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Subject: Negotiations for the European Union–Central America Association Agreement

As European networks, working in cooperation on development, human rights, the environment, and fair trade, we continue to follow up on the negotiations for the Association Agreement between the European Union and Central America (EU–CA). By way of this document, we want to express our concern for the course of these negotiations in the present context. Likewise, we reiterate some proposals before the start of the VI round of negotiations.

However, first we must contextualize these negotiations within the framework of the global financial and economic crisis. In this respect, it must be warned that deregulation of State actions to favour private interests –related to financial speculation and major enterprises– has limitations in these association agreements seeking to favour the free trade of goods, services, and capital, over the responsibility of governments in guaranteeing the full respect of human rights, the environment, and the right to development for their own peoples.

I. The negotiations for the Association Agreement with Central America affect – rather than promote– the right to development

We have insisted the Singapore Issues (government procurement, competition, and investment) be excluded from the negotiations. These issues reduce the autonomy of governments in defining their own development models as well as the sovereignty over their natural resources, which in turn limits the requirements of investment performance, exposes national companies to unfair competition from multinationals, and provides the latter with more advantages, rights and enforcement mechanisms than the very protection of human rights.

The EU has reiterated it has minimal economic interests with Central America and is interested in promoting sustainable development and regional integration. However, not only is there no real recognition of the asymmetries, the agreement even attempts to impose Central Americans with the total opening of 90% of their market in a span of ten years, without even allowing a broader discussion on structures and mechanisms for a Differentiated and Special Treatment consistent with the existing asymmetries. Concrete commitments have also not been established for the transference of knowledge and technology to Central American countries.

This association agreement should be an opportunity for the EU and Central American countries to truly negotiate a new and innovative agreement that genuinely benefits both regions. Other detrimental examples, such as CAFTA and other FTAs, should not serve as examples since they have affected –rather than benefited– many of the productive sectors in Central America.

II. Concerning the absence of a socio–environmental impact study

In view of the passage of the negotiation mandate proposed by the European Commission in March 2007, the European Parliament recommended a socio–environmental impact study be carried out prior to the negotiations. Unfortunately, this has only been recently contracted, which will probably mean the study will not be completed in time for the negotiations. Nonetheless, we want to insist on this study encompassing a human rights dimension and the possible impact on the right to health, the right to food, the rights of indigenous peoples, and labour rights, among other rights.

Ambivalence also exists between what is preached by the EU with respect to

sustainable development and its haste to complete these negotiations. Once again we insist on structuring the negotiations in such a way so the conclusions and recommendations from the impact study may be known in a timely fashion in order for them to be considered by the negotiators for both parties.

III. Concerning the lack of acceptance of a bi-regional consultation mechanism with civil society in the follow-up of the negotiations

We regret no plans exist for a consultation mechanism with civil society within the framework of the negotiations, despite repeated requests. There has also not been any consideration of the proposals by the European Economic and Social Committee (EESC) and the Consultation Committee – Central American Integration System (CC-SICA by its initials in the Spanish language), consultation agencies for the respective integration systems. The aforementioned casts many shadows on the transparency of this process. The parties have already decided not to implement this mechanism in the remaining five rounds of the negotiation.

Therefore, in view of the future agreement we insist on establishing an inclusive and ongoing open bi-regional consultation mechanism, which includes the perspective of the institutional consultation agencies from the two regions – EESC and CC-SICA – as well as other national and international organisations, including human rights, environmental, peasant, indigenous and related organisations.

Likewise, we propose a forum for bi-regional dialogue be held with civil society from both parties before the end of the negotiations. This space should allow exchange on the progress of the negotiations and provide responses to the proposals from civil society.

IV. Concerning human rights, environmental rights, and the rights of indigenous peoples

Throughout this process we have insisted on integrating the negotiations with the 27 conventions, required by the Generalised System of Preferences Plus, broadening the monitoring mechanism established therein for the participation of civil society. We do not want these rights to be declared principles, rather they should be enforced in the application of the agreement and be transparent

and participatory mechanisms in order to ensure their respect.

Moreover, we suggest including four additional conventions: ILO 169 Convention on the rights of Indigenous and Tribal Peoples, the Convention on the Rights of Migrant Workers and their families, the United Nations Convention against Forced Disappearances, and the ratification of the Optional Protocol to the Covenant on Economic, Social and Cultural Rights.

Likewise, prior to signing the agreement, we insist on requiring Central American governments to ratify the Rome Treaty that establishes the International Criminal Court, if they have yet to do so. This would be a way in which to prevent the future repetition of crimes against humanity and/or war crimes in Central America. The governments that suffered internal armed conflicts are precisely the ones that refuse to ratify the treaty, namely Nicaragua, El Salvador and Guatemala. This puzzles us and therefore creates many doubts concerning the full commitment of these governments with human rights and whether they could be parties to an Association Agreement with the European Union.

Concerning respect for the environment, we recall the environmental vulnerability of Central America. The Association Agreement should not encourage a development model that exhausts sources of life and threatens the extinction of the peasant economy and the indigenous and tribal communities. Verifiable and responsible environmental commitments must exist for both parties in which the EU, recognising the asymmetries, should contribute scientific and technical support to environmentally sustainable investment.

The EU¹ has promoted peace and democratization in Central America, continues to support the implementation of peace agreements, and has contributed to promoting fundamental liberties and overcoming impunity. Therefore, a step forward in the bi-regional relation must also mean advancement in human rights, governance, democracy and sustainable human development for the region of Central America, as well as a real and coherent balance in the three focuses of the association agreement.

¹ All external European Union policies must be coherent with its development policy as stated in the Treaty of the European Union. This is indicated in article 130 v "The Community shall take account of the objectives referred to in Article 130u in the policies that it implements which are likely to affect developing countries."

Respectfully,

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