

CHAPTER SEVENTEEN

ENVIRONMENT

Article 1701: Affirmations

1. The Parties recognize that each Party has sovereign rights and responsibilities to conserve and protect its environment, and affirm their environmental obligations under their domestic law, as well as their international obligations under multilateral environmental agreements.

2. The Parties recognize the mutual supportiveness between trade and environment policies and the need to implement this Agreement in a manner consistent with environmental protection and conservation and the sustainable use of their resources.

Article 1702: Agreement on the Environment

In furtherance of Article 1701, the Parties have set out their mutual obligations in an Agreement on the Environment that addresses, *inter alia*:

- (a)# conservation, protection and improvement of the environment in the territory of each Party for the well-being of present and future generations;

- (b)# derogation from domestic environmental laws in order to encourage trade or investment;

- (c)# conservation and sustainable use of biological diversity and protection and preservation of traditional knowledge;

- (d)# development of, compliance with and enforcement of environmental laws;
- (e)# transparency and public participation on environmental matters; and
- (f)# cooperation between the Parties on the advancement of environmental issues of common interest.

Article 1703: Relationship between this Agreement and the Agreement on the Environment

1. The Parties recognize the importance of balancing trade obligations and environmental obligations, affirm that the Agreement on the Environment complements this Agreement and that the two are mutually supportive.
2. The Commission shall consider, as appropriate, reports and recommendations from the Committee on the Environment established under the Agreement on Environment, in respect of any issues related to trade and the environment.