

# CEC Governance Proposal

## Update on Implementation

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# Governance Proposal

## **Change objectives:**

- Transparency
- Accountability
- Effectiveness
- Relevance

## **Strengthen Secretariat:**

- Support and coordination function
- Streamlined operational costs
- Reallocated budget to improve cooperative programs
- Flexible structure responsive to emerging issues

# Governance Proposal Response

**Preliminary report:** August 2010

**Interim report:** December 2010

**Today:**

- Strengthening the support functions of the Secretariat
- Budget allocation to maximize implementation of CEC's new policy direction

# Strengthening Secretariat support functions

Work to align structure and processes to better support new directions in an efficient and appropriate manner

Focus areas, 2011:

- Provide greater definition to the PM role, define and formalize mandates vis-à-vis working/other groups, role definition, standards of engagement, accountability for results
- Develop program management professional skills (i.e., facilitation, management, budget)
- Assure appropriate job categories and roles
- Staff to full complement
- Pool management support functions
- Conduct targeted process improvement activities

# Restructure budget to maximize implementation of new policy direction

*Determining an objective goal, according to international standards, of the appropriate ratio between operational costs and resources dedicated to programs – Governance Proposal, 2010*

2011 report:

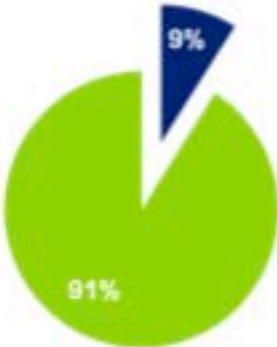
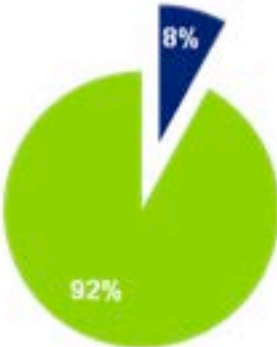

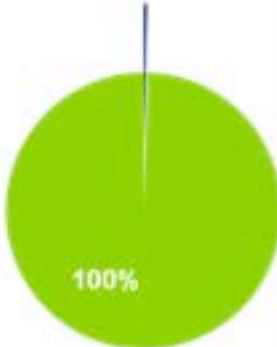
*Overhead Cost Management Analysis & Benchmarking, Secretariat of the CEC (Samson Bélair/Deloitte & Touche)*

- Benchmarking study of overhead cost structure with three comparable organizations
- Definition and comparison of different overhead cost categories:
  - Office rent
  - Professional fees
  - Salaries
  - Travel & Accommodation
- Overhead Cost Analysis: Program vs. Administration/Support 1998–2010



# Comparison of the different overhead cost categories

## Office Rent & Maintenance

Cost Item	CEC	FLAC	CBD	BECC
Office Rent & Maintenance	 <p>Office Rent &amp; Maintenance Costs: \$823,285 (2010 actual)</p>	 <p>Office Rent &amp; Maintenance Costs: \$533,000</p>	 <p>Office Rent &amp; Maintenance Costs: \$877,873</p>	 <p>Office Rent &amp; Maintenance Costs: \$38,000</p>
Comments	Offices are located in the World Trade Center at 393 St-Jacques Street downtown Montreal	Offices are located at 2001 McGill College, downtown Montreal.	Offices are located in the World Trade Center at 393 St-Jacques Street downtown Montreal	Offices of BECC are provided by the Mexican government free of charge. The costs account for additional space rented by the organization.

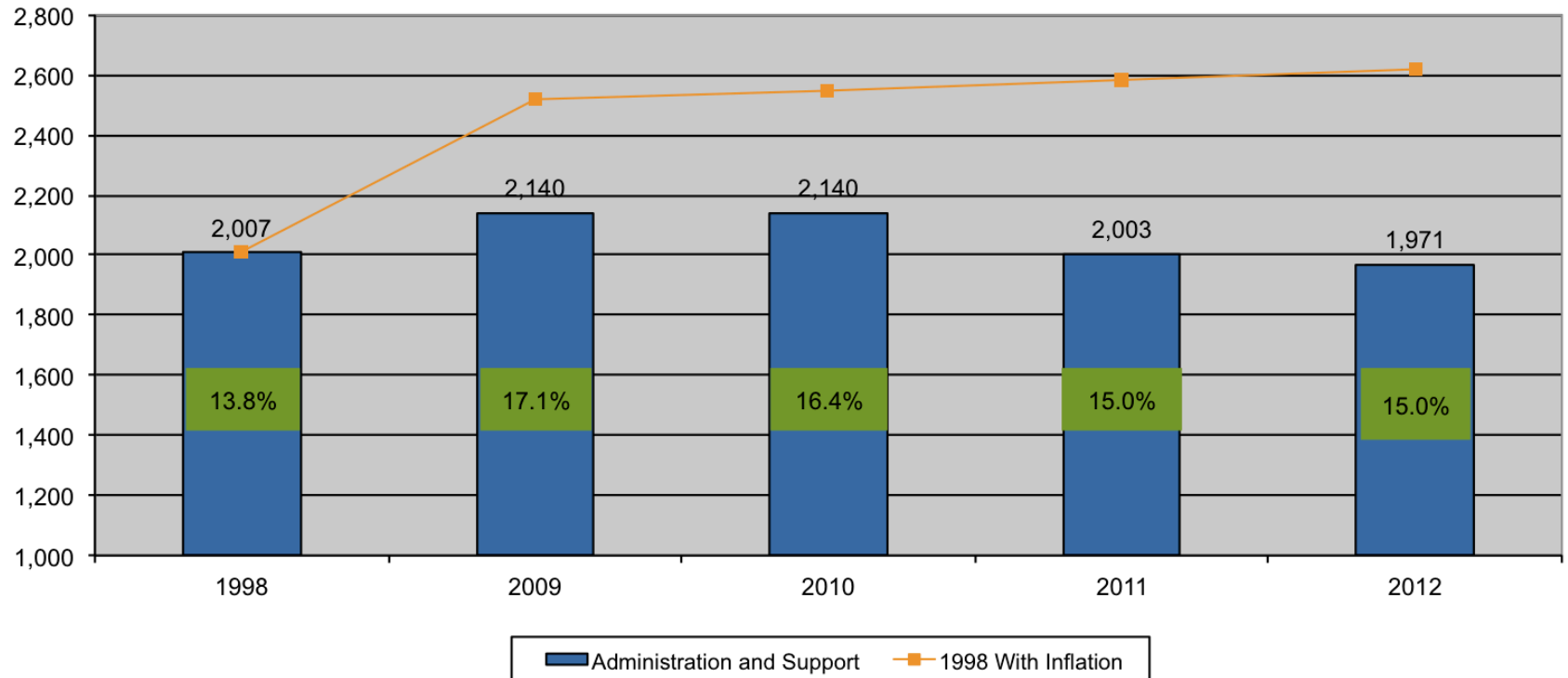
# Comparison of the different overhead cost categories

## Salaries

Cost Item	CEC	FLAC	CBD	BECC
Salaries	<p>Total salaries: \$3,586,810 (39%) (2010 actual)</p>	<p>Total salaries: \$3,846,000 (60%)</p>	<p>Total salaries: \$6,921,036 (73%)</p>	<p>Total salaries: \$3,571,582 (36%)</p>
Comments	<p>Salaries of Program Staff: 17%</p> <p>Salaries for Admin &amp; Management Staff: 22%</p>	<p>Salaries of Program Staff: 30%</p> <p>Salaries for Admin Support Staff: 30%</p>	<p>Salaries of Program Staff: 51%</p> <p>Salaries for Admin Support Staff: 22%</p>	<p>Salaries of Program Staff: 22%</p> <p>Salaries for Admin Support Staff: 14%</p>

# Overhead Cost Analysis

**Administration and Support Budget as per Deloitte Study Presentation**  
(In thousands of Canadian dollars)





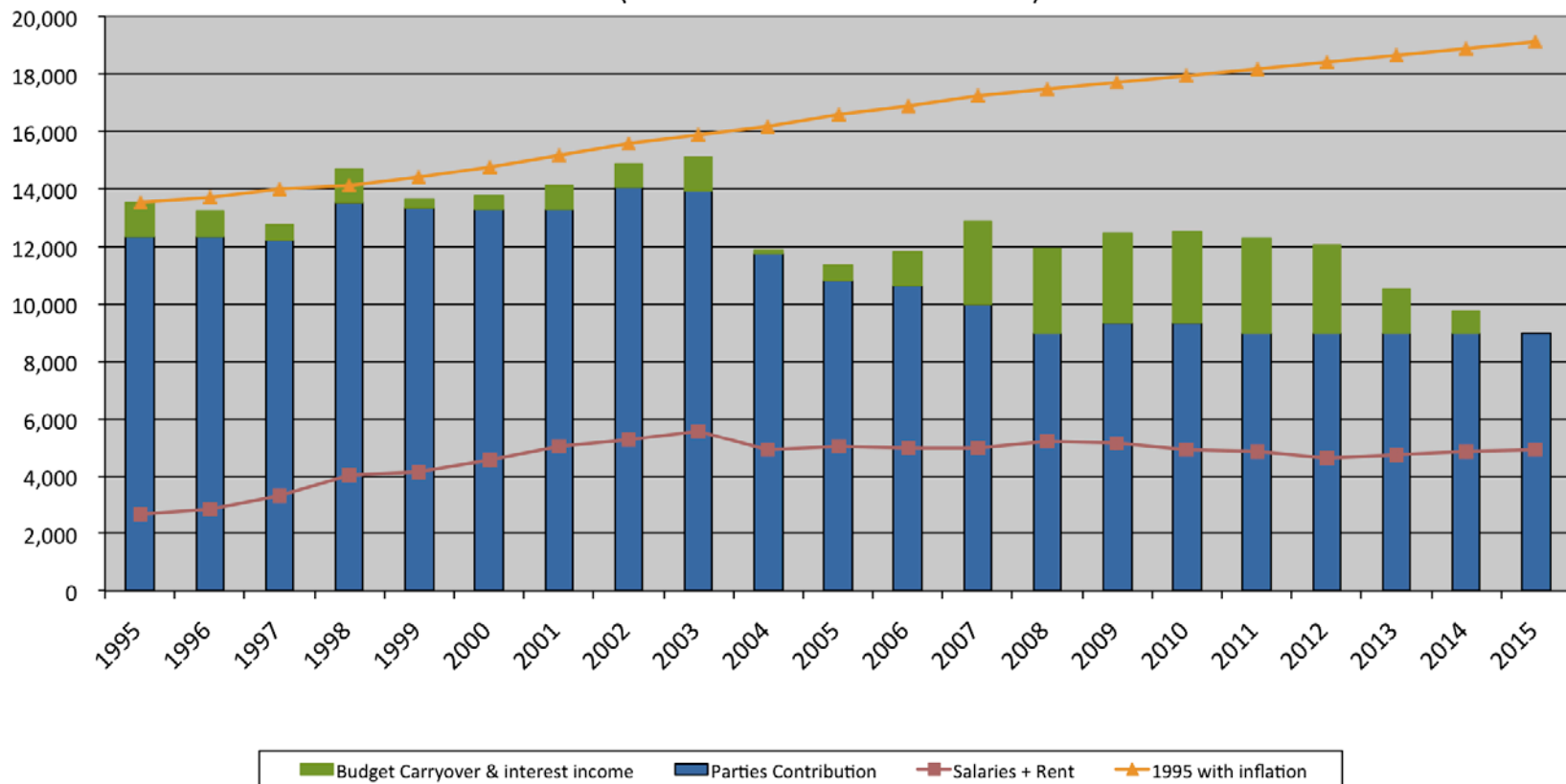
# Overhead Cost Analysis

## **CEC Rent:**

- 35% reduction starting 2012
- 11% reduction in space
- 7-year lease

# Overhead Cost Analysis

**Commission for Environmental Cooperation  
Evolution of Annual Resources**  
(In thousands of Canadian dollars)



# Overhead Cost Analysis

Options for additional efficiencies:

- New project delivery options (partnerships, collaboration agreements)
- Project load
- Review procedures and rules to support flexibility, efficiency, accountability

# Communications Strategy

- As requested by Council, the Secretariat is developing a new, comprehensive communications strategy to encompass the CEC as a whole and to focus on the collective effort and value of the Parties' cooperative efforts.
- The strategy will help the CEC work closely with all of its partners to increase visibility of the CEC's project work at the community and regional levels.
- The strategy will also encompass cost-effective ways to document and share results, successes and lessons-learned.

# Meeting the Governance Proposal Objectives

- Operations and management
- Overhead
- Communications

All of these contribute to the four Governance Proposal goals:

- Transparency
- Accountability
- Effectiveness
- Relevance



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