

## The NAFTA Environmental Review Process

### Purpose of Environmental Reviews

Long utilized to improve planning and decision making related to projects, environmental reviews are now an important tool for ensuring that environmental concerns are given early consideration in the formulation of government policies.

Policies can rarely be subjected to the same type of quantitative and predictive analyses that are associated with the assessment of projects. However, while environmental reviews of policies differ from those of projects, the fundamental purpose remains the same: to ensure the systematic consideration of environmental factors throughout the planning and decision-making stages.

### The NAFTA Environmental Review Committee

The NAFTA is the first trade agreement to undergo an environmental review. The review process examined concerns related to the potential environmental effects of the Agreement from four different perspectives: first, the implications of the NAFTA provisions of particular relevance to environmental concerns; second, the potential impact of the NAFTA on Canada's environment; third, concerns that Canadian industry could migrate to take advantage of less stringent environmental regulations elsewhere; and

fourth, the mechanisms that would permit the relationship between trade and the environment to continue to be addressed following the signing of the NAFTA.

Responsibility for conducting the review was assigned to an interdepartmental NAFTA Environmental Review Committee. As provided for in their mandate, Review Committee representatives collected and reviewed literature from both Canadian and foreign sources, consulted with provincial and non-government representatives, interviewed U.S. and Mexican officials, and met regularly with key members of Canada's NAFTA negotiating team. In addition, the Review Committee continuously reviewed the evolving draft of the NAFTA and provided input for Memoranda to Cabinet on the environmental content of the negotiations.

### Consultations with Provincial and Non-Government Representatives

Input from provincial and non-government representatives was actively sought throughout the negotiations. Consultations were held with the Federal-Provincial Committee on the NAFTA (CNAFTA), members of the International Trade Advisory Committee (ITAC) and the 15 Sectoral Advisory Groups on International Trade (SAGITs). In addition, three special

sessions were organized with representatives of the business, environment, labour and academic communities. Environmental organizations were particularly active in contributing their views, both orally during the special sessions and in subsequent written submissions.

The consultations provided an ongoing opportunity to consider Canada's environmental priorities for the NAFTA and to discuss the nature and scope of the environmental review. Information gained during meetings with provincial and non-government representatives greatly assisted the Review Committee in identifying the major environmental concerns that needed to be addressed in both the NAFTA negotiations and the environmental review.

### Consultations with the NAFTA Negotiators

A key aspect of the environmental review process was open and frequent access by Review Committee members to all levels of Canada's NAFTA negotiating team. Review Committee meetings with the negotiators had four principal objectives: to obtain detailed information and analyses on the issues, options and provisions under negotiation; to provide an initial screening for potential environmental implications of the Agreement; to heighten the negotiators' awareness of

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environmental concerns; and to discuss the potential environmental effects of the different negotiating options.

### Conclusions

The process associated with the NAFTA environmental review provided clear evidence of the benefit of taking environmental considerations into consideration at every stage of the negotiations. Frequent and substantive contact between the Environmental Review Committee and both environmentalists and the negotiators played a critical role in optimizing the environmental content of the NAFTA and in ensuring that the full range of environmental concerns was addressed in the environmental review.

The NAFTA environmental review process has established a benchmark which may serve for future negotiations. 🍁

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met in Cartagena, Colombia, to discuss a general strategy for promoting technology transfer. The seminar, co-sponsored by Colombia and the United States, focussed on technology, co-operation and capacity building, as well as the development of a model for use at the February intersessional meeting of the CSD Ad Hoc Working Group.

The focus of the discussions was on problem solving - from diagnosis to remedy - with the goal of prevention of environmental damage and the promotion of sustainable development. Canada is seeking to ensure that the CSD Ad Hoc Working Group takes the same pragmatic approach, with a substantial focus on exchanges between technocrats and practitioners, with respect to experiences in transferring technologies in a number of specific sectors.

Technology transfer, co-operation, and capacity building are central issues in the CSD's efforts toward sustainable development and the growing relationship between environment and trade policies. Workshops and seminars such as

these provide the opportunity for Canada to demonstrate strength and leadership by moving the agenda forward and helping to craft the results. They also provide the opportunity to present Canada's consultative problem-solving methods to colleagues from other nations.

Environmental remediation and protection, and technologies that minimize or alleviate the environmental impact of various production methods are issues of growing importance in the relationship between environmental and trade policies. They are also the basis of the rapidly expanding environmental goods and services sector.

Canada is committed to being a leader in this area, especially in the development of environmentally sound technologies and innovative solutions to environmental and development challenges. Canada will actively participate in the Commission's work on technology transfer, co-operation and capacity building, especially as it relates to the relationship between sustainable development and trade. 🍁

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the first international trade agreement to refer to the environment, and its "side agreement", the North American Agreement on Environmental Cooperation, promotes improved domestic enforcement and enhancement of environmental standards in all three countries.

On another front, much effort has been devoted to achieving international consensus on the definition of sustainable forest practices. From a trade perspective, an international convention that secures such a definition will help Canadian forest products overcome market access threats resulting

from consumer boycotts and foreign regulations and labelling programs.

In addition to our independent efforts, Canada is pursuing these very important issues in many international organizations. Most noteworthy are discussions at the Organization for Economic Cooperation and Development and the General Agreement on Tariffs and Trade where the underlying policy questions and their relationship to the international trading system are under active discussion. 🍁