



European Union's GSP+ scheme

January 2017

1. Main features of GSP+

EU's **Special Incentive Arrangement for Sustainable Development and Good Governance, GSP+**, is part of EU's unilateral tariff preferences in favour of developing countries, the *Generalised Scheme of Preferences, GSP*, which was revamped as of 1 January 2014¹.

The GSP+ scheme is designed to help developing countries assume the special burdens and responsibilities resulting from the ratification of 27 **core international conventions** on human and labour rights, environmental protection and good governance as well as from the effective implementation thereof². It does so by granting **full removal of tariffs on over 66% of tariff lines** covering a very wide array of products including, for example, textiles and fisheries.

The GSP Regulation sets **strict and clear criteria for granting GSP+**³. Firstly, the applicant must meet economic criteria, i.e. it must be a vulnerable developing country with a non-diversified economy and low level of imports into the EU. Secondly, the country must have ratified the 27 international conventions required under GSP+, it must not have formulated reservations which are prohibited by these conventions, and the most recent conclusions of the monitoring bodies under those conventions must not identify any serious failure to effectively implement them.

¹ Regulation (EU) No 978/2012 of the European Parliament and of the Council of 25 October 2012 applying a scheme of generalised tariff preferences ("GSP Regulation")

² Recital 11 of the GSP Regulation

³ Article 9

There are **currently 8 GSP+ beneficiaries**: Armenia, Bolivia, Cape Verde, Kyrgyzstan, Mongolia, Pakistan, Paraguay and the Philippines. More countries can apply to become beneficiaries in the future, if they meet the abovementioned criteria. Sri Lanka applied for GSP+ beneficiary status in July 2016 and on 11 January 2017 the Commission adopted a delegated act proposing to grant that status to Sri Lanka. The act is currently being considered by the European Parliament and the Council.

2. GSP+ monitoring

The new GSP Regulation⁴ provides for **continuous monitoring** of the GSP+ beneficiaries' obligations. Once a country is granted GSP+, the Commission and the European External Action Service (EEAS) must, therefore, monitor that it abides by its commitments, namely to:

- maintain ratification of the international conventions covered by GSP+;
- ensure their effective implementation;
- comply with reporting requirements;
- accept regular monitoring in accordance with the conventions; and
- cooperate with the Commission and provide all necessary information.

In order to meet its monitoring responsibility, the Commission prepares a **List of Issues ("scorecard")** for each GSP+ beneficiary, which serves to measure the GSP+ countries' compliance with the abovementioned commitments. Beneficiaries receive their individual scorecard upon GSP+ entry or immediately thereafter.

The scorecard is a clearly structured document highlighting salient shortcomings which should be addressed by the beneficiary in order to effectively implement the conventions. The **basic elements of the scorecard are the shortcomings identified by the monitoring bodies of the relevant core international conventions** and which are set out by the Commission in its assessment of the GSP+ entry applications.

⁴ Article 13
11/01/2017

The entry assessment thus constitutes a first ‘snapshot’ of a beneficiary's situation; scorecards then build on this analysis with a view to further identifying the issues that beneficiaries will be expected to address. Naturally, all scorecards look different reflecting each beneficiary's performance under the various conventions.

The Commission and EEAS then establish a **dialogue on GSP+ compliance** with the authorities of the beneficiary countries, drawing their attention to the areas identified in the scorecards. In particular, at regular intervals (at least once a year), they engage with the beneficiaries who are expected to demonstrate their serious efforts towards tackling the issues set out in the scorecards. Over time, other information may be added to the scorecards, submitted by stakeholders (civil society, social partners, business), the European Parliament and the Council.

The current GSP+ scheme is in place until the end of 2023. This means that scorecards will be measuring the evolution of beneficiaries' performance over a long term and, thus, need to be updated regularly to reflect developments on the ground, for example the issuing of new reports by the monitoring bodies, information submitted by third parties and, of course, the countries' progress in implementation.

3. Reporting to the European Parliament and to the Council

Every two years, the Commission must present to the European Parliament and to the Council a **status report** on the compliance of GSP+ countries with reporting obligations under the conventions and the status of the effective implementation thereof. The first such report, covering the period 2014-15, was issued in January 2016⁵; the Annex to the report contained a detailed assessment of each beneficiary's situation under the 27 conventions⁶. The next report, covering the period 2016-17, will be issued in January 2018.

The GSP+ dialogue and the scorecards are fundamental for the preparation of the report. The report may, however, also include information submitted by third parties, including civil society, social partners, the European Parliament and the Council.

⁵ http://trade.ec.europa.eu/doclib/docs/2016/january/tradoc_154180.pdf

⁶ http://trade.ec.europa.eu/doclib/docs/2016/january/tradoc_154178.pdf

In addition, the Commission and EEAS regularly debrief Member States and the European Parliament on the situation in GSP+ beneficiary countries through the relevant working groups.

4. GSP+ and other trade policy instruments

GSP+ is an independent legal instrument which **co-exists with a number of other legal instruments related to the import of goods** into the EU, such as anti-dumping/countervailing duties legislation, rules on Illegal, Unreported and Unregulated (IUU) fishing, anti-circumvention measures etc.

GSP+ does not shield its beneficiaries from the application of these other instruments. For example, anti-dumping or countervailing duties can be imposed on products which enjoy GSP+ benefits. Likewise, if a beneficiary is found to breach IUU law, then measures under EU's IUU rules can be taken (including a ban on imports of fisheries products). Thus, all regulations dealing with unfair imports into the EU apply in full also vis-à-vis GSP+ beneficiaries.

Moreover, even in case of fair competition, EU producers are still entitled to protection. In particular, the GSP Regulation contains **safeguard provisions** allowing EU producers to request the re-introduction of tariffs under certain conditions.