



## **Report of the second meeting of the Board on Trade and Sustainable Development to the Civil Society Dialogue Forum**

### **Association Agreement between the European Union and Central America**

**27-28 May 2015**

The Board on Trade and Sustainable Development (hereinafter referred to as the Board) of the Association Agreement between Central America and the European Union (hereinafter referred to as the Agreement) met on 27 and 28 May 2015 to follow up the implementation of Title VIII on Trade and Sustainable Development.

On 29th May the Board met with the Civil Society Dialogue Forum (hereinafter the Forum) to exchange views on the topics discussed in these meetings.

#### **State of progress of the establishment and functioning of the advisory groups**

The Parties exchanged information on the establishment and progress in the work of the advisory groups.

Panama stated that it is still in the process of establishing advisory groups and undertook to finalise this process and report to the Board by the first of October 2015. In the case of El Salvador the establishment of the advisory group is partially completed and once the process is complete it will inform the Board. Honduras stated that the advisory group is analysing its composition in accordance with the Agreement.

The parties stressed the usefulness of this mechanism as a tool for strengthening public-private dialogue on trade and sustainable development.

#### **State of play of international environmental agreements**

Concerning multilateral environmental agreements the Parties shared information on the main areas of progress since the last Board meeting, which took place in November 2014 in Managua, Nicaragua. Some Parties made reference in particular to CITES, the Convention on Biological Diversity and progress in ratification of the Minamata Convention. The EU shared its position regarding the next meeting of the Inter-American Tropical Tuna Commission, in particular concerning the capacity of the tuna fleet and its relationship to the sustainable use of fisheries resources and on port state measures in port for foreign ships as a measure to prevent illegal, unreported and unregulated fishing. It was agreed that the Board would facilitate contacts between the relevant authorities.

The Parties give particular emphasis to efforts made in the implementation of the United Nations Framework Convention on Climate Change (hereinafter UNFCCC), highlighting their common interest in attaining the objectives of this Convention.



The Board recognised the particular vulnerability of the Central American region to the effects of climate change. It noted the importance of working together on adaptation and mitigation, and the contribution that the work of the Board can make in this regard.

Costa Rica reported that in preparation for COP 21 it will submit its national contribution (INDC) in September this year. It is committed to ambitious emissions reduction targets and actions on adaptation. Costa Rica mentioned several ongoing actions on climate change, including in the agriculture sector through an initiative called "Towards a Low-Carbon Coffee Sector". Costa Rica is the first country to implement a NAMA in this sector and intends to transform coffee production through this project.

Guatemala explained the problem of climate change, especially with respect to drought and also on progress in implementation, highlighting improvements to legislation, capacity building, preparation of technical reports, considering these points in relation to its national position that it will take for COP 21, Paris 2015.

Honduras emphasised issues such as improvements to legislation, creation of an inter-institutional committee on climate change, inter-institutional skills training, partnerships, cooperation with international institutions specialising in the field of finance and technical assistance as well as projects and investment in renewable energy and actions in the forest sector.

Nicaragua drew attention to the detrimental effects of climate change, in particular in highly vulnerable areas of Nicaragua, which are experiencing a period of drought for the second consecutive year. This has affected thousands of families in the Dry Corridor (Pacific area of Nicaragua). It called for support for measures for mitigation of and adaptation to climate change. In addition, Nicaragua reported on efforts to change its energy matrix through the promotion of investment in renewable energy.

Panama stated that it had reactivated its national committee for climate change and is defining its INDCs, which will be presented later this year. It has also identified 4 NAMAs on pig farming, urban mobility, energy and water and sanitation. As of this year it will work in its third National Communication and first Biennial Report and on three emissions inventories for the reference years 2005, 2010 and 2013, as well as on an adaptation strategy.

El Salvador highlighted the work of the Government in continuing to strengthen the agricultural sector and industry in this area through the Environmental Strategy of Adaptation and Mitigation of Climate Change in the Agriculture, Forestry and Aquaculture Sectors, which aim to strengthen the agriculture sector in the light of damaging effects of climate change. El Salvador described the negative impact it had suffered as a result of the coffee rust "roya" in coffee cultivation during 2014.

The European Union stated that it foresees that it will meet or exceed its target for greenhouse gas reduction target by 2020. It had set a further emissions reduction target of 40 per cent by 2030. Together with Costa Rica it reported on progress in negotiations on the plurilateral Agreement on Environmental Goods and stressed the contribution that this agreement will have on the fight against climate change, as well as positive impacts on the solution of other



environmental problems. They invited other members of the Board to consider their participation in these negotiations.

### **State of play on international labour conventions**

Costa Rica described progress made in implementation of Convention 182 on the worst forms of child labour. In this regard it stated that on the 4<sup>th</sup> May 2015 the Government launched a Roadmap to make Costa Rica a country free of child labour. This initiative focuses on protecting children and adolescents aged 5 to 17 at risk of becoming involved in the worst forms of child labour. The Roadmap sets out six impact pathways and includes actions by various institutions, social organisations and NGOs working in this field. Costa Rica also provided information on the two main government programmes providing support to under-18 year olds at social risk conditions in order for them to remain in the education system. Furthermore, Costa Rica stated that the Ministry of Labour has submitted a draft Act to the Legislative Assembly on ratification of the Protocol to the Forced Labour Convention of the ILO.

Guatemala highlighted progress on Convention 29 on Forced Labour, describing work of the Ministry of Labour for the implementation of this Convention with regard to the signature of the Protocol, specifically on issues relating to human trafficking, child exploitation and other related aspects. It also provided information on progress in the implementation of Convention 87 on Freedom of Association and Protection of the Right to Organise and Convention 182 on the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour as well as the implementation of the Roadmap with regard to child labour.

El Salvador presented progress in the implementation of the Convention on the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour, highlighting in particular its compliance and actions carried out during the years 2011-2014. In this regard it underlined different actions targeted at: the implementation of a roadmap for the year 2014-2015, the inclusion of the issue of child labour in the National Policy on Childhood and Adolescence. As part of the above-mentioned steps it outlined achievements in the coffee sector, which is one of the main export products of El Salvador. Progress has been made as a result of inspections by the authorities responsible for employment matters and for the elimination of the worst forms of child labour as well as through guarantees of access to education.

Nicaragua presented progress in the implementation of Conventions 87 on Freedom of Association and Protection of the Right to Organise and Convention 98 on the Right to Organise and Collective Bargaining. These developments have been made possible by the policy promoting dialogue, partnership and consensus between employers, trade unions and the Government through the Ministry of Labour.

Panama informed the Board that the new National Government had ratified Conventions 144 on Tripartite Consultation and 189 on Domestic Work. With regard to implementation of Conventions 87 on Freedom of Association and 98 on Collective Bargaining, legal recognition of trades unions had been reactivated, as a result of which 8 had been formally recognised between July 2014 and May 2015. It was highlighted that Panama maintains a



policy of tripartite dialogue, and in this regard has strengthened the (2) Dialogue groups or committees of Panama's Tripartite Agreement, namely: the Adequacy Committee of the Tripartite Agreement ("Adequacy Committee") and the Committee on Rapid Treatment of Complaints on Freedom of Association and Collective Bargaining ("Complaints Committee"). These will harmonise national legislation and practices under Conventions 87 and 98 and settle labour disputes in this area. The Adequacy Committee is examining issues concerning the right to organise in the public sector, and in the "Complaints Committee" is reaching agreements through on reimbursement and the payment of wages with regard to 44 public sector workers made redundant. With regard to the Conventions on child labour, Panama stated that it has managed to decrease sharply to almost half the figures of child labour to Panama, from 50,410 in 2012 to 26,710 in 2014.

Honduras provided information on actions for the fulfilment of the ILO conventions. These actions include, inter alia: strengthening of the Labour Secretariat, improvement in compliance with existing labour legislation, consultation with society and drafting of new legislation for approval as well as social dialogue. Examples provided included the adoption in 2015 of a law on Equal Pay (C. 100) and a framework law on Social Protection for a Better Life (C. 102). On implementation reference was made to progress on labour inspection (C. 81) and the bright future programme under the fight against child labour (C. 182).

The EU described recent developments as regards ratification of ILO conventions since our last meeting and in particular the ongoing work to ratify the Forced Labour Protocol. The EU also presented its policy and regulations on occupational health and safety and the involvement of social partners in their development and implementation. Furthermore the EU outlined its efforts to promote occupational health and safety and the wider decent work agenda globally and suggested cooperation in this area. The EU stressed the need to strengthen labour rights in line with ILO recommendations through policies, legal and regulatory reforms and other actions. In response to questions from the EU on progress in this regard, Central American parties provided additional clarifications.

### **Development of a positive agenda for trade and sustainable development**

As a follow-up to what was agreed during the first meeting of the Board on building a positive agenda and in accordance with the commitments set out in the Title on Trade and Sustainable Development, the Board agreed to work on the following issues:

- Exchange of information and best practices on trade-related environmental regulations, such as measures for the implementation of the Montreal Protocol and of the Basel, Rotterdam and CITES agreements.
- Encouraging actions that promote trade and investment in environmental technologies and services, renewable energy and energy efficiency, in particular by deepening knowledge on global value chains linked to green technologies.
- Promoting trade in products that respond to sustainability considerations, such as fair and ethical trade schemes, eco-labelling, organic production, corporate social responsibility and accountability, including through training and communication with the productive sectors.



- Promote the economic benefits of the conservation and sustainable use of the environment through activities such as sustainable tourism, payment for environmental services schemes and carbon markets, in particular on deepening understanding of the European scheme (ETS).

As a follow-up to the conclusions of the first meeting of the Board, the parties agreed to explore additional activities on labour and social issues within the positive agenda, including decent work in production chains. The EU proposed to include the issues of child labour, social dialogue, labour inspection and occupational health and safety. The Board agreed to take into consideration the commitments in the Title on Trade and Sustainable Development, work carried out by relevant international organisations, as well as the priorities of the Parties. The parties will reflect on labour and environmental issues with a view to agreeing on activities and further developing the positive agenda not later than the 1<sup>st</sup> October.

### **Cooperation**

A presentation was made of EU cooperation instruments for the period 2014 to 2020, and general programming of cooperation for the region and countries with bilateral programmes, including themes linked to the agenda of the Board, in particular climate change and risk management, regional economic integration, decent work, security and the rule of law, including cross-cutting aspects of sustainability in economic, environmental and social terms. The Board identified opportunities to advance its work programme by prioritising fields of interest in such cooperation programmes.

### **Next steps**

The Board agreed a number of practical steps to follow up on its work programme.

Brussels, Belgium, 28th of May 2015