

CHAPTER 16

ENVIRONMENT AND TRADE

Article 16.1: Context and Objectives

1. Recalling the *Stockholm Declaration on the Human Environment of 1972*, the *Rio Declaration on Environment and Development of 1992*, *Agenda 21 of 1992*, the *Johannesburg Plan of Implementation on Sustainable Development of 2002*, and the *Rio+20 Outcome Document “The Future We Want” of 2012*, the Parties recognize that economic development, social development and environmental protection are interdependent and mutually supportive components of sustainable development. They underline the benefit of cooperation on environmental issues as part of a global approach to sustainable development.
2. The Parties reaffirm their commitments to promoting economic development in such a way as to contribute to the objective of sustainable development and to ensuring that this objective is integrated and reflected in their trade relationship.
3. The Parties agree that environmental standards should not be used for trade protectionist purposes.

Article 16.2: Scope

Except as otherwise provided in this Chapter, this Chapter applies to the measures including laws and regulations adopted or maintained by the Parties for addressing environmental issues.

Article 16.3: Levels of Protection

1. The Parties reaffirm each Party’s sovereign right to establish its own levels of environmental protection and its own environmental development priorities, and to adopt or modify its environmental laws and policies.
2. Each Party shall seek to ensure that those laws and policies provide for and encourage high levels of environmental protection, and shall strive to continue to improve its respective levels of environmental protection.

Article 16.4: Multilateral Environmental Agreements

1. The Parties recognize that multilateral environmental agreements (hereinafter referred to as “MEAs”) play an important role globally and domestically in protecting the environment. The Parties further recognize that this Chapter can contribute to realizing the goals of such agreements.

2. The Parties commit to consulting and cooperating as appropriate with respect to negotiations in the MEAs to which both Parties are party on trade-related environmental issues of mutual interest.

3. The Parties reaffirm their commitments to the effective implementation in their laws and practices of the MEAs to which both Parties are party.

Article 16.5: Enforcement of Environmental Measures Including Laws and Regulations

1. A Party shall not fail to effectively enforce its environmental measures including laws and regulations, through a sustained or recurring course of action or inaction, in a manner affecting trade or investment between the Parties.

2. The Parties recognize that it is inappropriate to encourage trade or investment by weakening or reducing the protections afforded in its environmental laws, regulations, policies and practices. Accordingly, neither Party shall waive or otherwise derogate from such laws, regulations, policies and practices in a manner that weakens or reduces the protections afforded in those laws, regulations, policies and practices.

3. Nothing in this Chapter shall be construed to empower a Party's authorities to undertake environmental law enforcement activities in the territory of the other Party.

Article 16.6: Environmental Impact

1. The Parties commit to reviewing the impact of the implementation of this Agreement on environment, at appropriate time after the entry into force of this Agreement, through their respective participative processes and institutions.

2. The Parties, as appropriate, share information with the other Party on techniques and methods in reviewing the environmental impacts of this Agreement.

Article 16.7: Bilateral Cooperation

1. Recognizing the importance of cooperation in the field of environment in achieving the goals of sustainable development, the Parties commit to building on the existing bilateral agreements or arrangements and to further strengthening cooperative activities in areas of common interest.

2. In order to promote the achievement of the objectives of this Chapter and to assist in the fulfillment of their obligations pursuant to it, the Parties have established the following indicative list of areas of cooperation:

- (a) promotion of the dissemination of environmental goods including

environmentally-friendly products and environmental services;

- (b) cooperation on development of environmental technology and promotion of environmental industry;
- (c) exchange of information on policies, activities and measures for environmental protection;
- (d) establishment of environmental think-tanks cooperation mechanisms including exchange of environmental experts;
- (e) capacity building which include workshops, seminars, fairs and exhibition in the field of the environment;
- (f) build-up of environmental industry base in respective countries as a pilot area; and
- (g) other forms of environmental cooperation as the Parties may deem appropriate.

3. The Parties reaffirm that both Parties shall reinforce their cooperation in the field of environment, including in the areas of prevention and control of air pollutants, committed in the existing bilateral agreement such as *Memorandum of Understanding between the Ministry of Environment of the Republic of Korea and the Ministry of Environmental Protection of the People's Republic of China on Environmental Cooperation* signed on 3 July 2014.

4. The Parties shall exert their best efforts to ensure that the applications and benefits of cooperative activities between them are as broad as possible.

Article 16.8: Institutional and Financial Arrangement

1. Each Party shall designate an office within its administration which shall serve as a contact point with the other Party for the purpose of implementing this Chapter.

2. A Party may through the contact points request consultations regarding any matter arising under this Chapter.

3. The Parties hereby establish a Committee on Environment and Trade (hereinafter in this Chapter referred to as the "Committee"). The Committee shall comprise senior officials from within the administrations of the Parties.

4. The Committee shall meet when deemed necessary to oversee the implementation of this Chapter.

5. The Parties recognize that adequate and sustainable financial resources are necessary for the implementation of this Chapter, and these resources should be made available.

Article 16.9: Non-Application of Dispute Settlement

Neither Party shall have recourse to Chapter 20 (Dispute Settlement) for any matter arising under this Chapter.