

Evaluation of Canada's Participation in the Commission for Environmental Cooperation (CEC)

April 18, 2007

Report Clearance Steps

Planning phase initiated	July 2006
Planning phase completed	August 2006
Report sent for management response	March 27, 2007
Management response received	April 5, 2007
Report completed	April 10, 2007
Report approved by Departmental Audit and Evaluation Committee (DAEC)	April 18, 2007

Acronyms used in the report

A&E	Audit and Evaluation
CEC	Commission for Environmental Cooperation
CESD	Commissioner of the Environment and Sustainable Development
CIA	Canadian Intergovernmental Agreement Regarding the NAAEC
CLC	Commission for Labour Cooperation
DAEC	Departmental Audit and Evaluation Committee
DFAIT	Department of Foreign Affairs and International Trade
EC	Environment Canada
ENGO	Environmental Non-Governmental Organization
EPA	Environmental Protection Agency
FTC	Free Trade Commission
GDP	Gross Domestic Product
GoC	Government of Canada
GSC	General Standing Committee
IISD	International Institute of Sustainable Development
IJC	International Joint Commission
IRC	Independent Review Committee
JPAC	Joint Public Advisory Committee
KII	Key Informant Interviews
NAAEC	North American Agreement on Environmental Cooperation
NAALC	North American Agreement on Labour Cooperation
NAC	National Advisory Committee
NAFTA	North American Free Trade Agreement
NGO	Non-Governmental Organization
OECD	Organisation for Economic Co-operation and Development
POR	Public Opinion Research
RMAF	Results-based Management and Accountability Framework
RPP	Report on Plan and Priorities
SFT	Speech from the Throne
SPP	Security and Prosperity Partnership
TRAC	Ten-year Review and Assessment Committee
U.S.	United-States

Acknowledgments

The Evaluation Project Team including Shelley Tice, Sophie Boisvert, Lindsay Fitzpatrick and led by Marie-Christine Tremblay would like to thank individuals who contributed to this project and particularly all interviewees, evaluation committee members, Environment Canada's International Affairs Branch management, CEC Secretariat staff, representatives from the other NAAEC Parties, and Audit and Evaluation (A&E) Branch management who provided comments crucial to this project.

This report was prepared by Environment Canada's Evaluation Division, A&E Branch

Table of Contents

EXECUTIVE SUMMARY	iv
1.0 INTRODUCTION	1
2.0 BACKGROUND	1
2.1 Profile of the Commission for Environmental Cooperation (CEC).....	1
2.2 Key Bodies and Committees	4
3.0 EVALUATION'S PURPOSE AND DESIGN.....	7
3.1 Purpose of the Evaluation	7
3.2 Evaluation Approach and Methodology.....	8
4.0 FINDINGS	11
4.1 CEC-Specific Findings	11
4.2 Canada-Specific Findings	18
5.0 CONCLUSION.....	28
6.0 RECOMMENDATIONS.....	29
7.0 MANAGEMENT RESPONSE	30
Annex 1 - NAAEC Objectives	32
Annex 2 - Evaluation Issues and Questions	34
Annex 3 - Evaluation Committee's Terms of Reference	40
Annex 4 - Background Information and Supporting Documentation.....	42
Annex 5 - Interview Guides	46

EXECUTIVE SUMMARY

Environment Canada's (EC) Audit and Evaluation Branch conducted an evaluation of Canada's Participation in the Commission for Environmental Cooperation (CEC). This project was selected for evaluation given that Canada has been participating in the CEC since 1994 and no formal evaluation of its involvement had yet been conducted. The fact that Canada's financial contribution to the CEC (US\$3 million per year since 1994) represents EC's largest contribution to an international organisation reinforced the need to undertake the evaluation, in particular to ensure that Canada is effectively benefiting from the public resources entrusted to this international organisation. This report presents the findings, conclusions and recommendations of the evaluation. A management response to the recommendations, provided by EC senior management, is also included.

The purpose of this evaluation was to examine Canada's participation in the CEC. In particular, the evaluation examined whether and how Canada has benefited from, contributed to, or been impacted by CEC's efforts to deliver the objectives of the *North American Agreement on Environmental Cooperation* (NAAEC), the agreement that created the CEC. The evaluation consisted of a comprehensive examination of the following areas: key CEC substantive activities, governance aspects related to the CEC and the Canadian government and CEC operational and organizational aspects, including CEC administrative and financial processes. Close attention was given to the role played by EC as it is the federal department accountable for the financial contributions provided to the CEC.

The evaluation examined the following four evaluation issues:

- **Relevance** asked whether Canada's participation in the CEC addressed actual needs.
- **Success** focused on whether and how Canada has benefited from, contributed to, or been impacted by CEC's efforts to deliver NAAEC objectives in areas of environmental cooperation, policy improvement, trade and environment, and public participation.
- **Design and Delivery** focused on the impacts of the functioning of key bodies and activities, performance monitoring, and Canadian stakeholder groups' 'satisfaction'.
- **Cost-effectiveness** asked whether other national or international organizations in which Canada participates are involved in areas of activities that overlap with and/or complement those of the CEC.

In order to support the evaluation process from start to finish, an evaluation committee was created. This committee was composed of officials from EC's Audit and Evaluation Branch (the Evaluation Project Team) as well as program managers involved in CEC activities at EC and DFAIT. An important part of the evaluation process involved the sharing of evaluation findings and draft reports with individuals, groups and/or committees to allow them to validate findings and/or provide feedback before the report was completed. In this context, separate sessions were conducted with the following groups: evaluation committee members, members of EC's Strategic Integration Board (comprised of senior EC officials), CEC Secretariat senior staff, relevant provincial representatives, and with the Alternate Representatives and officials from the other two NAAEC Parties, namely Mexico and the U.S. Copies of the draft report were also circulated to the Branch's senior management, evaluation committee members, CEC Secretariat senior staff, relevant provincial representatives, and to representatives of the U.S. and Mexico governments.

In accordance with best practices, the approach for the evaluation involved the use of multiple lines of evidence and modes of enquiry, including a document review, key informant interviews, media monitoring, and organisational comparisons in terms of other organisations' mandates, activities and operational practices.

Findings

The following presents the two levels of findings contained in this report: those specific to the CEC and those specific to Canada's participation in the organization.

CEC-specific Findings

First, previous CEC assessment report findings (Independent Review Committee Report (1998) and Ten-year Review and Assessment Report (2004)) are still relevant today. These findings are: i) the CEC continues to advance North American environmental cooperation especially in the area of information sharing and capacity building; ii) decision-making at the CEC remains challenging; and iii) there is an ongoing need to focus work and generate concrete and measurable results. The evaluation also found that the CEC's way of conducting business has evolved over time, particularly in terms of: i) new organization-wide planning efforts, ii) an increasing level of Parties' oversight in the Secretariat, and, iii) the desire to improve corporate communications. Finally, some operational factors create challenges in addressing an evolving context and/or in maintaining an efficient organisation. These factors most notably concern: i) absence of CEC human resource planning, ii) the comprehensiveness and clarity of CEC administrative policies and practices, and iii) the transparency of budgeting and financial processes.

Canada-specific Findings

Canada's participation in the CEC was shown to address an actual Canadian need in terms of the organization's potential to help the federal government integrate its environment and economic agendas. The fact that efforts are addressed in an economically integrated North America, by way of intergovernmental collaboration and with emphasis on public participation and transparency makes the CEC all the more relevant. However, there was a general perception that the CEC's potential has not been realized. Of primary concern was the CEC's limited impact on decision-making, which many feel reflects a lack of support in the organization by the Canadian federal government.

In terms of the evaluation issue of success, it was found that the greatest benefits to Canada's participation appear to be in the environmental cooperation area. It was also found that linking Canadian policy improvements to the CEC was challenging (i.e., limited utilisation of CEC work by the Canadian federal government, absence of domestic mechanisms to learn from CEC activities/reports including the SEM process). In the area of trade and environment, the evaluation found that the diminished expectations by Canadian officials on the benefits of work performed by the CEC in this area were generally attributed to factual and institutional realities (e.g., limited trade disputes and collaboration between trade and environment communities) as well as to the fact that Canadian policy discussions have evolved to focus on broader economy-environment linkages. Finally, Canadian public participation in the CEC appeared somewhat limited. The general perception that the federal government has not been sufficiently supportive of the organisation and the ongoing desire for the CEC to improve corporate communications and outreach served to explain the lack of engagement in, and/or understanding of, the CEC by Canadian stakeholders and the general public.

In addition to the findings above, the design of Canada's involvement in the CEC (i.e., absence of a mechanism to develop and align Canadian positions to be brought to the CEC, lack of performance monitoring for EC's involvement) served to explain the lack of integration of the CEC into the Canadian agenda and vice versa and why Canadian efforts have tended to focus on operational rather than content-related ones. In this respect, the finding of increased administrative and financial oversight of the Parties in regard to the management of the Secretariat (e.g., in the area of quality assurance, budgeting and finances and professional staffing) also contributed to the notable focus on operational-related discussions. The evaluation's own analysis of CEC administrative and financial processes did indicate that there was room for improvement in regard to the effectiveness and transparency of these processes. In terms of delivery, Canadian stakeholder groups generally believe that the full potential of the CEC has not been realized and that the federal government could be a more active supporter.

Finally, although not exclusively focused on North America, key organisations in which Canada participates cover similar activity areas to the CEC suggesting opportunities for enhanced alignment of Canadian interventions in the CEC with those made in other international fora. In light of the similarities and/or synergies between the CEC work and the work conducted in other organisations as well as the regularity of CEC funding by three governments, there appears to be opportunities for the CEC to further develop work niches to uniquely position the organisation's contributions and to increase collaboration and leverage financial and in kind resources.

Conclusions

Overall, the evaluation concludes that there is room for improvement in regard to Canada's participation in the CEC (i.e., in terms of better integrating the CEC work into the Canadian agenda and vice versa, ensuring that Canadian policy concerns and interests are brought to the CEC, increased understanding by the Canadian public of the CEC as well as of Canada's involvement in it, and a clearer accountability for public resources entrusted to the CEC). Moreover, after more than 10 years of existence, it is generally believed that the full potential of the CEC has not been realized. Despite some recent changes, key areas for improvements by the CEC itself are also needed (e.g., in the areas of decision-making, generation of concrete and measurable results, and transparency and effectiveness of CEC's overall management and administrative environment). As the CEC-specific findings were found to be germane to Canada's participation in the organization, it will be important for Canada and EC in particular, to work with the other two NAAEC Parties and the CEC Secretariat towards the improvement of key related areas.

Recommendations

Recommendation Area 1: Improving the effectiveness of Canada's participation in the CEC

Environment Canada should develop a comprehensive plan for addressing its commitment to its participation in the CEC. This plan should detail the Department's role in the CEC in particular by:

- Articulating expected outcomes from its participation in the CEC and how this connects to other federal departments as well as with its participation in other fora;
- Articulating how Canada's involvement in the CEC supports government-wide priorities;
- Demonstrating how Canada can be engaged more effectively in the CEC;

- Describing a mechanism for tracking and monitoring Canada's progress, including how CEC work and activities are impacting decision-making.

Addressing the above should result in a better integration of the CEC work into the Canadian agenda and vice versa. It should also ensure that Canadian policy concerns are brought to the CEC so that there is an increased understanding by the Canadian public of the CEC as well as of Canada's involvement in it. Finally, it should provide a clearer accountability for public resources entrusted to the CEC.

Recommendation Area 2: Enhancing Canada's support in CEC's efforts to produce concrete results

Environment Canada should work with other NAAEC Parties and the CEC Secretariat to help the CEC move towards a results-based approach to planning, budgeting and management by:

- Developing and implementing a performance measurement framework for the CEC, which should clearly articulate expected organizational-wide outcomes, monitoring and reporting schemes;
- Developing criteria for the selection of work program content;
- Improving CEC's administrative transparency and effectiveness by:
 - Undertaking a review of CEC administrative and financial policies, rules and/or procedures, in particular to improve their clarity and comprehensiveness; and
 - Continuing to improve CEC planning, budgeting and reporting mechanisms, including variance analysis;
- Developing a Corporate Communication strategy

Addressing the above should result in enhanced transparency and effectiveness of CEC's overall management and administrative environment. It will also help the CEC in ensuring that resources are: 1) allocated in response to Parties' public policy priorities and evolving interests and needs, 2) delivering measurable results of which the North American public should be made aware.

Management Response

Management Response-Recommendation 1

Environment Canada (EC) agrees with the recommendation.

The CEC is a unique and innovative institution which allows Canada to work cooperatively with the U.S. and Mexico, on a range of environmental issues, while actively collaborating with civil society. Its mission¹ remains as valid today as when the *North American Agreement for Environmental Cooperation* (NAAEC) and the *North American Free Trade Agreement* (NAFTA) were signed. This mission, broad mandate and the complexity of the environmental problems facing North America make it imperative, as proposed in this recommendation, that EC's leadership and engagement in the institution be as strategic and effective as possible. To this end, by December 31st, 2007, EC will develop a plan to optimize the effectiveness of Canada's participation in the CEC. The plan will provide overall goals for Canada's participation in the CEC and will propose a framework for more closely aligning EC's

¹ CEC mission statement: To facilitate cooperation and public participation to foster conservation, protection and enhancement of the North American environment for the benefit of present and future generations, in the context of increasing economic, trade and social links among Canada, Mexico and the United States.

participation in the CEC with established Canadian priorities. This alignment will be accomplished through the development of mechanisms to link departmental and government-wide priorities to the CEC's planning processes. The plan will also include an accountability mechanism to track the impact of CEC work and activities on Canada's policy development.

Some steps towards optimizing EC's participation in the CEC have already begun. EC has increased the resources on the CEC file and is assessing the strategic relevance of the CEC's current work program vis-à-vis Canadian priorities.

This work will be undertaken in close cooperation with the Department of Foreign Affairs and International Trade (DFAIT), and the three signatory provinces to the *Canadian Intergovernmental Agreement* to the NAAEC. Recommendations, advice and views of the Joint Public Advisory Committee (JPAC) and/or a Canadian National Advisory Committee (NAC) will also be taken into account during decision making.

Management Response-Recommendation 2

Environment Canada (EC) agrees with the recommendation.

EC recognizes the importance of engaging with the other NAAEC Parties and the CEC Secretariat in striving for continuous improvement and modernization of the CEC's planning, budgeting and management policies. EC will promote the following work with the other NAAEC Parties and the CEC Secretariat:

- the development and implementation of a performance measurement framework;
- the development of criteria for work program content;
- improving CEC's administrative transparency and effectiveness; and
- the development of a corporate communication approach.

This efficiency work has already begun. At the 2004 CEC Council Session, the NAAEC Parties committed to streamlining the work of the CEC and agreed to make the organization known for concrete and measurable environmental results. The development of the CEC performance measurement framework has taken longer than expected, but the three CEC Parties are striving to ensure that this will be part of the next CEC Operational Plan for 2008-2010. Parties have also discussed the need to develop clear screening criteria for projects and have agreed to support a corporate communication approach.

Canada's leadership within the CEC will continue to focus on making the organization an effective and fulfilling partnership based on the principles identified in the 2005-2010 CEC Strategic Plan: flexibility and mutual support; openness and transparency; and accountability. It is in this spirit that Canada has always engaged in the CEC and that it wishes to continue being involved.

1.0 INTRODUCTION

Environment Canada's (EC) Audit and Evaluation Branch conducted an evaluation of Canada's participation in the Commission for Environmental Cooperation (CEC). This evaluation project is included in EC's 2006-07 Audit and Evaluation Plan.² The project was selected for evaluation given that Canada has been participating in the CEC since 1994 and no formal evaluation of its involvement had yet been conducted. The fact that Canada's financial contribution to the CEC (US\$3 million per year since 1994) represents EC's largest contribution to an international organisation reinforced the need to undertake the evaluation, in particular to ensure that Canada is effectively benefiting from the public resources entrusted to this international organisation.

The purpose of this evaluation was to examine Canada's participation in the CEC. In particular, the evaluation examined whether and how Canada has benefited from, contributed to, or been impacted by CEC's efforts to deliver the objectives of the *North American Agreement on Environmental Cooperation* (NAAEC), the agreement that created the CEC. This report presents the findings, conclusions and recommendations of the evaluation. A management response to the recommendations, provided by EC senior management, is also included.

The remaining sections of this document are organized as follows. Section 2 provides background information on the CEC, including a description of the roles and responsibilities of key bodies and committees, both CEC and Canadian federal government-related. Section 3 presents the evaluation's purpose and design. Section 4 presents the evaluation's findings. Section 5 and 6 lay out, respectively, the conclusions and recommendations. Finally, the management response to the evaluation's recommendations is presented in Section 7.

2.0 BACKGROUND

2.1 Profile of the Commission for Environmental Cooperation (CEC)

When the North American Free Trade Agreement (NAFTA) came into effect in 1994, it created the largest free trade area in the world at the time. While NAFTA included some environmental provisions in its text, a number of concerns about the environmental effects of increased economic activity were nevertheless raised.³ In order to address these concerns, Canada, Mexico and the United-States (U.S.) negotiated a "side agreement" on the environment, called the *North American Agreement on Environmental Cooperation* (NAAEC).⁴

² The Plan was approved by EC's Departmental Audit and Evaluation Committee (DAEC) on March 16, 2006.

³ One of these concerns was the fear, generally referred to as the 'race to the bottom', that free trade would lower environmental standards or impede the strengthening of them and that firms would move to other countries to benefit from less stringent environmental standards. The fear that firms would move to countries with less stringent environmental standards is commonly associated with the "pollution haven" hypothesis.

⁴ Another side agreement which was negotiated by the three countries and implemented in parallel to the NAFTA was the North American Agreement on Labour Cooperation (NAALC).

The NAAEC between the Government of Canada, the Government of the United Mexican States and the Government of the United States of America, which came into force on January 1, 1994, was established to facilitate cooperation and public participation to foster conservation, protection and enhancement of the North American environment in the context of increasing economic integration between Canada, Mexico and the U.S. (hereafter the Parties). It was also designed to promote the effective enforcement of each country's environmental laws. The NAAEC created the Commission for Environmental Cooperation (CEC) to facilitate the trilateral cooperation. The CEC is comprised of three principal components or bodies: a Council, a Secretariat and a Joint Public Advisory Committee (JPAC).⁵

The NAAEC, through the CEC, is one of the very few international agreements seeking to bring together different countries to work cooperatively on a wide range of environmental issues.⁶ The NAAEC's broad mandate allows the CEC to address almost any environmental issue anywhere in North America.⁷ In this sense, the CEC was formed to help demonstrate that North America is a collection of linked ecosystems and create a sense of regional environmental consciousness. Moreover, it is worth noting the unprecedented commitment by the three governments to account internationally for the enforcement of their respective environmental laws.

In addition to promoting environmental cooperation, the CEC has traditionally played a role in addressing issues surrounding trade and environment.⁸ NAAEC's very creation represented a commitment by the governments of North America to integrate trade and environment related issues among other sustainable development considerations in their policy process. In fact, the NAAEC was the first international agreement to link environmental cooperation with trade relations. The CEC's work in this area is intended to promote policies and actions that provide mutual benefits for the environment, trade, and the economy. The CEC has also produced analyses to promote a better understanding of trade and environment relationships (e.g., ongoing environmental assessment of the NAFTA since 1994). At the institutional level, NAAEC's Article 10(6) also refers, among other things, to how the CEC may assist NAFTA's Free Trade Commission (FTC) in environment-related matters (e.g., providing information or technical advice to NAFTA committees, working groups and other NAFTA bodies, prevention and resolution of environment-related trade disputes).

The NAAEC also stands out for its provisions on public participation. These provisions are intended to maximize public involvement to ensure open and effective dialogue and engagement among all sectors of the public. The public participation mechanisms have

⁵ These bodies, established by the NAAEC, are discussed in more detail in Section 2.2. We note here that the NAALC also created a commission, the Commission for Labour Cooperation (CLC), to promote cooperation on labour matters. The CLC consists of a Council and a Secretariat located in Washington, DC.

⁶ In some respects, the Treaty establishing the European Community (in effect in 1967 and since 1993 referred to as the European Union) is another example of an international agreement which, among other things, seeks environmental cooperation among different countries. The key related articles of the treaty may be found at the following web site: <http://europa.eu/>.

⁷ Illustrative examples of environmental issues covered by the CEC include the threats to human health from toxic substances, protecting biodiversity, strengthening environmental enforcement, and children's health and the environment.

⁸ As is discussed later, the area of trade and environment was recently (in 2004) elevated to a priority area for CEC's cooperative work program.

generally aimed at disseminating information as well as educating and consulting with the North American public on CEC activities.

The NAAEC broadly describes a number of areas of work for the CEC. CEC's cooperative work program aims to develop projects related to a wide range of environmental issues (Article 10). The citizen submissions on enforcement matters (SEM) process is also a key CEC work area intended to enhance enforcement of and compliance with environmental law in North America. In particular, under Articles 14 and 15, the SEM process allows any person or NGO residing in North America to make a submission to the CEC asserting that a partner country is failing to effectively enforce its environmental laws. A submission can trigger an investigation by the CEC Secretariat, with Council's approval, and the publication of a factual record.⁹ The CEC also produces reports (commonly referred to as Secretariat Reports) on environmental issues of regional importance (Article 13) and periodic assessment of the state of the North American environment (Article 2).¹⁰

Each NAAEC Party contributes equally to the CEC budget (each country pays 33.3% of the annual CEC budget), and each are represented equally on the CEC's decision-making structures. Since 1995, the annual contribution of the three countries combined is US\$9 million. This amount has never been indexed to the rate of inflation nor adjusted to reflect fluctuations in currencies. About half of the annual budget of the CEC is used to pay for the implementation of the work program. This includes support of CEC working groups and committees which elaborate and implement the CEC work program. A third of the budget also pays for expenses related to the activities of the CEC Secretariat, which are required under the NAAEC (e.g., Article 13, 14, and 15 reports; support to Council and JPAC).

A four-year review was completed in 1998 to mark the first four years of existence of the CEC. The *Report of the Independent Review Committee* (hereafter the IRC report) conducted a review of the operation and effectiveness of the CEC and provided recommendations to help enhance the latter.¹¹ The IRC was composed of three members (one from each country) that were appointed by Council in November 1997. Furthermore, to mark the tenth anniversary of the CEC in 2004, a ten-year review on the CEC was conducted in 2003/2004. This initiative reviewed the implementation of the NAAEC over its first ten years and recommended actions to assist the Council in charting the path for the CEC over the next decade. This exercise was conducted by a committee commonly referred to as the Ten-year Review and Assessment Committee (TRAC) and comprised of six members (two from each country) appointed by the Council of the CEC in October 2003. The Committee's report (hereafter the TRAC report) titled *Ten Years of North American Environmental Cooperation* was presented to the Council of the CEC on June 15, 2004.¹²

⁹ A factual record outlines, among other things, the history of the issue and the facts relevant to the assertions made in the submission of a failure to enforce environmental law effectively.

¹⁰ We note here that only one report on the state of the North American environment was produced.

¹¹ The NAAEC requires that the Council which governs the CEC to review its operation and effectiveness four years after its entry into force (January 1, 1994).

¹² The TRAC report indicated that it accounted for the IRC's findings and that it built on the IRC's analysis in conducting its own assessment.

The TRAC report is acknowledged in the Puebla Declaration, a declaration signed by Canada, the U.S., and Mexico in June 2004, which presents the Parties' vision for the CEC for the rest of the decade.¹³ The Declaration emphasized several attributes to be pursued by the CEC, namely that the CEC be:

- A catalyst for action by the Parties and others as the Parties' economic relationship grows;
- A forum to facilitate action on regional issues and of a high priority for each Party; and
- An organization that produces concrete results, quality information and analysis which have policy-relevance to the three countries.

The Puebla Declaration also identified three priorities upon which its work program would be grounded (through a five-year results-oriented strategic plan), namely: Information for Decision-Making, Capacity Building, and Trade and the Environment.¹⁴ The Information for Decision-Making priority intends "to support better decision-making by providing information on the key environmental challenges and opportunities facing North America". The Capacity Building priority intends "to strengthen the capacities of the three countries to manage environmental issues of common concern". This work involves, for example, the sharing of what each country does best in the areas of compliance with wildlife laws, private sector environmental performance, and assessment and management of chemicals of concern. The priority relating to Trade and the Environment intends to "promote policies and actions that provide mutual benefits for the environment, trade, and the economy."

2.2 Key Bodies and Committees

This section provides an overview of the roles and responsibilities of the CEC's three key bodies, namely the Council, the Secretariat and the Joint Public Advisory Committee (JPAC), as well as key CEC committees.¹⁵ This overview is then followed by a description of the roles and responsibilities of the key Canadian federal government departments involved in the implementation of the NAAEC as well as the Canadian government committees that have been established.

a) Key CEC Bodies and Committees

Council

The CEC is led by a Council composed of the environment ministers of the three countries.¹⁶ The Council is the governing body of the CEC. As such, it is responsible, among other things, for setting the CEC's overall direction and approving the CEC's

¹³ The *Puebla Declaration* was signed at the Eleventh Regular Session of the CEC Council, which was held in Puebla, Mexico on June 23, 2004.

¹⁴ Details regarding the goals and objectives of these priorities are included in *Looking to the Future: Strategic Plan for the Commission for Environmental Cooperation 2005-2010*.

¹⁵ The details of the roles and responsibilities of the CEC bodies are described in more details in Part Three of the NAAEC (Articles 9-16). Information on the bodies was also obtained from the following documents: NAAEC, TRAC report and *Looking to the Future: Strategic Plan for the Commission for Environmental Cooperation 2005-2010*.

¹⁶ Canada is represented by the Minister of Environment, Mexico by the Secretary of the Environment, and the U.S. by the Administrator of the U.S. Environmental Protection Agency (EPA).

annual program and budget. The ministerial Council traditionally meets once per year. Alternate Representatives, senior officials in the three environmental agencies who represent the Council members and have decision-making authority, meet approximately four times a year and have regular conference calls. The Council generally formalizes its decisions through resolutions.

Secretariat

The CEC Secretariat, based in Montreal (with a second liaison office in Mexico City), has several functions. The Secretariat's support to Council includes technical, administrative and operational tasks. For example, the Secretariat is responsible for preparing the annual work program and budget as well as the CEC's annual report in accordance with Council's instructions. Support is also provided in other areas as directed by Council. Under NAAEC's Article 13, the Secretariat may also prepare reports to the Council on any matter within the scope of the annual work program or, unless the Council objects, on any other environmental matter related to the cooperative functions of the NAAEC. Article 14 gives it individual powers in the handling of public submissions. The CEC Secretariat has typically included over 50 support and professional staff and is headed by an Executive Director. The Executive Director has a three-year term, with the possibility of renewal for an additional three-year term if approved by Council. The position rotates among citizens from each Party.

Joint Public Advisory Committee (JPAC)

The Joint Public Advisory Committee (JPAC) is composed of five appointed citizens from each of the three countries who serve as volunteers. Their mandate is to advise the Council and inform the Secretariat on any matter within the scope of the NAAEC. Information provided can include relevant scientific, technical or other types of information and can be used in the development of a factual record. The members of the JPAC are named by their respective government. The full 15 member committee usually meets three to four times a year with the public. As required, issue-specific sub-committees may hold additional meetings. A central role of the JPAC is to ensure inclusiveness, active public participation and transparency in the activities of the CEC.

General Standing Committee (GSC)

Much of the day-to-day oversight is the responsibility of the General Standing Committee (GSC). It is composed of representatives from each Party who typically report to their respective Alternate Representative. The GSC was established to ensure regular communication between the Secretariat and the Parties on all aspects of implementation of the NAAEC. As the principal point of contact for the Parties, the GSC communicates regularly, in person or via conference call, with the Secretariat staff and is the point of intake for all Secretariat documents. The GSC also acts to ensure timely follow up on Secretariat requirements for information and/or action and to ensure exchange of information and views on issues of mutual interests.¹⁷

Working Groups and Sub-committees

The CEC conducts the bulk of its program work through various working groups, composed almost entirely of government officials from the three Parties. Since 1995, the Council has created four working groups in the areas of chemical management,

¹⁷ Examples of such issues include the development and implementation of the annual program and budget; preparation of the annual report; issues related to the implementation of Articles 14 and 15 of the NAAEC; relevant cooperative activities and others.

biodiversity, air, and enforcement.¹⁸ In addition, the Secretariat and the working groups themselves have established additional sub-committees to guide specific aspects of their work.

b) Key Government of Canada Departments and Committees

Federal Government Departments

The lead federal department supporting the CEC is EC. As the primary point of contact for Canada's dealings with the CEC in general and with the CEC Secretariat in particular, EC works closely with other government departments, particularly with DFAIT, to establish Canadian positions on issues addressed at the CEC. EC also works with other federal departments regarding any relevant issues as required. Specifically, officials from Health Canada, Natural Resources Canada, Parks Canada and Fisheries and Oceans participate in the implementation of the CEC work program.

Governmental Committee

In addition to the day-to-day management activities, EC's role includes the coordination with Alberta, Manitoba, and Quebec, the three signatory provinces of the *Canadian Intergovernmental Agreement (CIA) Regarding the NAAEC*, the agreement which sets the terms for the coordination of intergovernmental cooperation in implementing the NAAEC.¹⁹ A Governmental Committee, composed of the ministers responsible for the environment, or their designees, of the three signatory provincial governments and the federal Environment Minister was created under the CIA's Article 3. This Committee was created to develop and manage Canada's involvement in the NAAEC. Under the CIA, the Governmental Committee was to meet once a year and in advance of the annual Council meeting. However, it only did so once. Working-level officials from the four jurisdictions hold regular discussions, often by conference calls, for the purposes of shaping Canadian positions and approaches as well as providing input to CEC planning processes and projects.

National Advisory Committee (NAC)

As part of its participation in the CEC, the Government of Canada established a national advisory committee (NAC) as per Article 10 of the CIA and Article 17 of the NAAEC. The latter Article stipulates that such a committee, comprised of members of a respective Party's public (e.g., representatives of non-governmental organizations, citizens, private sector), may be convened to advise their respective Party on the implementation and further elaboration of the NAAEC. The Canadian NAC members, as per Article 10 of the CIA, are appointed by the aforementioned Governmental Committee to advise the latter on the implementation and further elaboration of the NAAEC. The Canadian NAC may also provide advice on its own initiative or at the request of the Governmental Committee.

¹⁸ Alternate Representatives, with the authority of Council, created a Trade and Environment Working Group. However, a Council Resolution was not passed regarding this working group.

¹⁹ As the NAAEC did not bind Canadian provinces and territories when it was signed by the Canadian federal government, Canadian provinces and territories willing to take on the obligations of the NAAEC were invited to sign the CIA with the federal government. Article 18 of the NAAEC indicates that each Party may convene a governmental committee, which may include representatives of federal and state or provincial governments, to advise on the implementation and further elaboration of the NAAEC.

The Canadian NAC members meet at least once a year. Former Canadian NAC members have represented various parts of civil society, including the private sector, municipal government, environmental non-governmental organizations, and academia. The term of the former NAC members expired in May 2006.²⁰ The Minister of Environment, in consultation with his provincial counterparts, is in the process of selecting new NAC members.

3.0 EVALUATION'S PURPOSE AND DESIGN

3.1 Purpose of the Evaluation

The purpose of the evaluation was to examine Canada's participation in the CEC, in particular, by assessing whether and how Canada has benefited from, contributed to, or been impacted by CEC's efforts to deliver NAAEC objectives.

The evaluation consisted of a comprehensive examination of the following areas: key CEC substantive activities, governance aspects related to the CEC and the Canadian government, and CEC operational and organizational aspects, including CEC administrative and financial processes. Close attention was given to the role played by EC as it is the federal department accountable for the financial contributions provided to the CEC.

In assessing Canada's participation in the CEC, the following four issues were used to guide the evaluation:

- **Relevance** asked whether Canada's participation in the CEC addressed actual needs.
- **Success** focused on whether and how Canada has benefited from, contributed to, or been impacted by CEC's efforts to deliver NAAEC objectives in areas of environmental cooperation, policy improvement, trade and environment, and public participation.
- **Design and Delivery** focused on the impacts of the functioning of key bodies and activities, performance monitoring, and Canadian stakeholder groups' 'satisfaction'.
- **Cost-effectiveness** asked whether other national or international organizations in which Canada participates are involved in areas of activities that overlap with and/or complement those of the CEC.

Note that no documentation describing expected outcomes (and associated activities and outputs) related to Canada's participation in the CEC was developed. EC's past contribution to the CEC has been exempted from the development of a Results-based Management and Accountability Framework (RMAF).²¹ Canada, however, participates in the CEC as it is the organization which was created to facilitate the effective delivery of the NAAEC's objectives. The assessment of the evaluation issue of success was hence based on these objectives which are presented in **Annex 1**.

²⁰ Canadian NAC members have been typically appointed for three-year terms.

²¹ An RMAF is a document prepared by managers to help them focus on measuring and reporting on outcomes throughout the lifecycle of a policy, program or initiative. It typically accompanies a Treasury Board Submission.

The objective areas mentioned above under the evaluation issue of success represent the evaluation's conceptual summary of the NAAEC objectives. In regard to the area of policy improvement, six of the ten NAAEC objectives refer to this area in one form or another (e.g., measures, laws, regulations, procedures and practices), including the promotion of mutually supportive environmental and economic policies. The areas of environmental cooperation, public participation and trade and environment were included given their direct and indirect links to specific NAAEC objectives. The trade and environment area was also included in the examination of the evaluation issue of success in light of the previously mentioned importance given to this area in past and current CEC work and activities.

The specific questions pertaining to each evaluation issue indicated above are presented in the Evaluation Plan for the Evaluation of Canada's Participation in the CEC (September 2006). The details of these are found in **Annex 2**. The evidence from this evaluation was gathered between July 2006 and February 2007.

3.2 Evaluation Approach and Methodology

3.2.1 Evaluation Committee

In order to support the evaluation process, an evaluation committee was created. This committee was composed of officials from EC's Audit and Evaluation Branch (the evaluation project team) as well as program managers involved in CEC activities at EC and DFAIT. The mandate of the evaluation committee was to facilitate and guide the evaluation process at the working level from start to finish.²²

3.2.2 Validation and Review Process

An important part of the evaluation was to share preliminary findings and draft reports with individuals, groups and/or committees to allow them to validate findings and/or provide feedback before the report was completed. In this context, separate sessions were conducted with the following groups: evaluation committee members, members of EC's Strategic Integration Board (comprised of senior EC officials), CEC Secretariat senior staff, representatives of the signatory provinces, and Alternate Representatives and officials from the other two NAAEC Parties, namely Mexico and the U.S.²³

As part of the Audit and Evaluation Branch's internal quality assurance process, copies of the draft report were circulated to the Branch's senior management for a first review. The draft report was then distributed to the evaluation committee members for their review. Finally, the draft report was circulated to CEC Secretariat senior staff as well as to representatives of the signatory provinces and of the U.S. and Mexican governments.

3.2.3 Sources and Methods of Enquiry

In accordance with best practices, the evaluation involved the use of multiple lines of

²² The terms of reference of the evaluation committee can be found in **Annex 3**.

²³ EC's Strategic Integration Board is part of EC's Priority Management Boards. The latter, an integral component of EC's operational governance structures, are responsible for the design and delivery of specific elements of departmental outcomes and priorities. Under EC's Audit and Evaluation Policy, Boards are responsible for the management response to recommendations made in projects. It is the Strategic Integration Board that has been identified as the Board responsible for the management response for this project.

evidence and modes of enquiry, including:

Document Review

Documents pertaining to both the Government of Canada and the CEC were reviewed and analyzed. A full list of these documents and files can be found in **Annex 4**. In addition to the policy, planning and research-related documents regarding both the CEC and Canada's participation, this list also contains the key CEC rules, policies and procedures that were reviewed by the evaluation team.²⁴

Media Monitoring

Monitoring of Canadian mainstream media provided information about the different perceptions that people/groups may have about the CEC. The evaluation used both an EC-based media research tool as well as the media and outreach impact reports that are produced by the CEC Secretariat.

Key Informant Interviews (KII)

Key informant interviews were conducted with Government of Canada senior and junior level officials (with past and ongoing dealings with the CEC), CEC Secretariat senior staff (past and existing), members of the Canadian JPAC and NAC (past and existing), and representatives of the signatory provinces (generally officials of the Governmental Committee). These interviews, the majority face-to-face, were conducted by the evaluation project team officials between September 20th, 2006 and October 20th, 2006. A total of 39 interviews were completed. The purpose of these interviews was to examine a number of issues and questions covered in the present evaluation.²⁵ **Annex 5** presents the interview questions and themes that were employed to facilitate interviewee input.²⁶

The following presents the number of completed interviews of the aforementioned groups:

- Government of Canada officials (mostly from EC and DFAIT) (16)
- CEC Secretariat staff (14)
- Canadian JPAC and NAC members (5)
- Representatives of the signatory provinces (4)

²⁴ The decision to examine CEC administrative and financial processes was based on questions, raised by EC officials and by representatives of the other NAAEC Parties regarding CEC administrative and financial aspects, including financial budgeting and reporting, travel and contractor support services. This part of the evaluation is reflected in question 13 of the Evaluation Plan's Table 1, which may be found in the present report's **Annex 2**. The evaluation project did not perform any sampling and testing of transactions following the review and analysis of CEC rules, policies and procedures. This piece of the evaluation was therefore intended to observe any potential risks and/or appearance of control weaknesses. The analysis did not cover all administrative and financial processes, such scope being too large to carry out under this project. Finally, we indicate here that, in addition to the validation sessions conducted by the evaluation project team, a follow-up meeting between Audit and Evaluation Branch and CEC Secretariat's Administration and Finance Unit officials (held at Environment Canada) provided an additional opportunity to validate related findings.

²⁵ Once again, we refer the reader to **Annex 2**.

²⁶ Note that interview guides varied according to the different interviewee group. **Annex 5** presents the interview guide for Government of Canada officials as it is the most comprehensive. The other interview guides were adapted to reflect respective needs and knowledge of different interviewee groups.

Key informant telephone interviews with Canadian stakeholder groups were also conducted by senior researchers of Environics Research Group. These interviews were conducted between September 21, 2006 and December 13, 2006. The purpose of this set of interviews was to determine whether and how stakeholders are effectively being reached by the CEC's activities, and the extent to which they are satisfied with the CEC's overall work. Specifically, the stakeholder research explored: 1) familiarity with the CEC, and knowledge of its mandate; 2) opinion of extent to which the CEC is facilitating the delivery of NAAEC's objectives and key factors influencing this, including Canada's contribution; 3) assessment of CEC operations, in terms of the effectiveness and accountability of its three key bodies (Council, Secretariat and JPAC), and the level of cooperation between the bodies; and 4) suggestions/views for the future, in terms of improving the CEC's effectiveness and strengthening Canada's contributions.

The evaluation project team provided Environics with a list of 82 stakeholders who were identified as eligible for inclusion in this consultation. The list of eligible stakeholders was designed to ensure representation across stakeholder groups (to account for differing perspectives) and a balance between those more directly involved and those less involved with the CEC. Interviews were conducted with senior people within these organizations (e.g., Presidents, CEOs, and Executive Directors). A total of 28 interviews were completed in the timeframe available, representing a 34 percent participation rate. This is fairly typical for this type of project involving busy senior professionals, who can be difficult to reach or unavailable for participation due to other commitments. However, the participation level for this particular study was also affected by a number of declines from organizations citing a lack of knowledge about the CEC (this will be discussed in Section 4.2).²⁷

Interviews focused on the following key CEC stakeholder groups (number of completed interviews is presented in brackets):

- Environment Non-governmental Organisations (ENGOS) Groups (9)
- Private Sector (e.g., Business, Trade Councils) (9)
- Academic Community (4)
- Aboriginal Organizations (3)
- International Organizations (2)
- Other (1)

An interview protocol, developed in conjunction with the evaluation project team as well as members of the evaluation committee was used to guide the interviews. A copy of this protocol is also provided in **Annex 5**.²⁸

²⁷ Of the list of 82 stakeholders, 26 stakeholders declined to participate and 17 of these reported that this was due to their lack of knowledge of the CEC. Further details on the final disposition of all stakeholders on the original list provided may be found in the final report prepared by Environics and titled: *Canadian Stakeholder Interviews for the Evaluation of Canada's Participation in the CEC* (February 2007).

²⁸ In terms of recruitment for all the interviews, EC's Audit and Evaluation Branch officials contacted potential interviewees in advance by e-mail, informing them of the purpose of the interviews and requesting their participation. An official from the Audit and Evaluation Branch (and from Environics for the stakeholder research) subsequently contacted each person by telephone and/or by e-mail to schedule an interview session. Individuals were contacted multiple times, as appropriate, to schedule an interview. Once an interview had been scheduled, the Audit and Evaluation Branch sent the interview questionnaire as well as a

Finally, overall themes were identified for each interviewee groups who participated in this evaluation. These themes taken together with the other lines of evidence underpin the findings presented in this report's Section 4. Where consensus was found, individual interviewee groups are not identified. The report also includes quotes from participants to illustrate highlights that emerged during the interviews.

Organisational Comparisons

A review of mandates, activities and operational practices of other comparable organizations was conducted to provide information upon which the CEC may be compared. Given the uniqueness of the CEC (i.e., it cannot be compared to another organisation on all of its components), the evaluation compared the CEC to different organisations on a component-by-component basis. The data gathered for this was primarily based on documents reviewed and the interviews. The following provides examples of key organisations used for comparing and according to which components:

- Implementation of results-based management: Organisation for Economic Co-operation and Development (OECD), EC, Commission for Labour Cooperation (CLC)
- Similarities or differences of other mandates/work programs: OECD, World Trade Organisation (WTO), International Institute for Sustainable Development (IISD), International Joint Commission (IJC), Security and Prosperity Partnership (SPP)
- Governance (e.g., functioning of bodies, presence of controls): CLC, NAFTA, federal government, Treasury Board Secretariat (TBS)

4.0 FINDINGS

This section presents two levels of findings: those specific to the CEC and those specific to Canada's participation in the organization. We note that unlike the Canada-related findings, which are presented by evaluation issue (i.e., relevance, success, design and delivery and cost-effectiveness), the section on CEC-specific findings highlights the key themes that emerged during the evaluation in regard to this international organization. This presentation is intended to help the reader gain a better understanding of Canada's participation in the organization. The CEC-specific findings will be referred to, as applicable, in the section covering findings specific to Canada's participation.

4.1 CEC-Specific Findings

This section presents the evaluation's findings related to the CEC.

Previous CEC assessment report findings (IRC (1998) and TRAC (2004)) are still relevant today. These findings are: i) CEC continues to advance North American environmental cooperation especially in the area of information sharing and capacity building; ii) decision-making at the CEC remains challenging; iii) ongoing need to focus work and generate concrete and measurable results.

confirmation of the date and time of the interview. In the case of the stakeholder research, Environics sent an abbreviated version of the interview protocol to provide an overview of what would be covered.

The CEC's progress in the environmental cooperation area has been a key finding of the present evaluation.²⁹ The CEC has developed and is developing work programs on a number of common issues of relevance to North America. Interviewees emphasized that in addition to the organization's progress in assembling a substantial body of information on the shared North American environment, the CEC provided an important forum for discussion between the three countries.

Of particular interest are those projects that have been sustained since the early days of the CEC, particularly in the areas of information disclosure and comparability and in capacity building. Most notably cited examples of projects in the area of information disclosure and comparability included the Pollutant Release and Transfer Registers (PRTR) and the Taking Stock report as well as the work on Children's Health and the Environment. Examples cited in the area of capacity building included the Sound Management of Chemicals (SMOC) and the Strengthening Wildlife Enforcement Capacity. The evaluation also found that, despite ongoing challenges in identifying truly trilateral issues, the CEC is continuing to address issues of regional concern in a context of increased economic integration. The recent partnership with the North American Auto Sector project, the promotion of the North American Renewable Energy Market, and the work on improving private and public sector environmental performance represent key examples of projects reflective of the North American environmental and economic realities (e.g., increased level of fossil-fuel based energy trade, increased competitive pressures from new and emerging trading partners).

A second finding that appears to be resurfacing relates to challenges in decision-making within the organisation.³⁰ Key contributing factors identified by the evaluation were the asymmetries across countries (e.g., different interests, capacities, and economic configurations) as well as domestic politics. These factors are continuing to contribute to the different interests and/or priorities that are brought to the table. The evidence suggests that the challenges in decision-making appear to be impeding the organisation's effectiveness, including the timeliness of actions/activities. Past negotiations of the work program as well as the SEM process are illustrative examples of the challenges in decision-making.³¹ Efficiency in decision-making has also been affected by the changes in governments in all three countries. The fact that CEC Council

²⁹ This finding is supported by the interviewees' responses as well as by the evaluation team's review of past and current work conducted by the CEC. The TRAC report also found that the CEC was making progress on the North American environmental cooperation front. The IRC report indicated that after only four years of existence, the CEC had already taken significant steps toward achieving its purposes and in some areas (i.e., capacity building), the CEC has "catalysed on-the-ground action by the three Parties".

³⁰ The lines of evidence supporting this finding included the IRC and TRAC reports, interviewees' responses and the document review. Challenges facing the CEC in regard to decision-making mentioned in both the IRC and TRAC reports included the trilateral nature of the CEC (i.e., small number of countries accentuating any disagreements) and the lack of attention of individual Parties to the needs of others.

³¹ It took two years of discussion to approve the work program under the new Puebla priorities. It is worth noting here that it took approximately three months to approve the work program included in the current 2007-2009 Operational Plan. Most of the projects included in the work program, however, represent a continuation of the implementation of those projects that were approved in the previous Operational Plan. In terms of the SEM process, it was found that there is a fair amount of variability in the voting patterns of Council regarding the preparation of a factual record by the Secretariat (ranging from approximately 650 days to as little as 40 days) and that no set timeline for such votes exists (e.g., in some cases waiting for consensus by the Council has caused delays in actions). Interviewees generally attributed the delays in the SEM process to the effectiveness of the Council and/or to the political will of the Parties to bring issues to closure.

members have delegated much of their involvement in the CEC to their Alternate Representatives and, in turn, to subordinate officials (e.g., the GSC) has also been identified as an ongoing factor impeding timely decision-making (i.e., many decision levels).³² Interestingly, one of the main reasons for entering into regional trade agreements like the NAFTA is the ease of negotiating with a fewer number of countries.³³ The CEC experience, however, indicates that despite the advantages of negotiating with fewer countries, having to deal with complex horizontal issues (i.e., environmental, economic and social) has proven to be challenging.

Finally, despite the desire by the CEC to establish a performance measurement framework, the evaluation has not found any evidence suggesting that this is a formalised business activity within the organization. Despite the emphasis over the past years on the need to produce and measure results as well as to assess progress in achieving these, the overall measurement approach (e.g., aligning organisational-wide outcomes with work program projects and the SEM process outcomes, defining roles and responsibilities, establishing the measurement frequency and a reporting strategy) remains to be defined.³⁴

To help narrow its priorities and streamline its work program, the CEC focused its work program on the three Puebla priorities. There is, however, a sense among interviewees that the CEC work remains broad, highlighting the fact that the Puebla priorities themselves were broadly defined as well as cross-cutting. On the latter, it was often mentioned that aspects of individual priority areas may be found across CEC projects despite the fact that they are itemized under a single priority area. The sense that the CEC work remains broad was reflected by the finding that most interviewees were familiar with only a single work area of the CEC and/or that they ignored or found it challenging to assess CEC's contribution in other work areas as well as at the broader corporate level. Interestingly, both of the IRC and TRAC reports indicated that the breadth of the NAAEC contributed to the difficulties in achieving a well defined work program.

The evaluation also identified some questions about the trade and environment area. In particular, findings from the TRAC and IRC reports, interviewees' responses and the document review indicated that part of the ongoing work and/or activities in this area was faced with challenges. Key factors included most notably, the unrealistic initial expectations about the possibility of cooperation between the CEC and the Free-Trade Commission or the environment and trade communities in general, the methodological (e.g., isolating environmental effects of NAFTA from effects of economic growth) and at times political challenges of considering the environmental impacts of NAFTA, and the existence of other fora where similar work is conducted (e.g., OECD work on trade and use of market-based instruments, WTO for resolution of trade disputes). Also, unlike recent efforts that the NAFTA has made to adapt to the changing global dynamics (e.g., emerging trade partners); it is not clear how the CEC is adapting its own efforts to

³² In many instances, interviewees also alluded to the different levels of effort of the Parties, in particular in regard to the size of the "GSC teams" within each country, as a factor contributing to the challenges of decision-making.

³³ See Harris (2006), *Economic Impacts of the Canada-U.S. FTA and NAFTA Agreements for Canada: A Review of the Evidence*, in NAFTA@10 Series.

³⁴ Key documents stating the CEC's intention to formalize its performance measurement effort include the Puebla Declaration, the CEC's five-year Strategic Plan and the Operational Plans covering the past four years. These documents are discussed later.

address such a change.³⁵ Interestingly, the IRC report indicated that the CEC needed to “strive to broaden the general understanding of the term ‘trade and environment’ beyond the controversial exercise to identify the environmental effects of NAFTA”.

The CEC's way of conducting business has evolved over time, particularly in terms of: i) new organization-wide planning efforts, ii) an increasing level of Parties' oversight in the Secretariat, and, iii) the desire to improve corporate communications.

New organization-wide planning efforts were adopted by the Puebla Declaration commitment to develop a five-year strategic plan. The *Strategic Plan of the CEC 2005-2010* represented an effort to further strengthen planning at the CEC by linking the *Strategic Plan* with the CEC operational planning cycle.³⁶ Interviewees indicated that the planning exercise was an arduous one as previous work program activities now had to be examined under the new Puebla priorities and the latter's own set of goals and objectives.³⁷ The exercise was all the more demanding as discussions, particularly those related to project selection or more generally to work program content, were not supported by any formal guiding criteria.³⁸ The absence of project selection criteria leaves decision-makers without the tools needed to discern between the different proposals. The evidence also indicated that discussions drifted away from content-based ones given Parties' preoccupations on a number of CEC financial and budgetary issues (discussed below).

The evaluation also noted an increasing level of oversight by the Parties in a number of areas which for the most part were previously managed by the CEC Secretariat alone. This suggests a lack of confidence between the Parties and the Secretariat, a key theme that arose out of the interviews.³⁹ First, the recent CEC quality assurance document

³⁵ For example, while the CEC project on the ongoing environmental assessment of NAFTA in the 2007-2009 Operational Plan indicates that “a decade of experience shows that the environmental effects of the NAFTA are difficult to isolate from those stemming from global trends toward trade liberalization and that the work is not focused on the NAFTA effects alone”, it is not clear how existing project tasks will address this. Recent NAFTA efforts to enhance North American competitiveness include work on the reduction of export-related transaction costs (e.g., liberalising NAFTA rules of origin), the recognition of professional credentials, and the promotion of further regulatory cooperation.

³⁶ The three-year operational planning cycle, updated annually, that was introduced by the CEC in 2003 represented a departure from the individual program plans of previous years, where each program (i.e., Pollutants and Health; Conservation of Biodiversity; Environment, Economy and Trade; and Law and Policies) was structured around its own goals, objectives, and priorities. The cooperative work program in the *2004-2006 Operational Plan for the CEC* was driven by a set of four goals and related objectives.

³⁷ The five-year goals and objectives for respective priorities are defined *2005-2010 Strategic Plan*.

³⁸ The evaluation identified a draft document (August 16, 2004) to help guide the development of the CEC's cooperative program and included possible criteria (e.g., regional priority, value-added to uniquely position the CEC work, leveraging). It appears, however, that the document was not finalised or formally used. Correspondence records also indicated a lack of consensus on project selection criteria still existed in 2006. The evaluation has been informed that the topic of criteria was however something that the Parties and the existing Executive Director are trying to address (i.e., the topic was discussed at an October 2006 Alternate Representative meeting). There are hopes that criteria will be in place for the development of the next Operational Plan. Finally, we note here that the IRC report recommended that a consistent set of criteria should be applied in the development of the work program.

³⁹ We note here that the issue of confidence regarding the Parties in the Secretariat was also raised in the IRC and TRAC reports.

establishes an unprecedented role for Parties in the CEC.⁴⁰ In addition to having Parties review the majority of CEC products, Council is notified of final products and release dates only once clearance has been obtained from all Parties. The document also includes a provision allowing a Party to use a disclaimer to clarify that a product may not necessarily reflect the views of the respective governments. While disclaimers are a common practice in international organizations (i.e., countries remain sovereign), the review of a number of CEC publications indicates that the practice has been widely used by the Parties. It was also the general perception of interviewees' that the use of the disclaimers is an indication of Parties lack of commitment to the CEC. Second, Parties have also been increasingly engaging the Secretariat in discussions on CEC budgeting and financial practices. These have resulted in more detailed budget and formatting requests and increased monitoring of finance-related decisions.⁴¹ Third, Parties have been more actively involved in CEC Secretariat professional staffing activities (e.g., for the position of Executive Director and in assessing needs of Secretariat professional staff). There is a sense that the increased level of Parties' oversight in the areas mentioned above may be viewed as due diligence on the part of the Parties to enhance the accountability of, and consistency in CEC practices.

Finally, the evaluation identified a desire to improve CEC corporate communications and outreach, suggesting the need for change in this CEC business area. The Puebla Declaration, for one, emphasized the CEC as a catalyst for action and as a provider of credible, policy relevant and timely information. In this regard, however, interviewees generally indicated that the media coverage of the CEC does not reflect the Puebla vision or the CEC's purpose/mandate in general suggesting the need to better inform the general public and/or specific stakeholder groups of the CEC as well as of its contributions. The evaluation's review of the media coverage of the CEC for the last four years indicated that only a few CEC products/activities were discussed (i.e., Taking Stock report, SEM process). This review also revealed that the organization is often misportrayed, generally tagged as a "watchdog" or "the NAFTA tribunal". Interestingly, while the 2004-2006 Operational Plan emphasized the importance of corporate communication practices (e.g., described as "integral to the operations and success of the CEC" and corporate-wide communication objectives were provided), the subsequent 2006-2008 did not formally refer to corporate communications or to the previously stated objectives.⁴² Rather, emphasis was given to different communication approaches at the project level (e.g., improving understanding of specific reports, engagement of specific stakeholder groups, and development of special fact sheets/brochures and other media and information materials). Efforts to use corporate communications to enhance awareness of CEC's contributions to the public, however, are evidenced in the 2007-2009 Operational Plan which stresses that "effective communication of the results of CEC activity is integral to the CEC's success".

⁴⁰ The *Quality Assurance Policy and Procedures: Publication and Information Products* (October 2006) document presents the principles for ensuring the quality of CEC's research and information products as well as the various review stages and reviewers for each product.

⁴¹ Notable lines of evidence supporting this finding include minutes to Alternate Representatives meetings, correspondence of GSC members, and CEC budgeting and financial information.

⁴² The area of corporate communications is also not formally addressed in the Strategic Plan 2005-2010. It is worth noting here that the evaluation found that some parts of the CEC website were out-of-date.

Some operational factors create challenges in addressing an evolving context and/or in maintaining an efficient organisation. These factors most notably concern: i) CEC human resource planning, ii) the comprehensiveness and clarity of CEC administrative policies and practices, and iii) the transparency of budgeting and financial processes.

By virtue of its mandate and associated activities (delivery of a cooperative work program and other substantive activities like the SEM process), the CEC spends a large percentage of its total budget on salaries.⁴³ Human resource aspects, in particular those regarding the CEC Secretariat, are hence fundamental to CEC's capacity to deliver results. There was overall consensus among interviewees on the professionalism and central role of the CEC Secretariat staff. Nevertheless, interviewees' responses as well as the evaluation's documentation review indicated that some human resource management issues at the CEC appear to be posing some challenges.

First, changes in leadership at the CEC Secretariat, brought about by rotating Executive Directors, have tended to yield different management approaches.⁴⁴ Examples of notable areas include communications, interactions with CEC bodies/committees/groups, project implementation and operational practices. A second challenge is in regard to the absence of a formal human resource plan or strategy to help ensure that professional staffing requirements are met on a continuous basis. For instance, while it is not unusual for an international organisation to hire professional staff on a three-year contract basis, CEC projects generally go beyond a three-year timeframe and some are ongoing.⁴⁵ This fact coupled with the recurring vacancies and staff turnover at the junior staff level appear to be impeding on project delivery. It is also unclear why the CEC has historically relied on contract services for the delivery of the work program, begging the question of the organisation's overall approach to developing in-house capacity versus relying on external consultants.⁴⁶ The absence of any human resource plan may also diminish the Secretariat's capacity to present the need for professional staff to the Council following usual Secretariat's support functions regarding budgeting. A key challenge here, emphasized by CEC Secretariat staff, relates to the fact that the market for the high-skill labour required for CEC work (i.e., defining issues, providing scientific expertise, offering technological and other solutions) is tight.⁴⁷ Finally, it is worth noting that the last three Operational Plans do not address any staffing discussion. The 2004-06 Operational Plan did dedicate a section to staffing but the discussion remains broad and untied to any human resource plan or strategy.

⁴³ Salaries account for about 35% of the total CEC budget for the last five years. About \$6 million is expected to be spent on salaries (in-house) out of a total budget of \$11.9 million in 2007. Organisations like the OECD and the International Development Research Centre (IDRC) also spend a fair amount of their total budgets on salaries given the nature of their work (i.e., research and capacity building-related).

⁴⁴ Executive Directors have typically rotated every three years since 1994.

⁴⁵ The last two operational plans indicate that of the total number of projects (17 in 2007-2009 and 16 in 2006-2008), 5 are ongoing and 9 are projected to be implemented in the 4 to 6 year range.

⁴⁶ About half of the CEC budget is spent on the work program. Close to half of the work program-related expenses over the past five years have been spent on contracting professional services. In 2006, the amount spent on contracting was greater than the work program salaried staff. In comparison, the OECD has made investments in modelling tools for ongoing work areas.

⁴⁷ The CEC may seek experts on a North American scale, which broadens the pool of potential candidates. Due regard, however, must be paid to the recruitment of an equitable proportion of the professional staff from among the nationals of each Party, which may limit prospective candidates.

The evaluation's review of CEC administrative policies, rules and procedures indicated that the most important administrative and financial functions appear to be covered by a policy, rule or procedure.⁴⁸ There is, however, room for improvement in regards to their comprehensiveness and clarity. Several of the rules, policies and procedures reviewed do not appear to be written as clearly as they should be, leaving room for interpretation and flexibility on the part of CEC Secretariat management as well as providing an unclear picture of segregation of duties.⁴⁹ The examination of documents governing travel and contract support services also confirmed the lack of clarity and/or comprehensiveness, particularly in regards to authority levels and criteria definitions.⁵⁰ The review of the CEC procurement manual (June 16, 1995) indicated that the manual provided a comprehensive and detailed framework to manage the contracting process. However, a few discrepancies in the dissemination of contracting information were encountered.⁵¹ Finally, while policies are generally communicated at hiring, as part of the employment contract, the evidence collected indicated some differences between the content of policies and actual practices.⁵²

In the area of financial budgeting and reporting, the evaluation found that budgetary information appears adequate. Information at the activity, project and task level as well as at the expenditure type level (e.g., travel, contracts for professional services, overhead) may be provided upon request.⁵³ It was also found that budgets presented over the last 5 years have followed different structures, making comparisons across years challenging, particularly in regard to the comparability of budgets with annual financial statements.⁵⁴ Since 2006, however, there have been major improvements in the comparability of these two documents in that the presentation of annual financial statements follows the same structure as the one adopted in the approved budget. The format of the Quarterly Financial Report (QFR) also follows the same structure as the

⁴⁸ We refer the reader to Section 3.2 which provides the methodological basis for the evaluation's examination of CEC administrative and financial processes.

⁴⁹ The examples include: travel; procurement and acquisition of goods and services; budget controls and budget reallocations; financial responsibilities and authorities; payments; bank accounts, income, receivables, deposits and blank cheques; hospitality; recruitment, promotions, performance appraisal, salary increments.

⁵⁰ For example, travel policy and procedures are governed via three different documents, which are at times confusing, particularly in regard to travel authorization and criteria definition.

⁵¹ There exist two versions of the *Manual*. The one posted on the CEC website (dated October 1996) is different and significantly less complete than the June 1995 version. The website version lacks important elements (e.g., definitions, delegated authorities, contract amendments, roles and responsibilities). Furthermore, several clauses of the June 1995 are not written clearly (e.g., absence of criteria defining the conditions for non-competitive contracting, unclear approach for amending contracts). The existence of two versions does raise the question as to employees' accessibility to the more comprehensive version.

⁵² Employees are required to sign to confirm that they have read the policies. Secretariat staff interviewees have indicated, however, that guides, training sessions, and other materials have not generally been provided. The Secretariat is currently aiming to make available all policies on line via the new web-based application system adopted by the Secretariat in 2005 and currently being piloted (also discussed below). The system called Management for Organisational Operations and System of Expenses (or MOOSE), centralizes the information on all CEC activities.

⁵³ CEC annual budgets are submitted to the Council for approval and are presented within the CEC Operational Plans (which are public documents). Details on expenditures are not included in the annual budgets that are submitted to the Council.

⁵⁴ The CEC financial statements are submitted annually within the CEC Annual Report and were audited by the firm Samson Bélair & Touche for the years covered by the evaluation. The cross-year comparison challenges also concern the changes in the budget breakdown (e.g., new categories; work program is itemized by CEC priorities).

approved budget and is modified to reflect budgetary changes. The QFR format is very detailed and complete, for example, through presenting the breakdown of the budget, budget modifications, expenses, commitments, variances and unspent budget, by "Area of activities"; "Individual projects"; and "Type of expenditures".

While detailed variances (composed of 13 financial tables) are provided in the QFR, it is worth noting that comparisons and variance analyses are considerably limited. In particular, variance analyses are provided only at a high level, in generic terms, and reasons or explanations are not provided. Moreover, even if the latter was provided, the analysis would be limited as the CEC financial documents use arbitrary rules to explain changes in expenses in the year.⁵⁵ It is worth noting here that the new information system (hereafter MOOSE) is intended to help the CEC improve its financial management, including variance analysis, given the system's capacity to register and deliver detailed financial commitments and expenses at multiple levels.

It appears, however, that certain planning-related factors may impede the effectiveness of MOOSE. These factors include: absence of full scoping of project costs at the budgeting phase, late project implementation with different timeframes, reliance on contracting, insufficiently communicated programming shifts and/or related costs, long and/or ongoing project lifespan, inter-related project/tasks and cross-cutting priorities, and complex planning coordination (e.g., between Secretariat and working groups). Furthermore, while CEC operational plans are intended to be updated annually to reflect key changes (e.g., shifts in programming and associated budget impacts, including key reallocations, new risk and/or opportunities); there is little explanation of key changes and/or of the CEC operational environment in general.⁵⁶ The evaluation found that depictions of organisational risks (internal, external, financial-related or work program-related) have generally not been covered in the planning process.⁵⁷ Taken together these factors are also creating limitations to the transparency and effectiveness of CEC's administrative environment.

4.2 Canada-Specific Findings

This section presents the findings relative to Canada's participation in the CEC. The findings are presented following the four evaluation issues (relevance, success, design and delivery and cost-effectiveness).

⁵⁵ For example, travel expenditures in the QFRs are shown under activities and projects against "best estimates" or "educated guesses" and total travel and contracts expenses in the annual financial statements are divided by 12. We note here that variance analysis of expenditures, including those related to travelling and contracting, is also limited as the annual budgets that are submitted to Council for approval do not include any detail on type of expenditures. We note that as of 2006, the Secretariat has presented to the Council, a budget by type of expenditures. The latter is part of the budget sent to Council for approval. The detailed budget information is presented at the project level. This supplementary detailed information is not published in the Operational Plan.

⁵⁶ Interestingly, in contrast to the last two operational plans (2006-2008 and 2007-2009), the 2004-2006 Operational Plan did include a discussion of CEC's operational environment, including key changes and covering topics such as budgetary and organizational issues.

⁵⁷ While risks are sometimes mentioned at the project level, there is no overall corporate entity level assessment. This may be partly attributable to the fact that the area of risk management is not to be covered by any policy or rule.

Relevance

The CEC is addressing a Canadian need in terms of its potential to help the federal government to integrate its environment and economic agendas. The fact that such effort is addressed in an economically integrated North America, by way of intergovernmental collaboration and with emphasis on public participation and transparency makes the CEC all the more relevant.

The CEC is addressing a Canadian need in terms of the organization's potential to help the federal government integrate its environment and economic agendas.⁵⁸ A number of policy documents reviewed in the evaluation indicated that federal government agendas have stressed the need to better reconcile our capacity to address the environment while enhancing economic prosperity.⁵⁹ The mandate of the CEC focussing on environmental issues in an increasingly integrated economic context makes it uniquely situated to contribute to this. The economic integration of the three countries is responsible for and continues to be attributable to the NAFTA. Moreover, it is widely accepted that Canada's increased economic prosperity is partly attributable to NAFTA.⁶⁰ With this economic integration has come environmental pressures and opportunities, some of which are directly and indirectly related to trade and occurring beyond country-specific borders. As indicated previously, the CEC has made progress in addressing topics of concern.⁶¹ As Parties to the NAAEC are typically the case study of work done by the CEC, this work may bring about a relatively rich set of information.⁶²

There was consensus among interviewees on the value of the CEC as an institution. In particular, they are supportive of its mandate and see potential for it to contribute to environmental cooperation between Canada, Mexico and the U.S through an inter-governmental forum. In this regard and as indicated previously, the CEC is thought to have made the most progress in assembling a substantial body of information on the shared North American environment and in providing a forum for discussion between the three countries. The fact that governmental agendas in Canada are increasingly focussed on North American issues also adds to the CEC's relevance. The evaluation came across numerous agreements at both the provincial and federal level which are an expression of the need to address North American issues. Efforts to increase institutional capacity focussed on North America are also pervasive (e.g., EC's America's Branch, DFAIT's North America Branch).

⁵⁸ We remind the reader that two of the NAAEC objectives concern the promotion of "mutually supportive environmental and economic policies" and of "economically efficient and effective environmental measures".

⁵⁹ The most notable examples include past and recent Government of Canada Speeches from the Throne; Budget's and Economic and Fiscal Updates and EC's Departmental Performance Reports and Reports on Plans and Priorities.

⁶⁰ Trade among the three countries has more than doubled in ten years to reach over US\$621 billion. Canada's merchandise trade with its NAFTA partners has increased 122% since 1994, reaching \$598.5 billion in 2005. Altogether, our NAFTA partners account for close to 85% of Canada's total merchandise exports. The U.S. is Canada's largest trading partner, purchasing 78% of our exports. Canada is also Mexico's second main trading partner (after the U.S.). See Harris paper in the NAFTA@10 series.

⁶¹ In addition to the examples mentioned in section 4.1, other examples include the CEC work on pollution related to transportation corridors and on impacts of economic activities on migratory species.

⁶² This is in contrast to an organisation like the OECD which addresses more generic topics.

The CEC has also generally been praised by interviewees for the transparency with which the Secretariat and the Joint Public Advisory Committee (JPAC) operate and for its efforts to encourage stakeholder participation. The fact that this forum is dedicated to public participation and transparency also fits with the Canadian government's focus on the principles of modern governance. Among the principles of the recent Federal Accountability Act, accountability at all levels, demonstration of concrete results, and efficient management of resources and transparency are key.

A concern generally shared by interviewees, however, was the belief that the CEC's potential has not been realized. Of primary concern was the CEC's limited impact on decision-making, which many feel reflects a lack of support in the organisation by the federal government. Support from the other two governments was also alluded to in order for the CEC to be successful and to realize its full potential.

Success

While the greatest benefits to Canada's participation appear to be in the environmental cooperation area, the evidence indicates that there is room for improvement in regard to policy improvements, work on broader economy-environment fronts and participation by the Canadian public.⁶³

Environmental Cooperation

There was general consensus among all interviewees on the benefits of the enhanced North American environmental cooperation for Canada.⁶⁴ The responses reflected two broad areas. First, at the enabling level, the CEC is recognized for its progress in assembling a substantial body of information on the shared North American environment.⁶⁵ The dissemination and comparability of environmental information and the sharing of best practices which are leading to implementing environmental management practices were particularly valued. Second, at the institutional level, interviewees have generally referred to the important enhancements in public sector capacity and connectedness within the three countries. In this regard, interviewees consistently indicated that Canada has played a stabilizing and bridge-builder role throughout the life of the CEC, but that more leadership was needed on the part of the federal government, particularly in regard to being a more active supporter of the organization.

Policy improvements

Linking Canadian policy improvement to CEC activities is challenging. The evaluation found that, despite the policy-related NAAEC objectives and the number of policy-related CEC reports, sponsored events and discussions, the number of policy improvements in

⁶³ We refer the reader to Section 3.1, which presents the basis for the following headings (i.e., directly or indirectly linked to specific NAAEC objectives). Once again, we note that the trade and environment area was included in light of the importance of this area in past and current CEC work and activities.

⁶⁴ We refer the reader to Section 4.1 as well as the evaluation issue of relevance which covered similar lines of evidence and topics.

⁶⁵ Notable examples at the project level include the PRTR (and the fact that Mexico participates in it), environmental enforcement at borders, and SMOC.

Canada that may be attributable and/or traced back to the CEC is not notable.⁶⁶ The evaluation also found that the CEC was not an often-cited organization by the federal government. In contrast, other international organizations in which Canada participates have received much more attention.⁶⁷ Moreover, while NAAEC's objective regarding the promotion of mutually supportive environmental and economic policies is reflected in domestic policy discussions and objectives, federal government citations on efforts in such an area by other international organizations often comes from the OECD. Finally, there was consensus among all interviewee groups that the limited impact of the CEC on decision-making in general and on policy improvements in particular was attributed to the lack of overall support from the federal government for the CEC.

In terms of improvements on enforcement matters, the evaluation's review of the Canadian-related submissions resulting from CEC's citizen submissions on enforcement matters (SEM) process as well as the related interviewees' responses indicated that there were various Canada-related learnings on enforcement matters.⁶⁸ There is, however, no domestic mechanism and/or work to identify these and integrate them into the policy-making process. This was a concern widely shared among the interviewees and especially in light of the learnings and internal agency discussions that arose as a result of the SEM process. The evaluation's review of the Government of Canada website regarding the NAAEC, which is the "single window" for information on Canadian activities in implementing the NAAEC in Canada, did not find any activities on enforcement matters specific to Canada.⁶⁹

As indicated in the CEC-specific findings section, hopes for having the public and other stakeholders such as NGOs look to the CEC as a valuable mechanism to enhance enforcement of and compliance with environmental laws appear to have diminished in light of the fact that submissions have not been processed in a timely manner. Furthermore, as will be discussed later, there is consensus among the Canadian stakeholder groups interviewed that while the CEC is felt to have made the most difference in environmental enforcement matters, this has been done mostly by raising public attention rather than by prompting any quantifiable change in environmental

⁶⁶ In addition to the policy-related NAAEC objectives, the goals established under the Puebla priority's and included in the *Strategic Plan for the CEC 2005-2010* also explicitly refer to policy improvements. Most of the CEC publications reviewed by the evaluation found numerous references to policy, including explicit policy references in the recommendation sections of the publications.

⁶⁷ For example, the NAFTA and OECD are regularly quoted in key relevant speeches, in federal budgets and/or economic and fiscal updates, and in NRTEE reports. In some sense, this may not be surprising given that the roles of the OECD and NAFTA are much more focused on fostering economic activity.

⁶⁸ Examples of learning areas include: enforcement matters in Canada concern both provincial and federal governments; influence on negotiation of new environmental side-agreements; capacity (including financial) to enforce; enforcement issues not directly related to trade but to natural resources management and extraction (mining, logging, hydro). Key laws, regulations, agreements addressed in the Canadian SEM include: Fisheries Act, Department of Environment Act, SARA, CEPA, International Boundary Waters Treaty 1909, Canadian Environmental Assessment Act (CEAA), National Energy Board Act, UN Convention on Biological Diversity, Canada-US Agreement concerning transboundary movement of Hazardous Waste 1986, Great Lake Water Quality Agreement; Migratory Bird Convention Act 1994. Provincial laws were also addressed.

⁶⁹ The Government of Canada website regarding the NAAEC, called The NAAEC-Canadian Office indicates that the NAAEC is about environmental cooperation as well as the effective enforcement of environmental laws. See www.naaec.gc.ca.

practices. In particular, the SEM process is seen by some to be primarily a communication tool.⁷⁰

Trade and Environment

The NAAEC represented a novel approach for addressing environmental concerns that may arise in the context of a free trade agreement: the signing of an environmental side agreement to one that is economic. There is consensus from the responses from the interviews on the unprecedented nature of this agreement, which has also gathered the attention of other economic regions of the world (i.e., Europe) that look to the NAAEC-NAFTA arrangement as a way to link the environment and trade agendas. It is worth noting, however, that while the NAFTA itself included some environmental provisions in its text, the key provisions are not in the trade agreement but in a separate one. In some sense, this suggests that environmental concerns are not dealt with on the same footing as the economic arrangements, which would not be the case if the environmental provisions were included in the trade agreement itself. Nevertheless, the evaluation found that Canada's approach to trade and environment has been influenced by the NAAEC-NAFTA model. For example, some aspects of environmental side agreements to free trade agreements that have been developed since 1994 have been modeled after the NAAEC (and CEC provisions). The most notable examples include the environmental side agreements to the two free trade agreements between the Government of Canada and the Governments of the Republic of Costa Rica and Chile.⁷¹ It was also generally noted that research resulting from CEC's North American symposia on "Assessing the Environment Effects of Trade" have influenced Canada's methodology in conducting strategic environmental assessments of trade and investment negotiations.

In terms of work performed by the CEC in the trade and environment area, a number of factors appear to be diminishing expectations on the benefits of this work. Despite the NAAEC's provisions on the need to enhance collaboration between trade and environmental officials on a number of matters, the evidence suggests that the collaboration at the domestic level remains low. The institutional linkages between the Canadian trade and environment communities remain limited. Interviewees often referred to the two communities as "two solitudes".⁷² The analysis of relevant NAFTA data also indicates that Canada's trade and investment (particularly with the U.S.) is

⁷⁰ It is worth mentioning that the Commissioner for the Environment and Sustainable Development's (CESD) Petitions Review project (2001) was an informative example about a means to move forward in terms of learnings from citizen-based petition-like processes. The 2001 project found, among other things, that concerns raised by the public seem to disappear in a black box. New initiatives that have since been developed, in particular to enhance uptake and confidence in the process included the creation of a petition catalogue, the monitoring and auditing of replies and commitments, and the tracking of trends.

⁷¹ While these environmental side agreements are different from the NAAEC, they nevertheless include some of the NAAEC's principles (e.g., transparency and public participation). The Canada-Chile (1997) agreement, in particular, also created a commission with an established Council and a JPAC as well as a Joint Submission Committee to address functions dealing with SEM-related provisions. Finally, we note that the other side accords to the Canada-Chile and the Canada-Costa Rica free trade agreements on labour also included principles and/or provisions of the NAALC which, as indicated earlier, was negotiated in parallel to the NAFTA.

⁷² The difficult task of developing an Agenda for potential meetings between the Ministers of the environment and trade was also raised in several instances, noting in particular the challenges in identifying discussion issues of common concern. However, it was also mentioned that the North American symposia on "Assessing the Environment Effects of Trade" have to some extent increased the collaboration between trade and environment officials.

almost dispute-free.⁷³ Interestingly, among the disputes, the environment dimension was most present in the investment-related disputes (i.e., NAFTA Chapter 11 cases) rather than in the trade-related ones.

It also appears that Canadian government officials are not utilizing the CEC work on trade and environment, as it is not resonating with the evolving policy debate in Canada. According to key federal government policy documents of the past years, this policy debate has since turned to a broader direction, focusing on the numerous and complex linkages between the economy and the environment rather than on solely trade and environment issues. Broader environment-economy themes that have or are emerging include the role of economic growth, pattern and rate of natural resource development and how this relates to employment, sustainable consumption, productivity and competitiveness through technological change. Trade, at least as it relates to the environment does not appear to be a particular focus. In this regard, certain interviewees explained that Canadian policy community's interest in focusing on broader economy and environment linkages was related to the fact that the anticipated widespread negative outcomes (i.e., race to the bottom, pollution havens) did not emerge as an outcome of the economic integration of North America. Key reasons for why there was no real race to the bottom, identified by interviewees and documents reviewed, included the importance of other factors of production in investment decision-making and the fact that the costs of compliance with environmental regulations are relatively small to significantly factor into a typical firm's location decisions.

Public Participation

The evaluation found that public participation with the CEC in Canada appears somewhat limited. Participation has manifested itself mostly through the SEM process and attendance at JPAC meetings. The review of CEC documents indicates that while the SEM process is intended to help enhance the enforcement of and compliance with environmental law and regulations, the process also appears to be intended to contribute, as is the case for the JPAC, to the promotion of transparency and public participation in the development of environmental laws, regulations and policies. Despite the opportunity created by the SEM process to engage the public, there was consensus among the interviewees that the SEM process has become highly "technical and legalistic" and that this was negatively contributing to uptake. The absence of any follow-up measures or discussions and the fact that submissions have not historically been processed in a timely matter were also key reasons raised by interviewees regarding the SEM uptake.⁷⁴

⁷³ About 95% of Canada's bilateral trade and investment relationship with the U.S. is dispute-free. This has been facilitated by the rules-based trading system of the World Trade Organisation (WTO) as well as of the NAFTA. See *Canada's International Market Access Priorities 2006 – Opening Doors to North America* at www.international.gc.ca/tna-nac/2006/5_06-en.asp.

⁷⁴ There have been 25 Canada-related submissions since 1994. It was also found that the total number of CESD environmental petitions (another mechanism allowing the Canadian public to formally bring their concerns to the government about environmental issues, including environmental enforcement) received between 1995 and November 15, 2006 was approximately 215. Of that number, the evaluation found that a large number of these petitions were directed to EC for reply and that many concerned environmental enforcement issues. It is important to note that unlike the requirements of the SEM process (e.g., many legal aspects) or of other traditional petition processes (e.g., numerous signatures required), the CESD petition process is much simpler (i.e., a letter is enough). These figures as well as the interviewees' responses do, however, raise some questions about the public's accessibility to the SEM process.

In assessing Canadian public participation in the CEC, the evaluation found (through the interviews and document review) that participation in JPAC meetings as well as in CEC-sponsored events appears targeted to mostly ENGOs, indicating that key segments of the Canadian population, including the general public, aboriginal communities and the private sector were not being reached. Finally, many lines of evidence suggested that the CEC is not a well-known or understood organization in Canada. Factors that appear to be contributing to this perception include the multi-faceted structure of the CEC work, the fact that there is no proactive commitment or usage/mention of the CEC work by the federal government, and the Canadian media's narrow portrayal of the CEC. In this regard, the CEC's desire to improve corporate communications and outreach will be instrumental in enhancing awareness of the CEC. As mentioned in Section 3.2.3 and as will be discussed under the evaluation issue of design and delivery, the lack of knowledge and/or understanding of the CEC was also illustrated by a low response and interest from Canadian stakeholders for participation in the evaluation's interviews.

Design and Delivery

The Canadian federal government's involvement in the CEC tends to focus on operational rather than content-related discussions. In addition to the relevant findings previously presented, the focus away from content-related discussions tends to be caused by key features, including: i) absence of a mechanism to develop Canadian positions at the CEC, ii) absence of performance monitoring of Canada's involvement, and iii) increased administrative and financial oversight of the Parties. In terms of delivery, Canadian stakeholder groups generally believe that the full potential of the CEC has not been realized and that the federal government could be a more active supporter.

Various lines of evidence indicated that the Canadian federal government's involvement in the CEC is characterized by operationally-related discussions rather than content-related ones (e.g., Canadian priorities that are brought to the table, how the CEC work is integrated into the Canadian policy-making process). The evidence indicated that this is the case for EC senior management as well as for EC and DFAIT Governmental Standing Committee (GSC) officials. The governance of Canada's involvement in the CEC helps to explain why this situation has arisen.

First, there is no formal mechanism to develop Canadian positions at the CEC. In this respect, Canadian ministerial involvement in the CEC has been limited.⁷⁵ The previously mentioned finding regarding the lack of engagement of senior management in the CEC (i.e., CEC Council members have delegated much of their involvement to their Alternate Representatives and, in turn to subordinate officials) was also identified by interviewees as a factor contributing to the challenges in developing Canadians positions to be brought to the CEC. The evidence also suggests that the key Canadian advisory forum, the National Advisory Committee (NAC), has not been effectively used and has had little

⁷⁵ Ministerial participation has been limited to the annual regular sessions of the CEC Council. While an important part of these sessions is the holding of a public discussion with the ministers of the three countries, this event was led by respective countries' Alternate Representatives at the last annual Regular Session held in Washington, DC in June 2006.

impact on decision-making despite the NAC advice on a number of topics of relevance to Canada. The summary of records of the annual Canadian NAC meetings and advice to the Governmental Committee (for the last 4 years) indicated that a number Canadian-related topics were raised (e.g., role of the Security and Prosperity Partnership (SPP), CIA sign-on, enforcement matters, and content of CEC work program). It was also found that NAC advice rarely led to ministerial level meetings and has been limited to correspondence. Finally, most of the advice provided by NAC was on its own initiative (i.e., the Governmental Committee has rarely requested advice from the NAC). Responses from interviews have also indicated the lack of use of the NAC by senior level management.

Second, the fact that lines of communication across Government of Canada officials involved in CEC work are not regularized and that there is no overall mechanism to link Canadian interventions in other international fora with those of the CEC were also key design shortcomings identified. The absence of formal communication lines regarding the CEC is in contrast to the federal government's approach to the OECD. Canadian officials receive regular intra- and inter-departmental debriefs of OECD activities/decisions. The evidence also suggests that communication lines regarding the CEC work are important given that many of EC officials are involved in the CEC and that there are numerous CEC-related working groups and committees. As will be discussed later, the link between Canadian positions and/or activities undertaken in other fora and those in the CEC appears important given the similarities and/or synergies of the CEC work with other international organisations.

Third, Parties' increased attention on CEC administrative and operational aspects (discussed previously) has also contributed to the shifting of attention away from more substantive discussions. Furthermore, much of the effort deployed by Canadian GSC officials is spent on the smallest CEC budget areas (Art. 13, 14 & 15).⁷⁶ Finally, it is worth noting here that Canada's participation in the CEC has not been framed by any performance monitoring of its involvement in this international organisation.⁷⁷ In this respect, when EC officials bring CEC work to the attention of senior management, interventions typically deal with but a few CEC products (e.g., publication of the Taking Stock report or Article 13 reports) and on reporting CEC-specific activities and outputs rather than on actual outcomes. Interviewees also generally indicated that Canadian federal officials are often in defensive mode rather than acting as environmental stewards of the CEC.

In terms of delivery, the results of the interviews with Canadian stakeholder groups reveal that stakeholders generally believe the CEC has value as an institution. Most consider the CEC to be a truly unique institution whose mandate and objectives do not directly overlap with those of any other organization.⁷⁸ Canadian stakeholders (as well as other interviewee groups), believe that the CEC has made at least some progress

⁷⁶ Article 13, 14 & 15 represent a small portion of CEC total budget (ranging from 3% to 9% over last 5 years).

⁷⁷ As mentioned earlier, EC has in the past been exempted from developing a RMAF and no alternative results-based management and accountability tool or practice has been used. It has been stated by governmental official interviewees that the fact that the CEC has had a late start on performance measurement (covered previously) has not helped.

⁷⁸ There are some perceptions of partial overlap, in particular, in regard to environmental reporting activities with national and regional governments and departments in the three countries and with other bilateral and trilateral institutions. This was also raised by other interviewee groups.

towards meeting its overall objectives, but that, as mentioned previously, the full potential has not been realized.⁷⁹ Of primary concern is the CEC's limited impact on decision-making, which many feel reflects a lack of support from the federal government. Stakeholders look to Canada to play a leadership role in supporting the CEC and its mandate. The CEC is felt to have made the most difference in improving compliance and enforcement of environmental laws, but (as indicated previously) mostly by raising public attention rather than by prompting any measurable change in environmental practices. In particular, the citizen submission process is seen by some to be primarily a communication tool, prevented from making a greater difference by a lack of concrete results.

The CEC is also praised for the transparency, professionalism, and accountability with which the Secretariat and the Joint Public Advisory Committee (JPAC) operate and for their efforts to encourage stakeholder participation. Canadian stakeholders typically characterize their organization's interactions with the CEC as positive, and consider the CEC to have been reasonably responsive to their input. The only exception is private sector organizations who, while they have few concerns about their direct interactions with the CEC, consider the CEC to be "enviro-centric". Stakeholders, however, are critical of the Council considering it to be less transparent, less accountable and overly political in nature. It is also generally believed there is much room for improvement in the level of cooperation between the three key bodies of the CEC.

The extent of involvement with the CEC varies both across and within stakeholder groups. In general, academics are the most supportive of the CEC and its work. In contrast, aboriginal organizations and the private sector are less favorable toward and are more detached from CEC work. Environmental NGOs offer mixed opinions. While understanding of the CEC generally varies by organization, it appears that academics are the most knowledgeable about the organization. CEC outreach is perceived to have been most successful with an audience of those most interested or engaged in the types of issues addressed by the CEC, but missing from this audience are aboriginal organizations, industry, and the general public. There is also a segment of stakeholders who are not truly engaged in the CEC due to a lack of knowledge about the organization, suggesting that it would be worthwhile to improve communications of its successes and relevance.⁸⁰

Cost-Effectiveness

Although not exclusively focused on North America, key organisations in which Canada participates cover similar activity areas to the CEC, which as indicated under the evaluation issue of design and delivery, suggests opportunities for enhanced alignment of Canadian interventions in the CEC with those made in other international fora. In light of the similarities and/or synergies between the CEC work and the work conducted in other organisations as well as the regularity of CEC funding by three

⁷⁹ On this front, academics are the most positive (as is the case on other fronts) and private sector organizations less so.

⁸⁰ As indicated previously, a notable number of Canadian stakeholders declined to participate because they did not feel sufficiently knowledgeable about the CEC.

governments, there appears to be opportunities for the CEC to further develop work niches to uniquely position its contributions and to increase collaboration and leverage financial and in kind resources.

The evaluation's analysis of other organisations' program activities indicates that there are some synergies, but overlaps with the CEC work also exist. Examples of potential overlap and/or synergies were particularly pervasive in the trade and environment, chemical management and environmental reporting areas.⁸¹ Overlap with the work conducted at the OECD in the areas of trade and environment and chemical management were particularly common for the methodological-related work. This overlap also suggests that there are opportunities to focus more on those matters on which the CEC can make a real difference.

At the domestic level, while notable differences between the Security and Prosperity Partnership (SPP) and the CEC were raised by interviewees, there is a sense that the differences (e.g., the SPP is not an institution, has no regularity in funding, is broader focused, and has more senior level leadership) and/or potential links of the two fora need to be better communicated and/or explored. First, like the CEC, the SPP has an environmental work program with specific initiatives and of a North American scope. These initiatives are also linked to the prosperity agenda.⁸² Second, there are potential opportunities in using the CEC to assist in the elaboration or implementation of SPP work. In this respect, some interviewees indicated that there was little political will to do so. Last, there also appears to be potential opportunities in learning from the SPP's efforts in gathering private sector input in light of the CEC desire to engage this sector in the CEC activities and/or to use them as drivers of future projects.⁸³

The evaluation established that a number of partnerships between the CEC and international organisations, as well as with the private sector, exist. Most of these partnerships are/were found to be directly linked to CEC projects and activities.⁸⁴

⁸¹ Examples in the trade and environment area include work within: the OECD (e.g., in the area of environmental effects of trade, use and/or promotion of market-based instruments) and IISD's trade, investment and sustainable development program. Examples regarding work on information standards, comparability and compatibility were found at the OECD, World Resource Institute, World Conservation Union, and the IISD. As indicated previously, there was also some perceptions among the Canadians stakeholder groups and other interviewee groups of partial overlap, in particular, in regard to environmental reporting activities with national and regional governments and departments and with other bilateral and trilateral institutions. Examples in chemical management initiatives include: OECD, Strategic Approach to International Chemical Management, Stockholm Convention, and Convention on Long-range Transboundary Air Pollution, UNEP's Global Mercury Program, Global Environmental Facility and PAHO.

⁸² SPP environmental initiatives at the time of the evaluation included: migratory species surveillance and biodiversity, air quality, invasive species, some ocean issues (marine and ocean stewardship), and avian flu. Another on the table at the time of the evaluation was water quality.

⁸³ The North American Competitiveness Council, launched in March 2006, is an SPP initiative that comprises 30 senior private sector representatives (10 from each country) and has a mandate to provide governments with recommendations on issues such as border facilitation and regulation, as well as the competitiveness of key sectors including automotive, transportation, manufacturing and services. This Council is intended to meet annually with security and prosperity ministers and to engage with senior government officials on an ongoing basis.

⁸⁴ The six key CEC partnerships with international organisations are: an MOU with UNEP related to UNEP's Global Environmental Outlook (GEO) Series (1997 to date); an MOU with UNEP on regionally-based assessment of priorities for persistent toxic substances in North America (2001-2003); a partnership with GEF/PAHO to transfer to Central America CEC's success in phasing-out DDT (1999 to date); a partnership with WHO, PAHO and International Joint Commission (IJC) in implementing the Cooperative Agenda for

However, three out of the six partnerships with the international organisations have ended. It also appears that, while the six partnerships with the private sector have no termination date, they appear to be localised and lack the presence of key business sectors in North America. The evaluation also found that the CEC has not been actively leveraging financial resources.⁸⁵ There appears to be opportunities to increase external funding sources, particularly in light of the aforementioned potential links or synergies with projects/programs undertaken in other organisations as well as the regularity of CEC funding by the three participating governments. The enhanced collaboration (in kind and financial) would benefit the CEC through increasing the recognition of its work, strengthening its capacity and reinforcing the benefits of regional cooperation.⁸⁶

5.0 CONCLUSION

Overall, the evaluation concludes that there is room for improvement in regard to Canada's participation in the CEC. Effort to improve the latter is important in light of the organisation's potential to help the federal government integrate its environment and economic agendas in an economically integrated North America. The achievements of recent intergovernmental collaboration as well as the organisation's track record regarding its efforts to encourage public participation and transparency in its operations make Canada's participation all the more relevant.

After more than 10 years of existence, however, it is generally believed that the full potential of the CEC has not been realized. Indeed, the need to adapt to an evolving context by changing the way of conducting business at the CEC has led to some changes. The organization, however, is still looking for its *modus vivendi*. Previously identified areas for improvements are still germane today, including the need to improve decision-making within the organisation and to focus CEC work and generate concrete and measurable results.

Findings generally indicate that North American environmental cooperation appears to be the area providing the greatest benefits to Canada's participation. This is also an area where the CEC is making continuous progress, especially in the area of information sharing and capacity building. It was also found that the limited utilisation of CEC work by the federal government as well as the absence of domestic mechanisms to learn from CEC activities/reports (including the SEM process) contributed to the challenges in linking Canadian policy improvements to the CEC. In the area of trade and environment, the evaluation found that the diminished expectations by Canadian officials on the benefits of work performed by the CEC in this area were generally attributed to factual and institutional realities (e.g., limited trade disputes and collaboration between trade and environment communities) as well as to the fact that Canadian policy discussions

Children's Health and the Environment in North America (2002-2004); an MOU with the World Bank to undertake a POPs/Metal Bio-monitoring study to identify population risk and environmental hotspots in North America (2003-2004); and a Letter of Intent with the IJC to better formalise cooperation between the CEC and the IJC (signed in 2003). There have been six CEC partnerships with the private sector since 1995.

⁸⁵ The evaluation found that over the last six years, grants received by the CEC from external sources totalled about \$598,000.00.

⁸⁶ In particular, some of the CEC partnerships with international organisations have contributed to helping the organisations (e.g., World Bank) demonstrate the value of regional cooperation to other parts of the world. We also note here that the evaluation's interviewees indicated that the valued participation of external stakeholders in working group discussions was related to the CEC being a regularised forum.

have evolved to focus on broader economy-environment linkages. The general perception that the federal government has not been sufficiently supportive of the organisation and the ongoing desire for the CEC to improve corporate communications and outreach served to explain the lack of engagement in, and/or understanding of, the CEC by Canadian stakeholders and the general public.

In addition to the findings above, the governance of Canada's involvement in the CEC (i.e., absence of a mechanism to develop and align Canadian positions to be brought at the CEC, lack of performance monitoring for EC's involvement) served to explain the lack of integration of the CEC into the Canadian agenda and vice versa and why Canadian efforts have tended to focus on operational rather than content-related ones. In this respect, the finding of an increased administrative and financial oversight of the Parties in regard to the management of the Secretariat (e.g., in the area of quality assurance, budgeting and finances and professional staffing) also contributed to the notable focus on operational-related discussions. The evaluation's own analysis of CEC administrative and financial processes did indicate that there was room for improvement in regard to the effectiveness and transparency of these processes (e.g., absence of human resource planning, need for clearer and more comprehensive policies, rules, and/or procedures and for enhanced transparency of budgeting and financial practices). Finally, in light of the similarities and/or synergies between CEC work and the work conducted in other organisations as well as the regularity of CEC funding by three governments, there appears to be opportunities for the CEC to further develop work niches to uniquely position the organisation's contributions and to increase collaboration and leverage financial and in kind resources.

6.0 RECOMMENDATIONS

Recommendation Area 1: Improving the effectiveness of Canada's participation in the CEC

Environment Canada should develop a comprehensive plan for addressing its commitment to its participation in the CEC. This plan should detail the Department's role in the CEC in particular by:

- Articulating expected outcomes from its participation in the CEC and how this connects to other federal departments as well as with its participation in other fora;
- Articulating how Canada's involvement in the CEC supports government-wide priorities;
- Demonstrating how Canada can be engaged more effectively in the CEC;
- Describing a mechanism for tracking and monitoring Canada's progress, including how CEC work and activities are impacting decision-making.

Addressing the above should result in a better integration of the CEC work into the Canadian agenda and vice versa. It should also ensure that Canadian policy concerns are brought to the CEC so that there is an increased understanding by the Canadian public of the CEC as well as Canada's involvement in it. Finally, it should provide a clearer accountability for public resources entrusted to the CEC.

Recommendation Area 2: Enhancing Canada's support in CEC's efforts to produce concrete results

Environment Canada should work with other NAAEC Parties and the CEC Secretariat to help the CEC move towards a results-based approach to planning, budgeting and management by:

- Developing and implementing a performance measurement framework for the CEC, which should clearly articulate expected organizational-wide outcomes, monitoring and reporting schemes;
- Developing criteria for the selection of work program content;
- Improving CEC's administrative transparency and effectiveness by:
 - Undertaking a review of CEC administrative and financial policies, rules and/or procedures, in particular to improve their clarity and comprehensiveness; and
 - Continuing to improve CEC planning, budgeting and reporting mechanisms, including variance analysis;
- Developing a Corporate Communication strategy

Addressing the above should result in enhanced transparency and effectiveness of CEC's overall management and administrative environment. It will also help the CEC in ensuring that resources are: 1) allocated in response to Parties' public policy priorities and evolving interests and needs, 2) delivering measurable results of which the North American public should be made aware.

7.0 MANAGEMENT RESPONSE

Management Response-Recommendation 1

Environment Canada (EC) agrees with the recommendation.

The CEC is a unique and innovative institution which allows Canada to work cooperatively with the U.S. and Mexico, on a range of environmental issues, while actively collaborating with civil society. Its mission⁸⁷ remains as valid today as when the *North American Agreement for Environmental Cooperation* (NAAEC) and the *North American Free Trade Agreement* (NAFTA) were signed. This mission, broad mandate and the complexity of the environmental problems facing North America make it imperative, as proposed in this recommendation, that EC's leadership and engagement in the institution be as strategic and effective as possible.

To this end, by December 31st, 2007, EC will develop a plan to optimize the effectiveness of Canada's participation in the CEC. The plan will provide overall goals for Canada's participation in the CEC and will propose a framework for more closely aligning EC's participation in the CEC with established Canadian priorities. This alignment will be accomplished through the development of mechanisms to link departmental and government-wide priorities to the CEC's planning processes. The plan

⁸⁷ CEC mission statement: To facilitate cooperation and public participation to foster conservation, protection and enhancement of the North American environment for the benefit of present and future generations, in the context of increasing economic, trade and social links among Canada, Mexico and the United States.

will also include an accountability mechanism to track the impact of CEC work and activities on Canada's policy development.

Some steps towards optimizing EC's participation in the CEC have already begun. EC has increased the resources on the CEC file and is assessing the strategic relevance of the CEC's current work program vis-à-vis Canadian priorities.

This work will be undertaken in close cooperation with the Department of Foreign Affairs and International Trade (DFAIT), and the three signatory provinces to the *Canadian Intergovernmental Agreement* to the NAAEC. Recommendations, advice and views of the Joint Public Advisory Committee (JPAC) and/or a Canadian National Advisory Committee (NAC) will also be taken into account during decision making.

Management Response-Recommendation 2

Environment Canada (EC) agrees with the recommendation.

EC recognizes the importance of engaging with the other NAAEC Parties and the CEC Secretariat in striving for continuous improvement and modernization of the CEC's planning, budgeting and management policies. EC will promote the following work with the other NAAEC Parties and the CEC Secretariat:

- the development and implementation of a performance measurement framework;
- the development of criteria for work program content;
- improving CEC's administrative transparency and effectiveness; and
- the development of a corporate communication approach.

This efficiency work has already begun. At the 2004 CEC Council Session, the NAAEC Parties committed to streamlining the work of the CEC and agreed to make the organization known for concrete and measurable environmental results. The development of the CEC performance measurement framework has taken longer than expected, but the three CEC Parties are striving to ensure that this will be part of the next CEC Operational Plan for 2008-2010. Parties have also discussed the need to develop clear screening criteria for projects and have agreed to support a corporate communication approach.

Canada's leadership within the CEC will continue to focus on making the organization an effective and fulfilling partnership based on the principles identified in the 2005-2010 CEC Strategic Plan: flexibility and mutual support; openness and transparency; and accountability. It is in this spirit that Canada has always engaged in the CEC and that it wishes to continue being involved.

Annex 1 - NAAEC Objectives

The following list is taken from the North American Agreement on Environmental Cooperation's (NAAEC) on Part One on the Agreements Objectives.

Article 1: Objectives

The objectives of this Agreement are to:

- (a) foster the protection and improvement of the environment in the territories of the Parties for the well-being of present and future generations;
- (b) promote sustainable development based on cooperation and mutually supportive environmental and economic policies;
- (c) increase cooperation between the Parties to better conserve, protect, and enhance the environment, including wild flora and fauna;
- (d) support the environmental goals and objectives of the NAFTA;
- (e) avoid creating trade distortions or new trade barriers;
- (f) strengthen cooperation on the development and improvement of environmental laws, regulations, procedures, policies and practices;
- (g) enhance compliance with, and enforcement of, environmental laws and regulations;
- (h) promote transparency and public participation in the development of environmental laws, regulations and policies;
- (i) promote economically efficient and effective environmental measures; and promote pollution prevention policies and practices.

Annex 2 - Evaluation Issues and Questions ⁸⁸

Questions	Statement of what should be observed	Indicators	Sources/Methods
Issue: Relevance			
1. Does the CEC contribute to the overall federal government agenda?	<ul style="list-style-type: none"> CEC raison d'être supports the federal government agenda. 	<ul style="list-style-type: none"> Federal government objectives CEC mission statement and its aspects Evidence of North American trilateral cooperation need Government of Canada efforts to review CEC workplans and outputs in relation to federal government priorities 	<ul style="list-style-type: none"> Review of CEC documentation Speech from the Throne (SFT) & other relevant federal speeches, including those on trilateral cooperation Federal Budget Key informant interviews (KII) KII-1 (see Section 5 of Evaluation Plan for group)
Issue: Success			
Focused on whether and how Canada has benefited from, contributed to, or been impacted by CEC's efforts to deliver NAAEC objectives in following areas:			
Policy Development			
2. Have CEC &/or relevant Canadian actions/efforts resulted in:	As a result of these actions/efforts:		
a) Mutually supportive environmental and economic policies among the Parties [NAAEC Article 1(b)]?	<ul style="list-style-type: none"> Relevant policies between Canada and other Parties are harmonized. 	<ul style="list-style-type: none"> Degree of harmonization of policies across Parties Evidence of CEC activities striving toward harmonization 	<ul style="list-style-type: none"> Review of CEC documents Review of Canadian policy documents KII-1 and KII-2
b) Strengthened cooperation regarding the development and improvement of environmental laws, regulations, procedures,	<ul style="list-style-type: none"> Development and improvement of relevant environmental laws, regulations, procedures, policies and practices involving 	<ul style="list-style-type: none"> Evidence of development of, and/or change or improvements to relevant laws, regulations, etc. 	<ul style="list-style-type: none"> Review of CEC reports and others including OECD ones Secretariat Reports (NAAEC Article 13)

⁸⁸ The evaluation issues and questions were taken from Table 1 in the Evaluation Plan for the Evaluation of Canada's Participation in the CEC, September 2006. We note here that modifications to this Table were made over the course of the evaluation, for example, to better reflect appropriate information sources and/or indicators, etc.

<p>policies and practices involving Canada [NAAEC Article 1(f)], including the promotion of economically efficient and effective environmental measures [NAAEC Article 1(i)] and of pollution prevention policies and practices [NAAEC Article 1(j)]?</p> <p>c) Enhancement of compliance with and enforcement of environmental laws and regulations involving Canada [NAAEC Article 1(g)]?</p>	<p>Canada.</p> <ul style="list-style-type: none"> Compliance and enforcement of environmental laws and regulations involving Canada have been enhanced. 	<ul style="list-style-type: none"> Evidence of impacts on Canadian decision-makers Number of relevant reports produced by CEC, EC, etc. Relevant Canadian policy objectives Presence of pollution prevention policies and practices promoted by CEC Presence of links between content of CEC reports and relevant pollution prevention policies and practices involving Canada Presence of more effective compliance and enforcement mechanisms (see NAAEC Art. 5 for example) Evidence of Canadian actions/efforts to ensure compliance and enforcement is occurring 	<ul style="list-style-type: none"> SFT & Budget 2006 Comparative analysis between CEC reports and reports from other sources Review of relevant EC policy documents (e.g., Report on Plans and Priorities (RPP) and GoC state of the environment reporting initiatives KII-1 and KII-2 Review of <i>Taking Stock</i> reports Review of Public opinion research (POR) Review of response to CESD Petition 166 Review of Submissions on Enforcement Matters (NAAEC Art. 14) Review of Factual Record (NAAEC Art. 15) KII-1 and KII-2 Review of EC documents Review of publicly released non-compliance information
Links to NAFTA			
<p>3. Has the CEC supported the environmental provisions of the NAFTA [NAAEC Article 1(d)], including the avoidance of creating trade distortions/barriers [NAAEC Article 1(e)]?</p>	<ul style="list-style-type: none"> The CEC Council has cooperated with the FTC in an ongoing fashion to achieve the environmental goals and objectives of NAFTA by acting as a point of inquiry, providing assistance in consultations, and contributing to the prevention or resolution of environment-related trade disputes and/or trade distortions/barriers involving 	<ul style="list-style-type: none"> Number of meetings between Council representatives and FTC Number of meetings between trade and environment officials of the Parties Presence of requirements, strategies and/or events supporting cooperation between the FTC and CEC Presence of relevant trade distortions/barriers averted due 	<ul style="list-style-type: none"> Review of relevant Council activities (as per NAAEC Art. 10(6)) Review of policy creation or adjustment Review of the NAFTA, NAAEC, CEC Strategic Plan 2005-2010 and the <i>Analytical Framework for Assessing the Environmental Effects of the NAFTA</i>

	Canada.	<ul style="list-style-type: none"> to CEC actions/efforts. Number of recommendations to the FTC with respect to avoidance of trade distortion/barriers Number of experts identified to provide information or technical advice for the purpose of contributing to dispute prevention or resolution Specific case examples involving Canada 	<ul style="list-style-type: none"> Review of related submissions to the CEC Review of key CEC documents KII-1 and KII-2 Review of key relevant Canadian trade disputes and/or trade distortions/barriers. Review of relevant trade statistics and/or Canadian trade reports
Cooperation			
4. Has Canada increased its cooperation with other Parties to better conserve, protect, and enhance the environment as a result of CEC efforts/actions [NAAEC Article 1(c)]?	<ul style="list-style-type: none"> Canada has increased its participation in relevant cooperative efforts. 	<ul style="list-style-type: none"> Number of agreements Number of conferences Joint publications 	<ul style="list-style-type: none"> Review of agreements Review of conference documentation Review of joint publications KII-1 and KII-2 Federal speeches/documents on trilateral cooperation
Public Participation			
5. Did the CEC promote transparency and Canadian public participation in the development of environmental laws, regulations and policies [NAAEC Article 1(h)]?	<ul style="list-style-type: none"> Active Canadian public participation and timely and relevant responses/actions by the CEC and/or Canada. 	<ul style="list-style-type: none"> Number/scope/nature of submissions, including Canadian ones Instances of informing the Canadian public regarding relevant activities and environmental performance Presence/absence of responses/actions taken by the CEC (from Canada or EC) in response to public submissions Evidence of Canadian cooperation efforts in the submission process 	<ul style="list-style-type: none"> Review of submissions on enforcement matters and factual records (NAAEC Art.14 &15) Review response to CESD Petition 166 Review of responses to and actions taken by CEC in response to submissions KII-1 and KII-2 Review of relevant EC actions Review of relevant public reporting tools (e.g., NPRI)
Unintended Outcomes			
6. Were there any unintended	<ul style="list-style-type: none"> Unintended outcomes are 	<ul style="list-style-type: none"> Presence of unintended 	<ul style="list-style-type: none"> Review of planning

outcomes (positive or negative)? If so, how were they addressed?	understood and needed actions are undertaken.	<ul style="list-style-type: none"> outcomes Management actions 	<ul style="list-style-type: none"> documents, correspondence KII-1 and KII-2
Issue: Design and Delivery Focused on the impacts of the functioning of key bodies and activities, performance monitoring, and Canadian stakeholder groups' 'satisfaction'			
7. Are the functions/activities of the CEC delivered as designed?	<ul style="list-style-type: none"> CEC functions/activities are consistent with and follow the CEC's defined approach. 	<ul style="list-style-type: none"> Actions implemented against planned initiative design 	<ul style="list-style-type: none"> Review of annual reports, IRC of the NAAEC, TRAC report KII-1
8. How well are the main CEC sub bodies working together (Council, Secretariat, Joint Public Advisory Committee (JPAC))?	<ul style="list-style-type: none"> Sub bodies have clearly defined roles and responsibilities and are working together effectively through, for example, the effective transfer of knowledge and information and without any duplication of efforts. 	<ul style="list-style-type: none"> Defined roles & responsibilities of respective sub bodies Observance of defined roles & responsibilities Mandates of sub bodies Presence of overlap or complementarity in activities Knowledge and information transfers across sub bodies 	<ul style="list-style-type: none"> Documentation review KII-1
9. Is performance data collected against CEC activities/outcomes? If so, is collected information used to inform CEC sub bodies/Parties and relevant to Canada?	<ul style="list-style-type: none"> Performance data is collected against CEC activities/outcomes and is used to inform decision making. Collected performance data is also relevant to Canada. 	<ul style="list-style-type: none"> Presence of performance data system collected by the CEC Evidence of performance monitoring Decisions based on performance information Utilization of CEC performance data by Canada Compatibility of CEC and EC performance data systems 	<ul style="list-style-type: none"> Review of CEC planning documents, decisions Review of performance data documentation KII-1 and KII-2 Review of EC performance data systems
10. Is the CEC reaching its Canadian audience (i.e., GoC officials, ENGOs, Canadian public, Canadian trade officials, others)?	<ul style="list-style-type: none"> CEC activities are directed at and received by Canadian audience. 	<ul style="list-style-type: none"> Reach of target audience (web visits, news stories, number of submissions) Evidence of impacts on 	<ul style="list-style-type: none"> Analysis of reach approaches (e.g., outreach activities, website, reports) Review of submissions

		Canadian decision-makers	<ul style="list-style-type: none"> Review of policy docs KII-1 and KII-2
11. To what extent are Canadian stakeholders satisfied/dissatisfied with the CEC (e.g., ENGOs, academic & business communities, other organizations, aboriginal)?	<ul style="list-style-type: none"> Expressed verbal or written satisfaction/dissatisfaction of key stakeholders. 	<ul style="list-style-type: none"> Documentation indicating satisfaction or dissatisfaction 	<ul style="list-style-type: none"> Review of relevant documentation Media scan KII-1 and KII-2
Issue: Cost-Effectiveness/Alternatives Are the most appropriate, cost-effective and efficient means being used to achieve objectives as they relate to Canadian needs?			
12. Are other national or international organizations involved in the same areas of activities and/or do they share similar objectives as the CEC? What is Canada's role in these organizations?	<ul style="list-style-type: none"> CEC objectives and related activities are different from and/or complementary to the areas of activities/objectives of other organizations. Canada's role in these organizations is also well-defined. 	<ul style="list-style-type: none"> Absence/presence of duplication in activities/outcomes Absence/presence of similarities/differences in activities/outcomes Presence of Canadian participation in other organizations 	<ul style="list-style-type: none"> Review of relevant organizations' (e.g., OECD) and CEC documentation KII-1 and KII-2 Analysis of relevant Canadian international activities
13. Are there any high level preoccupations and potential risks related to the administrative and financial policies of the CEC and its organizational structure, especially in regard to some issues expressed by key CEC stakeholders?	<ul style="list-style-type: none"> CEC administrative and financial rules, policies and procedures appear to be exhaustive. 	<ul style="list-style-type: none"> CEC has rules, policies and procedures covering all major administrative and financial functions 	<ul style="list-style-type: none"> Interviews with CEC staff Review of the inventory of CEC rules, policies and procedures
	<ul style="list-style-type: none"> CEC financial budgeting and reporting appear to be transparent and conducive to accountability. 	<ul style="list-style-type: none"> The level of information provided through CEC budgeting and reporting is more transparent and conducive to accountability in comparison to concerns expressed by key CEC stakeholders in 2005 	<ul style="list-style-type: none"> Comparison of the level of information provided for budgeting and reporting between financial years 2005 and 2006 Benchmarking with one comparable organization Interviews with CEC staff and NAAEC Parties
	<ul style="list-style-type: none"> Travels are planned in advance and are subject to a transparent and adequate approval process. 	<ul style="list-style-type: none"> Travels are planned in advanced A transparent and adequate process is in place to approve travels 	<ul style="list-style-type: none"> Interviews with CEC staff Review of CEC rules, policies and procedures
	<ul style="list-style-type: none"> Contractor support services are subject to a transparent and 	<ul style="list-style-type: none"> A transparent and adequate process is in place to approve 	<ul style="list-style-type: none"> Interviews with CEC staff Review of CEC rules,

	adequate approval process.	Contractor support services	policies and procedures
	<ul style="list-style-type: none">▪ The organizational structure is conducive to effective delivery of results.	<ul style="list-style-type: none">• Ratio of management level resources versus staff	<ul style="list-style-type: none">• Benchmarking with one comparable organization

Annex 3 - Evaluation Committee's Terms of Reference

Evaluation of Canada's Participation in the Commission for Environmental Cooperation (CEC)

Terms of Reference Evaluation Committee

1. PROPOSED SCOPE OF THE EVALUATION

SEE SECTION 4 OF THE EVALUATION PLAN (SEPTEMBER 2006)

2. MANDATE OF THE EVALUATION COMMITTEE

The mandate of the Evaluation Committee is to facilitate and guide the evaluation process at the working level from start to finish. The responsibilities of the Evaluation Committee consist of the following:

- provide expert advice and contextual information;
- assist in scoping the evaluation and identify issues of importance to be included in the evaluation;
- assist in developing the evaluation plan, including providing subject-matter expertise on evaluation questions and methods;
- facilitate, where possible, the realization of the evaluation (e.g., providing names of stakeholders to consult and identifying and collecting key documents); and
- assist in developing the evaluation report, including validation of evaluation findings, comments on the draft report, and, where applicable, the preparation of a management response.

3. MEMBERSHIP

EC Audit and Evaluation

Marie-Christine Tremblay (Associate Director –Program Evaluation and CEC Project Leader, Evaluation Division)

Shelley Tice (Senior Evaluator, Evaluation Division)

Lindsay Fitzpatrick (Assistant Evaluator, Evaluation Division)

Sophie Boisvert (Audit Manager, Internal Audit Division)

EC International Affairs

Julie Pelletier (Senior Policy Advisor, Americas)

Leonardo Iannone (Policy Advisor, Americas)

DFAIT

Rachel McCormick (Policy Advisor, Sustainable Development Division)

Kimberley Ferguson (Legal Officer, Environmental Law Sector)

4. OPERATIONS

Secretariat functions will be provided by the Audit and Evaluation Branch. Discussions at meetings will be in both official languages. Draft documents will be presented to the Evaluation Committee. All final key documents will be in both official languages.

Project Leader is responsible for directing and managing the execution of the evaluation in accordance with EC's approved Audit and Evaluation Policy and the TB Evaluation Policy. All other members of the committee have equal status during discussions. The decision making process of the Evaluation Committee is by consensus unless a member specifically requests a vote on an issue.

Records of Decisions will be prepared and distributed to committee members within one week of the meeting for comment. Members will respond with comments or a nil reply within one week of receipt of the Record of Decisions. The location of the meetings will be in Gatineau, Québec. Members may choose to participate via teleconference.

5. PROPOSED TENURE/LIFE CYCLE

The Evaluation Committee will begin its activities in July 2006 and is expected to complete its role by Winter 2006/2007.

MEETING TIMES FOR THE EVALUATION COMMITTEE	
Dates	Purpose
July 2006	Review Terms of Reference and Evaluation Plan
Aug/Sept 2006	Finalize Evaluation Plan, review evaluation instruments
Fall 2006	Review Preliminary Findings
Winter 2006/2007	Review Final Report (Findings and Recommendations)

6. COMPENSATION

Service on the Evaluation Committee is non-remunerative and travel and meeting expenses will not be reimbursed.

Annex 4 - Background Information and Supporting Documentation

Document Title	Date (if known)	Format (e.g. hard copy, electronic, website)
CEC Documents		
Organizational Chart	15 August 2006	Hard Copy
Bringing the Facts to Light – A Guide to Articles 14 and 15 of the North American Agreement on Environmental Cooperation, CEC	2000	Hard and Electronic Copies
Looking to the future – Strategic Plan of the CEC 2005-2010	17 June 2005	Hard and Electronic Copies
Operational Plan of the Commission for Environmental Cooperation <ul style="list-style-type: none"> ▪ 2007-09, Draft as of September 29th 2006 ▪ 2006-08, March 30, 2006 ▪ 2004-06, February 19, 2004 	2004--2009	Electronic copy
DRAFT-Operational Plan of the Commission for Environmental Cooperation 2007-2009	Draft-not completed	Electronic copy
Puebla Declaration	23 June 2004	http://www.cec.org/files/pdf/COUNCIL/Puebla-Declaration-2004_en.pdf
Communications Strategy 2006-2008 Program Plan	Unknown	Electronic Copy
Council Resolutions	1994-Present	http://www.cec.org/pubs_docs/scope/index.cfm?varlan=english&ID=18
Quarterly Communications Reports		http://www.cec.org/qcomreports
JPAC Advisory Papers	1995-2004	http://www.cec.org/pubs_docs/scope/index.cfm?varlan=english&ID=17 (see JPAC Advice)
Citizen Submissions on Enforcement Matters (site contains links to information relating to specific submissions)		http://www.cec.org/citizen/index.cfm?varlan=english
Reviews		
Four-Year Review of the North American Agreement on Environmental Cooperation: Report of the Independent Review Committee	June 1998	http://www.cec.org/files/pdf/NAAEC-4-year-review_en.pdf
Report of the Ten-year Review and Assessment Committee to the Council of the CEC (TRAC Report)	15 June 2004	http://www.cec.org/files/pdf/TRAC-Report2004_en.pdf
10 Year Review of JPAC		Electronic copy
Financial Information		
Annual Reports	2002, 2003	Electronic copy
Budgets	2003, 2005, 2006	
Financial Statements <ul style="list-style-type: none"> ▪ December 31, 2005 ▪ December 31, 2004 ▪ December 31, 2003 ▪ December 31, 2002 ▪ December 31, 2001 	2001-2005	Electronic copies
CEC Quarterly Financial Reports (19)	March 2002-September	Electronic copies

	2006	
CEC Reports		
Article 13 Reports <ul style="list-style-type: none"> ▪ Maize and Biodiversity: The Effects of Transgenic Maize in Mexico: Key Findings and Recommendations (2004) ▪ Environmental Challenges and Opportunities of the Evolving North American Electricity Market (2002) ▪ Ribbon of Life (1999) ▪ Silva Reservoir (1999) 		Available online at: http://www.cec.org/pubs_docs/scope/index.cfm?varlan=english&ID=16
Other Reports on: <ul style="list-style-type: none"> ▪ Conservation of Biodiversity ▪ Environment, Economy and Trade ▪ Law and Policy ▪ Pollutants and Health 		Available online at: http://www.cec.org/pubs_info_resources/index.cfm?varlan=english
Policies/Procedures/Rules		
NAAEC CEC Council Rules of Procedures	Edited December 11, 2002	Electronic copy
NAAEC CEC Financial Rules	Edited December 11, 2002	Electronic copy
CEC Financial and Administrative Procedures	May 5, 1997	Electronic copy
CEC Travel Policy	Revised June 16, 2003	Electronic copy
CEC Relocation/Home Leave Directive	Revised September 1997	Electronic copy
CEC Contracts, Jobs RFPs-Consultant Services Procurement Manual	October 1996 June 16, 1995	Electronic copy
CEC Information Technology Policy Manual-Final Draft, Version 1.0	October 2003	Electronic copy
CEC Policy on the Loan of Portable Computers	No date	Electronic copy
CEC Meetings Policy	March 2000	Electronic copy
NAAEC CEC Joint Public Advisory Committee Rules of Procedures	Edited December 11, 2002	Electronic copy
NAAEC CEC Rules of Employment	Edited December 11, 2002	Electronic copy
CEC Employee Benefit Plan Guide and Enrolment Workbook <ul style="list-style-type: none"> ▪ Professional Staff ▪ General Service Staff 	October 2000	Electronic copy
CEC Publications and Editorial Policy	January 1997	Electronic copy
CEC Quality Assurance Policy and Procedures	August 2006	Electronic copy
CEC Translation Policy	Revised October 1997	Electronic copy
Government of Canada Documents		

Speech from the Throne: Turning a New Leaf Thirty-ninth Parliament	April 4, 2006 and 2004-2005	http://www.sft-ddt.gc.ca/sft-ddt_e.pdf Internet Search – PMO website
5 Priorities		http://www.pm.gc.ca/eng/feature.asp?pageId=40 Site last updated: 17 Sept 2006 (at time of document review) Internet Search – PMO website
Government of Canada Budgets and Fiscal Updates	2002-2006	http://www.fin.gc.ca/access/budinfoe.html
EC Departmental Reports on Plans and Priorities and Performance Reports	2004-2005 2005-2006 2006-2007 2007-2008 (draft)	Hard Copies
Leaders' Joint Statement: Leaders Note Progress on the Security and Prosperity Partnership of North America	31 March 2006	http://www.pm.gc.ca/eng/media.asp?id=1085 Internet Search – PMO website
Prime Minister Harper to meet with North American Counterparts	9 March 2006	http://www.pm.gc.ca/eng/media.asp?category=1 &id=1052 Internet Search – PMO website
Prime Minister Announces Canadian Membership of North American Competitiveness Council	13 June 2006	Electronic copy News Release, PMO, Comm.
Petition 166	20 March 2006 (Filed)	http://www.oag- bvg.gc.ca/domino/petitions.nsf/viewe1.0/71CB73 7BBBD0AF5F852571B1007ADB4 Internet Search – OAG website
NAFTA at Ten: NAFTA: A Decade of Strengthening a Dynamic Relationship	Site last updated 2003-10-06	http://www.international.gc.ca/nafta- alena/nafta10-en.asp Internet Search – DFAIT website
Opening Doors to the World: Canada's International Market Access Priorities 2006	2006	http://www.international.gc.ca/tna- nac/2006/pdf/ITC_06-en.pdf Internet Search – DFAIT website
International Policy: Canada's International Policy Statement: A Role of Pride and Influence in the World: Diplomacy: A Strategy for our North American Partnership	Tabled in Parliament in April 2005	http://geo.international.gc.ca/cip-pic/ips/ips- diplomacy5-en.asp Internet Search – DFAIT website
North American Free Trade Agreement (NAFTA)	January 2004	http://www.dfait-maeci.gc.ca/nafta-alena/menu- en.asp Internet Search – DFAIT
Ten Years After: An Assessment of the Environmental Effectiveness of the NAAEC – by John Kirton, University of Toronto in NAFTA@10, Chapter 5		http://www.international.gc.ca/eet/pdf/NAFTA@ 10_Chapter5-en.pdf Internet Search – DFAIT website but disclaimer in Foreword of document
The Budget Plan 2006: Focusing on Priorities	2006	http://www.fin.gc.ca/budget06/pdf/bp2006e.pdf Internet Search – Finance website
Canadian Implementation (NAAEC Canadian Office)	Site last updated: 2002-12-02	http://www.naaec.gc.ca/eng/implementation/impl ementation_e.htm Internet Search – GoC Website (NAAEC)
The Canadian Intergovernmental Agreement (CIA) Regarding the North American Agreement on Environmental Cooperation (NAAEC)	2003	http://www.naaec.gc.ca/eng/implementation/cia_ e.htm Internet Search – GoC Website (NAAEC)
North American Agreement on Environmental Cooperation (NAAEC)	1993	http://www.naaec.gc.ca/eng/index_e.htm Internet Search – GoC Website (NAAEC)

Additional Documents

Measuring Performance Through Independent Enforcement Review: Challenges and Opportunities For Independent Reviewers, the Public and the Governments and Other Institutions Subject to Review - By Geoffrey Garver, CEC	9-15 April 2005	http://www.inece.org/conference/7/vol1/20_Garver.pdf Internet Search – International Network for Environmental Compliance and Enforcement Website
“NAFTA Factual Record Finally Released” in EA Reporter: Environmental Planning and Assessment Caucus Canadian Environmental Network (CEN) Issue 7, Fall/Winter 2003	Fall/ Winter 2003	http://www.cen-rce.org/eng/caucuses/assessment/docs/reporter07_fall2004.pdf Internet Search – Canadian Environmental Network Website

Annex 5 - Interview Guides

Interview Guide for Canadian Federal Government Officials

Nature of Involvement:

1. What is the nature of your involvement with the Commission for Environmental Cooperation (CEC)?

Relevance: focuses on the contribution of the CEC to the overall Canadian federal government agenda.

2. In your opinion, how does the CEC contribute to the overall Canadian federal government agenda?

Success: focuses on whether the CEC's efforts have been conducive to the effective delivery of NAAEC's interests and objectives. It also focuses on whether Canada has benefited from and/or participated in these efforts.

3. What is your understanding of the CEC's main objectives?
4. I'd like to ask about the CEC's role in five specific areas under the Agreement (NAAEC), and the extent to which Canada has contributed, or not, to this role. Please provide examples where possible.
 - a) **Harmonization** of relevant policies between Canada and the other two countries (US, Mexico).
 - b) **Development and/or improvement of relevant tools**, such as laws, regulations, procedures, policies and practices, as they relate to Canada.
 - c) Improved **compliance and enforcement** of applicable environmental laws, as they relate to Canada.
 - d) Avoidance or resolution of **trade distortions** or barriers between Canada and the other countries.
 - e) Increased its **cooperation** with the U.S. and Mexico to better conserve, protect, and enhance the environment as a result of CEC actions and efforts?
5. To what extent has the CEC been **transparent** and encouraged **public participation** in Canada, in terms of its activities and operations? Provide examples where possible.
6. Are you aware of any unintended outcomes or consequences that have resulted from CEC's activities (e.g. not specifically part of its objectives or intent)? Please describe what these are, Canada's role in them, and how they have been addressed, if at all.

Design and Delivery: focuses on whether the CEC functions and activities are designed and delivered in the best possible way and looks at the implications of this design and delivery for Canada and for EC in particular.

7. Based on what you know or have heard, please comment on the effectiveness with which each of the following has been operating, in terms of being well managed and accountable:
 - a) CEC Council
 - b) CEC Secretariat
 - c) Joint Public Advisory Committee
8. Please provide examples, if any, of functions and activities of CEC that:
 - a) have been delivered as designed.
 - b) have not been delivered as designed.
9. Is performance data collected against CEC activities and outcomes?

- a) If so, is collected information used to inform CEC sub bodies and/or the Parties? Please describe and provide examples.
- b) If collected, is this performance data relevant to Canada? Please describe and provide examples.

10. Who in Canada is being reached by CEC activities and programs? Who is being missed?

11. In your opinion, to what extent are the Canadian stakeholders satisfied or dissatisfied with the CEC? Please describe and provide examples.

Cost Effectiveness/Alternatives: focuses on whether the most appropriate, cost-effective and efficient means are being used to achieve objectives as they relate to Canadian needs.

12. Are you aware of other organizations which have a mandate or objectives that overlap/complement with those of the CEC?

Interview Guide for External Stakeholders

Environics Research Group.
September 11, 2006

Environment Canada 2006 CEC Stakeholder Research Interview Protocol

A. Background Information on CEC and Stakeholder Involvement

- 1. Provide a brief overview of your organization's history/background, and its overall purpose or mandate.
- 2. What is your organization's key target audience and/or stakeholders?
- 3. How familiar are you with the Commission for Environmental Cooperation (CEC)?
(IF NOT AT ALL FAMILIAR, ASK IF SOMEONE ELSE IN ORGANIZATION IS MORE APPROPRIATE TO INTERVIEW)
- 4. What sources of information and knowledge have you drawn from in terms of your understanding of the CEC?
- 5. What is your understanding of the CEC's main objectives?
- 6. Are you aware of other organizations which have a mandate or objectives that directly overlap with those of the CEC?
- 7. How would you describe your organization's specific interest in the CEC?
- 8. Please describe the nature and extent of your organization's involvement in CEC programs.

B. CEC Progress and Success

9. The CEC has been in place since 1994. To what extent do you believe the CEC is meeting its overall mission and objectives (MAY WANT TO PROVIDE THESE TO STAKEHOLDER)
10. In what areas do you believe has the CEC made the most progress?
11. In what areas do you believe it has made the least progress?
12. What do you see as the key factors that have influenced the accomplishments of the CEC?
13. What about Canada's contribution and role to the success of the CEC? In what ways has Canada contributed, or not contributed, to the CEC's progress in meeting its overall mission and objectives? (Canada in this case refers to all parties, including governments, NGOs, the public)
14. I'd like to ask about the CEC's role in the success in three specific areas under the Agreement (NAAEC), and the extent to which Canada has contributed, or not, to this role. Provide examples where possible.
 - a. Development and/or improvement of relevant tools, such as laws, regulations, procedures, policies and practices, as they relate to Canada.
 - b. Improved compliance and enforcement of applicable environmental laws, as they relate to Canada
 - c. Avoidance or resolution of trade distortions or barriers between Canada and the other countries
15. Are you aware of any unintended outcomes or consequences that have resulted from CEC's activities (e.g., not specifically part of its objectives or intent)? Please describe what these are, Canada's role in them, and how they have been addressed, if at all.
16. More broadly, to what extent would you say the provisions/objectives of the North American Agreement on Environmental Cooperation (NAAEC) are being achieved? How significant a role has the CEC played in the progress achieved to date? And how has Canada contributed to this progress?

C. Stakeholder and Public Outreach

17. To what extent has the CEC been transparent and encouraged public participation in Canada, in terms of its activities and operations? Provide examples where possible.
18. Who in Canada is being reached by CEC activities and programs? Who is being missed?
19. How would you characterize your own organization's interaction with the CEC? Has it been generally positive or negative, and why?
20. To what extent has the CEC been responsive to input from stakeholders generally? To input from your organization specifically?

D. CEC Operations

21. Are you familiar at all with the way in which the CEC, or any of its specific parts, operate (Council, Secretariat, Joint Public Advisory Committee)?
(IF NO, SKIP TO SECTION E)
22. Based on what you know or have heard, please comment on the effectiveness with which each of the following has been operating, in terms of being well managed and accountable:
 - a. CEC Council
 - b. CEC Secretariat

c. Joint Public Advisory Committee

23. How would you describe the level of cooperation between these three parts of the CEC? What has Canada's role been in this level of cooperation?

E. Looking Ahead

24. In 2004, the three participating countries set out a vision for the CEC for the next decade (Puebla Declaration). This vision entails four parts. For each please provide your perspective on:
- Extent of progress that is possible over remainder of decade
 - Importance of Canada's involvement and active support to such progress
 - Confidence that Canada will provide the necessary level of support
 - What type of support is specifically needed from Canada

- a. As a catalyst to encourage action by the three countries and their stakeholders
- b. As a forum to facilitate regional action, to help coordinate dialogue and approaches to common environmental issues
- c. As a producer of concrete results, in the form of timely and policy-relevant recommendations
- d. As a provider of scientifically rigorous information at a North American scale, to support appropriate decision-making

25. Suggestions or recommendations of how CEC might improve its effectiveness or operations
26. In what ways can Canada better support the CEC and its objectives?
{PROBE BY DIFFERENT CANADIAN SECTORS}

F. Conclusion

27. This concludes the interview. Before we end do you have any final comments about the CEC and Canada's role?