

P7_TA(2012)0478

EU-Central America association agreement

European Parliament resolution of 11 December 2012 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 (16395/1/2011 – C7-0182/2012 – 2011/0303(NLE))

The European Parliament,

- having regard to the draft Council decision (16395/1/2011),
- having regard to the Agreement establishing an Association between the European Union and its Member States, on the one hand, and Central America, on the other (16396/2011),
- having regard to the request for consent submitted by the Council in accordance with Article 217 and Article 218(6), second subparagraph, point (a), of the Treaty on the Functioning of the European Union (C7-0182/2012),
- having regard to the trade chapter of the Agreement establishing an Association between the European Union and its Member States, on the one hand, and Central America, on the other,
- having regard to its resolutions of 15 November 2001 on a global partnership and a common strategy for relations between the European Union and Latin America¹, of 27 April 2006 on a stronger partnership between the European Union and Latin America², and of 24 April 2008 on the Fifth Latin America and Caribbean-European Union Summit in Lima³,
- having regard to its resolutions of 1 June 2006 on trade and poverty: designing trade policies to maximise trade's contribution to poverty relief⁴, of 23 May 2007 on the EU's Aid for Trade⁵, of 21 October 2010 on the European Union's trade relations with Latin America⁶, and of 12 June 2012 on defining a new development cooperation with Latin America⁷,
- having regard to its resolutions of 5 February 2009 on enhancing the role of European SMEs in international trade⁸, of 25 November 2010 on human rights and social and environmental standards in international trade agreements⁹, of 25 November 2010 on corporate social responsibility in international trade agreements¹⁰, and of

¹ OJ C 140 E, 13.6.2002, p.569

² OJ C 296 E, 6.12.2006, p.123.

³ OJ C 259 E, 29.10.2009, p. 64.

⁴ OJ C 298 E, 8.12.2006, p. 261.

⁵ OJ C 102 E, 24.4.2008, p. 291.

⁶ OJ C 70 E, 8.3.2012, p. 79.

⁷ Texts adopted, P7_TA(2012)0235.

⁸ OJ C 67 E, 18.3.2010, p.101.

⁹ OJ C 99 E, 3.4.2012, p. 31.

¹⁰ OJ C 99 E, 3.4.2012, p. 101.

- 27 September 2011 on a new trade policy for Europe under the Europe 2020 strategy¹,
- having regard to its resolutions of 5 May 2010 on the EU strategy for relations with Latin America² and of 5 July 2011 on increasing the impact of EU development policy³,
 - having regard to the resolutions of the Euro-Latin American Parliamentary Assembly (EuroLat), and specifically the resolutions adopted at the Fifth Ordinary Plenary Session held on 18 and 19 May 2011 in Montevideo, Uruguay, on the prospects for trade relations between the European Union and Latin America, on employment protection and creation strategies, especially for women and young people, and on relations between the European Union and Latin America in the field of security and defence,
 - having regard to its recommendation of 15 March 2007 to the Council on the negotiating mandate for an association agreement between the European Union and its Member States, of the one part, and the countries of Central America, of the other part⁴,
 - having regard to the statements of the six Summits of Heads of State or Government of Latin America and the Caribbean and the EU that were held in Rio de Janeiro (28 and 29 June 1999), Madrid (17 and 18 May 2002), Guadalajara (28 and 29 May 2004), Vienna (12 and 13 May 2006), Lima (16 and 17 May 2008) and Madrid (17 and 18 May 2010),
 - having regard to Rule 81(3) of its Rules of Procedure,
 - having regard to the interim report of the Committee on Foreign Affairs and the opinions of the Committee on International Trade and the Committee on Development (A7-0360/2012),
- A. whereas 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,
- B. whereas the key objectives of the Bi-regional Strategic Partnership between the EU and Latin America are regional, social, economic and cultural integration underpinned by the conclusion of subregional and bilateral AAs,
- C. whereas in order for the development of EU-Latin America partnership relations to be of mutual benefit and to bring advantages for both parties, it is essential that respect for democracy, the rule of law and full human rights for all members of society be seen as key elements of political dialogue,
- D. whereas the Madrid Summit held in May 2010 led to the resumption of all the trade negotiations with Latin America that had been on ice for the last few years, concluding the negotiations on this AA,
- E. whereas the development of relations with Latin America is of mutual benefit and brings

¹ Texts adopted, P7_TA(2011)0412.

² OJ C 81 E, 15.3.2011, p. 54.

³ Texts adopted, P7_TA(2011)0320.

⁴ OJ C 301 E, 13.12.2007, p. 233.

advantages to all EU Member States,

- F. whereas Parliament has expressed its concern with regard to violence against women in its resolution of 11 October 2007 on the murder of women (femicide) in Mexico and Central America and the role of the European Union in fighting the phenomenon¹,
- G. whereas the EU is the main investor and the second largest trading partner in CA as well as the main donor of development aid,
- H. whereas respect for democracy, the rule of law and the human, civil and political rights of the people of both regions are fundamental elements of the Agreement,
- I. whereas the Agreement includes a human rights clause which reciprocally requires the signatory parties to properly monitor human rights and to ensure that its practical enforceability is guaranteed,
- J. whereas the Central American region is characterised by conditions of severe poverty, social exclusion and socio-environmental vulnerability,
- K. whereas the AA implies a political and economic association between the EU and the region as formed by its different countries, taking into account the asymmetries and inequalities which exist between the two regions and among the various Central American countries,
- L. whereas the aim of the AA should be to promote, inter alia, sustainable development, social cohesion and regional integration,
- M. whereas the EU could contribute through cooperation to finding solutions aimed at ensuring security in the region – a matter of great concern in Central America,
- N. whereas the AA meets the Union's objective of promoting regional integration through trade, as laid down in the Commission Communication (COM(2010)0612) entitled 'Trade, Growth and World Affairs' and, in line with the Europe 2020 strategy, uses trade as an engine for competitiveness, development and job creation,
- O. whereas the magnitude of the trade part of the AA will qualitatively and quantitatively extend the range of goods and services that will benefit from a free trade area and will establish a framework for legal security and certainty that will stimulate the flow of goods, services and investments,
- P. whereas it is anticipated that the trade part of the AA will facilitate, on a sector-by-sector basis, immediate or gradual reductions in tariffs on an asymmetrical basis with the objective of creating a bi-regional free trade area subject to a stable and predictable regime that will encourage productive investment, greater penetration of the Central American region in world trade, efficient resource management and increased competitiveness,
- Q. whereas one of the AA's main objectives of contributing to greater regional integration and stability in CA will be achieved provided that the countries party to it (including Panama) show a clear political will and make a commitment to overcoming difficulties and achieving further dynamic integration, by adopting effective, equivalent and appropriate measures in

¹ OJ C 227 E, 4.9.2008, p. 140.

order to generate mutually beneficial synergies and strengthen the provisions of the AA, thereby contributing to economic, political and social development,

- R. whereas the establishment of a framework for strengthening legal certainty will bring positive effects for both parties, encouraging an increase in trade and investment flows and sectoral and geographical diversification; whereas the most significant effect for the Union will be the savings resulting from the staggered reduction or elimination of tariffs and trade facilitation, and investment in a framework of stability and mutual trust, stressing the commitment of both regions to respect and adhere to international standards, especially those of the World Trade Organization and the International Labour Organization; whereas for CA it will imply a greater international presence, a strategic partnership with an established market and an opportunity for diversification and for attracting long-term productive investments,
 - S. whereas there is asymmetry in the trade part of the AA, indicated inter alia by the graduation and the establishment of different transitional periods for both regions, enabling productive structures to be adapted to new economic and commercial realities resulting from its implementation,
 - T. whereas, among its principles, respect for democratic principles and fundamental human rights and the rule of law will strengthen the domestic and international policies of both parties; whereas the importance is stressed of including a specific heading on 'Trade and Sustainable Development' with references to international standards and agreements on labour, the environment and governance, consistent with the objective of sustainable and balanced development that reduces disparities between and within the parties, thereby setting an important precedent for future negotiations; whereas it is anticipated that trade will foster economic development, green growth and social cohesion; whereas the inclusion of institutional and monitoring mechanisms such as the Committee on Trade and Sustainable Development and the Civil Society Dialogue Forum is welcomed,
 - U. whereas the commitment of both regions in respect of geographical indications and intellectual property in accordance with international standards is emphasised,
 - V. whereas all states in CA benefit from the Generalised System of Preferences Plus scheme (GSP+), which will cease to apply on 31 December 2013; whereas the new GSP scheme will exclude, without exception, all the countries defined as upper-middle income countries by the World Bank, meaning that Costa Rica and Panama would lose their right to benefit from this system; whereas the GSP is unilateral, temporary and revisable, covers a smaller range of products and excludes most agricultural products; whereas the AA will improve the trading position of all CA states by establishing a new, more comprehensive, secure and mutually beneficial legal framework; whereas the fact that this new scheme will enable progressive liberalisation in the exchange of goods and services, public procurement and the promotion of investment is welcomed,
1. Requests the Council and the Commission to take into account the following recommendations:

Introduction

- (a) stresses that the processing, conclusion and ratification of the AA should be facilitated;

- (b) points out that at the European Union-Latin America and Caribbean Summit held in Vienna in May 2006, the Heads of State and Government of the European Union and of certain Central American Republics decided to open negotiations on an AA between the two regions, and that such negotiations officially opened in October 2007;
- (c) points out that Panama, which had followed the negotiations as an observer, asked to join them in January 2010, and that its inclusion was formally accepted by the European Union on 10 March 2010;
- (d) points out that negotiations were successfully concluded in May 2010 and that, after a legal review phase, the text of the AA was initialled on 22 March 2011 and signed in Tegucigalpa on 28 June 2012;
- (e) recalls that the AA, concluded in May 2010, contains three main pillars: political dialogue, cooperation and trade;

Political dialogue, a key element in developing the bi-regional partnership

- (f) stresses that this is the first comprehensive partnership between regions, and the result of the EU's unbending political will. This partnership marks a decisive step forward in the integration of CA and goes far beyond mere questions of free trade;
- (g) highlights the fact that the AA with CA is the logical conclusion of the EU's policy of supporting the peace process, stability and democracy in the region, launched in the 1980s with a substantial political commitment expressed through the various peace accords and the Contadora Process;
- (h) welcomes the extraordinary new impetus that the political dialogue enshrined in the AA brings to the bi-regional relationship in terms of dialogue between governments, parliament and civil society – a qualitative leap forward with regard to the old San José dialogue process begun in 1984;
- (i) stresses the parliamentary dimension of the AA, with the establishment of a Parliamentary Association Committee, made up of Members of the European Parliament and Central American parliamentarians, which is to be kept informed of decisions taken by the Association Council and may make recommendations and gather information on how the agreement is being implemented;
- (j) underlines that optimal implementation of the AA should be ensured, by paying particular attention to the points highlighted by Parliament in this resolution and the provisions of regulations implementing the AA, and calls for the activities of the Parliamentary Association Committee to be supported;
- (k) stresses that the AA reached with CA contains a number of important elements which help to secure the goals of the EU's external action as enshrined in Article 21 of the Treaty on European Union, including in particular the development and consolidation of human rights and democracy, a sustainable economy and social and environmental development;
- (l) points out that Article 1 of 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, so that failure to observe them by any of the parties would result in the adoption of measures which could eventually lead to the suspension of the agreement; considers, none the less, that specific mechanisms should be created to guarantee respect for and compliance with the human rights clause contained in the AA;

- (m) proposes that the Commission carry out an annual report for the European Parliament, to monitor the AA in its entirety, including aspects relating to democratic principles and human rights;
- (n) stresses that the AA with CA should be seen as an ideal framework for joining forces, as equal partners, to combat social inequality and poverty, to foster inclusive development and to address the remaining social, economic and political challenges;
- (o) welcomes the commitment to multilateralism underpinned by the unstinting defence of common values, principles and objectives and the promise to successfully address global challenges;
- (p) notes that the new AA opens up new and interesting possibilities for dialogue on the fight against drug trafficking and organised crime, in line with the Regional Security Strategy endorsed by the Central American presidents; welcomes the various commitments to coordinate efforts to combat drug trafficking, money laundering, terrorist financing, organised crime and corruption;
- (q) considers it important to promote proper participation by civil society in both the EU and CA, by encouraging participation in sectoral fora, committees and subcommittees; welcomes, to this end, the establishment of the EU-Central American Civil Society Joint Consultative Committee;

Effective cooperation in the fight against poverty and the fostering of social cohesion

- (r) stresses that social cohesion is a priority objective of regional cooperation policy; insists that social cohesion can only be achieved by reducing poverty, inequality, social exclusion and all forms of discrimination through proper education, including vocational training; stresses that social inequality has not been sufficiently reduced in recent years and that public safety is a matter of great concern in Central America;
- (s) highlights the opportunities that this AA offers in terms of improving social cohesion and sustainable development, which are key elements in consolidating economic growth, social stability and democratic engagement;
- (t) points out that commitments have been made to cooperate in modernising the state and public authorities, improving systems for tax collection and transparency, combating corruption and impunity, strengthening the legal system and encouraging the involvement of civil society in public life;
- (u) stresses the agreement between the two regions on the environment, the aims of which include the improvement of environmental quality, sustainable development, cooperation in efforts to address natural disasters, the combating of climate change, deforestation and desertification and the conservation of biodiversity;
- (v) stresses the need to contribute to the revitalisation and strengthening of economic and

trade relations and the integration of the productive fabric of both regions in order to achieve maximum benefits from the implementation of the AA, thus promoting balanced and sustainable growth giving rise to new economic, trade and investment opportunities that enable greater integration of CA ad intra and ad extra in the international trade structure;

- (w) underlines that compliance with the conditions defined in the AA needs to be ensured, seeking greater synergies between both regions but without sacrificing general interests, including geographical indications and intellectual property rights as well as EU economic and trade priorities;
- (x) further highlights the need to promote cooperation with appropriate technical and financial resources in strategic sectors for both regions, particularly on trade and sustainable development, and scientific and technical cooperation in areas such as institutional capacity-building, harmonisation of standards, customs procedures and statistics, intellectual property, provision of services, government procurement, electronic commerce, industrial development, sustainable resource management, sanitary and phytosanitary standards, support to SMEs and diversification; calls for the recognition of the importance of modernisation and technological innovation and recommends that this AA be used as an instrument with which to achieve them;
- (y) calls for the bi-regional Civil Society Dialogue Forum to be organised and facilitated on an annual basis; recommends that the private sector and civil society be invited to engage by means of a corporate social responsibility policy that enables them to have a smooth relationship and brings about greater sustainable economic development in CA;
- (z) recommends that action be promoted to raise awareness of the AA among stakeholders in both regions and encourage the organisation of trade fairs in both regions in order to provide opportunities for contacts to be forged and cooperation agreements to be concluded, particularly among SMEs;
- (aa) stresses the need to support the establishment of competitive value-added production facilities in CA; further recommends that the establishment be proposed of regional trade academies both in Latin American regions and across EU Member States, aimed at building capacity among SMEs by providing training sessions on the preconditions for trading agricultural products, goods and services with the partner region;

Conclusions

- (ab) highlights the fact that the AA helps to achieve the goals of the EU's external action, as enshrined in Article 21 of the Treaty on European Union; points out that respect for democratic principles, fundamental human rights and the rule of law are essential elements of the agreement;
- (ac) stresses 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, and that this will lead to a predictable framework of legal security and certainty, able to inspire mutual trust, which is essential to building trade and investment;

- (ad) stresses that social cohesion is a priority objective of regional cooperation policy, and that the overriding aim is the reduction of poverty, inequality, social exclusion and any form of discrimination;
- (ae) points 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;
- (af) urges 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;

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2. Instructs its President to forward this resolution to the Council and the Commission.