**NON-PAPER FOR THE FUTURE GSP REGULATION**

Through the granting of unilateral tariff preferences, the General System of Preferences (GSP) aims at facilitating the integration of developing countries in international trade and spreading EU fundamental values on the basis of a list of international conventions. While the granting of preferences is essentially conditioned on the fulfillment of economic criteria, the adoption of both Sustainable Development Goals (SDGs) and the Paris Agreement also requires to ensure coherence between all policies contributing to global governance, including trade policy. Next to promoting the exports of the most vulnerable countries, the GSP should reflect these developments and further contribute to aligning the standards of our trading partners with EU standards in environmental, social and economic matters as well as human rights and good governance.

**For those reasons, the next GSP regulation must better take into account the challenges of sustainable development, better associate EU member states within the governance of the granting and temporary withdrawal of tariff preferences and set requirements that are more complete and coherent for beneficiaries.**

As such, we make the following propositions for improvement:

Common provisions :

* **Involve Member States more closely along the withdrawal procedure (i) by switching from the current advisory procedure to an examination procedure**, in order to let Member States take effective decisions on the launch of a withdrawal procedure and potential options (for instance, on the possibility to fully or partially withdraw trade preferences) and (ii) **by ensuring that the Commission motivates** its decision not to launch a withdrawal procedure after a request for enquiry from a Member State.
* **Ensure the possibility to review the list of international conventions of the regulation by a delegated act** (to this day, this Annex can only be amended along with the Regulation) in order to add or remove conventions more easily, notably after the signature of international agreements.
* Concerning the monitoring of compliance with international conventions, **rely more on recommendations made by Conventions’ committees** in charge of the monitoring of international conventions on human rights and by other institutional bodies in charge of the monitoring of conventions mentioned in the Regulation ;
* **Formalize the procedure of enhanced engagement** (or pre-legislative stage), which is currently absent from the Regulation, using a formal monitoring mechanism for GSP schemes before the launch of a withdrawal procedure when there is an assumption of violations of the international conventions listed in the Regulation. This proposal would enhance the transparency of the procedures, within a precise legal framework;
* **Redefine tariff sections to better protect the European industries most exposed to international competition**, as the vulnerability of products has changed since the entry into force of the current regulation. It could involve for instance an approach through product typology, which is more relevant in certain cases, as well as capping certain preferences.
* **Improve transparency of the GSP+ monitoring process and increase involvement of civil society herein.** One way to achieve this is by giving stakeholders more insight into the time table and steps in the monitoring process. This includes measures already identified by the European Commission and that can already be implemented, such as sharing agendas before a monitoring mission and publicizing summaries of monitoring missions, as is already done following each round of trade negotiations. Make a better use of the safeguard clause in case of potential or ascertained damage, including to agriculture producers or envisage the adoption of the "automatic" application rule of the safeguard clause, currently provided for some sectors in the GSP, GSP+ and EBA, for sensitive productive sectors, including agricultural ones, such as the rice sector,

Specific provisions on GSP+ scheme in order to strengthen its incentive effect:

* **Update the list of international conventions, notably by adding important fundamental conventions recently signed, such as the Paris Agreement** and the Convention on the rights of persons with disabilities, **and/or by updating the current Regulation’s list of conventions;**
* **Include the abolition of the death penalty to the preconditions for granting the good governance scheme** (certain beneficiaries still apply the death penalty);
* **Strengthen the monitoring of the implementation of all conventions by producing reports and systematically initiate an enhanced engagement in case of alarming reports** , for example on the subject of extra-judicial executions that are multiplying in GSP+ countries in violation of the International Covenant on Civil and Political rights ;
* **Accompany countries graduating from LDC status** in the process of ratification and implementation of international conventions linked to the benefit of the GSP+ scheme, as some of them have limited administrative capacities.;
* **Extend the GSP+ monitoring period from two years to three years** in light of the aforementioned constraints on the administrative capacity of various beneficiary countries.
* **Update the graduation system for products exported by beneficiaries of GSP+ so as to exclude competitive products**, for example as soon as the share of a product in total exports exceeds a certain percentage. This system of graduation on a product/country basis could encourage beneficiary countries to diversify their exports and economies without increasing their vulnerability.