

FOLLOW-UP MECHANISMS

ISSUE

What mechanisms will ensure there is appropriate follow-up to the NAFTA?

FINDINGS

The NAFTA itself is a major initiative for ensuring that the relationship between trade and the environment will continue to be addressed following implementation of the Agreement. That obligation is outlined in at least three chapters of the Agreement.

- The chapter on Standards-Related Measures obligates the NAFTA partners to work together to enhance environmental standards and to improve compliance with those standards.
- The Investment chapter provides for formal consultations to be held if one NAFTA country believes that another country has lowered or offered to lower its environmental standards in order to attract investment.
- If a disagreement involving environmental issues arises, the Dispute Settlement chapter allows a panel to seek the advice of either environmental experts or a scientific review board.

In 1990, Canada and Mexico launched bilateral co-operation on the environmental front when they signed the Canada-Mexico Environmental Co-operation Agreement. To date, Canada has provided in excess of \$1.9 million in funding for a series of environmental projects (see Annex B).

In Washington, in September 1992, the environment ministers from Canada, the U.S. and Mexico launched an historic process for ongoing trilateral co-operation on the North American environment. For the first time and as a direct result of the NAFTA, the three countries will be working together to improve the continental environment. The Canadian government will consult with Canadian environmentalists to ensure their effective and ongoing participation in the planning process. The ministers will meet again, early in 1993, when they will review a series of proposals for formalized trilateral environmental co-operation.

Canada is an active participant in the international discussions and initiatives involving the inter-relationship between trade and the environment currently under way through the United Nations, the GATT, and the Organization for Economic Co-operation and Development.

CONCLUSIONS

The review concludes that following the signing of the NAFTA, the concerns of Canadians on the inter-relationship between trade and the environment will continue to be addressed through the NAFTA as well as through both trilateral and international initiatives.