



# UNDP Mexico

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



## 1- Government Response

It is expected that the COVID-19 pandemic will have substantial negative effects in Mexico’s economic performance, alongside social indicators. Due to the emergency and the associated response, it is forecasted that Mexico’s GDP will contract 6.6% (IMF).

According to the Mexican Institute of Social Security, during March, April and May, 12 million formal workers slipped into unemployment. In Mexico City, around 68 thousand people have received financial support after having lost their job<sup>1</sup>.

As of June 22<sup>nd</sup>, the country has reported 175,202 confirmed and 20,781<sup>2</sup> deaths. The most affected states are Mexico City, Estado de Mexico, Puebla, Tabasco and Guanajuato. In its efforts to flatten the curve of cases to contain the spread and alleviate the future pressure on health services, restrictive measures have been implemented.

On March 30<sup>th</sup>, Mexico declared a national state of sanitary emergency. Quarantine established in high-contagion areas until 30 May and quarantined by May 17<sup>th</sup> for low-transmission areas. Also, social distancing, closure of bars, museums, cinemas, gyms and other recreational places, and suspension of all not essential activities have been established.

The Government announced several emergency actions.

Health actions: (1) procurement of medical equipment and materials; (2) recruitment of medical personnel to increase healthcare capacity; (3) training of medical personal and reconversion of welfare centers in rural areas into hospital to provide healthcare to 12.3 million persons without health coverage; (4) the Permanent Mission of Mexico to the UN

presented a General Assembly resolution project to prevent the hoarding of medicines and medical equipment; (5) reorganization of hospital infrastructure and human resources, to reconvert specialty and military hospitals into COVID-19 hospitals ; (6) agreement with private healthcare providers to have a unified emergency response.

Economic actions: (1) application of austerity measures to reallocate economic resources (cuts in public officials’ salaries, cuts in the public administration’s structure); (2) reallocation of some public funds; (3) enlargement of the social program *Sembrando Vida*; (4) housing credits; (5) gasoline price reduction; (6) the government is granting two million loans to small businesses in the formal and informal sector. One million loans of 25 thousand pesos (USD 1,000) for formal or informal traders/micro-entrepreneurs who are part of the Welfare Census and one million loans of 25 thousand pesos (USD 1,000) for social insurance registered micro- entrepreneurs who have not laid off or lowered wages from their workers.

11 States have started an unemployment insurance program and 26 have strengthened credit programs for the informal labor market as well as for micro, small and medium businesses. Mexico City announced a property tax reduction for 2020.

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

### Strengthening Health Systems

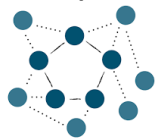


- UNDP supported the Mexican Government with the procurement of 188 ventilators, through the signing of Agreements with the Security and Social Services of State Workers Institute and the BBVA Foundation.
- The Mexican government requested UNDP support the procurement of Personal Protective Equipment. (PPE).

<sup>1</sup> Unemployment insurance (48,801 people) and “Ingreso Contingente” program (19,368 people).

<sup>2</sup> [PAHO, Cumulative COVID-19 cases reported by countries and territories in the Americas](#)

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



- UNDP/Rapid Response Facility supports the Government of Mexico City, and its Ministry for Women, who has launched the LUNA centers in which vulnerable women that choose to, can access to a safe place, including economic support to be able to stand on their own with their children and break the circle of violence within the household.
- This programme is supporting the Government to manage the increase in cases of violence against women derived from home confinement and the loss of economic opportunities for women, mainly in the informal sector. This initiative is jointly implemented with UN Women and in coordination with the Spotlight Initiative and the Acceleration Labs. Also, with DPPA support an early warning system of gender based violence will be implemented.

**Socio-Economic Impact and Recovery**



- UNDP is supporting the government’s capabilities assessment to attend the emergency on the short and medium term. The analysis comprises an assessment of the health sector as well as the socio-economic impacts of the health emergency.
- A special assessment was implemented in Mexico City and the metropolitan area. Due to its demographic dynamics, it is expected that the rate of contagion will be higher while stricter confinement measures are having a higher impact for economic activities, unemployment, and poverty.
- UNDP, in close collaboration with the Resident Coordinator Office, is leading an impact assessment on health sector, national economy and inequalities. The study also considers the specific impacts for Mexico City.

**3. UNDP’s support to the UN Country Team:**

UNDP Mexico will lead the UN framework to support the socio-economic recovery. UNDP Mexico is taking the role of technical secretariat as the strategy for COVID response is implemented.

**1. Resources – COVID19 Response**

Areas of Response	Reprogramming (Existing Projects) USD	New Resources (USD)
Strengthening Health Systems	33,600	3,676,000
Inclusive and Multi-Sectoral Crisis Management and Response	20,000	337,500
Socio-Economic Impact and Recovery	65,500	50,000
<b>Sub Total</b>	119,100	4,063,500
<b>Total</b>	<b>4,182,600</b>	

UNDP support to health system has been mainly funded by new government contribution (USD 2,500,000), Private Sector Funds (USD1,176,000) and TRAC (USD33,600)

Support to Inclusive and Multi-Sectoral Crisis Management and Response interventions is funded with UNDP Rapid Response Facility (USD 267,500), DPPA (USD 70,000) and Spotlight Initiative (USD 20,000).

UNDP support to Socio-economic impact and recovery is funded by UNDP funds (USD 65,500) and UNDP funds (USD 115,500)