

**NEGOTIATIONS IN VIEW OF AN  
ASSOCIATION AGREEMENT  
BETWEEN THE EUROPEAN COMMUNITY AND  
ITS MEMBER STATES AND CENTRAL AMERICA**

**PART I: GENERAL AND INSTITUTIONAL PROVISIONS**

**PART II: POLITICAL DIALOGUE**

**PART III: COOPERATION**

**FINAL TEXT**

**AGREED**

THE KINGDOM OF BELGIUM,  
THE REPUBLIC OF BULGARIA,  
THE CZECH REPUBLIC,  
THE KINGDOM OF DENMARK,  
THE FEDERAL REPUBLIC OF GERMANY,  
THE REPUBLIC OF ESTONIA,  
IRELAND,  
THE HELLENIC REPUBLIC,  
THE KINGDOM OF SPAIN,  
THE FRENCH REPUBLIC,  
THE ITALIAN REPUBLIC,  
THE REPUBLIC OF CYPRUS,  
THE REPUBLIC OF LATVIA,  
THE REPUBLIC OF LITHUANIA,  
THE GRAND DUCHY OF LUXEMBOURG,  
THE REPUBLIC OF HUNGARY,  
MALTA,  
THE KINGDOM OF THE NETHERLANDS,  
THE REPUBLIC OF AUSTRIA,  
THE REPUBLIC OF POLAND,  
THE PORTUGUESE REPUBLIC,  
ROMANIA,  
THE REPUBLIC OF SLOVENIA,  
THE SLOVAK REPUBLIC,  
THE REPUBLIC OF FINLAND,

THE KINGDOM OF SWEDEN,

THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND,

Contracting Parties to the Treaty establishing the European Community and the Treaty on European Union, hereinafter referred to as the “Member States”, and

THE EUROPEAN COMMUNITY, hereinafter referred to as “the Community,”

of the one part, and

THE REPUBLIC of Costa Rica,

The republic of El Salvador,

The republic of Guatemala,

The republic of Honduras,

The republic of Nicaragua,

of the other part,

CONSIDERING the traditional historical, cultural, political, economic and social links between the Parties and the desire to strengthen their relations based on common principles and values, building on the existing mechanisms that govern relations between the Parties, as well as the desire to consolidate, deepen and diversify bi-regional links in areas of common interest in a spirit of mutual respect, equality, non-discrimination, solidarity and mutual benefit;

CONSIDERING the positive development in both regions during the last two decades, which has enabled the furtherance of common goals and interests to enter into a new stage of relations, deeper and more modern and permanent, in order to establish a birregional association that responds to the current internal challenges as well as new international realities;

EMPHASISING the importance that the Parties attach to the consolidation of the political dialogue and economic cooperation process established to date between the Parties under the San José Dialogue initiated in 1984 and renewed on numerous occasions since then.

RECALLING the conclusions of the 2006 Vienna Summit, including the commitments undertaken by Central America as regards the deepening of regional economic integration;

RECOGNISING the progress achieved in the Central American economic integration process, such as, the ratification of the Framework Agreement establishing the Central American Customs Union and the Central American Treaty on Services and

Investment, as well as the implementation of a jurisdictional mechanism securing enforcement of regional economic legislation throughout the Central American region.

REAFFIRMING their respect for democratic principles and fundamental human rights as set out in the Universal Declaration of Human Rights;

RECALLING their commitment to the principles of the rule of law and good governance;

BASED on the principle of shared responsibilities and convinced of the importance of the prevention of illicit drug use and reducing their harmful effects, including the fight against the cultivation, production, processing and trafficking of drugs and its precursors and money laundering

HIGHLIGHTING their commitment to working together in pursuit of the objectives of poverty eradication, job creation, equitable and sustainable development, including aspects of vulnerability to natural disasters, environmental conservation and protection and biodiversity, and the progressive integration of Central American countries into the world economy;

REAFFIRMING the importance that the Parties attach to the principles and rules which govern international trade in particular those contained in the Agreement establishing the World Trade Organisation (WTO) and the multilateral agreements annexed to the Agreement establishing the WTO, and to the need to apply them in a transparent and non-discriminatory manner

CONSIDERING the difference in economic and social development existing between the Central American countries and the Community and the shared objective of strengthening the process of economic and social development in Central America;

DESIRING to strengthen their economic relations, particularly trade and investment, strengthening and improving the current level of access of Central American countries to the European Union market, thus contributing to economic growth in Central America and the reduction of asymmetries between the two regions;

CONVINCED that this Agreement will create a climate conducive to growth in sustainable economic relations between them, more particularly in the trade and investment sectors which are essential to the realisation of the economic and social development and technological innovation and modernisation;

HIGHLIGHTING the need to build on the existing principles, objectives and mechanisms that govern relations between the two regions, in particular the Political Dialogue and Cooperation Agreement between the European Community and its Member States, and the Republics of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama signed in 2003 (hereinafter referred to as the “2003 Political Dialogue and Cooperation Agreement”), as well as the 1993 Framework Cooperation Agreement signed between the same parties;

AWARE of the need to promote sustainable development in both regions through a

development partnership involving all relevant stakeholders, including civil society and the private sector, in line with the principles set out in the Monterrey Consensus and the Johannesburg Declaration, and its Plan for Implementation;

REAFFIRMING that the States in their exercise of sovereign power to exploit their natural resources, according to their own environmental and developmental policies, should promote sustainable development.

MINDFUL of the need to develop a comprehensive dialogue on migration to strengthen bi-regional cooperation on migration issues in the framework of the Political Dialogue and Cooperation Chapters of the present Agreement and ensure the effective promotion and protection of human rights of all migrants;

RECOGNISING that no provision in this Agreement shall in any way refer to, nor shall be interpreted or construed in any way such as defining the position of the Parties in ongoing or future bilateral or multilateral trade negotiations;

EMPHASISING the will to cooperate in international fora on issues of mutual interest;

BEARING IN MIND the strategic partnership developed between the European Union and Latin America and the Caribbean in the context of the 1999 Rio Summit and reaffirmed at the 2002 Madrid Summit, the 2004 Guadalajara Summit, the 2006 Vienna Summit, and

PLACE HOLDER: LISBON TREATY UK., DK, IRL

TAKING INTO ACCOUNT the Lima Declaration of May 2008;

HAVE DECIDED TO CONCLUDE THIS AGREEMENT:

## **PART I: GENERAL AND INSTITUTIONAL PROVISIONS**

### **TITLE I: NATURE AND SCOPE**

#### **Article 1: Principles**

##### **AGREED**

1. Respect for democratic principles and fundamental human rights, as laid down in the Universal Declaration of Human Rights, and for the rule of law, underpins the internal and international policies of both Parties and constitutes an essential element of this Agreement.

2. The Parties confirm their commitment to the promotion of sustainable development which is a guiding principle for the implementation of this Agreement taking notably into account the Millennium Development Goals. The Parties will ensure that an appropriate balance is struck between the economic, social and environmental components of sustainable development.

3. The Parties reaffirm their attachment to good governance and the rule of law, which

entails, in particular, the primacy of law, the separation of powers, the independence of the judiciary, clear decision-making procedures at the level of the public authorities, transparent and accountable institutions, the good and transparent management of public affairs at local, regional and national levels, and the implementation of measures aiming at preventing and combating corruption.

## **Article 2: Objectives**

### **AGREED**

The Parties agree that the objectives of this Agreement are:

1. To strengthen and consolidate the relations between the Parties through an association based on three interdependent and fundamental pillars: political dialogue, cooperation and trade, based on mutual respect, reciprocity and common interest. The implementation of the Agreement will make full use of the institutional arrangements and mechanisms agreed by the Parties.
2. To develop a privileged political partnership based on values, principles and common objectives, in particular the respect for and the promotion of democracy and human rights, sustainable development, good governance and the rule of law, with the commitment to promote and protect these values and principles on the world stage, in such a way that it contributes to the strengthening of multilateralism.
3. To enhance bi-regional cooperation in all areas of common interest with the aim of achieving more sustainable and equitable social and economic development in both regions.
4. To expand and diversify the Parties bi-regional trade relation in conformity with WTO provisions and the specific objectives and provisions set out in Part IV of this Agreement, which should contribute to higher economic growth, to the gradual improvement of the quality of life in both regions and to a better integration of both regions in the world economy.
5. To strengthen and deepen the progressive process of regional integration in areas of common interest, as a way to facilitate the implementation of the present Agreement.
6. To reinforce good neighbourly relations and the principle of peaceful resolution of disputes.
7. The Agreement aims to maintain at least and preferably develop the level of good governance, social, labour and environmental standards achieved through the effective implementation of international conventions of which the Parties are part of at the time of entry into force of the Agreement.
8. To foster increased trade and investment among the Parties, taking into account special and differential treatment in order to reduce structural asymmetries existing between both regions.

## **[CA: Article 3: Scope of Application**

AGREED	State of Play
<p>The Parties shall treat each other as equals. Nothing in this Agreement shall be construed to undermine the sovereignty of any Central American State part of this Agreement.</p>	

## TITLE II: INSTITUTIONAL FRAMEWORK <sup>1</sup>

AGREED
<p><b><u>[EU : Article 1 :] [CA : Article 4 :] Association Council</u></b></p>
<p>1. An Association Council is hereby established, which shall oversee the fulfillment of the objectives of this Agreement and supervise its implementation. The Association Council shall meet at ministerial level at regular intervals, not exceeding a period of two years, and extraordinarily whenever circumstances so require, if the Parties so agree. The Association Council shall meet where appropriate and agreed by both parties at Head of State or Government level. Furthermore, in order to strengthen the political dialogue and make it more efficient, specific ‘ad hoc’ meetings at working level should be encouraged.</p> <p>2. The Association Council shall examine any major issue arising within the framework of this Agreement, as well as any other bilateral, multilateral or international question of common interest.</p> <p>3. The Association Council shall also examine proposals and recommendations from the Parties for the improvement of the relations established under this Agreement.</p>
<p><b><u>[EU : Article 2 :] [CA : Article 5 :] Composition and rules of procedures</u></b></p>
<p>1. The Association Council shall be composed, of representatives of the European Union, and of Central America, at ministerial level in accordance with the parties’ respective <b>internal arrangements</b> and taking into consideration the specific issues (Political Dialogue, Cooperation and Trade pillars), to be addressed at any given session.</p> <p>2. The Association Council shall establish its own rules of procedure.</p> <p>3. Members of the Association Council may arrange to be represented, in accordance with the conditions laid down in its rules of procedure.</p> <p>4. The Association Council shall be chaired successively by a representative of the EU on one hand and by a Central American country Party to this Agreement on the other, in</p>

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<sup>1</sup> Institutional provisions for the Trade Part may be subject to further development under this Title and/or in the Trade Part of the Agreement.

accordance with the provisions laid down in its rules of procedure.

**[EU : Article 3 :] [CA : Article 6 :] Decision-making powers**

1. In order to attain the objectives of this Agreement, the Association Council shall have the power to take decisions in the cases provided for in this Agreement.
2. The decisions taken shall be binding on the Parties, which shall take all the measures necessary to implement them in accordance with each Party's internal rules.
3. The Association Council may also make appropriate recommendations.
4. The Association Council shall adopt decisions and recommendations by mutual agreement between the Parties. In the case of the Central American Parties, the adoption of decisions and recommendations shall require their consensus.
5. This same procedure will apply to all other governing bodies created by this Agreement.

**[EU : Article 4 :] [CA : Article 7 :] Association Committee**

1. The Association Council shall be assisted in the performance of its duties by an Association Committee which shall be composed of representatives of the European Union and of the Central American Parties to this Agreement, at senior official level, and taking into consideration the specific issues (Political Dialogue, Cooperation, and Trade pillars), to be addressed at any given session.
2. The Association Committee shall be responsible for the general implementation of this Agreement.
3. The Association Council shall establish the rules of procedure of the Association Committee.
4. The Association Committee shall have the power to take decisions in the cases provided for in this Agreement or where such power has been delegated to it by the Association Council. In this event the Association Committee shall take its decisions in accordance with the conditions laid down in **[EU: Article 1:] [CA: Article 4:]**
5. The Association Committee shall generally meet once a year for an overall review of the implementation of this Agreement, on a date and with an agenda agreed in advance by the Parties, in Brussels one year and in Central America the next. Special meetings may be convened, by mutual agreement, at the request of either of the Parties. The Association Committee shall be chaired alternately by a representative of each of the Parties.

**[EU : Article 5 :] [CA : Article 8 :] Sub-Committees**

1. The Association **Committee** shall be assisted in the performance of its duties by the **Sub-Committees** established in this Agreement.

2. The Association **Committee** may decide to set up any additional **Sub-Committee**. It may decide to change the task assigned to or dissolve any **Sub-Committee**.

3. Sub-Committees shall meet at least once per year, at an appropriate level, alternately in Brussels or Central America, or at the request of either Party or of the Association Committee. Sub-Committees shall be chaired alternately by each of the Parties, for a period of one year.

4. The creation or existence of a Sub-Committee shall not prevent the Parties from bringing any matter directly to the Association Committee.

5. The Association Council shall adopt rules of procedure which determine the composition and duties of such Committees and how they shall function, insofar as not provided for by this Agreement.

6. A Cooperation Sub-committee is hereby established. It shall assist the Association Committee in the performance of its duties regarding the Cooperation Pillar of this Agreement. It shall also have the following tasks:

1. Attend any cooperation related matter mandated by the Association Committee.
2. Follow-up the overall implementation of the Cooperation Pillar of this Agreement.
3. Discuss any related cooperation issues that may affect the operation of the Cooperation Pillar of this Agreement

#### **[EU : Article 6 :] [CA : Article 9 :] Association Parliamentary Committee**

1. An Association Parliamentary Committee is hereby established. It shall consist of members of the European Parliament on the one hand, and on the other, of members of PARLACEN and in the case of Parties of this Agreement that are not members of PARLACEN, representatives designated by their respective National Congress, who shall meet and exchange views. It shall determine the frequency of its meetings and shall be chaired by one of the two sides alternatively.

2. The Association Parliamentary Committee shall establish its rules of procedure.

3. The Association Parliamentary Committee may request of the Association Council relevant information regarding the implementation of this Agreement, and the Association Council shall supply the Committee with the requested information.

4. The Association Parliamentary Committee shall be informed of the decisions and recommendations of the Association Council.

5. The Association Parliamentary Committee may make recommendations to the Association Council.

#### **[EU : Article 7 :] [CA : Article 10 :] Joint Consultative Committee**

1. A Joint Consultative Committee is hereby established as a consultative body of the Association Council. Its work will consist in submitting the opinions of civil society

organizations to this Council regarding the implementation of the Association Agreement without prejudice to other processes in accordance with Article 8. The Joint Consultative Committee shall further be tasked with contributing to the promotion of dialogue and cooperation between the organizations of civil society in the European Union and those in Central America.

2. The Joint Consultative Committee shall be composed of an equal number of representatives of the European Economic and Social Committee, on the one hand, and on the other, of representatives of the SICA-Consultative Committee (CC-SICA) and of the Economic Integration Consultative Committee (CCIE).

3. The Joint Consultative Committee shall adopt its rules of procedure.

**[EU : Article 8 :] [CA : Article 11 :] Civil Society**

1. The Parties will promote meetings of representatives of the European Union's and of Central America's civil societies, including the academic community, social and economic partners and non-governmental organizations.

2. The Parties will call for regular meetings with these representatives in order to inform them about the implementation of this Agreement and to gather their suggestions in this respect.

**PART II: POLITICAL DIALOGUE**

**Article 1: Objectives**

**AGREED**

The Parties agree that the objectives of the political dialogue between Central America and the European Union are:

1. To establish a privileged political partnership based notably on the respect for and the promotion of democracy, peace, human rights, the rule of law, good governance and sustainable development.

2. To defend common values, principles and objectives through their promotion at the international level in particular at the United Nations.

To strengthen the United Nations Organization as the core of the multilateral system, to enable it to tackle global challenges effectively.

3. To intensify political dialogue to enable a broad exchange of views, positions and information leading to joint initiatives at international level.

4. To cooperate in the field of foreign and security policy, with the objective of coordinating their positions and taking joint initiatives of mutual interest in the relevant international fora.

## **Article 2: Areas**

### **AGREED**

1. The Parties agree that political dialogue shall cover all aspects of mutual interest either at the regional or international levels.
2. The political dialogue between the parties shall prepare the way for new initiatives for pursuing common goals and for establishing common ground in areas such as: regional integration; the rule of law; good governance; democracy; human rights; promotion and protection of the rights and fundamental freedoms of indigenous peoples and individuals as recognised by the UN Declaration on the Rights of Indigenous Peoples; equal opportunities and gender equality; the structure and orientation of International Cooperation; migration; poverty reduction and social cohesion; core labour standards; the protection of the environment and the sustainable management of natural resources; regional security and stability, including the fight against citizens' insecurity; corruption, drugs; trans-national organized crime; the trafficking of small arms and light weapons as well as their ammunition; the fight against terrorism; the prevention and peaceful resolution of conflicts.
3. Dialogue under this Title shall also cover the international conventions on human rights, good governance, core labour standards and the environment in accordance with the Parties' international commitments and raise, in particular, the issue of their effective implementation.
4. The Parties may agree at any time to add any other topic as an area for political dialogue.

## **Article 3: Disarmament**

### **AGREED**

The Parties agree to cooperate and to contribute to strengthening the multilateral system in the area of conventional weapons disarmament through full compliance with and national implementation of their existing obligations under international treaties and agreements and other relevant international instruments in the field of conventional weapons disarmament.

In particular, the Parties will promote the full implementation and universalization of the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-personnel Mines and on their Destruction, and the Convention on Certain Conventional Weapons (CCW) and its protocols.

The Parties furthermore recognize that the illicit manufacture, transfer and circulation of small arms and light weapons, including their ammunition, and their excessive accumulation and uncontrolled spread continue to pose a serious threat to peace and international security. They therefore agree to cooperate in fighting the illicit trade and excessive accumulation of small arms and light weapons, including their ammunition, and also agree to work jointly to regulate the licit trade of conventional arms.

The Parties therefore agree to observe and fully implement their obligations to deal with

the illicit trade in small arms and light weapons, including their ammunition, under existing international agreements and applicable UN Security Council resolutions, as well as their commitments within the framework of other international instruments applicable in this area, such as the UN Programme of Action on Small Arms and Light Weapons.

#### **Article 4: Weapons of Mass destruction**

##### **AGREED**

1. The Parties consider that the proliferation of nuclear, chemical and biological weapons of mass destruction and their means of delivery, both to State and non-State actors, represents one of the most serious threats to international stability and security.

The Parties therefore agree to cooperate and to contribute to countering the proliferation of weapons of mass destruction and their means of delivery through full compliance with and national implementation of their existing obligations under international disarmament and non-proliferation treaties and agreements and other relevant international obligations.

The Parties agree that this provision constitutes an essential element of this Agreement.

2. The Parties furthermore agree to cooperate and to contribute to the objective of non-proliferation by :

- taking steps to sign, ratify or accede to, as appropriate, and fully implement and comply with all other relevant international instruments,
- the establishment of an effective system of national export controls controlling the export as well as transit of weapons of mass destruction related goods, including weapons of mass destruction end-use control on dual-use technologies and containing effective sanctions for breaches of export controls.

3. The Parties agree to establish a regular political dialogue that will accompany and consolidate their cooperation in this area.

#### **Article 5: Fight against terrorism**

##### **AGREED**

The Parties reaffirm the importance of the fight against terrorism and, in accordance with international human rights, humanitarian and refugee law, relevant international conventions and instruments, the relevant UN resolutions and their respective legislation and regulations and, in accordance with the UN Global Counter-Terrorism Strategy, contained in UN General Assembly Resolution no 60/288 of 8 September 2006, agree to cooperate in the prevention and suppression of acts of terrorism.

They shall do so in particular:

(a) In the framework of full implementation of international conventions and instruments, including all relevant UNGA resolutions and UN Security Council resolutions.

(b) by exchange of information on terrorist groups and their support networks in accordance with international and national law; and

(c) by cooperating on the means and methods used to counter terrorism, including in technical fields and training and by exchange of experience in terrorism prevention and in the area of protection of human rights in the fight against terrorism.

(d) through exchanges of views on legislative frameworks and best practices, as well as technical and Administrative assistance;

(e) through exchange of information in accordance with their respective legislation;

(f) by technical assistance and training on: methods of investigation; information technology; design of protocols on prevention, alerts and effective response to terrorist threats or acts;

(g) through exchanges of views on prevention models related to other illicit activities linked to terrorism, such as money laundering, trafficking of firearms, identity document forgery and human trafficking, among others.

#### **[EU: Article 6: Serious Crimes of International Concern]**

#### **AGREED**

1.The Parties reaffirm that the most serious crimes of concern to the international community as a whole should not go unpunished and that their prosecution should be ensured by measures at either the domestic or international level, as appropriate, including the International Criminal Court.

2.The Parties consider that the establishment and effective functioning of the International Criminal Court constitutes an important development for international peace and justice and that the Court represents an effective instrument to investigate and prosecute perpetrators of the most serious crimes of concern to the international community as a whole when national courts are not willing or able to do so, given the ICC's complementarity to national criminal jurisdiction.

3.The Parties agree to cooperate to promote universal adherence to the Rome Statute by:

-continuing to take steps to implement the Rome Statute and to ratify and implement related instruments (such as the Agreement on Privileges and Immunities of the International Criminal Court);

-sharing experience with regional partners in the adoption of legal adjustments required to allow for the ratification and implementation of the Rome Statute; and

- taking measures to safeguard the integrity of the Rome Statute.

4. It remains the sovereign decision of every State to decide the most appropriate moment to adhere to the Statute of Rome.

## **Article 7: Finance for development**

### **AGREED**

1. The Parties agree to support International efforts to promote policies and regulations to finance development and to strengthen cooperation in order to achieve internationally agreed development goals, including the Millennium Development Goals, as well as the commitments of the Monterrey consensus and other related fora.

For this purpose, and as well as to foster more inclusive societies, the Parties recognize the need to develop new and innovative financial mechanisms.

## **Article 8: [CA : Migration][EU: Dialogue on migration]**

<b>Outcome of the meetings week 22-26 February</b>	<b>State of Play</b>
<p>1. The Parties reaffirm the importance that they attach to a joint management of migration flows between their territories. Recognizing that poverty is one of the root causes of migration and with a view to strengthening cooperation between them, they shall establish a comprehensive dialogue on all migration-related issues, including, irregular migration, refugee flows, smuggling and trafficking of human beings, as well as the inclusion of migration concerns, including brain drain in the national strategies for economic and social development of the areas from which migrants originate, also taking into consideration the historic and cultural linkages existing between both regions.</p> <p>2. The parties agree to ensure the effective enjoyment , protection and promotion of human rights for all migrants and to the principles of fairness and transparency in the equal treatment of migrants, and stress the importance of fighting against racism, discrimination, xenophobia and other forms of intolerance</p>	

## **Preamble**

## **Article 9: [CA: Environmental] [CA: Environment] [EU: Dialogue on environment]**

**AGREED**

The Parties shall promote a dialogue in the areas of environment and sustainable development by exchanging information and encouraging initiatives on local and global environmental issues, recognizing the principle of shared but differentiated responsibilities, as set forth in the 1992 Rio Declaration.

This dialogue shall be aimed, inter alia, at fighting the threat of climate change, biodiversity conservation, the protection and sustainable management of forests to inter alia reduce emissions from deforestation and forest degradation, the protection of hydro and marine resources, basins and wetlands, the research and development of alternative fuels and renewable energy technologies and the reform of environmental governance in view of increasing its efficiency.

**Article 10: [CA: Citizen Security] [EU: Dialogue on citizen security]**

**AGREED**

The Parties will dialogue on citizen security which is fundamental to promote human development, democracy, good governance, and to the fulfilment of human rights and fundamental freedoms. They acknowledge that citizen security transcend national and regional borders which requires the impulse of a broader dialogue and cooperation on this matter.

**[CA: Article 11: Common Economic-Financial [CA 7/4/10:Credit] Fund]**

<b>AGREED</b>	<b>State of Play</b>
<p>1. The Parties agree on the importance to reinforce efforts to reduce poverty and support the development of CA Region, in particular its poorest areas and populations.</p> <p>2. Therefore, the Parties agree to negotiate the creation of a Common Economic and Financial mechanism including, among others, the intervention of the European Investment Bank (EIB), the Latin American Investment Facility (LAIF) and technical assistance by the regional Central American cooperation programme. This mechanism shall assist in the reduction of poverty, promote development and the integral wellbeing of Central America, as well as give impulse to the socio-economic growth</p>	



- The fight against terrorism, [CA: within the framework of the full respect for human rights]

**TITLE III: Social development and social cohesion**

- Social Cohesion including the fight against poverty, inequalities and social exclusion
- Employment and social protection
- [CA: Micro, Small and Medium enterprises MSMEs]
- Education and training
- Public health
- Indigenous peoples and other ethnic groups
- Vulnerable groups
- Gender
- Youth

**[CA: TITLE IV: Migration]**

**[EU: TITLE IV] [CA: TITLE V]: Environment and [CA: sustainable management of natural resources][EU: natural disasters].**

- [EU: Protection of the] Environment [EU: and sustainable management of natural resources]
- [CA: Biodiversity]
- [CA: Climate change]
- [EU: Management of] Natural disasters [CA: (Disaster risk management, prevention and mitigation, planning and environmental territorial management and rehabilitation and reconstruction]
- [CA: Management of natural resources including forestry]
- [CA: Contamination (air, water, waste management, chemicals)]
- [CA: Basins and Wetlands Management.]
- [CA: Soil conservation.]

**[EU: TITLE V] [CA: TITLE VI]: Economic and trade development.**

**Trade co-operation**

**CA maintains its position of keeping this item in Title III.**

**CA maintains its position.**

**[CA Counterproposal]: [CA: TITLE V: Environment, Natural disasters and Climate Change**

- Environmental Cooperation
- Management of natural disasters
- Climate Change]

**AGREED BY THE TRADE NEGOTIATORS**

- Cooperation in the field of competition policy
- Customs cooperation and mutual assistance
- Technical Assistance on Customs and Trade facilitation
- Co-operation and Technical Assistance on Intellectual Property
- Cooperation on Establishment, Trade in Services and E-Commerce
- Technical Co-operation Assistance on TBT
- Co-operation and technical Assistance on public procurement
- Technical Co-operation Assistance on Fisheries and Aquaculture
- Co-operation and Technical Assistance on Artisanal goods
- Co-operation and Technical Assistance on Organic goods
- Cooperation on food safety SPS [EU: and animal welfare] issues

Cooperation and Technical Assistance on Trade and Sustainable Development

**Economic co-operation**

- Industrial cooperation
- Energy (including renewable energy)
- Mining
- Fair and sustainable tourism
- Transport, including the development of infrastructures
- Cooperation in the field of micro, small and medium sized enterprises]

**[EU: TITLE VI] [CA: TITLE VII]:**

**Regional integration.**

- Cooperation in the field of regional integration
- Regional cooperation

**[EU: TITLE VII] [CA: TITLE VIII]:**

**Culture and audiovisual cooperation.**

- Culture and audiovisual cooperation

**[EU: TITLE VIII] [CA: TITLE IX]:**

**Knowledge society.**

- Information society
- Scientific and technological cooperation

### **Article [CA: 1][EU:1]: Objectives**

#### **AGREED**

1. The general objective of cooperation is to support the implementation of this Agreement in order to reach an effective partnership between the two regions by facilitating resources, mechanisms, tools and procedures.
2. Priority will be given to the following objectives and further developed in Titles I to X:
  - a. Strengthening peace and security;
  - b. Contributing to reinforcing democratic institutions, good governance and full applicability of the rule of law, gender equality, all forms of non-discrimination, cultural diversity, pluralism, promotion and respect for human rights, fundamental freedoms, transparency and citizen participation;
  - c. Contributing to social cohesion through the alleviation of poverty, inequality, social exclusion and all forms of discrimination so as to improve the quality of life for their peoples;
  - d. Promoting economic growth with a view to furthering sustainable development, reducing the imbalances between and within the Parties and developing synergies between the two regions;
  - e. Deepening the process of regional integration by strengthening the capacity to implement and use the benefits of the Association Agreement, thereby contributing to the economic, social and political development of the Central America region as a whole;
  - f. Reinforcing production and management capacities and enhancing competitiveness, thereby opening up trade and investment opportunities for all the economic and social players in the two regions.
3. The Parties will pursue policies and measures in view to the attainment of the objectives referred to above. These measures may include innovative financial mechanisms in view to contributing to the achievement of the Millennium Development Goals and other internationally agreed development objectives, in conformity with the commitments of the Monterrey consensus and subsequent fora.

### **Article [CA: 2][EU:2]: Principles**

#### **AGREED**

Cooperation between the Parties will be governed by the following principles:

1. Cooperation will support and be complementary to the efforts of the associated countries and regions to implement the priorities set by their own development

policies and strategies, without prejudice to the activities carried out with their civil society.

2. Cooperation will be the result of a dialogue between the associated countries and regions.
3. The Parties will promote participation of civil society and local authorities in their development policies and in their cooperation.
4. Cooperation activities will be established both at national and regional level complementing one another so as to support the general and specific objectives set out in this Agreement.
5. Cooperation shall take into account cross-cutting issues such as democracy and human rights, good governance, indigenous peoples, gender, environment including natural disasters and regional integration.
6. The Parties will enhance the effectiveness of their cooperation by operating within mutually agreed frameworks. They will promote harmonization, alignment and coordination between donors and the fulfillment of mutual obligations linked to the achievement of cooperation activities.
7. Cooperation includes technical and financial assistance as a means to contribute to the implementation of the objectives of the present Agreement.
8. The Parties agree on the importance to take into consideration in the design of cooperation activities their different levels of development.
9. The Parties agree on the importance of continuing to support poverty reduction policies and strategies of middle-income countries, with a special attention to lower middle-income countries.
10. Cooperation in the framework of this Agreement does not affect the participation of each Central American country, as a developing country, in European Community activities in the field of research for development or other European community development cooperation programmes addressed to third countries, subject to the rules and procedures of these programmes.

### **Article [CA: 3][EU:3]: Modalities and Methodology**

#### **AGREED**

In order to implement cooperation activities, the Parties agree that:

- instruments may include a large scope of bilateral, horizontal or regional activities, such as programmes and projects, including infrastructure projects, budget support, sectoral policy dialogue, exchange and transfer of equipment, studies, impact assessments, statistics and data bases, exchanges of experience and experts, training, communication and awareness raising campaigns, seminars and publications;
- implementing actors may comprise local, national and regional authorities, civil

society and international organisations;

- they will provide the appropriate administrative and financial resources necessary to ensure the implementation of the activities of cooperation that they will have agreed in accordance with their own laws, regulations and procedures;
- all entities involved in cooperation will be subject to a transparent and accountable management of resources;
- they will promote innovative cooperation and finance modalities and instruments in order to improve the efficiency of cooperation; and to make the best use of the present agreement;
- cooperation between the Parties will identify and develop innovative cooperation programmes for Central America;
- they will encourage and facilitate private financing and direct foreign investment in particular through funding of the European Investment Bank in Central America in line with its own procedures and financial criteria;
- the participation of each Party as an associated partner in framework programmes, specific programmes and other activities of the other Party shall be promoted in accordance with their own rules and procedures;
- the participation of Central American countries to EU thematic and horizontal cooperation programmes for Latin America will be promoted, including by means of possible specific windows;
- the Parties, in accordance with their own rules and procedures, will promote triangular cooperation in areas of common interest between the two regions and with third countries;
- the Parties should explore together all practical possibilities for cooperation in their mutual interest.

The Parties agree to foster, according to their needs and within the framework of their respective programmes and legislation, cooperation between financial institutions.

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**[CA: Article XXXX...: Evolutionary  
Clause]**

**AGREED**

The fact that an area or cooperation activity has not been included in the Agreement shall not be interpreted as an impediment for the Parties to decide, in accordance with their respective legislations, to cooperate in those areas or activities.

2. No opportunities for cooperation shall be ruled out in advance. The Parties may use the Association Committee to explore practical possibilities for cooperation in their mutual interest.

3. As regards the implementation of this Agreement, either Party may make suggestions designed to expand cooperation in all areas, taking into account the experience acquired during the implementation thereof.]

#### **Article [CA: 4][EU:4]: Statistics cooperation**

##### **AGREED**

1. The Parties agree to cooperate in order to develop better statistical methods and programmes according to internationally accepted standards, including gathering, processing, quality control and dissemination of statistics, aimed at generating indicators with enhanced comparability between the Parties, thus enabling the Parties to use each other's statistics on trade in goods and services, foreign direct investments and, more generally, any field covered by this Agreement, for which statistics can be drawn up. The Parties acknowledge the usefulness of bilateral cooperation to support these objectives.

2. Cooperation in this field shall also aim at:

a) The development of a regional statistical system in support of the priorities for regional integration agreed between both Parties;

b) Cooperating in the field of statistics on science, technology and innovation.

3. This cooperation could include, among others: technical exchanges between statistical institutes in Central America and in European Union Member States and Eurostat including exchange of scientists; development of improved, and where relevant, consistent methods of data collection disaggregation, analysis and interpretation; and organization of seminars, working groups or statistical training programmes.

### **TITLE I: DEMOCRACY, HUMAN RIGHTS AND GOOD GOVERNANCE**

#### **Article[CA: 5] [EU: 6]: Democracy and Human Rights**

##### **AGREED**

1. The Parties shall cooperate to achieve full compliance with all human rights and fundamental freedoms which are universal, indivisible, inter-related and inter-dependant, as well as the building and strengthening of democracy.

2. Such cooperation may include inter alia:

- the effective implementation of the international instruments of human rights, as well as the recommendations emanating from Treaty Bodies and Special Procedures;

- the integration of the promotion and protection of human rights in national policies

- and development plans;
- the strengthening of the capacities to apply the democratic principles and practices;
- the development and implementation of action plans on democracy and human rights;
- awareness raising and education in human rights, democracy and culture of peace;
- the strengthening of democratic and human rights-related institutions as well as the legal and institutional frameworks for the promotion and protection of human rights;
- the development of joint initiatives of mutual interest in the framework of relevant multilateral fora.

**Article[CA: 6][EU: 7]: Good governance**

<b>AGREED</b>
<p>The Parties agree that cooperation in this field shall actively support governments through actions aimed at, in particular:</p> <ul style="list-style-type: none"> <li>- respecting the rule of law;</li> <li>- guaranteeing the separation of powers;</li> <li>- guaranteeing an independent and efficient judicial system;</li> <li>- promoting transparent, accountable, efficient, stable and democratic institutions;</li> <li>- promoting policies to guarantee accountability and transparent management;</li> <li>- fighting against corruption;</li> <li>- reinforcing good and transparent governance at national, regional and local levels;</li> <li>- establishing and maintaining clear decision making procedures by public authorities at all levels;</li> <li>- supporting the participation of civil society.</li> </ul>

**Article[CA:7] [EU: 8]: Modernization of the state and public administration, including decentralization**

<b>AGREED</b>
<p>1. The Parties agree that the objective of cooperation in this field shall be to improve their legal and institutional frameworks, based notably on best practices. This includes reform<sup>2</sup> and modernization of public administration, including through capacity building, to support and reinforce the processes of decentralization and to underpin organizational changes resulting from regional integration, paying particular attention to organizational efficiency and to service delivery to citizens as well as to good and transparent management of public resources and accountability.</p> <p>2. This cooperation may include national and regional programs and projects aimed at building capacities for policy design, implementation and evaluation of public policies and reinforcing judiciary system while fostering the involvement of civil society.</p>

**Article[CA: 8] [EU: 9]: Conflict prevention and resolution**

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<sup>2</sup> The Parties agree that « reform » will be translated in the Spanish version into « reformas ».

**AGREED**

1. The Parties agree that cooperation in this field shall promote and sustain a comprehensive peace policy, including the prevention and resolution of conflicts. This policy shall be based on the principle of commitment and participation of society and shall focus primarily on developing regional, sub-regional and national capacities. It shall ensure equal political, economic, social and cultural opportunities for all segments of society, reinforce democratic legitimacy, promote social cohesion and the effective mechanism for peaceful conciliation of interest of different groups, and encourage an active and organized civil society, in particular making use of existing regional institutions.

2. Cooperation will strengthen capacities to resolve conflicts and may include, among others, the provision of support to mediation, negotiation and reconciliation processes, strategies promoting peace, efforts to strengthen confidence and security building on the regional level, efforts developed to help children, women and elderly people and for actions in the fight against anti-personnel mine.

**Article[CA: 9] [CA: 10]: Reinforcement of institutions and Rule of Law**

**AGREED**

The Parties shall attach particular importance to the consolidation of the rule of law, and the reinforcement of institutions at all levels in the areas of law enforcement and the administration of justice in particular. Cooperation will notably aim at strengthening the independence of the judiciary and improving its efficiency.

**TITLE II: JUSTICE, FREEDOM AND SECURITY**

**Article[CA: 10] [CA: 11]: Personal data protection**

**AGREED**

The Parties agree to cooperate in order to improve the level of protection of personal data to the highest international standards, such as the Guidelines for the regulation of computerized personal data files, modified by the General Assembly of the United Nations on December 14<sup>th</sup> 1990 and to work towards the free movement of personal data between the Parties, with due regard to their domestic legislation.

Cooperation on protection of personal data may include, inter alia, technical assistance in the form of exchange of information and expertises taking into account the laws and regulations of the Parties.

**[EU: Article 12: Migration]**

**AGREED**

Cooperation shall be based on a specific needs assessment conducted in mutual consultation between the Parties and be implemented in accordance with the relevant Community and national legislation in force. It will focus in particular on:

a) the root causes of migration;

b) the development and implementation of national legislation and practices with regard to international protection, with a view to satisfying the provisions of the Geneva Convention of 1951 on the status of refugees and of its Protocol of 1967 and other relevant international instruments, and to ensuring the respect of the principle of "non-refoulement";

c) the admission rules and rights and status of persons admitted, fair treatment and integration of legal residents into society, education and training of legal migrants and measures against racism and xenophobia and all applicable provisions regarding human rights of migrants;

d) the establishment of an effective policy to facilitate the transfer of remittances;

e) Temporary and circular migration, including the prevention of brain drain;

f) the establishment of an effective policy on immigration, smuggling and trafficking in human beings, including the issue of how to combat networks and criminal organizations of smugglers and traffickers and how to protect and support the victims of such trafficking; as well as any other form of migration not in accordance with the legal framework of the country of destination;

g) the return, under humane, secure and dignified conditions, of persons not holding a legal residence permit, in full respect of their human rights, and the readmission of such persons in accordance with paragraph 3;

h) The exchange of best practices on integration dealing with migration between the European Community and Central America;

i) Supportive measures aimed at the sustainable reinsertion of returnees.

3. Within the framework of the cooperation to prevent and control immigration that contravenes the legal framework of the country of destination, the Parties also agree to readmit those of their nationals whose stay in the territories of the other Party contravenes their respective legal frameworks. To this end:

– each Central American Country shall, upon request and without further formalities, readmit any of its nationals whose stay in the territory of a European Union Member State contravenes the Member State's legal framework, provide their nationals with appropriate identity documents and extend to them the administrative facilities necessary for such purpose and;

– each Member State of the European Union shall, upon request and without further formalities, readmit any of its nationals whose stay in the territory of a Central American country contravenes the Central American country's legal framework, provide their nationals with appropriate identity documents and extend to them the administrative facilities necessary for such purpose.

Where the person to be readmitted does not possess any documents or other proofs of his or her nationality, the competent diplomatic and/or consular representations of the

Member State or Central American Country concerned shall, upon request of the Central American Country or Member State concerned, make arrangements to interview the person in order to establish his or her nationality.

The Parties agree to conclude, upon request and as soon as possible, an agreement regulating the specific obligations for the European Community and the Central American countries on readmission. This Agreement will also address the readmission of nationals of other countries and stateless persons.

**Article [CA: 11] [UE: 13]: Illicit drugs**

**AGREED**

1. The Parties shall cooperate to ensure a comprehensive, integrated, and balanced approach through effective action and coordination between the competent authorities, including from the health, education, law enforcement, custom services, social, justice and interior sectors with the aim of reducing, to the greatest extent possible, the supply, and demand of illicit drugs as well as their impact on drug users and society at large and in order to achieve control and a more effective prevention of diversion towards chemical precursors used for the illicit manufacture of narcotic drugs and psychotropic substances including the diversion towards illegal purposes of narcotic drugs and psychotropic substances for medical and scientific use.

2. Cooperation shall be based on the principle of shared responsibility, relevant international conventions as well as the Political Declaration, the Special Declaration on the Guiding Principles of drug demand reduction and the other main documents adopted by the Twentieth United Nations General Assembly Special Session on Drugs in June 1998.

3. Cooperation shall aim to coordinate and increase joint efforts to address the problem of illicit drugs. Without prejudice to other cooperation mechanisms, the Parties agree that, at the inter-regional level, the Coordination and Cooperation Mechanism on Drugs between the European Union and Latin America and the Caribbean shall be used for this purpose, and agree to cooperate in view of strengthening its efficiency.

4. The Parties also agree to cooperate against crime related drug trafficking, through increased coordination with relevant international bodies and instances.

5. The Parties shall cooperate to ensure a comprehensive and balanced approach through effective action and coordination between the competent authorities, including the social, justice and interior sectors with the aim:

- to exchange points of view regarding legislative schemes and best practices;
- to fight against the supply, traffic and demand of narcotic drugs and psychotropic substances;
- to strengthen judicial and police cooperation to combat illicit trafficking;
- to strengthen maritime cooperation in view of fighting efficiently against trafficking;
- to establish information and monitoring centres;
- to define and apply measures to reduce illicit drug trafficking, medical prescriptions (narcotic drugs and psychotropics) and chemical precursors;
- to set up joint research programmes and projects as well as reciprocal judiciary assistance;

- to stimulate alternative development, in particular, the promotion of legal crops for small producers;
- to facilitate training and education of human resources in order to prevent the drug consumption and trafficking, as well as to strengthen administrative control systems;
- to support youth prevention programs and education inside and outside of school;
- to strengthen prevention as well as treatment, rehabilitation and reintegration of drug users covering a wide range of modalities, including harm reduction related to drug abuse.

**Article[CA: 12] [UE: 14]: Money laundering, including the financing of terrorism**

**AGREED**

1. The Parties agree to cooperate in preventing the use of their financial systems and enterprises for laundering proceeds arising from all serious offences and in particular from offences related to illicit drugs and psychotropic substances and related to terrorist acts.

2. This cooperation shall, where relevant, in line with the standards established by the Financial Action Task Force (FATF), include administrative and technical assistance aimed at the development and implementation of regulations and the efficient functioning of suitable standards and mechanisms. In particular, cooperation shall allow for exchanges of relevant information and for the adoption of appropriate standards to combat money laundering and terrorism financing in accordance with those adopted by the international bodies active in this area, and with best practices used in the international context.

**Article[CA: 13] [UE: 15]: Organized crime and citizen security**

**AGREED**

1. The Parties agree to cooperate in preventing and combating organized and financial crime. To that end, they will promote and exchange good practices and implement relevant agreed international standards and instruments, such as the UN Convention on Transnational Organized crime and its supplementing Protocols and the UN Convention against corruption. They will notably encourage witness protection programmes.

2. The Parties also agree to cooperate to improve citizen security, notably through support to security policies and strategies. This cooperation should contribute to crime prevention and could include activities such as regional cooperation projects between police and judicial authorities, training programs, exchanges of best practices for criminal profiling. It shall also comprise, inter alia, exchanges of views on legislative frameworks as well as administrative and technical assistance aimed at strengthening the institutional and operational capabilities of law enforcement authorities.

**Article[CA: 14] [UE: 16]: The fight against corruption**

**AGREED**

1. The Parties recognize the importance of preventing and combating corruption in the private and public sector and reaffirm their concern about the seriousness and threats caused by corruption to the stability and security of democratic institutions. To that end, the Parties will cooperate in view of implementing and promoting relevant

international standards and instruments, such as the United Nations Convention against Corruption.

2. The Parties will in particular cooperate on:

- improving organizational effectiveness and guaranteeing transparent management of public resources and accountability;
- strengthening the relevant institutions, including law enforcement authorities and the judiciary;
- preventing corruption and bribery in international transactions;
- monitoring and evaluation of policies to combat corruption at local, regional, national and international level;
- encouraging actions that promote the values of a culture of transparency, legality and a change in people's attitudes to corrupt practices;
- further developing cooperation to facilitate measures to recover assets promoting good practices and capacity building.

**Article[CA: 15] [UE: 17]: Illicit trafficking of small arms and light weapons**

**AGREED**

1. The Parties shall cooperate to prevent and combat illicit trafficking in small arms and light weapons including their ammunition. They shall aim at coordinating actions to strengthen legal and institutional cooperation, as well as at collecting and destroying illicit small arms and light weapons, including their ammunition, in civilian hands.

2. The Parties shall cooperate to promote joint initiatives in the fight against small arms and light weapons, including their ammunition. In particular, the Parties shall cooperate on those joint initiatives which are aimed at implementing the national, regional and international programmes as well as conventions in this field, both within a multilateral and inter- regional framework.

**Article[CA: 16] [UE: 18]: The fight against terrorism with full respect for human rights]**

**Outcome of the meetings week 22-26 February**

**AGREED**

Cooperation in the area of combating terrorism will implement the framework and the standards agreed in Article ... of Part II Political dialogue.

The Parties will also cooperate to ensure that, any person who participates in the financing, planning, preparation or perpetration of terrorist acts or in support of terrorist acts, will be brought to justice. The Parties agree that the fight against terrorism shall be done in full compliance with all relevant UN Resolutions while respecting the sovereignty of the States, as well as due process, human rights and fundamental freedoms.

The Parties agree to cooperate in the prevention and suppression of acts of terrorism by means of police and judicial cooperation.

**[CA: TITLE III. MIGRATION]**  
**[CA: Article 17:...]**

**[EU: TITLE III] [CA: TITLE IV]. SOCIAL COHESION AND SOCIAL  
DEVELOPMENT**

**Article[CA: 18] [UE: 19]: Social Cohesion including the fight against poverty,  
inequalities and exclusion**

**AGREED**

1. The Parties acknowledging that social development must go hand in hand with economic development, agree that cooperation shall aim at enhancing social cohesion through the reduction of poverty, inequity, inequality and social exclusion, in particular in view to the fulfillment of the Millenium Development Goals (MDGs) and of the internationally agreed objective of promoting fair globalization and decent work for all. The accomplishment of these objectives must mobilize significant financial resources, from both cooperation and national.

For this purpose, they will cooperate in order to promote and to support the execution of:

- economic policies with a social vision oriented to a more inclusive society with a better income distribution in order to reduce inequality and inequity;
- trade and investment policies, bearing in mind the link between trade and sustainable development, to fair trade, to the development of small and micro enterprises and to corporate social responsibility;
- equitable and sound fiscal policies, allowing for a better redistribution of wealth, ensuring adequate levels of social expenditure and reducing the informal economy;
- efficient public social expenditure linked to clear identified social objectives, moving towards a result oriented approach.
  
- effective social policies and equitable access to social services for all in a variety of sectors such as in the areas of education, health, nutrition, sanitation, housing, justice and social security;
- employment policies directed towards decent work for all and the creation of economic opportunities with a particular focus on the poorest and most vulnerable groups and the most disadvantaged regions, and specific measures promoting tolerance to cultural diversity at work;
  
- social protection schemes in the area of, inter alia, pensions, health, accidents and unemployment based on the solidarity principle and accessible to all;
- strategies and policies to combat xenophobia and discrimination, based in particular on the grounds of gender, race, belief or ethnicity;
- specific policies and programmes dedicated to the youth.

2. The Parties agree to stimulate the exchange of information on social cohesion aspects

of national plans or strategies as well as experiences on successes and failures regarding their formulation and implementation.

The Parties will also endeavor to jointly assess the contribution of the implementation of the present Agreement to social cohesion.

### **Article[CA: 19] [UE: 20]: Employment and social protection**

#### **AGREED**

1. The Parties agree to cooperate in order to promote employment and social protection through actions and programmes which aim in particular

- to ensure decent work for all;
- to create more inclusive and well functioning labour markets;
- to extend social protection coverage;
- to exchange best practices in the field of workers mobility and transfer of pension rights;
- to promote social dialogue;
- to ensure the respect for the fundamental principles and rights at work identified by the International Labour Organization's Conventions, the so-called Core Labour Standards, in particular as regards the freedom of association, the right to collective bargaining and non discrimination, the abolition of forced and child labour, and equal treatment between men and women;
- to address issues relating to the informal economy;
- to give special attention to disadvantaged groups and to the fight against discrimination;
- to develop the quality of human resources through the improvement of education and training, including effective vocational training;
- to improve the health and security conditions at work, notably by strengthening labour inspectorates;
- to stimulate job creation and entrepreneurship by strengthening the institutional framework necessary to the creation of small and medium sized enterprises and facilitating access to credit and micro-finance.

2. Activities may be carried out at national, regional and interregional levels, including through networking, mutual learning, identification and dissemination of good practices, information sharing on the basis of comparable statistical tools and indicators and contacts between organizations of social partners.

### **Article[CA: 20]: Micro, Small and Medium enterprises MSMEs<sup>3</sup>**

#### **AGREED**

The Parties agree to promote the competitiveness and insertion of rural and urban micro, small and medium sized enterprises and their representative organizations, in the international markets, acknowledging their contribution to social cohesion through poverty reduction and job creation, through the provision of non-financial services, training and technical assistance by executing the following cooperation actions, among others:

<sup>3</sup> See EU proposal under the « Economic and Trade development » Title

technical assistance and other business development services (BDS);  
strengthening of the local and regional institutional frameworks, to create and operate MSME's;  
support MSME's so that they may participate in the goods and services markets at local and international levels, by means of participation in fairs, commercial missions and other mechanisms of promotion;  
promote productive linkages processes;  
promote the exchange of experiences and best practices,  
encourage joint investments, partnerships and business networks;  
identify and reduce obstacles for the MSME's to access financial sources and to create new financing mechanisms;  
promote the transfer of both technology and knowledge;  
support innovation, as well as research and development;  
support the use of quality management systems.

### **Article[CA: 21] [UE: 21]: Education and Training**

#### **AGREED**

1. The Parties agree that cooperation shall aim:
  - to promote equitable access to education for all, including young people, women, senior citizens, indigenous peoples and minority groups, paying special attention to the most vulnerable and marginalized segments of society;
  - to improve the quality of education, considering primary basic education as a priority;
  - to improve completion of primary education and reduce early school leaving in compulsory secondary education;
  - to improve non-formal learning;
  - to improve infrastructure and equipment of existing education centers
  - to promote education for the indigenous peoples, including intercultural bilingual education;
  - to promote higher education as well as vocational training and lifelong learning;
2. The Parties also agree to encourage:
  - cooperation between higher education institutions in both Parties as well as the exchange of students, researchers and academics through existing Programmes;
  - synergies between higher education institutions and private and public sector in agreed areas in order to facilitate transitions into employment.
3. The Parties agree to pay special attention to continue developing the EU-LAC Knowledge Area and initiatives such as the EU-LAC Common Higher Education Area, in particular with a view to encourage the pooling and exchange of experience and technical resources.

### **Article[CA: 22] [UE: 22]: Public Health**

#### **AGREED**

1. The Parties agree to cooperate in developing efficient health systems, competent and sufficient health workforce capacity, fair financing mechanisms and social protection schemes.

Special attention will be given to sectoral reforms and to ensure an equitable access to quality health services, food and nutritional security in particular for vulnerable groups such as the disabled, elderly people, women, children, and indigenous peoples.

2. They further aim to cooperate in order to promote primary health care and prevention through integrated approaches and actions involving other policy sectors, in particular to fight against HIV/AIDS, malaria, tuberculosis, dengue, chagas disease, and other priority communicable and non-communicable diseases as well as chronic diseases to reduce child mortality, to increase maternal health and To address priority areas such as sexual and reproductive health and the care for and prevention of sexually transmitted diseases and unwanted pregnancies, provided that these objectives do not contravene the national legal frameworks. In addition the Parties shall cooperate in areas such as education, water sanitation and sanitary topics.

3. Cooperation may further encourage the development, implementation and promotion of international health law, including the International Health Regulations and the Framework Convention on Tobacco Control.

4. The Parties will seek the creation of associations beyond the public health system through strategic partnerships with civil society and other actors, giving priority to disease prevention and health promotion.

### **Article[CA: 23] [UE: 23]: Indigenous peoples and other ethnic groups**

#### **AGREED**

1. The Parties respecting and promoting their national, regional and international obligations, agree that cooperation activities shall enhance the protection and promotion of the rights and fundamental freedoms of indigenous peoples, as recognised by the UN Declaration on the Rights of Indigenous Peoples. Further, cooperation activities shall enhance and promote the human rights and fundamental freedoms of persons belonging to minorities and ethnic groups.

Special attention should be paid to poverty reduction, the fight against inequality, exclusion and discrimination. Relevant international documents and instruments addressing the rights of indigenous peoples such as UN Resolution 59/174 on the Second Decade of the World's Indigenous People, and, as ratified, the ILO Convention 169 on Indigenous and Tribal Peoples, should guide the development of cooperation activities, in line with the national and international obligations of the Parties.

2. The Parties further agree that cooperation activities shall systematically take into account the social, economic and cultural identities of these peoples and shall ensure as appropriate their effective participation in cooperation activities in particular in those areas most relevant to them, notably sustainable management and use of land and natural resources, environment, education, health, heritage and cultural identity.

3. Cooperation shall contribute to promoting the development of indigenous peoples. Cooperation shall also contribute to promoting the development of persons belonging to minorities and ethnic groups organizations. Such cooperation shall strengthen as well their negotiation, administrative and management capacities.

**Article[CA: 24] [UE: 24]: Vulnerable groups**

**AGREED**

1. The Parties agree that cooperation in favour of vulnerable groups shall give priority to measures, including innovative policies and projects, involving vulnerable groups. It should aim at promoting human development, reducing poverty, fighting social exclusion.
2. Cooperation will include the protection of human rights and the equal opportunities of vulnerable groups, the creation of economic opportunities for the poorest, as well as specific social policies aimed at the development of human capacities through education and training, access to basic social services, social safety nets and justice with a particular focus on the disabled and their families, children, women and the elderly, among others.

**Article[CA: 25] [UE: 25]: Gender**

**AGREED**

1. The Parties agree that cooperation shall help to strengthen policies, programmes, and mechanisms aimed at ensuring, improving and expanding the equal participation and opportunities for men and women in all sectors of political, economic, social and cultural life, in particular in view of the effective implementation of the Convention on the Elimination of All Forms of Discrimination against Women. Where appropriate, affirmative actions in support of women should be envisaged.
2. Cooperation shall promote the integration of the gender perspective in all the relevant fields of cooperation, including public policies, development strategies and actions as well as indicators to measure their impact.
3. Cooperation shall also help to facilitate equal access of men and women to all services and resources allowing them to fully exercise their fundamental rights such as in respect of education, health, vocational training, employment opportunities, political decision making, governance structures and private undertakings.
4. Particular attention will be given to programmes addressing violence against women, in particular through prevention.

**Article[CA: 26] [UE: 26]: Youth**

**AGREED**

1. The cooperation between the Parties will support all relevant sectoral policies

addressing youth with the objective of preventing the reproduction of poverty and marginality. It will include support to family policies, education and to providing job opportunities for young people, especially in poor areas, foster social and justice programmes for prevention of juvenile delinquency and reinsertion into economic and social life.

2. The Parties agree to promote the active participation of young people in society, including in the shaping of policies that have an impact on their lives.

## **[CA: TITLE IV: ENVIRONMENT, NATURAL DISASTERS AND CLIMATE CHANGE]**

### **[CA: Article 27: Cooperation on Environment]**

#### **AGREED**

1. The Parties agree to cooperate in order to protect and improve the quality of the environment at local, regional and global levels with a view to achieving sustainable development, as set forth in the 1992 Rio Declaration.

Taking into account the principle of common but differentiated responsibilities, the priorities and national development strategies, they will pay due attention to the relationship between poverty and the environment and the impact of economic activity on the environment including the potential impact of the present Agreement.

2. Cooperation should in particular address:

- The protection and sustainable management of natural resources and ecosystems, including forests and fisheries.
- The fight against pollution of fresh and marine waters, air and soil, including through the sound management of waste, sewage waters, chemicals and other dangerous substances and materials;
- Global issues such as climate change, depletion of the ozone layer, desertification, deforestation, conservation of biodiversity and biosafety;
- In this context, cooperation will seek to facilitate joint initiatives in the area of climate change mitigation and adaptation to its adverse effects, including the strengthening of carbon market mechanisms.

3. Cooperation may involve measures such as:

- promoting policy dialogue and exchange of best environmental practices, experiences, and capacity building, including institutional strengthening;
- transfer and use of sustainable technology and know-how, including creation of incentives and mechanism for innovation and environmental protection;
- integrating environmental considerations into other policy areas, including land-use management,
- promote sustainable production and consumption patterns, including through the

sustainable use of ecosystems services and goods;

- promoting environmental awareness and education as well as enhanced participation by civil society, in particular local communities in environmental protection and sustainable development efforts;
- encouraging and promoting regional co-operation in the field of environmental protection;
- assisting in the implementation and enforcement of those multilateral environmental agreements that the Parties are part of,
- Strengthening of environmental management and monitoring and control systems;

#### **Article[CA: 28] [UE: 27]Management of Natural Disasters**

##### **AGREED**

The Parties agree that cooperation in this field shall aim to reduce the vulnerability of the Central American region to natural disasters through supporting national efforts, as well as the Regional Framework for the Reduction of Vulnerability and Natural Disaster Response, strengthening regional research, dissemination of best practices, drawing from lessons learned in Disaster Risk Reduction, preparedness, planning, monitoring, prevention, mitigation, response and rehabilitation capacities. Cooperation shall also support efforts towards the harmonization of the legal framework according to the International Standards and the improvement of institutional coordination and government support.

The Parties shall encourage strategies that reduce social and environmental vulnerability and strengthen capacities of local communities and institutions for disaster risk reduction.

The Parties will place particular attention on improving disaster risk reduction in all their policies, including territorial management, rehabilitation and reconstruction.

#### **[EU: TITLE V] [CA: TITLE VI]: ECONOMIC AND TRADE DEVELOPMENT**

##### **Article[CA: 29] [EU: 28] Cooperation in the field of competition policy**

##### **AGREED BY THE TRADE NEGOTIATORS**

Technical assistance shall focus among others on institutional capacity building and training of human resources of the competition authorities taking into account the regional dimension to support them in the strengthening and effectively enforcing the

competition laws in the areas of antitrust and mergers, including competition advocacy.

**Article [CA: 30] [EU: 29] Customs cooperation and mutual assistance**

**AGREED BY THE TRADE NEGOTIATORS**

1. The Parties shall promote and facilitate cooperation between their respective customs services in order to ensure that the objectives set out in Title XX (customs and trade facilitation title) are attained, particularly in order to guarantee the simplification of customs procedures and the facilitation of legitimate trade while retaining their control capabilities.
2. The cooperation shall give rise, among other things, to:
  - (a) exchanges of information concerning customs legislation and procedures, particularly in the following areas:
    - simplification and modernisation of customs procedures;
    - facilitation of transit movements,
    - enforcement of intellectual property rights by the customs authorities,
    - relations with the business community,
    - free circulation of goods and regional integration.
  - (b) the development of joint initiatives in mutually agreed areas;
  - (c) the promotion of co-ordination between all relevant border agencies, both internally and across borders.
3. The administrations of both Parties shall provide mutual administrative assistance in customs matters in accordance with the provisions of Protocol XX.

**Article [CA: 31] [EU: 30] Technical Assistance on Customs and Trade facilitation**

**AGREED BY THE TRADE NEGOTIATORS**

The Parties recognise the importance of technical assistance in the field of customs and trade facilitation title in order to implement the measures laid down in the customs and trade facilitation title of this Agreement. The Parties agree to co-operate among others in the following areas:

- (a) enhancing institutional co-operation to strengthen the process of regional integration;
- (b) providing expertise and capacity building on customs issues (among others

certification and verification of origin to the competent authorities) and technical matters to enforce regional customs procedures;

- (c) the application of mechanisms and modern customs techniques, including risk assessment, advance binding rulings, simplified procedures for entry and release of goods, customs controls and company audit methods;
- (d) introduction of procedures and practices which reflect as far as practicable, international instruments and standards applicable in the field of customs and trade, including WTO rules and WCO instruments and standards, inter alia the revised Kyoto Convention on the simplification and harmonisation of customs procedures and the WCO Framework of Standard to Secure and Facilitate Global Trade; and
- (e) information systems and automation of customs and other trade procedures.

**Article[CA: 32] [EU: 31] Co-operation and Technical Assistance on Intellectual Property and Technology Transfer**

**AGREED BY THE TRADE NEGOTIATORS**

1. The parties recognise the importance of cooperation and technical assistance in the field of intellectual property and agree to co-operate among others in the following:
  - (a) Enhancing institutional co-operation (e.g. between intellectual property offices in Central America) and thus facilitating the exchange of information on the legal frameworks concerning intellectual property rights and other relevant rules of protection and enforcement;
  - (b) Encourage and facilitate the development of contacts and cooperation in the field of intellectual property, including the promotion and dissemination of information between and within business circles, civil society, consumers and educational institutions;
  - (c) Providing capacity building and training (e.g. for judges, prosecutors, customs and police officers), on enforcement of intellectual property rights;
  - (d) Cooperating on the development and enhancement of electronic systems of the Intellectual Property Offices in the Central American countries.
  - (e) Cooperating on information exchange and providing expertise and technical assistance on regional integration in the field of intellectual property rights
2. The Parties recognise the importance of cooperation on customs matters, and therefore, the Parties engage to promote and facilitate cooperation with the aim of applying border measures in relation with intellectual property rights, increasing

specifically the information exchange and coordination between the relevant custom administrations. The cooperation shall strive to strengthen and modernize the performance of the Central American customs.

3. The parties also recognise the importance of technical cooperation assistance in the field of technology transfer in order to enhance intellectual property and agree to co-operate among others in the following activities:
  - (a) The Parties shall promote the transfer of technology, which shall be accomplished through academic, professional and/or business exchange programs directed to the transmission of knowledge from the European Union to the Central American countries.
  - (b) The Parties recognize the importance of creating mechanisms that strengthen and promote Foreign Direct Investment (FDI) in the Central American countries, especially in innovative and high-tech sectors. The European Union shall make its best efforts to offer to the institutions and enterprises in its territories incentives destined to promote and to favour the transfer of technology to institutions and enterprises of the Central American countries, in such a way that allows these countries to establish a viable technological platform.
  - (c) Likewise, the European Union shall facilitate and promote programs aimed to the creation of activities of Investigation and Development in Central America, to attend the regions needs, such as access to medicines, infrastructure and technology development necessary for the development of their people, among others.

**Article[CA: 33] [EU: 32] Co-operation on Establishment, Trade in Services and E-commerce**

**AGREED BY THE TRADE NEGOTIATORS**

1. The Parties recognise the importance of technical cooperation and assistance in order to facilitate the implementation of commitments and to maximize the opportunities created under the Title on Establishment, Trade in Services and E-Commerce, and achieve the objectives of this Agreement.
2. Cooperation includes support for technical assistance, training and capacity building in, inter alia, the following areas:
  - (a) Improving the ability of service suppliers of the Signatory CA States to gather information on and to meet regulations and standards of the EC Party at European Community, national and sub-national levels;
  - (b) Improving the export capacity of service suppliers of the Signatory CA States, with particular attention to the needs of small and medium-sized enterprises;
  - (c) Facilitating interaction and dialogue between service suppliers of the EC Party and of the Signatory CA States;
  - (d) Addressing qualification and standards needs in those sectors where commitments have been undertaken under this Agreement;
  - (e) Promoting exchange of information and experiences and providing technical assistance regarding the development and implementation of regulations at national or regional level, where applicable; and
  - (f) Establishing mechanisms for promoting investment between the EC Party and the Signatory CA States, and enhancing the capacities of investment promotion agencies in Signatory CA States.

**Article[CA: 34] [EU: 33] Technical Co-operation Assistance on TBT**

**AGREED BY THE TRADE NEGOTIATORS**

The parties recognize the importance of technical co-operation assistance in the field of technical barriers to trade and agree co-operate among others in the following areas:

- (a) Providing expertise, capacity building, including the development and strengthening of relevant infrastructure, training and technical assistance in the areas of technical regulations, standardization, conformity assessment

accreditation and metrology. This may include activities to facilitate the comprehension and compliance with EU requirements, in particular by small and medium sized enterprises.

- (b) Support harmonization of TBT legislation and procedures within the CA region and facilitate the movement of goods within the region.
- (c) Promoting active participation of CA's representatives in the work of relevant international organization with the view of increasing the use of international standards;
- (d) Exchanging information, experiences and good practices to facilitate the implementation of the TBT chapter of the present AA. This can involve programmes for trade facilitation in the areas of joint interest, covered by the TBT Chapter.

**Article[CA: 35] [EU: 34] Co-operation and technical Assistance on public procurement**

**AGREED BY THE TRADE NEGOTIATORS**

The parties recognise the importance of co-operation and technical assistance in the field of Public Procurement and agree to co-operate in the following areas:

- (a) Upon agreement of the Parties concerned enhance institutional co-operation and facilitate the exchange of information on the legal frameworks concerning public procurement with a possible launch of a dialogue mechanism upon agreement of the Parties concerned;
- (b) Upon request of a Party, provide capacity building and training, including training for the private sector on innovative means of competitive public procurement;
- (c) Supporting public outreach activities in CA related to the provisions of the Chapter on Government Procurement of the Commercial Pillar, to public sector, private sector and civil society, in relation to EU Procurement Systems and the opportunities that Central American suppliers might have in the EU;
- (d) Supporting the development, establishment and functioning of a single point of access to information related to public procurement for the entire Central American region. This single point of access will function as defined in the public procurement chapter of this Agreement Articles 4 paragraph 1.d, 5, 7 paragraph 4, and 15 paragraph 2 (of the PP Chapter)

(e) Improvement of the Technological Capabilities for Public Entities either in the Central, Sub central and other Procuring entities;

**Article[CA: 36] [EU: 35] Technical Co-operation Assistance on Fisheries and Aquaculture**

**AGREED BY THE TRADE NEGOTIATORS**

1. The Parties recognise the importance of economic, technical and scientific cooperation for the sustainable development of the fisheries and aquaculture sector. The objectives of such cooperation should in particular aim to:
  - promote sustainable exploitation and management of fisheries;
  - promote the best practises in fisheries management;
  - improve the data collection in order to take into account the best available scientific information for resource assessment and management;
  - strengthen the monitoring, control and surveillance (MCS) system
  - fight illegal, unreported and unregulated fishing activities (IUU)
2. The cooperation may involve, among others:
  - (a) Providing technical expertise, support and capacity building for sustainable management of the fisheries' resources, including the development of alternative fisheries.
  - (b) Exchanging information, experiences and capacity building for sustainable social and economic development of the fisheries and aquaculture sector. Particular attention shall be given to the responsible development of artisanal and small scale fisheries and aquaculture and to the diversification of their products and activities, including areas such as the processing industry.
  - (c) Supporting institutional co-operation and facilitating the exchange of information on the legal frameworks concerning fisheries and aquaculture including any relevant international instruments.
  - (d) Reinforcing cooperation within international organizations and with national and regional fisheries management organisations providing technical assistance, such as workshops and studies, to ensure a better understanding of the added value of international legal instruments in achieving a proper management of marine resources.

**Article[CA: 37] [EU: 36] Co-operation and Technical Assistance on Artisanal goods**

**AGREED BY THE TRADE NEGOTIATORS**

The Parties recognise the importance of cooperation programs that promote actions that help artisanal goods manufactured in Central America to benefit from this Agreement. More specifically, cooperation could focus in the following areas:

- (a) Developing capacities to facilitate market access opportunities for Central American artisanal goods
- (b) Capacity building of the Central American entities responsible for export promotion, in particular in areas supporting micro, small and medium size enterprises from urban and rural sectors, necessary to manufacture and export artisanal goods, including on customs procedures and technical requirements established in the European market.
- (c) Promotion of the preservation of these cultural products.
- (d) Supporting the development of infrastructure needed to support micro, small and medium enterprises engaged in the manufacture of artisanal goods.
- (e) Capacity building to improve the business performance of artisanal goods producers, through training programs.

**Article[CA: 38] [EU: 37] Co-operation and Technical Assistance on Organic goods**

**AGREED BY THE TRADE NEGOTIATORS**

The Parties recognize the importance of cooperation programs in enhancing the benefits that organic goods produced in Central America could obtain from this Agreement. More specifically, cooperation may focus, among others, in the following areas:

- (a) Developing capacities to facilitate market access opportunities for Central American organic goods;
- (b) Capacity building of the Central American entities responsible for export promotion, in particular in areas supporting micro, small and medium size enterprises from urban and rural sectors, necessary for the production and export of organic goods, including on customs procedures, technical regulations and quality standards required in the European market;
- (c) Supporting the development of infrastructure needed to support micro, small and medium size enterprises engaged in the production of organic goods;
- (d) Capacity building to improve the business performance of organic goods

- producers, through training programs;
- (e) Cooperation on developing distribution networks in the European market

**Article[CA: 39] [EU: 38] Cooperation on food safety SPS [EU: and animal welfare] issues**

**AGREED BY THE TRADE NEGOTIATORS**

1. Cooperation in this field shall be geared with the aim of strengthening the Parties capacities on sanitary and phytosanitary and animal welfare matters, in order to improve access to the other Party market whilst safeguarding the level of protection of humans, animals and plants as well as animal welfare.
2. It may involve, among others:
  - (a) Support the harmonization of SPS legislation and procedures within the CA region and facilitate the movement of goods within the region.
  - (b) Providing expertise on legislative and technical capacity to develop and enforce legislation as well as to develop SPS control systems (including eradication programmes, food safety systems and alerts notification), animal welfare.
  - (c) Supporting the development and strengthening of institutional and administrative capacities in CA in order to improve its SPS status.
  - (d) The development of capacities in CA to meet SPS requirements in order to improve access to the other party's market while safeguarding the level of protection.
  - (e) Provide advice and technical assistance on the EU SPS regulatory system and the implementation of the standards required by the EU market.
3. The SPS sub-committee, as established in the SPS Section will propose the needs for cooperation in order to set up a working programme.
4. [The institutional body to be established for the Cooperation Chapter]<sup>4</sup> will monitor the progress of the cooperation established under this article and submit the results of this exercise to the SPS sub-committee established in the SPS Section.

**Article[CA: 40] [EU: 39] Cooperation and Technical Assistance on Trade and Sustainable Development**

**Agreed by TRADE negotiators on 22 April 2010**

<sup>4</sup> The correct reference is to be determined when the exact institutional setup is agreed in PART I, TITLE II (Institutional Framework).

## **Cooperation and Technical Assistance on Trade and Sustainable Development**

1. The Parties recognise the importance of cooperation and technical assistance in the fields of trade and labour and trade and environment for achieving the objectives of the Trade and Sustainable Development Chapter.
2. To complement the activities set out in Title III (Social Development and Social Cohesion) and IV (Environment and Natural Resources) of the Co-operation Pillar of this Agreement, the parties agree to co-operate, including by supporting technical assistance, training and capacity building actions in, inter alia, the following areas:
  - (a) Supporting the development of incentives to foster environmental protection and decent work conditions, especially through the promotion of legal and sustainable trade, for instance through fair and ethical trade schemes, including those involving corporate social responsibility and accountability, as well as related labelling and marketing initiatives.
  - (b) Promoting trade related cooperation mechanisms as agreed by the parties to help implement the current and future international climate change regime.
  - (c) Promoting trade in products derived from sustainably managed natural resources, including through effective measures regarding wildlife, fisheries and certification of legally and sustainably produced timber. Particular attention should be paid to voluntary and flexible mechanisms and marketing initiatives aimed to promote environmentally sustainable productive systems.
  - (d) Strengthening institutional frameworks, development and implementation of policies and programs regarding the implementation and enforcement of multilateral environmental agreements and environmental laws, as agreed by the Parties, and developing measures to combat illegal trade with environmental relevance, including through enforcement activities and customs co-operation.
  - (e) Strengthening institutional frameworks, development and implementation of policies and programs regarding Fundamental Principles and Rights at Work (freedom of association and collective bargaining, forced labour, child labour, employment discrimination) and the implementation and enforcement of ILO conventions and labour laws, as agreed by the Parties.
  - (f) Facilitating exchange of views on the development of methodologies and indicators for sustainability review and supporting initiatives to jointly review, monitor and assess the contribution to sustainable development of the Trade Part of the Association Agreement.

- (g) Strengthening the institutional capacity on trade and sustainable development issues and supporting the organization and facilitation of the agreed frameworks for dialogue with civil society on such matters.

**[EU: Article 38 Industrial cooperation]**

**AGREED**

1. The Parties agree that industrial cooperation shall promote the modernisation and restructuring of Central American industry and individual sectors, as well as industrial cooperation between economic operators, with the objective of strengthening the private sector under conditions which promote environmental protection.
2. Industrial cooperation initiatives shall reflect the priorities determined by the Parties. They shall take into account the regional aspects of industrial development, promoting trans-national partnerships where relevant. Initiatives shall seek in particular to establish a suitable framework for improving management know-how and promoting transparency as regards markets and conditions for business undertakings.

**[EU: Article 39 Energy (including renewable energy)]**

**AGREED**

1. The Parties agree that their joint objective will be to foster cooperation in the field of energy, in particular sustainable clean and renewable energy sources], energy efficiency, energy saving technology, rural electrification and regional integration of energy markets, among others as identified by the Parties, and in compliance with domestic legislation.
2. Cooperation may include, among others, the following:
  - (a) formulation and planning of energy policy, including inter-connected infrastructures of regional importance, improvement and diversification of energy supply and improvement of energy markets, including facilitation of transit, transmission and distribution within the Central American countries;
  - (b) management and training for the energy sector and transfer of technology and know-how, including ongoing work on standards relating to energy generation emissions and energy efficiency;
  - (c) promotion of energy saving, energy efficiency, renewable energy and studying of the environmental impact of energy production and consumption, in particular, its effects on biodiversity, forestry and land use change;
  - (d) promote the application of clean development mechanism to support the climate change initiatives and its variability.

**[EU: Article 40 Cooperation on Mining**

**AGREED**

The Parties agree to cooperate in the field of mining taking into account their respective legislations and internal procedures as well as aspects of sustainable development and including environmental protection and conservation, through initiatives such as promoting exchange of information, experts, experience, development and transfer of technology." ]

**[EU: Article 41: Fair and sustainable tourism]**

**[EU: Article 42 Transport cooperation**

**AGREED**

1. The Parties agree that cooperation in this field shall focus on restructuring and modernising transport and related infrastructure systems, including border crossings, to facilitate and improve the movement of passengers and goods and providing better access to urban, air, maritime, inland waterways, rail and road transport markets by refining the management of transport from the operational and administrative points of view and by promoting high operating standards.

2. Cooperation may include the following:

- (a) exchanges of information on the Parties' policies, especially regarding urban transport and the interconnection and interoperability of multimodal transport networks and other issues of mutual interest;
- (b) the management of inland waterways, roads, railways, ports and airports, including appropriate cooperation between the relevant authorities;
- (c) projects for the transfer of European technology in the Global Navigation Satellite System and urban public transport centres;
- (d) improvement of safety and pollution prevention standards, including cooperation in the appropriate international forums aiming to ensure better enforcement of international standards.
- e) activities that promote the development of aeronautical and maritime transport]

**[EU: Article 43 Good Governance in the Tax Area**

**AGREED 28 April 2010**

**New article in the political part**

With a view to strengthening and developing economic activities while taking into account the need to develop an appropriate regulatory framework, the Parties recognize and commit to common and internationally agreed principles of good governance in the tax area.

**Art 43 cooperation part**

In accordance with their respective competences, the Parties will improve international

cooperation in the tax area to facilitate the collection of legitimate tax revenues, and develop measures for the effective implementation of common and internationally agreed principles of good governance in the tax area mentioned in article (insert number of new article).

**[EU: Article 44: Micro, Small and Medium enterprises MSMEs]**

**Article[CA: 30] [UE: 29]: Cooperation on Microcredit and Microfinance**

**AGREED**

1.The Parties agree that, in order to reduce income inequality, micro funding, included microcredit programs, generate autonomous employment and prove to be an effective instrument to help overcome poverty and to reduce vulnerability in economic crises, giving broader participation in the economy. Cooperation will address the following issues:

- Exchange of experiences and expertise in the area of ethical banking, associative and self-managed community-centred banking and the strengthening of sustainable programs of micro financing, including certification, monitoring and validation programme;
- Access to microcredit by facilitating access to financial services by banks and financial institutions through incentives and risk management programmes;
- Exchange of experiences in policies and alternative legislation promoting the creation of popular and ethical banking.

**Article[CA: 31]: Fair and Sustainable Tourism**

**AGREED**

The Parties recognize the importance of the tourism sector for reducing poverty through social and economic development of local communities and the great economic potential of both regions for developing businesses in this field.

For this purpose they agree to promote fair and sustainable tourism, in particular :

- to support the development of policies to optimize the socioeconomic benefits of tourism;
- the creation and consolidation of tourism products through the provision of non-financial services, training and technical assistance and services;
- the integration of environmental, cultural and social considerations into the development of the tourism sector, including both protection and promotion of cultural patrimony and natural resources;
- the involvement of local communities in the process of tourism development in particular rural and community tourism and ecotourism;
- marketing and promotion strategies, the development of institutional capacity and human resources, the promotion of international standards;

- promoting public-private cooperation and association;
- developing the managing plans for national and regional tourism development;
- promoting information technology in the area of tourism.

**[EU: TITLE VI] [CA: TITLE VII]: REGIONAL INTEGRATION**

**[CA: Article:32][EU: Article 31: Cooperation in the field of regional integration]**

**AGREED**

1. The Parties agree that cooperation in this field shall reinforce the process of regional integration within Central America, in all its aspects, in particular the development and implementation of its common market, with the aim of progressively achieving an Economic Union.
2. Cooperation shall support activities linked to the integration process of the Central American region, in particular the development and strengthening of common institutions with a view **to making them** more efficient, auditable and transparent and of their inter-institutional relations.
3. Cooperation shall reinforce the involvement of civil society in the integration process within the conditions defined by the Parties and include support to consultation mechanisms and awareness campaigns.
4. Cooperation shall promote the development of common policies and the harmonization of the legal frameworks to the extent that they are covered by the Central American integration instruments, including economic policies such as trade, customs, agriculture, energy, transport, communications, competition, as well as the coordination of macroeconomic policies in areas such as monetary policy, fiscal policy and public finance. Cooperation may further promote the coordination of sectorial policies in areas such as consumer protection, environment, social cohesion, security, prevention and response to natural risks and disasters. A particular attention will be given to the gender dimension.
5. Cooperation may promote investment in common infrastructure and networks in particular at the borders of Central American countries.

**Article[CA: 33] [UE: 32]: Regional cooperation**

**VI ROUND**

The Parties agree to use all existing cooperation instruments to promote activities aimed at developing active cooperation between the European Union and Central America and, without undermining cooperation between the Parties, between Central America and other countries/regions in Latin America and the Caribbean in all cooperation areas subject to this Agreement. Regional and bilateral cooperation activities shall seek to be complementary.

**[EU: TITLE VII] [CA: TITLE VIII]: CULTURE AND AUDIOVISUAL COOPERATION**

**Article[CA: 34] [UE: 33]: Culture and Audio-visual Cooperation**

**VI ROUND**

1. The Parties shall undertake to promote cultural cooperation in order to enhance mutual understanding and foster balanced cultural exchanges, as well as the circulation of cultural activities, goods and services and of artists and cultural professionals including other civil society organizations from the EU and Central American countries in conformity with their respective legislation.

2. The Parties shall encourage intercultural dialogue between individuals, cultural institutions and organizations representing civil society from the EU and Central American countries.

3. The Parties shall encourage coordination in the context of UNESCO, with a view to promoting cultural diversity, inter alia via consultations on the ratification and implementation of the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions by the EU and Central American countries. Cooperation shall also include promotion of cultural diversity, including that of the indigenous peoples and cultural practices of other specific groups, including the education in autochthon languages.

4. The Parties agree to promote cooperation in the audio-visual and media sectors, including radio and press, through joint initiatives in training as well as audio visual development, production and distribution activities, including the educational and cultural field.

Cooperation shall take place in accordance with the relevant national copyright provisions and applicable international agreements.

5. Cooperation in this field shall also include among others, safeguard and promotion of natural and cultural heritage (tangible and intangible), including the prevention and action against illicit traffic of cultural heritage, according to the relevant international instruments.

6. A Protocol on Cultural Cooperation of relevance to this Title is annexed to the present Agreement

**[EU: TITLE VIII] [CA: TITLE IX]: KNOWLEDGE SOCIETY**

**Article[CA: 35] [UE: 34]: Information Society**

**AGREED**

1. The Parties agree that information and communication technologies are key sectors in a modern society and are of vital importance to economic and social development and the smooth transition to the information society. Cooperation in this field shall help to establish a sound regulatory and technological framework, foster the development of these technologies, and develop policies that will help to reduce the digital divide and to

develop human capacities, provide equitable and inclusive access to information technologies, and maximize the use of these technologies to provide services. In this regard, cooperation will also support the implementation of these policies and help to improve interoperability of electronic communication services.

2. Cooperation in this area shall aim to promote:

a) Dialogue and exchange of experiences on regulatory and policy issues related to the Information Society, including the use of information and communication technologies such as e-government, e-learning and e-health and policies aimed at narrowing the digital divide;

b) Exchange of experiences and best practices regarding the development and implementation of e-government applications;

c) Dialogue and exchange of experiences on the development of e-commerce, and digital signature and teleworking;

d) Exchanges of information on standards, conformity assessment and type-approval;

e) Joint research and development projects on information and communication technologies;

f) Development of Academic Advanced Network usage, i.e. seeking long term solutions to ensure the self- sustainability of REDClara.

### **Article[CA: 36] [UE: 35]: Scientific and Technological Cooperation**

#### **VI ROUND**

Cooperation in this field shall aim to develop scientific, technological, and innovation capacities covering all the activities under the research framework programmes (**FPs**). To this end, the Parties will foster policy dialogue at regional level, exchange of information and the participation of their research and technological development bodies in the following scientific and technological cooperation activities, in compliance with their internal rules:

a) Joint initiatives to raise the awareness on the science and technology capacity building programmes, as well as on the European Research and Technological Development and Demonstration Programmes;

b) Initiatives to promote participation in FPs and in the other relevant programmes of the European Community;

c) Joint research actions in areas of common interest;

d) Joint scientific meetings to foster exchange of information and to identify areas for joint research;

e) Promotion of advanced science and technology studies which contribute to the long term sustainable development of both Parties;

f) Development of links between the public and private sectors; special emphasis will be placed on transfer of scientific and technological results into national productive systems and social policies and will take into account environmental aspects and the use of cleaner technologies;

g) Evaluation of scientific cooperation and dissemination of results;

h) Promotion, dissemination and transfer of technology;

i) Assistance to establish National Innovation Systems (NIS); to develop technology and innovation, in order to facilitate appropriate responses for demand driven by small and medium size business and to promote local production, among others. Furthermore, assistance to develop excellence centers and high tech clusters;

j) Promotion of training, research, development and applications of nuclear science and technology for medical applications enabling the transfer of technology to the Central American countries in areas such as health, particularly radiology and nuclear medicine for radiodiagnosis and radiotherapy treatment, and those areas that the parties mutually agree to establish, in conformity with existing international conventions and regulations and submitting to the jurisdiction of the International Atomic Energy Agency.

2. Special emphasis will be put on human potential building as a long-lasting basis of scientific and technological excellence and the creation of sustainable link between the scientific and technological communities of the Parties, at both national and regional levels. To this end, exchanges of researchers and best practices in research projects will be promoted.

3. Research centers, higher-education institutions, and other stakeholders, including micro, small and medium-sized enterprises, located in the Parties shall be involved in this cooperation as appropriate.

The Parties agree to use all mechanisms to increase the quantity and quality of highly qualified human resources including through training collaborative research, scholarships and exchanges.

4. The Parties shall promote the participation of their respective entities in each other's scientific and technological programmes in pursuit of mutually beneficial scientific excellence and in accordance with their respective provisions governing the participation of legal entities from third countries.

## **GENERAL FINAL PROVISIONS**

**- DRAFT -**

*Articles are numbered from 1 for ease of reading. Final numbering will be revised once the Titles are integrated into the Agreement.*

## **PART XX**

### **GENERAL AND FINAL PROVISIONS**

#### **Article 1** **Definition of the Parties**

1. Contracting Parties to this Agreement are the Republics of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panamá hereinafter referred to as the “CA Party”, and the European Union or its Member States, within their respective areas of competence, herein referred to as the “EU Party”.

2. For the purposes of this Agreement, the CA Party agrees and commits to act collectively in the following provisions:

- (a) in the decision making through the bodies referred to in Title II (Institutional Framework) of this Agreement;
- (b) in the implementation of the obligations provided in Title XX on Regional Economic Integration;
- (c) in the implementation of the obligation of establishing a regional Competition Law and Authority, according to Articles 1.1.b, 1.2.b, and 3.2 of the Title on Trade and Competition;
- (d) in the implementation of the obligation of establishing a single point of access at a regional level, according to Article 4.2 of the Chapter on Government Procurement.

3. For any other provision under this Agreement, the Republics of the CA Party will act and assume obligations individually.

4. Notwithstanding the provision of paragraph 2, and consistent with the further development of Central American regional integration, the Republics of the CA Party commit to seek progressively to increase the scope of areas in which it will act as the “CA Party” and will notify the EU Party accordingly.

5. For the purposes of this Agreement, the term “Party” shall refer to each Republic of the CA Party or the EU Party respectively. The term “Parties” shall refer to each Republic of the CA Party and the EU Party.

#### ***Article 2*** **Entry into Force**

1. This Agreement shall be approved by the Parties in accordance with their own internal procedures.

2. This Agreement shall enter into force the first day of the month following that in which the Parties have notified each other of the completion of the internal procedures referred to in Paragraph 1. By no later than the said date, the Republics of the CA Party shall have fulfilled the requirements established in Articles 7.2 and 7.3.1 of the Title on Intellectual Property of Part IV of this Agreement. Absent fulfillment of these requirements, the EU Party may decide, from the date of entry into force pursuant to this paragraph, not to apply Part IV of the Agreement as regards any non-compliant Republic of the CA Party.

3. Notifications shall be sent in the case of the EU Party, to the Secretary General of the Council of the European Union and in the case of the CA Party, to the *Secretaria General del Sistema de Integración Centroamericana (SG-SICA)*, who shall be the depositories of this Agreement.

4. Notwithstanding paragraph 2, the Trade Part of this Agreement shall be applied by the European Union and each of the Signatory CA States from the first day of the month following the date on which they have notified each other of the completion of the procedures necessary for this purpose.

5. Where a provision of this Agreement is applied provisionally in accordance with each Party's legal framework, pending the entry into force of the Agreement, any reference in such provision to the date of entry into force of this Agreement shall be understood to refer to the date from which the Parties agree to provisionally apply that provision in accordance with paragraph 4.

6. The Parties for which Part IV of this Agreement has entered into force in accordance with paragraph 2 or 4 of this Article may also use materials originating in the Republics of the CA Party for which the Agreement has yet to enter into force.

7. From the date of its entry into force in accordance with paragraph 2, this Agreement shall replace the Political dialogue and cooperation agreements that are in force between the CA Party and the EU Party.

### **Article 3** **Duration**

1. This Agreement shall be of indefinite duration and validity.

2. Any Party may give written notification to the respective depositary of its intention to denounce this Agreement.

3. In case of denunciation by any Party, the other Parties shall examine in the context of the Association Committee the effect of such denunciation on this Agreement. The Association Committee shall decide on any necessary adjustment or transition measures.

4. Denunciation shall take effect six months after notification to the respective depositary.

*Article 4*  
**Fulfillment of the Obligations**

1. The Parties shall adopt any general or specific measures required for them to fulfill their obligations under this Agreement, and shall ensure that they comply with the objectives laid down in this Agreement.

2. If a Party considers that another Party has failed to fulfill an obligation under this Agreement, it may have recourse to appropriate measures. Before doing so, except in cases of special urgency, it must submit to the Association Council within 30 days all relevant information required for a thorough examination of the situation with a view to seeking a solution acceptable to the Parties. In selecting which measures to adopt, priority must be given to those which are least disruptive to the implementation of this Agreement. Such measures shall be notified immediately to the Association Committee and shall be the subject of consultations in the Committee if a Party so requests.

3. The Parties agree that the term “cases of special urgency” in paragraph 2 of this Article means a case of material breach of the Agreement by one of the Parties. The Parties further agree that the term “appropriate measures” referred to in paragraph 2 of this Article means measures taken in accordance with international law. It is understood that suspension would be a measure of last resort.

4. A material breach of the Agreement consists in:

- (a) repudiation of this Agreement not sanctioned by general rules of international law;
- (b) violation of the essential elements of this Agreement.

5. If a Party has recourse to a measure in case of special urgency, the other Party may request that an urgent meeting be called to convene the Parties within 15 days.

6. Notwithstanding paragraph 2, if one Party considers that another Party has failed to fulfill one or more obligations under the Trade Part of the Agreement, it shall exclusively have recourse to, and abide by, the dispute settlement procedures established under Title XX {Dispute Settlement} and the mediation mechanism, established under Title {Mediation Mechanism for Non Tariff Measures} of Part IV.

*Article 5*  
**Rights and Obligations under this Agreement**

Nothing in this Agreement shall be construed as conferring rights or imposing obligations on persons, other than those rights or obligations created between the Parties under public international law, nor as permitting it to be directly invoked in the domestic legal systems of the Parties.

*Article 6*  
**Exceptions**

1. Nothing in this Agreement shall be construed:
  - (a) to require any Party to furnish or allow access to any information, the disclosure of which it considers contrary to its essential security interests; or
  - (b) to prevent any Party from taking any action which it considers necessary for the protection of its essential security interests:
    - i) relating to fissionable and fusionable materials or the materials from which they are derived;
    - (i) relating to economic activities carried on directly or indirectly for the purpose of supplying a military establishment;
    - (ii) connected with the production of or trade in arms, munitions, or war materials;
    - (iii) relating to government procurement indispensable for national security or for national defence purposes;
    - (iv) taken in time of war or other emergency in international relations; or
    - ii) to prevent any Party from taking any action in pursuance of obligations it has accepted for the purpose of maintaining international peace and security.
    - iii) to prevent any Party from independently deciding on budgetary priorities or to require any Party to increase budgetary resources towards implementing the obligations and commitments contained in this Agreement.
2. The Association Council shall be informed to the fullest extent possible of measures taken under paragraphs 1(b) and (c) and of their termination.

*Article 7*  
**Future Developments**

1. The Parties may agree to broaden and supplement this Agreement in accordance with their own internal procedures, by amending it or by concluding agreements on specific sectors or activities, including in the light of the experience gained during the implementation of the Agreement.

*Article 8*  
**Accession of New Members**

1. The Association Committee shall be informed of any request made by a third State to become a member of the European Union (EU) and of any request made by a third State to join the political and economic integration processes in Central America.
2. During the negotiations between the EU and the applicant State, the EU Party shall provide the CA Party with any relevant information and in its turn, the CA Party shall convey their views (if any) to the EU Party so that it can take them fully into account. The CA Party shall be notified by the EU Party of any accession to the EU.
3. Equally, during the negotiations between the CA Party and the State applying to join the political and economic integration processes in Central America, the CA Party shall provide the EU Party with any relevant information and in its turn, the EU Party shall convey its views (if any) to the CA Party so that it can take them fully into account. The EU Party shall be notified by the CA Party of any accession to the political and economic integration processes in Central America.
4. The Parties shall examine in the context of the Association Committee the effect of such accession on this Agreement. The Association Committee shall decide on any necessary adjustment or transition measures in accordance with each Party's internal procedures.
5. If the act of joining the political and economic integration processes in Central America does not provide for an automatic accession to this Agreement, the State concerned shall accede by depositing an act of accession with the respective depository bodies of the Parties.
6. The instrument of accession shall be deposited with the depositaries.

*Article 9*  
**Territorial Application**

1. For the EU Party, this Agreement shall apply to the territories in which the Treaty establishing the European Community is applied and under the conditions laid down in that Treaty.
2. Notwithstanding paragraph 1, to the extent that the EU customs territory includes areas not covered by the preceding territorial definition, this Agreement shall likewise apply to the EU customs territory.
3. For the CA Party, this Agreement shall apply to the territories of the Republics of the CA Party, in accordance with their respective domestic legislation and international law.

*Article 10*  
**Reservations and Interpretative Declarations**

1. This Agreement does not allow unilateral reservations

*Article 11*

**Annexes, Appendices, Protocols and Notes, Footnotes and Joint Declarations**

The Annexes, Appendices, Protocols and Notes, Footnotes and Joint Declarations to this Agreement shall form an integral part thereof. Any instruments adopted by the institutional body to be defined shall likewise form an integral part of the Agreement.

*Article 12*

**Authentic Texts**

This Agreement is drawn up in duplicate in the Bulgarian, Czech, Estonian, Danish, Dutch, English, Finnish, French, German, Greek, Hungarian, Irish, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Romanian, Slovak, Slovenian, Spanish, and Swedish languages, each of these texts being equally authentic.