EU/Central America Association Agreement

2011/0303(NLE) - 08/11/2012 - Committee interim report tabled for plenary

The Committee on Foreign Affairs adopted an interim report by José Ignacio SALAFRANCA SÁNCHEZ-NEYRA (EPP, ES) on the draft Council decision on the conclusion of the Agreement establishing an Association between the European Union and its Member States, on the one hand, and Central America, on the other.

The report contains a **motion for a resolution** on the draft Council decision concerning the agreement in question.

Strategic importance of the Association Agreement (AA): Members recall that the Association Agreement (AA) between the EU and Central America (CA) sets a major precedent by being the first bi-regional AA signed by the EU since the entry into force of the Treaty of Lisbon. This last presents a mutual interest and advantages for all the Members States of the Union. It implies a political and economic association between the EU and the region as formed by its different countries and will extend, on a qualitative and quantitative basis, the range of goods and services that will benefit from a free trade area. It will contribute to greater regional integration and stability in Central America (CA) by reinforcing legal security, an increase in trade and investment flows, and by offering **an opportunity for diversification and for attracting long-term productive investments**.

At the same time, Members address a series of recommendations to the Council and to the Commission in connection with the adoption of the agreement.

Members recall that the AA, concluded in May 2010, is composed of three pillars: political dialogue, cooperation and trade.

1) Political dialogue: Members recall that this comprehensive partnership between regions is the result of the EU's unbending political will and marks a decisive step forward in the integration of CA, going far beyond mere questions of free trade. Underlining the extraordinary new impetus given by the political dialogue enshrined in the new AA, Members stress the parliamentary dimension of the AA with the establishment of a **Parliamentary Association Committee** involving the European Parliament.

Members point out that the AA refers to respect for democratic principles, fundamental human rights and the principle of the rule of law as "essential elements" of the agreement. They underline that non-observation of the rules could eventually lead to the suspension of the agreement. In this context, Members call on the Commission carry out an annual report for the European Parliament, to monitor the AA in its entirety.

More generally, Members welcome:

- the commitment to multilateralism underpinned by the unstinting defence of common values, principles and objectives;
- interesting possibilities for dialogue on the fight against drug trafficking and organised crime, drug trafficking, money laundering, terrorist financing, as well as organised crime and corruption;
- proper participation by civil society in both the EU and CA.

2) Cooperation in the fight against poverty and the fostering of social cohesion: Members stress that social cohesion is a priority objective of regional cooperation policy. They highlight the opportunities that this AA offers in terms of improving social cohesion and sustainable development, but also in the field of the environment, management of natural disasters, the fight against climate change, deforestation and combating desertification.

They expect that the agreement will contribute to the **revitalisation and strengthening of economic and trade relations** and the integration of the productive fabric of both regions. They call particularly for the promotion of cooperation in fields as diverse as science and technology, institutional capacity-building, harmonisation of standards, customs procedures and statistics, intellectual property, provision of services, government procurement, industrial development, sustainable resource management, sanitary and phytosanitary standards, support to SMEs, etc. They also demand the organisation of trade fairs as well as the establishment of regional trade academies both in Latin American regions and across EU Member States.

Conclusions: in general, Members consider that the current trade provisions, which are of a provisional nature and based on a unilateral system of generalised preferences, will gradually give way to a reciprocal, negotiated structure for the **gradual liberalisation** of trade in goods and services and of public procurement, as well as for action to encourage investment. They point out that the AA with CA makes a meaningful contribution to regional, social and political integration efforts and to achieving the ultimate objective of the Bi-regional Strategic Partnership between the EU and Latin America. Lastly, they urge the Association Council to carry out an overall evaluation of the AA five years after its implementation and to conduct, if necessary, a review of the AA on the basis of the findings and the impact noted in the abovementioned evaluation.