



Delegation for relations with the countries of Central America

9.6.2016

MISSION REPORT

**Report by Delegation Chair, Sofia Sakorafa,
on the visit to Costa Rica and Panama**

28 March to 1 April 2016

San José (Costa Rica) and Panama City (Panama)

Members of the mission:

Sofia Sakorafa,	(GUE/NGL) (Leader of the mission)
Gabriel Mato	(PPE)
Pilar Ayuso	(PPE)
Soraya Post	(S&D)
José Inácio Faria	(ALDE)
Mireille D'Ornano	(ENF)

Introduction

The Delegation for relations with the countries of Central America, which visited Costa Rica and Panama from 28 March to 1 April 2016, was led by DCAM Chair Ms Sofia SAKORAFI (GUE/NGL, Greece) and composed of five other MEPs, Mr Gabriel Mato, Vice-Chair (EPP, Spain), Ms Pilar AYUSO (EPP, Spain), Ms Soraya POST (S&D, Sweden), José Inácio FARIA (ALDE, Portugal), and Mireille D'ORNANO (ENF, France). The WG was assisted at all times by Mr Helmut WEIXLER and Ms Frédérique ALBERT, representing Parliament's General Secretariat, and a team of interpreters made up of Mr Panayotis MOUZOURAKIS, Ms Christianna YACOUMI, Mr Gino CINTOLESI BRILL, Mr Enrique QUIJANO, Ms Sinead DORAN and Mr Ionathan Lakov MARKEL.

According to the programme (see annex) the delegation addressed a broad variety of issues during its visit to Costa Rica and Panama, ranging from economic and political aspects to the social, legal and human rights situation in both countries. This visit, although short in duration, offered an opportunity to the delegation members to become acquainted with some of the specificities of each country. Exercising its scrutiny activities, the EP Delegation visited project-sites in both countries, allowing the MEPs to have a look at the implementation of EU funded projects.

The visit also included two important inter-parliamentary events. In San José a tripartite meeting of the EP Delegation, PARLACEN and the Legislative Assembly of Costa Rica discussed the roadmap for the establishment of a Joint Parliamentary Committee. In Panama City a public forum was held with the participation of PARLACEN and the National Assembly of Panama discussing the advantages of the relations EU-Central America.

The visit of the EP delegation took place at a time when the relations between the EU, Costa Rica and Panama undergo profound changes. The Association Agreement EU-Central America will put the bilateral relations on a new and broader basis with new ways of cooperation. During the visit, both sides agreed that the ratification process should be concluded as soon as possible. The full effect of the trade pillar of the Association Agreement, the implementation of which started in 2013 will be seen after a few years. However only an assessment of the financial and commercial consequences of the agreement is not enough. The impact of the agreement on human rights, democracy and the rule of law is equally important. The programmes of the visit were in both countries very comprehensive and allowed to get an insight into the most important challenges Costa Rica and Panama are facing.

Economically, Costa Rica and Panama enjoyed high growth rates during the last years and both are middle income countries, with a GDP per capita of 11,948 USD (Panama) and 10,415 USD (Costa Rica), respectively, in 2014. As middle income countries, they don't qualify for bilateral EU development aid anymore. The transitional GSP+ programme ended for both countries on 31 December 2015 and cooperation policy has to be redefined. Nevertheless, a number of EU financed projects are being implemented. Compared to other countries in the region, violence and criminality are still low, but rising due to increasing drug trafficking and organised criminality. The human rights situation in Panama and Costa Rica is relatively good, though problems persist as regards violence against women, protection of

young people, protection of indigenous minorities and the situation in the prisons.

For Costa Rica, currently the biggest challenge is the implementation of a fiscal reform, which is unfortunately stalled due to the political fragmentation of the Legislative Assembly. The country also aspires to become a member of OECD, a move considered being helpful for the implementation of the necessary reforms.

Panama is continuing to strengthen its position as an international hub for transport, trade and finance at the crossroads of the Caribbean, Latin America and the Pacific. The inauguration of the extension of the Panama Canal will be a huge step forward to foster this position. A major issue in the debate between the EU and Panama is the exchange of financial information. Panama is still not complying fully with OECD standards in this area. Three days after the EP delegation left Panama, the Panama Papers were published, confirming the allegations by the EU. It is clear that Panama, as well as other countries in the area and some European countries, will have to change its business model for financial services and comply fully with international standards to combat tax evasion and tax fraud.

I. Costa Rica (28 - 30 March)

Meetings

1. Briefing by the Head of the EU Delegation to Costa Rica, H.E. Mr Pelayo CASTRO ZUZUARREGUI and Francisco PEIRO, Head of the Economic and Trade Section for Central America

The Ambassador gave a general introduction into the political, economic and social situation of Costa Rica. He said that the country is currently undergoing a crisis of growth and a crisis of maturity. Problematic is the increasing fragmentation of the political map. Describing the institutional framework, he stressed that the Legislative Assembly is very fragmented, which makes decision making difficult. On the other hand, according to him the judicial power is very strong and influencing the political agenda with a strong activism, acting in some way as a second Chamber. The administration is very strong and independent. The "Caja de Seguro Social" is more powerful than the Ministry.

The Ambassador identified two major challenges for Costa Rica: Firstly, the fiscal reform, which is, according to him, needed to stop a continuous deterioration of public finances. The reform is stalled because no political consensus can be reached. Tax collection is only 13% of GDP, which is very low compared to other countries. The second challenge is the security situation, which is deteriorating rapidly due to increasing drug trafficking along the route Latin America-USA. Since 2010 the numbers of homicides have been increasing.

H.E. Mr ZUZUARREGUI stated that the relations with the European Union are excellent; the same values are shared, as shown for example by the voting in the UN on human rights. Costa Rica is very active in climate policies and enjoys a high credibility in this area. The EU has upgraded its representation in San José to a full-fledged embassy.

Costa Rica is a middle income country but it would like to keep the privileges of a developing country as regards development aid. It feels to be punished for its own success. The EU is reformulating its cooperation with the Latin American countries, which has an enormous

potential. There are several programmes of cooperation such as EUROsociAL, ALFA etc.

The application of Costa Rica for membership within the OECD is considered as a useful lever to push the implementation of necessary reforms. Technical assistance can be useful in the following areas: 1) fiscal reform, 2) more inclusive development 3) modernisation of the administration to make it more efficient.

The lack of solidarity in dealing with the challenges of the Cuban refugee crisis caused Costa Rica to suspend the political cooperation within the Central American Integration System (Spanish: Sistema de la Integración Centroamericana, or SICA) on 16 December 2015. Costa Rica considers a reform of SICA as necessary to permit the country to reintegrate itself in SICA. The cause of the Cuban refugee crisis is an US law, which guarantees to every Cuban who arrives at the US border the right to enter the country. Many Cubans fear that with the rapprochement US-Cuba this law could be abolished soon and therefore try to immigrate to the US. 40.000 to 80.000 Cubans tried to reach the US via Ecuador (where they travel without Visa requirement) and Central America. When Nicaragua closed its borders more than 8000 refugees stranded in Costa Rica.

On the question of a possible membership in the Pacific Alliance, the government is divided and has not yet taken a decision. PARLACEN is not well seen by Costa Rica, it is considered as an institution to accommodate ex-presidents, expensive and little productive.

Francisco Peiro, responsible for EU cooperation with the Central American countries said that Costa Rica cannot lead the integration process, Guatemala could - given its weight - but the political system there is very weak. More than 50 % of the exports from Central America to the EU come from Costa Rica. The EU is giving many impulses for the integration of CA but the differences between the countries in the region are very big. The Association Agreement is a treaty of a new generation, which does not yet exist with many other countries in the world. The question of the inclusion of Croatia into the Agreement is really a problem; it is principally the sugar sector in Guatemala which blocks the inclusion of Croatia. The effects of the AA, principally of its trade chapter, which entered already provisionally into force, will be seen only in five or more years.

Costa Rica announced to become the first carbon neutral country in 2021, this aim it seems that it will not be reached, mainly due to the transport sector. Energy in Costa Rica is very expensive and much protected. There is an urgent need to improve energy efficiency and combat energy poverty.

The following MEPs spoke: Sakorafa, Mato, Ayuso, Faria,

2. Visit of EU-funded project PROEDUCA

The Delegation visited the school project "Máximo Quesada Technical School Desamparados" funded by the EU to reduce the number of early school drop-outs, in secondary schools, a serious problem Costa Rica is facing (10.7% in 2012). In 2011 the project "PROEDUCA Support for Secondary Education to reduce dropout" was launched. It is developed through cooperation between the European Commission (€ 8.5 millions) and the Ministry of Public Education (MEP) of Costa Rica (€ 9 millions). Its objective is strengthening the capacities of educational institutions and school communities to serve

young people, develop their skills and encourage their interest for studying. It has a comprehensive approach acting on school management (staff training and engagement of students and families), pedagogical methods (building of relevant curricula, extracurricular initiatives linked to local communities) and infrastructures and equipment (libraries, labs, ICT, musical instruments...). It is being implemented in the marginal suburbs of the capital city and coastal provinces.

The Delegation was welcomed by the Head of the school, Mr Juan Antonio ARROYO and the Vice-minister in charge of academic issues, Ms. Alicia Eugenia VARGAS PORRAS. The delegation had the opportunity to see several educational facilities of the school, such as the Robotics Lab and the Information Technology Lab. The visit ended with a cultural performance.

3. Working lunch with Representatives of Private and Business Sectors offered by UCCAEP

Participants from UCCAEP (Unión Costarricense de Cámaras y Asociados del Sector Empresarial Privado): Roland Jimenez LARA, President, Fabio MASIS, Executive Director, Enrique EGLOFF, Second Vice-President of the Board of Directors and Representative of the Industry Chamber, Victor RUIZ, Third Vice-President of the Board of Directors and Representative of the Foreign Trade Chamber, Francisco Arturo PACHECO, Deputy Prosecutor of the Board of Directors, and Manuel H. RODRIGUEZ, Former President of UCCAEP.

The EP delegation met with the representatives of the Private and Business Sectors organised in UCCAEP. The speakers underlined the importance of the adherence of Costa Rica to the OECD, the benefits of which would be manifold. They stressed that a reform of the state is necessary, considering that the fiscal deficit is at 6% and increasing and that the unemployment rate is at 9%. Many people work in the informal sector, to bring them into the formal sector would increase the contributions to the social security system and the tax revenues. As further fields in which action is necessary they UCCAEP named security and judicial security and the social security system.

The business representatives underlined the importance of investments in infrastructure, stressing that in this field the country is lagging behind, not for a lack of money, but for a lack of management. OECD urged Costa Rica to invest into the infrastructure of the country. Investments in public transport would be necessary. The energy sector has to be reformed, because the current high energy prices are detrimental to the economy. Costa Rica needs better energy efficiency to foster growth, and lower energy prices. Costa Rica needs a state strategy for employment since unemployment is rising. The business representatives maintained that social programmes are very important for the social peace.

Concerning gender balance, the business community pointed out that Costa Rica is a leader as regards women in the working world and is integrating women in companies' boards. The high commitment of the country in terms of ensuring gender balance reflected in politics, where the government is required to have 50:50, representation.

Generally the economy is doing well: good growth rates, 4% this year, last year 3% and the country continues to attract foreign investment.

The following MEPs spoke: Sakorafa, Post, Mato, Ayuso, Faria, d'Ornano

4. Meeting with Mr Gustavo Mata, Minister of Security

The EP delegation met with the Mr Gustavo MATO, Minister of Security, and all the Directors of the security forces: Martín ARIAS ARAYA, Director of the National Service of the Coast Guards, Eric LACAYO ROJAS, Director of the National Police School, Allan OBANDO, Director of the Border Police, and Oldemar Madrigal MEDAL, Director of the Air Surveillance Service.

The Minister stated that the security situation in Costa Rica has been constantly deteriorating due to external influences such as drug trafficking and organised criminality during the last ten years. In Costa Rica there are now 11.7 homicides per 100.000 habitants (2012: 8.7, in 2011: 7.8). In the country there are criminal structures imitating structures in Colombia and in the United States. More regional cooperation to combat drug trafficking is needed. He pointed out that the prisons system does not have enough capacity and more investment in security is needed. There has been a policy change and bracelets are more important for certain minor types of offences.

For combatting drug trafficking, cooperation with the USA exists for the surveillance of the Pacific Coast, but the air force has a very limited capacity.

Costa Rica did not have a military tradition historically and the country has abolished the army in 1949, but there are different security forces. The Coast Guard has 450 employees and is also responsible for environmental protection. The Air Surveillance is consisting of two parts (helicopters and civil aviation security). The Border Police, which is crucial in the fight against drugs trafficking has a good cooperation with Panama, and they hope to have the same good cooperation with Nicaragua one day.

The following MEPs spoke: Sakorafa, Faria, Post, Mato, Ayuso, d'Ornano

5. Meeting with representatives of the Civil Society

The Delegation met the following representatives of Civil Society: Jeanette CARRILLO & Inti ARDÓN (Ombudsman - Defensoría de los Habitantes), Randall ARIAS (FUNPADEM), Mariluz AGUILUZ (CEJIL), Lina BARRANTES (Arias Foundation), Milena GRILLO (PANIAMOR).

The debate with Civil Society focussed on the consequences of increasing drug trafficking, organised crime and violence. They explained how the protection of vulnerable groups is very weak and corruption is spreading. The NGOs called for a better control of fire arms, as 70% of all homicides are committed by fire arms.

The Civil Society representatives deplored a lack of a coherent strategy on how to combat the violence, also due to the political fragmentation and an ideological polarisation. In their view Costa Rica is slowly slipping towards a systemic crisis, not because of a lack of funds, but rather because of an extremely bureaucratic and deficient administration of public finances, as well as the implementation of public policies. They highlighted the problem of impunity, due to inefficiencies in the judicial sector, leading to human rights loopholes in prisons for

instance – also pointed out by the Inter-American Commission on Human Rights (IACHR).

The situation of prisons is one of the major problems in Costa Rica. They have a capacity of 9.000 persons, but currently they have to accommodate more than 13.000 persons. The infrastructure is very old and since 2008 the number of imprisoned persons has steadily risen. In this regard, NGOs currently work on this issue and more specifically, with the EU (through EIDHR) on LGBT rights in prisons. A major problem is that many persons stay in detention while awaiting trial. The overcrowding of prisons is a consequence of a repression policy, which is inefficient and very expensive.

The feminist movement is strong in Costa Rica, but there are still problems with violence against women and discrimination of women. The worrying rates of feminicides and the need to improve the protection of vulnerable groups (indigenous populations, LGTBI, afro-descendants, women) was highlighted as the key challenge. There are good laws (even if some gaps persist) but implementation is essential.

Other topics which top their agenda: the gap between child and adolescent rights (marriage age) and security, the problem of the protection of children and young people and the problem of school drop-outs. Finally, big efforts supported by the EU are being deployed to approve a Framework Law against discrimination.

The following MEPs spoke: Sakorafa, Post, Faria, Mato, d'Ornano

6. Working dinner offered by Mr Manuel González, Minister for Foreign Affairs

DCAM Chair Ms Sakorafa assured the Minister for Foreign Affairs that DCAM is doing everything to speed up the ratification process of the Association Agreement EU-Central America in the EU member states. She informed the MFA that the delegation will discuss the matter at the tripartite meeting with PARLACEN and the Legislative Assembly of Costa Rica. The Minister underlined the importance of this agreement and that Costa Rica and the EU share common values. He said the country is confronting a lot of challenges and not only drug trafficking. Commenting on the integration process in Central America, he said there are some advances and that this process will move forward with the AA. He highlighted the importance of the accession to the OECD, which started in April 2015. The OECD has major added values and will help create a state in which transparency prevails. On the Pacific Alliance, the Minister said that the ties and relations with the countries of the Pacific Alliance had always been close, but cautioned that certain sectors in Costa Rica would feel threatened by a membership of the Pacific Alliance. The Minister said that the government has to make clear that there is nothing to fear but a lot to gain. Some political parties in the Legislative Assembly are against the Pacific Alliance on ideological grounds, but they are a minority. Mr Gonzalez explained that the government does not want to jeopardise the progress of the fiscal reform, which is an absolute priority for the country with a discussion about the Pacific Alliance. Responding to concerns raised by Delegation Members that the EU has about the Pacific Alliance, the Minister said that he thinks that the PA will focus on the Pacific Basin and will not harm relations to the EU.

Commenting on the Cuban refugees' crisis, the MFA said the problem has been solved. He underlined that Costa Rica has managed the situation reasonably providing more than 8000 refugees with housing, food and child care. The Minister identified the US as the main

responsible for the Cuban migrants' crisis, due to the special law that gives Cubans right to stay in the US when they pass the land border. He also referred to the integration of 100.000 Nicaraguans, which has been relatively successful, but with a current unemployment rate of 9%, integration becomes more difficult. According to him, the problem is that most of them work in the informal sector, they don't pay taxes but benefit from public services such as the health system. Referring to the fight against poverty, the Minister said that Costa Rica has a relatively good income distribution, but nevertheless 17% of the population are still in extreme poverty. He was positive that poverty can be fought.

The following MEPs spoke: Sakorafa, Faria, Post, Mato, d'Ornano, Ayuso

7. Meeting with the Legislative Assembly (Mr. Rafael Ortiz, President, and Natalia Diaz, Chair of the Committee for Foreign Affairs)

The DCAM Chair, Ms Sakorafa, informed the President of the Legislative Assembly that she had taken action and that the national parliaments in the EU which have not yet ratified the Association Agreement would finish the process soon. The DCAM Chair also spoke about the challenges the refugee crisis poses to the European Union and that the crisis must be solved in a sustainable and humanitarian way. Mr Ortiz stressed the importance of human solutions for the refugee crisis. He said that also in Central America migration is an important issue, more than 10% of the population of Costa Rica is coming from the Northern Triangle, mainly from Nicaragua, as a consequence of the armed conflicts in the 1980's. Today, Costa Rica is confronted with the Cuban refugees' crisis, a consequence of the normalisation of the relations USA-Cuba. Ortiz referred to the change of Article 1 of the Constitution which refers explicitly to " a multi-ethnic and multicultural Republic". Commenting on human rights for minorities, Ortiz explained that this is not a very visible problem in Costa Rica, because there are no large indigenous populations though there are indigenous people living in the South of the country, whose rights have to be protected.

The following MEPs spoke Sakorafa, Mato, Ayuso, Faria, Post, d'Ornano,

8. Tripartite Meeting with PARLACEN and the Legislative Assembly of Costa Rica

The main objective of the tripartite meeting of the EP Delegation, PARLACEN and the National Assembly of Costa Rica was to discuss the future roadmap for the establishment of the Joint Parliamentary Committee EU-Central America. At the beginning of the debate, the Chair of the Foreign Affairs Committee of the Assembly created some confusion by declaring that the Committee still had to analyse the document. This contradicted a communication of 5 August 2015 to DCAM, in which the Foreign Affairs Committee declared that it had examined the text and there were no legal problems with it. After a lengthy debate, it was agreed that the Legislative Assembly would clarify the internal adoption process, which would include a vote in the plenary and communicate the further proceeding by May 2016 latest, after the yearly change of the Assembly's Presidency. PARLACEN President Alvarado informed that PARLACEN had concluded the adoption process and would send the confirmation letter to the European Parliament in the next future.

In the second part of the meeting a first exchange of views on possible topics to be discussed in the future JPC was held. As main issues surged climate change policies, food security and sustainable development.

The following MEPs spoke Sakorafa, Mato, Ayuso, Faria, Post, d'Ornano

II. PANAMA (30 March - 1 April)

Meetings

1. Working breakfast with Mr Di Girolamo, Chargé d'Affaires of the EU Delegation in Panama, and the Ambassadors of the EU: Koenrad LENARTS (Belgium), Philippe CASENAVE (France), Karl-Otto KÖNIG (Germany), Marcello APICELLA (Italy), Dirk JANSSEN (The Netherlands), Pedro PESSOA E COSTA (Portugal), Ramón SANTOS MARTINEZ (Spain), Ian COLLARD (United Kingdom)

The Delegation Chair, Ms Sakorafa, highlighted the importance of the Association Agreement EU-Central America as a crucial factor in the current and future development of EU–Panama relations and highlighted her initiatives to speed up the ratification process. The Ambassadors confirmed that the Agreement is very important for Central America, but that the Agreement needs better and further promotion. The criticisms of the Agreement expressed by some NGOs are considered a mistake. The diplomats said that the EU cooperation with Member states has been further enhanced since the posting of a EU Chargé d' Affaires. Ms Sakorafa reiterated that European Parliament wants the EU representation in Panama to become a fully-fledged EU Delegation as soon as possible. The business agenda is for some EU countries such as the UK a priority and Panama is regarded mainly as a hub for doing business. Panama sees itself at the crossroads of the Caribbean, Latin America and the Pacific and is very internationally oriented. The Ambassadors cautioned that Panama is hesitant about Central American integration and is less engaged and less integrated in the region. The perception of the EU is strongly shaped by information based on US media. Today's Europe is seen as a region in deep crisis. The Ambassadors stressed the importance of strengthening the parliamentary relations between the EU and Panama. The ambassadors confirmed that as regards fiscal transparency, the country is not complying fully with international standards for the exchange of information on tax evasion and tax fraud (this was three days before the publication of the Panama papers). Other aspects of the discussion made reference to the inequality between Panama City and the rest of the country, the increasing wealth disparity, the lack of strong institutions, the lack of sufficient investment in education and the need of a better protection of the large indigenous communities.

2. Meeting with Ms. Maria Luisa NAVARRO, Vice-Minister of Multilateral Affairs and Cooperation, Ministry of Foreign Affairs

The Vice-Minister confirmed the importance of the Association Agreement for Panama, though the country is still trying to identify the best possible ways to benefit the most from the Agreement. The commercial aspect represents a crucial aspect of the EU-Panama relations, but the Government is still concerned about the fact that not all EU member states have ratified the Agreement. Ms Navarro called for the rapid establishment of a Joint Parliamentary Committee and stated that Panama is ready to support it.

The Delegation Chair made it clear that the ratification takes long due to the differences in the 28 national parliamentary systems and is not caused by a lack of commitment or political will. She said DCAM has contacted the national legislative bodies in order to draw their attention to the importance of a speedy ratification of the AA.

The Vice-Minister acknowledged the importance of the EU support for security as invaluable: the cooperation in the framework of SECOPA in Pacora was quoted as an example. Cooperation on social issues is still considered crucial, despite the economic progress and development of the country in recent years.

Ms Navarro expressed the great interest Panama has in concluding a PNR agreement with the EU to reinforce Panama's role as an international air and logistics hub. Other PNR agreements are being signed with other countries (one in force with the USA). Panama is ready to negotiate such an agreement with the EU both on a bilateral and multilateral basis. The European side draw the attention to the fact that there are still strong preoccupations in the EU about PNR.

The Panama still considers unfair that it has been put on the black list of countries not complying with fiscal transparency rules published by the European Commission. The Vice-Minister assured that Panama had demonstrated its will to support the exchange of financial information.

The Vice-Minister also communicated that Panama is currently putting in place a project to establish a humanitarian hub for rapid reaction to crisis in the region.

The following MEPs spoke Sakorafa, Faria, Post, Mato, d'Ornano, Ayuso

3. Forum on "The Advantages for Panama and Central America of the relations with the European Union and the role of Parlacen and the European Parliament"

The main goal of the forum was to promote the advantages of closer relations of the EU with Panama and Central America, discuss the potential benefits and identify the challenges and further opportunities for cooperation. It was chaired by the President of PARLACEN Mr Jose Antonio ALVARADO CORREA whereas several speakers have been invited to deliver presentations on the matters at stake, namely Mr. Alex PINEDA, Chief negotiator from the Ministry of Trade and Industry of Panama as well as Mrs Carmen Gisela VERGARA, Secretary general of SIECA (The Secretariat for Economic Integration). Ambassador H.E. Kenneth BELL presented the EU position on the matter.

The President of the PARLACEN said that the Association Agreement had become a great economic and political stimulus for the region. It also helped to bring forward the creation of a customs union in Central America. He said that the Central American Parliament was ready to give a push to the Association Agreement.

DCAM Chair Ms. SAKORAFa emphasised the need to expand the relations with Central America as a strategic priority. Further development on the bilateral relations EU-Central America could be achieved through political dialogue and peace in the field of social progress, disarmament, enhancing the capacity to provide public services including security, boosting regional integration, consolidate democracy, reduce disparities, addressing vulnerability to natural disasters, climate change and fight against terrorism. Ms. SAKORAFa prioritised the need to reinforce regional integration. In her view the establishment of a Joint Parliamentary Committee would enhance the cooperation between the two regions and help to monitor the implementation of the Agreement. DCAM Vice-Chair Gabriel MATO referred to the many opportunities in the field of bi-regional cooperation. He also underlined the growing competencies of the European parliament in foreign affairs.

The Head of the Delegation for Nicaragua, Panama and SICA, H. E. Kenneth Bell, reminded

that the EU has a long tradition and presence in the region since the peace process in the 1980's. He also highlighted the fact that the AA is the only region-to-region agreement the EU has concluded. He reiterated its main rationale which is to give impetus to the integration processes and creation of synergies, integration of the regional infrastructures and the establishment of institutional cooperation. He also reminded that the EU support for 2014-2020 amounts to €120 million on top of the bilateral programmes. The priority areas of cooperation with Central America are the regional economic integration, security and rule of law, climate change and crisis management. Several projects are being put in place currently, such as the ADESEP (Programa regional de Apoyo al Desarrollo del Sector Privado en Centroamérica, €7m) y PROCAGICA (Programa Centroamericano de Gestión Integral de la Roya del Café).

Ambassador BELL also highlighted the role of the European Parliament in defining the priorities of the EU-Central America cooperation and its ex-post control on the cooperation projects.

4. Working lunch offered by the National Assembly with Vice-President Raul HERNANDEZ and meeting with Mr Rubén DE LEÓN, President of the National Assembly

The exchange of views with the Vice-President of the Legislative Assembly, Mr Raul HERNANDEZ, focussed on the Association Agreement and on the establishment of the Joint Parliamentary Committee. DCAM Chair SAKORAFÁ informed the representatives of the Assembly that she had written to all legislative bodies of the 11 EU member states which have not yet ratified the Agreement to draw their attention to the importance of a swift ratification. The Vice-President confirmed the need that beside the trade pillar, which already entered provisionally into force in 2013, the pillars on the political dialogue and on cooperation also enter into force to enable the Central American countries and the EU to benefit fully from this agreement. The further debate turned around the establishment of Panama as an international hub for trade, transport and finance. In this context the announcement of the date of the long-awaited inauguration of the extension of the Panama Canal for 26 June 2016 was welcomed. The new perspectives after the Canal extension, which doubles the freight capacity, were discussed. The President of the National Assembly, Mr Rubén DE LEÓN, joined the meeting at the end for a short exchange of views with the Members.

The following MEPs spoke Sakorafá, Faria, Post, Mato, d'Ornano, Ayuso

5. Visit to the Panama Canal

The Delegation visited the Panama Canal to inform itself of the new extension of the Inter-Oceanic water way. The Canal Authority had announced the opening of the extension of the Canal for 26 June 2016. Originally the opening was scheduled for October 2014, but the project has suffered several delays, among other reasons due to legal disputes between the CA and the main contractor GUPC (Grupo Unidos por el Canal de Panama), and some strikes.

The project to expand the Panama Canal was adopted by the government of Martín Torrijos (2004-2009) and agreed by a referendum in October 2006. Construction works started in 2007. Works were carried out by the Consortium "United Groups for the Panama Canal"

GUPC formed by the companies Sacyr (Spain) —leading—, Impregilo (Italy), Jan de Nul (Belgium) and Cusa (Panama).

Economic litigations, strikes and technical difficulties have harmed progress. At the end of 2013 GUPC stopped the works demanding 1,625 million USD cost overruns not recognized by the Authority of the Panama Canal (ACP), leading to a diplomatic conflict with Spain. The Dispute Adjudication Board (DAB) has settled nine conflicts between the ACP and GUPC, accepting only 283.3 million USD out of the 803 million USD claimed so far by the consortium. In January 2016 the Consortium raised its claim for additional costs to 3,481 million USD, so if accepted final total costs would double the initial budget (3,118 million USD).

However, the enlargement of the Panama Canal, carried out without interrupting the service provided by the current Canal, represents a major success and an important step in the history of engineering. It was partially financed by a European Investment Bank (EIB) loan, among others, and executed by a European consortium. The inevitable delays and frictions that such a massive project would entail should not obscure the importance of such an achievement.

6. Encounter with representatives of the Civil Society

The Delegation met with representatives of civil society and several civil society organizations: Doris BILL, (National Coordinator of Indigenous Women) Cleopatra ALLEN (University of Panamá - Institute for Women), Rafael ZEUSLLOS (Jesus Luz of Opportunities Foundation), Vidma LUZCANIA (Círculo de Mujeres Intelectuales de Panamá - CIMIP), Lourdes AMARES (CIMIP), Mariesther LOPEZ (CIMIP), Markara CONCEPCIÓN (SUMARSE), Lourdes RODRIGUEZ (Mount Carmel Home), Gilberto TORO (independent consultant)

The main issues addressed during the meeting with Civil Society covered a broad area of social, educational and economic matters. Though the human rights record of Panama is much better compared to other countries in Latin America, there are still areas of concern. Panama has a large indigenous community, there are seven indigenous peoples living on the territory. They are faced with a series of problems: weak human rights protection, extreme poverty, difficult access to justice, recognition and protection of the rights of indigenous women. Another big issue was gender policy. Violence against women is wide spread. Sexual and reproductive health and rights are not guaranteed and there is a lack of investment in education in these areas. There are problems with early pregnancy and insufficient prevention programmes; NGOs stressed the need for a law reform in this regard. Racial discrimination still exists; there is no policy for women with African origins. Also the rights of the LGBTI people have to be better protected.

Civil society is also concerned about the increasing vulnerability of young people due to the expanding drugs trafficking and the surge of criminality in the country. A problem is the reinsertion of delinquent juveniles into the labour market. The youth detention centre in Pacora has been identified as a success story which needs to be replicated. Given the outlined concerns of civil society regarding youth at risk, it should be noted that the currently open call for proposals of the European Instrument for Democracy & Human Rights (EIDHR) includes a 550,000€ lot aiming specifically at civil society initiatives in the area of inmate rehabilitation, to complement the efforts of the government embedded in SECOPA. The

DCAM Chair asked if labour rights were infringed during the works on the extension of the Panama Canal, the NGOs explained that unfortunately in the current circumstances the young people are accepting the working conditions.

The following MEPs spoke: Sakorafa, Post, d'Ornano, Mato, Ayuso, Faria,

7. Meeting and visit of the "Centro de cumplimiento de Menores" of Pacora, followed by the "Centro Penitenciario La nueva Joya" EU-funded project SECOPA, Security Cooperation in Panama

The EP Delegation visited the prison "La Nueva Joya" and the Youth Detention Centre in Pacora as part of the SECOPA project (Security Cooperation in Panama). MEPs were accompanied by Mr. Giovanni DI GIROLAMO and were received by the Vice-Minister of Government, Ms. Maria-Luisa ROMERO. The Vice-Minister reiterated the importance of SECOPA and the EU contribution and support in improving the capacity of the penitentiary administration. Ms ROMERO appreciated the technical assistance provided by SECOPA, which has been crucial for the optimal implementation of funds.

The Vice-Minister said that currently there are 27,000 prisoners in the country (450 per 100,000), which makes Panama one of the countries with the highest number of prisoners per capita. A major problem is that there is no legally binding and determined pre-trial period for preventive detention. Consequently, 60% of the people currently in prison are awaiting trial. MEPs expressed deep concerns about long preventive detention which may last between 3 and 10 years and is not compatible with international standards.

Panama started a reform process of the penitentiary system in 2010. One of the main objectives of the reform is a better training of the prison staff and the establishing of career possibilities for them. Another priority is to facilitate the reinsertion of the prisoners into society. There are several domains which are being supported by SECOPA, but will still require further improvement and support, such as 1) the transformation of the penitentiary training academy (Academia de formación penitenciaria) and creation of career incentives and 2) the transformation and improvement of the infrastructure - there are 22 prisons in the country in total and they need to be upgraded. Recently, SECOPA permitted the modernisation of the prisons database system, which was previously neither reliable nor exhaustive; however, the Vice-Minister underlined that there is still need for further strengthening of information and management systems.

A project focused on the protection of human rights is being put in place, which will also take into account the experience of the UK, Spain and Sweden, amongst other Member states, with a special attention to women in prisons.

The Delegation was positively impressed by SECOPA experience and results to date, especially concerning the significant improvement in detention conditions. MEPs saw as very positive that the Youth Detention Centre in Pacora offers a wide range of professional and cultural activities for the young prisoners, which will facilitate their reinsertion into the labour market.



Delegation for relations with the countries of Central America

**Delegation visit to Costa Rica and Panama
From 28 March to 01 April 2016**

List of participants

Members



CHAIR
Mrs Sofia SAKORAFI
GUE/NGL - GREECE



First Vice-Chair
Mr Gabriel MATO
EPP - SPAIN



Mrs Pilar AYUSO
EPP - SPAIN



Mrs Soraya POST
S&D - SWEDEN



Mr José Inácio FARIA
ALDE - PORTUGAL



Mrs Mireille D'Ornano
ENF - FRANCE

Secretariat of the Delegation

Mr Helmut **WEIXLER, Administrator**
Mrs Frédérique **ALBERT, Assistant**

Political groups

Mr Juan **SALAFRANCA (EPP - Spain), Deputy Secretary-General EPP Group**

Interpreters

Mr	Panayotis MOUZOURAKIS	Greek booth- team leader
Mrs	Christianna YACOUMI	Greek booth
Mr	Gino CINTOLESI BRILL	Spanish booth
Mr	Enrique QUIJANO	Spanish booth
Mrs	Sinead DORAN	English booth
Mr	Jonathan Iakov MARKEL	English booth

List of the political groups:

GUE/NGL: European United Left/ Nordic Green Left
EPP: Group of the European People's Party (Christian Democrats)
S&D: Group of the Progressive Alliance of Socialists and Democrats
ALDE: Alliance of Liberals and Democrats for Europe
ENF: Europe of Nations and Freedoms



Delegation for relations with the countries of Central America

Delegation visit to Costa Rica and Panama

28 March - 1 April 2016

Final Programme

Monday, 28 March 2016

Europe/San José

- 14:00-17:00** - Coordination meeting of EP Secretariat with EU Delegation.
- State of play with bus company and preparation of meeting (meeting room, catering, seating plan, etc.) between EP Delegation and EU Head of Delegation to Costa Rica, H.E. Mr Pelayo Castro Zuzuarregui
Staff only
- 15:00** Delegation and EP staff's arrival to Juan Santamaria International airport and transfer to the hotel:
- Hilton Garden Inn San Jose La Sabana**
Boulevard de Rohrmoser, La Sabana,
San Jose, 10109
Costa Rica
Phone:+506 2520 6000
- 16:00** Check-in at Hotel Hilton
- 17:00-19:00** Welcome and Briefing by the Head of the EU Head of Delegation to Costa Rica, H.E. Mr Pelayo Castro Zuzuarregui
Venue: Hotel Hilton Garden Inn La Sabana, Salón Heliconias I
- Dinner** Free time

- 07:20** **Departure for project PROEDUCA**
- 8:00-10:30** **Visit of EU-funded project PROEDUCA** (to promote education and fight against early drop-outs in secondary school). **Welcome by Minister of Education Sonia Marta Mora**
Venue: School Patarra de Desamparados in San Jose. Distrito de Patarrá 1km sur y 300m oeste del Templo Católico de Patarrá
- 11:00-12:00** Adjustment Time - Work time at headquarters of the EU Delegation
- 12:30-14:00** **Working lunch with Representatives of Private and Business Sectors offered by UCCAEP**
Venue: UCCAEP: San José centro, Calle 5, entre Avenida Central y Primera, frente a la sucursal del Banco Cathay, edificio de color azul de tres pisos
- 14:30-15:30** **Meeting with Mr Gustavo Mata, Minister of Security,**
Venue: Minister or Security: Mnisterio de Seguridad, Barrio Córdoba, Avenida 36, frente al Liceo Castro Madriz)
- 16:00-18:00** **Coffee working session - Encounter with Representatives of the civil society**
Venue: EU Delegation
- 18:00** Transfer to the Hotel
- 19.00** Transfer to the Ministry for Foreign Affairs
- 19:30-21:00** **Working dinner offered by Mr Manuel González, Minister for Foreign Affairs**
Venue: Ministry for Foreign Affairs: Casa Amarilla, Avenida 7-9, Calle 11-13, San José

- 07:45** Check-out
- 08:15** **Departure for the Legislative Assembly**
- 08:45-10:30** **Meeting with Mr. Rafael Ortiz, President of the Legislative Assembly, and Ms Natalia DIAZ, Chair of the Committee for Foreign Affairs**
Venue: Legislative Assembly, Asamblea Legislativa, Cuesta de Moras, San José, entre Avenidas 1º y Rogelio Fernández y calles 15 y 19
- 10:30-12:00** **Tripartite Meeting with PARLACEN (President Mr Alvarado) and the Legislative Assembly of Costa Rica**
Venue: Legislative Assembly, Asamblea Legislativa, Cuesta de Moras, San José, entre Avenidas 1º y Rogelio Fernández y calles 15 y 19
- 12:00-12:15** **Press conference**
- 12:30** Transfer to the airport
- 15:21** **Departure of flight CM 145 from San José to Panama City**
- 17:41** **Delegation's arrival in Tocumen airport.**
Welcome by Mr Giovanni Di Girolamo, Chargé d'Affaires of the EU Delegation in Panama and Protocole staff of the Ministry of Foreign Affairs and transfer to the hotel:
- Intercontinental Miramar**
www.bernhotelspanama.com
Tel.: +507 340-9873
Fax: +507 214-1003
lguerra@bernhotelspanama.com
- 19:30-21:30** **Welcome cocktail offered by Mr Giovanni Di Girolamo, Chargé d'Affaires of the EU Delegation in Panama in the presence of the EU Ambassadors in Panama.**
Venue: Residence Chargé d'Affaires Di Girolamo
- 21:30** Transfer to Hotel

- 07:30-08:30** **Working breakfast with Mr Di Girolamo, Chargé d'Affaires of the EU Delegation in Panama, and the Ambassadors of the EU** (Belgium, France, Germany, Italy, the Netherlands, Portugal, Spain, United Kingdom)
Venue: hotel Intercontinental Miramar, Salón Bahía
- 08:30** Transfer to the Ministry of Foreign Affairs
- 09:15-10:15** **Meeting with Ms María Luisa NAVARRO, Vice-Minister of Multilateral Affairs and Cooperation**
Venue: Ministry for Foreign Affairs
- 10:15** Transfer to Parlatino
- 10:30-13:00** **Forum on - "The Advantages for Panama and Central America of the relations with the European Union and role of Parlaten and European Parliament"**
Venue: Parlatino, Avenida Principal de Amador, Ciudad de Panamá
- 13:00** Transfer to the Hotel El Panamá
- 13:30-15:30** **Working lunch offered by the National Assembly with Vice-President Raul Hernández and meeting with Mr Rubén de León, President of the National Assembly**
Venue: Hotel El Panamá
- 15:30** Transfer to the Panama Canal
- 16:00-17:30** **Visit to the Panama Canal**
Venue: Centro de Visitantes - Miraflores
- 17:30** Transfer to the Hotel Intercontinental
- 18:00-20:00** **Buffet sandwich working session - Encounter with Representatives of the civil society**
Venue: Hotel Intercontinental Miramar, Salón Bahía

Dinner

Free time

Friday, 1 April 2016

Panama City/Europe

- 08:00** Check-out
- 08:30** **Departure to Pacora**
- 09:30-10:30** **Meeting with Vice-Minister of Government, Ms Maria-Luisa ROMERO and visit of "Centro Penitenciario La nueva Joya". EU-funded project SECOPA, Security Cooperation in Panama**
Venue: Pacora
- 10:30** Transfer to "Centro de cumplimiento de Menores"
- 10:45-13:30** **Meeting and visit of the "Centro de cumplimiento de Menores" of Pacora, EU-funded project SECOPA, Security Cooperation in Panama**
Venue: Pacora
- 13:30-14:45** Transfer from Pacora to Panama City
- 15:00** End of programme and transfer to the International Airport Tocumen
- 17:30** Individual flights to Europe