Basic information

2018/2106(INI) INI - Own-initiative procedure	Procedure completed
Implementation report on the trade pillar of the Association Agreement with Central America **Subject** 6.20.05 Multilateral and plurilateral economic and trade agreements and relations 6.40.10 Relations with Latin America, Central America, Caribbean islands	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
INTA International Trade	BÖGE Reimer (PPE)	19/02/2018
	Shadow rapporteur RODRÍGUEZ-PIÑERO Inma (S&D) MCCLARKIN Emma (ECR) CHARANZOVÁ Dita (ALDE) SÁNCHEZ CALDENTEY Lola (GUE/NGL) HAUTALA Heidi (Verts/ALE) BEGHIN Tiziana (EFDD)	

Committee for opinion	Rapporteur for opinion	Appointed
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	

European Commission

Commission DG	Commissioner
European External Action Service	MOGHERINI Federica

Key events

Date	Event	Reference	Summary
14/06/2018	Committee referral announced in Parliament		
03/12/2018	Vote in committee		

12/12/2018	Committee report tabled for plenary	A8-0459/2018	Summary
15/01/2019	Debate in Parliament		
16/01/2019	Decision by Parliament	T8-0025/2019	Summary
16/01/2019	Results of vote in Parliament		
16/01/2019	End of procedure in Parliament		

Technical information	
Procedure reference	2018/2106(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Implementation
Legal basis	Rules of Procedure EP 55
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	INTA/8/13371

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE627.657	14/09/2018	
Amendments tabled in committee		PE629.468	18/10/2018	
Committee report tabled for plenary, single reading		A8-0459/2018	12/12/2018	Summary
Text adopted by Parliament, single reading		T8-0025/2019	16/01/2019	Summary

European Commission

Document type	Reference	Date	Summary
Commission response to text adopted in plenary	SP(2019)355	28/05/2019	

Implementation report on the trade pillar of the Association Agreement with Central America

2018/2106(INI) - 16/01/2019 - Text adopted by Parliament, single reading

The European Parliament adopted by 429 votes to 42 with 98 abstentions a resolution on the implementation of the Trade Pillar of the Association Agreement with Central America.

The Association Agreement between the EU and Central America is based on three complementary pillars, namely political dialogue, cooperation, and trade. The trade pillar of the Agreement was quite broad and ambitious when it was negotiated, but retrospectively lacks updated provisions on, inter

alia, gender and trade, digital trade and e-commerce, procurement, investment, anti-corruption or SMEs. It has been provisionally applied for five years: since 1 August 2013 with Honduras, Nicaragua and Panama, since 1 October 2013 with Costa Rica and El Salvador, and since 1 December 2013 with Guatemala.

The political dialogue and cooperation pillars have still not been applied as not all Member States have ratified the Agreement. The non-application of these two pillars **creates an imbalance** between trade-related issues and political issues, namely the EU's core values, such as promotion of democracy and human rights.

Main conclusions

Parliament is of the opinion that the Agreement tries to meet one of its key initial aims as it intends to strengthen the process of **regional integration** among the Central American countries by supporting intra-regional institutions, cooperation and dialogues. It was essential to ensure the full entry into force of the Agreement, which is pending internal ratification by some EU Member States (Austria, Belgium, the United Kingdom and Greece) and the effective implementation of all the provisions of the trade pillar by both parties.

Key recommendations

These aim to:

- fully implement all the provisions of the trade pillar;

- include a specific chapter on SMEs in a future review of the Agreement, with active measures to foster the internationalisation of SMEs and the setting up of contact points and a specialised website for SMEs;

- deliver comprehensive annual reports on the implementation of the Agreement as requested in the relevant implementing regulations and to include the relevant data and figures to evaluate investment flows;

-monitor the implementation of internationally agreed standards for the fight against money laundering, as well as tax evasion and avoidance;

- create a common methodology for evaluating the implementation of its trade agreements more coherently;

- make progress on the problem of Costa Rica's discriminatory taxes on imports of alcoholic beverages and on the effective protection of geographical indications (GIs);

- assess the situation of EU banana producers by 1 January 2019 at the latest and that, in the event of a serious deterioration of the market or the situation of EU banana producers, an extension of the validity of the stabilisation mechanism may be envisaged;

-reinforce the gender focus of the Agreement and to promote and support the inclusion, in a future review, of a specific gender chapter;

-strengthen **labour inspections** and **enhance social dialogue** - Central American states concerned should eradicate violence affecting trade unionists and indigenous peoples, take legislative measures to effectively implement ILO fundamental conventions on freedom of association, collective bargaining and non-discrimination, and child labour;

- introduce an effective dispute settlement mechanism, including the consideration of, among various enforcement methods, **sanctions as a deterrent** to be used, as last resort, in the case of serious breaches, and enabling social partners and civil society to participate appropriately;

- continue to monitor the situation in Nicaragua and, if necessary, assess the potential measures to be taken in light of the Association Agreement;

Lastly, Parliament urged Austria, Belgium, and Greece to ratify the Agreement and reiterated the importance of full application of the other parts of the Agreement.

Implementation report on the trade pillar of the Association Agreement with Central America

2018/2106(INI) - 12/12/2018 - Committee report tabled for plenary, single reading

The Committee on International Trade adopted the own-initiative report by Reimer BÖGE (EPP, DE) on the implementation of the Trade Pillar of the Association Agreement with Central America.

The Association Agreement between the EU and Central America was the first region-to-region association agreement concluded by the EU. It is based on three complementary pillars, namely political dialogue, cooperation, and trade. The trade pillar of the Agreement was quite broad and ambitious when it was negotiated, but retrospectively lacks updated provisions on, *inter alia*, gender and trade, digital trade and e-commerce, procurement, investment, anti-corruption or SMEs.

The political dialogue and cooperation pillars have still not been applied as not all Member States have ratified the Agreement. The non-application of these two pillars creates an imbalance between trade-related issues and political issues, namely the EU's core values, such as promotion of democracy and human rights.

Main conclusions

Members are of the opinion that the Agreement tries to meet one of its key initial aims as it intends to strengthen the process of regional integration among the Central American countries by supporting intra-regional institutions, cooperation and dialogues. They considered it essential to ensure the full entry into force of the Agreement, which is pending internal ratification by some EU Member States (Austria, Belgium, the United Kingdom and Greece) and the effective and adequate implementation of all the provisions of the trade pillar by both parties.

Key recommendations

These aim to:

- fully implement all the provisions of the trade pillar;
- deliver updated and comprehensive annual reports on the implementation of the Agreement as requested in the relevant implementing regulations and to include the relevant data and figures to evaluate investment flows;
- identify and develop joint strategies towards the necessary modernisation of the WTO;
- monitor the implementation of internationally agreed standards for the fight against money laundering, as well as tax evasion and avoidance;
- update and create a common methodology for evaluating the implementation of its trade agreements more coherently;
- make progress on the problem of Costa Rica's discriminatory taxes on imports of alcoholic beverages and on the effective protection of geographical indications (GIs);
- assess the situation of EU banana producers by 1 January 2019 at the latest and that, in the event of a serious deterioration of the market or the situation of EU banana producers, an extension of the validity of the stabilisation mechanism may be envisaged;
- put at the disposal of SMEs all the necessary tools to foster greater exchanges and participation to reap the benefits of the Agreement;
- strengthen labour inspections and enhancing social dialogue - Central American states concerned should eradicate violence affecting trade unionists and indigenous peoples, take legislative measures to effectively implement ILO fundamental conventions on freedom of association, collective bargaining and non-discrimination, and child labour;
- review the Agreement to introduce a suitable and effective dispute settlement mechanism;
- continue to monitor the situation in Nicaragua and, if necessary, assess the potential measures to be taken in light of the Association Agreement;
- -urge Austria, Belgium, and Greece to ratify the Agreement.