

- feature effective compliance provisions, including a well-constructed dispute settlement mechanism that can, as required, resolve differences in interpretation and discipline a Party found to be acting in a manner inconsistent with its obligations;⁶⁴ and
- provide for a range of sanctions against signatories, with a strong preference for including trade sanctions as an instrument of last resort with the right to opt for a different but equally effective tool.

The above criteria are not easy to meet. But then an exemption from normal trade disciplines is not a light matter. The trade policy community must accept that the use of trade sanctions cannot be dismissed out of hand and that we need a practical end to the rather fruitless debate about how broadly based must a broadly based IEA be to qualify for an exemption. Yet, the environmental community has done no-one a service by rushing forward to seek exemptions without first submitting their own handiwork to hard, cold review. The fact is that the clarity and completeness of environmental agreements still fall considerably short of the increasing degree of commitment and sophistication evidenced in trade agreements over the past 20 years. This gap presumably can narrow with time. The final conclusion of this Paper is that both communities must work even more closely together to achieve greater policy coherence by developing high quality international environmental agreements that meet the criteria suggested above.

⁶⁴ Again, this feature is critical if the IEA is to be more fully "trumping", i.e., so that a dispute involving a trade measure taken against a Party might normally be heard under an IEA, rather than under a trade agreement (which is still the case with NAFTA Article 104).