

## Acuerdos Bilaterales

Clasificación: 07-2005

Fecha de Ingreso: 7 de enero de 2005

Nombre de Acuerdo: Memorandum of Understanding between the General Secretariat of the Organization of American States through its Office for Sustainable Development and Environment of its Department for Integral Development and the Business Development Company of Trinidad & Tobago to Perform and Environmental Impact Assessment of Free Trade in Trinidad & Tobago

Materia: Medio ambiente

Partes: SG/OEA & the Business Development Company

Referencia: BDC

Fecha de Firma: 25 de noviembre de 2004

Fecha de Inicio: 25 de noviembre de 2004

Fecha de Terminación: 25 de julio de 2005

Lugar de Firma: Port of Spain

Unidad Encargada:

Persona Encargada: Joseph C. Campbell

Original:

Claves:

Cierre del proceso:

**MEMORANDUM OF UNDERSTANDING BETWEEN THE GENERAL SECRETARIAT  
OF THE ORGANIZATION OF AMERICAN STATES THROUGH ITS OFFICE FOR  
SUSTAINABLE DEVELOPMENT AND ENVIRONMENT OF ITS DEPARTMENT FOR  
INTEGRAL DEVELOPMENT**

**AND**

**THE BUSINESS DEVELOPMENT COMPANY OF TRINIDAD & TOBAGO  
TO PERFORM AN ENVIRONMENTAL IMPACT ASSESSMENT OF FREE TRADE IN  
TRINIDAD & TOBAGO**

This Memorandum of Understanding ("MOU") is made and entered into this day of November 25, 2004, by and between the General Secretariat of the Organization of American States, hereinafter referred to as 'GS/OAS'), through its Office for Sustainable Development and Environment (hereinafter referred to as "OSDE") of its Department for Integral Development, and the Business Development Company Limited of the Government of Trinidad and Tobago (hereinafter known as "BDC").:

**WHEREAS:**

The OSDE is the principal technical arm of the GS/OAS responsible for meeting the needs of OAS Member States in matters of sustainable development;

The OSDE has been working with the Member States in analysis and substantive dialogue regarding the sustainability of trade liberalization. As part of this effort, OSDE is continuing to facilitate analysis and dialogue on the environmental sustainability of trade liberalization, concentrating on regional and sub-regional trading blocks such as MERCOSUR, the Central American Common Market, and CARICOM. This analysis includes economic, policy and legal elements and a country report that will build the basis for substantive dialogue; and

The "BDC" is mandated by the Government of Trinidad and Tobago to focus on improving sustainability of enterprises and key economic sectors by strengthening and modernizing them to cope with increased competition and that BDC has expressed interest in engaging in an analysis to assess the possible effects of economic integration and trade liberalization to sustainable development and the environment in Trinidad, the parties agree, in accordance with the above considerations, to the following terms and conditions:



WHEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

ARTICLE I. SCOPE OF WORK

1.1 BDC shall conduct an environmental impact assessment of trade liberalization in Trinidad (hereinafter referred to as the "Work") with the support of the OSDE in accordance with the scope of work set forth herein.

1.2 BDC shall be responsible for researching, vetting, and drafting an *Analytical Report* that will provide information about the likely environmental consequences of trade liberalization in Trinidad, taking into account experiences from participation in the Caribbean Basin Initiative and CARICOM as well as the ongoing Free Trade of the Americas ("FTAA") process.

1.2.1 This Analytical Report will be prepared with the supervision and advice of the OSDE experts, who shall provide access to technical information, quantitative tools, expertise and networks, and offer peer review and editorial input on results.

1.2.1.1 The Analytical Report shall be submitted in English; one hard copy and one electronic copy in Microsoft Word, latest available version. All maps and graphic files shall be submitted in the programs in which they were originally created. An executive summary, including lessons learned and recommendations forward, will also be provided by BDC.

1.2.2 In order to ensure comparability among a number of country-specific assessments, the Analytical Report will refer to the methodological framework developed by GS/OAS. Any variation to the recommended methodology or content shall be submitted for prior authorization to the OSDE.

1.2.3. All information (including files, documents, and electronic data, regardless of the media it is in) belonging to GS/OAS and used by BDC in the performance of this MOU shall remain the property of GS/OAS. Unless otherwise provided through a written agreement signed by a duly authorized GS/OAS representative, BDC shall not retain such information, and copies thereof beyond the termination date of this MOU, and BDC shall not use such information for any purpose other than for completion of the Work.

1.2.4. Any title, copyright, patent, or other proprietary rights in any Work furnished under this MOU shall lie jointly with both parties, GS/OAS and BDC. At the request of GS/OAS, BDC shall assist in securing the intellectual property rights produced under this MOU and in transferring them to GS/OAS.

1.2.5 The methodological framework includes the components set forth in Section 1.3, below.



### **1.3 Report content**

The Analytical Report shall include the following four Parts:

#### **A. Part 1: Economic Analysis.**

1. This analysis shall identify key economic sectors within the country and region that are likely to grow or change significantly in response to trade policy reform and trade-related investments. Economic forecasting tools used shall include computable general equilibrium model ("CGE"), partial equilibrium model, comparative advantage and causal studies. At a minimum, this analysis should include CGE results drawn from other relevant studies, in particular multi-sectoral studies and forecasts developed by national economic ministries, the CDB, the World Bank or other institutions. In particular, the economic analysis should concentrate on those sectors and products and services within the affected sectors that are likely to undergo significant changes because of trade. Where possible, emphasis on qualitative analysis shall be produced, as well as quantitative products. If appropriate, the analysis should examine changes in industrial and tourism sectors, and build upon work already done in these areas by other agencies (e.g. UNEP, UNCTAD, IADB, and others).

2. **Descriptive section:** Identify key sectors, products and services likely to change their share in markets because of changes to tariffs, non-tariff barriers, subsidies, market access, and other commitments.

3. **Quantitative products:** Describe past, current and expected growth for each sector, trade flows, past, current and expected, employment and regional importance (sub-regional).

#### **B. Part 2: Environmental Impact Assessment.**

1. The Environmental Impact Assessment ("EIA") shall be based on the preceding economic analysis of identified high-growth/change sectors and industries to determine which are likely to have significant environmental impacts and to gauge the nature and level of those impacts. This includes a review using key environmental indicators (including air emissions and water, land use change, impact on biological diversity, sustainable logging practices, hazardous waste generation and management, impacts to coastal and marine ecosystems). The indicators in the UNEP Reference Manual for Integrated Assessment of Trade Policies, 2002 should be used as reference for this component. The method by which economic and environmental data is examined is crucial to the robustness of the project, and reference should be made to the substantial work undertaken in building environment-economy coefficients by OECD, World Bank, the Millennium Assessment project, UNEP and others.

#### **C. Part 3: Legal and Institutional.**

1. The development and definition of the legal and institutional analysis shall be based on the results of the economic analysis and the EIA analysis. The focus should be on areas where high trade-related economic growth or change and high environmental impact overlap. This analysis shall provide insights about the policy and institutional framework and the

necessary steps that need to be considered to guarantee environmentally sound trade expansion under a free trade regime such as the proposed FTAA. At a minimum, the analysis shall include a "legal baseline," (i.e., standards, level of enforcement, etc.) and impressions about compliance and enforcement. This legal baseline shall also include background on trade and environment-related international and regional agreements in place (including Multilateral Environmental Agreements) and their legal effects for the purpose of this analysis. There shall also be an "institutional baseline" describing the jurisdiction, competence and capacity of relevant institutions to shape and reform policy, implement rules and assure compliance. Some consideration should also be given to public participation mechanisms. The study shall identify priorities for strengthening the legal regimes and institutions in light of the findings. Some effort should be made to identify priorities for legal and institutional strengthening to minimize or avoid negative environmental consequences and to maximize potential environmental benefits of trade liberalization. The effectiveness of the current legal institutional frameworks (related to environmental and social impacts when it applies) shall be comprehensively analyzed and recommendations issued as appropriate.

#### **D. Part 4: Challenges and Opportunities.**

1. Strengths and weaknesses at the national level shall be identified in this section with regard to the three previous sections, highlighting challenges posed to sustainable development by free trade. It is very important to reflect in this section, any weaknesses in the legal institutional framework, especially with regard to effectiveness, enforcement, and compliance. This section shall also include specific recommendations with regard to possible policy options to address all identified weaknesses.

#### **E. Social Effects.**

1. Depending on the selected sectors, the report shall include a description of possible social effects of free trade derived from the environmental effects (included in section 2 as described above) on the analyzed sectors. These effects could be related to, for example, health, levels of employment, poverty or gender.

### **ARTICLE II. RESEARCH, PREPARATION, AND OUTREACH IN THE PREPARATION OF THE REPORT**

2.1. BDC is responsible for identifying, in coordination with OSDE, and engaging a team of experts (as sub-contractors if necessary) in legal, technical, and economic aspects of trade and environmental impact to develop the Analytical Report.

2.2. In all cases, the BDC's work shall be based upon the best available technical data, including published data and data gathered through field research, and on an open consultation with relevant experts in the governmental and non-governmental sectors. "OSDE" will review BDC's progress and issue recommendations to "BDC".

2.3 As the research is conducted, and to further the development of the Analytical Report, BDC shall conduct outreach activities including interviews and meetings with relevant



experts to assure the quality of data, to confirm assumptions about high growth and high impact industries, and to determine governmental concerns and priorities with respect to environmental impact. This outreach will also serve to obtain input on the necessary steps to guarantee environmentally sound trade expansion and to identify priorities for strengthening the legal regimes and institutions in light of the findings. Outreach shall include interviews and consultations with government officials and non-governmental experts, either informally or through small group meetings, at BDC's discretion.

### **ARTICLE III. REPORTING RESPONSIBILITIES**

3.1 In addition to producing the Analytical Report with these components and through this process, BDC's responsibilities include:

- a. Supervising and hiring (if necessary) the team that will be working on the Analytical Report and coordinating the Work together with OSDE;
- b. Submitting an annotated outline to OSDE of the Analytical Report, including specific sectors and products and services within those sectors. The outline shall also identify the sources of economic data, key environmental indicators, and methods used to join economic and environmental data, based on identified methods;
- c. Reporting on progress activities as appropriate and in accordance with the schedule included herein; and
- d. Presenting all deliverables in a timely manner.

### **ARTICLE IV. PERFORMANCE INDICATORS OF THE CONTRACT**

4.1 The ultimate impact of the Analytical Report is the increased understanding of how to create a Free Trade Area that is environmentally sound and sustainable in the long-term through partnerships and policy strategies that address a variety of environmental challenges at a national level. In order to achieve this ultimate impact, the success of the work in Trinidad will be measured, taking into account the following indicators:

- a. Raising the level of the debate from issues that are well-known (e.g., turtles and dolphins) to the ones that are critical (e.g., deforestation, coastal and watershed degradation) by identifying key areas for policy attention that are likely to grow under a free trade regime and that are likely to have a high environmental impact (positive or negative).
- b. Engaging government officials, civil society, policy and academic organizations in exerting leadership in the constructive analysis of these

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trade-related environment issues through the open and collaborative development of the Analytical Report.

- c. Defining the priorities within the environment and trade debate and inform trade negotiators and national policy makers through quantitative information about the likely environmental impacts that will allow meaningful and credible discussions.
- d. Promoting sound national strategies (including environmental regulations and institutional responses) in partner countries to mitigate anticipated environmental outcomes of free trade through dialogue with local officials and legislators.
- e. Incorporation of results into National Planning Process.

#### **ARTICLE V. AMOUNT OF CONTRACT AND PROJECT TIMETABLE**

5.1 The total Amount of this MOU is US\$13,500.00 (thirteen thousand, five hundred United States dollars). This amount will be paid by the GS/OAS in two installments in accordance with the budget describing the cost elements necessary to complete the work in Annex I of this MOU, which is attached hereto and incorporated by reference herein. The first installment of US\$7,000.00 (seven thousand United States dollars) shall be paid effective upon signature of this MOU by both parties. The second and final installment of six thousand five hundred United States dollars (US\$6,500.00) shall be paid upon meeting all of the following conditions: completion of the work by the BDC to GS/OAS' satisfaction and BDC's submission to the GS/OAS of a satisfactory project closeout and a satisfactory final financial report.

5.2 The following constitutes the deadlines for the execution of the Work:

- a. December 15, 2004: Identify key sectors, and products and services within those sectors, presentation of detailed annotated outline of Analytical Report, including content in accordance with the methodological approach in this MOU.
- b. February 15, 2005: Presentation to OSDE of a draft Analytical Report.
- c. April 15, 2005: Presentation to OSDE of the Final Analytical Report
- d. June 15, 2005: Project close out report, including final financial report.



5.3 All reports must be acceptable to the (certifying officer of the) OSDE. The acceptability of a report is a condition precedent to BDC's receipt of payment under this Contract. For the purposes of this MOU, the OSDE's certifying officer is Thomas Scott Vaughan.

5.3.1 GS/OAS may unilaterally change the certifying officer and shall notify BDC in writing of any such change.

5.4 The Gross Compensation paid to BDC constitutes full consideration for the Work.

5.5 BDC shall complete the Work in accordance with the highest professional standards and shall conform to all pertinent governmental laws and regulations.

## **ARTICLE VI. Dispute Resolution**

6.1 The Parties shall attempt to resolve amicably any disputes arising in relation to the interpretation and implementation of this MOU. In the event this proves impossible, the Parties shall resolve their differences through final and binding arbitration in accordance with the Rules of the Inter-American Commercial Arbitration Commission, in Washington, D.C. The applicable law shall be that of the District of Columbia, and the language of the arbitration shall be English.

6.2 Nothing in this MOU shall be construed to be an express or implied waiver of any privileges or immunities which either Party may enjoy under law.


## **ARTICLE VII. Term, Modification and Termination.**

7.1 BDC certifies that:

a. Neither BDC nor any of its senior officers and employees, on the date of the signing of this MOU, are relatives of GS/OAS staff members above the P-3 level or of a representative or delegate to the OAS from a member state. The term relative includes spouse, son or daughter, stepson or stepdaughter, father or mother, stepfather or stepmother, brother or sister, half brother or half sister, stepbrother or stepsister, father or mother-in-law, son or daughter-in-law, brother or sister-in-law.

7.2 BDC shall not employ a staff member of GS/OAS or relative of a staff member as defined in Paragraph 7.1 (a) above to perform the Work, nor shall BDC permit any staff member of GS/OAS or relative of the staff member, as defined in that Paragraph, to receive any personal financial benefit deriving from this MOU or BDC's contractual relationship with GS/OAS.

7.3 The Parties may amend or otherwise modify this MOU by a written statement or amendment signed by their duly authorized representatives, dated and attached hereto. Moreover, each Party may change its duly authorized representative by advising the other by way of prior written notice.

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7.4 This MOU shall commence on the date first written on page 1, above, and shall conclude at the end of 8 months (i.e., 240 days) after that date.

7.5 GS/OAS may terminate this MOU for cause with five days notice in writing to the BDC. Cause includes, but is not limited to: failure to complete the Work in accordance with professional standards or to otherwise deliver conforming goods and services; failure to meet deadlines; conduct which damages or could damage relations between the OAS and a member state; fraudulent misrepresentation; criminal indictment; sexual harassment; bankruptcy; conduct incommensurate with the requirements for participation in OAS activities; and breach of any of the provisions of this MOU.

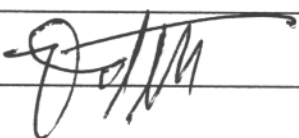
7.6 Either party may terminate this MOU for unforeseen circumstances by giving at least thirty days notice in writing to the other. Unforeseen circumstances include, but are not limited to, modifications to the Program-Budget of the OAS; lack of approved funds in the OAS Program-Budget for the corresponding program or project; failure of a donor to provide fully the specific funds which were to finance this MOU; an act of God; and a member state's desire to discontinue the Work.

7.7 In the event this MOU is terminated with or without cause, BDC shall submit to GS/OAS any part of the Work completed and shall receive payment for only that portion of the Work completed to the satisfaction of GS/OAS up until the date of termination.

7.8. This MOU, including Annex I, constitutes the entire agreement between the Parties, and any representation, inducement, or other statements not expressly contained herein shall not be binding on the Parties and shall have no legal effect

IN WITNESS WHEREOF, the duly authorized representatives of the Parties have set their hands hereunto in duplicate originals on the dates and in the places indicated below.

FOR GS/OAS

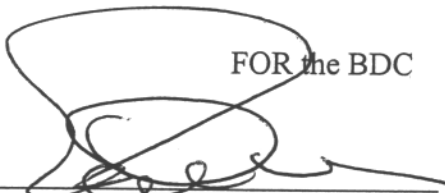


**Joseph C. Campbell, Director OGS-OASTT**

Location: Port of Spain

Date: Nov 5/08

FOR the BDC



**Earle Baccus, President BDC**

Location: Port of Spain

Date: 2008-11-25