

# Monitoring the Monitors

## Strengthening the WTO's Information System

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# Why should we talk about information systems?

- Boring??....but monitoring and surveillance is the 'rising agenda of the WTO' (Lamy)
- Significant resources devoted to the monitoring function
- Monitoring matters – benefits of a multilateral information system

# Three questions

- How has the multilateral trade regime's information system evolved?
- How has the Trade Policy Review Mechanism been functioning?
- What are the new changes in the offing?

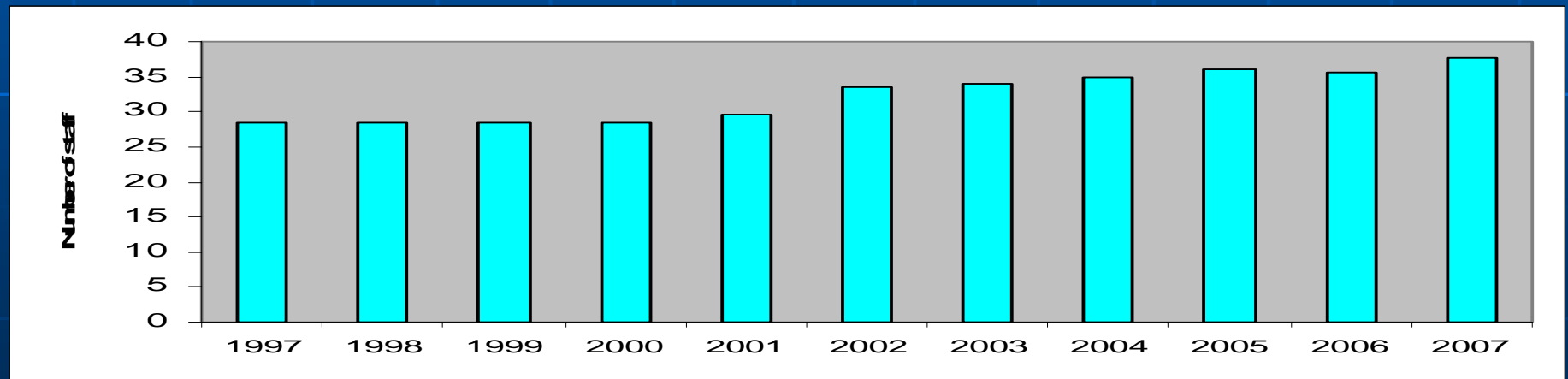
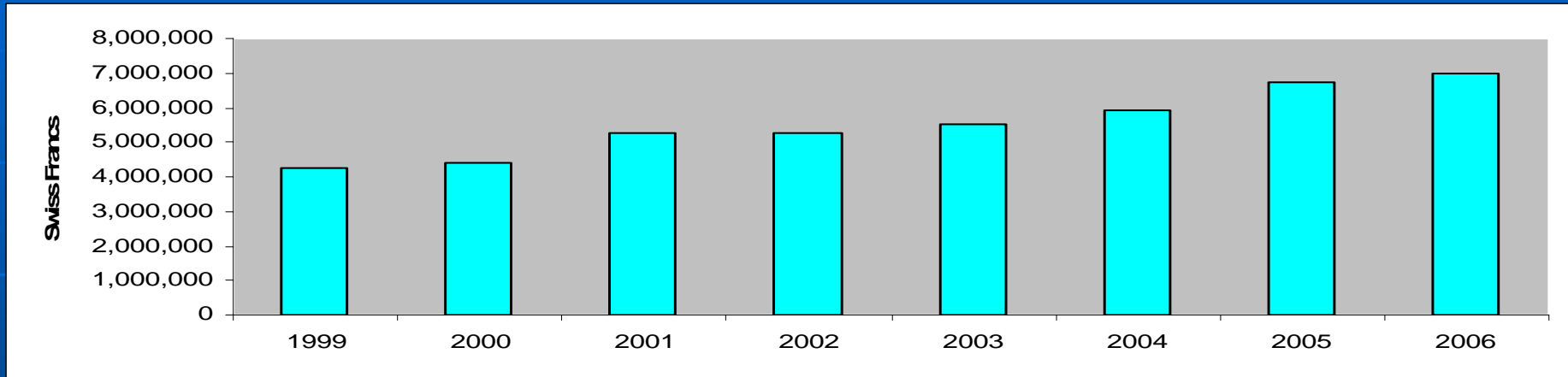
# Surveillance in the multilateral trade regime has evolved over five decades

- 1954-55
  - GATT Review Session
  - Focus on QRs, schedules, BoP consultations
  
- 1959-62
  - Committee II focus on agriculture, including CAP
  
- 1960s-70s
  - Focus on BoP restrictions; Textiles Surveillance Body; MTN codes
  - Annual reviews (biannual for developing countries), based on notifications
  - Annual consultations in Committee on Trade and Development from 1979
  
- 1979-85
  - 1979 Understanding Regarding Notifications, Consultations, Dispute Settlement and Surveillance
  - Review of general developments; NTBs; adjustments under MFA
  - Twice-yearly Council meetings from 1980; CTD consultations from 1982

# The TPRM is among the most institutionalised surveillance systems in international regimes

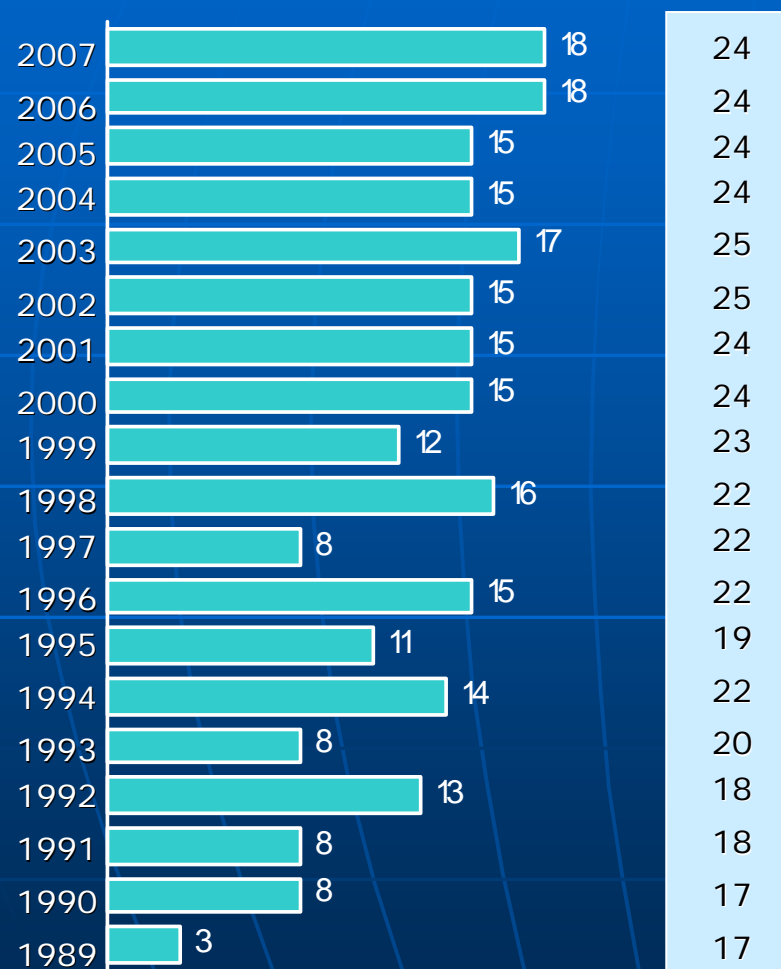
	Early Uruguay Round (1986-89)	GATT TPRM (1989-94)	WTO TPRM (1995 onwards)
<b>Type of information system</b>	Ad hoc institutional reporting	Formal institutional reporting	Formal institutional reporting
<b>Originating mandate</b>	Eminent Persons Group; 1986 Punta del Este Declaration	1989 Negotiating Group on Functioning of the GATT System	1994 Marrakech Agreement
<b>Scope</b>	Standstill & rollback commitments	Trade in goods; all Contracting Parties	Goods, services, intellectual property; all Member States
<b>Frequency/ Period covered</b>	Thrice a year from 1987	Periodic - Based on share of world trade	Periodic - Based on share of world trade
<b>Reporting responsibility</b>	Surveillance Body; notifications	GATT Secretariat & Contracting Party	WTO Secretariat & Member State
<b>Review authority</b>	Trade Negotiations Committee	GATT Council	Trade Policy Review Body
<b>Number of country reviews</b>	N/A	54	190 (until 31 December 2007)

# The Trade Policies Review Division's budget and staff have grown steadily

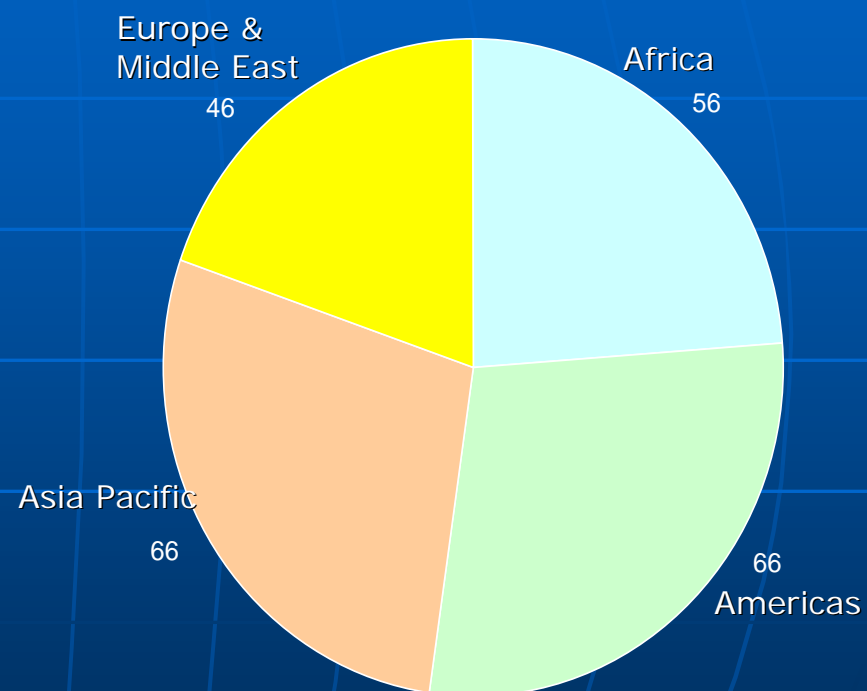


# More than 240 reviews conducted, but pressure to keep up with the review cycle is increasing

NUMBER OF REVIEWS BY YEAR \*



NUMBER OF REVIEWS BY REGION



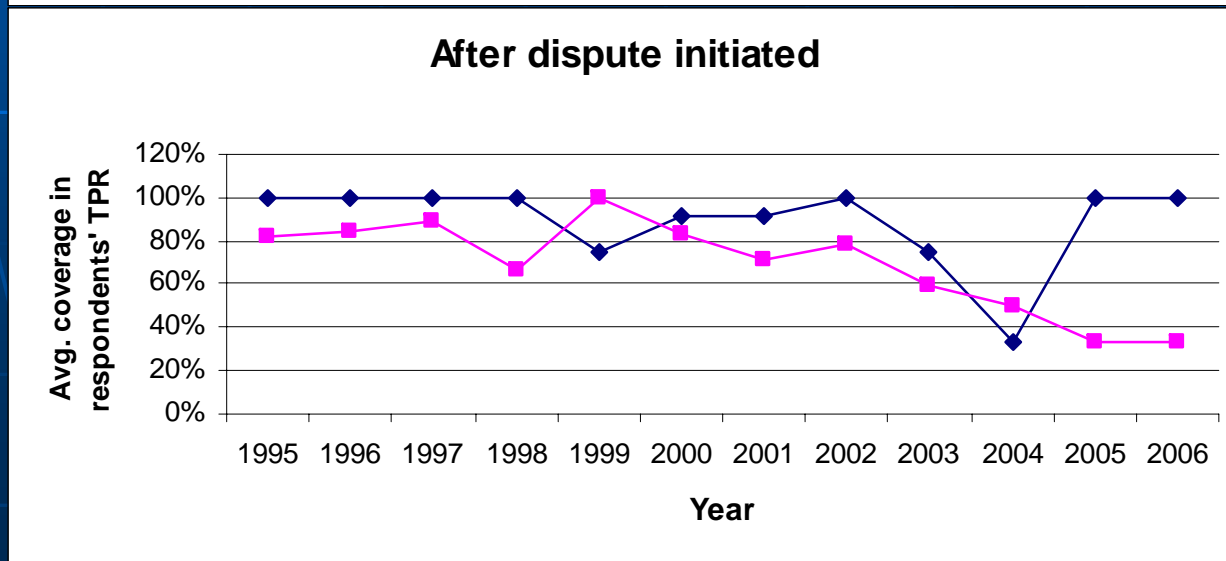
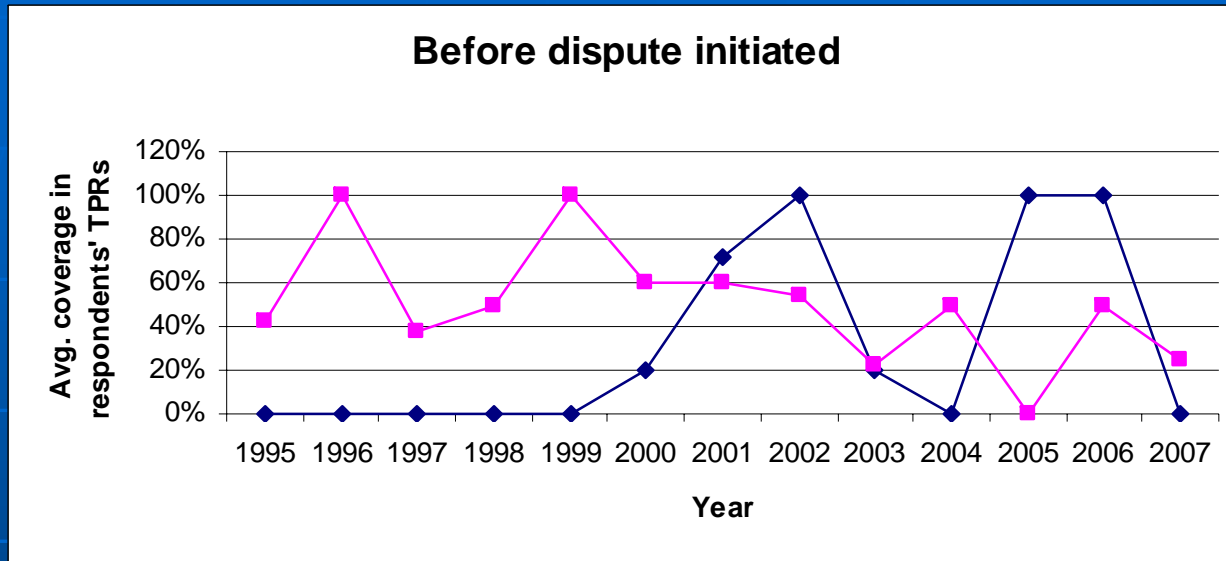
234 TRADE POLICY REVIEWS\*

■ Number of reviews required by review cycle (assuming a six-year cycle for LDCs as well)

\* Until 31 December 2007

# Coverage of critical issues in respondents' reports

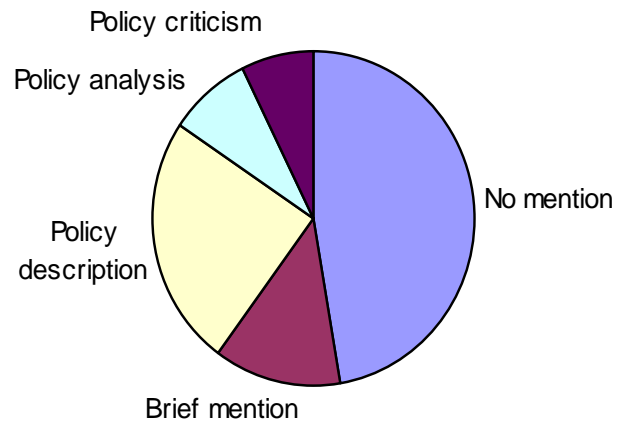
◆ Developing  
■ Developed



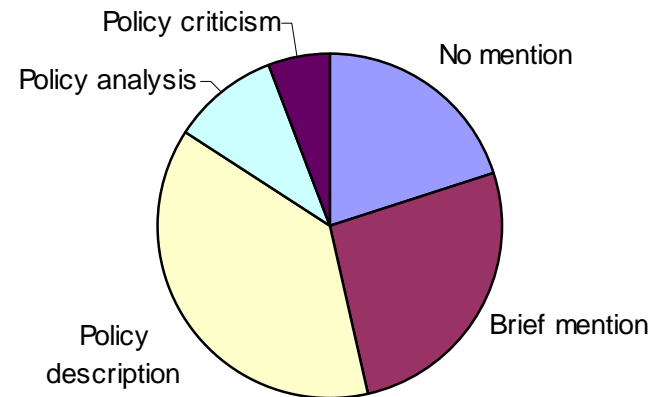


# How analytical are the reports?

**Previous TPR Grading**

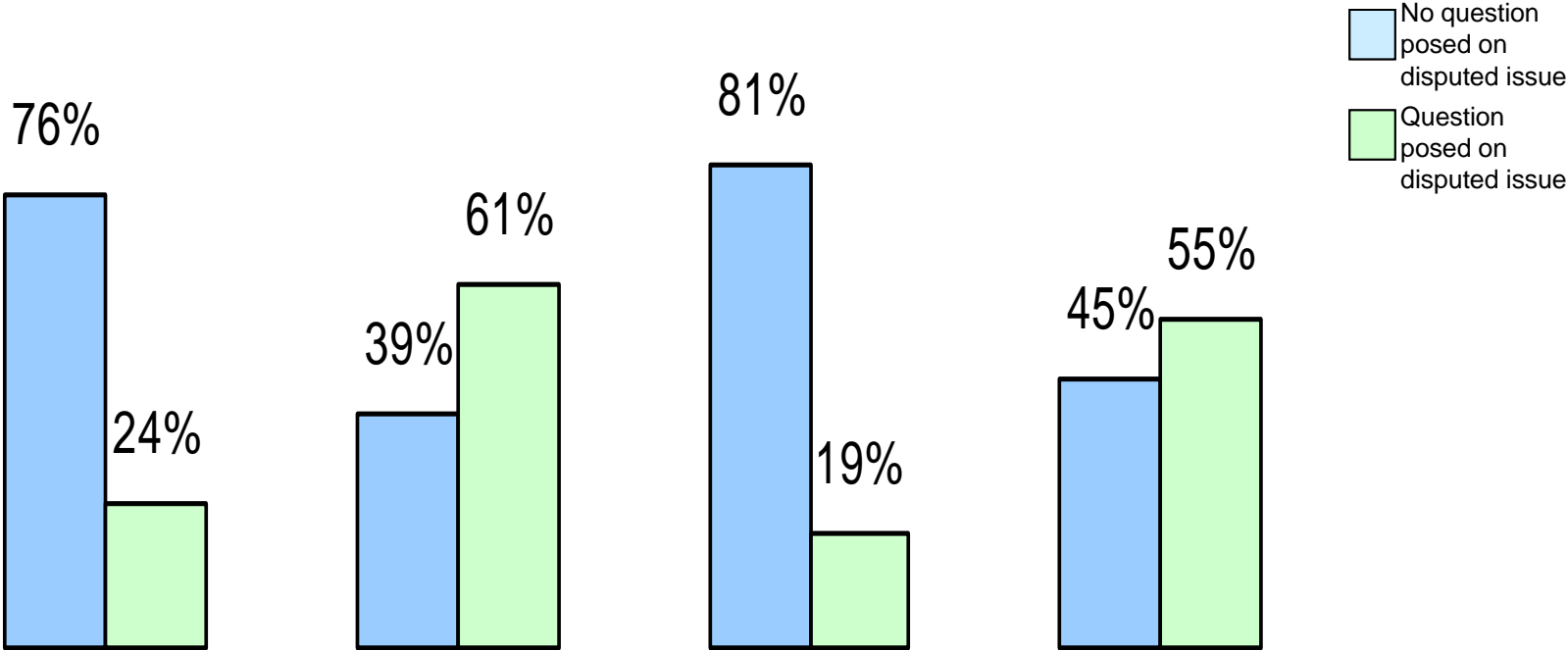


**Next TPR Grading**



# Advance questions are often not posed, but scope for pressure from other member states

## Advanced question analysis



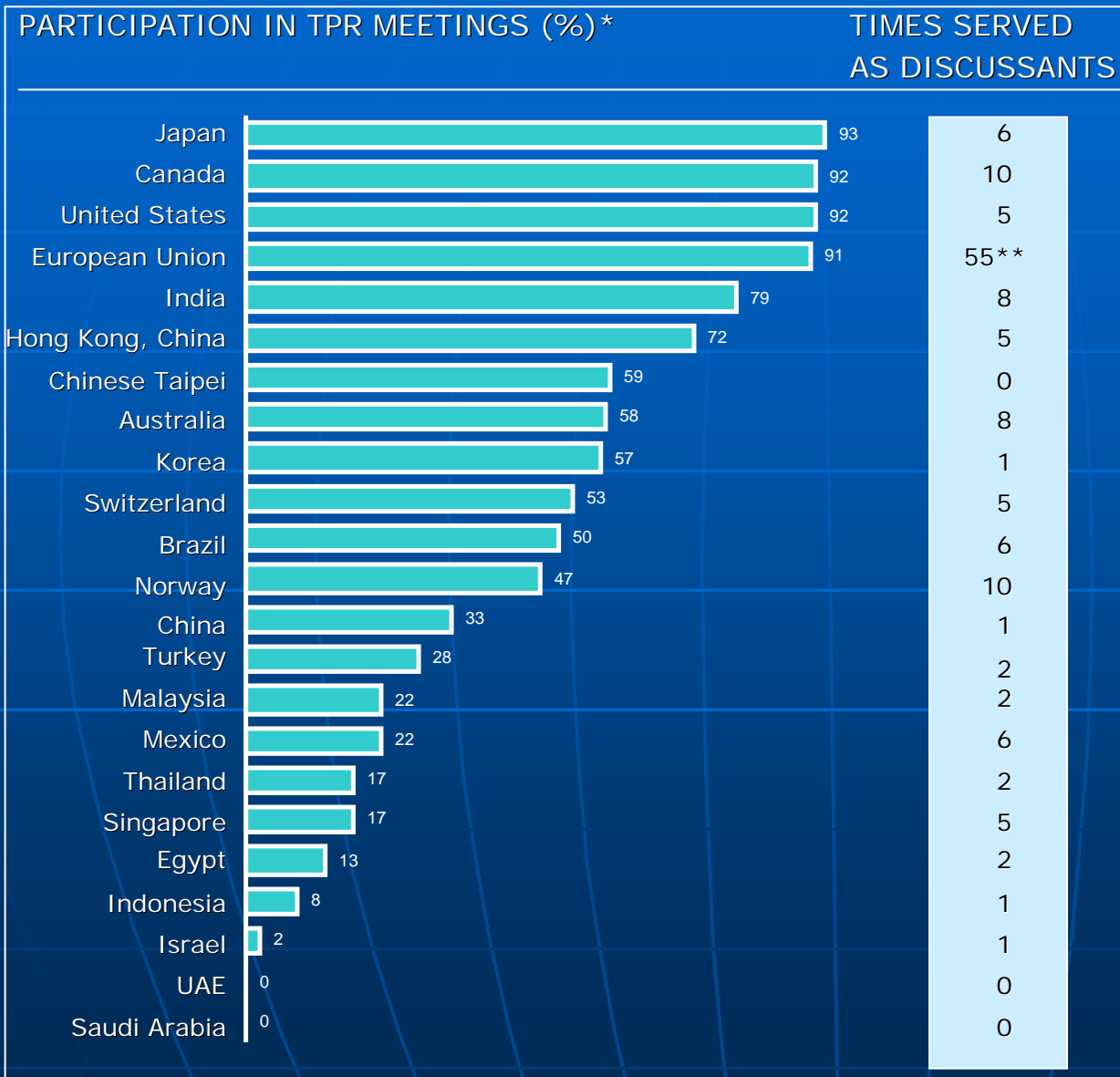
AQ in previous TPR of respondent

AQ by other countries in previous TPR of respondent

AQ in next TPR of respondent

AQ by other countries in next TPR of respondent

# Participation of developing countries in review meetings is limited



## LDC PARTICIPATION IN MEETINGS\*

- Only 4 times have officials from LDCs served as discussants in review meetings
- On average, LDCs have participated in just 3 review meetings
- The likelihood of an LDC speaking up at a TPR meeting is just 2%

\* Participation implies asking questions or raising points during review meetings (expressed as percentage of 174 TPRs analysed since 1995, adjusted for year of accession to the WTO)

\*\* Includes discussants from the European Communities plus EU member countries

# How are member states responding to the need for better monitoring and surveillance?

## *Three challenges:*

- Capacity-related
- Content-related
- Participation-related

## *Two responses:*

- New monitoring mechanisms at the WTO
- Building domestic capacity

# New demands for transparency in the WTO

- DFQF market access for **LDCs**
- Transparency mechanism for **Regional Trade Agreements**
- **SPS** transparency
- Reviews of **Aid-for-Trade**
- Proposals for monitoring mechanisms in **agriculture**
- Transparency in **Preferential Trade Arrangements**
- Monitoring mechanism for **Special and Differential Treatment**

# Building monitoring capacity at home

- Nature of information barriers have changed – question of absorptive and analytical capacity
- Focus on consultations, but uneven progress
- Taking commercial intelligence seriously
- Publishing own reports

# Priorities for future research and debate

- How can the content of monitoring reports be improved?
- How can developing countries engage more with the review process?
- How can monitoring at different levels be integrated better?