



ADVICE TO COUNCIL NO: 09-01

Re: JPAC Workshop on Climate Policy Coherence in North America

The Joint Public Advisory Committee (JPAC) of the Commission for Environmental Cooperation (CEC) of North America;

IN ACCORDANCE with Article 16(4) of the North American Agreement on Environmental Cooperation (NAAEC) which states that JPAC "may provide advice to Council on any matter within the scope of this agreement [...] and on the implementation and further elaboration of this agreement, and may perform such other functions as the Council may direct";

HAVING conducted a Workshop on Climate Policy Coherence in North America on Monday, 22 June 2009, in Denver, Colorado, that examined the prospect for the NAFTA partners to enhance national efforts to mitigate greenhouse gas (GHG) emissions and adapt to our changing climate through cooperation at a North American level;

HAVING met in-camera with the Council members on Wednesday, 24 June 2009, in Denver, Colorado, and shared initially the main thoughts that resulted from the Workshop;

SUBMITS the following observations and comments for Council's consideration:

After having had the opportunity to analyze and think freely about the implications of climate change in the North American region, as well as hearing the opinions from citizens, businessmen and experts, JPAC makes the following recommendations on how the Commission can open a cooperative program or a creative space among the three nations to establish a North American climate change agenda or regime.

During our meeting, we learned that CO₂ emission cuts are essential but not sufficient and that they take a long time to produce an impact. On the other hand, the impact of black carbon, methane, and HFC emissions reductions will be faster and can more quickly help stabilize climate change. Therefore, reduction of non-CO₂ GHG emissions should be given a high priority.

There is a two-way relationship between ecosystems and climate change. We have to recognize the role ecosystems play in climate mitigation: how human health and quality of life ultimately depend upon ecosystem health. And on the other hand, we have to be

aware of the impacts of climate change on ecosystems, their biodiversity, ecosystem processes and services, so we can develop adaptation strategies.

The water crisis in many North American cities and in ecosystems is deeply related to recent changes in surface temperature and precipitation; it is no longer possible to conserve our biodiversity with isolated protected areas, we need more comprehensive actions to reduce our vulnerability to climate change, and to improve our capacity to adapt to new ecological and economical scenarios.

All three leaders from Canada, Mexico and the United States have declared their clear commitment to addressing climate change as one of the most important issues of their policy agendas. At the same time, there is concern about the unintended consequences for domestic policies on trade and investment, and thus competitiveness, in North America. In recent discussions regarding a new legislative package to introduce a cap and trade system, the US Congress has aired worries about the costs in terms of output and employment if major US trading partners fail to introduce effective controls or reductions to greenhouse gas emissions. Given the high levels of industrial integration in a host of carbon intensive sectors and fossil energy interdependence in North America, Mexico and Canada are equally concerned about the potential for hidden protectionism in legislative initiatives being considered in the US Congress.

We must prevent negative impacts that could emerge from unilateral decisions and the lack of coordination of domestic climate change policies. We need to maximize the potential benefits of such coordination—for instance, ensuring energy security. Those actions should include:

- That the Commission for Environmental Cooperation play an integral role as a clearinghouse of information for climate change and enhancing our institutional capacities across the region.
- That the CEC commission a cooperative study to analyze and potentially recommend the development of green energy corridors as designated, set asides to accommodate the secure delivery of transformational non-emitting electricity from North to South and South to North.
- In the context of sustainable and secure energy supply and in concert with the Trade and Environment Working Group, the CEC should enlist input and insight from our respective national regulators, to facilitate a continental framework for the flow of legacy and future energy on a transcontinental basis identifying and mitigating trade barriers and border adjustments that will no doubt arise as we move closer to an North American GHG reduction protocol.
- That the CEC enhance coordination between the three countries by creating a Climate Change Program under the CEC, to promote the integration of the now separated national environmental policies related to regional mitigation and adaptation matters, including near-term actions on black carbon, methane, and HFCs.
- That the CEC actively promote itself as an actor in ensuring that each country has a more integral climate change policy, which should involve all levels of

government and relevant sectors of society (universities, communities, NGOs and others).

The CEC needs to talk openly about different policy and regulation options to tackle climate change, such as: carbon taxes, more stringent GHG emission standards, lifecycle approach for new regulations, and a possible Emission Trading System in North America.

The CEC should focus special attention on the role of carbon offsets, particularly how they can reduce emissions and avoid deforestation and the degradation of ecosystems, including the potential role of biochar. Even when there is evidence of significant gains in biodiversity conservation from the payment of ecosystem services, for this mechanism to also guarantee poverty reduction it has to involve the communities that own the forest, not just assume that subsidies alone will promote local development. Mexico's community forest management model has proven more effective in achieving these gains than pure payment for ecosystem services. Avoiding deforestation can also help reduce the costs of compliance for high carbon-intensive industries in North America, as long as it considers the community owners of the forest.

In order to create a trilateral climate change agenda, the Council should incorporate the following considerations in future policy options for the CEC's work program:

- Improving the environmental performance of lagging economic sectors, particularly those who exhibit high levels of transnational integration, and boosting their international competitiveness
- Accelerating the deployment of cleaner and energy efficient technologies, such as low carbon fuels and hybrid vehicles
- Devising strategies to keep jobs and fostering green jobs in the region
- Mobilizing resources across the region to enhance institutional capacity for policy development and project implementation for adaptation and mitigation purposes
- Harmonizing emission standards such as fuel economy, vehicle efficiency, ultra low sulfur diesel and other clean fuels, including standards for black carbon emissions, etc., and improving enforcement and compliance practices
- Allowing the exchange of experiences and best practices between the three countries to reduce private vehicle use and give way to a stronger public transportation system
- Reaching an agreement to avoid carbon leakage in the region, especially in the electricity and transportation sectors
- Promoting programs for the reduction of the energy consumption in the region
- Creating a vulnerability atlas for the whole region and for strategic ecosystems and productive sectors, based on the most advance climate change models
- Promoting the use of sustainable energy sources, since not necessarily every renewable is sustainable
- Developing a North American GHG emission inventory, including emissions of black carbon

- Becoming the trilateral working group to recommend common terms and definitions to ease of dialogue and harmonization of future environments and trade policy

**Approved by the JPAC members
13 August 2009**