

Symposium on
the Agreement on Government Procurement

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Accession to the GPA: Processes, Procedures and
Current State of Play

S5.2

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Outline

- ❑ Completed and pending accessions
 - Pending accessions: state of play
- ❑ Main elements of the accession process
 - Process, procedures, relevant documentation
- ❑ Potential benefits and costs of accession
 - (Personal perspectives)
- ❑ Closing comments

Completed and pending accessions

- ❑ 19 completed accessions since 1996
 - 12 via EU route
 - Latest completed accession: Chinese Taipei (2009)
- ❑ Pending accessions: intensive stage, nearing completion
 - Armenia, Jordan
- ❑ Process initiated; substantive work pending or ongoing:
 - Albania, China, Georgia, the Kyrgyz Republic, Moldova, Oman and Panama
- ❑ Commitments to accede
 - Croatia, the former Yugoslav Republic of Macedonia, Mongolia, Saudi Arabia and Ukraine

Legal basis for accession

- ❑ Legal basis: Article XXIV:2 GPA 1994*
 - Eligibility: any WTO Member
- ❑ Terms to be agreed existing Parties
 - GPA Committee Decision reflecting terms agreed
- ❑ Deposit of instrument of accession by candidate
- ❑ Entry into force: 30 days thereafter
 - ❑ **Revised text: Article XXII:5*

Main topics to be addressed

- ❑ Coverage offer (to be negotiated)
- ❑ Consistency of national legislation with GPA
 - (may require changes to legislative framework)
 - Checklist of Issues
- ❑ Flexibilities to be provided
 - As needed for developmental purposes
 - See earlier (Session 4.2)

Some key procedural elements (GPA/1, Annex 2 and GPA/W/109/Rev. 2)

- ❑ Communication of interest in accession to Director-General and Committee on Government Procurement
- ❑ Submission of relevant information, including on: (i) proposed coverage (draft Appendices); (ii) Checklist of Issues (see GPA/35); and (ii) national legislation
- ❑ Consultations to be held by the Committee, as necessary (supplemented by bilateral discussions with individual Parties)
- ❑ Agreement on terms of accession, submission of Report on legislation and decision by the GPA Committee
- ❑ Deposit of accession instrument/terms and entry into force

Elements of coverage (Appendix I offer)

- ❑ Coverage offer (to be negotiated)
 - Entity coverage (central govt, sub-central govt, “Other”)
 - Services, construction services
 - Thresholds; any applicable conditions (General Notes)

Example thresholds (general levels) (SDR)

Entities	Goods	Services	Construction Services
Annex 1	130,000	130,000	5,000,000
Annex 2	200,000	200,000	5,000,000
Annex 3	400,000	400,000	5,000,000

Checklist of Issues

- ❑ Checklist of Issues
 - Legal framework
 - Scope and coverage of applicable legislation
 - National treatment/non-discrimination
 - Transparency and procedural rules
 - Domestic review
 - Other relevant aspects – e.g. use of IT

Why consider GPA accession?*

- ❑ Potential trade gains from assured access to other Parties' procurement markets/insulation from possible protectionist measures
- ❑ Possibilities for achieving enhanced value for money in acceding countries' own procurement systems
- ❑ Potentially increased incentives for inbound foreign direct investment
- ❑ Opportunity to influence the future evolution of the Agreement

***It is recognized that each acceding WTO Member must ultimately assess these for itself.**

Potential costs of accession*

- ❑ Direct costs of participating in relevant negotiations
- ❑ Costs of necessary institutional adaptations
- ❑ Adjustment costs for local firms/industry

***It is recognized that each acceding WTO Member must ultimately assess these for itself**

Closing comments

- ❑ Current “acquis” of procurement reforms
 - Uniform rules: transparency; non-discrimination; competition
- ❑ However, issues arising
 - Implementation and capacity challenges
 - Gap: trade dimension; consequential opportunity costs
- ❑ Trade dimension in next generation procurement reforms...
 - Gap analysis; needed complementary policies/studies/reforms
- ❑ Possibilities for further, relevant information through
 - No obligation GPA Committee observership
 - ◆ Eligibility: any WTO Member (latest: India)
 - ◆ Latest GPA Observer: India (Feb 2010)
 - WTO TA: regional & national seminars; other relevant TA

Resources

- ❑ WTO government procurement gateway:

http://www.wto.org/english/tratop_e/gproc_e/gproc_e.htm