



JUN 17 2011

Dr. Irasema Coronado
JPAC Chair
Commission for Environmental Cooperation
393, rue St-Jacques ouest, bureau 200
Montreal Quebec
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Dear Dr. Coronado:

On behalf of the Council, I would like to thank the Joint Public Advisory Committee of the Commission for Environmental Cooperation for providing its *Advice to Council 11-01* on "Greening the North American Economy". We understand this advice stems from the November 16-17 workshop in New Orleans, Louisiana, which was the final session of three designed to generate public discussion on the three new priorities of the 2010-2015 Strategic Plan.

This advice will be useful as our officials and the Secretariat take steps to implement the Strategic Plan through the cooperative work program. We note that your advice includes six recommendations, each of which we address in turn here.

1. As the CEC's strategic plan is implemented, that Council should develop a common North American understanding of the variables and factors that affect the greening of the economy and a common approach to defining and measuring the greening of the North American economy.

In developing the 2010-2015 Strategic Plan, Council provided guidance to ensure the Parties gather the same type of information in the same manner, share the information regularly and consistently, and develop environmental performance metrics in a way that would facilitate a better understanding of our shared North American environment. The Council sees this as an important and necessary first step in reaching a common approach as suggested in this recommendation. In order to operationalize the broad guidance in the Strategic Plan, Council directed Party experts and the Secretariat to develop projects, under the 2011-12 Operational Plan with measurable results, and a clear indication of how the project improves the North American environment.

Furthermore, the work of the Parties under the Greening the Economy priority will be informed by discussions taking place in other international fora. In particular, the Organisation for Economic Co-operation and Development (OECD) has

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recently released a Green Growth Strategy; and the Green Growth Initiative of the United Nations Environment Programme (UNEP) will be featured as one of the two priorities at the Rio+20 summit. Both of these international initiatives will help better define and provide advice for practical ways to achieve green growth in North America.

2. JPAC recommends that in implementing the strategic plan and approving annual operational plans and budgets, Council should prioritize opportunities to develop a common North American approach to develop various mechanisms in greening the economy, such as trilateral research, public education, incentives for reducing environmental impacts, certification and labeling mechanisms, environmental taxes and regulation.

In the Strategic Plan, the Parties have laid out their intention to initially focus on improving the environmental performance capacity of small and medium sized enterprises by conducting activities that engage key industrial sectors and/or supply chains in activities that improve their environmental performance. The Council views this approach as a key opportunity to galvanize private sector engagement in reaching its goals and maximize our investment in the CEC.

Moreover, the work envisioned for the next two years to support greening the economy, involves work on green buildings and greening the auto supply chain. These projects encompass the mechanisms JPAC listed.

Council appreciates JPAC's advice on the development of a "common North American approach" and further notes that the Strategic Plan includes, as one of the measures for the approval of cooperative work projects, a trilateral benefit criteria to ensure that all of the CEC's program activities are structured to ensure that all three NAAEC parties can benefit from the resulting work.

3. JPAC recommends that in implementing the strategic plan and approving annual operational plans and budgets, Council, pursuant to its obligation in Article 10(6)(d) of the NAAEC to consider the environmental effects of NAFTA on an ongoing basis, should direct the Secretariat to examine and report on these and other relevant concerns.

Council recognizes that Article 10(6)(d) of the NAAEC requires the Council to consider the environmental effects of the NAFTA. Council further notes that the CEC Secretariat has, whether under Council direction or within its powers under Article 13, examined and reported on topics related to the environmental effects of NAFTA. Over the last year, the Secretariat prepared a report on the environmental impacts of freight transportation and evaluated scenarios for improving its environmental performance and recommend policy pathways to achieve those goals. Going forward, the Council's Governance Proposal commits to a key initiative that is expected to contribute to North American efforts to mitigate the environmental impacts of trade.

Specifically, it directed that recommendations be developed regarding transboundary environmental impact assessment, notification, consultation and mitigation.

4. Council approve a review of case studies of projects or activities in North America with transboundary impacts, develop pilot projects for implementing TEIA mechanisms with respect to specific projects, and direct the Secretariat to commission a short and focused review of lessons learned in the implementation in Europe of the Convention on Environmental Impact Assessment in a Transboundary Context.

As mentioned above, Council refers the JPAC to the current Governance Proposal which points to Council's direction to develop recommendations regarding transboundary environmental impact assessment, notification, consultation and mitigation. Council will consider opportunities that demonstrate the most efficient and effective means by which to implement such mechanisms and appreciates the JPAC's suggestions regarding case studies and a potential pilot project.

The Council remains open to the opportunity to have the Secretariat provide reviews of any relevant initiatives and will consider the development of a specific review in consideration of the Secretariat's current work load and available resources.

5. JPAC reiterates its previous advice, calling for an improved CEC outreach and communications strategy.

As stated in Council's previous response to JPAC advice 10-04, Council agreed with JPAC's previous recommendation and moved forward with a plan to improve the CEC's outreach and communications strategy. As a first step, and to ensure the most efficient and effective result, Council directed the Secretariat to focus its efforts in a single outreach program to promote its activities and projects. As such, all resources previously used for outreach of individual projects would be reflected as a single "Communications" item in the CEC budget. In this way, a broader, more holistic approach to a communications/outreach strategy can be pursued, using the individual projects as examples and promoting the totality of the work accomplished, rather than any one specific project.

6. JPAC advises Council to urge Canada and Mexico to reinvigorate their NACs and/or GACs.

Council respectfully reminds the JPAC that Articles 17 and 18 of the NAAEC provide each Party with the option, and not an obligation, to convene national advisory and government committees.

Sincerely,

A handwritten signature in black ink, appearing to read "D. M. Dougall". The signature is written in a cursive, flowing style.

Dan McDougall
Alternate Representative for Canada

c.c.: Ms. Michelle DePass, Alternate Representative for the United States
Mr. Enrique Lendo Fuentes, Alternate Representative for Mexico
Mr. Evan Lloyd, CEC Executive Director
Ms. Marcela Orozco, JPAC Liaison Officer