Fighting Pandemics and Crises With Policy Recommendations: A Youth Negotiated Proposal

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Highlights

Youth leaders across the G7 and EU have come together to make policy recommendations to global leaders, and propose a multilateral effort in response to the COVID-19 pandemic. This policy review ensures stronger institutions and frameworks to combat the economic, health and societal effects of this pandemic on institutions and communities globally. COVID-19 is a wake-up call to all policymakers and practitioners of international affairs, in that we now see the pressing issues we must address with clarity, and renewed determination. Inclusion of marginalized communities and demographics, including youth, women and girls, racialized communities, and SME’s must be the foundations of the multilateral path moving forward. After consultations with hundreds of young people across the G7 + EU, representing 32 countries, we have come together to provide an overview of issues and policy directives that matter to youth. These initiatives take into account the need for actions taken by all members of the international community to be in the spirit of solidarity, in the promotion of human dignity and inclusion, and to bridge the gap between supporting economies and prioritizing human life.

This policy brief aims to outline four vital areas that should be addressed in earnest to safeguard our collective future. After negotiations at the 2020 Y7 summit, youth leaders have identified areas that aim to strengthen developed and developing nations ties in the spirit of cooperation and to create an international economic and trade environment that is inclusive, resilient, and consistent. First, nations should aim to lift tariffs and export bans on medical supplies, including pharmaceuticals and PPE, as well as support partners via a “tariff-and-aid” initiative. Second, we call on leaders to support the cancellation of developing countries’ debt repayments for at least one year, and further develop financial instruments and grants to help struggling economies respond to the adverse economic shocks they face. Third, youth recognize the importance of multilateralism as the only way we can hope to combat this pandemic in as inclusive a manner as possible. To that end, we call on leaders to strengthen the operational capabilities of major multilateral institutions through the implementation of financial support, and the expansion of multilateral efforts. Fourth, in this new international environment, it is clear that “getting back to normal” is not an option, not only in terms of economic systems but also in how we interact with the environment. Necessary steps must be taken to ensure that in every new initiative, be it a multilateral instrument, trade agreement, or capacity building project, we take environmental impacts into account. Finally, when a vaccine or effective therapy becomes available, we must declare these products a Global Public Good. There must be collaboration across the public and private sectors to ensure that the current system of delivery and global movement of goods runs with efficiency and speed.

These actions are vital to a more inclusive and sustainable road map for the future, and cover issues important to the next generation of leaders, and inheritors of the institutions and governments we rely on today to respond to this pandemic. The following policies and recommendations, when taken together, have the potential to impact and uplift economies and communities around the world. Without focusing on one region in particular, this policy review identifies best practices, and useful frameworks to bring together economic leaders and struggling economies, in a multilateral, unbiased and joint effort to address pressing global issues. Youth have come out overwhelmingly in support of joint solutions to global problems.
I. LIFT TARIFFS AND EXPORT BANS ON MEDICAL SUPPLIES AND SHOW SOLIDARITY VIA A “TARIFF-AND-AID” INITIATIVE

According to “Aid for Trade at a Glance 2019” by the OECD and WTO: ‘Aid for Trade’ initiatives are vital building blocks to economic diversification, which “offers a pathway for empowerment while empowering women, youth and, small and medium-sized enterprises to engage in trade.” These initiatives ensure that the hardest hit demographics are not left behind. Developing nations must be apart of the post-COVID-19 international trade environment, and in building capacity today, donors and recipients will be investing in a more resilient trading environment tomorrow. In 2016, the 6th global review of ‘Aid for Trade’ focused on promoting trade, inclusiveness and sustainable development. These foundations should be looked to as tools to be used in the rebuilding process of the international economic system. According to the WTO, Asian developing countries will grow only 0.1% this year, while African Nations run the risk of losing the gains of past development projects and initiatives. The OAS and IICA also have raised concerns about the impact of slow trade in the Americas, stating that economic “reactivation” will only be possible with minimized trade barriers and multilateral effort.

Why is “Aid for Trade” essential to include in the recovery process?

‘Aid for trade’ is beneficial because it main streams and prioritizes trade, enhances trade-related projects and programmes, increases capacity to trade, results in reduced poverty, uplifts marginalized demographics, and increases revenue for development within struggling economies. With the pandemic adversely affecting every economy on the planet, reducing barriers to trade is essential to keeping economies afloat, “Many of them face a range of supply-side and trade-related infrastructure obstacles which constrains their ability to engage in international trade… it aims to support developing countries’ access to markets by helping countries to articulate, communicate and mainstream their trade-related objectives and for donors to align with these.”

Lifting Tariffs and Export Bans, Real-World Solutions:

While nations grapple with capacity-building efforts to ensure self-reliance on the manufacturing and distribution of PPE, it is important to note that not all countries have the ability to mobilize related schemes quickly. To ensure that there is consistent and unfettered trade of PPE, countries must provide tariff relief to importers on medical goods, especially in the context of the COVID-19 pandemic. There is a need for implementing these measures immediately and with ease during possible future pandemics. These actions should complement governments’ ongoing efforts to increase domestic PPE production. They should be implemented

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without a predetermined end date to ensure there is no confusion or volatility in the trade and distribution of these vital materials. According to the Global Trade Alert team, amid the acceleration of the pandemic: 24 countries still have or had just introduced export limitations to medical supplies; 89 countries levied taxes on imported medical devices, 63 on imported medicines, 100 on imported disinfectant, and 141 on imported soap.4

Actions like the ones outlined above are still in effect around the world and highlight the importance of lifting these measures to ensure health systems, SME’s, and marginalized communities can operate and contribute at higher levels. There are numerous examples around the world of import tariffs being implemented, but still not a universal practice, vital to the consistency needed across borders to jointly tackle the effects of the virus. The Global Trade Alert Team (2020) estimates this joint commitment to cost about $100bn, a small share of the unprecedented fiscal and monetary packages recently announced by G7 countries5. This “tariff-and-aid initiative” entails:

- A worldwide cancellation of taxes on all imported medical supplies and soap, whose revenue loss is estimated at between $4.5bn and $9bn per year;6
- Compensation to developing countries outside the G20 for the revenue losses resulting from cancelling their tariffs, estimated at less than $2bn per year.7
- Lowering trade barriers does not imply just reducing tariffs, but also quotas, subsidies to local producers, technical barriers to trade (TBTs), excessive compliance costs, sanitary and phytosanitary (SPS) measures and other non-tariff measures (NTMs).

As of May 6th, 2020, Canada has lifted the import duties on several items, including PPE, testing kits, and sanitizer; these measures allow SME’s and other public institutions to get back to work safely while still inline with public safety measures and guidance. The investment made by the government to support the import of PPE is a program easily replicated across developing countries through the use of specialized World Bank - COVID Trust Funds. Countries seeing success with these efforts should set up capacity building frameworks to help implement these initiatives across the developing world.

Existing programmes and frameworks in place to support related initiatives:

As of April 7th, 2020, the World Bank, in partnership with the government of Japan, launched the “Multi-donor Trust Fund to Help Countries Prepare for Disease Outbreaks.” In the context of recovery and trade, the investments needed to ensure that there is still liquidity in national accounts while providing relief for importers will be vital to ensuring that developing nations can implement policy to stay in step with the rest of the world. The fund will “Provide incentives to IDA-eligible countries to increase investments in preparedness, for example, by offering co-financing grants that encourage the use of their IDA allocations for better health

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4 Global Trade Alert, “Tackling Coronavirus The Trade Policy Dimension” (University of St. Gallen, Switzerland) p. 2-5.
5 Evenett, Simon J. “Tackling Coronavirus Together” (Prepared by the Global Trade Alert team University of St. Gallen, Switzerland) p. 9.
7 Evenett, Simon J. “Tackling Coronavirus Together” (Prepared by the Global Trade Alert team University of St. Gallen, Switzerland) p. 9.
emergency prevention, detection and response.”8 We encourage developing nations to take this aid in support of the import relief measures needed. These investments should also consider the inclusion of offsetting or for going tariff revenue during, and for a period of time, after the pandemic.

II. SUPPORT THE CANCELLATION OF DEVELOPING COUNTRIES’ DEBT REPAYMENTS FOR AT LEAST ONE YEAR, AND FURTHER DEVELOP FINANCIAL INSTRUMENTS TO HELP THEM RESPOND TO THE NEGATIVE ECONOMIC SHOCK

Debt relief for the world’s poorest, highlighting the need to do more:

Supporting the cancellation of debt repayments of developing countries for at least one year will provide the liquidity in national accounts needed to support robust institutions in health and trade to combat the effects of the pandemic. Leaders should also further develop financial instruments to help the most economically underdeveloped respond to the negative economic shock while not reducing ODA. According to the ONE Campaign, 64 countries around the world, approximately half in Africa, spend more on national debt than they do supporting health initiatives in their own countries.9 As of April 13th, 2020, the IMF has extended debt relief measures to 25 nations under the Catastrophe Containment and Relief Trust (CCRT). According to the IMF, “The CCRT can currently provide about US$500 million in grant-based debt service relief, including the recent US$185 million pledge by the U.K. and US$100 million provided by Japan as immediately available resources. Others, including China and the Netherlands, are also stepping forward with important contributions.” This measure, however, does not address the widespread need for nations that do not fall under the CCRT rules. The need to widen the number of recipients is clear. Small island nations, SAHEL region countries, and countries facing the devastating impacts of war and conflict must be added to the list due to the pre-existing struggles faced by these regions in the space of war, conflict and climate emergencies.

The G20 has also implemented its own relief programme to assist the most vulnerable nations during the pandemic. These initiatives, and many more like them, allow developing nations to prioritize the health of their citizens and focus on opening markets and trade capacity. “The countries with the fewest resources need a massive injection of cash to help them respond. Debt relief is not about charity — it’s about solidarity and smart solutions.”. The ONE Campaign estimates the 77 poorest countries in the world were initially set to spend USD 48 billion on serving debt payments. Initiatives like the G20 and IMF account for a large portion of that, but not all of it. There should be coordination across the public and private sectors to ensure that that the most vulnerable countries can focus on resilience and getting their economies on track. PPP’s are not only essential to helping address debt relief but can also have significant positive impacts on the implementation of sustainable policy as developing nations rebuild.

Public-Private Partnerships in the context of debt relief and sustainable development:

The value of joint solutions applies to all aspects of development: to cope with its challenges, public-private partnerships (PPPs) are, in fact, key. The UN Global Compact estimates that the financing gap to meet the SDGs amounts to $2.5 trillion annually, a number in line with IMF, UNCTAD and WB estimates\(^\text{10}\). This is unsurmountable for governments alone, particularly in developing countries, even if helped by multilateral organizations and ODA. Here PPPs can be a solution. Businesses worldwide appreciate not just the urgency of solving the environmental and social challenges, but also the profitability of doing so. They can implement large-scale projects with the government’s support and likely obtain long-term remuneration. Conversely, governments can ensure higher quality and timely service provision and increase access to capital, while classifying some assets off-balance sheet and sharing risks. A PPP project’s implementation can also enjoy the private sector’s expertise, efficiency and strive for innovation.

There are also significant challenges to PPP implementation. A crucial aspect is that the private sector may be reluctant to be transferred most of the risks associated with the PPP project. As several stakeholders are involved, there may also be issues of poor coordination and unclear regulatory frameworks. However, several potential solutions exist to these issues. Incentives, guarantees and a sound risk-sharing scheme should be put in place in advance. Similarly, a clear roles division, the identification of a common coordinator and an appropriate regulatory framework will increase the interest of all parties in creating the partnership. To gradually gain experience with PPP implementation, a start from small-scale projects, particularly for countries with little experience, and cooperation with international organizations, should be the first step taken.

III. STRENGTHEN THE OPERATIONAL CAPABILITIES OF MAJOR MULTILATERAL INSTITUTIONS THROUGH THE IMPLEMENTATION, FINANCIAL SUPPORT, AND EXPANSION OF MULTILATERAL EFFORTS

Youth across the G7 + EU have come out in overwhelming support of multilateralism and the systems and institutions we have in place today. The following initiatives should be implemented together for the most holistic response possible. With this in mind, Y7 leaders have identified three major initiatives to be upscaled and supported in our efforts to recover from COVID-19. We must strengthen the operational capabilities of the WHO and UN system, through member states’ budgetary commitments and expansion of multilateral efforts, to fight against pandemics including:

(i) The WHO’s Strategic Preparedness and Response Plan\(^\text{11}\):


With the United States pulling out of the WHO, and some international actors attempting to scapegoat multilateral institutions, it is essential that we band together in the spirit of solidarity and take advantage of the strong institutions we have in place today. As of April 14th, 2020, the WHO has released a response plan that outlines the public health measures member states are ready to provide to prepare for and respond to COVID-19. These measures include:

- International coordination to deliver technical and operational support through existing mechanisms and partnerships. Coordination at the Global, Regional and Country levels.
- Scaling-up country preparedness and response operations.
- Ramping up research, and supporting the equitable development and distribution of therapeutics, vaccines, and diagnostics.

(ii) The UN COVID-19 Global Humanitarian Response Plan12:
The United Nations has outlined three strategic priorities to help combat the virus. These priorities will foster an environment where countries can focus on economic factors and safely open borders and economies to trade.

- Contain the spread of COVID-19 - decrease death rates.
- Decrease the “deterioration” of human assets, social cohesion, and livelihoods
- Protect and assist vulnerable populations - including refugee populations, migrants, and internally displaced peoples.

(iii) Expanding upon the G7 Ise-Shima Vision for Global Health13:
In 2016, the Japanese G7 presidency put forward a plan to commit G7 nations to take concrete actions for advancing global health. The initiatives outlined in the G7 Ise-Shima Vision for Global Health provide an easily scalable framework for responsible, multilateral responses to pandemics like COVID-19. The framework offers provisions for coordination, funding mechanisms, and accounts for vulnerable populations such as women and children. It also establishes the need for consistent use of data in making future plans. The most relevant sections, 1.1 - 1.4, should be applied in earnest:

- 1.1 WHO Reform for outbreaks and public health emergencies
- 1.2 Funding mechanism to ensure prompt actions in public health emergencies
- 1.3 Coordination arrangements on global public health emergencies
- 1.4 Strengthening of prevention and preparedness against public health emergencies

IV. CLIMATE ACTION AND TRADE: THE POST COVID-19 INTERNATIONAL ENVIRONMENT, A MOMENT TO REEVALUATE CURRENT ENVIRONMENTAL IMPACTS.

Existing proposals to consider, R2P2 Climate Security Governance Framework:

Countries must be held more accountable for the global carbon emissions that are an indirect result of their domestic demand for products manufactured elsewhere. There must be

industry-wide standards that ensure companies report on/publish their efforts to reduce carbon emissions to a minimum. In the aftermath of the COVID-19 crisis, there must be a balance between efforts to boost the global economy to pre-crisis levels and keeping emission rates low. Generally, a drive toward stimulating the economy would have negative externalities; however, it must be acknowledged that this will do more harm than good in the long run, so there must be a balance struck.

According to the Center for Climate and Security, in their 2019 report “The Responsibility to Prepare and Prevent”: “The difference between today and major global disruptions of the past is that though the risks are unprecedented, our foresight is unprecedented as well.”\(^{14}\) Outlining three major gaps in global climate governance: The Right Information, The Right People, The Right Time, coupled with three primary principles to establish the “R2P2 Climate Security Governance Framework”: Assessment & Anticipation, Elevation & Translation, Coordination & Alignment, all provide the foundations to a concerted effort to reduce climate risks, and offer a concise road map for the climate-related COVID-19 recovery.\(^{15}\)

**Youth Call to Action: COVID-19 and the Environment\(^{16}\)**

Youth across the G7 + EU call on world leaders to protect and support the multilateral institutions and systems we have in place today. To ensure transparency in the global trade system in light of the considerable costs and frictions associated with the increasing number of bilateral trade agreements, we call on world leaders to take more ambitious multilateral actions, working with the World Trade Organisation, by:

- Mandating Sustainable Impact Assessments carried out by an independent body for all parties concerned in trade negotiations to assess all impacts of trade agreements;
- Urging the WTO to agree upon binding definitions of “developed” and “developing” countries within their framework to assure that assistance and exemptions from regulations reach appropriate recipients;
  - The WTO must also review its rules surrounding “Special and differential treatment provisions” to ensure that these are being applied to the countries most in need first.
- Strengthening the role of the WTO as an advocate for the environment through initiating new regulations that also take into account the economic needs of developing nations and disadvantaged societal groups.
- We urge all leaders to implement guidelines for mandatory impact assessments before and during trade negotiations to assess the sustainability impacts of trade agreements. Impact assessments must be compulsory for all parties concerned in trade negotiations and should be carried out by an independent body.

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Commit to embedding environmental provisions as binding elements of all bilateral and multilateral trade agreements.

- Strengthen clauses that comprise environmental provisions in trade agreements by making them subject to enforceable sanctions.
- Eliminate clauses from the trade agreements that undermine the compliance with the SDGs and the Paris Agreement to limit global warming.

**Conclusion & Recap**

Youth leaders across the G7 and EU have come together to make policy recommendations to global leaders and propose a multilateral effort in response to the COVID-19 pandemic. The initiatives covered ensure stronger institutions and frameworks, to combat the economic, health, and societal effects of this pandemic on global systems. Policymakers and world leaders must implement several of the tools and initiatives mentioned, to ensure that the global response to the pandemic is inclusive, and is holistic in its approach to the different institutions, and systems affected by COVID-19. Dozens of governments have imposed new trade restrictions since the beginning of 2020, most notably export bans on medical supplies such as medical ventilators, masks, protective gear, soap, disinfectants and medicines. We call world leaders to ensure that, especially in these challenging times, international cooperation is fostered, and trade barriers are lowered, not raised. Free and sustainable trade and coherent trade policies are crucial to sustaining every country’s response to the pandemic, noting that even countries with more substantial trade balances could not support a trade war at this time.

This holds not just for medical equipment or other essential goods (e.g. food supplies), but also for trade in all other sectors, including services: trade distortions introduced in times of crisis reduce, not enhance, competitiveness and often persist well after its end. Lowering trade barriers does not imply just reducing tariffs, but also quotas, subsidies to local producers, technical barriers to trade (TBTs), excessive compliance costs, sanitary and phytosanitary (SPS) measures and other non-tariff measures (NTMs). Trade restrictions will affect particularly developing countries, where billions of people depend on international trade to source medical and other supplies. We call world leaders to devote particular attention to the impact of COVID-19 on developing countries and show solidarity by lifting tariffs, quotas and other NTMs on imported medical supplies for at least one year. Youth demand a more comprehensive redistribution of the gains from trade, by prioritizing equity concerns in the coming decades. It is not under question that international trade is a positive-sum game, but rather that its benefits have not been shared between and within countries. Inequalities have been increasing since the late 1980s and sharpened during crises.

As we all grapple with the effects of the pandemic, implementing country-level policy to safeguard institutions and vulnerable communities, we must recognize that not every nation has the ability to furnish its populations with large bailout packages and financial aid as countries like Canada, and regions like the EU. To that end, debt relief is a crucial component to fighting the economic impacts of COVID-19. Developing countries must be able to focus the entirety of their efforts to the pandemic in the coming months as waves of COVID-19 ultimately spread. Without a vaccine or therapy available, all countries, developed and developing, must invest in robust and resilient health care systems, provide support to SME’s, and ensure that vulnerable populations are not forgotten. Women, refugees, youth, and the elderly will require specialized...
attention. So the practical step of removing the cost and resources needed to service debt will free significant resources for developing nations.

Many of the world’s most significant periods of upheaval and disruption have prompted nations to band together to find common ground and mutually beneficial solutions. The multilateral system consisting of institutions like the WHO, WTO, OECD, WB, IMF, and larger UN system are the foundations to a more inclusive future. Youth support these institutions and the work currently undertaken to combat COVID-19. The WHO’s Strategic Preparedness and Response Plan, The UN COVID-19 Global Humanitarian Response Plan, and the expansion of the G7 Ise-Shima Vision for Global Health, if implemented together, have the potential to create a global response that includes every international actor, no matter their level of development. There is room for developed nations to reach out to their developing partners. The frameworks mentioned above facilitate the joint efforts needed to address the impacts on the international economic and trade systems.

With nations coming together to review the possible frameworks and initiatives needed to safeguard the future, we must incorporate with all due diligence, sustainable processes and outcomes to the chosen path moving forward. Youth will inherit systems and frameworks implemented to combat COVID-19 but will face even greater challenges down the road if the actions taken are not sustainable and account for the impacts on the environment. We face an immediate problem in the pandemic and the recovery process to come. Still, we must not forget that we are in the run-up to the final decade of the 2030 agenda, the Paris Climate Accord still has many initiatives not yet started or supported, and the climate crisis is still nowhere near solved. We must do our part, even in times of crisis, to ensure that we contribute to a more sustainable future.

What makes this paper unique?

The policies, programmes, and initiatives highlighted are a direct result of months of debate and consultation with youth across the G7 + EU. As Youth 7 delegates to the Global Trade and Connectivity working group, the policies and directives within this paper represent the issues most important to youth across 32 countries. Matters of inclusion, multilateralism, sustainability and environmental impacts are all addressed in some shape or form. We call on policymakers and world leaders to implement multiple schemes and programmes to ensure that the response to COVID-19 is holistic and inclusive. We recognize that the list above is not exhaustive; rather, we believe that implemented together, they represent a robust and wide-reaching roadmap to recovery and a new normal. The policies, programmes, and initiatives highlighted have been presented as solutions to the pandemic to G7 + EU leaders. Now, we hope to have youth included in the broader discussion surrounding the recovery from COVID-19, working with our partners around the world.

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