PRESIDENTIAL REVIEW DIRECTIVE/NSC-43

MEMORANDUM FOR THE VICE PRESIDENT
THE SECRETARY OF STATE
THE SECRETARY OF THE TREASURY
THE SECRETARY OF DEFENSE
THE ATTORNEY GENERAL
THE SECRETARY OF THE INTERIOR
THE SECRETARY OF AGRICULTURE
THE SECRETARY OF COMMERCE
THE SECRETARY OF TRANSPORTATION
THE SECRETARY OF ENERGY
DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET
THE UNITED STATES TRADE REPRESENTATIVE
THE REPRESENTATIVE OF THE UNITED STATES TO
THE UNITED NATIONS
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ASSISTANT TO THE PRESIDENT FOR ECONOMIC POLICY
DIRECTOR OF CENTRAL INTELLIGENCE
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AGENCY
ADMINISTRATOR OF THE NATIONAL AERONAUTICS AND
SPACE ADMINISTRATION
DIRECTOR OF THE NATIONAL SCIENCE FOUNDATION
DIRECTOR OF THE UNITED STATES INFORMATION AGENCY
DEPUTY ASSISTANT TO THE PRESIDENT FOR
ENVIRONMENTAL POLICY
DIRECTOR, PEACE CORPS

SUBJECT: U. S. Environmental Policy in Latin America and the Caribbean

Background

The United States has an interest in the role Latin American and Caribbean nations play in protecting the ozone layer, reducing emissions of greenhouse gases, preserving the Earth's biodiversity and other global environmental issues. Our proximity to these nations implies that regional environmental problems in Latin America may affect the United States. Moreover, environmental issues are increasingly relevant to U.S.
economic interests, with implications for possible free trade agreements, technology exports, trade sanction issues, and other matters. Within the region, there is growing interest in environmental issues due in part to the 1992 Earth Summit agreements and to an increasing capacity to address environmental problems. These environmental problems may have considerable health impacts and diminish countries’ chances of sound development.

Objective

The purpose of this review is to define objectives for the United States regarding environmental protection in Latin America and the Caribbean and to develop a U.S. strategy to achieve them.

This review addresses environmental issues on a regional rather than nation-by-nation basis. Latin America and the Caribbean is divided for this purpose into the following six regions: Mexico, Central America, the Caribbean, the Andean Nations, Brazil and the Southern Cone.

It asks how the United States should best employ various tools that could be brought to bear on these problems, including bilateral and multilateral agreements, trade, capacity building and financial and technical assistance.

The resulting regional strategies should consider mechanisms to better coordinate the efforts of U.S. agencies with one another, improve coordination with other existing international efforts and institutions, alter priorities within or between agencies and, possibly, fund new initiatives. Both bilateral and multilateral channels for providing assistance should be considered.

I. Criteria for Developing the Strategy

This review asks for an explicit examination of the criteria to be employed in choosing environmental priorities within each of the six regions to be considered. In weighing these criteria, our long-term goal in Latin America is to foster a Hemisphere of democratic nations with capable governments and open economies providing rising living standards to their peoples and expanding opportunities for economic exchange with the United States. Strengthened cooperation on issues of environmental protection, while a goal in itself, should also be consistent with and supportive of these goals. For example, U.S. encouragement of environmental non-governmental organizations strengthens civil society and deepens democracy, while at the same time promoting sustainable development with Latin American and Caribbean governments.

The following criteria, and others if appropriate, should be considered in structuring the assessment within each region:
A. The health and safety of Latin American citizens. Specific issues in this category would include: the availability of safe water; sewage treatment; urban air pollution; pollution from mining or petroleum operations; and nuclear reactor safety and waste disposal.

B. Environmental degradation that undercuts sustainable development in the region, including degradation of forests, wetlands, coastal zones and other critical ecosystems, unsustainable agricultural practices, depletion of water resources and environmentally unsound energy production and use.

C. The impact of environmental problems on traditional national security concerns, and the affects of war and national security issues on the environment, including the relationship between environmental degradation and population, poverty, health and refugee crises, or as a cause of armed conflict. Address both long- and short-term causes. Specific issues in this category would include soil erosion or degradation, desertification, population growth, sewage treatment (in relation to the propagation of disease), availability of safe water and transboundary pollution issues.

D. Global issues, including the global effects of deforestation and biodiversity loss. Specific issues in this category would include forest management, biodiversity and endangered species, contributions to global warming or ozone depletion, pollution of seas and destruction of coral reefs.

E. Development of U.S.-Latin American and U.S.-Caribbean ties. Examples would include attempts to avert environmental problems that could become sources of bilateral friction, such as the safety of imports to the U.S. with respect to pesticides, chemicals, or bacteria in meat or vegetables or tuna-dolphin type trade disputes.

F. International competitiveness. Increasing commercial opportunities for U.S. technology and service providers in the environmental industry.

For each region, consider the relative importance of the criteria listed in A through F above. Within the most important criteria, assess the comparative importance of each issue or example cited (or common causes that underlie more than one issue), identifying those which are of key importance.

II. Means to Environmental Protection

This section examines means the United States may employ to address the key environmental issues identified by region and is divided into four broad areas: (A) Financial Resources; (B)
Multilateral Commitments; (C) Capacity Building; and (D) Trade and Development. The strategy devised for each region should consider all four areas, though the importance placed on each will undoubtedly vary.

A. Existing Financial Resources

To assess the utility of environmental initiatives, we must review the context in which they would function. To this end, briefly review the environmental efforts within Latin America and the Caribbean being undertaken by the UN and the OAS, by multilateral development banks and the more important NGOs, and bilaterally by the United States (including the Enterprise for the Americas Initiative).

B. Multilateral and Bilateral Commitments

1. Review the role of and relationships between the main international environmental agreements or initiatives (including the Western Hemisphere Convention, the Earth Summit Agreements, the Ramsar Treaty on International Wetlands, the Convention on International Trade in Endangered Species (CITES), World Heritage Sites, Forests for the Future, the Cartagena Convention, the Basel Convention on Transboundary Movements of Hazardous Wastes and Their Disposal, the Coral Reef Initiative, and existing bilateral science and technology agreements). Are there important gaps (in issues, implementation or monitoring) in the current framework of environmental agreements? Are there important United States objectives that could be met through revitalizing or modifying any of these agreements? If the United States should seek to revitalize any of these agreements, what strategy should we follow in the OAS or elsewhere?

2. Montreal Protocol

There are five Latin American nations (Belize, Bolivia, Dominican Republic, Guyana and Suriname) not yet parties to the Montreal Protocol. What strategy should be pursued to ensure signature and ratification by these nations?

3. Summit of the Americas

Given the regional strategies developed in this review, identify issues that would be suitable initiatives for the upcoming Summit of the Americas.

C. Capacity Building
The capacity for environmental protection varies sharply from country to country within Latin America and the Caribbean. Some nations have an extensive constitutional or legislative framework but lack effective enforcement. Others have created environmental authorities and are beginning to develop a comprehensive body of environmental legislation. Still others have environmental authority residing only in Ministries of Health, Forestry or Agriculture. Even those nations where enforcement of environmental legislation is rapidly improving, such as Mexico, may be deficient in areas ranging from technical expertise to strong non-governmental organizations. The ability of the United States to enhance environmental protection in Latin America and the Caribbean depends in part on improving environmental capacity.

1. Drawing on the discussion in (II)(B)(1) above, what mechanisms for capacity building exist through current bilateral and multilateral agreements? To what extent are we making use of these mechanisms? Are there major gaps in existing programs and agreements?

2. What strategy should the United States pursue to enhance scientific, technical and bureaucratic capacity for environmental research and protection? Consider environmental legislation and regulation, education and training, cooperative research, information and technology exchange and other possible strategies. How best can we leverage available resources through partnerships with the private sector, international lending institutions and other international organizations?

3. The effectiveness of environmental assistance to Latin America will be greatest where governments are efficient and honest. How important are bureaucratic inefficiency or corruption as impediments to international assistance? How can we ensure that assistance will be used most effectively?

4. Progress in environmental protection, especially in (but not limited to) the protection of lands reserved for indigenous people, is related to fundamental human rights issues. Are issues of democracy and human rights impediments to environmental protection? Where? Are there ways to make progress in both areas in such cases?

5. How crucial are national energy policies for addressing key environmental problems? Should the United States attempt to influence the development of such policies?
6. Would the development of Latin American and Caribbean NGOs or the expansion of U.S.-based NGOs into the region help solve problems? How should we encourage their growth, and strengthen those already in existence?

7. Passage of NAFTA created the Border Environmental Cooperation Commission (BECC) to improve environmental conditions for citizens of both the U.S. and Mexico. With its concepts of private sector involvement, public input and bottom-up project development, should the BECC be a model for application elsewhere in the Americas?

D. Trade and Development

Other reviews have addressed critical issues such as "greening" the GATT and the multilateral development banks and the general question of using free trade negotiations to require environmental standards. This review is limited to only selected issues.

1. Assess progress to date using debt forgiveness (with particular attention to the Enterprise for the Americas Initiative experience) as a means to environmental protection. Could locally-created funds be used to better support overall U.S. goals?

2. In some cases, transnational corporations could provide a more progressive environmental force than national or state-controlled industries. Should the U.S. government work with transnationals to establish common ground rules for operations in Latin America? Should the U.S. work with Latin American and Caribbean nations to develop standards for application to all corporations, domestic or transnational, operating in the region? In which areas of the economy would such ground rules be most useful? Address the risks entailed in such a strategy.

3. Nations most likely to be candidates for an FTA include Chile, Colombia and Venezuela, as well as Argentina, Costa Rica and Jamaica. What are the most important environmental problems in which progress must be made prior to ratifying an FTA? What role should the United States play in ameliorating these problems? Should FTAs be conditioned upon a country's accession to the NAFTA-created Commission for Environmental Cooperation (CEC) or to other bilateral or multilateral environmental coordinating mechanisms? Should the U.S. pursue with trade subgroups such as MERCOSUR environmental
provisions in anticipation of future accession to the NAFTA?

4. Should the United States work with other governments to harmonize environmental standards to be applied throughout the Western Hemisphere? What are the important advantages and disadvantages or pitfalls (including to trade and to the environment) with such a plan? Are there advantages to the United States in attempting to form a Western Hemisphere bloc of nations in certain international fora?

III. Tasking

This review shall be prepared through an interagency working group, coordinated by the State Department, chaired by the Bureau of Inter-American Affairs (State/ARA) and vice-chaired by the Office of Oceans and International Environmental and Scientific Affairs (State/OES).

The review of current environmental policy described in section II(A) shall be based on a document drafted by State/ARA. The State Department will also provide a hemispheric synthesis of the regional responses to II(C)(3) for the Summit of the Americas.

The NSC and NEC staffs shall be responsible for ensuring that this review is coordinated with other related interagency policy reviews now underway.

Consultations with outside institutions, NGOs and industry shall be conducted as appropriate.

This review shall be completed by June 17, 1994.

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