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MOTION FOR A RESOLUTION

further to Question for Oral Answer B6-0015/2004

pursuant to Rule 108(5) of the Rules of Procedure

by Luisa Morgantini, Helmuth Markov and Jaromír Kohlíček

on behalf of the GUE/NGL Group

on the Communication from the Commission to the Council, the European Parliament and the European Economic and Social Committee 'Developing countries, international trade and sustainable development: the function of the Community's generalised system of preferences (GSP) for the ten-year period from 2006 to 2015' (COM(2004) 461)

European Parliament resolution on the Communication from the Commission to the Council, the European Parliament and the European Economic and Social Committee 'Developing countries, international trade and sustainable development: the function of the Community's generalised system of preferences (GSP) for the ten-year period from 2006 to 2015' (COM(2004) 461)

The European Parliament,

- having regard to the Commission communication on developing countries, international trade and sustainable development: the function of the Community's generalised system of preferences (GSP) for the ten-year period from 2006 to 2015 (COM(2004) 461)¹,
 - having regard to its resolution of 4 December 2003 on a scheme of generalised tariff preferences for the period from 1 January 2002 to 31 December 2004 and extending it to 31 December 2005²,
 - having regard to the outcome of the World Summit on Sustainable Development (WSSD) held in Johannesburg (South Africa) from 26 August to 4 September 2002,
 - having regard to the Monterrey Consensus adopted at the International Conference on Financing for Development, which was held in Monterrey (Mexico) from 18 to 22 March 2002,
- A. whereas the Commission's Communication sets out new ten-year guidelines for the Generalised System of Preferences, on the basis of which a series of three-year regulations will ensue,
- B. whereas any change in the current GSP scheme will directly affect, and in some cases adversely impact, a wide variety of stakeholders,
- C. whereas, as stated in the Commission Communication 'Towards a reinforced culture of consultation and dialogue - General principles and minimum standards for consultation of interested parties by the Commission' (COM(2002) 704), the European Commission has committed itself to wide and transparent consultations with the actors affected by any major policy initiative,
- D. whereas the GSP utilisation rate, defined as the volume of imports actually benefiting from tariff preferences as a percentage of the total volume of trade eligible under the GSP, remained at disappointing low levels during recent years (e.g. 52.5% in 2002),
1. Notes with concern that the new graduation system outlined by the Commission for the GSP system is based solely on market share criteria, disregarding development and

¹ OJ C

² P5-TA(2003)0538.

poverty indicators, and believes that such a system is likely to discriminate against large yet poor exporters and products favouring social progress and sustainable development in the developing countries;

2. Warns that in some cases, e.g. in Colombia, where the GSP was granted in order to combat drug trafficking, the GSP has mainly benefited agro-business and large companies, in which drug barons are involved, and has favoured the concentration of the land and means of production and therefore contributed to accelerating the displacement of rural populations;
3. Considers that the Commission should develop a permanent evaluation system, including the consultation of all stakeholders, among them trade unions, that would enable it to react quickly to such situations;
4. Deplores that this important Communication, which sets out new ten-year guidelines for the GSP, does not refer to any prior thorough evaluation of the functioning and impact of the current GSP as a means of providing decision-makers with solid elements of information on both the need for reform and the potential for improvement;
5. Regrets that the Commission's Communication was not the result of a stakeholder consultation and does not come sufficiently in advance to allow for meaningful consultations in anticipation of the expected release of the proposal for the next regulation;
6. Stresses that, in order to improve its impact on the special needs of developing countries, the next GSP Regulation should:
 - a) grant preferences in conformity with the comparative advantage, with greater consideration being given to support for social justice and sustainable development;
 - b) explore the possibility of extending the preferential margin for some 'sensitive' products;
 - c) include an evaluation and monitoring system in order to guarantee that the facilities are really serving their aims, and to react quickly if they fail to do so;
7. Calls on the Commission to provide, prior to the implementation of the new system, an evaluation of the impact that different graduation thresholds would have on current GSP beneficiaries well in advance of the release of the next GSP Regulation;
8. Notes that rules of origin and related administrative procedures have been demonstrated to be one of the main reasons for the under-utilisation of GSP trade preferences, particularly by Least Developed Countries (LDCs);
9. Calls on the Commission to explore the merits, particularly with regard to LDCs, of the replacement of partial regional cumulation of origin with cross-regional cumulation and full or global cumulation;
10. Calls on the Commission to make progress in the harmonisation of the different systems of origin rules applied by the existing trade agreements (i.e. GSP/ EBA, FTAs, EPAs);

11. Notes that, as established in the WTO Doha Declaration, in the Monterrey Consensus and the conclusions of the WSSD of Johannesburg, developing countries should be provided with technical assistance aimed at building the institutional and regulatory capacity required to capture the benefits from international trade and preferential arrangements;
12. Calls on the Commission to carry out regular assessments of the impact of the GSP on the populations of developing countries;
13. Calls on the Council and the Commission to start the consultation process on the new GSP first implementing regulation sufficiently in advance to allow for a proper involvement and consultation of partner countries, non-state actors from the developing countries and from the EU countries, including trade unions, and EU institutions, including the European Parliament;
14. Instructs its President to forward this resolution to the Council and the Commission.