Policy Hackathon on Model Provisions for Trade in Times of Crisis and Pandemic in Regional and other Trade Agreements: Results at a glance

Introduction

The COVID-19 pandemic has caught governments world-wide largely unprepared. Policy responses to the pandemic have included export restrictions, border controls and travel bans as countries have tried to protect themselves and secure supplies of essential goods. Lockdowns and quarantine requirements have disrupted production and the functioning of supply chains, and lead to a massive reduction in demand and economic recessions in most countries. In April, the WTO estimated that world trade would decrease between 13% and 32% in 2020, as the pandemic severely disrupted normal economic activity and life around the world.

Both global trade rules, as well as those embodied in bilateral and regional trade agreements (RTAs) have arguably been found to be rather ineffective in guiding countries in imposing trade measures in such a way that it would benefit them while also preserving the interests of their trade partners. In the midst of the COVID-19 pandemic and following a brief review of several RTAs texts, United Nations ESCAP concluded that the current framework is lacking guidance and provisions on what partners should do in order to ensure minimal disruption to trade and supply chains in such crises. As expected, RTAs include emergency clauses that permit exceptions for times of crisis, but they do not feature provisions that could help regulate an emergency situation such as a pandemic.

Therefore, in support of the UN “building back better” after COVID-19, ESCAP together with the other United Nations Regional Commissions (ECA, ECLAC, ESCWA and UNECE), UNCTAD and WTO launched a Policy Hackathon in June 2020 to gather inputs for the development of model provisions that could promote more trade cooperation and predictability in times of crisis and pandemic; and to support a rapid post-pandemic recovery. Public response to the initiative was very enthusiastic, with more than 134 individuals and 45 teams responding to the call for participation. The Policy Hackathon lasted 45 days and enabled all interested trade negotiators and experts form academia, think tanks, international organizations, and civil society to contribute written outputs in the form of policy briefs, research papers or team reports.

Many participants submitted interesting and innovative contributions covering a diverse range of topics. As shown in Figure 1, most contributions focused on Import/Export restrictions and

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1 Version dated 15 September 2020. Prepared by Danijel Bajt and Yann Duval, Consultant and Chief, Trade Policy and Facilitation Section, Trade, Investment and Innovation Division, United Nations ESCAP, respectively. Any views expressed are their own and do not necessarily reflect those of the United Nations or that of any other organizations involved in the Policy Hackathon. Errors and omissions are the responsibilities of the authors. Simon Hardy provided useful editorial comments.
access to Essential goods in times of crisis and pandemic. Many also discussed how trade agreements could help build back better to make the recovery more inclusive and sustainable. Others were more narrowly focused and dealt with specific issues and provisions in RTAs, such as Trade facilitation, Digitalization and e-Commerce, Government procurement, Exemptions and Emergency clauses, Subsidies and Competition policies. A few participants also covered gender and other specific issues to make RTAs more inclusive post-pandemic. Several participants also focused on a specific region or group of countries, such as Least Developed or Developing countries. Several teams submitted full reports with chapters covering very different issues and sectors. This brief provides a brief overview of contributions submitted, recognizing the difficulty and limitations associated with bringing together such a very diverse set of contributions.

**Figure 1: Focus of Policy Hackathon contributions**
(Number of contributions)

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**Import/Export restrictions and Essential goods**

The topics that have received the most of attention from participants are Import/Export restrictions and Essential goods. Many participants have analyzed the measures put in place by a country or group of countries, focused on a specific type of product or essential good and proposed recommendations and model provisions in order to provide better guidance for policy makers and trade negotiator for emergency situations. Personal Protective Equipment (PPE) has been identified as critical and essential good and in need of further liberalization and trade facilitation by a research paper. The paper proposes a **model provision for future trade agreements based on conformity assessments and non-discrimination of supplier or manufacturer of essential goods.** A related research paper focuses on medical products in general and on the need of ensuring the smooth flow of these products through borders in times of emergency. The paper identifies various import restrictions, such as tariffs, technical barriers and administrative procedures, which impede or delay the import of essential medical supplies and proposes **measures to eliminate import restrictions and facilitate the import of essential medical supplies for future medical crises.** Strengthening international regulatory cooperation for medical supplies has been the theme of another team report. The report at first presents an

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5 Jiangyuan Fu, Joseph A McMahon, Huidan Xue, More Restriction or Facilitation on PPE amid COVID-19: Limitations and Options of International Trade Law (46)

6 Xiaowen Tan and Lei Zhang, Import restrictions: the roadblock to sufficient essential medical supplies (27)
assessment of existing RTAs and best practices to identify provisions that can help enhance cooperation on technical regulations and subsequently drafts a set of detailed recommendations and actual model provisions for enhanced regulatory cooperation, specifically in the field of medical products.\textsuperscript{7}

More on essential goods, provisions for trade in food in RTAs, with a focus on the African context, have been reviewed by a policy brief, suggesting that food trade systems are in need of changes and therefore the African Continental Free Trade Area (AfCFTA) could represent a good testing ground.\textsuperscript{8} Another team report has similarly analysed food supply chains and trade policies in order to minimize the impact of present and future crises but in a different regional context, the MERCOSUR.\textsuperscript{9} A specific aspect of trade in food, trade of fish and fish products in trade agreements has been taken into consideration by a team report. The report identifies good practices and elaborates a series of recommendations, from setting up criteria for restrictive measures under uncertainty, adopting more flexible dispute resolution mechanisms, enhancing cooperation in live animal-related trade negotiations, to capacity building with actual measures taken to transform wholesale market for raw fish in order to improve food safety.\textsuperscript{10}

**Digitalization and e-Commerce**

Digitalization and e-Commerce are areas that have received substantial consideration as well. Trade and blockchain are the theme of a team report which proposes the use of blockchain technology in order to improve and facilitate international trade through the establishment of a global platform, providing for more transparent and traceable supply chains, automation in logistics and the use of smart contracts.\textsuperscript{11} Artificial Intelligence (AI), has been discussed in a policy brief about its potential for health services related trade. The brief underlines the necessity for governments to address a series of challenges linked to AI such as quality and management of the large volumes of data necessary for AI to properly work, the functioning of AI systems and the lack of international technical standards on AI-enabled services, as well as computing power underlying the use of AI.\textsuperscript{12} E-trade as a solution for better supply chain management in times of crisis and pandemic: recommendations for negotiation and capacity building (20)

\textsuperscript{7} Divya Prabhakar, Seul Lee, Mingcong Li, Chi-Le Ngo, *Strengthening International Regulatory Cooperation for Medical Supplies in Times of Medical Emergencies* (142)
\textsuperscript{8} Chiedza L. Muchopa, *Improving Africa’s crisis and pandemic responses through provisions in regional trade agreements – does a “crisis/pandemic lens” matter for trade in food?* (30)
\textsuperscript{9} Umberto Celli Junior, Gabriel Loretto Lochagin, Bernardo Farias Ribeiro de Dios Coelho, Carolina Christofoletti, Davi Ferreira Veronese, Deborah Priscilla Santos de Novaes, Mariane Gomes Delfini, Renata Guinato Benites, Saulo Simon Borges, Vinicius Dias Pereira, *The COVID-19 pandemic and food supply chains: an analysis of selected policies to minimize the impacts of present and future crisis on populations and markets in the MERCOSUR context* (148)
\textsuperscript{10} Yi Tang, Yanxuedan Zhang, Yuqiong Sun, Haoran Yang, Yu Zhang, *Provisions for trade of fish and fish products in trade agreements in times of crisis and pandemic: recommendations for negotiation and capacity building* (20)
\textsuperscript{11} Hala Nasr abouzid, Heba Nasr abouzid, *From Covid-19 Pandemic to A Global Platform Relies on Blockchain to Manage International Trade, Why Not?* (176)
\textsuperscript{12} Marta Soprana, *Leveraging ICT-enabled services for Trade in Times of Pandemic: the case of AI-enabled health services* (144)
resilience is proposed by a policy brief, underlining the importance of a link between the World Health Organization (WHO) pandemic phases and trade related actions and measures, in order to minimize trade disruptions. The link between digitalization and economic growth are the core elements of a research paper which outlines a possible architecture for a digital trade agreement at the multilateral level giving actual policy recommendations. E-Commerce as an opportunity for recovery from a global crisis is the main topic of a team report which presents a case study and analysis of the EU-MERCOSUR Free Trade Agreement and its provisions on e-Commerce. Remote hearings for virtual dispute settlement has been introduced by a research paper, arguing the need to add virtual hearing provisions in RTAs in order to accommodate situations when when physical hearing are practically impossible. Further, the paper considers the specific challenges and circumstances that may arise in relation to remote hearings for dispute settlement in crisis periods for different categories of developed, developing and least developed countries.

Trade facilitation and transparency

Trade facilitation and transparency feature in many contributions as part of broader topics. However, a few contributions focus primarily on trade facilitation, often tied with trade digitalization. One policy brief focuses on the link between trade facilitation and sustainability, underlining their importance with a regional focus on the Economic Community of West African States (ECOWAS). The brief reviews the ECOWAS Treaty of 1993 and sheds light on the lack of response mechanisms to address crises such as the current pandemic. Focusing on another African subregion, the East African Community (EAC), a team report delves into the weak points of the Community and drafts a series of recommendations and opportunities for enhanced cooperation among the EAC, many of them related to simplifying trade-related procedures and enhancing information sharing and transparency.

Another policy brief focuses on Rules of Origin and the lessons learned from COVID-19, giving actual recommendations for building back better such as taking agile steps for harmonization of E-certification of Origin on the regional level; Developing territorial requirements chapters to guarantee cooperation among transit and landlocked developing countries in times of crises; Lodging Simplified Trade Regimes (STR) in new Free Trade Agreements (FTA) and introducing further relaxation for origin and customs documentation in the established STRs, among

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13 Estefania Aguilar, E-Trade Age and Supply Chain Resiliency (40)
14 Radika Kumar, Jadhav Chakradhar, Neil Balchin, Unpacking the Possible Elements of a Future Digital Trade Agreement on Digitalization and Economic Growth: Insights from Panel Data Analysis (4)
16 Gbemisola Osadua, Conor Courtney, Andrea Morelli, Archana Mudali, Onosetalese Ogbebor, Dr. Martins Paparinskis, Guidelines on Remote Hearing for Dispute Settlement for Trade Agreements in Times of Crises (141)
17 Mba-Kalu, Ojo and Busari, Trade Facilitation and Sustainability in the ECOWAS Region in Crisis Time
Sustainable post-pandemic supply chain recovery through global data standards is the main theme of a team report, drafting a set of recommendations focusing on the use of open, global standards for product identification and data sharing, migration to completely electronic documents along the entire international trading process, and a commitment to emerging technologies like blockchain to enhance data capture, decision-making and information sharing.

Facilitation of Government procurement is the focus of one research paper, focusing on measures to improve transparency and cooperation in government procurement in times of crisis. The paper argues for the development and inclusion of Model ‘Crisis’ Procurement provisions in trade agreements and the leveraging of technological solutions like the Global COVID-19 Policy Response (GCPR) in order to improve government transparency and cooperation in times of crisis.

Competition policies and subsidies

Competition policies and subsidies have been examined more specifically by some participants. Treatment of subsidies and post-pandemic recovery through trade agreements has been analyzed by a research paper, which finds that the treatment of subsidies in different RTAs largely differ. The paper proposes a framework which involves the identification of products which countries deem necessary to protect in times of crisis or pandemic. Pursuant to this, countries are then eligible to provide domestic support to such agricultural products to achieve their policy objectives. WTO fisheries subsidies disciplines, a particular aspect of the general subsidies discipline, is the core topic of a policy brief. The brief focuses on the design of the disciplines specific to public health emergencies for WTO fisheries subsidies, including exceptions, across the three substantive areas addressed by the negotiators (overcapacity and overfishing; fishing overfished stocks; and Illegal, Unreported and Unregulated fishing) and makes both short-term and more strategic suggestions. The legality of China’s export rebate on animal products and policy implications for RTAs in times of pandemic is yet another relevant issue described by a team report. The main scope of the report is to review the challenges faced by China related to wildlife trade during COVID-19, focusing primarily on the legality of China’s rebate of animal products under the Subsidies and Countervailing Measures Agreement (SCM). The contribution includes recommendations for provisions to be considered in future wildlife

19 Sara Ashour, Lessons learned from Covid-19 Stress test: Filling the Gaps in Rules of Origin Provisions (49)
20 Patrik Jonasson, Elizabeth Board, Rosalie Clemens, Els van der Wilden, Jaco Voorspuij, Sustainable post-COVID-19 supply chain recovery through global data standards (113)
21 Anja Blaj, Alexa Anastasia Pantelidis, Ana Antunićević, Brenda Rocha, Brian Sanya Mondoh, Godfrey Ayeranga, Magda Theodote, Margaret Rose, Marina Markežič, Milligan Kwamboka Nyabuto, Farzad Fallah, Richard Smithers, Victor Muhoró Mugambi, Isaac Mpirwe, Measures to Improve Transparency and Cooperation in Government Procurement & Trade in Times of Crisis (100)
22 Sparsha Janardhan, “Treatment” of Subsidies in Times of Crisis: Reviving the Economy through Trade Agreements (110)
23 Leonila Guglya, The WTO fisheries subsidies disciplines: a search for a new balance between economic, environmental and social concerns during and in the aftermath of public health emergencies (151)
trade agreements during and after the COVID-19 crisis. Last on competition policies, a policy brief reviews the potential use of the EU emergency state aid policies as a model for future provisions in RTAs. The brief gives an overview of the EU state aid legal framework and of its emergency state aid framework as a response to COVID-19, proposing the concrete application of certain state aid emergency provisions in future RTA clauses.

Gender and RTAs

Gender and Regional Trade Agreements has received attention from several participants with very innovative and original ideas. Support for Women in Business through digitalization in the East African Community (EAC) is the theme of a policy brief explaining through a gender lens how RTAs can help boost women’s participation in business. Gender and COVID-19 are the subjects of another policy brief concentrating on textile exports in Turkey. The brief argues for a stronger gender lens in RTAs in order to better support women entrepreneurs, which have been heavily hit and economically damaged by the pandemic. Gender and the post-pandemic recovery has been the topic of a research paper, which looked into mainstreaming gender considerations in free trade agreements. The paper seeks to reiterate the role trade policymakers and negotiators can play in “building back an inclusive economy” in the post-COVID-19 world by connecting more women to the global economy, stating that “the health crisis presents a unique opportunity to explore how trade policies can contribute in this respect through existing and future free trade agreements”. The paper in the end proposes five actual policy recommendations: Craft a Gender-Explicit Exception, Cooperate on (or Commit to) Enhancing Women’s Access to Education, Cooperate on (or Commit to) Enhancing Women’s Access to Health, Include Minimum Legal Standards, Create Institutions, Procedures and Financing Channels to Ensure Implementation.

Building back better

Building back better and the post-pandemic recovery have been overarching topics of the Policy Hackathon. The contributions on Gender and RTAs mentioned earlier clearly aim at building back better. However, several contributions focus on other important aspects of facilitating an inclusive and sustainable recovery, including by ensuring better preparedness for the next crises. Facilitating a coordinated international response during future crises and emergencies is the

24 Lingli Zheng, Yuanyuan Huang, Huifang Men, Shihui Ding, Lingling Li, Yawen Zhang, Legality of China’s Export Rebate of Animal Products & Policy Implications for RTAs during COVID-19 (123)
25 Danijel Bajt, Competition law and regional trade agreements: EU emergency state aid policies as a model for future provisions in RTAs (178)
26 Caroline Gathii, Anne Gaitha, How the East Africa Community can support Women in Business through digitization of their businesses to facilitate more Cross border trade (98)
27 Noreen Burroughes Cesareo, Yolanda Gibb, Nicole Pitter Patterson, Seza Aydin Onur, Sanaz Javadi Farahzadi, Inés Maria Oeo Chacón, Fatemeh Hosseingholiluo, Siti Rubiah Lambert, A Gender Lens on the COVID-19 Impacts on Textiles Exports in Turkey (82)
28 Amrita Bahri, Mainstreaming Gender Considerations in Free Trade Agreements: “Building Back Better” in Post-COVID-19 World (92)
topic of a policy brief, proposing **treaty provisions in order to encourage countries to collaborate and cooperate in times of crisis.** The brief proposes a practical framework with an illustrative list of areas for cooperation both to respond to a crisis situation and to ensure preparedness for future crises, in a manner consistent with the 2030 Agenda and the Sustainable Development Goals. ²⁹

Another brief proposes the **inclusion of a Crisis Response Chapter in future RTAs to capture what has been learned through the COVID-19 crisis** and help make food supply and trade more resilient in a crisis situation. Furthermore, many of these measures could also be applied in non-crisis times to help ensure the efficient flow of food trade to support improved global food security. ³⁰ Building back better and healthier is the topic of another policy brief, which **links occupational safety and health (OSH) in trade agreements** to a better and healthier post-pandemic recovery. ³¹

Several contributions provide a regional lens for the impact of the COVID-19 crisis in LDCs and developing countries in order to build back better. South East Asia and its trade related measures during COVID-19 have been the focus of a team report which analyses measures related to export restrictions and reduction of import tariffs with actual **suggestions on how to mitigate the effects of the crisis on trade.** ³² African LDCs are the focus of a policy brief, which presents the impact of COVID-19 on this specific group of countries and the need of more cooperation between them through trade agreements. **The African Continental Free Trade Agreement (AfCFTA) is proposed as a framework which could provide an opportunity to promote resilient regional trade relations through construction of disaster-proof supply chains of essential, and non-essential goods and services.** ³³ Developing countries and the East African Region are the basis of another research paper which **promotes economic recovery for the region through the full implementation of the WTO Trade Facilitation Agreement (TFA).** ³⁴

One research paper focuses on the need to better address the misuse of **Exceptions** and more specifically **security exceptions** in trade agreements. The paper underlines that the pandemic showed that there are no specific provisions designed to guide a coherent international response to address new global threats to security, such as large-scale natural disasters, pandemics, or even human-made crises. Further, the old security-emergency provisions, such as GATT Art. XXI(b)(iii), are ill-suited to deal with the widening and deepening of security, both in regular times

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²⁹ Tracey Epps, Danae Wheeler, Georgia Whelan, *Facilitating a Coordinated International Response in Times of Crisis* (103)
³⁰ Sarah Paterson, *Strengthening the adaptability and resilience of the global food system to maintain food security in times of crisis and support economic recovery in the context of the COVID19 Pandemic* (105)
³¹ Richard Jones, Ivan Williams Jimenez, Marijana Zivkovic Mtegha, *Revitalising 2.0: building back better and healthier* (135)
³⁴ Olubandwa Njeri Beryl, *Enhancing Trade in Developing Countries to Promote Fast and Efficient Recovery from COVID-19: a Case of the East African Region* (96)
as well as during emergencies. Therefore, the research paper proposes a general framework to reform Art. XXI and make it suitable for the current international security environment.  

**Comprehensive team contributions**

In the end, it is important to mention that several contributions are large and extensive and cannot be easily categorized according to a specific topic or issues. These book-length contributions often touched upon a wide range of different issues, with recommendations related to many different chapters or provisions in RTAs, focusing on addressing negative impacts on trade both during and after the pandemic. For example, a team report, written from the perspective of Singapore’s engagement in trade agreements, is composed of seven chapters covering issues ranging from exceptions in emergencies, transparency and intellectual property, to free movement of people and investment. Another team report looks into and develop recommendations related to supply chain management, competition, workplace safety standards, digitalization and resilience through RTAs. While the depth and quality of specific chapters may vary, these contributions usually provide useful food for thought for developing packages of provisions addressing a wider range of issues.

One of the most comprehensive team report is a collection of policy briefs proposing practical responses to pandemics through case studies of agri-food trade in the EU, Asia-Pacific and American regions. Re-conceptualizing free trade agreements through a sustainable development lens is yet the main theme of another team report which analyzes key areas under trade agreements for sustainable development such as investment law, intellectual property, trade facilitation, small and medium-sized enterprises and circular economy. Last, a team report looked into the development of provisions that could be included in the Pacific Alliance Additional Protocol to guide national trade policymaking in times of crisis and pandemic. The report focuses on the role of the digital economy during the pandemic as well as COVID-19’s impact on women’s economic empowerment and proposes model chapters and provisions on digital trade and trade and gender, respectively.

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35 Nadia Garcia-Santaolalla, A Proposal to Reform “Security-Emergency” Exceptions in Trade (57)
36 Dhiraj G Chainani, Chew Siu Farn, Claudia Dalmau Gomez, Dou Han, Guo Ziyong, Jamie Loh, Kueh Jinyan Justin, Tay Yan Chong, Leslie, COVID-19 & the Little Red Dot – Important Lessons for Trade in Times of Global Pandemics based on Singapore’s Experience (175)
37 David Wynne, Dan Ciuriak, Anton Malkin, Derek Ireland, Guy Stanley, Craig Wilson, Resilience Under Crisis: Proposals and Considerations for Regional and Other Trade Agreements (42)
38 Steven Clarke, Sebastian Cortes-Sanchez, Hannah Anderson, Alice Yi, Eddi Cai, Ky-Anh Le, Froland Tajale, Ioannis Georgopoulos, Chau Cao, Practical Responses to Pandemics: Evidence and recommendations from case studies of agri-food trade in the EU, Asia-Pacific and American regions during Covid-19 (108)
39 Katrin Kuhlmann, Tara Francis, Indulekha Thomas, Malou Le Graet, Mushfiqur Rahman, Fabiola Madrigal, Maya Cohen, Ata Nalbantoglu, Re-conceptualizing Free Trade Agreements Through a Sustainable Development Lens (145)
Concluding remarks

The Policy Hackathon has clearly shown that the current trading system is lacking instruments to effectively manage unprecedented events such as the current COVID-19 pandemic. This brief was a necessarily imperfect attempt at summarizing the very rich and diverse written submissions by the hundreds of participants in the Policy Hackathon for Trade in Times of Crisis and Pandemic in Regional and other Trade Agreements – who voluntarily and very generously contributed their time and efforts in preparing them. **While the contributions represent work in progress, they together provide a useful and inclusive basis for trade policymakers and negotiators to think of new and better ways to design international agreements that can be more effective at minimizing trade disruptions in times of crisis and pandemic, and to ensure a more inclusive, sustainable and speedy recovery.** You are encouraged to visit the Online Repository of contributions to the Policy Hackathon to read them in full, accessible at:

https://www.unescap.org/resources/online-repository-contributions-policy-hackathon-model-provisions-trade-times-crisis-and