



## **REVIEW OF TOOLS AND MECHANISMS FOR ASSESSING ECONOMIC AND SOCIAL POLICY INSTRUMENTS**

**(PRELIMINARY)**

**A joint stock-taking exercise coordinated by:**

**Organisation for Economic Co-operation and Development**

**With the participation of:**

- 1) International Labour Organization,**
- 2) International Monetary Fund,**
- 3) Organisation for Economic Co-operation and Development,**
- 4) World Bank, and**
- 5) World Trade Organization**

## **Review of Tools and Mechanisms for Assessing Economic and Social Policy Instruments**

On 5 February 2009, Federal Chancellor Angela Merkel hosted a meeting in Berlin with the heads of the International Labour Organization, the International Monetary Fund, the Organisation for Economic Cooperation and Development, the World Bank and the World Trade Organisation. Discussions at the meeting also included possible ways for the five international organisations to help in the development of a “Global Charter on Sustainable Economic Activity”.

As a follow-up, based on the inputs provided by the different organisations, the OECD has been coordinating a joint stock-taking exercise consisting of the preparation of a comprehensive Inventory of existing economic and social instruments developed by the five international organisations. As a second, complementary step within this process, this compendium surveys existing tools and mechanisms that each organisation has in place to assess the implementation of its various instruments.

The tools available from the five international organisations are presented under the following headings:

- I. International Labour Organization (ILO)**
  - Reporting Obligations
  - Special Procedures
- II. International Monetary Fund (IMF)**
  - Bilateral Surveillance
  - Reports on the Observance of Standards and Codes (ROSCs)
- III. Organisation for Economic Cooperation and Development (OECD)**
  - The OECD Peer Review Process
- IV. World Bank Group (WBG)**
  - General
  - IFC Instruments
- V. World Trade Organisation (WTO)**
  - Regular WTO bodies – Councils and Committees
  - Trade Policy Review Mechanisms (TPRM)
  - Surveillance and Implementation of Rulings and Recommendations of the Dispute Settlement Body (DSB)
  - Transparency Mechanism for Regional Trade Agreements (RTAs)
  - Additional and proposed new mechanisms

The above listed tools and mechanisms comprise a range of options for monitoring and surveillance. One frequently used monitoring practice is peer review, even though processes and procedures differ between organisations. Such processes can, for example, be based on: (i) established notification requirements and designated committees/bodies that oversee the operation of specific Agreements (WTO), (ii) bilateral surveillance through annual country consultations (IMF), (iii) systematic examination and assessment of the performance of a State by its peers, with the supporting role of the organisation’s Secretariat (OECD), and (iv) the oversight functions of a tripartite Conference and Governing Body to ensure that implementation conforms to relevant standards (ILO).

Assessment options vary both across and within international organisations; with the World Bank and the IMF sharing certain monitoring arrangements, in particular those falling under the ROSCs. Overall, assessment options can include forums for transparency, policy analysis, policy debate, and the promotion of adherence to established norms; authorised bodies for dispute settlement (DSB of the WTO); specific transparency mechanisms, monitoring frameworks, global reviews (WTO) and global monitoring reports (WBG). Another option is objective technical reporting, generally undertaken by the staff of a particular international organisation based on upfront consultations with national authorities – for example aimed to assess country compliance with internationally-recognised standards (IMF, WBG, OECD). Reporting can also take the form of regular reporting obligations requiring member countries to provide detailed information on measures taken to ensure compliance with Conventions, Recommendations and Standards (ILO). A further option entails special procedures to monitor and manage complaints, and allows for the participation and input of non-governmental actors in the system (ILO).

## **I. International Labour Organization: Supervision, monitoring and follow-up procedures**

*ILO experience is that two elements in particular contribute to the strength of the ILO's supervisory processes. One is the participation and input of non-governmental actors in the system, which adds depth and perspective to the information available and consideration of it. The other is examination by independent, impartial and objective bodies - most notably the Committee of Experts - which make a legal analysis of the fulfilment of the requirements of the international standards: this analysis, itself supported by the Office's technical advice and practical information from the field, in turn allows the accumulation of experience, good practices and precedent, which both increases the reliability and authority of the normative processes and ensures its relevance to real problems encountered. Finally, the peer review provided by the tripartite Conference and Governing Body enables all due weight to be given to political dimensions and broad means of obtaining cooperation to ensure the implementation of the relevant standards, which is the desired outcome.*

### **A. Reporting obligations**

1. Annual obligations on all member States (ILO Constitution, article 19)
  - a) Report on measures taken to submit Conventions and Recommendations adopted by the annual ILO Conference to the national competent (legislative) authorities, including steps proposed to ratify or give effect to them
  - b) Thematic report on group of Conventions (if un-ratified by the State) and/or Recommendations, as decided by ILO Governing Body
  - c) For Members which have not ratified the eight fundamental rights Conventions (87 & 98 on freedom of association, 100 & 111 on non-discrimination, 29 & 105 on forced labour, 138 & 182 on child labour), annual report on difficulties preventing ratification (see also 1998 Declaration on Fundamental Principles and Rights at Work).
2. Obligations of member States under ratified Conventions
  - a) Regular reporting (five-yearly down to annual, as required) on implementation (ILO Constitution, article 22)
  - b) Supplementary information and participation in discussion of their particular problems in Committee on Application of Standards at annual ILO Conference, as requested by the Committee

### **B. Special (complaints) procedures**

1. **Complaints on freedom of association**
  - a) A tripartite (governments and employers' and workers' organisations) committee of the Governing Body (CFA) receives complaints from employers' or workers' organisations or governments alleging infringement of freedom of association by any government of a member State, regardless of ratification of any Convention. Governments concerned are invited to reply. CFA reports containing recommendations are published.
  - b) The Fact-Finding and Conciliation Commission (nine independent persons) examines complaints referred to it by the Governing Body.
2. **Representations** as to the observance of ratified Conventions may be made by any employers' or workers' organisation (ILO Constitution, articles 24-25). An ad-hoc tripartite committee of the Governing Body is set up. The government concerned may respond and may take part in the GB discussion of the committee's report. Proceedings may be published.
3. **Complaints** as to the observance of ratified Conventions may be made by Members who have also ratified the relevant Convention, or by Conference delegates (Constitution, article 26). A Commission of Inquiry (an independent, "quasi-judicial" body) may then be appointed by the Governing Body, its published report including findings and recommendations.

\*\*\*

**Note 1.** Reports under A1 a) and b) and 2a) above are examined by the independent Committee of Experts on the Application of Conventions and Recommendations, which makes detailed comments in the form of observations (published) or direct requests. The Committee of Experts is appointed by the Governing Body and acts impartially and objectively. Reports under A1c) were in an initial period examined by a separate Group of Experts, but are now examined directly by the Governing Body.

**Note 2.** National organisations of employers and workers receive copies of reports under all of A above (ILO Constitution, article 23) and have the opportunity to provide their own comments on governments' fulfilment of their obligations.

**Note 3.** Each year the Director-General of the ILO also makes a global report to the Conference on one of the four categories of fundamental principles and rights at work.

**Note 4.** The International Labour Office acts as the secretariat in all these procedures, ensuring maximum information, and providing assistance to governments and non-governmental parties to promote fulfilment of obligations and roles.

**Note 5.** The Governing Body has decided to explore alternative methods of for evaluating the effect given to the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (the MNE Declaration) and has suspended the earlier four-yearly surveys. A global report on a comprehensive review will recommend a different modality in November 2009.

**Note 6.** Under the 2008 Declaration on Social Justice for a Fair Globalisation, the Office will also make available assistance and advice to support country programmes for decent work and within a United Nations framework.

## **II. International Monetary Fund: Monitoring Mechanisms for the Implementation of Policy Guidelines and Standards**

The IMF has 185 members. Its purposes are outlined in Article I of its Articles of Agreement. Its main focus is on monitoring and promoting stability of the global financial system.

### **A. BILATERAL SURVEILLANCE**

**The IMF monitors its members' obligations under the Article IV of the Articles of agreement through a process known as bilateral surveillance.** Under the Articles of agreement and, in particular, Article IV, members commit to a code of conduct on exchange rate policies and domestic economic and financial policies. The IMF monitors the adherence of its members to this code of conduct through bilateral surveillance, which is mandatory. In particular, it assesses whether the economic and financial policies of its members are consistent with both the health of individual economies and the interest of the international community. The 2007 Surveillance Decision clarifies the roles and obligations of the Fund and its members in this regard. In particular, it emphasizes that in for bilateral surveillance to be focused and effective, it should be collaborative, candid, evenhanded, embedded in a multilateral perspective, and couched in a medium-term framework.

**Bilateral surveillance is a continuous process and involves peer review.** IMF staff monitors member countries' economies on a continuous basis, and visits each member usually on an annual basis to exchange views with the government and the central bank. These annual visits are part of what is referred to as Article IV consultations. The main focus of the discussions is whether there are risks to domestic and external stability that warrants adjustments in economic and financial policies of member countries. During these Article IV consultations, the IMF staff also meets with other stakeholders, including parliamentarians, business groups, labor unions, and civil society. After these visits, IMF staff prepares a report which is sent to the IMF's Executive Board for discussion. The Board's discussion formally concludes the consultation. The Board's views are subsequently transmitted to the authorities. The Article IV staff report is published with the authorities' consent.

### **B. ROSCS**

**The IMF and the World Bank (WB) have endorsed 12 internationally-recognized standards.** These fall into three broad categories: **transparency** (data dissemination; fiscal transparency; monetary and financial policy transparency), **financial sector** (anti-money laundering and countering the financing of terrorism (AML/CFT); banking supervision; insurance supervision; payments systems; and securities regulation), and **market integrity** (accounting; auditing; corporate governance; and insolvency and creditor rights). Standards in the areas of data, fiscal transparency, and monetary and financial policy transparency have been developed by the IMF.

**The observance of standards by member countries is assessed through Reports on the Observance of Standards and Codes (ROSCs).** ROSCs are voluntary and are prepared and published at the request of the member country by the IMF and/or World Bank in each of the 12 areas. Staff teams from the IMF and/or WB visit member countries and conduct detailed discussions with the national authorities on their observance of each principle under each standard. The IMF is the sole standard assessor of the transparency standards, and jointly assesses the financial sector standards with the WB.<sup>1</sup> Assessments of financial sector standards are usually conducted in the context of the Financial Sector Assessment Program (FSAP), which is a joint exercise between the IMF and WB, but could also be done on a stand-alone basis. After the IMF/WB visits, ROSCs on transparency and financial sector standards are prepared and sent to the IMF Executive Board, either on a stand-alone basis, or as part of the Financial System Stability Assessment report that is produced in the context of the FSAP. ROSCs that are covered under the latter are discussed at the IMF Executive Board, while stand-alone ROSCs are circulated for information only.

---

<sup>1</sup> The Financial Action Task Force (FATF) and FATF-like bodies also assess members' observance of the AML/CFT standard.

### III. Organisation for Economic Cooperation and Development: Peer Review - A Monitoring Tool for OECD Economic and Social Instruments

#### Peer review within the OECD

At the OECD, peer review refers to the systematic examination and assessment of the performance of a State by other States, with the ultimate goal of helping the reviewed State improve its policy making, adopt best practices, and comply with established standards and principles.<sup>2</sup> The examination relies heavily on mutual trust among States, as well as on their shared confidence in the process. The Secretariat of the Organisation also plays an important role in supporting and stimulating the process. With these elements in place, peer review tends to create a system of *mutual accountability*.

The effectiveness of peer review relies on the influence and persuasion exercised by the peers during the process. The peer review process can give rise to such peer pressure through, for example: i) a mix of formal recommendations and informal dialogue by the peer countries; ii) peer scrutiny, comparisons, and, in some cases, even ranking among countries; and iii) the impact of all the above on domestic public opinion, national administrations and policy makers. The impact will be greatest when the outcome of the peer review is made available to the public, as is usually the case at the OECD.

#### Peer review in practice

The practice of peer review has been used very extensively at the OECD. The Organisation has used this method since its creation and peer review has, over the years, characterised its work in most of its policy areas.

Peer review is carried out in various substantive areas and there is no standardised peer review mechanism. However, all peer reviews contain the following structural elements:

1. **A basis for proceedings.** Peer review within the OECD may proceed on the following bases:
  - Decision by or request to an OECD subsidiary body.
  - Council/Ministerial Council: for far-reaching programmes of review, a decision at Council level is sometimes necessary and, in certain cases, the decision follows directly from the Ministerial Council Meeting.
  - International norms: provisions in treaties or in other legally binding instruments can be the basis for peer review mandates.
2. An agreed set of **principles, standards and criteria** against which the country performance is to be reviewed. These may differ widely in character and scope, and may include:
  - Policy recommendations and guidelines;
  - Specific indicators and benchmarks;
  - Legally binding principles.
3. **Designated actors** to carry out the peer review, which include:
  - The collective body: peer reviews are undertaken in the framework of the activities of a subsidiary body of the OECD, such as a Committee or a Working Party. The frequency of the reviews depends on the programme of work of the body and can range considerably.
  - The reviewed country: usually all countries which are members of the body are subject to peer review. Certain peer reviews are considered an obligation of membership. Moreover, in some cases, officials of the country may have an interest in peer review as a means of stimulating reform in their national policies and practices.
  - The examiner countries: peer review implies by definition that officials in the relevant policy field from other countries (peers) will be involved in the evaluation process. In general, the choice of examiners is based on a system of rotation among the member States,

---

<sup>2</sup> In some cases, entities other than States participate in peer review processes. Relevant examples are the reviews of the European Union area and the Euro area by the Economic and Development Review Committee.

although the particular knowledge of country relevant to the review may be taken into account.

- The Secretariat: the OECD Secretariat has the role of supporting the whole review process by producing documentation and analysis, organising meetings and missions, stimulating discussion, upholding quality standards, and maintaining continuity as the keeper of the historical memory of the process.

**4. A set of procedures** leading to the final result of the peer review. Although each peer review has its own procedure, they typically consist of the following three phases:

- The preparatory phase: the first phase of the review often consists of background analysis and of some form of self-evaluation by the country under review. This phase includes work on documentation and data as well as a questionnaire prepared by the Secretariat.
- The consultation phase: the examiners and the Secretariat conduct the consultation with a division of responsibility which highly depends on the practice of the body and the topic under review. During this phase, the Secretariat and the examiners maintain close contact with the competent authorities of the reviewed country, and in some cases, they carry out on-site visits. The examiners and the Secretariat are also free to consult with interest groups, civil society and academics. At the end of this phase, the Secretariat prepares a draft of the final report, which usually follows a standardised model comprising an analytical section, where the country performance is examined in detail and individual concerns are expressed, and an evaluation or summary section setting forth the conclusions and recommendations.
- The assessment phase: the final report is adopted by consensus, unless the procedures of the particular peer review specify otherwise. The report and particularly its recommendations form an important basis for follow-up monitoring of the performance of the State and, ultimately, for subsequent peer review.

### **Functions of peer review**

Peer review is used in a broad range of fields and, directly or indirectly, serves the following purposes:

- Enhanced policy dialogue, cooperation and information exchange;
- Increased transparency, both between OECD member States and vis-à-vis the general public;
- Capacity building and exchange of best practices;
- Enhanced compliance with internationally agreed policies, standards, and principles.

## IV. World Bank Group: Information on Monitoring and Implementation

### General

The World Bank Group (WBG) has 185 members. It is a source of financial and technical assistance for developing countries to advance the vision of a sustainable and inclusive globalization. The WBG undertakes some monitoring of the implementation of international instruments, in particular those falling under the Reports on Observance of Standards and Codes (ROSC). Monitoring arrangements for instruments falling under the ROSC **are shared with the IMF through the Financial Sector Assessment Program (FSAP) process** (see IMF for a description of these joint activities), with the WBG having responsibility for the market integrity ROSCs. For example, it is the “assessing body” for the implementation and monitoring of the Insolvency and Creditors Rights ROSC program, and maintains an active policy dialogue with the international community and policy makers on these issues.

The WBG also produces a range of **analytical materials that benchmark country performance**. These can be based on information contributed by governments, from surveys of governments or the private sector, or from research by Bank staff from publicly available sources. While these materials are discussed by the Board, and WBG staff conduct extensive public outreach, there is no formal peer review amongst shareholders of individual country performance. The most important channel for follow up is the role of these analyses and benchmarks in stimulating domestic debate about the need for reforms, and to assist in identifying priority areas for reform.

Examples of these tools include *Doing Business*, which establishes quantitative measures of the impact of government rule-making – covering e.g., starting a business, registering property, getting credit and enforcing contracts - on business activity. It draws on inputs from almost 7,000 professionals in 181 economies and draws on surveys, laws and regulations, and time and motion indicators that measure the efficiency of achieving a regulatory goal. Similarly, the *Logistics Performance Index* is based on a survey of global freight forwarders and express carriers on the logistics “friendliness” of the countries in which they operate and those with which they trade. This survey data is supplemented with objective data on the performance of key components of the logistics chain in the home country, collected for 100 countries.

Additionally, other WBG flagship publications such as the annual *Global Monitoring Report* indicate countries’ progress against the MDGs, including in relation to trade openness (drawing upon trade restrictiveness indexes developed by WBG staff) and donor ODA commitments.

### IFC instruments

**The Equator Principles:** are a set of voluntary financial industry benchmarks. Each Equator Principles Financial Institution (EPFI) commits to report publicly at least annually about its implementation processes and experience, taking into account appropriate confidentiality considerations. The Equator Principles secretariat is responsible for ensuring compliance with this reporting requirement and results are provided on the Equator Principles website. IFC has acted as a technical resource for EPFIs. This includes regular meetings with the Equator Principles Steering Committee and ongoing technical and resource support to both existing EPFIs and those considering joining. External outreach and peer review activities include an annual Community of Learning event where financial institutions that apply IFC Performance Standards (e.g. EPFIs, Export Credit Agencies, Development Financial Institutions) can draw on IFC's expertise in applying Performance Standards, as well as benefit from knowledge sharing within a wide network of practitioners.

**IFC Extractive Industry Client Revenue Disclosure:** On an annual basis, IFC follows up with relevant extractive industries clients to ensure that they are properly disclosing revenues paid to governments. IFC encourages all clients to disclose this information on their company website in an easy to read format. In July, IFC publishes a list of relevant extractive industries clients with links to their respective websites on IFC’s website. This allows stakeholders to easily monitor the revenues being paid by IFC clients in different countries and allows stakeholders to monitor that IFC is complying with its extractive industries disclosure requirements. The website is updated on an annual basis.

## **V. World Trade Organisation: Monitoring and Surveillance – Peer Review**

### **Legal basis for, and nature of Monitoring and Surveillance**

Article III of the Marrakesh Agreement establishing the WTO sets out the functions of the WTO to include facilitating the implementation, administration and operation, and furthering the objectives of the Agreement and of the Multilateral Trade Agreements. To carry out the functions of the WTO, a number of bodies responsible for the functioning of these Agreements have been established. In the performance of their regular functions, these bodies inherently have a monitoring and surveillance function stipulated in respective Agreements. Furthermore, Article 16.4 of the Marrakesh Agreement stipulates that each Member shall ensure the conformity of its laws, regulations and administrative procedures with its obligations as provided in the Agreements. This would include notification requirements within the respective Agreements. Notifications received are subject to review in the relevant body. The Trade Policy Review Mechanism provides that trade policies and practices of all Members shall be subject to periodic review. Pursuant to Article 21.6 of the Dispute Settlement Understanding, the Dispute Settlement Body keeps under surveillance the implementation of adopted recommendations or rulings. The Transparency Mechanism for Regional Trade Agreements provides for consideration by Members of RTAs notified to the WTO.

The Ministerial Decision on Notification Procedures established a general obligation to notify. It established a central registry for notifications (CRN) in the WTO Secretariat to track all notifications received, remind Members of their notification obligations, and provide Members with information on the content of notifications. The CRN maintains a calendar and cross-references its records of notification by Member and obligation. The Ministerial Decision also provided for a review to rationalise existing obligations, which were believed in some cases to involve unnecessary requirements and duplications.

The nature of monitoring and surveillance in the WTO is peer review. This is a transparency exercise involving a systematic review of implementation and compliance by a Member of its commitments under an Agreement administered by a committee/Council. All Agreements provide for periodicity of notification. Some notifications are of a one-time nature, mostly relating to the implementation of the Agreements. Most of these were due in 1995 or on a Member's accession. There are also ad hoc notifications, that is, when certain events occur. Other Agreements provide for regular/periodic notification for example, semi-annual notifications of anti-dumping or subsidies and countervailing measures; annual notifications in agriculture for export subsidies and domestic support. There are also other periodicities provided e.g. biennial, triennial and upfront.

Overall, the monitoring and surveillance process relies on mutual trust amongst Members and shared confidence in the process. Similar to other systems of peer review is the practice of persuasion and influence by peers – other WTO Members – to encourage adherence to the rules of the multilateral trading system.

### **Overall aims of monitoring and surveillance in the WTO**

- to ensure that Members gradually implement and comply with the rules, disciplines and their commitments in WTO Agreements;
- to increase transparency and understanding of Members' trade policies and practices through regular monitoring;
- to ensure that Members comply with the rulings and recommendations of the Dispute Settlement Body;
- to enable a multilateral assessment of the effects of policies on the world trading system; and,
- to improve the quality of public and intergovernmental debate on issues affecting the multilateral trading system.

## **Monitoring and Surveillance in practice**

### **1) Regular WTO bodies – Councils and Committees**

Virtually all the WTO Agreements establish notification requirements and set up committees/bodies which are required to oversee the operation of the Agreement concerned. There are over 30 Councils and Committees that oversee the implementation, administration and operation of WTO Agreements. In the performance of their regular functions, these bodies have a monitoring and surveillance function stipulated in their respective Agreements.

The nature of monitoring and surveillance is peer review based on regular notifications of *inter-alia* laws, regulations, policies, administrative decisions, specific measures by Members as well as documents prepared by the WTO Secretariat as requested by Members. Reverse notification is also possible – that is – another Member on its own initiative could notify specific measures, policies or laws of another Member, which can also be part of the basis for review.

Notifications under provisions in agreements; reviews of implementing legislation; or reviews of specific measures instituted are usually part of the agenda of the meetings of the regular WTO committees. The review process involves exchanges, questions and replies; bilateral/plurilateral consultations; and statements in the relevant committees/Councils on notifications submitted aimed at seeking more information or understanding a Member's trade policies and practices and persuading the Member to adhere to relevant rules.

### **2) Trade Policy Review Mechanism (TPRM)**

While the TPRM is not an instrument for enforcement of specific rights and obligation, the mechanism was conceived as a forum for transparency and effective analysis of policies, policy debate and the promotion of closer adherence to the WTO norms. The reviews are peer group assessments and all WTO Members are subject to review under the TPRM.

The reviews take place in the Trade Policy Review Body (TPRB) which is actually the WTO General Council — comprising the WTO's full membership — operating under special rules and procedures. The TPRB reviews Members' trade related policies. The periodicity or frequency of a Member's review is based on its share of world trade: the first four trading entities are subject to review every two years; the next sixteen every four years and other Members every six years (a longer period may be agreed for least-developed countries).

Reviews are conducted by the TPRB on the basis of a policy statement by the Member under review and a report prepared by economists in the Secretariat's Trade Policy Review Division. The TPRB's debate is stimulated by two discussants, selected beforehand for this purpose. In preparing its report, the Secretariat seeks the cooperation of the Member, but has the sole responsibility for the facts presented and views expressed.

The reports consist of detailed chapters examining the trade policies and practices of the Member and describing trade policymaking institutions and the macroeconomic situation; these chapters are preceded by the Secretariat's Summary Observations, which summarize the report and presents the Secretariat's perspective on the Member's trade policies. The Secretariat report and the Member's policy statement are published after the review meeting, along with the minutes of the meeting and the text of the TPRB Chairperson's Concluding Remarks delivered at the conclusion of the meeting.

In addition to individual Members TPRs, the TPRB also undertakes an annual overview of developments in the international trading environment which are having an impact on the multilateral trading system. To this effect the Director-General provides an annual report by the setting out major activities of the WTO and highlighting significant policy issues affecting the trading system. In view of the current global economic situation, this mechanism is being used to monitor and survey recent trade-related developments in the wake of the financial and economic crises.

### **3) Surveillance and Implementation of Rulings and Recommendations of the Dispute Settlement Body**

The Dispute Settlement Body (DSB), comprising all WTO Members, administers the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU) which sets out the procedures and timetable to be followed in resolving disputes. It has the authority to establish panels, adopt panel and Appellate Body reports, maintain surveillance of implementation of rulings and recommendations, and authorise suspension of concessions and other obligations under the covered agreements.

Prompt compliance with recommendations or rulings of the DSB is essential in order to ensure effective resolution of disputes to the benefit of all Members. Pursuant to Article 21.6 of the DSU, the DSB keeps under surveillance the implementation of adopted recommendations or rulings. The issue of implementation of the recommendations or rulings is placed on the agenda of the DSB meeting by the complaining Member and remains on the agenda until the issue is resolved. The Member provides the DSB with a status report in writing of its progress in the implementation of the recommendations or rulings at least ten days prior to each DSB meeting. An interested Member may also raise the issue of implementation of the recommendations or rulings of the DSB at any time following their adoption. At the DSB meeting Members make statements urging the concerned Member to comply with the rulings and recommendations of the DSB – persuasion and political pressure to comply.

### **4) Transparency Mechanism for Regional Trade Agreements (RTAs)**

With a view to enhancing transparency in and understanding of RTAs and their effects, the General Council on 14 December 2006 adopted a decision on a Transparency Mechanism for Regional Trade Agreements to apply on a provisional basis.

#### Steps in RTAs surveillance process

- Early announcement by Members participating in new negotiations aimed at concluding an RTA;
- Notification of RTA as early as possible specifying provision of WTO Agreement under which RTA is being notified (GATT XXIV; GATS V or Enabling Clause) and providing full text, related schedules, annexes, protocols;
- Data provision by parties to Secretariat – detailed tariff line and import data;
- Preparation of a factual presentation by Secretariat on its own responsibility of RTA, in consultation with parties; and,
- Consideration of RTA by Members based on Secretariat's factual presentation and additional information submitted by Members, within one year after date of notification of RTA.

#### **Additional Information**

- Other "new" operational monitoring systems in the WTO
  - Aid for Trade – Global reviews in the General Council
  - Monitoring of the Enhanced Integrated Framework
  - DG's Consultative Framework Mechanism on Cotton Development Assistance
- On-going work on strengthening of existing monitoring and surveillance mechanisms in the context of the DDA negotiations e.g.
  - Agreement on Agriculture
  - Anti-dumping Agreement
  - Subsidies & Countervailing Measures Agreement

- Proposed new mechanisms on monitoring and surveillance in the context of the DDA negotiations
  - Special and Differential Treatment monitoring mechanism
  - Monitoring Duty Free Quota Free market access commitments to least developed countries (LDCs)
  - Mechanism for LDC modalities in services
  - Monitoring and surveillance of implementation of new Trade Facilitation Agreement
  - Monitoring operation of the proposed multilateral system for the notification and registration of geographical indications.