




# CENTRAL AMERICA ASSOCIATION AGREEMENT

The **EU and Central America have maintained close relations for decades**, dating back to the support European countries gave to peace efforts and Central American democracies in the 1980s.

The **Association Agreement** between the EU and Central America provides the legal basis to further develop and expand the bi-regional relationship. Following the completion, this year, of the ratification procedures, this relationship now receives a new impetus with the full entry into force of the agreement on 1 May 2024, with its the **three pillars** covering:



POLITICAL DIALOGUE



COOPERATION



TRADE

The three pillars are mutually reinforcing and designed to jointly **support economic growth, democracy, and political stability in Central America**. Under the agreement, the two sides can work together on a wide variety of issues of common interest, ranging from trade and sustainable development, institutional strengthening, and the promotion of cooperation in areas such as reforestation, the fight against climate change, and digitalisation.

## POLITICAL DIALOGUE

The political pillar of the EU-Central America Association Agreement establishes a **privileged political partnership**. It will elevate our political dialogue with Central American partners to a ministerial level with the future creation of the Association Council.

The agreement aims at **defending common values, principles, and objectives** through their promotion at the international level, in particular at the United Nations. Of equal relevance is the work to strengthen the United Nations Organization as the core of the multilateral system, in order to enable it to tackle global challenges effectively.

## TRADE

[The trade pillar of the EU-Central America Association Agreement](#) has been provisionally applied since 2013. It has already played an important role in promoting trade and investment between Europe and Central America.

TRADE FLOWS BETWEEN EU-CENTRAL AMERICA:

**€22 Billion** In 2023

TRADE IN GOODS BETWEEN THE EU AND CENTRAL AMERICA **GREW BY 154%** UNDER THE 2012 ASSOCIATION AGREEMENT

This Association Agreement aims at fostering **trade and sustainable development**, including, for example, environmental and labour standards, and **deepening the process of regional integration**. Closer economic integration between the countries of Central America is important for attracting investment to the region and helping local businesses develop their strength in their regional market, so they can better compete internationally.

### EXAMPLES:



#### Protection of geographical indications

Central American geographical indications are protected in European markets, just as European ones are in Central America. These include emblematic products such as **rum from Guatemala, Marcala coffee from Honduras, bananas from Costa Rica, Seco from Panama, and pupusas from El Salvador**, among others, and Baix-Ebre-Montsía Oil from Spain, Tiroler Speck from Austria, Aceto balsamico tradizionale di Modena from Italy, and Danablu cheese from Denmark.



#### Coffee

In 2019, **13%** of the coffee consumed by Europeans came from Central America. Honduras is one of the main suppliers of organic coffee to EU countries.



Global  
Gateway

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## COOPERATION

The EU is committed to support inclusive and sustainable development to the benefit of all. Over the past decades, cooperation between the EU and Central America has evolved from supporting peace efforts to a **comprehensive partnership** covering many areas of mutual interest, such as fostering good governance and transparency, facilitating trade, promoting sustainable agriculture, improving food security, supporting Small and Medium Sized Enterprises, creating economic opportunities and digital skills for youth, and many more.

The partnership between the EU and Central America will be boosted by the **EU's Global Gateway investment strategy**. Global Gateway is the European strategy to support key infrastructure in its broad definition and improve global and regional connectivity in the digital, climate, transport, health, energy, and education sectors.

### EXAMPLE:

**Global Gateway** – Protecting the “Five Great Forests of Mesoamerica”



This Team Europe initiative seeks green investments in the five remaining great forests of Central America - covering southeast of Mexico, Belize, Guatemala, Honduras, Nicaragua, Costa Rica, and Panama - to support forest governance and biodiversity. One of its main objectives is the protection of 10 million hectares of forest by 2030.

