

EVERYTHING YOU NEED TO KNOW ABOUT THE EU-CENTRAL AMERICA ASSOCIATION AGREEMENT



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THE ASSOCIATION AGREEMENT

1.1. NATURE OF THE AGREEMENT

The Association Agreements are part of the overall policy of the European Union and as such, the Association Agreement between Central America and the EU (EU-CA AA) is conceived as an agreement that transcends the purely commercial aspect. The agreement goes beyond the contents of a Free Trade Agreement (FTA), as it seeks to achieve commitments not only in the areas of the economy and trade, but also in politics and cooperation.

1.2. WHAT PARTS ARE CONTAINED IN THE AGREEMENT? WHAT IS EACH ONE LIKE?

The Association Agreement is built around three pillars:

- POLITICAL DIALOGUE

This is built on the foundations of democracy, the rule of law and respect for human rights with the aim of creating a **fluid, continuous and permanent dialogue** between the parties.

- COOPERATION

This aims to **strengthen and expand areas of support** through better use of the aid that the EU gives to Central America.

- TRADE

This involves the establishment of a **Free Trade Area** that seeks to facilitate the exchange of goods and services.

Within this Pillar, Title VIII is dedicated exclusively to Trade and Sustainable Development, containing a number of provisions ranging from the commitments made by the parties on labour and environmental issues to the promotion of trade aimed towards sustainable development, with a particular focus on forest and fishery products. Within this title mechanisms are established to involve civil society in issues around trade and sustainable development.



Currently only the trade pillar is in force, since the text of the agreement was ratified by the Congresses in each Central American country in 2013¹.



1. On August 1, 2013 the Association Agreement entered into force in Honduras, Nicaragua and Panama. On October 1, in El Salvador and Costa Rica and on 1st December in Guatemala.

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BACKGROUND

2.1. WHEN WAS THE AGREEMENT SIGNED?

The Association Agreement between Central America and the European Union is the result of the expansion of bilateral relations between the two regions, a phenomenon that originated in the San José Dialogue in 1984.

In 1993 the Framework Cooperation Agreement was signed, which would not take effect until 1999.

In 2003 the Agreement on Political Dialogue and Cooperation was signed, although it did not enter into force until 2014. The text of this agreement called for the strengthening of existing relations between the Parties “*through the development of political dialogue and the intensification of cooperation*”, while at the same time establishing the need for a “*viable and mutually beneficial partnership*”. As a consequence, at the Vienna Summit in 2006 it was decided to “*open negotiations on an Association Agreement, including the creation of a free trade area*”.

After three years of negotiations (2007-2010), the Association Agreement was finally signed in Tegucigalpa (Honduras) on June 29, 2012, during the XXXIX Summit of Heads of State and Government of the Central American Integration System (SICA).

2.2. ARE THERE OTHER SUCH AGREEMENTS BETWEEN THE EUROPEAN UNION AND LATIN AMERICAN COUNTRIES?

There are already existing agreements with:

- Mexico and the European Union,

signed in 1997². This was the first Latin American country to sign an Association Agreement with the EU.

- Chile Association Agreement,

signed in 2002, which entered into force in its three pillars in 2005³.

- Colombia and Peru⁴,

in force since 2013. This is a Free Trade Agreement, which includes political clauses.

2. http://eeas.europa.eu/mexico/index_en.htm

3. http://eeas.europa.eu/chile/index_en.htm

4. http://eeas.europa.eu/delegations/peru/eu_peru/trade_relation/trade_related_tech_assistance/index_en.htm



2.3. HOW IS IT WORKING NOW? WHAT DOES THAT MEAN? WHAT IS THE PROCESS OF RATIFICATION?

In order for the Association Agreement to be fully implemented, each Party must notify the other of the completion of the internal approval procedures. Currently, only 16 of the 28 European member states have approved the agreement⁵.

However, since 2013 the Trade Pillar of the Agreement has begun to be implemented, as the EU has the power to provisionally apply it without ratification by all Member States.

Until the Pillars on Political Dialogue and Cooperation come into force, the Agreement on Political Dialogue and Cooperation will be applied on these matters, signed between the EU and Central American countries in 2003, which entered into force in 2014⁶.

2.4. WHAT CAN WE EXPECT FROM THE FUTURE APPROVAL OF THE PILLAR ON POLITICAL DIALOGUE AND COOPERATION?

The entry into force of the entire Agreement, involves the ‘activation’ of the pillars on political dialogue and cooperation, which will also activate institutional mechanisms for implementation and monitoring by the Central American and European institutions involved.

This also means that positions which are critical of the agreement and its content must adapt to a new framework, with new actors involved, expanding the actors who can influence the agreement.

2.4. WHAT IS THE POSITION OF CIVIL SOCIETY?

Civil Society was mostly opposed to the ratification of the Association Agreement, given the implications that such treaties usually have in terms of possible negative impacts on human rights or the environment.

It was considered that the existing asymmetries between the EU and Central America would deepen, taking advantage of the vulnerability of the Central American market and favouring the commercial interests of European companies.

In addition, free trade took precedence over the protection of human rights, labour and environmental standards, reflecting the inconsistencies of the EU in this area, because although the Agreement contains clauses that recognise the protection and the need for a effective implementation of such rules, **the lack of a mechanism that effectively punishes human rights violations makes these clauses ineffective.**

5. The list of Central American countries and European Union member states who have ratified the agreement and the date of ratification can be found at: <http://www.consilium.europa.eu/en/documents-publications/agreements-conventions/agreement/?aid=2012001>

6. The Agreement on Political Dialogue and Cooperation which entered into force in 2014, is a framework agreement that replaces and extends the areas of responsibility of the previous cooperation agreements (1985 and 1993), introducing new areas of common interest between the two regions

3 RATIONALE AND RESPECT FOR HUMAN RIGHTS



3.1. THE DEMOCRATIC CLAUSE

Since the early 90s, the EU has included in all agreements with third countries a clause stipulating that the entire text should respect human rights and democratic principles. Therefore, Article I.1 of the Association Agreement states that “*respect for democratic principles and fundamental human rights established in the Universal Declaration of Human Rights and the Rule of Law*”, are supported by “*the domestic and international policies both Parties and constitute an essential element of this Agreement*”. This is accompanied by article 355.1, which indicates the need for the adoption of “*all general or specific measures required to comply with the obligations assumed under this Agreement*”, which could lead to suspension of the Agreement in case of serious situations of human rights violation.

However, in the absence of any **specific monitoring mechanism for this clause or sanctions in the case of violations**, such issues have to be discussed within the framework of the institutional bodies established by the Association Agreement.

Concern has been expressed about the fact that the democratic and human rights clause does not offer the tools to make human rights answerable to justice, as established in the United Nations Covenants and Conventions. Meanwhile, mechanisms for compliance with trade obligations and investment exist in the Agreement, often to the detriment of human rights.

3.2. WHAT CONVENTIONS ARE APPLICABLE IN RELATION TO TRADE AND SUSTAINABLE DEVELOPMENT?

In the chapter on Trade and Sustainable Development (Title VII of the Trade Pillar), the Parties undertake to promote trade relations between Central America and the EU so that they can achieve the goals of sustainable development. To do so, they must respect and effectively implement the Conventions on labour and the environment that they have signed internationally, listed below:

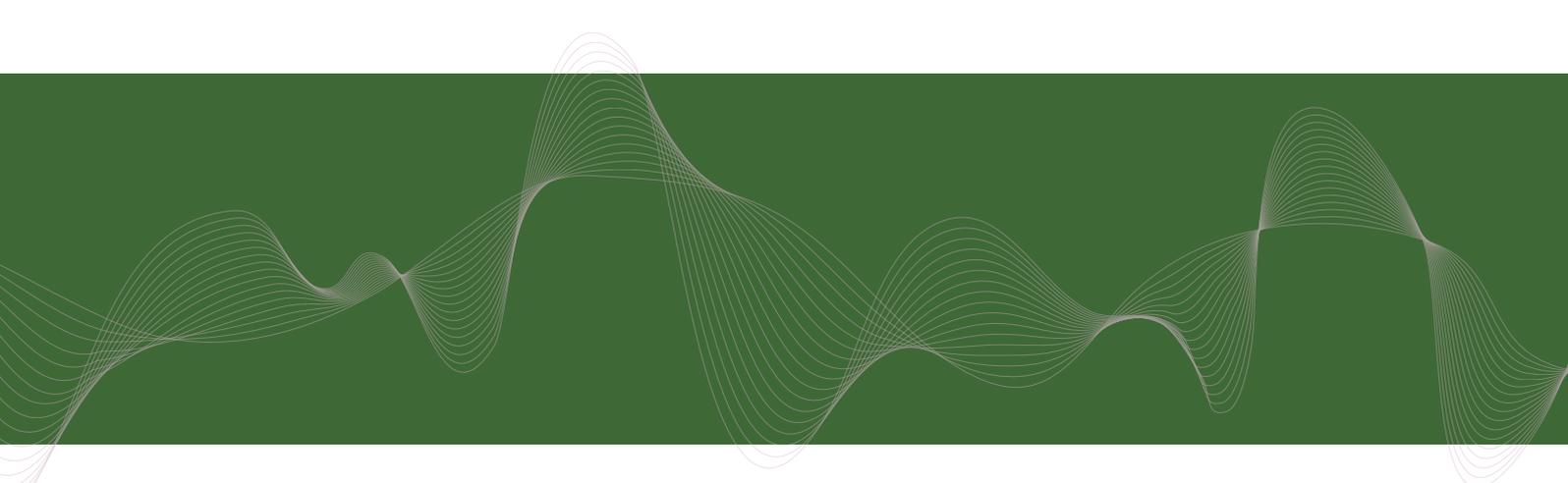
LABOUR CONVENTIONS

§ Minimum Age Convention

§ Worst Forms of Child Labour Convention

§ Forced Labour Convention

§ Abolition of Forced Labour Convention



§ Equal Remuneration Convention

§ Discrimination (Employment and Occupation) Convention

§ Freedom of Association and Protection of the Right to Organise Convention

§ Right to Organise and Collective Bargaining Convention

ENVIRONMENTAL CONVENTIONS

§ Montreal Protocol

§ Basel Convention

§ Stockholm Convention

§ CITES

§ Convention on Biological Diversity

§ Cartagena Protocol

§ Kyoto Protocol

§ Gaborone Amendment

In addition, the Parties undertake to promote trade that promotes sustainable development in all its dimensions, including schemes to promote fair and ethical trade, eco-labelling and organic production, corporate social responsibility and accountability.

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PARTICIPATION OF CIVIL SOCIETY IN MONITORING THE AA

4.1. WHAT OFFICIAL SPACES ARE CONTEMPLATED WITHIN THE AA FOR THE PARTICIPATION OF CIVIL SOCIETY? HOW DO THEY WORK?

The participation of civil society is explicitly provided for in the Association Agreement. In the pillar on political dialogue and cooperation there is a body to channel the views of civil society in relation to the implementation of the Agreement. This is called the Joint Consultative Committee, consisting of the European Economic and Social Committee (EESC), the Consultative Committee of the Central American Integration System (CC-SICA) and the Consultative Committee for Economic Integration (CCEI).

Meanwhile, with regards to the **Trade Pillar of the EU-CAAA**, the participation of Civil Society is contemplated within this Trade Pillar, in Title VII on Trade and Sustainable Development. This establishes participation via a bi-regional Dialogue Forum, open to all social, environmental and labour actors interested in sustainable development.

Other fora for participation are the Advisory Groups (one for the EU and one for each Central American Republic), composed of actors in the economic, social and environmental sector from representative and independent organisations, who advise the Parties on how to achieve the objectives of Title VIII contributing their assessments and recommendations on issues related to trade and sustainable development, including respect for the conventions on labour and environmental issues.

4.2. WHAT ARE THE OPPORTUNITIES AND LIMITS?

The mechanisms which offer civil society the opportunity to participate in monitoring the implementation of the EU-CAAA in general and to monitor Trade and Sustainable Development in particular, serve as a **means to raise concerns and give visibility to the irregularities** that may occur due to **the poor protection of human and labour rights and the inadequate enforcement of environmental standards**.

However, **the lack of enforcement mechanisms that effectively punish such behaviour, makes it almost impossible to gain an immediate response to any violations that may arise.**

For that reason, Civil Society will have to make itself heard using not only institutional mechanisms established for that purpose, but also by simultaneously continuing its work of monitoring, advocacy, information sharing, and advocacy to exercise pressure.

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