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

Rachel McCormick, Ph.D.
Deputy Director
Sustainable Development Division
Foreign Affairs and International Trade Canada
rachel.mccormick@international.gc.ca

International Association for Impact Assessment
June 5, 2007
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

<table>
<thead>
<tr>
<th>PHASE</th>
<th>ANALYSIS</th>
<th>CONSULTATIONS</th>
</tr>
</thead>
</table>
| Preparatory                |          | • Issue Notice of Intent  
|                            |          | • Establish Interdepartmental Committee |
| Initial EA                 | Scoping  | • Interdepartmental Consult provinces and territories, experts and public on findings  
|                            |          | As needed      |
| Draft EA                   | Detailed | •                                
| Ongoing Negotiations       | As needed|                                |
| Final EA                   | Confirmation & Additional as needed |                         |
| Monitoring & Follow up     |          |                                |
“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
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?

Rachel McCormick, Ph.D.
Deputy Director
Sustainable Development Division
Foreign Affairs and International Trade Canada
rachel.mccormick@international.gc.ca