

# Benefits and Challenges to an In-house approach to EA of Trade: Perspectives from the Government of Canada

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# Overview

- Overview of Canada's approach
  - Process
  - Analytical methodology
- Roles and responsibilities
- Benefits and challenges of an in-house approach

# Context

- *1999 Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*
- Commitment by Ministers to assess impacts of trade agreements
- *2001 Framework for Conducting Environmental Assessments of Trade Negotiations*
  - Supported by Handbook
  - Interdepartmental approach, led by DFAIT

# EA Framework: Key Elements

- Application: all trade and investment negotiations
- Objectives: inform negotiators and address public concerns
- Scope: issues for which we have a negotiating mandate
- Focus: domestic environmental effects
- Process: three phases of increasingly detailed analysis based on progress in negotiations
- Methodology: environmental analysis flows from economic analysis
- Consultations: throughout

# Potential phases of a Full EA

| PHASE                              | ANALYSIS                            | CONSULTATIONS  |
|------------------------------------|-------------------------------------|--|
| Preparatory                        |                                     | <ul style="list-style-type: none"> <li>• Issue Notice of Intent</li> <li>• Establish Interdepartmental Committee</li> </ul>                                |
| Initial EA                         | Scoping                             | <ul style="list-style-type: none"> <li>• Interdepartmental Consult provinces and territories, experts and public on findings</li> <li>As needed</li> </ul> |
| Draft EA                           | Detailed                            |  |
| Ongoing Negotiations               | As needed                           |  |
| Final EA<br>Monitoring & Follow up | Confirmation & Additional as needed |  |

# “As negotiations proceed”

**Mandate and agreement to negotiate**



**Initial understanding of topics to be negotiated**

- e.g., tariff-related issues (agriculture, NAMA), services, rules and trade facilitation



**Increased understanding of general outcome**



**Negotiation of specifics**



**Signed Agreement**

Information

Information

# 4-Step Analytical Methodology

1. Identification of the economic effects of the negotiations
2. Identification of the likely environmental impacts of such changes
3. Assessment of the significance of the identified likely environmental impacts
4. Identification of enhancement/mitigation options

# Consultations

- Strong commitment to consultations throughout
- Consult with:
  - Interdepartmental community
  - provinces and territories
  - EA Advisory Group
  - The public



# Roles and responsibilities

- **EA of Trade Secretariat**
  - oversees application of the Framework
  - provides support and advice, e.g., through the development of tools
  - Integrates learnings into guidance materials
  - Uses feedback from public for future EAs
- **Interdepartmental EA Steering Committee oversees work and provides guidance**
  - Identifies work program and reviews EAs
  - Reviews feedback from the public

# Roles and responsibilities

- **EA Committees**

- Established for each negotiation
- Chaired by the Chief negotiator
- Division leading the negotiation coordinates the analysis, prepares the report, and integrates public feedback into analysis
- Members of the committee are responsible for the analysis
- Interdepartmental membership includes:
  - representatives from key negotiating areas,
  - Departmental economist
  - communications and consultations expert,
  - Environment Canada and CEAA

# Experience

- **Completed:**

- Initial EA for WTO, FTAA, CA4, and Singapore trade negotiations
- Final EA for Canada-Peru Foreign Investment Promotion Agreement, Government Procurement Chapter of Costa Rica FTA

- **Underway:**

- Draft EA for WTO
- Initial EAs for bilateral trade negotiations with the EU and Korea
- Initial EAs for FIPAs with India and China

# Benefits of in-house approach

- Increased awareness of trade negotiators, policy makers, and decision makers
- Integrated with the policy development process
  - Analysis based on current state of the negotiations
  - Access to sensitive information
  - Informs negotiations
- Interaction of trade officials with public
- Impacts policy development within DFAIT
  - CEC
  - Links to other Departmental processes – e.g., Department's SD Strategy
- Results communicated across government and to provinces

# Challenges of in-house approach

- Resources
- Many players with varying expertise
- Sensitivities
  - Scenarios
  - Politics
- Timing
- Limited results from consultations

# *Thank you.... Questions?*

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