

Policy tools to Enhance the Effectiveness of Environmental Assessment of Trade

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Presentation overview

- Canadian *Framework for Conducting Environmental Assessments of Trade Agreements*
- Policy tools that can enhance the effectiveness of EA of Trade
- Conclusion

Canada's *Framework for Conducting Environmental Assessments of Trade Agreements*

- *Ex ante* (before the trade agreement is in place)
- 3 stages of assessment
 - Initial, Draft, Final
 - Results from Initial EA and Draft EA are used to inform the negotiations
- Each stage uses the same analytical process
 - Economic effect
 - Environmental impact
 - Significance of environmental impact
 - Enhancement/ mitigation options

Canada's Framework for Conducting Environmental Assessment of Trade Agreements

- Assessments are conducted by an interdepartmental committee of government representatives
- Engagement occurs with:
 - federal departments and agencies,
 - Sectoral Advisory Groups for International Trade (SAGITs),
 - C-Trade (provinces), and
 - the public
- Scope - within Canada

Policy tools to enhance EA of trade

- Changes perception of:
 - where EA of trade starts and finishes
 - who is responsible for EA of trade
- Actions to enhance both internal and external governance are important

Consultations - a means and an end

Means

- Provides input into the process and improve the EA results
 - Industry can provide input on how environmental effects of trade can be mitigated/ enhanced in a way that makes sense for them
 - stewardship programs
 - NGOs can provide environmental expertise and identify additional concerns

Consultations - a means and an end

End

- Can increase:
 - the accountability of the process
 - awareness about the relationship between trade and environment
- Benefits
 - change the way policy makers think
 - reduce public concerns about the relationship between trade and environment
 - encourage discussions between interested parties (e.g., industry and NGOs)

Consultations

- However...
 - Some consultations processes are criticized and referred to as 'mailbox processes'
 - Lack of resources
- Tools to improve processes and achieve benefits:
 - determine and communicate how submissions are used
 - assess adequacy of current resources
 - two-way communication
 - communication of submissions

Regulatory Impact Analysis

- A complement to EA processes that do not look at the effects of trade rules
- Identify how new policies and regulations could contradict or complement current policies and regulations
- Determine if new policies will restrict future opportunities

Benefits of Regulatory Impact Analysis

- Promote policy coherence
- Reduce potential for conflict between trade and environmental policies
- Avoid unintended restrictions on future policy space
- Currently being examined in the TBT Committee of the WTO under good regulatory practice

Establish policy linkages

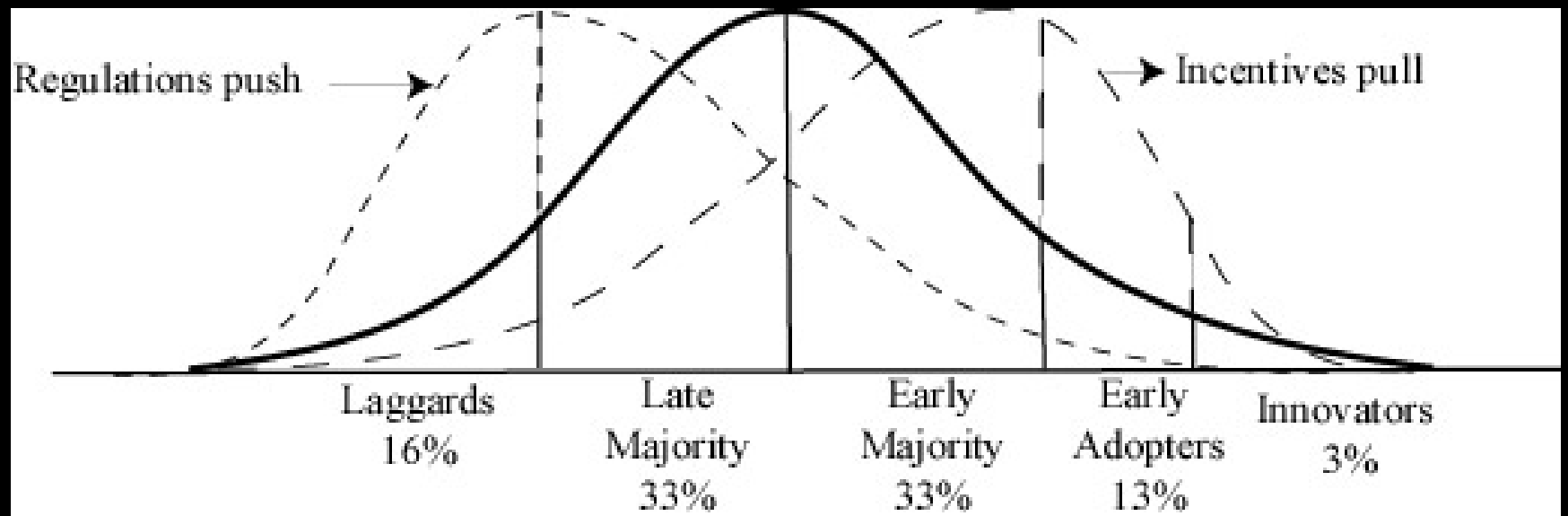
- Is the purpose of the EA more than producing a report?
- If you are trying to affect change and reduce impacts of trade, there must be linkages to policy
 - Determine what you are trying to achieve
 - Determine how the results will be used
 - Identify who will take action
 - Translate the EA results into usable information

Policy linkages require intergovernmental coordination

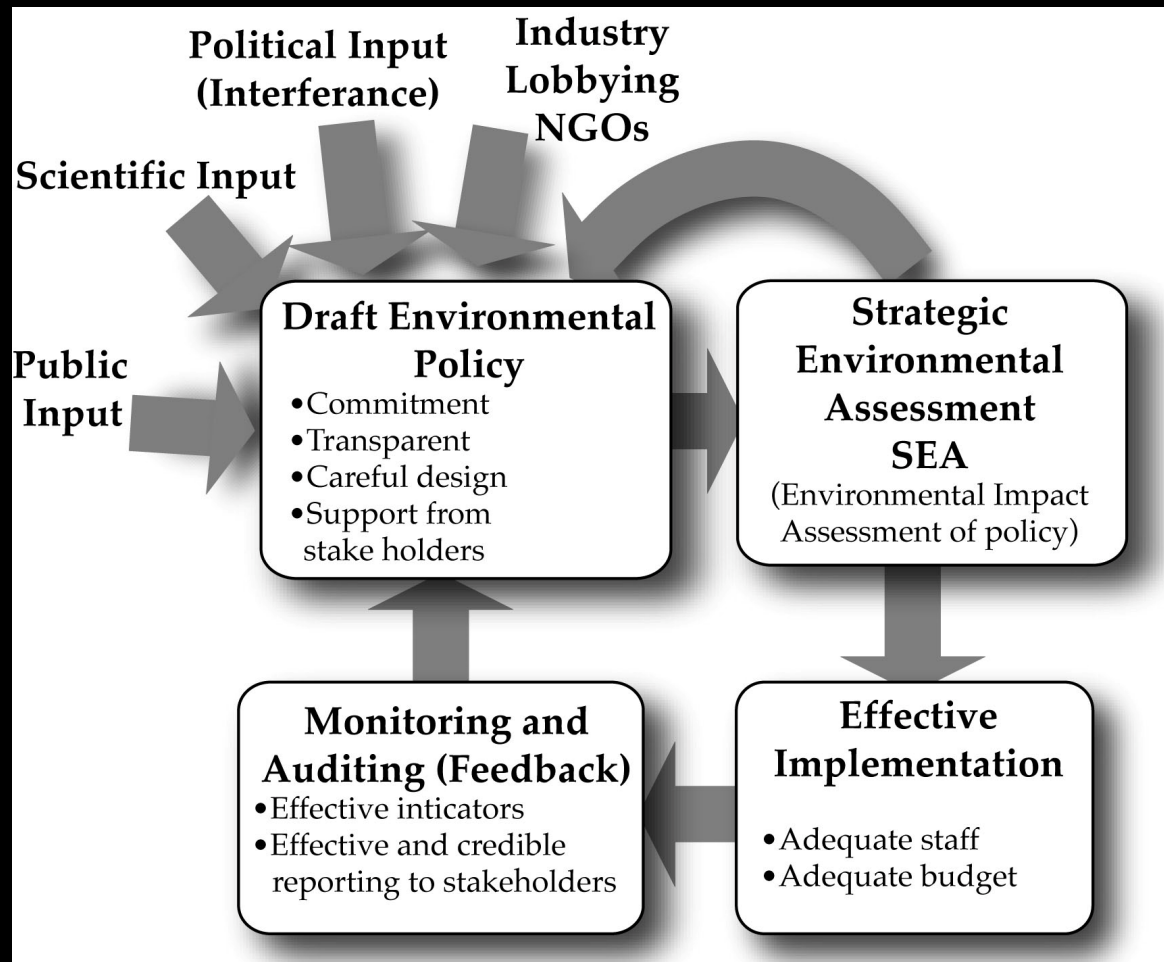
- Establish communication structures
- Establish commitment
 - not just on paper
- Ensure understanding of
 - the methodology
 - its importance
 - responsibilities

Policy linkages can be non-regulatory

- Corporations are the producers of the goods that are traded and the source of capital for FDI
- Mitigation and enhancement options to reduce trade impacts can come from non-regulatory policy activities
 - environmental management
 - voluntary programs and stewardship
- Governments should encourage these by providing incentives



Monitoring and improvement



Monitoring and improvement of mitigation activities

- Establish process to determine whether enhancement/ mitigation activities are working
 - determine responsibility
 - establish communication structures
 - establish performance indicators
 - implement monitoring
 - assess data
 - change strategy where necessary
 - report

Monitoring and improvement of EA processes

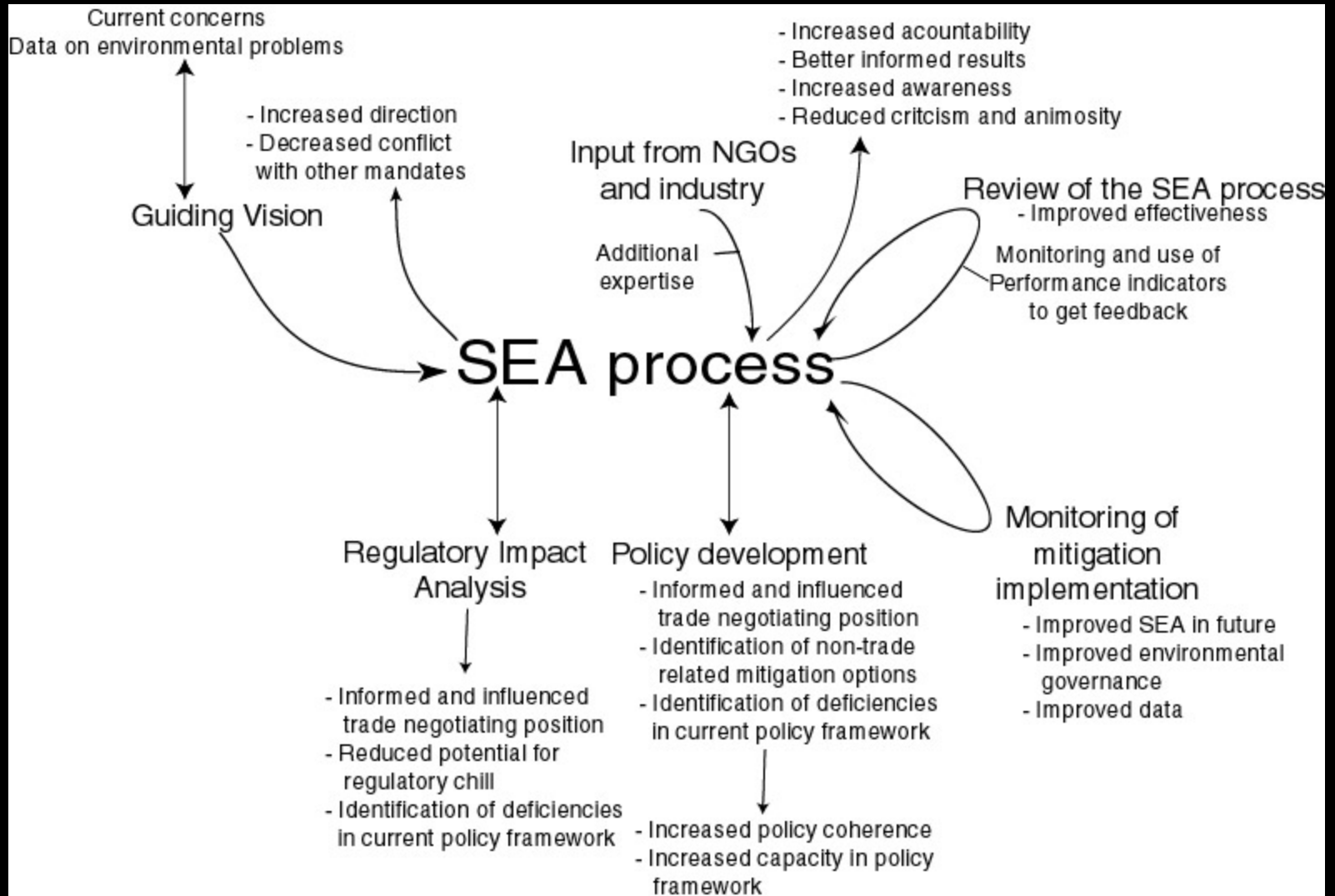
- Monitoring to determine if objectives are met
 - determine what you are trying to achieve
 - establish performance indicators
 - measure
 - report
- Audits by third party

Monitoring and improvement of EA processes

- Periodic Review processes based on information collected during monitoring and audits
 - identify and discuss problems
 - assess adequacy of resources
 - consult stakeholders
 - establish work plans to improve the EA process
 - report to stakeholders to demonstrate continual improvement

Conclusion

- EA in isolation produces a report
- EA in coordination with other policy tools creates a change and allows for additional benefits to be observed
- EA must be seen as a part of a larger process
 - broader understanding of who is involved
 - change in thinking in terms of where an EA starts and finishes



Thank you