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Commissioner for External Relations and European Neighbourhood Policy.  
European Commission

Mr. Peter Mandelson.  
Trade Commissioner.  
European Commission.

**Ref: Concerns at the start of negotiations on an Association Agreement between EU and Central America.**

At the eve of the first round of negotiations of an Association Agreement between the EU and Central America, we the signatory organizations, are writing to you with the aim of stressing several issues of concern. In several opportunities<sup>1</sup> we have expressed our concern over the progress of the process and we have made specific recommendations. On this occasion we would like to highlight the following:

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<sup>1</sup> "A Manifesto from European, Central American and Andean Civil Society organizations on the Future Negotiations of the Association Agreements", May 2006. See on: <http://www.aprodev.net/pica/Documentos.htm>

"An European Union and Central America association agreement oriented towards human development is possible", October 2006, see on: <http://www.gruposur.eu.org/Un-acuerdo-de-asociacion-Union.html>

"Recommendations for the negotiation directives of the EU for negotiations of an Association Agreement with Central America", 12 January 2007. - [http://www.cifca.org/contenido\\_documentos.php3-](http://www.cifca.org/contenido_documentos.php3-)

"Proposals by Terms of Reference for upcoming Trade SIAs on EU-CAN and EU-CA Negotiations"-13 February 2007. - [http://www.cifca.org/contenido\\_documentos.php3-](http://www.cifca.org/contenido_documentos.php3-)

"Declaración de Tegucigalpa", 5 March 2007. see on: <http://www.cifca.org/declaracion%204%>

## **1 - The need for recognition of the internal and external asymmetries.**

The European Union is aware of the external and internal imbalances that exist between the EU and Central America in terms of political, social, economic and technological process, as well as in its regional integration. UNCTAD<sup>2</sup> warns "reciprocity in the free North-South trade places mainly developing countries in a situation of disadvantage." Negotiations and Agreements must therefore be based on the principle of asymmetry and preferential and differential treatment.

We raise the following questions:

- How will the EU through the trade agreement with Central America recognize the differing levels of development between Central America and Europe?
- How will the EU Agreement base the agreement on the principle of asymmetry, not only in respect to trade in goods and services, but also when considering all topics included in the agenda of the negotiations?
- How will the EU take into account the differing levels of development within Central America?
- How will the EU ensure a flexible and differentiated treatment in the region, regarding the substance and the level of commitments and the length of transition periods that may exceed 10 years under the exceptions under article XXIV of GATT?

## **2 - The need for a Sustainability Impact Assessment for the start of negotiations.**

We believe that the Sustainability Impact Assessment (SIA) is potentially an important instrument for the identification and prevention of the negative impacts of the Partnership Agreement and to ensure policy coherence for development.

The European Commissioner for Trade, Mr. Peter Mandelson, has expressed clearly the Commission's commitment to improving the planning of SIAs "... SIAs are to be completed once the member states approve the Directives<sup>3</sup>".

Despite the commitment of the Commission in front of the European Parliament, and the fact that negotiating directives were adopted on 23 April 2007, it was not until 3 October, that the bid for the study has been published, which means a delay of half a year.

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<sup>2</sup> UNCTAD, Trade and Development report, September 2007.

<sup>3</sup> EP, "Answer given by Mr. Mandelson on behalf of the Commission", 28 March 2007, <http://www.europarl.europa.eu/sides/getAllAnswers.do?reference=E-2007-0825&language=EN>

We find this delay unacceptable; we believe that the SIA should be used in the negotiations and not as an academic exercise post negotiation, as has been the case in some previous negotiations.

We raise the following questions:

- What steps are being taken by the EC to promote the realization of the SIA as soon as possible, ensuring the required quality of the study?
- How will the EU guarantee that the results of the SIA will be taken into account during the negotiations of the trade agreement?
- How will the EU ensure that Central American and European civil society are sufficiently consulted during each of the different phases of the study?
- Why did the EC begin negotiations on a trade agreement without first considering the results of the SIA?

### **3- The need for transparency and timely access to information.**

The lack of transparency and timely access to official information by civil society has been identified as a crucial issue in the follow-up for the bi-regional relations between the EU and Central America. The transparency of the negotiation process and the broad access to the information, without any a priori exclusion, must be an essential component of the negotiations.

Moreover, we believe that the various rounds of negotiations are an opportunity to promote public awareness and concern about the negotiations and to consult with stakeholders, as is the practice in multilateral processes.

We raise the following questions:

- What measures will the EC take to ensure free access and adequate time to consider the information relevant for civil society organisations?
- Could the EC promote a centralized mechanism for access to and dissemination of information, and timely availability of the agendas of meetings?
- As we asked previously, what measures will the Commission take to inform civil society actors on the results of each round of negotiations?
- How will the Commission ensure that the level of transparency during the negotiations will be at least equivalent to the level achieved in (WTO) multilateral negotiations?

### **4 - Issues concerning modalities of negotiation.**

On 29 June the negotiating partners defined the modalities of negotiation between the two blocs (during high-level meeting in Brussels). After comparing the parameters for negotiations of EU-Andean Community (EU-CAN)<sup>4</sup> and EU-Central America (UE-CA)<sup>5</sup> we would like to ask you with the following questions:

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<sup>4</sup> EU-CAN, « EU-Andean Community Association Agreement negotiations modalities » 17 de July 2007.

- For the EU-CAN negotiations a sub-group to negotiate “asymmetries” and “special and differential treatment” was established.. Why has the EU not included a similar subgroup for the EU-CA negotiations?
- The EU-CAN negotiations identified two subgroups on access to markets for agricultural and non-agricultural sectors. Why has only one subgroup of negotiation been established of negotiation for both sectors in the EU-CA talks?
- EU and CAN negotiations have agreed that the negotiations texts must be in two languages (Spanish and English). How will the EC ensure that the texts of negotiations on the trade agreement with Central America will be in the same two languages?

Finally, the Commissioner Peter Mandelson has proposed to establish a forum for Sustainable Development for all bilateral negotiations with the EU<sup>6</sup>. We wonder when such a forum for negotiations will be installed and what will be the modalities for the participation of civil society?

While waiting for an answer to our questions, we are available for deeper explanations you might consider necessary related with our concerns presented above.

Sincerely,

ALOP, Amigos de la Tierra Europa (FOEE), APRODEV, CIFCA, Grupo SUR, OXFAM International.

CC:

Mr. Joao Aguiar Machado, Deputy Director General, Latin America and Asia DG RELEX European Commission

Mr. Rupert SCHLEGELMILCH, Head of Unit, Trade relations with Latin America DG TRADE, European Commission

Ministers and Foreign Ministers of member states of the European Union, COLAT, AMLAT and 133 Committee of the EU Council,

Members of the European Parliament.

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<sup>5</sup> EU-CA, “EU-Central America Association Agreement negotiations modalities”, 29 June 2007.

<sup>6</sup> MANDELSON Peter, “Trade and climate change”, Speech by EU Trade Commissioner Peter Mandelson, Brussels, 18 December 2006, [http://trade.ec.europa.eu/doclib/docs/2006/december/tradoc\\_131800.pdf](http://trade.ec.europa.eu/doclib/docs/2006/december/tradoc_131800.pdf)