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**Catalysing and
consolidating: Building
future responsiveness
and resilience**



The June 2022 Pandemic Declaration,⁸⁶ adopted when the pandemic remained an international health emergency, was a historic development, a unanimous statement responding to a current crisis affecting communities in all members and

observers and resulting from members' input from across the spectrum.

Despite the immediate challenges confronting all governments, members chose to frame the Pandemic Declaration with a forward-looking perspective and to consolidate the WTO's pandemic response within a broader context for international cooperation. The Pandemic Declaration encouraged members "to understand and build upon the experience of the pandemic, as contemplated by this declaration, in order to support increased resilience for COVID-19 and future pandemics", and with that objective, laid out, at the WTO's most senior political level, the core elements of an integrated, comprehensive and collaborative approach to take this critical work forward.

At the present time, while the disease burden of COVID-19 still lays heavily on many communities, the most severe and immediate impact of the pandemic has passed, at least in its present form, with the WHO having determined that COVID-19 is an established and ongoing health issue and no longer a public health emergency of international concern. Hence, it turns to policymakers to analyse and draw longer-term conclusions from the hard lessons learned during the crisis, including concerning systemic shortcomings and the consequences of limited preparedness.

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Practical steps also need to be taken to put these insights to work as a blueprint for future international cooperation. This will include catalysing work on developing information and policy tools, building capacity and consolidating the institutional framework for continuing cooperation at the intersection between trade and health.

This section draws together some of the critical insights that are incentivizing this future work and that form the basis for consolidating a longer-term programme for readiness, responsiveness and resilience in relation to the inevitable future challenges to global health that the international community will need to face.

The Pandemic Declaration as a Foundation for Pandemic Resilience

The Pandemic Declaration offers important insights concerning the role of the multilateral trading system and its central place in broader international efforts to address public health crises and includes:

- The importance of a stable and predictable trading environment for the manufacture, supply and distribution of essential medical goods including vaccines, therapeutics and diagnostics; the role of the multilateral trading system in expanding and diversifying production of essential goods and related services needed to fight pandemics, as well as the importance of the WTO Trade Facilitation Agreement.
- The value of comprehensive transparency in the operation of the WTO's Trade Monitoring Exercise, including the availability of timely and accurate information on pandemic disruptions in supply chains; the need to support developing economies and especially least developed countries (LDCs) in respect of transparency and monitoring.
- Where emergency trade measures are needed, they should be targeted, proportionate, transparent and temporary, and not create unnecessary barriers to trade or unnecessary disruptions in supply chains; due restraint should be exercised in export restrictions on medical goods and their inputs.
- The role of additional, voluntary trade-facilitating measures that include streamlining customs procedures, decreasing and simplifying documentation requirements, temporarily reducing or adjusting tariff rates and other charges on essential medical goods and their inputs.
- The value of regulatory cooperation and voluntary sharing of regulatory information to expedite access to pandemic vaccines, therapeutics and diagnostics.
- The critical role of services in ensuring pandemic resilience, in particular the importance of facilitating the international operations of service suppliers involved in production and distribution of essential medical goods and the importance of facilitating trade in services, including health services, and information and communications technology services.
- The understanding that, in line with the Doha Declaration on the TRIPS Agreement and Public

Health,⁸⁷ “the TRIPS Agreement does not and should not prevent Members from taking measures to protect public health” and affirming that “the Agreement can and should be interpreted and implemented in a manner supportive of WTO Members’ right to protect public health and, in particular, to promote access to medicines for all.”

- The importance of an integrated trade policy response to the pandemic that takes account of related policy issues. This includes strengthening productive, scientific and technological capacity across the world, diversifying manufacturing locations and promoting technology transfer. It also underscores the importance of global food security and the need to address food security issues exacerbated by the pandemic. Furthermore, it entails expeditiously building effective solutions in case of future pandemics, including on balance of payments, development, export restrictions, food security, IP, regulatory cooperation, services, tariff classification, technology transfer, trade facilitation and transparency.
- The need to understand and build upon the experience of the pandemic as the basis for greater resilience in the face not merely of COVID-19 but also future pandemics, including through a systematic and comprehensive programme of analysis involving the full spectrum of WTO bodies concerned.⁸⁸
- The role of the WTO Secretariat in undertaking analysis and mapping of supply and demand, and trade in essential medical goods and services, and the importance of cooperation with other international organizations on an international pandemic response, including matching of supply to demand, mapping manufacturing capacities and demands, matchmaking to cater to such demands, and mutual recognition norms.

Taking Stock: The WTO’s Deliberative and Review Bodies

In line with the review mandate set by the Pandemic Declaration, the WTO’s deliberative and review bodies have been systematically undertaking a stocktaking exercise to further gather policy lessons and practical insights from the pandemic. Their subsequent reports⁸⁹ and continuing review work are consolidating practical understanding of the key elements of an effective response to future pandemics.

Council for Trade in Goods

Based on its extensive stocktaking exercise up to the end of 2023, the Council for Trade in Goods (CTG) identified a series of lessons learned and challenges in the goods area.

Improved coordination and cooperation at different levels:

- Many members established or reinforced interagency coordination mechanisms, as well as improved dialogue with non-state actors to inform the policymaking response at each step. Timely coordination among relevant government agencies and other stakeholders was a critical component to keep the spread of the virus under control.
- International organizations played a key role in supporting members’ responses to the pandemic. The need for greater collaboration among international organizations, and for more flexibility in the way in which they provide support to their membership were considered.

Better understanding of trade-related measures during crises:

- Members recognized that trade played a key role in mitigating the effects of COVID-19. Facilitating the access to and affordability of COVID-19 essential goods, and sharing information about their trade-related measures, through regular notifications to the WTO, were highlighted.
- Some members touched on export restrictions, underscoring that they may be used as a “last resort” measure to manage domestic supply issues in emergency situations. When introduced, they should be transparent, temporary, necessary and proportionate. LDCs suggested that the WTO should facilitate conversations among members on the use of restrictions during times of crisis which may adversely impact economies. Some members noted that export restrictions should include a review mechanism, and exemptions and exceptions should be made available and be based on, among other things, the principle of international solidarity.
- In case important elements are not covered by a notification obligation, providing additional information on a voluntary basis should be considered. For example, with respect to the type of measures, the rationale underpinning the introduction of such measures, their extension or termination and information about their effectiveness.
- Bilateral and regional cooperation played a crucial role in addressing the impact of the pandemic on LDCs, particularly those which are landlocked. Some members, including LDCs, highlighted the importance of facilitating trade flows, ensuring the transit of essential goods, and restoring supply chain connectivity by reducing or eliminating tariff and non-tariff measures on COVID-19 essential goods.

Enhanced transparency and experience-sharing at the WTO:

- Transparency is one of the main pillars of the WTO and members recognized that this is even more important

during times of crisis. To better understand the impact and implications of the COVID-19 pandemic on international trade, several members stressed the importance of sharing information and experiences among themselves with a view to identifying common issues and solutions, to respond to this and future emergencies.

Improved data collection and information sharing:

- Having access to timely and detailed trade data is an essential element for the adoption of informed trade policy measures. It is also key to understanding the impact of the pandemic on the global supply chains of essential goods, and the effects that COVID-19 had on industries, particularly on micro, small and medium-sized enterprises.

The role of digitalization:

- The COVID-19 pandemic accelerated digital transformation in many members and sectors of their economies. At the same time, it also accentuated the importance of bridging the digital divide for a better response to pandemics. The international community plays a key role in facilitating dialogue and collaboration among members, for the design and implementation of global rules for more inclusive digitalization.

Identification of “essential” goods and their tariff classification:

- The identification of essential goods varied from one member to another and included health-related items as well as foodstuffs, particularly in the case of LDCs. The guidance of international organizations proved useful in informing the approach taken by members in the identification of their list of essential goods and their respective tariff classification. Some members and external stakeholders discussed sharing information about their national lists of essential products and classification decisions, with a view to pooling information and facilitating the establishment of common reference lists and their regular updating.

Council for Trade in Services

Summarizing the stocktaking discussions on logistics and transport services in the Council for Trade in Services (CTS), the Council's Chairperson noted that the presentations delivered by government and private sector representatives showed that the COVID-19 pandemic had presented many common challenges and had constituted a “stress test” for transport and logistics networks.⁹⁰ The Chair observed that limited transportation capacity, shortages of facilities and drivers, severe cost fluctuations, as well as the imperative of protecting the health of the workforce had been highlighted among the obstacles caused by the health emergency.

The pandemic had created uncertainty for suppliers, who had struggled to sustain revenue, and who could not rely on work-from-home options for much of their workforce. The fragility of the delivery and logistics infrastructure in some regions, the remoteness of island economies from international markets, as well as the constraints faced by certain land-locked economies had created further challenges. While constituting a source of sustained demand, the increased reliance on cross-border e-commerce had added further pressure to transport value chains.

The Chairperson noted new opportunities and accelerated trends that had begun to emerge before the pandemic, in particular underscoring the critical role of digital technologies, for instance to optimize parcel packing, shipment tracking and tracing, streamlined procedures, as well as e-documentation and clearance. Advanced digital technologies such as automation and artificial intelligence were mentioned as especially key to the future of the transport and logistics sectors.

The pandemic had also prompted the exploration of alternative options to increase the efficiency of transport and logistics operations, such as sea-air transshipment and the creation of one-stop upstream logistics services. The Chair observed that members had introduced various measures to address the complexities caused by the pandemic, including regulatory flexibilities (such as the temporary modification of airport slot allocation rules or the extension of validity of licences and certificates), financial support mechanisms, the designation of transport workers as “essential workers” to facilitate their movement, and “green lanes” to ensure the continuous flow of essential goods.

Certain members introduced targeted packages to sustain the progressive recovery of the economy as a whole; these members designed a set of guiding principles to step-up crisis preparedness and guide a rapid regulatory response in the event of future health crises.

The Chair commented how members' interventions in the discussions generally confirmed the importance of the transparency and predictability of applicable regulatory frameworks. Communication and coordination among transport authorities at the international level also played a vital role. The information-sharing under the CTS could serve as a useful platform to maintain an open dialogue.

Following the CTS's experience-sharing session on health services, the Chairperson noted that trade in health-related services had been growing fast over the previous decade, at an average annual rate of 7 per cent compared to about 4 per cent for other services. It was noted⁹¹ that the pandemic had caused dramatic effects on trade in health services, which relied mainly on the cross-border

movement of individuals, while there had been significant growth in health-related services traded as practitioner-to-practitioner services, and increasingly as practitioner-to-patient services.

Since low- and middle-income economies resorted mainly to cross-border movement of individuals to export health services, the pandemic especially affected health service suppliers from these economies. Members introduced various regulatory flexibilities and adaptations in the health sector, broadly along four lines: easing the entry to practice, such as for students or retired health professionals; increasing the scope of practice; facilitating international mobility for emergency and routine situations; and supporting the supply of telemedicine services, mainly domestically but also internationally.

The Chair identified key themes from members' experience sharing on how COVID-19 had affected health-related services and trade in this sector, and how they had responded. First, the importance of being prepared and "future-proofing" the risks posed by future pandemics. Second, the imperative of creating an enabling regulatory environment and "whole of government" approach – in this regard the importance of having digital capabilities and infrastructure was also underlined. In addition, the pandemic had served as an enabler for the development of novel health solutions, including based on digital technologies.

In concluding, the Chairperson observed⁹² that government measures introduced to counter the impact of the pandemic on tourism services were in three main phases as the pandemic evolved. First were mitigation measures, to protect tourists, jobs and businesses. These consisted of two main kinds: (i) targeted fiscal and monetary measures for businesses and their workforce, such as tax relief, government guarantees, job retention schemes or temporary redeployment of tourism workers to other sectors; (ii) following initial travel restrictions and border controls, several governments introduced targeted safety protocols, alongside measures to facilitate safe cross-border movements, such as vaccination and or COVID-19 certificates, or quarantine.

The second phase included measures to manage the resumption of tourism activities, such as lifting travel restrictions, restoring traveller confidence, or addressing labour shortages. And the third phase included measures to prepare for the future, such as introducing new tourism strategies, supporting the acceleration of digital capacities and the digital transformation, and upskilling, or diversifying tourism offerings and markets.

Other issues that had arisen included the challenges of inconsistent and unpredictable travel restrictions, lack of interoperable systems and fragmented health and safety

standards; the importance of evaluating the impact of measures taken; the need to improve data and share information to ensure evidence-based decisions can be taken; and the relevance of collaboration, with reference to a number of joint initiatives by various international organizations.

Trade Therapy: A Blueprint for Strengthening Trade's Contribution to Health Security

A blueprint for continuing cooperation on pandemic resilience was laid out in the joint WTO–World Bank publication, *Trade Therapy: Deepening Cooperation to Strengthen Pandemic Defenses*.⁹³ This publication draws on extensive research and analysis to illustrate how open trade increases access to medical goods and services, allowing people in each economy to benefit from the innovation, skills and advanced technology of others.

It notes, however, how the pandemic revealed weaknesses in the global trade system, with the combined effects of

Open trade increases access to medical goods and services, allowing people to benefit from the innovation, skills and advanced technology of others.

trade restrictions and the concentration of production and trade among a small number of economies. This meant that the distribution of medical goods led to highly uneven access to critical supplies.

The publication also offers an action plan that governments can implement to strengthen trade's contribution to global health security, and covers cooperation within and beyond existing trade mechanisms. In particular, it shows how new commitments and disciplines in WTO and regional trade agreements can help economies better prepare for and respond to future pandemics in several ways:

- An agreement to lower barriers to trade in medical goods and supporting services would improve the efficiency of healthcare systems and increase preparedness.
- Commitments on import and export policy could contribute to avoiding extreme market outcomes in a crisis.
- Regulatory cooperation can improve the resilience and functioning of supply chains and reduce the

risks of illicit trade. Broadening and deepening this cooperation can help streamline regulatory frameworks, make them more coherent, and provide a playbook of regulatory flexibilities for smoother and faster approval of medical goods in the event of a pandemic. To this end, governments can pursue mutual recognition and equivalence regimes for critical medical goods and support the development of international standards.

- A balanced global IP system, including through the full implementation and use of flexibilities, will establish a solid basis for sharing technology and know-how to jointly develop the capacity to respond to health crises and geographically diversify manufacturing capacity. In addition, other measures could encourage rights holders to (a) adopt open and humanitarian licensing models for pandemic-related technologies; (b) contribute to international technology sharing platforms, such as the WHO COVID-19 Technology Access Pool; and (c) include equitable access considerations in their research and development planning. Agreement among WTO members on an IP response to COVID-19 could serve as a blueprint in future emergencies.
- Reduction of services trade barriers and improvement of regulatory systems could expand access to medical services and enhance their quality in normal times while also bolstering pandemic preparedness. Initiatives on services trade could include the following: adopting frameworks to narrow the gaps in national health systems through foreign investment in the medical services sector (e.g. health establishments and telehealth firms); enhancing health workers' mobility according to identified needs (also taking into account, through dialogue, the needs of the economies of origin); recognizing foreign qualifications of medical services suppliers; and cooperating to ensure cross-border liability of foreign-based medical services suppliers.
- Rules in trade agreements on subsidies, public procurement and competition can form the basis for governments to react efficiently to health emergencies.

Cooperation beyond Trade Agreements

This study observes that leveraging trade to strengthen pandemic defences requires cooperation beyond trade agreements and refers to the call by the Multilateral Leaders Task Force on COVID-19 vaccines, therapeutics and diagnostics for the international community to step up its response in the wake of the COVID-19 pandemic. Concerning cooperation between members and other stakeholders the publication observes the following:

Leveraging trade to strengthen pandemic defences requires cooperation beyond trade agreements.

- The first goal should be to create mechanisms to finance access to essential products such as vaccines in low-income economies and to expand supply and distribution capacity during a crisis, ensuring that these facilities do not disappear when demand declines. This effort would include cooperation to build manufacturing facilities in low- and middle-income economies with a latent comparative advantage whose relatively small populations reduce the risk that the host governments will intervene to meet domestic needs and the impact of a potential intervention.
- The second goal is to create mechanisms for sharing information on the operation of supply chains. A priority should be to establish a global clearing house to support production of critical medical products (ideally according to an internationally agreed-upon list) and serve as a platform for companies to report bottlenecks, improve visibility on production capacity and distribution, and identify measures to respond to a pandemic.

Concerning cooperation among international organizations, the publication proposes that efforts to strengthen collaboration should centre on addressing the information and coordination gaps revealed by the pandemic, such as by:

- strengthening international standardization;
- bolstering the capacity of national regulatory agencies;
- developing good-practice policy frameworks for public procurement during crises; and
- working with the private sector to encourage technology transfer and expand global emergency response capacity.