

**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**

San José, 25 June 2025

**1. Foreword**

- 1.1. Under the Association Agreement, the role of the Advisory Groups is to make recommendations and provide advice to the Board on Trade and Sustainable Development to ensure that the increase in trade flows between the European Union and Central America respects and promotes sustainable development (economic, social and environmental). In exercising their role, the Advisory Groups should act independently so that the different parties to the Agreement can freely express their views and issue warnings on compliance with the commitments under the Trade and Sustainable Development Title.
- 1.2. This Joint Declaration provides input from the Central American and European Union Advisory Groups to the discussions to be held in June 2025 in San José (Costa Rica). It follows on from the contributions and approaches set out in the Joint Declarations of 2023 and 2024. Its aim is to share information and make proposals to enhance the work of the Board on Trade and Sustainable Development, with a view to strengthening the operating mechanisms and the spaces for participation provided for in the Trade and Sustainable Development Title of the Association Agreement, which we consider essential in order to improve living conditions, promote universal access to human rights and build a sustainable economic system and democratic societies.
- 1.3. We call on the Board on Trade and Sustainable Development of the Association Agreement to take account of this declaration and to disseminate it to the governments, civil society and media of the countries party to the agreement.

**2. International trade and the Association Agreement in a challenging global context**

- 2.1. In the current context of growing geopolitical and trade tensions and fragmented supply chains, we stress the importance of international trade as a key instrument for sustainable development, global stability and closer cooperation between nations. In this context, the Association Agreement between Central America and the European Union takes on even greater importance, not only because of its approach to inclusive and sustainable development but also because of its strategic potential to consolidate a bi-regional relationship based on shared values and mutual benefits. We consider this Agreement to be an important springboard for boosting economic growth, diversifying markets, strengthening productive capacities and promoting twinning between towns, all within a framework of mutual respect, technical cooperation and international solidarity.

## 2.2. Proposals

- 2.2.1. Reaffirm the political commitment of both regions to the Association Agreement, highlighting its strategic value in the current context of global trade uncertainty.
- 2.2.2. Develop a joint bi-regional trade promotion strategy that highlights the opportunities of the Agreement and promotes greater participation of key production sectors, especially SMEs.
- 2.2.3. Strengthen bi-regional supply chains through technical cooperation programmes, sustainable investment and production integration projects that are resilient to international disagreements.
- 2.2.4. Further assess the problems of sustainable development and the conditions under which businesses in the two regions of the Agreement operate.

## 3. **Trade and Sustainable Development Title**

- 3.1. The Central American and European Union Advisory Groups reiterate the importance of the Trade and Sustainable Development Title as the instrument with which the parties undertake to achieve sustainable development based on economic, social and environmental development linked to trade.
- 3.2. We stress how vitally important it is that the institutions created under the Trade and Sustainable Development Title (specifically 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 EU based on sustainable conditions. In this regard, we recognise the importance of the active participation of the trade, labour and environmental authorities, and of the various members of the Advisory Groups.
- 3.3. We stress the importance of effective communication between the Central American and European Union Advisory Groups, and the support and financial aid provided by the European Union to ensure the participation of the Advisory Groups.
- 3.4. We recognise the progress made in shaping and operating the Central American Advisory Groups. However, we are aware that there is still work to be done if the Central American Advisory Groups are to operate fully, in line with their role under the Trade and Sustainable Development Title. In this context, we await with great anticipation and interest the opportunities offered by the Global Gateway Facility for Central America, which is expected to be introduced between November 2024 and 2028. Its objectives include strengthening the role of the private sector and organised civil society as actors in and drivers of the implementation of the Association Agreement between the European Union and Central America.

### 3.5. Proposals

3.5.1. Request that the Board on Trade and Sustainable Development of the Association Agreement ensure effective and timely spaces for dialogue with the Central American and EU Advisory Groups in order to provide due oversight of the work on trade and sustainable development.

3.5.2. Make it clear that the Board on Trade and Sustainable Development supports the objectives of strengthening and promoting the actions of the Central American Advisory Groups through the Global Gateway Facility for Central America.

3.5.3. Consider both parties' Advisory Groups as the primary forum which the EU and Central American countries will consult in the context of analyses and evaluations related to the Association Agreement between the two regions with regard to the Trade and Sustainable Development Title.

## 4. **Labour rights**

4.1. Labour rights in some countries and economic sectors are still below the international standards defined by the International Labour Organization (ILO) and monitored by its supervisory bodies. Despite the ratification of Convention 87 on Freedom of Association and Protection of the Right to Organise and Convention 98 on the Right to Organise and Collective Bargaining, these rules still need to be effectively implemented. Some recruitment systems could create additional barriers to labour rights depending on each specific protection system. The relevant Advisory Groups are committed to addressing these situations by the end of this year.

4.2. The principle of decent work, which guarantees freedom, gender equality, occupational health and safety and human dignity in trade activities linked to the trade pillar of the Association Agreement, needs to be further strengthened. Moreover, the effects of climate change pose additional challenges to the protection of fundamental labour rights.

4.3. We repeat the call to foster tripartite social dialogue in order to improve wages, conditions, labour rights, productivity and the democratic system.

### 4.4. Proposals

4.4.1. Promote positive action to foster business coordination and development, as well as the improvement of working conditions along value chains, with the involvement of stakeholders.

4.4.2. Disseminate good business practices to promote tripartite social dialogue initiatives.

4.4.3. Promote tripartite social dialogue and vocational training initiatives, especially on labour law and the 2030 Agenda.

4.4.4. Support national institutions through EU cooperation and technical assistance to improve labour inspection systems.

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

4.4.6. Support strengthening of government measures to implement the ILO Core Conventions in this area:

- C029 – Forced Labour Convention, 1930 (No. 29);
- C087 – Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87);
- C098 – Right to Organise and Collective Bargaining Convention, 1949 (No. 98);
- C100 – Equal Remuneration Convention, 1951 (No. 100);
- C105 – Abolition of Forced Labour Convention, 1957 (No. 105);
- C111 – Discrimination (Employment and Occupation) Convention, 1958 (No. 111);
- C138 – Minimum Age Convention, 1973 (No. 138);
- C155 – Occupational Safety and Health Convention, 1981 (No. 155);
- C182 – Worst Forms of Child Labour Convention, 1999 (No. 182);
- C187 – Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187).

4.4.7. Ensure that national regulatory frameworks support the formalisation of employment, particularly in sectors with a high informality rate, through incentives and legal reforms respecting the principles of freedom to conduct business and protection of workers.

4.4.8. Work on occupational health and safety, an issue recognised by the ILO as a fundamental labour right.

## 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 reiterate our deep concern at the multiple and growing challenges posed by climate change. In particular, we highlight the severe impact of El Niño in the Central American region in 2023 and 2024, which caused prolonged droughts, heatwaves, forest fires and significantly irregular rainfall. A transition to La Niña has also taken place in 2025, resulting in increased rainfall and flooding in some areas, confirming the region's high vulnerability to extreme weather events. In this context, we underline the urgent need for comprehensive, inclusive and fair climate action respecting the principles of fairness and common but differentiated responsibilities.

### 5.3. Proposals

5.3.1. Enhance the European Union's 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 and installation of alternative energy sources to fossil fuels.

5.3.3. Urgently strengthen the processes to empower, train and provide technical advice to all the sectors involved in relation to the new requirements of the European Union, while respecting the institutions of each country, given that social, environmental and due diligence issues are issues that require in-depth changes and institutional adjustment in order to for them to be addressed them at each stage.

5.3.4. Promote adherence to the principles of the just and inclusive green transition in local projects developed by the European Union and by European companies in Latin America and the Caribbean.

## 6. **Civic space**

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 the European Union, Article 1 of the Association Agreement on respect for fundamental human rights and the rule of law, which is a key element of that agreement.

6.2.2. Promote permanent channels for dialogue between civil society and the European and Central American authorities.

6.2.3. Boost 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. The creation of formal employment – and the corresponding protection of labour rights – is a prerequisite for tackling migration flows in both regions. To this end, international trade and economic agreements must actively contribute to the creation of decent job

opportunities, in line with Sustainable Development Goal (SDG) 8, which promotes decent work.

7.2. The lack of improvement shown by social indicators calls for integrated and ambitious public policies. Trade must be accompanied by strategies which, coordinated with civil society and the private sector, improve quality of life and effectively address the challenges of the post-pandemic situation.

### 7.3. Proposals

7.3.1. Urge the Central American governments and the European Union to develop and implement trade strategies with a high impact on formal job creation in terms of labour rights, as means of addressing the structural causes of irregular migration and reinforcing the economic and social fabric in the two regions.

7.3.2. Design and implement comprehensive migration regularisation and economic reintegration programmes that facilitate the social stabilisation of migrants and provide viable and sustainable alternatives in their home or host countries.

## 8. **Impact of trade on sustainability**

8.1. Projected global population growth and growing demand for food make it essential to move towards a sustainable, efficient, effective and climate-resilient agricultural value chain. In this context, tangible measures should be promoted to tackle the climate crisis and preserve the environment, in particular through equitable access to water, prevention of deforestation and promotion of a sustainable agriculture model, providing support in particular to farmers living in rural areas. To establish these conditions, strong, continuous cooperation is needed between Central American countries, the European Union and other key actors to share knowledge, mobilise resources and promote joint public policies focusing on sustainable rural development and regional food security.

### 8.2. Proposals

8.2.1. Boost the development of sustainable agri-food systems as a means of achieving the SDGs, promoting social fairness and gender equality, generating decent jobs and contributing significantly to eradicating poverty in rural communities.

8.2.2. Ensure that the strategy to promote agri-food actively include small and medium-sized producers.

8.2.3. Design public policies that promote agricultural development by adopting a holistic, gender-sensitive approach that includes access to funding, technological innovation and assistance, as well as strategies differentiated according to the context and situation of each country.

8.2.4. Promote the recognition and enhancement of environmental public goods generated by the agricultural sector, promoting greater transparency in marketing processes and reinforcing practices that benefit producers, such as the use of local livestock breeds and varieties and the strengthening of local and regional markets.

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

9.1. The adoption and implementation of new labour and environmental regulations under the European Green Deal pose significant challenges for Central American countries. We are concerned about the lack of support available for Central American countries to respond effectively to these requirements. On the one hand, governments in the region face technical and budgetary constraints to properly disseminating this information and providing accessible training processes. On the other hand, SMEs, exporting companies and production chains are the most affected, as they face compliance barriers linked to a lack of knowledge, skills, technical assistance and resources to adapt to the new standards.

9.2. One of the core objectives of the Trade and Sustainable Development Title of the Association Agreement is promoting sustainable and inclusive trade between Central America and the European Union. We therefore consider it a priority to step up all measures to facilitate adaptation to the rules, local capacity-building and increased reciprocal trade under sustainable conditions.

9.3. Proposals

9.3.1. Develop a bi-annual continuous training plan updated on an ongoing basis as new regulations are approved, discussed or applied in the European Union, with a sector-based approach tailored to the different levels of knowledge.

9.3.2. Design tools and mechanisms to enable the European Union to provide direct support to Central American production sectors through technical assistance programmes, in order to facilitate the alignment of products, services and processes with European regulatory standards on human rights, environmental sustainability, labour standards and quality certifications.

9.3.3. Boost bi-regional cooperation by increasing technical and training support on the requirements to be met by Central American exporting businesses in terms of human rights, environmental sustainability, labour standards and quality certifications, in accordance with European regulations already in force and those soon to enter into force.

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

10.1. We recognise the essential role played by MSMEs in the economies of Central American countries, in terms of both their contribution to the creation of formal employment and their impact on regional development and social cohesion. In this regard, we consider it a priority to promote their effective integration into regional markets and trade flows with the European Union, making full use of the opportunities offered by the Association Agreement. To this end, the Advisory Groups underline the need for tangible measures to strengthen their capacities and reduce barriers that limit their involvement in bi-regional trade.

### 10.2. Proposals

10.2.1. Call on the European Union to develop programmes to provide technical assistance, specialised training and access to finance for Central American MSMEs, with the aim of enhancing their competitiveness and preparing them to fully access regional and European markets.

10.2.2. Promote policies and measures to facilitate intraregional trade in Central America, by simplifying procedures, harmonising regulations and improving logistics infrastructure, with the aim of generating greater economic and social benefits for the people in the region, in line with the objective of the Agreement.

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

11.1. The Advisory Groups express their deep concern at the rapid growth of the informal economy in both regions, resulting in precarious work and violation of basic working conditions, increased inequality and unfair competition in relation to formal production sectors. One of the contributing factors is the substantial bureaucratic burden faced by micro and small enterprises, which makes it hard for them to formalise and integrate into value chains. This situation prevents the trade opportunities generated through relations between Central America and the European Union being fully exploited.

11.2. We consider it urgent to promote a joint effort between the two regions to facilitate the transition from informal to formal economic sectors, through clear conditions that are accessible and adapted to the Central American context. This would help to improve working conditions, expand productive opportunities and enhance economic inclusion under the Association Agreement.

### 11.3. Proposals

11.3.1. Design and implement a joint Central America and European Union work plan aimed at reducing red tape, simplifying administrative formalities and promoting the formalisation of MSMEs. This plan must be adapted to the level of development of each Central American country, with the aim of boosting each country's participation in bi-regional trade and the equitable use of the Association Agreement.

## 12. **Entry into force of the entire Association Agreement**

12.1 Following the entry into force of all pillars of the Association Agreement last year, it is necessary to shape the governance of the other two pillars, namely those on political dialogue and cooperation, as well as the interrelationship between the pillars and the overall consistency of the Agreement.