



EUROPEAN COMMISSION

FACT SHEET

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EU trade policy encourages sustainable development and respect for human rights in vulnerable economies

With its Generalised Scheme of Preferences (GSP), the EU is at the forefront of using trade policy to promote sustainable development in the world's poorest countries.

The three-pronged GSP grants preferential market access in varying degrees to developing countries to support the expansion of their exports.

- **The least developed countries under the Everything But Arms (EBA)** arrangement of GSP are granted duty-free access to the EU for all products except arms and ammunition. In 2016, EU imports from the 49 EBA beneficiaries amounted to **€23.5 billion**.
- **GSP+** beneficiaries export around 66% of all product categories duty-free in return for their commitment to effectively implement 27 international core conventions covering labour rights, human rights, good governance and environmental concerns. In 2016, the EU imported goods worth **€7.5 billion** from the 10 GSP+ beneficiaries.
- **Standard GSP** beneficiaries benefit from reduced customs duties on 66% of all EU product categories. In 2016, the EU imported goods worth **€32 billion** from the 23 Standard GSP beneficiaries.

Exports from vulnerable developing countries amount to **€63 billion a year** under the duty-rebate scheme. This brings those countries better opportunities to integrate into and move up regional and global value chains. Customs duties on imports from beneficiaries of Standard GSP, the Special Incentive Arrangement for Sustainable Development and Good Governance (GSP+) and Everything But Arms (EBA) were reduced or altogether suspended. For businesses involved in imports from developing countries this represents annual savings of €4.4 billion.



As today's report highlights, this results in economic growth and jobs and helps to reduce poverty. Aside from these economic benefits, the GSP also promotes human rights, sustainable development and good governance.

GSP+ monitoring

The main report is also accompanied by country-specific analyses ('staff working documents') on the development of GSP+ countries during the 2016 to 2017 period. It takes a closer look at the engagement with and the performance of **Armenia, Bolivia, Cabo Verde, Georgia, Kyrgyzstan, Mongolia, Pakistan, Paraguay, the Philippines and Sri Lanka**. The report draws conclusions on progress and challenges for each beneficiary country regarding the implementation of the 27 GSP+ relevant international conventions on human rights, labour rights, good governance and environmental protection.

The GSP+ beneficiaries are diverse, both economically and from a sustainable development point of view. Each beneficiary country struggles with unique issues, challenges and constraints and is considered in its own specific context.

The country highlights below present a snapshot of the EU's GSP+ monitoring during 2016-2017, depicting progress made and outstanding issues. These issues will be followed up during the third GSP+ monitoring cycle in 2018-2019.

Country Highlights

ARMENIA	Accession to GSP+ under Regulation (EU) No 978/2012	1 January 2014
	GSP+ monitoring events 2016/2017	The GSP+ monitoring mission (20-23 June 2017) presented 10 suggestions for priority action to the relevant Government ministries and agencies.
	Human Rights	No major violations of human rights conventions. The Government adopted a new National Human Rights Action Plan for the period 2017-2019. It has prepared a number of initiatives and action plans, e.g. draft Judicial and Criminal Codes, new National Strategy on Equality between Women and Men (2017-2021), and adopted a law on domestic violence. The entry into force of the new constitution in early 2018 will be an important milestone with regard to the government's actual intention to ensure the implementation and enforcement of legislation.



	Labour Rights	No major violations of the International Labour Organisation (ILO) fundamental Conventions are being reported. Nevertheless, there remains an urgent need to (re-) establish a serious labour inspection system and to continue work to eliminate child labour. The substantial informal economy remains an obstacle to overall progress in labour and social standards.
	Environmental Protection and Climate Change	Armenia ratified the Paris Agreement of the UN Framework Convention on Climate Change. National legislation fails to meet the requirements for the implementation of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). Reporting under the international climate and environmental conventions needs to be improved.
	Good Governance	The new law on drugs represents a well-codified and comprehensive document. The adoption of an anti-corruption legal package is a positive step forward to combat corruption and needs to be followed by the development of adequate capacity for its implementation and enforcement in line with United Nations Convention against Corruption (UNCAC).

[Link to full country report – Armenia](#)

BOLIVIA	Accession to GSP+ under Regulation (EU) No 978/2012	1 January 2014
	GSP+ monitoring events 2016/2017	A GSP+ monitoring mission to Bolivia took place in June 2016.
	Human Rights	Bolivia continued to make substantial progress in effectively implementing human rights commitments, taking into account the overall socioeconomic situation. The constitution, together with the Patriotic Agenda 2025 and the National Human Rights Action Plan 2014-2018, provide a solid basis to better promote and protect human rights. The marginalisation of indigenous and Afro-Bolivian communities (mainly women), violence against women, including trafficking, are persistent issues.
	Labour Rights	The most salient shortcomings are related to the ILO conventions on child labour and minimum age for work. The issue is routinely raised in the context of the EU-Bolivia political dialogue. Cooperation with the ILO should be improved in order to ensure that measures taken by the government comply with international standards.
	Environmental Protection and Climate Change	Bolivia addressed its non-compliance with the CITES convention. Measures to implement the Convention on Biological Diversity are under way. Though Bolivia has taken a public position refusing a specific commitment on CO ₂ emissions, it has developed quantifiable targets for a



		range of other policy measures, such as renewable energy use.
	Good Governance	Bolivia is making efforts to tackle drug-trafficking. The country relies on international cooperation to step up efforts to face the increasing demand for cocaine in consuming countries. Further work is needed to pursue cases of corruption and to tackle corruption in the private and public sectors.

[Link to full country report – Bolivia](#)

CABO VERDE	Accession to GSP+ under Regulation (EU) No 978/2012	1 January 2014
	GSP+ monitoring events 2016/2017	A GSP+ monitoring mission took place in Cabo Verde in July 2017. Due to a substantial lack of human and administrative resources, reporting obligations under the main international conventions has not always been respected in due time. The EU and the ILO have been providing technical and financial support to the Cabo Verdean authorities to increase reporting capacity.
	Human Rights	Cabo Verde stands out within its region and within the African continent as an example of tolerance and respect of human rights and fundamental freedoms.
	Labour Rights	Cabo Verde has made some progress to ensure its legislative alignment with the fundamental ILO Conventions. Further efforts should include the promotion of collective bargaining and the effective implementation of the existing legal framework regarding non-discrimination.
	Environmental Protection and Climate Change	Cabo Verde needs to adopt legislation for the implementation of CITES and the Biological Diversity Convention. Cabo Verde also needs to update the national implementation plan for the Stockholm Convention.
	Good Governance	Cabo Verde has adopted a National Integrated Programme in the fight against drugs and crime. Cabo Verde relies on international cooperation to strengthen its capacities to combat illicit trafficking of drugs, particularly at sea, and monitor its extensive territorial waters and borders.

[Link to full country report – Cabo Verde](#)

GEORGIA	Accession to GSP+ under Regulation (EU) No 978/2012	1 January 2014 On 1 January 2017, Georgia ceased to be a GSP+ beneficiary due to the EU-Georgia Deep and Comprehensive Free Trade Agreement (DCFTA). The Trade and Sustainable Development (TSD) Chapter of the DCFTA now constitutes the main forum to engage on labour rights and the environment. Beyond TSD, the DCFTA also covers cross-cutting clauses on respect for human rights and democratic principles.
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	GSP+ monitoring events 2016/2017	The EU and Georgia met in the format of the EU-Georgia Sub-Committee on Trade and Sustainable Development (TSD) on 26 January 2016.
	Human Rights	Despite progress in many areas, the lack of accountability for violations by law enforcement authorities remains a significant problem. Respect for rights of persons belonging to various minorities, and discrimination and violence against women require attention in the future. The implementation of the judicial reform will be a priority.
	Labour Rights	The legislative framework of Georgia remains broadly compatible with the ILO fundamental conventions. Most important gaps relate to freedom of association and collective bargaining, equal pay, protection against discrimination and the lack of a fully-functioning labour inspectorate.
	Environmental Protection and Climate Change	The number of plans and actions planned under the relevant conventions points to Georgia's commitment to improve compliance of national legislation with the requirements under the UN conventions on environmental protection and climate change.
	Good Governance	Georgia has been implementing the National Drug Strategy. The National Drugs Monitoring Centre remains to be established. International indicators of perceived corruption reflect a positive trend. Georgia is encouraged to fully implement the GRECO and OECD-Anti-Corruption Network recommendations.

[Link to full country report – Georgia](#)

KYRGYZSTAN	Accession to GSP+ under Regulation (EU) No 978/2012	1 January 2016
	GSP+ monitoring events 2016/2017	In June 2016, a GSP+ monitoring mission took place in Kyrgyzstan, back-to-back with the 7 th EU-Kyrgyzstan Human Rights Dialogue.
	Human Rights	Through the National Strategy for Sustainable Development of the Kyrgyz Republic 2013-2017, the government has taken measures to ensure peaceful coexistence between different ethnic groups but lacks a comprehensive anti-discrimination law. Despite its criminalisation, bride kidnapping persists. A new Action Plan on Gender Equality is planned for 2018. The government works to prevent torture, traditionally a problem in detention. Changing traditional mentalities and increasing awareness of human rights among enforcing institutions will be crucial.
	Labour Rights	National legislation generally offers a good level of protection and guaranteed rights. Action is taken to address child labour and trafficking through action plans



		and inspections. Improved enforcement is needed. Major problems are a big informal sector and an important gender gap in employment.
	Environmental Protection and Climate Change	Cooperation with international partners is central for Kyrgyzstan to overcome challenges related to funds and technical equipment, impeding on effective implementation. Even in the absence of salient shortcomings, the Government has addressed problems regarding the Convention on Biological Diversity and the Stockholm Convention.
	Good Governance	Kyrgyzstan cooperates bilaterally and multilaterally in the fight against drug trafficking. Law enforcement agencies have difficulties controlling the transit of drugs. Despite a multi-layered anti-corruption framework, there is a long list of recommendations by the United Nations Office on Drugs and Crime (UNODC) to improve the legal framework and widespread corruption in institutions and society.

[Link to full country report – Kyrgyzstan](#)

MONGOLIA	Accession to GSP+ under Regulation (EU) No 978/2012	1 January 2014
	GSP+ monitoring events 2016/2017	From to 27 to 31 March 2017, a GSP+ mission took place in Mongolia, linked up with the 1 st EU-Mongolia Human Rights Dialogue.
	Human Rights	The entry into force of a new Criminal Code, a revised Law on Domestic Violence and first ever Law on Child Protection are positive developments. The President's proposal to reinstate the death penalty would be a major step backwards and raise questions regarding Mongolia's international commitments.
	Labour Rights	Among the positive legislative steps to align domestic legislation with the ILO fundamental conventions are the entry into force of the new Criminal Code and of Labour Code amendments as well as several legislative acts concerning the minimum age for employment and forced and child labour offences. Mongolia significantly improved compliance with its international labour standards reporting obligations. Enforcement capacities need strengthening.
	Environmental Protection and Climate Change	Mongolia's national legislation still does not fully meet the requirements for the implementation of CITES. At the same time, concrete measures to implement the Biodiversity, Cartagena and Stockholm Conventions should be strengthened. The ratification of the Paris Agreement and the submission of its Intended Nationally Determined Contribution (INDC) to the Paris Agreement demonstrate Mongolia's commitment to tackle climate change.



	Good Governance	Mongolian authorities are frank about their lack of positive results in fighting illegal drugs – despite efforts to cooperate with governmental agencies and NGOs. Mongolia attaches importance to strengthening national legislative and regulatory responses to tackle illegal drug trafficking.
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[Link to full country report – Mongolia](#)

PAKISTAN	Accession to GSP+ under Regulation (EU) No 978/2012	1 January 2014
	GSP+ monitoring events 2016/2017	A GSP+ monitoring mission to Pakistan, which also visited Karachi, took place from 30 October to 4 November 2016. The EU Pakistan Subgroup on Good Governance and Human Rights met on 9 October 2017.
	Human Rights	There have been some positive developments in strengthening the human rights framework (e.g. a National Action Plan for Human Rights, a National Commission for Human Rights and recently a National Commission on the Rights of the Child). Legislative actions have been taken on the rights of women, children (e.g. anti-rape and anti-honour killing legislation), minorities (e.g. Hindu Marriage Bill). Legislation on torture, juvenile justice and transgender rights, amongst others, is in the pipeline. However, these areas, as well as the use of torture, application of the death penalty, high prevalence of child labour and restricted freedom of expression pose serious concerns. The overall human rights situation is therefore mixed. Pakistan must step-up efforts to ensure enforcement and implementation of legislation.
	Labour Rights	Overall, there has been some progress and commitment to improve the implementation of the ILO fundamental Conventions. However, the situation continues to be marked by serious problems in implementation and enforcement. The federal and provincial authorities must therefore further strengthen their efforts, notably to ensure the right of trade unions to register and operate, to enhance the functioning of the labour inspection, to improve occupational health and safety of workers, to eradicate bonded labour, and to eliminate worst forms of child labour.
	Environmental Protection and Climate Change	The collaboration between the Government of Pakistan, the International Union for Conservation of Nature and the World Wildlife Fund (WWF) reflects a change in priorities with regard to biodiversity, an area which used to be largely neglected before 2014. With legislative measures largely in place, Pakistan now works towards strengthening institutions to achieve a sustained level of implementation.
	Good Governance	The official Anti-Corruption Agency of Pakistan intends to further strengthen its anti-corruption efforts by strengthening awareness, especially among the youth. Pakistan could more effectively reduce drug trafficking



		through closer coordination of law enforcement agencies, more readily shared information, and more efficient use of limited resources.
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[Link to full country report – Pakistan](#)

PARAGUAY	Accession to GSP+ under Regulation (EU) No 978/2012	1 January 2014 Having been classified by the World Bank as upper-middle income country for three consecutive years, Paraguay is scheduled to leave GSP+ on 1 January 2019.
	GSP+ monitoring events 2016/2017	A GSP+ monitoring mission to Paraguay took place in June 2016.
	Human Rights	Paraguay has made efforts to fight discrimination and to promote and protect the rights of children, adolescents and people with disabilities. Paraguay adopted the law on Comprehensive Protection of Women against all Forms of Violence. Further attention is needed, in particular regarding the rights of indigenous peoples, violence and discrimination against women, child labour, discrimination against LGBT persons as well as the overall functioning of the justice system.
	Labour Rights	Paraguay does not have a general strategy to ensure effective implementation of the ILO fundamental conventions, but is developing a series of measures and tools to do so. Among them is the National Plan for Prevention and Eradication of Child Labour and Protection of Adolescents' Work. However, Paraguay needs to better engage with social partners.
	Environmental Protection and Climate Change	Paraguay made a significant step forward by achieving category 1 status under CITES, meaning that national legislation aligns with CITES recommendations. Deforestation, water pollution, waste disposal and loss of wetlands are key environmental challenges. Furthermore, Paraguay needs to provide information on how it intends to improve reporting and implement its obligations under the conventions on environmental protection.
	Good Governance	Paraguay faces various challenges in its efforts to reduce narcotics trafficking and production. Paraguay has continued implementing measures to tackle drug-related concerns in the country but more determination, additional resources and significant institutional strengthening are needed. Paraguay has struggled to fight systemic corruption in all sectors of the government. The last five years have seen an increase in laws, institutions and actions to increase transparency and to uncover corruption cases.

[Link to full country report – Paraguay](#)



PHILIPPINES	Accession to GSP+ under Regulation (EU) No 978/2012	25 December 2014
	GSP+ monitoring events 2016/2017	A GSP+ monitoring mission to the Philippines, which also visited the island of Palawan, took place from 26 January to 2 February 2017.
	Human Rights	Extrajudicial killings and the impunity for those responsible, as well as the possible reintroduction of the death penalty and the lowering of the age of criminal responsibility are issues of serious concern for the EU. These severe problems have been raised on numerous occasions. In the coming months, the EU will pursue a frank dialogue and increased pressure in that respect. In parallel, certain progress has been noted in areas such as gender equality, people trafficking, health, education, social-economic rights, the fight against corruption and protection of the environment. President Duterte signed the EU-Philippines Partnership and Cooperation Agreement, which is now with the senate for approval.
	Labour Rights	Overall, the necessary policy and legal frameworks are in place to ensure the application of labour standards in the Philippines. The government's socio-economic plan addresses some of the pertinent labour issues and has ended the practice of repeated hiring of workers on five-month contracts to avoid the obligation to regularise their employment status, the so called 'endo' scheme. A key issue to be addressed is ensuring investigations of violence against trade unions and prevention of such cases. Finally, alignment of labour legislation with ILO Convention 87 on freedom of association should be pursued and adopted.
	Environmental Protection and Climate Change	Under CITES, the Philippines has made progress on tackling illegal ivory trade, also in cooperation with a better functioning customs office. The Philippines ratified the Paris Agreement.
	Good Governance	The way the campaign against illegal drugs is conducted is a matter of grave concern, in particular because of the large number of drug-related killings as well as the sharp increase in prison overcrowding. The legislative framework for fighting corruption is in place and has been further strengthened by President Duterte's administration.

[Link to full country report – Philippines](#)



SRI LANKA	Accession to GSP+ under Regulation (EU) No 978/2012	19 May 2017
	GSP+ monitoring events 2016/2017	A GSP+ monitoring mission took place in Sri Lanka from 5 to 13 September 2017, including a visit to Jaffna, capital of the Northern Province.
	Human Rights	Sri Lanka has made progress on human rights in the past two years and is engaging well with the UN system. However, the government has not yet delivered on a number of important reforms that are of direct relevance for the effective implementation of the human rights conventions under GSP+, in particular the repeal of the Prevention of Terrorism Act, ensuring fundamental legal safeguards and addressing the use of torture. The operationalisation of the Office of Missing Persons (OMP) is a welcome step and there are considerable expectations that it will deliver truth and accountability to the families of those that disappeared during and at the end of the armed conflict.
	Labour Rights	Sri Lanka has shown a good level of engagement and commitment to address some of the key issues related to the implementation of the ILO fundamental conventions. There has been a significant decrease in child labour. The most pertinent challenges relate to the exercise of freedom of association and collective bargaining, in particular with regards to representativeness of and access to judicial remedies. A policy framework on child labour is in place and a special body for revising the list of hazardous occupations has been established.
	Climate Change	Sri Lanka's commitment to the implementation of the environmental and climate change conventions is noteworthy. The main challenges regard issues of capacity, accountability and management, and public awareness.
	Good Governance	Sri Lanka is taking the fight against illegal drugs trafficking seriously and has produced considerable results in drug bans and seizures since 2015. Restoring the independence of the Commission to Investigate Allegations of Bribery or Corruption is welcome as are the plans to strengthen its capacities and information sharing possibilities.

[Link to full country report – Sri Lanka](#)