

Second round of negotiations of the Association Agreement EU- Central America

The European Commission, negotiating on behalf of the European Union (EU), and Central American governments met in Brussels from 25 to 29 February 2008 for the second round of negotiations of a bi-regional Association Agreement. This agreement contains three chapters: Political Dialogue, Cooperation and Trade, although the trade chapter is the one that most interests both sides to the Agreement.

Central America is negotiating as a region and includes Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica, and Panama as *observer* so far. Negotiating delegations from Central America consisted of 270 people, reflecting the importance of the negotiations for these countries. The level of Costa Rican interest was particularly apparent with 100 out of the 270 being from that country.

In the trade chapter, some initial agreements were reached. On market access, a maximum of 10 years was agreed for the liberalization of tariffs (the EU offered 7 years) and it was decided that detailed agreements on liberalization per product will be made at the next round of negotiations in April. The EU wants to reduce the number of products to be excluded to a minimum and Central America is willing to exclude a considerable amount of products. These issues, as well as details relating to services and investment will be on the agenda in the next round, which will be a key round in relation to the trade aspects of the Agreement.

Overall, it is clear that the possibility of taking asymmetries between the two regions into account will be very limited due to the lack of political will to do so. The established precedent, CAFTA, makes it difficult to negotiate something different and the EU has made it clear that it is looking for "CAFTA-parity".

In the chapter relating to political dialogue, one of the key issues is the ratification of the Statutes of Rome of the International Criminal Court. The EU wants all Central American countries to ratify the Statutes of Rome, as only Costa Rica and Honduras have ratified them to date. However, for Central American governments, respect for the positions of each individual country in relation to this issue is fundamental. It is likely that a consensus will be reached on a statement that "both parties agree that crimes against humanity shall not go unpunished", but without mentioning the specific instrument of the International Criminal Court.

In the chapter relating to cooperation, there is much confusion as to what exactly the agenda is. The EU made it clear that the amount of development assistance and the content of its recently formulated development cooperation strategies for 2007 – 2013 will not change. These strategies are drawn up by the EU as unilateral policy.

Thus many other "cooperation areas" are mentioned as the contents of this chapter: cooperation on security, anti-terrorism, anti drug trafficking, democracy and good governance for example. However many of them are also dealt with in the political dialogue agenda, or they already form part of the existing development cooperation agenda. And even where the issues are clear, it is less clear what kind of *agreements* will be proposed.

Both sides to the negotiations seem particularly content about progress made in the *planning* of the negotiations. They are taking up speed, with a commitment to concluding an Agreement in the first half of 2009. This year there will be five rounds of negotiations, with the next one planned for mid- April in El Salvador.

The speed at which negotiations are taking place is due to the EU wanting to finalize the Agreement before changes are made to the Commission in 2009 as a consequence of the Lisbon Treaty. In addition, progress in the Central American negotiations is also needed in order to be able to demonstrate results at the EU- LA Summit in May 2008. All other negotiations with Latin America (Andean region and Mercosur) are much more difficult, as are other aspects of relations with Latin America (the relationship with Hugo Chavez for example). For this reason, Central America has to be the success story.

In addition to many others concerns about these negotiations, the rate at which they are taking place is worrying, as it will adversely affect the political process required for reaching consensus in Central America and the technical quality of the Central American counterproposals. The fast moving agenda does not allow for consultations and debate at national and regional level. There will be little time to take civil society proposals into account and impact studies will only be finished *after* the agreement has concluded.

During the negotiations, Aprodev, CIDSE and other European and Latin American civil society networks, organized a conference in the European Parliament where civil society concerns and proposals were presented around 4 key issues: regional integration, the human rights clause, asymmetries and the potential negative impacts of the agreement.

Although initially there was little willingness on the part of negotiators (especially the EU) to attend the conference, in the end high level negotiators from both sides were present, including chief negotiators.

The high attendance at the conference by civil society representatives from both sides of the Atlantic, and MEPs from across the political spectrum, highlighted the level of interest and concern that exists around the impact that the Association Agreement will have on poverty reduction, regional integration, and sustainable development efforts in Central America.

Nevertheless, institutionalized mechanisms for civil society participation in the process have still not been finalized, despite the fact that civil society have put forward proposals for this and have been calling for mechanisms to be set up. According to the EU, a joint EU - Central American proposal is being worked on in this regard.

Suzan van der Meij, Aprodev, Jennifer Cornally, CIDSE