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OPEN INVITATION TO CIVIL SOCIETY IN FTAA PARTICIPATING COUNTRIES

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Public

FTAA.soc/w/51/add.1
 14 April 1999

Re: The Environment, Economy, Labour, Trade and FTAA: Issues for the Millennium
EXECUTIVE SUMMARY

On 17th December, 1992, Canada, Mexico and the United States entered into a historic trade pact, the *North American Free Trade Agreement (NAFTA)*. Short of a common market, this agreement, which entered into force on January 1, 1994, was the most comprehensive framework regarding trade and environment ever signed between such large sovereign countries.

A number of major issues such as labour concerns, market disruptions, local economy impacts including worries of import surges, surrounded the debate over the agreement for years and fueled significant NAFTA controversy.

No argument, however, received as much coverage as the impact of NAFTA on the environment.

In the three countries, opponents as well as proponents of the trade treaty used the environment to support their positions.

The intensity and the relevance of this debate prompted the American, Canadian, and Mexican governments to include unprecedented environmental provisions in NAFTA and to sign a supplemental *North American Agreement on Environmental Cooperation (NAAEC)* in late summer of 1993. The NAAEC also entered into force on January 1, 1994.

The Caribbean countries, North, South, and Latin America are moving quickly toward tighter commercial relations within the context of *The Free Trade Area of the Americas (FTAA)*. While the debate on how such an integration will proceed is just begun in earnest, it is plain to see that the so called social agenda of trade, which includes environmental, labour, economic, and broad national and international issues, will and should remain a pressing concerns. Indeed, to know how NAFTA parties have chosen to address environmental issues may provide a glimpse at the future of environmental cooperation within FTAA.

There are a host of very specific ways in which the environmental content (or *not*) of the final FTAAA package can be expected to impact and influence hemispheric trade and investment liberalization efforts. A specific and formal Environmental Component to FTAA should and will, of necessity, be a significant negotiation issue and be factored in all FTAA debates and dialogue within and between all participating countries, particularly countries designated as having Small Economies (Bahamas, for example).

Sources within the Caribbean express the view that: "No country can afford not to be a part of FTAA process"....*the most significant collective undertaking in the history of this hemisphere.*

This position was reiterated in September 1998 at a special two-day *first-of-its-kind* seminar on the proposed FTAA Process held in Freeport. The seminar was coordinated by the Ministry of Economic Development and featured speakers included the Minister of Finance and Planning, the Ambassador for Trade and Investment and the Minister of State for Economic Development. The stated goals of the seminar were:

- mainly to inform the Bahamian public, particularly the business community, on the proposed FTAA;
- and to facilitate exploratory discussions on the various business-related issues of the proposed FTAA which is scheduled to be created by the year 2005.

NAFTA was impossible without an Environmental agreement, duly formalized; FTAA, likewise, will not be much of a viable option to any Caribbean country, including the Bahamas, without such documentation in place.

International Environmental Agreements, per se, have been proliferating, particularly since the 1970s. However, the use, or potential use, of unilateral trade restrictions in the guise of enforcing international as well as certain national environmental or related legislation to gain certain trade-related leverages, are becoming increasingly common in international commerce. This is particularly so with the dominant developed countries, even in bi-lateral, multi-lateral agreements or free trade associations, enacting such trade restrictions on exporting developing nations.

Moreover, these international agreements, to which most Caribbean independent countries, including the Bahamas, are signatories, are not well monitored, generally, by most developing nations National Governments. To this end, we as developing Caribbean nations are considerable vulnerable.

International treaties affecting the many areas of broad international commerce and trade, in all likelihood, cannot help but to be featured prominently in the context of any eventual FTAA Agreement. The treaties pertaining specifically to the environment and related issues, particularly where these treaties cross national and international trade and commerce areas will need, therefor, to be discussed and perhaps negotiated in that light during the Process.

*These concerns are important, as they bear significantly on potential *environmentally hostile trade disciplines* and *legal disciplines against technical barriers to trade*, and how they could effectively undermine environmental regulations, Domestic or International, in the event these two issues come to cross roads.*

Thus, supremacy of Environmental Treaties and negotiations toward drafting a specific Environmental Agreement to bind the Parties, held as precedent in NAFTA context, must, in my view, be held with similar regards as to any discussions related to participants in FTAA.

Given,

- (1) the environmental concerns of the Region,
 - (2) the delicate ecological balances supporting many of the national economies in the Caribbean that are Tourist - based and,
 - (3) the desire of all developing Regional nations and potential Parties to FTAA to expand national economies by encouraging industrial and trade centres development,
- the need for an explicit Environmental Component to any form of a FTAA proposed agreement must be considered a given by all involved anywhere in the discussions and negotiations during the Process.*

*More importantly, the pursuit of these issues should be viewed as an *Assessment of the Impact of FTAA on the Engines of our Small State Economies.**


Freeman W. Thurston