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Developments in Regional
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and the Environment: 2013
Update

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Abstract

DEVELOPMENTS IN REGIONAL TRADE AGREEMENTS AND THE ENVIRONMENT: 2013 UPDATE

by Clive George

This report provides an update on recent developments in the field of Regional Trade Agreements and the environment. Issues arising in the implementation of RTAs with environmental considerations are examined as well as experience in assessing their environmental impacts. This is the seventh update prepared under the aegis of the Joint Working Party on Trade and Environment (JWPTE) since the series began with the 2007 publication *Environment and Regional Trade Agreements*. The document covers developments from late 2012 to October 2013. It is based on publicly available information.

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Background

The OECD Joint Working Party on Trade and Environment (JWPTE) undertakes regular reviews and analyses of the way in which regional and bilateral trade agreements deal with environmental issues (OECD 2007, 2008a, 2008b and 2009b). The JWPTE has in addition organised several regional workshops where experts from both OECD and non-OECD countries have discussed their experience with the negotiation and implementation of environmental provisions in trade agreements. The most recent was the workshop on “Regional Trade Agreements and the Environment: Monitoring Implementation and Assessing Impacts” held 1-2 June 2010 at OECD headquarters in Paris (OECD, 2010b).

As part of this programme the JWPTE provides annual updates on environmental provisions in Regional Trade Agreements (RTAs) (OECD 2008c, 2009a, 2010a, 2011a, 2012 and 2013). This is the seventh of these updates, covering developments over the period from late 2012 to October 2013. It provides an update on recent developments in environmental provisions in RTAs complemented by an examination of issues arising in their implementation and a review of developments in assessing their environmental impacts. It is based on publicly available information.

Overview of recent developments in Regional Trade Agreements

The rate of notification of RTAs to the World Trade Organisation (WTO) has remained high compared with the pre-1999 rate (Figure 1).¹ As of 16 October 2013, some 260 RTAs were in force (counting goods and services together). The number of notifications in 2013 (19 up to September) remained at a similar level to that experienced over the past few years.

As was noted in the previous update (OECD, 2013), the numbers of notifications to the WTO are somewhat distorted by the accession of Ukraine to the WTO in 2008 and of the Russian Federation in 2012. In both cases, accession led to the notification of agreements that had been in force for several years. As a result, the rising trend in notifications shown in Figure 1 is somewhat exaggerated compared with the number of agreements actually entering into force (Figure 2).² In Figure 2 it would appear that, except for a peak in 2009, the number of agreements entering into force has remained relatively steady since 2000. The post-2009 trend may become clearer once data are available for the whole of 2013.

¹ A total of 22 RTAs were notified to under GATT Article XXIV between 1957 and 1990. See WTO RTA Database (<http://rtais.wto.org>).

² When goods and services were notified separately they appear separately in Figures 1 and 2, as in previous updates.

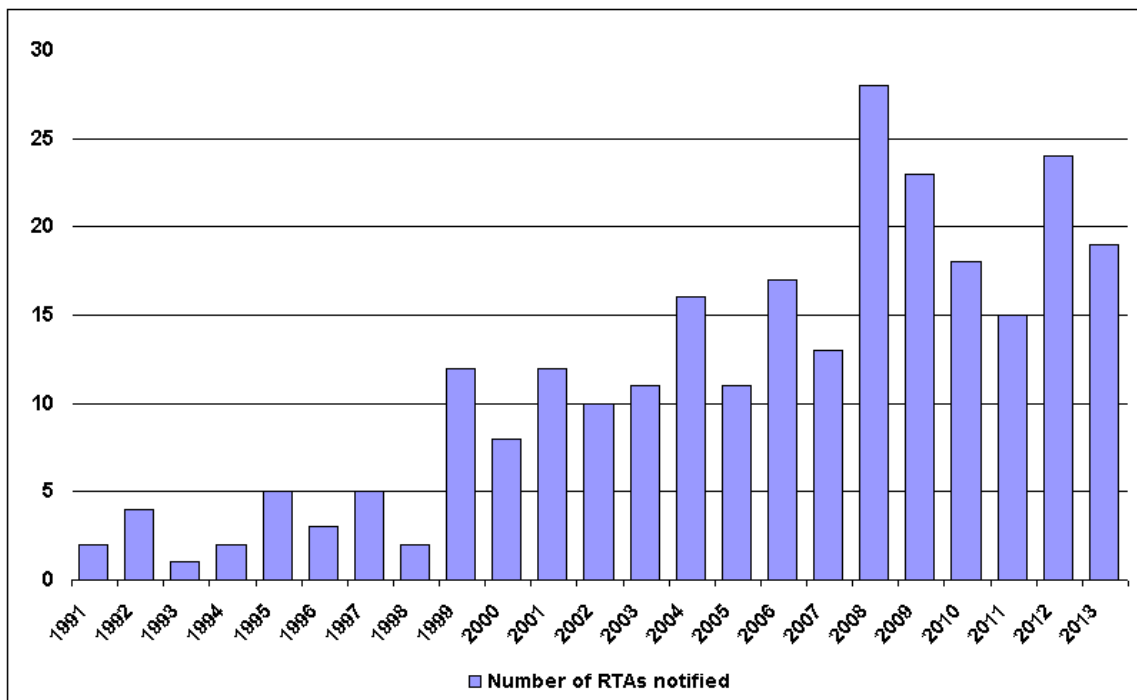
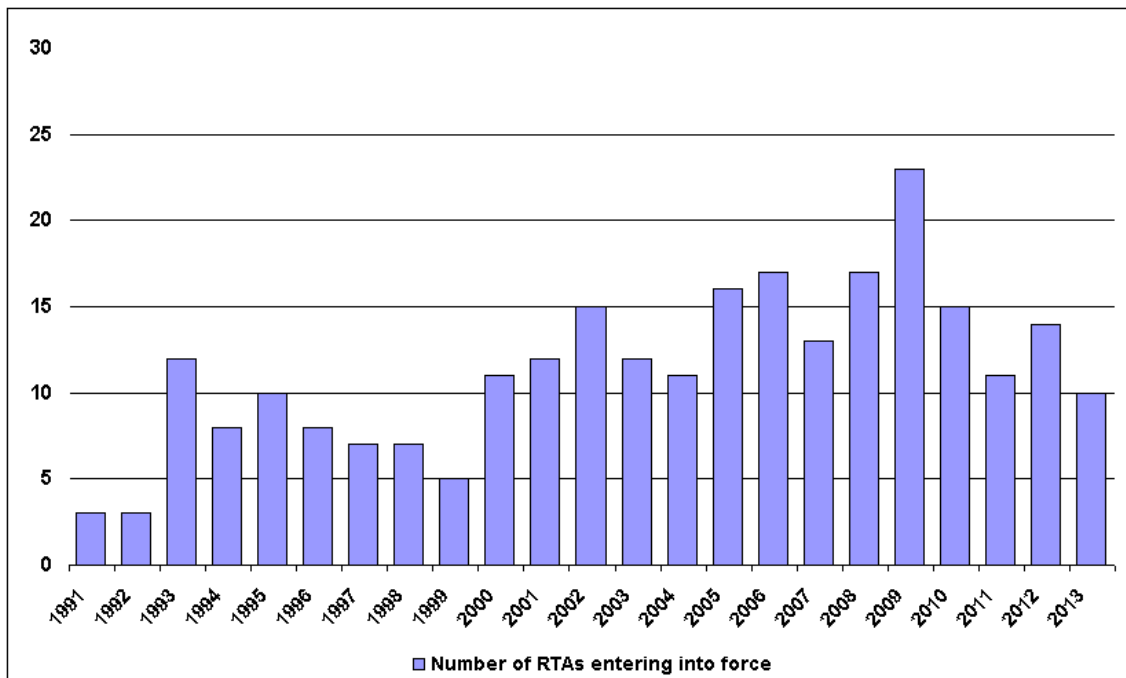
Figure 1. Regional trade agreements notified to the WTO by date of notificationSource: WTO RTA Database (<http://rtais.wto.org>)**Figure 2. Regional trade agreements coming in force by date of entry into force**Source: WTO RTA Database (<http://rtais.wto.org>)

Table A1 (in the Annex) lists all the RTAs that have been notified since the previous update. Of the 24 agreements listed, 19 were notified in 2013, and 4 in the latter part of

2012. The table summarises the environmental provisions of these agreements. The information given is as in previous updates.

Of the 24 notifications listed in Table A1, one is for the enlargement of the EU to include Croatia. Since Croatia's commitments on trade and environment are now the same as for the EU as a whole, this is not analysed further. Another, between Canada and Jordan, was covered in the update for 2009 (OECD, 2010a). In 13 of the other notifications, environmental provisions are limited to confirming the general exceptions of GATT Article XX or GATS Article XIV, similar exceptions for particular chapters, and/or a general reference in the Preamble (Australia-Malaysia, Chile-Nicaragua, the Commonwealth of Independent States, Costa Rica-Peru, Mexico-Uruguay, Panama-Guatemala, Panama-Nicaragua, Turkey-Mauritius, Ukraine-Montenegro, and the four agreements of the Russian Federation). The agreement between Costa Rica and Singapore also includes a reference to environmental issues in a general chapter on co-operation. The other seven notifications are for RTAs with more substantive environmental provisions, particularly for environmental co-operation. These are summarised in the following section.

Recent regional trade agreements with substantive environmental content

Free Trade Agreement between Canada and the Republic of Panama

The FTA between Canada and Panama includes an extensive range of environmental provisions, similar to those in the Canada-Jordan, Canada-Colombia and Canada-Peru agreements covered in the 2009 update (OECD, 2010a). It is accompanied by a parallel Agreement on the Environment, which expands on the provisions in the Free Trade Agreement (FTA) itself.

The Preamble to the FTA commits the parties to implement the agreement in a manner consistent with environmental protection and conservation, to enhance and enforce their domestic environmental laws and regulations, and to strengthen their co-operation on environmental matters. These commitments are reinforced in a specific chapter on the environment, which establishes the relationship between the FTA and the Agreement on the Environment. The environment-related exceptions of GATT Article XX and GATS Article XIV are incorporated into and made part of the agreement, and similar exceptions are included in the chapters on technical barriers to trade, investment and government procurement.

The Canada-Panama Agreement on the Environment commits the parties to:

- ensure that their environmental laws and policies provide for high levels of environmental protection;
- strive to continue to develop and improve their environmental laws and policies;
- effectively enforce their environmental laws;
- not weaken or derogate from their environmental laws in order to encourage trade or investment;
- maintain appropriate environmental impact assessment procedures;
- increase public awareness and transparency by ensuring that information regarding environmental laws and policies is available to the public;

- provide appropriate access to remedies for violations of environmental law;
- ensure that its administrative, quasi-judicial and judicial proceedings relating to environmental law are fair, equitable and transparent.

Other articles in the Agreement on the Environment promote the conservation of biological diversity, corporate social responsibility, and measures to enhance environmental performance. An article on environmental co-operation commits the parties to establish a work programme without delay after entry into force of the agreement. An annex to the agreement defines the modalities for co-operation and lists the priority areas to be considered. These include: reinforcing institutional and legal frameworks; market-based initiatives; management of protected areas; conserving biodiversity; cleaner production technologies; environmentally beneficial goods and services; strengthening capacity to implement Multilateral Environmental Agreements (MEAs).

Implementation of the Agreement on the Environment is overseen by a Committee on the Environment. The Committee is required to meet within one year of entry into force of the agreement and to give consideration to undertaking a review of implementation within five years of the agreement's entry into force.

The environment chapter of the FTA is excluded from its dispute settlement process, but a separate dispute resolution mechanism is included in the Agreement on the Environment. This provides for consultation through the Committee on the Environment, and, if necessary, at Ministerial level. An independent Review Panel may be established in respect of the effective enforcement and non-derogation obligations, and the Review Panel proceedings are open to the public. Any action plan subsequently decided by the Parties must be made public.

Chile–Malaysia Free Trade Agreement

The Free Trade Agreement between Chile and Malaysia includes reference to environment and sustainable development in the Preamble, and incorporates the environment-related exceptions of GATT Article XX as part of the agreement. The Parties also agree that it is inappropriate to enact or use environmental laws, regulations, policies and practices for trade protectionist purposes, or to relax or fail to enforce their environment laws and regulations to encourage trade and investment.

A chapter on co-operation includes an article on environmental co-operation, in which the parties state their intention to co-operate in environmental areas of common global or domestic concern. These may include, among others: climate change; biodiversity and conservation of natural resources; management of hazardous chemicals; air quality; water management; waste management; marine and coastal ecological conservation and pollution control; strategic environmental impact assessment; mining practices and mines rehabilitation; and improvement of environmental awareness. Communication on environmental co-operation is through designated contact points. The dispute settlement mechanism of the FTA does not apply to the co-operation chapter.

Free Trade Agreement between the EFTA States and Montenegro

The FTA between the European Free Trade Association (EFTA) states and Montenegro includes environmental provisions similar to those in the agreement between EFTA and Hong Kong discussed in the 2012 update (OECD, 2013). Both of these FTAs

make use of a set of model environmental provisions that were presented to EFTA Ministers in June 2010.

The Preamble to the trade agreement reaffirms the Parties' commitment to pursue the objective of sustainable development, and recalls their rights and obligations under multilateral environmental agreements and the fundamental principles and rights set out in relevant International Labour Organisation Conventions. The general exceptions of GATT Article XX and GATS Article XIV are incorporated into the agreement and are made part of it.

A chapter on trade and sustainable development recognises the right of each Party to establish its own level of environmental protection, and commits each Party to encouraging high levels of protection to strive to further improve these levels. The Parties agree to enforce their environmental laws, regulations and standards effectively, and will not weaken, waive or otherwise derogate from them in order to encourage investment or seek a competitive trade advantage. Their commitments to implement Multilateral Environmental Agreements are reaffirmed. Other provisions in the chapter include the promotion of trade and investment favouring sustainable development, and strengthening their co-operation on trade and investment related environmental issues of mutual interest in appropriate international fora.

Administration of the trade and sustainable development chapter is through designated contact points. Any differences are referred for resolution to the Joint Committee established to supervise the trade agreement. There is no recourse to the arbitration procedure under the dispute settlement mechanism of the agreement.

Trade Agreement between the EU and Colombia and Peru

Environmental provisions in the European Union's Trade Agreement with Colombia and Peru are broadly similar to those in the EU-Korea agreement described in the 2010 update (OECD, 2011a). This was the first of a "new generation" of EU RTAs that tackle issues of trade and sustainable development in more depth than previously. The agreement includes a dedicated Trade and Sustainable Development chapter containing its own mechanisms for dialogue with civil society and for dispute settlement.

Responsibility for overseeing implementation of the trade agreement is assigned to a Trade Committee. A Sub-Committee on Trade and Sustainable Development is established to oversee implementation and monitoring of the chapter, and to administer its co-operation activities.

The environmental provisions of the Trade and Sustainable Development chapter include a commitment to effectively implement all multilateral environmental agreements to which each country is a party. The right to regulate is confirmed, but each party is required to aim for a high level of environmental protection, and to refrain from derogating from its environmental standards or failing to enforce its environmental laws, in a manner that affects trade or investment between the parties. The chapter also includes sectorial articles on trade in fisheries, trade in forestry products, biodiversity and climate change.

An article in the Trade and Sustainable Development chapter sets out an indicative list of areas of co-operation. These include activities related to: evaluation of the environmental impacts of the trade agreement; monitoring implementation of multilateral environmental agreements; climate change, including the reduction of emissions from

deforestation and forest degradation; conservation and sustainable use of biological diversity; sustainable forest management; trade in fishery products; and corporate social responsibility.

The Sub-committee on Trade and Sustainable Development is expected to convene annual sessions with civil society organisations and the public at large, to carry out a dialogue on matters related to the implementation of the chapter. In addition, each party is required to convene new or consult existing domestic advisory groups that will advise parties and make recommendations regarding the implementation of the chapter.

If the chapter's dispute-settlement mechanism cannot settle a difference through consultation, a group of experts is convened. A non-confidential version of the group's final report is required to be released to the public. Implementation of the recommendations is monitored by the Sub-Committee on Trade and Sustainable Development.

There is a provision on ex-post assessment, with a general commitment for each party to review, monitor and assess the impact of the RTA on sustainable development, as it deems appropriate.

Association Agreement between the EU and Central America

The EU's trade agreement with the Republics of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama (referred to as Central America) is part of a broader Association Agreement, comprising political dialogue and co-operation in addition to the creation of a free trade area.

Part IV of the Association Agreement, which establishes the free trade area, contains environmental provisions that are broadly similar to those in the RTA between the EU and Columbia and Peru discussed in the previous section. Provisions for environmental co-operation are covered in Part III of the Association Agreement, which deals with all aspects of co-operation between the parties. A Board on Trade and Sustainable Development is established to oversee implementation of the environmental co-operation activities of Part III and the trade and sustainable development chapter in Part IV.

The provisions for environmental co-operation fall into three main groups: co-operation and technical assistance on trade and sustainable development; co-operation on environment; and environmental considerations in other areas of co-operation.

In relation to trade and sustainable development the parties agree to co-operate, *inter alia*, on: incentives to foster environmental protection (such as ethical trade schemes and related labelling initiatives; trade-related mechanisms to help implement the international climate change regime; promoting trade in products derived from sustainably managed natural resources; implementation of multilateral environmental agreements; methodologies for a sustainability-focused review of the trade agreement; strengthening institutional capacity on trade and sustainable development issues; and frameworks for dialogue with civil society.

Co-operation on environment is required, in particular, to address: protection and sustainable management of natural resources and ecosystems, including forests and fisheries; the fight against pollution of fresh and marine waters, air and soil, including through the sound management of waste, sewage waters, chemicals and other dangerous substances and materials; global issues such as climate change, depletion of the ozone layer, desertification, deforestation, conservation of biodiversity and biosafety. Joint

initiatives will be sought on climate change mitigation and adaptation, including the strengthening of carbon market mechanisms.

Co-operation on environment may also involve measures such as: promoting policy dialogue and exchange of best environmental practices, experiences, and capacity building; transfer and use of sustainable technology and know-how; integrating environmental considerations into other policy areas, including land-use management; promoting sustainable production and consumption patterns; promoting environmental awareness and education as well as enhanced participation by civil society; promoting regional co-operation in the field of environmental protection; implementation and enforcement of multilateral environmental agreements; and strengthening environmental management, monitoring and control systems. Other areas in which environmental issues are addressed include co-operation on: indigenous peoples and other ethnic groups; industrial development; mining; tourism; regional integration; and scientific and technological co-operation.

Free Trade Agreement between the Republic of Korea and the Republic of Turkey

The RTA between Korea and Turkey that came into force in May 2013 consists of a framework agreement establishing the free trade area and a specific Agreement on Trade in Goods. The framework agreement includes a specific chapter on Trade and Sustainable Development, while environmental provisions in the Agreement on Trade in Goods relate primarily the general exceptions of GATT Article XX and similar exceptions for particular chapters. The Preamble to the framework agreement states the parties' desire to strengthen the development and enforcement of environmental laws and policies and promote sustainable development commitments.

The provisions of the trade and sustainable development chapter include reaffirming the parties' commitment to the effective implementation in their laws and practices of the multilateral environmental agreements to which they are party. The right to regulate is confirmed, but each party is required to strive to ensure that its laws and policies provide for and encourage high levels of environmental protection, and strive to continue to improve its levels of protection. The Parties agree not to weaken or otherwise derogate from the environmental protection provided by their laws and regulations in order to encourage trade or investment. They agree to strive to facilitate and promote trade and foreign direct investment in environmental goods and services, including environmental technologies, sustainable renewable energy, energy-efficient products and services and eco-labelled goods, including through addressing related non-tariff barriers.

The chapter commits the parties to initiating co-operative activities on trade-related aspects of environmental policy, and gives an indicative list of areas for co-operation. The areas covered include: exchange of views on the impacts of the RTA on sustainable development; co-operation in relevant international fora; promoting the ratification of multilateral environmental agreements with an impact on trade; exchange of information and co-operation on eco-labelling and green public procurement; exchange of views on the trade impact of environmental regulations, norms and standards; trade-related aspects of the international climate change regime; co-operation on trade-related aspects of biodiversity including in relation to biofuels; trade-related measures to promote sustainable fishing practices; trade-related measures to tackle deforestation; trade-related aspects of multilateral environmental agreements; exchange of views on the relationship between multilateral environmental agreements and international trade rules; exchange of

information and co-operation on the prevention of industrial pollution and best practice techniques.

For the purpose of implementing the trade and sustainable development chapter the parties establish contact points in their respective environment ministries. There is no recourse to the agreement's dispute settlement mechanism for any matter arising under the chapter.

United States–Panama Trade Promotion Agreement

The Trade Promotion Agreement (TPA) between the United States and Panama entered into force on October 31, 2012. Its environmental provisions are broadly similar to those in other recent US RTAs (OECD, 2013), following the template established by agreement between Congress and the White House in 2007.

The TPA includes commitments in the Preamble related to environment and sustainable development, and a general exceptions clause in which the environment-related exceptions of GATT Article XX and GATS Article XIV are incorporated into and made part of the agreement. Similar exceptions are included in the chapters on government procurement and investment. An environment chapter commits the parties to, among other things:

- Strive to ensure their laws and policies provide for and encourage high levels of environmental protection and strive to continue to improve their respective levels of environmental protection;
- Adopt, maintain, and implement laws, regulations, and all other measures to fulfil obligations under certain listed Multilateral Environmental Agreements;
- Not fail to effectively enforce their environmental laws;
- Not waive or derogate from, or offer to waive or otherwise derogate from their environmental laws in a manner affecting trade and investment between the parties;
- Provide fair, equitable, and transparent procedures for interested persons to request investigations of alleged violations of such laws.

The environment chapter also includes provisions allowing any person of a party to file a submission with a secretariat asserting that a party is failing to effectively enforce its environmental laws, and establishes parameters under which the secretariat will consider the submission and, in certain cases, prepare a factual record related to the submission.

Implementation of the environment chapter is overseen by the Environmental Affairs Council, comprising cabinet-level or equivalent representatives of the parties or their designees. The Council is required to promote public participation in its work, including by engaging in a dialogue on environmental issues of interest to the public.

The environment chapter commits the parties to expanding their co-operative relationship, and notes that they have concluded a parallel Environmental Co-operation Agreement. This describes the modalities and forms of co-operation, mechanisms for public participation, priority areas for co-operation, and the provision of finance and other resources. An Environmental Co-operation Commission is established to develop a work programme and oversee its implementation.

All provisions of the environment chapter are subject to dispute settlement, initially through consultation and, if necessary, reference to the Environmental Affairs Council. Matters that are not resolved by the Council are subject to the dispute settlement mechanism of the TPA, with recourse to an Arbitral Panel if agreement cannot be reached. Panellists for disputes arising under the environment chapter are selected from a mutually agreed roster of individuals with appropriate environmental expertise.

Recent developments in implementing the environmental provisions of RTAs

Of the seven RTAs reviewed in this update, only those involving Canada, the European Union and the United States establish a comprehensive mechanism for implementing their environmental provisions. The other RTAs discussed in the previous section include no specific mechanisms for implementing their environmental provisions, other than through the designation of contact points. Progress in implementing the environmental provisions of a number of existing RTAs is summarised below:

Canada

Canada-Panama: In advance of the entry into force of the Free Trade Agreement in April 2013, discussions were conducted in January 2013 between government officials in order to prepare for the implementation of the Environment Agreement, including potential co-operation priorities.

Canada-Colombia: Canada's climate change "Fast-Start Finance" supported several climate change mitigation and adaptation projects in Colombia that concluded by March 2013. These included support for capacity building to mitigate the effects of natural disasters, support for development of strategic mitigation actions in the waste management and oil and gas sectors and support for the deployment of clean cook-stoves. In addition, the Canada-Americas Trade-Related Technical Assistance program supported the initiation of a project dealing with ways to conserve biodiversity on working landscapes (e.g., rangelands, silviculture, coffee farms).

Canada-Peru: A meeting of the Canada-Peru Committee on the Environment took place on October 16-17, 2013 to review progress on implementation of the Canada-Peru Environment Agreement. The Canada-Peru Climate Change Dialogue took place concurrently under the auspices of the Environment Agreement. Canada's climate change "Fast-Start Finance" supported several projects in Peru that concluded by March 2013. These included support for the development of mitigation actions in the housing sector, support for the deployment of clean cook-stoves and support for the reduction of climate change vulnerability. A new project has been initiated under the Canada-Americas Trade-Related Technical Assistance program to support biodiversity conservation.

Canada-Chile: The annual Canada-Chile Council Session took place on September 26-27, 2013 to review progress on implementation of the Canada-Chile Agreement on the Environment. A public session was held concurrently. Several projects supported by Canada's climate change "Fast-Start Finance" were concluded by March 2013. These included support for the development of a strategic framework for the adaptation of public infrastructure to climate change, support for an assessment of soil management and restoration practices and support for the development of mitigation actions in the housing sector, and support for ecological restoration for a protected area in the context of climate change adaptation. In addition, environmental conservation projects took place on migratory birds and invasive species.

New Zealand

New Zealand's international environmental co-operation activities are administered by the Ministry for the Environment according to three strategic objectives:

- Advance and protect New Zealand's interests on issues relating to the economy and the environment;
- Meet New Zealand's international commitments; and
- Harvest international thinking and best practice on environmental management.

Working within this strategy, New Zealand currently has eight environmental co-operation agreements with eleven countries, linked to free trade agreements with those countries. The most active of these relationships is with China, where since 2008 the two countries have co-operated on three priority areas:

- Water quality in rural areas;
- Chemicals and contaminated land; and
- Invasive species and biodiversity.

United States

The United States continues to support environmental co-operation activities with FTA partner countries. Since December 2012, the United States has begun to programme an additional USD 6.2 million to support activities that: strengthen effective implementation and enforcement of environmental laws and regulations; encourage the development and adoption of sound environmental practices and technologies; promote sustainable development and management of environmental resources; and, promote civil society participation in environmental decision-making. The United States also continues to support external monitoring and evaluation of our environmental co-operation programs.

4-5 June 2013: Meetings of the US-Peru Environmental Affairs Council and Environmental Co-operation Commission – The United States and Peru reviewed progress on implementing environmental provisions of the US-Peru Trade Promotion Agreement (PTPA), including its Annex on Forest Sector Governance, and the US-Peru Environmental Co-operation Agreement (ECA), in particular the status of co-operative activities under the 2011-2014 Work Program.

9 May 2013: Meeting of the CAFTA-DR Environmental Affairs Council – CAFTA-DR governments reaffirmed their strong commitment to collaboration in the preservation and protection of the environment and heard a report from the CAFTA-DR Secretariat for Environmental Matters, which has received a total of 27 submissions to date regarding effective enforcement of environmental laws by CAFTA-DR Parties.

23 April 2013: US-Singapore Biennial Review – The United States and Singapore met and concluded the 2013-2014 Plan of Action for Environmental Co-operation.

19 April 2013: Signing of the US-Colombia Environmental Co-operation Agreement (ECA) – The United States and Colombia signed an ECA which established a framework for co-operation and created an Environmental Co-operation Commission (ECC) to oversee implementation of the agreement.

3-4 April 2013: Meetings of the US-Peru Sub-Committee on Forest Sector Governance and Environmental Co-operation Commission – The United States and Peru reviewed progress on implementing US-Peru PTPA Annex on Forest Sector Governance and the US-Peru ECA.

14 February 2013: Meetings of the US-Korea Environmental Affairs Council (EAC) and Environmental Co-operation Commission (ECC) – The United States and Korea held the first meetings of the EAC and ECC and approved the first environmental co-operation Work Program for 2013-2015.

9 January 2013: Meetings of the US-Chile Environmental Affairs Council and Joint Commission for Environmental Co-operation – The United States and Chile reviewed progress on implementing environmental provisions of the US-Chile FTA and the status of co-operative activities under the US-Chile Environmental Co-operation Agreement. The countries also signed a Work Program that identifies priority areas for co-operation through 2014.

European Union

On 11 September 2013, Korea hosted the second meeting of the Committee on Trade and Sustainable Development in Seoul. During the meeting, both sides briefed the Committee on the work of their respective Domestic Advisory Groups (DAGs), exchanged views on each side's environment and labour policies, and discussed co-operation under Annex 13 of the FTA. In addition, a Labour Workshop and the Civil Society Forum were organised on 12-13 September 2013 by Korean and EU DAGs.

Recent developments in assessing the impacts of RTAs

Ex ante impact assessments

The impact assessments that have been carried out to date by Canada, the European Union and the United States are listed in Tables A3, A4 and A5 of the Annex. Four assessments have been conducted since the previous update, for Canada-Honduras (final), EU-Morocco (interim), EU-Tunisia (interim) and US-TPP (interim).

In 2001 Canada embarked on trade negotiations with El Salvador, Guatemala, Honduras and Nicaragua, and conducted an initial Environmental Assessment of the proposed FTA between Canada and the Central America Four. After the negotiations reached an impasse, bilateral negotiations with Honduras continued, and a Final Environmental Assessment of the Canada-Honduras Free Trade Agreement has been undertaken. The assessment examined the impacts of liberalising trade in industrial products, agriculture, services, investment, and other areas (provisions on competition policy, sanitary and phytosanitary measures, technical barriers to trade, institutional arrangements and dispute settlement). It concluded that because Canada's trade with Honduras is only a small proportion of its total activity, no significant environmental impacts within Canada would occur as a result of the expected changes in trade flows. Increased trade between Canada and Honduras would lead to increased transportation activity, but it was expected that the environmental impacts would be offset by a variety of mitigating factors (including increased efficiencies and Canada's strong regulatory system). The assessment identified potential for increased exposure to invasive alien species, diseases and agricultural chemicals, and highlighted the need to maintain vigilance in these areas.

The EU's Interim Sustainability Impact Assessment (SIA) of the proposed Deep and Comprehensive Free Trade Area (DCFTA) between the EU and Morocco used a computable general equilibrium economic model to assess the economic impacts of the trade agreement and two environmental impacts (CO₂ emissions and land use). The model indicated a slight increase in emissions in the EU and globally (which was too small to be significant), while Moroccan emissions would be unchanged. The intensity of land use was expected to decrease by 0.1 % in the EU, and increase by 0.3 % in Morocco. Additional environmental analysis was carried out for Morocco. This indicated an overall decrease in air pollution, but potentially adverse impacts on water resources and biodiversity. These findings will inform the subsequent stages of the impact assessment study, which will examine individual economic sectors in more depth and identify policy recommendations.

A similar approach was used in the impact assessment of the DCFTA between the EU and Tunisia. An increase in CO₂ emissions was projected in the EU, Tunisia and globally, but the overall global impact was too small to be significant. Land use was unaffected in the EU, but would increase by 1.4 % in Tunisia. The additional environmental analysis for Tunisia indicated an overall increase in air pollution and potentially adverse impacts on water resources. The subsequent stages of the impact assessment study will examine the impacts in more depth and identify policy recommendations.

The United States' interim Environmental Review of the Trans-Pacific Partnership focused primarily on impacts in the United States, but also examined a variety of transboundary and global issues to identify possible environmental concerns and areas for possible attention in bilateral and regional co-operation. The preliminary analysis indicated that the likelihood and magnitude of any increased risks with respect to these issues would be small. For impacts in the US, specific issues identified for further analysis include: the potential for localised impacts at selected maritime ports; increased risk of introduction of invasive species; potential impacts due to increased domestic production of liquefied natural gas. In each case, the likelihood and magnitude of any increased risks appear to be small. Any additional pressure on the environment resulting from increased trade and investment in the TPP countries is expected to be countered by accompanying measures related to strengthening environmental laws and conservation activities, as well as new investment in environmentally-preferable technologies and higher standards of environmental performance.

Ex-post impact assessments

No new *ex post* assessments of environmental impacts have been identified since the previous update.

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Annex I

Summary Tables

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Table A1. Regional trade agreements notified since previous update: Overview of environmental provisions

Trade Agreement	Date of notification	Date of entry into force	Reference to environmental considerations	Environmental co-operation and capacity building	Public participation	Dispute-settlement mechanisms	Ex-ante or ex-post assessments	Reference to specific environmental issues	Other implementation issues	Official text
Australia - Malaysia	13-May-13	01-Jan-13	Investment. Other provisions excluded pending Trans-Pacific Partnership.	-	-	-	-	-	-	www.dfat.gov.au/fta/mafta/documents/Malaysia-Australia-Free-Trade-Agreement.pdf
Canada - Jordan	10-Apr-13	01-Oct-12	Preamble, Levels of protection, TBT, precedence of MEAs. General exceptions under GATT Art. XX. Chapter on env., parallel env. agreement	In parallel Agreement on Environment	In parallel Agreement on Environment	In parallel Agreement on Environment. Review panel.	Ex ante environmental assessment carried out	Environmental Assessment, Corporate Social Responsibility	Committee on Environment	www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/jordan-jordanie/agreement-toc-tdm-accord.aspx?lang=eng
Canada - Panama	10-Apr-13	01-Apr-13	Preamble, precedence of Levels of protection, MEAs. General exceptions under GATT Art. XX and GATS Art. XIV. Chapter on env., parallel env. agreement	In parallel Agreement on Environment	In parallel Agreement on Environment	In parallel Agreement on Environment. Review panel.	Ex ante environmental assessment carried out	Environmental Assessment, Corporate Social Responsibility, biodiversity	Committee on Environment	www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/panama/panama-toc-panama-tdm.aspx?lang=eng&view=d
Chile - Malaysia	12-Feb-13	18-Apr-12	Preamble, Levels of protection, cooperation. General exceptions under GATT Art. XX.	Included in chapter on cooperation	Included in chapter on co-operation	-	-	Climate change, biodiversity, hazardous chemicals, air, water, waste, strategic environmental assessment.	Cooperation Committee	www.sice.oas.org/Trade/CHL_MYS/Index_e.asp
Chile - Nicaragua (Chile - Central America)	14-Jun-13	19-Oct-12	General exceptions under GATT Art. XX, Chapter 9 "Standards, Metrology Measures and Authorization Procedures"	-	-	-	-	-	-	www.direcon.gob.cl/acuerdo/1451
Commonwealth of Independent States (CIS)	06-Jun-13	20-Sep-12	General exceptions under GATT Art. XX	-	-	-	-	-	-	rtais.wto.org/rtadocs/762/TOA/English/FTA%20CIS_Text%20with%20protocols.docx
Costa Rica - Peru	05-Jun-13	01-Jun-13	Investment, general exceptions under GATT Art. XX and GATS Article XIV.	-	-	-	-	Biodiversity (intellectual property)	-	www.comex.go.cr/tratados/pr oceso_legislativo/peru_tlc/text o_tratado.aspx
Costa Rica - Singapore	16-Sep-13	01-Jul-13	Preamble, general exceptions under GATT Art. XX and GATS Article XIV.	Reference in chapter on cooperation	-	-	-	Green markets, clean technologies, environmental management.	-	www.fta.gov.sg/fta_C_crsfta.asp?hl=48
EFTA -	24-Oct-12	01-Sep-12	Preamble, general	-	-	Consultation.	-	MEAs,	Designated contact	www.efta.int/free-trade/free-

Trade Agreement	Date of notification	Date of entry into force	Reference to environmental considerations	Environmental co-operation and capacity building	Public participation	Dispute-settlement mechanisms	Ex-ante or ex-post assessments	Reference to specific environmental issues	Other implementation issues	Official text
Montenegro			exceptions under GATT Art. XX, chapter on SD.					environmental goods and services	points	trade-agreements/montenegro.aspx
EU - Central America	26-Feb-13	01-Aug-13	Preamble, objectives, Chapter on SD	Covered in chapter on cooperation	Civil Society Dialogue Forum, domestic advisory groups	In SD chapter, panel of experts	ex ante SIA carried out, commitment to review, monitor and assess ex post	MEAs, Environmental Goods and Services, forests, fisheries, levels of protection	Board on Trade and Sustainable Development	trade.ec.europa.eu/doclib/press/index.cfm?id=689
EU - Colombia and Peru ¹	26-Feb-13	01-Mar-13	Preamble, objectives, Chapter on SD	Covered in SD chapter	Civil society dialogue, domestic advisory groups	In SD chapter, group of experts	ex ante SIA carried out, commitment to review, monitor and assess ex post	MEAs, Environmental Goods and Services, biodiversity, forests, fisheries, climate change, levels of protection	Sub-committee on Trade and Sustainable Development	trade.ec.europa.eu/doclib/press/index.cfm?id=691
EU (28) Enlargement - Croatia	25-Apr-13	01-Jul-13	N/A	N/A	N/A	N/A	N/A	N/A	N/A	eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:112:0095:0110:EN:PDF
Korea, Republic of Turkey	30-Apr-13	01-May-13	Preamble, Levels of protection, chapter on trade and SD	Article on environmental cooperation	-	-	-	MEAs, environmental goods and services, climate change, biodiversity, fisheries, deforestation	-	www.economy.gov.tr/index.cfm?sayfa=tradeagreements&olum=fta&country=KP®ion=0
Mexico - Uruguay	28-Jun-13	15-Jul-04	TBT, investment, IPR, general exceptions of GATT Article XX and GATS Article XIV.	-	-	-	-	-	-	www.economia.gob.mx/files/comunidad_negocios/tlcs/tlcs_americalatina/2004-07-14_TLC_Mexico-Uruguay.pdf
New Zealand - Chinese Taipei	25-Nov-13	1-Dec-13	Preamble, chapter on Trade and Environment	Included in chapter	Included in chapter	Consultation mechanism included in chapter	-	Environmental goods and services, voluntary market mechanisms	Contact points, meeting of the parties	www.nzcio.com/node/252
Panama - Guatemala (Panama - Central	22-Apr-13	20-Jun-09	Preamble, investment	-	-	-	-	-	-	www.mici.gob.pa/detalle.php?cid=15&sid=57&clid=26&id=2462

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Trade Agreement	Date of notification	Date of entry into force	Reference to environmental considerations	Environmental co-operation and capacity building	Public participation	Dispute-settlement mechanisms	Ex-ante or ex-post assessments	Reference to specific environmental issues	Other implementation issues	Official text
America)										
Panama - Nicaragua (Panama - Central America)	25-Feb-13	21-Nov-09	Preamble, investment	-	-	-	-	-	-	www.sice.oas.org/Trade/Capacity/indice.asp
Russian Federation - Belarus - Kazakhstan	21-Dec-12	03-Dec-97	N/A	-	-	-	-	-	-	rtais.wto.org/rtadocs/857/TOA/English/THE%20AGREEMENT%20ON%20THE%20CUS-TOMS%20UNION.docx
Russian Federation - Serbia	21-Dec-12	03-Jun-06	N/A	-	-	-	-	-	-	rtais.wto.org/rtadocs/858/TOA/English/Russia-Yugoslavia%20FTA_text%20with%20protocols_Republic%20of%20Serbia.doc
Russian Federation - Turkmenistan	18-Jan-13	06-Apr-93	exceptions for protection of human, animal and plant life	-	-	-	-	-	-	rtais.wto.org/rtadocs/862/TOA/English/Text%20of%20Agreement%20RF-Turkmenistan.docx
Russian Federation - Uzbekistan	18-Jan-13	25-Mar-93	-	-	-	-	-	-	-	rtais.wto.org/rtadocs/861/TOA/English/Text%20of%20Agreement%20RF-Uzbekistan.docx
Turkey - Mauritius	30-May-13	01-Jun-13	General exceptions of GATT Article XX.	-	-	-	-	-	-	www.mcci.org/trade_agreements_turkey.aspx
Ukraine - Montenegro	25-Apr-13	01-Jan-13	General exceptions of GATT Article XX and GATS Article XIV.	-	-	-	-	-	-	rtais.wto.org/rtadocs/868/TOA/English/MUFTA%20Eng%20%2017%2011%202011.doc
US - Panama	29-Oct-12	31-Oct-12	Preamble, environment chapter, levels of protection, general exceptions, procurement, investment	Included in environment chapter, parallel environmental cooperation agreement	Included in environment chapter	Environment chapter and dispute settlement chapter	ex ante environmental review carried out	MEAs, environmental goods and services, biological diversity	Environmental Affairs Council	www.ustr.gov/trade-agreements/free-trade-agreements/panama-tpa/final-text

Table A2. Regional trade agreements referenced in JWPTTE updates

	Date of entry into force	Update for					
		2008	2009	2010	2011	2012	2013 (this report)
Australia-Chile	06/03/09	x	x				
Australia-New-Zealand-ASEAN	01/01/10		x				
Australia-Malaysia	01/01/13						x
ASEAN-India	01/01/10			x			
ASEAN-Korea	01/01/10(G) 01/05/09(S)			x			
Canada-Colombia	05/08/11	x	x				
Canada-EFTA	01/07/09	x	x				
Canada-Jordan	01/10/12	x	x				x
Canada-Panama	01/04/13						x
Canada-Peru	01/08/09	x	x				
Chile-Colombia	08/05/09		x				
Chile-Turkey	-		x				
Chile Panama	07/03/08	x					
Chile-India	17/08/07			x			
Chile-Guatemala	23/03/10					x	
Chile-Honduras	19/07/08					x	
Chile-Malaysia	25/02/12						x
Chile-Nicaragua	19/10/12						x
China-Costa Rica	01/08/11					x	
China-Peru	01/03/10		x				
China-Singapore	01/01/09		x				
China-Pakistan	01/01/07(G) 10/10/09(S)			x			
Colombia-Northern Triangle	12/11/09					x	
Commonwealth of Independent States	20/09/12						x
Costa Rica-Peru	01/06/13						x
Costa Rica-Singapore	01/07/13						x
Dominican Republic-Central America	04/10/01					x	
East African Community Customs Union	01/07/10					x	
East African Community Common Market	01/06/12					x	
EFTA-Albania	01/11/10		x		x		
EFTA-Colombia	01/07/11				x		
EFTA-Hong Kong, China	01/09/12				x		

	Date of entry into force	Update for					
		2008	2009	2010	2011	2012	2013 (this report)
EFTA-Montenegro	01/09/12						x
EFTA-Peru	01/07/11				x		
EFTA-Montenegro	01/10/10		x				
EFTA-Ukraine	01/06/12					x	
EU-Cameroon	01/10/09		x				
EU-CARIFORUM	01/11/08	x	x				
EU-Central America	01/08/13						x
EU-Colombia and Peru	01/03/13						x
EU-Côte d'Ivoire	01/01/09		x				
EU- Eastern and Southern Africa States	14/05/12					x	
EU-Korea	01/07/11			x	x		
EU-Montenegro	01/01/08(G) 01/05/10(S)			x			
EU-Papua New Guinea/Fiji	20/12/09					x	
EU-Serbia	01/02/10			x			
EU (28) Enlargement	01/07/13						x
India-Korea	01/01/10			x			
India-Malaysia	01/07/11				x		
India-MERCOSUR	01/06/09			x			
India-Nepal	27/10/09			x			
Japan-Philippines	11/12/08		x				
Japan-Switzerland	01/09/09		x				
Japan-Viet Nam	01/10/09		x				
Japan ASEAN	01/12/08	x					
Japan-Brunei	31/07/08	x					
Japan-Indonesia	01/07/08	x					
Japan-India	01/08/11				x		
Japan-Peru	01/03/12				x		
Mexico-Uruguay	15/07/04						x
New-Zealand-Malaysia	01/08/10		x				
New-Zealand-Philippines	01/10/09		x				
New Zealand China	01/10/08	x					
New Zealand-Hong Kong (China)	01/01/11			x	x		
New Zealand - Chinese Taipei	01/12/13					x	
Panama-Costa Rica	23/11/08		x				
Panama-Guatemala	20/06/09						x
Panama-Honduras	09/01/09			x			
Panama-Nicaragua	21/11/09						x
Panama-Peru	01/05/12					x	
Pakistan Malaysia	01/01/08	x					

	Date of entry into force	Update for					
		2008	2009	2010	2011	2012	2013 (this report)
Peru-Chile	01/03/09					x	
Peru-Singapore	01/08/09	x	x				
Peru-Korea	01/08/11				x		
Peru-Mexico	01/02/12					x	
Chinese Taipei-El Salvador Honduras	01/01/08	x					
Chinese Taipei-Guatemala	01/07/06				x		
Chinese Taipei-Nicaragua	01/01/08			x			
Turkey-Georgia	01/11/08		x				
Turkey-Mauritius	01/06/13						x
Turkey-Montenegro	01/03/10		x				
Turkey-Albania	01/05/08	x					
Turkey-Serbia	01/09/10			x			
Turkey-Chile	01/03/11		x				
Turkey-Jordan	01/03/11				x		
Turkey-Korea	01/05/13						x
Russia-Azerbaijan	17/02/93					x	
Russia-Belarus	20/04/93					x	x
Russia-Kazakhstan	07/06/93					x	x
Russia-Moldova	30/03/93					x	
Russia-Serbia	03/06/06						x
Russia-Tajikistan	08/04/93					x	
Russia-Turkmenistan	06/04/93						x
Russia-Uzbekistan	25/03/93						x
Ukraine-Montenegro	01/01/13						x
US-Colombia	15/05/12					x	
US-Korea	15/03/12					x	
US-Oman	01/01/09	x	x				
US-Panama	31/10/12						x
US-Peru	01/02/09	x	x				

Table A3. Canadian Environmental Assessments of RTAs

Country	Status	Date
Singapore	initial	before 2005
Central America Four (CA4)	initial	before 2005
Free Trade Area of the America (FTAA)	initial	before 2005
Korea	initial	Sep 2007
Andean Community	initial	Jan 2008
Chile government procurement chapter	final	Jun 2008
Caricom	initial	Dec 2008
Dominican Republic	initial	Dec 2008
Colombia and Peru	final	Apr 2009
Jordan	final	Jul 2009
European Union	initial	Feb 2012
Panama	final	May 2012
Honduras	final	Oct 2013

Source: <http://www.international.gc.ca/trade-agreements-accords-commerciaux/env/EAliste-listeEE.aspx>

Table A4. US Environmental Reviews of RTAs

Country	Status	Date
Jordan	final	Dec 2002
Chile	final	Jun 2003
Singapore	final	Jun 2003
CAFTA-DR	final	Aug 2003
Panama	final	Jun 2004
Australia	final	Jul 2004
Morocco	final	Jul 2004
Bahrain	final	Sep 2004
UAE	interim	May 2005
Thailand	interim	Nov 2005
Oman	final	Jun 2006
Korea	final	Dec 2006
Peru	final	Oct 2007
Colombia	final	Mar 2008
Trans-Pacific Partnership	interim	Aug 2013

Source: <http://www.ustr.gov/trade-topics/environment/environmental-reviews>

Table A5. EU Sustainability Impact Assessments of RTAs

Country	Status	Date
Chile	final	Dec 2002
Gulf Co-operation Council (GCC)	final	May 2004
Africa Caribbean Pacific (ACP)	final	Oct 2006
Euro-Mediterranean Free Trade Area (EMFTA)	final	Nov 2007
Ukraine	final	Dec 2007
Korea	final	Jun 2008
China	final	Aug 2008
MERCOSUR	final	Mar 2009
India	final	May 2009
ASEAN	final	Jun 2009
Central America	final	Sep 2009
ANDEAN	final	Oct 2009
Libya	final	Oct 2009
Canada	final	June 2011
Georgia and Moldova	final	Aug 2012
Morocco	interim	Jul 2013
Tunisia	interim	Jul 2013

Source: <http://ec.europa.eu/trade/analysis/sustainability-impact-assessments/assessments/>

Annex 2

Regional Trade Agreements Under Negotiation

Recent developments among pending regional trade agreements with environmental provisions include³:

Canada

On 18 October 2013 Canada and the European Union announced that an agreement in principle towards a Comprehensive Economic and Trade Agreement (CETA) has been reached. In CETA, Canada and the EU will commit to seeking high levels of environmental protection, enforcing environmental laws and not waiving or derogating from these laws in order to promote trade or attract investment. CETA will recognize the importance of managing forests, fisheries and aquaculture in a sustainable way and include commitments to cooperate on trade-related environmental issues of common interest, such as impact assessments, climate change and conservation, and sustainable use of natural resources. CETA will also include provisions on trade and sustainable development that reflect the significance of this area for Canada and the EU.

In the past year, Canada and Japan have held four negotiating sessions towards a Canada-Japan Economic Partnership Agreement.

Following the political commitment to modernise the Canada-Israel agreement, discussions continue to identify the elements to be considered.

The most important engagement for Canada at the moment is the negotiation for the Trans Pacific Partnership. It is an undertaking without precedent for Canada, as it involves negotiating a trade agreement among 12 countries. Since the last update, two more rounds of negotiation were held in Malaysia and Brunei. The Environment Working Group continues to make progress on narrowing positions with respect to the consolidated negotiating text, consistent with TPP Leaders' instructions to conclude these negotiations in early 2014.

New Zealand

New Zealand is in plurilateral negotiations for a regional trade agreement – the Trans Pacific Partnership (TPP) – with Canada, the United States, Mexico, Peru, Chile, Australia, Malaysia, Singapore, Brunei, Viet Nam and Japan. The negotiations include discussions on a trade and environment chapter.

Nineteen full rounds of negotiations have been held with TPP countries. The Environment Working Group is working with a consolidated text to resolve remaining

³ The information provided in this section is the latest available at the time of publication and is likely to become quickly outdated.

issues. In addition to traditional environmental provisions, TPP countries are considering how they might address a range of other shared trade and environmental challenges, including climate change, conservation, IUU fishing and fisheries subsidies.

New Zealand is currently engaged in bilateral negotiations for free trade agreements with India; the Customs Union of Russia, Kazakhstan and Belarus; and the Republic of Korea.

New Zealand is a fully committed participant in the 16 country Regional Comprehensive Economic Partnership (RCEP) negotiations. Three negotiation rounds have been held so far. Discussions have taken place in a positive and constructive atmosphere and focused largely on how to plan the way forward in the areas of goods market access, services, and investment. It is expected that trade-and-environment issues will feature in future discussions.

Switzerland

The bilateral FTA between Switzerland and China was signed on 6 July 2013. The FTA contains a chapter on environmental issues.

Together with its EFTA partners, Switzerland signed on 24 June 2013 FTAs with Bosnia-Herzegovina as well as with the Central American States Costa Rica and Panama.

Switzerland is currently engaged in EFTA negotiations with India, Indonesia, the Customs Union of Russia, Belarus and Kazakhstan as well as with Viet Nam.

European Union

- EU-US — On 13 February 2013, EU and US agreed to launch negotiations for a comprehensive trade and investment agreement, called Transatlantic Trade and Investment Partnership (TTIP). The TTIP aims to go beyond the classic trade approach, by also addressing the regulatory dimension. The agreement should also contain Trade and Sustainable Development provisions addressing labour and environmental issues of relevance in a trade context, building on both the EU and US experience in their respective FTAs. The first negotiating round was scheduled in Washington in the week of 8 July 2013.
- EU-Japan — On 25 March 2013, the EU and Japan officially launched the negotiations for a FTA. Both sides aim at concluding an agreement covering the progressive and reciprocal liberalization of trade in goods, services and investment, as well as rules on trade-related issues, including Trade and Sustainable Development. The first negotiating round was held in Brussels on 15-19 April 2013 and the second round took place in Tokyo in the week of 24 June 2013.
- EU-Viet Nam — Since the last JWPTE, two rounds of FTA negotiations were held with Viet Nam: on 22-25 January 2013 in Brussels, and on 23-26 April 2013 in Ho Chi Minh City. The future agreement should contain a chapter on Trade and Sustainable Development. The 4th round of negotiations was scheduled for the week of 1-5 July 2013 in Brussels.

- EU-Thailand — Negotiations for an EU-Thailand FTA were formally launched on 6 March 2013. This marked an important step in EU-Thai relations, already strengthened by a political deal in February 2013 on a Partnership and Cooperation Agreement. The future FTA should include a chapter on Trade and Sustainable Development. The first negotiating round took place in Brussels on 27-31 May 2013. The next round was scheduled for 16-20 September 2013 in Thailand with a further round foreseen in mid-December 2013.
- EU-Morocco — On 1 March 2013, President Barroso and Moroccan Prime Minister Benkirane launched in Rabat negotiations for a Deep and Comprehensive Free Trade Agreement (DCFTA). On 22 April 2013, the EU and Morocco started the first round of DCFTA negotiations. The DCFTA will extend significantly beyond the scope of the existing EU-Morocco Association Agreement to include inter alia provisions on trade and sustainable development.

United States

Transpacific Partnership (TPP): The United States participated in TPP environment chapter negotiations. Round 17 concluded in Lima, Peru on 24 May 2013. Through the TPP, the United States is seeking to advance a next-generation trade and investment agreement that will enhance US competitiveness, expand US trade in the Asia-Pacific region, while at the same time promoting environmental protection, and transparency.

Transatlantic Trade and Investment Partnership (TTIP): In his January 2013 State of the Union address, the US President announced his intent to negotiate a comprehensive trade and investment agreement with the European Union (EU). Following interagency consultations, on 20 March 2013, the US Trade Representative notified the US Congress of his intent to negotiate an agreement, which triggered a 90-day Congressional consultation period.