



ADVICE TO COUNCIL: No. 96-4

Proposed Annual Program and Budget for 1997 of the Commission for Environmental Cooperation (CEC)

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

IN ACCORDANCE with the request of Council has reviewed the CEC's *Proposed Annual Program and Budget for 1997* at its meeting of November 7-8, 1996; and

TAKING INTO CONSIDERATION comments received during 1996 public consultations; and

NOTING with pleasure that the CEC has sharpened the focus of its program by concentrating its efforts. (There are 17 projects for 1997-12 underway, five emerging—as compared to the 26 projects undertaken in 1996).

HEREBY RESOLVES that the JPAC's advice to Council on the CEC's *Proposed Annual Program and Budget for 1997* is as follows:

With regard to program/project development—general

the JPAC:

- Supports Secretariat efforts to augment projects by seeking matching funds and by engaging in joint undertakings with organizations and institutions that are involved in complementary initiatives; and
- Urges that all projects be evaluated after completion for follow up (e.g., the Silva Reservoir Report); and
- Asks that the Secretariat indicate the anticipated output (tangible products; recommendations, etc.) of all projects in its program descriptions. Linkages among projects should be noted (e.g., between the Sound Management of Chemicals project and the Environmental Cooperation Program);

With regard to program priorities

the JPAC:

- Notes that the financing of the North American Fund for Environmental Cooperation through the CEC (20% of the 1997 overall budget) places a considerable strain on resources available to the CEC for carrying out its mandate (See Advice to Council No. 96-5);
- Recommends to Council that the financing allocated to the North American Fund for Environmental Cooperation be used for priorities identified in the CEC's work program. As a result, it is recommended to Council to finance the NAFEC from sources external to the CEC budget as proposed for 1997. It is recommended to assign the current amount of US \$1,600,000 in the 1997 Budget allocated to the NAFEC to projects where the Parties and the CEC define appropriate project design and implementation roles, recognizing that, potentially, some money could become available for other CEC priority needs; and
- Recommends that the Council review the adequacy of the amount allocated for Specific Obligations under the North American Agreement on Environmental Cooperation (NAAEC), together with the CEC contingency fund, and that the Council provide direction to the Secretariat with regard to its options should funding capacity be reached given that the amount allocated for this item seems under funded.

With regard to specific programs/projects

the JPAC:

- Recommends that the Human Health and Environment program be given greater, not lesser, prominence in the individual projects; and
- Proposes that the North American Air Monitoring and Modeling—a priority of the Council—be closely linked to the Transboundary Environmental Impact Assessment project to ensure the developers of a model have taken “on the ground” application considerations into full account. It is further recommended that the CEC elaborate on the groups it will work with on the air monitoring and modeling project; and
- Noting that the Capacity Building in Environment project incorporates pollution prevention objectives initiated through the 1996 Pollution Prevention Cooperation project, asks whether 1997 funding is sufficient to accomplish capacity building and pollution prevention objectives, both of which the JPAC strongly supports; and
- Underscoring the importance of the NAFTA Effects projects, it is suggested that the intended output of the NAFTA Environmental Effects project be clarified in terms of concrete results anticipated after the third year of its development; and
- Requests that the Maquiladoras be referenced in the NAFTA Environmental Effects report and that the Council consider addressing Maquiladoras in a subsequent year, taking into account this border area will become a binational problem if solutions are not found to address the strains that rapid industrial expansion and attendant population growth have placed on finite water resources, health of the inhabitants, and the long-term viability of the border communities; and

- Asks whether the Principles of Sound Regulatory Reform project, which has as its focus development of principles for evaluation, is adequately addresses the impact of deregulation, given the strong views expressed by participants at the 1996 public meetings; and
- Supports the Cooperation on Greenhouse Gas (GHG) Emissions Trading project and suggests that in its development the CEC consider innovative mechanisms for transferring credits along trading lines (e.g., Mexican companies would be able to transfer CO₂ credits it receives from Latin American countries as payment for a product, such as oil, to Canadian and U.S. companies); and
- Urges that the focus, objectives and anticipated outcome of the Promoting of Non-wood Forest Products project (if it is retained) be strengthened to ensure it does not duplicate other efforts and that it takes advantage of the wealth of information compiled on this subject (through the Food and Agricultural Organization of the United Nations.); and
- Endorses the CEC's plan to "privatize" in 1998 the Technology Clearinghouse project by seeking a consortium of organizations to operate it through a self-financing mechanism; and
- Observes that the level of effort envisioned for the Information & Public Outreach program has not been reduced by 75% (as it might appear through a first-glance comparison with the 1996 budget). Allocations for publications and the CEC Resource Center, which comprised a significant portion of the 1996 Information & Public Outreach program budget, are now funded through the CEC's total program costs.

With regard to the budget

the JPAC:

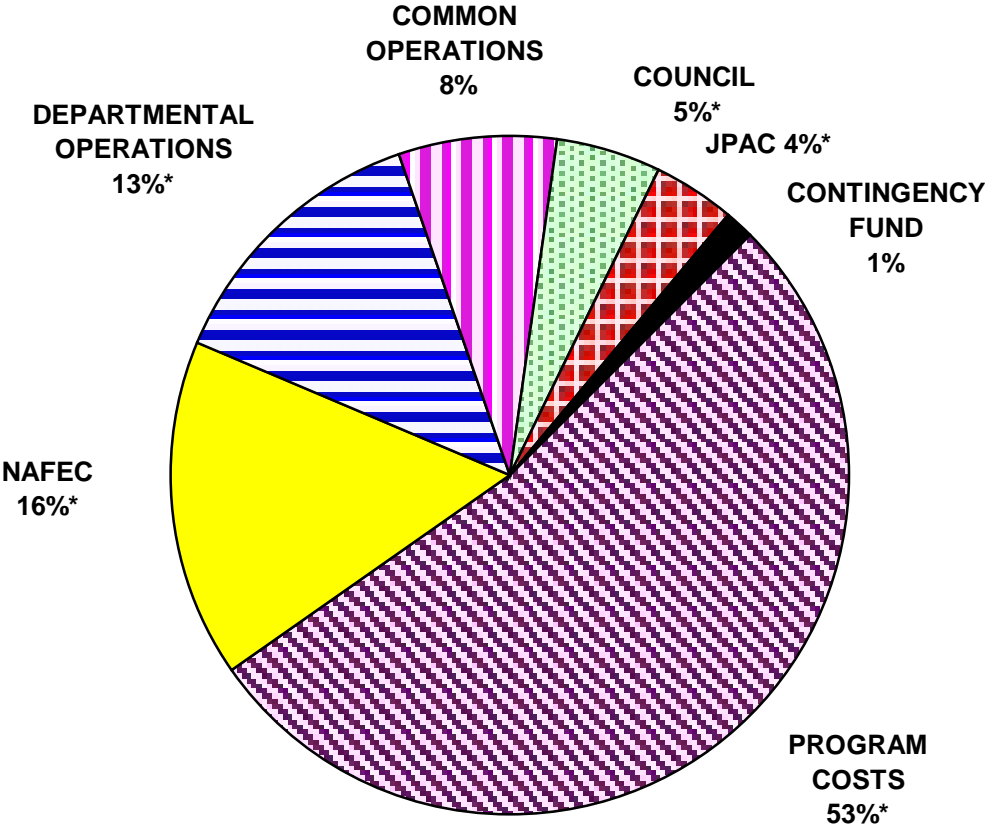
- Advises Council to revise the Overall Budget presentation for 1997 such that JPAC and Council costs are visible (see the pie chart attached); and
- Observes it will undertake an initial review of priorities for the 1998 Program and Budget in the spring of 1997 to provide guidelines to the Secretariat and Council.

APPROVED BY THE JPAC MEMBERS:

November 20, 1996

OVERALL CEC BUDGET FOR 1997

TOTAL: \$10,020,000 US



*Staff salaries are included