



# Trade Facts

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## ***U.S.-Bahrain FTA: Strong Commitments and Cooperation to Protect the Environment***

- U.S.-Bahrain FTA adopts a comprehensive approach that goes beyond the Jordan FTA for ensuring that the Parties carry out their environmental obligations and make progress in enhancing environmental protection.
- Each government will be required to effectively enforce its environmental laws, and this obligation is enforceable through the Agreement's dispute settlement procedures.
- Both Bahrain and Jordan FTAs make the obligation to effectively enforce environmental laws subject to FTA dispute settlement mechanisms, but Bahrain contains additional innovations that help make dispute settlement more targeted and effective:
  - Bahrain contains express provisions for including environmental expertise in the resolution of disputes;
  - If a Party does not comply with a dispute panel's findings that it is failing to effectively enforce its environmental laws, Bahrain allows for monetary assessments that can be used to address the underlying enforcement problem;
  - The Jordan FTA's obligations (other than effective enforcement) only obligate the Parties to "strive to" achieve their goals
- Each government commits to establish high levels of environmental protection, and to not weaken or reduce environmental laws to attract trade or investment.
- The Bahrain FTA also promotes a comprehensive approach to environmental protection. Strong procedural guarantees provide remedies for violations of environmental laws and public access to fair, equitable and transparent proceedings that provide for due process. These procedural guarantees complement provisions that promote voluntary, market-based mechanisms and incentives to protect the environment.
- Linked to the FTA is a Memorandum of Understanding on Environmental Cooperation that will develop a plan of action and set priorities for future environment-related projects and establish a Joint Forum on Environmental Cooperation to monitor progress.
  - Priority areas for cooperation include development and implementation of Bahrain's environmental laws and its capacity to conduct environmental impact assessments.
  - U.S. EPA has already conducted two seminars in environmental law enforcement and impact assessment in Bahrain and is planning additional programs for Fall 2005.