



EUROPEAN COMMISSION  
DIRECTORATE-GENERAL FOR MARITIME AFFAIRS AND FISHERIES

The Director-General

Brussels, 19 JUL 2016  
MARE/ (2016) 3616800

Mr Ivan Lopez  
LDAC Chairman  
C/ Doctor Fleming 7,  
2º derecha  
28036 Madrid  
SPAIN

**Subject:** LDAC advice "Promoting effective respect of human rights, environmental and labour standards, good governance in third countries fishing and fish processing through trade agreements such as GSP+ The case of Philippines.

*Your ref:* R-03-16/WG5

Dear Mr Lopez,

Thank you for sending us the LDAC advice on the above mentioned subject. We appreciate your paper as it relates to one of the fundamentals of EU trade policy, namely respecting human rights.

Below you will find some answers to the questions that you raised in your letter.

First of all, as set out in EU trade ("Trade for All") policy, one of the aims of the EU is to ensure that economic growth goes hand in hand with social justice, respect for human rights, high labour and environmental standards, and health and safety protection. Trade and investment policy must equally take responsibility for supporting and promoting EU values and standards. "The Special Incentive Arrangement for Sustainable Development and Good Governance" (GSP+) is one instrument of EU trade policy to support this policy, as it aims to encourage third countries to comply with core international standards in the areas of human rights, labour rights, environmental protection and good governance.

Philippines was granted GSP+ in December 2014, based on the ratification and implementation of the required 27 conventions as well as signing a binding agreement to have a dialogue with the EU on the implementation of the conventions.

Commission européenne / Europese Commissie, B-1049 Bruxelles/Brussel – Belgique/België - Telephone: +32 229-91111  
Office: J-99 5/014 - Telephone: direct line +32 229-96310

E-mail: Joao.AGUIAR-MACHADO@ec.europa.eu

Regarding the GSP monitoring report of January this year and the reference to the Philippines fishing industry, we regard the actions of the Department of Labour and Employment (DOLE) as positive: the Department is using GSP+ to support some of the labour reforms necessary in the fishing industry. During a monitoring mission of the Commission to Gen Santos in September 2015, officials met with local stakeholders, including industry representatives, trade unions, civil society, and the Department (Undersecretary). The mission was informed of issues related to the relations between workers and employers in the industry including workers' rights and income; right to unionise and collective bargaining; and safety issues. As a result, Department Order DO no. 156-16 regarding "Rules and Regulations governing the working and living conditions of fishers on board fishing vessels engaged in commercial fishing operations" has recently been issued. This is a good example of how GSP+ can have an effect on stronger implementation of the labour conventions.

But GSP+ monitoring is an ongoing process and the Commission recently submitted to the Government of the Philippines its second 'list of issues' (implementation of 27 Conventions). Government authorities are engaged on this and committed to respond within the deadline of September. Another monitoring mission from the Commission is scheduled for the end of 2016.

With regard to the involvement of local stakeholders and civil society, we have held a number of meetings with both international organisations and civil society representatives and will do so again ahead and / or during the upcoming mission. The EU Delegation in Manila is in regular contact with stakeholders and is also supporting actions (among others with the ILO) to further strengthen capacity in the area of the labour conventions.

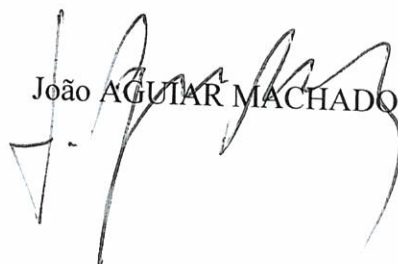
With regard to an eventual withdrawal of preferences, any of the GSP arrangements may be temporarily withdrawn for reasons detailed under Article 19 of the GSP Regulation 978/2012 such as a serious and systematic violation of the principles laid down in the core international conventions on human and labour rights (listed in Part A of Annex VIII of the GSP Regulation) and on a number of other grounds such as unfair trading practices and serious shortcomings in customs controls. In addition, GSP+ benefits may be temporarily withdrawn if the beneficiary country does not comply with the commitments signed at the time of application for GSP+ preferences, in particular if it does not ensure the effective implementation of the 27 conventions listed in Annex VIII of the Regulation; if it does not comply with the reporting requirements of those conventions; or if it does not cooperate with the monitoring procedures of the Commission.

As you are probably aware, GSP is a trade-incentive instrument to support developing economies such as the Philippines to export to the EU. Therefore, temporary withdrawal of preferences is an exceptional measure that is taken only as a last recourse, when there are sufficient grounds to demonstrate that the legal requirements are met and other mechanisms of dialogue and cooperation with the beneficiary concerned fail.

Regarding developing WTO compatible trade measures in the area of environment and human and labour rights, this would be an ambition but in the meantime, the Commission is including these already in its bilateral free trade agreements (FTA), as part of the sustainable development chapter. A good example is the recently signed FTA with Vietnam, and a sustainable development chapter is also foreseen for the ongoing FTA negotiations with the Philippines.

Thank you again for your engagement and advice which helps the EU to use its trade policy, including GSP+, as effectively as possible and ensure it is based on values. If you have any question on this reply, you can contact Ms Evangelia Georgitsi, coordinator of the Advisory Councils ([evangelia.georgitsi@ec.europa.eu](mailto:evangelia.georgitsi@ec.europa.eu); +32.2.295.04.43).

Yours sincerely,

  
João AGUIAR MACHADO