



**Report of the Executive Director
Commission for Environmental Cooperation**

**Report as of 27 May 2004, for presentation at the
Eleventh Regular Session of the CEC Council**

Puebla, Mexico
22–23 June 2004

1 Introduction

The year 2004 truly marks a watershed for the Commission for Environmental Cooperation. It is the tenth anniversary of the North American Agreement for Environmental Cooperation and the CEC Council, equipped with the report and recommendations of the independent *Ten-year Review Advisory Committee*, and the advice of the public, and the National and Governmental Advisory Committees, is set to chart a new path for the CEC as we enter the next ten years.

The Secretariat, with a new executive director and a new way of looking at the program of work, is ready to meet the challenge of change and looks forward to working with the Parties, our many partners in each of our three countries, and the North American public to accomplish the continuing mission of the CEC.

New focus for 2004–2006

As profiled in the recently concluded Operational Plan for 2004–2006, the strategic approach initiated this year brings a new focus to the CEC. The Operational Plan is structured around four mutually-supporting Program Goals:

1. To foster understanding of the state of our environment and its relation to the economy and trade in North America.
2. To act as a catalyst to improve domestic law and policy and enhance environmental enforcement and compliance across North America.
3. To mobilize international cooperation to resolve critical North American environmental issues.
4. That all CEC activities strive to provide a forum for public dialogue and participation concerning environmental issues in North America.

Highlights since June 2003 Council Session

Among the highlights of this year's accomplishments are:

Making progress on hazardous waste management

- The Secretariat report on opportunities to improve the tracking of transboundary hazardous waste shipments in North America will be finalized this summer after comments received from the US government have been incorporated.
- The Parties have been working with the Secretariat on a follow-up report that will identify the potential points of operational compatibility in the countries' hazardous waste databases and tracking systems.
- A priority wastestream of common concern has been identified, and an outline of steps to address the environmentally sound management of spent lead acid batteries has been developed for review by the Parties.
- A draft report on hazardous waste capacity building needs in Mexico was finished and is being reviewed by Semarnat.

Conserving biodiversity

- The Biodiversity Conservation Working Group has identified 12 priority areas in which to start immediate implementation of the Biodiversity Conservation Strategy. The grasslands and Bering to Baja priority regions—two of 14 priority regions overall—are providing a common framework for the integration of the numerous CEC biodiversity projects.
- At the ecoregional scale, the CEC's map of B2B Priority Conservation Areas has served as the foundation for implementing the first regional network of marine protected areas.
- Three marine migratory species were selected by a trinational team of experts for cooperative North American Conservation Action Plans to deal with continental threats to the species and ensure their long-term protection. The three species are: the leatherback sea turtle, the humpback whale, and the pink-footed shearwater.
- An analysis of the potential economic and ecological impacts of invasive algae and seaweeds has been developed, offering technical and policy recommendations for early detection, control and eradication.

Addressing the impacts of pollution on the environment and human health

The first three of these items are intended to help focus and direct priority and budget setting over the next five years:

- The North American Air Working Group has finalized a strategic framework as a basis for setting future priorities related to CEC air quality work.
- At the request of Council in June 2003, the SMOC Working Group is finalizing a 'future directions' paper for Council's consideration.
- A biennial review of the Children's Health and the Environment initiative is being completed.
- The *Taking Stock 2001* report, released in early June, compares data submitted to the Canadian and United States federal governments by 21,254 facilities in the two countries, which monitor their releases of 204 toxic chemicals, including carcinogens and neurotoxicants to the air, land and water, that are reported to both national PRTR programs. According to the data, 46 of the top 50 air polluters in North America were power plants. The sector generated 45 percent of the 755,502 tonnes of toxic air releases in 2001, with hydrochloric and sulfuric acids being the chemicals most commonly released from the burning of coal and oil. Power plants also accounted for 64 percent (43,384 kg) of all mercury air emissions, mainly from coal combustion.

Strengthening partnerships

The past year has seen continued work with partners in pursuit of CEC and North American environmental objectives:

- The Secretariat is collaborating with the North American Pollution Prevention Partnership to exchange information and expertise in clean production. One initiative under discussion is to seek the compliance of the electronic manufacturing and importing industry with the highest standards for use of hazardous substances.

- The CEC has been identified as the ‘executing agency’ for a GEF project to assist Mexico in developing a National Implementation Plan to meet the country’s obligations under the Stockholm Convention on Persistent Organic Pollutants.
- The capacity building stage for a trinational POPs biomonitoring project under the environmental monitoring and assessment NARAP is being launched with financial support from the World Bank.
- The CEC is partnering with the World Health Organization (WHO), the International Joint Commission (IJC) and the Pan American Health Organization (PAHO) in the development of the first North American report on indicators of children’s health and the environment, a project that contributes to the global initiative in this area launched at the World Summit on Sustainable Development (WSSD).
- The Secretariat has also been active in its discussions with other multilateral financial institutions and the private sector to explore opportunities for partnership.

Maize and biodiversity

- The CEC hosted three meetings of the Article 13 Advisory Group on Maize and Biodiversity. One meeting was to prepare the symposium that was held in Oaxaca on 11 March 2004. The Advisory Group then met on the following day to start the process of writing key findings and recommendations. Another meeting was held in April in conjunction with the Pew Trust and Fumec (United States-Mexico Foundation for Science) initiatives on gene flow and transgenic maize in Mexico, to assist cooperation between the two projects.
- The public symposium held in Oaxaca was considered successful by many in helping the public understand the major issues and in providing a forum for their comments on the issues. A draft of the Secretariat report was sent to the Parties on 13 May and the final English version of the 10-chapter background document, after comments from the Parties are addressed (these comments can be found on the CEC web site), will be made available prior to the Council meeting. The process took longer than expected because of the controversy surrounding transgenics in general, and more particularly, on transgenic maize in Mexico. The Advisory Group did much to resolve the atmosphere of controversy surrounding the topic and promote a constructive debate.

2 Achieving CEC goals

Goal 1: Foster understanding of the state of our environment, and its relation to the North American economy

Objective A: The public and the Parties have improved understanding of the state of and outlook for the North American environment and its relation to human and ecosystem health

Facilitating data harmonization and information sharing and promoting integrated monitoring across North America to foster a better understanding of the current status of the North American environment

North American partnerships for environmental information

Opportunities for collaboration with major environmental information initiatives in North America have strengthened the common use of standards and protocols. The North America Atlas Frameworks resulted from the shared common interests in using maps to characterize and portray the North American environment, places, and people; enhancing data harmonization and information sharing. As a first step, a new map of North America was developed through cooperation between the CEC and the federal mapping programs in Canada, Mexico, and the United States. The new North America map is an essential reference, carefully constructed and integrated to provide a reliable framework for future mapping efforts, designed to enhance access to environmental information.

PRTR

The *Taking Stock 2001* report is completed and will be released on 2 June 2004. A special feature report, *Taking Stock: Toxic Chemicals and Children's Health in North America*, has been prepared in draft and put on the CEC web site for public comment. An expert panel will be convened to review the draft, which will then be revised and updated with a view to publication in late 2004. Work is continuing to improve the comparability of PRTRs in North America. Specific attention is being given to the mining sector at this time.

Air

Exchanges among air quality managers within North America. The CEC supported the participation of Mexican government air quality professionals in attending two North American meetings on air emissions inventory development in 2004.

Enhance air monitoring capacity in Mexico. The CEC co-sponsored with Semarnat a November 2003 meeting in Mexico on a national air monitoring network and supported the participation of air monitoring experts from Environment Canada and Mexico.

Mexico National Air Emissions Inventory. The final 1999 air emissions inventory for the six northern Mexico states was completed in May 2004 based upon revisions after a public comment period on the draft inventory. Further work is now underway to extend the inventory to the rest of the country, with completion targeted for the end of 2004.

Report on air emissions from electric generating stations. The CEC compiled publicly available 2002 air emissions information from electric generating stations in Canada and the United States and is in the process of collecting similar information from Mexico. A draft report based on this information will be developed by mid-2004 and provided to the governments for review.

Electronic linkages among air inventories. In March 2004, the CEC received the final report assessing the potential for electronically linking and accessing remote databases containing North American air emissions information. Initial results had been presented at a North American workshop on Innovative Methods for Emission Inventory Development and Evaluation in October 2003.

Methodologies to assess exposure to vehicle exhaust. In September 2003, the CEC air project organized and facilitated the second Workshop on Methodologies to Assess Vehicle Exhaust Exposure. The two-day workshop, held in Montreal, brought together experts from all three countries to discuss and draft a review paper on best practices in evaluating population exposure to air pollution along major traffic corridors and at congested border crossings. A review paper on the "state of the science" in exposure assessments based on the workshop discussions is currently in preparation and will be submitted to a peer-reviewed journal.

Best available technologies for air pollution control. The CEC held a November 2003 workshop in Montreal on best available technologies for air pollution control. A project team developed a series of case studies for training air quality permit engineers to evaluate control options for new and existing sources, with an emphasis on how to access available information and experiences from North America and elsewhere.

Overview of air quality management systems in North America. The CEC circulated a draft report on air quality management systems in North America to the governments through the North American Air Working Group for review and comments. Final comments were received in April 2004, and the report is now undergoing revision.

Assessing the impacts of environmental degradation on human and ecosystem health in North America and disseminating assessment results to decision makers and the public

Children's Health and the Environment

Significant progress has been made toward completing the first report on indicators of Children's Health and the Environment in North America, as directed by Council Resolution 03-10. A successful experts' meeting was held in March 2004 to obtain input on a first draft, and a revised draft will be circulated for public comment in mid-2004. The report is slated for publication in fall 2004. As a collaborative regional effort, it will be the first of its kind worldwide and represents a contribution to the global children's environmental health (CHE) indicators partnership that was endorsed during the World Summit on Sustainable Development. The indicators report will help establish a baseline for CHE work among the three countries, will identify specific opportunities for improvement in data collection and surveillance systems, and has clear policy applications.

In mid-2003, an Asthma Surveillance Steering Group was formed and a background paper prepared as the basis for an experts' workshop on developing a framework for asthma surveillance. This workshop was held in November 2003, involving governmental officials, researchers and members of the Expert Advisory Board. The workshop had several important results: information exchange among the three countries; agreement on the value of collaboration on childhood asthma surveillance and research, including the notion of a sentinel population; a call for the creation of a dedicated group of experts to help guide the work of the CEC in this area; and a recommended role for the CEC to act as a clearinghouse to share information and expertise and support the network of experts.

The CHE Expert Advisory Board has played an important role in ensuring that children's health issues are incorporated into the SMOC program, largely through direct participation in SMOC meetings and events; in particular: planning for the blood sampling of women of childbearing age to monitor for selected toxic substances under the environmental monitoring and assessment NARAP and involvement in the preparation of the NARAP for lindane.

A draft special feature report in the *Taking Stock* series, which looks particularly at carcinogens and developmental and neurotoxicants of concern to children, has been prepared and released for public comment and will be finalized in late 2004.

Finally, as called for in Council Resolution 02-06, *The Cooperative Agenda for Children's Health and the Environment in North America*, our blueprint for collaborative action to address environmental risks to children's health, has undergone a biennial review. The results of this review are expected to be presented to the June 2004 Council Session to establish a renewed and more focused direction.

Mexico has put in place a new management team that is reassessing CEC-related priorities, including ongoing participation in this work.

Objective B: The environmental effects of liberalized trade are understood, communicated to trade officials and the public, and help inform new Agreements

Developing a strategic plan for the Environment, Economy and Trade Program

A meeting of the [Article] 10(6) Environment and Trade Officials Working Group was held on 10 March 2004, in Oaxaca, Mexico. Government officials from Canada, Mexico and the United States attended the meeting and discussed a list of priority areas proposed by the United States for a CEC strategic plan on trade, economy and the environment. They met on 3 May 2004, in Akumal, on the margins of the Alternate Representatives' retreat, to further articulate the goals and develop a list of common trilateral priority areas of the Strategic Plan, based on the proposed list of areas put forward by the United States, including any additional ideas the Parties may have. The Secretariat prepared a history of the 10(6) group, as well as an annotated bibliography to help support the Parties' deliberations. The US will circulate a revised list of priorities, this time within the format of a strategic plan that reflects the discussions in Akumal to the Parties and Secretariat soon after the meeting. The goal is to get agreement from Council on a subset of priority issues, and then have a statement from Council charging the Alternate Representatives and the 10(6) working group with developing a strategic plan.

Assessing and disseminating findings on environment/trade relationship in a transparent manner

Highlights of the second North American Symposium on Assessing the Environmental Effects of Trade were forwarded to the symposium advisory group and will be available shortly.

Many outreach efforts were conducted, including publication of a special edition of *Trio* detailing the CEC's work in agriculture for the American Agricultural Economics Association annual meeting; a presentation of CEC's assessment work at the International Seminar on Trade and Environment in Mexico City; a presentation at the Day on Trade and Environment in Cancún; participation in the High-level Round Table on Trade and Environment in Cozumel; a presentation at the Workshop on Environment and Trade-related Capacity Building Needs in Latin America; and a presentation at the Cancún Trade and Development Symposium in September.

A report on environmental impacts of the food-processing sector has been drafted and is being reviewed.

An annotated bibliography of the existing trade and environment literature is available on the web.

Agricultural experts throughout North America have been contacted to solicit their interest in being on the advisory group for the next CEC symposium, and to help the CEC develop a list of existing environmental assessments of trade liberalization in various agricultural sub-sectors in North America to help the Parties and the Secretariat choose what other sectors, in addition to maize, beef cattle, and tomatoes, should be studied as per the 2004–2006 Operational Plan.

Communicating NAFTA lessons learned to trade negotiators and world experts

Two "environment first" meetings were conducted: one was on hazardous waste (with the law and policy program); the other was a joint meeting with SMOC on mercury in the Great Lakes.

The CEC hosted a meeting in Ottawa with Environment Canada and the Department of Foreign Affairs and International Trade to exchange our respective results and to start identifying areas of improvement.

Following a request from the Mexican government, information was provided on the coffee and palm projects leading to green trade in North America.

Goal 2: The CEC serves as a catalyst for improving domestic law and policy, and for enhancing environmental enforcement and compliance in North America

Objective A: The Parties strengthen their cooperation in the development, improvement and dissemination of information about environmental laws, policies, standards and technical requirements

Improving the understanding of regulatory and technical requirements, experiences and management techniques in selected sectors

The CEC has finished an outline of its freshwater project. The project will highlight a range of successful water quality practices in Canada, Mexico and the United States and bring together interested stakeholders and governmental agencies in each country in order to learn from one another's experiences. It was finalized after extensive input from the three governments.

Ensuring that online information about North American environmental laws and policies is up-to-date and easily accessible

The Secretariat is working with the National Center for Manufacturing Sciences in the United States and private sector partners in Canada and Mexico on a prototype web-based border center that will supply trilateral compliance assistance information on the import and export of substances and wildlife regulated because of environmental concerns. The prototype system will be reviewed by the governments to determine whether it should be part of a "Green Customs" initiative (see below).

Improving the coordination of environmentally sound management and tracking of transboundary hazardous waste in North America

The Secretariat is making steady progress in the execution of Council's directive regarding management of hazardous waste. The draft report on opportunities to improve the tracking of transboundary hazardous waste shipments in North America was completed in January. Comments were received from the governments, an industry broker, the State of Texas, and two members of the public. The report will be finalized in June. The Parties have been working with the Secretariat on a follow-up report that will identify the interoperability potentials of the countries' hazardous waste databases and tracking systems under consideration.

Additionally, a priority wastestream of common concern has been identified, and an outline of steps for the environmentally sound management of spent lead acid batteries has been developed for the review of the Parties.

Third, a draft report on hazardous waste capacity building needs in Mexico was completed and is being reviewed by Semarnat.

Objective B: The Parties enhance compliance with, and enforcement of, their environmental laws and regulations

Providing a forum for Parties and stakeholders to confer on issues of common concern

The North American Working Group on Environmental Enforcement and Compliance Cooperation (EWG) has finalized its strategic plan and is scoping out initiatives on vessel pollution: training for judges in collaboration with the IUCN, the Judicial Institute, Pace University, and the three bar associations and is developing a possible effort in the area of "Green Customs." EWG will review and determine whether to continue with the Secretariat's work with the National Center for Manufacturing Sciences in the US and private sector partners in Canada and Mexico on the prototype web-based border center (cited above)

that will give trinational import and export compliance assistance information on regulated substances and wildlife.

The Secretariat also worked with Environment Canada to bring together intelligence officers, analysts, seasoned investigators with limited intelligence awareness, and high-level managers with enforcement supervisory duties, of the three countries in order to discuss the value and accomplishments of an integrated intelligence unit within an enforcement service. Attending were intelligence research specialists from the Office of Law Enforcement of the US Fish and Wildlife Service, wildlife officers and special investigators from the intelligence unit of Environment Canada's Wildlife Enforcement Division, law enforcement specialists from environmental agencies of different provinces in Canada, inspectors and directors from the Wildlife Branch of Profepa and an analyst from the Mexican Federal Police.

The Secretariat also finalized a publication on strategies to combat the illegal trade of ozone depleting substances in North America and has completed a draft report on illegal wildlife trade in North America.

Goal 3: Mobilize international cooperation to resolve critical North American environmental issues

Objective A: North America's biodiversity is conserved and used sustainably

Implementing the Biodiversity Strategic Plan through collaboration and cooperation

In June 2003, the CEC Council adopted the Strategic Plan for North American Cooperation in the Conservation of Biodiversity. This represents a landmark of cooperation among the three countries to protect our shared natural heritage. Under this plan, the Biodiversity Conservation Working Group (BCWG) identified 12 priority areas for action (Mexico City, September 2003) and the targets to implement the first five-year action plan.

During 2003–2004, work has moved from the North American scoping stage to continental- and regional-scale¹ planning, implementation and evaluation of various projects. Existing and past initiatives, such as the North American Bird Conservation Initiative (NABCI), Species of Common Conservation Concern (SCCC, marine and terrestrial), the North American Marine Protected Areas Network, and other program-related work, were considered by the BCWG as core elements for the first five-year action plan.

A mechanism to monitor the implementation and evaluate the effectiveness of the Strategic Plan is currently being developed.

Promoting cooperation for the conservation and maintenance of North American regions of ecological significance

North American Marine Protected Areas Network (NAMPAN)

¹ CEC Priority Conservation Regions: 1. Arctic Tundra/Archipelago; 2. Arctic Coastal Tundra/North Slope; 3. Bering Sea to Baja California/Gulf of California Coastal/Marine Systems; 4. Yukon/Yellowstone/Sierra Madre Corridor; 5. Prairies/Chihuahuan Desert Corridor; 6. Northern Forests/Softwood Shield; 7. Great Lakes/St. Lawrence Lowlands; 8. Greater Gulf of Maine/Coastal/Marine System (Nova Scotia to New England), Gulf of St. Lawrence/Grand Banks; 9. Chesapeake Bay; 10. Southern Appalachians; 11. Rio Bravo/Laguna Madre Corridor; 12. Transverse Neovolcanic Belt; 13. Maya Reef and Southern Florida Coastal/Marine Systems; and 14. "Selva Maya," Tropical Dry and Humid Forests.

Publications on marine ecoregions of North America and the Bering Sea to Baja California (B2B) Priority Conservation Region are nearing completion. The B2B information has been integrated into the CEC Geographical Information System (GIS), linking the Marine Priority Conservation Areas to the 2004 IUCN's World Database of Protected Areas and Marine Ecoregions.

Based on the B2B Priority Conservation Areas (PCA), the Marine Ecoregions classification system, and the Marine Protected Areas (MPA) management effectiveness project, stakeholders from the three countries agreed on a common framework and criteria to select "sister sites" to implement a pilot network of marine protected areas (NAMPAN) in the B2B region (Ensenada, 23 January 2004). Subsequently, stakeholders developed an action plan (San Francisco, 24–26 March 2004) for each project, which will start this year.

Grasslands Ecosystem Network (Grassnet)

In collaboration with The Nature Conservancy, a trilateral advisory group has been established to build the grasslands framework and jointly agreed to the terms of reference for guiding collaborative work. Moreover, in collaboration with **CEC's Environment Economy and Trade program**, a survey was carried out to assess whether ecolabeled, grass-fed cattle or bison have sufficient market potential to be used as part of a framework to conserve the grasslands, which are considered among the most threatened terrestrial ecosystems of North America.

Supporting decision makers

The above-mentioned grasslands information produced through the CEC, and in particular the issues and needs assessment developed in CEC's grasslands conservation framework <www.cec.org/pubs_docs/documents/index.cfm?varlan=english&ID=1246> has provided the basis for the three North American wildlife and parks agencies to create a common cooperation agenda for grasslands conservation in their trilateral meeting (Calgary, May 20).

Promoting the conservation of North American migratory and transboundary species, and other species identified by the Parties

Marine and Terrestrial Species of Common Conservation Concern

At the beginning of 2004, key stakeholders from the three countries developed a common North American Conservation Action Plan (NACAP) framework and criteria for species' selection (Ensenada, 21–22 January 2004). Subsequently, marine species experts from North America developed NACAPs (San Francisco, 24–26 March 2004) for the first three species selected: leatherback sea turtle, the humpback whale, and the pink-footed shearwater. These documents are presently undergoing broad peer review. Furthermore, a species book is in its final stages of editing and translation, and the distribution maps for all the Species of Common Conservation Concern (SCCC) have been linked to the terrestrial and marine ecoregions maps.

Assessment of the conservation status of birds

The second of four workshops took place to assess the conservation status of birds of Central Mexico. The assessment for all birds in Mexico will be completed in 2004 and the information pooled with that existing for Canada and the United States. The overall result will be the first assessment of the conservation status of all birds in North America. The CEC provides the core support together with partners, including Mexico's NABCI, Conabio, *Instituto Nacional de Ecología* (INE), *Dirección General de Vida Silvestre* (DGVS), as well as the Cornell University Laboratory of Ornithology (CLO), Rocky Mountain Bird Observatory (RMBO), Partners in Flight (PIF) and Conservation International (CI). This is a necessary foundation to develop a continental-scale bird monitoring undertaking, e.g., for CEC's mandated state of the environment reporting.

Monitoring of birds

To further enhance the ability to monitor birds in North America the CEC, in coordination with the USGS and NABCI, carried out a compilation of bird monitoring initiatives in all three countries. The resulting information shall be of use in developing Mexico's first intersectoral national bird monitoring initiative. Moreover, the report on Mexico's state of knowledge on the effects of toxics on Mexican birds identified links between pesticides, persistent organic pollutants (POPs) and heavy metals, correlated with bird populations and habitats in Mexico. This report was developed in close collaboration with **CEC's Pollutants and Health program** and the resulting information was tabled at the meeting of the Trilateral Committee for Wildlife and Ecosystem Conservation and Management (Calgary, 17 May 2004), to define needs and possible solutions based on trilateral collaboration between Canada, Mexico and the United States.

Importance of Pacific and Grassland regions to birds

In support of the North American Marine Protected Areas Network (NAMPAN) initiative, the CEC and Bird Studies Canada developed a study that identified areas critical to birds for their breeding, wintering, migration or year-round range along the Pacific coast of North America This study is being reviewed and will be posted in BSC's web site and linked to the CEC's site. It follows a similar CEC-supported study on the importance of grasslands to North America's avifauna, currently used for building CEC grasslands initiatives and accessible at <www.bsc-eoc.org/grassbirds rpt.html>.

Facilitating data and information sharing across North America and promoting integrated monitoring and assessment to increase understanding of the state of North American biodiversity

To directly support the CEC marine and grassland initiatives that work with species and priority conservation areas, a searchable and interoperable database was created. This database provides cross-linked information on: marine ecoregions, organizations, species information, including range maps, Priority Conservation Areas, Important Bird Areas, countries, states and major cities. The database is expandable and comprises information that will be linked to the North American biodiversity tool, the *Who's Who Directory*, in support to the NAMPAN implementation.

The partnership to monitor the ferruginous hawk, a species of common conservation concern, was increased to 15 organizations. The results were posted at <<http://www.ferruginoushawk.org/>>. Due to the close association of this species to the grasslands, the results from this mid-term project will provide guidance to identify priority conservation areas. Moreover, the Ferruginous hawk is also considered an indicator species of the well-being of the ecosystem, hence its eventual expected contribution toward CEC's SOE. Since 2003, sixteen individual ferruginous hawks have been captured and satellite-telemetered: eight in Mexico, four in Canada, and four in the United States. The map, found at <www.ferruginoushawk.org/research/flash_map_all.html>, publicly displays the current location, or last known location of the study birds. Identifying wintering and breeding areas of these populations throughout its range limited to Canadian, Mexican and US grasslands is assisting, among other initiatives, coordination and cooperative efforts for the recovery and conservation of the species and its ecosystem.

Facilitating communication, networking, and identification and sharing of best practices, priorities, and opportunities for education and training

In view of the importance of sharing ongoing work and the results with the citizenry of North America, four information and education efforts have taken place:

- Traveling exhibit. After its opening by Council (Washington, June 2003) the CEC-led traveling exhibit, "Janos and the Grasslands of North America," was presented in the Desert Museum, Chihuahua, Mexico (September 2003), in Mexico City (January 2004), and is now scheduled to be presented in Calgary, Canada, in summer 2004.
- The printed media reported on the first three species selected to focus trinational attention.
- A web site has been created with various partners, to inform and educate a larger public about ongoing ferruginous hawk monitoring at: <<http://www.ferruginoushawk.org/>>.

- In support of NAMPAN and Marine NACAP, more than 700 marine scientists throughout North America are collaborating through CEC's *Marinet*, a web-based working environment.

Promoting collaborative responses to threats facing North American ecosystems, habitats and species

Threat analysis for Marine Species of Common Conservation Concern

A threat analysis report for the 16 Marine Species of Common Conservation Concern is under development. The initial CEC report has been submitted and used to develop the first three NACAPs. It includes recommendations for trilateral collaboration, like the identification of possible impacts of contaminants (pesticides, POPs and heavy metals) on bird populations.

Aquatic invasive species

An analysis of the potential ecological and economic impacts of invasive algae in the B2B region is underway. As part of CEC's commitment to public participation, the Conservation of Biodiversity program, in coordination with the **Joint Public Advisory Committee (JPAC)**, held a round table on invasive species to identify best practices in legislation, policies and management options to prevent and control alien invasive species (AIS) across North America (San Diego, December 2003). As a result of this round table, JPAC issued an Advice to Council on 9 January 2004, which included the following recommendations: 1) make this issue a very high priority for the CEC and champion action on this urgent issue; 2) direct the Secretariat to focus trilateral efforts on developing the appropriate tools to determine acceptable levels of risk and scientific uncertainty and develop policies to support and promote an understanding within the North American constituency of the "cost of doing nothing"; and 3) promote the importance of harmonizing national, regional and local inventories and databases within North America.

Based on the I3N format,² the CEC has developed a directory of projects, institutions and experts working on aquatic invasive species in Canada, Mexico and the United States. This tool was among the two priority actions identified, for immediate implementation. The "Who's Who" directory is a web-based tool aimed at supporting decision making, planning and management, as stated on CEC's Strategic Plan for North American Cooperation in the Conservation of Biodiversity. This electronic tool provides up-to-date, accurate information and will facilitate communication, networking, identification and sharing of best practices. The Who's Who directory can be found temporarily at: <<http://63.246.6.17>> and will be available to the public through CEC's web site.

Objective B: North American environmental, economic and trade policies are mutually supportive

Promoting renewable energy and energy efficiency in North America

The Secretariat responded to the Parties' comments on the second version of the paper, *Market-based Mechanisms for Carbon Sequestration, Energy Efficiency and Renewable Energy in North America: What are the Options?* The CEC published this paper in NAFTA's three official languages.

Proceedings of the July Technical Meeting on Approaches to Estimating Environmental Benefits of Renewable Energy and Energy Efficiency, hosted by EPA, were transmitted to the Parties for approval. The CEC has pursued ongoing work with the technical working group on the estimation of environmental benefits from renewable energy and energy efficiency. The CEC was invited to participate in a dialogue organized by the WRI on Communicating Environmental Value: a Dialogue about RECs in the Marketplace, in New York (22–23 January).

² The I3N Cataloguer has been developed by IABIN, to assist in the inventory of invasive species data and information. See <<http://www.iabin-us.org/>>.

A database has been set up with an interactive map showing the capacity of each province or state for producing renewable energy, or that already installed or in the planning stages.

A presentation on the CEC's work on renewable energy, energy efficiency, and financing and the environment was presented at the conference on Corporate Social Responsibility for the Energy Industry during July, in Houston, Texas, and at the Energy Border Meeting in Austin, Texas (23–24 October).

The CEC sponsored a Canadian stakeholder meeting related to the formation of the North American Association of Issuing Bodies (NAAIB) in Toronto, Ontario (1 October), and a conference on Forging North American Energy Security in Monterrey (1–2 April 2004).

The CEC was invited to participate in the WGA North American Energy Summit for a Secure Energy Future, in Albuquerque, New Mexico (14–16 April 2004).

Fostering understanding of environmental labeling

A draft report describing available Mexican eco-labels, lists, and other means that could be used to support procurement policies is ready, as are the draft reports on the best examples of green procurement policies supportive of development of NAGPI recommendations to the Parties. The background paper comparing the economic and environmental impacts of different definitions of environmental goods and services in the current WTO negotiation has been released.

Encouraging disclosure of relevant environmental information

Following earlier collaboration with the UNEP-sponsored Financial Initiatives—North American Task Force (NATF), the CEC participated in the NATF meeting in New York, on 25 September 2003. It was decided to formalize the relationships between UNEP and the CEC on this initiative through a MOU.

Three papers were commissioned by the CEC, in collaboration with Environment Canada, on documenting the business case for disclosure of environmental information, on how financial analysts view and use environmental information, and on best practices for environmental disclosure in the mining sector.

The CEC released the joint CEC and Environment Canada report, *Linking Environmental Performance to Business Value: a North American Perspective*. The memorandum of understanding with Environment Canada that leads the network of financial practitioners in North America, and the MOU with UNEP on the North American Task Force of the UNEP financial initiative have been signed. One of the products of the memorandum signed with Environment Canada is a draft report on disclosure of environmental information in the mining sector.

Fostering green procurement in North America

The second annual meeting of NAGPI was hosted in Montreal on 19 September. Proceedings have been translated and posted on the web. Based upon the philosophy expressed in the Council's 2003 Communiqué, NAGPI has developed a list of three products the Parties could focus on to maximize their environmental impacts using existing tools.

Promoting increased trade in environmentally preferable goods and services (update on work undertaken in 2003)

A newspaper-like publication on the CEC's work on trade in environmentally preferable goods and services, titled "Greening Trade in North America," was distributed to stakeholders and won a design prize.

Results of the CEC's work were presented at the Green Industry Network in San Francisco in October, and at two panels sponsored by the CEC on green procurement and environmental goods and services at the Sustainable Trade Symposium in Cancún.

The CEC released a study of the trade in environmental goods and services among North American countries and with the rest of the world. A report has been drafted on the economic and environmental impacts of various definitions of environmental goods and services, with a focus on Mexico.

The CEC hosted a meeting in Cancún on 8 September on Chamaedorea Palms in the Floral Trade: Promoting Environmental Sustainability and Social Equity through Strategic Alliances between Producers and Christian Congregations—A Workshop. Participants included producers, certifiers and exporters of palm fronds, and representatives of church groups. The workshop participants decided that a pilot purchase project between church groups and producer groups had merit. The proceedings of the workshop were subsequently published and the pilot project was initiated.

The CEC and *Fomento Ecológico Banamex* hosted a meeting on 4 August in Oaxaca to assess interest on the part of industry, producers and certifiers, in a Pilot Fund for the Sustainable Management of Biodiversity in coffee production areas. The participants supported the need for the fund. Civil society groups involved with coffee, the industry, and *Fomento Ecológico* are developing granting criteria jointly to operate the fund. In a follow-up meeting, an executive director was hired for the *Consejo Mexicano del Café Sustentable* to develop criteria, in a participatory, bottom to top, transparent way for the allocation of the fund.

Under review is the North American Market Study (NAMS) for grassland-fed and organic bison and cattle, highlighting awareness of the link between these animals and prairie biodiversity, and studying the public's willingness to pay for meat from these animals. If there is suitable willingness to pay, a program similar to shade coffee could be developed and grass-fed animal market could become a means to help protect the prairies.

Objective C: The Parties and stakeholders work together to prevent, reduce or eliminate the adverse effects of selected forms of pollution on human and ecosystem health in North America

Facilitating the development and implementation of North American strategies and actions to protect human health and the environment

Sound Management of Chemicals (SMOC)

In keeping with the CEC's Ten-year Review, and in attempting to maximize utilization of limited resources, a document describing possible "future directions" of the SMOC program was posted for public review. Comments have been incorporated and recommendations developed. The document has been submitted to Council for their consideration.

The SMOC program continues to promote and foster linkages with other CEC and national initiatives of an interdisciplinary nature. The chairperson of the Expert Advisory Board to the **CEC's Children's Health and Environment initiative** participated in the lindane public meeting in Alaska. The CEC Enforcement Working Group is engaged in actions regarding the transborder shipment and trade of illegal pesticides such as lindane and chlordane. A report submitted by the **North American Bird Conservation Initiative** includes collaboration with SMOC program toxics initiatives.

The SMOC program is a forum of significant interest to the public and other stakeholders in North America due to its emphasis on recognized toxic substances combined with its open and transparent participatory dialogue. Enhanced participation of indigenous peoples and children's health experts has been successfully implemented.

In fulfilling the mandate of Council Resolution 95-05, SMOC promotes the development, implementation, and effectiveness monitoring of eight North American Regional Action Plans (NARAPs) or alternative actions to address toxic substances priorities.

The chlordane NARAP is completed with the successful elimination of further uses and deregistration of chlordane as a licensed pesticide. The Enforcement Working Group and SMOC will cooperate in validating reports of illegal importation. The Environmental Monitoring and Assessment Standing Committee will consider future environmental monitoring and NARAP compliance auditing requirements.

The PCB NARAP actions have been addressed. Close out of the PCB Task Force has encountered some minor setbacks and is currently scheduled for completion by fall 2004, pending a final review of the close out report by PCB Task Force members and the SMOC Working Group.

The mercury NARAP is currently being implemented through prioritization of the approximately 85 actions approved by Council in 2000. Installation of two mercury deposition sampling sites in Mexico now extends the Mercury Deposition Network to all three countries. North American atmospheric mercury modeling initiatives are being significantly enhanced with the new data. Linkages to the UNEP Global Mercury Initiative have been forged by the invited participation of the SMOC program manager to UNEP's first Subregional Awareness Raising Workshop in southeast Asia, a significant source of mercury emissions to North America.

The environmental monitoring and assessment (EM&A) NARAP was developed to ensure that appropriate scientific monitoring and assessments are incorporated into the implementation of approved NARAPs. The EM&A Standing Committee performs an auditing and compliance verification role and provides advice to other NARAP initiatives concerning uniform, quality assured, quality controlled data collection and reporting. Currently the Standing Committee is providing guidance and advice on a human blood biomonitoring study in Mexico, co-funded by the World Bank, which will form part of a North American baseline database of human blood contaminant levels.

The draft Phase I of the NARAP on dioxins, furans and hexachlorobenzene has been revised by the Task Force based on comments received from the six-week public comment period. Phase 1 emphasizes information gathering and capacity building prior to the development of Phase 2 that seeks to advance specific risk reduction initiatives. Phase 2 work will begin in 2004, in parallel with implementation of Phase 1, and conclude in 2007. These actions include: developing a dioxin source inventory for Mexico; completion of a study design for a dioxin ambient air monitoring network in Mexico similar to monitoring efforts in the US and Canada; and the establishment of a dioxin analysis training project between Mexico and Canada. Working through the monitoring and assessment task force, a project is currently underway looking at dioxin blood serum levels in Mexico, Canada, and the United States. A pilot project in Mexico looking at historic trends of present pollutants in lake cores has been completed. This project will be expanded to look at dioxin-like compounds, with the US providing the analytical chemistry support.

The lindane NARAP is currently under development. The Lindane Task Force has successfully completed two public consultation meetings, in Mexico and Alaska. Preliminary discussions suggest that residues from production of lindane, undertaken outside of North America, may be impacting the North American environment. The Task Force has also noted the need for improved record keeping for transborder trade of pesticides in Canada, Mexico and the United States. The Lindane Task Force has been fortified by the addition of representatives from indigenous peoples groups from each the three countries as well as experts on children's health and the environment. The final draft of the lindane NARAP is scheduled for completion in June of 2005.

The Lead Decision Document has been completed and Council is asked to consider the recommendations therein. The Substance Selection Task Force has recommended that the trinational concerns for lead be addressed through incorporation of targeted actions into already existing CEC programs. Development of a full NARAP was not recommended, as many actions would fall under previously established abatement programs of the Parties in domestic legislation or other multilateral programs.

Activities under the Regional Program of Action and Demonstration of Sustainable Alternatives for Malaria Control in Mexico and Central America Without the Use of DDT (PAEDDT) are being funded jointly by the Global Environment Facility (GEF), the Pan American Health Organization (PAHO) as the executing agency, the United Nations Environment Programme as the implementation agency and the CEC. The total amount for the PAEDDT is US\$13.9 million. The US\$7.5 million GEF contribution is under PAHO's administration. CEC has participated in the second meeting of the Program's Steering Committee held in November 25 last year, at PAHO headquarters in Washington, DC. It is planned to hold a meeting with the Technical Committee of the project in Oaxaca, Mexico, on 24–28 May of this year in order to start activities in the eight participating countries.

Some preliminary data show the benefits of stopping the use of DDT to control malaria since 2000. DDT in blood of children living in malaria zones in Oaxaca and Chiapas is now 55 percent lower than in 2000. Surveys have been done on the impact of DDT in wildlife and the environment. They show that the changes in level of accumulation and magnification in different coastal trophic levels (including crabs, fish and birds), soil and sediment impacts are still poorly understood.

The advances on the DDT NARAP were presented to the SMOC Working Group at its February meeting in Mexico City. It is anticipated that further work will continue under the GEF project. The work and experience of the DDT Task Force may serve during the operational phase of the GEF project.

A meeting is proposed with World Health Organization, Africa Regional Office, to share experiences in the framework of the GEF project. This interchange can provide a way to disseminate the experience gained in Mexico.

EMS

In June, the Secretariat submitted to the Parties a proposed outline of the review of successful practices by small and medium size business in environmental management systems. In addition, the Secretariat led panel discussions on the CEC EMS project with Environmental Health and Safety Managers in January and May.

Air strategy

The North American Air Working Group (NAAWG) met with the Joint Public Advisory Committee (JPAC) on 10 March 2004, in Oaxaca to review and discuss the NAAWG draft strategic framework. The public comment period on the draft strategic framework ended 12 April 2004 and the CEC posted all public comments (8 total) on its web site. NAAWG is now finalizing the framework prior to the June 2004 Council Session.

Children's Health and the Environment

As called for in Council Resolution 00-10, a biennial review of the *Cooperative Agenda on Children's Health and the Environment in North America*, is being prepared. It will include potential five-year goals for the initiative as well as opportunities for improvement. Please refer to Goal 1 for information concerning the indicators project.

Fostering private sector actions to adopt sound approaches to environmental protection and conservation

As of April 2004, the *Fondo para proyectos de prevención de la contaminación* (Fiprev) had granted 71 loans totaling approximately US\$1,821,000 since the beginning of the pollution prevention initiative. It is estimated that these loans have prevented nearly 2,800 tonnes of chemicals per year from entering the environment, for a total of 7,450 tonnes since the first Fiprev-funded project was implemented. Approximately 155,700 cubic meters of water are being conserved annually, for a total of 409,000 cubic meters since the inception of the program. Savings for the participating companies will henceforth amount to around US\$1,393,000 each year—a total of more than \$2.96 million to date. Although CEC no longer contributes financially to Fiprev, the *Fundación Mexicana para la Innovación y Transferencia de Tecnología en la Pequeña y Mediana Empresa* (Funtec) has asked the CEC's Mexico Liaison Office to continue sitting on the fund's management and technical committees.

On April 20th, a meeting was held between the North American Pollution Prevention Partnership (NAP3), representatives of the electronics industry in the region, NGOs and federal officials from the three NAP3 countries, to discuss the Electronics Toxics Reduction Challenge document that was circulated by NAP3 to the participants in advance to the meeting, and to explore opportunities for partnership, further development of the challenge, and to discuss next steps. Agreement was reached to move forward with the project concentrating on: upstream issues and not downstream/recycling issues; companies that do not sell their products outside North America and supply chain companies; benefits to participating companies; and operation of the challenge, including such issues as the means for companies to self declare. The industry agreed also in designating a delegate to work with NAP3 on this project.

The document, *Moving Forward with Pollution Prevention in North America: A Progress Update*, prepared by the North American Pollution Prevention Partnership, is finished and the consultation process with the Parties has started in order to define the following steps to be taken to be eventually published. The document consists of an update of the report, entitled *Status of Pollution Prevention in North America*, published by the CEC back in 1996.

Goal 4: The CEC will provide a forum for public dialogue and participation concerning environmental issues of common concern in North America

Objective A: The North American public and NAAEC Parties view the citizen submission process as a useful and valuable mechanism for enhancing enforcement of and compliance with environmental law in North America

Since June 2003, the Secretariat has received three new submissions, issued eight determinations under Articles 14(1) and (2), recommended three factual records, initiated two new factual records upon instructions from Council and published four factual records. With six factual records published in 2003, out of a total of nine factual records in the first ten years of the NAAEC, and an average number of new submissions, the Secretariat's workload in 2003 was relatively high. Nonetheless, the Secretariat and Council continue to make progress on the timeliness of the process. In 2003, the Secretariat also made several presentations regarding the process in response to invitations from the academic community, bar associations and other groups from all three countries. The Secretariat met with its Special Legal Advisors in conjunction with the 2003 Council Session and again in January 2004. The SEM Unit also participated in the JPAC session in October 2003 on the scope of factual records and review of Council Resolution 00-09, making clear that its role was not to advocate a particular position before JPAC but to provide information regarding the process relevant to JPAC's reviews. These efforts have all contributed to promoting knowledge and awareness of the SEM process; maintaining a commitment to timeliness; ensuring rigor and objectivity in the SEM process; and, through factual records and processing of

submissions, making information available to submitters, governments and other stakeholders for use as they deem appropriate. A more detailed status update is provided below.

Article 14 Submissions Status

Pursuant to Council Resolution 04-03, the Secretariat began development of a factual record for the **Ontario Logging/SEM-02-001**. In addition, the Secretariat is in the process of developing three other factual records, and awaiting Council's vote on whether a factual record is warranted for the **Montreal Technoparc/SEM-03-005** submission.

The status of the eleven submissions under review as of 20 May 2004 is as follows:

Awaiting Council's comments on a draft factual record:

- 1) **Molymex II/SEM-00-005** (concerning Mexico's enforcement in relation to air quality and environmental impacts of a molybdenum processing plant). On 17 May 2004, the Secretariat submitted a draft factual record to Council, for a 45-day comment period on the accuracy of the draft.

Draft factual records in development

The following three draft factual records are being developed as instructed by Council:

- 1) **Tarahumara/SEM-00-006** (concerning Mexico's enforcement in relation to access to environmental justice by indigenous communities).
- 2) **Pulp and Paper/SEM-02-003** (concerning Canada's enforcement of s. 36(3) of the Fisheries Act and provisions of the Pulp and Paper Effluent Regulations in regard to ten mills in Ontario, Quebec, New Brunswick, Nova Scotia and Newfoundland).
- 3) **Ontario Logging/SEM-02-001** (concerning Canada's enforcement of section 6(a) of the Migratory Bird Regulations against the logging industry in Ontario).

Council vote pending, following notification that a factual record is warranted:

- 1) **Montreal Technoparc/SEM-03-005** (concerning Canada's enforcement of its federal Fisheries Act against the City of Montreal in regard to the discharge into the St. Lawrence River of toxic pollutants from the city's Technoparc site). On 19 April 2004, the Secretariat informed the Council that the Secretariat considers that the submission warrants the development of a factual record. The Council, by a two-thirds vote, may instruct the Secretariat to proceed with the preparation of a factual record.
- 2) **El Boludo Project/SEM-02-004** (concerning Mexico's enforcement of its environmental laws with respect to the El Boludo mining project). On 17 May 2004, the Secretariat informed the Council that the Secretariat considers that the submission warrants the development of a factual record. The Council, by a two-thirds vote, may instruct the Secretariat to proceed with the preparation of a factual record.

Determination pending whether a factual record is warranted under Article 15(1):

- 1) **Ontario Power Generation/SEM-03-001** (concerning Canada's enforcement of its environmental laws with respect to Ontario Power Generation's coal-fired power plants).

- 2) **ALCA-Iztapalapa II/SEM-03-004** (concerning Mexico's enforcement of its environmental laws with respect to a citizen complaint filed with the Office of the Federal Attorney General for Environmental Protection—Profepa).
- 3) **Cytrar III/SEM-03-006** (concerning Mexico's enforcement of its environmental laws with respect to a hazardous waste landfill owned by Cytrar, S.A. de C.V. in Sonora, Mexico).
- 4) **Lake Chapala II/SEM-03-003** (concerning Mexico's enforcement of its environmental law with respect to the Lerma-Chapala-Santiago-Pacífico basin).

Awaiting receipt of a revised submission that meets the criteria of Article 14(1):

- 1) **Hazardous Waste in Arteaga/SEM-04-001** (concerning Mexico's enforcement of the LGEEPA and hazardous waste regulations in connection with three companies in Arteaga). On 20 April 2004, the Secretariat once more dismissed the submission which was submitted for a second time on 16 March. Because the reason for disallowing the submission is different from the reason for the first dismissal, the Secretariat again granted the Submitters a 30-day period to file a Submission meeting the criteria of Article 14(1).

Historical Background of Submissions

The 32 submissions no longer pending were addressed as follows:

Thirteen submissions have been dismissed on the grounds that they did not warrant further consideration based on Article 14(1) or (2):

Spotted Owl/SEM-95-001
Logging Rider/SEM-95-002
Aage Tottrup/SEM-96-002
CEDF/SEM-97-004
Biodiversity/SEM-97-005
Guadalajara/SEM-98-001
Ortiz Martínez/SEM-98-002
Molymex I/SEM-00-001
Jamaica Bay/SEM-00-003
AAA Packaging/SEM-01-002
Dermet/SEM-01-003
Alca-Iztapalapa/SEM-02-005
Home Port Xcaret/SEM-03-002

Two submissions have been terminated under Article 14(3)(a):

Methanex/SEM-99-001
Neste Canada/SEM- 00-002

Five submissions have been terminated under Article 15(1):

Oldman River I/SEM-96-003
Lake Chapala/SEM-97-007
Cytrar/SEM-98-005
Great Lakes/SEM-98-003
Mexico City Airport/SEM-02-002

One submission has been withdrawn by the Submitters:

Fort Huachuca/SEM-96-004

Nine factual records have been prepared and made public:

Cozumel/SEM-96-001
BC Hydro/SEM-97-001
Metales y Derivados/SEM-98-007
Migratory Birds/SEM-99-002
Aquanova/SEM-98-006
Oldman River II/SEM-97-006
BC Mining/SEM-98-004
BC Logging/SEM-00-004
Rio Magdalena/SEM-97-002

The Council has dismissed two submissions under Article 15(2) following notification from the Secretariat that preparation of a factual record was warranted:

Quebec Hog Farms/SEM-97-003
Cytrar II/SEM-01-001

The CEC will engage and inform the North American public in its programming and operations

The information and analysis produced by the Secretariat equips citizens, industry and government with tools to tackle environmental challenges—whether managing hazardous chemicals, conserving biodiversity or supporting the cooperative development of environmental policy.

To that end, effective communication to target audiences is integral to achievement of the CEC's mission. The Secretariat's communication strategy employs multiple techniques to equip audiences with information products and inform them of the Commission's work, in general.

The preceding 11 months provide several examples.

Publications and Distribution

Production, promotion and distribution of CEC reports and publications continue to grow. To contain costs and extend reach, distribution of Commission publications has been greatly amplified by growing use of the CEC web site. The Secretariat published 268 documents, for a total of 804 in all languages on the CEC web site since the beginning of June 2003. Of those, 19 were major publications or outreach pieces, including volume 16 of our *North American Environmental Law and Policy* series, a study of comparative standards for intensive livestock operations in Canada, Mexico and the United States, and four factual records, as well as *Trio* issues 10–13. Major publications accounted for 54,550 printed copies, the majority of which have been distributed through individual mailings, at conferences and workshops. Additionally, these publications are available for download from <www.cec.org>.

The number of visitors to the CEC web site continues to climb. The total estimated number of discrete visitors in April 2004 climbed to 137,315 from 109,945 in June 2003. This marks a significant increase compared to the 90,342 visitors in June 2002. In addition to growing web site utilization, a large number of persons subscribe to one or more general e-mail distribution lists.

Continuing efforts have been made to enhance the CEC's web presence and utility. CEC events have been promoted on the web sites of other organizations, driving record numbers of Internet users directly to the relevant page(s) on the CEC web site. Users can also navigate the web site with greater ease now, with

the addition of a powerful search engine capable of delivering fast results despite the high volume of documents.

Media Relations

Media tracking indicates a similar year-over-year increase in *earned media*—print and electronic news stories concerning the CEC that have been generated as a result of direct contact and work with journalists in each of our three countries. Notwithstanding the small number of major publications in the preceding year it is instructive to note that strategic media relations efforts contributed to very significant news coverage over the same period. Results include widespread media reports concerning the study, *Health Impacts of Air Pollution on Morbidity and Mortality among Children of Ciudad Juárez*, the ongoing Maize and Biodiversity Article 13 report, and the initiative to use market instruments to support sustainable harvest of the chamaedorea palm. Each of these initiatives, for example, has received widespread coverage in some of the leading newspapers in Canada, Mexico and the United States, including the New York Times, Washington Post, Chicago Tribune, Houston Chronicle, El Financiero, El Independiente, and the Globe and Mail.

Public Outreach

The Communications Department has substantially increased the CEC's public profile at trade shows and conferences. The CEC has exhibited and distributed materials at five conferences since June 2003: EnviroPro (México City), Fair Trade Fair (Cancún), the Society of Environmental Journalists (New Orleans), the World Forestry Congress (Québec City), and the Society of Environmental Journalists (SEJ) annual conference—an important opportunity to meet with environmental journalists and develop relationships as Communications positions the CEC as the source for environmental information on North America.

These efforts help identify the CEC and its work and several thousand copies of CEC publications were circulated at these events.

News Releases and Listserv Announcements

Throughout the past twelve months, the Communications Department has coordinated a series of announcements about the Secretariat's publications, programs and meetings, while continuing to disseminate general information about the Commission and JPAC activities. Selected items include:

27/04/2004, Montreal – Secretariat recommends factual record for Montreal Technoparc submission – On 19 April, the Secretariat of the Commission for Environmental Cooperation (CEC) recommended to the CEC Council that a factual record be developed for the Montreal Technoparc submission filed with the Secretariat on 14 August 2003, by five environmental nongovernmental organizations from Canada and the United States.

21/04/2004, Montreal – Online database of sustainable consumption initiatives in North America launched – The Commission for Environmental Cooperation (CEC) today announced with its partners the launch of a new online database cataloguing information about sustainable consumption and production initiatives in North America.

2/04/2004 Montreal – CEC and Rainforest Alliance working to prevent unsustainable harvest of Palm Sunday plants – As Christians prepare to celebrate Palm Sunday this weekend, the Commission for Environmental Cooperation (CEC) and Rainforest Alliance are reminding parishioners about the

unsustainable practices often used to harvest the 30 million chamaedorea palm fronds delivered to Canadian and United States churches.

24/03/2004, **San Francisco – Three wildlife species chosen for trinational protection** – The Commission for Environmental Cooperation (CEC)—an organization created by the NAFTA environmental side accord—today announced the first three wildlife species to be safeguarded under a new trinational effort to protect species of common conservation concern in North America.

11/03/2004, **Oaxaca – Draft report on transgenic maize ready for public comment** – The Secretariat of the Commission for Environmental Cooperation (CEC) released for public comment today a draft of *Maize and Biodiversity: The Effects of Transgenic Maize in Mexico*, an independent report written by many of the world's leading experts. The report was presented before almost 400 people at a symposium here, attended by maize growers, industry groups, academics, environmental and governmental officials.

12/02/2004, **Anchorage – Alaskans consulted on lindane action plan** – Participants at the Alaska Forum on the Environment in Anchorage, Alaska, heard from international experts today about a toxic chemical—lindane—that may adversely affect the development of children and is being found in increasing quantities in the Arctic.

14/01/2004, **Montreal – JPAC provides its advice to the environment ministers on Articles 14 and 15 of the NAAEC and on invasive species in North America** – The Joint Public Advisory Committee (JPAC) of the Commission for Environmental Cooperation (CEC) of North America held its last regular session for 2003 on 4 December, in Miami, Florida, and also participated in the CEC round table on "An Unwelcome Dimension of Trade: The Impact of Alien Invasive Species in North America." The content of this bulletin draws from discussions at those meetings and other sources, as cited.

10/11/2003, **Mexico City – Study supports improvements to Mexican air quality standards** – A new study released today by the Commission for Environmental Cooperation (CEC) suggests that children in the border town of Ciudad Juárez, Chihuahua, are being hospitalized and dying at air pollution levels that are below Mexico's current health standards.

19/08/2003, **Montreal – CEC invites public comment on draft document for lead action plan** – A draft decision document to help determine whether lead should be the subject of a North American Regional Action Plan is now available for public comment.

12/08/2003, **Montreal – CEC releases factual record on Fisheries Act enforcement at Britannia Mine** –The Commission for Environmental Cooperation (CEC) today released a factual record on allegations that Canada is failing to effectively enforce the federal Fisheries Act in regard to acid rock drainage (ARD) from the abandoned Britannia copper mine in British Columbia. The Britannia Mine, which rises above Howe Sound on the road from Vancouver to Whistler, has been called the worst point source of metals pollution in North America.

11/08/2003, **Montreal – CEC releases factual record on enforcement of Fisheries Act regarding logging in British Columbia** – The Commission for Environmental Cooperation (CEC) released today a factual record on allegations Canada did not effectively enforce sections 35(1) and 36(3) of the Fisheries Act in connection with two TimberWest logging operations on its private land in British Columbia.

6/08/2003, **Montreal – International monitoring effort to help save ferruginous hawk and grasslands** – Educators, birding enthusiasts and the public alike can follow the migration of ten ferruginous hawks tagged with satellite transmitters through a new web site launched today at www.ferruginoushawk.org.

22/07/2003, **Montreal – Grants will help communities monitor environment and human health –**
The Commission for Environmental Cooperation (CEC) today awarded C\$664,200 in grants to 17 community-based projects in Canada, Mexico and the United States.

3 Administration and Financial Resources

Financial Resources

The financial audit for 2003 has been completed and the results will be sent to the Parties in June. For the third year, no recommendation was issued by the auditors concerning the internal controls.

We have received the first and second installments of the 2004 contributions from the United States and the first from Canada.

Rationalizing and Streamlining of Reporting

Since 2002, the Secretariat has been laying the foundations of a planning system that would include strategic planning, monitoring, evaluation and reporting. Through the development of the 2004–2006 Operational Plan, the CEC has been able to clarify its goals, objectives, targets and actions. This in turn makes it possible to begin to develop the simple approaches and information collection methods for tracking and reporting on results. This year, in consultation with the Parties, the Secretariat will undertake to review the various reporting mechanisms that are currently in place to ensure they are streamlined and address Parties' requirements. As part of the analysis, the Secretariat will take into account such elements as objectives, users, content, frequency and timeliness. The purpose is to communicate the "right" information at the "right" time. The Secretariat will also seek to integrate in the same report progress on work program against utilization of financial resources.

Human Resources

The recruitment for the French editor replacing Diane Colucci has been completed and Ms Johanne David was selected.

The recruitment process for the position of program manager for Pollutants and Health has been completed and Luke Trip was selected.

The recruitment for the position of Information Manager is in process.

4 The North American Fund for Environmental Cooperation (NAFEC)

The Selection Committee of the North American Fund for Environmental Cooperation (NAFEC) met in June 2003 in Washington, DC, to approve grants for projects focusing on environmental monitoring and assessment related to human health. Projects approved in 2003 are dedicated to strengthen the capacity of citizens to monitor aspects of their environment that affect their health, and lead to increased community participation in resolving environmental problems. Monitoring approaches incorporate local, traditional and scientific knowledge, and link human and ecosystem health. From more than 300 grant proposals received by NAFEC, the Selection Committee approved 18 projects, which have received a total of C\$674,700. In addition, the Selection Committee provided its annual report to Council on the NAFEC process and recommendations.

NAFEC-funded projects participated in various CEC events, including the workshop on the *Chamaedorea* Palm in the Floral Trade, the Green Purchasing Strategy Workshop, the meeting of the Mexican Pollution Prevention Round Table, the workshop Mercury in the Great Lakes Region, and the Maize and Biodiversity Symposium: The Effects of Transgenic Maize in Mexico.

The NAFEC section on the CEC web site has been updated as to include executive summaries of proposals and final reports in their original language.

Over its years of operation as a very successful part of CEC's outreach in the three countries, NAFEC has created numerous success stories and a good evaluation. From 1995 until 2003, NAFEC awarded 196 grants related to CEC activities for a total of C\$9.36 million. NAFEC funded projects have leveraged a total of C\$4,987,800, including C\$543,400 in in-kind contributions. NAFEC-funded projects have been profiled in *Trio*, CEC's quarterly newsletter, offering concrete examples of how the Commission's efforts play out in local community-based projects. In addition, NAFEC projects have also received extensive coverage in the local media of the grantees.

Now, however, the funds available for this initiative have declined to well below the threshold amount deemed necessary for maintaining the efficiency of the fund. Thus NAFEC is concluding its activities in 2004. Projects approved in 2002 and 2003 will continue to receive CEC administrative support until the completion of their activities.

5. Capacity Building Initiative

The CEC is allocating C\$98,800 in 2004 to promote capacity development within the context of the CEC work program. Over the years, indigenous peoples have petitioned the CEC for more recognition and involvement in the CEC's work. Following JPAC's advice on this issue, the Council asked JPAC and the Secretariat to explore additional measures for engaging indigenous peoples more directly and consistently in the CEC's program. The above-noted funds shall, therefore, be applied to develop the capacity of indigenous peoples and the CEC to better collaborate in addressing environmental issues.

At the JPAC meeting on 12 March 2004, in Oaxaca, Mexico, it was agreed that JPAC would develop a proposal for utilizing the available funds. On 27 April 2004, the JPAC working group on indigenous peoples held a conference call, during which it was decided that two steps were to be followed:

- 1) The Secretariat will identify three or four existing program activities in which the involvement of indigenous peoples can be enhanced with augmentation from the above-noted funds.
- 2) Lessons learned in the short term will inform the preparation of a medium- and longer-term strategy for indigenous involvement in CEC work. These strategies will be developed by the JPAC task group on indigenous peoples (consisting of JPAC indigenous members Dan Christmas and Mindahi Bastida). This task group will also take a report prepared for the Secretariat on this issue in September 2003 into consideration.