



2021/0297(COD)

5.1.2022

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DRAFT REPORT

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 (COM(2021) 579 – C9-978/2012 – 2021/0297(COD))

Committee on International Trade

Rapporteur: Heidi Hautala

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in ***bold italics***. Deletions are indicated using either the ■ symbol or strikeout. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

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 (COM(2021)0579 – C9-978/2012 – 2021/0297(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2021)0579),
 - having regard to Article 207 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament
 - having regard to Rule 59 of its Rules of Procedure,
 - having regard to the opinions of the Committee on development and Subcommittee on Human Rights
 - having regard to the report of the Committee on International Trade (A9-0000/2021),
1. Adopts its position at first reading hereinafter set out;
 2. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Amendment 1

Proposal for a regulation

Recital 2

Text proposed by the Commission

(2) ***The Union's common commercial policy shall be guided by the principles and pursue the objectives set out in the general provisions on the Union's external action, laid down in Article 21 of the Treaty on European Union (TEU).***

Amendment

(2) ***The external action of the Union is guided by the principles and objectives laid down in Article 21 of the Treaty on European Union. The Union seeks to advance those principles and objectives in its relations with third countries. All actions and measures taken by the Union at the international level should therefore be considered, designed and implemented with a view to ensuring a coherent approach towards partner countries, and***

reinforcing the relevance and strength of the impact of Union's external action. For that purpose, the Union should ensure that its commercial policy is conducted in close coordination with other external policies, and that regular contact with partner countries foreseen in the framework of the various instruments of the external action duly follow up on the obligations and issues identified in the implementation of the Union's trade relations and trade-related instruments. The GSP covers more than 60 countries and 2 billion people in the world and represents one of the key instruments of the Union commercial policy to promote human rights, sustainable development and good governance.

Or. en

Amendment 2

Proposal for a regulation Recital 5

Text proposed by the Commission

(5) The general objectives of the GSP are to support eradication of poverty in all its forms, in line with Agenda 2030 and Sustainable Development Goal 17.12 and to promote the sustainable development agenda, while averting harm to EU industry's interests. The 2018 GSP Mid-term Evaluation and the 2021 supporting Study for the Impact Assessment underpinning this Regulation concluded that the GSP framework under Regulation (EU) No 978/2012 has delivered on these main objectives, which were at the core of the 2012 overhaul of Council Regulation (EC) No 732/2008¹⁵.

¹⁵ Council Regulation (EC) No 732/2008 of 22 July 2008 applying a scheme of

Amendment

(5) The general objectives of the GSP are to support eradication of poverty in all its forms, in line with Agenda 2030 and Sustainable Development Goal 17.12 and to promote the sustainable development agenda, while averting harm to EU industry's interests. The 2018 GSP Mid-term Evaluation and the 2021 supporting Study for the Impact Assessment underpinning this Regulation concluded that the GSP framework under Regulation (EU) No 978/2012 has delivered *in part* on these main objectives, which were at the core of the 2012 overhaul of Council Regulation (EC) No 732/2008¹⁵.

¹⁵ Council Regulation (EC) No 732/2008 of 22 July 2008 applying a scheme of

generalised tariff preferences from 1 January 2009 and amending Regulations (EC) No 552/97, (EC) No 1933/2006 and Commission Regulations (EC) No 1100/2006 and (EC) No 964/2007 (OJ L 211, 6.8.2008, p. 1).

generalised tariff preferences from 1 January 2009 and amending Regulations (EC) No 552/97, (EC) No 1933/2006 and Commission Regulations (EC) No 1100/2006 and (EC) No 964/2007 (OJ L 211, 6.8.2008, p. 1).

Or. en

Amendment 3

Proposal for a regulation

Recital 6

Text proposed by the Commission

(6) Those objectives remain relevant in the current global context and they are consistent with the analysis and perspective of the recent Commission Communication Trade Policy Review “An Open, Sustainable and Assertive Trade Policy”¹⁶ (‘TPR’). According to the TPR, the Union has a “strategic interest to support the enhanced integration into the world economy of vulnerable developing countries” and it “must fully use the strength provided by its openness and the attractiveness of its Single Market” to support multilateralism and to ensure adherence to universal values. For GSP specifically, the TPR notes its important role in “promoting respect for core human and labour rights” and sets the objective for the GSP “to further increase trading opportunities for developing countries to reduce poverty and create jobs based on international values and principles”. Moreover, the scheme should assist beneficiaries in recovering from the COVID-19 impact and in re-building their economies in a sustainable manner, including with respect to international human rights, labour, environmental and good governance standards. Coherence should be ensured between the GSP and its objectives and the assistance provided to

Amendment

(6) Those objectives remain relevant in the current global context and they are consistent with the analysis and perspective of the recent Commission Communication Trade Policy Review “An Open, Sustainable and Assertive Trade Policy”¹⁶ (‘TPR’). According to the TPR, the Union has a “strategic interest to support the enhanced integration into the world economy of vulnerable developing countries” and it “must fully use the strength provided by its openness and the attractiveness of its Single Market” to support multilateralism and to ensure adherence to universal values. For GSP specifically, the TPR notes its important role in “promoting respect for core human and labour rights” and sets the objective for the GSP “to further increase trading opportunities for developing countries to reduce poverty and create jobs based on international values and principles”.
Strengthening the tools to foster the positive conditionality in relation to the international conventions, as well as pro-actively encouraging the beneficiary countries to ratify those conventions, are therefore essential elements to make sure that the additional trading opportunities provided by the GSP support the development of the beneficiary countries

beneficiary countries, in line with Union's Policy Coherence for Development (PCD), which constitutes a key pillar of Union's efforts to enhance the positive impact and increase effectiveness of development cooperation¹⁷.

in a sustainable manner. Moreover, the scheme should assist beneficiaries in recovering from the COVID-19 impact and in re-building their economies in a sustainable manner, including with respect to international human rights, labour, environmental and good governance standards. Coherence ***and complementarity*** should be ensured between the GSP and its objectives and the assistance provided to beneficiary countries, in line with Union's Policy Coherence for Development (PCD), which constitutes a key pillar of Union's efforts to enhance the positive impact and increase effectiveness of development cooperation¹⁷. ***The Union's assistance to beneficiary countries should provide targeted support to the countries in fulfilling their commitments and obligations with regard to the international conventions under the GSP Schemes and assist countries in creating an enabling environment for sustainable business through raising their human rights and environmental standards in line with the obligations in the UN Guiding Principles on Business and Human Rights.***

¹⁶ COM(2021)0066, 18 February 2021

¹⁷ Article 208 of the Treaty on the Functioning of the EU concerning PCD reads: "The Union shall take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries".

¹⁶ COM(2021)0066, 18 February 2021

¹⁷ Article 208 of the Treaty on the Functioning of the EU concerning PCD reads: "The Union shall take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries".

Or. en

Amendment 4

Proposal for a regulation Recital 7

Text proposed by the Commission

(7) By providing preferential access to the Union market, the scheme should assist developing countries in their efforts to reduce poverty and achieve and promote good governance and sustainable development by helping them to generate additional revenue through international trade, which can then be re-invested for the benefit of their own development and, in addition, to diversify their economies. The scheme's tariff preferences should focus on those developing countries that have greater development, trade and financial needs.

Amendment

(7) By providing preferential access to the Union market, the scheme should assist developing countries in their efforts to reduce poverty and achieve and promote good governance and sustainable development by helping them to generate additional revenue through international trade, which can then be re-invested for the benefit of their own **sustainable** development and, in addition, to diversify their economies. The scheme's tariff preferences should focus on those developing countries that have greater development, trade and financial needs.

Or. en

Amendment 5

Proposal for a regulation
Recital 7 a (new)

Text proposed by the Commission

Amendment

(7a) The Union has set ambitious goals to promote sustainable development in its human, social, economic and environmental dimensions, notably through the European Green Deal, the Circular Economy Action Plan, the Farm to Fork Strategy, or in the areas of sustainable corporate governance and deforestation, which will trigger fundamental changes in trade patterns with relevant impacts on the GSP scheme during the next decade. The GSP should play an important role in promoting trade in sustainably-produced goods and targeted development and technical assistance should be designed and provided in order to ensure that beneficiary countries can also fully take part in sustainable trade.

Amendment 6

Proposal for a regulation Recital 7 b (new)

Text proposed by the Commission

Amendment

(7b) Gender equality in all Union policies is firmly established in Article 8 of the TFEU and is also at the core of the UN's Agenda 2030, as enshrined in SDG 5, however trade and investment agreements tend to affect women and men differently on account of structural gender inequalities. The GSP scheme has the potential of positively contributing to female employment and empowerment. The most prominent product sections under the three EU's GSP arrangements are textile and apparel articles, accounting for up to 80% of the preferential imports under the EBA arrangement, whereas more than 80% of the world's 60 million garment factory workers are female.

Or. en

Amendment 7

Proposal for a regulation Recital 8

Text proposed by the Commission

Amendment

(8) The scheme should consist of a basic arrangement ('standard GSP arrangement'), and two special arrangements, namely the 'special incentive arrangement for sustainable development and good governance – GSP+' and the 'special arrangement for the

(8) The scheme should consist of a basic arrangement ('standard GSP arrangement'), and two special arrangements, namely the 'special incentive arrangement for sustainable development and good governance – GSP+' and the 'special arrangement for the

least-developed countries - EBA'. It, therefore, continues the structure of the previous ten years, ***which is considered a success***, as it focuses on the countries most in need and addresses the varying developmental needs of beneficiaries.

least-developed countries - EBA'. It, therefore, continues the structure of the previous ten years, as it focuses on the countries most in need and addresses the varying developmental needs of beneficiaries, ***which should also include their regional integration processes. The scheme should apply to the entirety of the territory of beneficiary countries, including to special economic zones and export processing zones.***

Or. en

Amendment 8

Proposal for a regulation Recital 9

Text proposed by the Commission

(9) 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. There is no definition of 'developing country' at the level of the WTO, and it is left to preference granting countries to determine the list of GSP-eligible developing countries. Countries which have successfully completed their transition from centralised to market economies, and are today powerful economies with a strong position in international trade, such as China, Hong Kong, Macao and Russia, should not be considered as developing countries in the context of the GSP, and should, therefore, be removed from the list of eligible countries. Countries which are classified by the World Bank as high-income or upper-middle income countries have per capita income levels allowing them to attain higher levels of diversification without the scheme's tariff preferences. They are at a different stage of economic development and do not,

Amendment

(9) 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. ***Additionally, this arrangement should not be applied in the event those countries fail to ratify the international conventions that are covered by this Regulation within five years from the application of the trade preferences.*** There is no definition of 'developing country' at the level of the WTO, and it is left to preference granting countries to determine the list of GSP-eligible developing countries. Countries which have successfully completed their transition from centralised to market economies, and are today powerful economies with a strong position in international trade, such as China, Hong Kong, Macao and Russia, should not be considered as developing countries in the context of the GSP, and should, therefore, be removed from the list of eligible countries. Countries which are classified by the World Bank as high-income or

therefore, share the same development, trade and financial needs as lower income or more vulnerable developing countries. In order to prevent unjustified discrimination, they need to be treated differently; therefore, they do not benefit from the standard GSP arrangement. Furthermore, the use of tariff preferences provided under the scheme by high-income or upper-middle income countries would increase the competitive pressure on exports from poorer, more vulnerable countries and, therefore, could impose unjustifiable burdens on those more vulnerable developing countries. The standard GSP arrangement should take account of the fact that the development, trade and financial needs are subject to change and ensure that the arrangement remains open if the situation of a country changes.

upper-middle income countries have per capita income levels allowing them to attain higher levels of diversification without the scheme's tariff preferences. They are at a different stage of economic development and do not, therefore, share the same development, trade and financial needs as lower income or more vulnerable developing countries. In order to prevent unjustified discrimination, they need to be treated differently; therefore, they do not benefit from the standard GSP arrangement. Furthermore, the use of tariff preferences provided under the scheme by high-income or upper-middle income countries would increase the competitive pressure on exports from poorer, more vulnerable countries and, therefore, could impose unjustifiable burdens on those more vulnerable developing countries. The standard GSP arrangement should take account of the fact that the development, trade and financial needs are subject to change and ensure that the arrangement remains open if the situation of a country changes.

Or. en

Amendment 9

Proposal for a regulation Recital 11

Text proposed by the Commission

(11) The special incentive arrangement for sustainable development and good governance (GSP+) is based on the integral concept of sustainable development, as recognised by international conventions and instruments such as the 1986 UN Declaration on the Right to Development, the 1992 Rio Declaration on Environment and Development, the 1998 International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at

Amendment

(11) The special incentive arrangement for sustainable development and good governance (GSP+) is based on the integral concept of sustainable development, as recognised by international conventions and instruments such as the 1986 UN Declaration on the Right to Development, the 1992 Rio Declaration on Environment and Development, the 1998 International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at

Work, the 2000 UN Millennium Declaration, the 2002 Johannesburg Declaration on Sustainable Development, the ILO Centenary Declaration for the Future of Work of 2019, the Outcome Document of the UN Summit on Sustainable Development of 2015 "Transforming Our World: the 2030 Agenda for Sustainable Development", the UN Guiding Principles on Business and Human Rights, and the Paris Agreement on Climate Change under the UN Framework Convention on Climate Change. Consequently, the additional tariff preferences provided for under the special incentive arrangement for sustainable development and good governance should be granted to those developing countries which, due to a lack of diversification, are economically vulnerable, have ratified core international conventions on human and labour rights, climate and environmental protection and good governance, and commit to ensuring the effective implementation thereof. The special incentive arrangement for sustainable development and good governance should help those countries to assume the additional responsibilities resulting from the ratification and effective implementation of these conventions. The list of conventions relevant for GSP should be updated to better reflect the evolution of core international instruments and standards and take a proactive approach to sustainable development in keeping with the Sustainable Development Goals and Agenda 2030¹⁸. In this regard, the following conventions are added: the Paris Agreement on Climate Change (2015) – replacing the Kyoto Protocol; the Convention on the Rights of Persons with Disabilities (CRPD); the Optional Protocol to the Convention on the Rights of the Child on the Involvement of Children in Armed Conflict (OP-CRC-AC); ILO Convention No 81 on Labour Inspection; ILO Convention No 144 on Tripartite Consultation; *and* the UN Convention

Work, the 2000 UN Millennium Declaration, the 2002 Johannesburg Declaration on Sustainable Development, the ILO Centenary Declaration for the Future of Work of 2019, the Outcome Document of the UN Summit on Sustainable Development of 2015 "Transforming Our World: the 2030 Agenda for Sustainable Development", the UN Guiding Principles on Business and Human Rights, and the Paris Agreement on Climate Change under the UN Framework Convention on Climate Change. Consequently, the additional tariff preferences provided for under the special incentive arrangement for sustainable development and good governance should be granted to those developing countries which, due to a lack of diversification, are economically vulnerable, have ratified core international conventions on human and labour rights, climate and environmental protection and good governance, commit to ensuring the effective implementation *and to collaborate on the monitoring* thereof. The special incentive arrangement for sustainable development and good governance should help those countries to assume the additional responsibilities resulting from the ratification and effective implementation of these conventions. The list of conventions relevant for GSP should be updated to better reflect the evolution of core international instruments and standards and take a proactive approach to sustainable development in keeping with the Sustainable Development Goals and Agenda 2030¹⁸. In this regard, the following conventions are added: the Paris Agreement on Climate Change (2015) – replacing the Kyoto Protocol; the Convention on the Rights of Persons with Disabilities (CRPD); the Optional Protocol to the Convention on the Rights of the Child on the Involvement of Children in Armed Conflict (OP-CRC-AC); ILO Convention No 81 on Labour Inspection; ILO Convention No 144 on Tripartite Consultation; the UN Convention against Transnational Organized Crime; *the First*

against Transnational Organized Crime.

Optional Protocol of the International Covenant on Civil and Political Rights; the Rome Statute of the International Criminal Court; the Protocol of 2014 to the Forced Labour Convention of 1930, the Occupational Safety and Health convention No 155, and the Promotional Framework for Occupational safety and health convention No 187.

¹⁸ United Nations (2015). Resolution adopted by the General Assembly on 25 September 2015, Transforming our World: the Agenda 2030 for Sustainable Development (A/RES/70/1), available at: <https://sustainabledevelopment.un.org/post2015/transformingourworld>

¹⁸ United Nations (2015). Resolution adopted by the General Assembly on 25 September 2015, Transforming our World: the Agenda 2030 for Sustainable Development (A/RES/70/1), available at: <https://sustainabledevelopment.un.org/post2015/transformingourworld>

Or. en

Amendment 10

Proposal for a regulation

Recital 12

Text proposed by the Commission

(12) Countries graduating from the Least-Developed Countries (LDC) category established by the UN should be incentivised to continue on the path of sustainable development. For this purpose, the economic vulnerability criteria to qualify for the special incentive arrangement for sustainable development and good governance should be eased compared to Regulation (EU) No 978/2012, to facilitate access by a larger number of countries graduating from the least developed country category.

Amendment

(12) Countries graduating from the Least-Developed Countries (LDC) category established by the UN should be incentivised to continue on the path of sustainable development. For this purpose, the economic vulnerability criteria to qualify for the special incentive arrangement for sustainable development and good governance should be eased compared to Regulation (EU) No 978/2012, to facilitate access by a larger number of countries graduating from the least developed country category. ***The continued and sustained progress towards ratifying the international conventions covered by this Regulation should be closely monitored, and EU development finance programming should be designed to duly take this objective into***

consideration.

Or. en

Amendment 11

Proposal for a regulation Recital 13

Text proposed by the Commission

(13) Preferences should be designed to promote further economic growth and, thereby, to respond positively to the need for sustainable development. Under the special incentive arrangement for sustainable development and good governance, the ad valorem tariffs should, therefore, be suspended for the beneficiary countries concerned. The specific duties should also be suspended, unless combined with an ad valorem duty.

Amendment

(13) Preferences should be designed to promote further economic growth and, thereby, to respond positively to the need for sustainable development. ***Targeted EU aid for trade and development finance, including blended finance and guarantees, should be provided accordingly, to help promote sustainable trade and investment towards production capacity, diversification and value addition, in particular by lower-income countries.*** Under the special incentive arrangement for sustainable development and good governance, the ad valorem tariffs should, therefore, be suspended for the beneficiary countries concerned. The specific duties should also be suspended, unless combined with an ad valorem duty.

Or. en

Amendment 12

Proposal for a regulation Recital 15

Text proposed by the Commission

(15) Countries that have been granted the special incentive arrangement for

Amendment

(15) Countries that have been granted the special incentive arrangement for

sustainable development and good governance in accordance with Regulation (EU) No 978/2012 should submit a new application within two years after the date of application of this Regulation. In order, however, to ensure continuity and legal certainty for economic operators, the tariff preferences under the special incentive arrangement for sustainable development and good governance provided for in Regulation (EU) No 978/2012 are to be maintained during the period in which their application is assessed. ***Requests for*** technical and financial assistance from applicant countries related to the ratification and implementation of the conventions ***can be looked upon favourably.***

sustainable development and good governance in accordance with Regulation (EU) No 978/2012 should submit a new application within two years after the date of application of this Regulation. In order, however, to ensure continuity and legal certainty for economic operators, the tariff preferences under the special incentive arrangement for sustainable development and good governance provided for in Regulation (EU) No 978/2012 are to be maintained during the period in which their application is assessed. ***The Union should agree, as much as possible, to request*** technical and financial assistance from applicant countries related to the ratification and implementation of the conventions

Or. en

Amendment 13

Proposal for a regulation Recital 15 a (new)

Text proposed by the Commission

Amendment

(15a) The application for the special incentive arrangement for sustainable development should comprise, among others, a public plan of action detailing priority-oriented list of measures to be taken which are considered necessary to effectively implement the relevant international conventions. This plan of action, on which the beneficiary country should have reached a common understanding with the Commission and where appropriate the European External Action Service, should also include deadlines and identify the relevant bodies of the beneficiary country responsible for its implementation.

Or. en

Amendment 14

Proposal for a regulation

Recital 16

Text proposed by the Commission

(16) The Commission and where appropriate the European External Action Service should monitor the status of ratification of the international conventions on human and labour rights, environmental protection and good governance and their effective implementation, by examining the relevant information, in particular where available the conclusions and recommendations of the relevant monitoring bodies established under those conventions. Every three years, the Commission should present to the European Parliament and the Council a report on the status of ratification of the respective conventions, the compliance of the beneficiary countries with any reporting obligations under those conventions, and the status of the implementation of the conventions in practice.

Amendment

(16) The Commission and where appropriate the European External Action Service should monitor the status of ratification of the international conventions on human and labour rights, environmental protection and good governance and their effective implementation, by ***assessing in a transparent manner the progress made in the implementation of the plan of action***, examining the relevant information, in particular where available the conclusions and recommendations of the relevant monitoring bodies established under those conventions. ***This monitoring should also be based on high-level missions on the ground.*** Every three years, the Commission should present to the European Parliament and the Council a report on the status of ratification of the respective conventions, the compliance of the beneficiary countries with any reporting obligations under those conventions, and the status of the implementation of the conventions in practice, ***notably on the basis of the implementation of the plan of action. In their conclusions on the monitoring, the Commission and, where appropriate, the European External Action Service should provide clear recommendations on issues and actions to be prioritised for the following period.***

Or. en

Amendment 15

Proposal for a regulation Recital 16 a (new)

Text proposed by the Commission

Amendment

(16a) EU Delegations in beneficiary countries should play a crucial role in the overall implementation of this Regulation. EU Delegations should set up focal points ensuring coordination among the several tools in support of the beneficiary country to implement the requirements of this Regulation.

Or. en

Amendment 16

Proposal for a regulation Recital 16 b (new)

Text proposed by the Commission

Amendment

(16b) The civil society and other relevant stakeholders should be consulted throughout the monitoring cycle, and the information they submit should be duly taken into account. Additionally, an advisory body composed of their representatives should be set up, to assist the Commission in reviewing, monitoring and assessing the progress made by the beneficiary countries.

Or. en

Amendment 17

Proposal for a regulation Recital 17

Text proposed by the Commission

(17) For the purposes of monitoring of implementation and, where applicable, withdrawal of tariff preferences, reports from relevant monitoring bodies are essential. However, such reports may be supplemented by other information available **to the Commission**, including information obtained under bilateral or multilateral technical assistance programmes, and through other sources of information, provided they are accurate and reliable. This could include information from the **European Parliament and the Council**, governments, international organisations, civil society, social partners, or complaints received through the SEP provided they satisfy the relevant requirements. Shortcomings identified during the monitoring process **may** inform the Commission's future programming of development assistance in a more targeted manner.

Amendment

(17) For the purposes of monitoring of implementation and, where applicable, withdrawal of tariff preferences, reports from relevant monitoring bodies are essential. However, such reports may be, **to the widest possible extent**, supplemented by other information available, including information obtained under bilateral or multilateral technical assistance programmes, and through other sources of information, provided they are accurate and reliable. This could include information from the **Union institutions, bodies, offices or agencies**, governments, international organisations, civil society, social partners, **representatives of the economic interests**, or complaints received through the SEP provided they satisfy the relevant requirements. Shortcomings identified during the monitoring process **should** inform the Commission's future programming of development assistance **and the provision of technical assistance** in a more targeted manner.

Or. en

Amendment 18

Proposal for a regulation
Recital 18

Text proposed by the Commission

(18) In July 2020, the Commission appointed the Chief Trade Enforcement Officer with the role of enforcing trade rules. In this connection, in November 2020, the Commission launched a new complaints mechanism, the Single Entry Point ('SEP'), as part of its increased efforts to strengthen the enforcement and implementation of trade commitments. Through the SEP, the Commission receives

Amendment

(18) In July 2020, the Commission appointed the Chief Trade Enforcement Officer with the role of enforcing trade rules. In this connection, in November 2020, the Commission launched a new complaints mechanism, the Single Entry Point ('SEP'), as part of its increased efforts to strengthen the enforcement and implementation of trade commitments. Through the SEP, the Commission receives

complaints on various matters related to trade policy, including breaches of the GSP commitments. Such new system of complaints should be integrated within the framework of this Regulation.

complaints on various matters related to trade policy, including breaches of the GSP commitments. ***The SEP is accessible to citizens, entities, stakeholders or civil society established in the EU or in the beneficiary countries and complaints may be submitted anonymously.*** Such new system of complaints should be integrated ***and formalised*** within the framework of this Regulation.

Or. en

Amendment 19

Proposal for a regulation Recital 21

Text proposed by the Commission

(21) Common Customs Tariff duties on non-sensitive products should continue to be suspended, while duties on sensitive products should enjoy a tariff reduction, in order to ensure a satisfactory utilisation rate while at the same time taking account of the situation of the corresponding Union industries.

Amendment

(21) Common Customs Tariff duties on non-sensitive products should continue to be suspended, while duties on sensitive products should enjoy a tariff reduction, in order to ensure a satisfactory utilisation rate while at the same time taking account of the situation of the corresponding Union industries. ***Recognising that economic development, social development, and environmental protection are interdependent and mutually supportive components of sustainable development, and aiming at further supporting the economic diversification of beneficiary countries, an additional tariff reduction should be granted to sensitive products certified as sustainable by the recognised voluntary sustainability standards based on the principles of the conventions listed in Annex VI.***

Or. en

Amendment 20

Proposal for a regulation Recital 22

Text proposed by the Commission

(22) ***Such a tariff reduction*** should be sufficiently attractive, in order to motivate traders to make use of the opportunities offered by the scheme. Therefore, the ad valorem duties should generally be reduced by a flat rate of 3,5 percentage points from the 'most favoured nation' duty rate, while such duties for textiles and textile goods should be reduced by 20 %. Specific duties should be reduced by 30 %. Where a minimum duty is specified, that minimum duty should not apply.

Amendment

(22) ***Tariff reductions*** should be sufficiently attractive, in order to motivate traders to make use of the opportunities offered by the scheme. Therefore, the ad valorem duties should generally be reduced by a flat rate of 3,5 percentage points from the 'most favoured nation' duty rate, while such duties for textiles and textile goods should be reduced by 20 %. Specific duties should be reduced by 30 %. ***For sensitive products certified by the recognised voluntary sustainability standards the ad valorem duties should be reduced by a flat rate of 4,5 percentage points from the 'most favoured nation' duty rate, while such duties for textiles and textile goods should be reduced by 30%. Specific duties should be reduced by 40%.*** Where a minimum duty is specified, that minimum duty should not apply.

Or. en

Amendment 21

Proposal for a regulation Recital 24

Text proposed by the Commission

(24) Product graduation should be based on criteria related to sections and chapters of the Common Customs Tariff. Product graduation should apply in respect of a section or sub-section in order to reduce cases where heterogeneous products are graduated. The graduation of a section or a sub-section (made up of chapters) for a beneficiary country should be applied

Amendment

(24) Product graduation should be based on criteria related to sections and chapters of the Common Customs Tariff. Product graduation should apply in respect of a section or sub-section in order to reduce cases where heterogeneous products are graduated. The graduation of a section or a sub-section (made up of chapters) for a beneficiary country should be applied

when the section meets the criteria for graduation over three consecutive years, in order to increase predictability and fairness of graduation by eliminating the effect of large and exceptional variations in the import statistics. Product graduation should not apply to the beneficiary countries of the special incentive arrangement for sustainable development and good governance (GSP+) and the beneficiary countries of the special arrangement for the least-developed countries (EBA) as they share a very similar economic profile rendering them vulnerable because of a low, non-diversified export base. The tariff preferences provided for in this Regulation apply to products originating in the beneficiary countries in accordance with the rules of origin laid down in the Union Customs Code and the legal acts adopted in accordance with the powers conferred by that Code, in particular Commission Delegated Regulation (EU) 2015/2446¹⁹, and Commission Implementing Regulation (EU) 2015/2447²⁰. Regional cumulation between countries of different regional groups and extended cumulation should be granted provided that the applicant beneficiary country brings sufficient evidence that cumulation responds to its development, financing and trade needs, thus leading, amongst others, to economic growth, elimination of poverty, diversification of exports and **industrialisation**, and provided that it does not impact negatively on the situation of other countries, especially EBA beneficiary countries. When assessing whether granting cumulation responds to the requesting country's development, financing and trade needs, the Commission should take into account the beneficiary country's dependency on the supplying country **and** future perspectives with regard to the products in question.

when the section meets the criteria for graduation over three consecutive years, in order to increase predictability and fairness of graduation by eliminating the effect of large and exceptional variations in the import statistics. Product graduation should not apply to the beneficiary countries of the special incentive arrangement for sustainable development and good governance (GSP+) and the beneficiary countries of the special arrangement for the least-developed countries (EBA) as they share a very similar economic profile rendering them vulnerable because of a low, non-diversified export base. The tariff preferences provided for in this Regulation apply to products originating in the beneficiary countries in accordance with the rules of origin laid down in the Union Customs Code and the legal acts adopted in accordance with the powers conferred by that Code, in particular Commission Delegated Regulation (EU) 2015/2446¹⁹, and Commission Implementing Regulation (EU) 2015/2447²⁰. Regional cumulation between countries of different regional groups and extended cumulation **is an important instrument to support regional integration and should be encouraged also under this Regulation as an important dimension of sustainable development. Regional cumulation** should be granted provided that the applicant beneficiary country brings sufficient evidence that cumulation responds to its development, financing and trade needs, **and that it supports regional integration**, thus leading, amongst others, to **sustainable** economic growth **and** elimination of poverty, diversification of exports and **development of manufacturing capacity, tangible benefits to the local populations**, and provided that it does not impact negatively on the situation of other countries, especially EBA beneficiary countries. When assessing whether granting cumulation responds to the requesting country's development, financing and trade needs, the Commission should take into account

the beneficiary country's dependency on the supplying country future perspectives with regard to the products in question ***and impacts on regional integration.***

¹⁹ Commission Delegated Regulation (EU) 2015/2446 of 28 July 2015 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards detailed rules concerning certain provisions of the Union Customs Code (OJ L 343, 29.12.2015, p. 1).

²⁰ Commission Implementing Regulation (EU) 2015/2447 of 24 November 2015 laying down detailed rules for implementing certain provisions of Regulation (EU) No 952/2013 of the European Parliament and of the Council laying down the Union Customs Code (OJ L 343, 29.12.2015, p. 558).

¹⁹ Commission Delegated Regulation (EU) 2015/2446 of 28 July 2015 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards detailed rules concerning certain provisions of the Union Customs Code (OJ L 343, 29.12.2015, p. 1).

²⁰ Commission Implementing Regulation (EU) 2015/2447 of 24 November 2015 laying down detailed rules for implementing certain provisions of Regulation (EU) No 952/2013 of the European Parliament and of the Council laying down the Union Customs Code (OJ L 343, 29.12.2015, p. 558).

Or. en

Amendment 22

Proposal for a regulation

Recital 25

Text proposed by the Commission

(25) The reasons for temporary withdrawal of the arrangements under the scheme should include serious and systematic violations of the principles laid down in international conventions concerning core human rights (including certain principles of international humanitarian law enshrined in those conventions), labour rights, climate and environmental protection, and good governance, so as to promote the objectives of those conventions. Tariff preferences under the special incentive arrangement for sustainable development and good governance should be temporarily withdrawn if the beneficiary country does

Amendment

(25) The reasons for temporary withdrawal of the arrangements under the scheme should include serious and systematic violations of the principles laid down in international conventions concerning core human rights (including certain principles of international humanitarian law enshrined in those conventions), labour rights, climate and environmental protection, and good governance, so as to promote the objectives of those conventions. Tariff preferences under the special incentive arrangement for sustainable development and good governance should be temporarily withdrawn if the beneficiary country does

not respect its binding undertaking to maintain the ratification and effective implementation of those conventions or to comply with the reporting requirements imposed by the respective conventions, or if the beneficiary country does not cooperate with the Union's monitoring procedures as set out in this Regulation. The temporary withdrawal should continue until the reasons justifying it no longer apply. In situations characterised by an exceptional gravity of the violations, the Commission should have the power to respond rapidly by adopting measures within a shorter timeline. Under the Union's zero tolerance approach for child labour the reasons for temporary withdrawal should include exports of goods made by internationally prohibited child labour, as well as forced labour including slavery and prison labour, as identified in the relevant Conventions in Annex VI.

not respect its binding undertaking to maintain the ratification and effective implementation of those conventions or to comply with the reporting requirements imposed by the respective conventions, ***or to maintain the effective implementation of the plan of action provided in its request to benefit from the arrangement*** or if the beneficiary country does not cooperate with the Union's monitoring procedures as set out in this Regulation. The temporary withdrawal should continue until the reasons justifying it no longer apply. In situations characterised by an exceptional gravity of the violations, the Commission should have the power to respond rapidly by adopting measures within a shorter timeline. Under the Union's zero tolerance approach for child labour the reasons for temporary withdrawal should include exports of goods made by internationally prohibited child labour, as well as forced labour including slavery and prison labour, as identified in the relevant Conventions in Annex VI.

Or. en

Amendment 23

Proposal for a regulation Recital 25 a (new)

Text proposed by the Commission

Amendment

(25a) Temporary withdrawal of the arrangements should be considered as a last-resort measure. Whenever the record of compliance with the relevant obligations set out in this Regulation seriously deteriorates, the Commission and the EEAS should step up dialogue with the beneficiary countries and launch a process of enhanced engagement where countries commit to actions through the implementation of targeted roadmaps

leading to discernible progress generally in the short term or, whenever issues are more complex and sensitive, over the medium term. After the launch and during the overall duration of the withdrawal procedure, beneficiary countries should be given the possibility to start engaging anytime. Whenever the enhanced engagement is extended into a second year, the Commission should add the country onto a public list, with a view to providing predictability and maximising leverage.

Or. en

Amendment 24

Proposal for a regulation Recital 26

Text proposed by the Commission

Amendment

(26) Orderly international migration can bring important benefits to the countries of origin and destination of migrants and contribute to their sustainable development needs. Increasing coherence between trade, development and migration policies is key to ensure that the benefits of migration accrue mutually to both the origin and destination countries. In this respect, it is essential for both origin and destination countries to address common challenges, such as, stepping up cooperation on readmission of own nationals and their sustainable reintegration in the country of origin, in particular in order to avoid a constant drain in active population in the countries of origin, with the ensuing long-term consequences on development, and to ensure that migrants are treated with dignity.

deleted

Or. en

Amendment 25

Proposal for a regulation

Recital 27

Text proposed by the Commission

(27) Return, readmission and reintegration are a common challenge for the Union and its partners. In particular, every State has the obligation to readmit its own nationals under international customary law, and multilateral international conventions such as the Convention on International Civil Aviation signed in Chicago on 7 December 1944. Improving sustainable reintegration and capacity building would significantly strengthen the local development in the partner countries.

Amendment

deleted

Or. en

Amendment 26

Proposal for a regulation

Recital 31

Text proposed by the Commission

(31) The advisory procedure should be used for the adoption of implementing acts on suspension from the tariff preferences of certain GSP sections in respect of beneficiary countries *and* on the initiation of a temporary withdrawal procedure, taking into account the nature and impact of those acts.

Amendment

(31) The advisory procedure should be used for the adoption of implementing acts on suspension from the tariff preferences of certain GSP sections in respect of beneficiary countries, on the initiation of a temporary withdrawal procedure, taking into account the nature and impact of those acts *and on the establishment of a list of sustainability certification schemes that are relevant for the purpose of recognising products as sustainable.*

Or. en

Amendment 27

Proposal for a regulation Recital 36

Text proposed by the Commission

(36) The Commission should report regularly to the European Parliament and to the Council on the effects of the scheme under this Regulation through the relevant institutional committees. By 1 January 2030, the Commission should report to the European Parliament and to the Council on the mid-term application of this Regulation and assess the need to review the scheme. The report is necessary to analyse the impact of the scheme on the development, trade and financial needs of beneficiaries as well as on bilateral trade and on the Union's tariff income, with particular attention to the sustainable development goals.

Amendment

(36) The Commission should report regularly to the European Parliament and to the Council on the effects of the scheme under this Regulation through the relevant institutional committees. By 1 January 2030, the Commission should report to the European Parliament and to the Council on the mid-term application of this Regulation and assess the need to review the scheme. The report is necessary to analyse the impact of the scheme on the development, ***poverty eradication, economic diversification***, trade and financial needs of beneficiaries, ***with special regard to be given to the product scope of the Regulation and to the extension and application of conditionalities***, as well as on bilateral trade and on the Union's tariff income, with particular attention to the sustainable development goals ***and the European Green Deal***.

Or. en

Amendment 28

Proposal for a regulation Article 2 – point 9 a (new)

Text proposed by the Commission

Amendment

(9a) ‘sensitive products’ means goods whose excessively-high utilisation rate by standard GSP beneficiary countries could negatively impact the ability and capacity of Union industries to manufacture or process the same goods in the long-run;

Amendment 29

Proposal for a regulation Article 2 – point 9 b (new)

Text proposed by the Commission

Amendment

(9b) ‘sustainable products’ means goods whose production, trading, marketing and distribution minimise or have no negative environmental or human rights impacts, are safe for employees, communities, and consumers and are certified by voluntary sustainability standards that are recognised as operationalising the principles of the conventions listed in Annex VI and the UN Guiding Principles on Business and Human Rights;

Or. en

Amendment 30

Proposal for a regulation Article 2 – point 10 a (new)

Text proposed by the Commission

Amendment

(10a) ‘plan of action’ means a forward looking and priority-oriented list of measures, including legislative ones, to be adopted and actions to be taken by a beneficiary country which are considered necessary to effectively implement the core international conventions referred to in Annex VI; including a timeframe for each listed measure and action and identifying as precisely as possible the relevant institution or structure responsible for its implementation and oversight;

Amendment 31

Proposal for a regulation Article 2 – point 10 b (new)

Text proposed by the Commission

Amendment

(10b) ‘enhanced engagement’ means a dialogue aiming to facilitate and incentivise countries benefitting from the arrangements referred to Article 1 paragraph 2 to make progress on critical areas with regard to the relevant international conventions and whereby the countries and the Commission reach a common understanding on concrete priority actions and sustainable solutions to address serious shortcomings in respect of the conventions;

Or. en

Amendment 32

Proposal for a regulation Article 2 – point 10 c (new)

Text proposed by the Commission

Amendment

(10c) ‘list of issues’ means a list of the salient issues in relation to attaining effective implementation of the international conventions relevant to the GSP+ arrangement, as identified by the monitoring bodies or based on any accurate and reliable sources of information, including as provided by relevant stakeholders and civil society organisations, and based on the conclusions outlined in the report referred to in Article 14 and relative to the preceding monitoring cycle;

Amendment 33

Proposal for a regulation Article 2 – point 11

Text proposed by the Commission

(11) ‘effective implementation’ means the integral implementation of the undertakings and obligations undertaken under the international conventions listed in Annex VI, thus ensuring fulfilment of the principles, objectives and rights guaranteed in these conventions in the beneficiary country’s entire territory;

Amendment

(11) ‘effective implementation’ means the integral implementation of the undertakings and obligations undertaken under the international conventions listed in Annex VI, thus ensuring fulfilment of the principles, objectives and rights guaranteed in these conventions in the beneficiary country’s entire territory, ***including in its special economic zones and export processing zones;***

Or. en

Amendment 34

Proposal for a regulation Article 2 – point 12

Text proposed by the Commission

(12) ‘complaint’ means a complaint submitted to the Commission through the Single Entry Point.

Amendment

(12) ‘complaint’ means a complaint submitted, ***also anonymously***, to the Commission through the Single Entry Point ***by citizens, entities, stakeholders or civil society from the Union or the beneficiary countries covered by the schemes referred to in Article 1 paragraph 2 and relating to conditions and reasons referred to in Articles 9 and 19;***

Or. en

Amendment 35

Proposal for a regulation

Article 4 – paragraph 1 – point b a (new)

Text proposed by the Commission

Amendment

(ba) there is sufficient ground to consider that serious and systematic infringements and violations of the conditions set out in Article 19.1 points (a), (b), (c), (d) and (e) exist.

Or. en

Amendment 36

Proposal for a regulation

Article 4 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. Countries that benefit from the standard arrangement referred to in paragraph 1 shall ratify the conventions listed in Annex VI, and adopt a National Action Plan for the implementation of the UN Guiding Principles on Business and Human Rights, in conformity with the Guidance on National Action Plans of the UN Working Group on Business and Human Rights, within five years upon the application of the preferences.

Or. en

Amendment 37

Proposal for a regulation

Article 4 – paragraph 1 b (new)

Text proposed by the Commission

Amendment

1b. EU development finance programming under the Neighbourhood, Development and International Cooperation Instrument - Global Europe established by Regulation (EU) 2021/947 of the European Parliament and of the Council in support of countries benefitting from the special arrangement referred to in paragraph 1 shall prioritise ratification of the conventions listed in Annex VI and the adoption of a National Action Plan as referred to in paragraph 1a.

Or. en

Amendment 38

Proposal for a regulation

Article 5 – paragraph 2 – introductory part

Text proposed by the Commission

Amendment

2. By 1 January of each year following the entry into force of this Regulation the Commission shall review Annex I. To provide a standard GSP beneficiary country and economic operators with time for orderly adaptation to the change of the country's status under the scheme:

2. With regard to the economic criteria referred to in Article 4 paragraph 1 (a) and (b), by 1 January of each year following the entry into force of this Regulation the Commission shall review Annex I. To provide a standard GSP beneficiary country and economic operators with time for orderly adaptation to the change of the country's status under the scheme:

Or. en

Amendment 39

Proposal for a regulation

Article 6 – paragraph 1 a (new)

1a. Products shall be considered sustainable when they are certified in accordance with recognised voluntary sustainability certification schemes. A voluntary sustainability certification scheme shall be recognised by the Commission for the purposes of this Regulation based on established sustainability criteria and minimum requirements based, inter alia, on coherence with internationally recognised standards such as the relevant international conventions listed in Annex VI, adequate standards of human rights, environmental sustainability, economic equality and living income; reliability, transparency, traceability, independent and accredited auditing and appropriate appeal procedures shall also feature among the criteria.

Or. en

Amendment 40

Proposal for a regulation Article 6 – paragraph 2

2. The Commission is empowered to adopt delegated acts in accordance with Article 36, to amend Annex III in order to incorporate changes made necessary by amendments to the Combined Nomenclature.

2. The Commission is empowered to adopt delegated acts in accordance with Article 36, to amend Annex III in order to:

- (a)*** incorporate changes made necessary by amendments to the Combined Nomenclature;
- (b) modify the classification of products as sensitive or non-sensitive.***

Or. en

Amendment 41

Proposal for a regulation Article 6 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The Commission shall adopt an implementing act establishing, in accordance with the advisory procedure referred to in Article 39(2), a list of sustainability certification schemes that are relevant for the purpose of recognising products as sustainable.

Or. en

Amendment 42

Proposal for a regulation Article 7 – paragraph 1

Text proposed by the Commission

Amendment

1. Common Customs Tariff duties on products listed in Annex III as non-sensitive products shall be suspended entirely, except for agricultural components.

1. Common Customs Tariff duties on products listed in Annex III as non-sensitive products shall be suspended entirely, except for agricultural components ***unless these products are certified as sustainable products.***

Or. en

Amendment 43

Proposal for a regulation Article 7 – paragraph 2

Text proposed by the Commission

Amendment

2. Common Customs Tariff ad valorem duties on products listed in Annex

2. Common Customs Tariff ad valorem duties on products listed in Annex

III as sensitive products shall be reduced by 3,5 percentage points. For products under GSP sections S-11a and S-11b of Annex III, that reduction shall be 20 %.

III as sensitive products shall be reduced by 3,5 percentage points, ***or by 4,5 percentage points if those products are certified as sustainable products.*** For products under GSP sections S-11a and S-11b of Annex III, that reduction shall be 20 %, ***or 30% if those products are certified as sustainable products.***

Or. en

Amendment 44

Proposal for a regulation Article 7 – paragraph 4

Text proposed by the Commission

4. Common Customs Tariff specific duties, other than minimum or maximum duties, on products listed in Annex III as sensitive products shall be reduced by 30 %.

Amendment

4. Common Customs Tariff specific duties, other than minimum or maximum duties, on products listed in Annex III as sensitive products shall be reduced by 30 %, ***or by 40% if those products are certified as sustainable products.***

Or. en

Amendment 45

Proposal for a regulation Article 7 – paragraph 5

Text proposed by the Commission

5. Where Common Customs Tariff duties on products listed in Annex III as sensitive products include ad valorem duties and specific duties, the specific duties shall not be reduced.

Amendment

5. Where Common Customs Tariff duties on products listed in Annex III as sensitive products include ad valorem duties and specific duties, the specific duties shall not be reduced, ***unless those products are certified as sustainable products.***

Or. en

Amendment 46

Proposal for a regulation Article 9 – point b a (new)

Text proposed by the Commission

Amendment

(ba) it has adopted a National Action Plan for the implementation of the UN Guiding Principles on Business and Human Rights, in conformity with the Guidance on National Action Plans of the UN Working Group on Business and Human Rights;

Or. en

Amendment 47

Proposal for a regulation Article 9 – point d

Text proposed by the Commission

Amendment

d) it gives a binding undertaking to maintain ratification of the relevant conventions and to ensure the effective implementation thereof, accompanied by a plan of action ***for the effective implementation of*** the relevant conventions;

(d) it gives a binding undertaking to maintain ratification of the relevant conventions and to ensure the effective implementation thereof, accompanied by a ***time-bound*** plan of action ***of measures that are necessary to effectively implement*** the relevant conventions; ***the beneficiary country and the Commission shall reach a common understanding on the plan of action, which shall thereafter be made public;***

Or. en

Amendment 48

Proposal for a regulation

Article 10 – paragraph 2

Text proposed by the Commission

2. The requesting country shall submit its request to the Commission in writing. The request shall provide comprehensive information concerning the ratification of the relevant conventions and shall include the binding undertakings referred to in Article 9, points (d), (e), and (f).

Amendment

2. The requesting country shall submit its request to the Commission in writing. The request shall provide comprehensive information concerning the ratification of the relevant conventions and shall include the binding undertakings referred to in Article 9, points (d), (e), and (f), ***including a finalised plan of action.***

Or. en

Amendment 49

Proposal for a regulation

Article 10 – paragraph 4

Text proposed by the Commission

4. ***After*** examining the request, the Commission is empowered to adopt delegated acts, in accordance with Article 36, to amend Annex I in order to grant a requesting country the special incentive arrangement for sustainable development and good governance by including that country in the list of GSP+ beneficiary countries.

Amendment

4. ***While*** examining the request, ***the views expressed by the European Parliament and the Council shall be taken into account and the advisory body referred to in Article 13a shall be consulted.*** ***After examining the request,*** the Commission is empowered to adopt delegated acts, in accordance with Article 36, to amend Annex I in order to grant a requesting country the special incentive arrangement for sustainable development and good governance by including that country in the list of GSP+ beneficiary countries.

Or. en

Amendment 50

Proposal for a regulation

Article 10 – paragraph 5

Text proposed by the Commission

5. Where a GSP+ beneficiary country no longer fulfils the conditions referred to in Article 9, points (a) or (c) or withdraws any of its binding undertakings referred to in Article 9, points (d), (e), and (f), the Commission is empowered to adopt a delegated act in accordance with Article 36, to amend Annex I in order to remove that country from the GSP+ arrangement.

Amendment

5. Where a GSP+ beneficiary country no longer fulfils the conditions referred to in Article 9, points (a) or (c) or withdraws any of its binding undertakings referred to in Article 9, points (d), (e), and (f), ***including outstanding issues related to the implementation of its plan of action***, the Commission is empowered to adopt a delegated act in accordance with Article 36, to amend Annex I in order to remove that country from the GSP+ arrangement.

Or. en

Amendment 51

Proposal for a regulation

Article 12 – paragraph 2

Text proposed by the Commission

2. Common Customs Tariff specific duties on products referred to in paragraph 1 shall be suspended entirely, except for products for which the Common Customs Tariff duties include ad valorem duties. For products with Combined Nomenclature code 1704 10 90, the specific duty shall be limited to 16 % of the customs value.

Amendment

2. Common Customs Tariff specific duties on products referred to in paragraph 1 shall be suspended entirely, except for products for which the Common Customs Tariff duties include ad valorem duties, ***unless those products are sustainable products***. For products with Combined Nomenclature code 1704 10 90, the specific duty shall be limited to 16 % of the customs value.

Or. en

Amendment 52

Proposal for a regulation

Article 13 – paragraph 1

Text proposed by the Commission

1. As of the date of the granting of the tariff preferences provided under the special incentive arrangement for sustainable development and good governance, the Commission shall, with regard to each of the GSP+ beneficiary countries, keep under review and monitor the status of ratification of the relevant conventions and their effective implementation, as well as the cooperation of the GSP+ beneficiary country with the relevant monitoring bodies. In doing so, the Commission shall examine all relevant information, in particular the conclusions and recommendations of the relevant monitoring bodies.

Amendment

1. As of the date of the granting of the tariff preferences provided under the special incentive arrangement for sustainable development and good governance, the Commission shall, with regard to each of the GSP+ beneficiary countries, keep under review and monitor the status of ratification of the relevant conventions and their effective implementation, as well as the cooperation of the GSP+ beneficiary country with the relevant monitoring bodies. In doing so, the Commission shall ***assess in a transparent manner and based on objective criteria the progress made by the GSP+ beneficiary countries in implementing their plans of action, and*** examine all relevant information, in particular the conclusions and recommendations of the relevant monitoring bodies, ***as well as duly substantiated information submitted by individual citizens, private sector actors, civil society organisations, representatives of trade unions, other relevant stakeholders and any complaints received. A cycle of three years for the review, monitoring and assessment (hereinafter monitoring cycle) is hereby established.***

Or. en

Amendment 53

Proposal for a regulation

Article 13 – paragraph 2

Text proposed by the Commission

2. A GSP+ beneficiary country shall cooperate with the Commission and provide all information necessary to assess its respect of the binding undertakings referred to in Article 9, points (d), (e), and (f) and its situation as regards Article 9, points (b) and (c).

Amendment

2. A GSP+ beneficiary country shall cooperate with the Commission and provide all information necessary to assess its respect of the binding undertakings referred to in Article 9, points (d) ***including the implementation of its plan of action***, (e), and (f) and its situation as regards Article 9, points (b) and (c).

Or. en

Amendment 54

**Proposal for a regulation
Article 13 – paragraph 2 a (new)**

Text proposed by the Commission

Amendment

2a. The Commission, where applicable jointly with the EEAS, shall carry out at least one high-level monitoring mission per monitoring cycle to the beneficiary countries in order to assess progress on the ground, including in line with the plans of action. In the framework of the mission, relevant stakeholders in the beneficiary countries shall be duly consulted. The Commission shall keep the European Parliament and the Council informed of the preparation and outcome of the missions.

Or. en

Amendment 55

**Proposal for a regulation
Article 13 – paragraph 2 b (new)**

Text proposed by the Commission

Amendment

2b. At the beginning of each monitoring cycle, the Commission shall send a list of issues to all GSP+ beneficiary countries outlining implementation issues that need to be addressed during the cycle. The lists of issues shall be made publicly available.

Or. en

Amendment 56

Proposal for a regulation

Article 13 – paragraph 2 c (new)

Text proposed by the Commission

Amendment

2c. The plans of action and the Commission and European External Action Service's recommendations on priority implementation actions shall be taken into account in the EU development finance programming under the Neighbourhood, Development and International Cooperation Instrument - Global Europe established by Regulation (EU) 2021/947 of the European Parliament and of the Council in order to support GSP+ beneficiary countries in attaining their commitments.

Or. en

Amendment 57

Proposal for a regulation

Article 13 a (new)

Text proposed by the Commission

Amendment

Article 13a

The Commission shall be assisted in reviewing, monitoring and assessing the binding undertakings referred to in Article 9, points (d), (e) and (f) by an advisory body composed of representatives of the Union's stakeholders.

The Commission shall consult the advisory body with regard to the plans of action submitted by the GSP+ beneficiary countries in view of their application to the GSP+ scheme; for that purpose, the participation to the advisory body shall be extended to stakeholders in the beneficiary countries. The Commission shall also consult with and report to the advisory body when assessing the implementation of the plans of action during each monitoring cycle and more generally throughout the cycle as regularly as necessary, including ahead of and after monitoring missions.

Or. en

Amendment 58

Proposal for a regulation Article 14 – paragraph 1

Text proposed by the Commission

1. By 1 January 2027, and every three years thereafter, the Commission shall present to the European Parliament and to the Council a report on the status of ratification of the relevant conventions, the compliance of the GSP+ beneficiary countries with any reporting obligations under those conventions and the status of the effective implementation thereof.

Amendment

1. By 1 January 2027, and every three years thereafter, the Commission shall present to the European Parliament and to the Council a report on the status of ratification of the relevant conventions, the compliance of the GSP+ beneficiary countries with any reporting obligations under those conventions and the status of the effective implementation thereof, ***also based on the assessment of the implementation of the plans of action.***

Or. en

Amendment 59

Proposal for a regulation

Article 14 – paragraph 2 – point b

Text proposed by the Commission

(b) the Commission's and where appropriate the European External Action Service's conclusions on whether each GSP+ beneficiary country respects its binding undertakings to comply with reporting obligations, to cooperate with relevant monitoring bodies in accordance with the relevant conventions and to ensure the effective implementation thereof;

The report may include any information from any source the Commission considers appropriate.

Amendment

(b) the Commission's and where appropriate the European External Action Service's conclusions, on whether each GSP+ beneficiary country respects its binding undertakings to comply with reporting obligations, to cooperate with relevant monitoring bodies in accordance with the relevant conventions and to ensure the effective implementation thereof, ***including through an assessment of the implementation of its plan of action;***

The report may include any information from any source the Commission considers appropriate ***including from civil society organisations and social partners.***

Or. en

Amendment 60

Proposal for a regulation

Article 14 – paragraph 3

Text proposed by the Commission

3. In drawing their conclusions concerning effective implementation of the relevant conventions, the Commission and where appropriate the European External Action Service shall assess the conclusions and recommendations of the relevant monitoring bodies, as well as, without prejudice to other sources, information submitted by the European Parliament or the Council as well as third parties, including governments and international organisations, civil society, and social partners.

Amendment

3. In drawing their conclusions concerning effective implementation of the relevant conventions, the Commission and where appropriate the European External Action Service shall assess ***the implementation of the plans of action, also based on*** the conclusions and recommendations of the relevant monitoring bodies, as well as, without prejudice to other sources, information submitted by the European Parliament or the Council as well as third parties, including governments and international organisations, civil society, and social

partners. *The Commission and, where applicable, the European External Action Service shall provide recommendations on issues and actions to be prioritised in the following monitoring cycle, including on the provision of technical assistance and development support, as appropriate. In case of major shortcomings in implementing the plans of action, the report shall indicate which measures the country shall undertake in order to comply with the obligations under Article 9(d).*

Or. en

Amendment 61

Proposal for a regulation Article 15 – paragraph 1

Text proposed by the Commission

1. The special incentive arrangement for sustainable development and good governance shall be withdrawn temporarily, in respect of all or of certain products originating in a GSP+ beneficiary country, where that country does not respect its binding undertakings as referred to in Article 9, points (d), (e) and (f), or the GSP+ beneficiary country has formulated a reservation which is prohibited by any of the relevant conventions or which is incompatible with the object and purpose of that convention as established in Article 9, point (c).

Amendment

1. The special incentive arrangement for sustainable development and good governance shall be withdrawn temporarily, in respect of all or of certain products, ***including certain sectors,*** originating in a GSP+ beneficiary country, where that country does not respect its binding undertakings as referred to in Article 9, points (d), (e) and (f), ***including in case major shortcomings in implementing the plan of action referred to in Article 9 point (d) are identified,*** or the GSP+ beneficiary country has formulated a reservation which is prohibited by any of the relevant conventions or which is incompatible with the object and purpose of that convention as established in Article 9, point (c).

Or. en

Amendment 62

Proposal for a regulation Article 15 – paragraph 3

Text proposed by the Commission

3. Where, either on the basis of the conclusions *of* the report referred to in Article 14 or on the basis of the evidence available, including evidence submitted through a complaint, the Commission has a reasonable doubt that a particular GSP+ beneficiary country does not respect its binding undertakings as referred to in Article 9, points (d), (e) and (f), or has formulated a reservation which is prohibited by any of the relevant conventions or which is incompatible with the object and purpose of that convention as established in Article 9, point (c), it shall, in accordance with the advisory procedure referred to in Article 39(2), adopt an implementing act to initiate the procedure for the temporary withdrawal of the tariff preferences provided under the special incentive arrangement for sustainable development and good governance. The Commission shall inform the European Parliament and the Council thereof.

Amendment

3. Where, either on the basis of the conclusions ***and of the GSP+ beneficiary country's follow up to recommendations and priority actions as provided by*** the report referred to in Article 14 or on the basis of the evidence available, including evidence submitted through a complaint, the Commission has a reasonable doubt that a particular GSP+ beneficiary country does not respect its binding undertakings as referred to in Article 9, points (d), (e) and (f), ***including with regard to the implementation of its plan of action***, or has formulated a reservation which is prohibited by any of the relevant conventions or which is incompatible with the object and purpose of that convention as established in Article 9, point (c), it shall, in accordance with the advisory procedure referred to in Article 39(2), adopt an implementing act to initiate the procedure for the temporary withdrawal of the tariff preferences provided under the special incentive arrangement for sustainable development and good governance. The Commission shall inform the European Parliament and the Council thereof.

In its assessment of whether the GSP+ beneficiary country does not respect its binding undertakings referred to in Article 9 point (d), the Commission will in particular take into account whether the relevant monitoring bodies, treaty and supervisory mechanisms have signalled a potentially serious failure to effectively implement the relevant conventions, based on indicators such as:

- the establishment of commissions of inquiry, fact-finding missions, country special rapporteurs, or other monitoring

mechanisms by the UN Human Rights Council or General Assembly;

- findings by the UN High Commissioner for Human Rights, UN Special Procedures or other UN independent human rights experts;

- relevant procedures in the framework of the ILO Committee of Application of Standards, such as the introduction of a special paragraph;

- rulings and opinions by international human rights courts;

- reports by prominent local and international human rights groups;

- relevant indicators for the effective implementation of Multilateral Environmental and good governance Conventions.

Or. en

Amendment 63

Proposal for a regulation

Article 15 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. The Commission shall inform the European Parliament, the Council and the advisory body referred to in Article 13a about the complaints received. The Commission shall inform the complainant, the European Parliament, the Council and the advisory body referred to in Article 13a where it considers that the complaint does not provide sufficient evidence in relation to the indicators referred to in this article.

Or. en

Amendment 64

Proposal for a regulation Article 15 – paragraph 5

Text proposed by the Commission

5. The Commission shall provide the GSP+ beneficiary country concerned with every opportunity to cooperate during the period referred to in paragraph 4, point (b).

Amendment

5. The Commission shall provide the GSP+ beneficiary country concerned with every opportunity to cooperate ***and engage with a view to addressing the violations of its binding undertakings as referred to in paragraph 3*** during the period referred to in paragraph 4, point (b).

Or. en

Amendment 65

Proposal for a regulation Article 15 – paragraph 6

Text proposed by the Commission

6. The Commission shall seek all information it considers necessary including, inter alia, the conclusions and recommendations of the relevant monitoring bodies. In drawing its conclusions, the Commission shall assess all relevant information.

Amendment

6. The Commission shall seek all information it considers necessary including, inter alia, the conclusions and recommendations of the relevant monitoring bodies ***and information provided by the European Parliament and the Council, as well as by civil society organisations and social partners.*** In drawing its conclusions, the Commission shall assess all relevant information.

Or. en

Amendment 66

Proposal for a regulation Article 15 – paragraph 7 – point a

Text proposed by the Commission

(a) to terminate the temporary withdrawal procedure;

Amendment

(a) to terminate the temporary withdrawal procedure, ***either because the grounds for the reasonable doubt are not confirmed in the assessment referred to in paragraph 6, or because the GSP+ beneficiary country has engaged and committed to address the violations of its binding undertakings as referred to in paragraph 3;***

Or. en

Amendment 67

**Proposal for a regulation
Article 15 – paragraph 8**

Text proposed by the Commission

8. Where the Commission considers that ***the findings do not justify*** temporary withdrawal, it shall adopt an implementing act to terminate the temporary withdrawal procedure in accordance with the advisory procedure referred to in Article 39(2). That implementing act shall be based inter alia on evidence received.

Amendment

8. Where the Commission considers, ***based on the elements referred to in paragraphs 5 and 6,*** that ***a*** temporary withdrawal ***is not justified,*** it shall adopt an implementing act to terminate the temporary withdrawal procedure in accordance with the advisory procedure referred to in Article 39(2). That implementing act shall be based inter alia on evidence received.

Or. en

Amendment 68

**Proposal for a regulation
Article 15 – paragraph 9**

Text proposed by the Commission

Amendment

9. Where the Commission considers that *the findings justify* temporary withdrawal for the reasons referred to in paragraph 1 of this Article, it is empowered to adopt delegated acts, in accordance with Article 36, to amend Annex I and Annex II in order to temporarily withdraw the tariff preferences provided under the special incentive arrangement for sustainable development and good governance referred to in Article 1(2), point (b). In adopting the delegated act the Commission may, when appropriate, consider the socio-economic effect of the temporary withdrawal of tariff preferences in the beneficiary country.

9. Where the Commission considers, *based on the outcome of the cooperation and engagement and the findings referred to in paragraphs 5 and 6, and after consulting the European Parliament, the Council and the advisory body referred to in Article 13a*, that *a* temporary withdrawal *is justified* for the reasons referred to in paragraph 1 of this Article, it is empowered to adopt delegated acts, in accordance with Article 36, to amend Annex I and Annex II in order to temporarily withdraw the tariff preferences provided under the special incentive arrangement for sustainable development and good governance referred to in Article 1(2), point (b). *The Commission shall publicly state the grounds for withdrawing preferences and set benchmarks that the beneficiary country should meet for the preferences to be reinstated.* In adopting the delegated act the Commission may, when appropriate *and especially when considering a partial withdrawal*, consider the socio-economic effect of the temporary withdrawal of tariff preferences in the beneficiary country, *including with regard to impacts on women's employment and empowerment, with a view to minimising the negative socio-economic impact on the GSP+ beneficiary country's populations while maximising the leverage on its government.*

Or. en

Amendment 69

Proposal for a regulation Article 15 – paragraph 10

Text proposed by the Commission

10. Where the Commission decides on temporary withdrawal, such delegated act shall become applicable *six months* after

Amendment

10. Where the Commission decides on temporary withdrawal, such delegated act shall become applicable *one month* after

its adoption.

its adoption.

Or. en

Amendment 70

Proposal for a regulation

Article 15 – paragraph 10 a (new)

Text proposed by the Commission

Amendment

10a. During the application of a temporary withdrawal, the Commission shall continue the dialogue with the beneficiary country, including in the framework referred to in Article 18a, aiming at remedying the reasons for the withdrawal referred to in paragraph 3. The Commission shall regularly assess the effects of the withdrawal on remedying the violations, including in the report referred to in Article 14. The Commission shall regularly consult with the advisory body referred to in Article 13a to that purpose.

Or. en

Amendment 71

Proposal for a regulation

Article 17 – paragraph 1

Text proposed by the Commission

Amendment

1. An eligible country shall benefit from the tariff preferences provided under the special arrangement for the least-developed countries referred to in Article 1(2), point (c), if that country is identified by the United Nations as a least-developed country.

1. An eligible country shall benefit from the tariff preferences provided under the special arrangement for the least-developed countries referred to in Article 1(2), point (c), if that country is identified by the United Nations as a least-developed country ***and if the country is compliant with the conditions referred to in Article 19 paragraph 1.***

Amendment 72

Proposal for a regulation

Article 17 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. The Commission and, where applicable the EEAS, shall make sure that countries that benefit from the special arrangement referred to in paragraph 1 make continued and sustained progress towards ratifying the conventions listed in Annex VI and towards the adoption of National Action Plans for the implementation of the UN Guiding Principles on Business and Human Rights, in conformity with the Guidance on National Action Plans of the UN Working Group on Business and Human Rights;

EU development finance programming under the Neighbourhood, Development and International Cooperation Instrument - Global Europe established by Regulation (EU) 2021/947 shall prioritise support to countries benefitting from the special arrangement referred to in paragraph 1 aiming to make progress towards the ratification of the conventions listed in Annex VI and the adoption of the National Action Plans.

Or. en

Amendment 73

Proposal for a regulation

Article 17 – paragraph 2 – subparagraph 2

Text proposed by the Commission

Amendment

Where an EBA beneficiary country no longer fulfils the *conditions* referred to in paragraph 1 of this Article, the Commission is empowered to adopt delegated acts, in accordance with Article 36, to amend Annex I in order to remove the country from the EBA arrangement following a transitional period of three years as from the date on which the EBA beneficiary country no longer fulfils the conditions referred to in paragraph 1 of this Article.

Where an EBA beneficiary country no longer fulfils the *economic criteria* referred to in paragraph 1 of this Article, the Commission is empowered to adopt delegated acts, in accordance with Article 36, to amend Annex I in order to remove the country from the EBA arrangement following a transitional period of three years as from the date on which the EBA beneficiary country no longer fulfils the *economic* conditions referred to in paragraph 1 of this Article.

Or. en

Amendment 74

Proposal for a regulation Chapter 5 – Title

Text proposed by the Commission

Temporary withdrawal provisions common to all arrangements

Amendment

Enhanced engagement and temporary withdrawal provisions common to all arrangements

Or. en

Amendment 75

Proposal for a regulation Article 18 a new

Text proposed by the Commission

Amendment

Article 18a

In the framework of a Cooperation, Partnership or Association Agreement that the Union has concluded with a beneficiary country, a general review of the status of the country in the framework of the preferential arrangements referred to in Article 1(2) shall be conducted

yearly. For that purpose, the Commission, and where relevant the European External Action Service, and the beneficiary country shall review the issues pertaining to the conditions referred to in Article 19(1), including in relation to any complaints received by the Commission. The Commission, where relevant the European External Action Service, and the beneficiary country shall also review the status of the ratification of the conventions listed in Annex VI as referred to in Article 4(1a) and progress made towards ratification of the conventions listed in Annex VI as referred to in Article 17(1a).

Or. en

Amendment 76

Proposal for a regulation Article 19 – paragraph 1

Text proposed by the Commission

1. The preferential arrangements referred to in Article 1(2) may be withdrawn temporarily, in respect of all or of certain products originating in a beneficiary country, for any of the following reasons:

Amendment

1. The preferential arrangements referred to in Article 1(2) may be withdrawn temporarily, in respect of all or of certain products, ***including certain sectors***, originating in a beneficiary country, for any of the following reasons:

Or. en

Amendment 77

Proposal for a regulation Article 19 – paragraph 1 – point a

Text proposed by the Commission

(a) serious and systematic violation of principles laid down in the conventions

Amendment

(a) serious and systematic violation of principles laid down in the conventions listed in Annex VI, ***or failure to abide by***

listed in Annex VI;

*the obligation to ratify these conventions,
as referred to in Article 4(1) point b;*

Or. en

Amendment 78

Proposal for a regulation

Article 19 – paragraph 1 – point c

Text proposed by the Commission

(c) serious shortcomings in customs controls on the export or transit of drugs (illicit substances or precursors), ***or related to the obligation to readmit the beneficiary country's own nationals*** or serious failure to comply with international conventions on antiterrorism or anti-money laundering;

Amendment

(c) serious shortcomings in customs controls on the export or transit of drugs (illicit substances or precursors), or serious failure to comply with international conventions on antiterrorism or anti-money laundering;

Or. en

Amendment 79

Proposal for a regulation

Article 19 – paragraph 1 – point d

Text proposed by the Commission

(d) serious and systematic unfair trading practices ***including those affecting the supply of raw materials, which have an adverse effect on the Union industry and which have not been addressed by the beneficiary country. For those unfair trading practices, which are prohibited or actionable under the WTO Agreements, the application of this Article shall be based on a previous determination to that effect by the competent WTO body;***

Amendment

(d) serious and systematic unfair trading practices ***as established by WTO appeal mechanisms;***

Or. en

Amendment 80

Proposal for a regulation

Article 19 – paragraph 1 – point e

Text proposed by the Commission

(e) 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

Amendment

(e) 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, ***or serious violations of the principles of decent work in fisheries as laid down in ILO Convention No 188 (2007);***

Or. en

Amendment 81

Proposal for a regulation

Article 19 – paragraph 1 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

For the purpose of applying point (a), the Commission will in particular take into account whether the relevant monitoring bodies, treaty and supervisory mechanisms have signalled potentially serious and systematic violations of the principles of the relevant conventions, based on such indicators as:

- the establishment of commissions of inquiry, fact-finding missions, country special rapporteurs, or other monitoring mechanisms by the UN Human Rights Council or General Assembly;

- findings by the UN High Commissioner for Human Rights, UN Special Procedures or other UN independent human rights experts;

- relevant procedures in the framework of the ILO Committee of Application of Standards, such as the introduction of a

special paragraph;
- rulings and opinions by international human rights courts;
- reports by prominent local and international human rights groups;
- relevant indicators for the effective implementation of Multilateral Environmental and good governance Conventions.

Or. en

Amendment 82

Proposal for a regulation

Article 19 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The Commission shall notify the beneficiary country when in particular the seriousness of the violations of principles of the international conventions listed in Annex VI so requires, based on available assessments, comments, decisions, recommendations and the conclusions of the relevant monitoring bodies, or based on substantiated concerns expressed by the European Parliament, the Council, international organisations, and civil society including trade unions, or acting upon a complaint.

Starting from the date of the notification and for the duration of one year, the beneficiary country and the Commission shall enter into an enhanced engagement, whereby the beneficiary country commits to adopt time-bound roadmaps providing for concrete actions and sustainable solutions to the serious violations identified. EU development finance programming under the Neighbourhood, Development and International Cooperation Instrument - Global Europe established by Regulation (EU) 2021/947

of the European Parliament and of the Council shall support beneficiary countries in implementing the roadmaps.

The Commission shall regularly consult with the European Parliament and the Council during the enhanced engagement process. The Commission shall also consult with the advisory body referred to in Article 13a.

Or. en

Amendment 83

Proposal for a regulation

Article 19 – paragraph 2 b (new)

Text proposed by the Commission

Amendment

2b. If considered necessary, the enhanced engagement may be prolonged by another year. The Commission shall publish a list of countries with which enhanced engagement has been prolonged beyond one year and shall regularly update the list as necessary. The roadmaps referred to in paragraph 2a shall be made public.

Or. en

Amendment 84

Proposal for a regulation

Article 19 – paragraph 3

Text proposed by the Commission

Amendment

3. Where the Commission, acting upon a complaint or on its own initiative, considers that there are sufficient grounds justifying temporary withdrawal of the tariff preferences provided under any preferential arrangement referred to in

3. Where the Commission, acting upon a complaint or on its own initiative considers that there are sufficient grounds justifying temporary withdrawal of the tariff preferences provided under any preferential arrangement referred to in

Article 1(2) on the basis of ***the*** reasons referred to in paragraph 1 of this Article it shall adopt an implementing act to initiate the procedure for temporary withdrawal in accordance with the advisory procedure referred to in Article 39(2). The Commission shall inform the European Parliament and the Council of the adoption of that implementing act.

Article 1(2) ***because the*** beneficiary country has failed to deliver on its roadmap referred to Article 19(2a), or ***more generally on the enhanced engagement, or*** on the basis of ***other*** reasons referred to in paragraph 1 of this Article it shall adopt an implementing act to initiate the procedure for temporary withdrawal in accordance with the advisory procedure referred to in Article 39(2). The Commission shall inform the European Parliament and the Council of the adoption of that implementing act.

Or. en

Amendment 85

Proposal for a regulation Article 19 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. The Commission shall inform the European Parliament, the Council and the advisory body referred to in Article 13a about the complaints received. The Commission shall inform the complainant, the European Parliament, the Council and the advisory body referred to in Article 13a where it considers that the complaint does not provide sufficient evidence in relation to the indicators referred to in this article.

Or. en

Amendment 86

Proposal for a regulation Article 19 – paragraph 4 – point b

Text proposed by the Commission

Amendment

(b) state that the Commission will monitor and evaluate the situation in the beneficiary country concerned during the monitoring and evaluation period referred to in Paragraph 5.

(b) state that the Commission will ***continue to pursue dialogue in the framework of the enhanced engagement*** and monitor and evaluate the situation in the beneficiary country concerned during the monitoring and evaluation period referred to in Paragraph 5.

Or. en

Amendment 87

Proposal for a regulation Article 19 – paragraph 5

Text proposed by the Commission

5. The Commission shall provide the beneficiary country concerned with every opportunity to cooperate during the monitoring and evaluation period of six months from the date of publication of the notice.

Amendment

5. The Commission shall provide the beneficiary country concerned with every opportunity to ***start engaging and*** cooperate ***any time*** during the monitoring and evaluation period of six months from the date of publication of the notice.

Or. en

Amendment 88

Proposal for a regulation Article 19 – paragraph 6

Text proposed by the Commission

6. The Commission shall seek all information it considers necessary, inter alia, the available assessments, comments, decisions, recommendations and conclusions of the relevant monitoring bodies, and relevant information from other sources, including evidence submitted through a complaint or provided by third parties, as appropriate. In drawing its conclusions, the Commission shall assess all relevant information.

Amendment

6. The Commission shall seek all information it considers necessary, inter alia, the available assessments, comments, decisions, recommendations and conclusions of the relevant monitoring bodies, and relevant information from other sources, including ***from civil society organisations and social partners and*** evidence submitted through a complaint or provided by third parties, as appropriate, ***as well as information provided by the***

European Parliament and the Council. In drawing its conclusions, the Commission shall assess all relevant information ***and consider the progress made by the country in delivering on its roadmap in the framework of the enhanced engagement referred to in paragraph 2a.***

Or. en

Amendment 89 Proposal for a regulation
Article 19 – paragraph 7

Text proposed by the Commission

7. Within ***three*** months from the expiry of the period referred to in paragraph 5, the Commission shall submit a report on its findings and conclusions to the beneficiary country concerned. The beneficiary country has the right to submit its comments on the report. The period for comments shall not exceed one month.

Amendment

7. Within ***one*** month from the expiry of the period referred to in paragraph 5, ***and after consultation of the advisory body referred to in Article 13a,*** the Commission shall submit a report on its findings and conclusions to the beneficiary country concerned. ***The Commission shall present the report to the European Parliament and to the Council.*** The beneficiary country has the right to submit its comments on the report. The period for comments shall not exceed one month.

Or. en

Amendment 90

Proposal for a regulation
Article 19 – paragraph 8 – introductory part

Text proposed by the Commission

8. Within ***six*** months from the expiry of the period referred to in paragraph 4, point (b), the Commission shall decide:

Amendment

8. Within ***two*** months from the expiry of the period referred to in paragraph 4, point (b), the Commission shall decide:

Or. en

Amendment 91

Proposal for a regulation

Article 19 – paragraph 9

Text proposed by the Commission

9. Where the Commission considers that ***the findings do not justify*** temporary withdrawal, it shall adopt an implementing act, in accordance with the advisory procedure referred to in Article 39(2), on the termination of the temporary withdrawal procedure.

Amendment

9. Where the Commission considers, ***based on the elements referred to in paragraph 6 and 7***, that a temporary withdrawal ***is not justified***, it shall adopt an implementing act, in accordance with the advisory procedure referred to in Article 39(2), on the termination of the temporary withdrawal procedure.

Or. en

Amendment 92

Proposal for a regulation

Article 19 – paragraph 10

Text proposed by the Commission

10. Where the Commission considers that ***the findings justify*** temporary withdrawal for the reasons referred to in paragraph 1 of this Article, it is empowered to adopt delegated acts, in accordance with Article 36, to amend Annex I and Annex II, in order to temporarily withdraw the tariff preferences provided under the preferential arrangements referred to in Article 1(2). In adopting the delegated act the Commission may, where appropriate, consider the socio-economic effect of the temporary withdrawal of tariff preferences in the beneficiary country.

Amendment

10. Where the Commission considers, ***based on the elements referred to in paragraph 6 and 7***, that temporary withdrawal for the reasons referred to in paragraph 1 ***is justified*** of this Article, it is empowered to adopt delegated acts, in accordance with Article 36, to amend Annex I and Annex II, in order to temporarily withdraw the tariff preferences provided under the preferential arrangements referred to in Article 1(2). ***The Commission shall publicly state the grounds for withdrawing preferences and set benchmarks that the beneficiary country should meet for the preferences to be reinstated.*** In adopting the delegated act the Commission may, where appropriate ***and especially when considering a partial withdrawal***, consider the socio-economic effect of the temporary withdrawal of tariff preferences in the beneficiary country,

including with regard to impacts on women's employment and empowerment, with a view to minimising the negative socio-economic impact on the beneficiary country's populations while maximising the leverage on its government.

Or. en

Amendment 93

Proposal for a regulation Article 19 – paragraph 12

Text proposed by the Commission

12. Where the Commission decides on temporary withdrawal, such delegated act shall become applicable ~~six~~ months after its adoption.

Amendment

12. Where the Commission decides on temporary withdrawal, such delegated act shall become applicable **one** month after its adoption.

Or. en

Amendment 94

Proposal for a regulation Article 19 – paragraph 12 a (new)

Text proposed by the Commission

Amendment

12a. During the application of a temporary withdrawal, the Commission shall continue the dialogue with the beneficiary country, including in the framework referred to in Article 18a, aiming at remedying the reasons for the withdrawal referred to in paragraph 1. The Commission shall regularly assess the effects of the withdrawal on remedying the violations, and shall consult with the advisory body referred to in Article 13a to that purpose.

Or. en

Amendment 95

Proposal for a regulation Article 19 – paragraph 16

Text proposed by the Commission

16. Where the Commission considers that there is sufficient evidence to justify temporary withdrawal for the reason set out in paragraph 1, point (a) and the exceptional gravity of the violations calls for a rapid response in view of the specific circumstances in the beneficiary country, it shall initiate the procedure for temporary withdrawal in accordance with paragraphs (3) to (15). However, the period referred to in paragraph 4, point (b) is reduced to 2 months **and** the deadline referred to in paragraph 8 **is** reduced to 5 months.

Amendment

16. Where the Commission considers that there is sufficient evidence to justify temporary withdrawal for the reason set out in paragraph 1, point (a) and the exceptional gravity of the violations calls for a rapid response in view of the specific circumstances in the beneficiary country, it shall initiate the procedure for temporary withdrawal in accordance with paragraphs (3) to (15). However, the period referred to in paragraph 4, point (b) is reduced to 2 months, the deadline referred to in paragraph 8 **shall be** reduced to **a period up to** 5 months **as appropriate**.

Or. en

Amendment 96

Proposal for a regulation Article 19 – paragraph 17

Text proposed by the Commission

17. Where the Commission decides on temporary withdrawal pursuant to paragraph 16 of this Article, such delegated act is adopted in accordance with Article 37 and shall apply **one month** from its publication in the Official Journal of the European Union.

Amendment

17. Where the Commission decides on temporary withdrawal pursuant to paragraph 16 of this Article, such delegated act is adopted in accordance with Article 37 and shall apply **15 days** from its publication in the Official Journal of the European Union.

Or. en

Amendment 97

Proposal for a regulation

Article 33 – paragraph 3 - point d (new)

Text proposed by the Commission

Amendment

(d) the cumulation brings a positive impact on regional integration.

Or. en

Amendment 98

Proposal for a regulation

Article 33 – paragraph 4

Text proposed by the Commission

Amendment

4. When assessing if the request is justified in view of specific trade, development and financing needs of the beneficiary country, in particular on the basis of information provided by that country, the Commission shall take into account the level of dependency of the beneficiary country on integrated production with the third countries concerned by the request, the impact of such dependency **for** the beneficiary **country**, the relevance of sectors with such integrated production for the economy of the beneficiary country and future development perspectives with regard to the products in question.

4. When assessing if the request is justified in view of specific trade, development and financing needs of the beneficiary country, in particular on the basis of information provided by that country, the Commission shall take into account the level of dependency of the beneficiary country on integrated production with the third countries concerned by the request, the impact of such dependency **on** the beneficiary **country's sustainable development**, the relevance of sectors with such integrated production for the economy of the beneficiary country and future development perspectives with regard to the products in question, **including by taking into account any positive impact on poverty eradication, economic diversification and positive impacts on the local populations, and the overall impacts on regional integration.**

Or. en

Amendment 99

Proposal for a regulation

Article 33 – paragraph 5

Text proposed by the Commission

5. Before the Commission reaches its decision on a request, it shall give the beneficiary country the opportunity to present **its** views.

Amendment

5. Before the Commission reaches its decision on a request, it shall give the beneficiary country, **and other impacted countries notably EBA beneficiaries**, the opportunity to present **their** views.

Or. en

Amendment 100

Proposal for a regulation

Article 33 a (new)

Text proposed by the Commission

Amendment

Article 33a

Pursuant to the EU Aid for Trade Strategy and development funding instruments, it is essential to ensure that EU development finance programming under the Neighbourhood, Development and International Cooperation Instrument - Global Europe established by Regulation (EU) 2021/947 of the European Parliament and of the Council, including blended finance and guarantees, shall support the beneficiary countries in fully utilising the preferences granted by this Regulation, promoting their production capacity, economic and export diversification, notably with regards to sustainable products, value addition and inclusive sustainability.

Or. en

Amendment 101

Proposal for a regulation Article 40

Text proposed by the Commission

By 1 January 2027 and every three years thereafter, the Commission shall submit to the European Parliament and to the Council a report on the effects of the scheme covering the most recent three-year period and all of the preferential arrangements referred to in Article 1(2).

By 1 January 2030, the Commission shall submit, to the European Parliament and to the Council, a report on the application of this Regulation. Such a report **may**, where appropriate, be accompanied by a legislative proposal.

Amendment

By 1 January 2027 and every three years thereafter, the Commission shall submit to the European Parliament and to the Council a report on the effects of the scheme ***and the progress made against the objectives and the conditionalities of this Regulation*** covering the most recent three-year period and all of the preferential arrangements referred to in Article 1(2).

By 1 January 2030, the Commission shall submit, to the European Parliament and to the Council, a report on the application of this Regulation. Such a report ***shall contain in particular the assessment of the appropriateness of the product scope of the Regulation against the objectives of development, poverty eradication and economic diversification and in relation to the broader objectives and implementation of the European Green Deal, in line with the evolution of the Union's normative environment. The report shall also assess the extension of conditionalities and application thereof to international conventions in the area of climate and environmental protection and good governance. The report shall***, where appropriate, be accompanied by a legislative proposal.

Or. en

Amendment 102

Proposal for a regulation Annex 6 – point 1 a (new)

Text proposed by the Commission

Amendment

1a. Rome Statute of the International Criminal Court (1998)

Or. en

Amendment 103

**Proposal for a regulation
Annex 6 – point 3 a (new)**

Text proposed by the Commission

Amendment

3a. First Optional Protocol to the International Covenant on Civil and Political Rights (1966)

Or. en

Amendment 104

**Proposal for a regulation
Annex 6 – point 19 a (new)**

Text proposed by the Commission

Amendment

19a. Protocol of 2014 to the Forced Labour Convention of 1930

Or. en

Amendment 105

**Proposal for a regulation
Annex 6 – point 19 b (new)**

Text proposed by the Commission

Amendment

19b. Occupational Safety and health Convention No 155 (1981).

Or. en

Amendment 106

Proposal for a regulation Annex 6 – paragraph 19 c (new)

Text proposed by the Commission

Amendment

***19c. Promotional Framework for
Occupational Safety and Health
Convention No187 (2006).***

Or. en

EXPLANATORY STATEMENT

Since 1971, the EU has granted autonomous trade preferences to developing countries under its Generalized Scheme of Preferences (GSP) and based on the WTO 'Enabling Clause'. The primary aims of the GSP are poverty eradication, promotion of sustainable development, diversification of beneficiary economies and better integration of the beneficiary countries in the world economy. The GSP covers more than 60 countries and 2 billion people in the world. The current GSP Regulation expires at the end of 2023. The Commission proposal for GSP 2024-2033 maintains a large part of the current GSP, introducing few new elements. The GSP division into three different schemes is maintained; Standard GSP, the GSP+, and the Everything but Arms (EBA) that is automatically granted for Least Developed Countries.

The Commission's Impact Assessment identified certain shortcomings in the current GSP Regulation. The GSP's potential to contribute to sustainable development and good governance in beneficiary countries has not been fully exploited. The GSP does not reach a sufficient impact on human rights, labour rights, good governance, and sustainable development. With regards to the GSP+ specifically, an underlying issue has been insufficient information on the GSP+ monitoring process.

Moreover, the GSP's potential for contributing to poverty eradication is not fully exploited. Some beneficiary countries, notably those most in need, have very limited utilization rate of GSP preferences, and limited export diversification. Export diversification is closely linked to the level of exploitation of GSP benefits but also dependent on the broader integration of the GSP opportunities into beneficiary country's domestic policies.

To reach the full potential of the GSP in relation to impact on sustainable development the Rapporteur views that further clarity on the monitoring process of the GSP+ arrangement is required. Increasing clarity on the steps, benchmarks and objectives of the monitoring process would contribute to improving the leverage of the scheme. At the same time, it would provide stakeholders, including business and civil society, as well as the beneficiary country governments increased predictability. Improvements to transparency of the monitoring process equally would contribute to increased and sustained leverage for effective implementation of the international conventions and subsequently for reaching an increased impact towards sustainable development.

The Rapporteur welcomes the proposal on a mandatory Plan of Action to be submitted upon application to the GSP+ Scheme and considers that it should become the main benchmarking tool guiding the achievement of the effective implementation of the international conventions. The Rapporteur proposes 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.

To ensure an enhanced contribution to sustainable development and poverty eradication under the Standard GSP and EBA schemes, the Rapporteur regards it central to strengthen the positive conditionality in relation to the international conventions, encouraging the Standard GSP and EBA beneficiary countries to ratify the conventions. Ratification is key since it implies monitoring of compliance, thereby providing stronger assurances that the additional trading

opportunities provided by the GSP support the development of the beneficiary countries in a sustainable manner.

The Rapporteur introduces more structure and detail also in the monitoring process of Standard GSP and EBA countries, notably with a view to formalising the existing practice of conducting an “enhanced engagement” whenever the situation with respecting the principles of the international conventions reaches a critical level. While withdrawal of preferences should remain a last resort decision, stronger dialogue and monitoring are the tools for enhancing and sustaining leverage towards beneficiaries while tapping on the potential that stakeholders provide when working in cooperation for increased positive impact and solving compliance issues.

The EU has introduced and will introduce legislation over the coming years to increase private sector sustainability and accountability. Beneficiary countries will benefit from working towards a conducive environment for responsible and sustainable business conduct. This will support beneficiary countries in meeting the raised EU sustainability and accountability standards. There is a close link between the state duty to protect human rights and companies’ duty to respect human rights as outlined in the UN Guiding Principles on Business and Human Rights (UNGPR), unanimously adopted in 2011. For this purpose, adopting a National Action Plan on Business and Human Rights is introduced by the Rapporteur as a necessary condition for GSP+ and Standard GSP schemes while also encouraging the EBA beneficiaries to this end.

It is the firm belief of the Rapporteur that a close link between the GSP and EU development assistance needs to be established to ensure policy coherence and an improved impact of the GSP for sustainable development. GSP Regulation commitments may place a notable burden on the beneficiary countries’ administrative capacity. The EU development assistance support to beneficiaries should prioritize supporting the effective implementation of the international conventions (GSP+) and ratification process of those conventions (Standard GSP, EBA), as well as the road map commitments of beneficiary governments under enhanced engagement. With a view to a full utilization of the GSP preferences EU development assistance tools should support beneficiaries in promoting production capacity, economic and export diversification, value addition and inclusive sustainability. This supports beneficiaries in integrating the opportunities provided by GSP benefits more broadly in domestic policies.

Increased positive conditionality of the Standard GSP will improve the contribution to the stated aims of the GSP while diminishing the gap between Standard GSP and the GSP+ arrangement. This is conducive to encouraging Standard GSP beneficiaries (which fulfil the so called vulnerability criteria) to make the necessary efforts required for the ratification and effective implementation of the international conventions towards applying to GSP+, which provides more attractive benefits.

The EU Green Deal provides an overarching framework for EU policies. In this context, the Rapporteur’s view is that the GSP should provide additional incentives for trade in sustainable products. While the volume of exports of sustainable products to the EU is limited, this is a sector that may experience notable growth over the period of the forthcoming GSP Regulation, also in light of future policy and regulatory evolutions and which beneficiary countries should benefit from.

Regarding safeguards, the Rapporteur views that the Commission’s proposal is satisfactory. The Rapporteur supports keeping the rule of applying the General Safeguard measures to all

schemes and the Automatic Safeguards to Standard GSP and GSP+. Thereby the Rapporteur has not proposed any changes to the product or geographical scope of safeguards.

The product graduation mechanism applies only to Standard GSP. The rapporteur sees the Commission's approach as justifiable. A possible extension of product graduation to the GSP+ scheme would diminish incentives to apply to the scheme while currently several new requirements for GSP+ applicants are being proposed. Extending the product graduation mechanism to LDCs and vulnerable developing countries would be a drastic signal causing reputational damage to the EU. The Rapporteur is also supportive of the proposed modification of the vulnerability criteria for the GSP+ Scheme.

Until now the launch of the withdrawal process has been operating as a "one-way street". Withdrawal should be seen as the very last option. Every effort should be made to avoid a withdrawal of preferences, which necessarily negatively impacts the economy of a beneficiary country and is likely to adversely affect the most vulnerable population. For this purpose the Rapporteur proposes to include an Enhanced Engagement process in the Regulation, with specific steps for avoiding a withdrawal scenario. The Rapporteur proposes 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. The Rapporteur also proposes a specific engagement strategy for the post-withdrawal phase in view of moving towards a reinstatement of the preferences.

ANNEX: LIST OF ENTITIES OR PERSONS FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT

In line with EP Bureau Decision of 12 September 2016 on the implementation of the Inter-Institutional Agreement on the Transparency Register, and with Article 4 (6) of the Code of conduct for members of the European parliament with respect to financial interests and conflicts of interest (Annex I of EP Rules of Procedure), the rapporteur wishes to list outside interests which have been consulted on matters pertaining to the subject of the report :

Name	title	organisation
Stuart Newman	Legal Advisor, Sustainable Trade & Customs	Amfori
Stephanie Luong	Vice President, Public Affairs	Amfori
Ambassador Mahbub Hassan Saleh	Head of Mission of the People's Republic of Bangladesh to the European Union	Government of Bangladesh
Federico Facchin	Policy Advisor	Copa-Cogeca
San Bilal	Head of the Economic Transformation and Trade Programme	European Centre for Development Policy Management (ECDPM)
Commissioner Jutta Urpilainen	Commissioner for International Partnerships	European Commission
DG INTPA		European Commission
DG TRADE		European Commission
EEAS		European Commission
DG EMPL		European Commission
Virginia Enssle	Project and Policy Officer	Fair Trade Advocacy
Josetta Nousjoki	Advocacy Manager	Fair Trade Advocacy
Luca Boniolo	Sustainability Policy Manager	Federation of the European Sporting goods Industry (FESI)
Youri Mercier	Deputy Secretary General	Federation of the European Sporting goods Industry (FESI)
Radboud Reijn	Coordinator	GSP NGOPlatform
Claudio Francavilla	EU advocate	Human Rights Watch
Jude Kirton Darling	Deputy General Secretary	IndustriALL
Espeth Hathaway	Policy advisor	IndustriALL
Eline Blot	Junior Policy Analyst for the Global Challenges and SDGs programme	Institute for European Environmental Policy
Ingrid van Laerhoven	Director Government Affairs International Trade & Customs EMEA	Nike

Ambassador Zaheer Aslam Janjua	Head of Mission of Pakistan to the European Union	Government of Pakistan
Mr Abdul Razak Dawood	Advisor to Prime Minister, on Commerce and Investment	Government of Pakistan
Dr. Shireen M Mazari	Minister for Human Rights of Pakistan	Government of Pakistan
Saleha Asif	CEO	Pakistan Textile Council
Isabelle Durand	Deputy Secretary General	United Nations Conference on Trade and Development (UNCTAD)
Ambassador Dilyor Khakimov	Ambassador of the Republic of Uzbekistan to the Mission to the European Union	Government of Uzbekistan
Mr. Kadambay Sultanov	Ambassador of the Republic of Uzbekistan to Finland	Government of Uzbekistan
Pakistani CSOs, think tanks and business organisations		