

environmental review is that it is preventive to the extent that the review anticipates and minimizes future environmental problems.

The NAFTA Environmental Review focuses on the environmental implications for Canada. Each of the NAFTA countries is responsible for its own environment and thus for undertaking its own review. Circumstances in the U.S. and Mexico were considered only as they related to transboundary issues.

## **B. FEDERAL ENVIRONMENTAL POLICY REVIEW**

In June 1990, the Government of Canada announced a series of reforms to the federal Environmental Assessment and Review Process (EARP). The reform package included a new, non-legislated environmental impact examination process that would apply to policy and program initiatives submitted to the federal Cabinet for consideration.

The Honourable Michael Wilson, Minister of Industry, Science and Technology and Minister for International Trade, decided, prior to the commencement of formal negotiations, that the North American Free Trade Agreement would undergo an environmental review.

Canada's environmental review process requires that, prior to their final consideration by Cabinet, policy or program proposals be examined for environmental implications. In the event that a proposal could have environmental effects, a statement on these is included in the documentation prepared for consideration by ministers.

Sponsoring departments, in this case External Affairs and International Trade Canada, are responsible for ensuring the review of environmentally relevant policy and program proposals and, where appropriate, for issuing a public statement on the potential environmental implications of the initiative. Environment Canada provides guidance on the methods for conducting a review, and technical and scientific advice on the anticipated environmental impacts.

## **C. THE NAFTA ENVIRONMENTAL REVIEW COMMITTEE**

Responsibility for conducting the environmental review was assigned to an interdepartmental working group including representatives from the departments of External Affairs and International Trade; Agriculture; Energy, Mines and Resources; Environment; Finance; Fisheries and Oceans; Forestry; Industry, Science and Technology; and Transport. The Committee was supported by a technical expert advisory group from Environment Canada.

Annex 1 sets out the Terms of Reference of the Committee. Its two primary objectives were to ensure that environmental considerations were taken into account during all stages of the negotiating process; and to conduct and document a review of the potential environmental effects of the NAFTA on Canada.

This dual-track approach, employed for the first time in the negotiation of a trade agreement, guaranteed that environmental issues were taken into consideration at all stages of the decision-making process. It proved useful in identifying potential areas of concern and, in certain instances, led to extensive deliberations on which negotiating option would best address these potential problem areas. The analyses contained in this