Communication from the Delegation of Canada

In response to paragraph 7 of the Chairman's Summing-Up of the last meeting of the Sub-Group "Government Procurement" (MTN/NTM/33), the delegation of Canada has asked that the following proposal on "International Surveillance and Dispute Settlement Procedures" be circulated for consideration by the Sub-Group.

International Surveillance and Dispute Settlement Procedures

A. Institutions

The signatories to this Agreement shall establish:

(a) A Committee on Government Procurement composed of representatives from each of the signatories to this Agreement. This Committee shall elect its own Chairman and shall meet as necessary but not less than once a year for the purpose of affording signatories the opportunity of consulting on any matters relating to the operation of the Agreement or the furtherance of its objectives. In the discharge of its duties the Committee may consult with any signatory, contracting party to the General Agreement or competent body and may request from any signatory such information as it considers necessary and appropriate.

(b) A Panel composed of three (or five) non-governmental persons qualified in the fields of trade relations and other matters covered by this Agreement, and acting in their own individual capacities. The Panel members shall be appointed, from time to time, by the Director-General of the General Agreement in consultation with the Chairman of the Committee. The Panel shall carry out the responsibilities assigned to it under this Agreement and such other functions as may be given to it by the Committee. In the discharge of its responsibilities the Panel may consult with any signatory, contracting party of the General Agreement or any other competent body or person(s) and may request from any signatory such information as it considers necessary and appropriate.
B. Notification

(a) Each signatory to this Agreement shall, within \( \lceil x \rceil \) days following the date after the Agreement enters into force for it, notify the Committee of all existing laws, regulations and procedures, including standard contract forms and standard contract clauses, relating to its procurement practices. From thereon, each adherent shall also notify the Committee of any change in such laws, regulations and procedures or in the application of the same at least \( \lceil y \rceil \) days before the change is effected.

(b) Any signatory which considers that any matter affecting the operation of the Agreement has not been notified in accordance with the provisions of paragraph (a) above, may make a request in writing to the Committee that such matter be notified by the signatory or signatories concerned and may itself notify the matter.

C. Enforcement

(a) If any signatory considers that any benefit accruing to it, directly or indirectly, under this Agreement is being nullified or impaired or that the achievement of any objective of the Agreement is being impeded by another signatory or signatories, it may, with a view to reaching a satisfactory resolution of the matter, make written representations to the other signatory or signatories which it considers to be concerned. Each signatory shall afford sympathetic consideration to and adequate opportunity for prompt consultation regarding such representations as may be made by another signatory.

(b) If no mutually satisfactory solution has been reached between the signatories concerned within \( \lceil \text{thirty} \rceil \) days from the time that the representations referred to in paragraph (a) were made, the Committee shall, at the request of any of the signatories concerned, consider the matter with a view to facilitating a mutually satisfactory solution.

(c) If no mutually satisfactory solution has been reached by the Committee within \( \lceil \text{forty-five} \rceil \) days from the time the matter was referred to it, the Chairman shall, at the request of any of the signatories concerned direct the Panel to:

(i) promptly investigate the matter; (ii) make a statement concerning the facts of the matter; and (iii) make such appropriate recommendations as the facts warrant, based on the provisions and objectives of the Agreement. Any signatory shall give prompt and full consideration to any request by the Panel for such information as the Panel considers necessary and appropriate.
(d) If the Panel finds that the matter referred to it results in the impairment or nullification of any direct or indirect benefit which accrues or could be reasonably anticipated to accrue to the notifying signatory under the Agreement, it shall recommend to the signatory or signatories concerned that: (i) the measure or practice giving rise to such impairment or nullification be eliminated or modified to the extent necessary, and (ii) what action should be taken to compensate for the loss of benefit occasioned by the measure or practice at issue.

(e) If these recommendations are not implemented within sixty days, the Panel shall, as soon as possible, recommend to the Committee that a signatory or signatories be authorized to suspend the application, to any other signatory or signatories, of such obligations as may be appropriate in the circumstances.

(f) Any recommendation under (e) above shall aim at maintaining the balance of rights and obligations at the highest possible level.