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Plenary sitting

A7-0362/2012

8.11.2012

RECOMMENDATION

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))

Committee on Foreign Affairs

Rapporteur: José Ignacio Salafranca Sánchez-Neyra

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

CONTENTS

	Page
DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION	5
OPINION OF THE COMMITTEE ON DEVELOPMENT	6
OPINION OF THE COMMITTEE ON INTERNATIONAL TRADE	9
RESULT OF FINAL VOTE IN COMMITTEE	12

DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**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))**

(Consent)

The European Parliament,

- having regard to the draft Council Decision (16395/1/2011),
 - having regard to the draft Association Agreement between the European Union and its Member States, on the one hand, and Central America, on the other (16394/2011),
 - 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 interim report 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 (A7-0362/2012),
 - having regard to Rules 81 and 90(7) of its Rules of Procedure,
 - having regard to the recommendation of the Committee on Foreign Affairs and the opinions of the Committee on International Trade and the Committee on Development (A7-0362/2012),
1. Consents to conclusion of the agreement;
 2. Instructs its President to forward its position to the Council, the Commission and the governments and parliaments of the Member States and of the countries of Central America.

26.10.2012

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

(16395/1/2011 – C7-0182/2012 – 2011/0303(NLE))

Rapporteur: Eva Joly

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 give its consent.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	18.9.2012
Result of final vote	+: 19 -: 5 0: 0
Members present for the final vote	Michael Cashman, Véronique De Keyser, Leonidas Donskis, Charles Goerens, Catherine Grèze, Eva Joly, Filip Kaczmarek, Miguel Angel Martínez Martínez, Gay Mitchell, Norbert Neuser, Maurice Ponga, Jean Roatta, Birgit Schnieber-Jastram, Alf Svensson, Keith Taylor, Eleni Theocharous, Patrice Tirolien, Ivo Vajgl, Anna Záborská, Iva Zanicchi
Substitute(s) present for the final vote	Santiago Fisas Ayxela, Isabella Lövin
Substitute(s) under Rule 187(2) present for the final vote	María Irigoyen Pérez, Claudiu Ciprian Tănăsescu

17.10.2012

OPINION OF THE COMMITTEE ON INTERNATIONAL TRADE

for the Committee on Foreign Affairs

on the proposal for a 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))

Rapporteur for the opinion: Pablo Zalba Bidegain

SHORT JUSTIFICATION

The Association Agreement between the European Union (EU) and Central America (CA) (hereinafter referred to as ‘the agreement’) is part of a process of consolidating relations between the two regions, and sets a major precedent, since this is the first bi-regional association agreement signed by the EU since the entry into force of the Treaty of Lisbon. It is also notable for its section on trade through which it seeks to expand and diversify economic and trade relations between the two regions in accordance with the World Trade Organization rules by promoting increased trade in goods, services and investment between the two parties.

The agreement falls within the EU’s trade and external policy and, in line with the ‘Europe 2020’ strategy guidelines and the European Commission’s Communication in 2010 on ‘Trade, Growth and World Affairs’, it seeks to strengthen relations with our partners through trade, sustainable development and economic ties whilst remaining consistent with other Union policies. The Bi-regional Strategic Partnership between the EU and Latin America, meanwhile, also includes the conclusion of sub-regional and bilateral association agreements as a key objective.

Social cohesion and regional integration are clear objectives of the agreement and trade is a key instrument for achieving these, as stated therein. Panama, which previously held observer status, joined the negotiations in January 2010, which bears witness to how the agreement is committed to overcoming problems and pushing forward the integration process in CA in order to promote economic, political and social development.

The agreement recognises that it is asymmetric, as seen in its graduated approach and the establishment of differentiated transitional periods for the two regions. This allows production structures to be better adapted to the new economic and commercial circumstances arising from the implementation of the agreement itself, enabling the creation of a sound and diversified business sector, especially including small and medium-sized enterprises (SMEs).

The agreement leads to the establishment of a new framework for trade and investment that is

an improvement on the existing one based on a unilateral and temporary system of generalised tariff preferences that is subject to revision. The agreement establishes a broader, reciprocal and negotiated scheme that will allow for the progressive liberalisation of trade in goods and services, public tendering and investment promotion. This will create a stable and predictable framework based on mutual benefit which provides the legal security and certainty needed to encourage increased trade and investment.

In order to gradually create a free trade area, the market is opened up for services, the main agricultural products, all manufactured and fisheries products and public procurement. Special emphasis is placed on investment focused on modernisation and technological innovation which will help CA penetrate the international market and will promote competitiveness in both regions. A Board of Trade and Sustainable Development and a Civil Society Dialogue Forum are also created to ensure the unity of trade and sustainable development.

The agreement contains a commitment to protecting geographical indications and intellectual property in accordance with international legislation. With respect to intellectual property, the agreement includes the objective of promoting and encouraging these rights in order to create a strong technology base, for which technical and financial cooperation between the two regions will also be boosted.

The agreement also contains a title aimed at cooperation to promote economic growth and sustainable development which takes disadvantaged sectors of the population and indigenous peoples into account. To this end, it strengthens the bonds of cooperation and technical assistance to achieve maximum benefits through the exchange of information and the development of joint initiatives in areas of common interest.

The agreement seeks to boost cooperation through appropriate technical and financial resources in strategic business sectors for both regions, especially in the fields of trade and sustainable development, scientific and technical cooperation in areas such as institution building, regulatory harmonisation, customs and statistical procedures, intellectual property, services, public procurement, electronic commerce, industry, the energy sector, the sustainable management of resources, sanitary and phytosanitary standards, support for SMEs and diversification.

This is an agreement of capital importance not just for the two regions that signed it, but also because it sets a precedent for future agreements, establishing trade, economic and financial models based on mutual benefit and the desire to strengthen relations between the two parties. Furthermore, it provides firm proof of the EU's commitment to strengthening ties with Latin America. This Association Agreement can thus be seen as facilitating commercial, economic, political and social growth by driving forward the integration process between and within the two regions.

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

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	11.10.2012
Result of final vote	+: 20 -: 4 0: 0
Members present for the final vote	William (The Earl of) Dartmouth, Maria Badia i Cutchet, Nora Berra, David Campbell Bannerman, Daniel Caspary, Maria Auxiliadora Correa Zamora, Christofer Fjellner, Yannick Jadot, Metin Kazak, Franziska Keller, Bernd Lange, David Martin, Vital Moreira, Paul Murphy, Cristiana Muscardini, Niccolò Rinaldi, Helmut Scholz, Peter Šťastný, Robert Sturdy, Henri Weber, Paweł Zalewski
Substitute(s) present for the final vote	Josefa Andrés Barea, George Sabin Cutaş, Jörg Leichtfried, Marietje Schaake, Jarosław Leszek Wałęsa, Pablo Zalba Bidegain
Substitute(s) under Rule 187(2) present for the final vote	Evžen Tošenovský

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	25.10.2012
Result of final vote	+: 54 -: 12 0: 0
Members present for the final vote	Pino Arlacchi, Elmar Brok, Jerzy Buzek, Tarja Cronberg, Arnaud Danjean, Michael Gahler, Marietta Giannakou, Ana Gomes, Andrzej Grzyb, Anna Ibrisagic, Liisa Jaakonsaari, Anneli Jäätteenmäki, Jelko Kacin, Ioannis Kasoulides, Tunne Kelam, Nicole Kiil-Nielsen, Evgeni Kirilov, Maria Eleni Koppa, Andrey Kovatchev, Eduard Kukan, Vytautas Landsbergis, Ryszard Antoni Legutko, Krzysztof Lisek, Sabine Lösing, Ulrike Lunacek, Mario Mauro, Willy Meyer, Alexander Mirsky, Annemie Neyts-Uyttebroeck, Norica Nicolai, Raimon Obiols, Kristiina Ojuland, Ria Oomen-Ruijten, Justas Vincas Paleckis, Pier Antonio Panzeri, Ioan Mircea Pașcu, Alojz Peterle, Bernd Posselt, Hans-Gert Pöttering, Cristian Dan Preda, Fiorello Provera, Libor Rouček, Tokia Saïfi, José Ignacio Salafranca Sánchez-Neyra, Nikolaos Salavrakos, Jacek Saryusz-Wolski, György Schöpflin, Werner Schulz, Laurence J.A.J. Stassen, Charles Tannock, Inese Vaidere, Geoffrey Van Orden, Kristian Vigenin, Sir Graham Watson, Boris Zala, Karim Zérifi
Substitute(s) present for the final vote	Laima Liucija Andrikienė, Charalampos Angourakis, Jean-Jacob Bicep, Véronique De Keyser, Diogo Feio, Hélène Flautre, Antonio López-Istúriz White, Marietje Schaake, Helmut Scholz, Renate Weber