



## 1- Government Response

The outbreak of COVID-19 burst into Venezuela amid a severe social and economic crisis, exacerbated by a deadlocked political conflict. So far 3,062 cases have been confirmed and 26 deaths, but community transmission has not yet started, due to the measures taken by the Government to enforce social distancing. Many cases are considered imported, according to Government officials. According to the policy paper on the impact of COVID-19, published by UNDP in April 10, 2020, the economy has been contracting since 2014 and in hyperinflation since 2018. The default on its sovereign debt and the sanctions imposed by the current US administration prevents the country access to external financing.

The ongoing economic crisis is severely affecting the health system, with deteriorated infrastructure, out of service equipment, lack of electricity and water resulting in critical sanitary conditions, and a severe shortage of qualified health staff. Added to the complex economic situation is the collapse in oil prices, the country's main source of foreign exchange, which leaves the state without the indispensable fiscal space to finance government measures to mitigate the effects of COVID-19.

Severe gasoline shortages deepen the impact. Its effects on the food production sector are worrying. Since the COVID-19 emergency declaration on 13 March 2020, the food supply chain has been affected by the problems arising from fuel distribution, which has led to the smooth harvesting and transport of fresh and non-perishable food being carried out less rapidly from production centers to markets in rural and urban centers. Disruptions in trade and international production chains can further limit the availability of food in

the population, as well as affect all value chains in the economy.

COVID-19 is also generating new migration events, the national government signals the return of Venezuelan migrants from Colombia, due to the economic deterioration of the neighboring country.

The necessary social distance measures to slow down the spread of the virus, further impact the economy and are severely affecting the most vulnerable population, despite efforts of the Government to cushion the negative effects through several economic and fiscal measures.

Some of the referred measures undertaken by the Government are: state to cover payroll for SME (Small and Medium Enterprises) s for 6 months, suppression of payment of rents of commerce and housing for 6 months, agri-food investment prioritized to secure funds for government's food distribution programme (known as CLAP), maintain pre-existing money transfers (bonds), ban for cuts on telecommunications services, 6 month extension of import tax exemption, exemption of income tax for natural persons up to 3 minimum wages,

The government has suspended interest and credit capital payments and default payment of credits for 6 months. Also the government has created credit lines to support SMEs, exempting them from some guarantees and were the state becomes guarantors of such credits for sectors such hygiene, pharmaceutical, agribusiness, food, etc. and increased flexibility of ordinary legal process for deposits in both Bolívares and US\$.

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

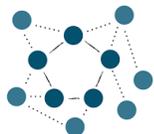
### Strengthening Health Systems



- UNDP is supporting the purchase of specialized material to increase the operation of energy systems in 43 of the 46 hospitals and national centers planned to provide care to COVID-19 patients.
- Through the Health Cluster, UNDP is supporting the improvement of 1) backup electrical energy supply and; 2) potable water supply systems for delivery rooms and obstetric areas of 10 health centers in three states prioritized by the Ministry of Health: Miranda, Capital District, and Anzoátegui. The prioritization has been made jointly with UNFPA.
- UNDP is supporting the acquisition of medical supplies prioritized by the Ministry of Health and non-medical supplies for the disinfection of spaces dedicated to the attention of COVID-19.

- 400,000 IIR masks (surgical/medical masks for health care workers, not in contact with COVID-19 confirmed patients) will be allocated by UNDP in Venezuela by end-June, out of CERF resources.

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



- UNDP is supporting planning processes for preparedness and response at the country level to begin shaping steps to recovery. This initiative is led by PAHO/WHO and coordinated by the Resident Coordinator.

### Socio-Economic Impact and Recovery



- UNDP RBLAC published on April 9<sup>th</sup> 2020 a policy paper, within its Policy Documents Series, Economic Impact of COVID-19 in Venezuela: The Urgency of External Financing. [English](#) / [Spanish](#).
- To support the national government, UNDP is producing a socioeconomic impact assessment that will define priority actions and will inform the country's socio-economic impact of the COVID-19.
- UNDP is leading the design of an economic and social response and recovery plan for COVID-19, together with UNIDO, FAO and UNFPA, in order to articulate actions in different priority areas to mitigate the socioeconomic effects during and after the pandemic.

### 3- UNDP Support to UN Country Team

- In addition to cooperation with UN agencies highlighted above in each pillar, UNDP is supporting the response to the crisis in health systems in the context of the humanitarian response along with other UN agencies in the country.

### 4- Resources- COVID19 Response

<b>Areas of Response</b>	<b>Reprogramming (Existing Projects) USD</b>	<b>New Resources USD</b>
Strengthening Health Systems	35,000	1,050,000
Inclusive and Multi-Sectoral Crisis Management and Response		
Socio-Economic Impact and Recovery	38,000	
<b>Sub Total</b>	<b>73,000</b>	<b>1,050,000</b>
<b>Total</b>	<b>1,123,000</b>	

UNDP support to health system has been mainly funded by Funding Windows (USD 500k), Rapid Response Facility (USD 250k) and CERF (USD 300k for IIR masks), plus the reprogramming of USD 35k of catalytic funds.

Support to Socio-economic impact and recovery interventions is funded with USD 38k reprogrammed from TRAC 1.1.3 funds. UNDP is also reaching out the World Bank to access grant funds and has submitted a proposal for the EU/Foreign Policy Instrument for Stability and Peace.