To achieve the environmental objectives of NAFTA and also to assess its effects on the environment. The NAAEC which is administered by the Montreal-based CEC, both are created after strong public pressure on to write environment protection into NAFTA. We will study the ongoing monitoring of the environmental changes occurring throughout North America in the wake of NAFTA and the side agreement negotiated in conjunction with it.

In recent years the debate about the costs, benefits and longer-term implications of free trade and economic globalization has moved to the forefront of public policy concerns. Among the key issues shaping the free trade and economic globalization debate is the question of how trade liberalization affects environmental quality, either in terms of direct effects on our environment, or indirectly, for instance, the effects that such trade laws as those codified in the NAFTA and WTO have on hard-fought national environmental standards and regulations. Work in assessing the environmental effects of free trade continues to undergo significant improvements; assessment methodologies have improved; environmental data although still filled with gaps and lack of comparability among trading partners continue to become more robust and tools able to draw links between trade-related economic changes and environmental changes continue to be developed.

Among these and many other improvements, perhaps the most important will be establishing the means for ensuring that civil society is engaged early, and engaged meaningfully, in environmental assessments of the free trade agenda. Indeed, of all the grievances leveled by civil society against trade agreements, the lack of transparency and public participation remains perhaps the loudest.

Since the mid-1990s, the North American Commission for Environmental Cooperation (CEC) has examined the effects of NAFTA and other trade commitments on the environment. A guiding assumption of the Commission’s work is the central importance of transparency and meaningful participation in assessment work. In late 1999, upon the completion of the CEC Analytical Framework for Assessing the Environmental Effects of NAFTA, the Council of the CEC issued a public call for
research papers to be presented at a public forum on trade and environment: in essence, these studies were to translate the methodological or "how to" work into action. The transfer of authority in dealing with the environmental issues to private or civil society actors is in fact, a major trait of the NAFTA policy mechanism.

**Scope and the Focus of the Study:**

The proposed study primarily focuses on how instrumental structure of liberal trade order, especially NAFTA has addressed the issue of environmental protection during the period of 1994 to 2004.

At the macro level, study has examined NAFTA’s provision of NAAEC, the relevance and role of NAAEC as a legal and political institution apparatus in effecting environment protection, trade and environment process in North America.

At the detail or micro level as NAAEC work through the Commission for Environmental Co-operation (CEC), the latter’s appraisal of environmental effect of NAFTA during the period under review has been undertaken. At the outset the study has examined the role of CEC in harmonizing, spreading and improving the environment legislation and implementation in three countries of NAFTA. Secondly focus of study has been the role of environmental groups under the Art.14, of NAAEC that challenging the NAFTA countries failure in enforcing environmental law. So far the reports indicate that 12 major challenges presented by NGOs against Canadian, Mexico and the US Governments for the violation of NAAEC agreement in context of environmental protection.

The third aspect of the focus has been in examining the internal conflict of the CEC. Preliminary research reveals that there has been insufficient communications between the Council and the Secretariat, in particular between ministers and the executive director. The Parties are concerned that the Secretariat is not micro-managing its activities and inappropriately circumscribing its autonomy. Joint Public Advisory Committee (JPAC) and the Council have reached stalemate on certain priority issues, leading to frustration by JPAC members and government officials. The result has been
high transaction costs for everyone and an unfulfilled potential for the CEC as a whole. The Ten Year Review and Assessment Committee (TRAC), also found that the CEC is immersed in a vicious cycle: the Council does not assume leadership of the Commission nor does it commit to generating a real consensus on institutional and procedural aspects with the CEC because it does not see concrete results.

The fourth aspect of the study has been attempted to examine achievement and failure of Commission. Available facts indicate that there are some important achievements inspite of Commissions failure mainly because of lack of financing. Their appears a five main achievements of CEC which presence study has examined. These are:-

- Coordination of trinational actions to deal with shared environmental problems (for example, Persistent organic pollutants or threats to biodiversity).
- Promotion of accountability, transparency and citizen participation (for example, ministerial meetings open to the public, public work program and citizen submissions process).
- Sponsorship of capacity-building measures on environmental issues in Mexico in several important areas: pollution prevention, control of toxic chemical substances and development of inventories of emissions of pollutants.
- Gathering of environmental information and assurance of public assess to the information.
- Provision of a neutral forum for the analysis of complex issues and discussion of possible strategies for dealing with them (for example, the relationship between environment and trade, electricity markets and the risks of contamination of corn by genetically modified varieties).

Among the major obstacles and concerns of CEC functioning are: -

- After a decade, the main actors of the CEC, including the three governments, the Secretariat and the JPAC did not have a common vision of the CEC’s mandate or its functions. These differences have led to considered friction.
- The most innovative mechanism of citizen participation, the citizen submission process, has been very controversial.
- The work programme of the CEC is atomized and the results are not always clear.
- Links with the trade institutions of NAFTA and CEC influence have been very weak.
- The CEC has not managed to sufficiently involve business organizations or indigenous peoples.

Objectives of the Study:

1. Study the origin and objectives of side agreement NAAEC and its relationships with the NAFTA.
2. Study the broad mandate of central institution of NAAEC, the Commission for Environmental Co-operation and its components.
3. Study the quasi-judicial role and power of the components of the Commission in their aid to NAFTA Parties in avoiding and resolving environment and trade disputes.
4. Study the internal and external factors affecting the implementation of the NAAEC and Operation of CEC.
5. Study the role and position of the NGOs of all the three countries in influencing the CEC programmes and activities.
6. Study the increased level of environmental sensitivity in NAFTA/NAAEC package as compared to other trade agreement such as EU and WTO.

Hypothesis:

1. The strong NGO debates seeking reconciling of international trade with environmental goals including social agenda, promoted by America, Canada and the Mexican governments to include unprecedented environmental provision in NAFTA and to sign a supplemental North American Agreement on Environmental Co-operation (NAAEC).
2. The overall performance of the CEC has been impacted by different levels of economic development between Canada, US and Mexico, which has given rise to different environmental priorities, strategies and capacity to address the problems.

3. The Joint Public Advisory Committee (JPAC) has been viewed as critical link between the public and CEC but the process used by JPAC for translating and prioritizing the comments, positions and requests presented at the public meetings by NGOs as advices for the Council have not been clear, thereby limiting the credibility of the JPAC.

4. Although Secretariat which prepares reports for Council by promoting considerable public participation in its work, consultations have been perceived by some as not being broad based or representative enough, with important sectors of the civil society being entirely left out the consultation processes, such as indigenous groups from Mexico.

5. Continued large asymmetries in the capabilities of Canada, the United States and the Mexico requires considerable capacity building support including data sharing, training and exchange of best practices, in order to avoid “environmental cooperation fatigue”.

Research Methodology:

The proposed research is based on historical, descriptive and analytical methods. To understand compulsions of balancing trade and environmental concerns attempt has been made to examine primary documents of NAFTA, NAAEC, CEC, Transboundary Environment Impact Assessment, Secretariat Reports, Citizen Submissions, Factual Records, Annual Report of CEC, and Project Reports. A select bibliography of secondary sources including Books, Articles, Reviews and Comments of Eminent Experts on the subject is additional resources for understanding the present study.

The study would also use information available in website of Canada, US and Mexico Government Agencies, the NGOs and Indigenous peoples.
The present study is divided into seven chapters:

Chapter I: Introduction: Linking between Trade, Environment and Sustainable Development; An overview of Global Development

The chapter has provided a detail overview of Brundtland Report and new paradigm of trade and sustainable development; Economic and environment linkage in North South discussion; The 1992 Earth Summit in Rio and towards reconciling international trade and environment goals; Economic policy and linkage to environmental goals upholding global interdependence.

Chapter II: Environmental Policies of Canada, US and Mexico

This chapter provides genesis of environmental policies signed between the countries of North America, Environmental Issues in Canada, US and Mexico and also the Multilateral and Regional Initiatives.

Chapter III: Formation of NAFTA and negotiation for environmental provisions: Origin of NAAEC

In this chapter attempt has been made to identified and examined factors leading to the signing of North American Free Trade Agreement (NAFTA) by Canada, United States and Mexico; Controversy and debate of environmental issues during NAFTA Treaty process promoting environmental provision in treaty; Conclusion of supplemental North American Agreement on Environmental Cooperation (NAAEC); Harmonization of environmental standards in all NAFTA countries; Nature of NAAEC and its relation with main treaty; NAAEC for “greening” NAFTA from outside; Providing agenda for environmental community; Enumerating the ecological challenges of North America; Environmental statutes and regulations; Dispute settlement and trade sanctions.
Chapter IV: Structure, process and role of the Commission for Environmental Cooperation (CEC)

This chapter describes in detail the NAAEC purpose and objective in creating Commission for Environmental Cooperation (CEC); The structure of the CEC: the Council, Secretariat and Joint Public Advisory Committee (JPAC); Mandate of CEC; The CEC and Non-governmental Organizations; Environmental concerns of indigenous groups; CEC Annual Reports on environment effects.

Chapter V: NAFTA and the role of ENGOS and Communities

The chapter is a study and note on agenda and objectives of various groups of CEC and North American Environmental NGO Community; The Secretariat and submission of NGOs report on enforcement of environment law; NGOs representation to JPAC; Public assessment and NGO involvement.

Chapter VI: Role of NAAEC in Greening the NAFTA

The chapter focuses on the agenda of Cooperation and Program Development, NAFEC, Obligations, Challenges, its transparency and public participation.

Chapter VII: Conclusion

The study upholds that environment is the victim in the ongoing neo-liberal globalization, with increasing liberalization of trade and investment, decreasing control by nation-states within the territories and the growing power of transnational companies all these factors contribute to the destruction of the environment, especially the North American Eco System.

NAFTA and NAAEC agreement between Canada, US and Mexico addressed the problems of expanding trade resulting in environmental destruction. NAFTA an agreement met the high tide of the trade and environment debate, where NGOs, government officials, academics, international experts and scientists along with broader
audiences, share the same platform and began considering the fact that environmental implications were a central element of trade negotiations.

Moreover, NAFTA and NAAEC agreements provided strategies of collaboration and cooperation. The collaboration made between citizen, industries and government of these countries attempted protecting environment and facilitative economic growth. By the strategy of cooperation between trade and environment bodies the problem of environment degradation was addressed.

NAFTA and NAAEC is believed to be more attentive to environment-related concerns than some of the preceding trade agreement, including the Canada-USFTA, the old GATT, the Uruguay Round and the Original European trade liberalization text. Indeed NAFTA became the first international trade pact to envision the need for an international forum where synergies and tensions arising from trade and the environment would be address.