

International Scene

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INTRODUCTION

The beginning of 1997 indicated a strong potential for international growth opportunities for the Canadian minerals and metals industry. By year-end, however, the sector had experienced both positive and negative periods. On the positive side, sustained economic growth in the industrialized countries during the year ensured steady demand for mineral products. By mid-year, a steady decline in gold prices began to have a negative impact on gold producers worldwide. The year ended with mineral producers in general bracing themselves for tougher times ahead because of the reaction in the marketplace to growing uncertainty in Southeast Asia.

This annual review¹ reports on major international issues of importance to the Canadian minerals and metals industry during 1997, including multilateral, regional and bilateral developments. As in previous years, special attention is given to environmental- and health-based government regulations affecting trade and trade patterns. Background to each topic is provided in endnotes at the end of this review.

MULTILATERAL DEVELOPMENTS

World Trade Organization

It was another busy year for the World Trade Organization (WTO), which focused on its third year of operation. Key activities in 1997 of special interest to the minerals and metals industry included: work being carried out pursuant to applications by a number of countries to accede to the WTO, notably Russia and China; progress on an agreement on non-preferential rules of origin; and the continuation of deliberations in the Committee on Trade and Environment.

As mandated by the Singapore Ministerial Declaration released at the conclusion of the first WTO Ministerial Conference in December 1996, the WTO also launched work on what are referred to as "new issues." Working groups were established to examine the relationship between trade and investment, the interaction between trade and competition (anti-trust) policy, and transparency in government procurement.

The new dispute settlement mechanism is proving to be considerably more popular than the system used under the General Agreement on Tariffs and Trade (GATT). While the GATT system handled approximately 300 disputes over its 45+ years of existence, the WTO mechanism reached the 100 mark in just 32 months, an average of almost 40 disputes a year. It is also worth noting that developing countries have been quite active as complainants, unlike the old system, which was almost exclusively used by the industrialized countries. The activism is a clear indicator of the important role that binding dispute settlement has come to play in trade matters.

Multilateral Agreement on Investment (MAI)

Canada, along with the other members of the Organization for Economic Co-operation and Development (OECD), continued its efforts during 1997 to develop a comprehensive agreement to govern investment rights and obligations. Canada's objective is to replicate the rules on investment found in the North American Free Trade Agreement (NAFTA) in a multilateral setting. The central feature of the MAI is the concept of non-discrimination, expressed as national treatment and most-favoured-nation requirements similar to those found in the WTO.

The OECD initiative follows unsuccessful efforts by the Quad countries (Japan, the European Union, Canada and the United States) to establish a multilateral agreement on investment within the WTO framework. The OECD members envisage that, once completed, the MAI would be open to accession by non-OECD countries, and could eventually become part of the WTO framework.

The proposed MAI has been criticized by some non-governmental organizations within Canada on the grounds that it cedes too much sovereignty to an

international forum, possibly circumscribing Canada's ability to protect its environment, labour standards, social programs, and culture.

It should be noted that a multilateral agreement setting out rules to protect foreign investment has been pursued several times over the past 30 years, including previous initiatives within the OECD. Those efforts were unsuccessful because the developed and the developing countries were unable to agree on the key issues including, in particular, rules to govern compensation for expropriation.

OECD Risk Management Program²

At the 26th Joint Meeting of the OECD Chemicals Group and Management Committee in June 1997, Canada and other countries expressed support for the work being carried out by the International Lead Management Centre (ILMC). OECD environment ministers had agreed to a Ministerial Declaration on lead in February 1996. In response to the challenge from ministers for voluntary initiatives, lead producers established the ILMC to work with governments, industry sectors and others to reduce risks from exposure to lead. Support was expressed by Canada and many other countries.

In 1996, the Joint Meeting agreed with the findings of the Swedish Workshop on Cadmium, including the recommendation that countries work with industry to enhance the recycling of nickel-cadmium (Ni-Cd) batteries. In response, Canada, the United States, Australia, Japan, Mexico and industry co-sponsored a workshop on "The Effective Collection and Recycling of Nickel-Cadmium Batteries" in September 1997. Over 50 government and industry experts from 15 countries and the European Commission participated in the workshop. Workshop participants agreed that it was technically feasible and desirable to recycle Ni-Cd batteries, and a list of priority activities that could contribute to efficient recycling was prepared for consideration by the Joint Meeting in 1998.

The Basel Convention on the Transboundary Movements of Hazardous Wastes and Their Disposal³

The Convention, which came into force in 1992, had been ratified by 108 countries by year-end, with the United States being the most notable exception. It is important to note that the Convention defines recycling as a "disposal" activity, and recyclable materials as "wastes." It is a continuing concern to Canada, as well as to some other governments, that the Convention does not adequately distinguish between recyclable materials destined for recovery operations and hazardous wastes destined for final disposal.

The third Conference of Parties (COP) to the Basel Convention agreed to amend the Convention and to immediately ban the export of hazardous wastes arising

from Annex VII countries (currently comprised of OECD countries, European Union countries and Liechtenstein) and destined for non-Annex VII countries. The COP further agreed to ban the export of hazardous recyclable materials arising from Annex VII countries and destined for non-Annex VII countries by December 31, 1997. As of January 1998, eight Parties had ratified this "ban" amendment. The amendment requires ratification by three quarters of the Parties to enter into force. Canada has not, as yet, made any decision regarding ratification of this amendment.

One major difficulty has been the ambiguity of exactly which materials would be subject to the "ban" amendment. Accordingly, the Technical Working Group of the Basel Convention developed a specific list of hazardous wastes that will be subject to the "ban" amendment upon its entry into force and a list of non-hazardous materials that will be considered to be beyond the scope of the Basel Convention. The fourth COP, scheduled for February 1998, will consider the adoption of these lists into the Convention. Canada favours adoption of these two lists, giving each legal status in the Convention.

The fourth COP will further consider applications submitted by Monaco and Israel to be considered as part of the Annex VII group of countries. Some countries oppose any additions to Annex VII as they believe this weakens the environmental objectives of the "ban" amendment. Canada is of the opinion that, upon self-assessment, countries should have the sovereign right to "self declare" their membership in Annex VII, recognizing environmentally sound management principles.

Basel Convention (Protocol on Liability and Compensation)

In 1997, the Ad Hoc Working Group of Legal and Technical Experts held its fifth session to develop a draft protocol on liability and compensation. Key issues, such as the scope of application of the protocol, which types of wastes to be covered, channelling of liability, and the creation of an international fund, were extensively discussed but not resolved. The next session of the Working Group will be held after the fourth COP. Depending on the outcome of the fourth COP, the positions of the Parties may change significantly regarding the need for, and scope of, a protocol to govern liability and compensation.

International Maritime Organization: International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea⁴

On September 9, 1997, Canada formally signed the Convention. At that time, Transport Minister David Collenette indicated that a decision on whether

Canada will ratify the agreement, thus binding itself legally to carry out the obligation contained within it, would be "a matter of close consultations with interested parties."

Law of the Sea Convention: Seabed Mining Code⁵

In March 1997, the Legal and Technical Commission (the Commission) of the International Seabed Authority (ISA) met for the first time to consider a draft Seabed Mining Code to govern prospecting and exploration on the ocean floor. A further session in August 1997 resulted in progress, but a number of key issues remain outstanding, including provisions for environmental protection, protection of commercially sensitive information, and ensuring that the draft Code is reflective of the realities pertaining to prospecting and exploration activities.

The next meeting of the ISA is scheduled for March 1998. Once the Commission has completed its deliberations, it will convey the draft Code to the Council of the ISA for its consideration and adoption.

Convention on Long-Range Transboundary Air Pollution (LRTAP)

This Convention, negotiated in the context of the United Nations Economic Commission for Europe, has a number of protocols. Those on SO₂ and NO_x are best known. In 1997, formal negotiations began for two additional protocols on heavy metals and persistent organic pollutants (POPs).

With respect to heavy metals, the negotiations will be finalized in early 1998. The initial scope of the protocol is restricted to reductions in airborne emissions of lead, cadmium and mercury. Parties to the protocol will be required to adopt common emissions regulations and to apply Best Available Techniques (BAT) to reduce emissions from new and existing major emission sources. As an alternative to applying the common emission regulations, large countries, such as Canada, will have the option to undertake an obligation to reduce national emissions by 50% and to apply BAT to all new facilities. Parties will also be required to phase out the use of lead in automobile gasoline and to regulate the use of mercury in non-rechargeable batteries. Parties are also encouraged, but not required, to take precautionary actions on a limited number of mercury-containing products. The protocol also includes criteria and processes that would allow for the addition of other heavy metals and other mandatory product management measures in the future.

The United Nations Economic Commission for Europe (UNECE) began negotiation in 1997 of a regional protocol under the same Convention (LRTAP) to address the transboundary impacts of POPs. Under the pro-

tol, emissions of dioxins, furans, polycyclic aromatic hydrocarbons (PAHs) and hexachlorobenzene (HCB) from existing and new major stationary sources are to be reduced or stabilized. Major stationary sources listed in the protocol include thermal metallurgical processes (e.g., such as for the production of aluminum and other nonferrous metals, iron and steel). The protocol will list "best available technologies" to achieve stated objectives, but these will be recommendatory, not prescriptive. It is expected that the protocol will be signed in June 1998. The United Nations Environment Programme (UNEP) will begin negotiations on a global POPs protocol in June 1998 and it is hoped that the UNEP protocol will adopt the process for addition of substances negotiated for the UNECE POPs, which is based on an assessment of risk and socio-economic and technical factors.

International Legally Binding Instrument for the Application of a Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade⁶

Originally, the negotiating mandate had called for the completion of negotiations and the adoption of an agreement by mid-1997. The complexity of the negotiations, however, resulted in further negotiating sessions, and it is now expected that the agreement will not be ready for adoption until mid-1998 at the earliest.

Currently, minerals and metals are not significantly affected by the voluntary system, although crocidolite and mercury-based pesticides are covered. A key issue as the negotiations enter the final stages will be agreement on a mechanism whereby substances are added to the list of chemicals and pesticides governed by the agreement.

Intergovernmental Forum on Chemical Safety (IFCS)⁷

Canada hosted the IFCS Forum II meeting in Ottawa from February 10 to 14, 1997. Some 300 people from 75 countries attended. Chaired by Sweden as President, the Forum dealt with a number of priorities including international risk management, harmonization of classification and labelling, information exchange, risk reduction, education and training, and the prevention of illegal international traffic in toxic and dangerous products.

At the end of the meeting, Canada, through Health Canada, assumed the Presidency of the IFCS until Forum III, which is scheduled for 2000. During Canada's Presidency, emphasis will be placed on matters related to harmonization of classification and labelling.

United Nations and the UN Commission on Sustainable Development (CSD)⁸

In June 1997, a Special Session of the United Nations General Assembly (UNGA) provided a forum to review progress made since the United Nations Conference on Environment and Development (UNCED) and to re-energize commitments made to further Rio Agenda 21 goals and objectives. The Special Session acknowledged that the sound management of chemicals remains essential to sustainable development and is fundamental to human health and environmental protection. All of those responsible for chemicals throughout their life cycle bear the responsibility for achieving this goal.

To facilitate consideration of the sustainable development of minerals and metals, Canada submitted a monograph, based on the principles and policies outlined in the 1996 *Minerals and Metals Policy of the Government of Canada: Partnerships for Sustainable Development*, to both the CSD and the Special Session. The monograph proposed two points: first, to recognize that as minerals and metals possess distinct roles and behaviour in the environment, they be considered a distinct category under chemicals so that they can be appropriately managed; and second, as recycled materials/metals are essential input components to metallurgical industries, recyclable materials destined for recovery operations on one hand, and wastes destined for disposal on the other, should be differentiated and regulated in accordance with a risk-based approach.

The Special Session did acknowledge that inorganic chemicals possess roles and behaviours that are distinct from organic chemicals, and that integrated management solutions are required *inter alia* to promote recycling and re-use.

Asia-Pacific Economic Cooperation - Group of Experts on Mineral and Energy Exploration and Development

The Group of Experts on Mineral and Energy Exploration and Development (GEMEED) held its second annual meeting in Seoul, South Korea, in March 1997. The GEMEED is a subgroup of APEC's Energy Working Group with the purpose of providing a forum in which both mining and energy exploration and development issues can be addressed within APEC. The next GEMEED annual meeting, which will have sustainable development as its theme, will take place in Ottawa in May 1998.

Following a workshop held in Canberra, Australia, in 1996, the GEMEED is developing a comprehensive database related to mining and energy resource-related opportunities, other related data, and venture capital financing sources. The objective of the database, which is accessible through the Internet, is to provide APEC member economies with an up-to-date

assessment of their mining and energy resource sectors in order to facilitate strategic planning, the definition of new trends, and investment in resource development and infrastructure.

In October 1997, the GEMEED held its first Environmental Cooperation Workshop, ECOW'97, in Tokyo. Organized by the Metal Mining Agency of Japan, the four sessions addressed environmental impacts from mining and abandoned mines, clean production of nonferrous metals industries, reports by APEC economies on mine pollution prevention and environmental protection, and sustainable development and mining. As a result of ECOW'97, the GEMEED proposes creating a committee on environmental cooperation to foster exchanges of information on this issue among APEC economies.

BILATERAL/REGIONAL AND OTHER DEVELOPMENTS

European Union

The Canada-European Union Minerals and Metals Working Group provides an annual forum for exchanging information and views on minerals- and metals-related issues of interest to Canada and the European Union. Unfortunately, the annual meeting of the Working Group did not take place in 1997. Personnel changes, including the replacement of key individuals responsible for organizing the working group meeting on the European Commission's side, forced a postponement of the meeting into 1998. It is expected that the Working Group will convene during the first half of 1998. The meeting will address a number of regulatory and policy initiatives of the European Commission and some of the European Union member states that are of concern to the minerals and metals industry.

North American Free Trade Agreement: Commission for Environmental Cooperation - Sound Management of Chemicals⁹

During the year, Canada, Mexico and the United States continued their ongoing work on four substances for the development of Regional Action Plans (NARAPs) under the Sound Management of Chemicals initiative of the Commission for Environmental Cooperation (CEC). NARAPs were finalized for PCBs, DDT, chlordane and mercury. To facilitate future work, another task force identified and finalized criteria for nominating future substances for action plans.

The CEC, under the authority of Article 13 of the North American Agreement on Environmental Cooperation (NAAEC), completed a study of the Continental Pollutant Pathways, reviewing the

nature, extent and significance of the pathways by which pollutants travel to, from and within North America. The report is currently being reviewed by the Parties with a response expected at the Ministerial Council meeting in June 1998. Natural Resources Canada (NRCan) experts involved in the advisory panels for this study formally expressed concern that the report did not adequately reflect the complexity associated with source apportionment of naturally occurring substances where aerosols (e.g., mercury) have both natural and anthropogenic origins.

Work is ongoing with respect to the North American Pollutant Release Inventory, air monitoring and modelling, and transboundary environmental impact assessments.

Mines Ministers of the Americas Conference

The second Mines Ministers of the Americas Conference (MMAC) was held at Arequipa, Peru, on September 22 and 23, 1997. Delegations, mostly at the ministerial level, from 15 countries attended. Ministers used the conference to present developments in their mining sector and to address economic, social and environmental issues. Many countries view the economic return from mining as a major factor in their attempts to address social needs, including the alleviation of poverty. Consequently, they recognized the importance of dealing with environmental issues and the need for bilateral and multilateral cooperation. The Declaration and Action Plan recognizes the economic, environmental and social dimensions of sustainable development. It provides for further meetings of experts in preparation for the 1998 MMAC in Argentina, including a workshop on the safe use of minerals and metals, which was proposed by Canada.

In preparation for the MMAC, Canada, Chile and Peru co-sponsored a Hemispheric Workshop on Minerals and Metals and Sustainable Development, which was held in Santiago, Chile, July 22-25, 1997. The Workshop developed the draft Arequipa Declaration. Canada's goal for this workshop was to promote its approaches to the sustainable development of minerals and metals based on Canada's new *Minerals and Metals Policy*.

The Minerals and Metals Initiative in the Americas

The NRCan Minerals and Metals Initiative in the Americas is about fostering the implementation of sustainable development throughout the region, principally through the Mines Ministers of the Americas process. Ministers have agreed *inter alia* to work on a common approach and coordinate sustainable development policies, and to develop a common understanding of and approach to the safe use of minerals and metals.

Canada will work with Argentina, the host of the third annual meeting, and with the other key mining countries to promote sustainable development principles and approaches, sharing with those interested Canada's experience related *inter alia* to: the life-cycle management of minerals and metals; the importance of building partnerships with industry, non-governmental organizations, associations, unions and communities; and the value of sound science to policy making.

Planned activities include a Brazil-CANMET Sustainable Development Workshop to be held in Ouro Preto, Brazil, in March 1998, where presentations will include Canada's perspective on sustainable development and the safe use of minerals and metals. To achieve on an Arequipa Declaration deliverable, Canada, Chile, Peru and Argentina will co-host a regional Safe Use of Minerals and Metals Workshop in Peru in June 1998. Regional cooperation is expected to result in mutual benefits and the realization of a regional sustainable mining industry for the twenty-first century.

Helms-Burton Act¹⁰

Canada has expressed concern at every opportunity about the application by the United States of sanctions under the *Helms-Burton Act*. On January 1, 1997, amendments to the *Foreign Extraterritorial Measures Act* (FEMA) took effect to provide Canadian companies with enhanced tools to protect themselves against extraterritorial legislation such as the *Helms-Burton Act*. Amendments to the FEMA:

- ensure that enforcement in Canada and any judgments handed down under Helms-Burton will be blocked automatically;
- allow Canadians to receive in Canadian courts any amounts awarded in a Helms-Burton judgement, along with any expenses involved in defending the action and any consequential damages; and
- allow Canadian companies to sue for interim expenses and costs incurred in defending a Helms-Burton action as soon as they are faced with such an action in the United States.

In January and July of 1997, President Clinton extended the suspension of the right to sue under Title III. Under the legislation, the President can exercise his discretion to extend the suspension at six-month intervals. The President has indicated that he will continue to renew the suspension "so long as American friends and allies continue their stepped-up efforts to promote a transition to democracy in Cuba."

The *U.S.-EU Understanding on Helms-Burton*, concluded on April 11, 1997, suspended the EU's WTO challenge of Helms-Burton, in which Canada is a

third party. Both countries are committed to work to develop disciplines on investments in property expropriated in contravention of international law, and principles on conflicting requirements and secondary investment boycotts. Canada and the EU made proposals in the context of the Multilateral Agreement on Investment (MAI) to address issues related to extra-territoriality.

Canada-Chile Free Trade Agreement

Legislation to pass the Agreement into law in Canada received Royal Assent on April 25, 1997. The Agreement, which entered into force on July 5, 1997, gives Canadian companies privileged access to a dynamic South American market. It is an important first step to even closer trade relations with other strong economies in South America.

The Agreement's key features include: an immediate duty-free access for 75% of Canadian exports and the elimination of Chile's 11% import duty on almost all remaining industrial and resource-based goods over five years; significant new protection for Canadian investments in Chile, including an agreement to automatically grant Canadian investors the benefits of any future liberalization, and an undertaking to negotiate a bilateral double taxation agreement; the creation of a Free Trade Commission and secretariat to ensure the timely and effective resolution of disputes; the mutual elimination of anti-dumping duties within a maximum of six years; and side agreements on environment and labour, which will be the first agreements of this nature ever signed by the Government of Chile.

The Environmental and Labour Side Agreements will ensure that respect for environmental and labour laws is a vital component of the economic prosperity that comes with trade liberalization. The Environmental Side Agreement will strengthen the environmental partnership between Canada and Chile. It will encourage environmentally responsible trade through enhanced cooperation between both countries and with the Canadian environmental community, and the effective enforcement of environmental laws.

Science and Technology Transfer Projects in Latin America

During 1997, the Canada Centre for Mineral and Energy Technology (CANMET), a key research and technology development arm of Natural Resources Canada, was involved in several technology transfer projects in Latin America in support of the sustainable development of minerals and metals. Collaborative projects were pursued in Argentina, Brazil, Guyana and Chile.

In Argentina, working with INTEMIN, the national centre for mineral technology, CANMET assisted in

establishing an Environmental Laboratory and provided assistance in the understanding of Baseline Assessment and Environmental Management Practices. In collaboration with CETEM, the national centre for mineral technology in Brazil, CANMET helped establish an Acid Mine Drainage Program and in-house mineral characterization expertise. In Guyana, CANMET defined a project in support of the Guyana Geology and Mines Commission. The project will establish a Guyanese Environmental Unit aimed at implementing environmentally sound mining practices. Finally, in Chile, working with CIMM, the national centre for mining and metallurgy, CANMET provided advice on project planning and risk assessment.

Mexico

The Second Working Group Meeting (WGM) between NRCan's Minerals and Metals Sector and the Mexican Ministry of Trade and Industrial Development (SECOFI) was held in April in Mexico City. The purpose of the WGM was to exchange views on bilateral issues and develop strategic alliances in international fora to advance common policy goals. The 1997 meeting addressed current issues directly related to joint Canada-Mexico commodity and policy priorities, including Mexico's growing interest in voluntary approaches regarding environmental matters for the Mexican mining industry.

Russia

Three events marked Canadian-Russian collaboration in the minerals and metals sector in October 1997. First, Mr. Gerry Byrne, the Parliamentary Secretary for NRCan, had a successful meeting with Mr. Victor Orlov, Natural Resources Minister of the Russian Federation, to enhance Canada-Russia business development in minerals and metals. Second, the third session of the Canada-Russia Intergovernmental Economic Commission (IEC), held in Ottawa, agreed to work towards the establishment of a working group on mining. Finally, NRCan sponsored a joint session between Canadian companies active in the Russian Federation and the Russian delegation to the Northern Miner Conference on Russia and the C.I.S. to identify the irritants that inhibit Canadian mining investment in Russia. The meeting supported the establishment of an industry-led working group on mining under the IEC.

China

The Canada/China Ferrous Minerals and Metals Working Group provides a bilateral forum to discuss bilateral iron ore, steel and gold issues, including Canadian iron ore and steel sales to China, projects for Canadian engineering firms, and gold mining joint ventures in China involving Canadian companies. The next meeting of this group will be held in

February 1998 in Beijing. The Canada/China Nonferrous Metals and Minerals Working Group considers such topics as business opportunities in both China and Canada, and developments in international organizations that affect how metals are produced, traded, used and recycled, as well as future cooperation projects between both countries in the nonferrous metals sector. The next meeting of the Canada/China Nonferrous Metals and Minerals Working Group will also be held in February 1998 in Beijing.

Amendments to the 1986 *Law of the People's Republic of China on Mineral Resources*, which had been promulgated on August 29, 1996, came into effect on January 1, 1997. One of the most important changes to the law is that China will now allow the transfer of exploration and exploitation rights in certain situations. The amendments also allow private enterprises and Sino-foreign joint-venture companies to explore and mine mineral resources under state supervision. The accompanying regulations have not been published yet; they are expected to be available in early 1998.

Republic of Korea

The Canada/Korea Energy and Minerals Working Group provides a bilateral forum to consider cooperation, especially in the areas of investment and exploration. The Working Group was to have met in March 1997 in Seoul; however, for a variety of reasons, the meeting was postponed until 1998.

ENDNOTES

¹ Additional details on international developments relating to specific commodities can be found in the various commodity chapters of this publication.

² The 1990 OECD Risk Management Program began with work on five pilot chemicals, including lead, cadmium and mercury. Background documents summarizing the life cycle of these chemicals, including country management measures, were prepared and published. In follow-up, a series of workshops were held for different chemicals to discuss possible concerns and to assess the need for cooperative risk management action in the OECD.

³ The Basel Convention is a multilateral environmental agreement, ratified by Canada in 1992, designed to minimize the transboundary movement of hazardous wastes in order to protect countries – particularly developing countries – that may not have the capacity or technology to manage them safely.

⁴ In May 1996, Canada, along with the other members of the International Maritime Organization, finalized the International Convention on Liability and Compensation for Damage in Connection with the Carriage of Hazardous and Noxious Substances by Sea (HNS). The Convention

provides for a system of liability and compensation for victims of damage caused by a number of products and substances referenced in the agreement. Canada succeeded in having 19 key products and substances relating to minerals and metals excluded from coverage under the agreement.

⁵ In November 1994, the 1982 Law of the Sea Convention came into force, including a de facto renegotiated Part XI, which deals with seabed mining. Although Canada is a signatory, it has not yet ratified the Convention.

⁶ In 1996, members of the Food and Agriculture Organization (FAO) and the United Nations Environment Programme (UNEP) began negotiations to combine two voluntary information exchange arrangements into a legally binding instrument. The instrument would create a prior informed consent (PIC) procedure to govern trade in certain hazardous chemicals and pesticides. Signatory governments would have to receive, from the destination country, formal consent before an export permit could be issued for a chemical or pesticide covered by the agreement. Despite efforts by some countries, notably the European Community, to broaden the scope of the instrument beyond the original negotiating mandate, the focus of the negotiations has remained on converting the existing voluntary systems into legally binding mechanisms.

⁷ The International Forum on Chemical Safety (IFCS) was established in April 1994, by 114 countries, for the purpose of identifying priorities for cooperative action in pursuit of Chapter 19 of the United Nations Conference on Environment and Development's Agenda 21 entitled the "Environmentally Sound Management of Toxic Chemicals including Prevention of Illegal International Traffic in Toxic and Dangerous Products." The Forum provides advice and recommendations to governments, international organizations, intergovernmental bodies and non-governmental organizations on aspects of chemical risk assessment and the environmentally sound management of chemicals. It is a coordinating body with no formal reporting relationship to the United Nations.

⁸ As was stated in the 1992 United Nations Conference on Environment and Development (UNCED) Agenda 21, Chapter 19, the use of chemicals is essential to meet the social and economic goals of the world community, although much remains to be done to ensure the environmentally sound management of toxic chemicals within the principles of sustainable development. Minerals and metals, while covered in the context of chemicals, were not recognized as having different characteristics and, hence, different behaviour in the environment from organic chemicals. Also in 1992, the United Nations General Assembly established the CSD to monitor progress in achieving the UNCED objectives. Since then, the CSD has encouraged governments to provide annual updates on country-specific activities to implement Agenda 21, the sustainable development action plan adopted at the Earth Summit.

⁹ The North American Agreement on Environmental Cooperation (NAAEC) endeavours to link the environmental and economic concerns of North America with sustainable development. The Commission for Environmental Cooperation (CEC) was created under the NAAEC to address regional environmental concerns, help prevent potential trade and environmental conflicts, and promote the effective enforcement of environmental law. All CEC documents are available on the internet at: <http://www.cec.org>.

10 The *Helms-Burton Act* is designed to chill third-country investment in Cuba by exposing foreign nationals who engage in business activities or “traffic” in expropriated Cuban property to claims in U.S. courts against that property (Title III). It also provides for the denial of entry to the United States of foreign individuals or companies who are deemed to be “trafficking” (Title IV).

Note: Information in this review was current as of February 27, 1998.