

# ENVIRONMENTAL PROVISIONS

## ISSUE

Whether a trade agreement such as the NAFTA is judged to have a positive or negative effect on the environment depends greatly on its specific provisions. When the NAFTA negotiations began, all three partners agreed to address trade-related environmental considerations in the Agreement. That commitment is reflected in several key environmental provisions in the NAFTA (see Annex A).

## FINDINGS

### Extraterritoriality

- Extraterritoriality occurs when one country unilaterally attempts to extend, directly or indirectly, the reach of its policies into the jurisdiction of another country.

Such a policy would not be a long-term advantage for Canada's economic or environmental interests. Canada could not expect to impose its policies on other countries unless it allowed other countries the right to impose their policies on Canada.

### Sustainable Development

- Sustainable development is defined as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs."
- The Preamble identifies the commitment of the three NAFTA countries to meet the economic and trade objectives of the Agreement in a manner consistent with environmental protection and conservation.

The Preamble calls upon the partners to promote sustainable development and to strengthen the development and enforcement of environmental laws and regulations.

### Relationship to International Agreements

- Canada has signed certain international environmental and conservation agreements containing trade obligations. Three of these contain provisions which affect trade in endangered species, ozone-depleting substances and hazardous wastes. If any action taken under the NAFTA is inconsistent with the international agreements, the international agreement will prevail. In other words, in certain instances, environmental considerations take precedence over trade.

The NAFTA is the first trade agreement to give precedence to the trade obligations contained in international environmental and conservation agreements.