



An European Union Central America

association agreement oriented
towards human development
is possible

ALOP –APRODEV –CIFCA –GRUPO SUR



An European Union
Central America
association
agreement oriented
towards human
development
is possible

On the 13 of May 2006, during the 4th EU-LA Summit, the EU, represented by the EC troika and the Central American presidents issued a press release communicating their decision to start negotiations of an Association Agreement including the creation of a Free Trade Zone¹.

The joint communiqué reiterates the importance of empowering a cooperation that might contribute to social cohesion, good governance and regional integration², the importance of engaging civil society in the regional integration process³ and the recognition of the central role that the bi-regional dialogue has played in the consolidating democracy and peace in Central America, the social and economic development and the regional integration process⁴.

We consider that from the joint communiqué we can get some orientations that should be taken into consideration in the elaboration of the directives that the European Commission will submit to the Council in order to define the EU's negotiation mandate:

- 1** *"To start negotiations related to an Association Agreement, including the creation of a Free Trade Zone"*. In other words, **it should be an Agreement inclusive of other elements beyond trade, thus giving the same importance to the other two components of the bi-regional strategic association: political dialogue and cooperation.**
- 2** Highlight the importance of the bi-regional dialogue. **This dialogue should be strengthened in the Agreement**, so it can continue contributing to consolidate peace and democracy in Central America, social and economic development and regional integration.
- 3** It should mention the need to empower the bi-regional cooperation towards social cohesion and regional integration, thus **granting to the cooperation component a predominant meaning within the framework of the Agreement.**
- 4** Express *"the importance of engaging civil society in the process of regional integration"*, **thus making evident the need to define instruments to make effective this participation.**

Based on these elements, it is possible to affirm that the objective of the Association Agreement goes beyond establishing a free trade zone, and then, **it should be oriented towards contributing to a Sustainable Human Development in Central America⁵**, using the conceptual framework defined by the UNDP (1996):

"Sustainable Human Development is a development which not only generates economic growth, but distributes its benefits in an equitable way; it will regenerate the environment instead of destroying it; it empowers people instead of marginalize them".

In order to REINFORCE this orientation, the directives for the Mandate should take into account:



1 Joint Communiqué, REF. 9337/06 (Presse39), see par. 2, Brussels, 13 May 2006.

2 Joint Communiqué, see No. 8.

3 Joint Communiqué, see No. 10

4 Joint Communiqué, see No. 1

5 European Community's Constitutive Treaty, Article 177

1 EC's policy in the field of development cooperation, while being complimentary of those policies implemented by its member states, will foster:

Sustainable economic and social development in developing countries, particularly in those more undeveloped;

The harmonious and progressive insertion of developing countries in the global economy;

The struggle against poverty in developing countries.

2 EC's policy in this field will contribute to the more general development objective and to consolidation of democracy and the rule of law, as well as to respect for human rights and of fundamental liberties.

1. Include a vision on Sustainable Human Development as objective of the agreement:

Human development should be the lens to see trade within the Agreement instead of the contrary. From this it derives:

- To consider sufficiently the asymmetrical context characterizing the relations; not only in economic terms, but also in human social and technological development as well as in integration level.
- To consider the vulnerability of development, which characterizes Central America, comprising its social vulnerability (possibilities to access a better quality of life); environmental vulnerability (more exposure to a deteriorated environment and to environmental degradation); vulnerability to natural disasters (more exposure for people to suffer their effects)⁶; vulnerability of democracy (frailty of the Rule of Law).
- To consider that having development as objective, it incorporates several dimensions: social development, democratic development, integration, economic welfare and environmental protection.
- To consider that regional integration in Central America has a multidimensional character and regional development requires many mechanisms (beyond those of trade) that should be the result of an endogenous process.
- To consider that within the Agreement, the cooperation component should keep its autonomy and its priorities, avoiding becoming a mere instrument of trade policies. Then it is required that both, qualitatively and quantitatively speaking, cooperation strategies should address complying with the Millennium Development Goals and should keep agreement with the European Consensus on Development.
- To consider the six essential elements mentioned by UNDP to be required for trade to result in human development: creation of industrial and technological capacity; understanding trade policies and, particularly imports liberalization as a part of integral strategy to reduce poverty; to tackle how participation in trade may deepen inequality; to reduce vulnerability with policies that may facilitate adjustment and adaptation to change; to contribute to the application of rational policies and the democratic exercise of power; to take sufficiently into consideration the social and environmental costs.⁷



⁶ See ALOP, "Mexican and Central American Civil Society facing vulnerability of development and the relations with the European Union", 2004.

⁷ UNDP report on human development 2005: International cooperation on a crossroad, development aid, trade and security in an unequal world.

2. Applicability of the Democratic Clause

Ensure that within the framework of the Association Agreement concrete mechanisms will be included in order to apply the democratic clause when needed. More concretely, taking as reference Article 9 of the Council's Directive No 980/2005, relative to the application of the Generalized Preferences SPG PLUS⁸, ensure a directive binding for ratifying and applying effectively all International Human Rights Treaties and Agreements, considering them as an inseparable and indivisible body. It is worth calling the attention on the need to incorporate the ILO Agreement 169 to the list in Article 9.

To incorporate in the agenda of the San José Dialogue as an obligatory point the follow up to compliance with the above-mentioned international treaties.

3. Correspondence between the existing asymmetries and the measures to face them.

To consider among other elements:

Non-reciprocal treatment in the matters of tariff deduction

Exclusion of the "Singapore themes" that did not find consensus in the Doha Round;

Safeguarding food security and rural livelihoods;

In terms of IP to give priority to the sustainable human development objective over the commercial interest, particularly in what has to do with: public health, access to technological innovation, protecting biodiversity and traditional knowledge, use and customs.

4. To open space to participation of Civil Society

To include specific references to creation of instruments that will ensure an adequate engagement of civil society in all phases and components of the Association Agreement, as well as for the definition of the Terms of Reference of the Socio-environmental Impact Studies.

5. Criteria for opportunity and consultation of the Socio-environmental Impact Studies

To establish that these studies should be presented at the start of the negotiations in order to ensure that they are incorporated to the reference documents in the negotiations agenda and that the negotiators will consider them.

In this same spirit, **the proposal of Recommendation addressed to the council on the orientations for the negotiation of an Association Agreement between the European Union and Central America⁹**, being considered in the European Parliament, already includes key elements, which from a development perspective can be perfectly complemented by those mentioned above, and all of them could be **adopted by the Foreign Affairs Commission, thus taken into consideration by the European Commission in the elaboration of the Directives for the Negotiation Mandate.**

Brussels, 10 October 2006

ALOP – APRODEV - CIFCA – GRUPO SUR



⁸ Directive 5CE N) 980/2005 issued by the Council, 27 June 2005.
⁹ RE 623064.ES.doc