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

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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!**
Accessions to the Agreement: Current Status and latest developments

- **10 observers** are in the process of acceding:
  - Australia
  - China;
  - Albania;
  - Georgia;
  - Jordan;
  - Kyrgyz Republic;
  - Moldova;
  - Oman;
  - Tajikistan;
  - Ukraine.

- **5 additional WTO Members** have commitments to accede to the GPA:
  - the former Yugoslav Republic of Macedonia;
  - Mongolia;
  - the Russian Federation;
  - Saudi Arabia; and
  - Seychelles.
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

- Legislative/Systemic Compliance
  - Replies to the Questionnaire
  - Questions by Parties
  - Answers to questions, Legislative changes if necessary

- Coverage
  - Appendix I Offer
  - Negotiations with Parties (bilateral meetings before GPA meetings)
  - Revised Offer (several rounds of negotiation & offer)
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!