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## **JPAC Public Workshop: Needs and Opportunities for Capacity Building among Private and Non-Profit Sectors**

**21 June 2005  
Quebec City**

### **Summary Record<sup>1</sup>**

The JPAC chair welcomed all the participants and explained the organization of the workshop. He reiterated JPAC's strong interest in capacity building and that the new focus within the CEC, provides an excellent opportunity for bringing together the private sector, NGO communities and civil society, to exchange ideas and collaborate to strengthen our collective capacity to manage environmental issues of common concern.

The JPAC chair introduced the two new Canadian members, Irene Henriques and Jean Guy Dépôt, as well Merrell Ann Phare, who was reappointed for a second term.

He encouraged everyone to bring forward their views and perspectives to assist JPAC in its internal discussions, as it develops advice to Council and the Secretariat on implementing the new capacity building initiative of the CEC. He explained that JPAC will also be presenting preliminary results to Council during the public portion of the Council Session.

The JPAC chair thanked the Secretariat for its support and, in particular, the executive director and JPAC staff. He also welcomed the NAC and GAC representatives.

The chair then introduced each of the keynote speakers.

### **Part I: Private Sector Presentations**

#### **Michael Cloghesy, Canadian Business Council on the Environment**

Mr. Cloghesy began his presentation by acknowledging the difficulties of approaching such a complex topic as capacity building in the private sector. Capacity building relates to a party with a need and another party that sees an opportunity or value in providing a solution to that need. It is a supply and demand situation from a private sector perspective. The private sector is first about survival and second about making profit. There is a lot being said about corporate responsibility, but the bottom line is making money. Privately-owned companies are not charitable organizations. If they get involved in corporate social responsibility, it is because it is in their interest to do so. Some companies are more socially responsible than others, but this is a mirror image of society, where there are good as well as bad actors.

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<sup>1</sup> Disclaimer: Although this summary was prepared with care, readers should be advised that it has not been reviewed nor approved by the interveners and therefore may not accurately reflect their statements.

The needs of developing countries are many. Actions to build capacity are routinely taken by the UN and similar bodies, to create a critical mass of small and mid-size business to build a fledgling economy. The attraction for companies to do business in developing countries is usually low cost labor, new markets and resources. China is a good example in terms of new markets.

Capacity building often involves technology transfer and companies develop this technology at a great cost. Private sector intellectual property rights are often issues in trade and investment agreements. In general, multinationals will not invest in countries without good governance practices. Corruption is a disincentive for investment and technology transfer.

For example, capacity building has now become a new priority for the GEF. The WSSD reconfirmed this priority of assisting developing countries in their sustainable development goals. Mr. Cloghesy related that he had attended this meeting as part of the Canadian delegation and was surprised that several countries would not sign on to the good governance principles. The private sector has an important role to play in shifting this reality. For example, job creation, education and technology transfer can create a demand for locally supplied products and higher standards of living. Some multinationals will implement these measures through supply chain management programs.

This may seem utopian. However, since the Nike shoe case, the world has become a smaller place. The media and NGOs are everywhere. Reputations are effected and can seriously impact the company's financial position.

Mr. Cloghesy is a strong believer in capacity building. ISO 14000 and environmental management systems are good examples of working collaboratively with governments via a multistakeholder approach.

Capacity building can be a win-win situation if the conditions in place are adequate. Good governance and wealth creation will help improve environmental standards. This is important in the NAFTA context, where we share the same air and water. The more we exchange our knowledge and technology and create business opportunities, the more we will improve the quality of life for our citizens.

**Alejandro Lorea, *Comisión de Estudios del Sector Privado para el Desarrollo Sustentable* (Cespedes)**

Mr. Lorea's presentation focused on three objectives:

- A legal and administrative framework for sustainable development
- Creating an economic value for business
- Creating a sustainable development culture

He began by reviewing the situation in Mexico regarding indicators for sustainable development, displaying a pyramid demonstrating that 85 percent of the population earns less than the minimum wage. This translates into a lack of incentive for promoting environmental protection and sustainable use of natural resources. He explained that there is also an absence of innovative mechanisms to accomplish this. Paradoxically, Mexico also has very complex environmental regulations that are not effectively enforced. The public has distinctly expressed the need to reorient the link between economy and the environment. The question remains, what are the required changes in order to achieve this in Mexico?

Legislative and regulatory reform and innovation is hampered by the slow pace of the bureaucracy. Regarding capacity building, the immediate need is to understand the trends and increase competitiveness. The RETC is a good new initiative that requires reporting of pollution emissions and transfers; however, finding ways to communicate this information to various communities is the pressing concern. The program on environmental audits needs to evolve and we must provide support to municipal and local governments. We also need to manage contaminants better within an appropriate environmental framework. He asked, what should Mexico be focusing on as a country?

- Sustainable production and consumption
- Appropriate infrastructure development
- Energy and climate change
- Poverty and development
- Ecosystems
- Corporate responsibility – better define the role of business in society. This is a new concept for Mexico. How to function with other stakeholders.
- Risk management. Develop the capacity to manage risk. All stakeholders must participate in this process

The factors that are influencing competitiveness in Mexico need to be managed. The World Bank and the Food and Agricultural Organization conducted a study of the progress achieving sustainable development. It evaluated the performance of 45 countries and among them, Mexico ranked 42; providing evidence of a clear need to improve the situation. He talked about deforestation, inefficient use of water in various sectors, high pollution rates, and the reduced percentage of protected lands as some possible causes.

Mr. Lorea then discussed possible solutions such as reduction of greenhouse gases through industry cooperation, establishment of networks to stimulate sustainable development, permitting self-regulation, and encouraging corporate responsibility to strengthen capacity of communities in the broadest sense and not just as a monetary issue. He also stressed the importance of promoting the involvement of businesses with this kind of perspective as well as the need to acknowledge and support existing sustainable communities and local businesses. The idea is not to ‘sell things to the poor,’ but to offer quality services at a reasonable price and to promote eco-efficiency based on

long-term actions—not just motivated by short-term profit. All this needs to be done cooperatively with industry, governments and communities.

There is a need for Mexican businesses to evolve as well. Mexico needs to adopt a vision of sustainable communities. New technology must be introduced with clear goals and measurements so that capacity building can be directed by a long-term vision. All this is necessary to improve competitiveness of the Mexican economy, which will have the effect of improving Mexico's environmental record.

**Elyse Allan, President and CEO of General Electric Canada**

Ms. Allan began by explaining that she was speaking on behalf of General Electric's headquarters in the United States. She then briefed the audience on GE's operations in Canada, Mexico and the United States as part of her presentation.

In today's challenging world, private sector companies must adopt aggressive policies and programs to improve the environment. We are running out of the resources. The widespread use of hydrocarbons is producing greenhouse gases. Soaring world population is pressing up against the limits of other resources. Doing nothing is not an option. That would mean condemning our children and grandchildren to live on a planet that we have made worse. So what is the answer?

Governments have a role to play. Fortunately they have been proactive. We must develop more efficient ways of using scarce fuels, rely more on renewable energy and cleanup from past practices. But this must be done in partnership with industry.

GE's policies can serve as a guide that other companies may want to adopt. In May 2005, GE launched "eco-imagination"—an initiative that builds on GE's long-standing involvement with environmental issues. It is a pledge to continually improve operations and expand research and development to produce more innovative products; it is a marketing initiative to highlight GE's environmentally advanced technologies; and it is a growth strategy based on GE's belief that solving environmental problems is good business. GE will introduce more "eco-imagination" products each year. The value of the products will double from \$10 billion today to \$20 billion in five years. GE has reduced its release of toxic substances, as measured by the US Toxics Release Inventory, by 83 percent since 1987.

She then went on to provide examples of impressive successes in the locomotive and aircraft sectors.

GE is also working to create cleaner sources of energy. GE Wind is a project aimed at providing alternatives to burning coal for developing economies. GE is also working on desalination projects to produce fresh water for industrial applications and also provide communities long-term solutions without costly investment.

In Canada, GE is building relationships with environmental groups and local communities in all its remediation projects.

Environmental health and safety excellence has become a core competence at GE. One hundred percent compliance with the law and with GE programs for all of our plants around the world is the objective. GE has established a Global Star program as a benchmark for excellence in health and safety around the world.

Finally, she underscored the synergy between business goals and commitment to environmental issues: “there is green in being green.” Within this context, GE sees its commitment to environmental issues as a measure of strong growth. A market for clean technologies is growing rapidly. GE’s message is that in today’s challenging world private sector companies must adopt aggressive comprehensive strategies that improve the environment.

## **Part II: Non-profit Sector Presentations**

### **Donna Tingley, Clean Air Strategic Alliance (CASA)**

#### **CASA: Capacity Guiding through a Consensus Process**

Ms. Tingley expressed her pleasure at having been invited to speak on this important topic. She explained that there is no capacity building program *per se* at CASA, rather skills, knowledge, resources and organization are integrated right into the program, resulting in capacity building for all the partners—industry, government and NGOs. In preparing for this presentation she remarked how she kept thinking: capacity building, for what? At CASA it is to support the decision making process. She observed that the CEC couldn’t afford capacity building without a context or a purpose.

She then told the CASA story.

CASA (Clean Air Strategic Alliance) was created in 1990 as a better way to manage air quality issues in Alberta. Because air quality affects many parts of the ecosystem, protecting Alberta’s air avoids other impacts on water, soil, plants, animals and human health. She then went on to describe some of CASA’s successes.

First, CASA was asked to develop an emissions framework—to reduce emissions from electricity generation. This framework has been implemented in its entirety by the Alberta government. Next, CASA developed a framework to reduce flaring and venting. The actual volume of gas flared in 2003 was reduced by 70 percent compared to a 1996 baseline. The venting framework has resulted in a reduction of 38 percent compared to a base year of 2000. The framework will gradually reduce flaring to zero.

Subsequently CASA worked on a framework for particulate matter and ozone, with the objective of designing an implementation plan toward achieving the Canada-wide

Standards. This project was also adopted in its entirety by the government. CASA has also worked on pilot projects to test diesel particulate filters on city buses.

She then described how CASA operates. There is a common vision agreed to by all stakeholders. *“The air will be odorless, tasteless, look clear and have no measurable short or long term adverse effects on people, animals or the environment.”* CASA is a non-profit organization operated by a 13-member advisory group representing government, industry and the public. All policy decisions are consensus-based. CASA establishes issue-based project teams to conduct the work.

She concluded by reviewing the success factors: stakeholder commitment, government participation, a decided process, stakeholder definition of tasks, participation of civil society, and an independent Secretariat. Finally, CASA does not just ‘invite people to the table.’ Its mission is to develop and improve the skills of all participants.

### **Roberto Zambrano, Former Chairman of Pronatura**

Mr. Zambrano began by describing the challenges in Mexico leading up to implementation in 1990 of a strong legislative and regulatory framework for environmental protection. The challenge facing Mexico at present is to make it work.

He spoke about empowering regional and local organizations to assist in environmental protection. The priority protection areas are not government-owned. They are private or community lands and all have their own characteristics. One theme, however, is that the more the zone is rich in biodiversity, the more people tend to be poor, less educated and with fewer resources.

He posed the question—what is the situation regarding the relationship with people living in the priority zones? They have few alternatives other than using the land and the resources. For companies also wanting access, the bottom line is profitability. When forestry operations enter, for example, this conflicts with the needs of local groups to burn the wood or hunt for food in the area. This is a question of life and death for the communities and for the people who live there. Skills and capacity to engage in the new activities may not be there. It is not just a question of conducting studies; there is a clear need to develop socio-economic skills and to work with people who can identify the real issues of these communities. This must all be established in order to achieve a different attitude towards a new context of biodiversity conservation.

He then described an initiative where attempts were made to teach agriculture and crafts in these areas. There was a need to change some growing and consumption patterns beyond maize, in order to look towards new products and markets. Often these communities are located in remote areas, for example in the state of Chiapas, where highways were built to bring in new products that ultimately took away the market from local producers. Bringing in produce from other areas not only resulted in increased poverty, but also the people’s values were set aside. He asked—what do these communities need? The answers are:

- Guidance in developing management skills and administration (business plans, results reports, etc)
- Attract investment to protect nature
- Education
- Learn how to benefit from what the outside world has to offer

He also provided the audience with a brief analysis of the situation in several rural areas within Mexico, where conservation efforts should be focused. He mentioned a special, very old bacterium that is found in wells and water and that thrives in sulfur-rich areas, specifically in deserts. He also highlighted a community that lives off the plantation of cactus and the production of a special wax, and how the value of this unique product disappeared when paraffin came on the market.

Another example is the transformation of mesquite into a carving to increase its value, rather than using it as charcoal. An additional case in point is in the Biosphere del Cielo reserve where the forests support rare bird species. He described the ecotourism ventures, such as a small hotel and restaurant that were recently built. Local people received training in new skills related to tourism, such as cooking for visitors and management of craft outlets. Other examples are solar ovens for desert areas where no wood is available, and promotion of organic honey and coffee cultivation in the Yucatán; products which sell at high prices in Europe.

All of these rural areas attract a good number of tourists annually; therefore, capacity building efforts should be focused and considered a priority.

The JPAC chair thanked Mr. Zambrano for his heartfelt presentation on behalf of remote communities.

### **Teresa Niedda, Director, Farm Worker Health and Safety Institute**

Ms. Niedda presented a brief background on her institute, which brings together three farmworking organizations that cover the eastern and midwest migrant stream. Their goal is to develop leadership of member groups who can then develop capacity of their membership group—mainly Mexican migrant workers.

She asked the question—what is capacity building? In her view, it is development of individual or organizational ability to devise and implement solutions to problems. It must involve the private/public sector as partners. A good role of the CEC would be to nurture the relationship.

She also stressed the importance of needs assessment to identify problems and strengths in both sectors in order to identify the problem areas they need to work on. She noted that the CEC is focusing on institutional capacity building rather than individual capacity building. The goal under the new strategy is to “strengthen the capacities of the three countries to manage environmental issues of common concern.”

She pointed out that her institute takes on the role of facilitator by creating a space where people are comfortable to talk. The CEC and JPAC can also create ‘safe harbors’ for discussion. This can begin in areas where there is already a relationship. In the capacity building process, work is required on needs assessment, mapping and diagnostics. It must be interactive and participatory to assist those involved on how to learn critical thinking skills. It should document and gather data and involve farm workers in the process, allowing them to participate in problem identification and to brainstorm solutions. Through this process leaders emerge and skills develop. This also provides people with tools to replicate the process in other situations.

The CEC is also a developer of tools. She observed that there was a wealth of information in the room—the CEC could use all of our experiences to build information on capacity building and needs assessment. We should allow the private and public sectors to identify their needs and opportunities and common points of interest. This would be a good role for the CEC. The CEC needs to do an assessment and identify emerging trends. She said that at her institute, they use a bottom-up approach to capacity building. They don’t come in and provide tools and information; instead, participants develop an understanding of what they need.

She noted, however, that it is important for the CEC and JPAC to be not just a clearinghouse, but also to facilitate the teaching process for groups to develop their own tools. The idea is that after people have received training and have gained experience; they would be further trained to provide training to others. The CEC should be a catalyst to kick-start programs that can be taken over by governments and stakeholders. The CEC cannot achieve capacity building initiatives on its own; it has to work within other groups. Developing ‘train the trainer programs’ is a useful tool.

She also described efforts to train healthcare providers to provide farm workers with better healthcare. In essence, this responded to a need that came from the community for better treatment for pesticide exposure.

She suggested some next steps for the CEC.

- First, acknowledge the work of the CEC and JPAC. Look at efforts that have already been made as a foundation to build better partnerships.
- Continue to build the CEC constituency. Outreach to NGOs. Use the NGOs you have in the CEC network to engage private sector and other stakeholders and as a resource for capacity building tools.
- Identify existing projects of collaboration. Border areas. Build best practices.
- Reinstate NAFEC or resurrect it in some other form.

The JPAC chair then opened the floor to comments and questions

- A member of the public stated that Mexican farmers are disappearing. Lands are increasingly being invaded by the maquiladoras. There is a need to provide assistance. Land is being sold out from under them and GMO agriculture is taking over. He asked Mr. Lorea to comment on strategic development of appropriate agriculture.

Mr. Lorea responded that governments and the private sector should be involved in developing a strategic plan to protect the environment while ensuring social progress and equity. We have to achieve a balance.

- A JPAC member thanked all the presenters for their very interesting contributions. She spoke about the need to work with communities in biodiversity conservation as being the key of success of any project. We have to understand how ecosystems function and this can only be achieved with the involvement of local people. Building an understanding of conservation is in everyone's interest. This takes years and years of work on the ground. She then spoke about the waste of mesquite. Turning it into briquettes is a terrible use of this valuable resource. The wood is much more valuable in crafts.
- A member of the public noted that all of CEC's work on capacity building has to be inclusive. She asked if there are direct beneficiaries. Can this be quantified? The private sector in Mexico is not philanthropic. In Chiapas, there are no services, but you can buy Coca Cola. Someone has to pay to protect the environment. Where does the money come from?

Ms. Allan replied that one of the challenges facing industry is that there are many stakeholders. GE is trying to make everyone a winner. The first client is the shareholder, but development can be handled in a way such that it provides broader benefits. That is our challenge. We are making terrific headway. We now have a market for energy conserving technology, which makes it worth our while to invest in developing new technologies. Companies are moving in that direction.

Mr. Lorea said that there is a need to develop a positive dialogue that results in solutions rather than creating new antagonism. He did not have figures ready at hand at the moment, but affirmed that there are corporate initiatives in Mexico moving in socially responsible directions. He encouraged the speaker to communicate with him directly.

Mr. Cloghesy added that managing waste is very costly so there will be a trend to cleaner production methods. One of the dilemmas that a business manager has is producing short-term results and looking to the future and deciding where to place limited resources. The real leaders in the business world are bridging those gaps.

Mr. Zambrano stressed sustainability and the need to conserve what we have today. At present extinction rate, many species will be extirpated in the next 40 years. We have to draw upon our GDPs to get the resources we need. We are working on an 'environmental credit card,' which soon we will never be able to repay.

- A JPAC member praised the GE's Eco-imagination initiative and asked whether the work on desalination was for industrial purposes only, or if there was work on producing potable water—understanding that steam turbine technology is hugely expensive.

Ms. Allan replied that the technology is there and is being used in the Middle East to produce potable water.

- A member of the public noted that the CEC is focusing its work in Mexico. There is a need for incentives for the United States and Canada to work with Mexico to develop common objectives. How can environmental costs be factored, cradle to grave? The invisible hand of the market that is supposed to be able to self-regulate. How to increase the voice of the consumers. Labeling. Citizen's capacities in relation to Articles 14 and 15. In the name of development there is fragmentation of habitat. He spoke of jaguars, for example. In Jalisco, development for tourism is endangering sensitive ecosystems. Is tourism trade? Is it sustainable?
- Another member of the public noted that if we want the poor of our continent to achieve a better standard of living, then we have to consume less. People in the 'north' have to look at our consumption patterns. We can all live decently, but we have to change our ways.
- A JPAC member remarked that one thing that was not mentioned is consumer awareness as an important feature of capacity building. In Chiapas, there is an organization that manages solid waste and littering. This is a big issue related to consumer education.

The JPAC chair thanked all the presenters and reiterated JPAC's interest in continuing to facilitate cooperation between the private and public sector.

### **Presentation of Special Case Study**

**“The Case of the Pittsfield Housatonic River in Massachusetts”—Brian Olsen (EPA Regional Administrator, New England Region, US EPA), Robert Gollege (Commissioner of Massachusetts Department of Environment, State of Massachusetts), Peter Larkin (Former Massachusetts State Representative for Pittsfield Region), and Robert Risch (General Electric State Government Relations Coordinator, New England)**

Brian Olsen provided an overview of the case. It centered on an environmental cleanup of a site in Pittsfield, Massachusetts. A GE facility there manufactured transformers and the major contaminant was PCBs, which were found throughout the facility and the adjacent river. Efforts began in 1997 when the site was proposed for Superfund NPL. Formal, mediated negotiations began in 1998 and the Consent Decree was entered into in October 2000, covering all aspects of site remediation, restoration and redevelopment. He then went on to describe the site and the cleanup in technical detail.

He summarized the key ingredient for success in the negotiations. The EPA officials had to build the trust of people who did not initially trust them—the community, GE and local authorities. They did this by:

- Including the city in Consent Decree negotiations
- Citizens' Coordinating Council
- Full day public input session during negotiations with principals attending
- An information Website
- Targeted informational meetings
- Setting up a local office
- Remediation open houses
- One on one meetings (key stakeholders and affected residents) and bring concerns to the negotiating table

Peter Larkin then described how this plant was the driver of the local economy. It had had 10,000 employees at its peak. GE had corporate reasons for leaving—obsolescence. Toxic issues had become important, but were secondary. The river was used as a dump, a common disposal method in those days. How did we move forward? We began by developing brownfields legislation aimed at protecting the community at large as well as setting out the limits of liability for the multinational. We needed to recover the industrial land for local development and also to address the river issue. We also learned the importance of transparency and of educating the press. What drove it at the end of the day: do what is doable; and the perfect is enemy of the good. Seeking perfection may frustrate the outcome. Compromise was a key and understanding that building consensus does not mean unanimous support. It became a trust issue. We have accomplished a template that is replicable.

Robert Risch said that there were far too many people at the negotiating table at the beginning. At end of every meeting they made a presentation to NGOs, and the EPA put out a press release every day. Communication was essential. They also engaged a mediator experienced in dealing with senior politicians. They developed formal communications and back channels. There was no trust when the parties came into the room but this was kept at the senior level. Everyone walked away thinking they did not get enough, which is the hallmark of a good deal. The main lesson of the GE Consent Decree was that working together toward a solution is preferable to endless finger pointing and fear mongering. Over-communicate, be transparent, persevere, keep the negotiations at the senior level, and don't let the perfect be the enemy of the good.

Robert Golledge said that the process was difficult and close to collapse on several occasions. The parties were preparing for litigation. The exchanges were often personally and professionally offensive. He noted three key elements for success: hard work, professional respect, and an inclusive, transparent process. Participants learned to understand and appreciate that steady incremental process is superior to protracted expensive litigation with unknown results.

Regarding the hard work, when GE declined to negotiate, this triggered the agencies into litigation and investigative modes. Cleanup would not occur while everyone prepared for litigation. All sides were spending dollars and hours preparing for battle. No party had a rock-solid case. All these efforts created an atmosphere where professional respect gradually was engendered, along with an appreciation for hard work.

With regard to professional respect, initially this was begrudging because all parties were dealing with formidable opponents. This created a different dialogue which became a very powerful ingredient.

Regarding the negotiations being an inclusive and transparent process, this showed the importance of sharing information with the public and the media when complex public health questions are being asked. This builds bridges and credibility. The inquisitive media, real versus perceived health exposures, highlight components of the successful mediation process and the role of citizens. We held public hearings before the mediation process started. It is critical to have public input before making final decisions.

The JPAC chair congratulated the representatives for achieving success, noting that the dealings with the media and engagement of the public were very impressive.

Peter Larkin provided additional information on how he engaged the press by attracting their interest in getting the site redeveloped, as part of an economic strategy for the area. The city needed the property now—the Superfund program is government fighting big business.

- A member of the public remarked that this case was fascinating and noted that a similar situation involving GE and the Hudson River is far from being resolved. He asked about the differences between the two cases. What did you guys do right that we did not in the Hudson River?

Peter Larkin replied that they had an industrial site that they needed to bring back to life or the local economy would die. GE was reluctant to “step into the river” because of the risks inherent in establishing a precedent. On the other hand, the company knew it had to go down this road and needed an end to its costs. It was spending \$7 million year just to keep the site secure, pay taxes, etc. Then brownfields legislation was established, with an end point for liability. Brian Olsen added that they had redevelopment of the site as impetus. By contrast, the Hudson River [remediation project] is a monster of a problem. It does not have the redevelopment component. There was no real opposition for cleaning up the Housatonic, while there is lots of opposition for the Hudson.

- A member of the public suggested they were ignoring one issue—flooding. It is all our responsibility to make sure everyone feels they have a role. Not just big guys and small guys.

Peter Larkin agreed. Superfund solutions would have been more complicated. Local people had to take ownership of the problem. They needed to tell the regulators and GE

what to do—not on our time and not on our dime. That is why we got the mayor and local administrators involved. A government-imposed solution (Superfund) would have invited litigation.

- A member of the public asked the presenters if they thought that environmental law and EPA's willingness to enforce it was a necessary element/catalyst. What was the role of the law and EPA's willingness and resources to enforce it in getting this going and keeping it going?

Brian Olsen replied that EPA at the time thought they needed leverage for a negotiated settlement. Stakeholders would expect EPA to do something. The Superfund was our only vehicle. This was leverage to get the people to the table because local people did not want this.

- A member of the public asked what the relative percentages of monies awarded by the various sources were—private, state and federal. And how were they used?

Robert Golledge replied that the real message is not the individual costs. It is that through hard work and respect, people were innovative. In consequence, the cleanup achieved a better result for less cost. For GE, the benefit was the judicial review and that EPA had to pay for some of it. EPA got GE to pay for the remediation of the river. The city also received money for economic development: \$10 million over 10 years in lieu of taxes and \$15 million for redevelopment. GE handed back the property in the condition they had received it. The company had to “put a big toe into that river.” In the Superfund context, GE was required to perform the cleanup. The questions to be decided were the standards and the scale and scope of the cleanup. The entire settlement was in the area of \$700 million, of which EPA paid 10 percent.

- A member of the public asked if, through the process, a leader emerged on behalf of the community? This experience could have impacts elsewhere in the world. GE is, after all, a global corporation and Pittsfield experience could create a focus for training and learning about experiences of this kind.

The answer given was that Peter Larkin emerged as a leader, as did the mayor. It is interesting who did not stand out as leaders (the politicians). Peter Larkin intervened to say that the really good news for the community is that it got the property back. And, the settlement gave GE a liability endpoint. The template is to have an economic development authority with a \$100 million to develop new economic strategies. The city gets to manage its own destiny. It is no longer a one company town; it has had to grow up.

### **Working Session on the CEC Projects under the Institutional Capacity Building Pillar**

Dr. Gonzalez, from Semarnat, presented on the CEC strategic plan and the new capacity building initiative. He reviewed the goal and each of the objectives. He provided further

information on those objectives dealing with enforcement and toxic monitoring. He explained how this effort had its origins in Agenda 21 (the United Nations Conference on Environment and Development), later, the GEF. In Mexico and within the CEC, we are trying to take it a step further and identify specific institutional capacity development, including citizen involvement. The first step is to identify our needs for environmental management within each CEC initiative and then seek and develop the resources. Identify each objective, the needs and existing capabilities, and then see what can be done via the CEC. Capacity building is complex. We have to get into specific [types of] capacity, [perhaps] develop a typology of capacity such as an inventory.

Hernando Guerrero, director of the CEC's Mexico Liaison Office, presented an overview of a project on partnerships for integrated environmental management related to pollution prevention, bringing together small and medium-size business.

Hans Hermann, head of the CEC's Conservation of Biodiversity program, made a presentation on that program, describing how North America is now the only region on the planet with a transboundary biodiversity conservation plan. The approach it takes to capacity building is to create networks and share expertise. We must develop a common language and terminology in order to make decisions based on science. Trade can be a driver for biodiversity by creating market tools to preserve biodiversity.

Details of the program can be found on the CEC web site at <[www.cec.org](http://www.cec.org)>.

The JPAC chair then opened the floor for comments.

- A member of the public noted that companies like GE come and go [in their siting of plants]. Sustainability is not a dream for us, it is a nightmare. There is a lack of field people in Baja California. We need to rethink how things are to be done. There is also a need to focus on environmental education. Industrial interests are compromising protected areas.
- Another member of the public noted that he has had the opportunity to work with the CEC since 1995 and was very concerned by the fact that the budgets and profiles are going down. Every time we identify a priority, like NAFEC, it is cut back. People who were working on biodiversity are leaving the CEC. How can we strengthen the CEC? We are dismantling priorities and now talking about capacity building. We are preparing another submission regarding the building of roads in Jalisco and that [the Article 14/15 process] has become our only route.

The JPAC chair suggested that these issues be discussed during the public networking session in order to share common concerns with Council the next day. He explained that JPAC would also be speaking to Council in camera concerning some policy level issues.

- Another member of the public asked why only the electronics industry is included in the capacity building initiative. What about the automotive industry? Will it be considered later on?

Hernando Guerrero replied that since the capacity building efforts for next few years will focused on Mexico, it was felt that this would be a very important area. The electronics industry crosses over with other industries.

Hans Hermann also mentioned that there is project to adopt, online, a leatherback turtle. Also three of the priority regions were established last week as protected areas in Mexico.

- A member of the public suggested including a background on invasive species. This has been a problem for many, many years. Cows, for example, are an invasive species as far as Mexico is concerned. Trying to adopt tools in Mexico. The agricultural secretariat should also be involved, as well as local groups. We are trying to protect jaguar habitat as a continental concern.

Hans Hermann replied that tomorrow there would be other presentations that would provide information on other species and habitat—the jaguar being one.

Mr. Gonzalez commented that, with our different perspectives, there will be disagreements and conflicts of interest. The CEC is unique and provides a space to work together. The CEC itself builds capacity.

The JPAC chair then asked Carlos Sandoval to provide a summary for the morning session and Carlos Rincon for the afternoon session, which yielded the following points.

#### Morning session

##### Private sector

- Concerning Canada: capacity building is a fundamental activity for the private sector. It is a link with governments and is important for all industries—large and small. Also within each country and among countries.
- Concerning the United States: impressive efforts have been made in reducing emissions. GE considers that solving environmental problems is desirable. It is also taking initiatives to develop new technologies such as desalination.
- Mexico: there is a need to position Mexico in the global context of competitiveness. In terms of sustainable development Mexico's ranking is very low (42 out of 45). However, there is a growing interest. How can small and medium-size firms increase capacity building for sustainable development?

##### Non-private sector

- In Canada: importance of capacity building through consensus building. Bring everyone to the table to provide resources. Web sites are also very useful.
- In the United States: working with farm workers to build capacity to better protect themselves against exposure to toxics, as an example, and how to work with management to improve better conditions.

- Mexico: we learned there are places in Mexico where there are protected areas inhabited by very poor people, and how they are affected when their lands are designated and their subsistence patterns are shifted.

Afternoon session

- Great interest in Mexico for this topic. Many panel members and members of the public are Mexican.
- The case study of the Housatonic: the river was a terrific example of how to resolve a difficult situation and transform it into an opportunity. Not only was the site cleaned, but there is also a new way of managing and making decisions designed for the improvement of an urban ecosystem. Involving actors that otherwise are enemies and bring them together. Importance of focusing on common advantages.
- Need to ensure that capacity building efforts of the CEC are inclusive. It is important to understand how programs started by the CEC become part of our governments' activities over time.
- Capacity building efforts should not just focus on governments—there is a need to involve a broader range of participants.

The JPAC chair thanked all the participants, JPAC members and the public and adjourned the workshop.

Prepared by Lorraine Brooke