

FINAL REPORT



- Symposium hémisphérique sur le commerce et le développement durable

- Hemispheric Trade and Sustainability Symposium

- Simposio Hemisférico sobre Comercio y Desarrollo Sostenible

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Introduction: A Broad Americas Integration Agenda?

At the Third Summit of the Americas in Quebec City, Canada from the 20-22 April, 2001, heads of state from 34 North, Central, and South American and Caribbean countries reaffirmed their political commitment to strengthening hemispheric relations in a number of areas, and approved the finalisation of a Free Trade Area of the Americas (FTAA) by January 2005.

Governments plan to start talks on removing regional trade barriers in May next year and to conclude an FTAA agreement by January 2005. The accord would come into force by the end of that year. The free trade area would be the world's largest trade grouping, with 800 million people and a third of world economic output. The next Americas Summit will take place in Argentina.

The present initiative for closer cooperation in the Americas crystallized at the Miami Summit of the Americas in 1994. Along with democracy, trade liberalisation and sustainable development were adopted as the main thrust of hemispheric integration, as reflected in the first headline of the Miami Declaration of principles: *Partnership for Development and Prosperity: Democracy, Free Trade and Sustainable Development in the Americas*. Parallel processes were established to implement trade liberalisation and sustainable development. The first one set the goal to create a Free Trade Area of the Americas (FTAA) by 2005, launched formally in 1998 at the Santiago Summit of

the Americas. A second initiative was to hold a hemispheric Summit on sustainable development in Bolivia in 1996 to follow up on the 1992 UN Conference on Environment and Development in Rio de Janeiro, and to establish a blueprint for sustainable development in the Americas. Launched on two parallel tracks in 1994, the sustainable development and trade liberalisation processes did not really come together again in the following years, creating a fundamental disconnect between environment, social and trade policy in the hemisphere. Five years after the Bolivia Summit, and four years before the anticipated conclusion of the FTAA negotiations, the time has come to build a synergetic relationship between these two pillars of hemispheric integration. Hemispheric Summits are key mechanisms to integrate trade, social and environmental policy into a coherent system. By developing such an integrated approach, the Summit of the Americas process could eventually break the *Seattle syndrome*, which seems to have plagued all recent discussions on these issues.

The Hemispheric Trade and Sustainability Symposium was initiated to address the points of intersection between sustainable development and trade issues, and foster an inclusive yet constructive debate. The Symposium aimed to bridge communities and sectors, with speakers ranging from the leaders of the Peoples Summit to the heads of major corporations.

The Project: Americas Trade & Sustainability Expert Input

Peripheral to the official Summit and prior to the protests, a Hemispheric Trade and Sustainability Symposium gathered 200 experts from across the Americas from April 17 to 19, 2001 in Quebec City, Canada.¹ The Quebec City Symposium was organized jointly by the International Institute for Sustainable Development (IISD), IUCN - the World Conservation Union, and the United Nations Environment Programme – Regional Office for Latin America and the Caribbean (UNEP/ROLAC).

Partner institutions and sponsors included the Government of Canada, the North American Commission on Environmental Cooperation, the National Roundtable on the Environment and the Economy (NRTEE) and the International Development Research Centre (IDRC) of Canada, the U.S. National Wildlife Federation, as well as prominent Canadian corporate citizens such as Placerdome and TransAlta, and industry associations, the Mining Association of Canada and the Forest Products Association of Canada.

The event was made possible through major contributions from the Government of Canada, namely the Department of Foreign Affairs and International Trade, the Canadian International Development Agency, and Environment Canada.

¹ A preparatory Conference to discuss Latin American perspectives on trade, environment and sustainable development had been organised in Mexico City in February, 2001. The event had been mandated by the Forum of Ministers of Environment of Latin America and the Caribbean, was organised and chaired by Dr. Dr. Enrique Leff and Lic. Mindahi Bastida Munoz of UNEP ROLAC in partnership with IISD, UNCTAD, COMEDES and other groups. It was attended by over 150 representatives from more than 20 countries of the Americas, primarily environment and trade negotiators, civil society groups and academics.

The event was chaired by Pierre Marc Johnson, former Premier of the Province of Quebec and Counsel at Heenan Blaikie, David Runnalls, President and CEO of the International Institute for Sustainable Development, and Enrique Leff from the United Nations Environment Programme Regional Office for Latin America and the Caribbean. Marie-Claire Cordonier Segger of IISD and Karel Mayrand of IUCN were directors.

TransAlta is Canada's largest non-regulated electric generation and marketing company, with more than \$7 billion in assets and 8,000 megawatts of capacity. As one of North America's lowest cost operators, their growth is focused on developing coal and gas-fired generation in Canada, the U.S., and Mexico. Their reputation for sustainable development was recognized in 1999 by the Dow Jones Sustainability Group Index which identified TransAlta as the world's leading electric company in its first group of global equity indexes.

The **Mining Association of Canada (MAC)** is the Canadian voice for the mining industry, and works to promote corporate citizenship among their members through joint action, education and policy analysis. **Placerdome** is one of MAC's members, and is North America's third largest gold mining company and the fifth largest gold miner in the world. They operate 15 mines in 6 countries on 5 continents and employ 12,000 people around the globe. Their commitment to sustainability is based on exploration and design, construction, operation and closing mines in a way that respects and responds to the social, environmental and economic needs of present generations and anticipates those of future generations.

The Forest Products Association of Canada (FPAC) (formerly the Canadian Pulp and Paper Association, founded in 1913) is the national voice of one of Canada's most vital and significant resource sectors. FPAC provides an active forum for advancing ideas and issues of key importance to the development of the forest products industry and the communities it sustains across the country. In collaboration with its member companies, FPAC is committed to promoting quality and excellence and building international markets through Canada's leadership in sustainable forest management and environmental stewardship.

With leadership from the Symposium Chairs and Directors, a Hemispheric Advisory Council was formed. This group helped to develop and shape the agenda, speakers lists and procedural aspects of the Symposium, as well as giving support for fundraising and confirming keynote speakers.

Hemispheric Advisory Council Members were Mr. Ricardo Melendez-Ortiz of the International Centre for Trade and Sustainable Development, Mr. Miguel Reynal of Fundacion ECOS, Dr. Daniel Esty of the Global Environment Trade Study, Dr. Rubens Ricupero of the U.N. Conference on Trade and Development, Mr. Mark Halle of the International Institute for Sustainable Development and Mr. David Smith, formerly of the Jamaican Conservancy Trust and IUCN. Their proposals for the agenda, political support and guidance throughout the organisation of the event was invaluable.

A Canadian Host Committee was also formed, with the task of organizing the reception of the guests and generating political support within Canada for the event. The Host Committee Members were Mr. David McGuinty of NRTEE, Mme. Janine Ferretti of the North American Commission for Environmental Cooperation, and Mr. Malcolm Mercer of IUCN-Canada.

The 200 participants – among which 80 speakers – from 20 countries² who attended

² Antigua & Barbuda, Argentina, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Cuba, El Salvador, Ecuador, Jamaica, Mexico, Paraguay, Peru, St. Lucia, Trinidad & Tobago, United States, Uruguay, and Venezuela.

the Symposium represented a broad diversity of countries, views, backgrounds and institutional bases from the business, civil society, governmental, inter-governmental, and academic sectors. Almost half of the participants were Latin American or from the Caribbean, and speakers addressed trade and sustainability issues related to the FTAA in the broader Summit of the Americas context.

The Symposium was opened by Canada's Ministers of Environment and of International Trade, Mr. David Anderson and Mr. Pierre Pettigrew. Keynote speeches were also given by Lic. Victor Lichtinger, Mexican Secretary of the Environment, Mme. Maria Minna, Canadian Minister of International Cooperation, Dr. Walter Francois, Minister of the Environment of St. Lucia, and Mme. Janine Ferretti, head of the North American Commission for Environmental Cooperation, as well as Mr. Henri Massé of the Fédération des Travailleurs du Québec, host of the Peoples Summit of the Americas and a representative from the Minister of Environment of the Dominican Republic. An opening panel with speakers from the OAS, UNEP and WWF brought participants up to date on the recent work of trade, environment and sustainable development initiatives in the Americas. The Symposium plenary debated panel and roundtable interventions from across the Western Hemisphere on key elements of a Hemispheric Trade and Sustainability Agenda, including proposals for more sustainable investment and financing for the Americas, regional lessons in competitiveness and sustainable trade, the role of civil society in the Americas integration process, and potential instruments or institutional models from the sustainability aspects of sub-regional trade regimes.

Six thematic sessions were able to enter into deeper discussions on key issues for a hemispheric trade and sustainability agenda such as Forests and Certification (sponsored by the Forest Products Association of Canada) which discussed methods of certification and market access for environmentally and socially sound forestry firms; Mining and Stakeholder Involvement

(sponsored by the Placerdome Ltd. and the Mining Association of Canada) which discussed methods of involving stakeholders in all aspects of mining and appropriate hemispheric policy frameworks; Drinking Water and Sanitation – Trade in Environmental Services and Technologies (sponsored by the National Wildlife Federation of the U.S.) which discussed the trade aspects of the provision of water services; Biodiversity, Indigenous Knowledge and Intellectual Property Rights which discussed the protection of traditional knowledge, trade opportunities and the links between global and hemispheric policy frameworks; Climate Change, Cost Internalisation and Energy (sponsored by TransAlta Petroleum and the Canadian Association of Petroleum Producers) which discussed joint research, mitigation and opportunities for emission reduction in the Americas; and the Cartagena Protocol, GMOs and Agriculture – Safe Release and Trade which discussed trade in agriculture, phytosanitary standards and biosafety issues toward an Americas agenda.³

Two receptions were held during the Symposium. On April 17, Janine Ferretti Executive Director of the **North American Commission for Environmental Cooperation**, hosted a reception with a keynote presentation by Robert Page, president of TransAlta, a Canadian oil company. On April 18, David McGuinty, Director of the **National Roundtable on Environment and the Economy**, hosted another reception with keynote speaker Oscar Arias, former President of Costa Rica and 1987 Nobel Prize Laureate.

“Private Rights, Public Problems”, by Mann and Schorr, IISD - WWF 2001, was launched in the Symposium. The book outlines concerns that a finalised FTAA will generate a similar result have led many non-governmental organisations within the region to demand that governments rethink the logic behind the investment provision. During the NAFTA negotiations in the early 1990s, the investor-state provision was not so hotly contested. For Mexico, the provision was intended to encourage foreign investment, while for risk

averse foreign investors from Canada and the US, the provision alleviated fears of investing in Mexico by offering legal recourse and rights to compensation in instances of property expropriation. The book summarises civil society groups' fears that the FTAA investment provisions will closely resemble those found in NAFTA's Chapter 11.

Two book launches also took place at the symposium, highlighting recent work by the IISD in the Western Hemisphere, and in North America.

“Trade Rules & Sustainability in the Americas”, by Cordonier Segger et al., IISD – UNEP – ICTSD, 2000 in Spanish and French, examines the issue of how new trade rules could promote, instead of prevent, sustainable development in the Americas? This book examines global and subregional trade agreements and reviews trade regimes in the Americas. By applying IISD's Winnipeg Principles on trade and sustainable development, the document describes how trade rules can support sustainability and makes recommendations for those involved in the FTAA debates.

“Ecological Rules & Sustainability in the Americas”, by Cordonier Segger et al., IISD – UNEP, 2001, released in English as a working paper at the Symposium, examines the possibilities for a strengthened environmental cooperation agenda in the Americas. It surveys existing and potential environmental regimes on global, regional, sub-regional and bi-lateral levels in the Americas, and makes proposals, based on the Winnipeg Principles analysis, for new hemispheric environmental regimes.

³ The final programme of the Symposium, as well as speakers communications, can be found on the Symposium webpage at www.iisd.org/trade/qc2001

The Results: A Hemispheric Trade & Sustainability Agenda

The symposium strived to identify policy options that can be mutually beneficial to trade, development, and environment, and that can support better coordination of trade and environmental policies the Americas. These options are designed as proposals, which could influence the positions of government delegations participating at the Summit of the Americas and shape the work of other institutions of the Americas over the next two years of Americas integration activities.

Policy recommendations were first developed in the form of a Background Document. This document was presented to trade and environment negotiators and civil society experts at the UNEP Mexico City Conference. Feedback from the UNEP Conference and comments of the Hemispheric Advisory Council were integrated into a final draft which contained a summary of proposals. These proposals were in turn used to develop recommendations for LAC government negotiators working on the text of the 2001 Summit of the Americas Declaration. The government of Canada formally accepted the recommendations in their public consultations leading up to both the Meeting of Environment Ministers of the Americas (Montreal, March 28-29, 2001) and the Trade Ministers Meeting of the Americas (Buenos Aires, April 06-07, 2001), to other LAC governments, and to international experts charged with developing hemispheric policies. Some of the ideas were, indeed, reflected in the Declarations.

Montreal Ministerial Declaration: “We intend to maximize the potential for mutually supportive policies regarding economic integration and environmental protection. Strengthening environmental management systems in our countries starting with improved knowledge, appropriate tools and incentives and better partnerships, is of the utmost importance. We intend to work, in particular, to ensure that the process of economic integration supports our ability to adopt and maintain environmental policy measures to achieve high levels of environmental protection.”

The Document has now become the seminal text of a new book being completed by Symposium organisers, with a working title of *“Beyond the Barricades of Quebec City: A Trade and Sustainability Agenda for the Americas.”*

Buenos Aires FTAA Ministerial Declaration: “We reiterate that the negotiation of the FTAA will continue to take into account the broad social and economic agenda contained in the Miami and Santiago Declarations and Plans of Action with a view to contributing to raising living standards, improving the working conditions of all people in the Americas and better protecting the environment. We reiterate that one of our general objectives is to strive to make our trade liberalization and environmental policies mutually supportive, taking into account work undertaken by the World Trade Organization and other international organizations.... We reaffirm our commitment to the principle of transparency in the FTAA process and recognize the need for increasing participation of the different sectors of civil society in the hemispheric initiative. We are grateful for the contributions made by civil society in this stage of the negotiations of the FTAA and urge civil society to continue to make its contributions in a constructive manner on trade-related issues of relevance to the FTAA. [...] In this connection, we instruct the Committee of Government Representatives on the Participation of Civil Society to foster a process of increasing and sustained communication with civil society.”

Summary of Concrete Products

- 1. Strong Networks and Connectivity:** The Symposium strengthened trade and sustainability networks in the hemisphere and laid the ground for the creation of a single integrated network of NGOs, governments, private sector and academic organizations. This integrated network will be further developed through the maintenance of a database, new list serves, the organisation of a follow up event with Fundacion Ecos in Uruguay, and through other connectivity initiatives.

2. **Open Dialogue among Diverse Actors:** The balanced and diverse participation at the Symposium allowed to initiate a real dialogue between various groups, ideological segments, and regions of the Americas. In particular, the involvement of the private sector and the significant participation of Latin Americans allowed to break two persistent barriers in the field of trade and sustainability.
3. **Rigorous Analysis and Policy Recommendations:** The Symposium produced rigorous new analysis and recommendations in the fields of hemispheric environmental and trade policy. Those analyses are currently being translated and disseminated through internet-based networks, and will constitute the basis for a book that will be published before the end of 2001.
4. **A New Mechanism for Consultation and Solutions:** Discussions held at the Symposium, along with recent consultations, will lead to the development of a Hemispheric Expert Group on Trade and Sustainability that will aim at permanently integrating activities in that field and feed into various hemispheric policy processes.

Geared toward the Summit itself, a Chairs Paper entitled: *The FTAA and Hemispheric Integration – Building a Triple-Win Strategy for Trade and Sustainability in the Hemisphere* was released at the Symposium, and later taken to the Summit for delivery to the leaders. The paper notes that a zero-sum relationship has gradually developed between a growing part of civil society and trade and economic international forums and processes since the Seattle events. The paper argues that the Summit of the Americas is a unique forum to break this Seattle Syndrome and recommends that trade, social, and environmental policy be integrated into a coherent and integrated strategy.

The paper calls countries of the hemisphere to address the sustainability issues that are related to the FTAA by making a strong commitment toward the implementation of

an integrated strategy in the field of trade and environment. The strategy rests on three pillars:

First, to build an environmentally-sound FTAA through the incorporation of a series of environmental provisions in the text of the Agreement. Second, to strengthen environmental cooperation in the Americas, especially in trade-sensitive or trade-related sectors. Third, to advance these strategies and strengthen dialogue with civil society by creating a High Level Hemispheric Experts Group on Trade and Sustainability. The statement proposes to adopt a positive strategy on trade and environmental issues by identifying policies that can benefit trade liberalisation, social development, and the protection of the environment through sustainability assessments on a sub-regional level. It also suggests key areas for policy action, and means to strengthen the hemispheric framework for environmental cooperation, proposing to create an *Americas Ecological Accord* to integrate environmental policies, institutions, and instruments in the hemisphere. Special attention is also given to the key role of sub-regional institutions such as the North American Commission for Environmental Cooperation, the ALIDES and the soon-to-be-adopted Mercosur Framework Environmental Agreement. The Chairs paper proposes the creation of a High Level Hemispheric Experts Group on Trade and Sustainability to act as a bridging mechanism between the trade and environment communities, which would report to governments, IGOs, the FTAA Trade Negotiations Committee and to various environmental processes in the Americas.

According to **IISD Symposium director**, Marie-Claire Cordonier Segger, "Coherence between policies on trade and environmental sustainability remains a considerable challenge, especially at the hemispheric level. Early bridging mechanisms will be key to any success". **IUCN Symposium director**, Karel Mayrand, adds that: "the Experts group proposal received widespread support at the symposium, and we are now working to develop draft terms of reference and build support to carry the idea forward."

The Summit: Hemispheric Leaders Americas Agenda

For their part, leaders drew tentative linkages between freer trade and environment / development concerns. The declaration that emerged from the Summit - the Declaration of Quebec City -- states that "free trade...will promote regional prosperity, thus enabling the raising of the standard of living, the improvement of working conditions of people in the Americas and better protection of the environment."

Building upon the results of the Buenos Aires meeting of Trade Ministers, leaders agreed that the design of the FTAA should take into account differences in the size and levels of development of participating economies, though they did not specify how this should be accomplished. In response to transparency concerns, the leaders also noted in the Declaration that they would

Mexican President Vicente Fox said that unless poverty and inequality were reduced, democracy could not be strengthened. Echoing Fox's statement, **US President** George W. Bush said that trade liberalisation was the "best weapon against tyranny and poverty". Owen Arthur, **Prime Minister of Barbados**, said poverty had undermined his people's confidence in the future. "They tend to see on the dark side of globalisation and trade liberalisation," he said. "They dread the coming of a 'new world' dominated by an impersonal technology and an even more impersonal market."

make public the preliminary draft of the FTAA Agreement, though no date was specified. On environment, the Summit Declaration built upon the results of the Montreal Environmental Ministers meeting of the Americas, where discussions between representatives of the environment

authorities across the hemisphere focused on environmental management, environmental and health, and biodiversity protection (both species and ecosystems) across the hemisphere. Echoing this initiative, the leaders committed their governments to environmental protection and sustainable use of natural resources "with a view to ensuring a balance among economic development, social development and the protection of the environment". But while they stated that their goal was to achieve sustainable development throughout the hemisphere, no explicit link was made between the environment or sustainable development and the FTAA itself.

Existing sub regional accords in the Americas promote sustainable development in different ways. For example, the North American Free Trade Agreement (NAFTA) between Canada, the US and Mexico contains side agreements on environment and labour that aim to promote these concerns in the context of the trade accord, and the Andean Community has a council of Environmental Authorities which is taking the lead on biosafety and intellectual property rights issues in the sub-region. The Declaration also contains a clause stressing that having a democratic government is a condition for participation in the Summit of the Americas process. The Southern Cone Common Market (Mercosur) -- comprised of Argentina, Brazil, Paraguay and Uruguay -- contains a democracy clause excluding any Mercosur member from the trade grouping should it fail to meet certain democratic norms.

Conclusions: The Way Forward

The Summit of the Americas was a unique forum where trade and environment policies took a first step toward being integrated in a coherent set of priorities. The Quebec City Summit constituted a unique occasion to renew with the Miami spirit and reintegrate trade and environmental policies in a coherent package and was partially successful through the efforts of key experts and governments, particularly the governments of Canada, Mexico, St. Lucia, Costa Rica and Chile. The FTAA process and other hemispheric initiatives are now entering a crucial development period. The orientations taken in Quebec City have generated impacts for many years ahead, and much work is still needed to ensure that policymakers address this coordination challenge with the highest interest. The Montreal and Buenos Aires Ministerial meetings opened doors in terms of improved transparency and strengthened environmental cooperation. A trade and sustainability agenda must be built on these positive advances.

Public support for trade liberalisation, particularly in the United States, has been hanging in the balance since the Seattle events. By addressing trade and sustainability issues, and opening meaningful channels for civil society participation, the FTAA could start delivering its fruits to more than 800 million citizens. This social/environmental *early-harvest* approach has the potential to break the zero-sum relationship which is gradually developing between a growing part of civil society and trade and economic international forums and processes.

The Quebec City Symposium sent a clear signal that the time has come to move beyond zero-sum thinking in trade and environment policy by announcing the intention of the countries of the Americas to address these questions through cooperation channels rather than through the traditional conflicting trio: sanctions – competitiveness – protectionism. By heeding these signals, the Americas Summit process would do much to improve trade and environmental policy in the years ahead.

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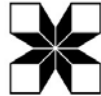


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