

# Generalised scheme of tariff preferences

2021/0297(COD) - 17/05/2022 - Committee report tabled for plenary, 1st reading/single reading

The Committee on International Trade adopted the report by Heidi HAUTALA (Greens/EFA, FI) on the proposal for a regulation of the European Parliament and of the Council on applying a generalised scheme of tariff preferences and repealing Regulation (EU) No 978/2012 of the European Parliament and of the Council.

The committee responsible recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the proposal as follows:

## Mandatory action plan

Members supported the proposal for a mandatory action plan to be presented when applying the GSP+ regime and believe that this should be the main reference instrument for achieving the **effective application of international conventions** (i.e. the main UN/ILO conventions on human rights and labour rights, as well as the conventions on climate, environment and good governance principles).

The ‘action plan’ is defined as a public forward-looking plan of action detailing priority-oriented list of measures to be taken which are considered necessary to effectively implement the relevant international conventions.

Members proposed to supplement the Plan of Action proposed by the Commission with further details, deadlines and a disclosure requirement. Furthermore, an advisory body consisting of stakeholders should be established to assist the Commission in assessing the Plans of Action and in the monitoring effort related to beneficiary country commitments.

## *Ratification of international conventions*

In order to further contribute to sustainable development and poverty eradication under the GSP and EBA schemes, Members consider that it is essential to foster positive conditionality on international conventions by encouraging beneficiary countries of the standard GSP and EBA schemes to ratify the conventions.

The standard GSP arrangement should be granted to all those developing countries which share a common development need and are in a similar stage of economic development and which have committed to signing and ratifying the international conventions referred to in Annex VI. If these countries do not ratify the international conventions within five years of the application of the trade preferences, the scheme should be suspended.

In view of their economic vulnerability, EU assistance should provide targeted support to beneficiary countries to meet their commitments and obligations to ratify and implement international conventions under the GSP schemes.

## *Monitoring process*

The report introduced more structure and detail into the monitoring process of GSP and EBA beneficiary countries. Continued and sustained progress towards ratification of the international conventions covered by the Regulation should be carefully monitored by the Commission.

Where compliance with the obligations set out in the Regulation seriously deteriorates, the Commission and the EEAS should **intensify the dialogue** with beneficiary countries. If the Commission considers that there is sufficient evidence that a beneficiary country is seriously and systematically violating the principles laid down in the international conventions, it should immediately initiate the temporary withdrawal procedure. Where violations are exceptionally serious, the Commission should activate the rapid reaction mechanism.

### ***Regular dialogue***

The Commission should maintain a regular dialogue with civil society representatives and stakeholders to discuss, monitor and evaluate the implementation of the Regulation, in particular with regard to binding commitments and action plans submitted in the context of GSP+ applications. Where appropriate, the Commission should adopt public procedures and deadlines for consultation with civil society and stakeholders.

In order to strengthen the dialogue between the EU institutions, the European Parliament should invite the Commission and, where appropriate, the Council, to appear before the competent committee to discuss in particular the list of issues describing the implementation and application of the Regulation and the need for temporary withdrawal of preferential arrangements.

### ***Trade and sustainable development***

Members consider that the GSP should be linked to EU development assistance to ensure coherence and improve the impact of the GSP on sustainable development.

In order to fully exploit GSP preferences, EU development assistance instruments should help beneficiaries to foster productive capacities, economic and export diversification, value-addition and inclusive sustainability, in order to help beneficiaries to mainstream the opportunities offered by GSP benefits into their national policies. Members believe that the GSP should provide **additional incentives** for trade in sustainable products.

The implementation of the GSP scheme should also be integrated into the current discussions on EU initiatives. The EU should engage with beneficiary countries to help them achieve and implement **international social, environmental and human rights standards**, while taking into account the level of development of the countries. Members drew attention to the fact that the GSP scheme has the potential to contribute positively to the employment and empowerment of women.

### ***Withdrawal process***

Withdrawal should be seen as the very **last option**. The report proposed to include an Enhanced Engagement process in the Regulation, with specific steps for avoiding a withdrawal scenario. It also proposed to bring additional clarity to the threshold for what constitutes a ‘serious and systematic violation’ of the international conventions consequently leading to launching an investigation for withdrawal.

### ***Product Graduation***

Product graduation should not apply to GSP+ and EBA beneficiary countries.

Members stated that the Commission should monitor, in cooperation with stakeholders and civil society, the **development and export potential of beneficiary countries that could potentially reach the Upper Middle-Income Status**. This monitoring should aim to improve the targeting of sensitive products under the product graduation mechanism, provide clear recommendations on actions to improve export

diversification and ensure that tariff preferences under GSP are withdrawn from competitive products in order to provide further opportunities in the EU market for the exports of countries most in need.