



EU seafood policy newsletter - CFP, IUU fishing and GSP reform

Various policies of the European Union (EU) that are related to the seafood sector have recently been renegotiated, thereby being subject to reform and changes. Some of the reform outcomes will have implications for small and medium-sized (SME) exporters in developing countries that sell their seafood on the European market. This policy newsletter will inform you about the changes and implications of the reforms of the EU Common Fisheries Policy (CFP), the EU regulation on Illegal, Unregulated and Unregistered (IUU) fishing as well as of the EU General System of Preferences (GSP).

Introduction

In the newsletter, we present the reforms of the CFP, the IUU fishing as well as the GSP that provides preferential access to the EU market for developing countries in a concise way, pointing out main changes and elaborating on the EU policy-making process as well as stakeholders. Against the background of the EU policy reforms under way, we derive implications for developing country exporters and recommendations for actions. Note that we do not distinguish between the EU member states, thereby leaving difference of the implementation of EU policies in the member states aside.

For the policy context, we particularly thank the European Commission's Directorate General (DG) TRADE and as well as MARE, the European Fish Processors Association - European Federation of National Organisations of Importers and Exporters of Fish (AIPCE-CEP), the Dutch Fish Federation and the European Centre for Development Policy Management (ECDPM) for sharing their expertise, providing highly valuable insights.

EU Common Fisheries Policy (CFP)

The new reformed EU Common Fisheries Policy (CFP) will be implemented in the EU Member States on 1st of January 2014. This policy will mainly regulate European fisheries. However, it will have an indirect impact on third countries. Sustainability is the heart of the reformed CFP (see Box 1.1 for the definition of sustainability).

Rationale and goal of the CFP

The CFP idea is to stop wasteful fishing practices to benefit from it on long term in and outside Europe. Increased fish stocks will go back to sustainable levels and will provide more food supply and job opportunities. Scientific advice is of high value for stopping wasteful fishing and finding new fishing opportunities.

Box 1.1: Definition of sustainability

Sustainability means "balanced economic growth and price stability, a highly competitive social market economy, aiming at full employment and social progress, and a high level of protection and improvement of the quality of the environment."

Source: EU Commission: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2005:0037:FIN:EN:PDF>

European fishermen are requested to fish on Maximum Sustainable Yield (MSY) under multi-annual management plans. MSY for a given fish stock means the highest possible annual catch that can be sustained over an infinite time period. To improve data and optimize fishing on MSY the new reformed CFP will oblige the European fishermen to land their discards. By doing this a better stock status estimation can be given. Beside this discard ban new fish stock recovery areas will be realised.

New Fisheries Partnership Agreements (SFPAs)

By replacing Fisheries Partnership Agreements (FPAs) into Sustainable Fisheries Partnership Agreements (SFPAs), the EU aims to promote sustainability in third countries. The new SFPAs can establish a sustainable legal, environmental, economic and social governance framework for EU fisheries in third country waters. The overall aim of this agreement is to realise mutual benefits for the EU and partner countries. Partner countries will be compensated for granting access to their resources and financial assistance will be provided for implementing a sustainable fisheries policy. On the other hand it is also the case that SFPAs can have a negative impact on the local industry in the SFPAs countries. Fish caught by EU vessel will land most of the time in EU countries and not in the SFPAs country itself. Partnership agreements are historically grown. Member states ask the EU to start new negotiations with the partner countries. Recent SFPAs negotiations based on the reformed CFP are with Cook Islands (July 2013) and Mauritania (October 2013).

"Through better cooperation between the EU and partner countries, we can boost the fisheries standards worldwide"

-Oliver Drewes- Spokesman Maria Damanaki

Aquaculture

Besides sustainable fisheries, EU sustainable aquaculture will be promoted in the reformed CFP. The EU depends much on import and wants to pump more money in European aquaculture to increase the production and sustainability. This could be competitive for third countries, however there's not as much space and another climate compared to most of the leading aquaculture countries in the world. To ensure a transparent and efficient internal market for fisheries and aquaculture products, the reformed CFP aims to improve marking and labelling of fish products. More detailed marking and labelling is necessary to improve consumer awareness and guarantee traceability, quality and security of the (imported) products.

The new reformed CFP will strengthen the fight against IUU with measures adopted by the union, third countries and international organisations dealing in fisheries. Chapter 3 will provide you with more information about IUU fishery.

CFP reform: most important Stakeholders and their interest

	Involvement in policy process	Interest
European Commission (EC) - DG Mare	Proposing Policy, Give substance to CFP	- Policy coherence and good practise in the policy making process -Focussing on Europe Maritime and Trade issues
European Council	Evaluating the CFP, approving the policy proposal (vote)	- Representing the interest of the individual EU member countries
European Parliament	Evaluating the CFP, approving the policy proposal and vote (majority voting)	- Representing the interest of the respective parties at the EU level as well as of the EU electorate, i.e. EU citizens - Incorporating issues relevant for EU citizens, such as sustainability
NGO's	Representation of their interests in CFP	-depending on the NGO. -End overfishing and destructive fishing practices -Fair and equitable use of resources for future generations
Scientists	Providing scientific information for CFP	-Scientific state of the art analysis of CFP as well as alternative policy options -Commissioned studies
Sector	Representation of their interests in CFP	- Improving the activities of the fisheries, producers, processing and trade enterprises in the CFP. - countering the negative impacts for the fisheries, producers, processing and trade sectors in the CFP.

Policy process

For the CFP reform many lobbyist were active to influence the policy. Examples of important lobbyists during the reform were EUROPECHE (association for fishermen), EAPO (association for producers), AIPCE-CEP (association for processing and trade), OCEAN2012 (coalition fighting against overfishing, destructing fishing practices and delivers fair and equitable use of healthy fish stocks), EUROCOMMERCE (association for retailers) and a wide range of NGO's like WWF, Greenpeace and Oceana. Each association or NGO lobbies for his own interests in a competitive environment. Where different environmental NGO's want to realise a minimal pressure on fish stocks and fishing grounds, the focus for sector lobbyists lies in protecting the activities of that sector. Lobbyists contributed actively to the Green Paper (2010) and tried to adapt their position in the CFP reform proposal. This moment of policy making is of high importance because influencing a policy is easiest in its infancy. After sending the proposal to the EP and Council, lobbyists started an advocacy campaign. The writer for the draft amendments of the EP and other EP members reacting on these amendments were influenced during this phase. Trilogue discussions, organisations of events with MEPs and Council representatives were closely monitored. The influence of lobbying decreases in time. After the dialogue agreement and the second reading influences are minimal. Sometimes it is wise to realise alliances. For example, processing and trade, WWF, EU retailers, Consumers and EU chefs started an alliance in 2010 to strengthen their main interests for the CFP.

"Successful advocacy to influence the EU legislation is a competitive business"
-Aurora Vicente Herrera- Secretary general AIPCE-CEP

Implications for developing countries exporters

The sustainable Fisheries Partnership Agreements (FPAs) provide the partner states of the EU who get into the partnership agreements with a guarantee that

the fishery resources of the DC partners are going to be managed in the same way as the EU resources. All catching activities will be transparent and reported according to EU rules and no over exploitation will occur. In the context of these agreements a database of the resources needs to be developed, which mostly will happen in a joint effort.

On the other hand EU interest and perspective of EU investment will focus on resources which are considered healthy or would only need short time for recovery.

On the marketing side the DCs may be aware of a short term reduction of own landings in the EU offering better chances for DC exports. On medium and long term EU resources will recover or even increase with a quantity and a price effect.

Actions/recommendations for exporters

- You can find a contribution overview to the CFP consultation here: [http://ec.europa.eu/fisheries/reform/sec\(2010\)0428_en.pdf](http://ec.europa.eu/fisheries/reform/sec(2010)0428_en.pdf)
- Lessons learned from the process of CFP discussion: already in the development phase the fish stocks in the most important EU fisheries has been stabilised. This shows that successes of sustainability measures are working and stocks do recover if they are given the space. The "bay back" for a period of disciplined fishery behaviour is beneficial for individual fishermen as for the nation's economy.
- The CBI market intelligence platform provides you with up-to-date EU-market insights for fish and fisheries products. It's good to read the latest labelling document on this platform. From a marketing point the documents on "non-legal market access requirements" might help you with the longer term strategic planning.
- Invest in sustainable fisheries in the sense of fishing less today, so the fish stocks will remain healthy for tomorrow. Ideally this investment is a joined effort of legal government action, associations' communication between the stakeholders and companies' active compliance.
- Read more about the latest FPA negotiations between EU-Cook Island and EU-Mauritania partner countries on the EU Website.

Actions/recommendations for policy makers

- The EU wants to know how the partner countries divide the money gathered from the FPAs. It is important that this money need to realise advantages for the population and the fish sector in this partner country. There will be a stronger control on FPAs. Beside the EU the press is becoming more important by controlling the agreements. Ensure that you follow up the made agreements with the EU in order to avoid difficulties.

Illegal, Unreported and Unregistered (IUU)

Rationale and goal of the IUU

Illegal, Unreported and Unregulated fisheries (IUU-fisheries) are a major threat for the sustainable exploitation of living aquatic resources. The trade in IUU-fisheries products is prohibited in the EU. You will have experienced the changes in rules and regulations with regard to exports of captured seafood to the EU. Since January 2010 you have to deliver catch certificates with each consignment that you export.

For catch certificates you depend on the competent authority in your country which is responsible for licensing all the fish vessels and on your fisherman who need to be able to fill out all the details of the catch certificates. If you got small scale fisheries, you can use simplified catch certificates. In these certificates you

can offer a more general description of the used vessel and catch. If your fisherman carries out IUU activities or your authority fails to apply effective sanctions to prevent IUU fisheries, vessel can be placed on an EU IUU vessel list. In this list, verified IUU information from Regional Fisheries Management Organisations (RFMOs) and member state inspections are gathered and updated each year on this black list. As a third country you can also be placed on an EU IUU list if the Commission considers you as a possible non-cooperating country establishing a community system to prevent, deter and eliminate IUU fishing. Fish products from vessels or countries on an IUU list, are rejected at the EU border. This could have enormous economic consequences for exporters. An IUU ban in different EU countries for fresh and conserved tuna from Ghana in the beginning of this year for example, has already cost Ghana exporters millions of euros. Vessels can be removed from the EU IUU vessel list after taking the right actions to prevent recurrence.

The new reformed CFP will strengthen compliance with measures (e.g. fisheries control, import ban for fish from IUU fishing countries) against IUU adopted by the union, third countries and international organisations dealing in fisheries. Fisheries activity control and catch reporting will be improved using Electronic Reporting Systems (ERS) and Vessel Monitoring Systems (VMS). The EU will help third countries in capacity building to improve fisheries management.

IUU fishing: Most important stakeholders and their interest

	Involvement in policy process	Interest
European Commission (EC) – DG Mare	Proposing Policy, Give substance to IUU	- Policy coherence and good practise in the policy making process -Focussing on Europe Maritime issues
European Council	Evaluating the IUU policy, approving the policy proposal (vote)	- Representing the interest of the individual EU member countries
European Parliament	Evaluating the IUU policy, approving the policy proposal and vote (majority voting)	- Representing the interest of the respective parties at the EU level as well as of the EU electorate, i.e. EU citizens - Incorporating issues relevant for EU citizens, such as sustainability
NGO's	Representation of their interests in IUU	-depending on the NGO. -End overfishing and destructive fishing practices -Fair and equitable use of resources for future generations
Scientists	Deliver important scientific information about IUU	-Scientific state of the art analysis of IUU as well as alternative policy options -Commissioned studies
Sector	Representation of their interests in IUU	- Improving the activities of the fisheries enterprises in the IUU policy. - countering the negative impacts for the fisheries sectors in the IUU policy.
Foreign Authorities	Deliver important information about IUU issues worldwide	-help realising a good policy for fighting IUU fisheries.
(R)ACs and RFMOs	Performing overseas inspection for IUU fisheries	-realising the best ways of controlling the world seas for IUU fishing.

Policy process

IUU is part of the CFP. The policy process is described in the CFP part.

Implications for developing countries exporters

Since sustainability is the heart of the new reformed CFP, the fight against IUU fishing will increase. Without the right catch certificates no fish will enter the EU. Countries need to apply effective sanctions to prevent IUU fisheries. Ineffective

or no sanctions by foreign authorities or practicing IUU fisheries by fishing vessels will put the country vessel on the EU black list.

Actions/recommendations for exporters

- Be sure that your Fishery products are accompanied by a catch certificate, drawn up in accordance with Annex II of the Illegal Unreported Unregulated (IUU) Regulation or Annex IV of its implementing Regulation (for small scale fisheries fulfilling the requirements of Article 6 of this Regulation), in order to demonstrate that the products concerned do not originate from IUU fishing.
- The Catch certificate should be submitted by the importer to the competent authorities of the Member State in which the product will be imported at least three working days before the estimated time of arrival at the place of entry into the territory of the EU. The exporter is responsible for delivering the catch certificate to the importer.
- Authorities which are competent for the registration of fishing vessels or granting, suspending or withdrawing licences are listed in the [flag state notification list](#).
- You can find the Latest IUU Vessel List here: [\(EC\) No 672/2013](#)
- On the [Ghana Business News](#) and [Seafoodsource.com](#) websites you can find the economic consequences of an IUU ban by EU countries.
- Try to work together with the competent authority in your country to improve the processes that are needed to comply with IUU regulation. Do this with the help of your sector association.

EU General System of Preference (GSP)

Regulation (EC) No 732/2008 describes the current GSP scheme that provides preferential access to the EU market for exporters of developing countries. A reformed GSP detailed by Regulation (EU) No 987/2012 is applicable from 1st January 2014. With the reform, the overall structure of the EU GSP scheme continues to consist of three options: GSP (standards), GSP+ and Everything-But-Arms (see Box 3.1).

Rationale and goal of GSP

The goals of the reform can be summarised as follows: to better focus the GSP scheme on countries that are most in need, to provide more incentives for the GSP+, thereby reinforcing the principles of sustainable development and good governance, and to enhance certainty and predictability for economic operators concerned with the EU GSP scheme.

With the reform, countries on the one hand may not be GSP beneficiaries anymore and thus do not receive preferred market access to the EU market, like under the current GSP scheme. This is called "**country graduation**". On the other hand, for those countries that remain beneficiaries the products that can be traded under the GSP scheme may change according to a set of criteria. This is called "**product graduation**". Note that, even if losing the EU preferential access conditions, developing countries remain eligible to participate in the GSP scheme and non-beneficiary countries can apply for the "GSP status" again.

For country and product graduation, specific criteria are defined in the EU regulations.

Box 3.1: EU GSP scheme

The EU GSP scheme has three different variants of preferences:

- **Standard GSP scheme:** Partial (for sensitive products) or entire removal (for non-sensitive products) of tariffs on products.
- **Enhanced GSP scheme "GSP+":** Full removal of tariffs on products (covered by the standard GSP scheme) for countries that newly commit on the ratification and implementation of international conventions relating to human and labour rights, environment and good governance. Countries that meet so called "vulnerability criteria" (economic criteria) can apply for GSP +.
- **"Everything-But-Arms" (EBA) scheme** for least developed countries: Duty-free quota-free access to all products, except for arms and ammunitions.

With the new GSP regulation, the country criteria have become stricter such that the number of beneficiary countries reduces from 170 to 80 countries. The product criteria relating to the importance of trade with the EU (import shares) have however been relaxed. Please see the details provided below. For the preference calculation, trade data for groups of products are used. The GSP reform extends the number of product groups such that they contain less but more similar products. While condensing the data, the new groups allow for targeting preferences to specific products that are now all in one group or section.

It is important to note that the level of preferred tariffs does not change with the reform. This means that sensitive products will be traded with the reduced tariffs like under the old GSP scheme, and non-sensitive products will remain to be exported to the EU under duty and quota free conditions.

- **Country criteria:**

- Countries that already have preferential access, which should be at least as good as under the GSP, for example in a free trade agreement, will lose their GSP preference.
- Countries will also lose their GSP preference if their economic situation has improved such that they are a high or upper middle income country according to World Bank classification (indicator: income per capita) (see box 3.2).

Box 3.2: Country graduation according to the new EU GSP scheme

Countries that do no longer qualify for preferential market access according to the World Bank classification: **Argentina, Brazil, Uruguay and Venezuela** have been listed by the World Bank as Upper Middle Income countries for at least three consecutive years (as required for meeting the criteria) and will thus lose their GSP eligibility. **Ecuador** is also likely to lose its GSP status.

- Countries that do not qualify for GSP any longer have one year of transition/adaptation time before they actually lose their preferential market access conditions.

- **Product criteria:**

- Products lose the GSP preferential market access according to so-called graduation thresholds: Average imports of a product group from a country to the EU should not exceed 17.5% of GSP imports of the same products from all GSP beneficiary countries; for textiles and clothing it is 14.5%. These import shares increase with the new GSP system (from 15 % to 17.5 %, and from 12.5% to 14.5% for textiles). However, there will be less beneficiary countries due to country graduation, the import share of those countries remaining beneficiaries can be expected to exceed the criteria sooner and products will thus lose the GSP preference under the new system sooner and more frequent (see box 3.3).
- Unlike under the old GSP+ scheme, there is no product graduation under

Box 3.3: Product graduation for seafood according to new EU GSP scheme

Seafood products that do no longer qualify for preferential market access in the period 1st January 2014-31st December 2016

- For China: fish and crustaceans, molluscs and other aquatic invertebrates (chapter 3)
- **For Ecuador and Thailand: preparations of fish** (1604 - Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs, 1605 Crustaceans, molluscs and other aquatic invertebrates, prepared or preserved)

the new GSP +. This makes the new GSP + scheme more attractive. No product graduation remains for EBA countries, i.e. least developed countries.

- **Sensitive and non-sensitive products:** In the EU GSP scheme in general, products are classified as "sensitive" or "non-sensitive", whereby the definition is made to take into account the competitive situation of the corresponding EU industries. "Sensitive" products are those products that are also produced in the EU and thus compete with the respective imports

Box 3.4: Sensitive and non-sensitive seafood in the new EU GSP scheme

- 1) Seafood products that are considered as being "sensitive" and thus do not fall under the new standard GSP scheme:
 - Chapter 3: Fish and crustaceans, molluscs and other aquatic invertebrates, except for products under subheading 0301 19 00
 - 1504 Fats and oils and their fractions, of fish or marine mammals, whether or not refined, but not chemically modified
 - 1603 00 10 **Extracts and juices** of meat, fish or crustaceans, molluscs or other aquatic invertebrates
 - 1604 Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs
 - 1605 Crustaceans, molluscs and other aquatic invertebrates, prepared or preserved seafood products that are excluded
- 2) Previously "sensitive" seafood that become "non-sensitive" and thus receive preferential market access under the new standard EU GSP scheme:
 - 0301 19 00 Live, ornamental saltwater fish
 - 2309 90 10 Fish or marine mammal solubles, of a kind **used in animal feeding**

from developing countries. For imports of "sensitive" products, the EU grants a tariff reduction but no duty or quota free trade. Some products are not considered "sensitive" anymore under the new GSP scheme (see box 3.4).

- **Criteria for GSP+:** In order to qualify for the GSP+ scheme, countries have to fulfil three criteria, and there have been the following changes in the criteria with the GSP reform:
 - Import-share criterion that is set to avoid that one country dominates EU imports: The GSP-covered imports from the respective country have to be less than 2% of the EU's imports by all GSP beneficiaries. Under the old GSP+ scheme, the threshold of the import share criterion was 1%. This increase from 1% to 2% of EU's imports by all GSP beneficiaries allows more countries to apply for GSP +, in particular export-orientated countries, for sea food for example the Philippines.
 - Non-diversification criterion that ensures the importance of the EU for the respective developing country: the country's exports to the EU of its seven largest product groups must cover at least 75% of its total exports to the EU. Previously, the five largest exports groups were considered in the calculation of this criterion. Since the definition of product groups changes with the new GSP system (for the new product definition see above), the new non-diversification criterion does not mean a change. Thus the proportions of product groups considered relevant in the GSP system remains unchanged (about 25%).
 - International conventions: The GSP reform continues to refer to 27 international conventions relating to human and labour rights, environment and good governance as a prerequisite for developing countries to participate at the GSP+ scheme. With the reform, countries however have to improve on the ratification, implementation and most importantly the monitoring that the conventions are actually put into practise. The monitoring has to be stricter and more frequent, every 2 years instead of 3 years, and the EU will also strictly check. As a general principle, GSP+ countries have to prove that they appropriately and effectively implement the conventions and provide evidence (reversed

burden of proof) on their commitment. For seafood, requirements on labour conditions and occupational health seem to be most relevant. An unsatisfactory implementation at the national level, for example not ensuring the legal and institutional realisation and control of labour issues, could jeopardise the GSP+ status of some beneficiary countries, which would lead to exporters losing their preferential market access to the EU.

- **Criteria for withdrawal of the GSP status:** The new GSP scheme explicitly spells out the procedures of withdrawal (for example under the provision of special safeguards, avoiding any kind of dumping and unfair trading, political reasons), including temporary exclusion as well as the respective country's resuming to the scheme, are described in detail.
 - For seafood, it is important to note that the GSP preferential arrangements can be withdrawn if countries seriously and systematically infringe the objectives adopted by Regional Fishery Organisations or by any international arrangements concerning the conservation and management of fishery resources, which the EU Union is committed to.
- **Validity of the GSP scheme:** With the exception of EBA (no expiry date), the new GSP scheme will be valid for 10 years (2014-2024). Previously, there were GSP reforms after 3 years. Note that there will be checks on the country and product graduation every 3 years, but the GSP system described by Regulation (EU) No 987/2012 will not be changed.

GSP reform - most important stakeholders and their interest

	Involvement in policy process	Interest
European Commission (EC) – DG Trade	Proposing policy, reform preparing proposal and final legal text that will be accompanied by an implementation guideline	-Continuation of the EU GSP scheme but with an emphasis on GSP+ -Increasing the effectiveness of GSP -Focusing the GSP to those countries most in need - Policy coherence and good practise in the policy making process
European Council	Evaluating, approving the policy proposal (vote)	- Representing the interest of the individual EU member countries, - Continuation of the GSP scheme
European Parliament (EP)	Evaluating, approving the policy proposal and vote (majority voting)	- Representing the interest of the respective parties at the EU level as well as of the EU electorate, i.e. EU citizens - Incorporating issues relevant for EU citizens, such as sustainability
EU industry, including EU importers	Opportunity to express their opinion in a public consultation, lobbying EC, EP and national governmental officials	-Streamlining EU policy so as to avoid confusion about access conditions and which agreement applies -Coherence with other EU policies, esp. import requirements, and international conventions (UN Anticorruption Convention) -Reciprocal market opening by developing countries to allow more EU imports to be sold on their market -Ensuring adequate and reliable supplies of raw materials for European importers. -Enforcing compliance with social and environmental conditions required for EU products and production processes (no social and/or environmental dumping)
Developing country industry	Opportunity to express their opinion in a public consultation, lobbying,	- Improving the preferential market access by cutting tariffs, preferential rates for all products - Simplifying GSP by for example more flexible rules of origin, less rules - Provision of complementary programmes to ensure that developing can benefit from GSP -Policy coherence with other import requirements, e.g. food safety and quality standards by combining issues related to trade into one coherent policy.

		<ul style="list-style-type: none"> - Policy coherence with other EU policies: streamlining approach with goals of development aid (e.g. good governance), flexibility to target country needs - No extra monitoring and evaluation to show compliance with conventions as double effort given the monitoring of international organisations
Developing country governments	Opportunity to express their opinion in a public consultation, cooperation and diplomacy to influence the EU policies	<ul style="list-style-type: none"> - Ensuring that all products and countries, also those that do not seem to be competitive, can participate & benefit - GSP should tackle all tariffs and non-tariffs - Avoiding protectionist use of GSP - No conditionality, i.e. "stick and carrot" approach: the EU should not use concessions on trade as a tool to promote good governance, human rights (development policy goals) - No conditionality on the benefit of GSP - Allowing for appropriate time frame to implement institutional set-up for monitoring and evaluation by the country itself. EU framework cannot be applied overnight: support is needed due to costs and lack of human resources - No extra monitoring and evaluation efforts
Trade Union	Opportunity to express their opinion in a public consultation, lobbying	<ul style="list-style-type: none"> - Full implementation of international conventions on Governance (e.g. UN Anticorruption Convention), on Proliferation, on Intellectual Property, EU rules on Bribery, Money-laundering... - Enforcing labour standards, in case of non-compliance, there should be the possibility of sanctions. monitoring of implementation
Civil society organisations	Opportunity to express their opinion in a public consultation, lobbying	<ul style="list-style-type: none"> -Enforcing compliance with social and environmental conditions required for EU products and production processes (no social and/or environmental dumping) -Special Safeguards to prevent dumping and unfair trading
NGO's	Opportunity to express their opinion in a public consultation	<ul style="list-style-type: none"> - Ensuring that GSP remains unilateral, not reciprocity i.e. no market opening by developing countries - Avoiding to impose too stringent standards on developing countries, including standards for investment and government procurement, as they could negate the benefit from GSP -Coordination, consistency with other policies and programmes - Bigger cuts in tariffs and a longer list of non-sensitive products as GSP should focus on helping developing countries overcome poverty, for which tariff cuts are essential. - Avoiding to put pressure on developing countries for signing other agreements (free trade agreements, partnership agreements) - Allowing emerging countries to remain in the scheme since they have serious problems of inequality and poverty, avoid negative social impact - Enforcing monitoring of implementation, possibility of sanctions in case of violations
Scientists/ Researchers	Providing scientific input, such as ex-ante/ex-post impact assessments	<ul style="list-style-type: none"> - Scientific state of the art analysis of GSP as well as alternative policy options -Commissioned studies

It is interesting to note that for the EU actors, both governmental and industry, the GSP scheme should on the one hand protect the EU fisheries from competition. On the other hand, they are clearly interested in ensuring and in fact fostering seafood exports from developing countries to meet EU demands, by the EU industry as well as by EU consumers. Furthermore, the condition of ratifying and implementing international conventions, as realised under the GSP+ scheme, has become more important for EU actors.

From the developing country perspective, there seems to be the need to specifically provide assistance for realising commitments, including the monitoring and enforcement of conventions and requirements. In fact, the GSP scheme is criticised as not tackling non-tariff barriers and all tariffs, which seems to limit efficiency and the benefit that developing countries could potential gain from preferential market access.

Policy process

For the EC, the General Directorate (DG) Trade has been in charge of the GSP policy making. Note that although the EU GSP system aims to help developing countries via exporting to the EU member states, DG Development and Cooperation is not directly involved in the reform of the GSP system. DG Development and Cooperation is concerned with actual development aid rather than EU policies. In the policy making process of the GSP reform, a public consultation (such as a survey, discussion rounds and seminars) took place in order to obtain comments from parties with an interest in the EU GSP scheme, i.e. stakeholders in the EU as well as in developing countries (see table above).

In addition, the DG Trade commissioned a study evaluating the GSP scheme in a mid-term review, see http://trade.ec.europa.eu/doclib/docs/2010/may/tradoc_146196.pdf. The results were taken into account in the GSP reform

Implications for exporters

- Overall, developing country export can only benefit from preferential market access under the GSP scheme if their country and the respective product are considered eligible for the scheme (given the specific criteria).
- The GSP reform seems to have only little impact on seafood exporters in developing countries because seafood products tend to remain "sensitive products" and thus preferential market access will not be granted. Note that under GSP+, the differentiation between sensitive and non-sensitive products is not made; all products are exported to the EU under tariff and quota free conditions.
- Only few countries will lose their eligibility to participate in the GSP scheme. Looking at seafood exporting countries: Ecuador will most likely not qualify as a beneficiary country as it is considered a middle income country (according to World Bank country classification). The Philippines may be able to join the GSP + scheme. Note that both countries mentioned are preparing the start of free trade negotiations with the EU. With the completion of such trade deals, they will no longer be eligible for participating in the GSP scheme at all, but they may be able to secure more favourable market access conditions in a free trade agreement than the GSP provisions.

Actions/recommendations for exporters

- Seafood exporters and their representatives could bring forward their interest to their country government to apply for GSP+. Note that the ratification and actual implementation of the GSP+, especially the commitment to international conventions will take place at the national level, but close co-operation with the sector should help for example to prove compliance with international labour standards according to the international human rights convention.
- It is important to remain as flexible as possible with regard to trading partner countries. Preferential market access cannot be guaranteed and the influence of individual firms is limited. Thus instead of focusing on the EU market only, exporters should make sure that they keep the ability to export to countries other than the EU.
- Given the regular up-date and checking of GSP beneficiary countries, other free trade arrangements with the EU may be preferable for producers and

exporters as they would provide relative more certainty for businesses. For information on negotiations of the EU FTAs see webpage of DG Trade at http://trade.ec.europa.eu/doclib/docs/2006/december/tradoc_118238.pdf.

Actions/recommendations for policy makers

- The EU GSP scheme applies to countries rather than firms. Thus governments should investigate their opportunities of eligibility. The GSP+ has become more attractive, as tariff and duty free market access for all products will be granted, and thus GSP+ may be a good option for eligible countries.
- For countries that do not qualify for the GSP scheme, governments are advised to consider the option of negotiating other free trade arrangement with the EU. Note that countries are able to negotiate better market access conditions for bilateral trade agreements (including technical support measures) than the provisions granted under the GSP. In general, free trade agreements with the EU may be a more viable option for developing countries than GSP but negotiations need to be very well prepared in terms of positions, arguments and negotiation strategy.

Link to policy documents

EC proposal:

http://trade.ec.europa.eu/doclib/docs/2011/may/tradoc_147893.pdf

Regulation (EU) No 978/2012 of the European Parliament and the Council applying a scheme of generalised tariff preferences and repealing Council

Regulation (EC) No 732/2008:

http://trade.ec.europa.eu/doclib/docs/2012/october/tradoc_150025.pdf

Regulation amending Annex II to Regulation (EU) No 978/2012:

http://trade.ec.europa.eu/doclib/docs/2013/february/tradoc_150585.pdf

EC factsheet on GSP scheme:

http://trade.ec.europa.eu/doclib/docs/2013/september/tradoc_151705.%202013-07%20GSP%20InfoPack%20Update%20Final.pdf

EC factsheet on EBA:

http://trade.ec.europa.eu/doclib/docs/2013/april/tradoc_150983.pdf

EC information for countries eligible for GSP+:

http://trade.ec.europa.eu/doclib/docs/2012/november/tradoc_150043.pdf

This newsletter was compiled for CBI by Marie-Luise Rau, Mike Turenhout and Willem van der Pijl, in collaboration with CBI sector expert Siegfried Bank

Disclaimer CBI: <http://www.cbi.eu/disclaimer>