

**Report of the Acting Executive Director  
on the Activities of the Commission for Environmental  
Cooperation**  
Montreal, Canada  
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## **1 PROGRAM UPDATE**

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

Cooperation among the North American countries is essential to addressing regional environmental issues. It is also a cornerstone of a vibrant North American economy. A more integrated North American economy calls for a greater degree of coordination and cooperation to facilitate trade and establish complementary systems for environmental protection on a North American scale.

A more integrated economy also provides opportunities for employing economic incentives and financial instruments in support of sustainable development. It underscores the need to engage the principle economic actors in environmental protection and conservation in new ways. Farmers, businesses, consumers, landowners, investors and others hold the key to actualizing environmentally sustainable economic development. As they operate in an increasingly North America-wide economy, market-based mechanisms that are crafted for an integrated economy need to be put in place.

The Environment, Economy and Trade program area has three core objectives: (a) To improve the environmental assessment of trade liberalization and expanding economic activity in North America. The environmental assessment work is both backward-and forward-looking, to ensure that lessons learned from the past and current environmental impacts help guide the identification of emerging environmental issues, policy priorities and tools. (b) To identify market mechanisms that can act to support environmental protection and conservation goals. The guiding principle behind “green” markets is to translate the goal of “win-win” trade-environment links into concrete action that can be replicated in other market categories. (c) To explore the role of financing in the development of “green” market mechanisms that will favor positive environmental and energy developments, including carbon sequestration, energy efficiency, and renewable energy and sustainable trade.

#### **1.1.1 Assessing the Environment in the Context of North American Market Integration**

The CEC received 58 proposals in response to the call for papers for the second North American Symposium on Assessing Linkages between Trade and Environment. The Advisory Group met for the first time in Montreal, 16 September, and selected nine proposals to be presented at the upcoming symposium. Five of those selected focus on agriculture and three on energy; eight of the authors will receive financial support from the CEC to conduct their research and prepare their reports.

The symposium will be held in collaboration with UNEP in Mexico following the one-day JPAC public workshop on Chapter 11, most likely 24–26 March in Mexico City. UNEP will use lessons from the symposium, including some based on Mexico as a developing country that entered a

trade agreement with two developed countries, to fulfill its mandate of helping to build the capacity of developing countries to do their own environmental assessments of trade agreements.

The CEC published a paper sponsored by the Ford Foundation, highlighting lessons and findings from the first North American Symposium on Understanding the Linkages between Trade and Environment. The paper, called “Trade and Environment: The Picture Gets Clearer,” is available as a small report, on the Web and extracts are being used to advertise the second symposium.

Environment, Economy, and Trade is collaborating with Law and Policy in producing a comparative analysis of environmental regulations of intensive livestock operations at the state and provincial levels in Canada, Mexico, and the US that will be presented at the symposium. The CEC is also preparing background studies on invasive species, aboriginal groups, and displacement of pollution in sustainable agriculture.

To conclude our previous work on emerging environmental trends, the final report, entitled “Understanding and Anticipating Environmental Change in North America: Building Blocks for Better Public Policy,” has been submitted for publication and will be distributed to our stakeholders soon.

### **1.1.2 Supporting Environmental Protection and Conservation through Green Goods and Services**

The CEC has started adapting the methodology developed for green goods and services to collaborate with the Children and Health program’s project on the removal of lead in artisanal pottery in Mexico.

An exploratory meeting was hosted by the CEC, in Montreal, Wednesday, September 18, on the need for collaboration on Green Purchasing at the North American level. Participants represented the Center for the New American Dream (CNAD), TerraChoice Inc.(TCI), EPA, EC, Semarnat, Inform, Green Seal, industry, purchaser groups, ICLEI, CCC, and the CEC. A presentation by each NAFTA government’s environmental agency/ministry on their purchasing behavior was followed by the compilation of a list of constraints to fostering green purchasing facing these agencies in their governments. The goal was to move from the problems, to the tasks, and then to a structure to accomplish those tasks that are better addressed at a trilateral level. These constraints include:

1. Ignorance;
2. Lack of dedicated personnel;
3. Uncertainty and lack of good environmental information;
4. Misplaced concerns about the NAFTA/WTO trade rules; and
5. Need for incentives to change.

It was concluded that there are many commonalities among the three governments and institutions, industry, and individual constraints. There are several constraints that apply to industry in particular: lack of harmonized standards; lack of access to decision makers; inconsistent policy application; non-existent life-cycle costing idea; lack of legislation for better performance; and questions about voluntary labeling.

It was agreed that the CEC will serve as a secretariat to the North American Green Purchasing Initiative (NAGPI, a North American network of networks) to address macro constraints.

In the short term, the NAGPI has agreed to:

1. Quantify environmental benefits (a document that compiles good stories, and a communication media outreach effort about the environmental benefits of green purchasing, giving credit to government).
2. Develop a business case.
3. Create a web site of resources available (includes a compilation of what is already being done regarding the issues (reporting methods, training, and life-cycle costing).
4. Create a coordinated communications system and a List Serve (including means for regular communication, and the inclusion of other potential contacts).

A document containing items 1 and 2 will be provided to the Parties in the winter of 2002 and we are linking with partners to develop 3 and 4.

The group also suggested that we work with CEC's other projects and work groups (including the Pollution Prevention Round Tables and Environmental Management Systems' work), as well as other groups not represented here already, in creating potential synergies, finding new contacts and combining actions. The Secretariat is also examining our own purchasing policies practices to ensure that we are making a positive contribution to this file.

### ***Shade coffee***

The Mexican bank, Banamex, has agreed to translate the proposal for a sustainable agriculture fund (see below), which can now be distributed in Spanish in its draft form. Discussions continue with the World Bank and the *Consejo Mexicano del Café* to join forces to ensure more investment is channeled to coffee and other products grown with coffee, especially regarding carbon sequestration in agroforest coffee systems. Additionally, the CEC is supporting Conservation International to produce a manual to train coffee producers organized in cooperatives to develop their own credit applications. The CEC may continue collaboration with Conservation International to increase credit capacity by training cooperative members to do bookkeeping, financial analysis, handle credit applications and follow up interviews.

### ***Sustainable palm commercialization***

The palm commercialization report is currently going through the publication process in the three languages. The CEC is pursuing the commercialization potential with church-based groups, one of the largest consumers of the palm in North America.

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

By the end of 2002, the CEC will have assessed "green financing" opportunities in the region, in addition to identifying public policies necessary to support significant financing initiatives.

### ***Financing and the Environment***

Following the March 2002 meeting on financing and the environment, the CEC developed relationships with UNEP-FI (North American Task Force), UNEP, OECD, and Environment Canada to further the work on financing and the environment. A joint meeting will be held in November to assess the steps forward as a group. Another meeting is being prepared for the

spring of 2003, to present further work on Transparency and Disclosure of Environment-Related Financial Risks. The working level meeting with accounting firms, rating agencies, financing auditors, fund management companies, investment firms, securities exchanges and regulators will distill where and how environmental risks are financially important. Based on sectoral level work, best practices in reporting will also be developed.

The CEC, jointly with UNEP, is developing a background paper to provide information on the recent trends, current status and immediate prospects for environment-related investment, including Foreign Direct Investment (FDI), as well as debt, equity and venture capital investments, environment-related investments in developing countries, using Mexico as an example.

Some of these results will be presented at a joint program meeting between JPAC and the Environment, Economy, and Trade program area on “Investing in North America’s Future: Innovative Financing for Sustainable Development,” 9–10 December 2002, in Monterrey, Nuevo León, Mexico.

#### *North American Sustainable Agriculture Fund project*

The CEC has been studying and working for four years with the chain of producers and businesses handling sustainable coffee. Efforts over this period have confirmed the environmental and social benefits of sustainable coffee, its marketing potential, and a lack of access to credit on the part of sustainable coffee businesses along the business chain. The lack of access to credit is preventing the full realization of the economic, environmental and social benefits linked to sustainable coffee, by limiting the capacity of the chain to supply coffee at a consistent quality and quantity to produce scale economies for end-users. CEC research and analysis have demonstrated the economic viability of these systems and the potential for competitive returns on investment in this sector.

The CEC has identified this credit “crunch” as an unrealized “win-win” opportunity for investors and the environment alike and has prepared a proposal to create a funding vehicle that looks at just how this win-win opportunity might be realized. Instead of creating a completely new management structure to operate this fund, the CEC has presented the proposal to various entities already in place that could operate the fund on behalf of their investors. Organizations with whom the proposal has been discussed include the International Finance Corporation (IFC), the Inter-American Development Bank (IADB, most likely managing the fund as part of the Multilateral Investment Fund, MIF), the WorldBank, CitiGroup/Banamex, Environment Enterprises Assistance Fund (EEAF), and the Overseas Private Investment Corporation (OPIC). As well, the CEC is willing to talk with others.

The CEC is not a financial institution; rather, its goal is to work toward brokering ties among different actors along the sustainable agriculture chain, private financial sector, environmental organizations, and development agencies. Providing credit to the sustainable agriculture chain needs to be seen as a good investment that also feels good. It presents an opportunity for financial institutions to work toward the Johannesburg Implementation Plan that calls for:

- Encourag(ing) financial institutions to incorporate sustainable development considerations into their decision-making processes (chapter 17.c).
- Promot(ing) the development of micro, small and medium-size enterprises, by means of training, education and skill enhancement, with a special focus on agro-industry as a provider of livelihoods for rural communities (chapter 9.c).

- Provid(ing) incentives for investment in cleaner production and eco-efficiency in all countries, such as state-financed loans, venture capital, technical assistance and training programmes for small and medium-size companies, while avoiding trade-distorting measures inconsistent with WTO rules (chapter 15.b).

The fund also presents an opportunity to provide financing to biodiversity protection as called for in the Cancún Declaration of Like-minded Megadiverse Countries.

The next step is to find and finalize the selection of a partner that will function as the fund manager so the following activities can be accomplished:

- A proposal can be presented to potential funders.
- The fund can be established, such that it meets financial, environmental and social objectives.
- Fundraising can be initiated.

This initiative is at a crossroads. Virtually all of the necessary information has been created and provided to candidate institutions, the majority of which have expressed interest. However, no organization has yet committed itself to providing any funding. All have voiced the concern that the Parties (not necessarily the environmental ministries, but some part of each national government) need to invest as well in the establishment of the fund. Accordingly, the CEC has approached the development agencies in North America that are not currently investing in the coffee/environmental link in Mexico:

A. USAID (the US development agency) has announced a US\$6 million program to help Central American producers improve their coffee quality, but Mexico was excluded because of its level of production (fifth-largest producer of coffee in the world—more than all other Central American countries combined).

B. The Canadian International Development Agency has so far had a policy of not investing in OECD countries. Both have expressed interest but the Parties' involvement may be needed to remove institutional constraints.

C. The Parties could also help the Fund indirectly by including sustainable coffee in their procurement policies. Only 8–10 percent of procurement officers will make decisions based on environmental attributes, so procurement policies should be explored to create economies of scale that would allow prices for green goods to drop and their marketshare to increase. The CEC's work on procurement could be used to support the Parties in this initiative.

D. Government(s) can also guarantee loans, given the lack of access to collateral, that can be used as effective security, available to coffee producers. By offering guarantees and loans through the Fund, the government(s) can help change expectations that government loans are in fact government handouts or that they will carry far-below-market interest rates. This would help to foster the development of a healthy microfinance market.

E. The Parties could help lead outreach efforts to other national governmental departments (i.e., agriculture, farm credit agencies, development agencies) and other entities affiliated with the Parties.

In summary, two critical steps need to be taken at this time to assure the success of the North American Sustainable Agriculture Fund:

1. A lead partner needs to be identified so that the Fund can be physically established.
2. Financial commitments need to be obtained in some fashion from the Parties that represent a direct investment in the Fund.

#### **1.1.4 Exploring Market-Based Mechanisms for Carbon Sequestration, Energy Efficiency, and Renewable Energy in North America**

The Secretariat is currently exploring key issues related to market mechanisms for reducing carbon in the atmosphere through carbon sequestration, renewable energy and energy efficiency. Consistent with the language of the June 2002 CEC Council Communiqué to pursue our efforts in a complementary fashion to those of the North American Energy Working Group, we have shared the first draft of the background paper with the Energy Working Group for its comment and review. The final paper will be available by the end of the year and will identify options for Council action.

The CEC has produced two papers on the electricity sector in Mexico. The first provides a description and update on recent changes in foreign and domestic private investment in Mexico's electricity sector and explores whether there is any relationship, between foreign direct investment in the sector and planned export (or importation) of electricity. The second report provides a brief description of changes underway, or being proposed, to promote renewable energy in Mexico. It provides information on proposed policy changes affecting renewable energy, and gives examples of innovative renewable energy projects.

A meeting is being planned for mid-January that will: 1) bring together North American businesses with experience in either procurement or production of renewable energy for their own purposes and Mexican companies interested in purchasing or producing renewable electricity, and 2) explore the financial potential of such endeavors. In support of this meeting, a follow up will be conducted (a survey or focus group) on the CEC's survey of interest in renewable energy by industry in Mexico.

#### **1.1.5 10(6) Environment and Trade Officials Group**

The Parties have received a draft agenda to work from. In January 2002, a meeting was tentatively set for November 2002, but the Parties have now suggested postponing it to next spring.

### ***1.2 Conservation of Biodiversity***

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

In 2001, the CEC Council established the Biodiversity Conservation Working Group (BCWG), through Resolution: 01-03. The role of the BCWG is to provide recommendations and advice to the Council on the best ways to catalyze cooperative conservation action through a Strategic Plan. The first meeting of the Biodiversity Conservation Working Group was held in Montreal, Quebec, on 29 July. The terms of reference of the BCWG were agreed upon and a team was assigned the responsibility of developing the second draft of the Strategy. The members of the

BCWG are currently reviewing the document developed by this team. This will be presented at the December JPAC meeting for review and feedback.

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

In response to the request made by the CEC Council in 2001, a 1999–2002 review of NABCI was undertaken and presented in their 2002 annual meeting. Based upon the progress made, Council reiterated CEC's continuous support to this initiative.<sup>1</sup> As NABCI becomes part of bird conservation institutional frameworks, starting in 2002, the CEC has been *gradually* shifting its resource allocation from operation to knowledge-base enhancement and on-the-ground project delivery. With regard to project implementation, following the recommendations from the second trinational NABCI meeting, (2001), in 2002, a joint effort to identify pivotal areas for implementing NABCI projects took place. Led by the analysis of a broad group of Mexican partners, based on the highest priority Important Bird Areas and the characteristics desired in all three countries in such projects, six *pivotal areas* were identified. These are Marismas Nacionales (Nayarit-Sinaloa), Chamela-Cuixmala (Jalisco), El Triunfo (Chiapas), the northeastern Yucatán peninsula (Ria Lagartos in Yucatán and Cozumel, and Sian Ka'an in Quintana Roo), El Cielo (Tamaulipas), and the grasslands of the Chihuahuan Desert.

Throughout 2002, workshops have brought together local players from these areas and trinational partners to develop a portfolio of potential trinational cooperation projects. NABCI national coordinators, supported by national and trinational committees and the CEC, are working with such partners as Joint Ventures and others in Canada, Mexico and the US to form multiple links with these sites, based initially on shared migratory birds.

In 2002, the CEC contributed to the establishment of a compatible, comparable and consistent framework to assess—for the first time—the conservation status of birds throughout North America. In 2003, regional workshops will be continued in Mexico to complete this year's framework for data sharing and establishing common priorities. Canada and the United States already have mechanisms for assessing the status of birds, and Mexico's incorporation will allow for the first time a more complete understanding of the status of all birds in North America. This effort is assisted by the completion of the distribution maps of all Mexican birds—currently being completed and partly supported in 2002 by the CEC.

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

Given that the majority of the 17 species of birds and animals of common concern, are associated with grasslands, the CEC is currently facilitating a process to secure the well being of grassland-SCCC through a strategy that takes into account the main issues and conservation needs related to this ecosystem level.<sup>2</sup>

Following the recommendations of the Chihuahua Workshop, work towards the development of a trinational grasslands strategy has been focused on three objectives: 1) producing an assessment of collaboration opportunities with Mexico, based upon grassland conservation priorities at a national scale; 2) developing an updated map of grasslands, including an integrated database of

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<sup>1</sup> Report available through the CEC web site: <[http://www.cec.org/files/PDF/BIODIVERSITY/nabci\\_Report-final-englishmaps.pdf](http://www.cec.org/files/PDF/BIODIVERSITY/nabci_Report-final-englishmaps.pdf)>.

<sup>2</sup> Report available on the CEC web site: <[http://www.cec.org/files/PDF/BIODIVERSITY/SCCC-Web-e\\_EN.pdf](http://www.cec.org/files/PDF/BIODIVERSITY/SCCC-Web-e_EN.pdf)>.

conservation planning units; and 3) developing a continental assessment on issues and needs related to the Central grasslands of North America, which became the basis for developing the grassland strategy<sup>3</sup>.

The results of the workshop were presented at the 2002 meeting of the Canada/Mexico/United States Trilateral Committee for Wildlife and Ecosystem Conservation and Management, and its Executive Table supported the development of a strategy for achieving the vision established by the Chihuahua grasslands workshop.

In 2002, the trinational grassland framework will be completed and ready to guide the elaboration of joint recovery action plans for Species of Common Conservation Concern.

#### **1.2.4 Mapping Marine and Estuarine Ecosystems of North America**

Expert opinion is being sought and data sets are being referred to so as to refine the classification system and draft map developed at the Charleston workshop. A meeting of the country leads and consultants is scheduled for late October to review the framework one last time before sending it out for peer review.

Requests for use of the map have already begun coming in. In their search and development of an ecozone system for evaluating the status of marine fish species, Committee on the Status of Endangered Wildlife in Canada (COSEWIC)'s Marine Fishes Specialist Group has requested and been given a draft version of the North American framework. MCBI and the NA MPA Network are also planning on using the map in the identification of priority areas within the Baja California to Bering Sea Region; NOAA and NatureServe have been exploring ways of using the map for their detailed classification work in the US; and INE is planning on adopting the Mexican portion of the framework for its national system.

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

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

##### ***Meeting of the Marine Expert Advisors***

Experts from the various academic institutions, governmental agencies, and nongovernmental organizations from throughout North America—advisors to the CEC on marine-related issues and projects—met in Montreal on 8–10 July 2002, to review progress to date on various CEC and related North American MPA Network initiatives. In order to address the pressures to North America's coasts and oceans, participants supported continued involvement of the Secretariat in the ongoing projects and initiatives, and proposed that the CEC continue its work with the countries to develop a fully functioning and integrated North American MPA Network. The advisors also met to define possible future priorities for marine conservation action in North America by identifying common threats to North American marine biodiversity, and conservation actions to address these threats through bi- and trilateral cooperation. The participants proposed that the following four areas, as yet unaddressed by the CEC, need further attention through holistic, inter/intra-institutional, inter/intra-sectoral and international cooperative efforts: 1)

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<sup>3</sup> See <[http://www.cec.org/files/PDF/BIODIVERSITY/Chihuahua\\_Meeting\\_Final\\_report-Reporte\\_final.PDF](http://www.cec.org/files/PDF/BIODIVERSITY/Chihuahua_Meeting_Final_report-Reporte_final.PDF)>.



fisheries management and practices, 2) ocean and coastal development, transportation, and planning, 3) human-induced global system changes, and 4) ocean ethic and information.

### ***MPA Networking and Capacity Building (including Marine Conservation Targets and Indicators)***

#### ***Integrated Management for the North American MPA Network***

To build on the initiatives underway, a white paper was drafted to plan strategically for a system of MPA networks—both human and ecological—spanning the critically important waters for the Canada, Mexico and the US. The MPA expert advisors are presently reviewing the paper.

#### ***Inventory and Clearinghouse***

Led by WCPA-NA-Marine/WWF, a *Working Draft MPA Management Effectiveness Guidebook* has been drafted, and a workshop (23–27 September 2002) has been organized to launch the field-testing of the guidebook. Through the workshop, MPA managers and experts, who will be field-testing the guidebook, will: 1) gain a clearer understanding of the purpose, objectives, and structure of the Working Draft Guidebook, 2) work towards selecting the most appropriate biophysical, socioeconomic and governance indicators to assess the management effectiveness in pilot sites, and 3) develop a suitable work plan for implementation. In addition, feedback, experience, and perspectives from the different participant MPAs will be sought on how to improve the contents of the Working Draft Guidebook, as well as how to bring results together through a clearinghouse.

For the inventory, fields of the various inventories are being compared for their inclusion in the North American Inventory. Subsequently, institutional agreements will be made for information sharing through a distributed database model.

### ***Trinational Conservation Priorities and Measuring Effectiveness***

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

During the Marine Experts Advisors' meeting, the list of 15 species was reviewed and other species were proposed for inclusion. Currently, the Task Team is reviewing the proposals. The marine species report is presently being peer reviewed and a joint publication on terrestrial SCCC and invasive species of concern is also being developed.

#### ***Identifying Priority Areas for B2B***

Through a Conservation GIS Data Potluck—a workshop that brought together participants from the B2B region involved in the many GIS projects completed, underway, or in the early planning stages—additional information for the exercise was collected. The Data Potluck was sponsored and organized by the CEC, CPAWS, Ecotrust, the Marine Conservation Biology Institute (MCBI), and Surfrider. The group is looking into publishing a set of the data on CD-ROM.

A meeting is being planned for late October/early November to 2) review and analyze the data collected to date, and 2) finalize the methodology to be used during the final workshop to define the priority areas. By request of the US governmental members involved in the project, the final workshop to identify priority regions has been postponed to late winter/early spring.

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

Work is underway (2002) to identify aquatic invasive species and pathways of common North American concern as follow-through on recommendations identified at the Montreal meeting.

The trinational working team has been established and a preliminary set of criteria has been developed following a similar methodology used to identify the Marine Species of Common Conservation Concern. A trinational workshop will be held in San Diego, CA, to agree on a trinational list of aquatic invasive species and priority pathways. A report will be developed describing the threat posed by each species and its level of invasiveness, its major pathways of introduction as well as priorities for collaborative efforts. This document will subsequently be brought together with both the terrestrial and marine species of common conservation concern reports.

### 1.2.7 North American Biodiversity Information Network

During the August 2002 meeting of the Expert Advisory Committee, agreement was reached on focusing NABIN's actions **in three interconnected thematic areas** to fulfill its mandate of improving access to information for better biodiversity conservation decision-making in North America:

1. **Service**, via an online web site/portal,
2. **Communication**, via meetings and other means, and
3. **Innovation**, via seed money for cutting edge initiatives.

The feasibility of developing a web site-portal prototype for NABIN was assessed regarding its architecture, database modeling and map interoperability, as well as its ability to support GIS integration for the following pilot projects (e.g., marine mapping, grasslands and NABCI-Y2Y).

For this purpose, available keyword sets and metadata standards were identified.

NABIN partner institutions participating in the North American Integrated Taxonomic Information System (ITIS-NA) will meet in November at the Smithsonian Institution to increase system access via common species names and develop the means by which other users link to these information sources.

In order to develop a common interface to access taxonomic and GIS information, the CEC is currently assessing alternatives to improve the map interface and interconnection of the ITIS-NA with other integrated biodiversity search engines such as the Species Analyst and the Mexican Network of Biodiversity Information (*Red Mexicana de Información sobre Biodiversidad*—REMIB).

NABIN participates in the Inter-American Biodiversity Information Network implementation plan, and metadata-cataloguing software was recently leveraged for NABIN use. Copyright issues related to biodiversity information are summarized in the Intellectual Property Rights paper contracted in 2001; this report was reviewed by the three governments and it has been accepted for publication. To support free access to biodiversity information, international NGOs proposed to consider it a *common resource*, and NABIN will be looking at a North American feasibility model for this Biodiversity Commons Initiative.

Marine data sets were gathered for the Pacific Coast of North America, during the Marine Conservation GIS Potluck. In addition, datasets for the terrestrial Species of Common

Conservation Concern are being prepared to respond to integrated queries. These and additional datasets will be available to NABIN to support the integration of existing species and ecoregional information.

### **1.3 *Pollutants and Health***

#### **1.3.1 Facilitating Trinational Coordination in Air Quality Management**

With its North American Pollutant Release and Transfer program (PRTR), the CEC co-sponsored a PRTR exchange program between Semarnat personnel and officials of the US EPA in Washington and Environment Canada in Ottawa during September and October 2002. The purposes of the visits were to learn the experiences, difficulties in implementation, legislation and validation and control mechanisms in each country in creating and developing their national pollutant reporting registries.

#### **1.3.2 Developing Technical and Strategic Tools for Improved Air Quality in North America**

The CEC has organized a meeting on “Best Available Technology” (BAT) for the control of air pollution from new sources, to be held in Montreal, on 29 October 2002. The meeting brings together government experts at the national, state/provincial, and local levels to discuss information resources and evaluation criteria for determining what are the best available air pollution control technologies that can be applied to proposed new sources in North America. One goal of the meeting is to provide advice on the scope and function of an information clearinghouse that can be used by government air quality managers in making these types of determinations.

#### **1.3.3 Trinational Air Quality Improvement Initiative: North American Trade and Transportation Corridors**

The CEC is organizing a small workshop in Montreal to bring together health research experts in a discussion of common methodologies to assess population exposure to vehicle pollution in congested North American trade and transportation corridors. The goal of the workshop is to identify common elements needed in a research methodology that can be applied across North America, thus reducing or eliminating confounding artifacts that may arise from different research methods. The workshop will be held in mid-January 2003 at the CEC.

#### **1.3.4 Sound Management of Chemicals**

The Sound Management of Chemicals (SMOC) initiative has provided a continuing and increasingly effective forum to facilitate cooperation and trinational agreements and action on reducing chemical pollution in North America, with particular focus on chemical substances that are persistent, bioaccumulative and toxic, through the implementation of the different North American Regional Action Plans (NARAPs). This initiative has proved itself to be an effective tool in protecting and improving the environment and achieving sustainable development in the region.

In the past year, the SMOC program has had a number of accomplishments: the chlordane NARAP has been completed, one new NARAP has been developed—on environmental monitoring and assessment—and another one is nearing completion—on dioxins, furans and hexachlorobenzene. During the last meeting of the SMOC Working Group, a recommendation for

developing a NARAP on lindane was approved and forwarded to Council. The working group has been preparing a white paper to examine strategies for dealing with the broader suite of chemicals in a more timely manner. The World Bank and the Canada POPs Fund have expressed interest in receiving a project proposal from the SMOC program on monitoring persistent, toxic substances in human blood. Mexico has decided to use the CEC as the ‘executing agency’ for the development of their national POPs implementation plan to meet one of the key obligations of the Stockholm Convention on Persistent Organic Pollutants.

The CEC is cooperating with the UNEP Chemicals Program, the GEF and 11 other regional “nodes” to prepare a global report on POPs priorities. The objective is to assist developing countries in assembling project proposals for capacity building that will further Stockholm Convention implementation.

The SMOC Working Group held its 13<sup>th</sup> regular meeting jointly with the Joint Public Advisory Committee (JPAC) in November 2001, in Tucson, Arizona. As a result, JPAC has offered some useful advice to Council about the SMOC program. The SMOC Working Group also asked JPAC members for their advice on capacity building and on how SMOC could improve its public awareness, education and involvement processes. The 14<sup>th</sup> regular meeting of the SMOC Working Group was held 16–18 October, in Cuernavaca, Mexico.

A retreat of the SMOC Working Group was held early this year. It provided a forum for the Working Group, the CEC Secretariat and a few invited participants to begin an indepth assessment of the progress and accomplishments of the SMOC initiative to date and undertake some strategic thinking on the path forward. An objective was to consider obstacles to progress and identify opportunities for improving the viability and effectiveness of the program. Special attention was devoted to observations and recommendations forwarded by JPAC regarding the NARAP development and implementation process, with a focus on improving public visibility and accessibility; encouragement for more involvement of the general and selected public in the task forces; and the suggestion of possible options for increasing stakeholder participation in the substance selection process.

SMOC Working Group members reaffirmed several directions:

1. Continue existing NARAPs and bring them to a successful conclusion in the context of a ‘regional implementation’ role, as allowed in the Stockholm POPs Convention.
2. Undertake a review of existing NARAPs to ensure that they generally conform to the Stockholm Convention.
3. Determine what persistent, bioaccumulative toxic substances may be of concern in a North American context in the future.
4. Complete a white paper identifying possible strategies for dealing with the broader cross-section of chemicals in commercial use today.
5. Continue with the SMOC leveraging strategy to identify outside funding sources and partners to support NARAP implementation.

In the Sound Management of Chemicals initiative, a number of actions have been launched and advanced:

The results achieved under the DDT NARAP are being shared with the seven Central American countries to reinforce the implementation of the World Health Organization’s Global Malaria

Control Strategy. The main goal of this project is to demonstrate that methods for malaria vector control without recourse to DDT or other persistent pesticides are replicable, cost-effective and sustainable. These activities are being funded jointly by the CEC and the Global Environment Facility (GEF), with the Pan American Health Organization (PAHO) as the executing agency and UNEP the implementing agency. A grant proposal for US \$7.5 million directed to the GEF to assist with implementation of this NARAP was approved in late May 2002.

A communications package was prepared for the Stockholm POPs meeting in order to highlight the actions North America, and in particular Mexico, has taken to stop the production and use of DDT. A video on Mexico's DDT phase-out program was prepared and presented to the Health and Environment Ministerial meeting in March 2002. A second video on more educational efforts is in preparation. A series of fact sheets on all the NARAPs are also in preparation, to be used as communication tools for public dissemination.

The mercury NARAP comprehensively addresses the reduction of mercury emissions from human activities throughout North America. For this, the Secretariat assigned funds for a previous study to assess extending the coverage of the Mercury Deposition Network by installing two wet deposition collectors for mercury on Mexican territory. Success of this program is crucial to the task forces for the mercury and the monitoring and assessment NARAPs.

The Mercury Implementation Task Force has continued to focus priority on building capacity in Mexico by supporting education and awareness-raising initiatives for health professionals and educators. A pilot project to provide a hospital in Mexico City with mercury-free medical equipment has also begun. The program would substitute thermometers and perhaps provide mercury-free sphygmomanometers (the common apparatus for measuring blood pressure). Canada loaned two mercury air monitoring instruments to Mexico (Tekran) so that ambient levels of mercury in the vicinity of some key point sources of mercury can be identified and characterized. The Secretariat is also assisting Mexico in characterizing mercury releases and impacts on soil and vegetation in the Zacatecas area. With this backdrop, the mercury task force gathered in Zacatecas, 17–18 September 2002, and also supported the workshop for mercury characterization in the Zacatecana region on 19–20 September.

The SMOC Working Group approved a recommendation from the Substance Selection Task Force for a NARAP on lindane. The recommendation was forwarded to Council and approved in June 2002. Nomination of task force members from the three Parties is in process.

Considerable progress has been made in the implementation of the 1996 PCBs NARAP, as evidenced by the draft status report now being finalized. The proposal path forward for this document will include: a conference call in early October; a request from task force to the Working Group to approve the final reviewed status report at its next meeting in Cuernavaca; and a meeting in February 2003 to advance the PCB file in a cooperative manner through the PCB task force.

The NARAP on chlordane has been underway since 1997. A key deliverable was stopping the use and production of this pesticide in North America. With the latest actions that Mexico has undertaken, this has now been accomplished. A final report describing all actions taken has been completed and the chlordane task force has recommended to the SMOC Working Group that the final report be published and the task force disbanded. A final report is in preparation. As there continues to be concern about illegal transboundary shipments of chlordane, the SMOC Working Group has written to the Enforcement Working Group to request its assistance in examining whether such problems exist.

The dioxins, furans and hexachlorobenzene task force has developed the phase 1 draft NARAP including terms of reference, a work plan, and a draft action plan that is now undergoing internal government review and will shortly be put forward for a 45-day public review.

Given Council's recent public statements of concern about lead, and following advice from JPAC, a Statement of Mutual Concern was prepared on lead and forwarded to the SMOC Working Group. The Working Group recommended that the task force begin to formulate an approach to stage 3, and outline a schedule for the completion of this work. The Substance Selection Task Force has undertaken a public review of the substance selection process and will request public feedback on its report shortly.

An environmental monitoring and assessment NARAP was approved by Council at the June Regular Session. Actions for establishing the implementation task force for the NARAP and developing the implementation plan are on their way.

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

Supporting the implementation of a mandatory, publicly accessible PRTR program in Mexico; promoting increased comparability among the three national PRTR systems; strengthening linkages with the SMOC program; and fostering innovative uses of PRTR data are the current areas of focus for the PRTR project.

Council Resolution 02-05 called for the CEC to provide technical assistance to Mexico to support the achievement of a mandatory and publicly accessible RETC. With supplemental funds made available in September 2002, the CEC has been able to begin providing this assistance. Four members of the RETC staff will spend a total of two weeks in Ottawa and Washington, DC, learning about the NPRI and TRI programs, respectively, and exchanging information with Canadian and US PRTR experts. Two additional RETC officials will spend one day in each capital city to discuss regulatory aspects of PRTR development. The CEC has hired a consultant to provide technical assistance to the RETC program as Mexico works on revising the PRTR reporting format and developing the implementing regulations. Support will also be provided for consultative meetings with PRTR stakeholders.

With the passage of Resolution 02-05, Council adopted the *Action Plan to Enhance Comparability Among Pollutant Release and Transfer Registers (PRTRs) in North America*. The *Action Plan* addresses important issues such as the trilateral use of the North American Industrial Classification System (NAICS), the use of comparable, activity-based reporting thresholds, and the need for improved comparability in reporting persistent toxic substances, including the SMOC substances—mercury, and dioxins, furans and hexachlorobenzene.

Stakeholders and members of the interested public from across North America convened for the annual meeting of the Consultative Group for the North American PRTR Project in Cuernavaca, Mexico, on 16–17 October 2002. The second day featured a joint public meeting with the SMOC program to explore ways of strengthening PRTR-SMOC linkages. The governmental PRTR officials met on 18 October to discuss the outcomes of the public meeting, and implementation of the Action Plan.

Exploring innovative uses of PRTR data is an area of increased activity within the CEC's PRTR project. The trinational Ad Hoc PRTR Group, composed of volunteers from industry, academia and civil society who are interested in innovative uses of PRTRs, has embarked on a second

project that will look at case examples in which PRTR reporting has led to pollution prevention and cost savings for industry.

On the international front, the CEC will participate in a meeting of the Inter-organization Programme for the Sound Management of Chemicals (IOMC) PRTR Coordinating Group, of which the CEC is a member. The IOMC is a coordinating mechanism among a number of UN agencies and the OECD focused on issues of sound management of chemicals. The CEC was tasked with coordinating the preparation of the group's report on PRTRs worldwide, to be submitted to the Fourth Session of the Intergovernmental Forum on Chemical Safety (IFCS) in 2003. The CEC will be presenting the draft summary report at the November meeting.

### **1.3.6 Capacity Building for Pollution Prevention**

The Pollution Prevention Roundtable in Mexico held its third national event on 18–21 September 2002, in Guanajuato. The event was organized into four thematic workshops and five panels around various themes with participation of nearly 250 people.

Also, a meeting was held to discuss various aspects of the North American Pollution Prevention Partnership and the strategic plan to conduct the proposal presented to the CEC Council of Ministers in June 2002 after a public declaration on cooperation among the North American pollution prevention roundtables was disclosed during the national meeting of the Canadian Roundtable in Quebec in April, 2002. A trinational group consisting of representatives of the three roundtables has been established by the roundtable's partnership. The objective of the group is to meet periodically in order to work together in initiatives of common interest and to take advantage of the capacities of the three organizations. The group will be further developed to include representatives of industry, academia and governments in the three countries.

A regional pollution prevention roundtable was established in the US-Mexico border area in June 2002. In order to formalize and make operational an organizing committee, an event was held in Matamoros, Mexico, that was attended by approximately 80 participants from the maquiladora industry, academia from both sides of the border, and federal and local authorities. The regional roundtable includes the States of Tamaulipas, Nuevo León, Coahuila and Texas.

### **1.3.7 Children's Health and the Environment**

Recent highlights of the children's environmental health initiative have been the adoption by Council of the *Cooperative Agenda for Children's Health and the Environment in North America* through Council Resolution 02-06, Council's decision to include waterborne diseases as an additional priority area for the project, progress achieved in implementing selected elements of the *Cooperative Agenda*, and work being initiated by the Expert Advisory Board on training and education for health care professionals on children's environmental health issues.

The *Cooperative Agenda* outlines ongoing, planned and proposed activities for the CEC's children's environmental health initiative for the next several years. One of the actions is to develop a report on North American indicators of children's environmental health. This work is progressing, in collaboration with the IJC Health Professionals Task Force, the Pan American Health Organization (PAHO) and the World Health Organization (WHO). The Organization for Economic Cooperation and Development (OECD) has also recently joined the informal steering group. The focus this year is on preparing a feasibility study, the results of which will be reviewed by the steering group at a meeting in early December in Montreal as a basis for determining next steps in the development of the report.

The CEC is also initiating work on the first of a series of brief reports on the economic impacts of selected environment-related illnesses in children; commissioning a market study (together with the Green Goods and Services Project) on leaded and lead-free pottery in Mexico; and preparing for a workshop on risk assessment and children's health to be held in February 2003, in collaboration with SMOC and the NAFTA Technical Working Group on Pesticides.

The Expert Advisory Board is preparing for their next meeting, the proposed focus of which is on promoting education and training for health care professionals on children's environmental health issues. The meeting will be held in early 2003, and will set the groundwork for a proposed high-level meeting in late 2003 with heads of medical, nursing and public health associations, health and environment officials and other relevant parties.

## ***1.4 Law and Policy***

### **1.4.1 Comparative Report on Environmental Standards**

The Secretariat has completed a draft report on federal, state and local environmental requirements for Intensive Livestock Operations (ILOs) in Canada, Mexico and the United States. The purpose of the report is to draw some basic conclusions about the environmental requirements imposed on ILOs and to make recommendations on state of the art requirements. The report has been peer-reviewed and will be sent to the governments for review next month

### **1.4.2 Environmental Sound Management of Hazardous Waste**

A final draft of the report "Environmental Sound Management of Hazardous Waste and Recyclables in North America" was distributed among the task force members for revision. Comments received back from the task force are being integrated to the final version of the report, which is to be translated and posted on the CEC web site by the end of the year.

For the tracking component of the project, a consultant was contracted to document and evaluate the information-related requirements and systems involved with hazardous waste import/exports between the NAFTA countries and to identify options for automating and improving processes. The final product will be a report presenting the information in narrative and workflow formats to facilitate comparisons among the three countries and allows for a systematic approach to identifying gaps and areas for improvement.

### **1.4.3 North American Regional Enforcement Issues**

The 2002 annual meeting of the Enforcement Working Group (EWG) took place 24-25 October. This meeting provided a face-to-face forum for the EWG and its different task forces to continue or finalize the planning process for current projects, and review and discuss the CEC 2003-2005 Program Plan.

Collaborative work between EWG and SMOC has now produced final drafts of the country sections for the report on tracking mercury imports and exports in North America. Once EWG and SMOC have given their final approval on these drafts, they will be sent to editing and translation.



#### **1.4.4 Enforcement and Compliance Capacity Building**

Capacity building efforts of the EWG have focused this year on the illegal traffic of ozone depleting substances, transboundary enforcement cooperation and CITES enforcement of protected plants. Preparatory work for capacity-building workshops for government officials in each of these areas has been carried out by EWG task forces and NAWEG.

#### **1.4.5 Enforcement and Compliance Reporting**

Wildlife enforcement has been selected as the central topic for the EWG's Special Enforcement Report. In close coordination with NAWEG, the CEC has completed a draft outline of the report for submission to EWG for its approval during its annual meeting in October.

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

The CEC has completed a draft of seven options for possible areas of CEC work on freshwater issues in North America. These options are being reviewed by the governments, the IBWC, IJC and JPAC.

## **2 PROGRAM PLANNING, MONITORING AND EVALUATION**

An effort is being made to integrate the Program Monitoring and Evaluation process and the Program Planning exercise. A mapping exercise has been undertaken at the Secretariat to develop a strategic framework that will define clearer goals and results for each program area, which in turn will facilitate any future evaluation exercise.

Simultaneously, program evaluations are proceeding and evaluation reports should be ready in Spring 2003. Conclusions drawn from the program evaluations will assist the Secretariat in refining the strategic framework and will provide the basis for a strategic plan to be presented to the Council in June 2003.

## **3 ARTICLE 13**

The Secretariat has begun the process of developing its Article 13 report on issues related to the protection of plant genetic diversity for maize. The report proposes to examine several issues related to the conservation and sustainable use of traditional maize varieties in Mexico. These issues could include, *inter alia*, the relationship between the production of traditional maize varieties and the conservation and sustainable use of megadiversity in Mexico, the effects of trade liberalization in the farm sector, effects of non-traditional corn imports on the conservation of traditional maize varieties, and the effectiveness of domestic policy measures in place in Mexico, including the moratorium on planting transgenic corn varieties, and on protecting traditional maize varieties. An outline and timeline was distributed to the Parties on 5 September 2002.

At this date, all members of CEC's Advisory Group for the Article 13 maize report have been selected and José Sarukhan Kermes has agreed to be chairman of the group.

The first Advisory Group meeting is scheduled to take place later this fall in Montreal (date to be confirmed). A discussion paper is being prepared for this meeting which will provide relevant information on the socio-cultural and ecological aspects of traditional maize agriculture, related economic and market access issues, applicable national and international agreements, as well as legal frameworks.

## 4 ARTICLE 14 SUBMISSIONS

Eleven citizen submissions are currently active. For five of those submissions, Council unanimously voted on 16 November 2001 to instruct the Secretariat to prepare factual records, and the Secretariat's goal is to complete all five of those records prior to the 2003 Council Session. Two other factual records are also under development, and two Secretariat recommendations for preparation of factual records are currently pending a vote by Council. Finally, the Secretariat is considering whether to recommend factual records for two other submissions. The Secretariat has received four new submissions in 2002, to date, which is about the average.

*The status of the eleven submissions under review as of 30 September 2002 is as follows:*

### **Factual records in development:**

The following seven factual records are being developed as instructed by Council under Resolutions 01-08, 01-09, 01-10, 01-11, 01-12 (16 November 2001), 02-02 (7 March 2002), 02-03 (17 May 2002) respectively:

- 1) **Oldman River II.** SEM-97-006/*The Friends of the Oldman River* (concerning Canada's enforcement of the Canadian Environmental Assessment Act and the Fisheries Act)
- 2) **Aquanova.** SEM-98-006/*Grupo Ecológico Manglar A.C.* (concerning Mexico's enforcement in regard to the shrimp aquaculture activities carried on by the company Granjas Aquanova, S.A. de C.V. in Isla del Conde, San Blas, Nayarit).
- 3) **Migratory Birds.** SEM-99-002/*Alliance for the Wild Rockies, et al.* (concerning enforcement by the US of the Migratory Bird Treaty Act against logging operations).
- 4) **BC Mining.** SEM-98-004/*Sierra Club of British Columbia, et al.* (concerning Canada's enforcement of the Fisheries Act against mining operations in British Columbia).
- 5) **BC Logging.** SEM-00-004/*David Suzuki Foundation, et al.* (concerning Canada's enforcement of the Fisheries Act against logging operations in British Columbia).
- 6) **Río Magdalena.** SEM-97-002 / *Comité Pro Limpieza del Río Magdalena* (concerning Mexico's enforcement in relation to wastewater discharges).
- 7) **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 molybdenum processing plant).

The Secretariat began executing the overall plans to develop these seven factual records by inviting the Submitters, the Parties, JPAC, interested nongovernmental organizations or persons to submit information relevant to the factual records, in accordance with Article 15(4) of the NAAEC. The Requests for Information describing the scope of the information to be included in the factual records and giving examples of relevant information are posted on the CEC web site, as are the overall plans.

Prior to November 2001, the Secretariat had never had more than one factual record in development at one time. Consistent with Council Resolution 01-06, which encourages the

Secretariat to make best efforts to process submissions in a timely manner, the Secretariat's current goal is to complete at least five of the factual records prior to the 2003 Council Session.

**Council votes pending on Secretariat recommendations for development of factual records:**

**Tarahumara.** On 29 August 2002, the Secretariat informed the Council that the Secretariat considers that submission 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) warrants developing a factual record.

**Cytrar II.** On 29 July 2002, the Secretariat informed the Council that the Secretariat considers that submission SEM-01-001 / *Academia Sonorense de Derechos Humanos, A.C. et al.* (concerning Mexico's enforcement in relation to this hazardous waste landfill) warrants developing a factual record.

**These submissions are awaiting Council's vote on whether or not to instruct the Secretariat to prepare factual records.**

**Determinations pending whether factual records are warranted under Article 15(1):**

- 1) **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).
- 2) **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).

These submissions are being reviewed by the Secretariat in light of the Party's responses to determine whether they warrant development of a factual record.

***Historical Background of Submissions***

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

Twelve 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.
- El Boludo Project – SEM-02-004/Arcadio Pesqueira Senday 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 – 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.

Three 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.
- Metales y Derivados – SEM-98-007/Environmental Health Coalition 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.

## **5 PARTNERSHIPS**

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

The results achieved under the DDT NARAP are being shared with the seven Central American countries. This could reinforce the implementation of the World Health Organization's Global Malaria Control Strategy. The main goal of this project is to demonstrate that methods for malaria vector control without DDT or other persistent pesticides are replicable, cost-effective and sustainable. These activities are being funded jointly by the CEC and the Global Environment Facility. The Pan American Health Organization (PAHO) is the executing agency and UNEP the implementation agency. It is expected that an additional US\$6.6 million will soon be contributed by the GEF to support projects in the eight countries.

Some human and environmental monitoring activities have been done in Mexico during the last two years. It is expected that the resulting data and methods will strengthen the Mexican leadership in the Central American region and would provide some preliminary advance on the environmental monitoring and assessment NARAP.

A status report on the DDT NARAP was presented to the SMOC Working Group in October for its approval. 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.

A communications package was prepared for the Stockholm POPs meeting in order to highlight the actions North America, and in particular Mexico, has taken to stop the production and use of DDT. A video on Mexico's DDT phase-out program was prepared and presented to the Health and Environment Ministerial meeting in March 2002. A series of fact sheets are in preparation on all the NARAPs as a communication tool for public dissemination.

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

The goal of this project is to develop and implement a biomonitoring project in North America to obtain a profile of population exposure to persistent organic pollutants (POPs) and metals and environmental hotspots and obtain an integrated baseline that can be used to determine priorities for and track progress in management of these substances domestically and on a broader cooperative basis within North America.

The World Bank has pre-approved US\$100,000 for this project. It has expressed interest in the work of the CEC because it is a good example of regional cooperation.

The CEC contribution to this project will be US\$50,050 the first year and \$50,000 the second.

The World Bank funding will be applied to capacity building activities for POPs and the CEC funding will include, in addition to administrative costs, some funding pertaining to capacity building sampling and analysis activities for metals.

Mexico has identified the CEC to the World Bank as an 'executing agency' for POPs implementation. This was a prerequisite for arranging funding support for POPs implementation planning.

## **6 ADMINISTRATION AND FINANCE**

### **6.1 Financial Resources**

The third quarterly financial statement will be forwarded to the Parties on October 31.

### **6.2 Human Resources**

The recruitment for the Media Outreach Officer has been completed. A candidate, Mr. Spencer Ferron Tripp, has been selected and Notice to Council has been sent.

The recruitment process for the program area head, Environment, Economy and Trade, to replace Scott Vaughan is underway.

## **7 COMMUNICATIONS AND OUTREACH**

Utilization of the CEC's web site continues to grow, with large numbers of visitors using the site to search and download CEC publications and documents. From the beginning of June through the end of August, CEC's web site received 193,259 visits, with June being the peak month, seeing more than 90,000 visits. During the same period last year, the site received 143,107 visits. As in the past, many visitors to the CEC web site are downloading CEC publications and documents: 5,183 different documents were downloaded a total of 199,471 times. The greatest number of visits and downloads correspond closely to major announcements: *Taking Stock* (29 May) and the Article 13 electricity report (17 June) accounted for the bulk of publications downloaded during this time.

Since July, the Communications Department has made a series of announcements about the Secretariat's programs and meetings, while continuing to disseminate information about Commission and JPAC activities. Highlights include:

### **19 September 2002**

#### **Preliminary findings from environmental contamination study call for continued investigation on mercury concerns in Zacatecas, Mexico**

Preliminary findings of a soil and vegetation sampling program in the Zacatecas area of Mexico confirm the presence of heavy metals, and substantiate the need for a continuing investigation to determine the impact on human health and the environment in the region.

### **6 September 2002**

#### **CEC Secretariat recommends factual record on Tarahumara submission**

The Secretariat of the CEC recommended to Council that a factual record be developed on allegations by indigenous peoples and communities of the Sierra Tarahumara that the government of Mexico has failed to effectively enforce its environmental law with regard to allegedly illegal exploitation and destruction of forest resources in the Mexican state of Chihuahua.

**5 August 2002**

**CEC Secretariat recommends factual record on Cytrar II submission**

The Secretariat of the CEC has recommended to Council that a factual record be developed on allegations that the government of Mexico is failing to effectively enforce its environmental law concerning the closed Cytrar hazardous waste landfill near the city of Hermosillo, Sonora, Mexico.

**24 July 2002**

Community-based energy grants announced by North American environmental commission

Sixteen community-based environmental grants were awarded today by the North American Fund for Environmental Cooperation (NAFEC) to nongovernmental organizations in Canada, Mexico and the United States.

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

During the annual meeting of the Selection Committee of the North American Fund for Environmental Cooperation (NAFEC), held in June 2002, 16 projects were granted for a total of C\$688,300. Note that NAFEC received around 270 proposals in 2002.

This year the grants focused on projects related to renewable energy, energy conservation or energy efficiency, preference being given to projects that built on energy-related initiatives to develop other components of a sustainable economy.

In addition, in an effort to estimate NAFEC's contribution to grantees' capacity for fundraising, the NAFEC staff has gathered information regarding the additional support leveraged during the past three years for NAFEC funded projects. Every dollar of NAFEC brings in C\$1.50 to \$2.00 from other funding sources. NAFEC will continue to keep track of this information and will make an update to the Parties.

NAFEC-funded projects continued to be profiled in *Trio*, CEC's quarterly bulletin, 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.

Site visits to evaluate the progress made by some grantees will also be conducted by the end of this year.

Finally, following the Joint Public Advisory Committee (JPAC) Advice provided to Council on 8 March 2002, on the proposed modifications to the *NAFEC Administration and Funding Guidelines* to reflect the current realities of NAFEC and the CEC, the General Standing Committee has just finished finalizing the revision of this document.