

Committee on Regional Trade Agreements**IMPLEMENTATION REPORTS UNDER PARAGRAPH 15 OF THE
TRANSPARENCY MECHANISM FOR REGIONAL TRADE AGREEMENTS**Informal Background Note

Following discussions held on the basis of JOB/REG/1 and JOB/REG/3, the Secretariat has prepared a follow-up to these documents.¹

1. Members have underlined the need to find a balance between the need for transparency and burdensome requirements for Members parties to RTAs.
2. It would appear that operationalization of the implementation report requirement could benefit from some guidelines by the CRTA; these are presented in Annex 1.
3. Alternatively, it has been proposed that full discretion be given to Members parties to RTAs with regard to both the contents of, and the timing for submission of, the implementation report. That is the *status-quo*.

Content of the Report

4. Annexes 2 and 3 deal with the contents of the implementation report, on the basis of comments made by Members in previous meetings. Annex 2 provides a more flexible, guidelines-type approach, while Annex 3 provides a more prescriptive, standard format approach.
5. The European Union has volunteered to submit a mock implementation report for one of its RTAs which can be used as the basis for further discussion on this issue.
6. It has also been proposed that the content of the reports be left to the discretion of RTA parties.

Timing for Submission of the Report

7. Regarding the timing for the submission of reports, it was proposed that the CRTA's Annual Report include a list of RTAs due to be fully implemented in the following year; implementation reports would then be required within "a reasonable timeframe" or within a given period of time, to be agreed upon by Members. Alternatively, no timeframe would be given for the submission of reports.
8. Regarding special cases listed in paragraphs 7(b)-(e) of JOB/REG/3, the views of Members are reflected in paragraph 4 of Annex 1.

Technical Assistance

9. Members are in favour of the provision of technical assistance by the Secretariat, upon the request of interested Members parties to an RTA.

¹ The list of RTAs included in Annex I of JOB/REG/3 is not reproduced; Members are invited to contact the Secretariat on any matters relating to that list.

Follow-Up of the Implementation Reports

10. Members have not yet focused on their follow-up to these reports, as provided for in paragraph 16 of the TM.

ANNEX 1

Draft Guidelines for Implementation Reports

These draft guidelines aim to standardize, as much as possible, the contents of implementation reports on RTAs to WTO Members; ensure the provision of consistent information to the CRTA; and operationalize the implementation of reporting requirements contained in paragraph 15 of the Transparency Mechanism for RTAs.

The Committee on Regional Trade Agreements, acting pursuant to paragraph 18 of the Transparency Mechanism for RTAs, [adopts] [takes note of] the following procedures, as general guidelines, with respect to implementation reports to be submitted in accordance with paragraph 15 of the Transparency Mechanism for RTAs.

1. The Committee on Regional Trade Agreements reaffirms the requirement in paragraph 15 for Parties to an RTA "to submit to the WTO a short written report on the realization of the liberalization commitments in the RTA as originally notified" at the end of the RTA's implementation period. In doing so, the Committee highlights the need for a balance between the requirement for transparency in RTAs and the avoidance of institutionalizing burdensome procedures for Members who are parties to RTAs.
2. The Committee notes that a standardized way of presenting the information would facilitate the task both of the Parties in presenting information on their agreements and of WTO Members in considering this information. Therefore, Parties to RTAs may adhere, on a voluntary basis, to the framework presented [in Annex 2] [in Annex 3] when presenting an implementation report; in this respect, it should be viewed as Guidelines by the Chairman for basic information to be provided by the Parties on the "realization of the liberalization commitments in the RTA".
3. The Annual Report of the CRTA shall list those RTAs for which the implementation period is due to terminate in the following year. The Committee shall invite parties to these RTAs to submit the implementation report within [... *a given period of time to be agreed upon by Members*] [a reasonable timeframe].
4. Generally, the following procedures apply:
 - (a) for RTAs having both a goods and services component, one single implementation report shall be submitted;¹
 - (b) for an RTA which notified a modification of the original end of implementation, [it is the modified date that will be taken into account] [the implementation report remains however due on the date foreseen originally in the RTA];
 - (c) implementation reports of RTAs of an "open-ended" nature will [... *to be further discussed*];
 - (d) implementation reports will normally be due after the circulation of the appropriate factual presentation or factual abstract, as the case may be. In cases where the factual

¹ This question only applies if both the goods and services aspects are under the CRTA purview, as referred to in footnote 2.

presentation or the factual abstract has been delayed, [the implementation report shall be distributed jointly with the relevant document] [the factual presentation, or factual abstract, as relevant, shall capture the information that would have been reflected in the implementation report]. RTAs for which a working party report has been adopted by the GATT Council will [... *to be further discussed*];

Members may however agree to adopt other ad hoc procedures, as felt necessary.²

5. Upon request, the WTO Secretariat shall provide technical support to developing Members, and especially least-developed Members, in the preparation of implementation reports. In particular, support may be given regarding collection and presentation of trade data.

The above procedures will not in any way affect the legal rights and obligations of WTO Members.

² E.g. in cases where end of implementation for goods and services differs significantly.

ANNEX 2

Outline for Implementation Reports

Draft Chairman's Guidelines

1. Background Information on the RTA

- 1.1 Recap of basic information, e.g. dates of signature, ratification, entry into force and final implementation, for each Party to the RTA. Accessions/withdrawals.

2. Realization of Commitments on Trade in Goods

- 2.1 Have the Parties adhered to original timeframes for liberalization? Have changes been introduced to the original liberalization program?
- 2.2 Trade data e.g. intra-RTA imports at the end of implementation [at the tariff line level]; this could include a breakdown by agricultural and non-agricultural sectors.

Note from Secretariat: Reference to data at the tariff line level has been placed in [] given the emphasis placed on the need for reducing the burden for producing these reports. This information is generally already available in the WTO, through notifications made in the context of the IDB.

- 2.3 Final preferential tariff schedule applied by RTA parties.
- 2.4 Annual information on the application of intra-RTA trade defense measures - i.e. number of anti-dumping, countervailing and safeguard measures applied between RTA parties.

3. Realization of Commitments on Trade in Services

- 3.1 Have the Parties adhered to the original commitments? Have changes been introduced to the original programme of implementation of commitments, e.g. by a deepening of existing commitments or the addition of new services sectors or sub-sectors?
- 3.2 Trade data available, e.g. intra-RTA imports of commercial services (as disaggregated as possible) [, and inward and outward FDI at the end of implementation of the Agreement].

4. Other

- 4.1 Any other information that the RTA parties consider relevant.

ANNEX 3

Standard Format for Implementation Reports of RTAs

Draft Chairman's Guidelines

I. BACKGROUND INFORMATION OF THE AGREEMENT

Dates of signature, ratification, entry into force and final implementation, for each Party to the RTA. Accessions/withdrawals.

II. PROVISIONS ON TRADE IN GOODS

A. IMPORT DUTIES AND CHARGES, AND QUANTITATIVE RESTRICTIONS

Summary information regarding realization of liberalization commitments with respect to tariffs, including sector-specific, TRQs and non-tariff measures. Products remaining excluded from liberalization. Bilateral trade data. Final tariff schedule applied by RTA parties.

For customs unions, information regarding the completion of the common external tariff. Exceptions, and related trade data *vis-à-vis* third parties.

B. EXPORT DUTIES AND CHARGES, AND QUANTITATIVE RESTRICTIONS

Summary information related to realization of liberalization commitments regarding export restrictions.

C. REGULATORY PROVISIONS ON TRADE IN GOODS

Any relevant information on the implementation of rules of origin, subsidies, TBT and SPS, customs regulations - including measures related to licensing, trade facilitation and customs valuation. Information on the application of intra-RTA trade defense measures - i.e. annual number of safeguard, anti-dumping and countervailing measures applied between RTA parties during the implementation period.

III. PROVISIONS ON TRADE IN SERVICES

A. COMMITMENTS

Summary information regarding realization of horizontal and sector-specific commitments. Information on any developments that might have taken place regarding restrictions remaining in place. Available trade data.

B. REGULATORY PROVISIONS

Any relevant information regarding denial of benefits, domestic regulation, recognition, etc.

IV. GENERAL PROVISIONS OF THE AGREEMENT

Information on dispute settlement cases under the Agreement. Updated information on institutional framework and on other RTAs concluded by the Parties. Developments concerning commitments in other areas such as government procurement and intellectual property. Any other information related to other general provisions of the Agreement.
