Inter-operability and cross-border trade in government procurement markets: implications of the WTO GPA/eGPA platform to e-GP development*

ASIA PACIFIC PUBLIC ELECTRONIC PROCUREMENT NETWORK

5-6 October 2015, Manila, Philippines

Ricardo ROMEA and Philippe PELLETIER
WTO Secretariat

These slides have been prepared by the speakers in their personal capacity. They do not represent an official WTO point of view.

Contents of presentation

- The GPA as an emerging tool of global economic integration and good governance
 - What is the WTO Agreement on Government Procurement (GPA)?
 - The changing global context of the GPA: factors increasing its importance as an underpinning of the global economy;
 - Core principles of the GPA
 - Recent renegotiation and future work programmes
- The WTO's e-GPA Project
 - Enhancing the Transparency and Accessibility of GPA Market Access Information

What is the WTO Agreement on Government Procurement?



- Government procurement in the WTO multilateral rules:
 - excluded from the core disciplines on non-discrimination in the 1947
 GATT and the 1994 GATS.
- A gap that is gradually being filled, over time:
 - o 1979 Tokyo Round GP Code; WTO GPA 1994; The GPA 2012
 - A <u>plurilateral</u> agreement within the WTO system (not all WTO Members participate)
- An internationally recognized tool to promote:
 - 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).



II. Factors currently enhancing the significance of the GPA for the global economy

Three Factors:

- 1. increasing membership of the Agreement worldwide;
- 2. the **policy context**; and
- 3. synergies with other international instruments, and national legislation.

Factors currently enhancing the significance of the GPA for the multilateral trading system (1):

increasing membership of the Agreement worldwide

- Currently, the GPA covers <u>45 WTO Members</u> including the <u>EU and its 28</u> member States; most other traditional developed countries (the US, Canada, <u>Japan</u>, Liechtenstein, New Zealand, Norway and Switzerland); plus <u>Hong Kong (China)</u>; Montenegro; Iceland; Israel; <u>Korea; Singapore</u>; <u>Chinese Taipei</u>; Aruba and Armenia.
- One more accession (Moldova) completed on 16 September and another expected to be gaveled in November (Ukraine).
- <u>Eight</u> more WTO Members in various stages of accession (<u>Australia</u>, Albania, <u>China</u>, <u>Georgia</u>, Jordan, the <u>Kyrgyz Republic</u>, Oman and <u>Tajikistan</u>).
- <u>Five</u> additional WTO Members have commitments to seek GPA accession (eventually), as part of their WTO accession protocols: the former Yugoslav Republic of Macedonia, Mongolia, the Russian Federation, Saudi Arabia and Seychelles.
- 29 observer Governments (10 new observers since 2012).
 - 11 regional Members of the ADB: <u>Australia; China; Georgia; India; Indonesia;</u>
 <u>Kyrgyz Republic; Mongolia; Pakistan; Tajikistan; Thailand; Viet Nam</u>

Factors currently enhancing the importance of the GPA for the global economy (2):



The policy context:

- Enhanced importance of the procurement sector worldwide.
- Increased pressures for policies potentially limiting access to important procurement markets.
- Role of the GPA and/or bilateral/regional agreements

Synergies with other international instruments, FTAs and national legislation

- GPA a distillation of best practices internationally.
- An important benchmark for national procurement reforms.
- Carefully harmonized with the UNCITRAL Model Law.
- Recognised for use under Alternative Procurement Arrangements in the World Bank's New Procurement Framework
- The model for procurement chapters in bilateral FTAs and regional trade agreements worldwide.

III. Core principles of the Agreement (basis for legal elements)

- o Three core principles:
 - Non-discrimination (especially between foreign and domestic suppliers);
 - Transparency of the procurement system and of individual procurements;
 - Procedural fairness for suppliers/potential suppliers

NB: Above three principles underlie/explain all elements of the Agreement

IV. Significance of the entry into force of the revised Agreement: Overview



- □ Revised Agreement entered into force on 6 April 2014!
 Now in force for all Parties except three Parties.
- ☐ Three main elements of the deal:
 - 1. GPA text overhauled and modernized.
 - 2. Market access package valued at \$80-100 billion annually. Brings the overall coverage to an estimated USD1.7 trillion market around 2.5% of World GDP (2008)
 - 3. Package of **New Work Programmes** on issues such as SMEs and sustainability.
- Now in force for all Parties except Korea and Switzerland

V. The WTO's e-GPA Project

Enhancing the Transparency and Accessibility of GPA Market Access Information

- https://e-gpa.wto.org/
- https://e-gpa.wto.org/en/Help/QuickAccess

Contents:

- Purpose, objective, features and functionalities;
- Current state of implementation;
- Anticipated future developments;
- Implications for cross-border trade in covered procurement markets.

e-GPA: Objectives



- Create an integrated database of GPA coverage data to serve as a market access information resource
 - for use by governments, businesses and other interested parties
- Create a seamless online digital tool for notifications, statistical reports and related data in support of an enhanced information provision service
- Better publicize the commercial opportunities available under the Agreement
 - o thus foster interest in and accessions to the Agreement
- Synergise with an integrated database of trade
 measures across the WTO (via i-TIP)

e-GPA: Expected Benefits

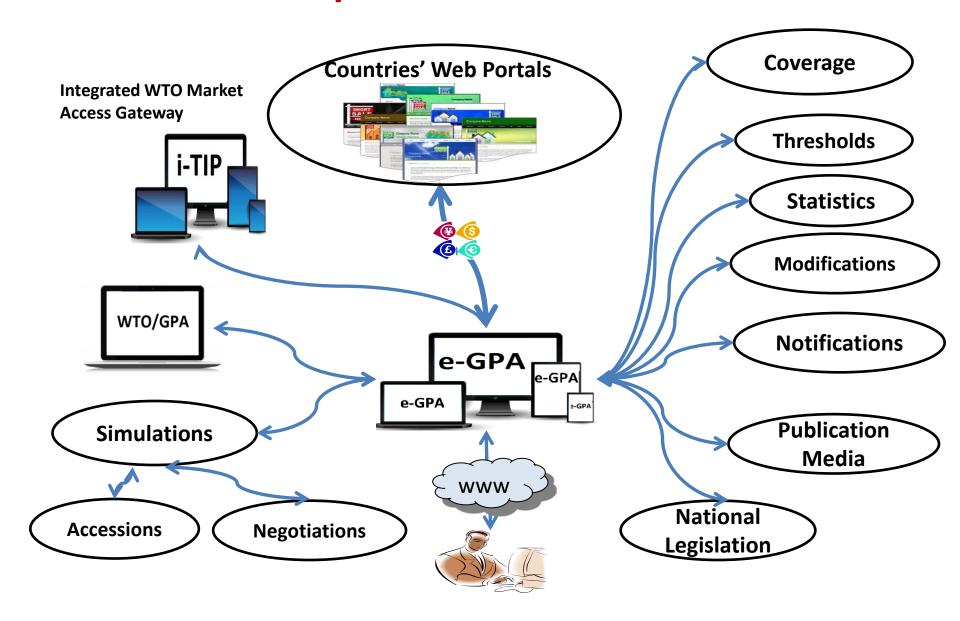


- Improved service to Members
 - enhanced transparency and accessibility of market access
 (MA) information
 - enhanced visibility of the size and extent of MA opportunities
 - o efficient access to information on commercial opportunities
 - o provide a rich resource for policy analysis, e.g.
 - o accessions to the Agreement; future negotiations; technical assistance

Improved productivity

- o foster a more efficient administration of the Agreement
- synergy/linkage with horizontal, integrated database of trade measures across the WTO (via i-TIP)

WTO e-GPA portal: schematic illustration



Main Project Elements



- Multi-modular approach, phased implementation
- Phase I development and implementation of
 - o core web-based application; core modules encompassing:
 - o coverage (market access), thresholds, nomenclatures
- Phase II additional modules and enhancements
 - o modifications, notifications, advanced search functions
- Future phases
 - o further modules, more advanced functions
 - o statistics, enhancements to notifications
 - o digital submissions, more external linkages
 - advanced modules: simulations (for accessions/negotiations)
 - Web services, further enhanced reporting, analytics



It's time for a Quick Demo!

current site

- https://e-gpa.wto.org/
- https://e-gpa.wto.org/en/Help/QuickAccess

And a big THANK YOU!

Ricardo Romea (<u>ricardo.romea@wto.org</u>)

Philippe Pelletier (<u>philippe.pelletier@wto.org</u>)