



The Dominican Experience: Trade Negotiations and the Environmental Policies Context

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Introduction:

- A process to reform Dominican Republic's environmental policies and regulations, as well as the legal framework for public services, began in the early 90's and is still underway. Among others:
 - A new environmental law was passed in August 2000, helping create a market for environmental management services.
 - A Water and sanitation sector reform law was drafted and is under study.
 - New regulations for solid waste management have been developed.
- Since Doha the Country has received numerous requests to take commitments in environmental services during this round of negotiations.
- The negotiators and environmental services sector representatives met for the first time in an expert meeting carried out in January of this year as part of the Preliminary Study on Environmental Services (SEMARN - UNCTAD/FIELD project).



The Status

- The sector is poorly informed regarding the reach and implications of the GATS negotiations and the contents of the requests.
- Statistics and other data about the different sub-sectors is very limited, and it is difficult to assess the opportunities and potential impacts of the trade negotiations.
- For some of the sub-sectors, the regulatory framework is insufficient, outdated, or at best, very recent.




Sub-sectors covered by the study

- Drinking water supply and sanitation.
- Solid waste management (domestic and hazardous).
- Environmental consulting services.



Drinking water supply and sanitation

- It is a public service.
- 50% of the population under the poverty line: service is heavily subsidized.
- Private sector participation has been traditionally limited to infrastructure development under government contract.
- The sector reform law would allow and regulate private participation.
- Prior experience privatizing power generation and distribution services have been discouraging.
- The reform issue should be resolved before liberalization can take place.



Solid waste management

- It is a public service provided by the municipalities.
- Waste collection services in large cities are being provided by private contractors, mostly foreign companies or joint ventures.
- Legal framework outdated and incomplete.
- Service is completely subsidized by the central government, with resources from the general tax base, with the exception of certain industrial sites and some tourist areas.



Environmental Consulting Services

- To practice in the DR, consultants (both companies and individuals) must register at SEMARN.
- It is an “open” sector, subject to Dominican Republic’s immigration and labor laws.
- Relatively new sub-sector (Law 64-00)
- Very sensitive to the country’s overall economic situation.
- Competitiveness: main issue with national providers.



Current work

- Additional studies underway:
 - Demand and supply analysis
 - Environmental goods study
- First draft of GATS offer
- Need to analyze the current macroeconomic context and its impact on the sector.
- Virtual standstill on the conceptual discussion regarding EGS definition: “lo urgente vs. lo importante”



Needs

- Information: accurate data readily and timely available.
- Greater involvement of stakeholders: creation of workgroups
- Strategic analysis of existing and proposed regulations.
- Capacity building for regulatory and management authorities.
- Induction to the logic of negotiations.
- Assessment of the real benefits of liberalization, considering our current structural conditions.