



EU and Central America conclude successful second round of negotiations for a bi-regional Association Agreement.

Brussels, 25 – 29 February 2008

The European Commission, negotiating on behalf of the European Union (EU), and Central America¹ met in Brussels from 25 to 29 February 2008 for a second round of negotiations of a bi-regional Association Agreement. These negotiations cover the three pillars of Political Dialogue, Cooperation and Trade.

The Association Agreement between the EU and Central America seeks to enhance the political dialogue between the EU and Central America, intensify the cooperation in a vast variety of areas and facilitate bi-regional trade and investments.

Building upon the first round which took place in Costa Rica in October 2007, the Parties have now entered an active phase of negotiations based on specific proposals.

The EU welcomed the most recent achievements in the Central America regional integration process, notably the signature of the Customs Union Framework Agreement by five Central American countries. The EU and Central America expressed their hope that Panama will soon join the negotiations as an active participant, recognizing this country's efforts towards Central America regional economic integration process.

Reflecting their common values and ambitions, the Parties had an in-depth exchange of views on the objectives and principles upon which the Association Agreement will rest, in particular human rights, good governance and the rule of law, sustainable development as well as how to address asymmetries.

The Parties exchanged views on the objectives and the areas of **Political Dialogue**. They focused their discussions on a number of specific issues of interest to both sides.

In depth analysis of texts continued on **Cooperation** matters which had already been introduced in the first round, notably on the structure, the objectives, the principles and the modalities of Cooperation. The Parties had substantial exchanges of views on a large number of topics that had been first discussed during the first round. Discussions were also held on a set of cooperation issues that may allow to widen the spectrum of cooperation areas.

¹ Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama (observer).

All twelve **Trade** sub-groups met during the course of the week and good progress was made. Both sides showed engagement and willingness to move the process further in the upcoming negotiating rounds. One of the key challenges emerging from the talks is the achievement, at the end of the process, of a region to region Association Agreement to the benefit of economic operators of the EU and Central America: both sides reiterated their shared ambition on this aspect.

With regard to the next immediate steps, the Parties aim at finalising the preparation of their respective offers on trade in goods and trade in services/establishment; these first offers will be exchanged on Monday 17 March 2008. Regarding the Political Dialogue and Cooperation pillars, the Parties agreed to proceed to a timely exchange of proposals and reactions in the run up to the third round of negotiations, scheduled mid April in El Salvador. Three other rounds are envisaged this year with the objective to conclude the negotiations if possible by 2009.

Finally, the Parties acknowledged the importance of the dialogue with civil society which was present in large numbers in the margins of the negotiations.

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