



# UNDP Panama

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



## 1- Country Response

As of 4 June, Panama had 15,044 COVID-19 confirmed cases and 363 deaths.

A State of Emergency was declared for the entire country since 13<sup>th</sup> March and full quarantine is in place since 24 March. As of June 1, the total quarantine was changed to a curfew between 7:00 p.m. and 5:00 a.m. Schools have been closed since 10<sup>th</sup> March nationwide. The Ministry of Education has communicated about the continuity of the school year in a virtual distance. On June 1, the second block of economic activity (of six) was opened, 14 days after the opening of the first block. Shops, public transportation, public spaces, and clinics can operate at 50 or 25% of the capacity of the spaces and under strict measures of physical distance, the use of masks, and other personal protection measures.

The government has also put in place measures to mitigate the social and economic impact of COVID-19. The government has set a basic cash and food transfer to families to protect the household incomes of vulnerable populations. Panama Solidario has four models for aid delivery: 1) a paper voucher for USD 80 per month for people with suspended contracts or who have lost their income, this benefit applies mainly in cities; 2) food packages for rural populations in provinces; and 3) larger and more assorted packages for indigenous regions and places with very difficult access. As of April 30, the fourth modality began with the direct deposit of the cash voucher and use of the personal identity card as debit cards in national commerce; this is for workers with suspended contracts and on June 2<sup>nd</sup> The Government authorized the 3<sup>rd</sup> (621,792 beneficiaries in total).

The Government has also put in place policies for the deferral of payment for two to four months for utilities, mortgages, and credit obligations. In terms of fiscal policies the government has also issued decrees to ensure the stability of public and private employment, postponement of tax

payments (June to December), relaxation of the fiscal deficit if necessary, and lifting of restrictions on the use of reserves by banks (dynamic provisioning) for USD 1.25 billion. That is an increase in the resources that can be used for new lines of financing.

Based on UNDP's draft socio-economic impact assessment, the informal economy will be impacted most. Despite a good growth rate and a low pre-COVID-19 unemployment rate of between 5 and 7%, the relatively strong growth over the past years has not generated sufficient formal employment yet has created a parallel informal economy. As of 2019, Panama had 13% underemployment (visible and invisible) and 44.9% informal employment (*Instituto Nacional de Estadística y Censo*, INEC 2019). It is important to note that 45.4% of employed women work in the informal sector, and only 18.5% of employed women are directly insured (contributing worker) compared to 25% of men. In other words, women are less inserted in the labor market, due to different barriers, but also their incorporation occurs in less protected conditions. Unemployment in 2019 for women was higher than the average of 7.1%, reaching 8.8%; with COVID-19, unemployment for women will most likely reach double digits due to the slowdown in economic activity (UNDP draft socioeconomic impact analysis, 2020). Panama also remains one of the most unequal countries in Latin America.

The informally employed population is further impacted by the decline in economic activity due to COVID-19 since it depends on the daily movement of the economy and the majority does not have social security. Based on the recent 24-hour quarantine in Panama, the police encounter the highest number of a curfew violation in the poorest neighborhoods, with desperate living conditions and little access to improve livelihoods. Also, demonstrations asking for government assistance increased in April.

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

### Strengthening Health Systems

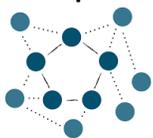


- With the support of the Global Fund, UNDP is supporting the procurement of medical equipment and non-pharmaceutical medical products related to HIV/TB population.
- UNDP has purchased personal protective care products for the UN agencies and national counterparts, such as the Ministry for Social Development (MIDES), which will be distributed among vulnerable populations through social protection programmes.

### Inclusive and Multi-Sectoral

- As part of a public-private partnership for helping those affected by COVID-19 and with RRF catalytic funds, UNDP's cash for work initiative will target volunteers from San Miguelito, one of the areas with highest multidimensional poverty in Panama. Volunteers are working on assembling basic kits donations for the population of the same area.

## Crisis Management and Response



- UNDP is also supporting the transformation process of many institutions to adapt to virtual ways of work for continuing service provision as well as supporting digital transformation more broadly in different institutions, such as the Ministry of Foreign Affairs, Ministry of Commerce and Industry, the Ministry of the Environment, the National Secretariat for Science, Technology, and Innovation, Ministry of Education, and Free Trade Zone of Colon.
- UNDP also brought high-level international expertise to advise the Minister of Education on managing the crisis and revisioning education post-COVID-19. UNDP Panama used its global network to develop a study for the Ministry of Government codifying experiences and good practices from the region in managing prison systems during pandemics.
- UNDP has also conducted communication and public outreach campaigns about prevention and response, including for proper disposal of PPE and COVID-19-related biohazards.

## Socio-Economic Impact and Recovery



- UNDP has developed a study on the socio-economic impact of COVID-19 in Panama with inputs from other UN agencies. The study looks at structural weaknesses and differentiated impact depending on the life cycle, gender, ethnicity, socio-economic status, and conditions such as disability and migrant status, and offers recommendations to prioritize action towards economic recovery and achievement of the SDGs.
- Other related studies are being developed to analyze the specific socio-economic impact, such as on investments and exports, and livelihoods of fishing communities in coastal and protected areas. As a result, UNDP is redirecting a project supporting small and medium enterprises and developing a differentiated strategy for small and medium entrepreneurs affected by the COVID-19.
- With the Panama City Administration and the National Secretary for Disability, UNDP is providing food packages to 1,244 persons with disabilities who are in very vulnerable circumstances.
- UNDP is in partnership with local governments and local fishermen to organize donations of fish to the local population in greatest vulnerability during the crisis.

### 3- UNDP Support to UN Country Team

- UNDP is the technical leader for response and socioeconomic recovery (PAHO / WHO was designated technical leader for the health response, and OCHA technical leader for the humanitarian response). All actions are managed under the leadership of the Resident Coordinator and in coordination with the Country Team, made up of UN agencies in Panama.
- The socioeconomic impact assessments are being developed in an interagency manner with UNICEF, UN Women, UNESCO principally. There will be a national socioeconomic assessment in partnership with the Ministry of Economy and Finance, while another with the Ministry of Foreign affairs will be geared towards international-related impacts on investment and exports. A third one is being planned on COVID-19 impact on the blue-green economy through a repurposing of the RBLAC Catalytic Funding Initiative and the fourth one under discussion with the Free Trade Zone of Colon.
- Within the recently established IFI-UN Agency COVID-19 coordination mechanism, 10 working groups have been created to coordinate action and share information. UNDP is leading two groups, both falling within service line three of the UNDP offered: one on socio-economic impact assessment and one on early recovery action. While the first area is well covered by undergoing and planned initiatives, the second does not yet have any activities underway.

### 4- Resources COVID19 Response

Areas of Response	Reprogramming (Existing Projects) USD	New Resources (USD)
Strengthening Health Systems	140,000	55,000
Crisis Management and Response	2,100,000	306,000
Socio-Economic Impact and Recovery	1,500,000	
<b>Sub Total</b>	<b>3,740,000</b>	<b>361,000</b>
<b>Total</b>	<b>4,101,000</b>	

Reprogrammed funds include USD 3.6 million from government sources. Also, USD 140,000 from a Global Fund project was repurposed to purchase equipment and strengthening the health system.

New contributions were received from other UN Agencies (USD 40,000), for the purchase of PPE's and resources from Canada (USD 28,000) and from Tetrapak (USD76,000) for the Rapid Response Facility.