

## SESSION 03-06 OF ALTERNATE REPRESENTATIVES

### SUMMARY RECORD

The Commission for Environmental Cooperation (CEC) Council, represented by its Alternate Representatives, met in Montreal, Canada, on 20 and 21 November 2003. Mr. José Manuel Bulás (Mexico) chaired the meeting. Ms. Norine Smith and Mr. Jerry Clifford represented Canada and the United States, respectively. Mr. Gustavo Alanís-Ortega represented the Joint Public Advisory Committee (JPAC) and Mr. William Kennedy, CEC Executive Director, represented the Secretariat. Ms. Julie-Anne Bellefleur, Council Secretary, acted as secretary for the session. 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), with the addition of a progress update by the Secretariat—under item 7 of the agenda—on the development of the Article 13 report on the Effects of Transgenic Maize in Mexico.

#### **Item 2 Report by the Executive Director**

By way of introduction the Executive Director shared his personal observations of the strengths of the CEC after his first three months with the organization. He highlighted the openness and transparency of the institution, the shared values of the three countries, and the professionalism and commitment of the Secretariat staff. Drawing upon his background with a multilateral financial institution, he pointed to other assets applicable to the CEC as it progresses toward a new Operational Plan—such as the importance of setting clear objectives and priorities and of adhering to a strong budgetary and financial discipline. In closing, he called upon the Alternate Representatives to place their trust in his capacity to deliver the work program based on the Parties' priorities. The CEC's Director of Programs, Doug Wright, then presented highlights of program related activities in the Executive Director's report (Annex C).

#### **Item 3 Report by JPAC Chair**

The JPAC Chair extended welcoming remarks to the new Mexican Alternate Representative. He reported on activities carried out by JPAC since June 2003, such as the group's participation in the selection of grantees for the 2003 NAFEC granting cycle, in the second meeting of the advisory group developing the Article 13 report, "Maize and Biodiversity: the Effects of Transgenic Maize in Mexico," and in recent meetings of the North American Working Group on Enforcement and Compliance Cooperation (EWG), the US National Advisory Committee and the Hazardous Waste Task Force. Concerning this last topic, he indicated that JPAC would be providing an Advice to Council by the end of November.

He noted that JPAC had recently submitted its Advice to Council on the proposed Operational Plan for 2004–06, following a public plenary session held on this subject in October.

He also indicated that following a call for public comments on Articles 14 and 15 (relating to the issue of limiting the scope of factual records and the review of Council Resolution 00-09) and a subsequent meeting in October on this matter, JPAC would be submitting an Advice to Council after its next regular session, to be held on 4 December.

Referring to the CEC Roundtable on the Impact of Invasive Species in North America, to be held in conjunction with the JPAC session in December 2003, he informed the Alternate Representatives of JPAC's intention to provide an advice to Council on this issue. He also indicated that JPAC would be meeting with the Ten-year Review and Assessment Committee (TRAC) on December 5 to discuss issues related to the TRAC's call for public comments and the involvement of the public in the review process. He took the opportunity to stress the importance of taking into account the results of the ten-year review in the development of the CEC's strategic plan.

Noting that JPAC had yet to receive a response from the Parties to its letter of 5 August 2003, relating to a potential ministerial meeting and addressed to the Parties' environment and trade ministers, he reiterated JPAC's concerns about the repeated delays in receiving replies to its advice.

In closing, he expressed JPAC's enthusiasm that the North American trade ministers recently recognized the importance of public involvement in NAFTA's Chapter 11 and in JPAC's input on ways to improve the implementation of the Chapter through consultations with North American citizens, as set out in the NAFTA Ministerial Statement issued in October 2003. He also informed the Parties that JPAC was in the process of electing a new chair for 2004, the results of which would be announced on 28 November.

#### **Item 4 2004–06 Operational Plan**

The Executive Director presented some options to managing the budget pressures brought about by a significant increase in the value of the Canadian dollar over the past year. As a first step, the Alternate Representatives exchanged views in order to identify common priorities and then determine which projects could potentially be deferred or terminated. A list of this first set of common priorities identified by the Parties can be found in Annex D. Some projects were left for further discussion, pending receipt of additional information to be provided by the Secretariat at the request of the Parties. Parties also agreed on the priority to lift the staffing freeze on two positions: program manager for Sound Management of Chemicals project and program manager for the Pollutant Release and Transfer Register/Children's Health and the Environment projects.

The Alternate Representative of Mexico proposed to his counterparts and Chair of JPAC, that in the common priority analysis, the commission should emphasize more the Environment and Trade activities than it currently has, due to the nature of the NAAEC and the CEC.

The Alternate Representatives and JPAC Chair exchanged views on the Secretariat's proposed approach aimed at addressing the budgetary shortfall and suggested some potential cost

reduction opportunities. The Alternate Representatives agreed that CEC funds should not be used to cover travel expenses of Canadian and US government representatives and that a reasonable amount should be accessible to facilitate the participation of Mexican government representatives. At the suggestion of the Canadian representative, the Parties also agreed to explore the possibility of convening regular sessions of the Council on the basis of an 18-month cycle.

The JPAC Chair stressed the importance of keeping the North American Fund for Environmental Cooperation (NAFEC) in the Operational Plan. Recognizing the added value of NAFEC—and taking into account that the funds available for this initiative were well below the amount of US\$500,000 deemed appropriate for maintaining the efficiency of the fund—the Parties asked the Secretariat to look further into the matter, based on the available budget.

The Alternate Representatives asked the Secretariat to make the necessary adjustments to the proposed Operational Plan and budget—based on the priorities identified by the Parties and taking into account the potential savings discussed during the meeting as well as any further savings the Secretariat may be able to identify— and present its findings to the Alternate Representatives, so that a decision is reached on the use of those savings, considering JPAC's requests. The Executive Director thanked the Alternate Representatives for their guidance. He indicated that the Secretariat would evaluate the impacts of the adjustments to be made to the overall plan and present a revised version of the Operational Plan with the final details within the next two weeks. The Alternate Representatives agreed to meet via conference call during the week of December 15 in order to review the 2004–06 Operational Plan with the goal of approving it before year-end.

In response to questions raised relating to the participation of indigenous peoples in the work of the CEC, Vic Shantora of the Secretariat referred to the following examples as areas where participation of indigenous people has been upgraded: a) a session devoted to aboriginal issues organized on the margins of the second symposium on trade and environment in March 2003 in Mexico; b) the development of a training and capacity building agenda for indigenous people as part of the 2004–06 Operational Plan for implementing priority areas for action of the Biodiversity Strategy; c) representation of indigenous peoples on the lindane NARAP Task Force and the organization of a public meeting with the Alaska Forum in February 2004; d) indigenous representation in the development of the environmental monitoring and assessment NARAP; e) the inclusion of a component to address waste disposal options for remote communities in the dioxins, furans and hexachlorobenzene draft NARAP, at the request of the indigenous representative; and f) an invitation to indigenous peoples to attend the CEC Roundtable on Invasive Species, to be held in December 2003 in Miami.

Referring to the recent study commissioned by the Secretariat aimed at strengthening cooperation with indigenous peoples, Mr. Shantora offered the Secretariat's assistance in hosting a conference call of key representatives from the Parties should they wish to identify specific areas of interest to pursue in order to engage indigenous peoples more fully in CEC work.

## **Item 5    2004 Council Session**

The Alternate Representatives provided general guidance to the Secretariat for the development of a draft agenda for the Eleventh Regular Session of the Council, to be held in June 2004 in Mexico. They agreed that the main agenda items should revolve around an assessment of the past ten years of the CEC and strategic direction for the next ten years.

The Alternate Representatives also agreed to explore the possibility of holding a retreat in advance of the Council Session in order to consider initial findings of the Ten-year Review and Assessment Committee (TRAC), to be submitted in the spring of 2004.

Referring to an earlier suggestion concerning the feasibility of convening regular sessions of the Council on the basis of an 18-month cycle, the Alternate Representatives agreed to explore the possibility of postponing the 2004 regular session to the latter part of the year. Bearing in mind Council Resolution 96-10, which establishes that regular sessions of the Council are to be held in the month of June, the Alternate Representatives invited the Secretariat to share its views on how this proposed approach may be accommodated.

The Canadian representative suggested that some efforts be made to have a more productive exchange between the JPAC and the Council during their meeting at the Council Session. The Alternate Representatives asked the JPAC for their advice in this area.

## **Item 6 Submissions on Enforcement Matters under Articles 14 and 15**

### **Item 6.1 Submission SEM 02-003: Pulp and Paper**

This item was not discussed.

### **Item 6.2 Submission SEM 97-002: Río Magdalena**

Approval of the Council resolution relating to the release of the final factual record for Río Magdalena was postponed in order to allow Mexico to conclude its internal consultations. The Mexican representative proposed that any outstanding issues be resolved at the General Standing Committee level and that a signed copy of the Council resolution then be returned to the Secretariat by fax or by mail.

## **Item 7 Other Issues**

Chantal Line Carpentier of the Secretariat provided an update on the development of the Article 13 report on the effects of transgenic maize in Mexico. She indicated that an outline of the ten chapters of the report and biographies of the authors would be posted on the CEC web site during the week of November 24. A final draft of the executive summary will be available in the weeks preceding the Symposium on Maize and Biodiversity, to be held 11–12 March 2004, in Oaxaca. The final report and recommendations of the Advisory Group will be submitted to Council in the Spring of 2004, for consideration at their June 2004 session. The Alternate Representatives thanked the Secretariat for the update and suggested that regular briefings be provided in the future as part of their meetings.

The Executive Director informed the Alternate Representatives of the recent conclusion of negotiations for the renewal of the lease for CEC premises. He indicated that the new rent structure—to come into effect on 1 January 2004—will allow significant cost savings for the CEC. An advance copy of the lease to be signed on December 9 will be forwarded to the Parties shortly.

The above updates were followed by a presentation by the Mexican Alternate Representative on the Mexican Forest Fund (MFF), a cooperative instrument created by the *Secretaría de Medio Ambiente y Recursos Naturales* (Semarnat) in cooperation with the *Comisión Nacional Forestal* (Conafor) aimed at promoting the conservation, the incremental area, the sustainable use and the restoration of forest and associated resources.

#### **Item 8    Next Session of Alternate Representatives**

The Alternate Representatives agreed to hold their next session via conference call during the week of 15 December 2003, in order to review and approve, as appropriate, the 2004–06 Operational Plan. They also agreed to meet in March 2004 in Oaxaca, Mexico, in conjunction with the symposium on maize and biodiversity and to hold a meeting with JPAC.

#### **Item 9    Closure of the Session**

Before closing the session, the Chair introduced Mr. José Manuel Medina Aguilar as Mexico's new representative on the General Standing Committee (GSC), replacing Mr. Israel Núñez. The Parties and the Secretariat took this opportunity to thank Mr. Núñez for his great contributions and dedication to the CEC over the past five years and extended welcoming remarks to Mr. Medina. The Chair then thanked all participants and closed the session.

**SESSION 03-06 OF ALTERNATE REPRESENTATIVES**

**Montreal, 20—21 November 2003**

**Delegations List**

**CANADA**

**Alternate Representative**

Norine Smith, Environment Canada  
Jenna MacKay-Alie, Environment Canada  
Rita Cerutti, Environment Canada  
Lisa Littlefield, Environment Canada  
Kathy Graham, Environment Canada  
Martin Roy, DFAIT

**MEXICO**

**Alternate Representative**

José Manuel Bulás, UCAI, Semarnat  
Israel Nuñez, UCAI, Semarnat  
José Manuel Medina Aguilar, UCAI, Semarnat  
Alejandra Guzmán Olguin, UCAI, Semarnat

**UNITED STATES**

**Alternate Representative**

Jerry Clifford, Office of International Affairs, EPA  
David Redlin, Office of International Affairs, EPA  
Evonne Marzouk, Office of International Affairs, EPA  
Nadya Ruíz, Office of International Affairs, EPA  
Jocelyn Adkins, Office of General Counsel, EPA

**JPAC**

**JPAC Chair**

Gustavo Alanís-Ortega  
Manon Pepin, JPAC Liaison Officer / NAFEC Supervisor  
Lorraine Brooke, JPAC Consultant

**SECRETARIAT**

**Executive Director**

William Kennedy  
Doug Wright, Director of Programs  
Hernando Guerrero, Director, Mexico Liaison Office  
Julie-Anne Bellefleur, Council Secretary  
Eduardo Delgadillo, Director of Administration  
Geoffrey Garver, Director, Submissions on Enforcement Matters Unit  
Evan Lloyd, Director of Communications  
Hans Hermann, Head, Conservation of Biodiversity  
Victor Shantora, Head, Pollutants and Health  
Tim Whitehouse, Head, Law and Policy  
Chantal Line Carpentier, Head, Environment, Economy and Trade  
Yamirka Gómez, Administrative Support

**SESSION 03-06 OF ALTERNATE REPRESENTATIVES  
PROPOSED SCHEDULE**

Held at the CEC Secretariat  
393 St-Jacques Street West, Suite 200, Montreal, Quebec  
Tel.: 514-450-4300  
Fax: 514-350-4314

**Chair: Mexico**

**Thursday, 20 November (10:00 a.m.—6:00 p.m.)**

- 10:00—13:00 Opening of the Session
- Item 1 Adoption of the agenda
  - Item 2 Report by Executive Director
  - Item 3 Report by JPAC Chair
  - Item 4 2004—2006 Operational Plan and Strategic Planning
- 13:00—14:00 Lunch break (the Atrium)
- 14:00—18:00 Item 4 2004—2006 Operational Plan and Strategic Planning (cont'd)
- 19:00 Private dinner for Alternate Representatives, JPAC Chair and Executive Director (Restaurant Le Latini, 1130, rue Jeanne-Mance)

**Friday, 21 November (9:00 a.m.—3:00 p.m.)**

- 8:30—9:00 Coffee and croissants
- 9:00—13:00 Item 5 2004 Council session
- Item 6 Submissions on Enforcement Matters under Articles 14 and 15
- 13:00—14:00 Lunch break (the Atrium)
- 14:00—15:00 Resumption of agenda
- Item 7 Other issues
  - Item 8 Next session of Alternate Representatives
  - Item 9 Closure of the session

**SESSION 03-06 OF ALTERNATE REPRESENTATIVES  
ANNOTATIONS TO THE AGENDA**

**Item 1 Adoption of the agenda**

The Council shall adopt the agenda.

DOCUMENT(S):

- a) Draft annotated agenda (distributed on 18-11-2003) C/C.01/03-06/AGEN/01/Rev.4

**Item 2 Report by the Executive Director**

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

DOCUMENT(S):

- a) Report of the Executive Director (distributed on 4-11-2003)

**Item 3 Report by the JPAC Chair**

Under this item the JPAC Chair will provide an update on JPAC's activities.

DOCUMENTS:

- a) JPAC letter to Council on the North American Fund for Environmental Cooperation (NAFEC), dated 27 October 2003 (distributed on 23-10-2003)  
b) JPAC Advice 03-03 on the Proposed Operational Plan 2004-2006 (distributed on 14-11-2003)  
c) Provisional agenda for JPAC Session 03-04 (distributed on 3-11-2003)

**Item 4 2004—2006 Operational Plan**

**Item 4.1 Strategic direction**

Following an introduction of this item by the Secretariat, the Alternate Representatives will be invited to exchange views on the overall structure and principal goals and objectives of the proposed 2004—2006 Operational Plan.

The Alternate Representatives may also wish to discuss opportunities for the development of the CEC's strategic vision in the context of the 10-year review of the NAAEC.

DOCUMENTS:

- a) Draft CEC Operational Plan for 2004—2006 and appendices (i.e.; Description of Actions and Planning Framework (distributed on 10-10-2003)  
b) Reinforcing Strategic Planning at the CEC (distributed on 27-10-2003)  
c) Report on the evaluation of the CEC Mexico Office, Sound Management of Chemicals Program and North American Biodiversity Information Network (distributed on 27-10-2003)



- d) Draft summary report on strengthening cooperation with indigenous peoples (distributed on 18-09-2003)
- e) Proposed timeline for review and approval of 2004-2006 Operational Plan (distributed on 10-10-2003)

#### **Item 4.2 Budget matters**

Under this item, the Secretariat will make a presentation on the budget situation and its approach to managing the budget pressures brought about by the sharp rise in the value of the Canadian dollar over the past year and other factors. The Alternate Representatives may wish to exchange views on the Secretariat's approach.

##### DOCUMENT(S):

- a) Memo from the Executive Director re: 2004—2006 Operational Plan and budget matters (distributed on 10-10-2003)

#### **Item 5 Planning of 2004 Council Session**

In preparation for the Eleventh Regular Session of the Council to be held in June 2004 in Mexico, the Alternate Representatives may wish to exchange views on potential deliverables and provide guidance to the Secretariat for the development of a preliminary draft agenda for the session. The Secretariat will provide an update on the status of specific items identified by Council during its last Session held in June 2003 in Washington, DC.

As host of the 2004 Regular Session, the Mexican representative will be invited to provide information relating to the date and venue for this event.

##### DOCUMENT(S):

- a) Preliminary list of potential agenda items/deliverables for 2004 Council Session (distributed on 13-11-2003)

#### **Item 6 Submissions on Enforcement Matters under Articles 14 and 15**

##### **Item 6.1 Submission SEM 02-003: Pulp and Paper**

Pursuant to Guideline 10(2), the Secretariat informed the Council on 8 October 2003 that it considers that submission 02-003 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) Secretariat's Article 15(1) notification dated 8 October 2003 (distributed on 8-10-2003)
- b) Draft Council Resolution (to be distributed by Canada)

**Item 6.2 Submission SEM 97-002: Río Magdalena**

Pursuant to Article 15(5) of the NAAEC, the Secretariat submitted to the Council on 24 October 2003 the final factual record pertaining to Submission no. 97-002: Río Magdalena. In accordance with Article 15(7), the Council may decide, by a two-thirds vote, to make the final factual record publicly available, normally within 60 days following its submission by the Secretariat.

**DOCUMENTS:**

- a) Final factual record (distributed on 24-10-2003)
- b) Draft Council Resolution (distributed on 13-11-2003)

**Item 7 Other Issues**

Time permitting; the Mexican representative will make a brief presentation on Mexico's strategic direction for the next three years with regard to environmental services.

**Item 8 Next sessions of Alternate Representatives**

The Alternate Representatives are expected to confirm the date of their next session, to be held in December 2003 for the approval of the 2004—2006 Program Plan. They may also wish to exchange views on the proposed 2004 meeting schedule.

**DOCUMENT(S):**

- a) Proposed schedule for sessions of Alternate Representatives in  
2003—2004 (distributed on 13-11-2003) C/C.01/03-06/PLAN/01/Rev.1

**Item 9 Closure of the session**

The Chairperson is expected to close the session.

## Report of the Executive Director on the Activities of the Commission for Environmental Cooperation Montreal, 20–21 November 2003

### 1 PROGRAM UPDATE

#### 1.1 *Environment, Economy and Trade*

##### 1.1.1 Assessing the Environmental Effects of Trade

- Highlights of the second North American Symposium on Assessing the Environmental Effects of Trade were forwarded to the Symposium Advisory Group and will be available shortly.
- Many outreach efforts were conducted, including publication of a special edition of *Trio*, detailing the work the CEC in agriculture, for the American Agricultural Economics Association annual meeting; presentation of CEC' assessment work at the International Seminary on Trade And Environment in Mexico City; presentation at the Day on Trade and Environment in Cancún; participation in the High-level Round Table on Trade and Environment in Cozumel; presentation at the Workshop on Environment and Trade-related Capacity Building Needs in Latin America; and presentation at the Cancún Trade and Development Symposium in September.
- Two topics for “environment first”<sup>1</sup> meetings were selected for this year. The first will focus on hazardous waste transport between Canada and the United States (Montreal, 4 November), following a meeting of the Hazardous Waste Task Force. The second will focus on mercury in the Great Lakes, and will take place back-to-back with Binational Toxics Strategy meeting (Chicago, 17 December). Two background papers have been commissioned to document the trade and movement of hazardous waste and mercury in North America for these two meetings.

##### 1.1.2 Trade in Environmentally-Preferable Goods and Services

- A newspaper-like publication on the CEC's work on trade in environmentally preferable goods and services, titled “Greening Trade in North America,” was distributed to stakeholders. Results of the CEC's work were also presented at the Green Industry Network in San Francisco in October, and at two panels sponsored by the CEC on green procurement and environmental goods and services at the Sustainable Trade Symposium in Cancún.
- CEC hosted a meeting in Cancún on 8 September on “Chamaedorea Palms in the Floral Trade: Promoting Environmental Sustainability and Social Equity through Strategic Alliances between Producers and Christian Congregations—A Workshop.” Participants included producers, certifiers and exporters of palm, and church groups. It was decided to coordinate a pilot purchase between church groups and producer groups for Easter week, 2004.
- The CEC and *Fomento Ecológico Banamex* hosted a meeting on 4 August in Oaxaca to assess interest on the part of industry, producers and certifiers, in a Pilot Fund for the Sustainable Management of Biodiversity in coffee production areas. The participants supported the need for the fund. Civil society groups involved with coffee, the industry, and *Fomento Ecológico* are developing granting criteria jointly to operate the fund.

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<sup>1</sup> The “environment first” approach was pioneered by the CEC to engage mainstream environmental experts with trade experts in performing assessment work that focuses on environmental impacts in specific geographical regions arising from sector-specific structural changes due to trade liberalization. It is hoped that, in addition to the more traditional environmental assessment of trade, this approach will improve the policy relevance of environmental assessments of free trade.

- The Secretariat responded to the Parties' comments on the second version of the paper "Market-based Mechanisms for Carbon Sequestration, Energy Efficiency and Renewable Energy in North America: What are the Options?" Unless there is further comment, the paper will be published and an action plan will be developed with the Parties for advancing one or a few market-based mechanisms.
- Proceedings of the July Technical Meeting on Approaches to Estimating Environmental Benefits of Renewable Energy and Energy Efficiency, hosted by EPA, were transmitted to the Parties for approval. The first conference call of the North American technical group on estimating the environmental benefits of renewable energy and energy efficiency was held to set priorities for the group.
- A presentation on the CEC's work on renewable energy, energy efficiency, and financing and the environment was presented at the Corporate Social Responsibility for the Energy Industry conference during July, in Houston, Texas.
- The CEC sponsored a Canadian stakeholder meeting related to the formation of the North American Association of Issuing Bodies (NAAIB) on 1 October, in Toronto.
- In collaboration with Environment Canada, the CEC sponsored a North American inventory by state/province of renewable energy generation by source. The database will service an interactive tool on the web.
- The second annual meeting of NAGPI was hosted in Montreal on 19 September. Proceedings have been translated and posted on the web.

### **1.1.3 Financing in Support of Environmental Protection and Conservation**

- Following earlier collaboration with the UNEP-sponsored Financial Initiatives—North American Task Force (NATF), the CEC participated in the NATF meeting in New York, on 25 September 2003. It was decided to formalize the relationships between UNEP and the CEC on this initiative through a MOU.
- Three papers were commissioned by the CEC, in collaboration with Environment Canada, on documenting the business case for disclosure of environmental information, on how financial analysts view and use environmental information, and on best practices for environmental disclosure in the mining sector.

### **1.1.4 Article 10(6) Environment and Trade Officials Group**

- Proceedings of the January 2002 meeting have been approved and made public.

## **1.2 Conservation of Biodiversity**

### **1.2.1 Strategic and Cooperative Action for the Conservation of Biodiversity in North America**

- In June 2003, the CEC Council adopted the Strategic Plan for North American Cooperation in the Conservation of Biodiversity. Under this plan, the Biodiversity Conservation Working Group identified a subset of 12 priority areas for action, and the targets to implement the first five-year action plan. The mechanism to monitor the implementation and evaluate the effectiveness of the Strategy is currently being developed.

### **1.2.2 North American Bird Conservation Initiative**

- The second of four workshops aimed at completing the North American assessment of the conservation status of birds, took place. The assessment covered central Mexico. These workshops are being conducted in partnership with Conservation International, Conabio (*Comisión Nacional para el Conocimiento y Uso*

*de la Biodiversidad*), Cornell Lab of Ornithology, Rocky Mountain Bird Observatory, Pronatura and Partners in Flight.

- A NABCI video was completed in English and Spanish as a communication tool to convey the importance of projects supported by the CEC to a wider public. The video was presented at the Neotropical Ornithological Congress and the Western Hemisphere Migratory Species Conference in Chile (October 2003).
- Terms of reference were developed and studies initiated to identify possible impacts of contaminants (pesticides, persistent organic pollutants—POPs, heavy metals) on bird populations and bird habitat in Mexico, and to produce recommendations for trilateral collaboration.
- Discussions on developing a North American bird monitoring initiative are underway with partners from the three countries. This initiative can become a key component of CEC's State of the Environment report.

### **1.2.3 Terrestrial Species of Common Conservation Concern**

- In September, the North American grasslands conservation efforts facilitated by the CEC were presented at the Fifth World Parks Congress, organized by the World Conservation Union (IUCN).
- The CEC published the book *Grasslands: Toward a North American Conservation Strategy*, which has been distributed widely throughout Canada, Mexico and the United States in partnership with the Canadian Plains Research Center.
- Satellite monitoring of the ferruginous hawk (one of CEC's Species of Common Conservation Concern—SCCC) has continued in partnership with The Nature Conservancy (TNC) and twelve other governmental and nongovernmental organizations from the three countries.
- Public access to the information generated from the trinational monitoring efforts of the ferruginous hawk is now possible with the creation of <[www.ferruginoushawk.org](http://www.ferruginoushawk.org)> site, supported by the CEC.
- Discussions are underway with various trinational governmental and nongovernmental partners for the development of action plans related to three terrestrial SCCC and the development of the grasslands network.

### **1.2.4 Marine Species of Common Conservation Concern (MSCCC)**

- During the fifth International Conference of the Science and Management of Protected Areas Association (SAMPAA), the marine advisors to this project met to discuss future actions related to MSCCC and to identify priorities within the Biodiversity Strategy.
- The CEC and its partners are working on identifying the first set of species for which North American Cooperative Action Plans (NACAPs) will be developed; organizing a meeting of experts to develop NACAPs for the first three species; developing the first in a series of “threats and analysis reports” on the risks and challenges facing MSCCC; scoping a monitoring system; sharing information on MSCCC through the CEC web site; and publishing a book on marine and terrestrial SCCC.

### **1.2.5 North American Marine Protected Areas Network**

- During the Fifth International Conference of the Science and Management of Protected Areas Association (SAMPAA), information was shared about the following CEC-related initiatives: a) the Marine Ecoregions of North America, b) development of Integrated Management for the North American Marine Protected

Areas Network (NAMPAN), c) the Baja (California) to Bering (Sea) ecoregion Priority Conservation Areas, d) and the MPA Management Effectiveness Initiative.

- The marine advisors also met to discuss future actions related to NAMPAN and identify priorities within the Biodiversity Strategy.
- The CEC has also secured partners for publishing a marine ecoregions book, including CONANP, Conabio, INE, NOAA, and Parks Canada.
- To further develop the North American Marine Protected Areas Network (NAMPAN), the CEC and its partners are working to publish the results of the workshop concerned with the Baja to Bering marine ecoregion on Priority Conservation Areas chosen within that ecoregion; organizing a workshop to explore the piloting of the network of marine protected areas; sharing information on the NAMPAN through the CEC web site; and publishing the marine ecoregions book.

### **1.2.6 Closing the Pathways of Aquatic Invasive Species across North America**

- An analysis is underway of the ecological and economic impacts of invasive algae and seaweeds in the Baja to Bering priority marine conservation region.
- JPAC and the Secretariat are organizing a round table on invasive species that will gather experts on prevention, control and eradication, to provide advice on effective approaches to legislators and policy makers from the three countries.

### **1.2.7 North American Biodiversity Information Network**

- In collaboration with the CEC, the Canadian Information System for the Environment and the Ecological Monitoring and Assessment Network organized a workshop to enhance regional capacity in North America to share environmental information using international standards.
- Information resources from the biodiversity initiatives of the CEC have been integrated using the spatial and thematic frameworks developed by NABIN.
- A process is underway to transfer standards, data and information resources to the MPA network, the grasslands projects, and to NABIN partners, as appropriate, to encourage them to maintain their institutional participation in the implementation of the biodiversity strategy.

## **1.3 Pollutants and Health**

### **1.3.1 Cooperation on North American Air Quality Issues**

- The CEC continued making progress on many 2003 work plan activities, including efforts related to air emission inventories, common methods for assessing air pollution along major road corridors and congested border crossings, and information exchange on best available technologies for air pollution control.
- The second phase of the Mexico National Emission Inventory project was completed with the presentation of a draft air emissions inventory for the six northern Mexico states at a CEC-sponsored meeting in Chihuahua, Mexico, in July. The public comment period on the draft inventory recently ended, and the project team is beginning work on revisions and extending their methods to the rest of the country, with completion targeted for the end of 2004.
- Work continued on electronically linking and accessing remote databases containing North American air emissions information. Initial results were presented at a North American workshop on Innovative

Methods for Emission Inventory Development and Evaluation in October 2003. The CEC cosponsored the workshop with NARSTO and provided support for Mexico participants to attend the meeting in Austin, Texas.

- In late September, the CEC air project organized and facilitated the second Workshop on Methodologies to Assess Vehicle Exhaust Exposure. The two-day workshop, held in Montreal, brought together experts from all three countries to discuss and draft a review paper on best practices in evaluating population exposure to air pollution along major traffic corridors and congested border crossings. A review paper based on the workshop discussions is currently in preparation.
- The CEC organized a November workshop in Montreal on best available technologies for air pollution control. A project team developed a series of case studies for training air quality permit engineers to evaluate control options for new and existing sources, with an emphasis on how to access available information and experiences from North America and elsewhere.

### 1.3.2 Sound Management of Chemicals

- Council, at their June 2003 meeting, asked SMOC program officials to report to the next Council session on how the SMOC program should evolve in future years. Council also felt that the linkages between the SMOC program and other relevant areas and working groups should be strengthened. Over the summer, the SMOC Working Group commenced the preparation of a 'New Directions' paper. In October, the working group met in Guadalajara to consider the first draft of the paper. The working group will hold a workshop early in 2004 with selected stakeholders to solicit input for the paper. Further refinements will follow, along with a public consultation period. A strategy will be presented to Council in June 2004. As part of their October meeting, the SMOC Working Group met with the Pollution Prevention Roundtable to compare areas of activity.
- More effort is being devoted to encouraging the participation of indigenous peoples in CEC activities. In particular, the Lindane Task Force has specifically sought to ensure indigenous peoples participation in its work. Public meetings are seeking to draw in representatives of indigenous peoples, especially from arctic communities.
- Under Phase II of the mercury NARAP, two pilot wet deposition mercury-monitoring sites are now in operation in Mexico. These will be operated for a two-year period. Two portable mercury monitors have been loaned by Canada to Mexico to determine the location of mercury 'hot-spots' at various locations in Mexico.
- Health Canada offered Mexico a capacity building initiative for a bio-monitoring study in the area of Zacatecas. The objective of the study is to measure the intake levels of the population and to assess a future course of action, if required. This project will start with the provision of laboratory time and expertise.
- The CEC Secretariat is continuing to support a second round of characterization studies on mercury releases and impacts on soil and vegetation in the Zacatecas area.
- A Technology Transfer workshop was held in Mexico in June 2003 to examine appropriate technologies for PCB destruction. The final PCB task force meeting was held at that time and a final report is being prepared for the SMOC program, including a NARAP closeout strategy.
- Following Council consideration, the draft dioxins, furans and hexachlorobenzene phase 1 NARAP has been posted on the CEC web site for public comment. A number of comments have been received. The Task Force will review these and change the NARAP as appropriate.
- The Statement of Mutual Concern for lead was posted on the CEC web site for public comment. The Substance Selection Task Force will review these comments and consider next steps.
- The Task Force for the Environmental Monitoring and Assessment NARAP is developing its work plan for presentation to the SMOC Working Group. The Human Health Subgroup is making good progress in developing the elements of the World Bank sponsored bio-monitoring project for North America. This will

include sampling and analysis of blood of women of childbearing age in selected communities to determine levels of POPs chemicals.

- The Lindane Task Force has met twice over the summer to develop background information on the NARAP. The Task Force also held a public meeting in Guadalajara in September to seek stakeholder input into the key elements of the NARAP. Participants included representatives from ENGOs, aboriginal, industry and academia.

### **1.3.3 North American Pollutant Release and Transfer Register (PRTR)**

- A contract was awarded for the development of *Taking Stock 2002*. This will be the eighth in a series of reports on North American pollutant release and transfer registers.
- Work continues and is on schedule for the development of *Taking Stock 2001*.
- The annual public meeting of the Consultative Group for the North American Pollutant Release and Transfer Register will be held on 28 October in Washington, DC. This meeting is a forum for exchanging ideas and obtaining stakeholder input for *Taking Stock 2002* on issues relating to the new criteria air contaminant data.
- A special feature on toxic chemicals and children's health is close to completion.

### **1.3.4 Capacity Building for Pollution Prevention**

- As of September 2003, the Fondo para proyectos de prevención de la contaminación (Fiprev) had granted 61 loans totaling approximately US\$1,450,000 since the beginning of the pollution prevention initiative. It is estimated that these loans have prevented nearly 2,800 tonnes of chemicals per year from entering the environment, for a total of 5,800 tonnes since the first Fiprev-funded project was implemented. Approximately 150,000 cubic meters of water is being conserved annually for a total of 310,000 cubic meters since the inception of the program. Savings for the participating companies will henceforth amount to around US\$1,300,000 each year—a total of more than \$2.2 million to date. Although CEC no longer contributes financially to Fiprev, the Fundación Mexicana para la Innovación y Transferencia de Tecnología en la Pequeña y Mediana Empresa (Funtec) has asked the CEC's Mexico Liaison Office to continue sitting on the fund's management and technical committees.
- The Mexican Pollution Prevention Round Table held its fourth national event in October in Guadalajara. The round table hosted two meetings supported by the CEC. The first, a public meeting concerning "Pollution prevention and sound management of chemicals: challenges and opportunities," was organized in conjunction with the SMOC working group. It explored the relationships between these two important themes and opportunities for linking current activities. The second meeting coordinated with the CEC's enforcement working group to integrate discussions on environmental management systems into the round table's program (see 1.4.4 below).
- The North American Pollution Prevention Partnership (NAP3) prepared a draft document on the North American electronics industry, environmental issues related to it and potential areas for cooperation. NAP3 met with some representatives of the electronics industry, such as the Electronics Industry Alliance in the United States and companies like Lucent and Epson, in order to discuss a potential project for the next years. Through CEC support, the Pollution Prevention World Information Network (P2WIN) garnered a greater profile in Canada, Mexico, and the United States, primarily by the focus group/training sessions conducted at each of the three national round tables. Moreover, P2WIN made some good progress on sharing information in three languages: French, English and Spanish.



### 1.3.5 Children's Health and the Environment in North America

- A request for proposals for developing the first North American report on indicators of children's environmental health is out for bid. The Steering Group and the Children's Health Team have agreed on an implementation plan and timeline.
- The Expert Advisory Board (EAB) on Children's Health and the Environment has forwarded advice to Council on follow-up work on risk assessment. EAB participated in a CEC meeting on developing methodologies for vehicle exhaust. It is also developing a framework for North American action for healthcare professional training in close collaboration with the trilateral Children's Health and Environment Team; preparing to participate in the biannual review of the Cooperative Agenda on Children's Health and the Environment in cooperation with the Children's Health Team; and preparing for a board meeting in November in Montreal.
- Planning and development of background information continue for the Experts Workshop on Asthma Surveillance to be held on 24–25 November in Montreal.
- The CEC is working with the Children's Health Team and the EAB to conduct the biannual review of the Cooperative Agenda as called for in Council Resolution 02-06.
- The next stages of work on lead are being planned and will include the development of a substantive background paper to support a workshop to be held in early 2004.
- A report on the economic valuation of asthma and other respiratory disease is being finalized.

## 1.4 Law and Policy

- The Secretariat finalized its report, *Comparative Standards for Intensive Livestock Operations in Canada, Mexico, and the United States*. The report is posted on CEC's web site and is currently being published as part of CEC's North American Environmental Law and Policy series. A draft of the report was presented at five agricultural conferences in Canada, Mexico and the United States. The report draws some basic conclusions about the environmental requirements imposed on intensive livestock operations (ILOs) and makes recommendations on improving ILO management in North America.

### 1.4.1 Environmentally Sound Management and Tracking of Hazardous Waste

- The Secretariat developed a draft framework for selecting hazardous waste streams and recyclables of common concern pursuant to Council Resolution 03-08. Members of the hazardous waste task force are reviewing the framework. In addition, the Secretariat developed a draft online version of a trinational hazardous waste code dictionary. This draft is currently being reviewed by government experts and should be available to the public in early 2004.

### 1.4.2 Enforcement and Compliance Cooperation

- The Enforcement Working Group (EWG) developed a draft five-year strategic plan and submitted it for public comment. The EWG presented the plan at an EWG-JPAC public meeting in June. The EWG is considering comments received by the public and expects to finalize the plan by early 2004.
- In addition, the North American Wildlife Enforcement Group (NAWEG) completed a draft report, *Illegal Wildlife Trade in North America: International and Regional Issues and the Case for Cooperation*. The report is a joint effort between the NAWEG and the World Wildlife Fund and will highlight some of the enforcement issues associated with wildlife smuggling in North America.

- Finally, the Secretariat completed a draft Transboundary Enforcement Handbook. The handbook addresses legal and policy issues associated with transboundary compliance problems and provides a list on government contacts to improve coordination. The governments are in the process of reviewing the handbook.

### **1.4.3 Sustainable Use and Conservation of Freshwater in North America**

- The Secretariat is developing a North American freshwater information database. A data structure was established and water information resources have been inventoried to provide database content. The information resources cover freshwater themes searchable by watershed, state or provinces, and content type.
- In addition, to harmonize the spatial information on freshwater in North America, the CEC organized a meeting for the Canadian, Mexican, and US Atlas (mapping) programs to cooperate on harmonizing mapping components across North America, and to define and implement a North American Atlas Framework in the production of paper and digital map products.

### **1.4.4 Environmental Management Systems to Promote Compliance and Environmental Performance**

- The CEC sponsored a workshop on best practices in Environmental Management Systems in conjunction with the Pollution Prevention Round Table meeting in Guadalajara on 1–2 October. The workshop brought industry and nongovernmental officials from Canada, Mexico and the United States together to share successful EMS practices. In addition, the meeting provided an opportunity for the environmental auditing associations in Canada and the United States to meet with auditors from Mexico to discuss the feasibility of developing common North American auditing protocol.
- At the meeting, the Secretariat provided a draft outline on the Environmental Management Systems Best Practices book that it plans to develop in 2004.

## **2 NORTH AMERICAN FUND FOR ENVIRONMENTAL COOPERATION**

The Selection Committee of the North American Fund for Environmental Cooperation (NAFEC) met in June 2003 in Washington, DC, to approve grants for projects focusing on environmental monitoring and assessment related to human health. This year's projects will strengthen the capacity of citizens to monitor aspects of their environment that affect their health, and lead to increased community participation in resolving environmental problems. Monitoring approaches incorporate local, traditional and scientific knowledge, and link human and ecosystem health. From more than 300 grant proposals received by NAFEC prior to 31 March 2003, the Selection Committee approved 18 projects, which will receive a total of C\$671,700. In addition, the Selection Committee provided its annual report to Council on the NAFEC process and recommendations.

NAFEC-funded projects participated in various CEC events: the Chamaedorea Palm in the Floral Trade Workshop, the Green Purchasing Strategy Workshop and the meeting of the Mexican Pollution Prevention Round Table.

The NAFEC section on the CEC web site has been updated to include executive summaries of proposals and final reports in their original languages.

In an effort to estimate NAFEC's contribution to grantees' capacity for fundraising, and given the fact that the information gathered so far was well received by the Parties, the NAFEC staff will continue to keep track of the additional support leveraged by NAFEC grantees.

NAFEC-funded projects will also continue to be profiled in *Trio*, CEC's quarterly newsletter, offering concrete examples of how the Commission's efforts play out in local community-based projects. Note that NAFEC projects are also publicized in the local press of the grantees.

### 3 ARTICLE 13: Maize

The CEC was invited to present an update on its Article 13 work on transgenic maize in Mexico to the conference “Gene Flow: What Does it mean for Biodiversity and Centers of Origin?” organized by the Pew Initiative on Food and Biotechnology and FUMEC, 29–30 September, in Mexico City.

The CEC hosted the second meeting of the Article 13 Advisory Group on Maize and Biodiversity—The Effects of Transgenic Maize in Mexico, in Montreal, on 21 August. Proceedings have been translated and posted on the web. The final outline of the report, along with the list of authors for each chapter, has also been finalized and been made public. The date of the Maize symposium has been fixed for 11 March 2004, in Oaxaca.

### 4 10-YEAR REVIEW

Following Council Resolution 03-02, the Ten-year Review and Assessment Committee (TRAC) was established to undertake a retrospective of the implementation of the NAAEC over the past ten years and to provide the Council with a report of its findings. The TRAC members were nominated by the Parties. Canada designated Pierre-Marc Johnson, counsel lawyer for Heenan Blaikie and professor of law at the McGill Law School, and Robert Page, vice president for sustainable development at TransAlta Corporation. Mexico designated, Daniel Basurto lawyer and founding partner of the firm Basurto, Santillana y Arguijo, S.C. and Blanca Torres, professor and researcher at the College of Mexico. The United States designated John F. Mizroch, president and CEO of World Environment Center, and Jennifer A. Haverkamp, Assistant US Trade Representative for Environment and Natural Resources at the Office of the United States Trade Representative (USTR). TRAC initiated its work with two conference calls on 22 September and 7 October and met for the first time in Montreal on 15 October 2003 (the Mexican members joined the meeting by phone). On 16 October 2003, TRAC issued a call for public comments that will end on 29 November 2003. The TRAC draft report will be available for public comment in the spring of 2004.

### 5 ARTICLE 14: SUBMISSIONS

The Secretariat released the following four factual records to the public: **Aquanova/SEM-98-006** (on 23 June 2003), **BC Mining/SEM-98-004** (on 11 August 2003), **Oldman River II/SEM-97-006** (on 11 August 2003) and **BC Logging/SEM-00-004** (on 12 August 2003).

The Secretariat received 3 new submissions: **ALCA-Iztapalapa II/SEM-03-004** (on 18 June 2003), **Montreal Technoparc/SEM-03-005** (on 14 August 2003) and **Cytrar III/SEM-03-006** (on 15 August 2003). In addition, a revised submission was filed in **Ontario Power Generation/SEM 03-001** (on 14 August 2003).

The Secretariat will seek to hold bilateral meetings with each Party before the end of the year regarding the information gathering process for factual records, with a view to discussing challenges that have been faced to date in that regard.

*The status of the eleven submissions under review as of 16 October 2003 is as follows:*

#### **Finalizing the factual record for Council’s vote:**

**Río Magdalena.** SEM-97-002 / *Comité Pro Limpieza del Río Magdalena* (concerning Mexico’s enforcement in relation to wastewater discharges).

On 15 September, the comment period expired without the Secretariat receiving any comments from the Parties on the draft factual record. The Secretariat is finalizing the factual record for Council’s vote on the public release of this factual record.

#### **Draft factual records in development:**

The following two draft factual records are being developed as instructed by Council:

- 1) **Molymex II.** SEM-00-005 / *Academia Sonorense de Derechos Humanos and Domingo Gutiérrez Mendivil* (concerning Mexico’s enforcement in relation to air quality and environmental impacts of a molybdenum processing plant).
- 2) **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).

**Awaiting receipt of a response from the concerned Party:**

**Ontario Logging.** SEM-02-001 / *Canadian Nature Federation et al.* (concerning Canada's enforcement of section 6(a) of the Migratory Bird Regulations against the logging industry in Ontario).

On 21 August 2003, the Secretariat requested a response from Canada in light of its determination that the additional information provided by the Submitters on 20 August 2003, merits requesting a response from the concerned Party. Canada has indicated that its response will be sent by 20 October 2003.

**Notification to Council that a factual record is warranted under Article 15(1):**

**Pulp and Paper.** SEM-02-003 / *Sierra Legal Defence Fund et al.* (concerning Canada's enforcement of the Fisheries Act and Pulp and Paper Effluent Regulations in connection with pulp and paper mills in Ontario, Quebec and the Atlantic Provinces).

On 8 October, the Secretariat informed the Council that the Secretariat considers that the submission warrants developing a factual record. The Council may, by a two-thirds vote, instruct the Secretariat to proceed with the preparation of a factual record.

**Determination pending whether a factual record is warranted under Article 15(1):**

**El Boludo Project.** SEM-02-004 / *Arcadio Pesqueira Senday et al.* (concerning Mexico's enforcement of its environmental laws with respect to the "El Boludo" mining project).

This submission is being reviewed by the Secretariat in light of the Mexico's response to determine whether it warrants development of a factual record.

**Awaiting responses from the concerned Parties in accordance with Article 14(3):**

- 1) Ontario Power Generation. SEM-03-001 / *Attorneys General of the States of New York, Connecticut, Rhode Island, et al.* (concerning Canada's enforcement of its environmental laws with respect to Ontario Power Generation's coal-fired power plants).
- 2) ALCA-Iztapalapa II. SEM-03-004 / Angel Lara García (concerning Mexico's enforcement of its environmental laws with respect to a citizen complaint filed with the Office of the Federal Attorney General for Environmental Protection, Profepa).
- 3) Montreal Technoparc. SEM-03-005 / three Canadian and two United States environmental nongovernmental organizations (concerning Canada's enforcement of its the federal Fisheries Act against the City of Montreal in regard to the discharge to the St. Lawrence River of toxic pollutants from the city's Technoparc site). Canada indicated that a response will be sent by 14 November 2003.
- 4) Cytrar III. SEM-03-006 / Academia Sonorense de Derechos Humanos, A.C. and Domingo Gutiérrez Mendivil (concerning Mexico's enforcement of its environmental laws with respect to a hazardous waste landfill owned by Cytrar, S.A. de C.V., in Sonora, México).

In each of these cases, the concerned Party has up to 60 days to provide its response, in accordance with Article 14(3).

Reviewing a new submission under Article 14:

**Lake Chapala II.** SEM-03-003 / *Dr. Raquel Gutiérrez Nájera, et al.* (concerning Mexico's enforcement of its environmental law with respect to the Lerma-Chapala-Santiago-Pacífico basin).

The Secretariat is reviewing this submission to determine whether it meets the criteria of Article 14(1), and if so, whether it merits requesting a response from the concerned Party under Article 14(2).

***Historical Background of Submissions***

The 31 submissions that are no longer pending were addressed as follows:

- **Thirteen 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\*  
**Dermet-** SEM-01-003/*Mercerizados y Teñidos de Guadalajara, S.A.*  
**Alca-Iztapalapa -** SEM-02-005 / *Angel Lara García*  
**Home Port Xcaret -** SEM-03-002 / *Alfonso Ciprés Villareal, et al.*
- **Two submissions have been terminated under Article 14(3)(a):**  
**Methanex-** SEM-99-001 / *Methanex Corporation*  
**Neste Canada-** SEM- 00-002 / *Neste Canada Inc.*
  - **Five 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.*  
**Mexico City Airport-** SEM-02-002 / *Jorge Rafael Martínez Azuela, et al.*
  - **One submission has been withdrawn by the Submitters:**  
**Fort Huachuca-** SEM-96-004 / *The Southwest Center for Biological Diversity et al.*
  - **Eight 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 / *BC Aboriginal Fisheries Commission et al.*  
**Metales y Derivados -** SEM-98-007 / *Environmental Health Coalition et al.*  
**Migratory Birds -** SEM-99-002 / *Alliance for the Wild Rockies, et al.*  
**Aquanova /** SEM-98-006 / *Grupo Ecológico Manglar A.C.*  
**Oldman River II /** SEM-97-006 / *The Friends of the Oldman River*  
**BC Mining /** SEM-98-004 / *Sierra Club of British Columbia, et al.*  
**BC Logging /** SEM-00-004 / *David Suzuki Foundation, et al*
  - **The Council has dismissed two submissions 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.*  
**Cytrar II -** SEM-01-001 / *Academia Sonorense de Derechos Humanos, A.C. et al.*

## 6 PARTNERSHIPS

### 6.1 *Regional Program of Action and Demonstration of Sustainable Alternatives for Malaria Control in Mexico and Central America Without the Use of DDT*

Activities under the “Regional Program of Action and Demonstration of Sustainable Alternatives for Malaria Control in Mexico and Central America Without the Use of DDT” (PAEDDT) are being funded jointly by the Global Environment Facility (GEF), the Pan American Health Organization (PAHO) as the executing agency, the United Nations Environment Programme as the implementation agency and the CEC. The total amount for the PAEDDT is US\$ 13.9 million. The US\$ 7.5 million GEF contribution is under PAHO’s administration. It is expected that a second meeting of the Program’s Steering Committee may occur in November this year.

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\* Identity of submitters withheld pursuant to Article 11(8)(a)

The CEC has been working with Mexican people and institutions in order to continue promoting Mexican leadership in the program. Some preliminary data show the benefits of stop using DDT to control malaria since 2000. Children are the most vulnerable sector of the population, having the highest levels of DDT in their blood. In spite of that, DDT in blood of children living in paludic zones in Oaxaca and Chiapas is now 55 percent lower than in 2000. Surveys have been done on the impact of DDT in wildlife and the environment. They show that the level of accumulation and magnification in different coastal tropic levels (including crabs, fish and birds), soil and sediment.

Some results of the status report on the DDT NARAP were presented to the SMOC Working Group at its October meeting. After the success of this NARAP, the approval of the status report could be the last action of this NARAP under the DDT Task Force because the ultimate objective of the NARAP, to reduce exposure to humans and environment to DDT, could be carried out under the GEF Project. It is expected that the work and experience of the DDT Task Force can serve during the operational phase of the GEF project.

**A meeting is planned with the team from the World Health Organization, Africa Regional Office, to share experiences in the framework of the GEF project. Mexican health authorities are looking for the best dates to hold the meeting. This interchange can provide a way to disseminate the experience gained in Mexico to eliminate DDT in controlling malaria in other parts of the world.**

## **6.2 *Capacity Building Project for a POPs/Metals Biomonitoring Study to Identify Population Risk and Environmental Hotspots in North America***

The main objective of the project is the development of a National Implementation Plan (NIP) for Persistent Organic Pollutants (POPs), so that Mexico can meet its obligations under the Stockholm Convention.

In this context, in coordination with Semarnat and the World Bank, a number of basic priorities for the country have been identified in matters related to POPs, and these areas will be probable main components of the National Implementation Plan (NIP).

The estimated total budget for the preparation of the project is: US\$750,000

The GEF contribution would be US\$500,000. It was originally hoped that the GEF contribution would be supplemented by a grant of US\$250,000 for the Canadian Trust Fund. It is, however, not clear at the present time if the Canadian funding will, indeed, be available. These and related issues will be clarified with the Canadian and World Bank authorities in the coming weeks.

## **7 ADMINISTRATION AND FINANCE**

### **7.1 *Financial Resources***

The Secretariat has received the final 2003 contribution from Canada and the United States. We also have received the 2002 remaining contribution from Mexico. The amount to be received from Mexico for 2003 is US\$1,709,400. The second quarterly report for 2003 was sent to the Parties in August 2003. The third one will be sent in the next few weeks.

The significant increase in the value of the Canadian dollar vis à vis the US dollar continues to affect the financial situation of the Secretariat. It has appreciated by about 20 percent since the beginning of the year. We are continuing to follow the effect of this situation on the financial results for 2003 and the 2004 budget.

### **7.2 *Human Resources***

The recruitment for a French editor to replace Raymonde Lanthier has been completed and Diane Colucci has been contracted.

The recruitment for a legal officer for the SEM Unit has been completed and Mr. Rolando Ibarra Rodríguez has been contracted.

The recruitment processes for the positions of program manager for SMOC and program manager for Pollutants and Health have been completed. However, hiring for those positions is on hold due to budget constraints.

### **7.3 Office Lease**

The negotiations for the renewal of the CEC's lease are on schedule and about to be concluded.

## **8 COMMUNICATIONS AND OUTREACH**

Informing the North American public on the vital issues concerning our environment and its relation to our economy is fundamental to the achievement of CEC's mission. The communications strategy of the Secretariat gives emphasis to the use of multiple techniques to inform target audiences of the Commission's work.

### **Media Relations**

A recent example of this approach is the publicizing of the results of a September workshop with *chamaedorea* palm harvesters, researchers, and wholesale distributors. Working directly with a Mexico-based representative of an international wire service, as well as a feature writer, we were successful in placing the news of this initiative to employ market mechanisms in support of sustainable palm production in over 140 US newsites and newspapers, as well as several Canadian news dailies.

Such direct contact with key environmental journalists has helped revise and expand the CEC media contacts list, including a call log and background information. A new Media Resources Guide will shortly be mailed to North American journalists with a personalized letter and notice regarding the upcoming Maize Article 13 initiative and the March 2004 symposium.

### **Publications and Distribution**

Production, promotion and distribution of CEC reports and publications continue to grow. To contain costs and extend reach, distribution of Commission publications has been greatly amplified by growing use of the CEC web site. The Secretariat published 104 documents, for a total of 312 in all languages on the CEC web site, since the beginning of June 2003. Of those, 14 were major publications or outreach pieces, including the Biodiversity Strategy, four factual records and *Trio* issue 10. Those 14 publications accounted for some 34,600 printed copies, the majority of which have been distributed through individual mailings and at major conferences.

The number of visitors to the CEC web site continues to climb. The total estimated number of visitors in October climbed to 115,000 from 109,945 in June. This growth is more significant when compared to the 88,255 visitors in October 2002.

New efforts have been made as well to enhance the CEC's web presence and utility. CEC events have been promoted on the web sites of other organizations, driving record numbers of Internet users directly to the relevant page(s) on the CEC web site. Users can also navigate the web site with greater ease now, with the addition of a powerful search engine capable of delivering fast results despite the high volume of documents.

### **Public Outreach**

Communications has substantially increased the CEC's public profile at trade shows and conferences. The CEC has exhibited and distributed materials at eight conferences since June 2003: Trade and Environment in the Americas (Mexico City), Americana (Montreal), Encuentro Fronterizo (Tijuana), EnviroPro (México City), Fair Trade Fair (Cancún), the Society of Environmental Journalists (New Orleans), the World Forestry Congress (Québec City), and finally, the Society of Environmental Journalists (SEJ) annual conference—an important opportunity to meet with environmental journalists and develop relationships as Communications positions the CEC as the source for environmental information on North America.

These efforts help identify the CEC and its work and several thousand copies of CEC publications were circulated at these events.

### **News Releases and Listserv Announcements**

Throughout the past five months, the Communications Department has coordinated a series of announcements about the Secretariat's publications, programs and meetings, while continuing to disseminate general information about

the Commission and JPAC activities. Recent items include:

**16 October 2003**

**Call for public comments: Ten-year Review of the North American Agreement on Environmental Cooperation**

**10 October 2003**

**JPAC calls for public comments on CEC Operational Plan and extends deadline for comments on Articles 14 and 15**

**19 September 2003**

**CEC requests response from Canada to the Ontario Power Generation submission**

**18 September 2003**

**Secretariat seeks information for Tarahumara factual record**

**17 September 2003**

**CEC requests response from Canada to the Montreal Technoparc submission**

**11 September 2003**

**CEC requests response from Mexico to ALCA-Iztapalapa II submission**

**21 August 2003**

**CEC again studying Cytrar case**

**19 August 2003**

**CEC invites public comment on draft document for lead action plan**

**12 August 2003**

**CEC releases factual record on *Fisheries Act* enforcement at Britannia Mine**

**11 August 2003**

**CEC releases factual record on Canada's enforcement of federal fish habitat protection and environmental assessment laws**

**11 August 2003**

**CEC releases factual record on enforcement of *Fisheries Act* regarding logging in British Columbia**

**6 August 2003**

**International monitoring effort to help save ferruginous hawk and grasslands**

**22 July 2003**

**Grants will help communities monitor environment and human health**

**18 July 2003**

**CEC invites public comment on draft Phase One North American Regional Action Plan on Dioxins and Furans, and Hexachlorobenzene**

**17 July 2003**

**Public review on issues related to Articles 14 and 15 of the North American Agreement on Environmental Cooperation**



## **9 COUNCIL SESSION**

The next regular session of the Council will be held in June 2004 in Mexico. It is expected that Mexico, as host of the session, will be proposing and/or confirming the date and venue shortly. The Secretariat looks forward to hearing the Parties' preliminary views on potential deliverables for the Council Session at the upcoming session of Alternate Representatives, to be held on 20–21 November. The following items could be considered in the development of a first draft of the agenda: Ten-year Review of the NAAEC; new direction for the SMOC program; first report on indicators of children's health and the environment in North America; North American air quality strategy; Secretariat's Article 13 report on the effects of transgenic maize in Mexico, and the review of the operation of Council Resolution 00-09 related to Articles 14 and 15.

November 21, 2003

	Canada	Mexico	US	JPAC	Parties' priorities
<b>GOAL 1: TO FOSTER UNDERSTANDING OF THE STATE OF OUR ENVIRONMENT, AND ITS RELATION TO THE NORTH AMERICAN ECONOMY</b>					
<b><u>Objective A: The public and the parties improve their understanding of the state of and outlook for the North American environment and its relation to human and ecosystem health</u></b>					
<i>Strategy 1: Fostering better understanding of the current status of the North American environment by facilitating data harmonization and information sharing and promoting integrated monitoring across North America</i>					
Second State of the Environment Report, SOUN – Art. 12(3)	y	y	y		75,000
North American ambient air monitoring networks (Air)	y	y	y	y	70,000
North American air emissions and greenhouse gas inventories (Air)	y	y	y		280,000
North American Pollutant Release and Transfer Register (PRTR): Taking Stock Reports	y	y	y	y	400,000
Information exchange on best available technologies for air pollution control (Air)			y	y	
<i>Strategy 2: Investigating potential future environmental threats and issues of common concern through forward-looking assessments using comparable environmental information collected across North America</i>					
Forward looking assessment of Air pollution/public health /ecosystem interaction	y	y	y	y	50,000
<i>Strategy 3: Assessing and informing the public and decision makers on the impacts of environmental degradation on human and ecosystem health in North America</i>					
Children's Health and the Environment	y	y	y	y	40,000
<b><u>Objective B: Trade officials and the public understand the environmental effects of liberalized trade and use that understanding to inform new Agreements</u></b>					
<i>Strategy 1: Assessing and disseminating findings on environment / trade relationships in a transparent manner</i>					
Assess linkages between trade and environment	y	y	y-more info	y	50,000
Promote public participation (Symposium)	y-2006	y-2006	y	y	100,000
<i>Strategy 2: Increasing cooperation and capacity to participate among experts in NAFTA countries on priority environment, economy and trade linkages</i>					
Test an environment-first approach		y			
Implement community-based monitoring system				y	
Revise the CEC list of environmental indicators		y			

		Canada	Mexico	US	JPAC	Parties' priorities
	<i>Strategy 3: Communicating NAFTA lessons-learned to trade negotiators and world experts</i>					
	Develop strategic plan for trade and environment under auspices of 10(6)	y	y	y		15,000
<b>GOAL 2: TO ACT AS A CATALYST TO IMPROVE DOMESTIC LAW AND POLICY, AND ENHANCE ENVIRONMENTAL ENFORCEMENT AND COMPLIANCE ACROSS NORTH AMERICA</b>						
<b><u>Objective A: Stronger cooperation in the development, improvement and dissemination of information concerning environmental laws, policies, standards and technical requirements</u></b>						
	<i>Strategy 1: Improving the understanding of regulatory and technical requirements and management techniques in selected sectors</i>					
	"Best Practices" for promoting and safeguarding Water Quality	y	y	y	y	50,000
	Pulp and Paper Industry Standards and Management Techniques					
	Chemical Industry					
	<i>Strategy 2: Ensuring that on-line information about North American environmental laws and policies is up-to-date and easily accessible</i>					
	Law Data Base Development			y		
	<i>Strategy 3: Improving the coordination of environmentally sound management and tracking of transboundary hazardous waste in North America</i>					
	Environmentally Sound Management of Hazardous Waste (EMS)	y	y	y	y	100,000
	Transboundary Movement of Hazardous Waste	y	y	y	y	80,000
	Hazardous Waste Code Dictionary	y	y	y		35,000
<b><u>Objective B: The Parties enhance compliance with, and enforcement of, their environmental laws and regulations</u></b>						
	<i>Strategy 1: Providing a forum for Parties and stakeholders to come together on issues of common concern</i>					
	Enforcement Working Group meetings	y	y	y	reduc e	30,000
	Enforcement Working Group Publications	y	y	y		60,000
	Enforcement Working Group Conferences and Workshops	y	y	y	reduc e	50,000
	<i>Strategy 2: Ensuring that the Articles 14 and 15 process yields information that can enhance environmental enforcement and compliance in North America</i>					
	Please refer to Actions described under Goal 4, Objective A					

<b>GOAL 3: TO MOBILIZE INTERNATIONAL COOPERATION TO RESOLVE CRITICAL NORTH AMERICAN ENVIRONMENTAL ISSUES</b>						
		Canada	Mexico	US	JPAC	Parties' priorities
	<b><u>Objective A: Conserve North America's biodiversity and use it sustainably</u></b>			?	?	
	<i>Strategy 1: Contributing to the conservation and recovery of migratory and transboundary species</i>					
	Biodiversity Strategy	y	y	y	y	36,000
	Grassland Ecosystem Network	y	y	y	y	105,000
	North American Marine Protected Areas Network (NA MPA)	y	y	y	y	160,000
	<i>Strategy 2: Contributing to the conservation and recovery of migratory and transboundary species</i>					
	North American Bird Conservation Initiative	y	y	y		40,000
	Terrestrial Species of Common Conservation Concern	y	y	y	y	145,000
	Marine Species of Common Conservation Concern	y	y	y	y	154,000
	<i>Strategy 3: Contributing to the reduction or elimination of common threats to North American biodiversity</i>					
	Toxics and Birds					
	Invasive Species	y	y	y	y	90,000
	<b><u>Objective B: Ensure North American environmental, economic and trade policies are mutually supportive</u></b>					
	<i>Strategy 1: Promoting increased trade in environmentally-preferable goods and services</i>					
	Assess the market for green goods and services			?	y	
	Foster understanding and use of environmental labeling and certification	y	y	y-data collection, analysis	y	50,000
	Support the creation of networks			y		
	Encourage involvement of financial markets	y-in part	y-in part	y-in part	y	90,000
	<i>Strategy 2: Encouraging the Parties to make greater use of policy instruments that support "greener" trade</i>					
	Lead the North American Green Purchasing Initiative (NAGPI)	y	y	y	y	75,000
	Recommend market-based policies to support trade in green goods and services	y	y	y	y	50,000
	Advise the Parties on how to facilitate disclosure of environmental information					

	Canada	Mexico	US	JPAC	Parties' priorities
<b><u>Objective C: Prevent or reduce pollution impacts on human and ecosystem health of mutual concern in North America</u></b>					
<i>Strategy 1: Facilitating the development and implementation of North American strategies and actions to protect human health and the environment</i>					
Sound Management of Chemicals Initiative (SMOC)	y	y	y	y	610,000
Regional Program of Action and Demonstration of Sustainable Alternatives to DDT for Malaria Vector Control in Mexico and Central America (DDTRP)	y	y	y	y	126,000
Children's Health and the Environment in North America	y	y	y	y	180,000
North American Air Working Group	y	y	y	y	30,000
Exchange opportunities for air quality professionals in North America	y	y	y		10,000
<i>Strategy 2: Fostering private sector actions to adopt sound approaches to environmental protection</i>					
Capacity Building for pollution prevention	y	y	y	y	105,000
Environmental Management Systems (EMS)	y	y	y		50,000
Environmental Auditing		y	y		
Voluntary Corporate Environmental Stewardship					
<b>GOAL 4: TO PROVIDE A FORUM FOR PUBLIC DIALOGUE AND PARTICIPATION CONCERNING ENVIRONMENTAL ISSUES IN NORTH AMERICA</b>					
<b><u>Objective A: The North American public and NAAEC Parties view the citizen submission process as a useful and valuable mechanism for enhancing enforcement of and compliance with environmental law in North America</u></b>					
Citizen Submission Process	y	y	y	y	351,500
<b><u>Objective B: The Joint Public Advisory Committee will function effectively to incorporate and express the views of the public concerning environmental issues in North America</u></b>					
<i>Strategy 1: JPAC provides the CEC Council with timely and constructive advice, and relevant technical, scientific and other information to the Secretariat</i>					
JPAC	y	y	y	y	360,000
<b>GOAL 7: SPECIAL INITIATIVES</b>					
Article 13			?		
<b>Information Management</b>					
NAFEC				y	
Article 10(6)-Cooperation with NAFTA				y	
Article 10(7)-TEIA				y	

<b>INITIAL PROGRAM BUDGET</b>	<b>4,223,000</b>
<b>TOTAL-REVISED BUDGET</b>	<b>3,591,000</b>
<b>SAVINGS</b>	<b>632,000</b>
<b>DEFICIT DUE TO EXCHANGE RATE</b>	<b>449,027</b>
<b>REAL SAVINGS</b>	<b>182,973</b>