



Advice to Council No: 11-01

Re: Greening the Economy in North America

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

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

HAVING conducted a public meeting in New Orleans, Louisiana, on 16–17 November 2010, on the theme “Greening the North American Economy,” a summary of which will be posted on the JPAC page of the CEC website;

CONSIDERING the elements of the draft CEC Strategic Plan for 2010–2015 on the theme of greening the North American economy; and

RECALLING its recommendations regarding greening the North American economy in its Advices to Council 10-01 and 10-03,

SUBMITS the following observations and recommendations for Council’s consideration:

1. Defining and measuring the “greening” of the North American economy: JPAC believes the CEC should play a lead role in the development of a clear definition of “greening” the North American economy and the associated measurements. As the strategic plan for 2010–2015 is implemented, it will be necessary to gain clarity on the meaning of “greening” the North American economy. Based on the presentations and discussions at the New Orleans meeting, JPAC observes that “greening” a growth-oriented economy involves, among other things, the following:

- highlighting industry and sectoral best practices for preventing pollution, minimizing use of energy and resources, and protecting the environment;
- decoupling economic growth from climate change and other environmental impacts;
- strategies to implement, measure and enforce policies that prevent pollution, minimize use of energy and resources, and protect the environment at all government levels;
- prioritizing energy and resource efficiency and approaching zero waste as much as possible, while ensuring that economic gains from eco-efficiencies do not lead to new investments that contribute to unsustainable impacts in the aggregate;

- preventing degradation of ecosystems, repairing ecosystem damage from past economic activity and preserving and enhancing ecosystem services;
- strategies for implementing the supply chain reduction of the use of materials and energy during production resulting in a positive return on investment;
- internalizing environmental costs into the prices of goods and services, while recognizing that some environmental values cannot and should not be monetized or subject to market forces;
- providing incentives for processes that result in environmental benefits and disincentives for those that generate environmental costs, such as instituting incentives for energy efficient and healthy commercial buildings and homes;
- favoring local sourcing that minimizes carbon emissions and other environmental impacts;
- maximizing use of recycled and renewable material and energy resources;
- avoiding unsustainable patterns of consumption;
- preventing “greenwashing” (i.e., false or misleading claims of environmental benefits in promoting goods or services); and
- providing meaningful economic opportunities and enhancing social and cultural well-being.

JPAC further observes that metrics other than Gross Domestic Product (GDP), such as the Human Development Index, ecological footprint, the Genuine Progress Indicator and environmental performance indices, are essential in order to track the greening of the economy. Experience of subnational governments and those of other regions, such as are responsible for Europe’s success in growing its economy while holding its ecological footprint steady, should be considered in determining what “greening” the economy might mean in North America. JPAC recommends, as the CEC’s strategic plan is implemented, that Council, taking these observations into account, 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.

2. Compatible approaches for greening the North American economy: JPAC observes that by some important measures, such as per capita ecological footprint and efficient energy consumption, North America can not be considered a global leader in greening the economy. Greening of the North American economy will require innovations in trinational research, public education, incentives for reducing environmental impacts, certification and labeling mechanisms, environmental taxes and regulation. 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 these various mechanisms.

3. Sectors for CEC focus: Building on previous Advice to Council, JPAC observes that its members and other participants at the New Orleans meeting highlighted the agricultural sector, the transportation sector, the building sector, the tourism sector and the energy sector as particularly suited to focus by the CEC under the greening the economy theme as the strategic plan is implemented.

4. NAFTA barriers to greening the economy: Concern was raised at the New Orleans meeting that certain provisions of NAFTA may prevent or impede government procurement practices and other policies that would promote the greening of the North American economy, for example by favoring local sourcing. 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.

5. TEIA: JPAC recognizes the significant value of environmental impact assessment (EIA) as a fundamental tool for ensuring that economic development is undertaken in full view of potential direct, indirect and cumulative environmental impacts and ways to avoid or mitigate them. Because the EIA occurs prior to making a decision, it promotes transparency, better decision making, and prevention of avoidable impacts. With an appropriately developed framework, EIA has the potential to address social and environmental justice issues. Transboundary EIA (TEIA) extends these benefits of EIA across national borders and fulfills the well-established principle that countries should not undertake activities that cause environmental harm outside of their borders.

Noting that efforts to pursue a North American TEIA agreement through the Security and Prosperity Partnership have ceased, JPAC supports the renewal of efforts to finalize a North American TEIA agreement, consistent with Article 10(7) of the NAAEC. JPAC welcomed the presentation at the New Orleans meeting from Dinah Bear, former General Counsel of the White House Council on Environmental Quality in the United States, on transboundary environmental impact assessment. JPAC endorses Ms. Bear's recommendation, with a view to highlighting the benefits of TEIA, that the 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.

6. Report on field trip to Plaquemines Parish: In keeping with its role as an interface between the North American public and Council, JPAC wishes to share with Council and interested members of the public some highlights from a field trip several of its members took on 18 November 2010, to Plaquemines Parish, Louisiana, to visit a Native American fishing community in Grand Bayou and the Natural Resources Defense Council's Resource Center in Buras. The purpose of the field trip was to learn about the impacts of the Deepwater Horizon disaster and other consequences of economic development in the Mississippi delta and the Gulf of Mexico on communities and ecosystems in area. The JPAC will submit a separate report on the field trip.

7. CEC Outreach: Once again, the need for better outreach regarding all of the CEC'S activities emerged in discussions of greening the North American economy at the New Orleans meeting. JPAC reiterates its previous advice, calling for an improved CEC outreach and communications strategy.

8. Synergy with NAC and GAC: From JPAC's experience over years and as underscored in joint sessions with the US National Advisory Committee and Governmental Advisory Committee at the New Orleans meeting, there are evident synergies between JPAC and the NACs and GACs. By expanding the CEC's links to subnational governments, civil society and the private sector, the NACs and GACs play an important role in increasing the effectiveness of the CEC. Accordingly, JPAC advises Council to urge Canada and Mexico to reinvigorate their NACs and/or GACs.

JPAC is unanimous in supporting this Advice to Council.

**Approved by the JPAC members
20 December 2010**