issues Related to Children's Health and the Environment

Alaska Incineration Project (USA)

Alaska Community Action on Toxics (ACAT) (\$25,000)

"Operation Wells": A Project to have Children Monitor Groundwater (Canada)

Comité de valorisation de la rivière Beauport (CVRB) (\$25,000)

Air for Health Education Program: Promoting Air quality and Health Issue Links in School Curriculums (Canada)

Eastern Charlotte Waterways Inc. (\$23,500)

Environmental Health, Latinas Taking Action in Colonia Chilpancingo: An Environmental Education and

Empowerment Training Program (Mexico-US)

Environmental Health Coalition (\$25,000)

Building the Capacity of Children Farmworkers and Their Families to Better Address Environmental Health Hazards (USA)

Farmworker Health and Safety Institute (\$25,000)

Reduction of lead exposure and emissions in the community of Santa Fe de la Laguna, Mexico(Mexico)

Grupo Interdisciplinario de Tecnología Rural Apropiada (GIRA), A.C. (\$25,000)

National Right-to-Know Network (Mexico)

Presencia Ciudadana Mexicana, A.C. (\$25,000)

Encouraging Public Participation in the Protection of Children's Health and the Environment (Mexico)

Trasparencia, Sociedad Civil (\$25,000)

Health + Pollution (Canada)

Université de Moncton, Groupe de recherche Littoral et vie (\$25,000)

Healthy Schools, Healthy Children Project (USA)

Washington Toxics Coalition (\$25,000)

NAFEC continues its efforts to promote networking and exchange among NGOs and involve NGOs in CEC activities. Over the past few months, NAFEC's information base and networking capacity have been used to enhance public participation in the SMOC, shade agriculture, sustainable tourism and wildlife enforcement projects, as well as in the recent Council Session and JPAC meetings.