

**CANADA-MEXICO PARTNERSHIP**

**ANNUAL REPORT 2008-2009**

## **MESSAGE FROM THE CMP CO-CHAIRS**

The Canada-Mexico Partnership (CMP) is an innovative mechanism of cooperation based on common bilateral objectives. It promotes the creation of productive networks between key actors and decision makers from the private and public sectors of both countries.

The CMP is dynamic and flexible. It was created in this way to respond to the interests and priorities of both partners and to the changing nature of international realities.

In this context, the main challenge of the CMP is to strike the right balance between diverging interests and tangible results - results that will allow the CMP to continue on its path towards strengthening economic prosperity and enhancing the quality of life of the people of both countries.

In 2009, the CMP marked its 5<sup>th</sup> anniversary. Mexico hosted the Canada-Mexico Partnership Annual Meeting on March 23 and 24<sup>th</sup> in Jiutepec, Morelos. Approximately 200 people from the governmental and private sectors of both countries gathered to discuss a range of topics of common interest within the seven working groups. These working groups are: agribusiness; human capital; trade, investment and innovation; energy; environment and forestry; labour mobility; and housing and community development. Participants reviewed the results of the past year and defined new areas of cooperation.

The CMP annual meeting also included panel discussions with experts from both countries. These panels focused on priority issues such as: energy and the environment, strategic integration and financing. They offered important insights on possible horizontal linkages and partnerships between the working groups and financing options in these areas.

The Canada-Mexico Partnership is of great value to the Canada-Mexico bilateral relationship. Gaining in strength over the years, the CMP is well-positioned to help partners face challenges in the current global economic context by working together and finding ways to generate new business opportunities and increase competitiveness.

The Canada-Mexico Partnership 2008-2009 Annual Report presents detailed information on the progress achieved in the last year. We would like to express our thanks to the co-Chairs of each working group and to the distinguished participants of the plenary session of the CMP for their commitment, dedication and hard work. We hope that the next year, including at the 2010 annual meeting in Canada, will continue to yield important results in areas of mutual benefit.



**Carlos Rico Ferrat**  
Mexican Co-Chair  
Undersecretary for North America  
Ministry of Foreign Affairs, Mexico



**Elaine Feldman**  
Canadian Co-Chair  
Assistant Deputy Minister  
for North America  
Foreign Affairs and International Trade  
Canada

## CANADA-MEXICO PARTNERSHIP

The Canada-Mexico Partnership was established in 2004. For five years now, it has been a key mechanism of dialogue between the public and private sectors of both countries. Around 250 participants from governments and the private and academic sectors met at the Hotel Camino Real Sumiya, at Jiutepec, Morelos, from the 22 to the 24 of March to discuss a diversity of subjects of common interest.

The participants reported not only on the significant advances of the previous year but outlined with creativity and commitment new opportunities to be explored. Finally they established concrete work plans to see them through the next cycle.

The participation of private sector representatives from both countries, as well as from provincial and state governments, once again proved to be an essential component of the CMP. Their contributions continue to be the drivers of the CMP process.

At this meeting, the seven CMP working groups (WG) met to evaluate their progress during the past year and define new areas and projects for collaboration. These groups are:

1. Agri-Business
2. Human Capital
3. Trade, Investment and Innovation
4. Energy
5. Environment and Forestry
6. Labour Mobility
7. Housing and Community Development

All WG members agreed on the importance of identifying new collaborative projects that: promote the development and growth of both countries; enhance the use of innovative technologies which focus on social, economic and environmental benefits; and incorporate the two countries' most valuable resource, their people.

The Mexican and Canadian departments of foreign affairs lead the CMP at the national level. The CMP is represented in Mexico by the Undersecretary for North American Affairs, Ambassador Carlos Rico and in Canada by the Assistant Deputy Minister for North America, Elaine Feldman. The CMP's annual meeting was attended by the Mexican Ambassador in Canada, Francisco Barrio Terrazas and the Canadian Ambassador in Mexico, Guillermo Rishchynski. Other participants from Mexico included the Mexican Undersecretary of Agriculture, Animal Production, Rural Development, Fishing and Food (*Secretaría de Agricultura, Ganadería, Desarrollo Rural, Pesca y Alimentación* - SAGARPA), Francisco López Tostado, the Mexican Undersecretary of Planning and Environmental Policy (SEMARNAT), Fernando Tudela.



Several representatives from the Mexican Ministries of Foreign Affairs, Labour, Energy, Natural Resources, Public Education, as well as CONAFOR (Mexico's National Forestry Commission), CONAVI (Mexico's National Housing Commission), CONACYT (Mexico's National Science and Technology Council), ANUIES (National Association of Universities and Higher Education Institutes) were in attendance. From Canada, senior officials included Assistant Deputy Ministry of Agriculture and Agri-food Canada, Steven Tierney; Assistant Deputy Minister, Investment, Innovation and Sectors, Department of Foreign Affairs and International Trade, Stewart Beck; Assistant Deputy Minister of International Affairs, Environment Canada, David McGovern; and the Executive President of the Association of Universities and Colleges of Canada, Claire Morris. Participants from the states of Jalisco, Tabasco and Morelos and the provinces of Alberta and Quebec as well as representatives of the private sector of both countries were also in attendance.

## PANELS

The CMP annual meeting included panel discussions with experts from both countries. These panels focused on priority issues such as: energy and the environment, strategic integration, and financing. They offered important insights on possible horizontal linkages and partnerships between the working groups and financing options in these areas.



Sixteen lecturers from a variety of sectors participated including: the Deputy Prime Minister of the Province of Alberta, Ron Stevens; the Mexico's Undersecretary of Planning and Environmental Policy (SEMARNAT), Dr. Fernando Tudela; the Executive Director of the Commission of Environmental Cooperation, Dr. Adrián Vázquez-Gálvez; the Chief Negotiator, Climate Change Negotiations Office at Environment Canada, Ambassador Michael Martin; the Secretary of Economic Development of the State of Tabasco, Mario de la Cruz Sarabia ; the Director General of Goldcorp-Mexico, Salvador García Ledezma; and representatives from Bombardier, the Canadian Association of Mold Makers Inc., Nacional Financiera – NAFIN, Scotia Bank, Mexican Corporation of Investments of Capital, Export Development Canada and the Canadian Mortgage and Housing Corporation.

AGRIBUSINESS WORKING GROUP	
<p>MEXICAN CO-CHAIRS:</p> <p><b>Francisco López Tostado</b> Undersecretary for Agriculture</p> <p><b>Juan Carlos Cortés García</b> President of the Agri-food National Council</p>	<p>CANADIAN CO-CHAIRS:</p> <p><b>Steven Tierney</b> Assistant Deputy Minister of Agriculture and Agri-food Canada</p> <p><b>Laurent Pelletier</b> President of the Canadian Federation of Agriculture</p>



### ***The Year at a Glance***

The Agri-Business Working Group focused its efforts on the following subgroups:  
1) Livestock and Beef, 2) Pork 3) Horticulture and 4) Pulses.

## **Success Stories**

- √ Effective contacts were created among representatives from the public and private sector of Canada and Mexico to promote the capacities of each industry sector and the business opportunities derived from them.
- √ The Livestock and meat industry representatives from both Canada and Mexico agreed to present a Joint Declaration that expose the potential negative impacts of the Country of Origin Labeling (COOL), imposed by the United States, reflecting the negative impact on fair competitiveness and the profitability of the livestock industry and the overall production of North American beef.
- √ An important discussion arose regarding high-technology greenhouses, and the capability of differentiating these products in Mexico and Canada, in the Horticulture Subgroup,
- √ In the Pulse Subgroup, key information was exchanged on promotional campaigns that promote bean consumption, and there will be continued collaboration on this topic.

## **Looking ahead**

The Agri-Business Working Group identified the following general objectives:

- The Livestock and Beef Subgroup agreed to ensure proper follow up to the American Country of Origin Labeling, at the World Trade Organization, and continue the group's collaboration and cooperation. Through the establishment of a sub-working group, it will analyze and document the impacts of COOL, from which a plan of joint action will be established.
- The Livestock and Beef Subgroup reaffirmed the joint interest in establishing trade in sheep and goat semen and embryos.
- The Horticulture Subgroup agreed to differentiate in the market, greenhouse products from field products, through the development of a norm for tomato production in greenhouses as a start. A Committee will be formed to provide the technical information that is required for SAGARPA to implement this norm.
- The Canadian horticulture industry will provide the standards for the production of vegetables in greenhouses in Ontario. In addition, a rough draft of this norm project will be ready by June of 2009.

- A Research and Technology Center in Horticulture will be created in Mexico and a survey of the greenhouse producers will be administered.
- The Pulse Subgroup has proposed a visit to Canada of representatives of the Sistema de Frijoles producers, for August of 2009. Criteria are being developed to identify qualified Mexican bean producers to participate in this visit to Canada.
- The Pulse Subgroup also identified general sector objectives, actions and projects for the 2009/2010, focusing on joint research, a project on the creation and distribution of a list of investigators, the exchange of investigators between Canada and Mexico, the exchange of genetic material, projects related to the resistance of beans to environmental stress and finally the positive effects of beans in the prevention of diabetes.

HUMAN CAPITAL WORKING GROUP	
<p>MEXICAN CO-CHAIRS:</p> <p><b>Juan Carlos Romero Hicks</b> Director General of the National Science and Technology Council (CONACYT)</p> <p><b>Rafael López Castañares</b> General Executive Secretary of the National Association of Universities and Higher Education (ANUIES)</p>	<p>CANADIAN CO-CHAIRS:</p> <p><b>Elaine Feldman</b> Assistant Deputy Minister, North America. Foreign Affairs and International Trade Canada (DFAIT)</p> <p><b>Claire Morris</b> Executive President of the Association of Universities and Colleges of Canada (AUCC)</p>



### *The Year at a Glance*

The Working Group focused on its original objectives: to increase student mobility, to improve academic partnerships and to enhance research collaboration. On the latter, members agreed that it was time to increase efforts and redefine appropriate partners on an ad hoc basis to enhance collaboration in this area.

## ***Looking Ahead***

The Human Capital Working Group (GTCH) recognized the importance of focusing on a limited number of annual projects in order to maximize efforts and resources.

- The Human Capital Working Group will support projects that will have been determined by other CMP working groups. The HCWG will help build contacts and linkages amongst academic and training institutions to identify training needs and opportunities in relation to the individual project sector.
- An operational structure providing this cross-cutting support to other working groups will be defined.
- The Human Capital Working Group will inventory current projects and agreements and establish an outreach mechanism to ensure the information is disseminated to civil society actors in both countries (eg. current professional equivalencies programs; content of Chapter 12 of the North America Free Trade Agreement (NAFTA); skills recognition in sectors being developed in the Labour Mobility Working Group; current joint research initiatives; identification of experts in areas such as aeronautics, greenhouse and hydroponics and as identified by labour market needs in both Canada and Mexico).
- The group will agree on two or three annual projects with the desired participation of both federal and provincial or state actors from both Mexico and Canada.
- A workshop or a seminar will be organized where Canadian academic institutions will share their experience in building relationships with other universities, production centres and other economic units, focusing on providing students a possibility to break into their specialties' labour market.



TRADE, INVESTMENT AND INNOVATION WORKING GROUP	
<p>MEXICAN CO-CHAIRS:</p> <p><b>Eduardo Ramos</b> Head of the Unit for Coordination of International Negotiations Secretary of Economy</p> <p><b>Arturo Elízaga</b> Director General of the Mexican Counsel of Enterprises and Foreign Trade and Technology</p>	<p>CANADIAN CO-CHAIRS:</p> <p><b>Stewart Beck</b> Assistant Deputy Minister, Investment, Innovation and Sectors Foreign Affairs and International Trade Canada (DFAIT)</p> <p><b>Rosalind Wilson</b> President of the Canadian Chamber of Commerce in Mexico</p>



### ***The Year at a Glance***

The Trade, Investment and Innovation Working Group focused on its mandate of increasing bilateral trade of goods and services levels of two-way investment and viable areas to promote bilateral innovation collaboration, with a view to increasing competitiveness in both countries.



## Success Stories

- √ Identification of priority sectors perceived to represent real opportunities to tangibly increase the levels of trade and investment between both countries. Those sectors are: mining, manufacturing technologies (automotive and aerospace), information technologies, investment (aftercare) and clean energy.
- √ The Group is working on the identification of specific projects, through strategic relations, for the mutual benefit of each country, bearing in mind the current recessionary context.
- √ Relative to the sectors and functional areas determined to be key for both countries, public and private sector participants discussed how to best promote the capacities and opportunities within their respective areas of expertise.
- √ Working Group participants exchanged ideas on specific sector characteristics and the relevant complementarities between the countries in those sectors. This contributed to a better understanding of the potential of each sector and to the identification of some strategic links between various levels of government and the private sector.
- √ The work of this group entails a strong engagement by the private sector on both sides. It also conveys the message that there is a great trade and investment potential between the two partners, hence the inherent incentive for private sector representatives to participate.
- √ Regarding two-way investment (Aftercare), the need for exchange of best practices between ProMexico and the Invest in Canada Bureau was underscored and acknowledged as an action item.
- √ In February and March 2009, this WG and COMCE held two seminars with the participation of representatives of the four Co-Chairs of the working group, with a view to disseminating to the business community knowledge about the respective commercial opportunities in Mexico and Canada.
- √ In March 2009 a study entitled *Preparing for a Canada-Mexico Innovation Partnership* was completed by Canada, with a view to identifying concrete opportunities for innovation initiatives between Canada and Mexico. The study, which discusses the state of innovation in Mexico at the government, academic-institutional and private sector levels, provides six key recommendations for action, including suggested next steps and deliverables for the upcoming year and beyond.

## **Looking Ahead**

The Trade, Investment and Innovation Working Group identified the following new activities:

- **Investor Aftercare:** Discussion with Canadian investors in Mexico on the investment opportunities and challenges (revision of the regulatory or institutional framework) and the exchange of best practices, e.g., between Promexico and Invest-in-Canada bureau, the countries' respective Investment Promotion Agencies (IPA).
- **Communications:** Put into motion communication activities aimed at better dissemination of the objectives and of the work carried out by the group to provincial and state governments of Canada and Mexico, as well as among private sector interlocutors, in particular those identified as high potential in terms of joint projects to further the goals of the working group. For example, COMCE undertook to post events, initiatives and relevant information on its website.
- **Crossover with sister Working Groups:** Establish contact with the Energy Working Group and other CMP Working Groups with crossover potential, such as Human Capital, to discuss the possibility of integrating some initiatives, with the work that they may have already initiated, e.g., on clean energy development within the Energy WG; and capacity building in agreed upon high priority sectors within the Human Capital WG.
- **Global Supply Chains:** Define a strategy to work on high value global supply chains, based on the identification of relevant mutual capacities, e.g., in advanced manufacturing.
- **Telecoms:** Follow-up on the Mexican auction of the telecommunications spectrum with the aim of introducing the WiMAX wireless networks technology in Mexico.

The group also identified the following objectives, actions and sector-specific projects:

- In mining, consider new programs with specialists from both countries in order to develop skills. The Human Capital working group may be contacted to identify concrete needs and actions in the sector, through exchanges between the education institutions of both countries. A bilateral academic-industry workshop will be considered, along the model of the science-industry workshop undertaken in October 2008 in Monterrey, featuring academics and industry representatives from both countries.

- The WG will work on projects to implement “green mining”; a Memorandum of Understanding on collaboration practices; the Mexican participation in the *Prospectors and Developers Association of Canada* (PDAC 2010); the theme of corporate social responsibility through the Mining Task Force’s workshops in Mexican states; and a financing workshop with the collaboration of the Toronto Stock Exchange and of EDC.
- In manufacturing technologies, the group will review studies on advanced manufacturing capacities (automotive and aerospace) in both countries. These studies will consider productive linkages and will aim at establishing strategic alliances and the development of suppliers. Furthermore, taking into account that these sectors need specialized skills, it may seek the support of the Human Capital Working Group. The importance of logistics in global value chains, as a crucial element to raise competitiveness, will also be considered.
- In Innovation, the study on *Preparing for a Canada-Mexico Innovation Partnership* (CMIP) will be disseminated to WG members, and concrete discussions on the six recommendations and next steps from the “CMIP” will be undertaken to determine which of the recommendations can be implemented in the short term to advance work in the above-mentioned priority sectors. E.g., bilateral industry-sponsored contests in university technology faculties, to facilitate the development and commercialization of new technologies currently relevant to industry.
- In information technologies and communications, an analysis on the opportunities to implement the WiMax Technology in Mexico identified the education and health sectors as priorities. In the context of the “Digital Cities” event that is scheduled to be held in Veracruz in June 2009, a seminar on the Canadian experience with this technology will be organized.
- Communication with the Mexican Secretariat of Transportation will be maintained in order to know the tender basis of broadband spectrum. Given the importance of information and communication technologies for the TechBA (Technology Business Accelerators) program in Montreal, the group will support an approach between the Canadian Association of Business Incubators and FUMEC (Fundación México-Estados Unidos para la Ciencia), the executive agency of TechBA to encourage synergies.
- In the future we will work with the CMP Working Groups on Energy and on Environment to seek synergies and work on clean energies. As a first step, projects on biogas for public transport or electricity generation will be supported, as will the eventual formation of strategic alliances. The financing of these pilot projects was identified as high-priority by the Group.

- The WG will continue working with COMCE to disseminate business opportunities to the Mexican private sector through seminars, enhanced information on the website and workshops at the national level.

ENERGY WORKING GROUP	
<p>MEXICAN CO-CHAIRS:</p> <p><b>Aldo Flores</b> Director General, International Affairs Ministry of Energy (SENER)</p> <p><b>Lorenzo Arena</b> President of the Mexican Association for Cogeneration and Self Supply</p>	<p>CANADIAN CO-CHAIRS:</p> <p><b>Sue Kirby</b> Assistant Deputy Minister of Energy Sector Natural Resources Canada</p> <p><b>Lorena Patterson</b> Director of Business Development TransCanada Pipelines Ltd</p>



### ***The Year at a Glance***

The Energy Working Group (EWG) advanced in its commitment to enhance the cooperation of technical strategic alliances in the energy field among the public and private sectors of Mexico and Canada, through three Technical Committees: Electricity, Upstream Hydrocarbons and Infrastructure and Market Development.

The participation of the province of Alberta and the federal governments of both countries helped the group to focus its efforts on a smaller but more strategic and achievable number of projects.

The EWG was successful in information exchange in the areas of legal and regulatory frameworks, as well as in new technologies that could have a positive impact on Mexico. The EWG highlighted the importance of sharing experiences. Mexico noted its interest in learning more about Canada's oil industry, as well as in clean energy advancements as a viable alternative for the extraction and processing of fuels of fossil origin.

### **Success Stories**

- √ PEMEX identified several companies that can provide technologies to improve E&P activities in the Chicontepec field.
- √ The Upstream Hydrocarbons Technical Committee delivered on its commitment to explore opportunities in Enhanced Oil Recovery (EOR). Nine companies specializing in EOR, accompanied by the Deputy Premier of Alberta, the Honourable Ron Stevens visited Mexico to meet with senior officials from PEMEX and other stakeholders in the oil and gas industry.
- √ The Technical Committee for Upstream Hydrocarbons maintained ongoing dialogue regarding the legal and regulatory frameworks of both countries. During the 6th CMP Energy Working Group meeting, experts from Alberta's Energy Resource Conservation Board (ERCB) and Secretaría de Energía's (SENER) taskforce in charge of the creation of the Comisión Nacional de Hidrocarburos (CNH) presented on their respective roles, mandates and possible collaborative opportunities.
- √ Natural Resources Canada and SENER officials made significant progress over the last year in advancing small hydro, including holding an information session at the 2008 HydroVision Conference / IEA Small Hydro Annex workshop.
- √ The Electricity Technical Committee held a meeting in which possible initiatives were discussed, such as exploring opportunities related to cogeneration projects and energy efficiency. A business workshop between CoGen Canada and the Asociación Mexicana de Cogeneración y Autoabastecimiento has been proposed.

### **Looking Ahead**

- Building on the Albertan EOR mission to Mexico, the Technical Committee for Upstream Hydrocarbons will explore similar missions in the future to promote business opportunities between Canada and Mexico.

- The proposed Mexican CNH, Canada's National Energy Board (NEB) and Alberta's ERCB will engage in a dialogue to share information and lessons learned on developing the regulatory framework, including information management. One possibility would be a visit by Mexican regulatory officials to Canada to meet with the ERCB and NEB.
- Due to the recent economic downturn it was decided by both electricity co-chairs that the small hydro workshop would be postponed until further notice. However, an online forum to exchange information between stakeholders of both countries is being discussed to maintain momentum on these issues.
- The Co-Chairs agreed that the EWG should be restructured into two Technical Committees, namely Oil & Gas and Electricity.

The EWG identified the following objectives, actions and sector specific projects:

- identify opportunities between companies specializing in the field of EOR and unconventional drilling for mature and marginal fields
- build stronger commercial ties between the two countries by working on joint projects between Mexican and Canadian federal and provincial/state governments, regulators and industries
- the Upstream Hydrocarbon Technical Committee will disseminate information about the recent business opportunities created by the Energy Reforms, through Canada's regional trade offices, with the energy departments of Canada's provinces and territories, as well as Mexico's Embassy and Consulates in Canada
- Foster the development of cogeneration and energy efficiency projects. The Electricity Technical Committee will identify financial mechanisms that could support these activities. This would include exploring the possibility of a bilateral equity fund supported by Export Development Corporation (EDC) and Nacional Financiera (NAFINSA)
- The Electricity Technical Committee will contact the Canadian Wind Institute, the Mexican Instituto de Investigaciones Eléctricas and the Mexican Association of Wind Energy to explore possible areas of technical cooperation.
- Discuss and monitor issues such as transboundary hydrocarbons reservoirs, labour mobility and training, biofuels and other key areas of interest to both countries.



ENVIRONMENT AND FORESTRY WORKING GROUP	
<p>MEXICAN CO-CHAIRS:</p> <p><i>Environment Subgroup</i></p> <p><b>Enrique Lendo Fuentes</b> Director of the Coordination Unit of the International Affairs Secretariat of Environment and Natural Resources</p> <p><i>Forestry Subgroup</i></p> <p><b>Carlos Rodriguez Combeller</b> Deputy Director General</p>	<p>CANADIAN CO-CHAIRS:</p> <p><i>Environment Subgroup</i></p> <p><b>David McGovern</b> Assistant Deputy Minister of International Affairs, Environment Canada</p> <p><i>Forestry Subgroup</i></p> <p><b>Tom Rosser</b> Director General Program Economics and Industry Branch, Canadian Forest Service (CFS), Natural Resources Canada (NRCan)</p>



### ***The Year at a Glance***

The Environment and Forestry Working Group (EFWG) has been working through its two subgroups: 1) Environment and, 2) Forestry.



## Success Stories

### Environment Subgroup

- √ Representatives from Canada and Mexico agreed to strengthen bilateral cooperation to support the common vision and convergent national positions and priorities on climate change. They also agreed to continue dialogue and finalize a work plan on specific projects, such as promoting compatibility between national emissions registries, methane capture, 2<sup>nd</sup> generation biofuels, and carbon capture and storage, among others.
- √ As part of this dialogue, it was also agreed that Canada would analyze and discuss the financial details of Mexico's proposal for the creation of a Multilateral Fund for Climate Change (Green Fund).

### Forestry Subgroup

- √ The Forestry Subgroup elaborated further on the three initiatives identified at its first meeting and agreed that carbon budget accounting, bioenergy and forest fire protection would continue to be priority topics for capacity building and collaboration.
- √ To improve capacity to estimate the carbon dynamics in forest ecosystems, NRCan-CFS and CONAFOR will continue to collaborate on the adaptation of the CFS's Carbon Budget Model (CBM) at local, regional and national scale in Mexico, and thus support Mexico in meeting the United Nations Framework Convention on Climate Change's (UNFCCC) monitoring and reporting requirements of forest carbon stocks and net emissions and removals of CO<sub>2</sub>-eq greenhouse gases (GHG) from forests. The work has involved several CFS-led training workshops on the model, as a capacity building and a technology transfer effort. Proposed pilot project areas included Chiapas and Hidalgo.
- √ An international symposium on bioenergy organized by the Mexican Network on Bioenergy, AC (REMBIO, CA) and the National Forest Commission (CONAFOR) was held in October 2008. Also, discussions on synergies between the Environment Subgroup and the Forestry Subgroup resulted in the strategic orientation of a bio-energy project with a third proposed CBM-CFS3 pilot project area for Durango.
- √ On collaboration for forest fire protection, a memorandum of understanding between the Canadian Interagency forest Fire Centre (CIFFC) and CONAFOR was signed in October 2008, to formalize the provision of mutual assistance in fighting fires and in managing wild fires.

- √ In a reciprocal work exchange program between CFS and CONAFOR, a CONAFOR staff spent 3 weeks working in the CFS headquarters in the National Capital Region.

### **Looking Ahead**

Over the coming year, the Environment Subgroup will work to:

- identify potential projects in the areas of methane reduction, renewable energy and energy efficiency
- explore a follow-up meeting with possible agenda items including climate change policy, emission registries, carbon capture and storage, and 2<sup>nd</sup> generation biofuels
- Build synergies with the Forestry Subgroup as the respective work plans are implemented.

And,

The Forestry Subgroup will work to:

- Explore opportunities and challenges of the pellet market industry as it relates to the bioenergy initiative;
- Research current technology available for converting forest biomass to solid fuels;
- Obtain national estimates of Mexican GHG emissions and removals in the forest sector for reporting UNFCCC;
- Conduct analyses to develop a baseline and scenario estimates of Reducing Emissions from Deforestation and Forest Degradation (REDD). This includes additional (advanced) CBM-CFS3 training workshops to build capacity among Mexican partners;
- Advance the forest fire protection initiative to conclusion of a resource sharing arrangement and an announcement at the meeting of Commissioners of the North American Forest Commission in 2010.

LABOUR MOBILITY WORKING GROUP	
<p>MEXICANS CO-CHAIRS:</p> <p><b>Jaime Domingo López Buitrón</b> Undersecretary of Employment and Labour Secretariat of Labour</p> <p><b>Jorge Rodríguez Castañeda</b> Chief of the International Affairs Unit Secretariat of Labour</p> <p><b>Alejandro Estivill</b> Director General for North America Ministry of Foreign Affairs</p>	<p>CANADIAN CO-CHAIRS:</p> <p><b>Les Linklater</b> Director General of Immigration Citizenship and Immigration Canada</p> <p><b>Andrew Kenyon</b> Director General of Temporary Foreign Workers and Labour Market Information, Human Resources and Skills Development Canada</p>



### ***The Year at a Glance***

The Labour Mobility Working Group (LMWG) has launched pilot projects in the Tourism/Hospitality and Construction sectors. This enhanced movement of workers

is taking place within the existing regulatory and policy parameters of Canada's Temporary Foreign Worker Program. These pilots are also based on the principle that all foreign temporary workers in Canada, including Mexican workers, are entitled to the same protections and rights as Canadians.

### **Success Stories**

- √ The LMWG has taken action to facilitate labour mobility between Mexico and Canada the areas of tourism/hospitality and construction, promote the protection of workers, and share information on skills and credential recognition processes and requirements.
- √ The Canadian and Mexican governments are working together along with the participating Provinces (British Columbia, Alberta, Manitoba and Quebec); to develop and implement the pilot projects in the construction and the tourism/hospitality sectors.

### **Looking ahead**

The Working Group identified the following general objectives on which it will focus its efforts:

- During 2009, to continue with the implementation of the pilot projects and to develop mechanisms for the follow up, monitoring and evaluation of labor mobility pilot projects, through the application of performance indicators.
- To discuss and report on the progress of each pilot project, six months after its launch (September 2009).
- To prepare an evaluation report, one year after the implementation of the pilot projects (March 2010).
- To consider, following the evaluation, the expansion of the labour mobility pilot projects to other Canadian provinces and in other sectors.
- To develop the new Work Plan of the LMWG (August 2009-August 2011)

The Labour Mobility Working Group is organizing the following meetings:

- Technical meeting of the LMWG (took place in Canada in July 2009).
- Technical meeting of LMWG (will take place in Mexico, in fall of 2009).

HOUSING AND COMMUNITY DEVELOPMENT WORKING GROUP	
<p>MEXICAN CO-CHAIRS:</p> <p><b>Ariel Cano Cuevas</b>  Director General of the Housing  National Commission (CONAVI)</p>	<p>CANADIAN CO-CHAIRS:</p> <p><b>André Asselin</b>  Executive Director of the Canada  Mortgage and Housing Corporation  (CMHC)</p>



### ***The year at a Glance***

The Group has made progress on its objectives in the following areas:

**Housing Finance** - Exchanging views and ideas on the impact of the global financial and economic crisis on housing and housing finance systems in Canada and Mexico. Identifying financial mechanisms to support sustainable housing.

**Housing Policy** – Sharing experiences on delivery models of affordable housing involving multiple levels of government including the effectiveness of recent stimulus measures involving the housing sector.



**Sustainable Technologies and Trade and Investment** – Identifying Canadian technologies that can be incorporated into the construction of houses, including renewable technologies, and hybrid construction methods. Fostering trade and investment opportunities in the housing sector

### **Success Stories**

- √ Horizontal linkages have been maintained with other CMP working groups, including Environment and Forestry and Labour Mobility.
- √ Members from both the CMP Housing and Community Development Working Group and the Environment Working Group attended a NetZero Housing Workshop in Mexico City. The Workshop was organized by the Renewable Energy & Energy Efficiency Partnership (REEEP), an international body dedicated to advancing renewal energy technology and practices of which Canada is a member. Mexican officials from the private and public sectors attended along with a representative from Canadian industry. Canada's Equilibrium Housing initiative was showcased. A Net Zero pilot project using Mexico's traditional building methods will be explored by Mexican industry stakeholders for consideration by REEEP.
- √ CMHC continued with its ongoing efforts to disseminate technical information to the Mexican construction industry interested in hybrid and wood-frame construction. Several workshop-type sessions have taken place in Canada and Mexico.
- √ A steering committee was formed involving representatives from CMHC, CONAVI, INFONAVIT and the Mexican industry association for wood to investigate the feasibility of a cost study comparing wood and/or hybrid building systems to concrete.

### **Looking ahead**

- The Housing Working Group is exploring a number of opportunities with Mexican industry that may result in a demonstration project showcasing energy efficient housing involving a wood frame or hybrid construction method. A design charrette process will be used to bring together Mexican and Canadian experts to plan a design that advances sustainable housing and community development.
- Mexico is interested in introducing more energy efficient housing strategies. CONAVI has expressed interest in Canada's expertise in the photovoltaic and solar technology areas. CONAVI and INFONAVIT will define its

specifications to support its social housing program. CMHC will work with its industry stakeholders to identify Canadian technologies and expertise. A workshop bringing together Mexican and Canadian interests will likely take place in 2010.

- CMHC and CONAVI will explore the possibility of conducting a joint session of Canadian and Mexican experts to compare sustainable community development planning approaches and criteria, and to identify or advance common interests.