

PART III CO-OPERATION

ARTICLE 24: OBJECTIVES

1. The general objective of co-operation 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 shall be given to the following objectives, which are further developed in Titles I to IX of this Part:

- (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 the peoples of Central America and the European Union;
- (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 in Central America by strengthening the capacity to implement and use the benefits of this Agreement, thereby contributing to the economic, social and political development of the Central American 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 shall pursue policies and measures with a view to attaining the objectives referred to above. These measures may include innovative financial mechanisms with the objective of 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 25: PRINCIPLES

Co-operation between the Parties shall be governed by the following principles:

- (a) co-operation shall 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;
- (b) co-operation shall be the result of a dialogue between the associated countries and regions;
- (c) the Parties shall promote participation of civil society and local authorities in their development policies and in their co-operation;
- (d) co-operation activities shall 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;
- (e) co-operation 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;
- (f) the Parties shall enhance the effectiveness of their co-operation by operating within mutually agreed frameworks. They shall promote harmonisation, alignment and coordination between donors and the fulfilment of mutual obligations linked to the achievement of co-operation activities;
- (g) co-operation includes technical and financial assistance as a means to contribute to the implementation of the objectives of this Agreement;
- (h) the Parties agree on the importance to take into consideration their different levels of development in the design of co-operation activities;
- (i) 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;
- (j) co-operation in the framework of this Agreement does not affect the participation of the Republics of the CA Party, as developing countries, in the EU Party's activities in the field of research for development or other European Union development co-operation programmes addressed to third countries, subject to the rules and procedures of these programmes.

ARTICLE 26: MODALITIES AND METHODOLOGY

1. In order to implement co-operation activities, the Parties agree that:
 - (a) 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;
 - (b) implementing actors may comprise local, national and regional authorities, civil society and international organisations;
 - (c) they shall provide the appropriate administrative and financial resources necessary to ensure the implementation of the activities of co-operation that they will have agreed in accordance with their own laws, regulations and procedures;
 - (d) all entities involved in co-operation shall be subject to a transparent and accountable management of resources;
 - (e) they shall promote innovative co-operation and finance modalities and instruments in order to improve the efficiency of co-operation; and to make the best use of this Agreement;
 - (f) co-operation between the Parties shall identify and develop innovative co-operation programmes for the Republics of the CA Party;
 - (g) they shall 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;
 - (h) 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 procedure;
 - (i) the participation of the Republics of the CA Party to the EU Party's thematic and horizontal co-operation programmes for Latin America shall be promoted, including by means of possible specific windows;
 - (j) the Parties, in accordance with their own rules and procedures, shall promote triangular co-operation in areas of common interest between the two regions and with third countries;

- (k) the Parties should explore together all practical possibilities for co-operation in their mutual interest.
2. The Parties agree to foster, according to their needs and within the framework of their respective programmes and legislation, co-operation between financial institutions.

ARTICLE 27: EVOLUTIONARY CLAUSE

1. The fact that an area or co-operation 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 co-operate in those areas or activities.
2. No opportunities for co-operation shall be ruled out in advance. The Parties may use the Association Committee to explore practical possibilities for co-operation in their mutual interest.
3. As regards the implementation of this Agreement, the Parties may make suggestions designed to expand co-operation in all areas, taking into account the experience acquired during the implementation thereof.

ARTICLE 28: STATISTICS CO-OPERATION

1. The Parties agree to co-operate 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 co-operation to support these objectives.
2. Co-operation 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 the Parties;
 - (b) co-operating in the field of statistics on science, technology and innovation.
3. This co-operation could include, among others: technical exchanges between statistical institutes in the Republics of the CA Party and in the Member States of the European Union and Eurostat, including exchange of scientists; development of improved, and where relevant, consistent methods of data collection disaggregation, analysis and interpretation; and organisation of seminars, working groups or statistical training programmes.

TITLE I

DEMOCRACY, HUMAN RIGHTS AND GOOD GOVERNANCE

ARTICLE 29: DEMOCRACY AND HUMAN RIGHTS

1. The Parties shall co-operate 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 co-operation may include *inter alia*:
 - (a) the effective implementation of the international instruments of human rights, as well as the recommendations emanating from Treaty Bodies and Special Procedures;
 - (b) the integration of the promotion and protection of human rights in national policies and development plans;
 - (c) the strengthening of the capacities to apply the democratic principles and practices;
 - (d) the development and implementation of action plans on democracy and human rights;
 - (e) awareness raising and education in human rights, democracy and culture of peace;
 - (f) 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;
 - (g) the development of joint initiatives of mutual interest in the framework of relevant multilateral *fora*.

ARTICLE 30: GOOD GOVERNANCE

The Parties agree that co-operation in this field shall actively support governments through actions aimed at, in particular:

- (a) respecting the rule of law;
- (b) guaranteeing the separation of powers;
- (c) guaranteeing an independent and efficient judicial system;

- (d) promoting transparent, accountable, efficient, stable and democratic institutions;
- (e) promoting policies to guarantee accountability and transparent management;
- (f) fighting against corruption;
- (g) reinforcing good and transparent governance at national, regional and local levels;
- (h) establishing and maintaining clear decision making procedures by public authorities at all levels;
- (i) supporting the participation of civil society.

ARTICLE 31: MODERNISATION OF THE STATE AND PUBLIC ADMINISTRATION, INCLUDING DECENTRALISATION

1. The Parties agree that the objective of co-operation in this field shall be to improve their legal and institutional frameworks, based notably on best practices. This includes reform and modernisation of public administration, including through capacity building, to support and reinforce the processes of decentralisation and to underpin organisational changes resulting from regional integration, paying particular attention to organisational efficiency and to service delivery to citizens, as well as to good and transparent management of public resources and accountability.

2. This co-operation may include national and regional programs and projects aimed at building capacities for policy design, and implementation and evaluation of public policies, as well as reinforcing the judiciary system while fostering the involvement of civil society.

ARTICLE 32: CONFLICT PREVENTION AND RESOLUTION

1. The Parties agree that co-operation 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 an effective mechanism for peaceful conciliation of the interests of different groups, and encourage an active and organised civil society, in particular making use of existing regional institutions.

2. Co-operation shall strengthen capacities to resolve conflicts and may include, among others, the provision of support to mediation, negotiation and reconciliation

processes; to strategies promoting peace; to efforts to strengthen confidence and security building on the regional level; to efforts developed to help children, women and elderly people and to actions in the fight against anti- personnel mines.

ARTICLE 33: REINFORCEMENT OF INSTITUTIONS AND RULE OF LAW

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. Co-operation shall notably aim at strengthening the independence of the judiciary and improving its efficiency.

TITLE II

JUSTICE, FREEDOM AND SECURITY

ARTICLE 34: PERSONAL DATA PROTECTION

1. The Parties agree to co-operate in order to improve the level of protection of personal data to the highest international standards, such as the Guidelines for the Regulation of Computerised Personal Data Files, modified by the General Assembly of the United Nations on December 14th 1990, and to work towards the free movement of personal data between the Parties, with due regard to their domestic legislation.
2. Co-operation 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.

ARTICLE 35: ILLICIT DRUGS

1. The Parties shall co-operate to ensure a comprehensive, integrated, and balanced approach through effective action and co-ordination 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. Co-operation 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. Co-operation shall aim to co-ordinate and increase joint efforts to address the problem of illicit drugs. Without prejudice to other co-operation mechanisms, the Parties agree that, at the inter-regional level, the Co-ordination and Co-operation Mechanism on Drugs between the European Union and Latin America and the Caribbean shall be used for this purpose, and agree to co-operate in view of strengthening its efficiency.
4. The Parties also agree to co-operate against crime related drug trafficking, through increased co-ordination with relevant international bodies and instances.
5. The Parties shall co-operate 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:

- (a) exchange points of view regarding legislative schemes and best practices;
- (b) fight against the supply, traffic and demand of narcotic drugs and psychotropic substances;
- (c) strengthen judicial and police co-operation to combat illicit trafficking;
- (d) strengthen maritime co-operation in view of fighting efficiently against trafficking;
- (e) establish information and monitoring centres;
- (f) define and apply measures to reduce illicit drug trafficking, medical prescriptions (narcotic drugs and psychotropics) and chemical precursors;
- (g) set up joint research programmes and projects as well as reciprocal judiciary assistance;
- (h) stimulate alternative development, in particular, the promotion of legal crops for small producers;
- (i) facilitate training and education of human resources in order to prevent the drug consumption and trafficking, as well as to strengthen administrative control systems;
- (j) support youth prevention programs and education inside and outside of school;
- (k) 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 36: MONEY LAUNDERING, INCLUDING THE FINANCING OF TERRORISM

1. The Parties agree to co-operate 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 co-operation 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, co-operation 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 37: ORGANISED CRIME AND CITIZEN SECURITY

1. The Parties agree to co-operate in preventing and combating organised and financial crime. To that end, they shall promote and exchange good practices and implement relevant agreed international standards and instruments, such as the United Nations Convention on Transnational Organized Crime and its supplementing Protocols and the United Nations Convention against corruption. They shall notably encourage witness protection programmes.

2. The Parties also agree to co-operate to improve citizen security, notably through support to security policies and strategies. This co-operation should contribute to crime prevention and could include activities such as regional co-operation 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 38: THE FIGHT AGAINST CORRUPTION

1. The Parties recognise 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 shall co-operate in view of implementing and promoting relevant international standards and instruments, such as the United Nations Convention against Corruption.

2. The Parties shall in particular co-operate on:

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

ARTICLE 39: ILLICIT TRAFFICKING OF SMALL ARMS AND LIGHT WEAPONS

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

2. The Parties shall co-operate to promote joint initiatives in the fight against small arms and light weapons, including their ammunition. In particular, the Parties shall co-operate 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 40: THE FIGHT AGAINST TERRORISM WITH FULL RESPECT FOR HUMAN RIGHTS

1. Co-operation in the area of combating terrorism will implement the framework and the standards agreed in Article 16 of Part II.

2. The Parties shall also co-operate 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 United Nations Resolutions while respecting the sovereignty of the States, as well as due process, human rights and fundamental freedoms.

3. The Parties agree to co-operate in the prevention and suppression of acts of terrorism by means of police and judicial co-operation.

TITLE III

SOCIAL DEVELOPMENT AND SOCIAL COHESION

ARTICLE 41: SOCIAL COHESION INCLUDING THE FIGHT AGAINST POVERTY, INEQUALITIES AND EXCLUSION

1. The Parties, acknowledging that social development shall go hand in hand with economic development, agree that co-operation shall aim at enhancing social cohesion through the reduction of poverty, inequity, inequality and social exclusion, in particular in view to the fulfilment of the Millennium Development Goals and of the internationally agreed objective of promoting fair globalisation and decent work for all. The accomplishment of these objectives shall mobilise significant financial resources, from both co-operation and national resources.

2. For this purpose, the Parties shall co-operate in order to promote and to support the execution of:

- (a) economic policies with a social vision oriented to a more inclusive society with a better income distribution in order to reduce inequality and inequity;
- (b) trade and investment policies, bearing in mind the link between trade and sustainable development, to fair trade, to the development of rural and urban micro, small and medium enterprises and their representatives organisations and to corporate social responsibility;
- (c) equitable and sound fiscal policies, allowing for a better redistribution of wealth, ensuring adequate levels of social expenditure and reducing the informal economy;
- (d) efficient public social expenditure linked to clear identified social objectives, moving towards a result oriented approach;
- (e) 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;
- (f) 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;
- (g) social protection schemes in the area of, *inter alia*, pensions, health, accidents and unemployment based on the solidarity principle and accessible to all;

- (h) strategies and policies to combat xenophobia and discrimination, based in particular on the grounds of gender, race, belief or ethnicity;
 - (i) specific policies and programmes dedicated to the youth.
3. 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.
4. The Parties shall also endeavour to jointly assess the contribution of the implementation of this Agreement to social cohesion.

ARTICLE 42: EMPLOYMENT AND SOCIAL PROTECTION

1. The Parties agree to co-operate in order to promote employment and social protection through actions and programmes, which aim in particular to:
- (a) ensure decent work for all;
 - (b) create more inclusive and well functioning labour markets;
 - (c) extend social protection coverage;
 - (d) exchange best practices in the field of workers mobility and transfer of pension rights;
 - (e) promote social dialogue;
 - (f) 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;
 - (g) address issues relating to the informal economy;
 - (h) give special attention to disadvantaged groups and to the fight against discrimination;
 - (i) develop the quality of human resources through the improvement of education and training, including effective vocational training;
 - (j) improve the health and security conditions at work, notably by strengthening labour inspectorates;

- (k) 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 organisations of social partners.

ARTICLE 43: EDUCATION AND TRAINING

1. The Parties agree that co-operation shall aim to:
- (a) 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 marginalised segments of society;
 - (b) improve the quality of education, considering primary basic education as a priority;
 - (c) improve completion of primary education and reduce early school leaving in compulsory secondary education;
 - (d) improve non-formal learning;
 - (e) improve infrastructure and equipment of existing education centres;
 - (f) promote education for the indigenous peoples, including intercultural bilingual education;
 - (g) promote higher education as well as vocational training and lifelong learning.
2. The Parties also agree to encourage:
- (a) co-operation between higher education institutions of the Parties as well as the exchange of students, researchers and academics through existing programmes;
 - (b) 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 44: PUBLIC HEALTH

1. The Parties agree to co-operate in developing efficient health systems, competent and sufficient health workforce capacity, fair financing mechanisms and social protection schemes.
2. Special attention shall 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.
3. They further aim to co-operate 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 co-operate in areas such as education, water sanitation and sanitary topics.
4. Co-operation may further encourage the development, implementation and promotion of international health law, including the International Health Regulations and the World Health Organization Framework Convention on Tobacco Control.
5. The Parties shall 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 45: INDIGENOUS PEOPLES AND OTHER ETHNIC GROUPS

1. The Parties respecting and promoting their national, regional and international obligations agree that co-operation activities shall enhance the protection and promotion of the rights and fundamental freedoms of indigenous peoples, as recognised by the United Nations Declaration on the Rights of Indigenous Peoples. Further, co-operation activities shall enhance and promote the human rights and fundamental freedoms of persons belonging to minorities and ethnic groups.
2. Special attention should be paid to poverty reduction, and to the fight against inequality, exclusion and discrimination. Relevant international documents and instruments addressing the rights of indigenous peoples such as United Nations Resolution 59/174 on the Second Decade of the World's Indigenous Peoples, and, as ratified, the International Labour Organization 169 Convention concerning Indigenous and Tribal Peoples in Independent Countries, should guide the development of co-

operation activities, in line with the national and international obligations of the Parties.

3. The Parties further agree that co-operation activities shall systematically take into account the social, economic and cultural identities of these peoples and shall ensure as appropriate their effective participation in co-operation 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.

4. Co-operation shall contribute to promoting the development of indigenous peoples. Co-operation shall also contribute to promoting the development of persons belonging to minorities and ethnic groups organisations. Such co-operation shall strengthen as well their negotiation, administrative and management capacities.

ARTICLE 46: VULNERABLE GROUPS

1. The Parties agree that co-operation 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, and fighting social exclusion.

2. Co-operation shall 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 47: GENDER

1. The Parties agree that co-operation 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 shall be envisaged.

2. Co-operation shall promote the integration of the gender perspective in all the relevant fields of co-operation, including public policies, development strategies and actions as well as indicators to measure their impact.

3. Co-operation 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 shall be given to programmes addressing violence against

women, in particular through prevention.

ARTICLE 48: YOUTH

1. The co-operation between the Parties shall support all relevant sectoral policies addressing youth with the objective of preventing the reproduction of poverty and marginality. It shall include support to family policies and education, as well as to providing job opportunities for young people, especially in poor areas, and fostering 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.

TITLE IV

MIGRATION

ARTICLE 49: MIGRATION

1. Co-operation shall be based on specific needs assessment conducted in mutual consultation between the Parties and be implemented in accordance with the relevant European Union 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 1951 Geneva Convention relating to 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) the temporary and circular migration, including the prevention of brain drain;
- (f) the establishment of an effective and comprehensive policy on immigration, smuggling and trafficking in human beings, including the issue of how to combat networks and criminal organisations 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 2;
- (h) the exchange of best practices on integration dealing with migration between the European Union and the Republics of the CA Party;
- (i) the supportive measures aimed at the sustainable reinsertion of returnees.

2. Within the framework of the co-operation 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:

- (a) each Republic of the CA Party shall, upon request and without further formalities, readmit any of its nationals whose stay in the territory of a Member State of the European Union 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;
- (b) 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 Republic of the CA Party contravenes the Republic of the CA Party's legal framework, provide their nationals with appropriate identity documents and extend to them the administrative facilities necessary for such purpose.

3. 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 of the European Union or the Republic of the CA Party concerned shall, upon request of the Republic of the CA Party or the Member State of the European Union concerned, make arrangements to interview the person in order to establish his or her nationality.

4. The Parties agree to conclude, upon request and as soon as possible, an agreement regulating the specific obligations for the Member States of the European Union and the Republics of the CA Party on readmission. This Agreement shall also address the readmission of nationals of other countries and stateless persons.

TITLE V

**ENVIRONMENT, NATURAL DISASTERS AND CLIMATE
CHANGE**

ARTICLE 50: CO-OPERATION ON ENVIRONMENT

1. The Parties agree to co-operate 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 on Environment and Development.
2. Taking into account the principle of common but differentiated responsibilities, the priorities and national development strategies, the Parties shall 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.
3. Co-operation shall in particular address:
 - (a) the protection and sustainable management of natural resources and ecosystems, including forests and fisheries;
 - (b) 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;
 - (c) global issues such as climate change, depletion of the ozone layer, desertification, deforestation, conservation of biodiversity and biosafety;
 - (d) in this context, co-operation shall 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.
4. Co-operation may involve measures such as:
 - (a) promoting policy dialogue and exchange of best environmental practices, experiences, and capacity building, including institutional strengthening;
 - (b) transfer and use of sustainable technology and know-how, including creation of incentives and mechanisms for innovation and environmental protection;
 - (c) integrating environmental considerations into other policy areas, including land-use management;
 - (d) promoting sustainable production and consumption patterns, including through the sustainable use of ecosystems services and goods;

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

ARTICLE 51: MANAGEMENT OF NATURAL DISASTERS

1. The Parties agree that co-operation 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 response to natural disasters, strengthening regional research, disseminating best practices, drawing from lessons learnt in Disaster Risk Reduction, preparedness, planning, monitoring, prevention, mitigation, response and rehabilitation. Co-operation shall also support efforts towards the harmonisation of the legal framework according to the international standards and the improvement of institutional co-ordination and government support.

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

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

TITLE VI

ECONOMIC AND TRADE DEVELOPMENT

ARTICLE 52: CO-OPERATION IN THE FIELD OF COMPETITION POLICY

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, in order to support them in strengthening and effectively enforcing the competition laws in the areas of antitrust and mergers, including competition advocacy.

ARTICLE 53: CUSTOMS CO-OPERATION AND MUTUAL ASSISTANCE

1. The Parties shall promote and facilitate co-operation between their respective customs services in order to ensure that the objectives set out in Chapter 3 (Customs and Trade Facilitation) of Title II of Part IV of this Agreement 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 co-operation shall give rise, among others, to:

- (a) exchanges of information concerning customs legislation and procedures, particularly in the following areas:
 - (i) simplification and modernisation of customs procedures;
 - (ii) facilitation of transit movements;
 - (iii) enforcement of intellectual property rights by the customs authorities;
 - (iv) relations with the business community;
 - (v) 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 Parties shall provide mutual administrative assistance in customs matters in accordance with the provisions of Annex III to Part IV of this Agreement.

ARTICLE 54: TECHNICAL ASSISTANCE ON CUSTOMS AND TRADE FACILITATION

The Parties recognise the importance of technical assistance in the field of customs and trade facilitation in order to implement the measures laid down in the Chapter 3 (Customs and Trade Facilitation) of Title II of Part IV 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 (certification and verification of origin to the competent authorities, among others) 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 World Customs Organization (hereinafter referred to as the "WCO") instruments and standards, *inter alia* the International Convention on the Simplification and Harmonization of Customs Procedures, as amended (Revised Kyoto Convention) and the WCO Framework of Standards to Secure and Facilitate Global Trade; and
- (e) information systems and automation of customs and other trade procedures.

ARTICLE 55: CO-OPERATION AND TECHNICAL ASSISTANCE ON INTELLECTUAL PROPERTY AND TECHNOLOGY TRANSFER

1. The Parties recognise the importance of co-operation and technical assistance in the field of intellectual property and agree to co-operate among others in the following:

- (a) enhancing institutional co-operation (for example, between intellectual property offices in the Republics of the CA Party) 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 co-operation 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 (for example, for judges, prosecutors, customs and police officers), on enforcement of intellectual property rights;
- (d) co-operating on the development and enhancement of electronic systems of the Intellectual Property Offices in the Republics of the CA Party;

- (e) co-operating 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 co-operation on customs matters, and therefore, the Parties engage to promote and facilitate co-operation aiming to apply border measures in relation with intellectual property rights, increasing specifically the information exchange and co-ordination between the relevant customs administrations. The co-operation shall strive to strengthen and modernise the performance of the customs of the Republics of the CA Party.

3. The Parties also recognise the importance of technical co-operation 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 EU Party to the Republics of the CA Party;
- (b) the Parties recognise the importance of creating mechanisms that strengthen and promote Foreign Direct Investment (FDI) in the Republics of the CA Party, especially in innovative and high-tech sectors. The EU Party 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 Republics of the CA Party, in such a way that allows these countries to establish a viable technological platform;
- (c) likewise, the EU Party shall facilitate and promote programs aimed to the creation of activities of Research and Development in Central America, to attend the region's needs, such as access to medicines, infrastructure and technology development necessary for the development of their people, among others.

ARTICLE 56: CO-OPERATION ON ESTABLISHMENT, TRADE IN SERVICES AND ELECTRONIC COMMERCE

1. The Parties recognise the importance of technical co-operation and assistance in order to facilitate the implementation of commitments and to maximise the opportunities created under Title III (Establishment, Trade in Services and Electronic Commerce) of Part IV, and achieve the objectives of this Agreement.

2. Co-operation includes support for technical assistance, training and capacity building in, *inter alia*, the following areas:

- (a) improving the ability of service suppliers of the Republics of the CA Party to gather information on and to meet regulations and standards of the EU Party at the European Union's national and sub-national levels;
- (b) improving the export capacity of service suppliers of the Republics of the CA Party, with particular attention to the needs of small and medium-sized enterprises;
- (c) facilitating interaction and dialogue between service suppliers of the EU Party and of the Republics of the CA Party;
- (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;
- (f) establishing mechanisms for promoting investment between the EU Party and the Republics of the CA Party, and enhancing the capacities of investment promotion agencies in the Republics of the CA Party.

ARTICLE 57: TECHNICAL CO-OPERATION ASSISTANCE ON TECHNICAL BARRIERS TO TRADE

The Parties recognise the importance of technical co-operation assistance in the field of technical barriers to trade and agree to 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, standardisation, conformity assessment accreditation and metrology. This may include activities to facilitate the comprehension and compliance with European Union requirements, in particular by small and medium sized enterprises;
- (b) support the harmonisation of technical barriers to trade legislation and procedures within Central America and facilitate the movement of goods within the region;
- (c) promoting the active participation of the Republics of the CA Party's representatives in the work of relevant international organisations with a view to increasing the use of international standards;
- (d) exchanging information, experiences and good practices to facilitate the

implementation of Chapter 4 (Technical Barriers to Trade) of Title II of Part IV of the present Agreement. This can involve programmes for trade facilitation in the areas of joint interest, covered by Chapter 4.

ARTICLE 58: CO-OPERATION AND TECHNICAL ASSISTANCE ON GOVERNMENT PROCUREMENT

The Parties recognise the importance of co-operation and technical assistance in the field of government procurement and agree to co-operate as follows:

- (a) upon agreement of the Parties concerned, enhance institutional co-operation and facilitate the exchange of information on the legal frameworks concerning government 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 government procurement;
- (c) supporting public outreach activities in the Republics of the CA Party related to the provisions of Title V (Government Procurement) of Part IV of this Agreement, to public sector, private sector and civil society, in relation to European Union Procurement Systems and the opportunities that Central American suppliers might have in the European Union;
- (d) supporting the development, establishment and functioning of a single point of access to information related to government procurement for the entire Central American region. This single point of access shall function as defined in Articles 212 paragraph 1 (d), 213, 215 paragraph 4, and 223 paragraph 2 of Title V (Government Procurement) of Part IV of this Agreement;
- (e) improvement of technological capabilities for public entities either in the Central, Sub-central and other procuring entities.

ARTICLE 59: TECHNICAL CO-OPERATION ASSISTANCE ON FISHERIES AND AQUACULTURE

1. The Parties recognise the importance of economic, technical and scientific co-operation for the sustainable development of the fisheries and aquaculture sector. The objectives of such co-operation should in particular aim to:

- (a) promote the sustainable exploitation and management of fisheries;
- (b) promote best practices in fisheries management;

- (c) improve the data collection in order to take into account the best available scientific information for resource assessment and management;
 - (d) strengthen the monitoring, control and surveillance (MCS) system;
 - (e) fight illegal, unreported and unregulated fishing activities (IUU).
2. The co-operation 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 co-operation within international organisations 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 60: CO-OPERATION AND TECHNICAL ASSISTANCE ON ARTISANAL GOODS

The Parties recognise the importance of co-operation programmes that promote actions that help artisanal goods manufactured in the Republics of the CA Party to benefit from this Agreement. More specifically, co-operation 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 supporting micro, small and medium size enterprises (hereinafter referred to as "MSMEs") from urban and rural sectors, necessary to manufacture and export artisanal goods, including on customs procedures and technical requirements established in the European Union market;

- (c) promotion of the preservation of these cultural products;
- (d) supporting the development of infrastructure needed to support MSMEs engaged in the manufacture of artisanal goods;
- (e) capacity building to improve the business performance of artisanal goods producers, through training programmes.

ARTICLE 61: CO-OPERATION AND TECHNICAL ASSISTANCE ON ORGANIC GOODS

The Parties recognise the importance of co-operation programs in enhancing the benefits that organic goods produced in the Republics of the CA Party could obtain from this Agreement. More specifically, co-operation 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 supporting MSMEs 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 Union market;
- (c) supporting the development of infrastructure needed to support MSMEs engaged in the production of organic goods;
- (d) capacity building to improve the business performance of organic goods producers, through training programs;
- (e) co-operation on developing distribution networks in the European Union market.

ARTICLE 62: CO-OPERATION ON FOOD SAFETY, SANITARY AND PHYTOSANITARY MATTERS AND ANIMAL WELFARE ISSUES

1. Co-operation 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's market whilst safeguarding the level of protection of humans, animals and plants as well as animal welfare.

2. It may involve, among others:

- (a) supporting the harmonisation of sanitary and phytosanitary legislation and procedures within Central America 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 sanitary and phytosanitary 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 Central America, both at regional and national level, in order to improve its sanitary and phytosanitary status;
- (d) developing capacities in each of the Republics of the CA Party to meet sanitary and phytosanitary requirements in order to improve access to the other Party's market while safeguarding the level of protection;
- (e) providing advice and technical assistance on the European Union sanitary and phytosanitary regulatory system and the implementation of the standards required by the European Union market.

3. The Sub-Committee on Sanitary and Phytosanitary Matters, as established in Chapter 5 (Sanitary and Phytosanitary Measures) of Title II (Trade in Goods), Part IV of this Agreement, shall propose the needs for co-operation in order to set up a working programme.

4. The Association Committee shall monitor the progress of the co-operation established under this Article and submit the results of this exercise to the Sub-Committee on Sanitary and Phytosanitary Matters.

ARTICLE 63: CO-OPERATION AND TECHNICAL ASSISTANCE ON TRADE AND SUSTAINABLE DEVELOPMENT

1. The Parties recognise the importance of co-operation and technical assistance in the fields of trade and labour, and trade and environment for achieving the objectives of Title VIII (Trade and Sustainable Development) of Part IV of this Agreement.

2. To complement the activities set out in Title III (Social Development and Social Cohesion) and V (Environment, Natural Disasters and Climate Change) of Part III 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 co-operation 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 shall 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 International Labour Organization (hereinafter referred to as “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 Part IV of this Agreement;
- (g) strengthening the institutional capacity on trade and sustainable development issues and supporting the organisation and facilitation of the agreed frameworks for dialogue with civil society on such matters.

ARTICLE 64: INDUSTRIAL CO-OPERATION

1. The Parties agree that industrial co-operation shall promote the modernisation and restructuring of Central American industry and individual sectors, as well as industrial co-operation between economic operators, with the objective of strengthening the private sector under conditions which promote environmental protection.

2. Industrial co-operation 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.

ARTICLE 65: ENERGY (INCLUDING RENEWABLE ENERGY)

1. The Parties agree that their joint objective shall be to foster co-operation 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. Co-operation 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 Republics of the CA Party;
 - (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) promotion of the application of clean development mechanisms to support the climate change initiatives and its variability.

ARTICLE 66: CO-OPERATION ON MINING

The Parties agree to co-operate 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.

ARTICLE 67: FAIR AND SUSTAINABLE TOURISM

1. The Parties recognise 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.
2. For this purpose they agree to promote fair and sustainable tourism, in particular to support:
 - (a) the development of policies to optimise the socio-economic benefits of

tourism;

- (b) the creation and consolidation of tourism products through the provision of non-financial services, training and technical assistance and services;
- (c) 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;
- (d) the involvement of local communities in the process of tourism development, in particular rural and community tourism and ecotourism;
- (e) marketing and promotion strategies, the development of institutional capacity and human resources, the promotion of international standards;
- (f) the promotion of public-private co-operation and association;
- (g) the development of managing plans for national and regional tourism development;
- (h) the promotion of information technology in the area of tourism.

ARTICLE 68: TRANSPORT CO-OPERATION

1. The Parties agree that co-operation in this field shall focus on restructuring and modernising transport and related infrastructure systems, including border crossings, on facilitating and improving the movement of passengers and goods, and on 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. Co-operation 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 co-operation 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 co-operation in the appropriate international forums aiming to ensure better enforcement of international standards;

- (e) activities that promote the development of aeronautical and maritime transport.

ARTICLE 69: GOOD GOVERNANCE IN THE TAX AREA

In accordance with their respective competences, the Parties will improve international co-operation 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 as mentioned in Article 22, Part II of this Agreement.

ARTICLE 70: MICRO, SMALL AND MEDIUM ENTERPRISES

The Parties agree to promote the competitiveness and insertion of rural and urban MSMEs and their representative organisations, 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 co-operation actions, among others:

- (a) technical assistance and other business development services (BDS);
- (b) strengthening of the local and regional institutional frameworks, to create and operate MSMEs;
- (c) support MSMEs 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;
- (d) promotion of productive linkages processes;
- (e) promotion of the exchange of experiences and best practices ;
- (f) encouragement of joint investments, partnerships and business networks;
- (g) identification and reduction of obstacles for the MSMEs to access financial sources and to create new financing mechanisms;
- (h) promotion of transfer of both technology and knowledge;
- (i) support to innovation, as well as research and development;
- (j) support to the use of quality management systems.

ARTICLE 71: CO-OPERATION ON MICROCREDIT AND MICROFINANCE

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. Co-operation shall address the following issues:

- (a) 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;
- (b) access to microcredit by facilitating access to financial services provided by banks and financial institutions through incentives and risk management programmes;
- (c) exchange of experiences in policies and alternative legislation promoting the creation of popular and ethical banking.

TITLE VII

REGIONAL INTEGRATION

ARTICLE 72: CO-OPERATION IN THE FIELD OF REGIONAL INTEGRATION

1. The Parties agree that co-operation 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. Co-operation shall support activities linked to the integration process of Central America, 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. Co-operation 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. Co-operation shall promote the development of common policies and the harmonisation 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 co-ordination of macroeconomic policies in areas such as monetary policy, fiscal policy and public finance. Co-operation may further promote the co-ordination of sectoral policies in areas such as consumer protection, environment, social cohesion, security, prevention and response to natural risks and disasters. A particular attention shall be given to the gender dimension.
5. Co-operation may promote investment in common infrastructure and networks in particular at the borders of the Republics of the CA Party.

ARTICLE 73: REGIONAL CO-OPERATION

The Parties agree to use all existing co-operation instruments to promote activities aimed at developing active co-operation between the EU Party and the Republics of the CA Party, without undermining co-operation between the Parties, between the Republics of the CA Party and other countries and /or regions in Latin America and the Caribbean in all co-operation areas subject to this Agreement. Regional and bilateral co-operation activities shall seek to be complementary.

TITLE VIII

CULTURE AND AUDIO-VISUAL CO-OPERATION

ARTICLE 74: CULTURE AND AUDIO-VISUAL CO-OPERATION

1. The Parties shall undertake to promote cultural co-operation 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 Party and the Republics of the CA Party 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 Party and the Republics of the CA Party.
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 Party and the Republics of the CA Party. Co-operation 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 co-operation 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.
5. Co-operation shall take place in accordance with the relevant national copyright provisions and applicable international agreements.
6. Co-operation 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.
7. A Protocol on Cultural Co-operation of relevance to this Title is annexed to this Agreement.

TITLE IX

KNOWLEDGE SOCIETY

ARTICLE 75: INFORMATION SOCIETY

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. Co-operation 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, co-operation shall also support the implementation of these policies and help to improve interoperability of electronic communication services.

2. Co-operation 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, that is seeking long term solutions to ensure the self- sustainability of REDClara.

ARTICLE 76: SCIENTIFIC AND TECHNOLOGICAL CO-OPERATION

1. Co-operation 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 shall 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 co-operation 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 Union;
- (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 the Parties;
- (f) development of links between the public and private sectors; special emphasis shall be placed on transfer of scientific and technological results into national productive systems and social policies, and environmental aspects and the need to use cleaner technologies shall be taken into account;
- (g) evaluation of scientific co-operation 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 centres 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 Republics of the CA Party 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 shall be put on human potential building as a long-lasting basis of scientific and technological excellence, and on the creation of sustainable links 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 shall be promoted.

3. Research centres, higher-education institutions, and other stakeholders, including MSMEs, located in the Parties shall be involved in this co-operation as appropriate.

4. 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.

5. 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.