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Committee on Development

2011/0303(NLE)

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DRAFT OPINION

of the Committee on Development

for the Committee on Foreign Affairs

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
(16395/2011 – C7-0000/2011 – 2011/0303(NLE))

Rapporteur: Catherine Grèze

PA_Leg_Consent

SHORT JUSTIFICATION

Formal negotiations between the EU and Central America (CA) were launched in 2007 and concluded in May 2010. The Association Agreement (AA) contains three pillars: political dialogue, cooperation and the trade agreement. Since an agreement was reached on the first two pillars in 2003, the trade component constitutes the substantial change in bilateral trade relations within the new AA.

While acknowledging that trade is a means that could promote sustainable development, the rapporteur believes that the trade agreement does not fulfil these conditions, offers no sound evidence that it will benefit people and disregards the asymmetries in development levels. In particular, while CA countries are characterized by high levels of poverty, the benefits that they may get in terms of trade preference are doubtful because most CA exports already have duty free access to the EU under the GSP+.

The sustainability impact assessment predicts that export gains for CA are concentrated in sectors which already account for the greatest share of the CA economies. There is a risk that the Agreement fosters increasing dependency on exports of primary agricultural products.

By concluding WTO+ agreements regarding public procurements, liberalisation of services, and intellectual property, this Agreement with CA countries reduces their policy space to develop their own development strategy or to define concrete measures to ensure that investment benefits the poor and the most vulnerable.

The rapporteur takes the view that this Agreement suffers from various severe shortcomings, with regard to human rights, labour standards and environmental/sustainable development issues.

The inclusion of a human rights clause is certainly to be welcomed. However, it suffers from major shortcomings: there is no specific body dedicated to monitor compliance with this obligation; the enforcement of the clause is not subject to the dispute settlement mechanism; it omits any significant reference to Corporate Social Responsibility and ILO convention C169 (1989).

The rapporteur acknowledges that the Agreement includes provisions on Trade and Sustainable Development. However, its scope is narrower and the enforcement mechanism weaker than that prevailing in the GSP+.

The Committee on Development calls on the Committee on Foreign Affairs, as the committee responsible, to propose that Parliament decline to give its consent.