Policy Applications of the SEEA in Canada
Environmental Impact Analysis of International Trade

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The Canada-EU Comprehensive Trade Agreement (CETA): environmental assessment

- Physical Flow Accounts helped meet legislated requirement for the environmental assessment of trade agreements

- Trade department used the account to show that the net impact of increased bilateral trade with the EU on Canada’s environment would be minor based on projected changes in GHG emissions, energy use and water use.
### Summary of Environmental Impacts of the Canada-EU Comprehensive Economic and Trade Agreement (CETA)

<table>
<thead>
<tr>
<th></th>
<th>Scale Effect</th>
<th>Composition Effect</th>
<th>Total CETA-Induced Effect</th>
<th>Technique Effect</th>
<th>Total Effect, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>GHG Emissions</td>
<td>3,681</td>
<td>-1,375</td>
<td>2,306</td>
<td>0.38%</td>
<td>1,913</td>
</tr>
<tr>
<td>(kilotonnes of CO₂ eq)</td>
<td></td>
<td></td>
<td></td>
<td>-393</td>
<td></td>
</tr>
<tr>
<td>Energy Use (terajoules)</td>
<td>51,820</td>
<td>-20,835</td>
<td>30,985</td>
<td>0.36%</td>
<td>30,308</td>
</tr>
<tr>
<td>Water Use ('000 m³)</td>
<td>212,401</td>
<td>174,817</td>
<td>387,218</td>
<td>N/A</td>
<td>387,218</td>
</tr>
</tbody>
</table>

The Canada-EU Comprehensive Trade Agreement (CETA): role of SEEA accounts

- **Timing:** PFA were incorporated into this review from the start.
- **Specific use:** PFA were combined with an input-output based multi-regional CGE model.
- **Factors of success:** Classification matched the input-output tables used in the model.
- **Barrier:** Biennial frequency of the water use data and manufacturing classification used for the water data.
Reference documents

Environmental Assessments are guided by the Cabinet Directive on the Environmental Assessment of Policy, Plan, and Program Proposals (updated in 2010) and the 2001 Framework for Conducting Environmental Assessments of Trade Negotiations.