



**Joint Declaration  
of the Central American and European Union Advisory Groups  
established under the  
Trade and Sustainable Development Title of the Association Agreement  
between the European Union and Central America**

June 2024

**1. Foreword**

- 1.1 This document provides input from the Central American and European Union Advisory Groups for the discussions and meetings that will take place in Brussels in June 2024. It includes some topics agreed at the annual meeting that took place in El Salvador in June 2023. Its aim is to strengthen all operating mechanisms, bodies and spaces for participation provided for in the Trade and Sustainable Development Title of the Association Agreement, which is a fundamental requirement for improving living conditions, universal access to human rights, and for building a sustainable economic system and democratic societies.
- 1.2 The recent ratification of the Association Agreement provides a general framework for the implementation of the Trade and Sustainable Development Title. It is important that the various dimensions of the Agreement be implemented in a consistent and coordinated manner.
- 1.3 We call for this declaration to be taken into account by the Trade Board of the Agreement and disseminated to the governments, civil society and the media of the countries party to the agreement.

## 2. Trade and Sustainable Development Title

2.1 The Advisory Groups of the Central American countries and the European Union recognise the importance of the Trade and Sustainable Development Title as the instrument that identifies and promotes economic, social and environmental interests, commitments and values with a view to securing the sustainability conditions in the preferential trade relationship between the two regions.

2.2 We stress how vitally important it is that the institutions created by the Trade and Sustainable Development Title, including the Board on Trade and Sustainable Development and its Advisory Groups, operate properly, in order to make effective progress in building a strong trade relationship between Central America and the European Union, based on sustainable conditions. In this regard, we recognise the importance of the active participation of the trade, labour and environmental authorities that make up the Board on Trade and Sustainable Development and of the various members of the Advisory Groups.

~~2.3~~ We highlight the progress made in shaping the Central American Advisory Groups and the results generated by them. Effective communication between the Central American Advisory Groups and their European counterpart, and the support and financial aid provided by the European Union to ensure the participation of the region's Advisory Groups, have been key to the progress made so far. However, it must be recognised that there is still considerable work to be done if the Advisory Groups are to operate fully, in line with their role under the Trade and Sustainable Development Title.

### 2.4 Proposals

2.4.1 Request support under the Association Agreement from the European Commission and the Central American states to ensure that the Central American Advisory Groups operate smoothly, with technical and financial resources to provide the spaces for dialogue on implementing the commitments stemming from the Trade and Sustainable Development Title.

2.4.2 Request support from the Central American governments and the European Union in the form of technical and financial resources to open spaces such as forums, workshops or seminars for exchanging knowledge, best practices implemented and experiences, at both public and private level, that represent progress made by Central American countries, the European Union or other regions in implementing the commitments made under the Trade and Sustainable Development Title.

2.4.3 Consider the Advisory Groups to be the main vehicle for the consultations carried out by the European Union or Central American countries, in any analysis and evaluation related to the Association Agreement between the two regions.

### **3. Comments on the evaluation process**

3.1 With regard to the recommendations presented last year following the *ex post* evaluation of the Association Agreement, the Advisory Groups recommend, inter alia, more frequent dialogues between the Advisory Groups and the authorities, a better structure of the Civil Society Dialogue Forum and, above all, a more effective follow-up to civil society recommendations so as to measure how and how much they have been taken into account.

#### **3.2 Proposals**

3.2.1 Take appropriate measures to ensure Central American and European Advisory Groups are widely consulted, enabling them to follow up more closely on the implementation of the recommendations.

3.2.2 Include specific objectives in each recommendation, with deadlines and evaluation criteria for their implementation.

3.2.3 Assess progress in implementing the recommendations on a yearly basis and with the involvement of the Advisory Groups.

3.2.4 Incorporate an analysis of impacts on employment and of social indicators into the evaluation process, analysing the direct and indirect effects of trade between the two regions.

### **4. Labour rights**

4.1 Labour rights conditions in some countries and in economic sectors remain below international standards defined by the International Labour Organization (ILO). Despite the ratification of Conventions 87 (on Freedom of Association and Protection of the Right to Organise) and 98 (on the Right to Organise and Collective Bargaining), these rules still need to be effectively implemented.

4.2 Promoting tripartite social dialogue is essential for improving wages, conditions, labour rights, productivity and the democratic system.

### 4.3 **Proposals**

4.3.1 Promote positive actions towards coordination and towards improving value chains, involving all stakeholders.

4.3.2 Raise awareness of good business practices for tripartite social dialogue. Promote tripartite social dialogue initiatives and vocational training, including training in labour law and the 2030 Agenda.

4.3.3 National institutions require EU cooperation and technical assistance to improve labour inspection systems.

4.3.4 Strengthen organisations that promote social responsibility, decent work, fair trade and value chain due diligence processes.

4.3.5 Support strengthening government actions towards achieving compliance with the fundamental ILO Conventions.

## 5. **Environment and climate change**

5.1 The Advisory Groups stress the importance of cooperation and dialogue between Central America and the European Union in order to better implement the multilateral environmental agreements referred to in the Trade and Sustainable Development Title.

5.2 We express our concern about the many challenges that climate change has progressively been generating. We highlight the significant effects that El Niño has had on Central America since 2023, leading to droughts, rising temperatures, fires and various other impacts. In this context, we attach particular importance to comprehensive, inclusive and fair climate action, respecting the principle of responsibility and fairness.

### 5.3 **Proposals**

5.3.1 Increase European cooperation and technical assistance to effectively strengthen the various initiatives and projects aimed at climate mitigation and adaptation in Central American countries, as Central America is one of the planet's most vulnerable regions.

5.3.2 Support the use of alternative energy sources to fossil fuels.

5.3.3 Social, environmental and due diligence issues are processes that require major changes and institutional alignment so that they can be implemented at each stage. We therefore reiterate the urgent need to strengthen processes for capacity building, training and technical advice on the EU's new requirements for all sectors involved.

5.3.4 Ensure that the principles of just and inclusive green transition are respected in local projects developed by the European Union and by European companies in Latin America and the Caribbean.

## **6. Comments on civic space (violence, loss of listening spaces and defending democracy)**

6.1 Civic and democratic spaces in Central America and the European Union are the basis for advancing sustainable development. Making trade an instrument that strengthens sustainable development is only possible within a framework that fosters the free initiative of citizen organisations and genuine and efficient dialogue between civil society and public institutions.

### **6.2 Proposals**

6.2.1 Fully respect, both in Central America and in Europe, the Article 1 of the trade agreement on respect for human rights and the rule of law, which is an essential element of the agreement.

6.2.2 Facilitate and support permanent channels for dialogue between civil society and European and Central American authorities, regularly assessing the impact of this dialogue on political, social and economic decisions.

6.2.3 Strengthen the creation of common links and dynamics between civil society actors from both regions in order to promote the exchange of good practices in citizen participation and promoting human rights.

## **7. Impact of trade on migration and social conditions**

7.1 As one of the actions aimed at addressing the migration situation within Central America and Europe, formal jobs need to be created and strengthened. Trade needs to contribute to improving

living and decent working conditions for millions of people in Central America and Europe, in line with the scope of Sustainable Development Goal 8 of the 2030 Agenda.

7.2 We are seeing that social indicators are not improving in Central America, and are dangerously worsening in Europe, demonstrating the need for concerted actions between the state, civil society and the business sector in order to provide conditions so that trade and the implementation of robust public policies can ensure improved quality of life for millions of people, especially in the post-pandemic period.

### 7.3 **Proposals**

7.3.1 Propose that Central American and European governments implement effective trade strategies aimed at boosting job creation, thereby reducing the structural causes that spur irregular migration.

7.3.2 Propose that Central American and European government authorities promote migration regularisation and economic reintegration programmes in order to begin reversing irregular migration situations.

## 8. **Comments on the impact of trade on sustainability**

8.1 We recognise that agriculture is a strategic sector for the general population and that it creates jobs, both in the rural and industrial sectors. It therefore needs the support of public policies and investment for its development, under a sustainability approach.

8.2 Global population growth prospects and the need for increased food supply mean that a sustainable, efficient, effective and climate-resilient value chain is needed. In this sense, we need to promote the fight against climate change as well as the environmental preservation of the planet, working on the need to ensure access to water for all, avoiding deforestation and promoting a sustainable agriculture model, and including support for farmers and livestock farmers living in rural areas.

### 8.3 **Proposals**

8.3.1 Support the promotion and development of sustainable agri-food systems as the best way for achieving the Sustainable Development Goals, social equality and community well-being, and as the best instrument for reducing global poverty and for creating jobs.

8.3.2 In this promotion and development, include small and medium-sized producers, without neglecting commercial agriculture.

8.3.3 Establish public policies that strengthen the agricultural sector, that have great export and food security potential, and that are not limited to financing but that also include new technologies and that understand the national contexts of each country.

8.3.4 We call for greater recognition and appreciation of environmental public goods provided by the agricultural sector, with the aim of achieving greater transparency throughout the global trade process, for example by strengthening aspects such as trade and local production (use of livestock breeds and local varieties) that allow producers to increase their profit margins.

## **9. Empowering the Central American business sector, trade union organisations and civil society organisations (CSOs) in the face of new European rules and standards (requirements for trade)**

9.1 We consider the support provided to comply with the new labour and environmental regulations adopted by the EU in view of the European Green Deal to be insufficient. First of all, the Central American governments do not have all the resources to widely inform those concerned or to enable them to deal with the changes that are being made or that will come into effect in the short and medium term. Secondly, those most affected are SMEs, exporting companies and production chains, which encounter compliance barriers in these regulations due to lack of knowledge, skills, technical assistance and resources to meet the requirements.

9.2 The main objective of the Trade and Sustainable Development Title of the Association Agreement is to increase sustainable and inclusive trade between regions. Actions to facilitate and increase trade towards Europe must therefore be strengthened.

### **9.3 Proposals**

9.3.1 Provide support in order to develop a two-year training plan in legislative matters that is updated as new rules are approved, implemented or analysed.

9.3.2 Create tools so that through technical assistance, the European Union can provide the necessary support to help products, services and processes in production sectors comply with regional and European regulations.

9.3.3 Call for increased support for capacity building and technical assistance on the trade requirements that need to be met in Europe and which are laid down in existing and forthcoming regulations on human rights, the environment, labour standards and product or service certification mechanisms.

## **10. Participation of micro, small and medium-sized enterprises (MSMEs) in the trade relationship between Central America and the European Union**

10.1 We stress the importance of micro, small and medium-sized enterprises in the economies of the Central American countries. In this context, taking advantage of the Central American market and the opportunities created through the Association Agreement is key to generating formal employment, well-being and development. In view of this, the Advisory Groups consider it important to implement specific measures to facilitate the participation of micro, small and medium-sized enterprises in trade between the two regions.

### **10.2 Proposals**

10.2.1 Call on the European Union to implement technical assistance, capacity building and financing mechanisms so that MSMEs in Central America can prepare for and take advantage of the opportunities of the Central American market and the European Union.

10.2.2 Promote and drive measures that facilitate trade between Central American countries for the benefit of their populations.

## **11. Importance of formalising the informal economy**

11.1 The Advisory Groups are very concerned about the rapid growth of the informal economy, which entails precarious working conditions, unfair competition with formal sectors of the economy and the growth of poverty and inequality, among other things. To a large extent, this problem is generated by the heavy bureaucratic burden faced by micro-enterprises and small businesses. This situation also limits MSMEs' opportunities to be an effective part of value chains, in the context of relations between Central America and the European Union.

11.2 We believe that a joint effort should be encouraged in both regions to promote and facilitate the conditions for formalisation and compliance with the requirements of various informal economic sectors in order to ensure better economic and trade conditions for our countries.



### 11.3 **Proposals**

11.3.1 Establish a joint Central America-European Union work plan that reduces red tape, simplifies procedures and promotes the formalisation of micro, small and medium-sized enterprises in the economy through specific measures, in line with the development conditions of Central America, thereby making better use of the Association Agreement between the two regions.

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