

Concept Description: Improve Environmental Performance through a Sector Approach to the Sound Management of Toxic Substances

Objective:

The objective of this initiative is to reduce the risk of exposure to toxic chemicals in the North American environment by working strategically with key industrial sectors across North America to improve environmental performance.

Rationale:

The Sound Management of Chemicals Working Group (SMOC WG) aims to promote the sound management of chemicals while facilitating the movement of chemicals and their products across borders without compromising human health or the environment. Until recently, the SMOC Working Group has focused its work on specific chemicals. The SMOC WG recognizes the importance of identifying and keeping abreast of emerging issues, utilizing flexible approaches with the potential for a broad impact, and increasingly engaging stakeholders in its work. As such, the SMOC Working Group is expanding its approach to identify and address issues related to chemicals management in industrial sectors, in addition to its ongoing work on specific toxic substances and groups of substances.

Through more efficient production processes, preventive strategies, cleaner production technologies and procedures throughout the product life cycle, hence minimizing or avoiding wastes, the policies and operations of business and industry can play a major role in reducing impacts on resource use and the environment. Businesses are increasingly taking voluntary initiatives, promoting and implementing self-regulations and greater responsibilities in ensuring their activities have minimal impacts on human health and the environment.

The SMOC Working Group will build on previous experiences in North America in exploring mechanisms for trilateral cooperation to encourage industry to meet new global environmental requirements. This work aims to help improve environmental performance while advancing pollution prevention strategies in North America.

Key components of the work:

The SMOC Working Group will promote partnerships between federal and local governments, industry, NGOs and communities to improve environmental management. There are many examples of successful partnership initiatives that lead to increased environmental performance and ultimately benefit the environment, companies and communities involved, such as Canadian and US automotive sector pollution prevention efforts resulting in the elimination of toxic and targeted substances at the source. The SMOC Working Group will work to apply successful models of integrated environmental management and government/private sector cooperation to stimulate similar initiatives on a North American scale.

Improving the environmental performance of sectors may include a range of regulatory and non-regulatory incentives, as well as specific interventions to improve environmental performance

throughout products' life cycles, including greener supply chains, safer substitutes, best practices, pollution prevention in production processes, and adequate disposal and/or recycling.

This work will support the ongoing work of the CEC, in particular ongoing work in the automotive and the electronics sectors. The SMOC working group has noted trilateral concerns respecting the management of electronic wastes and will work in cooperation with the Parties as well as the CEC's Hazardous Waste program to integrate this concern into this sector approach. Work under this priority area will be linked to the objectives of the CEC's North American Regional Action Plans (NARAPs), activities of the CEC projects on *Improving Private and Public Sector Performance*, *Encouraging Green Purchasing* and *Harnessing Market Forces for Sustainability*, as well as work under the CEC's Pollutant Releases and Transfer Registries (PRTRs). When possible, the work should have the potential to contribute to the CEC's North American Environmental Atlas and/or State of the Environment reports.

Stakeholder Involvement

Historically, stakeholders have been key players in SMOC activities, including participation in Task Forces and at public sessions hosted by the SMOC Working Group. The SMOC Working Group will now work with stakeholders on a more active level, engaging them as partners in realizing the sound management of chemicals, including under responsibility for action.

Because this project is specifically focused on improving the environmental performance of industrial sectors, it is anticipated that a primary stakeholder group to be engaged in this work is the private sector, in particular the industries and industry groups associated with sector(s) of common concern to the three countries.

Leveraging Funding

A key component of SCCs is the implementation of leveraging strategies to secure outside partners and resources. The SMOC WG will encourage Mexico (with CEC Secretariat assistance where appropriate) to maintain its efforts on behalf of the SMOC initiatives through meetings with appropriate agencies (GEF, WB, PAHO, UNEP¹ and others) who might be in a position to support aspects of the program's work.

Examples of future projects

SMOC Working Group

Future projects are likely to build on the successes achieved in the Parties' domestic programs as well as previous CEC work on the electronics and automotive sectors. Work on specific sectors could also support risk reduction activities to address chemicals of common concern in North America. However, expanded activities in these sectors or new sectors could be identified by the SMOC Working Group or stakeholders taking in consideration:

- the feasibility of developing incentives to improve the environmental performance of industrial sectors, including non-regulatory mechanisms, such as consensus standards;

¹ GEF: The Global Environment Facility, [WB](#): World Bank, PAHO: Pan-American Health Organization, UNEP: United Nations Environment Programme.

- the promotion of green products and services and environmental preferable purchasing;
- the identification of market-based approaches to support environmental protection; and
- further development and implementation of pollution prevention programs and policies, including strengthening of recycling programs for product end of life, while seeking harmonization and cooperation across the continent. Initial efforts will be focused on cleaning products, lead battery recycling and auto spray painting.

The SMOC Working Group could work in collaboration with the Clean Electronics Pollution Prevention Partnership (CEP3) to promote greening the design of electronics. Work may include development of voluntary standards, focusing on specific chemicals such as alternatives to brominated flame retardants in printed circuit boards, working with the supply chain, and/or promoting environmental preferable purchasing of green electronics. Other work could be focused on recycling, sound disposal of waste, and improving legal infrastructure.

The SMOC Working Group could provide support to the on-going efforts under domestic programs and the CEC's Partnership with the North American Auto Sector towards greening international supply chains. Virtually all of the multinational automotive companies' supply chains cross North American borders and it is thought that through this sector, there exists the potential to achieve real environmental benefits from improved performance. Other work related to the auto sector may include use of "best practices" in recycling of lead acid batteries and auto spray painting.

The CEC in collaboration with the North American Green Purchasing Initiative (NAGPI) has initiated a pilot project to promote the use of green cleaning products in government offices in Mexico. The project will continue until the end of 2007. Building on work under this project the SMOC Working Group could collaborate on developing consensus standards for selected cleaning products. The CEC is also undertaking work with NAGPI to promote the purchase of green office supplies and green electricity.

Stakeholders

The CEC will work in an open, inclusive, and transparent manner, which will include actively involving industry, business, trade unions, environmental nongovernmental organizations, Aboriginal organizations, academic institutions and other members of civil society in chemicals management initiatives, including a transparent process for selection and prioritization of the initiatives of the Sound Management of Chemicals program. A key component to implement these projects is leveraging strategies to secure outside partners and resources.

The CEC will be looking for support from stakeholders to identify possible actions under projects to:

1. support dissemination of information on environmentally preferable purchasing, including electronics and green cleaning products;
2. support participation in other CEC projects, such as the green automotive supply chains;
3. support demonstration of "best practices" in recycling of lead acid batteries and auto spray painting;

Linkages to work in other international fora/under other international agreements:

Actions supporting sound chemicals management may include work to be carried out in the CEC context, and/or through bilateral, trilateral, or multilateral initiatives of the three countries outside of the CEC (including, for example, through SAICM, UNEP and the OECD), and through domestic actions. The CEC provides an effective forum through which the three Parties can collaborate on chemical issues of mutual concern, it is not designed, nor does it have the resources to encompass work on all chemical issues in North America. For example, developing of voluntary consensus standards will require the participation of international standards setting organizations.

Annex: Past CEC Activities and Planned CEC Activities to support the project to Improve Environmental Performance through a Sector Approach to the Sound Management of Toxic Substances

Past/current contributions of SMOC, CEC and the Parties

The SMOC's Mercury Task Force is overseeing work to reduce exposure to mercury through products in the hospital sector in Mexico. The CEC is working with the non-governmental organization Health Care without Harm to assess the mercury use in a pilot hospital in Mexico with the intent of reducing the use of mercury containing products in the hospital and provide recommendations on how this pilot project can be applied to other hospitals on a wider scale in Mexico.

The CEC's Pollutant Release and Transfer Registry project provides compatible, comparable emissions data from industrial sources across North America. The data can be summarized by industry sector, to provide a clearer picture of toxic emissions from particular sectors and changes in emissions over time. The data can be used to help prioritize the sectors in which to work as well as to track progress in efforts to reduce pollutant releases from selected sectors.

The CEC project Clean Electronics Pollution Prevention Partnership (CEP3) is currently working to take a prevention approach to reducing the health & environmental risks associated with electronics production & consumption. The project short term goal is to provide capacity building for small and medium sized enterprises in Mexico, with a long term goal to green procurement in the region. In 2007, a project design plan will be prepared, in conjunction with the North American Pollution Prevention Partnership (NAP3).

The CEC is working through its Partnership with the North American Auto Sector to achieve significant environmental benefits from improved performance in this sector, and thus demonstrate leadership for other industry sectors. The project objectives are:

- to develop a Greening the Supply Chain model for North America which is designed to improve business and environmental performance through such measures as pollution prevention, improved on-site chemicals management, implementation of waste exchange schemes, adoption of best practices, reducing the use of toxic and/or non-renewable materials, enhancing energy efficiency, and promoting consistent work practices and procedures to reduce environmental impacts;
- to support the capacity building by developing tools and training that combine pollution prevention with accepted business approaches;
- to institute metrics to measure success, report results on a regular basis, and involve other stakeholders; and
- to develop a CEC culture where the strategic engagement of the private sector is used to capitalize on synergies and maximize results and where this approach could be considered for other CEC projects or efforts that offer such opportunities.

In 2007, an implementation plan for the project will be developed. The automotive sector thus provides an important opportunity for the CEC to facilitate positive environmental change while strengthening ties with the private sector.

Projects identified for immediate action

The Parties are working to identify projects for near term action under the concept description *Improve Environmental Performance through a Sector Approach to the Sound Management of Toxic Substances*.