

Final Environmental Assessment of the Canada-Chile Government Procurement Chapter to be added to the Canada-Chile Free Trade Agreement

This report outlines the results of the Final Environmental Assessment (EA) of the Canada-Chile government procurement chapter to be added to the Canada-Chile Free Trade Agreement (CCFTA). Canada and Chile engaged in negotiations of the government procurement chapter in May, 2004. Negotiations on this chapter were concluded successfully early in 2006. The text of the chapter was finalised and translations were completed in October, 2006. The full text of the concluded agreement is available at: <http://www.dfait-maeci.gc.ca/tna-nac/bilateral-en.asp>.

These negotiations are subject to the 2001 *Framework for Conducting Environmental Assessments of Trade Negotiations*. The process focuses on the likely economic effects of the trade and investment negotiations and their likely related environmental impacts in Canada. The process involves three phases – the Initial EA, Draft EA and Final EA. The middle phase, also known as the Draft EA, is not undertaken if the agreement under negotiation is not expected to generate significant economic effects and environmental impacts in Canada. Public consultations are an integral part of the EA and are undertaken throughout the process.

An Initial EA of the Canada-Chile government procurement chapter was completed in October, 2005. This report is available at: http://www.international.gc.ca/tna-nac/documents/report_chile-en.pdf. The Government of Canada opened the Initial EA for public comments from October 25 to November 25, 2005. No public comments were received.

The findings of this Initial EA were communicated to Canada's lead negotiator and were made a part of the negotiation strategy. These findings indicated that significant changes to economic activity within Canada were not expected as a result of these negotiations and therefore any environmental impacts would be minimal.

A Draft EA was not carried out as the Initial EA concluded that no significant environmental impacts in Canada were expected as a result of the Canada-Chile government procurement chapter negotiations. The purpose of the Final EA is to document the outcome of the negotiations in relation to the EA process, i.e. to confirm the findings of the previous analysis based on the concluded negotiation.

The results of the Final EA of the Canada-Chile government procurement chapter negotiations confirm the findings of the Initial EA. No new issues arose during the latter stages of the negotiations with respect to potential environmental impacts in Canada. The economic effects and environmental impacts of the

Canada-Chile government procurement chapter are expected to be minimal in Canada.

In terms of scale of activity, it is not expected that this chapter will lead to significant increases in domestic production or consumption. While winning a Chilean government procurement contract may be economically significant to the successful Canadian bidder, the economic activity that will be generated by these contracts, relative to the overall output of the Canadian economy, will be small in scale.

The Canada-Chile government procurement chapter will not have a negative effect on Canada's ability to develop and implement environmental policies and regulations. Canada will safeguard its ability to maintain and expand the current framework of policies, regulations, and legislation for the protection of the environment in a manner consistent with its domestic and international obligations.

Comments on this report may be sent by email, mail or fax to:

Consultations and Liaison Division (CSL)

Final Environmental Assessment of the Government Procurement Chapter of the Canada-Chile Free Trade Agreement.

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Any comments received will be circulated to the lead negotiator and the Government of Canada's EA of Trade Steering committee in order to inform future EAs of trade and investment negotiations and other relevant policy development and decision making processes.