



REPORT OF THE THIRD MEETING OF THE BOARD ON TRADE AND SUSTAINABLE DEVELOPMENT TO THE CIVIL SOCIETY DIALOGUE FORUM

EU-CA ASSOCIATION AGREEMENT

Tegucigalpa DC, Honduras, June 17, 2016

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 15 and 16 June 2016 to review implementation of Title VIII on Trade and Sustainable Development.

Update of the status of the Advisory Groups

The Board exchanged information on developments in the establishment and composition of Advisory Groups. In response to a question from the European Union El Salvador clarified that it will send an updated list of the members of its advisory group representing labour and environmental sectors.

Panama confirmed its notification in October 2015 of the establishment of its Advisory Group. The group is comprised of representatives of private sector, unions (or workers' unions) and environmental groups. The invitation remains open for new members from various interested sectors.

In addition, at the request of the European Union, Honduras will send an updated list of members of its Advisory Group.

The Board highlighted the organisational work of the Honduras Advisory Group with regard to the preparation of the agenda of the meeting of Advisory Groups, the meeting of the Civil Society Dialogue Forum and the workshop on "Schemes and Trade Practices for Sustainable Development".

Progress in the implementation of the articles of the Title on Trade and Sustainable Development related to labour aspects in the framework of the ILO

Costa Rica reported on the recent approval of the Reform on Labour Procedural Law or Act "Law on Reform of Labour Procedures", which is the most important reform of labour law in the last sixty years. Through this reform the labour proceedings are much faster and efficient; also the possibility of free legal advice is included, and strengthening of the right to strike by reducing the minimum percentage to legalize such union actions.

El Salvador set out what it had presented at the ILO Conference with regard to ILO Convention 87 on Freedom of Association. It drew attention to the reactivation of the National Committee for the Elimination of the Worst Forms of Child Labour and the implementation of its strategy. In addition, a national system of indicators has been established and tools have been designed for the inspection process as regards dangerous work to the recovery and reintegration of



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children so that they engage in activities corresponding to their age. Through a preventive approach, the Ministry of Labour has established special plans for areas of work where children may be involved such as sugar production, fireworks manufacture, etc. This has resulted in a decrease of 19,409 girls, boys and adolescents involved in the worst forms of child labour.

With regard to labour law reform the following were highlighted: constitutional reform for the unionisation of public sector workers; amendments to the Civil Service Act with regard to unionisation and collective bargaining in the public sector; adoption of the General Law for the Prevention of Risks in the Workplace and its implementing regulations; adoption of rules for voluntary retirement in different sectors through a legislative decree; adoption of the Law on Breast Feeding; a Decree increasing maternity leave to 4 months in the public and private sectors; as well as the modernisation of different services such as a virtual platform, an app for the calculation of benefits and the National Labour Inspection System (SNIT), amongst others.

Guatemala stated that an ILO mission that took place in 2015 in relation to the implementation of ILO Convention 87 had developed a list of indicators based on information presented by Guatemala. Since then it has worked on a Road Map for implementation of Convention 87 based on these indicators. Actions taken at institutional level were also presented on the prevention and elimination of Child Labour in order to implement ILO Conventions 138 and 182.

Honduras informed that a new "Labour Code" has been submitted to the National Congress for approval. The Code includes, amongst others, innovative reforms on preliminary injunctions and accelerated judicial processes in order to improve labour law procedures and thereby improve the timely delivery of justice through due process.



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A draft law on Labour Inspections has also recently been submitted, which sets out preventive and dissuasive measures to avoid labour law infringements and to allow workers' rights to be restored as quickly as possible. As a result of this modernisation a Technical Inspection Unit has been created to monitor the effectiveness of inspectors, the certification of companies as a means of improving compliance and competitiveness, sanctions for violations of freedom of association, for denial of collective bargaining, obstruction to inspections and in general to ensure respect for workers' fundamental rights. In the administrative sphere the service has been strengthened with the recruitment of 50 new inspectors at national level.

Nicaragua highlighted the functioning of the "model alliance of government, workers and small, medium and large businesses" which has promoted the adoption of key decisions for the economic and social development of the country in a harmonious way in all sectors.

Panama highlighted significant progress on child labour, freedom of association and forced labour, which show the effective work that MITRADEL and other institutions of the State have carried out to effectively implement the conventions on fundamental labour rights. It also highlighted its achievement in occupying the first place in Latin America with the lowest incidence of child labour. With regard to the work of the Committee of the Tripartite Agreement of Panama, it had prepared a legislative proposal on collective labour relations in the public sector and had granted for the first time legal personality to a trade union in the public sector (SINTE). Panama also reported the closure by the ILO Committee on Freedom of Association of cases 3048 (CTRP) and 2868 (CGTP) as the complaints had been resolved.

Similarly, Panama communicated its aspiration to become a country of zero tolerance to the offence of human trafficking and the progress in the ratification of the 2014 Protocol on Forced Labour (Convention 29). On gender issues it had taken action through the design of the national plan for equal work and the holding of awareness-raising and capacity-building workshops to promote gender equality at work. It also highlighted progress made in implementation of the 2015-2019 Action Plan (PPIOM) on equal opportunities for women. Panama had also taken actions to implement ILO Convention 189 on domestic work, which it has ratified.

The EU mentioned its participation in a number of initiatives on global value chains and the promotion of decent work in them, collaborating in particular with the ILO and the OECD. Specifically, it mentioned its participation in G7 and G20 initiatives in the field of health and safety at work in global supply chains and its support for the G7 Vision Zero Fund. The new EU trade policy 'Trade for All' emphasises, inter alia, the responsible management of supply chains.

With regard to social dialogue, the EU highlighted the importance of the involvement of social partners in training and implementation of policies and legislation. The EU informed about a

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new start for social dialogue at European level, with better involvement of social partners in coordination of economic policies at the European level, including support for the development of capacities of the social partners.

In the field of gender equality, the EU highlighted that Council Conclusions on responsible global value chains stressed the importance of gender equality and the full, equal and effective participation of women at all levels of decision-making. In its work programme the European Commission reiterates its commitment to promoting gender equality in Europe.

In response to questions from the EU the Central American countries clarified some aspects of their presentations, in particular Guatemala and El Salvador with regard to concerns on the implementation of the ILO Convention 87 (Freedom of Association) issued by the ILO Council the previous week.

Progress in the implementation of the articles of the Trade and Sustainable Development Title relating to the environment

Costa Rica indicated that under the Paris Agreement it had undertaken to reduce per capita emissions of greenhouse gases from the current 2.4 tonnes to 1 tonne in 2050, which exceeds the recommendations of the international scientific community. Furthermore, the Costa Rican productive sector is working on a number of innovative productive practices and technological changes to reduce the carbon footprint in the banana, sugar cane, livestock and coffee sectors

Costa Rica and the European Union emphasised the importance of the recently adopted Paris Agreement and welcomed the new global scheme to work together to reduce the effects of climate change.

In general, both regions expressed their interest in continuing to work on measures to reduce the impact of climate change at global level.

El Salvador reported that in its Five-Year Plan it promotes sustainable economic development that promotes the compatibility of the economy and the protection and conservation of natural resources. Through its Climate Change and Biodiversity Strategies it promotes ecosystem restoration programmes through productive activities that are resilient to climate change. The programme on Restoration and Reforestation of Ecosystems is working on sustainable production of coffee, sugar cane and fish and on mangrove protection. Ecosystem restoration work is ongoing in five strategic areas comprising three biosphere reserves.



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The Ministry of Environment in coordination with MAG MINEC and CENDEPESCA, works for the effective implementation of regulations, as well as the development of new tools to address gaps to implement commitments made in international conventions.

Guatemala reported on progress of the Ministry of the Environment and Natural Resources in the implementation of Multilateral Environmental Agreements, in particular those relating to Organic Pesticide Pollutants, diagnostic processes for issuing environmental licenses, the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) as well as training on the Cartagena Protocol.

The European Union and Guatemala expressed their interest in promoting the inclusion of the species of the genus *Dalbergia* in Appendix II of CITES. Guatemala highlighted the importance of entering into communication with other countries to support its proposal, which covers all associated species.

Honduras has adopted most international policy instruments for the sound management of chemicals and gradually incorporating them into national development policies. In the specific case of the Minamata Convention it is working on an initial assessment and on a National Action Plan for Artisanal Mining in order to meet national needs and future commitments on mercury under the Convention. With regard to climate change Honduras is committed to meet a target of the afforestation or reforestation of 1 million hectares of forest by 2030. In addition, through its nationally appropriate mitigation actions (NAMA) on energy-efficient cooking stoves for family use it hopes to reduce the consumption of firewood for cooking by 39%, which contributes significantly to the fight against deforestation. Other measures highlighted include the identification and design of NAMAs in the agriculture and transport sectors as well as fuel-efficient stoves.

Nicaragua highlighted ongoing action to mitigate the effects of climate change, in particular through reforestation, silvopastoral systems, prevention of forest fires and the sustainable management of river basins, among others. It also noted that, in line with the Rio principle of "common but differentiated responsibilities" climate change is a responsibility of all, but especially of those countries with the highest greenhouse gas emissions.



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Panama informed about its support for proposals made for the inclusion in CITES of certain wildlife species (sharks and rays) and plant species (timber species of the *Dalbergia* genus); progress in the implementation of the Cartagena and Nagoya Protocols of the CBD through cooperation projects and sectoral committees, respectively; its forthcoming ratification of the Paris Agreement on climate change and of the Convention Establishing the International Centre for Implementation of REDD (ICIREDD); the ratification of the Doha Amendment to the Kyoto Protocol; the implementation of the Montreal Protocol by strengthening control and training and the definition of its focal point for the network on chemical and waste established by the Forum of Ministers of the Environment of Latin America and the Caribbean in order to follow-up implementation of the Basel, Stockholm and Rotterdam Conventions.

The European Union underlined its participation for the first time as a member rather than as observer in the Conference of the Parties to CITES in Johannesburg in September 2016, following the entry into force of the Gaborone Amendment to the Convention. The entry into force of the amendment was made possible thanks to ratification of the Amendment by the countries of Central America, in compliance with the provisions of the Trade and Sustainable Development Title.

Costa Rica and the European Union informed about the state of play of negotiations on the Plurilateral Agreement on Environmental Goods and offered to provide further information, inviting other countries to participate in these negotiations.

The European Union referred to its proposals in discussions in the Montreal Protocol concerning the inclusion of CFC gases in that Protocol. The EU also provided information on the adoption of an EU plan to combat illegal wildlife trade, as well as a package of proposals to promote the circular economy. These proposals include possible future standards to facilitate the recycling of manufactured products placed on the European market.

Finally, the EU mentioned the adoption of a new trade policy 'Trade for All', in which it emphasises that trade must also respect values such as decent work and respect for the environment.



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Discussion of the positive agenda for trade and sustainable development

Both regions reflected on the importance of identifying concrete actions that can further develop the priorities identified to develop a Positive Agenda that promotes Trade and Sustainable Development in all its dimensions. To this end it was agreed as follows:

Cooperation

The European Union provided information on the current state of play and programming of regional cooperation. Based on the information provided, the participants discussed the opportunities to include issues related to trade and sustainable development within the cooperation agenda and agreed to work together to this end.

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