



# UNDP Chile

Support to the National Response and Recovery to Contain the Impact of COVID-19



## 1- Country Response

As of June 3<sup>rd</sup>, 2020, Chile has 118,292 confirmed cases (21,305 active) and 1,356 deaths attributed to COVID-19. Chile remains in Phase 4 of the outbreak, i.e., uncontrolled and widespread community transmission. Over the last 7 days, there were 416 deaths (32%). Chile ranks 13<sup>th</sup> among countries with the highest level of infected people.

40 municipalities are quarantined, 38 of them in the Metropolitan Region of Santiago (35% of the population). Chile is under a daily nationwide curfew from 10:00 pm to 5:00 am. Permits (*salvoconductos*) to leave residences during the curfew period are needed. The Government declared a 90-day state of emergency, which took effect March 19.

The Government has announced two fiscal stimulus packages worth US \$17.2 billion (around 7% of GDP) to tackle the economic impact of the COVID-19 outbreak. The stimulus package—the largest in the country's history—consists of three main pillars:

a) boosting the budget of the healthcare system, b) implementing measures to protect workers and households against a loss of income, and c) providing financial support for businesses - especially small and medium-sized enterprises (SMEs)- through tax measures and government-backed lending.

The Central Bank of Chile has reduced the fiscal policy interest rate to 0.5%, added liquidity to the financial system, and announced an increase in its bond purchase program of US \$4 billion (and the possibility to expand it up to US 8bn.).

The Ministry of Social Development and Family created an expert advisory panel to design how the Government's committed support

for the most vulnerable population and informal workers - a US \$2 billion fund - will be distributed, to reduce the socio-economic impact of the COVID-19 crisis on the poorest households.

The Government is distributing 2.5 million boxes of food and non-food items among the most vulnerable families, mainly in the Metropolitan Region. There is also a compromise to double the capacity of health residences for those patients that are infected but do not require hospitalization.

Nearly 600,000 employees in 96,220 companies, mainly from the construction, commerce, and tourism sectors, have been covered by an Employment Protection Law approved as a response to the crisis. 76% of those companies are micro-enterprises with 10 employees or less.

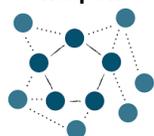
Over 69,000 government-backed credits have been granted in the last month through the banking system, for a total of USD 4,520 million, with 58,000 of all credits going to small companies. Another 49,700 credits have been approved and are soon to be released (43,700 of them going to small companies).

At the macroeconomic level, the unemployment rate reached 9.0% (an increase of 1.9 percentage points) in February-April 2020. More than 26% of those who are currently working are doing so in the informal sector. In Santiago, the unemployment rate reached 15,6% in March, the highest rate in the last 20 years.

The Economic Activity Index (IMACEC) decreased a 14,1% in April, as compared with the same month last year.

## 2- UNDP Support to Prepare, Respond and Recover

### Inclusive and Multi-Sectoral Crisis Management and Response



- With the Ministry of Women, UNDP is strengthening capacities of the Women's Centers support services teams to provide remote care during the COVID-19 crisis. These services conduct risk evaluations, first reception for care, support, and therapy. New tools and instruments will be explored to provide online therapy to women in need, a service which is not currently being provided.
- UNDP is strengthening the gender-based violence (GBV) emergency hotline support team to address higher demand caused by increased intimate partner violence. The Ministry of Women is currently making arrangements and partnerships with professional associations to widen the number of psychologists who can provide initial professional assistance to women that reach out for help through the hotline on intimate partner violence.
- UNDP is improving the capacity of the Shelters to receive women at high risk. UNDP will identify and design solutions for expanding the availability of shelters.
- UNDP is designing and disseminating a radio campaign to increase awareness of partner violence during COVID-19. This effort is in coordination with the Ministry of Women and Gender Equity communications' strategy.

- In the framework of an SDG Fund project, led by UNDP, a pilot of a virtual support platform for the elderly will be developed and tested in three municipalities to link the demands for the assistance of the elderly with the available offer of NGOs and municipalities to generate a faster and more efficient response. Once the platform is tested, it will be scaled up regionally and nationally.
- The Public Expenditure Advisory Commission, appointed by the Finance Ministry and where UNDP participates, prepared a proposal on transparency measures and an audit of the expenditures associated with the response to the crisis of COVID-19.
- The Anticorruption Alliance in Chile has organized, led UNDP and the National Comptrollership Body, a series of webinars to address key issues regarding integrity and transparency in the context of the pandemic. These webinars will be held in June and July 2020.

### Socio-Economic Impact and Recovery



- UNDP designed, along with the Ministry of Social Development and the National Statistics Agency (INE), a socioeconomic impact assessment (SEIA) survey at the household level, in the context of the COVID-19 pandemic, to provide key information to government agencies and the public about the needs households face during the pandemic. The study will be applied to a nationally representative sample of households.
- Following the model used by the Human Development Report Office at the international level, UNDP is producing a set of municipal-level dashboards containing data about the vulnerability and preparedness of municipalities to tackle the recovery face of the COVID-19 crisis.
- UNDP has supported the Chilean Municipalities Association in reviewing a report of the financial needs produced by the emergency on local governments.

### 3- UNDP Support to UN Country Team

- UNDP is the lead agency preparing a rapid assessment in collaboration with ECLAC, other agencies, and under the leadership of the RC. The Rapid SEA provides a comprehensive analysis based on the socioeconomic response framework presented by the Secretary General.
- The UNCT, with the Designated Official (ECLAC's Executive Secretary), has set up a COVID-19 ad-hoc Committee in Chile led by the RC and integrated by PAHO, ECLAC, and UNDSS, while the technical response is led by PAHO.
- UNDP is the lead agency in the SDG Funded project that provides support for the elderly. The project is being reprogrammed to confront the COVID-19 crisis.

### 4- Resources - COVID19 Response

<i>Areas of Response</i>	<i>Reprogramming (Existing Projects) USD</i>	<i>New Resources (USD)</i>
Strengthening Health Systems	N/A	N/A
Inclusive and Multi-Sectoral Crisis Management and Response	100,000	267,500
Socio-Economic Impact and Recovery	25,000	
<b>Sub Total</b>	<b>125,000</b>	<b>267,500</b>
<b>Total</b>	<b>392,500</b>	

UNDP has mobilized USD 267,500 from its Rapid Response Facility for COVID-19.

UNDP has reprogrammed a total of USD 125,000 from an existing project financed by the SDG Fund (approximately USD 100,000) and for the socio-economic impact assessment survey and the data at the municipal level (USD 25,000).