

APPENDIX 12

NEW CHAPTER 22 (ENVIRONMENT AND TRADE)

CHAPTER 22

ENVIRONMENT AND TRADE

Article 22.1: Objective

1. The objectives of this Chapter are to promote mutually supportive trade and environmental policies, through the sustainable use of their natural resources, and enhance the capacities of the Parties to address trade-related environmental issues, including through cooperation.
2. The Parties recognise that the economic development, social development and the protection of the environment are inter-dependent and mutually supportive components of sustainable development. The Parties highlight the benefits of the cooperation in environmental matters as part of a global approach to sustainable development.

Article 22.2: Level of Protection

1. The Parties affirm the sovereign right of each Party to establish its own levels of domestic environmental protection and its own environmental priorities, and to establish, adopt or modify its environmental laws and policies accordingly.
2. Each Party shall strive to ensure that its environmental laws and policies provide for, and encourage, high levels of environmental protection, and to continue to improve its respective levels of environmental protection.

Article 22.3: General Commitments

1. The Parties recognise that it is inappropriate to encourage trade or investment by weakening or reducing the protection afforded in their respective environmental laws and regulations. Accordingly, no Party shall waive or derogate such laws and regulations in a manner that weakens or reduces the protection afforded in those laws to that end.
2. The Parties commit not to use their environmental laws or other measures in a manner that would constitute a disguised restriction on trade or investment between the Parties.
3. Nothing in this Chapter shall be construed to empower a Party's authorities to undertake environmental law enforcement activities in the territory of the other Party.

Article 22.4: Multilateral Environmental Agreements

1. The Parties recognise that multilateral environmental agreements play an important role in protecting the environment. Accordingly, the Parties affirm their commitment to implement the multilateral environmental agreements to which both Parties are party.
2. The Parties agree to dialogue and cooperate, as appropriate, with respect to trade-related environmental matters of mutual interest related to multilateral environmental agreements to which they are party.

Article 22.5: Cooperation

Recognising the importance of the cooperation in the environmental aspects related to trade to achieve the sustainable development objectives, the Parties commit to conducting cooperative activities in areas of common interest related to trade, in manners that the Parties deem appropriate.

Article 22.6: Environmental Consultations

1. Each Party shall designate a contact point for Environment to facilitate the communication between the Parties on any matter covered in this Chapter.
2. A Party may request consultations to the other Party with respect to any matter that arise under this Chapter through the delivery of a written request to the contact point of the other Party. The Parties shall make their best efforts to achieve a mutually satisfactory solution to the matter.

Article 22.7: Non-Application of Dispute Settlement

Neither Party shall have recourse to Chapter 15 (Dispute Settlement) of the Free Trade Agreement for any matter arising under this Chapter.