

SDG 3: Good Health and Well-Being

The evolving global landscape of intellectual property and global health

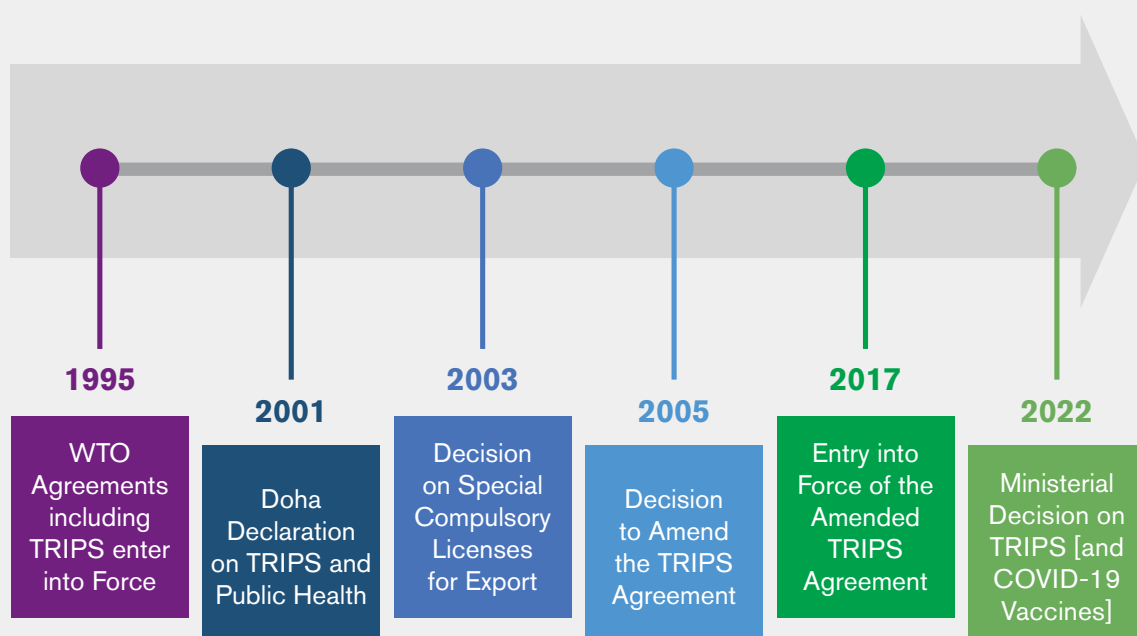
Intellectual property (IP) has profound implications for driving innovation, ensuring fair access to medical technologies and strengthening health systems – key elements for achieving Sustainable Development Goal 3 (SDG 3) on good health and well-being. The WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) provides a balanced legal framework that protects and incentivizes innovation while preserving vital public policy flexibilities to respond to health and nutrition priorities.

Since its entry into force in 1995, the TRIPS Agreement has evolved to clarify and expand how governments can use IP policy to advance public health. Early concerns about the cost of HIV/AIDS medicines led to the 2001 Doha Declaration on the TRIPS Agreement and public health, which affirmed the right of WTO members to fully utilize TRIPS flexibilities – including compulsory licensing – to safeguard public health. Soon thereafter, in 2003, WTO members instituted a system enabling economies lacking pharmaceutical manufacturing capacity to import affordable generic medicines produced under compulsory licenses.

These commitments were permanently incorporated into the TRIPS Agreement in 2005 through the addition of Article 31bis, marking the first ever amendment of a WTO agreement. In 2017, following ratification by two-thirds of the membership, the amended TRIPS Agreement officially entered into force. By June 2025, 115 WTO members had accepted the amendment, underscoring a broad consensus on using trade and IP rules to promote access to medicines.

In 2022, recognizing the unprecedented challenges posed by the COVID-19 pandemic, members adopted a Ministerial Decision on the TRIPS Agreement. This decision provides clarity on how governments may authorize the use of patented COVID-19 vaccine technologies under domestic legal systems to expedite production, including for export to eligible members or through humanitarian initiatives such as COVAX.² Although members did not reach consensus to extend the same measures to COVID-19 therapeutics and diagnostics, discussions underscore the continuing importance of leveraging TRIPS flexibilities to strengthen health system resilience in times of crisis.

Figure 1: Timeline of TRIPS and Public Health Decisions



Source: World Trade Organization, Trade and Public Health: Evolution of TRIPS Policy Options.

WTO members have also broadened their collaboration, including with other international organizations, to advance public health objectives:

- Ministerial Declaration on the WTO Response to the COVID-19 Pandemic and Preparedness for Future Pandemics: Adopted in parallel with the 2022 TRIPS Decision, this Declaration calls for equitable access to vaccines, stronger health systems and increased transparency regarding government measures during health emergencies.³
- Paragraph 22 of the Abu Dhabi Declaration encourages the continuation of the work set out in the MC13 Ministerial Declaration, to review and build on the lessons learned and the challenges presented by the COVID-19 pandemic. It recommends that, in view of future pandemics, effective solutions are built in an expeditious manner.⁴
- WHO-WIPO-WTO trilateral cooperation: Through joint publications such as Promoting Access to Medical Technologies and Innovation and An Integrated Health, Trade and IP Approach to Respond to the COVID-19 Pandemic, the World Health Organization (WHO), World Intellectual Property Organization (WIPO) and WTO offer guidance on the interplay between IP, trade and public health, focusing on practical ways to expand access to vital health products while incentivizing continued innovation.
- Technical assistance and capacity building: Recognizing that national legal and regulatory contexts differ widely, the WTO provides capacity-building support so members can design IP rules and practices – encompassing not only TRIPS flexibilities but also aspects of market access, services and competition policies – that help achieve SDG 3.

The WHO-WIPO-WTO trilateral studies repeatedly highlight that sustainable local manufacturing, combined with strategic IP management, is crucial to expanding access to medicines and strengthening national research and development (R&D) capacity. One key policy approach involves promoting technology transfer by enabling universities, public research institutes and private firms to form partnerships that share critical know-how, such as manufacturing processes or clinical data, while respecting intellectual property rights. Structured agreements, such as those under WIPO Re:Search, illustrate how patent holders can voluntarily license or share research assets to tackle diseases that disproportionately affect low- and middle-income countries.

A second important strategy centres on boosting regulatory harmonization. Economies can streamline marketing approval processes through mutual recognition, WHO prequalification, or collaborative regulatory reviews. These measures reduce costs, accelerate time-to-market for both novel and generic drugs, and facilitate cross-border supply of essential health products, all while aligning with existing IP rules.

Additionally, managing competition and ensuring affordability is vital. Authorities can combine pro-competition IP provisions (e.g. patent oppositions or preventing anti-competitive licensing) with policy interventions such as discounted pricing, voluntary licenses, or pooled procurement. These approaches not only lower the cost of medical technologies but also reinforce competition law enforcement as a safeguard against collusion and regulatory exclusivity misuse.

INTEGRATED PATHWAYS FOR POLICY COHERENCE

Realizing the full potential of intellectual property and trade disciplines for public health goals requires a coordinated approach across government agencies and international forums. In line with the WHO Global Strategy and Plan of Action on Public Health, Innovation and Intellectual Property (GSPA-PHI), economies should ensure strong health systems, which include adequate financing, strategic procurement and a well-trained workforce, so that IP flexibilities and licensing frameworks effectively translate into accessible health technologies.

In tandem, governments can foster R&D for neglected and emerging diseases by employing incentives such as push and pull funding mechanisms, advanced market commitments, or prize funds designed to spur innovation where commercial returns might otherwise be limited. Coordinating internationally is another essential element: technical support from WHO, WIPO, and WTO – alongside philanthropic and regional institutions – can help states navigate TRIPS flexibilities, strengthen patent offices and negotiate balanced licensing deals that keep new therapies both profitable and affordable.

Finally, monitoring emerging global health threats, as well as preparing for them, demands an agile IP framework equipped with open data-sharing mechanisms and carefully structured flexibilities. Such an approach safeguards global preparedness for future pandemics, including the imperative to develop new antimicrobials, vaccines and diagnostics on a timely and equitable basis.

WTO members are continuing to refine trade-related IP rules in ways that support global health objectives. These collective efforts have helped sustain a system that maintains robust incentives for innovation while meeting urgent demands for broader and more affordable access to critical health solutions. Crucially, this work confirms that intellectual property and health policy need not stand in conflict; indeed, by leveraging TRIPS flexibilities, promoting transparent licensing and collaborative R&D, and enabling local production through partnerships, WTO members demonstrate that it is possible to trigger life-saving medical breakthroughs and ensure these advances reach the widest population in need. Ultimately, aligning IP and trade policy with the broader goal of universal access remains essential to achieving SDG 3's vision of good health and well-being for all.

Government procurement and SDG 3

Government procurement plays a central role in strengthening public healthcare systems and ensuring broader health coverage, particularly where private markets fail to meet needs affordably. Through transparent and competitive procurement processes, governments can reduce costs, secure reliable supplies of essential health products and promote higher-quality care. According to the World Bank, health expenditures in high-income economies exceed 13 per cent of gross domestic product (GDP), whereas low- and middle-income economies typically spend around 5.4 per cent of GDP through government procurement.⁵ Government procurement of medicines, vaccines, diagnostics and healthcare services remains essential for bridging these gaps.

In many economies, belonging to the Organisation for Economic Co-operation and Development means that health-related procurement is around 30 per cent of total government procurement. This demonstrates both the substantial budgetary commitment required to deliver health services, and the potential for procurement policies to become a powerful tool in achieving SDG 3. Governments can, for example, use technical specifications to support the overall well-being of the population in a manner that helps to expand access to vital goods and services.

Pooled procurement – a strategy in which multiple economies or public entities aggregate their demand – has proven to be particularly valuable for health-related goods. By consolidating demand for pharmaceuticals, vaccines or medical devices, economies can negotiate more favourable prices, improve supply chain reliability, and maintain consistent product quality.

During the COVID-19 pandemic, for example, some members turned to regional and international procurement mechanisms (such as the Pan American Health Organization's [PAHO's] Strategic Fund) to achieve cost savings and expedite delivery times. Colombia's experience in purchasing Hepatitis C treatments through the PAHO fund, which reportedly reduced prices by up to 90 per cent, underscores the effectiveness of pooled procurement for resource-constrained health systems. In addition to promoting affordability, pooled procurement can help streamline clinical and regulatory processes. By aligning standards across participating entities, members can move faster to approve and distribute essential products.

The WTO Agreement on Government Procurement (GPA) 2012 provides a valuable framework for fair, transparent and cost-effective health-related procurement. The GPA 2012 typically covers ministries of health and the goods and services they purchase, including medicines, vaccines and medical equipment. By promoting open competitive bidding, the GPA 2012 helps governments achieve better value for money and mitigate risks such as corruption.

Moreover, the GPA 2012 offers flexibilities enabling its parties to respond effectively in public health emergencies:

- **Reduction of deadlines** for tender submissions allow swifter purchase of medical supplies in case of urgency.
- **E-procurement** options reduce burdens for procuring entities and suppliers, can shorten the tendering process and enhance supplier participation.
- **Limited tendering** – though exceptional – can be used when strictly necessary, subject to transparency safeguards and ex post justifications.

During the COVID-19 pandemic, many GPA parties resorted to limited tendering to procure essential medicines, vaccines and medical equipment quickly, illustrating both the availability of GPA flexibilities and the significance of maintaining transparency. By balancing emergency measures with transparency, GPA parties can meet urgent health needs without undermining competition and integrity in procurement markets.

Thus, government procurement, especially if aligned with international best practices and implemented through cooperative mechanisms like pooled procurement, can help to ensure that health systems are cost-effective, resilient and better equipped to serve the most vulnerable populations.

The GATS and health-related services trade

The General Agreement on Trade in Services (GATS), which entered into force in 1995, is the multilateral framework governing international trade in services. It aims to improve transparency and predictability, ensuring fair and equitable treatment of all WTO members when trading services, and calls for its progressive liberalization to promote trade and economic development (WTO, 2017). However, it also recognizes authorities' right to regulate the supply of services to ensure that national public policy objectives are met, and takes into account the particular needs of developing economies in that respect. The GATS covers all services, including health-related services, except services supplied in the exercise of governmental authority.⁶ The latter are defined as services that are neither supplied on a commercial basis, nor in competition with one or more services suppliers. This means, for example, that services provided for a nominal fee by health service suppliers that are not actively trying to attract customers (patients) are not disciplined by the GATS (World Bank & WTO, 2022).

The GATS outlines four modes of trading services:

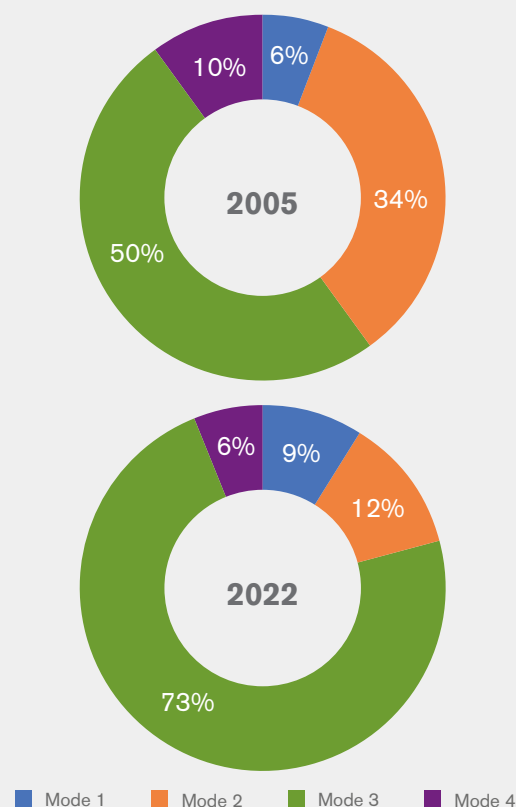
1. Cross-border supply (mode 1): Services are provided across borders while the consumer and supplier remain in their respective jurisdictions, such as through telemedicine or online consultations.
2. Consumption abroad (mode 2): Services are provided to consumers who travel outside their jurisdiction, like in the case of receiving medical treatment abroad.
3. Commercial presence (mode 3): A foreign service supplier establishes operations in the consumer's territory, such as a foreign hospital opening a local branch.
4. Presence of natural persons (mode 4): Service providers temporarily move abroad to supply their services, including health professionals working abroad independently or through their employers.

Trade in health-related services has grown significantly since 2005.⁷ Trade through all four modes of supply was estimated at approximately US\$ 95 billion in 2022 – accounting for some 0.5 per cent of global trade in services, up from 0.3 per cent in 2005. It has grown at an annual average of 9 per cent since 2005, compared with

5.5 per cent growth for total commercial services. Health-related services have been traded mainly by establishing a commercial presence in another country (mode 3), representing 73 per cent of global exports of health services in 2022 (Figure 1).

Meanwhile cross-border telehealth (mode 1) exports have gained importance over the years, experiencing a 10 per cent yearly increase on average between 2005 and 2019, and increasing by 16 per cent on average since then. It represents today 9 per cent of the value of trade in health-related services. In 2022, 6 per cent of the value of trade in health-related services was supplied through the movement of foreign health professionals (mode 4) and 12 per cent was rendered to foreign patients during a stay abroad (mode 2, "medical travel"). The latter reflects a drastic change compared to 2005, when almost a third of exports of health-related services were conducted through mode 2. However, it remains a very important way for economies to supply their services to foreign patients/consumers from economies which cannot respond to demand for such services.

Figure 2: World exports of health-related services are changing



Source: World Trade Organization, Trade in Services by Mode of Supply (TISMOS), https://www.wto.org/english/res_e/statistics_e/gstdh_mode_supply_e.htm.

As mentioned above, trade in health-related services is still relatively small in value terms. One important factor is the strong government involvement in this sector, given the importance of health services for the well-being of populations, the need to ensure access to basic services for all, as well as guaranteeing data privacy and protection. This explains the many restrictive policies that may be in place. But the health sector is increasingly seeking to attract foreign suppliers to generate additional resources, reduce the burden on the public health system and encourage the transfer of know-how. This is notably achieved by attracting foreign investment in the sector, as well as relying increasingly on the cross-border supply of telehealth services.

However, there is a need for comprehensive and sound regulatory oversight of the sector to ensure equity in access, safety of patients/consumers and that ethical standards are met. This explains why mode 3 still represents the largest share of trade in health services, as oversight can be more easily achieved if health service suppliers are established in the jurisdiction where their patients/clients are located.

Trade in health-related services presents significant opportunities for ensuring good health and well-being around the globe. Certain economies with strong, well-trained healthcare workforces and associated comparative advantages have the potential to export health-related services through all modes of supply, benefitting those where supply cannot meet the local demand. However, for trade in health services to reach its full potential, a combination of supportive policies, global cooperation and investment in technological infrastructure must be implemented.⁷ Recent technological advancements, such as 5G technology, artificial intelligence (AI) and robotics, are opening up new opportunities for trade in health services, particularly the dramatic development of telehealth in recent years, including from a trade perspective, whether cross-border (mode 1) or by attracting international investors (mode 3).

While cross-border telehealth has existed for many years, it has gained significant momentum in recent years due to economic growth and technological advancements, particularly in IT solutions that enable the provision of services across borders, including via online health platforms.⁸ This shift holds considerable promise for expanding global healthcare access, by reducing costs, enhancing care efficiency, improving continuity and coordination, and making healthcare more affordable and accessible to underserved and isolated populations.

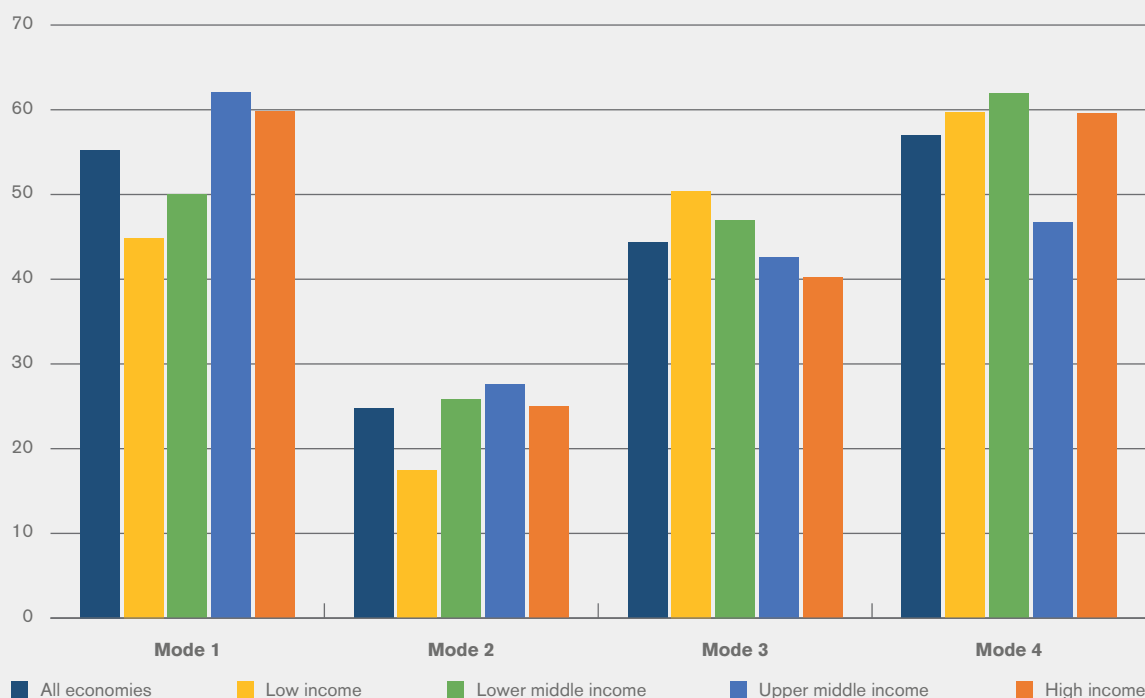
Telehealth trade can help address shortages of healthcare workers, generate revenue and improve system efficiency. The growth of cross-border telehealth services brings additional benefits, especially for developing countries, by alleviating workforce shortages, increasing productivity, reducing the need for travel, and lowering healthcare costs. However, to fully realize its potential, strong policies and regulatory frameworks need to be developed to ensure care quality, patient safety, data protection and equitable access. Additionally, investments in infrastructure are crucial.

Also, health hubs can attract international patients for specialized care (mode 2, health-related travel), thanks in particular to the appeal of a country's tourism sector, as well as the reduction in travel costs as a result of this. There are other ways in which trade in health-related services can be used to respond to demand, especially through the attraction of foreign investment in health establishments (mode 3) and the movement of health professionals (mode 4).

It is also important to consider that the global mobility of healthcare workers and the related trade in health-related services are increasingly influenced by the importing country's adherence to international governance mechanisms, such as the WHO Global Code of Practice on the International Recruitment of Health Personnel. In this context, health-related trade in services policy and the WHO Code could be mutually reinforcing. For example, the application of health labour market analyses, in both sending and receiving economies, could further clarify the economic or labour market opportunities and support greater liberalization of trade in services by better targeting demonstrated needs (Carzaniga et al., 2019).

POLICYMAKING FOR TRADE IN HEALTH-RELATED SERVICES

Many economies worldwide are ill-equipped to meet the growing demand from their populations for health-related services. While trade in health services cannot solve all issues, it can support governments in achieving their public health policy goals. However, as indicated previously, policies in this sector are quite restrictive. Figure 2 shows the average level of trade restrictiveness for health-related services for 136 economies, as measured by the World Bank-WTO Services Trade Restrictions Index (STRI). The level of restrictiveness of such policies is relatively high when it comes to mode 1 (cross-border telehealth) and mode 4 (movement of natural persons), reflecting the high regulatory intensity involved in supplying these services to ensure the quality of services provided and the privacy of consumers.

Figure 3: Trade in health-related services policies is restricted

Source: World Trade Organization and World Bank, I-TIP Services interface, Services Trade Policy Database, 2025, <https://itip-services-worldbank.wto.org>.

Note: The figure presents the average World Bank-WTO Services Trade Restrictions Index (STRI) for the health-related services sector. The STRI measures the restrictiveness of a country's services trade policies, ranging from 0 to 100, where 0 indicates the least restrictive and 100 is the most restrictive environment for trade in services.

Low income and lower-middle income economies exhibit a mode 1 Services Trade Restrictiveness Index (STRI) which is much lower, most probably reflecting the lack of regulation relevant for telehealth, particularly when it comes to cross-border interactions. The level of restrictiveness for mode 4 is driven by stringent requirements to be allowed to supply such services (e.g. nationality or residence requirements, issues pertaining to the recognition of qualifications), as well as horizontal policies, such as labour market tests, particularly present in higher income economies. The establishment of commercial presence appears to be moderately restrictive across all economic groupings, with policies primarily driven by limitations on foreign direct investment or the number of health establishments, particularly in high-income economies. Finally, health-related travel is the least restrictive of the modes of supply, often constrained by the non-portability of health insurance policies.

Reducing or removing trade barriers that do not support public policy objectives could lead to better access to and quality of health services, as well as cost savings and efficiency improvements.

However, policymakers must strike a balance between fostering competition and ensuring that health services remain universally accessible while upholding the security and quality standards required to protect patients. Trade agreements, including the GATS, provide a platform for governments to discuss the liberalization of such services and negotiate market openings, which would increase trade, hence better meet demand, allowing governments to commit to binding policies that ensure credibility and predictability in trading conditions.

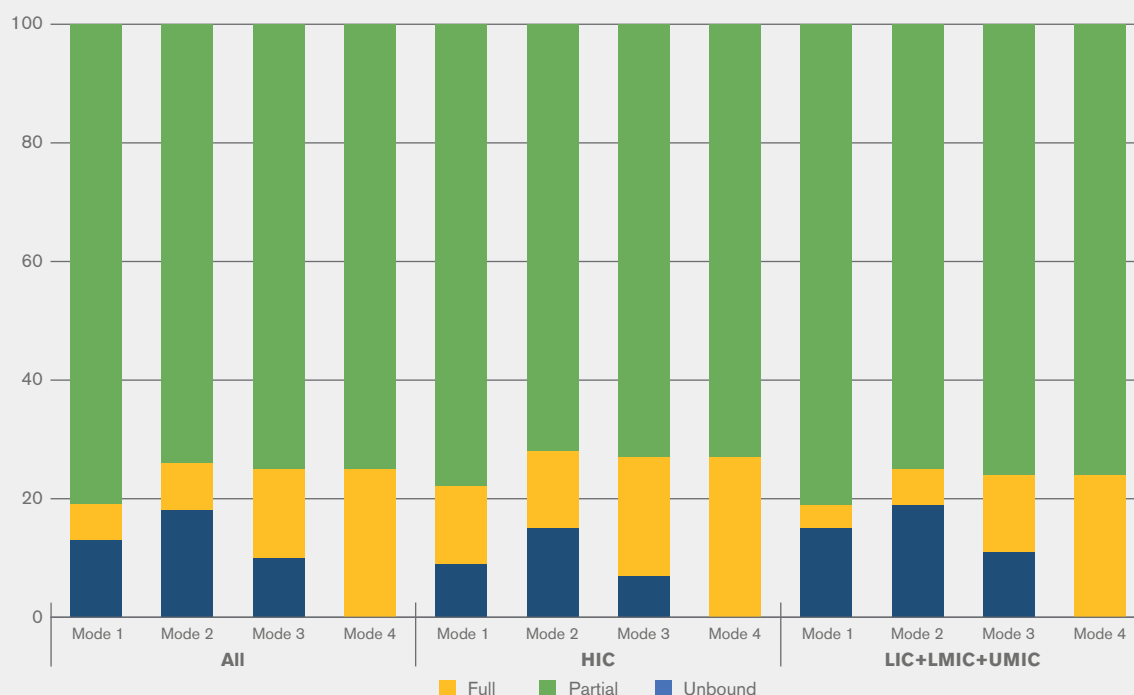
In other words, the GATS can support governments to ensure a response to health-related services demand whilst also supporting other public policy objectives such as health security. But given the specific nature of health-related services, trade-related considerations have not taken centre stage in national and international policymaking. This is reflected in the relatively low number of WTO members that have made commitments in health-related services sectors, the result of which has significant implications for transparency and predictability.

When commitments are made, they are often accompanied by multiple limitations (see the partial commitments in red in Figure 4). Mode 1 (cross-border supply) has the fewest commitments, averaging approximately 20 per cent across subsectors, with nearly a third of these being partial commitments. Mode 2 (consumption abroad) and mode 3 (commercial presence) each have commitments in around 25 per cent of schedules, though mode 2 has the fewest limitations remaining. Mode 4 (movement of natural persons) commitments are very limited in scope and are generally linked to the horizontal commitments, which apply across all

sectors in the schedule of commitments, mainly only concerning intra-corporate transferees and business visitors (i.e. negotiating contracts or the establishment of commercial presence).

The picture is very similar when contemplating the commitments broken down by income group, but low- and middle-income economies exhibit a slightly lower percentage of commitments compared to high-income ones. Also, recently acceding countries have tended to take many more commitments in health-related services sectors, albeit with many limitations.

Figure 4: Low levels of GATS commitments in health-related services trade (percentage of WTO members with commitments)



Source: World Trade Organization and World Bank I-TIP Services interface, GATS module, 2025, <https://itip-services-worldbank.wto.org>.

Note: The figure presents the average percentage of commitments of members for the following services: medical and dental services, nurses, midwives and other paramedical personnel, hospital services, and other human health services. For EU members, the EU-25 (Schengen area) schedule is used as a proxy for all 27 EU economies, including the two non-Schengen EU members (Ireland and Cyprus).

It is worth remembering that trade in health-related services could support the fulfilment of public policy objectives, while not constraining the right of governments to regulate. In this context the GATS offers many flexibilities for governments to tailor what they are willing to open to foreign competition, and how, based on their public policy objectives, for example, by maintaining certain limitations or practices deemed necessary to achieve these objectives.

Also, to promote transparent, predictable and efficient procedures in trade in health-related services, good governance practices must be endorsed. The GATS contains provisions that encourage such practices and calls for the development of disciplines ensuring that qualification requirements and procedures, technical standards and licensing requirements do not impede trade unnecessarily.

Though there has been limited progress at the multilateral level, 72 governments have committed to adopt disciplines included in the Joint Initiative on Services Domestic Regulation⁹ that were negotiated between 2017 and 2021.¹⁰ In March 2025, these disciplines were in force in 53 WTO members, enabling them to enhance transparency, predictability and efficiency in administrative procedures, benefitting inter alia from trade in health-related services, and consequently, the entire health sector. International trade agreements can also facilitate the recognition of foreign qualifications for health professionals. GATS contains provisions encouraging recognition, notably when based on agreed-upon criteria. This is particularly relevant to support trade in health-related services.

OTHER SERVICES SUPPORTING THE HEALTHCARE SYSTEM

Trade policy and the GATS play a crucial role in supporting the international supply of health-related services and medical goods, extending beyond just health services. For example, education and training are essential in addressing global health services gaps, particularly given the shortage of healthcare professionals in many jurisdictions. Increasing competition in the health training sector — supported by trade policy and GATS commitments in education services — could enhance the quality and accessibility of education, helping to alleviate shortages in key healthcare roles. Similarly, when regulated properly to ensure fairness, protect consumers and prevent cost increases, trade in health insurance services can contribute to improving access to healthcare.

When considering global value chains for medical goods, policymakers must also address the services crucial to their production and distribution, including logistics, transportation and wholesale and retail trade. These sectors often face various challenges that not only hinder trade in medical goods but also limit the efficiency and cost-effectiveness of health service delivery.

Furthermore, more open trade policies in insurance services could provide a supportive framework for medical goods trade, such as through supply chain interruption insurance. The GATS, along with trade in services agreements more broadly, could be leveraged to support domestic reforms that reduce trade barriers in these services that are essential to the health services and medical goods value chains, while also promoting greater transparency and predictability.

Trade in services, in particular health-related services, holds considerable promise to ensure better access to health services and medical goods around the globe. Specifically, cross-border trade in telehealth services has the potential to enhance the accessibility, quality and efficiency of healthcare services on a global scale. With the right mix of liberalization and regulatory reforms at the national level, technological advancements and international cooperation, the global healthcare system can be better equipped to meet the growing needs of populations.

To foster these opportunities, it is crucial to establish stronger national and international cooperation between health and trade-in-services stakeholders. A coordinated approach ensures that trade in services aligns with and supports national health policy objectives. Undertaking commitments, such as in the context of the GATS, will notably increase transparency and predictability, hence supporting more and better access to health-related services and medical goods. International collaboration can also play a vital role in improving health-related services regulatory coherence and capacity, including through targeted technical assistance, particularly in low- and middle-income economies.