

CBI Recommendation – HLED

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This one pager contains four punctual recommendations from the CBI to strengthen the bilateral institutional relationship in the context of the High Level Economic Dialogue (HLED):

**1. In line with USMCA Chapter 26 mandate, the CBI advises the establishment of its Working Group and the development of a Work Plan to promote binational competitiveness.**

According to the United States-Mexico-Canada Agreement ([USMCA](#)) [Chapter 26](#), a North American Competitiveness Committee should be established within the first year of the ratification of the agreement. This Committee is meant to discuss and develop cooperative activities in support of a strong economic environment that incentivizes production in North America, facilitates regional trade and investment, enhances a predictable and transparent regulatory environment, encourages the swift movement of goods and the provision of services throughout the region, and responds to market developments and emerging technologies. One year after the USMCA entered into force, the program for the creation of the Committee is yet to be drafted and presented.

**2. Promote the strengthening of bilateral institutions through the support, development, and implementation of new projects in NADB's portfolio.**

The North American Development Bank (NADB) was established by the Border Environment Cooperation Agreement in November 1994. Today, it exists within the framework of the negotiations of the North American Free Trade Agreement (NAFTA). NADB is a binational financial institution established by the Mexican and American Governments to provide financing for the development and implementation of infrastructure and environmental projects for communities located in the U.S.-Mexico border region. The scope of the Bank's mandate, its functions, and limitations, are defined in an agreement between the two governments.

*Project Areas:* potable water, wastewater treatment, solid waste, improving air quality, conserving water, reducing energy consumption, and developing renewable energy sources.

**3. Both Boundary and Water Commissions (US- Mexico) to create a Roadmap to collaborate towards an orderly management of water.**

Each country has its own commissioner, principal engineers, legal advisers, and foreign affairs secretary. The US IBWC is headquartered in El Paso, Texas and is considered a federal government agency under the oversight of the Department of State, whereas the Mexican IBWC is headquartered in Ciudad Juárez. In the US, decisions on whether or not to adopt a minute is often left to the discretion of the Secretary of State, without congressional involvement.

The 1944 Treaty has undoubtedly offered a strong and comprehensive framework for binational water management over the last 75 years. However, the treaty does have some shortcomings in terms of issues that it fails to address and as the consequences of climate change become increasingly apparent, it has become clear that demands for water regularly exceed supply. Low prioritization of water for ecological purposes, lack of clarity on the role of reservoirs, and the exclusion of guidelines to manage binational ground water (such as aquifers) are significant concerns in the water management debate that are not addressed by the treaty. The biggest challenges that lie ahead in the water management debate trace their origins back to change – change that is economic, demographic, technological, and climatic. As Mexico and the United States edge further into the future, communities on both sides of the border will be forced to be innovative and strategic, utilizing diplomacy and technology to develop sustainable solutions to address these dynamic changes and ensuing concerns.

#### **4. Suggest and support the revamp of Interparliamentary Meetings and the U.S. - Mexico Border Governors Conference**

The U.S. -Mexico Interparliamentary Meetings have taken place annually since 1961, among Mexican and American legislators. They are a forum for discussion that furthers the binational relationship between Mexico and the United States. These meetings have progressively gained political influence in the bilateral relationship. They represent and unite the diverse interests of multiple binational actors, within the framework of a common and long-term relationship in managing the complex bilateral agenda.

The United States - Mexico Border Governors Conference is a cooperation forum made up of American governors from border states like Arizona, California, New Mexico, and Texas; and the Mexican border states of Baja California, Chihuahua, Coahuila, Nuevo Leon, Sonora, and Tamaulipas. The goals of this dialogue mechanism are to address the region's binational agenda; and to promote and implement identified actions towards the development of the region, through cooperation with both countries' federal governments.