

Understanding the benefits and challenges of GPA accession for Brazil*

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*Also well explained by Brazil's representatives in the Workshop!!!

Main requirements of GPA accession*

- ❑ Accessing Party's market access (coverage) offer (to be negotiated – going well but additions to coverage likely to be required).
- ❑ Consistency of national legislation and institutions with GPA requirements (addressed in “Checklist of Issues”).
 - ❑ *NB: Brazil is making excellent progress on these items.*

*Note also there are certain formal requirements – e.g., application to the Committee on Government Procurement (already done by Brazil), eventual submission of “instrument of accession”, etc. These are straightforward (easily addressed) and the WTO Secretariat will happily advise.

Potential benefits of GPA accession for developing/emerging countries

- ❑ Potential trade gains from assured access to other Parties' procurement markets (\$1.7 trillion+ market globally).
- ❑ Possibilities for achieving enhanced value for money in acceding countries' own procurement systems.
 - ❑ Includes potentially reduced vulnerability to corruption and supplier collusion (major point); and
 - ❑ Scope for policy renewal/adaptation (Arrowsmith/Schooner). Membership in community!
- ❑ Potentially increased incentives for inbound foreign direct investment (major potential benefit – comes from “signaling”, reputation and “rule of law” effects).
- ❑ Opportunity to: (i) set an example; and (ii) influence the terms of other Parties' accessions; and (iii) **influence the future evolution of the Agreement!**

Potential costs/challenges of accession

- ❑ Challenges of participating in relevant negotiations (no problem – Brazil’s negotiators are highly skilled!).
- ❑ Costs of necessary legislative/institutional adaptations (NB: to a large extent, these have already been incurred or are independently desirable for reasons of good procurement policy).
- ❑ Adjustment costs for local firms/industry (but note: they are likely to benefit overall! Consider:
 - ❑ Potential export market gains!;
 - ❑ Schooner “beach-head” (sub-contracting) and local employment effects in domestic market; and
 - ❑ Residual scope for supporting local enterprises due to GPA thresholds, exclusions, etc.);

For further information:

- ❑ Anderson, Robert D. and Nadezdha Sporysheva, “The Revised WTO Agreement on Government Procurement: Evolving Global Footprint, Economic Impact and Policy Significance,” *Public Procurement Law Review*, 2019.
- ❑ Anderson, Robert D., Philippe Pelletier, Kodjo Osei-Lah and Anna Caroline Müller, *Assessing the Value of Future Accessions to the WTO Agreement on Government Procurement (GPA): Some New Data Sources, Provisional Estimates, and An Evaluative Framework for Individual WTO Members Considering Accession* (WTO Staff Working Paper ERSD-2011-15, October 6, 2011), available at http://www.wto.org/english/res_e/reser_e/ersd201115_e.htm.
- ❑ Arrowsmith, Sue and Robert D. Anderson, eds. (2011). *The WTO Regime on Government Procurement: Challenge and Reform* (Cambridge University Press: 2011).
- ❑ Kutlina-Dimitrova, Zornitsa “Can we put a Price on Extending the Scope of the GPA? A First Quantitative Analysis” (EU Commission, DG Trade, Chief Economist Note, Issue 1, March 2017), available at http://trade.ec.europa.eu/doclib/docs/2017/march/tradoc_155456.pdf