

Trade in Times of Crisis and Regional Trade Agreements: Way Forward

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Initiative on Model Provisions for Trade in Times of Crisis and Pandemic in Regional and other Trade Agreements (IMP)

Background:

- COVID-19 outbreak and its effects on trade
- Numerous ad-hoc measures taken by countries in response to COVID-19
- Gaps in the existing trade agreements

Objective:

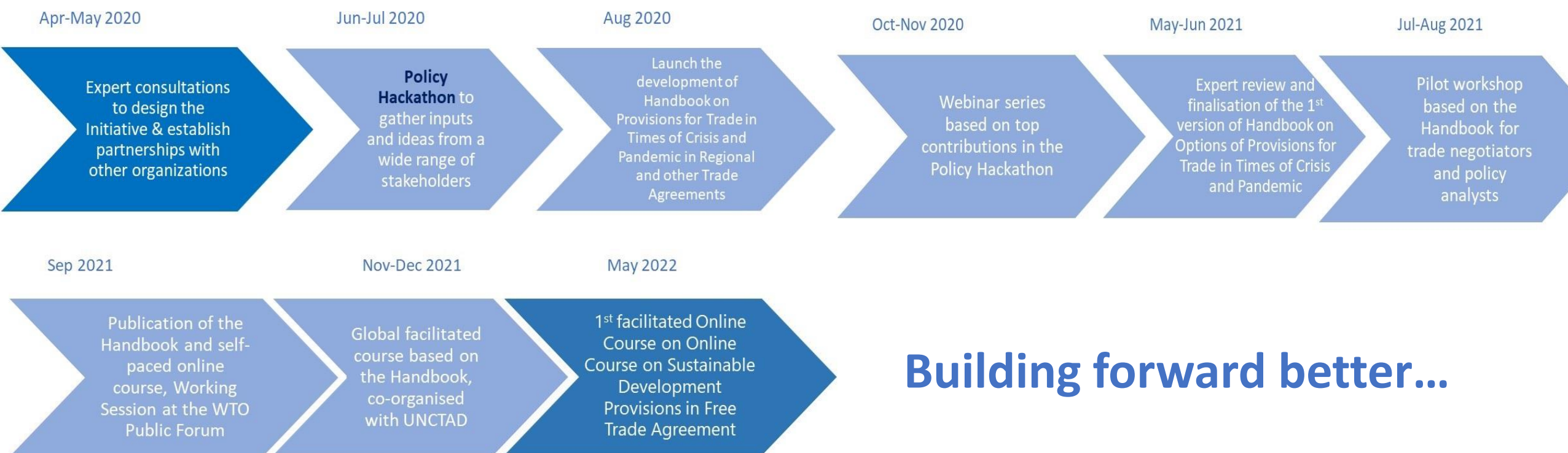
Through developing model provisions that can be used to improve trade agreements in promoting coordination and cooperation, so as to enhance resilience and predictability for trade in times of crisis and pandemic.



Initiative on Model Provisions for Trade in Times of Crisis and Pandemic in Regional and other Trade Agreements (IMP)

Initiative Timeline

Initiative on Model Provisions for Trade in Times of Crises and Pandemic in Regional and other Trade Agreements



Building forward better...

Initiative on Model Provisions for Trade in Times of Crisis and Pandemic in Regional and other Trade Agreements (IMP)

Key achievements under the IMP:

- *Policy Hackathon*

- Call for global brainstorm, 70 final contributions from scholars, governments, international organizations, private sectors over the world were submitted, which are published through an [online repository](#).

- *Handbook on Provisions and Options for Trade in Times of Crisis and Pandemic*

- Integrating ideas collected from the Policy Hackathon, providing a range of options for provisions with explanation, which can be used in future trade agreements to provide guidance for trade in times of pandemic and crisis.

- *Facilitated online courses on negotiating RTAs for trade in times of crisis and pandemic*

- Based on the Handbook, a set of course materials were developed including readings, video modules and quizzes. Live sessions were organized for further discussion with invited experts. Over 600 participants so far, with 400 certificates issued.

- Self-paced online course is available: <https://www.unescap.org/training/rta-ttcp>

HANDBOOK ON PROVISIONS AND OPTIONS FOR TRADE IN TIMES OF CRISIS AND PANDEMIC



Initiative on Model Provisions for Trade in Times of Crisis and Pandemic in Regional and other Trade Agreements (IMP)

Key achievements under the IMP:

- [*Handbook on Provisions and Options for Trade in Times of Crisis and Pandemic*](#)

- Given different implementation capacity and different priorities of countries, the Handbook provides different levels of options (from the most common to the least common, from less binding to more binding, from less ambitious to more ambitious...)

[Example of options provided in the Handbook >>>](#)

Example Provisions on Harmonization of SPS and TBT Measures

Baseline Option for SPS Measures: Harmonization

“1. To harmonize sanitary and phytosanitary measures on as wide a basis as possible, Members shall base their sanitary or phytosanitary measures on international standards, guidelines or recommendations, where they exist, except as otherwise provided for in this Agreement, and in particular in [paragraph 3].”

Source: SPS Agreement, Article 3.1

Sample Baseline+ Option for SPS Measures: Harmonization

“To harmonize sanitary and phytosanitary measures on as wide a basis as possible, the parties shall base their sanitary or phytosanitary measures on international standards, guidelines or recommendations where they exist, *including standards and technical guidance developed by relevant international organizations during a crisis or emergency situation.*”

Source: Adapted from SPS Agreement, Article 3.1, with sample draft language added in italics.

Discretionary Option for Harmonization of SPS Measures

“The Parties shall endeavour to cooperate on the matters related to the harmonization of SPS measures, on as wide a basis as possible, as prescribed under Article 3 of the SPS Agreement. Such cooperation shall be conducted without requiring either Party to change its appropriate level of protection of human, animal or plant life or health that the Party has determined in accordance with Article 5 of the SPS Agreement.”

Source: Japan–Mongolia Economic Partnership Agreement, Article 5.3

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HANDBOOK ON PROVISIONS AND OPTIONS FOR TRADE IN TIMES OF CRISIS AND PANDEMIC



Emerging recommendations for improving RTAs

Key specific issues:

- **Access to essential goods and services**
 - Identifying essential goods and services for different crises
 - Refrain from imposing export restrictions
 - Enhanced flexibility and cooperation
- **Trade facilitation**
 - Paperless trade (know more about the [Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific](#))
 - Streamlined customs procedures
 - Expediting release and clearance of essential goods
- **Compatibility of regulations and standards**
 - Harmonization of standards
 - Mutual recognition of SPS and TBT measures
 - Waiver in emergency situations
- **Transparency and information sharing**
 - Prompt notification
 - Online information portals
 - Participation of private sectors

Emerging recommendations for improving RTAs

Key specific issue: Access to essential goods and services – vaccines

From Lab to Job: Improving Asia-Pacific's Readiness to Produce and Deliver Vaccines

Research initiative to better understand vaccine production and delivery in Asia-Pacific, with a focus on issues related to cross-border cooperation, trade, and transportation.

Emerging policy recommendations:

- Increasing regional cooperation in the prioritization of diseases for vaccine R&D, and the coordination of their production, taking into account varying capacities among different countries
- Increasing regulatory cooperation and coherence within the region, which will help to enhance intra-regional trade in vaccines and vaccine inputs
- Regional intergovernmental organizations can play a more active role in pooled/coordinated mechanisms for R&D financing and procurement, and in aiding the improvement of transportation and storage capabilities in countries

Emerging recommendations for improving RTAs

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Emerging recommendations for improving RTAs

Key insights:

- **Specific and comprehensive crisis-mitigation provisions matter for trade agreements.**

Dedicated provisions addressing trade in times of crisis/emergency could provide, for instance, a clear but flexible definition of “emergency situation”. Consideration could be given to agreeing on preliminary lists and criteria for “essential” goods and services for different types of crises, building on existing international instruments where available. Rules on export/import restrictions are particularly important to avoid severe shortage in essential goods and services. Special government procurement arrangements and emergency mutual recognition of technical regulations could play a key role.

- **Enhanced transparency and information-sharing provisions are fundamental.**

It is recommended to enhance transparency obligations, including timely disclosure of trade measures taken under emergencies and information concerning evolving crisis situations that may impact trade. Information-sharing mechanisms need to be in place, starting with the creation of regional (online) resource libraries and databases. Establishing and interconnecting trade information portals is one option, agreeing and designating in advance a regional emergency focal point is another.

Emerging recommendations for improving RTAs

Key insights:

- **Promoting digital trade is essential for better crisis responses.**

Digitalization has played a key role during the COVID-19 crisis in keeping trade flowing with reduced physical contacts. Promoting digitalization of trade can be done by enabling paperless trade e.g., mutual recognition of electronic documents and signatures, harmonizing e-identification systems, or enhancing cooperation on cybersecurity of trade control systems, all of which may be facilitated in Asia and the Pacific by becoming party to the United Nations treaty on cross-border paperless trade. Aid and training mechanisms for developing countries and least developed countries, and cooperation in building related infrastructure, should not be forgotten.

- **Sustainable development is both a solution and the ultimate goal.**

Possible crises like disease, pandemics and natural disasters could be partly linked to unsustainable trade and production practices, and it is important for trade to build back better in a sustainable way. The norms and disciplines of trade agreements need to be aligned with the global imperative of the Sustainable Development Goals (SDGs). New and existing provisions could be geared towards addressing the core values of the Sustainable Development Goals, such as trade and the environment, labour, gender, structural transformation, including sectoral shifts that could occur during and following the crises. It would be useful to associate these provisions with provision of capacity building support and capacity acquisition, with progressive commitments taking into account the different level of development of countries. Direct reference to the SDGs, their targets and indicators may also be incorporated.

Emerging recommendations for improving RTAs

2 ways of
incorporating
dedicated crisis
provisions in RTAs

Add to each related
existing chapter

A stand-alone crisis
management
chapter

Developing a model **Chapter on Crisis Management**:

- A stand-alone chapter on crisis management
- To enhance coordinated response to crises
- Providing definition of “crisis situation” and mechanisms for “declaration of crisis situation”
- Providing definition or methods for identifying essential goods and services
- Providing specific rights and obligations that apply when a “declaration of crisis situation” is made
- Establishing a Committee on Crisis Management

First version of the Model Chapter on Crisis Management will be published soon in July 2022.

Way forward: Sustainable Development through RTAs

Already done:

- [Handbook on Negotiating Sustainable Development Provisions in Preferential Trade Agreements](#)
- An entrance-level [facilitated course on negotiating sustainable development provisions in FTAs](#)
- Self-paced online course is available: <https://www.unescap.org/kp/2022/e-learning-course-sustainable-development-provisions-free-trade-agreements>

Upcoming courses and capacity building opportunities:

- Upcoming advanced handbook on sustainable development options and provisions in RTAs
- Upcoming advanced online course on negotiating sustainable development provisions in RTAs

Way forward: Sustainable Development through RTAs

Intelligent tool assisting negotiations of RTAs:

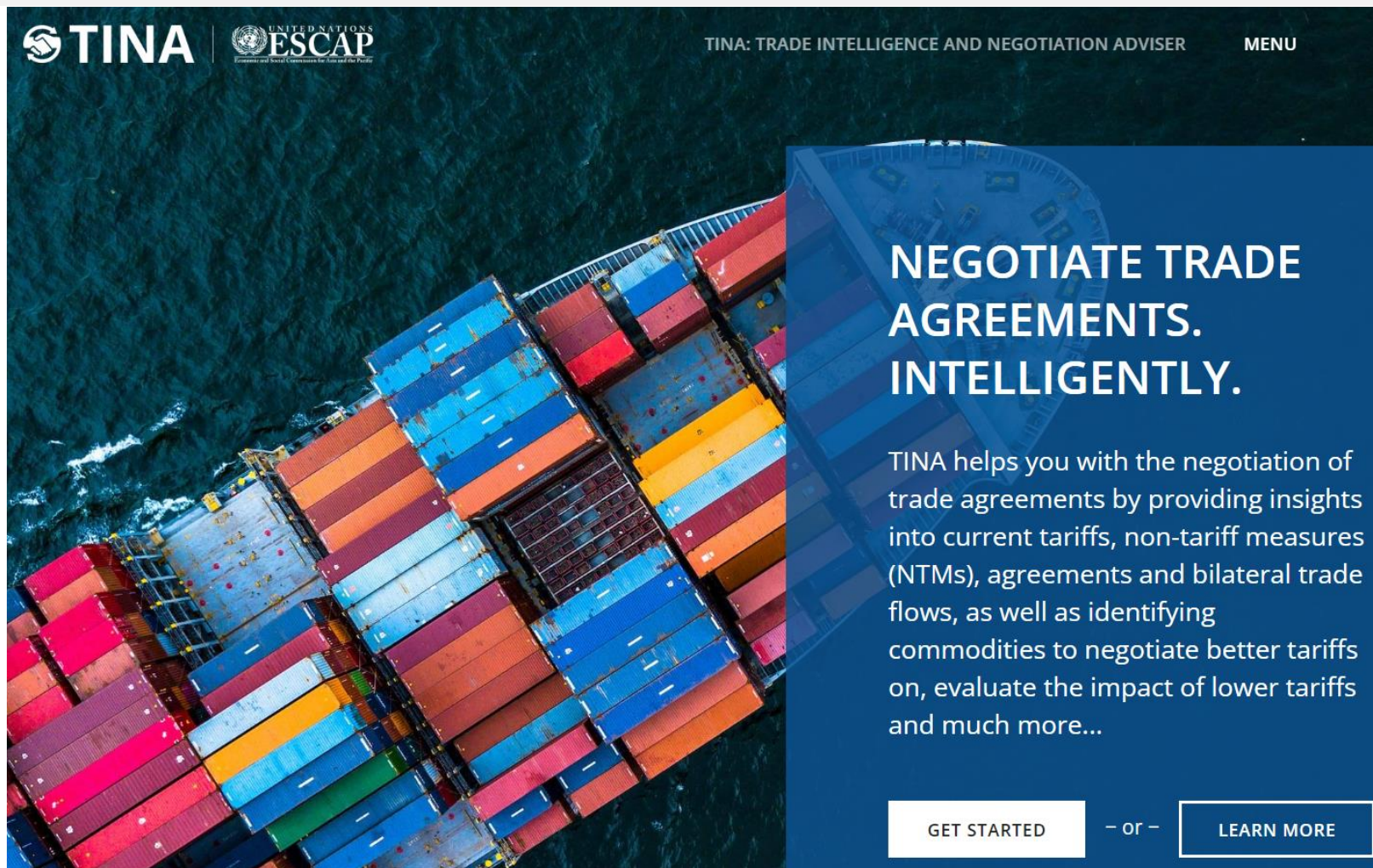
Current TINA:

<https://tina.trade/>

Extending the current TINA to Legal TNIA...

Upcoming Legal TINA (expected to be available in September 2022):

- Providing key issue areas
- Providing explanation of legal aspects in each issue area
- Providing options for legal provisions



The screenshot shows the TINA website interface. At the top left, there are logos for TINA and ESCAP (United Nations Economic and Social Commission for Asia and the Pacific). To the right, it says "TINA: TRADE INTELLIGENCE AND NEGOTIATION ADVISER" and "MENU". The main content area features a large image of a cargo ship with colorful containers. Overlaid on this is a dark blue box with the text "NEGOTIATE TRADE AGREEMENTS. INTELLIGENTLY." Below this, a paragraph describes how TINA helps with trade negotiations. At the bottom right, there are two buttons: "GET STARTED" and "LEARN MORE", separated by "OR".

TINA: TRADE INTELLIGENCE AND NEGOTIATION ADVISER MENU

NEGOTIATE TRADE AGREEMENTS. INTELLIGENTLY.

TINA helps you with the negotiation of trade agreements by providing insights into current tariffs, non-tariff measures (NTMs), agreements and bilateral trade flows, as well as identifying commodities to negotiate better tariffs on, evaluate the impact of lower tariffs and much more...

GET STARTED — OR — LEARN MORE

THANKS