

# ANALYSIS OF ENVIRONMENTAL PROVISIONS IN REGIONAL TRADE AGREEMENT

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## **1. Background and aim**

It has been generally concluded that international trade may cause negative environmental impacts by economic growth. Environmental trade measures should be available as leverage to protect environment. But under GATT/WTO rules, participants are not granted rights to take enough measures for protecting environment from environmental viewpoint. Although some countries and NGOs affirm that environmental trade measures should be more recognized, and it has been discussed how to handle them in GATT/WTO, it is difficult to reach consensus with a growing number of participants. Therefore the number of RTAs with environmental provisions is growing recently. Forecasts for Japan predict that environmental problems will worsen as global trade expands. So Japan should also incorporate environmental provisions in RTA. Therefore in this paper I analyze environmental provisions in RTAs concluded by EU and New Zealand and generate lessons Japan can learn from them.

## **2. Method**

In this study, I classify environmental provisions in RTAs into 3 groups: (1) environmental provisions to tighten the environmental regulation in home country, (2) environmental provisions for the low level environmental regulation in other countries, and (3) environmental provisions about the environmental trade measures provided by multilateral environmental agreements (MEAs).

## **3. Results and discussions**

From my research, four things are extracted as follows. First, to incorporate precautionary principle into RTA: precautionary principle or measures are not permitted under GATT/WTO except SPS agreement. But Japan has ratified MEAs which are based on these measures and assumes to take these as appropriate, so Japan should consider incorporating these into RTAs like the RTA which EU and CARIFORUM concluded. Second, provisions about environmental standards: it is not prohibited to lower environmental regulation to attract companies in GATT/WTO. Japan can complement GATT/WTO by incorporating provisions that participants shall not lower the level of regulation and shall be committed to set more high level standards of environmental regulations. Third, provisions about enforcement of environmental law: there is a problem that environmental protections are not implemented due to weak enforcement of law in Asian countries. Institutional arrangements such as cooperative consultation mechanism are needed to ensure environmental law enforcement by other countries. Fourth, provisions about environmental cooperation: they are needed to ensure environmental law enforcement in other countries and to agree to set the environmental provisions in RTA. The environmental cooperation which allows the RTA Partner Country to further draw up environmental policy through policy dialogue is needed.