

# WORKING P A P E R S

**POLITICS AND  
PARALLEL  
NEGOTIATIONS**

**Environment  
and Trade in  
the Western  
Hemisphere**

*John Audley  
Edward Sherwin*

**Trade, Environment,  
and Development  
Project**

**GLOBAL POLICY  
PROGRAM**



**CARNEGIE ENDOWMENT**  
*for International Peace*

**Number 25  
April 2002**

© 2002 Carnegie Endowment for International Peace

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means without permission in writing from the Carnegie Endowment.

Carnegie Endowment for International Peace  
1779 Massachusetts Avenue, N.W.  
Washington, D.C. 20036  
Phone: (202) 483-7600  
Fax: (202) 483-1840  
[www.ceip.org](http://www.ceip.org)

### **Carnegie Endowment Working Papers**

Carnegie Endowment Working Papers present new research by Endowment associates and their collaborators from other institutions. The series includes new time-sensitive research and key excerpts from larger works in progress. Comments from readers are most welcome; please reply to the authors at the address above or by e-mail to [pubs@ceip.org](mailto:pubs@ceip.org).

\* \* \*

### **About the Authors**

**John Audley** is a senior associate at the Carnegie Endowment for International Peace and director of the Endowment's Trade, Environment, and Development Project.  
**Edward Sherwin** is a junior fellow at the Carnegie Endowment.

IN DECEMBER 1994, at the behest of then–U.S. president Bill Clinton, the leaders of the 34 Western Hemisphere democracies convened in Miami for the first comprehensive hemispheric summit in more than 25 years.<sup>1</sup> The assembled heads of state pledged that their countries would forge a path toward regional integration based on four overarching principles: Governments should build strong democratic institutions, prosperity should be promoted through free trade and economic cooperation, poverty and discrimination should be eliminated, and the natural environment should be preserved through policies promoting sustainable development. “Future generations,” Clinton said at the time, “will look back on the Miami summit as a moment when the course of history in the Americas changed for the better.”<sup>2</sup>

Seven and a half years later, the promise of that first Summit of the Americas has only partly been realized. The 34 governments have made substantial progress on their second goal—economic integration—through negotiations on the Free Trade Area of the Americas (FTAA), which is expected to go into effect in 2005.<sup>3</sup> However, they have accomplished little in the name of sustainable development. Though the heads of state agreed to “create cooperative partnerships to strengthen our capacity to prevent and control pollution, to protect ecosystems and use our biological resources on a sustainable basis, and to encourage clean, efficient and sustainable energy production and use,”<sup>4</sup> the mandate of Miami remains unfulfilled.

This emphasis solely on economic integration has not come without cost, especially in a lack of public support for policies that support globalization. Throughout the hemisphere, a growing movement has emerged to oppose a process of economic globalization that many feel does not adequately address—indeed, may threaten—labor standards, the environment, and sustainable development.<sup>5</sup> Battered by their exposure to the forces of global capital, citizens in crucial FTAA member countries such as Argentina and Brazil are turning against the free-market policies advocated by their governments.<sup>6</sup> These movements are part of a larger global response to problems embedded in current trade liberalization approaches that many believe put markets ahead of human development.<sup>7</sup> To regain public support for economic integration, the FTAA countries must also make concrete progress on their other commitments—especially to reduce poverty and increase environmental protection.

On the issue of the environment and human health,<sup>8</sup> we propose a solution that harnesses improved environmental protection to the engines of economic expansion. As soon as possible, the 34 FTAA countries should begin parallel negotiations on the environment linked to the successful conclusion of the FTAA. Empowering countries to increase their capacity to protect the environment within the context of trade and investment liberalization requires negotiators to address at least the following four areas:

- *National environmental assessments.* Assistance to developing countries to conduct national environmental assessments based on existing methodologies, such as those outlined by the

United Nations Environment Program and the Organization for Economic Cooperation and Development.

- *Hemispheric environmental information.* Information—particularly data on the implications of economic integration for the environment and health—should be aggregated and widely disseminated. The cooperative work plan of the North American Commission for Environmental Cooperation serves as a good model.
- *Coordinated technical assistance and capacity building.* These aid programs should be offered at the request of developing countries to assist them in meeting their environmental infrastructure needs and to help government officials write and enforce legislation consistent with trade, environment, and development objectives. These programs should be coordinated both across the hemisphere and also with bilateral, regional, international, and private-sector financial and technical support.
- *An effective role for civil society.* An environmental partnership for the Americas should not be limited strictly to governments, but rather should capitalize on the capabilities of the private sector and of nongovernmental organizations to contribute to policy development and implementation, as well as offer technical assistance. In addition, representatives of civil society should have a formal role in administering the agreement. The North American Free Trade Agreement's parallel accords provide examples of such roles, as well as a system to enable citizens to file complaints against governments that fail to comply with domestic environmental laws.

We propose that governments instruct the Organization of American States (OAS), the United Nations Economic Commission for Latin America and the Caribbean (ECLAC), and the Inter-American Development Bank (IDB) to build national capacity in these four areas and support the negotiations. These three organizations—which make up the Tripartite Committee lending technical support to the FTAA negotiations—are familiar with the commitments made at the Summit of the Americas. That said, given their dominant focus on trade and investment negotiations, we recommend that governments do two things to achieve the broader environmental objective. First, instructions to these organizations should be developed in collaboration with national environment, development, and economic officials. Second, these instructions must broaden involvement in the technical assistance and capacity-building programs to other relevant international organizations, in particular the United Nations Environment Program.

In essence, the countries of the Western Hemisphere have already agreed to these objectives. In the plan of action emerging from the Miami summit, they wrote:

As recognized in Agenda 21, sound environmental management is an essential element of sustainable development. Cooperative efforts are needed to develop or improve, in accordance with national legislation and relevant international instruments: (1) frameworks for environment protection; and (2) mechanisms for implementing and enforcing environmental regulations. To achieve this goal, a new partnership will promote cooperative activities for developing environmental policies, laws, and institutions; increasing technical capacity; promoting public awareness and public participation; continuing to pursue technological, financial, and other forms of cooperation; and facilitating information exchange, including on environmentally sound technologies.<sup>9</sup>

If this commitment is to progress beyond mere words, negotiations on the environment must be linked politically to the outcome of the FTAA. Linking these negotiations through the role played by the institutions of the Tripartite Committee enables negotiators to capitalize on the energy generated by trade negotiations but avoids the pitfalls of concentrating on the content of the trade agreement itself. Unfortunately, without linking the environment negotiations to the outcome of the FTAA, we do not believe that the commitment to progress on the environment and health will be realized.

We are not proposing a common body of environmental law for the region, as is found in Europe, or a mechanism to force countries to upgrade their legislation. Nor do we think it is a good idea to coerce countries to develop environmental protection regimes as a condition for market access under the FTAA, because sanctions are both flatly unacceptable to developing countries and have a poor track record in practice. This should be a process among sovereign national governments that is limited to helping countries build stronger national environmental protection regimes. To that end, the role we envision for the OAS, ECLAC, and IDB is twofold: to assist nations as they negotiate the agreement through technical assistance programs, and to help bring the negotiations to a successful conclusion by implementing the mandates of the ministers.

To foster development strategies that meet the needs of their citizens, the governments of the hemisphere's poor countries face the dual challenges of building healthy economies and effective environmental protection regimes. We believe these two objectives can only be met if the countries pursue them simultaneously under the umbrella of the Summit of the Americas. Political linkages between the FTAA negotiations and a plan to improve environmental protection are important because, without ongoing trade talks, there is insufficient political will to negotiate comprehensive solutions to environmental problems.

Furthermore, civil society groups—fearing the harmful effects of trade on the environment—will fight economic integration efforts that do not clearly promote sustainable development. Thus, we believe that not only is it now possible for the countries of the Americas to negotiate an agreement on the environment, but also that they *must* do so or risk jeopardizing the FTAA's implementation. Although talks on the environment will solve a short-term political problem, the hemisphere's environmental difficulties cannot be easily or quickly vanquished. Countries must make a long-term commitment to solve them.

This paper describes the dual challenges of building economies and protecting the environment. We will demonstrate how political pressures in industrial and developing countries force linkages between efforts to achieve both objectives simultaneously, and we will conclude with a prescription for policy makers that addresses the environment and development needs of the hemisphere's countries by giving new mandates to existing multilateral institutions.

Before we embark on this analysis, it must be noted that we do not here discuss those environmental issues that should be addressed within the FTAA itself. Clearly, issues such as agriculture, food safety, intellectual property, and investment all have significant environmental components that we hope trade negotiators do address. The proposals offered here, however, should instead be discussed through talks parallel to the FTAA negotiations, so that the hemisphere's 800 million people can enjoy not only greater prosperity but also a healthier environment.

## **THE CHALLENGE: GROWING HEALTHY ECONOMIES AND CREATING STRONG ENVIRONMENTAL PROTECTION**

The 1990s saw the countries of Latin America and the Caribbean tentatively embrace Western free-market orthodoxy, but their adventures in capitalism have only heightened the urgency of their most daunting challenge: growing viable national economies capable of producing jobs and reducing poverty. Achieving such a goal has not been easy. In the past eight years alone, Mexico, Brazil, and Argentina—the region’s three largest economies—have all been battered by serious financial crises and their attendant economic hardships. ECLAC estimates that economic growth in the region will be 1.2 percent in 2002—up only slightly from 2001’s anemic 0.5 percent.<sup>10</sup>

The smaller economies of Central America and the Caribbean, lacking even the modest wealth of an Argentina or Brazil, will be hit hardest. In these countries, unemployment is consistently high, averaging between 8 and 17 percent, according to the International Monetary Fund (IMF). They also depend heavily on tourism, which has plunged sharply since the terrorist attacks against the United States on September 11, 2001, and on agricultural exports, whose prices fluctuate wildly and are subject to high tariffs. Finally, their hopes for a quick recovery are being stymied by the fact that their main export market, the United States, is in the midst of a recession.<sup>11</sup>

As Latin America’s economies struggle, governments focus their development strategies on maximizing growth, often at the expense of other priorities, including the environment. Over time, poor economies have conspired with a lack of environmental infrastructure and weak law enforcement to create a cycle of environmental poverty from which these countries have not been able to escape. The consequences for ecosystems have been severe. For example, in South America, the area covered by forests declined by more than half a percentage point annually from 1990 to 1995, and 54 percent of frontier forests are threatened by further logging. The situation is more dire in Central America, which lost an average of 1.26 percent of its forests annually during the same period, making it the world’s most rapidly deforested region; 87 percent of the region’s remaining frontier forests are threatened.<sup>12</sup>

Human health has also suffered due to environmental poverty. In Latin America, 78 million people lack access to safe water, and 117 million—about 1 out of every 4 people—lack adequate sanitation.<sup>13</sup> It is not surprising that cholera returned to the Americas in the 1990s after an absence of more than a century, and 770,000 cases of dengue fever were reported in 1998 alone. The poor quality of environmental services in the region is in part to blame for these epidemics.<sup>14</sup>

In many instances, the problem is not that countries do not have good environmental laws, but rather that those laws are not well enforced. For example, Mexico’s Office of the Environmental Attorney General (PROFEPA) lacks the resources, authority, and technical capacity to enforce the country’s environmental laws. Its officials are met with misinformation, hostility, and even violence when attempting to inspect facilities in some regions. And thanks to the country’s tradition of voluntary compliance, PROFEPA has little leverage to meet President Vicente Fox’s goal of “environmental justice.”<sup>15</sup> Under Argentina’s federal system, most of the responsibility for environmental management falls to the provinces, but they are reluctant to “adhere” to national legislation not accompanied by additional funding. Environmental regulators suffer from legislative murkiness, jurisdictional conflicts, a lack of resources, and corruption. Consequently, poaching goes unchecked, companies do not comply with hazardous waste rules, and a series of 1994

environmental reforms have been subverted.<sup>16</sup> Other countries, lacking even Mexico or Argentina's modest environmental institutions, face still greater enforcement difficulties.

Most environmental challenges faced by developing countries are caused by domestic economic activity.<sup>17</sup> Yet a growing body of research by Latin American scholars shows a link between trade liberalization and increased pressure on already taxed ecosystems. Studies have shown that liberalizing the marine fishing industry has led to a serious, unsustainable depletion of fish stocks, and that scale effects in the mining industry have created environmental pressures through waste disposal, rapid mine abandonment, and water scarcity. However, reports show that liberalizing trade in manufacturing sectors, if accompanied by adequate regulation, can induce companies to improve their environmental management.<sup>18</sup>

In a report on behalf of the Government of Brazil prepared for the October 2001 meeting of Latin American and Caribbean countries' environment ministers, researchers drew four important conclusions. First, because the region's exports depend on exploitation of its abundant natural resources, Latin American ecosystems are extremely vulnerable to damage caused by expanding economic activity. Second, the quality of the environment is not harmed by trade per se, but rather by failure to enforce existing laws, poorly managed or nonexistent protective infrastructure (i.e., disposal facilities for solid waste and hazardous materials), and weak government surveillance of business activity. Third, implementing clean technologies and global best practices mitigates the harmful consequences of trade growth. Fourth, governments and civil society groups need to overcome their mutual distrust so that they can develop clear strategies and rules to promote the beneficial aspects of trade liberalization while minimizing negative externalities.<sup>19</sup>

Conventional wisdom dictates that countries that open their economies to trade and investment grow more quickly and have higher standards of living than those that maintain restrictive trade policies.<sup>20</sup> Although such wisdom sheds some light on the benefits of trade liberalization, Harvard University economist Dani Rodrik has argued that there is no evidence to support the argument that open trade policies in themselves guarantee growth from poverty to prosperity.<sup>21</sup> Instead, Rodrik and others contend that the quality of a country's institutions is critical to long-term development—that key reforms in governance, the rule of law, and regulatory regimes are important preconditions to healthy integration into the global trading system.<sup>22</sup>

Elsewhere, scholars argue that the most effective way to encourage domestic reform is not to impose trade disciplines, but to create incentives to promote more effective relationships between government officials and civil society.<sup>23</sup> Thus, the solution to trade–environment–development tensions is not to withdraw from negotiations to promote trade liberalization in order to preserve the environment, but rather to develop national capacities to protect the environment while expanding trade.

Achieving these dual objectives is easier said than done. Heads of state know the difficulty of growing national economies while protecting the environment, but they seem to lack the political will to do both. At the 1994 Summit of the Americas in Miami, hemispheric leaders pledged to create partnerships for sustainable energy use, biodiversity, and pollution prevention that could be viewed as the seeds of a comprehensive environmental agreement.<sup>24</sup> The Miami summit was followed up two years later by a Summit of the Americas on Sustainable Development in Santa Cruz de la Sierra, Bolivia, devoted to the environment and development.

The plan of action that emerged from the Santa Cruz conference, which was even more detailed than that coming from Miami, prescribed a comprehensive agenda for the hemisphere's environment. It proposed initiatives on health and education, agriculture and forestry, sustainable cities and communities, water resources and coastal areas, and energy and minerals. Like the Miami plan, the Santa Cruz proposals emphasized information sharing; technical assistance and capacity building; adherence to multilateral environmental agreements; the importance of existing international institutions, including the World Bank and OAS, in implementing the agreement; and the need for democratic accountability in the policy-making process.<sup>25</sup>

Unfortunately, few of these ambitious environmental objectives have been met. Part of the reason for this failure has been inadequate resources; efforts by the OAS to fulfill the Santa Cruz plan have been frustrated by a lack of financial and technological wherewithal.<sup>26</sup> For instance, the Special Multilateral Fund of the Inter-American Council for Integral Development, the principal source for technical cooperation grants in the OAS, only collects \$8 million to \$9 million a year from member countries.<sup>27</sup> Moreover, OAS activities have also not been well coordinated with those of other international institutions, leading to confusion in developing countries and to "donor fatigue."<sup>28</sup>

The principal reason for the failure to make progress on the summit's environmental policy priorities, however, is the lack of political will. Again, it is our belief that the political reluctance to address environmental concerns can only be overcome if the FTAA negotiations are linked politically to the successful negotiation of a parallel agreement to build national capacity to protect the environment and human health. While making some hortatory statements and signing international declarations to the contrary, most governments have rejected any attempt to solidly link trade liberalization with environmental protection. With few exceptions (notably Chile), Latin American trade ministries have been reluctant to incorporate the environment into trade negotiations or even recognize trade-environment linkages. According to a report prepared for the environment ministers of the Latin American and Caribbean countries,

At the political decision-making level, both national and international, [there] remains a general disconnection between two political spheres (trade and environment). There is a prevailing fear that the environmental scope hinders the benefits promised by free trade, thus preventing a substantial advance in this issue. The countries do not make efforts towards eliminating such fears and, sometimes, they are used as excuses for not dedicating the required time and resources for the issue. This situation is largely due to the lack of internal agreement in the countries concerning the importance of the topic.<sup>29</sup>

One of the most vocal among these countries has been Brazil, which—as the largest economy in South America and leader of the Mercosur bloc—is the most effective counterweight to the United States in the FTAA negotiations. Drawing the line with the United States and civil society groups, Brazilian officials have been particularly blunt in denying these linkages: "The inclusion of labor and environmental clauses does not need to be part of the negotiations for a free trade area," lead Brazilian negotiator José Alfredo Graca Lima has said.<sup>30</sup>

Nonetheless, developing-country resistance to linkages is understandable, for three reasons. First, as was noted above, the problem for many governments is not their environmental legislation, but their broader environmental protection regimes, which include infrastructure and enforcement.

Second, beyond weak national enforcement capacity lingers the hard truth that many Latin American exports are not competitive in markets where environmental requirements condition



market access. Empirical studies of the economies of Brazil, Colombia, and Costa Rica published by the United Nations Conference on Trade and Development demonstrate that exports that rely heavily upon natural resources compete on the basis of product cost. Although larger economies like Brazil can internalize many environmental costs and remain competitive, smaller economies like Colombia and Costa Rica are at risk when adherence to environmental protection objectives is considered.<sup>31</sup>

Third, a common lament is that wealthy governments have used the environment as a hammer in trade disputes with developing countries.<sup>32</sup> Recent World Trade Organization (WTO) disputes, such as the “shrimp-turtle” and “Venezuela gas” cases, have brought to the fore fears expressed by many developing-country officials that the United States already uses its domestic environmental laws to restrict imports in competitive industries and that it links trade and the environment for protectionist purposes.<sup>33</sup>

Given all these factors, it would be very difficult for many national leaders to agree to such environmental terms as those found in the United States–Jordan Free Trade Agreement, whereby a party can be penalized for failing to uphold its own environmental laws. However, the “Jordan standard” is increasingly regarded as a baseline by the U.S. environmental community and congressional Democrats in evaluating trade agreements. Thus, when Senator Max Baucus, Democrat of Montana, who chairs the powerful Senate Finance Committee, says, “Like it or not, all future trade agreements will be judged against the Jordan standard,”<sup>34</sup> it sends a powerful message that Democratic support for the FTAA is conditional on partner countries’ undertaking significantly greater environmental obligations than they have so far. And that creates headaches for many policy makers in Latin America.

But the solution cannot be to ignore the environment completely. Environmental protection in or alongside trade agreements is integral to domestic support for trade liberalization in Canada and the United States, and it will be impossible for the FTAA to garner broad bipartisan support in a closely divided U.S. Congress without such guarantees. The ongoing fight in Congress over fast track trade negotiating authority illustrates this. Thus, the challenge for negotiators is to cut through these entrenched positions to link the FTAA to a parallel agreement on the environment that respects the needs and wishes of both Northern constituencies concerned primarily with environmental health and those in the South for which economic growth is the top priority. We believe that one important ingredient required to meet this challenge is to negotiate an additional agreement that emphasizes carrots, not sticks; that builds national capacities to protect the environment through the development of environmental protection regimes; that offers high levels of technical assistance to developing countries to implement their environment and development strategies; and that involves civil society as a partner in and legitimizer of regional integration processes in trade and the environment.

## **HARNESSING ENVIRONMENTAL PROTECTION TO ECONOMIC GROWTH**

What should such an agreement emphasize? First, it should not attempt to harmonize environmental laws across countries with widely different living standards and development priorities. Second, it should not use trade disciplines to achieve environmental objectives. Third, it should not replace the authority of national governments to set and implement their own standards to protect the

environment and human health; instead, it should create the tools necessary strengthen national capacities.

At a bare minimum, we believe countries should negotiate four main objectives: to assist countries in conducting environmental assessments to determine their own environmental capacity needs; to promote the collection and sharing of environmental information, which will make possible sound, science-based analyses of environmental and economic policies; to facilitate the distribution of technical assistance to developing countries; and to design appropriate mechanisms for countries to leverage the proven capabilities of civil society in environmental policy making and enforcement. We now discuss each objective in turn.

### National Environmental Assessments

Over the past decade, environmental assessments of trade agreements have become a growing part of the fabric of trade negotiations and implementation in Canada, Europe, and the United States. In the United States, which conducted its first assessment in 1992, proposals for fast track trade negotiating authority now include explicit instructions to conduct such reviews.<sup>35</sup> Although still in their infancy, assessments are becoming increasingly scientific, relying more and more on quantitative methods to identify the potential environmental effects of trade liberalization.<sup>36</sup>

Both quantitative and qualitative analyses can help determine a country's environmental assets and liabilities, its negotiating position, how trade may be affected by national and international environmental laws, and what steps might be necessary to mitigate the environmental effects arising from expanded economic activity. According to the United Nations Environment Program (UNEP), "the process of informing policymakers, across departments, of the purpose of the assessment, and informing negotiators in the case of international trade agreements, itself helps to promote efficient, coordinated policy-making."<sup>37</sup> The WTO recently took note of members' efforts to conduct voluntary assessments.<sup>38</sup>

Despite growing recognition of the need to address the environmental effects of trade liberalization, there are practical problems. Due to data deficiencies, quantification problems, and ambiguities in laws as well as in trade agreements, there are no universally agreed-upon methodologies.<sup>39</sup> Conducting assessments is particularly difficult for developing countries, in terms of both financial and technical resources. In many countries, there may be insufficient public involvement, which is necessary to validate the results and inform decisions that inevitably arise when governments try to balance economic, development, and environmental priorities. Finally, just as there are problems with environmental enforcement, there may be insufficient political will to carry out an independent assessment and implement legislation based on its conclusions—conditions necessary for a credible review.<sup>40</sup>

We believe that environmental assessments—supported by international funding and technical expertise—can play a critical role in reconciling a developing country's efforts to strengthen its economy while it protects its environment. Ideally, environment ministries would employ both ex ante and ex post analytical techniques, and we support Canadian and U.S. ex ante environmental reviews.<sup>41</sup> But given their limited data and resources, it may be more appropriate for developing countries in Latin America and the Caribbean to emphasize ex post assessments for the time being, for five reasons. First, ex post analysis helps countries meet what should be their chief goal: to

determine their infrastructure needs relative to anticipated economic expansion and what environmental challenges may stand in the way of an industry's international competitiveness when environmental costs are internalized.

Second, by contracting out the assessment work to private organizations (such as those employed by UNEP to conduct sector-specific environmental assessments), states will help build environmental expertise inside and outside of government and will spread the costs of the review. By using private-sector expertise and conducting reviews in an open manner, they will build broader public understanding of the policy trade-offs faced by government officials.

Third, national environmental assessments, as opposed to those conducted by international organizations, encourage the development of domestic environmental policies based on a country's own experiences and priorities. Technical assistance can then be offered to each FTAA country on a needs-driven basis, not with a one-size-fits-all approach. Fourth, if countries were to agree to follow standard methodologies—such as guidelines issued by the Organization for Economic Cooperation and Development and UNEP—it would help authorities better assess cross-border effects and identify best-practice techniques to mitigate the environmental effects of economic expansion. Fifth, by responding to environmental pressures caused by trade and investment liberalization, states will simultaneously respond to demands caused by domestic activity.

### **Hemispheric Environmental Information**

One key to conducting effective environmental assessments and developing sound environmental policy is having access to good environmental information, including “the provision of accurate and timely data, analysis, and information dissemination and communication.”<sup>42</sup> Policy makers need timely and accurate information to discover environmental problems, discern their scope and severity, decide upon the best ways to tackle challenges, and devise political and funding mechanisms to turn those plans into reality. The FTAA countries recognize this. At the 1996 Santa Cruz summit, 13 of the 65 initiatives in the plan of action—1 in 5—dealt with facilitating information sharing among the parties on such issues as climate change, biodiversity, soil conservation, and urban environmental stewardship. The goal now should be to seriously implement those commitments made six years ago.

There have been some successes on regional and issue-specific projects. In particular, the North American Commission for Environmental Cooperation (CEC) has demonstrated how an international body can gather and disseminate information that is useful to governments and constituents. For example, North American Regional Action Plans approved by the United States, Canada, and Mexico develop elimination schedules for PCBs, DDT, chlordane, and mercury. And the Taking Stock initiative helps build capacity to gather and disseminate information on air quality.<sup>43</sup> Another example is the Inter-America Biodiversity Information Network (IABIN), an initiative proposed at Santa Cruz. Pilot projects under way through IABIN include an information management model to coordinate data collected at different protected areas in the Americas, a project to collect data on and educate governments about invasive species threats, and a project to collect and disseminate up-to-date information on the availability of freshwater fish in the Amazon basin.<sup>44</sup>

If IABIN were fully implemented, it would provide a valuable service by coordinating national data collection systems and disseminating the information. One more model is administered by the

U.S. National Oceanic and Atmospheric Administration's Office of Global Programs. This agency has spent millions of dollars on "weather aid" programs in Central America, installing data-transmitting equipment in countries ravaged by severe weather to better explain these phenomena and, more important, predict weather patterns.<sup>45</sup> Other initiatives monitor the effects of trace elements and carbon dioxide concentrations, both of which carry environmental benefits.<sup>46</sup>

Using uniform standards, the hemisphere's countries should develop more such information generating and disseminating programs. This information exchange must proceed along two paths. The first is from government to government. This involves not only raw data on pollution and biodiversity, but also transparent legislation, law enforcement, and procurement—information that will illustrate whether governments are living up to their environmental commitments. (Increased transparency also creates a more conducive environment for business investment, including in the environmentally friendly technology sector.)

The second path is from governments to the general public. It is crucial that environmental data be shared with academic researchers and civil society groups through the use of information technology, including the World Wide Web. Citizens' access to information is central to a basic tenet outlined in the Aarhus Convention, a 1998 European accord that should be replicated in the Americas. In that treaty, European officials established that "in the field of the environment, improved access to information and public participation in decision-making enhance the quality and the implementation of decisions, contribute to public awareness of environmental issues, give the public an opportunity to express its concerns, and enable public authorities to take due account of these concerns."<sup>47</sup> As researchers have found, public demand for environmental protection laws depends in large part upon access to the information that citizens' groups need to defend their positions in the court of public opinion.<sup>48</sup>

We propose that environmental ministries begin their efforts to collect information with a pollutant release and transfer registry. Pollution is the common thread running through most of the world's environmental problems, and knowledge of its production and distribution is critically important for understanding national environmental conditions and predicting transboundary effects. However, this cannot be done overnight, and countries across the Americas have vastly different levels of environmental oversight and management. For example, one of the biggest sources of conflict in the CEC has been Mexico's inability to participate in the North American Pollutant Release and Transfer Registry, owing to its weaker environmental infrastructure. One high-level environmental official lamented that the United States took fifteen years to develop its toxic pollutant registry inventory regulations and then asked Mexico to implement its own in less than a third of that time.<sup>49</sup> Asymmetries should not be an excuse for poor countries to lag behind industrial ones, but rather a stimulus for cooperative efforts.

### **Coordinated Technical Assistance and Capacity Building**

For FTAA countries to meet the obligations outlined above, they need to be better educated in environmental management and to have better environmental infrastructure; an international effort to build these regimes thus requires a great deal of technical assistance. Unfortunately, there is a long history of instances, particularly in the trade arena, in which industrial nations have asked (or compelled) poor countries to accept certain performance obligations while demonstrating little

willingness to provide assistance in meeting them. Much of the political debate during the lead-up to the WTO's Doha Ministerial focused on the need to provide technical assistance.<sup>50</sup>

Since 1996, the World Bank, the WTO, the IMF, the United Nations Conference on Trade and Development, the United Nations Development Program (UNDP), and the International Trade Commission have collaborated to provide poor WTO member countries with the technical assistance they need to fulfill their obligations. This Integrated Framework was revised in 2000, following a review conducted by the six core agencies to better target technical assistance to meet the specific needs of developing countries and expand the level of trade.<sup>51</sup> A similar project, the Joint Integrated Technical Assistance Program, is targeted more specifically to address the needs of African countries. And through the WTO's Committee on Trade and Development, Secretariat staff have coordinated further technical assistance and capacity building to the organization's poorest member nations.

To its credit, the FTAA's Tripartite Committee has long focused attention on this important matter. One of the primary purposes of the committee is to provide analytical, technical, and financial support to the negotiating process, particularly for the hemisphere's smaller economies. The committee has surveyed the FTAA countries to determine their technical assistance needs and posted a database of trade-related technical assistance programs on its Web site.<sup>52</sup> The FTAA's Consultative Group on Smaller Economies also functions to ensure that poor countries have the resources they need to participate fully in the negotiating process.

Although technical assistance programs have increased developing countries' capacity to participate in trade agreements, more needs to be done to improve their ability to protect the environment. The initiatives described above for national environmental assessment and hemispheric environmental information—as well as improvements in environmental infrastructure, better environmental legislation, and enhanced enforcement capabilities—will be largely impossible without a commitment by industrial countries (particularly Canada and the United States), international organizations, and the private sector to assist developing countries.

Efforts should also be made to promote technical assistance and technology transfer from the private sector to developing-country governments. Although liberalization of trade in environmental goods and services creates opportunities for Canadian and U.S. companies, it will also create new opportunities for the governments of poor countries to provide important services for their citizens. Services such as the treatment of hazardous waste and wastewater are in short supply, and as was noted above, this shortage has severely affected environmental and human health. Companies in the North are eager to enter new markets; by employing local workers, they may create the circumstances that help to build local expertise in developing countries.

Likewise, Canadian and U.S. firms are leaders in "green" technology, which lowers costs and increases productivity for manufacturers while improving the environment. Some *Fortune* 500 companies have begun using "zero emissions" plants, wherein all waste products are recycled and reused, saving money both on inputs and later environmental remediation. Companies using what are known as "chemical management services," for instance, report savings of 5 to 25 percent on the basis of reductions in overall chemical life-cycle costs.<sup>53</sup>

Negotiating countries can also consider the appropriate encouragement of voluntary private standards—such as the ISO 14000 environmental management standards issued by the International Organization for Standardization—which offer a wide range of sampling, testing, and analytical

methods to combat specific environmental challenges faced by private companies and public utilities, as well as a strategic framework for dealing with environmental issues. When a country adopts ISO standards, they can lead to an infusion of technology and expanded capacity among regulators and scientists. Companies that compete on the basis of lax environmental regulations may be loath to adopt ISO standards, but many other companies, particularly those lagging behind global best practices, may realize that they can improve their financial *and* environmental bottom lines by meeting standards for ISO certification. Although the private sector can make significant contributions by improving environmental capacity and technology in developing countries, it is in this area—changing the mindset of constituencies that identify profits with environmental degradation—that private firms may have their greatest effect.

### **An Effective Role for Civil Society**

The Aarhus Convention, which was described above, does more than guarantee European citizens access to environmental information. It also recognizes that “citizens must . . . be entitled to participate in decision-making and have access to justice in environmental matters,” and that “in this regard . . . citizens may need assistance in order to exercise their rights.”<sup>54</sup> Indeed, the participation of civil society is absolutely necessary for the establishment of national environmental protection regimes. Not only does a great deal of expertise exist outside governmental institutions, but citizen involvement is important as a legitimizer of such regimes and as a means of keeping governments faithful to their promises. Nongovernmental organizations have been important actors in a variety of international negotiations, from the environment to arms control, and their participation ensures some measure of democratic accountability. Although we recognize that the Summit of the Americas is primarily an intergovernmental process, we believe that governments should empower civil society in two ways: with a formal advisory role, and with a mechanism for citizen complaints.

The public advisory committee should consist of citizens from the FTAA countries who are appointed by their governments, and citizens should have ample opportunity to comment on the selections. A sound model is the CEC’s Joint Public Advisory Committee (JPAC). Although the JPAC is an official part of the CEC’s decision-making structure along with its Council and Secretariat, the JPAC has no formal legislative or enforcement authority. But it can advise the Council on any matters within the scope of the North American Agreement on Environmental Cooperation (NAAEC) and on the implementation and further elaboration of the agreement.<sup>55</sup> Further, it can use its perch to draw public attention to important issues. The NAAEC also provides for national advisory committees, which we believe should also be chartered to provide advice to and ensure public scrutiny of national environment ministries. During negotiations, a public advisory committee can be of tremendous assistance, because its members often have access to relevant information or research institutes.

We also recommend that governments negotiate provisions that allow citizens to bring written complaints against their governments for failing to enforce environmental laws to an independent ombudsman or judicial body. With one important modification, this principle is best enshrined in Articles 14 and 15 of the NAAEC, which permit citizens of any party to bring a complaint to the CEC Secretariat and requires governments to respond to valid submissions within a designated period of time, producing a factual record that may be made public by a two-thirds vote of the

Council.<sup>56</sup> The International Finance Corporation, the World Bank, and other international institutions have independent forums to which aggrieved nongovernmental parties can bring claims that the organization or a member is failing to abide by the organization's rules and regulations. We feel this principle should be upheld here as well.

The modification to the approach of Articles 14 and 15 that we propose would remove the potential for trade sanctions arising from an investigation and publication. With the exception of the United States–Jordan agreement, the use of trade measures to correct for poor enforcement of environmental laws has not been repeated. In its bilateral agreement with Costa Rica, Canada concluded that such an approach was beyond the capacity of Costa Rica. Even in the most ambitious alternative to the sanctions approach, the Chile–Canada agreement, offending ministries pay a penalty for nonenforcement, and the proceeds are used to build enforcement capacity.

The principal difference here is that the causes are brought by citizens for the purposes of remediation, not retribution. Rather than provoke trade conflicts, the purpose of such terms is to promote institutions in the hemisphere's countries—itsself the first goal emerging from the Miami summit—and to empower environmental ministries within national governments. The deterrent that promotes compliance with legislated environmental laws is not the threat of trade restrictions, but rather moral suasion, and the means of remediation is not coercion but technical assistance.

## FROM HERE TO THERE

Initiating such ambitious negotiations to empower national governments to set and implement their own high standards for environmental protection will be difficult. As we stated above, there is tremendous reluctance among most FTAA countries to address the environment in the context of trade negotiations. When combined with the level of dissatisfaction felt by civil society groups regarding these negotiations, the tendency for all parties involved is to maintain the status quo. That said, for both political and economic reasons, we believe that linked parallel negotiations are essential.

To launch these negotiations at the October 2002 FTAA Ministerial, we propose that government officials instruct the OAS, ECLAC, and the IDB to provide the institutional architecture necessary to administer these negotiations. Although we recognize that these institutions lack many of the skills required to coordinate these negotiations, for three practical reasons we urge governments to consider expanding their mandate. First, through their work as members of the FTAA Tripartite Committee, they are familiar actors among FTAA countries and have an intimate understanding of the talks and their history. The organizations' knowledge of the trade negotiations will increase the political linkages between the two sets of negotiations—linkages that must exist to ensure the successful conclusion of either negotiation.

Second, due to the organizations' varied competencies, they will be uniquely able to balance development, environment, and trade priorities under a broadened mandate. For example, ECLAC's environment program is already responsible for coordinating assistance to Latin American countries provided by UNDP and UNEP. Third, through the IDB, the negotiators would enjoy direct access to development funds.

Indeed, one crucial role of the three organizations will be to better coordinate and target assistance and project finance in a variety of directions. Loans and grants for environmental projects in the Americas from multilateral institutions—the IDB, World Bank Group, UNDP, and UNEP—total more than \$1 billion a year.<sup>57</sup> To improve efficiency and direct resources where they are needed most, these monies should be coordinated, perhaps through the ECLAC organ now overseeing UNDP and UNEP funds. The organizations could also coordinate bilateral assistance, particularly from Canada and the United States, to the hemisphere's poor countries. To see that their funds are spent wisely, major national donors and international organizations should create a board to advise the Tripartite Committee institutions.

The final step is to institutionalize the agreement in some sort of permanent body. At the Fifth FTAA Ministerial in 1999, member countries agreed to begin discussions regarding the architecture of the trade agreement.<sup>58</sup> An enduring architecture is also important for the parallel agreement, because previous environmental commitments, such as those made at the Summits of the Americas, have foundered in the absence of a body politically responsible for their implementation.

Although the final institutional arrangement is, of course, a decision to be made by the negotiating governments, they do have several options. They could build a small new secretariat to collect information, coordinate technical assistance, and hear the complaints of citizens' groups. Those functions could be relocated to the environmental division(s) of one or more of the institutions—likely either the OAS or ECLAC—or the ad hoc consortium itself could be asked to continue its mandate past the completion of negotiations. Negotiators could also look to the architecture now being devised by the FTAA's Technical Committee on Institutional Issues for guidance. For the time being, the exact nature of the institution is unimportant; what is important is that the countries of the Western Hemisphere agree to institutionalize their environmental partnership in a formal, active, well-funded body.

To conclude a parallel agreement in just three years, at the same time as the FTAA is finished, countries should begin negotiating as soon as possible. The ideal starting point would coincide with the next Summit of the Americas; however, because it is not scheduled until 2005, launching negotiations then would not give countries time to complete them in step with the FTAA. Instead, we recommend that countries initiate these negotiations during the October 2002 FTAA Ministerial in Ecuador, where negotiators should complement their release of a second draft text of the trade agreement by announcing the start of negotiations on the environment. We fully recognize that it is rare for trade and finance ministers such as those controlling the FTAA process to consider linking the outcome of their own negotiations to those directly addressing the environment. Yet it is precisely their unwillingness to make this linkage that so jeopardizes their own negotiations, and we respectfully encourage them to reconsider their resistance. To that end, environment ministers and civil society groups should begin working with trade and finance officials to develop the political logic necessary to address the environment question.

## A NECESSARY COMPROMISE

To achieve sustainable development, the countries of the Western Hemisphere need sound environmental protection regimes. A regime is more than a set of laws. Indeed, many countries have sound legislation on the books even as their environments worsen. The legitimacy of a regime is



based on its processes, powers, and popularity. To those ends, countries need to rapidly upgrade their environmental infrastructures, which reduce pollution, protect biodiversity, and deliver environmental services to citizens. Environment ministries need the funding, staffing, and technology they currently lack to enforce their mandates. And citizens' groups need to be educated about the environmental challenges their countries face and empowered to play an active role in the regulatory process.

We believe that the continued viability of the model of regional integration envisioned at the first Summit of the Americas in 1994 demands an international agreement to help countries build national environmental protection regimes based on the principles described above. The fragile coalition supporting free trade in Canada and the United States will crumble if words and deeds promoting environmental protection do not accompany the FTAA. And economic growth in Latin America—fueled in part by trade and investment liberalization—is producing environmental consequences that are not sustainable for healthy societies.

The proposal outlined in this paper represents a compromise that should be accepted by both the hemisphere's industrial and developing economies. Latin American countries will have to recognize the broad linkages between trade and the environment and permit a high level of public participation in the policy-making process. But in return, their commitments will be backed by the financial resources of wealthy countries and international organizations, will be administered by institutions they trust, and will build their capacity to meet broad needs, not just those related to trade. Environmentalists in Canada and the United States will not have broad powers to penalize countries with trade sanctions, but they will achieve more tangible environmental protection results by offering carrots of technical assistance than they would have by brandishing sticks.

Without ongoing negotiations on trade, there will be little motivation for countries in the Western Hemisphere to make the political sacrifices necessary to seriously discuss an agreement to build national capacities to protect the environment. But without a side agreement on the environment, those very worthwhile trade talks may be imperiled by a strong and growing popular backlash against forces of economic globalization that ignore social policy objectives. We hope that governments in this hemisphere that have so far resisted linking trade and the environment recognize this crucial link between the politics of trade and the politics of the environment before it is too late.

## NOTES

1. The last such summit, the Meeting of American Chiefs of State, was held in Punta del Este, Uruguay, in April 1967. Cuba is the only country in the hemisphere excluded from the current Summit of the Americas process.
2. Judy Keen, "Summit Throws Open Door to Trade in Americas," *USA Today*, December 12, 1994, p. 10A.
3. At the April 2001 Summit of the Americas in Quebec City, the heads of state from the 34 FTAA countries committed themselves to concluding negotiations by January 2005, which would enable the agreement to go into effect by December of that year at the latest. At the FTAA Ministerial that same month in Buenos Aires, negotiators released a bracketed draft text of the agreement, which serves as the foundation for negotiations now under way in Panama City.
4. "Declaration of Principles," First Summit of the Americas, Miami, December 9–11, 1994.
5. See, for example, the summary of the discussion on international trade at the World Social Forum in Porto Alegre, Brazil, on February 1, 2002. Available at <[www.forumsocialmundial.org.br/eng/rofficial\\_trade\\_eng.asp](http://www.forumsocialmundial.org.br/eng/rofficial_trade_eng.asp)>.
6. Anthony Faiola, "Argentina Doubts Market Wisdom," *Washington Post*, August 6, 2001, p. A1. Nor is this growing resistance to free-market ideology solely a trait of civil society groups; analysts say the economic prescriptions of Argentina's new president, Eduardo Duhalde, may pose a significant roadblock to the FTAA. See Neil King Jr. and Damian Milverton, "Will Argentina's Turmoil Hinder Free Trade?" *Wall Street Journal*, January 3, 2002, p. A4.

## POLITICS AND PARALLEL NEGOTIATIONS

7. Dani Rodrik, "The Global Governance of Trade As If Development Really Mattered," Background Paper (New York: United Nations Development Program, 2001). Also see "Joint Statement of NGOs and Social Movements" of December 14, 2001, condemning the outcome of the Doha Ministerial. Available at <<http://www.twinside.org.sg/title/ngo2a.htm>>.
8. Hereafter, references in this paper to the environment and environmental protection should be thought to subsume human health and the protection thereof.
9. "Plan of Action," First Summit of the Americas, Miami, December 9–11, 1994, §23.
10. Alfredo Calcagno, Sandra Manuelito, and Gunilla Ryd, *Proyecciones Latinoamericanas 2001–2002*, Serie Estudios Estadísticos y Prospectivos no. 16 (Santiago: ECLAC, 2002), p. 16.
11. International Monetary Fund, *World Economic Outlook: The Global Economy after September 11* (Washington, D.C.: IMF, 2001), pp. 49, 52–53.
12. United Nations Development Program, United Nations Environment Program, World Bank, and World Resources Institute, *World Resources 2000–2001: People and Ecosystems—The Fraying Web of Life* (Washington, D.C.: World Resources Institute, 2001), pp. 253, 255.
13. WHO/UNICEF Joint Monitoring Program for Water Supply and Sanitation, *Global Water Supply and Sanitation Assessment 2000 Report* (Geneva: Water Supply and Sanitation Collaborative Council, 2000), p. 55.
14. Pan-American Health Organization, "Emerging and Reemerging Infectious Diseases and Antimicrobial Resistance," CD41/16 (Washington, D.C.: Pan-American Health Organization, 1999).
15. Jan Gilbreath, *The Environment and Trade: Predicting a Course for the Western Hemisphere Using the North American Experience* (Washington, D.C.: Center for Strategic and International Studies, 2001), pp. 34–35.
16. Rodrigo F. Contreras, "Profile of Environmental Management in Argentina and Brazil," Environment Canada, August 1997, pp. 3, 7. Available at <<http://www.naaec.gc.ca/english/resource/download/argbraze..doc>>.
17. Veena Jha, Anil Markandya, and René Vossenaar, *Reconciling Trade and the Environment: Lessons from Case Studies in Developing Countries* (Cheltenham, United Kingdom: Edward Elgar, 1999), p. 5.
18. Luciana Togiero de Almeida, ed., "Trade and Environment: A Positive Agenda for Sustainable Development," Preliminary Document for the XIII Meeting with the Latin American and Caribbean Environment Ministers (Brasília: Brazilian Ministry of Environment, Secretariat of Policies for Sustainable Development, 2001), pp. 63–64, 78, 81.
19. Togiero, "Trade and Environment," pp. 52–84.
20. See, for example, World Bank, *Globalization, Growth, and Poverty* (Washington, D.C.: World Bank, 2001), pp. 31–38.
21. Rodrik, "Global Governance of Trade," p. 22.
22. Ha-Joon Chang, "Institutional Development in Developing Countries in a Historical Perspective," unpublished paper, Faculty of Economics and Politics, Cambridge University, Cambridge; Daron Acemoglu, Simon Johnson, and James A. Robinson, "The Colonial Origins of Comparative Development: An Empirical Investigation," unpublished paper, Massachusetts Institute of Technology, Cambridge, Mass. (2000); and Rodrik, "Global Governance of Trade," p. 16. Rodrik also emphasizes the need for more flexible global trade rules, ones that allow governments to pursue national economic growth in a manner consistent with their unique circumstances. Given the scope of the present paper, we leave that aspect of Rodrik's critique for future work.
23. Bernard Hoekman, "Strengthening the Global Trade Architecture for Development," Working Paper 2757 (Washington, D.C.: World Bank and Center for Economic Policy Research, January 2002); and J. Michael Finger, "Implementing the Uruguay Round Agreements: Problems for Developing Countries," *The World Economy*, vol. 24, no. 9 (September 2001), pp. 1097–1108.
24. "Plan of Action," First Summit of the Americas, §21–23.
25. "Plan of Action for the Sustainable Development of the Americas," Summit of the Americas on Sustainable Development, Santa Cruz de la Sierra, Bolivia, December 7–8, 1996.
26. "Report of the Secretary General on Bolivia Summit Implementation" (Washington, D.C.: General Secretariat, Organization of American States, 1998), p. 47.
27. Inter-American Agency for Cooperation and Development, "About IACD Projects." Available at <<http://www.iacd.oas.org/template-ingles/aboutprojects.htm>>.
28. Stephen O. Bender, Newton Cordeiro, Richard M. Huber, and Richard A. Meganck, "Improving Collaboration between the World Bank and the Organization of American States on Environmental Issues in Latin America and the Caribbean," OAS Discussion Paper (Washington, D.C.: Organization of American States, 1999), p. 3.
29. Togiero, "Trade and Environment," p. 122.
30. Paula Puliti and Claudia Bredarioli, "Brazil Rejects U.S. Impositions on FTAA," *O Estado de São Paulo*, September 20, 2000. Available through Foreign Broadcast Information Service. Also see "Cardoso Says FTAA Talks to Get More Difficult Now," *Agencia Estado*, April 22, 2001. Available through Foreign Broadcast Information Service.
31. Jha, Markandya, and Vossenaar, *Reconciling Trade and the Environment*.

32. This lesson was not lost on Brazilian President Fernando Henrique Cardoso, perhaps the head of state most stridently against linkage of trade and the environment, who before entering politics was an economist of the “dependent development” school.
33. David Vogel, “The Politics of Trade and Environment in the United States,” Berkeley Roundtable on the International Economy Working Paper 94 (July 1999). Available at <<http://brie.berkeley.edu/~briewww/pubs/wp/wp94.htm>>.
34. Max Baucus, “Moving Ahead on Fast Track,” remarks to the New America Foundation (in the Dirksen Senate Office Building, Washington, D.C., October 11, 2001).
35. H.R. 3005, “Bipartisan Trade Promotion Authority Act of 2001,” Sec. 2(c)(4).
36. See Organization for Economic Cooperation and Development, “Assessing the Environmental Effects of Trade Liberalization Agreements” (Paris: Organization for Economic Cooperation and Development, 2000); C. Line Carpentier, Scott Vaughan, Jane Barr, and Zacchary Patterson, “Understanding and Anticipating Environmental Change in North America: Building Blocks for Better Public Policy [draft]” (Montreal: North American Commission for Environmental Cooperation, Environment, Economy, and Trade Division, 2001); Kevin Gallagher, Frank Ackerman, and Luke Ney, “Environmental Reviews of Trade Agreements: Assessing the North American Experience [second draft]” (Montreal: North American Commission for Environmental Cooperation, 2001); United Nations Environment Program (UNEP), *Reference Manual for the Integrated Assessment of Trade-Related Policies* (New York: UNEP, 2001); Office of the United States Trade Representative, “Report of the Quantitative Analysis Working Group to the FTAA Interagency Environment Group,” October 2001. Available at <<http://www.ustr.gov/environment/analysis.pdf>>; and Government of Canada, “Framework for Conducting Environmental Assessments of Trade Agreements” (Ottawa: Environment Canada, 2000).
37. UNEP, *Reference Manual*, p. 5.
38. World Trade Organization, “Ministerial Declaration,” WT/MIN(01)/DEC/1, November 14, 2001, p. 2.
39. Organization for Economic Cooperation and Development, “Assessing Environmental Effects,” pp. 14–15.
40. Organization for Economic Cooperation and Development, “Assessing Environmental Effects,” p. 12.
41. We note that both the Canadian and U.S. models for conducting environmental assessments of trade agreements rely upon their trade ministries to oversee the process. We believe this responsibility should lie with environment ministries, for two reasons. First, trade ministries lack technical competence in this area. Second, because trade ministries’ interests may actually be harmed by information obtained during an environmental assessment, their influence over the outcome may be used to downplay any policy recommendations arising from the assessment. Such was the case in the United States, when in 1999 it conducted an environmental assessment of the proposal to accelerate tariff liberalization in the forestry sector of the Asia Pacific Economic Cooperation forum.
42. Yemi Katerere, “Who Makes Policy and How? The Case of Community-Based Natural Resource Management in Southern Africa,” keynote paper for a workshop on information support for natural resource management policy sponsored by the Technical Centre for Agricultural and Rural Cooperation (ACP-EU) (Wageningen, the Netherlands, January 26–29, 1999), p. 47.
43. North American Commission for Environmental Cooperation, “Four-Year Review of the North American Agreement on Environmental Cooperation: Report of the Independent Review Committee” (Montreal: North American Commission for Environmental Cooperation, 1998).
44. Inter-American Biodiversity Information Network, <<http://www.iabin.org/intro?pilot>>.
45. Deborah Shapely, “Weathering Disasters,” *Washington Post*, August 12, 2001, p. B1.
46. U.S. National Atmospheric and Oceanic Administration, “Program Elements & Activities,” <<http://www.ogp.noaa.gov/programs/index.htm>>.
47. Preamble, Convention on Access to Information, Public Participation in Decision Making, and Access to Justice in Environmental Matters, signed at Aarhus, Denmark [hereafter Aarhus Convention], June 25, 1998.
48. Jha, Markandya, and Vossenaar, *Reconciling Trade and the Environment*, p. 104.
49. Gilbreath, *Environment and Trade*, p. 33. In recent months, Mexico has moved closer to compliance with its pollutant release and transfer registry obligations. See “PRTR Legislation is Put Back on Track in Mexico,” *EcoAméricas*, vol. 4, no. 3 (January 2002), p. 1.
50. See, for example, John Audley and Ann M. Florini, *Overhauling the WTO: Opportunity at Doha and Beyond*, Policy Brief no. 6 (Washington, D.C.: Carnegie Endowment for International Peace, 2001).
51. World Trade Organization, Subcommittee on Least-Developed Countries, “Review of the Integrated Framework: Communiqué from Heads of Six Core Agencies,” WT/LDC/SWG/IF/2, July 12, 2000.
52. The FTAA Tripartite Committee’s Web site is <[www.ftaa-alca.org](http://www.ftaa-alca.org)>.
53. Chemical Strategies Partnership, *Chemical Management Services Industry Report 2000*, Executive Summary (San Francisco: Chemical Strategies Partnership, 2000), p. 2.
54. Preamble, Aarhus Convention.

## POLITICS AND PARALLEL NEGOTIATIONS

55. North American Agreement on Environmental Cooperation between the Government of the United States of America, the Government of Canada, and the Government of the United Mexican States, Article 16(4), January 1, 1994.
56. North American Commission for Environmental Cooperation, *Bringing the Facts to Light: A Guide to Articles 14 and 15 of the North American Agreement on Environmental Cooperation* (Montreal: North American Commission for Environmental Cooperation, 2000). Even if such complaints are not very common, we believe that the threat of public scrutiny will have a deterrent effect on government officials intending to undermine environmental laws.
57. This is a large sum, if not entirely sufficient to the task. The IDB itself approved loans of \$531 million in 2000 for 14 environmental and natural resource projects and spent \$27 million on technical cooperation operations covering such areas as clean production, energy, forest management, water resources management, and ecotourism. In fiscal year 2001, the World Bank and the International Development Association funded \$458.7 million in environmental projects in Latin America and the Caribbean, as well as \$293 million in agriculture projects and \$120.9 million in water supply and sanitation projects with environmental repercussions. UNDP and UNEP administer the Global Environmental Facility (GEF). In Latin America and the Caribbean, the GEF is funding 78 biodiversity programs totaling \$162 million; 56 climate change programs totaling \$63.5 million; four regional waterway programs totaling \$18.2 million; a Global Environmental Citizenship program at \$3.2 million; and an ozone depletion program at \$1.9 million. See Inter-American Development Bank, *2000 Annual Report* (Washington, D.C.: IDB, 2001), p. 29; World Bank, *The World Bank Annual Report 2001: Volume 1, The Year in Review* (Washington, D.C.: World Bank, 2001), p. 89; and “UNDP–GEF Operations: Latin America & the Caribbean,” <[www.undp.org/gef/portf/lac.htm](http://www.undp.org/gef/portf/lac.htm)>.
58. “Declaration of Ministers,” Fifth Trade Ministerial Meeting, Toronto, November 4, 1999, §9. Available at <[www.ftaa-alca.org/ministerials/minis\\_e.asp](http://www.ftaa-alca.org/ministerials/minis_e.asp)>.





## ABOUT THE CARNEGIE ENDOWMENT

THE CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE is a private, nonprofit organization dedicated to advancing cooperation between nations and promoting active international engagement by the United States. Founded in 1910, its work is nonpartisan and dedicated to achieving practical results.

Through research, publishing, convening, and, on occasion, creating new institutions and international networks, Endowment associates shape fresh policy approaches. Their interests span geographic regions and the relations between governments, business, international organizations, and civil society, focusing on the economic, political, and technological forces driving global change.

Through its Carnegie Moscow Center, the Endowment helps to develop a tradition of public policy analysis in the states of the former Soviet Union and to improve relations between Russia and the United States. The Endowment publishes *Foreign Policy*, one of the world's leading magazines of international politics and economics, which reaches readers in more than 120 countries and in several languages.

**The Global Policy Program** addresses the policy challenges arising from the globalizing processes of economic, political, and technological change. Research projects span many areas, including the proliferation of weapons of mass destruction, the increased international movement of people, the consequences of the information revolution, democracy building and the rule of law, inequality and economic reform, and the changing international role of private business.

The program recognizes that globalization, though by nature a universalizing phenomenon, extends around the world unevenly, producing sharply varied effects, both positive and negative. The program focuses on integrating the emerging global policy agenda with traditional security concerns, and also seeks to increase public understanding of globalization.

## Carnegie Working Papers

### 2002

- 25 *Politics and Parallel Negotiations: Environment and Trade in the Western Hemisphere*, John Audley and Edward Sherwin
- 24 *Russian Basic Science after Ten Years of Transition and Foreign Support*, Irina Dezhina and Loren Graham

### 2001

- 23 *Revisiting the Twelve Myths of Central Asia*, Martha Brill Olcott
- 22 *A Greener Fast Track: Putting Environmental Protection on the Trade Agenda*, John J. Audley
- 21 *The Internet and State Control in Authoritarian Regimes: China, Cuba, and the Counterrevolution*, Shanthi Kalathil and Taylor C. Boas
- 20 *Are Russians Undemocratic?* Timothy J. Colton and Michael McFaul
- 19 *Pitfalls on the Road to Fiscal Decentralization*, Vito Tanzi
- 18 *The Myth of Output Collapse after Communism*, Anders Åslund
- 17 *Breaking the Labor-Trade Deadlock*, A Joint Publication of Carnegie Endowment's Economic Reform Project and the Inter-American Dialogue

### 2000

- 16 *The Clinton Record on Democracy Promotion*, Thomas Carothers
- 15 *Intervention in Internal Conflicts: Legal and Political Conundrums*, Chantal de Jonge Oudraat
- 14 *Privatization and the Distribution of Assets and Income in Brazil*, Roberto Macedo
- 13 *Democratization and Globalization: The Case of Russia*, Yuri Fedorov
- 12 *Party Formation and Non-Formation in Russia*, Michael McFaul
- 11 *Drug Trafficking on the Great Silk Road: The Security Environment in Central Asia*, Martha Brill Olcott and Natalia Udalova
- 10 *Naturalization in the Wake of Anti-Immigrant Legislation: Dominicans in New York City*, Audrey Singer and Greta Gilbertson
- 09 *Natural Resources, Human Capital, and Growth*, Nancy Birdsall, Thomas Pinckney, and Richard Sabot
- 08 *Democracy Assistance and NGO Strategies in Post-Communist Societies*, Sarah E. Mendelson and John K. Glenn

### 1999

- 07 *The Challenge of Semi-Authoritarianism*, Marina Ottaway and Martha Brill Olcott
- 06 *The Rise and Fall of START II: The Russian View*, Alexander A. Pikayev
- 05 *Putting Education to Work in Egypt*, Nancy Birdsall and Lesley O'Connell
- 04 *The Campaign for the Unpaid Wages Prohibition Act: Latino Immigrants Change New York Wage Law*, Jennifer Gordon
- 03 *Intergenerational Mobility in Latin America: Deeper Markets and Better Schools Make a Difference*, Jere R. Behrman, Nancy Birdsall, and Miguel Székely
- 02 *Politics at the Heart: The Architecture of Humanitarian Assistance to Afghanistan*, Paula R. Newberg
- 01 *No More Secrets? Policy Implications of Commercial Remote Sensing Satellites*, Ann M. Florini and Yahya A. Dehqanzada