

Agreement on Government Procurement

Opening markets and strengthening good governance



Did you know?

Total government procurement spending worldwide is estimated at US\$ 13 trillion a year and about 15% of global GDP. The WTO's Agreement on Government Procurement (GPA 2012) covers government purchasing of goods, services and construction services valued at more than US\$ 1.7 trillion annually.

The Agreement on Government Procurement in brief

The current version of the Agreement on Government Procurement (GPA 2012) was adopted in 2012 and entered into force in 2014. It is a plurilateral agreement, meaning that not all WTO members are parties to it. Covering government purchasing of goods, services and construction services, the GPA 2012 achieves mutual market opening among its parties and reinforces transparency, integrity and other aspects of good governance. The GPA 2012 is the result of a revision of its predecessor agreement, the GPA 1994. The most recent renegotiation brought improvements to the text of the GPA 1994 and a significant expansion of GPA parties' market access commitments.

GPA membership

A significant number of WTO members are parties to the GPA 2012, and more WTO members are in the process of acceding to the Agreement or participating as observers to the WTO Committee on Government Procurement. The current list of GPA Parties, acceding economies and observers is available at www.wto.org/gpa.

The GPA 2012 embodies three key principles

Non-discrimination

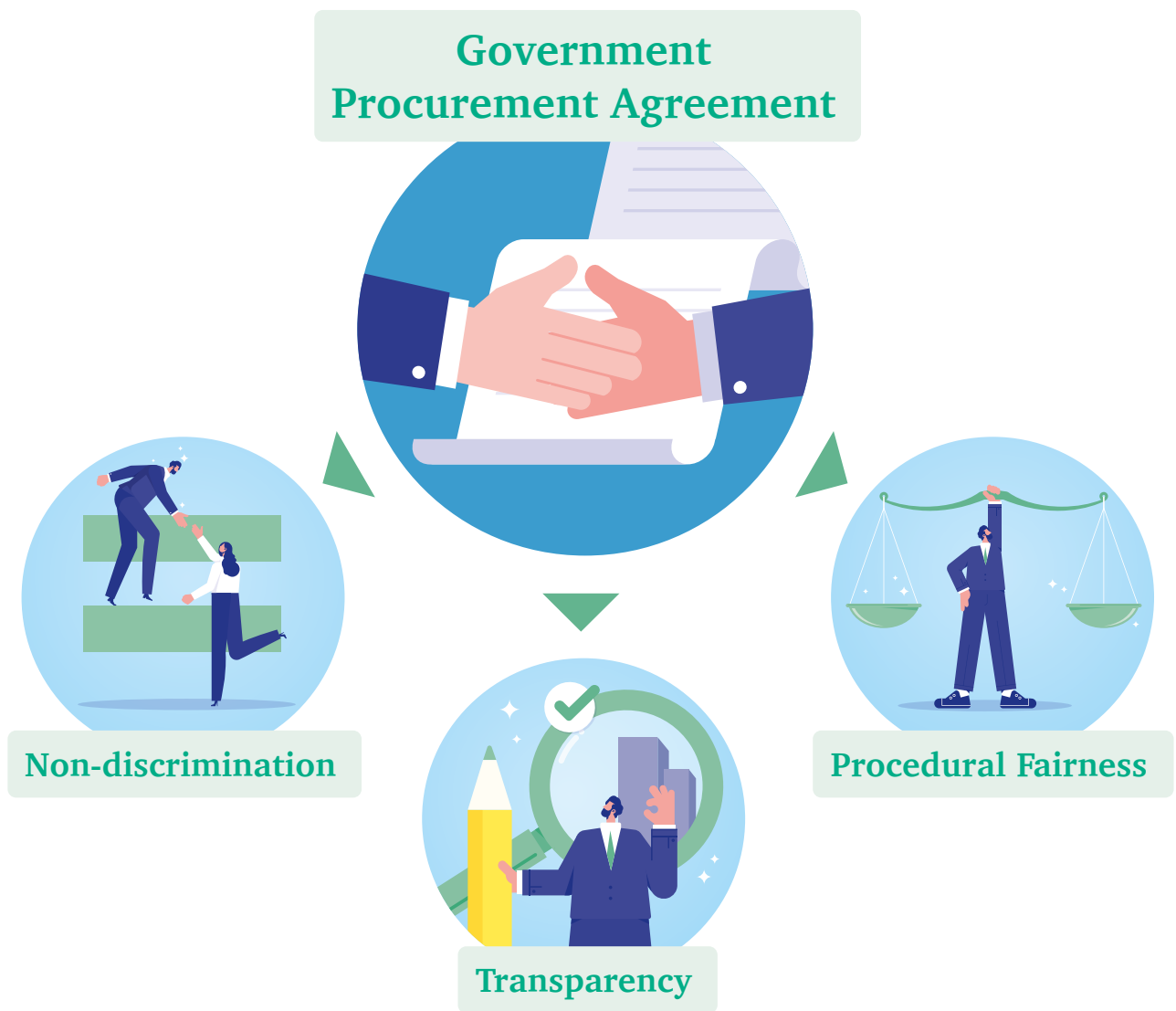
GPA Parties commit to applying procurement rules and practices that do not favour domestic suppliers over suppliers from other GPA Parties, or suppliers from one other GPA Party over suppliers from another GPA Party.

Transparency

The GPA 2012 establishes an obligation to publish procurement legislation as well as new procurement opportunities covered by the Agreement and contract awards. Transparency ensures that potential suppliers from GPA Parties can familiarize themselves with applicable rules and policies, and can become aware of tendering opportunities or the contracts awarded.

Procedural fairness

The GPA 2012 includes specific requirements, such as creating independent domestic mechanisms for the review of supplier complaints, to ensure that interested and participating suppliers from GPA Parties are treated fairly.



Consideration of developing countries' special needs

The GPA 2012 provides for the possibility, upon request, to negotiate special treatment for developing countries, including least developed countries, acceding to the Agreement, to the extent such treatment meets their development needs. If agreed, such treatment is granted in the form of transitional measures to support the development priorities of these countries.

Benefits of the GPA 2012

Promoting trade

The GPA 2012 provides access to procurement markets currently estimated at more than US\$ 1.7 trillion annually. The rules of the Agreement ensure that these markets, to the extent that they have been opened under the GPA 2012, remain open to competition from suppliers from all GPA parties. As new countries accede to the Agreement, the overall size of the covered procurement markets increases.

Supporting economic development

The GPA 2012 contributes to economic development and growth by:

- ▶ increasing competition in domestic procurement markets, which in turn helps governments to achieve better value for money and to make better use of scarce public resources; and
- ▶ encouraging foreign direct investment and transfer of new technology from abroad.

Improving governance

The GPA 2012 is the first WTO agreement to explicitly address corruption by requiring GPA Parties to conduct their procurement activities in a way that avoids conflicts of interest and prevents corrupt practices. This requirement is reinforced by specific transparency provisions in the GPA 2012 and procedures whereby a supplier may challenge a breach of the Agreement and/or related domestic legislation.

The principles and procedural requirements set out by the text of the GPA 2012 do not automatically apply to all the procurement activities of each party. Instead, they only apply to the procurement activities explicitly covered in the schedules of commitments negotiated by each GPA Party.

The coverage schedules of parties, which are integral to the GPA 2012, define the scope of each party's commitments across four dimensions:



Procuring Entities: The government bodies and entities whose procurement processes are open to foreign bidders.



Goods, Services, and Construction Services: The specific categories of goods, services, and construction services subject to market access commitments.



Threshold Values: The monetary thresholds above which procurement activities must adhere to GPA 2012 rules.



Exceptions: Any limitations or exclusions specified in the schedules.

Procurement activities are subject to the GPA 2012 rules only if they are conducted by a covered entity, involve covered goods, services, or construction services, and exceed the applicable threshold, unless explicitly exempted in the Party's coverage notes.

For more details on Parties' commitments, visit the e-GPA Gateway (<https://e-gpa.wto.org>).

Summary

The GPA 2012 expands the scope of the previous version of the Agreement and strengthens good governance by requiring parties to conduct their procurement activities in a way that is transparent, non-discriminatory, avoids conflicts of interest, and prevents corrupt practices. Growing membership of the GPA 2012 is evidence of the benefits of the Agreement.

What's next

The GPA 2012 will continue to evolve to reflect new developments in government procurement. The GPA parties have already conducted discussions on:

- ▶ the participation of small and medium-sized enterprises in government procurement and related good practices (see [GPA/CD/6](#) - List of Best Practices),
- ▶ sustainable procurement,
- ▶ collection and reporting of statistical data, and
- ▶ restrictions and exclusions in GPA parties' market access.



Further information

WTO publications can be purchased from the WTO Online Bookshop:

<http://onlinebookshop.wto.org>

The WTO Regime on Government Procurement:
Challenge and Reform

e-GPA gateway: <https://e-gpa.wto.org>

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The GPA 2012 on the WTO website: www.wto.org/gpa

The Text of the GPA 2012 and related WTO legal texts:
https://www.wto.org/english/docs_e/legal_e/rev-gpr-94_01_e.pdf