



EUROPEAN UNION
Delegation to Armenia

Political, Economic, Press and Information Section

Yerevan, January 28, 2016

PRESS RELEASE

Report on the Generalised Scheme of Preferences Plus (GSP+)

Today, the European Union has published a comprehensive report on the Generalised Scheme of Preferences Plus (GSP+) for the period 2014-2015. The report is a prime example of how the European Union strengthens trade relations with partner countries, such as Armenia while insisting on sustainable development and governance reforms.

The EU's Generalised Scheme of Preferences (GSP) is designed to help partner countries develop their economies through benefitting from international trade. It grants reduced or zero tariffs on imports to the EU, making access to EU markets easier. Thus the GSP helps generate new business opportunities and trade revenues, which contribute to boosting economic growth, creating new employment opportunities and reducing poverty in beneficiary countries.

In particular, the **GSP+ Special Arrangement** for Sustainable Development and Good Governance provides additional support (full tariff removals) to countries which ratify and effectively implement 27 core international conventions on human rights, labour rights, good governance and environmental protection. Since the GSP reform applied as from 1 January 2014, the EU undertakes **enhanced monitoring** of the GSP+ beneficiaries' compliance with these obligations with a view to support their efforts to improve the implementation of the conventions. **Armenia** benefits from the reformed GSP+ as from the start of its application.

The present **first bi-annual report** on the reformed GSP+ functioning examines how Armenia implemented its binding commitments made when entering the GSP+, in particular ratification and effective implementation of the relevant international conventions, reporting to the international monitoring bodies and cooperation with the EU side in its monitoring process. The report concludes that during the first GSP+ monitoring cycle, Armenia **demonstrated genuine efforts** to comply with its commitments. At the same time, Armenia **has to continue and in some cases step up its work** to further improve its implementation of the conventions - not least striving to ensure that Armenian citizens experience human rights protection improvements in their everyday life - in order to keep the GSP+ benefits.

In particular, in 2014-2015, Armenia made an overall effort to address the shortcomings identified in its implementation of the conventions, primarily related to missing or inadequate

Delegation in Armenia
21, Frik Street, Yerevan, Armenia
Proshyan Street (entrance for visitors)
Tel.: (37410) 54 64 94; 54 64 95
Delegation-Armenia@eeas.europa.eu
www.eeas.europa.eu/delegations/armenia

legislation and awareness rising. At the same time, Armenia needs to further step up its efforts to effectively address several persisting human rights problems, in particular regarding the independence and integrity of the judiciary and of the political system as a whole, the insufficient legislative and enforcement framework against torture and ill treatment, widespread corruption, discrimination against minorities, discrimination and violence against women and child poverty. Regarding labour rights, Armenia's legislation and practice on the official labour market are broadly in line with the ILO fundamental conventions. However, both should be improved on a number of points, in particular the freedom of association for employers and workers, more regular and effective labour inspection and prevention of discrimination at workplace. Armenia should also make more efforts to curtail unregulated employment. Armenia continued to make efforts to protect the environment through implementation of the legal framework and introduction of new specific legislation in several sectors (e.g. air, water, nature protection). Overall, Armenia takes good advantage of the EU substantial assistance on environmental protection and tackling of climate change and intends to continue doing so also to support its future priorities and objectives in these areas.

Based on the report's findings, priority actions will be identified at the beginning of the **next two-year monitoring cycle** in 2016. While these may reflect deep-rooted and long-term issues, clear evidence of concrete progress to tackle these shortcomings will be expected over the next monitoring period. A number of projects can be launched to build Armenia's capacity in meeting its GSP+ obligations.

Close cooperation with a wide range of partners is crucial to the success of the GSP+,. Apart from the Armenian authorities, the EU works with local and international human and labour rights experts and engages in an active dialogue with the civil society organizations in Armenia. In many cases, the civil society has welcomed the GSP+ arrangement as an incentive for change.

The **next report** on Armenia's compliance with its GSP+ commitments will be published by November 2017.

The **conventions covered by the GSP+** are grouped in the following four themes:

- 1) seven conventions on *human rights protection* (against torture, anti-discrimination, rights of women, children, and minorities, civil and political rights including freedom of expression and association, right to a fair trial and judicial independence);
- 2) eight International Labour Organisation's conventions on *labour rights* (against forced labour and child labour, workers' rights to collectively organise and bargain, against discrimination at work and equal pay for men and women);

3) eight conventions on *environmental protection and climate change* (to monitor hazardous waste and harmful pollutants, to safeguard biodiversity and endangered species and to tackle climate change); and

4) four conventions on *good governance* (to support countries to strengthen their governance and institutions - the UN convention against Corruption, as well as three UN conventions seeking to control illegal drugs).

GSP+ has a **significant trade and economic importance** for Armenia. In 2014, approximately 60 million EUR (equivalent of 32 billion AMD) worth export, which constituted 26% of the total Armenian export to the EU (228 million EUR or 120 billion AMD), benefitted from the GSP+ preferences and so were exported with zero tariffs. The picture further improved in the first half of 2015 when 58 million EUR (31 billion AMD) worth Armenian export to the EU benefitted from the GSP+ arrangement. This represents already 41 % of the total Armenian export to the EU (144 million EUR or 76 billion AMD).

Moreover, a large majority of the Armenian businesses exporting to the EU that can make use of the GSP+ actually used that opportunity and were granted duty free market access in 2014-2015. Armenia uses the GSP+ in particular in these export sectors: clothing, aluminium, crayfish, juices, jams and other processed food, nuts and other seeds.

Please see also:

http://europa.eu/rapid/press-release_IP-16-169_en.htm

<http://trade.ec.europa.eu/doclib/press/index.cfm?id=1443>