

MEMORANDUM OF UNDERSTANDING

Between

the North American Commission for Environmental Cooperation (CEC), the Confederation of Industrial Chambers of the United Mexican States, (CONCAMIN), the United States Council for International Business (USCIB), and the Canadian Council for International Business (CCIB).

The three North American business and industry organizations, desiring to contribute to the promotion of cooperative environmental management, have identified areas of potential collaboration with the Commission for Environmental Cooperation.

These areas of cooperation include environmental management practices, information exchange, environmental education, capacity building, standardization processes, and technology transfer and cooperation, and others as may be agreed to promote sustainable environmental development in the region.

Based on the identification of these areas of activity, and consistent with the CEC's objective of promoting cooperation on environmental issues among business and industry in North America, the Parties to this Memorandum have reached the following understanding:

ARTICLE 1: DEFINITIONS

For the purposes of this Memorandum, certain terms are defined, as follows:

Environmental Management Practices. The application of corporate and governmental systems for the management of environment, health and safety activities in accordance with defined objectives and ensuring compliance with relevant legislation and regulations aiming to protect or improve environmental integrity and quality of life. These practices include, but are not limited to, environmental audits, risk assessment procedures, total quality programs (TQEM), reengineering programs for waste reduction, reuse, and recycling, public communication programs and information systems.

Information Exchanges on Environmental Issues. Flows of environmental data, market information, specifications and other data on environmental technologies, regulations and administrative information, between government, academia, business, non-governmental organizations, based on the creation of infrastructure employing electronic, print, and other media.

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Education and Training for Environmental Management. Implementation of programs, courses, seminars, and other activities designed to: (a) enhance the awareness of environmental problems among industrial workers, managers, government officials, and community leaders, and (b) enable these groups to act collectively and/or individually to address these problems.

Capacity Building for Environmental Management. Enhancement of infrastructure, development of human resources and creation of financing mechanisms, all designed to improve the adequacy and effectiveness of environmental management and compliance.

Standards of Environmental Management. Mechanisms that enable businesses and industrial facilities to ensure the consistency of the application of environmental management, protection, and other programs, according to criteria recognized by the industrial communities in sectoral, national or international fora.

Technology Transfer and Cooperation. The implantation of more efficient and environmentally sound methods of production (whether in the form of hardware or software), mechanisms for preventing, controlling and remediating pollution, transforming pollutants into usable products, or other changes in production and management techniques; through direct investment and/or the purchase of hardware, software or know-how through direct acquisition or technical assistance programs, and/or other means agreed by the recipient and source entities.

ARTICLE 2: PURPOSE

The Parties will cooperate in order that:

1. The programs of each organization Party to this Memorandum complement one another, promote cooperative environmental management, and avoid duplication of efforts;
2. The impact of the work programs undertaken by each organization Party to this Memorandum is amplified and broadened by virtue of being publicized through the information channels of the CEC, and by virtue of the synergies apparent among the participating organizations;
3. The joint efforts of the organizations Party to this Memorandum seek to involve a broad spectrum of a business and industry regarding environmental management issues in the context of the NAAEC; and
4. The exchange of information between the organizations is facilitated, and allows for regular communication to apprise one another of respective program developments and activities, and to seek input on such activities.

ARTICLE 3: AREAS OF COOPERATION

The Parties to this Memorandum will cooperate through information exchanges, jointly sponsored meetings, seminars and other events, and the provision of publicity and support for each others' programs, in the following areas:

1. **Standards of Environmental Management.** These may include, for example, the 14,000 series of the International Standards Organization.
2. **Management Education In Comparative Industrial Practices.** Examples of such programs include the activities of the U.S. Environmental Training Institute, the seminars organized by the CONCAMIN-USCIB program of cooperation, and the program staged by the CCIB in conjunction with the Business Council for Sustainable Development.
3. **Development and Dissemination of Sustainable Policy Instruments.** Examples of such instruments include the ICC Business Charter for Sustainable Development and the environmental program of CONCAMIN.
4. **Capacity Building and Infrastructure Development for Environmental Improvement.** This could be achieved through mechanisms such as the network of databases on regulatory, market and technology issues and other concerns, that is being promoted by the CEC.

Other areas of cooperation, as agreed to by the Parties, may be undertaken to advance the objective of the agreement.

ARTICLE 4: ANNUAL WORK PROGRAMS

The work programs regarding environmental issues in the context of the NAFTA and the NAAEC of each organization Party to this Memorandum will constitute an integral part of this instrument.

The 1996 Work Program of the CEC will be attached as Annex 1 when available. Activities included in the 1996 Cooperative Work Program of the USCIB, CONCAMIN and CCIB, to be undertaken in coordination with the 1996 CEC Work Program, is included as Annex 2. Work programs for subsequent years will be developed and adopted as needed.

ARTICLE 5: ADDITIONAL SIGNATORIES

The opportunity exists for additional business organizations or NAFTA environmental institutions to join the original signatories in implementing this memorandum.

ARTICLE 6: APPLICABILITY OF NATIONAL LAWS

All activities undertaken under this Memorandum will be subject to the applicable laws and regulations of the respective nation of each of the Parties.

ARTICLE 7: RELATIONSHIP AND OTHER AGREEMENTS

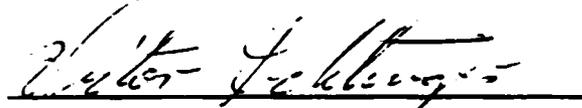
Nothing in this Memorandum will be construed either to prejudice other existing or future agreements concluded by and among the Governments of Canada, Mexico and the United States, or to affect the rights and obligations of the three governments under international agreements to which they are Party. It is not intended that this Memorandum create any binding international or domestic legal obligations whatsoever, nor to affect the rights and obligations of the Parties to this memorandum.

ARTICLE 8: ENTRY INTO FORCE, AMENDMENT AND TERMINATION

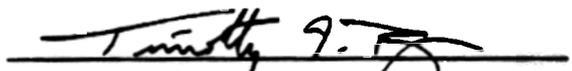
This Memorandum will become effective upon signature by all Parties, and will remain in effect until any one of the Parties terminates its participation upon 30 days written notice to the other Parties.

This Memorandum may be amended at any time by written agreement of the Parties.

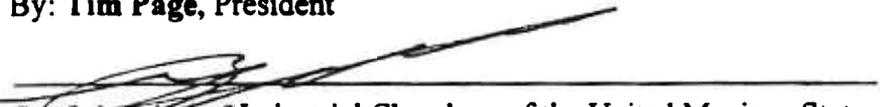
Done in triplicate in Mexico City, in the English, French and Spanish languages, all three texts being equally authentic, this Monday, January 29th, 1996.



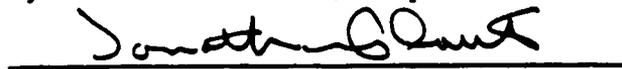
Commission for Environmental Cooperation
By: **Victor Lichtinger**, Executive Director



Canadian Council for International Business
By: **Tim Page**, President



Confederation of Industrial Chambers of the United Mexican States
By: **Victor Manuel Diaz**, Vicepresident



United States Council for International Business
By: **Jonathan Plaut**, Chairman, U.S. Council Environment Committee



As Witness
By: **Julia Carabias Lillo**