

## **REVIEW AND MONITORING OF SDGs after 2015: Models, Methods, Governance**

Centre for Socio-Eco-Nomic Development (CSEND)

### **PART III: Review Models**

29 June 2015

# Trade Policy Review (WTO)

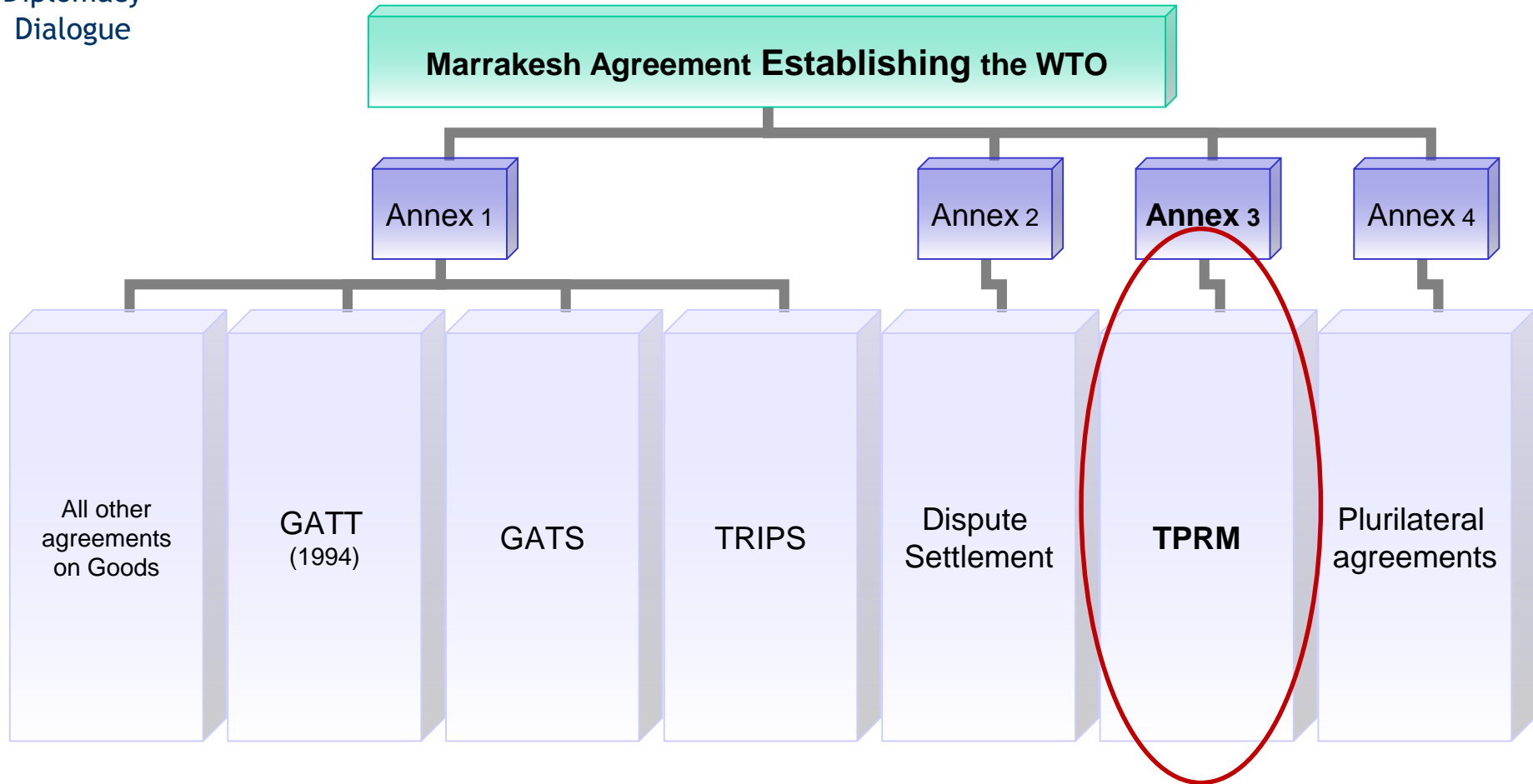


Source: WTO website

# Agreement Establishing the WTO

- The Marrakesh Agreement Establishing the WTO (the "Agreement Establishing the WTO") has four Annexes.
- Annexes 1, 2, and 3, which include the "Multilateral Trade Agreements", **apply to all the WTO Members.**
- **Annex 3 - Trade Policy Review Mechanism (TPRM).**

# WTO Agreements



# Trade Policy Review Mechanism (TPRM)



- A **permanent** mechanism which applies to all Members on a rotary basis.
- Involves a **peer-group assessment** of each Members' trade policies and practices and their impact on the functioning of the MTS.
- TPRM is **not intended to evaluate** individual Members **compliance** to specific rules.

# Objectives of the TPRM

- Smoother functioning of the multilateral trading system by achieving **greater transparency and understanding of the trade policies** and practices of Members.
- **Improved adherence by all Members to rules, disciplines and commitments** made under the Multilateral Trade Agreements and, where applicable, the Plurilateral Trade Agreements.
- Enable the **collective appreciation and evaluation of the full range of individual Members' trade policies** and practices and their impact on the functioning of the multilateral trading system.

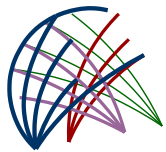
# Transparency through TPRM: Key elements

1. Description of nature of policies, including measures and how to implement them (**WHAT? HOW?**)
  2. Their rationale or objectives (**WHY?**)
  3. Economic evaluation of effectiveness in achieving objectives (**COST-BENEFIT ANALYSIS**)
- => Policy implications (**MORE COST-EFFECTIVE ALTERNATIVES?**)

# Frequency of Reviews

- **TWO years** for the quad (EU, U.S., China, and Japan)
- **FOUR years** for the following 16 WTO Members with a lesser share of world trade.
- **SIX years** for other WTO Members, with a provision for a longer cycle for LDCs.





# Most recent reviews



- **2013**

- Japan
- Argentina
- Indonesia
- Mexico
- Switzerland and Liechtenstein
- Macao, China
- Suriname
- Brazil
- European Union
- Cameroon, Central African Republic, Chad, Congo and Gabon
- Viet Nam
- Costa Rica
- Peru
- Kyrgyz Republic
- Former Yugoslav Republic of Macedonia

- **2014**

- Tonga
- Malaysia
- Myanmar
- Qatar, Kingdom of Bahrain and Oman
- Ghana and Sierra Leone
- Mongolia
- Organization of Eastern Caribbean States (OECS)
- China
- Panama
- Chinese Taipei
- Mauritius and Djibouti
- Hong Kong, China
- Tunisia
- Ukraine
- United States of America

# TPRM Review Process

- **Set a date for the review meeting of the TPRB**
- **Collection of information**
- **Preparation of the Secretariat Report**
- **Visit to the capital**
- **Review meeting conducted by the TPRB**
- **Publication of documents**

# Preparatory Process for a TPR



- **Preparation of reports:**
  - Initial letter
  - Questionnaire
  - Collect information
  - Mission
  - Send Secretariat’s draft report to the authorities
  - Collect comments from the authorities
  - Finalise report and circulate to Members

# Review Meetings

- TPR Meetings are two half day meetings:
  - **1<sup>ST</sup> session**: statements and questions from the floor
  - **2<sup>nd</sup> session**: replies to questions and further discussion

# Review Meetings

- **TPR Meeting**

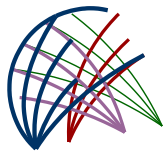
- TPRB open to all WTO Members
- One chairperson who opens and guides the meetings
- One discussant chosen among the Members and acting in a private capacity
- Member under review provide replies to written and oral questions raised by other Members
- Meetings conclude with closing remarks (followed sometimes by a press conference)

- **Publication of the Report**

# Basis for the Trade Policy Review Body meeting

- **SECRETARIAT REPORT** (on its own responsibility);
- **GOVERNMENT REPORT BY MEMBER UNDER REVIEW**; and
- **STATEMENTS MADE AND QUESTIONS POSED BY MEMBERS.**

(Two reports and Members' Statements / Questions are complementary)



# TPR Body Review Meeting (1)

- A discussant is chosen from the membership to act in his/her **personal capacity** to stimulate the debate in the TPRB.
- **Intergovernmental organizations** (e.g. IMF, World Bank, OECD, UNCTAD) may attend the meetings as observers.
- Members should submit **written questions** to the Member under review **at least two weeks before the first session** of the review meeting, to allow time to prepare replies.
- These questions have to **be answered in writing** by the start of the first session. All other questions have to be answered, in principle, during the second session.

# TPR Body Review Meeting (2)

- **First session:** the Member under review makes an initial statement, which provides an overview of policies, noting any new developments since the completion of the reports by the Secretariat and the Member under review), followed by the statement by the discussant and remarks and additional questions from Members.
- **Second session:** the Member under review provides a summary of its answers, and replies to additional questions, followed by the comments by Members and the Chairperson's concluding remarks.



# Source of information

- **WTO documents**
- **Government information**
- **Reports** by other international organizations such as the World Bank, IMF, OECD, APEC, UNCTAD, etc.
- **Databases**
- **Media:** international media like Financial Times, and local media like local newspapers, etc.

# Role of the TPRM

- **BETTER UNDERSTANDING: Domestically and internationally**
- **COLLECTIVE EVALUATION**
- **PUTS TRADE POLICIES IN BROADER CONTEXT**
- **ASSESSES COHERENCE for future formulation policies**

# TPR & Developing Countries

- **WTO Secretariat may assist the Member** concerned during the review process.
- Assistance has been provided in the past to countries under review by the **Trade Policy Review Division** as well as the **Institute for Training and Technical Cooperation**.
- **SPECIAL PROVISIONS IN THE TPRM** Specific procedures for LDC Members are included in paragraphs C and D of Annex 3 of the Agreement Establishing the WTO.

# TPR : strength

- **Method consistently applied – not much space for WTO member countries to “bend the rules”**
- **Professional first step by secretariat – country assessment**
- **Hearing in Geneva open to all other WTO members who can question country’s trade policies and practice**
- **Often a rare moment of countr’s concentrated effort to prepare answers to questions and to provide necessary trade and economic policy data**
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# TPR : space for improvement



- **Not transparent:** most countries do not publish TPR report at home even though TRP report is available on WTO website!!!
- **Not participatory:** country's enterprises and civil society is not invited to hearing of TRP report hence cannot raise questions nor propose new trade and economic strategies for the future
- **Not Inclusive:** most countries keep TPR process locked up under control of one ministry or top government office (president) . Other ministries and relevant stakeholders are kept out of process