



Macro WTO and Micro GPA Accessions: What is the Relationship?

Robert Anderson

**Counsellor, WTO Secretariat (team leader for government procurement
and competition policy)***

&

Anna Caroline Müller

Legal Affairs Officer, WTO Secretariat*

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***This presentation is made strictly in a personal capacity.**



Some premises

- The benefit of trade liberalization lies not only in market access but also in the incentives provided for internal structural and legislative reform.
- **Government procurement matters (a lot!):**
 - For its own sake (15% plus of GDP; vital for infrastructure provision (roads/airports/ports) and socially important goods and services (hospitals/schools/medicines); and
 - as an element of good governance.
- **WTO accessions are a very important source of interest in/momentum for GPA accessions; yet, GPA accession is necessarily a separate (and intensive) process with its own dynamic.**



What is the GPA?: Basic nature of the Agreement

A binding international Agreement that promotes:

- Access to other GPA Parties' procurement markets;
- Improved value for money in each participating Member's procurements;
- Good governance (transparency, fair competition and an absence of corruption in covered procurement markets).

A plurilateral agreement

- Part of the WTO system (and enforceable under the DSU!) via Annex 4 of the Marrakesh Agreement.
- Recently re-negotiated.
- Membership increasing over time.

The entry into force of the revised GPA: overview & latest developments



- The revised GPA is now in force for 13 out of 15 Parties
 - Latest country to submit its instrument of acceptance: Armenia.
 - Only two countries missing: Switzerland and Korea.
- Elements of the renegotiation:
 - Revised text – greater flexibility/improved S&D provisions.
 - Market access enhancement package valued at \$80-100 billion annually.
 - Package of Future Work Programmes on issues such as SMEs and sustainability – now being worked on.

Which WTO Members are in the GPA, anyway? And who is coming in?



- Currently, covers 45 WTO Members (17 Parties) including the EU and its 28 member States; the US, Canada, Japan; Liechtenstein, Norway and Switzerland); plus Hong Kong, China; Iceland; Israel; Korea; Singapore; Chinese Taipei; Aruba and Armenia. **NEW: New Zealand, & Montenegro!**





The basics of WTO accession

Article XXII:2 of the GPA

“Any Member of the WTO may accede to this Agreement on terms to be agreed between that Member and the Parties, with such terms stated in a decision of the Committee. Accession shall take place by deposit with the Director-General of the WTO of an instrument of accession that states the terms so agreed. This Agreement shall enter into force for a Member acceding to it on the 30th day following the deposit of its instrument of accession. “

Who: Eligibility of any WTO Member to accede

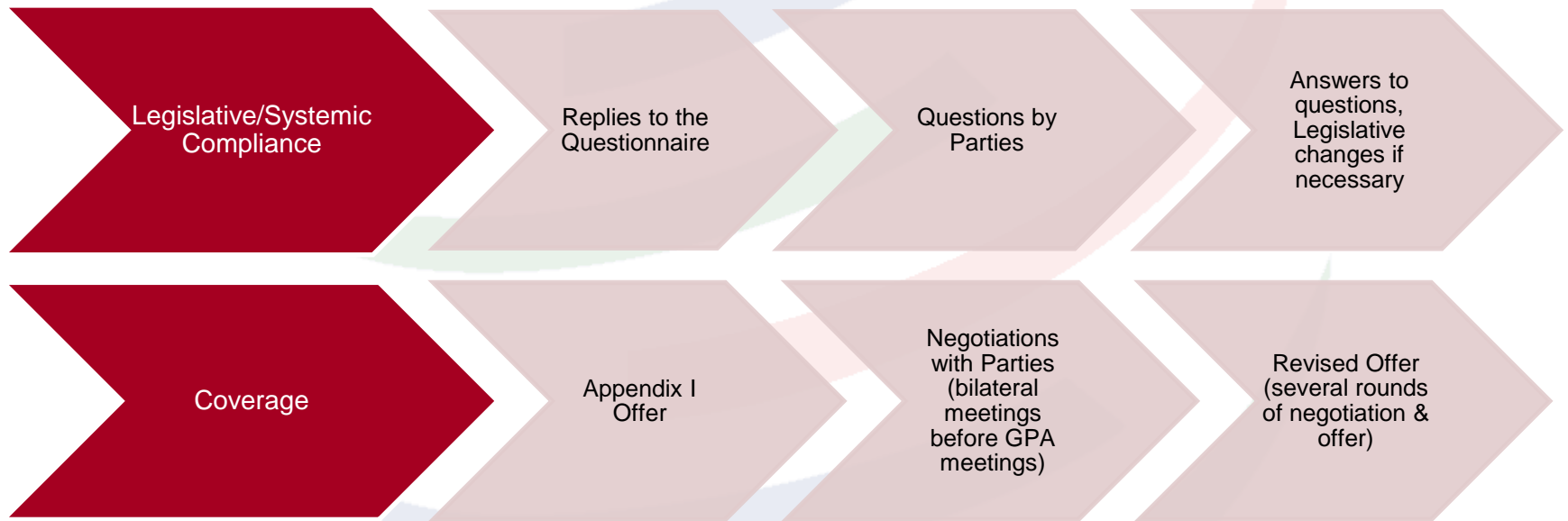
What: Terms to be agreed with existing Parties

How: Deposit with the Director-General of an instrument of accession, including agreed terms

When: Entry into force on 30th day afterwards



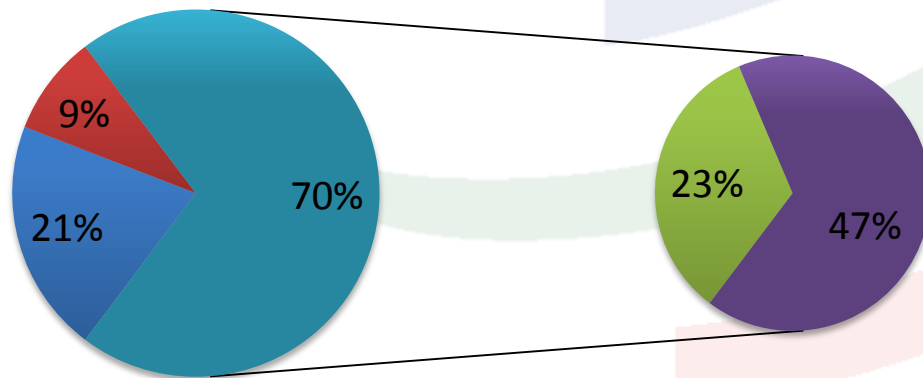
GPA accession – main aspects





The relationship between WTO accession and GPA accession: more detail

- New WTO Members are likely to undertake GPA accession commitments of some sort.



■ GPA accession not envisaged (7: Cambodia; Ecuador; Nepal; Samoa; Tonga; Vanuatu; Yemen)

■ GPA accession considered, but no commitment (3: Lao People's Democratic Republic; Viet Nam; Cabo Verde)

■ Accession complete (8: Armenia; Bulgaria; Croatia; Estonia; Latvia, Lithuania, Montenegro and Chinese Taipei)

■ Accession on-going/outstanding (9 ongoing, 6 outstanding, 1 withdrawal of application for accession to the GPA)



The GPA: Why accede?

Legally ensured
access to other
Parties' procurement
markets

Benefits of internal reform
according to principles of
integrity, transparency,
and non-discrimination.
Incentive for inbound FDI.

Double benefit: external and internal!



Summary

- New developments regarding revised GPA, accessions:
 - The GPA Committee is very active! Positive results are being achieved! New accessions!
- WTO accessions and GPA accession closely linked, though separate and distinct legal processes.
- Both central to the success of the WTO!