

## SESSION 06-02 OF ALTERNATE REPRESENTATIVES

### SUMMARY RECORD

The Commission for Environmental Cooperation (CEC) Council, represented by its Alternate Representatives, met at the CEC Secretariat in Montreal on 13 April 2006. Mr. Jerry Clifford (United States) chaired the meeting. Mr. José Manuel Bulás and Mr. David McGovern represented Mexico and Canada, respectively. Mr. Carlos Sandoval, JPAC chair, represented the Joint Public Advisory Committee (JPAC) and Mr. William Kennedy, CEC executive director, represented the Secretariat. Ms. Nathalie Daoust, Council secretary, acted as secretary for the session. Other officials of the Parties and the Secretariat were also in attendance (Annex A).

#### **Item 1 Adoption of the Agenda**

The Chair extended welcoming remarks and recognized that much had occurred since the last meeting in Montreal on 31 August 2005. Concerning the agenda, he asked whether his counterparts had any comments and the Mexican Alternate Representative requested that the All-American Canal be added as an issue for discussion. The Chair also suggested that item 11 be removed, given that the Parties were not in a position to vote on SEM issues at this time. The Alternate Representatives agreed to these changes and adopted the agenda based on the provisional agenda (Annex B).

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

Following up on the *Report on CEC Activities*, distributed on 27 March 2006, and presented to JPAC, the GSC and the public in Vancouver, the executive director introduced Paolo Solano, the new SEM legal officer, and provided an update on SEM issues. Regarding the 2006 Council Session, he emphasized that the Secretariat was at the disposal of the Parties to organize the meeting and that he was looking forward to a confirmation of the dates. He indicated he understood that the Parties intended to highlight progress under each pillar and he pointed to the success of the greening supply chains project in Mexico as one initiative that could be profiled. Under the pillar on information for decision-making, he suggested highlighting the next *Taking Stock* report that will feature the cement industry.

He provided an update on the preparation of the Article 13 report on green building. He pointed to the background information provided to the Parties in January 2006 and mentioned that membership of the Advisory Group was almost complete and comprised representatives from the construction, real estate, financial and municipal sectors. He added that ex-officio members appointed by the Parties would be invited to sit on the Advisory Group. In addition, a JPAC representative would be sought to explore options for involving the public and JPAC. He mentioned that the first meeting of the Advisory Group was scheduled to take place the second week of June and that a public meeting was planned for February or March 2007.

The US Alternate Representative asked whether Parties could suggest individuals who were

nongovernmental representatives to sit on the Advisory Group. The executive director responded that although the selection of the Advisory Group members was almost complete, the Parties could still propose experts for consideration by the Secretariat.

The Chair then encouraged the legal teams to come to closure on the pending SEM issues. The Canadian Alternate Representative explained that the recent transition in government had caused some delay but that he looked forward to advancing on these issues.

### **Item 3 Intervention by the JPAC Chair**

The JPAC chair thanked the Alternate Representatives for their support in ensuring the JPAC meeting in Vancouver took place as scheduled. He also recognized the efforts of the GSC representatives in recent months and thanked them for their participation in the meeting in Vancouver. He reported that the main objective of the meeting had been to promote the North American Clean Electronics Pollution Prevention Partnership and to hold a workshop on “Business Across North America for Green Products—Opportunities and Barriers for Small and Medium-size Enterprises.” He noted the important contribution of Gordon Lambert, a Canadian JPAC member, in his capacity as vice president of sustainable development at Suncor Energy, one of the sponsors of this important conference. He added that a particular emphasis had been made in ensuring public participation from different sectors and regions of North America.

Regarding the 2006 Council Session, the JPAC chair mentioned that a public workshop would be held the day before the Council Session and that JPAC was contemplating focusing it on the involvement of the private sector in green building in North America. He indicated that this workshop would provide an opportunity to pull together what has been done in the three countries and could represent a contribution to the Article 13 report being prepared by the Secretariat.

The Mexican Alternate Representative extended welcoming remarks to the JPAC chair and expressed support for the proposal to focus the next public workshop on the involvement of the private sector in green buildings. The US Alternate Representative expressed concern about JPAC potentially duplicating the efforts of the Secretariat and mentioned that renewable energy was a theme that could be explored by JPAC. The JPAC chair thanked the Alternate Representatives for their comments and stressed that JPAC always endeavored to use CEC resources in the most efficient manner and would therefore be taking these comments into consideration.

Regarding the JPAC Strategic Plan, the US Alternate Representative conveyed that further conversations were needed among the Alternate Representatives to respond to the JPAC Strategic Plan in a consensus manner. The JPAC chair indicated that JPAC will be looking forward to this response. He stressed, however, that he believed there was no contradiction between the mandate of JPAC and what was laid out in the Strategic Plan.

### **Item 4 Intervention by the Alternate Representatives**

The Chair reported on the Parties’ session of the day before. He explained that many issues had been discussed, particularly ones related to CEC operational efficiency, effectiveness and

transparency, all of which pertained to rebuilding the integrity of the institution in North America. He indicated that the three Parties continued to be concerned with the credibility of the institution and the need for the CEC to be reformed, more strategic and results-oriented.

He added that Parties had reaffirmed their commitment to the CEC by signing the 2006 Funding Resolution and had discussed potential additional funding requirements and ways to meet them. He thanked Mexico for contributing its full funding commitment in 2006 and Canada for taking the necessary actions to ensure full funding as well. He reported that, given the significant reserve in place at present, the Alternate Representatives had discussed initiatives for which these funds could be allocated. However, he mentioned that the Parties would like to discuss with the executive director the appropriate reserve to maintain in order to allocate remaining resources to specific initiatives. In this regard, he mentioned that the Alternate Representatives had agreed conceptually to the Mexican proposal for an audit of Profepa given its important capacity building component and its potential for promoting law enforcement in Mexico. However, he indicated that the proposal and the draft Council Resolution both needed to be reviewed by the Parties before implementation could begin.

The Chair also described a US-hosted meeting held on 5 January 2006, with representatives from the Parties, the Secretariat, and the private, sector following which a project proposal was developed by the United States. He reported that the Alternate Representatives had agreed in principle to this proposal, which focuses on greening supply chains in the automotive sector in North America, and that they would endeavor to have the proposed initiative announced at the 2006 Council Session. He indicated that the Alternate Representatives had agreed to allocate C\$100,000 from the 2005 surplus funds for this initiative in 2006. He confirmed that a draft Council Resolution would be prepared and circulated to the Parties and the Secretariat.

The Canadian Alternate Representative indicated that although he was supportive of this initiative, he needed to consult with Industry Canada as well as with the governments of Quebec, Alberta and Manitoba. The Mexican Alternate Representative commented that the CEC's involvement in other sectors such as electronics and pharmaceutical sectors could also present a great opportunity for the three countries. The US Alternate Representative pointed out that, given the catalytic role the CEC can play, the objective would be to build upon the work done and under way by the Parties, industry, and the CEC. He also stated that the United States may develop a proposal for a concurrent effort with the electronic or pharmaceutical sectors. The US Alternate Representative clarified that although the current CEC work on greening supply chains being conducted in Mexico (project CB-2) is a pilot for Mexico, the auto sector initiative is intended to be a separate activity focused on all three countries.

Turning to the topics of efficiency, effectiveness and transparency, the Chair expressed appreciation for the Secretariat's effort in developing a financial management system which allowed the ongoing tracking of project-related financial resources. He indicated that the Parties had discussed ways for the organization to be more transparent and that Canada and Mexico would be sharing information on how they report domestically on travel and contracting expenditures, in order to assist the Parties in providing guidance to the Secretariat and adopting new measures for this.

The Chair asked that in the meantime the Secretariat track travel and contractual expenses closely. The Chair, on behalf of the Alternate Representatives, directed the Secretariat to provide the Parties with staff travel expense projections for the next three months and asked that they be reflected against the 2006 budget.

Regarding the issue of working groups and their structure, the Chair reported that the Alternate Representatives had held extensive discussions but that no consensus had yet been reached. However, they agreed that the numerous working groups and task forces should be subsumed under the four working groups that Council had created (SMOC, Enforcement, Biodiversity Conservation and Air) or abolished and that the Parties would be responsible for ensuring that the work is implemented as established in the work program under each pillar. He indicated that the Parties were still deliberating regarding the primary point of accountability for managing the work under the three pillars. Until the matter of accountability is solved, the GSC will be the primary point of contact to solve any issues arising from the work program implementation. A number of options were being contemplated such as: 1) the selection among the Parties of one senior-level official per pillar as the point of contact; 2) a co-responsibility between government appointees to the experts groups under the three pillars and members of the Council-created working groups.

Regardless, he stressed that the Secretariat should look to the Alternate Representatives and the GSC members as the primary point of contact for the development of CEC work. He commented that the Parties wanted to accelerate the pace at which the CEC program is being implemented. The Canadian Alternate Representative conveyed that Canada was also working on defining the role and responsibilities of selected experts within Environment Canada or other departments within the Canadian government in relation to each CEC project.

The executive director welcomed this endeavor and noted the work undertaken by the OECD a few years ago in streamlining its working groups. He mentioned that, after Puebla, the Secretariat had explored how each working group was linked to the three Puebla pillars. He offered to make the document available to the Parties to facilitate their deliberations. The director of programs underlined the positive support provided over the years by the working groups. He indicated, however, that confirming the GSC as the primary point of contact would strengthen the Secretariat's ability to implement the work.

#### **Item 5    2006–2008 Operational Plan**

The Chair commended the efforts of both the GSC and the Secretariat in developing and reviewing the 2006–2008 Operational Plan. He indicated that two elements remained to be approved. The first one concerned the project, *Reporting on the State of the North American Environment*. He reported that no consensus had yet been reached and that the Secretariat should not proceed with any activity described under this project until there is agreement. The second issue related to the section on *Monitoring, Evaluation and Reporting*. The Chair indicated that consensus had been reached on the language but that additional discussions were needed among the Parties. On this latter issue, the director of programs pointed to the monitoring, evaluation and reporting system adopted by the Alternate Representatives in Washington, DC, in 2004. He reminded the Parties that, in line with the system, draft long-term results statements for the work

program had been developed by the Secretariat and distributed to the Parties (the latest version in January 2006). He offered to work with the Parties in reviewing this document.

#### **Item 6 CEC Quality Assurance Procedures and Guidelines**

The Chair commended the work of the Secretariat in preparing the draft *CEC Quality Assurance Procedures and Guidelines* document. He stressed that this document was fundamental to the United States and would be very helpful to the Parties. He indicated that the Parties needed to consult internally before endorsing it and he encouraged his counterparts to conduct this review in a timely manner. He asked the Secretariat to apply the procedures laid out in the document to everything which will be produced in 2006 as well as any other future products. The Canadian Alternate Representative echoed the US comments and added that the issue for Canada was to ensure a surprise-free environment for the governments. The Mexican Alternate Representative stated that this was a significant progress which responded to the issue of efficiency and transparency laid out in the TRAC report. He added that this would strengthen the institution and bring the countries together, thereby benefiting the environment.

#### **Item 7 CEC Performance Management System**

This topic was already discussed under item 5.

#### **Item 8 2006 Council Session**

Regarding the date of the 2006 Council Session, the Chair conveyed that the United States had explored holding the meeting at a later date as requested by Mexico. However, no decision had yet been reached and, in the absence of such a decision, the initial date (28 June) needed to be maintained. On behalf of the Alternate Representatives, the Chair directed the Secretariat to secure a block of rooms at a hotel in or near Washington, DC, as required and commit the necessary funds. He also announced that the welcoming reception would be held on 27 June at the National Museum of the American Indian. The Secretariat asked whether a “save the date” listserv announcement could be issued to the public and the Alternate Representatives agreed to it.

The Chair urged the Parties to work on finalizing a provisional agenda for the Council Session. He then invited a US representative of the [Article] 10(6) working group to report on potential Council deliverables discussed during their meeting. She reported that potential deliverables had been identified for each trade and environment project and that the list would be submitted for consideration by the Alternate Representatives. The Chair asked the Secretariat to develop a list of potential Council themes and deliverables. The Canadian Alternate Representative proposed that the SMOC strategy paper, *The CEC SMOC Program Working Group Future Directions Strategy until 2020 under the Puebla Priority Areas* be included. The director of programs specified that a public call for comments on this document would be issued on 17 April.

Regarding the provisional Council Agenda, the JPAC chair asked that consideration be given to including, as in previous years, a joint Council/JPAC meeting during the in-camera session. The Chair responded that he did not foresee any difficulty in scheduling this meeting.

**Item 9 2006 Funding Resolution**

The Alternate Representatives adopted and signed Council Resolution 06-04 establishing the CEC funding for year 2006 at US\$9 million.

**Item 10 Partnership with the Private Sector**

This topic was already discussed under item 4.

**Item 11 Other Issues**

The Mexican Alternate Representative referred to the March 2006 Cancún Summit of the three North American leaders where the All-American Canal had been discussed. He reported that the Mexican Council member would like the opportunity to make a 15-minute presentation on this topic during the 2006 Council Session. The objective of the presentation was to introduce some of the environmental concerns associated with the All-American Canal as well as recommendations made during the Cancún Summit. He added that following the presentation the Council members might wish to discuss possible avenues for resolution. The US Alternate Representative indicated that he would need to consult with the US agency responsible for handling this issue before agreeing to the presentation.

**Item 12 Next meeting of the Alternate Representatives**

The Alternate Representatives agreed to hold their next meeting in late May 2006. The Mexican Alternate Representative stressed that agreement should be reached on any outstanding issues prior to the meeting in order to focus discussions on the 2006 Council Session. The US Alternate Representative supported Mexico's views and indicated he would make himself available for conference calls if necessary to clear outstanding items.

In closing, the Mexican Alternate Representative urged his counterparts to review the proposal on the Profepa audit as well as the draft Council Resolution given the short timeframe involved. The Canadian Alternate Representative reported that he had not yet been able to engage the new Canadian Environment Minister, Rona Ambrose, on CEC issues but that he would endeavor to arrange meetings with the CEC executive director as well as with the Canadian NAC and JPAC members as soon as possible. Finally, the Alternate Representatives thanked the US GSC member, Sylvia Correa, for the work she had accomplished on the CEC file and wished her the best in her new responsibilities.