

20 years of NAFTA

My name is Luz Aida Martinez, I received my PhD degree in May 2012 by the University of Vermont. My dissertation focused on international trade and environment, specifically NAFTA, therefore NAAEC and the work of the CEC.

During my research I must say that I would have liked to find a source of harmonized information regarding trade and environment in North America. When I was looking for economic, social and environmental statistical data, to be compared between the three NAFTA partners, my first impulse was to look into the CEC website. Unfortunately I did not find the information there, instead I had to look into other sources, such as the World Bank, the OECD, UN, among other international organizations. In this regard, my main proposal would be to make possible that **the CEC becomes a reliable source of harmonized statistical information from the three countries**, in terms of economic growth (i.e. imports, exports and investments, directly linked to NAFTA's assessment), social aspects (i.e. labor and income inequalities issues directly linked to trade and NAALC), and environmental performance (i.e. CO2 emissions, waste generation directly linked to trade and NAAEC). An initiative like this would bring to work together the CEC with the counterparts in NAFTA's Secretariat offices in the three countries, as well as the NAAELC's Secretariat in Washington, D.C. A database like this would benefit all countries to assess their performance not only in economic terms, but in labor and environmental terms as well. As it was intended to be NAFTA in first place. It is well known that we cannot improve what we cannot measure. Economic, social and environmental performance has to be measured and reported, in order to promote cooperation and to achieve overall improvement. One innovative statistical report would be on certified environmental goods and services exchanged between NAFTA partners (i.e. organics, energy and water saving items, certified wood, etc.) All reported data on imports and exports are under generic classification codes making no distinction if they have any environmental benefit (i.e. (00000) agricultural products, making no distinction if they are organics).

Another observation I have is regarding the objectives of NAFTA and NAAEC. There is a lack of coordination between both agreements. NAAEC states in its objective "d" to "*support the environmental goals and objectives of NAFTA*", but NAFTA does not include any objective related to the environment, its objectives are mainly economic. NAAEC is expected to support NAFTA and not to serve as a frame to avoid and reverse the environmental impacts from trade. It is worth mentioning that NAAEC includes in its objective "e" to "*avoid creating trade distortion or new trade barriers*" which highlights the preoccupation that environmental protection might harm trade, when in fact it is the opposite way: trade can harm the environment. In this regard, my recommendation is to continue the **Symposia on Assessing the Environmental Effects on Trade**. This was a great initiative that brought together scientists, government officers, civil society and others to discuss not only problems but solutions about trade and environment. The scientific information was translated into common language and recommendations were received directly by the governments. There were four symposia organized by the CEC Trade and Environment program, being the last in 2008.

Concerning also to international trade and environment, I have observed that the main actors in the CEC activities, including the JPAC initiatives, are professional individuals and government representatives. In my opinion, one important stakeholder to include are the **Multinational Companies (MNC)**, considering that trade takes place between companies and not governments. MNC are major players in the international trade dynamic, therefore their direct involvement would provide a positive impact in terms of economic, social and environmental aspects.

About **NAFTA and international environmental treaties related to trade**, NAFTA includes in its Article 104 the relation to environmental and conservation agreements, such as (1) the *Convention on International Trade in Endangered Species of Wild Flora and Fauna*; (2) the *Montreal Protocol on Substances that deplete the Ozone Layer*; and, (3) the *Basel Convention on the Control of Trans-boundary Movement of Hazardous Wastes and Their Disposal*. NAFTA countries should observe all recommendations from these agreements in their trade activities. These agreements were considered because they were signed and ratified before NAFTA entered into force, nevertheless in the NAFTA text there is no article referring to future international environmental agreements. Nowadays there are two international environmental agreements related to international trade: (1) the *Rotterdam Convention*, and (2) the *Cartagena Protocol on Biosafety* that are not being considered as part of the NAFTA text. My recommendation is that the three countries agree publicly to comply with this agreements, in the frame of NAFTA, as an initiative of the CEC and the Council Meetings.

Trade and environment is the main link between NAFTA, NAAEC and therefore the CEC. The CEC program called **Greening the Economy in North America** (in the past known as *Environment, Economy and Sustainability*, or also as *Trade and Environment*) should be one of the most active with the most information to be published and discussed. There are more international cooperation agreements and initiatives in terms of climate change, ecosystems and marine protected areas, other than those at the CEC. But regarding trade and environment there is no other. CEC has full potential of becoming a leader organization in attending issues related to trade and environment in North America.

I thank you the opportunity to participate in this revision of 20 years of NAFTA and express my recommendations for the CEC future work. If you require any further detail about any of my recommendations please contact me at lamarti@gmail.com

Best regards,

Luz A. Martinez, PhD