



LDAC Advice:

Response to the European Commission Online Public Consultation on a new Regulation establishing the European Union's Generalised Scheme of Preferences (GSP)

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*** C.1 Do you think that international trade can contribute to eradicating poverty in developing countries?**



Yes, it can make an important contribution

C.2 If you would like to explain or give reasons for your answer, please do so here:

With the signing between the EU and a growing number of non-developing countries of Free Trade Agreements (FTAs) that also include duty free access to the EU market, the benefits of the preferential treatment offered to developing countries might have been reduced, as the potential offered by preferential access under GSP/GSP+/EBA to eradicate poverty has diminished as a consequence¹.

There should be better coherence when ratifying free trade agreements with third countries between purely commercial objectives and the sustainable use of marine raw materials. Provide incentives for sustainable resource management by third countries and fishing operators flying their flags. FTAs should include reinforced chapters on sustainable development that address specific fishery concerns and that explicitly reinforce the requirements of the EU IUU Regulation.

Generalized tariff preferences and trade agreements with developing countries should be more coherent with what is done in the field of sustainable development and cooperation, so that a wider range of local fisheries operators as well as local communities benefit from it.

There is not a clear methodology for the EU to assess properly how benefits are distributed across different economic sectors and local communities. For instance, decent employment opportunities in the fisheries sector, in particular for young people, small scale fishers and women should be better promoted to avoid preferences benefiting only a few operators.

¹ See Resolution of 102nd Session of ACP Council of Ministers in Fisheries:
<http://www.acp.int/content/resolution-102nd-session-acp-council-ministers-fisheries>

Civil society involvement could be enhanced when it comes to identifying the economic impacts of the preferences schemes as well as the implementation of sustainable development provisions. For that reason, better data collection (social - including gender disaggregated data, economic, environmental) on these aspects is required.

*** C.3 How do you think the EU can best support the eradication of poverty in developing countries?**

- By helping developing countries to increase their exports to the EU by reducing or eliminating tariffs
- By providing development assistance
- By a combination of the above**
- Other (please use the space below to clarify)
- I don't know

C.4 If you would like to explain or give reasons for your answer, please do so here:

In the fisheries of many developing countries benefiting from GSP/GSP+/EBA, coastal and small-scale fisheries play a key role for eradicating poverty and for ensuring food security, so ensuring they benefit from the scheme should be a priority. This can only happen if appropriate investments are made by the government in participative policy making to ensure the conservation and sustainable exploitation of coastal ecosystems, and in basic infrastructure (running water, electricity, ice supplies, cold chain storage, oven/furnace equipment, sewage system...). Guidance on how to achieve this can be found in the FAO Voluntary Guidelines for sustainable small scale fisheries in the context food security and poverty eradication: <http://www.fao.org/3/a-i4356en.pdf>

Unless these conditions are met, there is a high risk that the liberalisation of trade for fish products from GSP/GSP+ countries, will lead to overexploitation of fish resources, destruction of coastal ecosystems, empowerment/enrichment of a few private companies and further marginalisation of coastal communities. In that sense, commitments towards social and environmental sustainability of the production conditions, the promotion of food security, the respect of human rights are key to harmonise and implement.

The EU should provide appropriate support, through a transparent and accountable mechanism, to the third countries benefiting from these schemes to help them meet these commitments.

Marine resources in developing countries are especially threatened by illegal unreported and unregulated (IUU) fishing. It endangers food security, threatens livelihoods, undermines the rule of law and deprives States and local communities of revenues. Enhancing transparency is the most cost-effective means to identify IUU activity. It allows government agencies and other stakeholders to leverage limited assets to combat this crime. The transparency standard developed by the Fisheries Transparency Initiative provides guidance for countries how to improve ocean governance and to the sustainable development of fisheries by setting clear requirements on what is expected from countries regarding transparency and multi-stakeholder participation in fisheries management: http://fisheriestransparency.org/wp-content/uploads/2017/05/FiTI_Standard2017EN.pdf

Essential criteria for improving transparency and achieving good governance in fisheries have been developed by the EU IUU coalition of NGOs²

² http://www.iuuwatch.eu/wp-content/uploads/2019/10/Transparency-good-governance-criteria_EU-IUU-Coalition.pdf

C.5 To what extent do you agree with the following statement?

	Strongly disagree	Disagree	Agree	Strongly agree	I don't know
<p>* " The EU should continue to offer developing countries unilateral access for their exports to the EU (i.e., without requiring reciprocal market opening) in order to support the eradication of poverty in those countries."</p>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/> ok	<input type="radio"/>	<input type="radio"/>

C.6 If you would like to explain or give reasons for your answer, please do so here:

Offering unilateral market access to the EU could play a role in eradicating poverty only if international conventions are implemented, for which support for capacity building is needed. The proper implementation of some of the 27 conventions mentioned under D.5 would certainly have a positive impact in the eradication of poverty.

Therefore, the EU should provide appropriate and commensurate support to the third countries to help them meet these commitments. This way, capacity in third countries is built to develop exports that meet international high sanitary, social and environmental sustainability standards similar or equal to the EU which could play a positive role to increase EU market access for sustainable fisheries products from developing countries.

* C.7 The current GSP Regulation is the result of a major reform introduced in 2014, which had **three basic objectives:**

- a) to promote economic development and eradication of poverty in developing countries – by reducing or eliminating import tariffs on their eligible exports to the EU;
- b) to promote sustainable development and respect for human and labour rights in qualifying developing countries – by eliminating entirely import tariffs on their eligible exports to the EU;
- c) to protect the EU’s financial and economic interests – through adequate safeguards and surveillance in relation to imports causing serious difficulties to Union producers.

Do you think that these objectives are still relevant for the future?



All three objectives are still relevant

- At least one (but not all) of the objectives is still relevant
- None of the three objectives are now relevant
- I don't know

C.8 If you would like to explain or give reasons for your answer, please do so here:

* C.9 Currently the EU GSP scheme consists of the following three arrangements – **Standard GSP**, **GSP+**, and **EBA** (“Everything But Arms”) – which offer different levels of tariff incentives corresponding to differing development needs and circumstances of developing countries.

Should a new GSP scheme maintain the same structure, and continue with these three arrangements?

- Yes, the existing structure with the same three elements should be maintained
- No, the basic structure needs to be changed
- I don't know

C.10 If you would like to explain or give reasons for your answer, please do so here:

Regardless of the number of arrangements, we feel that there should be a move towards a consolidated and less rigid scheme, allowing a smooth transition from one to the other, that would be more effective and would provide clarity regarding sustainability and trade provisions, with a shared set of objectives that can be more easily measured in terms of performance, and commensurate support programmes to help third countries benefiting from the scheme to meet these objectives, allocated through a transparent mechanism. All schemes should allow for suspension of preferential tariffs should the third country fail to implement and adhere to key regional and international fisheries rules.

For the case of Everything but Arms (EBA), it is a specific arrangement for least developed countries (LDAC) and should continue as it is. Any shift between regimes should be based on predictable and verifiable criteria and with sufficient transition.

D.1 Do you think that the GSP arrangement can have an impact on...

	a strongly negative impact	a somewhat negative impact	no impact	a somewhat positive impact	a strongly positive impact	I don't know
* ... the enjoyment of human rights in the beneficiary countries?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	ok <input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* ... the enjoyment of labour rights in the beneficiary countries?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	ok <input checked="" type="radio"/>	<input type="radio"/>
* ... the protection of the environment?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	ok <input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
* ... promoting low carbon development?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* ... increasing resilience of society to climate change impacts?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	ok <input checked="" type="radio"/>	<input type="radio"/>
* ... combating illegal drug trafficking?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	ok <input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* ... combating money-laundering and/or the financing of terrorism?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	ok <input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* ... combating corruption?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	ok <input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* ... migration flows from beneficiary countries?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	ok <input type="radio"/>	<input type="radio"/>	<input type="radio"/>

D.2 If you would like to explain or give reasons for your answers, please do so here:

The GSP arrangement can have an impact on most of the above stated issues that need to be addressed. However, this goes hand in hand with the signing of the numerous essential international conventions, and the degree of their implementation.

For instance, concerns have been raised in relation to the lower standards (labour, environmental) and the lack of transparency and compliance with international law provisions on environmental and labour standards rights in Autonomous Free Trade Zones of certain GSP beneficiary countries, with little accountability from their governing bodies to the national authorities and the European Commission.

Non-reciprocal tariff concessions with third countries for certain economic activities have done very little in practice to improve the existing governance framework of those countries, with a “paper” adoption of international conventions but lack of effective implementation. Both adoption and implementation must be demanded, with adequate support provided through a mechanism that provides transparency and accountability.

Furthermore, a better evaluation of how the economic benefits from GSP/GSP+ schemes are distributed in the third country, on the various segments of the population, in particular men and women from fisheries dependent coastal communities, is a key component to integrate when looking at impacts. A cost-benefit analysis is therefore required from the EU to have a better assessment of the impact of each of the GSP schemes.

The publication and ‘awareness raising’ of all information pertaining to the scheme, and the evaluation of impacts is central for creating more transparency and combating corruption. There are currently gaps in the communication of the main findings and shortcomings of the implementation reports from the European Commission both to policy makers and concerned stakeholders

The implementation of some of the conventions can have a somewhat positive impact on drug trafficking, money laundering, financing terrorism and corruption. This could be reinforced by including UNTOC in the list of conventions.

Proper implementation of the instruments we suggest to add to the list of conventions (cf. D.6.) would bolster the capacity of authorities to combat these illegal activities (e.g. through reinforced port controls).

We could also envisage a somewhat positive impact on migration flows through, inter alia, the creation of local opportunities and food security. This on the conditions the relevant conventions are implemented with support from EU (see the previous sections and D.2).

*D.3 In order to qualify for GSP+, beneficiary countries currently have to ratify and effectively implement [27 international conventions](#) related to human rights, labour rights, protection of the environment and good governance.

In the list of international conventions, do you think there are some that have become less relevant for promoting respect for core human and labour rights, protection of the environment and good governance?

NO

D.4 If your answer is "yes", please explain which of the international conventions have become less relevant, and why:

* D.5 Are there other international conventions/agreements that GSP+ beneficiary countries should be required to ratify and implement effectively as a condition for complete elimination of the tariffs paid on their eligible exports to the EU?

- Yes
- No
- I don't know

D.6 If your answer is "yes", please explain which international conventions should be added to the list, and why:

A Convention which is key to ratify, given the tremendous impacts that climate change has on the development prospects of coastal communities and sustainable fisheries, is the Paris Agreement on Climate Change (UNFCCC). It is the first-ever universal, legally binding global climate change agreement, adopted at the COP21 in December 2015. The EU and its Member States are among the close to 190 Parties to the Paris Agreement. The EU formally ratified the agreement on 5 October 2016, thus enabling its entry into force on 4 November 2016.

As EU has aspiration to promote fisheries governance, the LDAC believes that only when the following conventions are ratified and measurable efforts for implementation are ensured, and thus added to the list when referring to Article 9 of Reg. 978/2012, complete elimination of the tariffs paid on eligible fisheries products exported to the EU can be granted:

- The UN Convention on the Law of the Sea 1982;
- The UN Fish Stocks Agreement 1995;
- The FAO Port State Measures Agreement;
- The FAO Compliance Agreement;
- The ILO Work in Fishing Convention C188, particularly in light of the entry into force of the Directive (EU) 2017/159 transposing the latter Convention;
- The International Convention on Standards of Training, Certification and Watch keeping for Fishing Vessel Personnel, 1995 (STCW-F 1995)
- Torremolinos Convention/Cape Town Agreement on Safe Fishing Vessel Construction.
- The UN Convention against Transnational Organized Crime and the Protocols Thereto

This is because it is not acceptable that countries which are linked to IUU fishing, serious labour abuses and other fisheries crimes benefit from preferential market access. It is equally important that countries benefiting from the EU's GSP scheme adhere as contracting parties and cooperating non-contracting parties (referred to hereafter as 'CPCs') to the standards and resolutions of the relevant RFMOs competent for those fish products/stocks for which they have preferential access³.

³ Vid. Reference: LDAC letter on the proposal to improve observance of and compliance with International Law rules in terms of human, labour and social rules in terms of human, labour and social rights applicable to workers in the fishing sector.
https://ldac.eu/images/documents/publications/Recommendations_for_enhancing_Protection_of_Human_Labour_and_Social_Rights_applicable_to_workers_in_the_fishing_sector.pdf

In current GSP + regulation (article 19.1 paragraph e)⁴ it is stipulated that the preferential arrangements may be withdrawn temporarily, in respect of all or of certain products originating in a beneficiary country, for *“serious and systematic infringement of the objectives adopted by Regional Fishery Organisations or any international arrangements to which the Union is a party concerning the conservation and management of fishery resources”*. In the future GSP+ this should be extended not only to RFMOs or international arrangements that the EU is party to, but those that are relevant for the beneficiary country (as a flag, coastal or market state).

⁴ REGULATION (EU) No 978/2012 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 25 October 2012 applying a scheme of generalised tariff preferences and repealing Council Regulation

E.1 In your opinion, is it important for the EU to continue monitoring the level of implementation of the 27 international conventions by GSP+ beneficiary countries?

	Very unimportant	Rather unimportant	Rather important	Very important	I don't know
*			<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

E.2 If you would like to explain or give reasons for your answer, please do so here:

A better evaluation of how the economic benefits from GSP/GSP+ schemes are distributed in the third country, on the various segments of the population, in particular men and women from fisheries dependent coastal communities, is a key component to integrate when looking at impacts. A cost-benefit analysis is therefore required from the EU to have a better assessment of the impact of each of the GSP schemes.

The publication and ‘awareness raising’ of all information pertaining to the scheme, and the evaluation of impacts is central for creating more transparency and combating corruption. There are currently gaps in the communication of the main findings and shortcomings of the implementation reports from the European Commission both to policy makers and concerned stakeholders.

E.3 What information source(s) do you consider the most relevant for the EU to take into account when monitoring the implementation of the international conventions?

You can choose more than one response

- Reports of the UN (United Nations) and ILO (International Labour Organization) and other international organizations
- Information published by the government of the beneficiary country
- Information provided directly to the EU by the government of the beneficiary country
 - Information provided by the European Parliament
 - Information provided by EU member states
- Information provided by businesses, or by workers' or employers' organizations in the beneficiary country
- Information provided by NGOs (non-governmental organizations) involved in human and labour rights; protection of the environment, and good governance; by human rights defenders; or by journalists or others from broadcast or print media
- Other (please use the space below to clarify)

E.4 If you would like to explain or give reasons for your answer, please do so here:

It is important to take into account all relevant information, including from non-official sources. It is also important to encourage the beneficiary third countries governments to make available to the public all pertinent information, so to allow public scrutiny and better accountability regarding the impacts of the scheme.

E.5 Do you think that the EU's monitoring process should be made more transparent? If so, how?

Whereas the EU regularly has to monitor the actions taken by governments of GSP+ beneficiary countries in order to implement the international conventions specified in the GSP Regulation, the LDAC stresses that better monitoring is required. With better monitoring it is meant a transparent process and a more vigorous approach when these conventions are not respected (e.g. documented cases by NGOs of labour abuses or child labour in tuna canning factories in South East Asian countries such as Philippines or Vietnam), to publically alert the third country and its stakeholders about risk of suspension of trade preferences.

A way of improving monitoring could be a more systematic, participatory and coherent approach between beneficiary countries to the “ex ante” and “ex post” evaluation reports, in a similar way that the DG MARE does with Sustainable Fisheries Partnership Agreements (SFPA), or with reports published by the EC about the identified shortcomings regarding the implementation of the EU IUU regulation, when pre-notifying a third country (‘yellow card’). Lessons could be learnt from both schemes to identify strengths and weaknesses.

*** F.1 In your opinion, can withdrawal of GSP benefits from a beneficiary country contribute to ending or improving situations where human and/or labour rights are seriously and systematically violated?**

Yes, it can make an important contribution

Yes, but it can make only a minor contribution

No, withdrawal of GSP benefits will have no impact on situations where human and/or labour rights are seriously and systematically violated

No, withdrawal of GSP benefits will have further negative impacts on situations where human and/or labour rights are seriously and systematically violated

I don't know

F.2 If you would like to explain or give reasons for your answer, please do so here:

Yes, it can make an important contribution and serve as an incentive policy for driving change. The LDAC is convinced that withdrawing GSP benefits from a beneficiary country in the case of serious and systematic violations of principles laid down in international human and labour rights conventions, would ultimately result in better standards implemented and adherence to these conventions. It must be noted that in addition to the current international human and labour rights conventions listed in the Regulation, the ILO Work in Fishing Convention C188 should be added in relation to the actual achievement of set objectives.

For instance, the Philippines became a beneficiary country of the GSP+ scheme in 2014 being one of the top tuna catching and exporting countries in the world. Since it is a beneficiary country its fisheries products are imported into the EU with zero tariff for originating products⁵.

Regarding working conditions in the Philippines’ fishing and processing sector, an EC report published in 2016 states that there were labour rights issues in the tuna industry in General Santos. A more recent report by the EC published in 2018⁶ shows that while new legislation had indeed been adopted as a response to serious concerns expressed notably by the workers in the tuna industry relating to working and living conditions on board commercial fishing vessels, its enforcement has not materialised. Still, the working conditions in the Philippines’ fishing and processing sector remain a concern with cases of human rights abuses continuing to be widely reported.

F.3 Do you think that withdrawing GSP benefits from a beneficiary country can have an impact on...

	a strongly negative impact	a somewhat negative impact	no impact	a somewhat positive impact	a strongly positive impact	I don't know
* ... employment and social development in the beneficiary country?				<input checked="" type="radio"/> ok		<input type="radio"/>
* ... reduction of poverty in the beneficiary country?						
* ... the EU's political and diplomatic relations with the beneficiary country?						
* ... protection of the environment in the beneficiary country?				<input type="radio"/> ok		

⁵ The majority of the country’s exports to the EU are made up of machinery and appliances, and optical and photographic instruments; products which do not receive a duty advantage from the GSP+. Moreover, because the duties on other products which are covered are relatively low – coconut oil for industrial use has an MFN rate of just 2.5 % for instance – the benefits in relative terms are heavily concentrated on prepared fish, canned tuna in particular. As acknowledged by the country’s Export Marketing Bureau ‘the GSP+ is really a win for our tuna exporters’. Source: European Parliament, Study EP/EXPO/B/DROI/FWC/2013-08/Lot8/13, June 2017, Labour rights in Export Processing Zones with a focus on GSP+ beneficiary countries

http://www.tepsa.eu/download/studies_for_the_european_parliament/droi_report_on_labour_rights_in_epzs/Labour-Rights-In-Export-Processing-Zones.pdf

⁶ http://trade.ec.europa.eu/doclib/docs/2018/january/tradoc_156546.pdf

* ... migration flows from the beneficiary country?						
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F.4 If you would like to explain or give reasons for your answers, please do so here:

Reference of positive changes can be derived from increasing the GSP beneficiary countries labour standards and requirements to apply back for this scheme, and also adhering as CPCs to RFMO/RSC and ratifying and ensuring measurable implementation of international conventions dealing with on food safety, labour, trade and transport, amongst others, as referred under D.6 (.

The EU has committed to using trade initiatives like the GSP arrangements to promote the social and environmental pillars of sustainable development.

Therefore, to the opinion of LDAC, withdrawal of such beneficiary countries from the GSP arrangements until progress in working conditions in their fishing fleets and factories is shown, is the way to achieve results.

In addition, if a beneficiary country is not respecting recommendations and rules laid down by RFMOs, the preferences should also be withdrawn. At all times, this could be via a mechanism for temporary withdrawal until the beneficiary country has shown improvement in the implementation and enforcement of fisheries principles - whether those are set by RFMOs and/or international human and labour rights conventions.

As an example, withdrawing GSP benefits to Sri Lanka in 2010 demonstrated it can have negative impacts on the economy with, notably, loss of jobs. However, to regain access reforms were undertaken leading to effective improvement.

Hence, impact can be negative in the short term but turn positive in the medium/long one, especially in cases where the country relies on the EU market which is very often the case for fisheries products. This follows, to a certain extent, the rationale of the red card in the EU IUU Regulation.

Irrespective of the short term impacts of withdrawing GSP benefits, the EU cannot turn a blind eye on the situation that led it to consider taking such a last resort measure and, consequently, must be prepared to act.

F.5 To what extent do you agree with the following statement?

	Strongly disagree	Disagree	Agree	Strongly agree	I don't know
* " If there is sufficient information which indicates that a					

beneficiary country is violating core human and/or labour rights, the EU should immediately engage with the country and use its leverage to push it to resolve the violation; and – in case of failure to do so – the EU should initiate a procedure for withdrawal of the GSP benefits."

ok

F.6 If you would like to explain or give reasons for your answer, please do so here:

The LDAC welcomes this two-step approach of helping/assisting the country, but it remains vital for the EU to have an immediate reaction and engagement into a formal dialogue as the first step as is done with a similar process laid down in the IUU Regulation (EC) No 1005/2008. This facilitates a way for the third country and the European Commission to work together to solve the particular issue and it also is the best way to see whether significant progress has been made.

* F.7 Under the present GSP Regulation, the EU can withdraw standard GSP and EBA benefits only in the case of serious and systematic violations by beneficiary countries of principles laid down in certain human rights and labour rights conventions.

Do you think that this should also be the case for serious and systematic violations of the principles laid down in international conventions related to the protection of the environment (including climate change), and good governance?

- Yes
- No
- I don't know

F.8 If you would like to explain or give reasons for your answer, please do so here. If possible, provide arguments either for or against expanding the basis for temporary withdrawal of standard GSP and EBA benefits:

In as much as the protection of the (coastal) environment and communities depending on them, and the sustainable management of fish resources are essential for eradicating poverty and promoting food security, international conventions on the environment and good governance should also be considered for temporary withdrawal of benefits.

A process can be set up which includes a warning, with the obligation of the third country to address identified shortcomings within a reasonable time frame (e.g. 6 months). This process should also include a reinforced transparent dialogue with the third country and its stakeholders, to identify the appropriate support the EU would provide, before suspension of the preferences. This could be done already for the implementation of article 19 of the GSP+, which considers temporary withdrawal of preferences in case the beneficiary country does not respect RFMO rules.

G.1 Looking at the list of all [the countries that currently benefit from GSP](#), do you think there should be an even tighter focus on the countries most in need?

- Yes
- No
- I don't know

G.2 If you would like to explain or give reasons for your answer, please do so here:

Prior to becoming a beneficiary of the scheme, the dialogue should be focused equally on trade and sustainability aspects. If a third country does not have the capacity or will to implement international instruments of environmental, human, labour or social rights; concerted action should be taken before accessing the GSP scheme to build the third country capacity for starting to implement those conventions.

G.3 Are there any specific developing countries which currently do not benefit from the EU's GSP scheme – but in your view, should do so? If so, please state which ones, and why.

H.1 Do you think that sustainably produced products could make an important contribution (as part of a revised GSP scheme) to the objectives of eradication of poverty and support for sustainable development?

- Yes
- No
- I don't know

H.2 If you would like to explain or give reasons for your answer, please do so here:

Sensitive products should be looked at and understood not only from a market perspective (direct competition with EU products) but also from a sustainability angle and compliance with food traceability existing rules at EU level in accordance with article 18 of Regulation (EC) No 178/2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety:

<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32002R0178&from=EN> Those who fish more sustainably should have preferential access when it comes to their seafood products access to EU markets. Sustainability (see point D6) and traceability criteria, should be incorporated in the GSP arrangements. When it comes to rules of origin, relaxation of these rules should not happen to the detriment of sustainability.

Sustainability criteria are all interlinked with one another, which is why one international convention (as listed under D.5) is not more important than the other, and which is why they should all be counted equally when it comes to preferential seafood product access according to GSP arrangements. For instance, Thailand ratified on 4 June 2018 the Protocol of 2014 to the ILO Forced Labour Convention, however, the ratification of ILO conventions on Freedom of Association (C87), the Right to Organise and Collective Bargaining (C98), Work in Fishing (C188) is delayed partly due to pressure from Thai vessel owners (NFAT).

Migrant fishers from Cambodia and Myanmar working in the Thai fishing industry continue to experience labour and human rights abuses, are at times forced to work for owners and captains that fish illegally or participate IUU activities, and are routinely denied access to legal remedy because of their immigration status. In addition, the European Commission was reviewing the 'Yellow Card' status given to Thailand in regard to IUU fishing. In November 2018, the National Legislative Assembly of the Kingdom of Thailand approved the Ministry of Labour's proposal to proceed with the ratification of the ILO C188, as Thailand aspired to become the first ASEAN member state as well as the first state in Asia to ratify the Convention. Subsequently, in January 2019, the European Commission acknowledged that Thailand had successfully addressed the shortcomings in its fisheries legal and administrative systems, for which the so-called 'yellow card', in place since April 2015, was lifted. However, this decision has been much criticized by ITF and NGO campaigners claiming that it gives the illusion that violations of fishers' rights are still not occurring.

Therefore, we highlight the importance of the actual implementation of important conventions in order to ensure sustainability of seafood products along the three different pillars are in line with the standards uphold within the EU.

Regarding traceability criteria, setting up strong traceability systems will help to eradicate IUU fishing, both in the waters of the beneficiary country itself, as well as on a global scale and to prevent products stemming from such activities from entering supply chains.

To be able to export to the EU, the EU IUU Regulation requires flag States to certify the origin and legality of the fish, thereby ensuring the full traceability of all marine fishery products traded from and into the EU. When the Commission has evidence of shortcomings in a third country and that this country does not cooperate fully in the fight against IUU fishing, it will issue a yellow card, starting a formal dialogue. During this formal dialogue setting up a traceability system is something that the European Commission prioritizes.

For example, Thailand setting up a "comprehensive traceability system covering the whole supply chain and all modes of transportation, in line with international standards"[1] was highlighted as a key reform that was undertaken by Thailand, that led to the yellow card being lifted.

https://ec.europa.eu/commission/presscorner/detail/pt/memo_19_201

H.3 An expanded product coverage under the EU's revised GSP scheme might contribute positively to export diversification in GSP beneficiary countries.

Do you think that the EU's GSP scheme should be expanded so as to cover a wider range of products – even if this could result in increased import competition for EU industries?

- Yes
- No
- I don't know

H.4 If your answer is "yes", in which product sectors/categories?

You can choose more than one response

- Agricultural products and processed food
- Industrial and manufactured products
- Environmentally-friendly goods
- Other (please use the space below to specify)

H.5 If you would like to explain or give reasons for your answer, please do so here:

Fisheries products are already covered by GSP+:

https://trade.ec.europa.eu/doclib/docs/2017/january/tradoc_155235.pdf

H.6 Are there products listed in [Annex V](#) (for Standard GSP) or in [Annex IX](#) (for GSP+) of the current GSP Regulation which in your view should no longer be covered by the EU's revised GSP scheme? If so, please state which products, and why.

Seafood products, including those under code 1604/1605 should be considered with caution. While the EU supply chain has to adhere to the highest sustainability standards, which come with costly requirements, products originating from certain countries with little or no commitment for environmental or social standards can certainly disrupt the market. Therefore, a tariff quota may be considered for certain cases. The situation would be further aggravated if preferential schemes such as GSP arrangements, grant these products tariff benefits. Therefore, for certain products, the system should be applied carefully.

I.1 Do you think that the EU should maintain product graduation in a revised GSP scheme?

- Yes
- No
- I don't know

I.2 If you would like to explain or give reasons for your answer, please do so here:

I.3 Under the present GSP Regulation, product graduation applies only to Standard GSP beneficiary countries. Product graduation does not apply to either GSP+ or EBA beneficiary countries, which share a similar economic profile that makes them vulnerable on account of their low, non-diversified export base.

Should product graduation apply to GSP+ and EBA beneficiary countries as well?

- Yes, to GSP+ beneficiary countries only
- Yes, to EBA beneficiary countries only
- Yes, to both GSP+ and EBA beneficiary countries
- No
- don't know

I.4 If you would like to explain or give reasons for your answer, please do so here:

The LDAC shares the view of the EU in relation to the fragility of the GSP+/EBA beneficiary countries: https://trade.ec.europa.eu/doclib/docs/2019/may/tradoc_157889.pdf Therefore, it is a meaningful justification from continue exempting them from product graduation. However, the EU shall remain prepared to withdraw these benefits if appropriate (see section F). In that context, effective implementation of the International Conventions and the Safeguard Mechanism must apply under the GSP+ scheme.

The revised GSP scheme should consider more difference between raw material and processed fish products, in as much as Countries benefiting from GSP arrangements would enjoy more benefits if their products are processed considering it entails more added value and fosters creation of local employment. Subsequently, the more seafood products stemming from GSP benefiting countries are processed, the more access the EU should provide.

I.5 Product graduation currently applies to a group of related products (“product sections”), rather than to individual products.

Applying product graduation to a group of related products reduces the unpredictability that would arise – if graduation were applied to individual products – because of fluctuating levels of imports of those products.

What are your views on the way product graduation applies currently?

No comments

J.1 Do you think that the transitional period should be...?

C. Kept unchanged.

J.2 If you would like to explain or give reasons for your answer, please do so here:

The example of Cabo Verde which saw the period of three years extended to move to GSP+ demonstrates that the European Commission can already go beyond the three years limit when necessary. On the one hand, reducing the transition period may turn unrealistic considering the reforms needed. On the other hand, extending it could have detrimental effects in disincentivizing countries to as swiftly as possible undertake the necessary reforms. Flexibility, as in the case of Cabo Verde, turns the optimal solution. Another possibility would be to opt for a “phased” approach with some products benefiting for a longer period of preferential tariffs (under the condition that it is justified). This could go hand in hand with flexibility.

K.1 To what extent do you agree with the following statement?

	Strongly disagree	Disagree	Agree	Strongly agree	I don't know
<p><i>" The GSP Regulation should provide safeguard mechanisms in order to protect EU producers – despite the risk that use of the safeguard mechanisms may have negative consequences for developing countries. "</i></p>				OK	

K.2 If you would like to explain or give reasons for your answer, please do so here:

The LDAC is of the opinion that the GSP Regulation should provide safeguard mechanisms to protect EU sustainable fish producers. What is key is the protection of primary fish producers, from EU and benefiting countries that fish/farm sustainably. Including a carding system for temporary withdrawing / suspending trade preferences in case products come from labour, socially and environmentally unsustainable sources similar to the existing one embedded in the EU Regulation to prevent, deter and eliminate illegal, unreported and unregulated fishing (IUU) could be a method to increase the safeguard mechanism on this basis.

It is key that all the exceptions or inclusions should be motivated by the EC. Would continuing allowing GSP preferences for imports truly help eradicate poverty from that specific country if that specific product is not produced respecting the country's own natural resources and workforce?.

K.3 The current GSP Regulation contains two safeguard mechanisms: a general safeguard mechanism that applies to all products and all beneficiary countries; and a specific safeguard mechanism for specific products (textiles, clothing and certain agricultural products), which only applies to Standard GSP and GSP+ beneficiary countries.

Do you think that these safeguard mechanisms contribute to protecting EU producers from unfair competition?

- Yes
- No
- I don't know

K.4 If you would like to explain or give reasons for your answer, please do so here:

Safeguard mechanisms should contribute to protecting EU producers from unfair competition. But only when such mechanisms are similar to for example the illegal, unreported, and unregulated IUU Regulation in such a way that GSP preferences for imports should then be suspended until the yellow card for IUU fishing has been lifted. GSP safeguard mechanisms should also be linked to labour issues.

K.5 The beneficiary countries of the EU's "Everything But Arms" (EBA) arrangement are least developed countries (LDCs) – the world's poorest and most vulnerable countries.

Do you think that the world's least developed countries should continue to be exempt from some of the existing procedures (such as product graduation or the specific safeguard mechanism) that are intended to protect the interests of EU producers?

- Yes
- No
- I don't know

K.6 If you would like to explain or give reasons for your answer, please do so here:

Exports to the EU markets can be instrumental for helping develop some nascent industries in least developed countries (LDCs). However, EBA beneficiaries should not be exempt of the requirements to commit to improve environmental standards of production (sustainable fisheries management) and social standards (decent labour conditions in the fisheries value chains, respect for food security). A special effort should be made by the EU to provide them with the necessary support, through a transparent mechanism that allows public accountability and stakeholders' participation.

L Your additional contributions

- LDAC Recommendations on EU Role in the field of International Ocean Governance (December 2018):

https://www.ldac.eu/images/documents/publications/LDAC_Recommendations_on_EU_Role_in_International_Fisheries_Governance_December2018.pdf

- LDAC advice on: Promoting effective respect of human rights, environmental and labour standards, good governance in third countries fishing and fish processing through trade agreements such as GSP+. The case of The Philippines.

https://ldac.eu/images/documents/publications/LDAC_Advice_GSPon_Review_of_Trade_Agreements_Case_of_Philippines.pdf

- LDAC letter on: Proposal to improve observance of and compliance with International Law rules in terms of human, labour and social rules in terms of human, labour and social rights applicable to workers in the fishing sector.

https://ldac.eu/images/documents/publications/Recommendations_for_enhancing_Protection_of_Human_Labour_and_Social_Rights_applicable_to_workers_in_the_fishing_sector.pdf

- LDAC letter on: Transparency and accountability of the SFPAs sectoral support

https://ldac.eu/images/documents/publications/LDAC_letter_on_Sectoral_Support_for_Fisheries_Agreements_November2016.pdf

- LDAC advice on: The requirement for IMO numbers for importing seafood products into the EU market from non-EU vessels.

https://ldac.eu/images/documents/publications/LDAC_Advice_on_IMO_Number_30May2017.pdf

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