



The North America Leaders' Summit: An Overview

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The North American Leaders' Summit (NALS) is an annual meeting of the Heads of Government for the United States, Canada, and Mexico. NALS provides the opportunity for the leaders for North America to discuss their visions for a secure and close relationship between all three countries and their shared commitment to work together towards that goal. It is a platform to help businesses and people move freely across the three borders. The first meeting of the NALS was held in Washington D.C in 2005. Since then, the United States, Canada, and Mexico have made efforts to increase cooperation on broad economic and security issues by increasing their participation in various endeavours, most notably in the NALS trilateral summits.

The NALS has over the years led to numerous trilateral initiatives regarding the economic prosperity, security, and environmental protection of the region. In general, efforts to increase cooperation, either through trilateral or bilateral endeavours, have followed the recommendations of special working groups created after the first NALS. These recommendations included:

- (1) Regulatory cooperation to increase economic competitiveness
- (2) Long-term border infrastructure planning and coordination to facilitate trade and reduce structural bottlenecks and congestion at border crossings
- (3) Harmonization of energy efficiency standards to enhance energy security and environmental protection
- (4) Cooperation and information sharing on the safety of food and products, and

(5) North American emergency coordination to help each other respond quickly and more efficiently during times of crisis.¹

Proponents of North American competitiveness and security cooperation view the NALS as a constructive mechanism for addressing issues of mutual interest and benefit for all three countries especially in areas of economic competitiveness, education, energy cooperation, and citizen security. One of the achievements of this year's summit was the unanimous decision to promote clean energy and address the challenges of climate change. Some critics believe that the summits are not substantive enough and that North American leaders should consolidate the summits into more consequential, action oriented meetings with follow-up mechanisms. Others contend that the efforts do not include human rights issues or discussions on drug trafficking-related violence in Mexico and the illegal trade of drugs to the United States and Canada. Some of these issues were discussed in the 2016 summit. Nonetheless, the summit did not mention the political instability in South America and the Caribbean nations.

The NALS has served as a mechanism to increase communication and cooperation among North American trading partners, but some maintain that because there are no binding agreements, the NALS role in improving economic prosperity and security has been limited.² It is for these reasons that a few scholars feel that it would be beneficial if the NALS were to conduct follow up meetings by the various ministry/department heads, which would track progress being made on the various initiatives that are agreed upon. However, they caution that the advantage of the NALS is that it is essentially a meeting between the three heads of government. This allows the leaders to address and solve problems themselves through frank discussion as well as build mutual trust. This is a forum where difficult issues can be reviewed and decisions on a joint strategy taken quickly. Some examples of what these summits have accomplished include: setting up a system for coordinating responses to pandemics like Avian flu, Ebola, and now Zika; the United States, Canada, and Mexico are working towards the goal of ending AIDS, tuberculosis and malaria epidemics by 2030, as reflected in the Sustainable Development Goals;³ recognizing the qualifications of emergency personnel who offer help in response to a hurricane, earthquake, or other disaster; and developing a phytosanitary protocol that helps to target bad food products, such as contaminated meat or vegetables, and destroy only what is tainted and not arbitrarily destroy all of a company's inventory. At past summits, the leaders have also discussed global issues, such as participation in the Trans-Pacific Partnership, fighting illegal narcotics trafficking, and working together on climate change.⁴

NALS 2016

On 29 June 2016, President Barack Obama and President Enrique Peña Nieto travelled to Ottawa for the ninth summit hosted by Prime Minister Justine Trudeau. (Canada did not host leaders in 2010, and the United States postponed the 2011 meeting to 2012. The 2015 summit to be hosted by Canada was cancelled by Prime Minister Stephen Harper). The 2016 meeting of the leaders was interesting for three reasons: it marks President Obama's final NAL summit and likely his last official visit to Canada; it was President Peña Nieto's first official visit to Canada since his election in 2012; and it was also the first time that Prime Minister Trudeau hosted an international summit since his election in October 2015 and also his first NALS.

After the June 2016 NALS, President Obama, President Peña Nieto and Prime Minister Trudeau announced initiatives on renewable energy, trade, global competitiveness, and security. These include:

- Ensuring that 50 per cent of North America's energy comes from "clean" sources by 2025 through increased wind, solar, nuclear, and other renewable energy production;
- The North American Climate, Energy, and Environment Partnership was announced in the 2016 Summit. This Action Plan identifies the deliverables to be achieved and activities to be pursued by the three countries as part of this enduring Partnership.⁵
- Liberalizing NAFTA rules of origin on a range of products including pharmaceuticals, cosmetics, rubber, metals, and industrial and electrical machinery;
- Reducing costs for business and facilitating partnerships by improving supply chain efficiency and advancing innovation;
- Creating the North American Centre for Collaborative Development to pursue joint research and foster exchanges between academics and others on climate change, energy, manufacturing, and indigenous peoples;
- Signing a memorandum of understanding to promote women-owned small and medium enterprises;
- Committing to a North American Traveller Arrangement by the end of 2016 and a single portal application by the end of 2017;
- Pursuing greater alignment of the countries' energy sectors by increasing regulatory cooperation;

- Reaffirming a commitment to refugee protection and pledging \$10 million to the United Nations High Commissioner for Refugees appeal for Central American refugees and asylum seekers; and
- Continuing commitments on security and defence by enhancing a common understanding of security threats and developing effective, coordinated, and efficient approaches on security-related matters.⁶
- The leaders reaffirmed their commitment to enhance the cyber-security of critical infrastructure. This would be done through a public cyber-security awareness campaign (Stop. Think. Connect) and through Trilateral Cyber Experts Group.
- To work towards joint and coordinated actions to implement the 2030 Agenda for Sustainable Development, including the Sustainable Development Goals (SDGs) and the Addis Ababa Action Agenda.⁷

NALS for the Three Nations

The North American Free Trade Agreement (NAFTA) is over two decades old now. It has made North America into the world's most productive region, but the increased trade and investment it ushered has plateaued. Most of its original structures have become inactive over the years. While it remains a cornerstone of the region's economy, it is no longer a driver of positive change. Indeed, the three countries have tried other tools to deepen competitiveness.⁸ The NALS is one such tool that has provided the three nations with a multilateral forum as well as a platform to strengthen bilateral relations between themselves.

For Canada building up and sustaining its economy and growth has been a priority. They have tried to achieve this through public finance schemes, support to banking reforms, free trade agreements, and by welcoming business environment. It wants North America as a region to remain globally competitive through increased integration. Nonetheless, Canada is wary of the close US-Mexico trade relations and would not want it to negatively affect its trade relations with either of the two countries.

Canada could join discussions on the future of the North American Development Bank (NADB)⁹, which Mexico and the United States have launched. Headquartered in San Antonio, the NADB was established by the United States and Mexico in 1994 to finance environmentally-related infrastructure projects along their shared frontier. Canada did not join because its border

did not face the same challenges. The bank has been able to achieve some success, but there is a need to restructure it to finance new infrastructure projects that are now continental in scope.

Canada should lead the effort to revisit the numerous structures of NAFTA, many of which continue to have relevant objectives, and explore how to revitalize a select few. For example, as semi-independent bodies, the Labour and Environmental Commissions could be given research mandates to support discussion of key North American issues in their respective spheres, and lay the basis for a regional approach.¹⁰

The United States is flanked by its top trading partners, both of which contribute to its economy and as the largest economy of the region it benefits from its associations with its two neighbours. Canada and Mexico are the United States second and third largest trading partners. (Trade with them exceeds \$1.2 trillion dollars annually.)¹¹ As the most important power in the region it also undertakes a large responsibility towards regional security. Its foreign policy is a key determinant of Canadian and Mexican foreign policies, both countries are inevitably compared to the United States in all they do internationally. The United States under the Obama Administration paid particular attention to steer the most fundamental changes affecting North America ranging from discussions on climate change, energy abundance through the exploration of shale gas etc. The United States should continue to champion regional energy integration, explore opportunities for foreign policy convergence, and provide environmental stewardship. A focus on the environment and green growth would complement a summit based around energy. It would address a real issue and support the Obama Administration's "green legacy."¹²

Mexicans have ties that reach deep into the fabric of the population of the United States and simultaneously into Latin America. As a result, Mexico is uniquely positioned to be at the forefront of mobility and people-to-people connections in the region. It could also pioneer a more inclusive approach to North American regionalism. Mexico has long been an advocate for the right of migrants, and addressing migration issues, including illegal migration and the situation of unaccompanied minors, would certainly be to the region's benefit. North America also needs to facilitate the legitimate movement of people—not just at the border, but in the economic sphere as well.¹³

Bilateral Aspect of the Summit

NALS also provides the three nations the space to pursue deeper bilateral relationship.

The Obama Administration also has engaged in bilateral efforts, both with Canada and Mexico, to increase regulatory cooperation, enhance border security, promote economic competitiveness, and pursue energy integration. For example, in February 2011, President Obama and Canadian Prime Minister Harper announced the Beyond the Border Action Plan: A Shared Vision for Perimeter Security and Economic Competitiveness, establishing a new long-term partnership to address threats within, at, and away from the U.S.-Canada border, while expediting lawful trade and travel. The two governments also created a U.S.-Canada Regulatory Cooperation Council to improve alignment of regulatory approaches.

The two nations have also pledged to work with each other to achieve the Sustainable Development Goals. They are also working together to mitigate the effects of climate change which is effecting the native population of both nations who reside close to the Arctic. During his speech to the Parliament of Canada, President Obama appealed for phasing out HFC greenhouse gases. As part of this North American Climate, Clean Energy and Environment Partnership, the three nations have committed to implement respective Nationally Determined Contributions (NDCs), and share progress on these efforts, work to increase their ambition over time, and cooperate where appropriate.

The United States and Mexico have an ongoing U.S.-Mexico High Level Economic Dialogue (HLED) to advance economic and commercial priorities through annual meetings at the Cabinet level that also include leaders from the public and private sectors. Other bilateral efforts with Mexico include the High-Level Regulatory Cooperation Council (HLRCC) to help align regulatory principles, an effort similar to the U.S.-Canada Regulatory Cooperation Council. In addition, the two countries have a bilateral initiative for border management under the Declaration Concerning Twenty first Centre Border Management that was launched in 2010.

The United States and Mexico have decided to co-host the Refugee Summit that would be held on the side lines of the UN General Assembly in 2016. They have also announced joint cooperation in fighting drug trafficking. The United States announced that it would provide one billion dollars to improve treatment and prevention of drug abuse as well as law enforcement and interdiction to fight trafficking. The two nations have also made a commitment to work towards clean energy and reduce greenhouse gases. Building on the U.S.-Canadian experience, Mexico and

the United States have initiated discussions to explore a similar conceptual model for deepened bilateral electric reliability cooperation.¹⁴

Conclusion

The United States, Mexico and Canada have for long collaborated as continental partners in the world's most prosperous region. The North America region has a combined population of almost 530 million and an economy that represents more than one-quarter of the world's GDP. The three countries are amongst each other's largest trading partners and sources of foreign investment. The continent's abundant natural resources and integrated continental energy markets provide important economic and security benefits for their respective citizens.¹⁵

In addition to the NALS, the three countries have pursued further efforts to enhance tri-lateral cooperation. These endeavours include the North American Competitiveness Work-plan (NACW) and the North American Competitiveness and Innovation Conference (NACIC). The NACW was endorsed in 2014 by the three governments and includes trilateral investment initiatives, tourism collaboration, strengthening the North American production platform, and building skills for a 21st century workforce. The NACIC is a forum for business and government leaders to address economic issues. On February 12, 2016, the three countries signed a Memorandum of Understanding on Climate Change and Energy Collaboration. Apart from being partners in the NAFTA, they are parties to the Trans-Pacific Partnership agreement (TPP).

Close collaboration between the three countries is needed for economic growth of the continent as well as to address the common security and environmental challenges. Their close collaboration is not restricted to the continent but carries forward into the international arena when they work with each other in the G-20, at the summit of the America, with the Organisation of the American State or at the United Nations.

The NALS has provided them with a successful platform to further consolidate their relationship. The NALS was started as an initiative to strengthen cooperation between the three nations by sharing information. While the security and economic environment has changed since the first summit, with growing xenophobia, a rise in the dangers posed by non-traditional threats and an increasing scepticism about the need for more international trade agreements, the underlying principle that guides the summit has remained the same. It is to enhance cooperation between the three nations and work together to address concerns.

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Disclaimer: Views expressed are of authors and do not reflect the views of the Council.

Endnotes:

¹ M. Angeles Villarreal, “North American Leaders’ Summit”, *CRS Insight*, 05 July 2016, <https://www.fas.org/sgp/crs/row/IN10508.pdf>, Accessed on 13 July 2016.

² Ibid.

³ The Office of the Press Secretary, The White House, “Fact Sheet: The United States Key Deliverable for the 2016 North American Leaders’ Summit”, <https://www.whitehouse.gov/the-press-office/2016/06/29/fact-sheet-united-states-key-deliverables-2016-north-american-leaders>, Accessed on 14 July 2016.

⁴ Christopher Sands, “The 2016 North American Leaders’ Summit”, Centre for Strategic and International Studies, <https://www.csis.org/analysis/2016-north-american-leaders-summit>, Accessed on 14 July 2016.

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⁵ The Office of the Press Secretary, The White House, “North American Climate, Clean Energy, and Environment Partnership Action Plan”, <https://www.whitehouse.gov/the-press-office/2016/06/29/north-american-climate-clean-energy-and-environment-partnership-action>, Accessed on 14 July 2016.

⁶ Op. Cit 01, M. Angeles Villarreal

⁷ The Office of the Press Secretary, “Fact Sheet: The United States Key Deliverables for the 2016 North America Leaders’ Summit”, <https://www.whitehouse.gov/the-press-office/2016/06/29/fact-sheet-united-states-key-deliverables-2016-north-american-leaders>, Accessed on 14 July 2016.

⁸ Christian Ranger, “A Roadmap for North America: Building the North American Leaders’ Summits”, Council of the Americas, <http://www.as-coa.org/articles/roadmap-north-america-building-north-american-leaders-summits>, Accessed on 13 July 2016.

⁹ NADB is a bi-national financial institution capitalized and governed equally by the United States and Mexico for the purpose of financing infrastructure projects that enhance environmental conditions, promote sustainable development and improve the quality of life of people living along the U.S.-Mexico border. The Bank was specifically created by the governments of Mexico and the United States to address environmental problems and infrastructure needs along the shared border between the two countries, which have been exacerbated by rapid population growth and industrialization over several decades. The Bank’s geographic scope is defined in its charter.

¹⁰ Op. Cit 8, Christian Ranger.

¹¹ Office of the Press Secretary, The White House, “Fact Sheet: United States Key Deliverables for the 2016 North American Leaders’ Summit”, <https://www.whitehouse.gov/the-press-office/2016/06/29/fact-sheet-united-states-key-deliverables-2016-north-american-leaders>, Accessed on 14 July 2016

¹² Op.Cit 8, Christian Ranger.

¹³ Ibid.

¹⁴ Office of the Press Secretary, The White House, “Remarks by President Obama and President Peña Nieto of Mexico After Bilateral Meeting”, <https://www.whitehouse.gov/the-press-office/2016/06/29/remarks-president-obama-and-president-pe%C3%B1a-nieto-mexico-after-bilateral>, Accessed on 14 July 2016

¹⁵ Global Affairs Canada, Government of Canada, “The North American Relationship”, http://www.international.gc.ca/americas-ameriques/north_america-amerique_du_nord/relationship-relation.aspx?lang=eng, Accessed on 14 July 2016.