

# Annual Report 2009

## Mission

The CEC facilitates cooperation and public participation to foster conservation, protection and enhancement of the North American environment for the benefit of present and future generations, in the context of increasing economic, trade and social links among Canada, Mexico and the United States.

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# **CEC Ministerial Statement**

## **Sixteenth Regular Session of the CEC Council**

**Denver, Colorado, 24 June 2009**— We, the environment ministers of Canada, Mexico and the United States, as Council of the Commission for Environmental Cooperation (CEC), met for our annual Regular Session and consulted with our Joint Public Advisory Committee (JPAC) and the public on 24 June 2009.

This Council Session marks the 15th anniversary of the North American Agreement on Environmental Cooperation (NAAEC). We have taken note of the progress we have made in the maturity and extent of our environmental cooperation, in promoting sustainable development in the region, in strengthening environmental enforcement, in addressing the linkages between trade and environment, and in promoting public participation in regional environmental matters. We look forward to continued progress in these areas.

We have also recognized that this 15th anniversary comes in the midst of one of the most serious international economic crises we have faced in decades. The environmental challenges today, our understanding of them, and the tools to deal with them, are not the same as they were fifteen, ten or even five years ago.

Canada, Mexico and the United States reaffirm their commitment to tackle environmental problems across North America. This can only be accomplished by partnering and engaging extensively with stakeholders and the public in all three countries and by promoting a sense of shared responsibility and stewardship for the environment in our region.

To this end, we committed today to renew, revitalize and refocus the CEC to better serve the environment and citizens of our countries. More specifically, we have asked our officials to return in mid-July with a proposal to examine the governance of the CEC with a view to enhance accountability, improve transparency of the Secretariat's activities, ensure alignment with Council priorities, and set clear performance goals.

We agreed on a new policy direction for the CEC to ensure it is focused on the key environmental priorities of North America, in the context of free trade and more integrated economies, and is positioned to deliver clear results.

The CEC's next Strategic Plan, for 2010–2015, will focus on a select few environmental trilateral priorities, namely:

- Healthy Communities and Ecosystems
- Climate Change – Low-carbon Economy
- Greening the Economy in North America

To improve on the delivery of these priorities, we also agreed to several operational changes to the CEC to ensure it serves as a model of transparency and accountability, and remains an effective and relevant organization in accordance with the NAAEC. These changes will focus on streamlining the CEC's multi-million dollar annual cooperative work program, modernizing its citizen submission process, reprioritizing and increasing the transparency of its expenditures, providing clear direction to future executive directors at the start of their term, and strengthening the supportive functions of the Secretariat.

Over the course of the meeting, we also received updates from the executive director of the CEC Secretariat, Mr. Adrián Vázquez, and various working groups on recent successes of the CEC. These included steps taken to improve cooperation on North American air quality management, significant reductions in risk from mercury, a system to assess ecological conditions of marine protected areas, completion of a seamless North America-wide reporting system on industrial pollutants, more

environmentally sound integrated regional supply chains, and a training program for customs and border officials to aid in combating the illegal distribution of hazardous wastes and ozone-depleting substances.

As always, we had the benefit of the considered input of our Joint Public Advisory Committee, which hosted a public workshop on climate policy coherence in North America. In keeping with our commitment to public engagement, we were also pleased to participate in a public meeting and exchange views with numerous citizens from each of our three countries on environmental issues of their choosing. We look forward to the Committee's ongoing engagement as it serves a critical role to ensure active public participation and success in our endeavor to strengthen this important trilateral organization.

In closing, we would like to thank Mr. Vázquez for his heartfelt dedication to the CEC over the past three years. With his three-year term coming to an end this summer, we will soon be launching a process to select the next executive director.

With this new vision for the CEC, we are confident that Canada, Mexico and the United States will be well positioned to tackle our shared environmental challenges of the next decade.

*The CEC was established by Canada, Mexico and the United States to build cooperation among the NAFTA partners in implementing the North American Agreement on Environmental Cooperation (NAAEC), the environmental side accord to the NAFTA. The CEC addresses environmental issues of continental concern, with particular attention to the environmental challenges and opportunities presented by continent-wide free trade.*

*The Council, the CEC's governing body, is composed of the federal environment ministers (or equivalent) of the three countries, and meets at least once a year. The Council members are Canadian Environment Minister Jim Prentice, Mexican Secretary for Environment and Natural Resources, Juan Elvira Quesada, and US Environmental Protection Agency Administrator Lisa P. Jackson. The Joint Public Advisory Committee (JPAC) is a 15-member, volunteer body that provides independent advice and public input to Council on any matter within the scope of NAAEC.*

# **Cooperative Achievements**

# 1. Introduction

The CEC was created in 1994 under the North American Agreement on Environmental Cooperation (NAAEC or Agreement) concluded by Canada, Mexico and the United States as a side-agreement to the North American Free Trade Agreement (NAFTA). The CEC's mission is to facilitate collaboration and public participation to foster conservation, protection and enhancement of the North American environment for the benefit of present and future generations, in the context of increasing economic, trade, and social links among Canada, Mexico, and the United States.

A Council composed of cabinet-level environmental officials from each of the three Parties to the Agreement governs the CEC, oversees the implementation of the Agreement, and oversees the Secretariat. A fifteen-member Joint Public Advisory Committee (JPAC) acts as an independent advisory body to the Council on any matter within the scope of the Agreement. The CEC Secretariat is headquartered in Montreal and has a liaison office in Mexico City. It is headed by an Executive Director who oversees programs fostering cooperation on various North American environmental matters; a unit that processes citizen submissions on enforcement matters, and the development of independent Secretariat reports on North American environmental issues. As an international organization, the CEC is mandated to implement the objectives of the Agreement, and often does this by facilitating domestic environmental law and policy cooperation and public participation.

This report provides an overview of activities in 2009 under the CEC's cooperative work program; annual progress in the implementation of submissions on enforcement matters under NAAEC Articles 14 and 15, and JPAC activities. Up-to-date information regarding CEC activities is available online at: <<http://www.cec.org/news>>.

During its regular session in June 2009, the Council noted successes in improving North American air quality management, reducing risks from mercury, developing a system to assess ecological conditions of marine protected areas, and in completing a seamless North America-wide reporting system on industrial pollutants, among others. The Council agreed on a new policy direction for the CEC to ensure it is focused on the key environmental priorities of North America, in the context of free trade and integration of economies. The Council selected three environmental trilateral priorities for the next 2010–2015 Strategic Plan of the CEC, namely: Healthy Communities and Ecosystems; Climate Change–Low-Carbon Economy; and Greening the Economy in North America. To improve delivery of these priorities, the Council agreed changes are needed to streamline CEC's work program, including: modernizing its citizen submission process; reprioritizing and increasing the transparency of its expenditures; providing clear direction to future executive directors at the start of their term, and strengthening the supportive functions of the Secretariat. The 2010 Operational Plan and CEC budget were approved early January 2010. More information is available at: <<http://www.cec.org/council>>.

In December, the Secretariat launched a significant revision of the CEC website, featuring some important changes to enhance the provision of more and better features relating to CEC work. The new site will include 2010 activities and will be adjusted to reflect Council's three new priorities and the new 2010–2015 Strategic Plan.



## 2. Cooperative Work Program

### *(A) Information for Decision-making*

The provision of high-quality environmental information is a fundamental part of the CEC's mandate. Information products, the sharing of key data and analysis, and efforts to boost the quality, comparability and compatibility of national and subregional information are common features of CEC projects.

#### *(i) Tracking Pollutant Releases and Transfers in North America*

The CEC has been working with the pollutant release and transfer register (PRTR) programs of Canada, Mexico and the US to develop a North American profile of industrial pollutant releases and transfers, promote public access to environmental information, and enhance comparability among the national systems. The CEC's annual publication, *Taking Stock*, compiles information on listed pollutants and the industries reporting to the national PRTR programs.

The *Taking Stock* report featuring data for the 2005 reporting year in North America was published in June 2009. This year the report has widened its scope to include all data reported to the three PRTR programs in North America. In the past, analyses were based on subsets of PRTR data common among the three NAAEC Parties. *Taking Stock 2005* presents similarities and differences in pollutant reporting by industry sectors across North America, and also highlights some significant gaps in the overall picture of industrial pollution. These gaps are caused by incomplete reporting, as well as differences in reporting requirements among the three countries. Customized, searchable access to the *Taking Stock* integrated North American PRTR data is available online at: <<http://www.cec.org/takingstock>>.

In November, the CEC held its annual public meeting on future developments for the North American PRTR project. The meeting was a forum for stakeholders, including governments, industry, nongovernmental organizations, and citizens to exchange information. This meeting also provided a forum for discussion on PRTR topics and suggestions for future *Taking Stock* feature chapters. Also, the meeting is always an opportunity for different stakeholders to obtain updates from PRTR representatives in North American governments.

#### *(ii) Enhancing North American Air Quality Management*

Since Council Resolution 01-05 was signed in 2001, the CEC has been working toward achieving comparability of air emissions inventory information in North America through two parallel approaches: 1) facilitating *development* of comparable air emissions data for use in transborder air quality planning, and 2) enhancing the *availability* of air emissions information in North America. To do this, the CEC has been carrying out extensive work in recent years on the development of North American air emissions inventories.

The Comprehensive Assessment of North American Air Emissions Inventories and Ambient Air Monitoring Networks, released in 2008 and presented during the 2009 Council Session, provides the basis for a proposed Strategy for Enhancing North American Air Quality Management. In 2009, the CEC provided support to update the stationary, on-road mobile, area, and biogenic source components of the Mexican National Emissions Inventory for the data year 2005, which resulted in significant progress toward the comparability and alignment of North American emissions inventories.

In addition, during 2009 the CEC held meetings to discuss and assess Mexico's technical capabilities for the use of EPA's AIRNow-International (AIRNow-I) program for reporting air quality data, and possible paths

toward trilateral integration of monitoring network data and information. AirNow-I is already operational in Canada and the US.

### *(iii) Mapping North American Environmental Issues*

In 2009, the Secretariat further developed the North American Environmental Atlas, which facilitates the visualization of North American environmental information through maps. Seamless continental maps, available through the North American Environmental atlas webpage, depict political boundaries, populated places, roads and railroads, coastlines, lakes and rivers, terrestrial ecosystems, marine ecosystems, species of concern, pollution and waste and the human influence on the environment. In 2009, the Secretariat launched a new interactive map viewer, including an embedded Google Earth viewer. Work continues on several new thematic map layers. More information is available at: <<http://www.cec.org/naatlas>>.

### *(iv) Reporting on the State of the North American Environment*

Under NAAEC Article 12(3), the CEC Secretariat is called upon to “periodically address the state of the environment in the territories of the Parties.” Planning for the next State of the Environment (SOE) report was underway during 2009. A guidance document summarizing opportunities for the CEC in ongoing SOE reporting of North American environmental indicators in line with the CEC’s new strategic priorities is planned for 2010. More information is available at: <<http://www.cec.org/soe/>>.

## *(B) Capacity Building*

Strengthening capacities of the three countries for managing environmental issues of common concern is a key goal. In developing capacity-building activities, the CEC’s five-year objectives (2005–2010) focus on such priorities as the abilities to assess and manage chemicals of concern, undertake pollution prevention, participate in biodiversity conservation, and improve enforcement efforts in North America.

### *(i) Biodiversity Conservation*

In 2009 the CEC published *Marine Ecoregions of North America*, a book that outlines a system of classification and map that creates consistent, standardized and understandable units out of the vastness of the continent’s ocean and coastal waters. This system can be scalable, ecosystem-oriented, and linked to existing maps and classifications. The book was compiled by a distinguished group of specialists from Canada, Mexico and the US to describe and map the North American oceanic and coastal waters, classifying them into 24 marine ecoregions according to oceanographic features and geographically distinct assemblages of species. An online publication and information on hard copies is available at: <<http://www.cec.org/marine>>.

As part of the continued implementation of the Marine North American Conservation Action Plans (NACAP), the CEC implemented training programs on conservation of the leatherback turtle. During 2009, it also conducted programs to share scientific data and new estimates of the abundance of humpback whales in the North Pacific, carried-out under the Symposium on Structure of Populations, Levels of Abundance and Status of Humpbacks (SPLASH Symposium). Under NACAP efforts, the CEC continued its program on incidental *vaquita marina* by-catch through a prototype net; the use of the alternative gear for local fishermen in the Sea of Cortes, and the construction and operation of the sea turtle excluder device (TED) affixed to an alternative fishing gear.

As part of activities related to the North American Marine Protected Areas Network (NAMPAN), the CEC developed two new marine ecological scorecards for the Marine Protected Areas (MPA) for Isla Espiritu Santo and Cabo Pulmo in Mexico; trained MPA managers in the implementation of scorecard

methodology, and developed a website to house and display compiled MPA scorecard information, the marine NACAP and other relevant regional reports and maps.

In April and November, the CEC supported workshops in the US and Mexico, respectively, for Monarch butterfly conservation. It is anticipated that similar workshops on monitoring techniques will be held in Canada during 2010. In June, the CEC funded a meeting organized by the University of Georgia to discuss access to monitoring data. One of the outcomes of this meeting was the launch of the North American Monarch Monitoring Network, whose website will become available in 2010. Finally, a monitoring technical handbook on this issue was published, which is available at the CEC website at: <<http://www.cec.org/monarch>>.

With respect to work on alien invasive species, the CEC published in 2009 the Trilateral Risk Assessment Guidelines for Aquatic Alien Invasive Species, which provides standardized processes for evaluating the risk to biodiversity of introducing aquatic non-indigenous organisms into new environments. This publication was launched through the CEC website in April, and presented at the 16<sup>th</sup> International Conference on Aquatic Invasive Species, held in Montreal. The Guidelines were also presented in May at the National Commission for the Knowledge on Biodiversity (*Comisión Nacional para el Conocimiento de la Biodiversidad*) in Mexico City, commemorating the International Day for Biological Diversity. In line with this effort, the CEC co-sponsored the 16th International Conference on Aquatic Invasive Species. More information is available at: <<http://www.cec.org/invasives>>.

In April, the Grasslands Ad Hoc Technical Group was formed, which was tasked with developing a framework for investment in continental grassland biodiversity conservation activities. In June, the Northern Mexico Regional Grassland Conservation Alliance (the Regional Alliance) project was approved within the 2009 CEC Operational Plan. In December, a planning meeting was held in Chihuahua, Mexico, to chart out a strategy and work plan to advance the Regional Alliance project. During this meeting, an agreement was reached on the proposed goal, role, geographic focus, vision/strategy, and institutional arrangements for a Chihuahuan Grassland Regional Alliance.

#### *(ii) Sound Management of Chemicals (SMOC)*

The SMOC program, created by Council Resolution 95-05, sets a framework for addressing the sound management of persistent, bioaccumulative, and toxic chemicals in North America. In 2008 the Council confirmed a shift in emphasis from individual toxic substances towards risk reduction in sectors and groups, or families of chemicals, enhancing a holistic approach to toxics management in North America.

The Environmental Monitoring and Assessment Action Plan (EM&A Plan) continues to be an integral part of the overall SMOC program. The initial stages for developing a country-wide monitoring network in Mexico's Monitoring and Environmental Assessment Program (*Programa de Monitoreo y Evaluación Ambiental*—Proname) have been implemented and results are forthcoming. Proname is intended to allow comparison to Canadian and US data and promote North American data consistency. Decision makers will benefit from early warning information and trends analysis both domestically and regionally. An emphasis on adoption of quality assurance and quality control protocols for analytical chemistry and data reporting is producing validated results.

The North American Regional Action Plan (NARAP) on Lindane and Other Hexachlorocyclohexane Isomers is sponsoring a survey of these toxicants in bovine milk and human blood in Mexico. The mercury NARAP is scheduled for closure as a CEC initiative in 2010. The latest report, an inventory of mercury-containing products, proved useful as a case study for the global mercury initiative sponsored by UNEP. The dioxins, furans and hexachlorobenzene NARAP continues to make significant advances via a Mexican monitoring network and workshops to build capacity in atmospheric modeling of air contaminants. A new

chemical initiative to consider the trilateral impacts of brominated flame retardants has resulted in quantification of potential sources of these substances in Mexico, which will lead to a needs assessment for that country in 2010.

Adobe brick kilns in Mexico are being assessed in anticipation of the development of a toolkit by the United Nations Environment Program (UNEP) for use by other developing countries to quantify dioxins, furans and hexachlorobenzene emissions from this largely non-quantified source. A network of academics and government officials from Mexico's state and federal offices was formed in 2009 to consider appropriate responses to concerns about the emissions and local exposures to toxicants emitted from more than 20,000 artisanal brick kilns in Mexico. The development of a Mexican chemicals inventory, initiated in 2008 and which continued during 2009, anticipates joining similar inventories in Canada and the US through adoption of the Chemical Abstracts Service chemical identification protocol. The chemical inventory development is continuing with CEC resources and support from the United Kingdom's Department of Environment, Food and Rural Affairs.

### **(C) Trade and Environment [and Enforcement]**

In establishing the CEC, Canada, Mexico and the US acknowledged the growing economic and social links between the NAFTA partners and agreed to promote sustainable development based on cooperation and mutually supportive environmental and economic policies. The CEC 2005–2010 goal is to promote policies and actions that provide mutual benefits for the environment, trade and the economy. More information is available at: <<http://www.cec.org/trade>>.

During 2009, CEC projects promoted environmentally sustainable production and trade across North America. The CEC initiated work on trade, transportation and the environment to develop a framework to assess the environmental performance of trade corridors in North America from a regional and multimodal perspective. Such a framework would assist public and private efforts to *green* trade corridors in North America and identify barriers and opportunities for improvement.

The CEC also supported work to develop a North American Auto Industry Sustainability Roadmap, which identifies specific elements, strategies, technologies and policy recommendations for the North American automotive industry to utilize technology, innovation and creativity to enhance the economic and environmental performance of the automotive manufacturing industry and its supply chain.

In terms of promoting renewable energy, the CEC published a report that examines the opportunities and barriers for small project aggregation, including how renewable energy could be promoted as a means to reduce transaction costs or gain access to financing. The CEC also developed a study to support education in renewable energy and energy efficiency and identified useful training resources for the three countries. To complement this report during 2009, the CEC developed a website presenting trinational training resources in the fields of renewable energy and energy efficiency. This site will include information on a wide range of courses offered in Canada, Mexico and the US on both renewable energy and energy efficiency. More information is available at <<http://www.cec.org/energycourses>>.

In 2009, the CEC initiated work to assess the technical and economic feasibility of a study to characterize and quantify the flow of used electronics equipment within North America and with the rest of the world. The study will provide clearer evidence of the reality of the international flow and serve to inform policy-makers in the development of future regulations on trade of used electronics.

## *(ii) Trade and the Enforcement of Environmental Laws*

CEC Council Resolution 96-06 established the North American Working Group on Environmental Enforcement and Compliance Cooperation. Also known as the Enforcement Working Group (EWG), it is tasked with enhancing compliance and strengthening enforcement of environmental trade laws in North America. The EWG is composed of senior-level environmental enforcement officials from Canada, Mexico and the US. The EWG stands at the critical line between trade and environmental law compliance and enforcement and its primary objective is to facilitate the dialogue between customs and environmental law enforcement officers from the three countries on trade and environmental law enforcement. Through the EWG, North American agencies exchange and interact to address threats from environmentally non-compliant imports coming to North America, identifying threats from non-compliant imports and developing action plans to neutralize, reduce or eliminate them. EWG seeks to build cooperation to stop illegal shipments of regulated materials that may adversely affect human health or the environment and to expedite the movement of legal materials across borders. To do so, the EWG organizes forums for the exchange of information on best practices, training, intelligence-sharing, and enhancing formation of partnerships with key enforcement stakeholders.

In 2009, the EWG conducted seminars to exchange information, expertise and best practices in compliance monitoring and the enforcement of environmental law, including a workshop to address the international traffic of ozone-layer depleting substances, bringing together environmental and customs officials who interchanged information and common concerns in the trade of such materials in the region. The seminar took place in the US-Mexico border region between Calexico and Mexicali.

The EWG also conducted two workshops aimed at supporting the private sector and government officials to address outstanding issues related to compliance assurance in transboundary shipments of environmentally regulated materials. The first took place in June, in Quebec City, Canada. The second workshop took place in Monterrey, Mexico in November. Participants from different government agencies from the federal to the state/provincial level, private entrepreneurs and NGOs exchanged information on mechanisms to improve compliance and facilitate legal trade in the region.

The EWG completed an on-line training course on hazardous waste for environmental and customs officials. This tool, in conjunction with an ozone-depleting substances training tool, is intended to raise awareness and improve the understanding of regulations governing environmentally regulated materials crossing the North American borders.

In its effort to curb illicit trade of wild flora, the EWG supported activities of the North American Wildlife Enforcement Group (NAWEG). Agencies in charge of wildlife enforcement completed and delivered an accredited training course to the Mexico's Attorney General for Environmental Protection (*Procuraduría Federal de Protección al Ambiente*, Profepa). With this capacity, North American agencies agreed on a common approach to address threats to wildlife from a regional standpoint.

Finally, through the Hazardous Waste Ad-Hoc Group, the EWG has made great progress in finalizing an electronic mechanism for the exchange of information related to notice of export and consent of hazardous waste import in North America. Results are expected by 2010.

## **3. Secretariat Report on Sustainable Freight Transportation**

NAAEC Article 13 provides that the Secretariat may prepare a report for the Council on any matter within the annual program. In November 2009, the CEC initiated a new study to evaluate opportunities for making freight transportation more sustainable in North America.

The CEC Secretariat's independent study, slated for completion in 2010 will profile the current environmental status of freight transportation and examine opportunities for improving its environmental sustainability at a time of major infrastructural development along North American trade corridors. The study will focus on greenhouse gas emissions and energy consumption related to freight transportation, especially with respect to rail and trucking modes. More information is available at: <<http://www.cec.org/freight>>.

## **4. Submissions on Enforcement Matters**

Articles 14 and 15 of the NAAEC create a mechanism whereby any person or nongovernmental organization can file a submission asserting that a Party to the Agreement is failing to effectively enforce its environmental law. The process can lead to the publication of a factual record containing information relevant to a consideration of the alleged failure by a Party to effectively enforce its environmental law. More information can be found at: <<http://www.cec.org/citizen>>.

Between the entry into force of the NAAEC in 1994 and the end of 2009, seventy-one submissions were filed with the Secretariat: twenty-four concerning Canada, thirty-seven concerning Mexico, nine concerning the US, and one concerning both Canada and the US. During that time, the Secretariat has dismissed or terminated twenty-three submissions on the basis of formal and substantive criteria provided in Article 14 of the NAAEC. Three submissions were each withdrawn by the respective submitter. The Secretariat has recommended the preparation of twenty-six factual records. In two cases, the Council has voted against the Secretariat's recommendation to develop a factual record. Until December 2009, fifteen factual records had been published by the CEC.

## SUBMISSIONS ON ENFORCEMENT MATTERS – REPORT FOR 2009

ID. NUMBER	SUBMITTERS	END-OF-YEAR STATUS
SEM-03-003	Dr. Raquel Gutierrez Najera, et al	Preparing factual record.
SEM-04-005	Waterkeeper Alliance et al.	Preparing factual record.
SEM-04-007	Québec Association Against Air Pollution ( <i>Association québécoise de lutte contre la pollution atmosphérique</i> )	Preparing factual record.
SEM-05-003	Academia Sonorense de Derechos Humanos, A.C. and Mr. Domingo Gutiérrez Mendivil	Awaiting Council's decision on the development of a factual record.
SEM-06-003	Myredd Alexandra Mariscal Villaseñor, et al.	Awaiting Council's decision on the development of a factual record.
SEM-06-004	Mr. Roberto Abe Almada	Awaiting Council's decision on the development of a factual record.
SEM-06-005	Sierra Club, et al.	Awaiting Council's decision on the development of a factual record.
SEM-07-001	Pro San Luis Ecológico, A.C.	Process terminated under Article 15(1).
SEM-07-005	Víctor Manuel Hernández Mayo, et al.	Process terminated under Article 14(3)(a).
SEM-08-001	Instituto de Derecho Ambiental, et al.	Determining whether a factual record is warranted.
SEM-09-001	Greenpeace México, A.C., et al.	Reviewing under Article 14.
SEM-09-002	Bios Iguana, A.C. and Esperanza Salazar Zenil	Reviewing a revised submission under Article 14.
SEM-09-003	Asociación Fuerza Unida Emiliano Zapata en Pro de las Áreas Verdes, A.C.	Reviewing under Article 14.
SEM-09-004	The Québec Environmental Law Centre ( <i>Centre québécois du droit de l'environnement—CQDE</i> ) and Nature Québec	Process terminated under Article 14(1).
SEM-09-005	North Coast Steelhead Alliance	Reviewing under Article 14.



**Submission ID: SEM-03-003 (LAKE CHAPALA II)**

Submitter(s): Dr. Raquel Gutierrez Najera, et al  
Party: Mexico  
Date received: 23 May 2003

*Summary of the matter addressed in the submission:*

The Submitters assert that Mexico is failing to effectively enforce its environmental law with respect to the management of the Lerma-Chapala-Santiago-Pacífico basin, resulting in serious environmental deterioration and uneven water distribution in the basin, as well as the risk that Lake Chapala and its migratory birds will eventually disappear.

*2009 Events:*

1. The Secretariat continued its preparation of a factual record.

**Submission ID: SEM-04-005 (Coal-fired Power Plants)**

Submitter(s): Waterkeeper Alliance, et al.  
Party: United States  
Date received: 20 September 2004

*Summary of the matter addressed in the submission:*

The Submitters assert that the United States is failing to effectively enforce the federal Clean Water Act against coal-fired power plants for mercury emissions to air and water that are allegedly degrading thousands of rivers, lakes and other waterbodies across the United States.

*2009 Events:*

1. The Secretariat continued its preparation of a factual record.

**Submission ID: SEM-04-007 (Quebec Automobiles)**

Submitter(s): Québec Association Against Air Pollution (*Association québécoise de lutte contre la pollution atmosphérique*)  
Party: Canada  
Date received: 3 November 2004

*Summary of the matter addressed in the submission:*

The Submitter asserts that Canada, and more specifically the province of Quebec, is failing to effectively enforce its environmental regulations in connection with emissions of hydrocarbons, carbon monoxide and nitrogen oxides from post-1985 light vehicle models.

*2009 Events:*

1. The Secretariat continued its preparation of a factual record.

**Submission ID: SEM-05-003 (Environmental Pollution in Hermosillo II)**

Submitter(s): Academia Sonorense de Derechos Humanos, A.C. and Mr. Domingo Gutiérrez Mendivil  
Party: Mexico  
Date received: 30 August 2005

*Summary of the matter addressed in the submission:*

The Submitters assert that Mexico is failing to effectively enforce its environmental laws by failing to take actions to prevent air pollution in areas under state and municipal jurisdiction, to establish and keep up-to-date a national air quality information system, and to devise state and municipal urban development plans indicating the zones in which polluting industrial facilities may be sited.

*2009 Events:*

1. Council is deliberating on the instructions for the constitution of a factual record.

**Submission ID: SEM-06-003 (Ex Hacienda El Hospital II)**

Submitter(s): Myredd Alexandra Mariscal Villaseñor, et al.  
Party: Mexico  
Date received: 17 July 2006

*Summary of the matter addressed in the submission:*

The Submitters assert that Mexico is failing to effectively enforce its environmental law with respect to alleged illegal acts occurring during the operation, closing and dismantling of a facility for pigments for paint production operated by BASF Mexicana, S.A. de C.V. ("BASF") from 1973 to 1997. A prior submission with similar claims (SEM-06-001-Ex Hacienda El Hospital) filed by another submitter was withdrawn on 8 June 2006.

*2009 Events:*

1. Council is deliberating on the instructions for the constitution of a factual record.

**Submission ID: SEM-06-004 (Ex Hacienda El Hospital III)**

Submitter(s): Mr. Roberto Abe Almada  
Party: Mexico  
Date received: 22 September 2006

*Summary of the matter addressed in the submission:*

The Submitter asserts that Mexico is failing to effectively enforce its environmental law with respect to the operation, closure and dismantling of a paint pigment manufacturing plant operated by BASF Mexicana, S.A. de C.V. (BASF) in Cuautla, in the state of Morelos.

*2009 Events:*

1. Council is deliberating on the instructions for the constitution of a factual record.

**Submission ID: SEM-06-005 (Species at Risk)**

Submitter(s): Sierra Club (US and Canada), et al.  
Party: Canada  
Date received: 10 October 2006

*Summary of the matter addressed in the submission:*

The Submitters assert that Canada is failing to effectively enforce the federal Species at Risk Act (SARA) with respect to at least 197 of the 529 species identified as at risk in Canada, so as to frustrate the Act's purpose: preventing wildlife species from becoming extirpated or becoming extinct and providing for the recovery of wildlife species that are extirpated, endangered or threatened as a result of human activity.

*2009 Events:*

1. Council is deliberating on the instructions for the constitution of the factual record.

**Submission ID: SEM-07-001 (Minera San Xavier)**

Submitter(s): Pro San Luis Ecológico, A.C.  
Party: Mexico  
Date received: 5 February 2007

*Summary of the matter addressed in the submission:*

The Submitter asserts that Mexico is failing to effectively enforce its environmental laws with respect to the authorization of an open-pit mining project in the town of Cerro de San Pedro, San Luis Potosí.

*2009 Events:*

1. On 15 July 2009, the Secretariat determined not to recommend the preparation of a factual record. Under guideline 9.6, the process was terminated.

**Submission ID: SEM-07-005 (Drilling Waste in Cunduacán)**

Submitter(s): Víctor Manuel Hernández Mayo, et al.  
Party: Mexico  
Date received: 26 July 2007

*Summary of the matter addressed in the submission:*

The Submitters assert that Mexico is failing to effectively enforce its environmental laws with respect to a sludge treatment and disposal project being carried out by *Consorcio de Arquitectura y Ecología* (Caresa) in the municipality of Cunduacán, Tabasco.

*2009 Events:*

1. On 8 April 2009, the Secretariat determined to proceed no further because the matter is the subject of a pending judicial or administrative proceeding.

**Submission ID: SEM-08-001 (La Ciudadela Project)**

Submitter(s): Instituto de Derecho Ambiental, et al.  
Party: Mexico  
Date received: 22 February 2008

*Summary of the matter addressed in the submission:*

The Submitters assert that Mexico is failing to effectively enforce its environmental law in connection with a contaminated site located in Zapopan, Jalisco, on which construction of the *La Ciudadela* development is planned.

*2009 Events:*

1. Awaiting additional information from Mexico under Article 21(1)(b) in order to determine whether a factual record is warranted.

**Submission ID: SEM-09-001 (Transgenic Maize in Chihuahua)**

Submitter(s): Greenpeace México, A.C., et al.  
Party: Mexico  
Date received: 28 January 2009

*Summary of the matter addressed in the submission:*

The Submission asserts that the Government of Mexico is failing to effectively enforce its environmental laws with regard to control, inspection, investigation, and risk assessment of transgenic maize in Chihuahua, Mexico.

*2009 Events:*

1. On 28 January 2009, the Secretariat began a preliminary analysis of the submission under the guidelines.

**Submission ID: SEM-09-002 (Wetlands in Manzanillo)**

Submitter(s): Bios Iguana, A.C. and Esperanza Salazar Zenil  
Party: Mexico  
Date received: 4 February 2009

*Summary of the matter addressed in the submission:*

The Submitters assert that the Government of Mexico is failing to effectively enforce its environmental laws with regard to the protection of the *Laguna de Cuyutlán*, Manzanillo, which-according to the submitters-represents 90 percent of wetlands in the state of Colima, Mexico and is the fourth largest wetland in the country.

*2009 Events:*

1. On 4 February 2009, the Secretariat began a preliminary analysis of the submission under the guidelines.

2. On 19 February 2009, under guideline 3.10, the Secretariat requested the Submitters to correct minor errors of form.
3. On 28 February 2009, the Submitters corrected the minor errors of form. The Secretariat began reviewing the submission under Article 14(1).
4. On 9 October 2009, the Secretariat notified the submitter(s) that the submission did not meet all of the Article 14(1) criteria and the submitter(s) had 30 days to provide the Secretariat with a revised submission that conforms with Article 14(1).
5. On 2 November 2009, the Secretariat received a revised submission and began to analyze it.

**Submission ID: SEM-09-003 (Los Remedios National Park II)**

Submitter(s): Asociación Fuerza Unida Emiliano Zapata en Pro de las Áreas Verdes, A.C.  
Party: Mexico  
Date received: 16 July 2009

*Summary of the matter addressed in the submission:*

The Submitter asserts that Mexico is failing to effectively enforce its environmental laws with respect to the conservation and protection of *Los Remedios* National Park, in Naucalpan, State of Mexico.

*2009 Events:*

1. On 16 July 2009, the Secretariat began a preliminary analysis of the submission under the guidelines.
2. On 22 July 2009, under guideline 3.10, the Secretariat requested the Submitters to correct minor errors of form.
3. On 6 August 2009, the Submitters corrected the minor errors of form. The Secretariat began reviewing the submission under Article 14(1).

**Submission ID: SEM-09-004 (Quebec Mining)**

Submitter(s): The Québec Environmental Law Centre (*Centre québécois du droit de l'environnement*—CQDE) and Nature Québec  
Party: Canada  
Date received: 3 September 2009

*Summary of the matter addressed in the submission:*

The Submitters assert that Canada, and more specifically the province of Quebec, is failing to effectively enforce: Quebec's *Mining Act: the Regulation Respecting Mineral Substances other than Petroleum, Natural Gas and Brine*; and, the *Sustainable Development Act*, all in connection with the financing and environmental management of remediation and redevelopment of mining sites in Quebec.

*2009 Events:*

1. On 3 September 2009, the Secretariat began a preliminary analysis of the submission under the guidelines.

2. On 20 October 2009, the Secretariat notified the Submitter(s) that the submission did not meet all of the Article 14(1) criteria and the submitter(s) had 30 days to provide the Secretariat with a revised submission that conforms with Article 14(1).
3. On 19 November 2009, the thirty-day term expired without the Secretariat receiving a submission that conformed to Article 14(1). Under guideline 6.2, the process was therefore terminated.

**Submission ID: SEM-09-005 (Skeena River Fishery)**

Submitter(s): North Coast Steelhead Alliance  
Party: Canada  
Date received: 15 October 2009

*Summary of the matter addressed in the submission:*

The Submitter asserts that Canada is failing to effectively enforce the federal Fisheries Act, the Pacific Fishery Regulations, and, in particular, ss. 22(1) and 22(2) of the Fishery (General) Regulations in connection with the alleged violation of fishing licenses and notices in the Skeena River, British Columbia, Canada.

*2009 Events:*

1. On 15 October 2009, the Secretariat began a preliminary analysis of the submission under the guidelines.

## **5. Report from the CEC's Joint Public Advisory Committee**

In June 2009, the JPAC organized a workshop on Climate Policy Coherence in North America in Denver, Colorado. The workshop focused on joint solutions and cooperative measures, including policy and technical responses. Experts and the public examined the prospect for Canada, Mexico and the US to enhance national efforts to mitigate greenhouse gas emissions and adapt to our changing climate through cooperation at a North American level. A report with the results of the proceedings will be made available. JPAC also held its ordinary session and in August, decided to present to Council Advice 09-01 on Climate Policy Coherence in North America. Advice 09-01 points out that reduction of non-CO2 GHG emissions should be given a high priority; warns of the negative impacts that could emerge from unilateral decisions and the lack of coordination of domestic climate change policies, and emphasizes the need to maximize the potential benefits of such coordination by ensuring, for instance, energy security.

In September, JPAC met with Secretariat program staff in Montreal to discuss the preliminary draft project proposals for the 2010 CEC Operational Plan. After review of the 2009 Project Analysis and after discussion of the Operational Plan, JPAC issued Advice to Council recommending that both the Council and the Secretariat adopt an Emergent Transitional Plan addressing the following: governance and efficiency of operations; CEC 2010 Operational Plan and 2010–2015 Strategic Plan, and the CEC Communications Strategy.

In December, during a JPAC meeting at Los Cabos, Baja California, the advisory group hosted a discussion with stakeholders on environmental priorities that should be considered during the next five years. The roundtable discussion was webcast live and included a virtual forum that allowed online participants to ask questions and make suggestions electronically prior to and during the event. A report with the results of the proceedings will be made available on the CEC website. More information is available at: <<http://www.cec.org/jpac>>.

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# Country Reports

**Canada Progress Report, 2009**

**Country Report on Implementation of the Commitments Derived from the NAAEC**

**PART I: Government of Canada**

Note: In the interest of submitting a concise report, web-links have been provided to direct the reader to additional, more detailed information.

**FEDERAL GOVERNMENT**

**Article 2(1)(a) – State of the Environment Reports**

Since 2005, under the Canadian Environmental Sustainability Indicators (CESI) initiative, Canada has reported annually on environmental indicators in the areas of air quality, water quality and greenhouse gas emissions.

While the CESI reports do not yet include data for 2009, further details on CESI reports generally can be accessed at <<http://www.ec.gc.ca/indicateurs-indicators/>>. This site also features the latest information and reports on the state of Canada’s environment.

Indicator	Improvement
<i>Air quality</i>	<p><b>Fine particulates</b>            In 2009, the average concentration of fine particulate matter in the air was 7.2 micrograms per cubic meter in Canada, 14% lower than in 2008.<sup>[1]</sup> This parallels a similar decrease measured across the Eastern United States. The likely factors contributing to this decrease include the implementation of emissions reduction regulations, the North American economic slowdown and a cool wet summer in Eastern Canada during this period. Although average annual concentrations appear to decline in recent years, overall, between 2000 and 2009, there was no statistically significant increasing or decreasing trend detected in PM<sub>2.5</sub> concentrations.</p> <p><b>Ground-level Ozone</b>            In 2009, the average concentration of ground-level O<sub>3</sub> in the outdoor ambient air was 36.9 parts per billion (ppb) in Canada, about 2% lower than the previous year. However, between 1990 and 2009, the trend shows a total increase of 9%.</p> <p><b>Mercury Air Emissions</b>            In 2009, national mercury emissions decreased by 10% (or 0.6 tonnes [t]) from 2008 levels to 5.7 t. Mercury emissions in 2009 were 84% or 29.3 t lower than 1990 levels, the baseline year of our time series. The large decline in emissions during the 1990s is explained by emission reductions from the non-ferrous smelting and refining industry following the voluntary adoption of new and cleaner technologies and control measures.</p>

	In 2009, the highest proportion of mercury emissions released to the air in Canada came from the electric power generation sector; representing 29% (or 1.6 t) of national emissions. The incineration sector represented the second-highest proportion of mercury emissions, with 17% (or 1.0 t) of national emissions. The non-ferrous smelting and refining sector came in third, with 15% (or 0.8 t) of national mercury emissions.
<i>Greenhouse Gas Emissions</i>	The greenhouse gas (GHG) emissions indicator helps Canadians and their governments track six GHGs (carbon dioxide, methane, nitrous oxide, sulphur hexafluoride, perfluorocarbons and hydrofluorocarbons) released by human activity. The indicator identifies sources of GHGs so that strategies to reduce emissions can be developed and implemented. Canada's total GHG emissions in 2009 were 690 megatonnes (MT) of carbon dioxide equivalent (CO <sub>2</sub> eq). This represents a 6% (42 MT) decrease from the 2008 level of 732 MT, representing the second year in a row that national emissions declined. This reduction in emissions is in large part attributable to the global recession and reduced use of coal for electricity generation.
<i>Freshwater Quality</i>	For the 2007 to 2009 period, freshwater quality in rivers in populated regions of Canada was rated excellent or good at 71 monitoring stations (41%), fair at 67 stations (39%), marginal at 30 stations (17%) and poor at five stations (3%).

### *Other Federal Government Departments*

In 2009, Health Canada developed an Air Health Indicator (AHI) on ozone as well as an AHI on fine particulate matter, both including the latest yearly national, regional, and municipal data. Health Canada also produced a summary AHI report and a report on the health impacts of exposure to ozone and fine particulate matter, including mortality rates due to heart, circulatory and respiratory diseases.

## **Article 2(1)(b) – Environmental Emergency Preparedness Measures**

### **Environmental Emergencies Management System (E2MS)**

Management of emergencies in areas where there are sensitive environmental resources is a critical element of Environment Canada's Environmental Emergencies Program <<http://www.ec.gc.ca/ee-ue/>>. In 2009, Environment Canada in collaboration with Health Canada, proceeded with the expansion of the Air Quality Health Index Program to 14 new sites across Canada, and various enhancements to the Automated Telephone Answering Devices (ATAD), the *Weatheroffice* website <<http://weather.gc.ca>> and *Weatheradio* systems to increase reach and ensure effective delivery of weather information to Canadians in both official languages during emergencies. Thanks to these efforts, weather and related services were able to successfully forecast several severe weather events, including 41 tornadoes and Hurricane Bill.

## **Article 2(1)(d) – Scientific Research and Technology Development**

Science and technology is the foundation of Environment Canada's work and accounts for the majority of the Department's budget and staff. Over two-thirds of the Department's budget and more than half of its workforce is dedicated to science and technology.

The Department's Science Plan sets out a clear mission for Environment Canada's science over 10 years, identifying long-term strategic directions to guide the Department and its science partners. The Science Plan also commits the Department to measuring and reporting on the Department's science activities, and ensuring that the Department's science provides value for money and addresses priority issues. Research and development (R&D) activities are of particular importance, since they constitute the backbone of Environment Canada's science capacity, providing essential new knowledge and tools for supporting key activities such as monitoring and risk assessment. The Department's R&D performance was recently assessed and found to be strong in terms of alignment with department- and government-wide priorities, in terms of linkages across areas of expertise within the Department and with outside collaborators, and in terms of excellence with respect to the quality of the R&D performed. Close connections between R&D users and producers across the Department's management boards ensure that R&D is responsive and targeted to effectively address priority environmental issues. A report on Environment Canada's R&D performance is available online at <<http://www.ec.gc.ca/scitech/default.asp?lang=En&n=3BE578AE-1>>.

Environment Canada is the central hub of the Canadian network in environmental research, and the seventh-most productive institution in the world in terms of environmental research publications in peer-reviewed scientific journals. The Department is the number one organization to collaborate with for 10 of the 14 other most productive institutions in Canada, and in recent years over 80 percent of the Department's research publications had collaborating authors from outside the Department. For the latest information on Environment Canada's research activities, please see <<http://www.ec.gc.ca/scitech/default.asp?lang=En&n=AC4418A5-1>>.

#### *Other Federal Government Departments*

Of note is the work of another federal department in this area. In 2009, Parks Canada, in collaboration with scientists at the Canadian Centre for Remote Sensing, began working on the development of cost-effective methods to assess changes in tundra, wetland, glaciers, and coastal ecosystems through the ParkSPACE program that is funded by the Canadian Space Agency.

#### **Article 2(1)(e) – Environmental Impact Assessment**

The Canadian Environmental Assessment Agency is responsible for administering the Canadian Environmental Assessment Act (CEAA) and broadly promoting environmental assessments across the federal government through training, guidance, funding for public participation and providing recommendations during the environmental assessment process. Individual departments conduct environmental assessments for their own projects, working with the Canadian Environmental Assessment Agency.

In 2009, two panel environmental assessments were concluded; the Dunvegan hydroelectric power project in Alberta, and the La Romaine hydroelectric project in Quebec. In both cases, Environment Canada participated as a federal authority, and the Department's advice and recommendations were accepted by either the panel (for La Romaine) or the proponent prior to the panel hearing (for the Dunvegan project). Environment Canada's main areas of interest for these two projects included migratory birds and bird habitat, water and air quality, and greenhouse gas emissions.

Statistical summaries and other information regarding Environment Canada's environmental assessments and the Canadian Environmental Assessment Agency can be found at <<http://www.ceaa.gc.ca/default.asp?lang=En&n=4F451DCA-1>>.

#### **Article 2(1)(f) – Economic Instruments**

Environment Canada promotes the use of economic instruments for the efficient achievement of environmental goals. Environment Canada promotes the use of economic instruments for the efficient achievement of environmental goals. Whether they are for individual households, organizations or businesses, several economic incentive programs have been put in place to help reduce energy use, promote green technologies and participate in other type of environmental endeavours. Details on some of the other measures taken can be found at <<http://www.ec.gc.ca/financement-funding/>> and <<http://www.nrcan.gc.ca/evaluation/reports/2010/2827>>.

### **Article 2(3) – Export Controls**

In 1999, the *Canadian Environmental Protection Act* (CEPA) was enacted. The Act governs all matters regarding export controls. In accordance with section 103 of the Act, Canada publishes a list of prohibited substances that have been exported from Canada for approved purposes, including destruction. The 2009 export control list is available at <<http://www.ec.gc.ca/lcpe-cepa/default.asp?lang=En&wsdoc=E11C48C3-DC3E-464F-A224-1800049CB53C>>.

### **Article 3 – Levels of Protection**

The Department's Ecosystem Approach for Environmental Management was developed in 2006; its objective is to maintain a natural capital system that ensures a perpetual supply of the ecological goods and services, provided by ecosystems, to sustain Canadians' health, economic prosperity and competitiveness.

#### *Species at Risk Act*

The goals of the *Species at Risk Act* (SARA) are to prevent wildlife species from becoming extinct or extirpated, to provide for the recovery of species that are extirpated, endangered or threatened as a result of human activity, and to manage species of special concern. SARA ensures that species are assessed under a rigorous and independent process that considers the best available biological and Aboriginal traditional knowledge, and that species deemed at risk are considered for listing under the Act. For more information on the registry and the SARA, please see <[http://www.sararegistry.gc.ca/default\\_e.cfm](http://www.sararegistry.gc.ca/default_e.cfm)>.

The conservation and protection of Canada's biodiversity was a focus for several initiatives in 2009. For example, science and recovery work related to species at risk was improved, bringing the total number of species with immediate protection through prohibitions set out in the *Species at Risk Act* to 447, with 100 of these having a published final recovery strategy in the Species at Risk Public Registry. Further information on the registry can be found at the above link.

Also, funds were allocated to 99 projects under the federal Aboriginal Funds for Species at Risk, with over 90 First Nations, Inuit and Métis organizations or community groups directly involved in the projects funded. Through the Habitat Stewardship Program for Species at Risk, investments were also made in various communities across Canada for the restoration of endangered and threatened species and other species at risk, and to help prevent other species from becoming a conservation concern.

#### *Migratory Birds Convention Act, 1994*

In 2009, work continued to finalize and implement the recommendations following a review of the Bird Monitoring Program. There was also continued work on the development and implementation of a regulation for the management of the incidental take of migratory birds in accordance with the purpose of the *Migratory Birds Convention Act, 1994*. Work was continued to finalize and implement the recommendations following a review of the Bird Monitoring Program. There was continued work on the

development and implementation of a regulation for the management of the incidental take of migratory birds in accordance with the purpose of the *Migratory Birds Convention Act, 1994*.

### *Toxic Substances*

In addition to assessing toxic substances, Environment Canada put in place measures to manage and mitigate risks associated with these substances as part of its commitment to effectively implement the Chemicals Management Plan. For example, in 2008–2009, the Department published a series of regulations to control the release of harmful substances, such as polychlorinated biphenyls, phosphorous and polybrominated diphenyl ethers, and developed strategies for managing the risks associated with them. Work was begun on the development of proposed risk management instruments for priority substances under the Chemicals Management Plan.

Other federal departments also undertake environmentally-focused activities. For example, Fisheries and Oceans Canada (DFO), which works with the Canadian Coast Guard (CCG), was recently provided with funding for 30 Environmental Response Barges for its Environmental Response program. The barges will help the program: minimize the environmental, economic and public safety impacts of marine pollution incidents, and; provide humanitarian aid to natural or man-made disasters.

### **Article 4 – Publication**

In 2009, the following regulation changes were pursued and notices were published by Environment Canada. For more details, please see <<http://www.ec.gc.ca/lcpe-cepa/eng/regulations/?n=54FE5535-1>>.

<b>REGULATION NAME</b>	<b>Date</b>	<b>Status</b>	<b>Publication</b>
<i>Chromium Electroplating, Chromium Anodizing and Reverse Etching Regulations (SOR/2009-162)</i>	June 09	Final	Canada Gazette, Part II
<i>Regulations Adding Perfluorooctane Sulfonate and Its Salts to the Virtual Elimination List (SOR/2009-15)</i>	Feb 09	Final	Canada Gazette, Part II
<i>Regulations Prescribing Circumstances for Granting Waivers Pursuant to Section 147 of the Act (SOR/2010-138)</i>	Nov 09	Proposed	Canada Gazette, Part I
<i>Release and Environmental Emergency Notification Regulations (SOR/2011-90)</i>	Dec 09	Proposed	Canada Gazette, Part I
<i>Volatile Organic Compound (VOC) Concentration Limits for Architectural Coatings Regulations (SOR/2009-264)</i>	Sep 09	Final	Canada Gazette Part I
<i>Volatile Organic Compound (VOC) Concentration Limits for Automotive Refinishing Products Regulations (SOR/2009-197)</i>	Jul 09	Final	Canada Gazette Part I

### **Article 5 – Government Enforcement Action**

Canada ensures that organizations and individuals comply with the laws and regulations that protect the natural environment and its biodiversity.

In the 2008 budget, the Government of Canada directed supplemental funding toward improving the enforcement of environmental protection laws. In addition, funding was set aside for law enforcement in Canada’s National Parks. The hiring of 106 new enforcement officers was completed in 2009. In addition,

the Department invested in better forensic laboratory support, data collection, analysis and management systems to increase the effectiveness of enforcement officers. Further information on Budget 2008 can be found at <<http://www.budget.gc.ca/2008/>>.

### **Article 5(1)(e) – Issuing Bulletins or Other Periodic Statements On Enforcement Measures**

Enforcement information, reports and statistics can be found on EC's web site at <<http://www.ec.gc.ca/alef-ewe/default.asp?lang=En&n=5A011974-1&parent=36F21B9D-24C2-4CFE-8EFE-B3AA64A79952>>.

### **Article 6 – Private Access to Remedies**

Persons with a recognized legal interest have access to remedies before administrative tribunals and the courts. Interested persons, in addition to being able to institute private prosecutions, may also put forth, to a competent authority, a request to investigate alleged violations of environmental laws and regulations.

For example, the *Canadian Environmental Protection Act 1999* (CEPA 1999) provides statutory right for a person to apply to the Minister of the Environment for an investigation concerning any alleged offense under that Act. As well, persons with a recognized legal interest in a particular matter have access to administrative, quasi-judicial and judicial proceedings for the enforcement of Canada's environmental laws and regulations. In this regard, CEPA 1999 has introduced the concept of "environmental protection actions" which allow any person to seek a court order prohibiting a continued violation of the statute and/or to mitigate harm caused by a violation of the statute. As well, CEPA 1999 provides the statutory right for persons to request the review of administrative decisions or proposed regulations.

In 2009, there were no applications for investigation by the Minister, under CEPA s. 17 and no private prosecutions launched under s. 22 CEPA.

### **Article 7 – Procedural Guarantees**

Canada has administrative, quasi-judicial and judicial proceedings available for the enforcement of environmental laws and regulations. Both the Canadian Charter of Rights and Freedoms and the courts have ensured that persons are given an opportunity, consistent with the rules of procedural fairness and natural justice, to make representations to support or defend their respective positions and to present information or evidence. Decisions are provided in writing, are made available without undue delay, and are based on information or evidence on which the parties were offered the opportunity to be heard. In accordance with its laws, Canada provides parties to such proceedings, as appropriate, the right to seek review and where warranted, correction of final decisions by impartial and independent tribunals. An example of fair, open and equitable proceedings at the administrative level is the Board of Review process available under CEPA 1999.

In 2009, 1 Notices of Objection was filed in connection with the "Proposed Order to add Phenol, 4,4' -(1-methylethylidene) bis- (bisphenol A) to Schedule 1 to the *Canadian Environmental Protection Act, 1999*", and 1 Notice of Objection was filed in connection with the "Proposed Order to add Cyclotetrasiloxane, octamethyl- (D4) and Cyclopentasiloxane, decamethyl- (D5) to Schedule 1 to the *Canadian Environmental Protection Act, 1999*." The latter resulted in the establishment of a "Board of Review" process, under CEPA section 333. For more information, please see, <<http://www.ec.gc.ca/lcpe-cepa/default.asp?lang=En&n=6E52AE02-1>>.

## **PART II : PROVINCIAL GOVERNMENTS**

### **ALBERTA**

#### **Article 2(1)(a) – State of the Environment Reports**

Under the *Environmental Protection & Enhancement Act*, the Minister must report annually on the state of Alberta's environment. The State of the Environment (SOE) report is presented on a publicly accessible website. The SOE website provides the general public with information about a wide range of environmental topics and indicators including air quality, water quality and supply, land use, biodiversity, and waste management.

The indicator data reveal important trends in pressures on the environment and actions being taken by government and other parties. The SOE website can be found at:

<<http://environment.alberta.ca/02488.html>>.

#### **Article 2 (1)(b) – Environmental Emergency Preparedness Measures**

The Alberta Support and Emergency Response Team (ASERT) is responsible for all aspects of environmental emergency response in Alberta. ASERT acts as a central unit to facilitate and support department-wide environmental emergency planning and response capabilities. As a result, ASERT is responsible for ensuring Alberta Environment first responders have a broad range of safety and technical knowledge to safely respond to a wide-range of environmental emergencies.

#### **Article 2 (1)(c) – Environmental Education**

The Government of Alberta (GOA) seeks to inform, educate, inspire and mobilize Albertans of all ages to engage in environmental stewardship. In 2009, Alberta developed and delivered a variety of public education programs and projects for air and climate change, waste, and water including: Waste Reduction Week <<http://www.environment.alberta.ca/03178.html>>, Working Well <<http://environment.alberta.ca/01317.html>>, and Environment Week <<http://www.environment.gov.ab.ca/edu/eweek/>>.

#### **Article 2(1)(d) – Scientific Research and Technology Development**

The Alberta Research Council (ARC) is a provincial corporation that works with industry to bring technological developments into commercial practice. The ARC conducts applied research and provides advice and technical information to a wide range of organizations, from small firms to large multinational corporations. It provides research and development services to bridge the gap between basic research and market development.

Alberta Ingenuity is a foundation operating at arm's length from the government of Alberta, which addresses gaps in provincial support for science and engineering research. Alberta Ingenuity operates via a \$800 million government of Alberta endowment fund and supports world-class research centers, innovative private sector initiatives, and capacity building among leaders in the knowledge sector.

NanoAlberta seeks to build synergies among industry, universities, and government to advance the commercial potential of nanotechnology. The Government of Alberta has committed \$130 million over a five-year period, from 2007–2012. These funds will be used to expand nanotechnology research capacity and to develop new commercial applications to spur economic growth.



## **Article 2(1)(e) – Environmental Impact Assessment**

Alberta Environment administers Alberta's laws governing Environmental Assessment under the *Environmental Protection and Enhancement Act* and the *Water Act*. Under these acts, many activities require an environmental assessment to help determine whether a proposal can be approved for operation. The main purposes of Alberta's Environmental Impact Assessment process are to gather information determining what the environmental, social, and health impacts of the project may be, to provide an opportunity for the public to voice concerns, and to proactively consider how each project will fit into the province's environment and economic developments plans.

Detailed information regarding Alberta Environment's environmental assessment processes can be found at <<http://www.environment.alberta.ca/1274.html>>.

## **Article 2 (1)(f) – Economic Instruments**

Alberta supports the use of economic instruments to meet desired environmental outcomes. Alberta Environment employs a range of economic instruments to meet its environmental goals including recycling program deposits and fees, electricity sector air emissions credits for nitrogen oxides and sulphur dioxide, and emissions credits and surcharges for greenhouse gases.

More detailed information on Alberta's recycling programs can be found at <<http://environment.alberta.ca/02785.html>>. Further information on regulation of greenhouse gas emissions is located at <<http://environment.alberta.ca/0915.html>>. Information on the nitrogen oxides and sulphur dioxides trading is found at <<http://environment.alberta.ca/02504.html>>.

## **Article 4 – Publications**

The Government of Alberta's Acts and Regulations are published by the Queen's Printer <<http://www.qp.alberta.ca/index.cfm>>. Amendments to regulations as well as new regulations filed with Legislative Counsel are published in Part 2 of the Alberta Gazette found at: <[http://www.qp.alberta.ca/alberta\\_gazette.cfm](http://www.qp.alberta.ca/alberta_gazette.cfm)>.

## **Article 5 – Government Enforcement Action**

### **Article 5(1)(e) – Issuing Bulletins or other Periodic Statements on Enforcement Measures**

Annual and quarterly Compliance Assessment Enforcement Reports are available at: <<http://environment.alberta.ca/01292.html>>.

## MANITOBA

### Article 2 – General Commitments

#### Article 2(1)(a) – State of the Environment Reports

Under *The Sustainable Development Act* proclaimed in 1998, the Manitoba government must prepare a sustainability report every five years, based on a chosen set of indicators. The first Provincial Sustainability Report for Manitoba was released in 2005. Manitoba's 2009 Sustainability Report is slated for release in 2010 and will include 45 sustainability indicators representing the 3 dimensions of sustainability: the natural environment, the economy, and social well-being. Sustainability reports can be viewed at <<http://www.gov.mb.ca/conservation/sustainabilityreport/index.html>>.

#### Article 2(1)(b) – Environmental Emergency Preparedness Measures

Manitoba Conservation's Regional Operations Division co-ordinates the delivery of environmental programs and services at the community level. Its Emergency Response Team responds to environmental emergencies and responds in ways that minimize environmental damage. For more information on Manitoba's Environmental Response Program, please see <<http://www.gov.mb.ca/conservation/envprograms/env-emresp/index.html>>. The Manitoba Emergency Measures Organization (EMO) is responsible for the overall provincial emergency program, ensuring safety for citizens, their property and the environment. EMO prepares, maintains and implements policies and procedures relating to preparedness, response and recovery from emergencies and disasters in Manitoba. For more information, please see <<http://www.gov.mb.ca/emo/>>.

#### Article 2(1)(c) – Environmental Education

Since 1999, the Manitoba government has put a major emphasis on environmental education in the science and social studies curriculums of schools, and has continued to implement its *Education for Sustainable Development Action Plan* (see <<http://www.edu.gov.mb.ca/k12/esd>>). In 2009, Manitoba Education and Manitoba Hydro awarded grants to 15 schools to promote sustainability in classrooms (see <<http://www.edu.gov.mb.ca/k12/esd/grant/index.html>>).

Manitoba supports a number of educational programs related to the environment including outdoor recreation, beach safety and interpretation programs; Manitoba Bear Smart, furbearer management and hunter education; and threatened species education and outreach <<http://www.gov.mb.ca/conservation>>. The Water Quality Handbook is one of several primary public education products to be developed by Manitoba Water Stewardship <<http://www.gov.mb.ca/waterstewardship>>. Green Manitoba emphasizes practical approaches to waste reduction, energy efficiency, and water conservation in communities, homes, and businesses <<http://www.greenmanitoba.ca>>.

#### Article 2(1)(d) – Scientific Research and Technology Development

Manitoba Innovation, Energy and Mines provides a coordinating function for all research, innovation, science and technology initiatives in government and fosters a supportive environment for sustainable development. See <<http://www.gov.mb.ca/stem/index.html>>.

## **Article 2(1)(e) – Environmental Impact Assessment**

Manitoba's Environmental Assessment & Licensing Branch ensures that developments are regulated in a manner that protects the environment and public health, and sustains a high quality of life for present and future Manitobans. See <<http://www.gov.mb.ca/conservation/envapprovals/index.html>>.

Public hearings of the Clean Environment Commission (<http://www.cecmanitoba.ca>) may be held for projects if there is significant public concern. In 2009, the Clean Environment Commission completed a review of wastewater treatment by the City of Winnipeg (see <<http://www.cecmanitoba.ca/hearings/index.cfm?hearingid=21#4>>).

## **Article 2(1)(f) – Economic Instruments**

Manitoba Conservation offers a number of opportunities in the form of funding for development, implementation and promotion of environmental innovation and sustainable development, summarized at <<http://www.gov.mb.ca/conservation/funding.html>>.

## **Article 4 – Publications**

Government of Manitoba Acts and Regulations are published through the Queen's Printer Statutory Publications <<http://www.gov.mb.ca/queensprinter/>>. Manitoba Conservation's electronic public registry <<http://www.gov.mb.ca/conservation/library/registry.html>> is a collection of development proposals and environmental protection measures from 1996 to the present as required under *The Environment Act*.

## **Article 5 – Government Enforcement Action**

### **Article 5(1)(e) – Issuing Bulletins or Other Periodic Statements On Enforcement Measures**

Manitoba Conservation's annual reports contain environmental and resource enforcement summaries, available at <[http://www.gov.mb.ca/conservation/annual-reports/con\\_reports/index.html](http://www.gov.mb.ca/conservation/annual-reports/con_reports/index.html)>.

## QUEBEC

### **Article 2(1)(a) – State of the environment**

The Quebec Department of Sustainable Development, Environment and Parks (*ministère du Développement durable, de l'Environnement et des Parcs*—MDDEP) disseminated 37 new state of the environment documents on its own website and those of its agencies, including the Québec Environmental Analysis Centre (*Centre d'expertise en analyse environnementale du Québec*—CEAEQ; see <<http://www.ceaeq.gouv.qc.ca/index.htm>>) or of one of its partners, the Quebec Centre of Hydric Expertise (*Centre d'expertise hydrique du Québec*; <<http://www.cehq.gouv.qc.ca/>>) (List available at <[www.mddep.gouv.qc.ca/ministere/rapports\\_annuels/rapport\\_2005-2006.pdf](http://www.mddep.gouv.qc.ca/ministere/rapports_annuels/rapport_2005-2006.pdf)>). Québec produces an annual GHG emissions report and in 2009 published a Quebec inventory of greenhouse gas emissions for 2007 and their changes since 1990. It also published a portrait of the system of protected areas in Quebec for 2002–2009.

RECYC-QUÉBEC published an overview for 2008 of waste management in Québec.

The Department of Natural Resources and Wildlife (*ministère des Ressources naturelles et de la Faune*—MRNF) published protocols for wildlife inventories used in impact studies for wind turbine developments.

### **Article 2(1)(b) – Develop and review environmental emergency preparedness measures**

The MDDEP operates an emergency response system throughout its territory, with regional departments ensuring continuous preparedness of the territories they cover. In 2009, it focused on planning and preparing an effective response in the event of a maritime spill. The MDDEP also overhauled its response training for petroleum spills.

### **Article 2(1)(c) – Education in environmental matters, including environmental law**

- Publication of *Les aventures de Rafales* on the MDDEP website, environmental feature stories for 10-to-14-year-olds (see <<http://www.mddep.gouv.qc.ca/jeunesse/index.htm>>), along with 11 information vignettes on the environment entitled *Sais-tu que...* (see <[http://www.mddep.gouv.qc.ca/jeunesse/sais\\_tu\\_que/index.htm](http://www.mddep.gouv.qc.ca/jeunesse/sais_tu_que/index.htm)>).
- Production by the MDDEP of six training sessions to assist ministers and organizations in developing environmental management frameworks and systems under the *Sustainable Development Act*.
- Publication of a guide to GHG emission inventories, *Guide d'inventaire des émissions des gaz à effet de serre d'un organisme municipal*.
- Publication of a guide to drawing up a climate change adaptation plan, *Élaborer un plan d'adaptation aux changements climatiques – Guide destiné au milieu municipal québécois*.
- As part of the 2006–2012 Climate Change Action Plan (see <[http://www.mddep.gouv.qc.ca/changements/plan\\_action/index-mesures-en.htm](http://www.mddep.gouv.qc.ca/changements/plan_action/index-mesures-en.htm)>), funded environmental organizations for public awareness initiatives on climate change (EAUdyssée de la Terre avec Rafale, *Défi Climat, Rendez-vous de l'énergie*).
- Partnership with Algeria as part of the United Nations Development Program's "Territorial Approach to Climate Change" initiative.
- The MRNF made the educational game "PAFF! Un cerf..." available to teachers.
- In 2009, over 23,500 grade 6 students took advantage of the program "La faune et vous," while 271 students in Nunavik took advantage of the northern version of the same program.
- Official online launch of SAgE pesticides (see: <<http://www.sagepesticides.qc.ca>>), a information tool on the health and environmental risks of pesticides in Quebec, along with their safe and sound management.
- Publication of the overview of pesticide sales for 2006.
- Portrait of the system of protected areas in Quebec for 2002–2009.
- Start of work on the Northern Quebec Biodiversity Atlas project (2009–2012) (see <<http://www.mddep.gouv.qc.ca/biodiversite/atlas/index.htm>>).
- The *Société des établissements de plein air du Québec* (SÉPAQ) produced, alone or in partnership, 282 knowledge acquisition (research, follow-up and inventories) and ecosystem management projects, with a view to improving park management and enriching educational activities. Some 386,000 people took

part in 480 discovery activities held in Quebec provincial parks. Eighty-six classes, totaling 2,401, took in its new program for Secondary I geography students, *Les parcs nationaux québécois: des territoires protégés*, offered in class by a park warden.

## RECYC-QUÉBEC

- Held the first seminar on reduction at the source, entitled *Produire et consommer autrement*.
- Education and awareness programs: supported over 50 promoting organizations that presented regional projects related to responsible waste management (12 organizations carried out projects as part of Quebec Waste Reduction Week, an event coordinated by Action RE-buts and supported by RECYC-QUÉBEC).
- RECYC-QUÉBEC liaison committee—municipalities (representatives of the Fédération Québécoise des Municipalités, the Union des municipalités du Québec and the Ville de Montréal): the *Collecte sélective* section of the GMR portal was put online, with the goal of optimizing the management and dissemination of best practices.
- Signed eight new agreements to share expertise and perspectives with various public and private sector stakeholders.
- *RECYC-INFO* newsletter (10 issues), sent to 11,000 subscribers, in addition to fifteen information resources for the general public in the form of guides, fact sheets or reports.
- Institution of the joint committee on recyclables in waste collection (some thirty stakeholders representing the entire Quebec recyclables sector—municipalities, sorting centers, processors and recyclers, environmental groups, accredited funding organizations, and government departments). In June 2009, a report by the committee took stock of the consensus on the issues, the strategies to develop, the plan for action, and its implementation.
- RECYC-QUÉBEC and a number of partners joined in funding the activities of *La Table pour la récupération hors foyer* (a non-profit organization made up of public, private and association partners). The initial agreement, which ended in 2009, was extended for a fourth year, for an additional \$1.1 million. On 31 March 2010, the Table approved 133 projects for recovery in municipal public spaces. This represented the installation of a total of over 5,000 pieces of recovery equipment throughout Quebec at a cost of over \$2.2 million.
- In 2009, the SOGHU was able to recycle 100 percent of the recyclables it recovered, while Eco-Peinture recycled 88.1 percent of the paint and 87.3 percent of the containers it recovered.

### **Article 2(1)(d) – Scientific research and technology development**

- The CEAEQ initiated 12 knowledge acquisition programs on emerging pollutants, in particular on radioisotopes, endocrine disruptors, and cyanotoxins.
- The MDDEP published a report on flame retardants (polybrominated diphenyl ethers—PBDE) in several rivers in southern Quebec and in drinking water produced at two water treatment plants.
- The first seminar on scientific research in Quebec’s provincial parks was held in October 2009, with the theme of “knowledge in the service of conservation.” The seminar provided a forum for some 20 researchers and recognized professionals to present their research conducted in Québec parks to 168 participants. A special edition of *Le Naturaliste Canadien* was dedicated to the seminar. An eighth edition of the annual conservation newsletter *Les parcs nous ont dévoilé* was published and distributed to the environmental and education communities.

- The MDDEP took part in the socio-acoustic study on noise from snow machine traffic.
- The MRNF invested \$2.1 million to encourage scientific research and technology development (wildlife monitoring, inventories, studies, and habitat restoration, reestablishment of several species, impact studies, and study and curbing of wildlife diseases).
- Start of work on the Northern Quebec Biodiversity Atlas project (2009–2012) (see <[www.mddep.gouv.qc.ca/biodiversite/atlas/index.htm](http://www.mddep.gouv.qc.ca/biodiversite/atlas/index.htm)>).

## RECYC-QUÉBEC

- Creation of graduate bursaries to encourage studies and research in order to develop knowledge and know-how in the field of responsible waste management.

### **Article 2(1)(e) – Assess, as appropriate, environmental impacts**

As part of its enforcement of environmental impact assessment procedures of projects under the Regulation respecting environmental impact assessment and review in southern Quebec, the department carried out environmental reviews of 36 projects for which orders were issued by the government concerning their authorization (15), amendment (16) or exemption (5).

In addition, in the territory covered by the *James Bay and Northern Quebec Agreement* (JBNQA), the provincial administrator rendered 53 decisions. South of the 55th parallel, three of these decisions concerned the issuance of a directive, three concerned the issuance of an authorization certificate, 20 concerned the amendment of an authorization certificate, and nine concerned the issuance of exemptions from attestations. North of the 55th parallel, two of these decisions concerned the issuance of a directive, eight concerned amendments to authorization certificates, and six concerned the issuance of exemptions attestations.

### **Article 2(1)(f) – Economic instruments**

- Production and distribution of a guide for responsible funding.
- The MDDEP worked with *Financière agricole du Québec* to apply ecoconditionality measures aimed at ensuring that financial assistance for farmers be dependant on compliance with certain aspects of agricultural regulations.
- Refundable tax credit for the purchase or lease of a new energy efficient vehicle (p. B.119).
- Launch of the *Climat municipalités* program (see <[www.mddep.gouv.qc.ca/programmes/climat-municipalites/index.htm](http://www.mddep.gouv.qc.ca/programmes/climat-municipalites/index.htm)>).
- Funding of projects accepted under the Biogaz program.
- Continued to charge fees, based on emission amounts of various regulated contaminants, from industrial facilities holding depollution attestations (equivalent to a renewable environmental operations permit) and to charge fees on certain products and services for control and monitoring measures.
- MDDEP funding awarded under the *Partenaires pour la nature* program.

### Article 3 – Levels of Protection

- Every department, organization and corporation of the Québec government produced a sustainable development plan, allowing each one to specify its contribution to the implementation of the goals set out in the Government Sustainable Development Strategy 2008–2013.
- Passing of the *Act to Affirm the Collective Nature of Water Resources and Provide for Increased Water Resource Protection*. This legislation confirms the legal status of water resources, both surface and groundwater, as collective resources and designates the state as the guardian and manager of these resources for the benefit of current and future generations.
- Passing of the *Act to amend the Environment Quality Act and other legislative provisions in relation to climate change*, allowing, in particular, the implementation of a cap and trade system for greenhouse gasses.
- Adoption, in May 2009 of the Regulation respecting wood-burning appliances.
- Adoption, in August 2009, of the Regulation respecting the declaration of water withdrawals, which allows data gathering on water withdrawals in Quebec.
- Addition of some 316 km<sup>2</sup> of new protected areas during the period, bringing the total percentage of protected areas in Quebec to 8.14 percent.
- Coming into effect of the Regulation respecting greenhouse gas emissions from motor vehicles.
- Governmental adoption of the first list of sustainable development indicators to monitor and measure Québec's progress in this matter. Twenty capital indicators, including natural capital.

### Article 4 – Publications

- In compliance with the commitment taken in its Declaration of services to citizens, the MDDEP provides information on its website concerning its laws, regulations, policies and programs as soon as they are officially announced. This commitment was 100-percent fulfilled in 2009–2010.
- Publication of the third annual review of the implementation of the 2006–2012 Climate Change Action Plan (see <[www.mddep.gouv.qc.ca/changements/plan\\_action/index-mesures.htm](http://www.mddep.gouv.qc.ca/changements/plan_action/index-mesures.htm)>).
- Publication, in the summer of 2009, of the Draft Regulation to amend the Regulation respecting the landfilling and incineration of residual materials and the Regulation respecting the charges payable for the disposal of residual materials in the *Gazette officielle du Québec*.
- Publication in the *Gazette officielle du Québec* on 25 November 2009, of the Draft Regulation respecting the recovery and reclamation of products by enterprises
- Publication in the *Gazette officielle du Québec* on 25 November 2009, of the Draft Regulation respecting financial guarantees payable for the operation of an organic matter reclamation facility.

Public consultations:

- Advance publication of the draft amendments to the Agricultural Operations Regulation (20 May 2009) in the *Gazette officielle du Québec*, aimed at improving comprehension and facilitating enforcement.

## **Article 5 – Government enforcement measures**

### **Article 5(1)(a) – Appointing and training inspectors**

- In 2009, inspectors in the agricultural and pesticides sector attended training sessions in various areas: monitoring methods; blue-green algae; restoration and impact assessment in aquatic ecosystems; the Protection Policy for Lakeshores, Riverbanks, Littoral Zones and Floodplains; natural environments (protected areas, threatened and vulnerable species, legislation); drinking water treatment; management of concrete, brick and asphalt; wastewater treatment facilities of over 3,240 liters; swimming water; resource for municipalities for monitoring individual wastewater treatment systems; environmental monitoring and survey processes (legal and technical aspects, and sampling techniques).
- MDDEP personnel received a training course to ensure compliance with the Regulation respecting the landfilling and incineration of residual materials for industrial waste.
- Wildlife protection agents received training concerning the enforcement of environmental laws and regulations for all provisions within their purview.

### **Article 5(1)(b) – Monitoring compliance and investigating suspected violations**

- MDDEP inspectors carried out 21,428 inspections in the field and issued 4,829 notices of infraction.
- The MRNF implemented 67 protection plans for wildlife species listed as threatened or vulnerable, and took action in over 777 fish habitat cases, leading to 194 charges.

### **Article 5(1)(d) – Publicly releasing non-compliance information**

- The MDDEP published 77 press releases related to convictions of over \$2,000 for infractions committed under environmental laws and regulations.
- The MRNF published 18 press releases dealing with presumed infractions or convictions.

### **Article 5(1)(e) – Issuing bulletins or other periodic statements on enforcement procedures**

- The MDDEP published a document entitled *La gestion des épisodes de fleurs d'eau d'algues bleu-vert*, explaining the procedures implemented by the government to manage blue-green algae blooms, along with the final Review of water bodies affected by blue-green algae blooms in 2009.
- Held awareness-raising and information activities for audiences targeted by the release on the MDDEP website of documents on national performance standards in the Canada-wide Strategy for the Management of Municipal Wastewater Effluent and on guidelines for the management of concrete, brick and asphalt from construction and demolition work and waste from the cut stone sector.



- The pesticides bureau published (twice yearly) 1) the list of pesticides in Schedule I of the Pesticides Management Code authorized for sale by holders of B2 retail permits and for holders of C4 permits for use in ornamental horticulture, 2) the list of pesticides in Schedule II of the Pesticides Management Code authorized for use at childcare centres and teaching institutions, as set out in Section 32 of the Code, by holders of C5 permits for extermination, and 3) the list of class 5 pesticides whose sale is permitted by all retailers.

#### **Article 5(1)(g) – Record keeping and reporting requirements**

- Production by operators of disposal facilities, under the terms of the Regulation respecting the landfilling and incineration of residual materials, of an annual report on their environmental monitoring.

#### **Article 5(1)(i) – Licenses, permits or authorizations**

- Issued 4,826 authorizations under the *Environment Quality Act*.
- All facilities in the pulp and paper sector hold a second depollution attestation and must comply with emissions requirements based on the aquatic receiving environments described in their first attestation. The MDDEP continued its development and delivery of the first generation of depollution attestations for industrial facilities in the mineral industry and for prime metal manufacturing.
- The CEAEQ continued its work to recognize companies and individuals for the enforcement of its regulations under the *Programme d'accréditation des laboratoires d'analyse environnementale pour la réalisation d'analyses de laboratoire*, (two new labs accredited). Four new experts were added to the list of 98 recognized experts in the protection and rehabilitation of contaminated land.

#### **Article 5(1)(j) – Judicial proceedings**

- The MDDEP forwarded 140 statements of offence to the Director of criminal and penal prosecution.
- MRNF agents filed 5,334 statements of offence and 6,172 charges under Quebec laws and regulations.

#### **Article 5(1)(k) – Providing for search, seizure or detention**

- MDDEP investigators executed nearly 50 authorized entries and search warrants.

#### **Article 5(1)(l) – Administrative orders, including orders of a preventative, curative or emergency nature**

- The MRNF issued 64 orders to voluntarily restore wildlife habitats.

### Mexico Progress Report, 2009

#### Country Report on Implementation of the Commitments Derived from the NAAEC

##### INTRODUCTION

The information contained in this section of the *2009 Annual Report* presents the activities carried out by the Secretariat of the Environment and Natural Resources (*Secretaría de Medio Ambiente y Recursos Naturales*—Semarnat) during the period from 1 September 2008 to 31 August 2009, including the activities undertaken by the following autonomous agencies: National Water Commission (*Comisión Nacional del Agua*—Conagua), National Institute of Ecology (*Instituto Nacional de Ecología*—INE), Office of the Federal Attorney for Environmental Protection (*Procuraduría Federal de Protección al Ambiente*—Profepa) and the National Protected Natural Area Commission (*Comisión Nacional de Áreas Naturales Protegidas*—Conanp), as well as the Mexican Water Technology Institute (*Instituto Mexicano de Tecnología del Agua*—IMTA) and the National Forestry Commission (*Comisión Nacional Forestal*—Conafor) as decentralized agencies and the National Commission for the Knowledge and Use of Biodiversity (*Comisión Nacional para el Conocimiento y Uso de la Biodiversidad*—Conabio) as an intersecretarial commission that conducts activities of importance to the environmental sector.

This section reports the progress made with respect to the conservation and sustainable use of ecosystems and pollution prevention and control, and makes special reference to the management of water and forestry resources.

##### ENVIRONMENT, ECONOMY AND TRADE

- In conjunction with the Ministry of Economy (*Secretaría de Economía*—SE) and the private sector, Semarnat launched a program to renew the vehicle fleet, granting economic support for beneficiaries to purchase new vehicles after scrapping (physical destruction) an ostensibly older vehicle in circulation, with higher fuel consumption and pollutant emission levels. This program was aimed at reducing pollution emissions and reducing the average age of the vehicle fleet.
- The *Ecovehículos* website ([www.ecovehiculos.gob.mx](http://www.ecovehiculos.gob.mx)) was updated. This portal contains the technical and environmental performance specifications (in terms of fuel performance and air pollution emissions) of new vehicles marketed in Mexico. Published by the National Commission for Efficient Energy Use (*Comisión Nacional para el Uso Eficiente de la Energía*—Conuee) through November 2008, the National Energy Savings Commission (*Comisión Nacional para el Ahorro de Energía*—Conae) and Profepa, the website also presents the criteria established by INE during 2008 for air pollution and greenhouse gas ratings.
- The study “Economics of Climate Change in Mexico” (*La economía del climate change en México*) was completed by the School of Economics of *Universidad Nacional Autónoma de México* (UNAM). The study, commissioned by the Secretariat of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*—SHCP) and Semarnat, with the participation of *Centro Mario Molina* and the INE, will enabled informed public policy decision-making.
- Within the Improved Enforcement Program (*Programa de Mejora de la Gestión*), and as part of the Quick Company Startup (*Apertura Rápida de Empresas*) program, implemented in conjunction with the SE, the Semarnat website includes the filing of Hazardous Waste Generator registrations.

- The study “Analysis of Sustainable Production Experiences in Mexico (*Análisis de Experiencias de Producción Sustentable en México*) is a collection of the main international and national initiatives supporting sustainable production and cleaner production, as well as a description of some of the successful companies and key actors in sustainable production in Mexico. It also describes governmental policies and programs regarding sustainable consumption. The study identifies the business chambers, organizations and forums engaged in fostering sustainable production in Mexico and the respective principal actions of civil society. The study also presents a description of some green markets that have ecolabeling, organic products, ecotourism, fair trade and corporate citizenship in Mexico.
- The economic-production analysis in zones selected for the application of the program to decouple electrical utility rate 09 in the agricultural irrigation sector was applied, providing tools to design an assessment mechanism for the Rate 09 Decoupling Pilot Program (*Programa Piloto de Desacople a la Tarifa 09*), considering the regionalized reduction of water demand, increased productivity and changes in the overall irrigation efficiency and crop patterns. The program involves a regional statistical analysis of municipalities participating in the Rate 09 Decoupling Pilot Program for agricultural irrigation, as well as a production-economic description of the selected zones.
- In the framework of the Organization for Economic Cooperation and Development (OECD), THE Global Sustainable Development Forum on “Transportation and the Environment in a Globalized World” was held at Guadalajara, Jalisco in November, 2008, to foster the learning of public policies in the area in OECD countries and in the Latin American region and to enhance interest in different levels of government.
- The study on the establishment of community monitoring networks to evaluate the hydrological impact of hydrological environmental service payments established in promising areas of Mexico resulted in a document specifying the selection of basins and lands participating in the study, as well as the geological, geographical, ecological and socioeconomic characterization of each zone. The study includes physical and social information on each area of study, compiled in a geographic information system (GIS); a document on the results of the training workshops in the four selected health promotion associations (*asociaciones de promotores de salud— Apromsa*); a document with the results of the water quality measurement studies in each Apromsa from sampling in 2009; and a document with the preliminary analysis of the effects of land use on the results observed. The documents will be a tool for Semarnat, Conagua and Conafor, as well as federal institutions and agencies engaged in the generation of geostatistical and environmental information. In addition, the project results will better enable INE and Conagua to support decision-making by the different political actors involved in the design and execution of environmental policy, particularly the management and efficient use of such a strategic resource as water.

## **CONSERVATION OF BIODIVERSITY**

- In the framework of the Conservation for Sustainable Development Program (*Programa de Conservación para el Desarrollo Sostenible—Procodes*), by the end of 2008 1,762 communities located in priority conservation regions were incorporated into ecosystem and biodiversity conservation activities. This directly benefited 63,964 persons (27,361 women and 36,603 men). The indigenous population addressed totaled 23,526 persons, representing 36.8% of the total beneficiary population. Between January and June 2009, Procodes benefited 13,586 persons (7,638 men and 5,944 women) in 392 communities from 156 municipalities, in 13 Mexican states. In addition, 4,130 jobs were created, with 3,011 for men and 1,119 for women.

- To combat the second cause of the loss of biodiversity, action was taken to prevent, control and eradicate invasive exotic species in inland and continental Protected Natural Areas (*Áreas Nacionales Protegidas*—ANP) and in areas outside ANPs. The local communities directly involved in species and ecosystem conservation participated, with the collaboration of around 100 Mexican and foreign institutions.
- Brigades were formed in various Mexican communities to combat and prevent fires by opening fire gaps and belts. The Calakmul Forest Fire Control Center was activated and equipped, and the Protected Area Fire Management Strategy and Guidelines were developed, containing the conceptual, legal and operational basis to manage fires in such zones and stressing the need to use an ecosystem-based fire management approach, to safeguard their biodiversity and the associated ecosystem services.
- The Temporary Employment Program (*Programa de Empleo Temporal*—PET) had been undertaken at the end of 2008, in 109 Priority Conservation Regions, 96 of which are protected areas and another 13 had other conservation arrangements. The PET benefited 13,910 persons (4,578 women and 9,332 men) in 467 communities from 210 municipalities, in 30 Mexican states. The indigenous population addressed included 3,928 persons, representing 28.2% of all beneficiaries. A total of 588 projects were held, creating 8,178 temporary jobs, equal to a total of 719,729 daily wages. From January to June 2009, the PET was executed in 137 Priority Conservation Regions, 115 of which are protected areas and another 22 had other conservation arrangements. A total of 11,563 persons (4,434 women and 7,129 men) benefited from the program in 416 communities from 210 municipalities, in 30 Mexican states. The indigenous population addressed included 3,692 persons, representing 32% of all beneficiaries. A total of 247 projects were held, creating 6,263 temporary jobs, equal to a total of 551,193 daily wages.
- A large-scale project was begun in 43 Mexican ANPs, to restore 15,000 hectares of degraded mountains.
- To ensure the conservation of 30 threatened species selected for the effect of their conservation on other species and their ecosystems, between 2007 and June 2009 10 Species Conservation Action Programs (*Programas de Acción para la Conservación de Especies*—PACE) were drafted and executed.
- Significant progress was reported on the PACE on the Vaquita porpoise (consolidation of species conservation objectives), the golden eagle and pronghorn (conclusion and publication). From January to July 2009, 10 Participative Environmental Oversight Committees (*Comités de Vigilancia Ambiental Participativa*) were set up to protect PACE species.
- The reintroduction of the Mexican wolf moved ahead. In addition, in coordination with *Universidad Autónoma de Sinaloa*, Conanp held a theory-practice course and workshop on jaguar monitoring using camera traps.
- As part of the California condor reintroduction program in Sierra de San Pedro Mártir, Baja California, three specimens were reintroduced between September 2008 and August 2009, joining the population previously established in the area. By August 2009, 21 California condors were flying free in Sierra de San Pedro Mártir.
- ANP fees as of the end of 2008 accounted for 59.1 million pesos, with another \$29.2 million in the period from January to June 2009. Funds collected are used to strengthen conservation activities in the protected natural areas where the fees are paid.
- Between September and December 2008, the following emblematic species were monitored in 17 ANPs: finger coral (*Porites porites*), purple snail (*Plicopurpura pansa*), keel-billed toucan (*Ramphastos sulfuratus*), Swainson's thrush (*Catharus ustulatus*), tapir (*Tapirus bairdii*), parlour palm

(*Chamaedorea elegans*), Yuma clapper rail (*Rallus longirostris yumanensis*), lesser goldfinch (*Carduelis psaltria*), whale shark (*Rhincodon typus*), Jarocho goby (*Elacatinus jarocho*), great blue heron (*Ardea herodias*), jewel cichlid (*Hemichromis guttatus*) and Bolson tortoise (*Gopherus flavomarginatus*).

- From January to July 2009, seven emblematic species were monitored in five ANPs: gray whale (*Eschrichtius robustus*), humpback whale (*Megaptera novaeangliae*), monarch butterfly (*Danaus plexippus*), American crocodile (*Crocodylus acutus*), California sea lion (*Zalophus californianus californianus*), California brown pelican (*Pelecanus californicus occidentalis*) and volcano rabbit (*Romerolagus diazi*).
- Between January 2007 and July 2009, 13 federal ANPs were declared, with an area of 1,839,240 hectares, equal to 0.9% of national territory. In particular, from January to July 2009, the decrease for five protected nature areas were publishing, increasing the total number of ANPs to 171, for an aggregate protected area of 23,877,940 hectares, or 12.15% of national territory.
- By July 2009, 57 conservation and management programs had been published in a like number of ANPs, corresponding to an area of 12,272,700 hectares, i.e., 51.4% of the area under protection.
- As regards the National Biodiversity Information System (*Sistema Nacional de Información sobre Biodiversidad*—SNIB), during the period from January to July 2009, 202,356 curatorial records were added, corresponding to 28 databases from projects concluded in the period from July to December 2008. Data on another 667,058 specimens were recorded. With these additions, the SNIB had a total of 3,684,246 curatorial records on unique Mexican specimens.
- Conabio coordinated the development of national strategies on plant conservation and to prevent, control and eradicate invasive species in Mexico. From September 2008 to July 2009, studies on two states were published (Aguascalientes and Mexico State), joining those for Michoacán and Morelos.
- During the period from September 2008 to August 2009, the processing of observations from external reviews was completed, along with the editorial development of the 45 chapters that make up the first three volumes of the second “country study,” entitled *Capital natural de México*. The work was announced 5 June 2009, in the context of World Environment Day celebrations. Conabio’s new Mexican biodiversity portal ([www.biodiversidad.gob.mx](http://www.biodiversidad.gob.mx)) was publicly launched on 30 July 2009, including issues relating to Mexico’s natural capital.
- As regards wildlife management units (*unidades de manejo para la conservación de la vida Silvestre*—UMAs), 319 new units were added to the UMA system in the reporting period, representing an area of more than 1.82 million hectares. Thus, the aggregate total of 9,228 UMAs cover just over 32.25 million hectares, i.e., 16.41% of national territory.
- A ruling to create and define the structure, organization and operation of the National Technical Advisory Board for the Conservation and Sustainable Use of Wildlife (*Consejo Técnico Consultivo Nacional para la Conservación y Aprovechamiento Sustentable de la Vida Silvestre*) was published in the Federal Official Gazette (*Diario Oficial de la Federación*) on 17 March 2009.
- In accordance with Mexico’s commitments under the Convention on Biological Diversity (CBD), the fourth national report on the implementation of the convention and its decisions in Mexico was submitted, presenting the status and trends in biodiversity in Mexico, identifying the principal threats to biodiversity, discussing progress towards the goal set for 2010, and evaluating achievements under state biodiversity strategies.
- Several conferences, speeches, meetings and workshops were held in the period, to strengthen the issue of ecosystems conservation and biodiversity in different social sectors.

## POLLUTANTS AND HEALTH

- To bring continuity to the strategy to reduce areas affected by pests and disease and ensure the health of forest ecosystems, the phytosanitary diagnostic of 600,000 hectares and the treatment of 40,000 hectares was scheduled in 2009, whose progress as of June was 36.6 and 12.8 percent, respectively.
- The León Air Quality Improvement Program for 2008-2012 and the Salamanca León Air Quality Improvement Program for 2007-2012 were published in December 2008, fully reaching that year's goal.
- To move ahead on the development of the 2005 National Emissions Inventory (including criteria air pollutants and precursors), the inventory of the country's biogenic sources was completed in December 2008, with 50% progress in the inventory of mobile and fixed sources.
- The operation of the Mexican Dioxin and Furan Air Monitoring Network (*Red Mexicana de Monitoreo de Dioxinas y Furanos en Aire Ambiente*) continued in nine sites: San Pedro Mártir, Baja California; Coquimatlán, Colima; La Campana, Chihuahua; Vaquerías, Jalisco; Perote, Veracruz; Celestún, Yucatán; Montes Azules, Chiapas; Iztapalapa, Federal District and Monterrey, Nuevo León.
- The estimation of dioxin and furan emissions from biomass burning in food cooking and craft brickmaking was updated, contributing to activities under the National Implementation Plan of the Stockholm Convention.
- To determine the levels and characterization of volatile organic compounds and PM<sub>2.5</sub>, the toxic compound study continued in Mexican cities, with a measuring campaign in Guadalajara.
- The pilot stage of the Mexican Air Deposition Network (*Red Mexicana de Deposición Atmosférica—RMDA*) was undertaken.
- Studies continued on personal exposure to toxic pollutants (CO, PM<sub>2.5</sub> and VOCs) in public transportation, with a study in Monterrey.
- Studies associated with the preliminary assessment of the impact of brickworks (climate change, energy efficiency and air quality) continued.
- As regards the use of mercury, a study of the Mexican mercury market was conducted in 2008, reporting information on elemental mercury (Hg) and products containing it, to describe the supply and demand, trade, market characteristics and business trends.
- In 2009, a study was conducted to determine the mercury content in fish of high human consumption in Mexico, selecting and sampling fish from the Gulf of Mexico and Mexican Pacific coasts.
- The sampling and analysis of mercury in soils from the Coatzacoalcos River and "La Zacatecana" dam was conducted to determine the total mercury content in aquatic ecosystems. These ecosystems are believed to receive mercury from industrial processes or the dragging of contaminated soil.
- In the framework of the National Environmental Monitoring and Assessment Program (*Programa Nacional de Monitoreo y Evaluación Ambiental—Proname*), persistent, bioaccumulative and toxic substances were monitored in 2009, in two sites: the Ría Celestún Biosphere Reserve in Yucatan (not impacted), and the Yaqui Valley in Sonora. According to the results obtained, the former was "not impacted," while the latter did report the presence of monitored substances ("impacted").
- In the case of air quality monitoring, 25 Mexican cities had monitoring systems and were part of the National Air Quality Information System (*Sistema Nacional de Información de la Calidad del Aire*) by mid-2009. The development of six manuals for publication was also completed.

- With respect to the fumigation of farmlands and storage structures, between January 1, 2007 and June 2009, 32 pilot projects were carried out in 10 Mexican states, training more than 100 technicians and field personnel in the application of methyl bromide (CH<sub>3</sub>Br) alternatives.
- As regards hazardous waste, the updated Annual Operating Certificate (*Cédula de Operación Annual*—COA) was published in the Federal Official Gazette, in accordance with the current legal framework.
- In 2008 and 2009, comprehensive waste management was fostered with planning, organization and leadership, under shared and differentiated liability approaches.
- The development of the National Comprehensive Waste Prevention and Management Program (*Programa Nacional para la Prevención y Gestión Integral de los Residuos*—PNPGIR) was completed in 2008, with the final version published in the Federal Official Gazette on October 2, 2009. The program is intended to establish the environmental policy on waste, based on changing production, consumption and management models that foster waste prevention and comprehensive management, through the following actions: preventing and minimizing waste generation; separation at the source; reuse and recycling; material and energy valorization; and confined disposal as appropriate as the final option.
- During 2008, Semarnat resources (12.5 million pesos) supported four states to prepare four comprehensive waste management programs (two state and two municipal programs).
- During 2009, the drafting of Mexican Official Standards (NOMs) on management plans for mining waste, special-handling waste and urban solid waste by large generators.
- On 14 April 2009, the PNPGIR for 2009-2012 was released.
- In 2009, the Secretariat of Health (*Secretaría de Salud*—SSA) and the Pan-American Health Organization (PAHO), with the support of Semarnat, drafted plans to eliminate 90,000 tons of pesticides, soils and packages contaminated with DDT, out of the total inventory reported in the National Implementation Plan under the Stockholm Convention. Under the provisions of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, the corresponding export notice was prepared, to await the response from the environmental authority of the Government of France.

## **ENVIRONMENTAL LAW AND POLICY**

- With respect to air pollution and hazardous waste generation, factors such as a growing environmental awareness, the development of applicable rules, pressure from society to ensure a cleaner environment and the joining of efforts of federal, state and municipal government agencies, as well as contributions from non-governmental organizations, have brought about an increasing emphasis on the problem of pollution by sources under federal jurisdiction.
- In the framework of the Inspection Program for Pollution Sources under Federal Jurisdiction (*Programa de Inspección a las Fuentes de Contaminación de Jurisdicción Federal*), Profepa performed 7,492 inspection visits at establishments with high pollution potential: 2,514 in the period from September to December 2008, and 4,978 in the period from January to June 2009. In 2,161 cases total compliance with the applicable standards was found, while minor offenses were found in 2,801. Serious irregularities were found in only 16 inspections. The inspections led to 2,678 administrative proceedings, four partial and 12 total shutdowns, and fines levied for a total of 19.4 million pesos. It should be noted that 1,540 inspections were conducted (598 in the period from September to

December 2008, and 942 in the first six months of 2009) at establishments deemed high-risk, whose oversight is given higher priority due to their handling of hazardous substances in quantities that pose a risk to public health and the environment.

- A total of 6,038 inspections were conducted at hazardous waste service companies and generators: 2,215 in the period from September to December 2008 and 3,823 in the period from January to June 2009.
- In the framework of the National Environmental Audit Program (*Programa Nacional de Auditoría Ambiental*—PNAA), the promotion of the voluntary adoption of standards or technical specifications stricter than NOMs continued.
- On 24 November 2008, a Sectur-Profepa coordination agreement was signed to coordinate PNAA promotion and awareness actions.
- On 28 November 2008, an agreement was signed between the Mexican Association of Private Industrial Parks (*Asociación Mexicana de Parques Industriales Privados*—AMPIP) and Profepa to promote environmental audits in member industrial parks.
- To promote the PNAA and foster coordination with the automotive sector, Profepa signed a coordination agreement in the second half of 2008 with the Mexican Automobile Dealers Association (*Asociación Mexicana de Distribuidores Automotores*—AMDA).
- In terms of legal amendments applicable to the environmental sector, during the period from September 2008 to June 2009, 113 bills were submitted to Congress, including proposed constitutional amendments and other legal reforms regarding the environment.
- The General Ecological Balance and Environmental Protection Act (*Ley General del Equilibrio Ecológico y la Protección al Ambiente*—LGEEPA) was the law with the most proposed amendments in both houses of Congress. As regards the validation of general legal instruments, 144 legal instruments were reviewed, ending with the issuance of a legal propriety finding in 54.2% of the cases.
- Work was done to amend the Regulations to the Regulations to the Genetically Modified Organism Biosafety Act (*Ley de Bioseguridad de Organismos Genéticamente Modificados*) and to include provisions on the special maize protection regime, published in the Federal Official Gazette on 3 March 2009.
- To ensure the preservation, restoration and sustainable use of resources and biodiversity in regulated activities, the Regulation to the Biofuel Promotion and Development Act (*Ley de Promoción y Desarrollo de los Bioenergéticos*) was issued by the President, published June 16, 2009 in the Federal Official Gazette.
- The activities of the Undersecretary for Environmental Promotion and Enforcement are focused on solving specific environmental problems in order to consolidate a coherent and effective regulatory framework that facilitates overall environmental enforcement in line with environmental policy, and which fosters sustainable development. For this purpose, two strategic approaches have been proposed: the issuance of NOMs establishing the requirements, specifications and conditions, parameters and allowable limits for the sustainable use of natural resources and environmental protection, and the development of incentive instruments to foster the sustainable use of natural resources and environmental protection.
- The incentive instruments to foster the sustainable use of natural resources and environmental protection are intended to give regulated sectors greater legal certainty, thereby facilitating environmental compliance. Complementarily, compliance with higher environmental performance



parameters in the production sectors is encouraged, in addition to fostering their best practices. In this sense, to support Semarnat's policies and actions, different legal and incentive instruments were officially published from September 2008 to August 2009.

- Between September 2008 and August 2009, a forecast study was commissioned to offer an outlook into environmental trends in the country, comparing the initial scenario (2008) vis-à-vis scenarios forecast for 2012, 2023 and 2033. The goal is to propose the most desirable and viable model aimed at the sustainable implementation of sector policies in line with the environmental policies required in each region in the country.

## **CITIZEN PARTICIPATION**

- The citizen complaint is a mechanism that may be pursued by any individual or entity, individually or collectively. Profepa is responsible for determining the nature of the reported facts or omissions. From September 2008 to August 2009, 8,170 complaints were received, reflecting the public's greater involvement in reporting facts or omissions against the environment or that may cause an ecological imbalance.
- Nearly all complaints received nationally (99.7%) were addressed, with 8,147 administrative acts undertaken to verify the reported facts within the legal deadline of 10 days. Of the complaints received, 42.9% referred to forestry matters, 11.8% involved land use changes, 11.6% regarded fauna, 10.5% involved zoning and environmental impact, and 9.6% were about air pollution.
- To facilitate the citizen complaint process, a module was included on the Profepa website to citizens to file, look up and follow complaints. The 01-800-PROFEPA hotline was also set up for citizens to report any act against the country's natural resources and environment. These mechanisms enable more efficient attention to citizen complaints and reduce delays, in addition to avoiding the need to go to the authority's offices to receive information.
- At the end of 2008, Semarnat's Social Participation and Transparency Unit (*Unidad Coordinadora de Participación Social y Transparencia*—Ucpast) published the National Strategy for Citizen Participation in the Environmental Sector (*Estrategia Nacional para la Participación Ciudadana en el Sector Ambiental*—Enapci). The strategy seeks to establish the basis to generate a process of building and action to set strategies leading to participation of different sectors of society in the development of policies and the adoption of shared commitments geared toward the country's sustainable development.
- In the Enapci framework, 198 actions were undertaken between January and August 2009 on various programs.
- The operation of the Sustainable Development Advisory Boards (*Consejos Consultivos para el Desarrollo Sustentable*—CCDS) —32 core sites, six regional sites and the national board—continued as part of the “Citizenship-Building and Participation for Sustainable Development 2008-2013” (UNDP/Semarnat) program, including training activities and the strengthening of spaces for citizen participation.
- To meet the goal of Enapci Strategy 2, i.e., “to foster and strengthen the spaces and mechanisms for society's participation in environmental policies,” work was coordinated between the Basin Councils (*Consejos de Cuenca*), the National Forestry Council (*Consejo Nacional Forestal*), the Climate Change Advisory Board (*Consejo Consultivo de Cambio Climático*), the National Technical Advisory Board for

the Conservation and Sustainable Use of Wildlife, and the National Council for Environmental Education for Sustainability (*Consejo Nacional de Educación Ambiental para la Sustentabilidad*).

- Nine public informational meetings were held on authorized projects regarding environmental impact assessments pursuant to Article 34 of the LGEEPA, during the period from September 2008 to August 2009, with the participation of 994 persons (288 women and 706 men).
- As regards citizen attention, from 1 September 2008 to 31 August 2009 Semarnat received 3,617 requests from persons and social organizations, responding to all of them. The Federal Citizen Attention Network (*Red Federal de Atención a la Ciudadanía*) of the Office of the President also forwarded 629 citizen submissions to Semarnat, which were received and properly channeled. Semarnat also followed up on 20 commitments of the federal executive branch, 13 of which correspond to 2007 and seven to 2008 (no commitments were received in 2009 as of this report).
- From September 2008 to August 2009, 3,187 information complaints were received, placing Semarnat fourth in the federal public administration. Notwithstanding the number of complaints, only 76 appeals were filed (2.3% of the total) by citizens who challenged the response to their requests.
- Also with respect to citizen dealings, 386 citizens personally appeared at the Semarnat Liaison Office, rating service quality as “very good” and “excellent.”
- With respect to access to information, an improvement project was developed, including a diagnostic and specific action plans on education and training, coordination, guidelines, information generation and awareness, systematization and resources.

## **ENVIRONMENTAL EDUCATION AND CAPACITY BUILDING**

- To reflect on the state of planetary environmental transformation associated with climate change and environmental education work done on the subject, several seminars, certificate programs, congresses and forums were held with educational institutions such as UNAM.
- Training projects were conducted on municipal environmental enforcement and rural training programs.
- The editorial program—a key instrument supporting the educational awareness, environmental education and sustainable development training programs—published materials for well-defined audiences; a wide range of titles were published between September 2008 and July 2009.
- In coordination with different Mexican states and municipalities, programs and manuals were prepared on environmental education, educational awareness and capacity building.
- During November and December 2008, several workshop meetings were held for the technical analysis of rules on biosafety and genetically modified organisms in various Mexican states.
- The guidelines for the Native Maize Conservation Program (*Programa de Conservación de Maíz Criollo—Promac*) were drafted to support peasant farmers.

### United States Progress Report, 2009

### Country Report on Implementation of the Commitments Derived from the NAAEC

#### Introduction

The information included in this section of the 2009 Annual Report is intended to highlight certain activities and developments related to environmental protection for the calendar year 2009. It does not represent the full range of activities undertaken by the United States (US) government with the NAAEC, nor is it intended to reflect environmental efforts at the state, tribal, territory, or local level.

#### Most significant successes in fulfillment of obligations under the agreement

- US Environmental Protection Agency (EPA) concluded enforcement actions requiring polluters to invest more than \$5 billion on pollution controls, cleanup, and environmental projects. Civil and criminal defendants committed to install controls and take other measures to reduce pollution by approximately 580 million pounds annually once all required controls are fully implemented. EPA also released a new Web-based mapping tool that allows the public to view the locations of facilities that were the subject of those enforcement actions on interactive maps of the US and territories. The maps show facilities where civil enforcement actions were taken for environmental laws for air, water, and land pollution, and a separate map shows criminal enforcement actions.
- The Border 2012 Program made significant achievements, including cleaning up more than 2,500 tons of hazardous waste from the abandoned “Metales and Derivados” lead recovery facility in Tijuana; providing drinking water and wastewater infrastructure through 74 certified projects benefiting more than seven million of the 12 million people that call the border region home; the signing of 15 “Sister City” agreements of Emergency Preparedness and Response; and the removal of over 4 million scrap tires in the Mexican communities of Ciudad Juarez, Matamoros, Reynosa, Piedras Negras, San Luis Rio Colorado, Palomas and Ascension.
- Two hundred days after passage of the American Recovery and Reinvestment Act of 2009, US EPA Administrator Lisa P. Jackson announced that the agency had met its goal to initiate or accelerate cleanup work at 20 contaminated Superfund sites from the National Priorities List. Superfund sites are often found in industrial areas hit hardest by the recession and pose unacceptable risks to human health and the environment. The recovery act funding accelerated ongoing cleanup activities and initiated new construction projects, boosting local economies by creating and maintaining jobs while also protecting human health and the environment.

#### State of the Environment

- In cooperation with the Mexican Ministry of Environment and Natural Resources (Semarnat), the Environmental Protection Agency of Baja California, the California Air Resources Board, and the Border Environment Cooperation Commission, EPA initiated the Baja California Air Monitoring Network coverage assessment study and the Tijuana-Rosarito Emissions Inventory. The studies aim to shed light on the major sources of air emissions - reflecting the area’s population growth and consequent increase in vehicular traffic and factories— along the Tijuana, Rosarito, Tecate and Mexicali corridor. Updating a 1999 study, these data will be used as a planning tool to help protect public health and air quality from exposure to harmful emissions.

- The Commission for Environmental Cooperation released *Taking Stock 2005*, the most complete picture of pollution reporting from North American industrial facilities assembled to date. The report provides a broader perspective than past reports have by expanding its scope to include all data reported in 2005 to the pollutant release and transfer registers (PRTRs) of the United States, Canada and Mexico. Among the information included in the report, the data, collected in 2005, show that ninety percent of the 5.5 billion kilograms of toxic pollutant releases and transfers reported in North America in 2005 can be traced to about 30 substances from 15 industrial sectors across the United States, Canada and Mexico.
- EPA released a new online database that collects information on more than 500,000 man-made chemicals from over 200 public sources. The Aggregated Computational Toxicology Resource (ACToR) database allows access to hundreds of data sources in one place, providing a new level of transparency and easy access for environmental researchers, scientific journalists and the public. Sources of information include EPA, US Food and Drug Administration, US National Institutes of Health, US Centers for Disease Control and other federal agencies; state databases, Health and Environment Canada, the European Union, the World Health Organization and other international groups; and non-governmental organizations, private companies and universities.
- NOAA released the World Ocean Database 2009, the largest, most comprehensive collection of scientific information about the oceans. The database, which is part of the climate services provided by NOAA, contains records dating as far back as 1800. The 2009 database, updated from the 2005 edition, is significantly larger providing approximately 9.1 million temperature profiles and 3.5 million salinity reports. The 2009 database also captures 29 categories of scientific information from the oceans, including oxygen levels and chemical tracers, plus information on gases and isotopes that can be used to trace the movement of ocean currents.
- A consortium of experts from 13 US government science agencies, including NOAA, and from several major universities and research institutes released a report titled “Global Climate Change Impacts in the United States,” which compiled years of scientific research and takes into account new data not available during the preparation of previous large national and global assessments. The study assesses current and anticipated domestic impacts of climate change, and reports that climate change is already having visible impacts in the United States.

### **Changes in Level of Protection**

- The US Environmental Protection Agency strengthened the regulations that govern the shipping of hazardous waste for recycling between the United States and other countries. The new measures were meant to increase the level of regulatory oversight, provide stricter controls, and greater transparency. The new measures align EPA’s hazardous waste/import/export/transit shipment regulations with the procedures of the Organization for Economic Cooperation and Development (OECD), an international consortium that comprises 30 countries including the United States. EPA’s ruling bolsters regulations regarding hazardous waste shipments into or out of the United States and strengthens the extensive set of regulations under the Resource Conservation and Recovery Act (RCRA) governing the shipment of hazardous waste within the United States.
- EPA finalized a rule setting tough engine and fuel standards for large US-flagged ships, a major milestone in the agency’s coordinated strategy to slash harmful marine diesel emissions. The new regulations align with international standards and will lead to significant air quality improvements throughout the country. The rule added two new tiers of NO<sub>x</sub> standards and strengthens EPA’s diesel fuel program for affected ships. This rule, under the Clean Air Act, complements a key piece of EPA’s strategy to designate an emissions control area (ECA) for thousands of miles of US and Canadian coasts.

- For the first time, EPA established a “Chemicals of Concern” list and began the process to establish regulations requiring significant risk reduction measures to protect human health and the environment. The proposed actions are to restrict four chemicals, including phthalates. The agency’s actions represent its determination to use its authority under the existing Toxic Substances Control Act (TSCA) to the fullest extent possible, recognizing EPA’s strong belief that the 1976 law is both outdated and in need of reform.

### **Government Enforcement Action**

- BP Products North America Inc. agreed to spend more than \$161 million on pollution controls, enhanced maintenance and monitoring, and improved internal management practices to resolve Clean Air Act violations at its Texas City, Texas, refinery. The company also agreed to pay a \$12 million civil penalty and spend \$6 million on a supplemental project to reduce air pollution in Texas City. The settlement addresses the company’s noncompliance with a 2001 consent decree and Clean Air Act regulations requiring strict controls on benzene and benzene-containing wastes generated during petroleum refining operations.
- The United States filed a civil complaint against BP Exploration (Alaska) Inc. (BPXA) alleging that the company violated federal clean air and water laws. According to the complaint, filed in US District Court in Anchorage, Alaska, BPXA illegally discharged more than 200,000 gallons of crude oil from its pipelines onto the North Slope of Alaska during two major oil spills in the spring and summer of 2006. The complaint alleges that BPXA failed to prepare and implement spill prevention, countermeasure and control plans in accordance with good engineering practices, and failed to implement certain required spill prevention measures pursuant to the Clean Water Act.
- DuPont and Lucite International Inc. agreed to pay a \$2 million civil penalty to settle Clean Air Act violations at a sulfuric acid plant in Belle, West Virginia. The sulfuric acid plant, which is owned by Lucite and operated by DuPont, is located on a 100-acre chemical manufacturing complex along the Kanawha River. The companies agreed to pay \$1 million to the United States and \$1 million to the state of West Virginia.
- As a result of the largest environmental bankruptcy in US history, \$1.79 billion has been paid to fund environmental cleanup and restoration under a bankruptcy reorganization of American Smelting and Refining Company LLC (ASARCO), a leading producer of copper and one of the largest nonferrous metal producers in the United States. ASARCO is responsible for the contamination of more than 80 sites in 19 states where the mining operations were carried out. The money from the settlement will pay for past and future costs incurred by federal and state agencies.
- A waste disposal company based in Mobile, Alabama, was indicted for offenses involving the illegal disposal of waste into the sewage treatment systems of Mobile and neighboring municipalities. The president and manager of DHS Inc., which was operating under the name Roto Rooter, were charged with numerous violations of the Clean Water Act and with fraud and conspiracy for having dumped into local sewers thousands of gallons of waste grease and oil that they had been hired to dispose of safely and legally.
- Six energy companies, in three settlements, agreed to install pollution control equipment at a cost of over \$6 million to comply with the Clean Air Act at their natural gas producing facilities in the Uinta Basin, near Vernal, Utah. The facilities are located on the Uintah & Ouray Indian Reservation. The series of three settlements with Bill Barrett Corp, Wind River Corp, XTO Energy Inc., Dominion Exploration and Production Inc., Whiting Oil and Gas Corporation, and Miller

Dyer and Company mandate air pollution reductions and conservation practices at the companies' natural gas compressor stations, well heads, and pipelines across the Uinta Basin.

- Texas Oil and Gathering Inc., its owner John Kessel and its operations manager Edgar Pettijohn pleaded guilty in Houston to criminal violations related to the disposal of oil-contaminated waste water from its refinery process at an underground injection well in violation of the Safe Drinking Water Act. The company pleaded guilty to conspiracy and violating the Resource Conservation and Recovery Act (RCRA) for disposing of hazardous waste at an unpermitted facility. The crimes took place from January 2000 through January 2003.
- EPA fined seven California companies for not filing biennial hazardous waste reports with the Agency. The federal Resource and Conservation Act requires companies that generate more than 2,200 pounds of hazardous waste or more than 2.2 pounds of acute hazardous waste a month to report every other year to the EPA the quantities, types, and dispositions of their hazardous wastes. As a result of these actions, the seven companies reported more than 285 tons of hazardous waste to the EPA. In addition to filing their missing biennial hazardous waste reports, last month each company paid a fine of \$2,500.

### **Future Plans in Implementing the Agreement**

- The sixth Border 2012 National Coordinators Meeting was hosted by the US EPA in collaboration with the Mexican Secretariat of Environment and Natural Resources (Semarnat) and the participation of the 10 border states, local governments, representatives from US tribes and Mexico indigenous communities, and a broad array of non-governmental organizations. Representatives from both countries met Rincon reservation of the Rincon Band of Luiseño Indians in Valley Center, San Diego, California. It was the first meeting to be held on a reservation. A wide array of environmental topics were discussed, including the ongoing removal of millions of abandoned tires, disaster readiness and announce millions in grant funds to the border at Rincon reservation of the Rincon Band of Luiseño Indians in Valley Center, San Diego County, Calif.
- EPA awarded \$1,100,000 to the Border Environment Cooperation Commission (BECC) to fund the administration and implementation of priority environmental projects consistent with the Border 2012 Program Goal #2: Air pollution. With the funding, BECC will coordinate with EPA on the development of a process for the solicitation of project proposals, selection of eligible projects, and implementation of selected projects for EPA Region 6. BECC will also coordinate with EPA on the implementation of requests for proposals (RFPs) and the selection of eligible and ranked projects. Projects will then be implemented in accordance with a strategy developed by the BECC.
- In a ceremony at the Mexican Embassy, Secretary of the Interior Dirk Kempthorne and Mexico's Ambassador to the United States, Arturo Sarukhan, signed a declaration praising joint efforts to identify additional cooperative measures to improve management of the Colorado River to meet the environmental, agricultural and urban needs of both countries during a period of historic drought. The joint declaration highlights cooperation between the two countries in the past two years under the auspices of the International Boundary and Water Commission to develop innovative approaches to better management of the Colorado's water.

### **Conclusion**

Calendar year 2009 was another successful year for the United States in fulfillment of our obligations under the North American Agreement for Environmental Cooperation. The achievements made regarding enforcement actions, increasing environmental levels of protection and taking action to protect the future of our shared environment were encouraging. We look forward to continuing our commitment and taking the necessary actions in hopes of further improving the state of our environment in the years to come.

# **2009 Financial Statements**



*Financial statements of*

**COMMISSION FOR  
ENVIRONMENTAL COOPERATION**

*December 31, 2009*

N/A: 26/12009.198

**COMMISSION FOR ENVIRONMENTAL COOPERATION**  
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## Auditors' report

To the Council of the  
Commission for Environmental Cooperation

We have audited the balance sheet of the Commission for Environmental Cooperation as at December 31, 2009 and the statements of revenue and expenditures, changes in capital and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Samson Bélaïr/Deloitte & Touche s.e.n.c.r.l.*<sup>1</sup>

April 16, 2010

<sup>1</sup> Chartered accountant auditor permit no 15569

## COMMISSION FOR ENVIRONMENTAL COOPERATION

### Statement of revenue and expenditures

year ended December 31, 2009

(in Canadian dollars)

	2009	2008
	\$	\$
<b>Revenue</b>		
Contribution - Canada (Note 5)	2,976,610	2,992,892
Contribution - Mexico (Note 5)	2,976,610	2,992,891
Contribution - United States (Note 5)	2,976,610	2,992,891
Other revenue	152,446	158,523
	<b>9,082,276</b>	<b>9,137,197</b>
<b>Expenditures</b>		
Expenses related to the work program - Schedule	2,470,005	2,569,647
Expenses related to specific obligations - Schedule	303,434	293,468
Expenses related to Council meetings - Schedule	196,106	93,975
Expenses related to JPAC meetings - Schedule	222,544	290,433
Expenses related to Directorate operations	317,710	303,828
Planning and evaluation	261	16,986
Public outreach	294,561	198,557
Salaries and employee benefits	3,883,873	3,688,101
Relocation and orientation expenses	90,689	110,461
Office expenses	48,394	44,597
Telecommunications	77,090	74,625
Rent, utilities and office maintenance	810,480	744,864
External administrative support	234,241	174,918
Operating equipment	53,725	56,049
Amortization of capital assets	25,566	37,378
Foreign exchange gain	(36,116)	(1,338,765)
	<b>8,992,563</b>	<b>7,359,122</b>
<b>Excess of revenue over expenditures</b>	<b>89,713</b>	<b>1,778,075</b>

## COMMISSION FOR ENVIRONMENTAL COOPERATION

### Statement of changes in capital

year ended December 31, 2009

(in Canadian dollars)

	Invested in capital assets	Restricted for currency fluctuation	Unrestricted	Total	
				2009	2008
	\$	\$	\$	\$	\$
<b>Balance, beginning of year</b>	108,412	501,000	6,443,741	7,053,153	5,275,078
Excess (deficiency) of revenue over expenditures	(25,566)*	-	115,279	89,713	1,778,075
Investment in capital assets, net of financing	19,736	-	(19,736)	-	-
<b>Balance, end of year</b>	<b>102,582</b>	<b>501,000</b>	<b>6,539,284</b>	<b>7,142,866</b>	<b>7,053,153</b>

\* Amortization of capital assets

## COMMISSION FOR ENVIRONMENTAL COOPERATION

### Balance sheet as at December 31, 2009 (in Canadian dollars)

	2009	2008
	\$	\$
<b>Assets</b>		
Current assets		
Cash and temporary investments, bearing interest at rates varying from 0.05% to 0.40%	6,390,606	4,840,385
Short-term investments, bearing interest of 0.30%	499,998	-
Restricted cash and temporary investments, bearing interest at rates varying from 0.05% to 0.40% (Note 6)	640,296	631,368
Goods and services tax	137,937	151,500
Contributions receivable	1,851,959	3,505,425
Advances to employees	2,609	1,941
Other receivables	3,540	8,432
Prepaid expenses	28,209	27,842
	9,555,154	9,166,893
Capital assets (Note 4)	102,582	110,382
	9,657,736	9,277,275
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	1,113,092	1,173,723
Deferred contributions (Note 5)	480,170	50,000
Other deferred revenue	-	54,493
Employee benefits (Note 6)	640,296	631,368
Lease inducements	31,256	31,256
Current portion of obligations under capital leases	-	1,970
	2,264,814	1,942,810
Lease inducements	250,056	281,312
	2,514,870	2,224,122
Commitments (Note 8)		
<b>Capital</b>		
Invested in capital assets	102,582	108,412
Restricted for currency fluctuation	501,000	501,000
Unrestricted	6,539,284	6,443,741
	7,142,866	7,053,153
	9,657,736	9,277,275

#### Approved by the Council

..... Canada  
 ..... Mexico  
 ..... United States

## COMMISSION FOR ENVIRONMENTAL COOPERATION

### Statement of cash flows

year ended December 31, 2009

(in Canadian dollars)

	2009	2008
	\$	\$
<b>Operating activities</b>		
Excess of revenue over expenditures	89,713	1,778,075
Adjustments for:		
Amortization of capital assets	25,566	37,378
Amortization of lease inducements	(31,256)	(31,257)
Deferred contributions	430,170	21,326
Unrealized foreign exchange loss (gain)	788,662	(1,256,041)
	<b>1,302,855</b>	<b>549,481</b>
Change in non-cash operating working capital items (Note 7)	<b>1,564,690</b>	<b>(1,919,891)</b>
	<b>2,867,545</b>	<b>(1,370,410)</b>
<b>Investing activities</b>		
Acquisition of capital assets	(17,766)	(7,359)
Restricted cash and term deposits	(8,928)	(152,213)
	<b>(26,694)</b>	<b>(159,572)</b>
<b>Financing activities</b>		
Repayment of obligations under capital leases	(1,970)	(9,583)
Effect of foreign exchange on cash and cash equivalents	<b>(788,662)</b>	<b>1,256,041</b>
Increase (decrease) in cash and cash equivalents	<b>2,050,219</b>	<b>(283,524)</b>
Cash and cash equivalents, beginning of year	<b>4,840,385</b>	<b>5,123,909</b>
<b>Cash and cash equivalents, end of year</b>	<b>6,890,604</b>	<b>4,840,385</b>
<i>Cash and cash equivalents comprise:</i>		
Cash	2,150,806	1,166,581
Term deposits	4,239,800	3,673,804
Short-term investments	499,998	-
	<b>6,890,604</b>	<b>4,840,385</b>

# COMMISSION FOR ENVIRONMENTAL COOPERATION

## Notes to the financial statements

December 31, 2009

(in Canadian dollars)

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### 1. Nature of activities

The Commission for Environmental Cooperation (the "Commission") is an international organization created by the North American Agreement on Environmental Cooperation for the purpose of meeting NAFTA's environmental provisions. The Commission became operational in July 1994.

### 2. Changes in accounting policies

On January 1, 2009, the Commission adopted the changes made to Sections 4400 and 4470 of the Canadian Institute of Chartered Accountants ("CICA") Handbook.

Section 4400 has been amended in order to eliminate the requirement to treat net assets invested in capital assets as a separate component of net assets and, instead, permit a not-for-profit organization to present such an amount as a category of internally restricted net assets when it chooses to do so. It also clarifies that revenue and expenses must be recognized and presented on a gross basis when a not-for-profit organization is acting as a principal in transactions.

Section 4470 establishes disclosure standards for a not-for-profit organization that classifies its expenses by function and allocates its expenses to a number of functions to which the expenses relate. Expenses related to the work program, specific obligations under the North American Agreement on Environmental Cooperation, Council meeting and JPAC meetings are directly allocated and presented to these functions.

The adoption of these new standards had no impact on the financial statements.

### 3. Accounting policies

The Commission has elected to use the exemption provided by the CICA permitting not-for-profit organizations not to apply the following Sections of the CICA Handbook: 3862 and 3863, which would otherwise have applied to the financial statements of the Commission for the year ended December 31, 2009. The Commission applies the requirements of Section 3861 of the CICA Handbook.

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and include the following significant accounting policies:

#### *Cash and cash equivalents*

Cash and cash equivalents include cash and short-term investments convertible to a known amount of cash and are subject to an insignificant risk of changes in value.



# COMMISSION FOR ENVIRONMENTAL COOPERATION

## Notes to the financial statements

December 31, 2009

(in Canadian dollars)

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### 3. Accounting policies (continued)

#### *Capital assets*

Capital assets are recorded at cost and are amortized using the straight-line method at the following annual rates or term:

Computer equipment	20%
Software	30%
Furniture and fixtures	20%
Telephone system	30%
Equipment	30%
Leasehold improvements	term of the lease

#### *Lease inducements*

Lease inducements relate to the rental of office space by the Commission. Amortization of these inducements, over the term of the lease, is offset against rent expenses.

#### *Financial instruments*

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the Commission's designation of such instruments. Settlement date accounting is used.

#### Classification

Cash and temporary investments	held for trading
Short-term investments	held for trading
Contributions receivable	loans and receivables
Advances to employees	loans and receivables
Other receivables	loans and receivables
Accounts payable and accrued liabilities	other liabilities
Employee benefits	other liabilities
Obligations under capital leases	other liabilities

#### Held for trading

Held-for-trading financial assets are financial assets typically acquired for resale prior to maturity or that are designated as held for trading. They are measured at fair value at the balance sheet date. Fair value fluctuations including interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in other revenue.

# COMMISSION FOR ENVIRONMENTAL COOPERATION

## Notes to the financial statements

December 31, 2009

(in Canadian dollars)

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### 3. Accounting policies (continued)

#### *Financial instruments (continued)*

##### Loans and receivables

Loans and receivables are accounted for at amortized cost using the effective interest method.

##### Other liabilities

Other liabilities are recorded at amortized cost using the effective interest method and include all financial liabilities, other than derivative instruments.

##### Transaction costs

Transaction costs related to held-for-trading financial assets are expensed as incurred. Transaction costs related to available-for-sale financial assets, held-to-maturity financial assets, other liabilities and loans and receivables are netted against the carrying value of the asset or liability and are then recognized over the expected life of the instrument using the effective interest method.

##### Effective interest method

The Commission uses the effective interest method to recognize interest income or expense, which includes transaction costs or fees, premiums or discounts earned or incurred for financial instruments.

#### *Contributions*

The Commission follows the deferral method of accounting for government contributions. Under this method, contributions are recognized as revenue in the year in which the related expenses are incurred.

The Government of Canada, the Government of Mexico and the Government of the United States of America (the "Parties") contribute to the Commission's annual budget by mutual agreement.

#### *Foreign currency translation*

Monetary assets and liabilities of the Commission denominated in foreign currencies are translated into Canadian dollars at the year-end exchange rate. Non-monetary assets and liabilities are translated at historical rates. Revenues and expenses of the Commission denominated in foreign currencies are translated at the exchange rate in effect at the transaction dates. Translation gains and losses are presented in the statement of revenue and expenditures.

## COMMISSION FOR ENVIRONMENTAL COOPERATION

### Notes to the financial statements

December 31, 2009

(in Canadian dollars)

### 3. Accounting policies (continued)

#### *Use of estimates*

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

### 4. Capital assets

	2009		2008	
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Computer equipment	376,147	359,712	16,435	14,406
Software	119,965	116,711	3,254	6,614
Furniture and fixtures	381,581	381,581	-	-
Telephone system	116,696	116,696	-	-
Equipment	155,426	150,585	4,841	-
Equipment financed under capital leases	32,282	32,282	-	-
Leasehold improvements	248,291	170,239	78,052	89,362
	<b>1,430,388</b>	<b>1,327,806</b>	<b>102,582</b>	<b>110,382</b>

Fully amortized capital assets no longer in use with an original cost of \$53,158 (nil in 2008) is removed from capital assets cost and related accumulated amortization.

### 5. Deferred contributions

	Canada	Mexico	United States	Total
	\$	\$	\$	\$
Balance, beginning of year	16,666	16,667	16,667	50,000
Contributions committed	3,120,000	3,120,000	3,120,000	9,360,000
Contributions transferred to revenue	(2,976,610)	(2,976,610)	(2,976,610)	(8,929,830)
<b>Balance, end of year</b>	<b>160,056</b>	<b>160,057</b>	<b>160,057</b>	<b>480,170</b>

## COMMISSION FOR ENVIRONMENTAL COOPERATION

### Notes to the financial statements

December 31, 2009

(in Canadian dollars)

#### 6. Employee benefits

Employees are entitled to withdraw accumulated amounts as defined in the Rules of employment. The Commission holds the equivalent of those amounts in a restricted term deposit or bank account.

#### 7. Changes in non-cash operating working capital items

	2009	2008
	\$	\$
Goods and services tax	13,563	376,752
Contributions receivable	1,653,466	(2,333,457)
Advances to employees	(668)	(880)
Other receivables	4,892	4,676
Prepaid expenses	(367)	17,101
Accounts payable and accrued liabilities	(60,631)	(186,233)
Other deferred revenue	(54,493)	49,937
Employee benefits	8,928	152,213
	<u>1,564,690</u>	<u>(1,919,891)</u>

#### 8. Commitments

- a) The Commission signed operating leases for office equipment and premises with third parties. These leases expire in 2011 and 2018, respectively. Total minimum payments required over the forthcoming years are as follows:

	\$
2010	425,104
2011	425,104
2012	425,104
2013	421,793
2014	496,325
2015 and thereafter	<u>1,985,300</u>
	<u>4,178,730</u>

- b) The Commission has commitments of \$412,647 related to environmental projects and of \$67,523 related to administration and support for a total of \$480,170.

# COMMISSION FOR ENVIRONMENTAL COOPERATION

## Notes to the financial statements

December 31, 2009

(in Canadian dollars)

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### 9. Financial instruments

#### *Currency risk*

The Commission realizes 69% of its revenue and approximately 22% of its expenditures in U.S. dollars and is thus exposed to foreign exchange fluctuations. The Commission does not actively manage this risk.

The balance sheet includes the following amounts in Canadian dollars with respect to financial assets and liabilities for which the cash flows are denominated in the following currency:

	<u>2009</u>	<u>2008</u>
	\$	\$
U.S. dollars:		
Cash and temporary investments	4,729,787	4,673,776
Accounts receivable	1,851,959	1,224,600
Accounts payable and accrued liabilities	444,005	597,376

#### *Fair value*

The fair values of contributions receivable, advances to employees, other receivables, accounts payable and accrued liabilities and employee benefits is approximately equal to their carrying values due to their short-term maturities.

### 10. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

**COMMISSION FOR ENVIRONMENTAL  
COOPERATION**

**Schedule**

**Expenses related to the work program, specific obligations  
under the NAAEC, Council meetings, joint public advisory  
committee (JPAC) meetings**

**December 31, 2009**

**(in Canadian dollars)**

	2009	2008
	\$	\$
<b>Work program</b>		
Professional fees	1,647,334	1,026,013
Travel, accommodation and meeting expenses	600,618	1,275,953
Publications	170,078	207,618
Office expenses	51,975	60,063
	<b>2,470,005</b>	<b>2,569,647</b>
<b>Specific obligations under the North American Agreement on Environmental Cooperation</b>		
Professional fees	151,411	89,416
Travel, accommodation and meeting expenses	83,109	49,377
Publications	33,271	116,554
Office expenses	35,643	38,121
	<b>303,434</b>	<b>293,468</b>
<b>Council meetings</b>		
Travel, accommodation and meeting expenses	182,676	71,088
Publications	11,511	20,309
Office expenses	1,919	2,578
	<b>196,106</b>	<b>93,975</b>
<b>Joint Public Advisory Committee (JPAC) meetings</b>		
Travel, accommodation and meeting expenses	199,480	258,635
Publications	7,894	16,477
Office expenses	4,318	5,279
Professional fees	10,852	10,042
	<b>222,544</b>	<b>290,433</b>

**COMMISSION FOR ENVIRONMENTAL COOPERATION**

**Balance sheet**  
as at December 31, 2009  
(in Canadian dollars)

	2009	2008
	\$	\$
<b>Assets</b>		
Current assets		
Cash and temporary investments, bearing interest at rates varying from 0.05% to 0.40%	6,390,606	4,840,385
Short-term investments, bearing interest of 0.30%	499,998	-
Restricted cash and temporary investments, bearing interest at rates varying from 0.05% to 0.40% (Note 6)	640,296	631,368
Goods and services tax	137,937	151,500
Contributions receivable	1,851,959	3,505,425
Advances to employees	2,609	1,941
Other receivables	3,540	8,432
Prepaid expenses	28,209	27,842
	<b>9,555,154</b>	<b>9,166,893</b>
Capital assets (Note 4)	102,582	110,382
	<b>9,657,736</b>	<b>9,277,275</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	1,113,092	1,173,723
Deferred contributions (Note 5)	480,170	50,000
Other deferred revenue	-	54,493
Employee benefits (Note 6)	640,296	631,368
Lease inducements	31,256	31,256
Current portion of obligations under capital leases	-	1,970
	<b>2,264,814</b>	<b>1,942,810</b>
Lease inducements	250,056	281,312
	<b>2,514,870</b>	<b>2,224,122</b>
Commitments (Note 8)		
<b>Capital</b>		
Invested in capital assets	102,582	108,412
Restricted for currency fluctuation	501,000	501,000
Unrestricted	6,539,284	6,443,741
	<b>7,142,866</b>	<b>7,053,153</b>
	<b>9,657,736</b>	<b>9,277,275</b>

Approved by the Council

..... Canada  
  
 ..... Mexico  
 ..... United States

## COMMISSION FOR ENVIRONMENTAL COOPERATION

**Balance sheet**  
as at December 31, 2009  
(in Canadian dollars)

	2009	2008
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and temporary investments, bearing interest at rates varying from 0.05% to 0.40%	6,390,606	4,840,385
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Approved by the Council

..... Canada  
 ..... Mexico  
 ..... United States