

CEC Private Sector Engagement Strategy

Commission for Environmental Cooperation (CEC)

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1. Context

1.1. Stakeholder Engagement and the New Canada–United States–Mexico Agreement, the Environmental Cooperation Agreement and the CEC Strategic Plan 2021–2025

Environmental cooperation and public participation play a crucial role in promoting mutually supportive trade and environmental policies. The essential link between trade and the environment, as well as the importance of cooperation and consultation, were recognized in the new Canada-United States-Mexico Agreement (CUSMA/USMCA/T-MEC), namely with the inclusion of an environmental chapter (Chapter 24) addressing the enforcement of environmental laws, and the promotion of transparency, accountability, and public participation. Chapter 24, which promotes a healthy environment, also contains specific topics of relevance to sustainable development and environmental conservation, such as ozone layer protection, marine litter, trade, and biodiversity, etc.¹ Furthermore, the importance of stakeholder engagement and partnerships for the CEC have been made clear in the new [Environmental Cooperation Agreement \(ECA\)](#) and in the CEC's [Strategic Plan 2021–2025](#). The following provisions of Article 9 and Article 11 of the ECA stipulate the ways in which cooperation and public participation may take place, and the potential facilitator role of the Council for cooperation between diverse stakeholders, including with the private sector:

Article 9: Modalities and Forms of Cooperation

*“Cooperation developed under this Agreement may occur through activities such as: the exchange of delegations, professionals, technicians, and specialists from the academic sector, nongovernmental organizations, **private sector**, [...]” and “the facilitation of partnerships, linkages, or other new channels, for the development and transfer of knowledge and technologies among representatives from academia, **private sector** [...]”.*

Article 11: Opportunities for Public Participation

*“The Council shall encourage and facilitate, as appropriate, direct contacts and cooperation among government agencies, multilateral organizations, foundations, universities, research centers, nongovernmental organizations, **private sector firms and other entities**, including the conclusion of arrangements among them for the conduct of activities under this Agreement.”*

The Strategic Plan 2021–2025 further supports the objectives contained in the new free trade agreement and accompanying environmental agreement, building on the cooperative work carried out under the 1994 North American Agreement on Environmental Cooperation (NAAEC) while incorporating more ambitious areas of cooperation and commitments. This guiding document, endorsed by the Parties, sets forth six thematic pillars, all of which require coordinated actions and synergies involving a variety of stakeholders working together to conserve, protect, and enhance the North American environment. As a shared responsibility, efforts to successfully implement the provisions of Strategic Plan will very much

¹ CUSMA/USMCA/T-MEC, [Chapter 24](#).

depend on the extent to which the CEC can collaborate with the private sector and leverage resources, especially in areas related to sustainable innovations and the efficient use of resources.

To support the priorities outlined in the ECA and the CEC Strategic Plan, and help achieve the objectives stated in both documents, the CEC has further developed a Stakeholder Engagement and Partnerships Strategy,² which encompasses all types of stakeholders. The purpose of the strategy is to increase the CEC's visibility, support its vision for change, and facilitate opportunities for joint efforts, including the creation of funding schemes. This will allow the CEC to enhance its role in carrying out its mission to facilitate effective environmental cooperation and public participation in North America. As part of its stakeholder engagement efforts, the CEC conducted a baseline analysis, identifying under-represented groups in CEC activities. The private sector was identified as one of these stakeholder groups and included as part of a priority list for increased engagement efforts.

This Private Sector Engagement Strategy (hereafter, the Strategy) is being advanced to support and promote increased private sector participation in addressing trilateral environmental priorities under the CEC. The Strategy will help frame the CEC's effort and will help ensure transparency with regard to private sector engagement. Furthermore, formalizing and increasing collaboration between the CEC and the private sector on areas of common interest and concern is timely, given the CEC's newly adopted cooperative work structure based on rolling Operational Plans (OPs).³ This approach adds flexibility for the three countries when considering new opportunities for cooperation, in line with the Strategic Plan 2021–2025 and Council resolutions, some of which may arise out of ongoing dialogue with the private sector. Considering the different decision-making processes and organizational structures between the CEC and the private sector, an increased flexibility to consider emerging issues during the planning phase of projects and initiatives, will be essential for the implementation of this Strategy. The Strategy will be implemented and updated by the Advisory Groups and Private Sector Engagement Unit, in strong collaboration with the Outreach and Partnerships Unit, and with the other units within the CEC Secretariat.

1.2. Why the Private Sector?

Global, regional, and local environment and sustainable development challenges are vast and multi-dimensional. To tackle these challenges, all categories of stakeholders, including governments, NGOs, academia, individuals, and the private sector, stand to benefit from working collectively on concrete, bold and decisive actions. Over the last 27 years, North America's population has increased by 30% (to nearly 500 million people),⁴ while three-way trade in the region has increased by over 250% in the same period.⁵ As a result, the well-being of future generations relies on stakeholders adopting a sustainable approach to environmental management and economic growth.

² CEC (2021). Stakeholder Engagement and Partnerships Strategy 2021-2025.

³ Rolling Operational Plans include initiatives with different timelines (starting and ending dates).

⁴ The World Bank Group (2021). [Total Population](#).

⁵ Joint Statement by North American Leaders (2021). [Building Back Better Together: A Secure, Prosperous North America](#).

Industry and local businesses are an essential part of the social and economic fabric of society, operating in communities across the continent and providing livelihoods to citizens. These businesses, which are dispersed in small and large communities and located in urban and remote and isolated areas, contribute to the prosperity of the three North American countries and their citizens, including through the creation of sustainable innovations and green growth. Economic activities, however, may also create negative environmental impacts and social injustices for people who are adversely or disproportionately affected by these impacts or uneven economic conditions. As such, the private sector is uniquely positioned to act on specific issues; whether reducing GHG emissions and resource consumption related to their operations or finding innovative solutions to help mitigate environmental risks. Specifically, the private sector is a source of innovation, expertise, and financial resources that can be leveraged to help the CEC carry out its mission and obtain desired results.

The private sector has shown growing interest and commitment toward improving its environmental performance and integrating environmental, social and corporate governance (ESG) criteria as part of their operations. Climate action failure, extreme weather events, biodiversity loss, water crises, and natural disasters were all listed by the World Economic Forum’s multi-stakeholder community as the top long-term risks by likelihood to the global economy.⁶ The increased awareness on the part of the private sector and the business community of the impact of economic activities on environmental degradation, as well as the potential consequences of continuing “business as usual,” creates momentum and space for dialogue on how to move forward and rethink business models. Furthermore, the increased risks for businesses related to impacts of climate change—such as disrupted supply chains, reduced availability of scarce natural resources, damage to vital infrastructure and utilities, disrupted transport and logistics routes, heightened price and market volatility, uncertainties related to new governmental regulations, and unpredictable impacts on the workforce and consumers—call for the private sector to take a stronger role to help increase the resilience of communities and that of the environment in which they operate. Increasing dialogue with the private sector and continuing to raise awareness on their potential role are key steps toward achieving both objectives.

In recognition of its role in protecting our shared environment, the private sector is making bolder commitments, such as the pledges from financial institutions, reaching \$130 trillion in private capital, to support the transition to net zero through the [Glasgow Financial Alliance for Net Zero \(GFANZ\)](#) at the COP 26 in Glasgow. This exemplifies how collaboration and leveraging resources with the private sector represent important opportunities to increase the magnitude and scope of environmental protection initiatives and reflects how governments could capitalize on the momentum that has been building across North America, and the world, for concrete actions on the environment. These evolving conditions represent an opportunity for the CEC to re-think and re-orient its relationship with the private sector and explore new paths for dialogue and collaboration. This strategy, in itself, is an important step for the CEC to seize new opportunities with the private sector and consider the benefits of finding new and innovative ways to enhance collaboration, to ultimately yield the best results for stakeholders and communities across North America.

⁶ [World Economic Forum \(2020\). The Global Risks Report 2020. Insight Report, 15th Edition, 102pp.](#)

1.3. The CEC and the Private Sector

Since its establishment in 1994, the CEC sought to ensure mutually supportive economic and environmental policies and to avoid the creation of trade barriers while maintaining high levels of environmental protection. In the CEC's early years, the NAAEC and the environmental provisions of NAFTA broke new ground in seeking to foster the protection and improvement of the environment throughout North America. For the first time, trading partners addressed concerns that free trade could harm the environment due to increased adverse impacts related to trade activities.

Since then, Canada, Mexico and the United States have reiterated the importance of linking trade to environmental conservation with the inclusion of Chapter 24 in the new trade agreement, including a potential role for the private sector under *Article 24.13 Corporate Social Responsibility and Responsible Business Conduct* and *Article 24.14: Voluntary Mechanisms to Enhance Environmental Performance*, among others. Furthermore, under the ECA, the CEC's mandate has also evolved to include more ambitious areas of cooperation, evidence of the Parties' conviction of the importance of the CEC as an effective mechanism for trilateral cooperation.

Throughout the years, the CEC has offered an effective framework for promoting "win-win" approaches to the environment, economy, and trade. Its unique role as a convenor for North American stakeholders and its proven track record for building solid networks can be attributed to the successful involvement of the private sector in specific CEC projects. These networks were built through the intergovernmental cooperative work programs, where the CEC worked with industry and businesses so that the private sector could contribute to finding solutions to different environmental problems and benefit from a greener economy.

The CEC's successes have also resulted in private sector organizations recognizing the CEC as a useful mechanism for trilateral cooperation, providing opportunities for joint initiatives on different environmental topics related to their activities, such as electronic waste or circular economy. A few examples of the CEC's achievements include the work done with the private sector, all three governments and other stakeholders under the following projects and initiatives:

- Pollutant Release and Transfer Register (PRTR) – since 1996
- Improving Conditions for Green Building Construction in North America – 2011–2014
- Improving the Economic and Environmental Performance of the North American Automotive Industry Supply Chain – 2011–2012
- Sound Management of Electronic Wastes in North America – 2011–2012
- Greening Transportation at North American Land Ports of Entry (POEs) – 2013–2014
- Increasing Industrial Energy Efficiency through ISO 50001 – 2017–2018
- Preventing and reducing food loss and waste – 2019–2020

Throughout the years, the Parties have also appointed private sector representatives to the Joint Public Advisory Committee (JPAC), who have contributed to the CEC's work. Their unique perspective helped shape JPAC's recommendations to the Council, JPAC-led public consultations and forums, and also

provided insights on barriers and opportunities for increasing the environmental performance of businesses. Their contributions also included unrestricted access to their networks and expertise to support the CEC’s work on a variety of topics.

In its Strategic Plan 2021–2025 and thematic pillars, the CEC also recognized that success in moving forward will depend on the effectiveness of solutions, the positive impact on sustainable economic growth, and on engaging stakeholders and the public to harness their potential as catalysts for change and progress. In this context, the private sector has been identified by the Parties as a key constituent, particularly in areas related to sustainable innovation, clean technologies, and regional competitiveness. (See Annex 1 for links between the Strategic Plan 2021–2025 and the private sector.)

2. Who Is the Private Sector: Definition

This Strategy will be using the private sector definition identified as part of the *CEC 2020 Stakeholder Analysis Baseline Report*⁷:

“any organization/individual working with the goal of promoting profit in its administrative model”

In addition to individual corporations falling under the definition above, CEC engagement with the private sector will also include industry associations or chambers of commerce and related not-for-profit organizations (e.g., North American Strategy for Competitiveness (NASCO), World Economic Forum, Mexico’s Confederation of Industrial Chambers (*Confederación de Cámaras Industriales de la República Mexicana*), etc.).

3. What Do We Mean by Engagement?

Engagement with the private sector may take multiple forms. This refers to any type of interaction with business entities where the private sector may have: 1) a passive role in the relationship, such as receiving information from the CEC; 2) an active role, such as engaging in informal talks and discussions and participating in knowledge-exchange activities online and in-person; and 3) a collaborative role, which involves establishing formal partnerships on specific projects or funding agreements.

The different levels of engagement may bring different challenges and risks for the organization. To overcome challenges and limit risks, a series of key principles (see Section 5) will help support the CEC’s efforts in private sector engagement. Furthermore, any potential partnerships with the private sector will follow criteria and guidelines, developed as part of the CEC Partnership Action Plan. The development of these partnerships will be consistent with a partnership roadmap, involving a step-by-step process designed to strengthen the creation of partnerships in a timely manner, though effective and efficient workflows. These partnerships will be designed by or in collaboration with the CEC Outreach and Partnerships Unit.

⁷ CEC (2020). CEC 2020 Stakeholder Analysis Baseline Report.

4. Benefits for the Private Sector

Considering its proven track record to foster collaboration between Canada, Mexico and the United States, benefits for the private sector to engage with the CEC include:

- Access to resources and experts from the three countries;
- Opportunity to share best practices and increase literacy and capacity on key environmental topics;
- Opportunity to network with other organizations (e.g., private sector, governments, NGO, academia) from the three countries;
- Opportunity to provide input and discuss issues, challenges and opportunities with government representatives and other stakeholders on key environmental topics;
- Opportunity to be part of pilot projects to test new and innovative methodologies and/or approaches to address key environmental topics;
- Increased exposure at the North American Scale.

5. Establish a Vision, Mission, Strategic Goals, and Objectives for Private Sector Engagement

5.1. Vision

By 2025, the CEC's engagement efforts with the business community will have resulted in increased participation in CEC activities, particularly in areas related to sustainable innovation, clean technologies, regional competitiveness, and have yield tangible results, thereby increasing the impact of CEC initiatives in the region.

5.2. Mission

To engage with the private sector in a systematic and transparent way and increase dialogue to support the implementation of the 2021–2025 Strategic Plan, and to enhance the CEC's impact by ensuring a more effective role for the private sector in addressing trilateral priorities under the CEC.

5.3. Strategic Goals

The Strategy will focus on increasing private sector participation in CEC activities and efforts via four overarching strategic goals, to complement and increase the CEC's impact. These goals will be used to direct the next 3 years of private sector engagement for all activities throughout the CEC, aligned with the 2021–2025 Strategic Plan.

The Strategy will focus on achieving outcomes via four strategic goals:

- 1- Establish a systematic approach for engaging the private sector in CEC activities
- 2- Reinvigorate the CEC's engagement efforts with the business community
- 3- Promote dialogue and knowledge-sharing between the Parties and private sector representatives on environmental issues of common interest
- 4- Increase the impact of CEC's initiatives by leveraging private sector resources

5.4. Objectives

The following table presents objectives that will direct the actionable measures for reaching the above-mentioned goals, as well as action items directly linked to achieving each stated objective.

Strategic Goal 1: Establish a systematic approach for engaging the private sector in CEC activities	
Objective	Actions
Key private sector stakeholders with the potential to support and complement CEC initiatives are clearly identified	Conduct a targeted survey with private sector representatives who have been involved in previous CEC work, to gather feedback on their experience working with the CEC as well as input on potential areas of mutual interest
	Assess the current North American landscape to identify potential opportunities and challenges for the CEC with regard to private sector engagement
	Identify potential opportunities (e.g., based on previous work, targeted surveys, gaps identified as part of assessment or raised by external organizations or linked to the 2021–2025 Strategic Plan) with specific economic sectors for future engagement (see Annex)
	Conduct targeted mapping of private sector stakeholders from specific economic sectors aligned with the 2021-2025 Strategic Plan six pillars and two cross-cutting approaches (see Annex) with a special focus on organizations owned, led by, representing, or serving vulnerable and/or equity-deserving populations.
Potential opportunities to engage and/or collaborate with the private sector are systematically considered in CEC initiatives	Include a question on private sector engagement in the CEC project description template
	Provide direct support and advice to units
A clear process and criteria for private sector partnerships as part of the CEC’s work will be followed	Private sector engagement activities potentially leading to collaboration and partnership will follow the process and guidelines established in the <i>CEC Partnerships Action Plan</i> and the <i>CEC Reference Guide for Establishing and Managing Impactful Partnerships</i> .
Strategic Goal 2: Reinvigorate the CEC’s engagement efforts with the business community	
Objective	Actions
Private sector stakeholders will be increasingly aware of the value of CEC’s work	Participate in conferences and workshops targeting the private sector and relevant topics under the CEC 2021–2025 Strategic Plan, to expand CEC contacts and relationships with the business community
	Work with the Communications Unit to tailor material to the private sector audience (e.g., project results, public awareness campaigns)
	Seek and facilitate mutually beneficial opportunities with the private sector to disseminate CEC work (e.g., GIS content for ESRI)

<p>The CEC’s contributions for promoting sustainable practices and increased environmental performance of the private sector are recognized at the regional and international level</p>	<p>Participate actively in relevant business and environment committees (e.g., World Economic Forum - Champions for Nature) to share CEC work, ensure coordination with other global initiatives, when relevant, and strengthen CEC contacts and relationships with the business community</p>
<p>Strategic Goal 3: Promote dialogue and knowledge sharing between the Parties and private sector representatives on environmental issues of common interest</p>	
<p>Objective</p>	<p>Actions</p>
<p>Opportunities for dialogue and knowledge-sharing between the Parties and the private sector on areas of common interest are created and pursued</p>	<p>Organize multi-stakeholder round tables (including representatives of government, private sector, academia, etc.) on specific issues to share best practices, barriers and lessons learned</p>
	<p>Identify issues of common interest and opportunities for collaboration to inform current and future CEC work, e.g., circular economy, harmonization of standards/practices, creation of networks, etc.</p>
	<p>Follow the process established in the <i>CEC Partnerships Action Plan</i>, allowing for stakeholder input to inform the Parties’ discussions on potential areas of work</p>
<p>Strategic Goal 4: Increase the impact of CEC initiatives by leveraging private sector resources</p>	
<p>Objective</p>	<p>Actions</p>
<p>Opportunities for the creation of partnerships between the CEC and the private sector are identified to leverage resources (e.g., financial, expertise, networks, etc.) and support existing or upcoming CEC initiatives</p>	<p>In collaboration with the Outreach and Partnership Unit, identify potential opportunities for private sector stakeholders to increase the scope and/or impact of CEC work (e.g., YIC, pilot projects)</p>

6. Key Principles for Private Sector Engagement

6.1. Alignment with CEC Core Values

In coordinating and facilitating cooperation among the three Parties and in providing technical, administrative, and operational support, the CEC Secretariat staff adhere to a set of fundamental values: integrity, transparency, inclusiveness, collaboration, and excellence. These values guide operational activities of the Secretariat. The Strategy supports these core values, given the importance of upholding professional and ethical behaviour, building trust within and outside the organization, through engagement, collaborative efforts, and key partnerships, and fostering relationships based on respect and open lines of communications, using available tools and products such as the CEC website to inform the public.



Figure 1. Key Principles for Private Sector Engagement

6.2. Alignment with the CEC Strategic Plan

Engagement with the private sector on environmental protection and sustainable development encompasses a vast realm of topics and possibilities. The CEC's efforts for private sector engagement will focus on areas where it can have the most impact by working at the trilateral level, and in areas aligned with the Strategic Plan 2021–2025.

6.3. Environmental Performance

The CEC will engage with organizations that have proven their commitment and ability to increase their environmental performance or that can provide solutions to greening economic activities. These may include businesses that are leaders in their respective industry or organizations aspiring to improve their environmental performance and are committed to taking action, as well as organizations that may provide innovations or technologies that can help others improve their environmental performance.

6.4. Adding Value

The CEC's engagement efforts with the private sector will focus on areas where those efforts can add the most value to the CEC's work. As well, the CEC will continuously seek to add value to the private sector, with the aim of generating mutual benefits and strong, long-lasting relations. To do this, the Strategy will focus on CEC's strengths and specificity as a multi-stakeholder convener on matters related to trade and environment at the continental scale. To avoid duplication, minimize overlap, and promote synergies with other initiatives, the CEC will ensure that activities conducted as part of its engagement efforts are addressed at the regional, North American level and that, when appropriate, they inform and/or are aligned with other related global initiatives.

Annex 1- Links between the CEC Strategic Plan 2021–2025 and the Private Sector

The Strategic Plan incorporates areas of relevance for private sector engagement across its six pillars and two cross-cutting approaches. Language of relevance in the document includes:

Strategic Pillars	Areas of Relevance for Private Sector Engagement
Clear Air, Land, and Water	Water efficiency practices and standards in the public and private sectors
	Best practices in the mining sector , associated with socio-environmental impacts, including marine mining
	Sound management of chemicals in water, air, and land
	Water reuse standards and regulations in all sectors: municipal wastewater, agriculture, industry, oil and gas produced water, and stormwater
	Adoption of sustainable water practices in key economic sectors (agriculture, forestry, industry, mining, energy), including transboundary environmental impacts
	Comparability, quality, comprehensiveness, timeliness, and accessibility of pollutant release data
	Green chemistry and other clean technologies relevant to reducing pollutant releases from key sectors
	Exchanging best practices on clean technologies and nature-based solutions
Preventing and Reducing Pollution in the Marine Environment	Sharing best practices and technologies for the environmentally sound management of waste to reduce the impact of land-based sources of marine litter
	Environmentally sound management of different waste streams , including improvements to recycling infrastructure
Circular Economy and Sustainable Materials Management	Intensifying collaboration and enhancing the role and engagement of consumers and communities, as well as those of the private sector and local governments, relative to efficient use of resources : reducing, reusing, repurposing, repairing and recycling
	Supporting the establishment and development of collaborative networks of relevant stakeholders, particularly consumers, research institutions, private sector and municipalities, including strengthening existing networks
	Sustainable resource management and resource and energy efficiency practices in the private sector (e.g., ISO 50001 standard)
Shared Ecosystems and Species	Supporting the establishment, development, and strengthening of collaborative networks of conservation practitioners, communities, and partners from the private and public sectors, including Indigenous Peoples
	Conservation and sustainable management of forests , which includes recognizing their role as nature-based solutions and the environmental and economic benefits derived from trade in products from sustainably managed forests

Resilient Economies and Communities	Our shared environmental and economic well-being is grounded in the adaptive capacity and resilience of communities, ecosystems, and all sectors of the economy in relation to changing climatic conditions , which may result in a rise of extreme weather events and associated risks to public health, infrastructure, agriculture, forestry, fisheries and the natural environment
	Promoting the use of self-generated renewable and clean energy in disadvantaged communities
	Knowledge-sharing , including citizen science, to enhance the adaptive capacity and resilience of the food production sectors
Effective Enforcement of Environmental Laws	Priority regional actions to prevent and curb wildlife trafficking , strengthen value chains, improve traceability of CITES Appendix II species, and enhance capacity of enforcement officials to better identify CITES species in trade
	Initiatives designed to prevent and combat illegal logging and associated trade; implementation and enforcement of the Montreal Protocol , and associated regional implementation of bilateral and multilateral agreements to combat illegal trafficking of ozone-depleting substances (ODS)
	Regional coordination and tracking of transboundary movements of hazardous wastes , including hazardous recyclables for environmentally sound management in support of bilateral and multilateral agreements related to waste
Cross-Cutting Approaches	
Innovative and Effective Solutions	Promote sustainable innovation , including entrepreneurial ideas rooted in sustainability, partnerships and networks across North America, with emphasis on private sector engagement, academic institutions, as well as capacity-building and access to knowledge and resources
Diverse and Inclusive Stakeholder Engagement and Public Participation	To advance the objectives outlined in the free trade agreement’s Chapter 24 and the ECA through cooperation under this strategic plan, the CEC will consider potential opportunities with specific economic sectors, communications activities, and private sector partnerships, particularly in areas related to sustainable innovation, clean technologies, and regional competitiveness . Specifically, it will consider the many facets of environment, trade, and economic links to entrepreneurship, production and consumption, environmental goods and services, the return on investment, the economic and social benefits of environmental quality, energy and resource efficiency, support to circular economy and sustainable materials management, and the sustainable use and management of natural resources .