

ANNEX II

ENVIRONMENTAL COOPERATION

Modalities and Forms of Cooperation

Cooperation developed under this Agreement may occur through bilateral and regional capacity building activities and related instruments, on the basis of technical and financial assistance programs, including:

- (a) the exchange of delegations, professionals, technicians and specialists from the academic sector, non-governmental organizations, and public and private sectors; and the facilitation of partnerships for the development and transfer of knowledge and technologies to promote the development of environmental best practices;
- (b) the joint development of programs, conferences, seminars, workshops and actions to strengthen environmental policies;
- (c) the exchange of information on environmental policies, laws, standards, regulations, indicators, national environmental programs, environmental reviews of trade agreements, compliance and enforcement mechanisms; and
- (d) any other form of environmental cooperation that may be decided by the Parties.

Work Program and Priority Cooperation Areas

The work program developed by the Committee on the Environment shall reflect national priorities of the Parties, and may include:

- (a) strengthening each Party's capacity building and environmental management systems, including reinforcing institutional and legal frameworks;
- (b) developing and promoting incentives and other flexible and voluntary mechanisms in order to encourage environmental protection, including the development of market-based initiatives and economic incentives for environmental management;