1- Country Response

As of 3 May, Panama had 7,090 COVID-19 confirmed cases and 197 deaths.

A State of Emergency was declared for the entire country since 13th March and full quarantine is in place since 24 March. Schools have been closed since 10th March nationwide. Authorities introduced a new measure on April 1 where women would be allowed to leave their homes for two hours Monday, Wednesday, and Friday with men allowed on Tuesday, Thursday, and Saturday for two hours. During the last three weeks of April, a total lockdown has been in effect on the weekends.

The government has also put in place measures to mitigate the social and economic impact of COVID19. 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 (84,000 beneficiaries).

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 socioeconomic impact assessment, the informal economy will be impacted most. Despite 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.

This informally employed population is more 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 current experience in the management of the 24-hour quarantine in Panama, it is also the poorest neighborhoods, with desperate living conditions and little access to livelihoods, where the police encounter the highest number of a curfew violation. Also, demonstrations of people asking for government assistance have increased towards the end of April.

2- UNDP Support to Prepare, Respond and Recover

**Strengthening Health Systems**
- Through its Global Fund project, 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 Crisis Management and Response**
- 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.
- 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 revising 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 Municipality of the Panama City and the National Secretary for Disability, UNDP is providing food packages to 1,244 persons with disabilities who have been identified 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


- 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 offer: one on socio-economic impact assessment, and one on early recovery action. While the first area is well covered by ongoing and planned initiatives, the second does not yet have any activities underway.

### 4- Resources COVID19 Response

<table>
<thead>
<tr>
<th>Areas of Response</th>
<th>Reprogramming (Existing Projects) USD</th>
<th>New Resources (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengthening Health Systems</td>
<td>140,000</td>
<td>55,000</td>
</tr>
<tr>
<td>Crisis Management and Response</td>
<td>2,100,000</td>
<td>202,000</td>
</tr>
<tr>
<td>Socio-Economic Impact and Recovery</td>
<td>1,500,000</td>
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</tr>
<tr>
<td><strong>Sub Total</strong></td>
<td>3,740,000</td>
<td>257,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,997,000</td>
<td></td>
</tr>
</tbody>
</table>

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 Canada (USD 15,000) and other UN Agencies (USD 40,000), for the purchase of PPE’s.