Recovery Paths for Latin America and the Caribbean:
Multilateral Partnerships for Building Beyond the Post-COVID Recovery
United Nations Development Programme

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As one of the most vulnerable regions in the world, the effects of the COVID-19 pandemic were particularly amplified in the Latin America and the Caribbean (LAC) region. Health systems struggled to cope. The virus ran rampant throughout the region, leaving a disproportionate number of victims compared to other regions, and unveiling a range of structural weaknesses in the underresourced health sector, including financing, health information systems and service provision capacity.

As part of their efforts to minimize the spread of the virus, governments in the region imposed lockdowns that halted local and international mobility, causing a range of grave economic and social effects that amplified existing vulnerabilities. The volume of exported goods decreased by 20 percent, while imports decreased by 25 percent. Estimates from the United Nations Economic Commission for Latin America and the Caribbean (ECLAC) and UNICEF predict a loss of 8.5 million jobs. Poverty in the region is expected to sharply increase between +4 percent and +7 percent, with children hit disproportionately hard.

Yet, as the processes of rebuilding and recovery begin to unfold, opportunities for structural change have appeared and could potentially lead to a more inclusive and sustainable economy. This would enable governments to overcome the COVID-induced setbacks in the progress made over the past decade in tackling poverty, inequality, employment, education, health and gender equality.

To make sure recovery can take hold, the pandemic must first be brought under control in the region, followed by strategic investments in more resilient health services. To ensure a strong, sustainable economic recovery in the mid-term, there should be a move towards an integrated fiscal policy, instead of adopting restrictive fiscal expenditures and undermining trade, particularly intraregional trade. International partners, ranging from bilateral development assistance providers to multilateral financial institutions, have a key role to play in helping to tackle the deep structural issues afflicting the region and its economies. In addition to supporting health and humanitarian initiatives they can contribute through debt relief, access to liquidity and lower future interest rates.

Addressing the social costs of COVID-19, such as increasing poverty and inequality in the region, requires the strengthening of social protection systems both in the short and medium term. This situation, added to the increasing levels of fiscal deficits, implies trade-offs between tax and social reforms, which require social and community consensus to reduce social unrest.
The health, social and economic pathways to recovery are best laid with strong cooperation, both between LAC and international partners, but also within LAC itself. Given similar COVID-19-related development challenges in many countries, the fragmentation of the region into isolated national recovery plans must be prevented. Existing regional structures, from the Pan American Health Organization (PAHO) to the Caribbean Community (CARICOM), need to be fostered, while at the same time preventing duplications. In addition, ad hoc regional initiatives can be created to address specific policy fields. Multi-country programmes, where a sector-specific programme is rolled out in several countries after local adaptation, also offer a great potential to benefit from synergies.

Complementary to or instead of reinforcing traditional bilateral partnerships, international partners should be encouraged to take a collective approach to the region to ensure the most inclusive and sustainable recovery for the entire area. Otherwise, parts of the LAC region risk being side-lined, thus endangering the recovery of the region at large. This is especially the case where national responses are insufficient, in particular in the areas of governance of infectious diseases, cross-border natural resources, people mobility, intraregional trade, regional value chains and regional infrastructures.
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<thead>
<tr>
<th>A</th>
<th>ACDC</th>
<th>African Centre for Disease Control</th>
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<tr>
<td>ACP</td>
<td></td>
<td>African, Caribbean and Pacific Group of States</td>
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<td>AU</td>
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<td>African Union</td>
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<td>B</td>
<td>BMZ</td>
<td>Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung</td>
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<td>C</td>
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<td>Corporación Andina de Fomento (Development Bank of Latin America)</td>
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<td>Comunidad Andina</td>
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<td>CARICOM</td>
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<td>CCRT</td>
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<td>Catastrophe Containment and Relief Trust</td>
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<td>CCT</td>
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<td>Conditional cash transfer</td>
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<td>Caribbean Disaster Emergency Management Agency</td>
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<td>CELAC</td>
<td></td>
<td>Comunidad de Estados Latinoamericanos y Caribeños (Community of Latin American and Caribbean States)</td>
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<td>CEPAL</td>
<td></td>
<td>Comisión Económica para América Latina y el Caribe</td>
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<td>CGDEV</td>
<td></td>
<td>Center for Global Development</td>
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<td>COVAX</td>
<td></td>
<td>COVID-19 Vaccines Global Access Facility</td>
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<td>COVID</td>
<td></td>
<td>Corona Virus Disease</td>
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<td>D</td>
<td>DAC</td>
<td>Development Assistance Committee</td>
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<td>E</td>
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<td>European Bank for Reconstruction and Development</td>
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<td>E</td>
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<td>European Commission</td>
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<td>E</td>
<td>ECLAC</td>
<td>United Nations Economic Commission for Latin America and the Caribbean</td>
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<td>EEAS</td>
<td>European Union External Action Service</td>
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<td>Essential Public Health Functions</td>
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<td>FASE</td>
<td>Fondo di Asistencia Social di Emergencia</td>
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<td>F</td>
<td>FOGAPE</td>
<td>Small Business Guarantee Fund</td>
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<td>G</td>
<td>GDP</td>
<td>Gross domestic product</td>
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<td>H</td>
<td>HDU</td>
<td>High Dependency Units</td>
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<tr>
<td>I</td>
<td>IADB</td>
<td>Interamerican Development Bank</td>
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<td>I</td>
<td>IESCALC</td>
<td>International Institute for Higher Education in Latin America and the Caribbean</td>
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<td>I</td>
<td>ICU</td>
<td>Intensive Care Units</td>
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<td>IFC</td>
<td>International Finance Corporation</td>
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<td>International Financing Institutions</td>
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<td>IHR</td>
<td>International Health Regulations</td>
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<td>ILGA</td>
<td>International Lesbian, Gay, Bisexual, Trans and Intersex Association</td>
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<td>I</td>
<td>IMF</td>
<td>International Monetary Fund</td>
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<td>I</td>
<td>INAMU</td>
<td>Instituto Nacional de las Mujeres</td>
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<td>I</td>
<td>IPC</td>
<td>Infection Prevention and Control Programmes</td>
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<td>I</td>
<td>ISAGS</td>
<td>Instituto Suramericano de Gobierno en Salud</td>
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<tr>
<td>Acronym</td>
<td>Definition</td>
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<tr>
<td>JICA</td>
<td>Japan International Cooperation Agency</td>
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<td>LAC</td>
<td>Latin America and Caribbean</td>
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<td>LAIF</td>
<td>Latin America Investment Facility</td>
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<tr>
<td>LGBTQI+</td>
<td>Lesbian, gay, bisexual, transgender, queer and intersex</td>
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<td>MENA</td>
<td>Middle East and North Africa</td>
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<td>MERCOSUR</td>
<td>Mercado Común del Sur</td>
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<td>MMGD</td>
<td>Ministerio de las Mujeres. Género y Diversidad</td>
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<td>MOW</td>
<td>Cayman Island Meals on Wheels</td>
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<td>NDICI</td>
<td>Neighbourhood, Development and International Cooperation Instrument</td>
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<tr>
<td>NEET</td>
<td>Not in Education, Employment, or Training</td>
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<td>ODA</td>
<td>Official Development Assistance</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<td>PAHO</td>
<td>Pan American Health Organization</td>
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<td>PCR</td>
<td>Polymerase chain reaction testing</td>
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<td>PHEIC</td>
<td>Public Health Emergency of International Concern</td>
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<td>PPE</td>
<td>Personal Protective Equipment</td>
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<td>REDCUDI</td>
<td>Red Nacional de Cuido y Desarrollo Infantil</td>
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<tr>
<td>SARS-CoV-2</td>
<td>Severe Acute Respiratory Syndrome CoronaVirus 2</td>
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<td>SICA</td>
<td>Central American Integration System</td>
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<td>SIDA</td>
<td>Swedish International Development Cooperation Agency</td>
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<td>SISBEN</td>
<td>Sistema de Identificación y Selección de Beneficiarios de Programas Sociales</td>
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<td>SME</td>
<td>Small and Medium Enterprises</td>
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<td>S&amp;P</td>
<td>Standard and Poor’s</td>
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<td>UHC</td>
<td>Universal Health Coverage</td>
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<td>UNASUR</td>
<td>Union of South American Nations</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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<td>UNDP RBLAC</td>
<td>Regional Bureau for Latin America and the Caribbean</td>
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<td>UNFPA</td>
<td>United Nations Population Fund</td>
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<td>United Nations Children’s Fund</td>
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<td>United Nations Office for Project Services</td>
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<td>USA</td>
<td>United States of America</td>
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<td>USAID</td>
<td>United States Agency for International Development</td>
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<td>VAT</td>
<td>Value-added tax</td>
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<td>WFP</td>
<td>World Food Programme</td>
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<td>WHO</td>
<td>World Health Organization</td>
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Introduction

The United Nations University – Institute on Comparative Regional Integration Studies (UNU-CRIS) has been commissioned by the United Nations Development Programme (UNDP) to write a research paper on the potential multilateral partnerships that can support the post-COVID-19 recovery in the Latin America and the Caribbean (LAC) region. This paper is in support of joint planning exercises to support data-driven recovery frameworks.

The research paper addresses the following key questions: How hard is COVID-19 impacting the LAC region and which policy responses are needed and being formulated? Considering the LAC as a region facing structural problems of inequality and insecurity before COVID-19, what are the most critical elements of the response needed to confront the systemic crisis? Which role can bilateral and multilateral international partners play in supporting LAC in achieving a more cohesive, productive, and stable region in line with Sustainable Development Goal (SDG)17?

Working under the overarching understanding that, as the impact of COVID-19 was amplified by systemic failings in the LAC region, the solution must also be systemic in nature, the research paper pays particular attention to evaluating the health, socio-economic and regional cooperation structures in the LAC region and identifying key areas in which the pandemic has unveiled the need to ‘build back better’.

The paper begins with a contextual analysis of the impact of COVID-19 in the LAC region, first in the pandemic (section 1.1.), before charting its spread throughout the LAC region and the systemic and structural challenges that underpinned a weak initial response. Section 1.2 highlights the economic effects of COVID-19 in the region, by highlighting issues such as fiscal and public expenditure effects, the performance of various sectors of the economy, unemployment and the situation of small and medium enterprises (SMEs). Section 1.3 focuses on the social situation in the region, touching upon social protection and assistance, gender equality, the plight of other vulnerable populations such as migrant workers, and political participation.

Section 2 looks at short-term policy responses in the LAC region, again distinguishing between health policies, including data collection and health care services (section 2.1), economic policies (section 2.2) and social policies (section 2.3). These short-term responses, and especially best practices, provide inputs for the discussion on medium-term recovery pathways going beyond crisis management.
Section 3 – with reference to UNDP’s 2.0 Offer Beyond Recovery: Towards 2030 - explores the planned recovery pathways for the LAC region regarding health, social protection, economic recovery for SMEs and workers, macroeconomic measures, gender, social cohesion and community resilience. Specific contexts are identified in which the promotion of strategic pilots or approaches may be carried out. The paper explores the existing role and modalities of international bilateral and multilateral partnerships and the impact the pandemic has had in order to identify how support to the LAC region can best match its post-COVID-19 recovery. After an analysis of the dynamic international cooperation landscape and selected key actors (section 3.1), recovery pathways will be discussed in the areas of health (section 3.2), economic policies (section 3.3) and social policies (section 3.4). These three subsections also highlight the role of regional and international cooperation in each policy area.

As the impact of COVID-19 was amplified by systemic failings in the LAC region, the solution must also be systemic in nature.

The concluding section 4 identifies the four fields of action that the LAC region and its partners need to urgently jointly address: vaccination, debt, inequality and climate change. In addition, the section examines two major obstacles – regional fragmentation and international fragmentation – and puts forward proposals to overcome both.
Impact of COVID-19 in the LAC Region
1.1 Impact on health

In mid-December 2019 a coronavirus outbreak was identified in Wuhan, China, leading the Chinese authorities to declare an epidemic on 7 January 2020. Subsequently, the World Health Organization (WHO) declared a public health emergency on 30 January 2020, before further requalifying the epidemic as a pandemic on 11 March 2020. A comprehensive overview of the key milestones and events can be found on the WHO timeline (WHO, 2020).

Since those initial days, a flurry of activities worldwide unleashed in the public and private health sector have been driving initiatives in clinical, academic, governmental and public health fields, as well as in business. Constant streams of new data were gathered, with think tanks and policymakers analysing and interpreting the information on the spread of the novel coronavirus in order to understand its mechanisms and implications.

Based on these often-preliminary and partial early data, authorities from local to national levels started issuing advice, guidelines and regulations in relation to the SARS-CoV-2 pandemic, amid a climate of uncertainty. There were not only differences in opinion but frank disagreement within and among countries on the significance of the COVID-19 pandemic, and on the measures required to contain its impact on the health of individuals, health systems and the economy. This relative disorder was compounded by the emergence of misinformation, a lack of communication and hesitant leadership.

Polymerase chain reaction (PCR) testing allowed health services to confirm suspected cases from COVID-19 from mid-January 2020. Less than a year later, WHO had recorded two million confirmed deaths. On 26 January 2021, 100 million confirmed cases worldwide had been reported. By July 2021, the total number of reported deaths had surpassed four million and the total number of cases approached 200 million.

The real numbers, counting suspected and asymptomatic cases, are likely to be many times higher due to a lack of testing capacity or to differences in policy on testing among countries. Preliminary estimates suggest the total number of global “excess deaths” directly and indirectly attributable to COVID-19 in 2020 amount to at least 3 million, and the low estimate for excess mortality due to COVID in the Americas for 2020 alone is 1.34 million or 60 percent more than the reported 0.9 million (WHO, 2021a).

Second and third waves were predicted and came. The so-called epicentre of the pandemic shifted continuously, from China to Europe, to the Americas and to India. However, neighbouring countries found themselves in different phases of the epidemic. As the transmission took hold, different genetic groups of the COVID-19 virus appeared and spread. A year after the pandemic was declared, three variants of concern were recognised by WHO. Of 141 countries or territories that had detected those variants, 32 countries and territories are in the Region of the Americas (PAHO/WHO, 24 March 2021). In the second half of 2021, a fourth or “delta” variant is spreading fast.
A continuous update on confirmed cases and deaths, disaggregated by WHO regions, can be found on the WHO website (WHO Coronavirus COVID-19 dashboard). Figures 1 and 2 reproduce snapshots of the number of deaths and cases on the dashboard on 13 June 2021.
The first COVID-19 case in LAC was registered in Brazil on 26 February and the first death occurred in Argentina on 7 March 2020. An early lockdown prevented massive initial infection numbers but could not stop the spread of the virus.

In July 2020, the Region of the Americas became the epicentre of the COVID-19 pandemic. By then, all countries and territories in the Region had reported COVID-19 cases. Five of the 10 countries with the highest number of cases and deaths globally were from LAC (Argentina, Brazil, Colombia, Mexico, Peru). By the end of March 2021, despite having only 8.5 percent of the world’s population, LAC reported 21 cases of every 100 globally, with almost 25 million confirmed cases and over three quarters of a million deaths. Six countries were at the peak of their infection curve (Brazil, Curaçao, the Dutch Antilles, Paraguay, Peru, Uruguay).

By mid-June 2021, LAC was still reporting a million new infections about every six days. The countries at the peak of infection had shifted to Bolivia, Colombia, Cuba, Guatemala, Suriname, St. Kitts and Nevis and Venezuela, illustrating the ongoing dynamic of the pandemic. The total number of registered cases surpassed 35 million, 25 of every 100 infections in the world (COVID-19 Tracker, n.d.). Five countries remained in the top 21 of deaths per 100,000 population with 180.43/100,000 (Mexico), 191.43/100,000 (Colombia) 191.44/100,000 (Argentina), 231.33/100,000 (Brazil) and 580.45/100,000 (Peru), the latter after a major correction of its data (JHU 2021).

Since the start of the pandemic, public health observatories and governments reported a heterogeneous evolution in the incidence of COVID-19 in LAC countries (Fig. 3). Early analysis suggested this is related to the kinds of public health measures adopted, specifically considering the countries’ demography and poverty levels, and with pre-existing characteristics of their health systems (see section 2.1).

![Figure 3](image)

*Figure 3*

Number of COVID-19 cases per day in selected countries January 2020 to 11 June 2021, seven-day rolling average (each country on its own scale).

*Source:* BBC Visual and Data Journalism Team, 2021. Collated from Johns Hopkins University, public health agencies.
1.2 Economic impact

Outbreaks have proven challenging for the LAC region before. Over the course of the last century, the world has not experienced a crisis such as the one caused by COVID-19, which brought to a halt not only international but local mobility. To prevent the worsening of the contagion, several countries around the world implemented lockdowns and serious restrictions on mobility that required the suspension of economic activity and the disruption of domestic and international supply chains (Barrientos, 2020). At the same time, the pandemic intensified pressure on the austerity agenda and created an increased need for higher levels of public expenditure (Cimini et al., 2020).

Similarly, the social effects of the measures taken, the loss of lives and the secondary effects of those that experienced the disease are also going to be a burden, not only for the health services, but to other dimensions of people’s everyday lives.

The following sections introduce a brief description of the economic and social effects expected due to COVID-19. These effects will have lasting consequences in the region due to socio-economic vulnerabilities Latin America and the Caribbean countries were experiencing by the end of 2019.
Economic effects

The World Bank, the International Monetary Fund (IMF) and ECLAC already projected a fall of gross domestic product (GDP) in the region between 6 percent and 8 percent (ECLAC, 2020a; Werner et. al., 2021; World Bank, 2021a). One source notes that “for the region as a whole, the 2020 recession will be the worst since the Second World War (in practice, much worse than 1983, the worst year in the debt crisis) and one of the worst since the beginning of the 20th century” (Alzúa & Gosis, 2020, p. 9).

Total or partial suspensions of economic and social activities had a snowball effect over several aspects of the Latin American and the Caribbean countries, considering that there is not enough fiscal space to deal with the situation (-3 percent of GDP in 2019) and high levels of public debt (62 percent of GDP in 2019) (UNDP, 2020c). Particular attention needs to be paid to the socio-economic situation of the countries before the declaration of the pandemic in March 2020, and to the fact that ultimately the region is not well equipped to deal with the aftermath of the pandemic.

Volatility in the foreign exchange market caused at least 14 currencies to depreciate by, on average, 9.2 percent in the first quarter of 2020.

Overreliance on oil exports, as is the case of Venezuela and to a lesser extent in Colombia and Brazil, will mean economic stress (Benitez et. al., 2020). For instance, it is projected that due to Venezuela’s dependency on oil exports, GDP will be reduced between 14 p.p. and 28 p.p. (Ham, 2020).

Volatility in the foreign exchange market caused at least 14 currencies to depreciate by, on average, 9.2 percent in the first quarter of 2020, while 11 depreciated 3.7 percent on average during the second quarter (ECLAC, 2020a).

Finally, foreign financial conditions in the region deteriorated throughout the last year (Appendix 1) compared to the global performance. This is demonstrated by the increase in the gap in the Emerging Markets Bonds Index (EMBI) between March and September, as well as the revision by S&P that negatively modified the classification of country risk between March and April 2020 (Benitez et al., 2020).

Fiscal efforts and public expenditure

Before the COVID-19 crisis, the region was already at risk due to an unprecedented debt accumulation, and the estimated contraction due to the pandemic could cause this situation to worsen (ECLAC, 2020a). Governments in the region were forced to hastily adjust national and local transfers upward, which will increase the need to implement tax reforms soon to cover the extra GDP points in public expenditure.

Public finances received pressure from a sharp fall in government revenues and the increased effort to provide palliative measures for the population. Countries acquired financial loans with multilateral institutions such as the World Bank, the IMF, the Inter-American Development Bank and the Development Bank of Latin America (CAF), and this will mean that adjustments need to be pushed through after the hardest months of the pandemic (Hevia & Neumeyer, 2020).

Several investments were focused on increasing healthcare capabilities to address surging demand during the pandemic, expanding the coverage of cash transfers and other social programmes, and the design and implementation of fast-track programmes, such as those targeting SMEs, tax deductions and tariff exemptions to medical imported goods (ECLAC, 2020f).
Economic sectors performance

The service sector, particularly firms focused on tourism, entertainment, construction, transport, and hospitality, have a higher percentage of activities that require physical contact. Lockdowns, restrictions on mobility and other measures taken by governments to avoid contagion had a snowball effect on the performance of several economic sectors and particularly in the labour inclusion of vulnerable populations, such as youth and women (discussed in depth in section 1.3).

Lockdowns, restrictions on mobility and other measures taken by governments to avoid contagion had a snowball effect on the performance of several economic sectors and particularly in the labour inclusion of vulnerable populations, such as youth and women.

For instance, tourism saw a decline between 50 percent and 100 percent during 2020, being particularly difficult for the Caribbean region where 13 of the 20 most tourist-dependent economies are located. Manufacturing was strongly hit in countries like Mexico, Argentina, Peru, and Colombia (between -13 per cent in Argentina and -7 per cent in Colombia). Retail and other similar activities had to rely on a rapid and forced transition towards a different business model that includes a higher immersion in digital commerce (Alvarez et. al., 2020; ECLAC, 2020j; Mulder, 2020; Ocampo, 2020; and UNDP Country Office Mexico, 2020).

Transport is a crucial sector to mobilize people and goods both internally and externally. It is crucial to provide the following: i) a sufficient supply of goods and services to isolated locations; ii) access to food that is imported or exported; and iii) employment, both formal and informal. Air transportation reported a reduction of 95 percent in Revenue Passenger Kilometres in Argentina, Brazil, Chile and Colombia. Marine transportation showed a telling decrease in operational activities during the second quarter in the region, the same time that mobility restrictions were in place (ECLAC, 2020j). International road transport was a different story as the closure of borders affected exchanges between neighbouring countries, particularly between Argentina, Paraguay, Uruguay and Brazil. In the Caribbean, the paralysis of the main interregional cargo airlines complicated the provision of vital goods, as in the case of Guyana, Suriname and Saint Kitts and Nevis (González Moncada, 2020; Rivera, 2020).

In terms of international trade and logistics, the sharp halt of production was evident from the exports/imports results of the first quarter in the region. The volume of exported goods decreased by 20 percent while imported goods decreased by 25 percent, which was caused by the plunge in productive activities and the consequent economic downturn. The most affected countries were those that had stronger commercial relationships with United States, Europe and intraregional trade (ECLAC, 2020l; Alvarez et al., 2020), whereas for countries with a higher percentage of commercial relations with China the reduction was close to 2 percent.

Restrictions imposed by the United States to export medical supplies, some of which have been labelled as indefinite measures, as well as a transitional regime for mechanical respirators from the European Union, forced the countries in the region to import these goods from China, as the country has not imposed any bans (ECLAC, 2020h).

As has been highlighted in the literature for years, the extensive international specialization in global value chains is related to higher risk and uncertainty, especially under crisis conditions, affecting the labour supply, means of transportation, shift in demand, among others (OECD, 2020c). This situation has been proved with the COVID-19 crisis since the beginning of the situation in China, as disruptions to production and trade were caused by more and more governments around the world adopted restrictions to trade as preventive measures. “Pandemics, for example, have major impact on labour-intensive value chains. In addition, this is the one type of shock for which we assess the effects on demand as well as supply” (McKinsey Global Institute, 2020, p. 7).
Unemployment and small and medium-sized enterprises

Unemployment was arguably the first visible problem following the declaration of COVID-19 as a pandemic in early March 2020. Many companies laid off employees in the last weeks of March due to uncertainty about the situation and following the harsh restrictions imposed in the region. As a result, a modest decline in the employment rate occurred by the end of the first quarter of 0.6 percent, but this was a serious indication of the hardship to come, particularly because it affects lower-income households harder and because close to 53 percent of the labour force is concentrated in SMEs with limited access to financial support (ECLAC & ILO, 2020; ECLAC & UNICEF, 2020; UNDP, 2020d).

This uncertainty ensured that many newly unemployed persons did not immediately start a new job search in the initial months of the pandemic, thus leading to an increase in the rate of absent employees (data for available countries show rates between 23.7 percent in Uruguay and 18.1 percent in Brazil). Furthermore, employees worked less hours per day and consequently their income was reduced, excluding those working in the health sector that reported between three to five extra hours of work (ECLAC & ILO, 2020). Data collection in the region was negatively affected by the pandemic, therefore despite the effort of statistical offices during the crisis, the data is incomplete. However, by comparing the year-on-year for the second quarter, there was an increase in the unemployment rate of 2.6 percentage points, a 10 percentage points decrease in employment and a 9.5 percentage points decrease in participation rates (ECLAC, 2021e).
According to ECLAC and UNICEF, 34.2 percent of formal employment in the region is positioned in the economic sectors that were most heavily affected by the COVID-19 crisis. Moreover, they estimated that more than 2.7 million formal businesses will cease to exist, due to the containment measures and restrictions of movement put in place by governments. Both effects combined could cause a loss of 8.5 million jobs (ECLAC & UNICEF, 2020).

Persistent gaps exist between rural and urban areas. Labour in the rural areas is focused on the agricultural sector and is highly labour-intensive, mostly informal and performed by family farmers. Disruptions of supply chains during COVID-19 created a higher risk of both unemployment, reduced income and poverty and of food insecurity and child labour (UNDP, 2020b; Lustig & Tommasi, 2020).

Massive job loss was concentrated in sectors such as recreation and entertainment (in Chile, the contraction in this sector was upwards of 50 percent during the second quarter). Youth, elderly, women and informal workers were the most affected, according to ECLAC. For instance, the youth employment rate for this population group decreased between 3 p.p. (Argentina) and 1.5 p.p. (Brazil) in the second quarter of 2020 (ECLAC & ILO, 2020). A similar situation is reported for elderly employment (above 60 or 65 years according to national definitions), falling between 0.6 p.p. and 1 p.p. Finally, telework was found to be closely correlated with income and level of education, and the increasing inequality and overexposure of the lowest quantiles and less educated people to the virus was another consequence of the pandemic, as they were forced to mobilize. Working from home in the region was a privilege. By June 2020, countries in the region started to report an increase in the employment rate. The specific impact for women will be discussed in the gender section.

Almost every type of business reduced its personnel and tried to function at the lowest possible human capacity. An extreme outlier case was Brazil, where larger companies were able to support most of the operation through telework. In this case, 86.2 percent of large companies used telework, as compared to the 37.7 percent of SMEs (ECLAC & ILO, 2020). In the rest of the region, companies reported a reduced cash flow, difficulties to collect from customers and scarce access to financial support. The situation was particularly onerous for SMEs in terms of their inability to support financial capacity and their lack of resilience to the crisis, which directly impacted unemployment (Mera, 2020).
1.3 Social impact

The most impactful effect of the COVID-19 pandemic in the region is the sharp increase in the poverty rate of between 4 percent and 7 percent during 2020 (ECLAC, 2020a). According to ECLAC, 28 percent of households in Argentina had to cease payments to utility companies and banks or were unable to buy food due to a lack of cash. Unfortunately, it was not possible to find comparable results in the rest of the countries of the region, but it is an indication of the pressure social protection systems will be facing (ECLAC, 2020d).

Most of the population depends on monthly earnings to survive, with scarce savings and assets, as mentioned in the informal job section above. Sudden unemployment and or absence of job could cause vulnerable households to fall in the trap of poverty.

Sudden unemployment and or absence of job could cause vulnerable households to fall in the trap of poverty.

People live in overcrowded dwellings, with no universal access to water, sanitation and health care, and access to financial institutions is limited. Under these circumstances, measures like curfews, lockdowns, social distancing and
mobility restrictions were hard to enforce. Nonetheless, the measures reduced mobility compared to the levels present before the pandemic. Despite the relaxation of measures, mobility in most of the countries has not returned to normal (See Appendix 2-4).

Finally, it has been projected that the number of poor people in the region will increase by 30 million, and 16 million will fall into extreme poverty (UNDP, 2020b; Lustig & Tommasi, 2020). The severity of poverty is higher in rural areas, but close to two-thirds of poor people live in urban areas where lockdowns and restrictions to mobility severely affected employment in the informal sector (United Nations Population Fund (UNFPA), 2020). In LAC, poverty is concentrated in children, with close to 46 percent of children living in poverty before the pandemic (Blofield et. al., 2020).

Finally, it has been projected that the number of poor people in the region will increase by 30 million, and 16 million will fall in extreme poverty.

Social protection and social assistance

Social security schemes are designed to be a reliable source of support on a regular basis, but are not designed for emergencies, deep economic hardships and pandemics. However, the strength of the institutional arrangements and the depth of social protection systems can be a well-devised tool to mitigate negative socio-economic effects.

In that sense, the most important sources of protection could be found in the two pillars of the social protection system: social risk management and social assistance. Utilized correctly, these pillars could also incentivize disadvantaged groups to comply with the measures imposed to prevent contagion in the region (Barrientos, 2020). At the same time, the pandemic also extends to populations and sectors that were not yet targeted for intervention.

Conditional cash transfers

Some countries have suspended the monitoring of conditions because of the COVID-19 pandemic. This is the formal case of Familias en Acción in Colombia, Avancemos y Crecemos in Costa Rica and Bono Social in Guatemala. It is expected that more countries suspended monitoring due to the restrictions, but this was not formally communicated by governments as in the aforementioned cases (Benitez et. al., 2020).

Food security

The Caribbean is highly dependent on food imports, and this situation is particularly dire for Antigua and Barbuda, the Bahamas, Haiti and Saint Kitts and Nevis. Central American countries are net importers of cereals, and main exporters of other agricultural products. The rest of the region are net exporters of agricultural goods to few destinations around the world. Disruption of food supply chains, as happened during the COVID-19 pandemic, makes the region vulnerable to food insecurity (Ham, 2020).

Child labour

Child labour is already a major problem in the region. Because of the COVID-19 situation, there are increasing concerns about the worsening of the problem, especially regarding the adverse labour conditions that had already been demonstrated to affect children and adolescents both physically and psychologically. Moreover, economic hardship in families, barriers to access health and education services, due to constraints in mobility and access to information and communication technologies, could increase the probability of children dropping out of school and working to top-up income at home (López Castelló et. al., 2020).
Education

Basic and secondary education:

One of the most affected sectors due to lockdowns, curfews and limitations in mobility has been access to basic and secondary education. Except for Nicaragua and Anguilla, the rest of the countries in the region closed schools and universities. Compared with the rest of the world, LAC was the region that closed the sector for the longest periods of time, with an average of 158 days of full school closures. The difficulties experienced by children and adolescents during 2020 and 2021 will cause lifetime earning losses, harm learning outcomes and have an impact on health, well-being, nutrition, and immunization (UNICEF, 2021; García-Jaramillo, 2020), as was proven heretofore in natural disaster cases.

Another aspect that will increase the learning gap in children in the region is the unequal access to digital technologies. Connectivity was in the eye of the hurricane precisely because of schools’ closure and telework. In LAC “67 percent of urban households are connected to the Internet, while in rural areas only 23 percent” (ECLAC, 2020n, p. 3). Countries such as El Salvador, Paraguay, Peru and Bolivia have just 10 percent connectivity in rural areas.

This situation was especially important to grant access to education as distance learning was implemented by schools and universities, resulting in an estimated 32 million children excluded from education. Moreover, between 10 percent and 20 percent of students in the lowest quantile did not have access to devices like smartphones and laptops, nor did professors and teachers have the technological skills required or needed to rapidly adapt their educational content.
Tertiary education:

The effects of COVID-19 on access to higher education has been a less debated topic. The immediate effect was the halt in activities; however, the impact goes well beyond that. Once higher education institutions decided to change from in-person to virtual teaching environment, social isolation, financial concerns, access to the Internet and anxiety have been recognized around the world as factors impacting performance in higher education. In LAC, the emphasis has been on reaching highly vulnerable students, with not enough financial resources or facing barriers to accessing the Internet, as these groups are at higher risk of dropping out. In the region, students migrate to urban areas to access higher quality education, but since lockdowns were imposed they decided to go back home to reduce expenses and avoid loneliness. Arguably the most discussed effect is the lack of social and recreational benefits of in-person learning and lack of social interaction.

In LAC, the emphasis has been on reaching highly vulnerable students, with not enough financial resources or facing barriers to accessing the Internet, as these groups are at higher risk of dropping out.

Students miss being in contact with their peers, professors and friends which has had a toll on their socioemotional development. Staff and professors at higher education institutions were not prepared to deal with a new type of teaching. Virtual environments require much more discipline and commitment from both professors and students. The combination of: (a) converting courses originally designed for in-person teaching to virtual teaching, without modifying the curriculum; (b) the harsh process of academic staff quickly turning to virtual platforms, in some cases without adequate knowledge and experience of teaching in virtual space; (c) the number of hours spent in front of a screen, and (d) the halt in research, focusing mostly on desk research, has been called coronateaching (IESALC, 2020).
Gender equality

The region has taken steps towards gender equality that could be severely damaged by the COVID-19. The negative impacts of the pandemic are distributed unevenly between women and men. The crisis has highlighted the unfair social organization and has unveiled the significant weight and value that unpaid domestic and care work represent for the global economy, which is normally carried out by women in an invisible and unrecognized way. The pandemic will leave more than 118 million women in poverty, and unemployment for women will increase by 6 percent, mainly due to the economic downturn in a sector that traditionally employs more women: retail, tourism and hospitality, manufacturing and domestic work, among others (UN Women, 2020a). According to Capurro et. al. (2020), women often assume more responsibilities than men that translate into unpaid work, experience more economic vulnerability and are widely exposed to domestic violence during the lockdowns.

The care economy

The burden of care work relies heavily on women, and this has a direct effect on their time availability - known as ‘time poverty’ – thus affecting their economic output, particularly for those located in the ‘sticky floors’. According to Oaxaca and Ransom (1994) discrimination between the race, gender and income quantiles is harder in the extremes. The higher portion is called ‘glass ceilings’, while the lower portion is called ‘sticky floors’. The concept has been, widely used since then to highlight women trapped in low skilled and clerical jobs. A total of 43 percent of children in the region live in households classified in the lowest economic quantile, and most of the demand for child day care comes from middle-lower income households (ECLAC, 2020d).
Care at home increased in all the countries of the region because of lockdowns and mobility restrictions. Families had to adapt quickly to these new conditions with consequences in the labour market, especially with respect to telework and job continuity for women (ECLAC, 2020d). The only exception was REDCUDI in Costa Rica that remained open through the lockdown, and provided early childhood education and care.

The pandemic will leave more than **118 million women in poverty**, and unemployment for women will increase by 6 percent.

In Argentina 51 percent of women are reporting longer time spent on household tasks and feeling overburdened during the pandemic. Similarly, the increase in the burden of household tasks is worse for highly educated women (21 percent) compared to lesser educated women (3 percent) (ECLAC, 2020d). In Mexico, according to UNDP (2021), from a qualitative standpoint, the reason for the decrease in the labour force of women during the pandemic was due to the ‘time poverty’. This is the lack of ‘me time’ to pursue personal interests, as the stereotypical gender roles forced them to mix professional, family and personal aspects of their lives blurring the lines between these spheres. Unfortunately, there is no further information regarding other LAC countries on this topic.

**Adolescent fertility**

The pre-COVID-19, adolescent fertility rate in the region was a major social and health issue: 2 out of 10 adolescents became mothers, with a higher participation of those in the lowest socio-economic quantile. According to UNFPA, the effects of COVID-19 on adolescents’ fertility rates is going to worsen the situation. It is expected to rise from 61 to 65 live births per 1,000 women between 15-19 years on average, and even higher for indigenous and Afro-descendant populations (ILO, 2021).

Effective access to reproductive rights for women in the region is also expected to be detrimental, due to the reduced access to contraception and voluntary terminations of pregnancy, in countries where it is legal. ECLAC estimated that this will cause “2.2 million unwanted pregnancies, more than 1 million abortions, 3,900 maternal deaths and 51,400 child deaths” (ECLAC, 2020i, p. 9) by the end of 2020.
Violence against women and children

Violence against women and children had been of further increasing before the pandemic hit the region: In 2019, 4,554 women and girls were victims of femicide in 18 countries that had reported data (ECLAC, 2021b). Since 2020, the demand of helplines focused on providing information and support to female victims of violence has increased in the region. Most of the countries in the region, except Guatemala, had a 30-50 percent spike of helpline calls between March and April 2020, just when the lockdown measures were imposed (López-Calva, 2020).

Domestic work

Before the pandemic hit the LAC countries, the number of paid domestic workers in the region was calculated to be between 11-18 million people, with 93 percent being women. Domestic work was in the range of 10 percent - 16 percent of total employment and the income of domestic workers was half of the average income of employed people. It has been noted that these workers face increased risks of getting their rights violated and losing their jobs. Most of these women are in the informal sector and 77 percent of them lack access to social security insurance (ECLAC, 2020c; Bergallo et. al., 2021).

Other vulnerable populations

Migrant workers

Migrant workers are identified as being at a higher risk of either being unemployed or being exposed to contagion. Characteristics of labour conditions of this population (workers exposed to higher interpersonal contact, working in overcrowded spaces and informal jobs), plus increasing racism, stereotyping and xenophobia in the region means this group is experiencing a greater degree of vulnerability (ECLAC, 2020m).

LGBTQI+ population

In the region, most of the reports of murders in the LGBTQI+ community are concentrated in Central and South America, while in the Caribbean only the Dominican Republic is reporting murders of persons under this category (Drazer, 2020). COVID-19 exacerbated the discrimination and barriers that had always been present for the LGBTQI+ community in access to health care, alongside the socio-economic consequences of lockdowns and curfews. Due to a lack of information and research on the impacts on this population, the specific effects of the pandemic have been less visible, with the possible exception of Argentina. Some measures adopted even deepened transphobia, bi-phobia and homophobia. In Bogotá (Colombia), Peru, Panama, and Honduras, in April 2020 the authorities
decided to implement differential permits to go out based on gender. The measures reinforced stereotypes and increased the risk of transgender people experiencing attacks, such as beatings, arbitrary detentions and police brutality. In Mexico there was an increase in transphobic femicide reported by certain organizations by the end of March. Negative impacts on employment levels, with 42 percent of transgender women being sex workers for example, on access to reproductive rights, on prevention of sexually transmitted diseases or on continued provision of HIV treatments and mental health are expected to worsen the situation of LGBTQI+ populations. However, research and evidence on this topic remains limited (Griffin & Rivera, 2020; World Bank, 2020a; Barreto, 2020).

Indigenous population

In Latin America and the Caribbean, nearly 58 million people belong to several indigenous and tribal communities. According to the latest data in the region, indigenous people are consistently more affected by poverty than the rest of the population. Lower quality of life, as measured by global standards, correlates to a higher density of the indigenous population, due to the importance that these traditional authorities give to ancestral territories and geographical locations, mostly in rural areas (e.g. in Chile, territories related to the presence of Aymara and Mapuche people have less access to drinking water; in Mexico the lack of access to sanitation is also correlated with

Until 17 May 2021, 225,459 confirmed cases of COVID-19, of which 7,558 deaths, were reported among indigenous populations in 16 LAC countries for which information was available.
indigenous territories; in Colombia, Guatemala and Mexico more than half of the population lives in overcrowded households.

Elderly individuals – mostly women – within indigenous communities are at a higher risk of COVID-19 due to close-knit living arrangements, poor access to health care and informality. Encouraging social distancing practices in this context could harm the cultural traditions (language, cosmology, relations with nature) of indigenous communities (ECLAC, 2021d). Until 17 May 2021, 225,459 confirmed cases of COVID-19, of which 7,558 deaths, were reported among indigenous populations in 16 LAC countries for which information was available (PAHO/WHO, May 2021).

Afro-descendant population

Close to 21 percent of the population in the region identifies as Afro-descendants, most (70 percent) of whom are settled in urban areas. The infant mortality and low fertility rates are speeding up the process of ageing among this population. The situation reflects severe inequalities as the probability of suffering poverty (three times higher in Uruguay), lack of proper housing (e.g. one third of the Afro-descendant population in Guatemala lives in critically crowded households; in Colombia, Afro-descendants have three times less access to clean water and there are similar figures for lack of access to sanitation, when compared to the rest of the population; and in Peru, Afro-descendants have 1.5 times less access to an Internet connection), access to education (e.g. in Uruguay, Afro-descendants who attend tertiary education is the lowest percentage in the region at 8.5 percent), unemployment (e.g. in Ecuador, the unemployment rate for Afro-descendants is double the rate for non-Afro-descendants) (ECLAC, 2020c). In Brazil, Afro-descendants face a risk of mortality due to COVID-19 that is 1.5 times higher than the average (Martins-Filho et al., 2021). Next to higher poverty rates, Afro-descendants face a higher labour market informality. This negatively affects their inclusion in health insurance and corresponding health care, especially in LAC where tax-based safety nets remain underresourced (Morrison, 2021).

In Brazil, Afro-descendants represent 10 percent of the population, but the risk of mortality due to COVID-19 is 1.5 times higher.
Policy responses
2.1 Health policy

The Pan American Health Organization and the WHO Regional office for the Americas jointly issued their first epidemiological alert on the novel coronavirus on 16 January 2020. This regional body’s first COVID-19 alert included “recommendations covering international travel, infection prevention and control measures and laboratory testing”. Since then, PAHO has published similar alerts on a weekly basis (PAHO/WHO, n.d.).

Already on 24 January 2020, PAHO’s Director sent a letter to the ministers of health and other senior officials in the Region of the Americas on the emergence of SARS-CoV-2, including technical considerations and advice. After the second meeting of the International Health Regulations (IHR) Emergency Committee on 30 January 2020 in Geneva, WHO’s Director General determined that the spread of the SARS-CoV-2 virus constituted a Public Health Emergency of International Concern (PHEIC), and temporary recommendations were issued. On 11 March 2020, WHO’s Director General declared COVID-19 to be a pandemic.

In the face of the crisis, the priority was to “rapidly scale up and expand public health and individual health care services to respond to the COVID-19 pandemic, while maintaining other essential services” (ECLAC & PAHO, 2020, p. 7).

“If the transmission curve is not brought under control, the countries’ economies will be unable to recover” concluded the joint ECLAC-PAHO report on COVID-19 (ECLAC & PAHO, 2020). This indicated the critical role of the health sector in recovery pathways.

Countries activated health sector emergency plans and measures to strengthen national health systems while in different stages of the pandemic. However, with many lingering weaknesses, the underfunded, fragmented and inequitable LAC health systems were “in for a battering” (Pandemic Preparedness, 2020).
Health information challenges

“Good data is essential to good decision-making” (Bloomberg, 2020). However, only half of the countries report disaggregated data while inequalities and data gaps impede targeted interventions (WHO, 2021a).

Systemic limitations in data collection in LAC, especially regarding the registration of new cases of COVID-19 infection due to limits in large-scale testing and contact tracing capacity, weakened evidence-based action. Except for Chile, no mass testing strategy was implemented. Even for the more robust mortality data, underreporting exists. Moreover, a lack of disaggregated data on socio-demographic characteristics to calculate incidence and mortality rates between subpopulations and to allow for standard comparison of the impact of COVID-19 in the region was also reported (Acosta, 2020). The latter is relevant as literature suggests that disparities in social determinants of health result in differential exposure to the virus, differential vulnerability to the infection and differential consequences of the disease (Burström, 2020).

A comparative analysis of the testing capacity using positive cases to tests ratio illustrates why the number of COVID-19 cases and deaths may be significantly underestimated in LAC compared to the Middle East and North Africa (MENA), the European Union (EU), United Kingdom, and United States of America (IMF, 2020b). Figure 4 shows the high proportion of new infection cases as a share of new tests in LAC compared to other regions. Simply put, not enough testing was performed.

**Figure 4**

Testing capacity (new infection cases as share of new tests, 7-day average)

![Graph showing testing capacity](image)

Sources: Our World in Data database; and IMF staff calculations.
This discrepancy between reported versus real numbers was confirmed when comparing excess deaths versus official COVID-19 deaths. Figure 5 and Table 1 illustrate differences within and in between a set of LAC countries (IMF, 2020b). As the behaviour of health indicators should influence decision-making at the government level, such discrepancies are of concern. Unfortunately, some leaders saw that testing caused an increase in cases (Dunn, 2020). By June 2021 some countries, like Peru, had corrected their reporting.

Figure 5
Excess deaths versus official COVID-19 deaths

Sources: IMF staff calculations.
Health service provision

On the one hand, the hospital level outcomes have improved since the initial months of the pandemic with the improvement of treatment protocols (use of anti-inflammatory steroids, anticoagulation and oxygen therapies). On the other hand, the emergence of variant viruses since the Q4 of 2020 transformed the trajectory of the pandemic, increased infection rates and again increased the demand for hospital capacity (Armstrong et. al., 2021).

As soon as the pandemic expanded, existing challenges, such as high inequality, weak governance, unsustainable economic development policies, inefficient tax systems and lack of information, came into prominence and exacerbated the overall impact.

Next to freeing up capacity from other services to deal with the deluge of people falling sick during the pandemic, extra operational capacity needed to be created together with extra funding for the response (e.g. in extra human resources and supplies). The outsourcing of production of essential supplies for cost containment over the last decades left LAC practically without its own production capacity which was crucial to the crisis response. This resulted in price hikes and speculation, as well as in risks of no availability of requisite supplied and of contract defaults.

LAC health systems became overwhelmed by the demand for services generated by the COVID-19 outbreak. These services range from treating severely ill COVID-19 patients in hospital Intensive Care Units (ICU) and High Dependency Units (HDU), to test and treat sick people in emergency and primary care settings, to the mobilization of communities, for example tracing and prevention activities. With the surge in cases continuing and despite a significant increase in ICU capacity, many countries in LAC reached a breaking point in the hospital occupancy rate by January 2021 and struggled with the burnout of staff and stockout of supplies. A persistent impact of new infections, for example, with younger patients hospitalized, provoked a “crowding of hospitals crisis” in LAC (PAHO/WHO, 2021b).

The heavy workload created by COVID-19 measures have impacted other health services. As some health systems came close to collapse, “both direct mortality from the outbreak and avertable mortality from other conditions increase dramatically” (United Nations (UN), 2020). Many essential health interventions can only be temporarily halted, e.g. antenatal care, vaccinations, acute cancer treatment, surgical interventions, or chronic disease management.

A WHO global survey revealed significant service disruptions in 24 countries in LAC, including disruption of potentially life-saving emergency services (WHO, 2021b). The limited priority assigned to increase capacity to the first level of care compromised the continuity of programmes such as maternal and child health, mental health, health for elderly, non-communicable diseases (PAHO/WHO, 2020b), tuberculosis and HIV. Nearly half of countries reported a disruption in family planning, immunization, childcare and antenatal services, and in non-communicable diseases such as cancer services. Malaria prevention

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**Table 1**

<table>
<thead>
<tr>
<th>Country</th>
<th>Dates</th>
<th>Excess Deaths</th>
<th>Covid Deaths</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>21 Mar – 14 Aug</td>
<td>500</td>
<td>514</td>
<td>-14</td>
</tr>
<tr>
<td>Mexico</td>
<td>28 Mar – 31 Jul</td>
<td>1,000</td>
<td>369</td>
<td>631</td>
</tr>
<tr>
<td>Peru</td>
<td>31 Mar – 30 Aug</td>
<td>2,110</td>
<td>882</td>
<td>1,228</td>
</tr>
<tr>
<td>Chile</td>
<td>7 Apr – 14 Sep</td>
<td>620</td>
<td>678</td>
<td>-58</td>
</tr>
<tr>
<td>Ecuador</td>
<td>29 Feb – 30 Aug</td>
<td>1,830</td>
<td>381</td>
<td>1,449</td>
</tr>
</tbody>
</table>

Sources: IMF, 2020b
strategies were disrupted in 60 percent of countries. Next to the impact on mother and child health, the lack of support for the primary care level further compromised access for vulnerable populations (indigenous, Afro-descendants and remote rural communities).

Control and contain

The epidemiological curve needs to be controlled to decrease and interrupt the transmission of SARS-CoV-2. The public health measures needed to obtain this outcome are well known by now and include social distancing measures, tracing and isolating cases and contact tracing and testing. The protection of health workers, critical to the response, needs to be ensured. With vaccination as a critical factor to control or contain the epidemic underway, the impact over the next months in LAC will be eagerly awaited once the necessary vaccine supplies are delivered.

An overview of the reported control measures taken by countries in LAC shows that, except for mandatory coverage, two thirds or more of countries implemented critical control measures at a point in time (Table 2, ECLAC COVID-19 Observatory in LAC (Resident Coordinators System of the United Nations in Latin America and the Caribbean, UN Women & ECLAC, n.d.)).

<table>
<thead>
<tr>
<th>Action or measure category</th>
<th>Total No of actions</th>
<th>Perc. of countries with at least 1 action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health emergency</td>
<td>85</td>
<td>87%</td>
</tr>
<tr>
<td>Mandatory coverage</td>
<td>17</td>
<td>42%</td>
</tr>
<tr>
<td>Mandatory quarantine for foreign travellers and confirmed or suspected cases</td>
<td>46</td>
<td>87%</td>
</tr>
<tr>
<td>Mandatory general quarantine</td>
<td>177</td>
<td>66%</td>
</tr>
<tr>
<td>Type of policy on testing (e.g. universal, reduced to certain groups)</td>
<td>46</td>
<td>75%</td>
</tr>
<tr>
<td>Free test coverage expansion</td>
<td>30</td>
<td>63%</td>
</tr>
<tr>
<td>Hospitals (mechanical ventilators, additional ICU beds, protection equipment, temporary hospitals, others)</td>
<td>123</td>
<td>66%</td>
</tr>
<tr>
<td>Other measures (e.g. fiscal space and tax for health &amp; procurement, HR &amp; foreign health workers, prisons)</td>
<td>224</td>
<td>78%</td>
</tr>
<tr>
<td><strong>750</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The timeline of the declaration of all these control measures and actions ranges widely. Actions and measures adopted were spread throughout the year subject to national contexts and the curve of the epidemic. At the end of 2020 countries had reported 750 actions or health-care measures to combat the pandemic.

On 21 January 2020, Belize becomes the first country in the LAC to act upon the nascent pandemic. It issues an announcement of awareness of the novel coronavirus and encourages preventive flu measures. Two days later, it activates a national surveillance team to monitor acute respiratory illnesses through the Belize Health Information System. On 25 January Belize’s Ministry of Health starts heightened surveillance at points of entry.

The largest cluster of actions and measures by countries starts from 11 February until the end of that month, triggered by the WHO’s temporary recommendations and declaration on 30 January 2020 of the spread of the SARS-CoV-2 virus as a PHEIC. In this period alone 165 actions or measures were taken at the country level in LAC. Only one country, Nicaragua, did not report any measures in this window. Brazil beat the pack with 23 measures followed by Jamaica and Belize with 12 and 10 such measures in this period respectively.

Large countries with large budgets can wield extraordinary power to mobilize resources and facilitate their use. In the category “other”, measures related to fiscal space, tax, procurement, human resources, or prisons open specific avenues for control measures.

Between February and December 2020, the Federal Government in Brazil took 28 measures releasing billions of Reais for national and subnational entities, 16 to reduce national and import taxes and 12 measures to simplify public procurement for health products and services related to COVID-19, 4 measures to increase the availability of human resources, 1 for Telemedicine and 1 for prisons.

Regional support initiatives also take place with the help of regional or subregional bodies, notably to support smaller countries and territories in LAC. Pooling mechanisms of procurement and supply chain for COVID-19 or existing pooling mechanisms are an example of this collaboration.

As part of the UN Caribbean Subregional Team Procurement Taskforce (PAHO, UNDP, UNICEF and the United Nations Office for Project Services (UNOPS) and of the CDEMA logistics cell, UNDP “is working to mitigate the effects of COVID-19 and to build a more resilient region”. Its third pillar (resilient health systems to respond to COVID-19) includes health procurement support. Severe disruptions in the global supply chain for key health care and ancillary supplies and equipment crucial to the crisis response need to be overcome. Based on UNDP’s logistics experience in the health sector, procurement provides quality assurance, products from reputable suppliers and manufacturers and efficient, timely and cost-effective procurement (UNDP, 2020c).
Pooled procurement mechanisms in LAC Region

The Strategic Fund of the Pan American Health Organization is a regional technical cooperation mechanism for pooled procurement of essential medicines and strategic health supplies meeting international standards in safety, efficacy and quality. This is a principal component of PAHO’s strategy to move towards Universal Health. The Strategic Fund strengthens strategic supply management systems, providing technical cooperation to plan demand, guarantee rational use and avoid stock-outs in the countries of the Americas.

Through this fund more than USD 145 million in COVID-19 diagnostic tests (PCR and rapid tests), Personal Protective Equipment (PPE), and medicines for critical care were purchased. Key initiatives to support the COVID-19 response include the following:

Risk analysis of regional stock levels of essential medicines and supplies to avoid stock-outs; monitoring and mitigation of supply chain disruptions; support for identifying alternative modes of transportation to ship COVID-19 products; technical coordination with regional experts to evaluate alternative safe, effective, and quality-assured treatment protocols; regional demand consolidation for critical care health products in COVID-19 response; facilitation of innovative financing options, including donations, horizontal lending partnerships, and credit lines to procure timely medicines and supplies.

The Strategic Fund strengthens strategic supply management systems, providing technical cooperation to plan demand, guarantee rational use and avoid stock-outs in the countries of the Americas.

Through inter-programmatic work, the Fund also averted stockouts of: antimalarials in 14 countries; antituberculosis treatments in 12 countries; and antiretrovirals in 2 countries (PAHO/WHO, 2021c).
PAHO’s **Revolving Fund for Access to Vaccines** has provided access to safe and quality vaccines at affordable prices for member States and Territories throughout the region for more than 40 years. It is part of a larger technical cooperation package that supports countries’ efforts to achieve sustainable and equitable reduction of morbidity and mortality of vaccine-preventable diseases through control and elimination strategies. By consolidating forecasted demand requirements and leveraging economies of scale, promoting transparent negotiations with suppliers and implementing innovative acquisition strategies, the Revolving Fund has greatly improved its purchasing power, lowering vaccine prices and contributing to the sustainability of National Immunisation Programs. Its principles are Quality, Transparency, Solidarity, Equity, Pan-Americanism.

The Revolving Fund helps countries to accurately estimate their requirements for vaccines and related supplies, to consolidate regional demand so vaccines can be procured in bulk at the lowest price and to prepare and conduct transparent tenders for qualified products and suppliers. The results of competitive tenders are processed into purchase orders for countries, and the fund monitors international shipping to countries. PAHO supports the global access efforts within the “COVID-19 Vaccine Global Access (COVAX) Facility” through its Revolving Fund (PAHO/WHO, 2021d).

Vaccination is classified under ECLAC’s COVID-19 Observatory in LAC as a recovery measure. Considering the recent surges, the circulation of genetic variants of SARS-CoV-19 and the remaining unvaccinated proportion of the population caution against such a precocious optimistic view is warranted. The complexity of the coronavirus pandemic, different from influenza, lead us to classify it under control and containment measures. Of the 33 LAC countries reporting to ECLAC, the measures taken to respond to COVID-19 range enormously, from questions in Congress (El Salvador) to advanced clinical trials of its own vaccines (Cuba).
Governments had to adjust quickly to the situation created by the pandemic to prevent the worsening of the impacts in the region. Since the declaration of the pandemic by the WHO in mid-March, this implied the expansion of economic and social policies already in place and the quick design of new measures. This section and the following highlight the main socio-economic measures adopted in the countries of the region. Each topic will be related to at least one of the areas defined by the UNDP as a pathway to recovery. This is related to Social Protection, Green Economy, Governance and Digital Disruption, highlighting the specific areas of support as stated by the organization (UNDP, 2020a).

Overall, the response in the region was quick, despite the institutional arrangements that had slowed down bureaucratic decisions in the past. As early as end-March, all the governments announced labour and income protection to formal sector workers and cash transfers to the beneficiaries of social programmes. The speed of materialization varied in the region; for instance, Uruguay responded within days while countries like Brazil, Colombia and Ecuador suffered significant delays in their interventions. By April, measures towards informal workers and those not included previously in the government datasets were in place in most of the countries. However, delivery was not as effective as promised. Demand driven requests, the lack of electronic transfer mechanisms and lack of access of beneficiaries to banking delayed the speed of effective action from governments. Moreover, in many countries long waiting lines were caused that exposed vulnerable population to agglomerations, and therefore to contagion.

A summary of four indicators calculated over the complete span of the pandemic include the measurement of economic policies for more than 160 countries in the world. It measures mostly in ordinal data: i) if governments are providing direct cash payments to people who lose their jobs, or subsidies to companies, if they are linked to wages (income support);
ii) if there are measures of freezing financial obligations for households (debt relief); iii) if governments announced extra public spending (fiscal measures); and iv) if there is new available financial support from foreign aid or international cooperation destined to cover the impact of COVID-19 (international support). Summary graphs following the behaviour of each country and divided by subregions are presented in Appendices 4-6. They give context to the stability of measures applied during 2020 and up to January 2021, some of which will be shown in the following sections.

This section presents the summary of main measures adopted by category. Country-specific policies, interventions or approaches that are different and that are considered outstanding are shown in boxes to highlight the process and in the forthcoming months to evaluate the scope and depth of the results achieved by their implementation. The following sections are classified according to the particular emphasis of the intervention regarding the impacts described in the previous section for the potential beneficiaries in the different countries of the region. This section is based upon information from ILO (2021), UNDP and government webpages.

**Protection of employment and business**

Some of the programmes focused on business survival, by providing support to companies that had been strongly affected by the COVID-19 measures adopted by governments. Firms have been the target of subsidies destined to cover wages of employees, permission to reduce work hours and to negotiate holidays; funds to support SMEs have also been created, as well as subsidies to cover extra payments of formal low-income workers. Brazil implemented the subsidy to workers’ wages, but only a limited percentage of companies applied (UNDP, 2020d). Several countries announced funds to SMEs: Jamaica introduced the Small Business Grants and Tourism Grants to small businesses with limited sales by year and/or operating in the most affected sectors in the national economy: hotels, attractions and tours (Mera, 2020).

The Mexican and Dominican Republic Governments have proposed conditional credits to companies that have been proposed by that do not reduce employees, as well as micro-credits available for informal sector and SMEs (Barinas & Viollaz, 2020).
Chile implemented a contribution of close to 1.2 percent of its GDP to the Small Business Guarantee Fund (FOGAPE); Peru announced resources to private banks to incentivize lending close to 8 percent of its GDP; Colombia, Paraguay and Uruguay opened credit lines focused on SMEs close to 1.5 percent, 1.3 percent and 4.5 percent of GDP, respectively. Finally, in Costa Rica and Honduras the credit lines focused on strategic economic sectors by investing 1.7 percent and 2.5 percent of GDP respectively (ECLAC, 2020a).

Public expenditure, fiscal, and monetary measures

Despite the efforts to increase public expenditure that are a sign of counter-cyclical behaviour, some countries adopted an austerity programme in the public sector. This is the case of Mexico that proposed a harsh reduction in administrative costs in the federal government, some based on the reduction of contracts with third parties and others with a reduction of salaries of public officials (UNDP Country Office Mexico, 2020). There has been extensive literature calling for a counter-cyclical approach that focuses primarily on reactivating the economy.

Other countries have opted for the postponement of tax payments and other types of contributions as a relief for both companies and households and to boost consumption internally (Mera, 2020; UNDP Country Office Paraguay, 2020; Ham, 2020; Barráez & Chirinos-Leañez, 2020; Alvarez et. al., 2020). However, countries like Uruguay and Colombia created additional taxes on public officials, politicians and to high-income pensioners (Capurro et. al., 2020; Alvarez et. al., 2020).

Central Banks reduced interest rates to warrant liquidity, as in the case of Honduras, Jamaica, and Colombia (Mera, 2020; Ham, 2020; Alvarez et al., 2020). In Chile and Peru interest rates are close to zero. Honduras and Mexico maintained high rates (ECLAC, 2020a). Financial private institutions also announced relief packages. In Jamaica those included extension of credit terms, working capital support and fees waiver (Mera, 2020).
Gentilini, Almenfi and Dale (2020) reviewed the social protection measures adopted worldwide during 2020. Table 3 shows their data in some Latin American and Caribbean countries, excluding French Guyana, Guadeloupe, Martinique, Puerto Rico, and Saint Barthélemy. Latin America and the Caribbean has been an important region in implementing and enlarging different measures to cope with the socio-economic impacts of COVID-19, only behind Europe and Central Asia (ECLAC, 2020g). Measures are part of the social protection systems and have been classified as social assistance (cash transfers, public works, in-kind and school feeding and utility and financial support), social insurance (paid or unemployment leave, health insurance support, pensions and disability benefits and social security contributions) and labour markets (measures focused on individuals). New and expanded social mechanisms have been implemented in almost every country in the region.

Overall, South America on average has had the most measures per country in place when compared to Central America and the Caribbean. The measures concentrated mostly on social assistance as expected. The most widely used measure of all the categories has been cash transfers (35 countries), as it has been generally in place for decades. The measure that was not implemented in the region was health insurance support. In social assistance, public works is the least used measure, only implemented in Grenada and Mexico. Paid leave or unemployment benefits was widely used, being the second most important measure in place (21 countries). The country that diversified its interventions the most was Brazil by using 9 out of 12 measures listed.

We will use the same categories to describe the used measures sector by sector, and with the help of the ILO database we will identify if there are new programmes or if the pre-existent ones were adjusted to face the emergency.
<table>
<thead>
<tr>
<th>Type</th>
<th>Social Assistance</th>
<th>Social Insurance</th>
<th>Labour Markets</th>
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<td>Cash-based transfers</td>
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Source: Gentilini, et al., 2020a
Social assistance

Most of the measures adopted in the region could be classified as social assistance as the non-contributory portion of measures were either not applied or not implemented in the design of new programmes.

Cash transfers

An analysis of measures adopted to adjust cash-transfer programmes existing pre-COVID-19 will be summarised in the family and children section below. In this section, the focus will be on the special allowances that were introduced in the region to complement the already strong conditional cash-transfers programmes. For instance, at the end of March Barbados introduced a new cash benefit of USD 600 for vulnerable families, Bolivia announced a one-time payment of Bono Universal to people between 18 and 60 years old, Brazil included self-employees in a cash transfer in late March of BRL 600 as well as an emergency allowance for artists. Similar measures were adopted in Chile, Colombia, Costa Rica, Dominica, Dominican Republic, El Salvador, Grenada, Guatemala, Guyana, Honduras, Mexico, Paraguay, Peru, Puerto Rico, Saint Vincent and the Grenadines, Trinidad and Tobago, Turks and Caicos and Venezuela. Only Brazil extended coverage until December 2020.

Temporary basic income

Chile and Argentina implemented the Ingreso Familiar de Emergencia. An example of new programmes focused on supporting independent workers that have been designed quickly is the programme Pytvô in Paraguay. It used electronic payment methods and its advantage was that the resources transferred were invested in communities thereby boosting the local economy (Barinas & Viollaz, 2020).

Children and family

The strategy of increasing benefits for children and family during the COVID-19 crisis is by far the most used in the region. Bolivia created the Bono Familia to cover expenses for each child enrolled in school. Costa Rica included a new subsidy to cover more than 30,000 families. Cuba included subsidies to guardians in charge of taking care of children. Ecuador created the Bono de Apoyo Nutricional; Guatemala the Bono Familia; Peru the Bono Familiar Universal; and Venezuela the Bono Disciplina y Voluntad and Bono Unidos por la Vida as new cash-transfers to support families affected by increase in family allowances. Finally, Argentina increased the budget allocation to early education institutes and Colombia anticipated the devolution of VAT to poorest and vulnerable families. Only Argentina increased the benefit of their pregnancy leave allowance (ILO, 2021).

In a similar way, the generosity of cash transfers was increased in the region: not only more beneficiaries were included in the pre-existent programmes but also the amount of money transferred increased, and, at the same time, conditionalities were relaxed. According to Blofield et. al. (2020), the sufficiency of transfers in the region increased in countries such as Brazil, Chile and Argentina to cover at least the extreme poverty line, and increased between 40 percent and 70 percent in Colombia and Peru. Mexico and Ecuador were the only two countries on the sample that did not increase the sufficiency of conditional cash transfers.

Generosity of cash transfers was increased in the region: not only more beneficiaries were included in the pre-existent programmes but also the amount of money transferred increased.
Food security and nutrition measures were adopted by most of the countries in the region. Most of the 28 new measures focused on distributing a basic food basket or vouchers to provide access to food to those that had been laid-off, to vulnerable populations, children and families. One interesting measure adopted in Dominica was the public acquisition of food from local farmers that was delivered to the most vulnerable. Belize and Venezuela adjusted their new programme in September to double the amount of food that was delivered. Countries also adjusted previous programmes, already running for years, that included measures such as expansion of beneficiaries, for instance to include informal workers, as in the case of Uruguay, or delivery of school feeding meals as in the case of Argentina, Belize, Chile, Colombia, Costa Rica, Dominican Republic, Guatemala and Jamaica. Argentina increased the public expenditure of its programme in March (ILO, 2021).
The Haitian Government implemented this package of complementary measures during a seven-month span (19 October 2020 to 31 May 2021). It aims to provide food assistance to 2,950 food insecure households in the communes of Roseau and Abricot in the Department of Grande Anse. It includes both in-kind and cash transfers, with the support from community leaders. In addition, it also includes community activities that inform one million families about food and hygiene practices (Gentilini et. al., 2020a).

TEMPORARY FOOD SUPPORT CARD

The Government of Trinidad and Tobago used the existing School Feeding Programme to implement a supplementary measure to parents or guardians of children during the school term from October through December 2020. The supplementary measure consisted of a box of fresh produce valued at (USD250), the approximate value of investment is of USD29 million. Additionally, through an online application families can get a temporary debit card to acquire food in the supermarket’s alliance in the country for the same amount (Gentilini, et al., 2020a; Trinidad and Tobago Government, 2020).

CAYMAN ISLANDS MEALS ON WHEELS

The initiative has been implemented since 1997 and it is a programme managed by volunteers and social organizations and private funders. It provides healthy and warm meals to seniors, to the homebound and to persons with disabilities, five days a week throughout the whole year. In 2020, the Government of the Cayman Islands decided to include MOW as part of the policy actions financed by the government at cost of close to $95,000 yearly (2020 and 2021) to provide between 25,000 and 48,000 meals (Government of the Cayman Islands, 2020). This situation will address the increased need of 38 percent of the population who have stated that food consumption levels have decreased (CARICOM et. al., 2020).
Housing and rent

A total of 30 new programmes were implemented to cover different issues of poor and vulnerable households in the region. Measures like bans in the suspension of basic utilities like water and energy, prohibition of evictions for unpaid rents or mortgages, as well as the provision of cash transfers to provide payments of loans and rents, reductions and subsidies in utility bills and deferral of payments were adopted in 18 countries. Only Panama (electricity) and Puerto Rico (mortgage) extended the period covered by the new programme designed at the beginning of the pandemic. Mexico City adapted the budget of their unemployment insurance coverage to provide monthly mortgage payments for those employees who had been laid-off. Suriname adjusted its residential construction fund to provide more labour and Peru implemented electronic procedures for foreign citizens to ease bureaucratic procedures.

ARGENTINA

BASIC UTILITIES PACKAGE

Despite several measures adopted in most of the countries in the region, the combination of measures adopted in Argentina deserves to be showcased. Between June 2020 and March 2021, Argentina combined several recovery measures. The prohibition for public services companies to interrupt their services to customers with unpaid bills was extended until the end of 2020, and was targeted towards social programmes beneficiaries, pensioners, electricity-dependent individuals, SMEs, health services units, among others. The government also created four programmes focused on providing Internet, paid television and phone services to the most vulnerable population, including them as basic utilities and freezing rates. It also froze the price of rental contracts in March 2020.
Social insurance

Pensions

Guatemala was the only country that introduced a new programme for pensioners: a one-time cash-transfer. Most of the countries focused on adjusting the programmes already in place. It included the increased expenditure on the social pension fund in the case of Costa Rica and Guatemala, an exemption for pensioners allowing them to withdraw from their pension funds in Bolivia, Chile, Peru and Uruguay, and the suspension of contributions to social security by employers and workers for one month in the case of Colombia. Other programme adjustments included an extra bonus for pensioners in Argentina and Peru, the anticipation of payments in Bahamas, Barbados, Belize, Brazil, Colombia, Costa Rica, Mexico, Paraguay, Peru and Saint Vincent and the Grenadines and the waiver of life-certification of pensioners in Suriname.

MEXICO

PROGRESA-ADVANCED PAYMENTS OF NON-CONTRIBUTORY OLD-AGE AND DISABILITY PENSIONS

Although non-contributory pensions were created in 2000, the instrument was usefully applied during the COVID-19 pandemic in Mexico (Velásquez Leyer, 2021). It targets any elderly not covered by an insurance pension, and since 2019 was reformed to increase the amount of money transferred and the beneficiaries, including all permanently disabled children or young people up to 29 years, indigenous and Afro-Mexican persons living in highly marginalized areas without age restrictions. Mexico was the only country in the region that did not increase the amount of money transferred during the pandemic. The only measure that was taken in this sense was to advance the payments of pensions for four months. This forced local governments to introduce new social protection programmes. This case is showcased as an example of measures already in place that facilitated cash transfers to the population. An in-depth analysis will prove if advancing payments had a limited or even a negative impact on people’s well-being (Blofield et. al., 2021).
Unemployment benefits

Many of the 20 new programmes implemented in the region tried to support workers laid-off during the COVID-19 crisis on a temporary basis. Bahamas, Belize and Uruguay extended the coverage of the newly designed cash-transfer system between July and September 2020. Adjustments to programmes included more beneficiaries, for example workers in the tourism sector in Belize, or the extension in the duration of compensations in Argentina. Increased funds were implemented in Argentina and Saint Kitts and Nevis.

Finally, Mexico is a notable case where there was no federal unemployment insurance effort, making the whole social security system weak, despite initiatives implemented at the local level.

Funds for Social Assistance

FASE was introduced by the Government of Aruba to provide financial aid to those affected during this crisis. This relief fund was created to help those who lost their jobs or had been left without income. The government allows businesses to reduce working hours. The beneficiaries were those who had been laid off, had been sent home without pay, or had been impacted by a reduction in income were the beneficiaries (Aruban Government, 2020).

Unemployment Benefit

The Ministry of Labour, Community Affairs and Sport introduced this benefit in March 2020 to provide a temporary financial transfer for eligible employees unqualified for other types of financial assistance. For 12 weeks, laid-off or unpaid employees can apply for financial assistance that covers 60 percent of their gross earnings up to a maximum of $500 per week. In this case, the beneficiaries are defined as Bermudian nationals or their spouses, permanent resident card holders and those with a work permit who could not leave the country due to travel bans (Lago Da Silva et al., 2020). This initiative is highlighted because no other programme included people with work permits as beneficiaries.
Countries in the region implemented different types of measures to grant access to education despite the lockdowns and the halt of in-person learning. For instance, in April 2020, Ecuador announced a new non-contributory financial aid for low-income parents to cover school fees in private institutions, Peru announced the distribution of digital tablets for low-income households to grant access to on-line education and the Cayman Islands adjusted its education policy by delivering printed parenting guides to government school parents with no Internet access (ILO, 2021).

**TEACHERS AND CAREGIVERS SUPPORT PROGRAMMES**

In México, Aprende en Casa implemented digital platforms to support teachers, while in Brazil, with the help of a non-profit organization, Laboratório de Educação, materials designed for parents were used. Colombia developed a similar technique with an early childhood learning kit for parents through the Mis manos te enseñan programme.

**MULTIMODAL APPROACH TO REMOTE LEARNING**

Aprende en Casa in Perú used a combination of diverse learning platforms: Internet, TV, WhatsApp, plus the distribution of a million digital tablets in rural and vulnerable areas. It also implemented machine-learning tools to ease up the maintenance of tablets and issues parents and caregivers encountered while using them (World Bank, 2021a).

**BLENDED MODALITY**

The Government of Uruguay implemented a blended modality based on both remote and in-person learning. While the students are in class, teachers provide lessons and complex explanations for material and tasks performed at home. It is focused on curriculum and project-based learning (World Bank, 2021a).
Labour market measures

There are two types of measures implemented in the region to protect and support workers during the pandemic, lockdowns and curfews. The first one has targeted workers directly and the second is designed to support firms. In the case of workers’ protection, most of the measures are focused on the prohibition of lay-offs, a supplementary income stipend for those laid-off, cash-transfers to informal workers and a bonus for artists and cultural workers (Barinas & Viollaz, 2020). Argentina, Brazil, Colombia and Costa Rica extended coverage or the dates for coverage of the new programmes implemented between May and June 2020. The second category was explained in detail in the economic section.

BONO ESTUDIO CONTIGO

The Government of the Dominican Republic included the Bono Estudio Contigo in the measures adopted during the COVID-19 emergency. It is a financial transfer direct to universities to cover tuition fees. It targets students who are about to finish bachelor, technical or master’s degrees who recently dropped out due to the impacts of COVID-19. Beneficiaries totalling 33,000 students, or close to 42 percent of students who dropped out due to financial constraints, are selected based on their vulnerability (Presidencia de la República Dominicana, 2020).

LEI ALDIR BLANC

This initiative focuses on culture and entertainment workers during the period of the crisis caused by the COVID-19 pandemic in Brazil. The central government reserved close to R 24 million, equivalent to USD 4.2 million. The beneficiaries had to apply online fulfilling the following conditions: i) proof of being a cultural agent (music, theatre, dance, circus, handicraft, visual and audio-visual art, popular culture, literature and arts teaching), a technician (lights, sound and scene), or a cultural manager or producer; ii) older than 18 years old; iii) not being a beneficiary of another social programme; iv) a monthly income of less than half a minimum wage for individuals, or up to three minimum wages for families; and v) not having declared income taxes in 2018 above R 28,559, or USD 5,000. Beneficiaries received R 600, or USD 105, in five instalments. If a woman was the head of household and the solely provider of income, the benefit was doubled (Governo do Pará, 2020). Once it was approved as a measure for the whole country by the Senate, it included a subsidy for SMEs in the cultural and entertainment sector, between R 3,000 and R 6,000, or USD 525 and USD 1,051 (Resende, 2021).
Gender equality

Measures in this category can be adapted to any of the strategic areas in the UNDP 2.0 framework, as gender equality is a fundamental part of recovery and a cross-cutting aspect in the 2030 Agenda for Sustainable Development.

Domestic workers

Several measures have been put in place to transfer domestic workers from the informal to the formal job market. During the pandemic, insurance has been put in place through employers of domestic workers in Argentina, Chile, Colombia, Costa Rica and Uruguay; the reduction of fines in Brazil and Uruguay; fiscal incentives in Argentina; and e-governance procedures to ease bureaucratic processes in Argentina, Chile, Costa Rica and Uruguay (ONU Mujeres et. al., 2020).

INGRESO FAMILIAR DE EMERGENCIA

Argentina created the Emergency Family Income programme as an unconditional cash transfer targeting unemployed, informal and domestic workers. The importance of domestic workers in the labour market in Argentina was recognized in the middle of the pandemic. Domestic workers in Argentina represent close to 6 percent of the labour market. Those employed in private households were granted paid leave during lockdowns. This job was considered by the government as essential in cases of support for elderly people or workers with no other care support (Bergallo et. al., 2021; ECLAC, 2020d). According to ANSES (2020b), until July 2020, 188,923 domestic workers were beneficiaries of the transfer, of whom 97 percent were women. Of those claiming the status of domestic workers only 59 percent were granted the transfer.

Several measures have been put in place to transfer domestic workers from the informal to the formal job market.
Violence against women

According to UN Women and UNDP (2021) “68 percent of all gender-sensitive measures in LAC (177 out of 261 measures, carried out in 29 countries) focus on preventing and/or responding to violence against women and girls” (p. 11). During the COVID-19 pandemic Argentina, Colombia, the Dominican Republic, Honduras and Mexico declared that services to address violence against women were essential. Additionally, Argentina, Paraguay and Uruguay allowed the operation of judiciary services and the automatic extension of protective measures for women victims (ECLAC, 2020b). The initiative of Costa Rica is innovative as its campaign #YoMeApuntoACuidarnos with UNDP and UNFPA was centred on providing men with emotional management and prevention of violence skills plus the Emergency Number Line to support men, as a mean of reducing violence and reducing the heavy load of house chores for women during the pandemic (ECLAC, 2020d).

BOGOTÁ SOLIDARIA EN CASA

The local government of the capital, Bogota, implemented the programme Bogotá Solidaria en Casa as a cash transfer that helps vulnerable families to comply with quarantines. It is highlighted that one of the three conditions for receiving assistance is not to be involved in domestic or gender-based violence (Secretaría Distrital de Planeación, 2020). Although initially perceived as a one in a kind measure, critics had highlighted that the conditionality of the transfer could reduce the complaints made through official channels (Gómez Wills, 2020).

JOINT WEB SERVICE

An alliance between Comisarías de Familia and the judiciary system allows the immediate sharing of information about cases of intra-family violence, and speeds up the measures of protection to victims in less than 24 hours. The measure enhances coordination among different institutions, and although it was in place in Lima, the new approach scales it up all over the country. The initiative was launched in March 2021 (Ministerio del Interior del Perú, 2021).
Care economy

Of 397 measures, only 7 were focused on care services, 1 for children and 6 for elderly and persons with disabilities (UN Women & UNDP, 2021). The interventions in this topic have focused on communication campaigns that contain recommendations for families to address the needs of persons with disabilities, the elderly and children, as for instance in Chile, Costa Rica, Ecuador, Peru, Mexico, the Dominican Republic and Uruguay, there are differences in the geographical coverage of the message dissemination. Argentina, for instance, launched the #cuarentenaconderechos campaign, while Chile designed a campaign focused on care skills for parents’ beneficiaries of Chile Crece Contigo (ECLAC, 2020d).

STRATEGY TO ENHANCE CARE ECONOMY IN COSTA RICA

Multiple actions were taken by the Government of Costa Rica to allow parents to keep working without neglecting caring for their children and the elderly. One measure, the continuity of services of Red Nacional del Cuidado y Desarrollo Infantil, was already mentioned before. It was complemented with the home delivery of the Programa de Alimentación y Nutrición del Escolar y del Adolescente every two weeks, as well as a communication campaign that promotes social responsibility in the care of children and elderly with a gender balance message, an online course called Como padres cumplimos, that emphasizes the new masculinities in the Aprende Conmigo platform (INAMU, 2021a). Finally, the last strategy focuses on domestic labour through a communications campaign called Seguimos estando aquí!, that covers information about COVID-19 and labour rights (INAMU, 2021b).
Access to reproductive rights

Many countries, for example Argentina, Chile, Costa Rica, Ecuador, Mexico, Peru and Uruguay, implemented general guidelines to support health workers when women claimed access to reproductive and sexual health services. Protocols for caring of pregnant women were implemented in Belize, Bolivia, Brazil and Colombia. Psychological care was in place in Chile, Dominica and Saint Kitts and Nevis. Only Suriname defined health in sexual and reproductive services as essential and put a helpline in place (ECLAC, 2020i).

SURINAME

REPRODUCTIVE HEALTH COMMODITY SECURITY

Suriname has defined sexual and reproductive health care as an essential health service. It means that despite the lockdowns and curfews in place these services are considered critical, and services will not stop being provided. Despite all the limitations in terms of facilities and human resources in Suriname, the government is working closely with UNFPA to assess the situation in terms of reproductive health access to its population, focusing on other factors such as the disruption of the supply chain of pharmaceutical commodities, financial needs and coordination among agencies to provide effective access. It is important to focus on the results and actions taken by the government as Suriname is one of the countries in the region with the highest percentage of adolescent pregnancies, and it is expected this situation could worsen during the COVID-19 pandemic (ECLAC, 2020i; UNDP & UNICEF, 2020).

Most of the countries (Argentina, Chile, Costa Rica, Ecuador, Mexico, Peru and Uruguay) implemented general guidelines to support health workers when women claimed access to reproductive and sexual health services.
**Other vulnerable populations**

In this category we note that migrants are excluded from policies, programmes, campaigns and interventions. Nonetheless, this category is aligned with the strategic area of governance, building a new social contract of the UNDP 2.0 framework regarding the strengthening of social capital and civil society engagement, and social protection to eradicate inequalities among vulnerable groups.

**The Elderly**

A few countries in the region, such as Argentina, Chile, Costa Rica and Uruguay, implemented continuity of services to the elderly, despite this population facing a higher COVID-19 death risk prior to the arrival of vaccines. Costa Rica and Uruguay provided socio-emotional support through a hotline, Chile focused on the critical care cases and Argentina defined caregivers of the elderly as prime line workers to ease mobility during lockdowns (ECLAC, 2020d).

**LGBTQI+ population**

Even though decisions regarding separate quarantines under gender laws were in place across Colombia, Panama and Peru, the national, regional and international claims made by LGBTQI+ organizations, finally pushed countries and cities to lift them (Rodríguez Gómez, 2020; Castro, 2020; Bazo Reisman, 2020). Few examples of measures that benefited this population were adopted in the region. In Venezuela, the Asamblea Nacional discussed equal conditions for the LGBTQI+ population during 2021 (Alvarado, 2020; ILGA, 2020).
Several countries in LAC issued recommendations to deal with contagion and situations regarding the vulnerability experienced by ethnic peoples: Colombia, Costa Rica, Mexico, Peru, and finally Brazil, that issued Law 14021 specific for Afro-descendants. Mexico, for instance issued the Guía para la atención de pueblos y comunidades indígenas y afromexicanas ante la emergencia generada por el virus SARS-COV2 (COVID-19) in 51 different languages, as well as launching campaigns and disseminating audiovisual materials to prevent misinformation (ECLAC, 2021d; UNDP & UNICEF, 2020).

Many of the initiatives implemented in the region counted on the initiative and/or collaboration of social leaders. However, interventions were criticized for being insufficient and not taking into consideration the special needs and traditions of ethnic groups, or of delays in delivery. In many cases, other types of interventions, for instance cash transfers for food vouchers, are said to include the ethnic population.
3 Recovery pathways
The COVID-19 pandemic allows governments all over the world to take advantage of a crisis and steer the wheel of economics and society. Chena and Pérez-Caldentey (2020) even mentioned that this could be an opportunity for creative destruction that could end up boosting structural change. In times of crisis, and once the weakness of our economic and social structure is exposed, it is time to rethink and act to “build a more inclusive and sustainable economy” (Landau Torchinsky, 2020, para. 7).

The LAC region has proven to be overexposed to the effects of the COVID-19 crisis in terms of lives lost due to the COVID-19, but also in socio-economic terms, making it a humanitarian crisis. The region is experiencing a hard setback in the progress achieved during at least 10 years in terms of overcoming poverty, inequality, employment, education, health and gender equality -- just to mention some of the issues highlighted in this paper.

Governments, at every level of governance, from national to local, implemented various combinations of measures such as increases in public expenditure, mostly focused on health and social investment, restrictions on mobility and protectionist measures. However, as the chief medical advisor to the President of the United States argued, “You cannot think of yourself as in a vacuum” (The World Staff, 2020). This does not just apply to individuals. The pandemic gradually made it clear that countries and regions are globally interdependent. Recovery can only happen jointly, and international cooperation is therefore key in enabling recovery pathways.
3.1 Changing international cooperation landscape

In terms of development aid, the share of the LAC region as a destination of international cooperation has declined over the past decades steadily in comparison to Africa and Asia. In 2019, the region accounted for 5.3 percent of global net official development assistance received, with the first country of the region, Colombia, ranking 44th globally (OECD, n.d.). Despite this downward trend, the region remains key for international partners to achieve the Sustainable Development Goal 17 and for the global post-COVID recovery. The LAC region has institutionalized experience in South-South and triangular cooperation and is home to an extensive organized civil society and private sector with a substantial investment capacity, all of which are essential to mobilize resources globally and to implement participatory processes locally (Mattheis and Litsegård, 2018).

SDG 17 is also crucial for the LAC region because development assistance is distributed unevenly due to different international classifications based on diverse socio-economic situations, but also long-standing bilateral relations, including those with post-colonial links. Central America, the Caribbean and Colombia stand out as primary destinations in the region (see figure 6). This pattern can thus diverge from the actual vulnerability of the countries in the region, especially in the context of COVID-19, and thus needs to be addressed in view of achieving SDG 17. In addition to bilateral development cooperation, regional aid that is not limited to one specific country also makes up a significant share, indicating the growing recognition of the need for triangular cooperation.

In terms of aid sources (figure 6), the main provider is bilateral development assistance led by the USA and Germany as top donors. Multilateral aid is also substantive, led by the European Union and regional development banks, chiefly the Inter-American Development Bank. Private aid constitutes a smaller but increasing share. For the LAC region to take advantage of the existing cooperation landscape, both the fragmentation and the decline of aid sources need to be managed for post-COVID-19 recovery to efficiently garner international support.
Figure 6
Recipients of ODA to Latin America and the Caribbean (2019)

Source: Authors compilation with data from OECD.stat. Only includes development aid from DAC countries and the EU institutions.

Sources of DAC to Latin America and the Caribbean (2019)

Source: Author compilation with data from OECD.stat. Only includes development aid reported to the OECD.
At the same time, several donors significantly decreased their core ODA. This is partly due to a reduction in donor spending in absolute terms even if the percentage of public spending remained equal in most European countries. However, some donors, such as South Korea and Australia, have also made direct cuts to their overall aid budgets. Reductions in overall spending has also occurred in the United Kingdom which remains the third largest donor overall, but operates in a context of domestic political contestation (Worley, 2020) with a continuously growing funding gap for the SDGs (UN, 2021).

An important and immediate change has been a shift away from long-term strategies of poverty reduction, as LAC countries sought support for emergency measures in the pandemic. Donors converge around the same global priorities of climate, biodiversity and health, thus offering opportunities for increased blending. The increased pressure on public budgets also led to an increased urgency to tackle the issue of debt relief, in line with SDG17. The focus has thus far been on short-term measures.

The Group of 20 (G20) countries, together with the IMF, the European Commission and the World Bank, have agreed to allow the poorest states to reschedule their bilateral debt service for a year and to contribute to the Catastrophe Containment and Relief Trust.
that pays debts owed to the IMF by poor and vulnerable countries (G20 Research Group, 2020).

However, long-term solutions, such as a reform of the international financial architecture or comprehensive relief of unsustainable debt have been stalled due to divisions among the different groups of lenders, chiefly the Paris Club, private lenders, and non-traditional lenders such as China. In addition, the LAC region is only partly involved in these international debt relief initiatives, with eight countries being concerned in this group.

Consequently, donors do not share the exact same vision or priority for LAC. They diverge, notably in their geographic focus within the region but also with respect to how development is intertwined with other foreign policy objectives. For instance, the USA have strong vested security and immigration interests in the region. On the broader level, however, donors share the ambition to foster a stable, integrated and prosperous region that brings together a diverse group of countries within a sustainable socio-economic framework.

Major development actors in the LAC region

As highlighted in Figure 6, development support for the LAC region comes from a variety of sources. This includes multilateral partners such as the Inter-American Development Bank, the World Bank, the European Union, United Nations specialized agencies and bilateral partners, such as the USA, Canada, Japan and various European countries (notably Spain, Germany and Sweden, partly in tandem with the EU institutions).

Each development partner follows its own strategy, be it a broad development policy or dedicated priorities for the region.

European Union (EU)

The main target of the EU’s development partnerships has steadily been the African continent and this pattern has been further confirmed during the pandemic. Regular high-level encounters between the leadership of the European Union and the African Union, as well as a comprehensive strategy with policy initiatives in all sectors underline this geographical prioritisation (EC, 2020c). By contrast, the LAC region does not enjoy the same priority in the EU’s development partnerships, which is reflected in the distribution of the EUR 79.5 billion foreseen for EU cooperation with third countries in 2021-2027 through the Neighbourhood, Development and International Cooperation Instrument (NDICI) (see Figure 8).

Figure 8

Allocated funds for EU cooperation with third countries (2021-2027)

Source: Author compilation with data from ec.europa.eu
However, from the perspective of the LAC region, the allocated EUR 3.39 billion are crucial for development partnerships. Not only is the absolute sum substantial but it also allows for long-term planning until 2027 and covers the whole range of EU global priorities, in particular trade, digitalization and climate change. In addition, the allocation also overcomes the historic division between the Caribbean and Latin America in the EU’s external policies. Although the Caribbean retains a special status as part of the EU’s postcolonial framework of African, Caribbean and Pacific (ACP) states, which also ensures a minimum allocation of EUR 800 million to the subregion, it will become more integrated with the development partnership targeting Latin America.

The EU set up a EUR 2.4 billion fund for LAC as an emergency response to COVID-19 with objectives linked to health, sanitation and socio-economic impact (EC, 2020a).

The introduction of the Neighbourhood, Development and International Cooperation Instrument (NDICI) reinforces reforms that have been implemented since 2019 by the European Commission, in particular the notion of a geopolitical paradigm and a coherent approach with all its member countries under the label ‘Team Europe’. Consequently, development partnerships are becoming closely aligned with the internal priorities of the EU. The priorities for the partnership with the LAC region mirror flagship programmes the EU pursues in its own region, such as the energy transition, digital transformation and social cohesion. For the LAC region this means that allocated EU funds will primarily be dedicated to these three topics, as is the case for other world regions.

However, specific external priorities remain in place and will also guide the allocation of funds. For the LAC region, this concerns a thematic pillar covering governance, security and migration topics. In addition, the European Union is traditionally invested in institutionalizing commercial relations, specifically through trade agreements with the Caribbean Community (CARICOM) and the Common Market of the South (MERCOSUR) (Mattheis & Wunderlich, 2017).

The roll-out of NDICI also accelerates the trend towards partnerships being guided primarily by policy priorities. Since all priorities, from climate to migration, entail strong transboundary elements, a stronger emphasis will be on working with groups of countries or even on the continental level, where common policy priorities exist. Regional approaches are thus not confined to existing formal institutions, such as MERCOSUR or CELAC. Although the support to regional integration structures remains important, more emphasis is put on ad hoc multi-country formations within each policy area. Since not all LAC countries are equally concerned by each policy field, especially in topics such as migration or trade, they can thus create dedicated groupings to work together on specific issues, without necessarily involving the entire continent.

Regarding ad hoc cooperation, the pandemic has also given rise to new cooperation mechanisms. The EU set up a EUR 2.4 billion fund for LAC as an emergency response to COVID-19 with objectives linked to health, sanitation and socio-economic impact (EC, 2020a). In connection with this, the EU is contributing to knowledge production, for instance by supporting a Copernicus Emergency Management Service data centre in Panama. The centre is dedicated to regional capacity-building in post-disaster risk reduction, recovery and resilience.

In addition to health-related cooperation, new instruments are also being set up to ensure that the post-pandemic recovery agenda is intertwined with the long-term NDICI objectives. To this end, the EU launched LAGREEN, a green bonds fund for LAC (LAIF, 2020). The fund serves to finance climate and resource friendly investments and seeks to promote green bonds to mobilize local and international private capital across Latin America. The objectives are mainly economic and commercial, focusing on job creation, regional value chains, equitable revenue collection and trade relations with the EU. They thus respond to both the long-term objectives of the EU in the LAC region, such as inclusive societies, and promoting social cohesion negatively affected during the pandemic.
For the LAC region, cooperation with the EU thus offers sizable opportunities to advance their post-pandemic recovery, if individual countries can identify common positions that speak to the internal or external priorities of the EU, namely the green transition, digital transformation, governance, migration and trade agreements. The Caribbean retains a special status to put into practice development commitments related to their membership in the African, Caribbean and Pacific (ACP) group of countries, but it is considered part and parcel of the LAC region for all other purposes.

TEAM EUROPE

The Team Europe approach was introduced in early 2020 to facilitate a global recovery package as a collective response by EU members, EU institutions, including the European Investment Bank (EIB), as well as the European Bank for Reconstruction and Development (EBRD) (European Union External Action Service (EEAS), n.d.). This approach reinforces existing commitments to improve coordination and to cluster resources. EUR 40 billion have been pledged globally under the Team Europe banner, both for immediate sanitary responses and for social and economic recovery (EC, 2021). Team Europe is going to be operationalized through 150 local, national or regional initiatives. A third of these initiatives are targeting the LAC region and extend to other policy areas, chiefly those that are of strategic priority to the EU in the region, such as climate, digitalization and SME support (EIB, 2021; Pleeck & Gavas, 2021).

The impact on the landscape of partnerships is potentially profound, as it increases the leverage of the EU as a global actor and development norm setter, but also alters the configuration on the ground, as the EU delegations in LAC are playing a key role for dialogue between European actors and host countries.
Priorities of selected EU member States

Although EU member States are committed to cohesion with EU priorities via the Team Europe approach, each country retains specificities regarding the geographic and thematic focus areas. The paragraphs below give an overview of three key donors to indicate where EU instruments can be further leveraged in the LAC region by blending them with member State cooperation.

Spain

In contrast to other EU donors, the LAC region constitutes the main pillar of Spain’s development cooperation (37 percent of aid in 2018). It operates in all its former colonies plus Brazil. The main established topics are broadly defined and include education, social cohesion and water. Since Spain cooperates actively with middle-income countries, Public Private Partnerships play an important role. In response to the pandemic, Spain approved a development fund of EUR 1.7 billion directed at health systems, vulnerable populations and economic recovery (Ministerio de Asuntos Exteriores & Unión Europea y Cooperación, 2020). Although a substantive amount is channelled through multilateral institutions, LAC countries still constitute major recipients with dedicated response plans and targeted programmes, such as for small and medium enterprises in Colombia, Honduras and Peru.

Like the European Commission, regional integration plays a prominent role for Spain, which enables a transnational approach in recovery cooperation based on existing partnerships with CARICOM and the Central American Integration System (SICA) (Agencia Española de Cooperación Internacional para el Desarrollo, 2018).

Germany

For German development cooperation, the LAC region does not constitute a main target (8 percent of aid in 2018). There are, however, important long-term bilateral partner countries, such as Ecuador and Colombia, as well as partners for global initiatives, chiefly Brazil and Mexico. The main established priorities are poverty reduction programmes through good governance (BMZ, n.d.). A global emergency development fund of EUR 4.3 billion has been set up by Germany in response to the pandemic and is primarily oriented towards health, food security and key economic sectors in partner countries, such as tourism or textiles (BMZ, 2020). The bulk of the fund is not targeting LAC directly, however, several programmes include LAC countries, especially to support national economic recovery plans or to provide loans to small and medium enterprises.

Germany supports a regional approach both through formal institutions, such as the IADB and ECLAC, and through policy-specific transborder cooperation, which puts the transnational dimension at the heart of recovery plans.
Sweden

Although Sweden is a leading actor in setting norms for development policies, the LAC region only takes up a peripheral position (3 percent of total aid in 2018). There are, however, some important long-standing bilateral partnerships, chiefly with Bolivia, Colombia, Cuba and Guatemala (SIDA, n.d.). The main established topics are human rights, gender equality and rule of law, which provide crucial elements for social and transversal dimensions of recovery programmes. In response to the pandemic, Sweden shifted aid budgets to specific COVID-19 actions, but primarily to other global regions or to global institutions for humanitarian purposes (Swedish Ministry for Foreign Affairs, 2021).

Priorities of selected DAC countries

United States of America

The USA is closely intertwined with the LAC region, specifically with neighbouring Central America and the Caribbean. However, in terms of development assistance, the LAC region accounts for just 6.5 percent of the total amount spent in 2020 (US Department of State, n.d.). From a LAC perspective, the USA, with its $2.2 billion spent in the region in 2020, constitutes one of the main donors and plays a crucial role in the security and governance cooperation, where the largest sums were earmarked for counter-narcotics. In geographic terms, assistance is concentrated in countries that are geographically proximate or political allies, primarily Colombia, Haiti and Central American countries. Based on the development budget requested for 2021, this focus is set to remain.

As a part of the American Rescue Plan Act that was passed under the new Biden administration in March 2021, $11.3 billion will be dedicated to global actions in response to the pandemic (House Bill 1319, 2021). The largest portion of the funding will be dedicated to emergency health responses and economic recovery. Although the exact amount dedicated to the LAC region is to be determined, new partnerships for recovery would be governed by an economic focus.

Japan

Among Japan’s development partnerships, LAC holds a relatively minor position due to the focus on Asia and Africa. However, Japan is one of the international partners that is not limited to specific countries but present throughout the region, allowing it to play a leading role in specific sectors across several countries (JICA, n.d.). During the pandemic, the marginal role of LAC has been reinforced, as emergency loans and grants made available for health care and economic recovery targeted other world regions. In addition, all staff engaged in ODA in the LAC region was recalled to Japan in March 2020, requiring them to carry out their projects from afar (JICA, 2020). In terms of topics, Japan puts a particular emphasis on economic development (“quality growth”), disaster risk management and infrastructure (JICA, 2020). New proposals for recovery cooperation thus entail a major economic and training dimension.
Non-DAC donors

Non-DAC development assistance remains difficult to track, but, nevertheless, is relevant for the LAC region. Chinese ODA is characterised by thematic focus areas such as infrastructure, agriculture and education (Ray et. al., 2021). In the LAC region, China prioritizes bilateral over multilateral or regional aid and its political allies Cuba and Venezuela are major recipients. During the pandemic, China has focused on health-care assistance and delivered large amounts of protective equipment and vaccine doses throughout the LAC region (Wilson Center, n.d.).

Similar trends can be discerned with respect to Russia. Development assistance has focused on technology, humanitarian aid and education, with Cuba, Nicaragua and Venezuela constituting key partners (Milosevich-Juaristi, 2020). The pandemic has amplified the role of health cooperation, particularly in vaccine development and distribution (Laing & Garrison, 2021). Cooperation for recovery in health is thus substantial, both with China and Russia.

Inter-American Development Bank (IADB)

As a regional development bank, supporting sustainable development in the LAC region is part of the IADB’s core mandate. It operates with loans and grants and its established priorities are infrastructure investments, social inclusion and good governance. In 2020, the IADB approved $12.6 billion of which $7.9 billion was in loans to LAC governments for their COVID-19 responses (IADB, n.d.). The COVID-19 loans are explicitly oriented towards supporting vulnerable populations, enhancing economic productivity and improving public policies. This partly mirrors the conventional focus of the IADB on state reform and social investment, while some of its other traditional priority sectors, such as infrastructure and energy, have been less prominent (IADB, 2021). Grants make up a comparatively small share with a total of USD 439 million disbursements in 2020 (IADB, 2021). In view of recovery plans from the pandemic, the IADB has set an agenda for ambitious fiscal and financial reforms that include redistributive mechanisms, taxation and pension systems. In 2020, the IADB approved a total of USD 3.3 billion of which 33 percent, or USD 1.1 billion, was health-specific. In 2021, IADB has continued to mobilize funding for COVID-19 vaccines, working closely with PAHO.

The IADB formally brings together the LAC region with international partners in a binding setting and serves as a port of entry for bilateral
donors and for international organizations, such as the World Bank or the World Food Programme. The USA, Japan and Canada are the main non-LAC contributors of the IADB with USD 1.8 billion, USD 302 million, and USD 243 million paid respectively in capital stock during 2020 (IADB, 2021). Most donors channel parts of their financial support to the LAC region by investing in dedicated IADB funds targeting specific areas, such as the Spanish Cooperation Fund or the Japan Trust Fund. In 2020, China, Korea and Canada were the most important international contributors in this regard, with USD 198 million, USD 60 million and USD 50 million respectively (IADB, 2020a). Multi-donor funds only make up a small proportion: USD 48.51 million vs USD 473.46 million approved for single-donor funds in 2020 (IADB, 2020a). There is thus room to further strengthen IADB’s regional mission. For recovery partnerships, UNDP could engage with the IADB to set up a fund open to all partners and dedicated to specific recovery objectives.

**World Bank and IMF**

The main International Financing Institutions (IFI) active in LAC have mobilized new and reoriented existing resources. During the first year of the pandemic, an injection of external funding from IFIs and donors amounted to over USD1.5 billion.

The World Bank operates with similar tools and priorities as the IADB and still has a substantial part of its activities in the region. It approved USD7.8 billion in lending to the LAC region in 2020 (World Bank, 2021b). Between April 2020 and April 2021, the World Bank delivered USD4.6 billion in COVID-19 specific loans and grants to support the health sector and mitigate economic impacts throughout LAC. Although much of the support has been used for temporary emergency responses, there are substantial funds spent on longer-term investments for capacity-building, value-chain creation and social inclusion (World Bank, 2020b).

The main recipients have been Colombia and Mexico on a national level, as well as regional initiatives in the Caribbean and in Central America. Areas of COVID-19 intervention have included short-term measures, such as Catastrophe Deferred Drawdown Options or Contingency Emergency Response Components, and social programmes like cash transfer support programmes for SMEs, mirroring established economic and social policies of the World Bank. The World Bank remains committed to both short-term interventions, such as supporting the vaccination campaigns, and long-term recovery, requiring broader engagement across societies and international partners, including the UNDP (World Bank, 2020b).

The World Bank structures its support through “three overlapping phases of COVID-19 response and their implications for health financing: Emergency response, containment, and recovery” (Kurowski et. al., 2020). Projects supported by the COVID-19 Fast-Track Facility in LAC concentrate on additional financing for vaccines (World Bank, 2021). The World Bank’s global lead for health financing argues that going back to pre-crisis status should not be the goal. Instead, the current situation should be an opportunity “to emerge from the COVID-19 crisis with health financing that is fit for the future” (Kurowski et. al., 2020).

The planned recovery needs to include the adoption of policies that increase future resilience of health and economic sectors.

The planned recovery needs to include the adoption of policies that increase future resilience of health and economic sectors. This will mean that each country needs to assess the extent to which established principles of public financial management still hold in the wake of COVID-19. Concretely, they will need to look at trade-offs between increasing efficiency and maintaining buffers in health system capacity, e.g. considering local production of key supplies, despite higher costs or accepting rapid recruitment, task shifting, redeployment.

The World Bank, the Revisiting Health Financing Technical Initiative of the Joint Learning Network, and the Global Financing Facility plan together to assist in this stage of resilient recovery work. This will also lead to better overall sustainability of countries’ health financing — and hence the capacity to fund long-term strategies for universal health coverage (UHC).
Next to this, the IMF approved USD67 billion emergency funding to the LAC region in 2020 to address the COVID-19 pandemic through several mechanisms (IMF Rapid Financing Instrument, IMF Extended Fund Facility, IMF Flexible Credit Line) depending on the country’s socio-economic status, to be allocated to general budgets (IMF, n.d.). Almost half of the LAC countries have received assistance, in particular Chile, Bolivia, Ecuador, Panama, and the Dominican Republic. Due to its development status, Haiti also benefitted from the IMF’s Debt Service Relief from the Catastrophe Containment and Relief Trust (CCRT), totalling USD 17 million in three tranches. The funds serve to finance immediate responses to the pandemic, with a focus on fiscal and monetary measures (IMF, 2021). However, the IMF is also concerned with capacity development, technical assistance and governance reform, all of which allow for cooperation in recovery plans with other international partners, such as UNDP.

A summary table of LAC cooperation partners with their selected focus areas, on the basis of the mapping exercise above, can be found in table 4.

<table>
<thead>
<tr>
<th>Partner</th>
<th>Selected focus areas</th>
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<tbody>
<tr>
<td>EU</td>
<td>Energy transition, digital transformation, social cohesion, governance, security, migration, trade</td>
</tr>
<tr>
<td>Spain</td>
<td>Education, social cohesion, water, Public Private Partnerships</td>
</tr>
<tr>
<td>Germany</td>
<td>Poverty reduction, good governance, SMEs</td>
</tr>
<tr>
<td>Sweden</td>
<td>Human rights, gender equality, rule of law</td>
</tr>
<tr>
<td>USA</td>
<td>Security, governance</td>
</tr>
<tr>
<td>Japan</td>
<td>Economic development, disaster risk management, infrastructure</td>
</tr>
<tr>
<td>China</td>
<td>Infrastructure, agriculture, education</td>
</tr>
<tr>
<td>Russia</td>
<td>Technology, humanitarian aid, education</td>
</tr>
<tr>
<td>IADB</td>
<td>Infrastructure, social inclusion, good governance</td>
</tr>
<tr>
<td>WB</td>
<td>Capacity-building, value-chain creation, social inclusion</td>
</tr>
<tr>
<td>IMF</td>
<td>Capacity development, technical assistance, governance</td>
</tr>
</tbody>
</table>
Strengthening national health systems

The health sector plays a crucial role on the path to recovery. However, this is set in the context of LAC’s chronic health systems’ challenges. These include “fragmentation, inequitable access to comprehensive health services, weaknesses related to human resources for health, inequitable access to health technologies, limited capacities for essential public health functions (EPHF), underfunded infection prevention and control (IPC) programmes, and limited compliance with IPC practices” (PAHO/WHO, 2020a).

Overall, LAC has been hit hard in relation to the rest of the world due to the region’s historical structural weaknesses and gaps, including limited public financing of the health sector. The impact of the COVID-19 pandemic set back the economic growth in LAC by a decade, affecting even more the available fiscal space and the provision of public health services. On the one hand, reduced income for employment-based health insurance schemes due to job losses affect coverage and insurer’s revenues in the formal sector. On the other hand, due to LAC’s significant levels of labour informality, a high proportion of the population depends on tax-based or charitable service provision or on out-of-pocket spending. The sharp drop in the employment rate affects tax revenues which are a main source for some LAC countries’ health sectors.

Further in-depth system and needs analysis shows that, next to “lockdown fatigue,” structural factors contributed to the increasing ineffectiveness of the lockdowns and to a rising and high death toll in the region. These factors include: a high level of informality, densely populated poor communities, an ageing population and weak institutional and health systems capacity (the latter characterized by a lack of fiscal resources, low hospital capacity, inadequate testing and tracing capacity) (IMF, 2020b).

The health policy priorities for a path to recovery emanating from this do not stand alone, but are intertwined with the social protection measures and the economic reopening phase (see sections 3.3 and 3.4).
The principles for action and policies and the health, social and economic measures proposed can be set in phases, such as control, reactivation and reconstruction according to ECLAC-PAHO or emergency, containment and recovery (Kurowski et al, 2020; World Bank, 2020b). These phases and measures must, however, be understood as non-linear and interdependent.

A health recovery will depend, firstly, on pandemic control and vaccine deployment.

A health recovery will depend, firstly, on pandemic control and vaccine deployment. And, within the current unfavourable economic and fiscal situation exacerbated by the pandemic, this recovery must be equity focused and inclusive, trying to recuperate the lost public health gains, while at the same time trying to build more resilient, better prepared health (and social) systems. In that sense, efforts to mobilize the highest political commitment in health (for example, on the level of the Group of Seven (G7)/G20, United Nations General Assembly, World Health Assembly or Organization of American States) to increase investment in health, transform health systems and advance towards Universal Health in the Americas are already underway.

This high-level involvement increases the opportunities for UNDP to play a role, in its least to ensure policy coherence for development. Working together to adopt concrete milestones on a regional level and the corresponding development of a detailed strategy can help to focus efforts, including in LAC countries that lack financial, delivery, and operational capacity. Such concrete milestones are e.g., achieving a 70% vaccine coverage by end 2022 and the regional integration of regulatory approaches and data surveillance (Center for Strategic and International Studies, 2021).

To enable an effective response, now and in the future, the health sector in all LAC countries needs strengthening. In the COVID-19 response, financing also came to the fore as one of the critical building blocks of health systems. Despite efforts over the last two decades to increase the health sector spending capacity and evolve towards universal coverage of quality health services, the health sector in LAC remains underfunded and underresourced (Faria et. al., 2012; OECD, 2020b). To control the pandemic, it is necessary to address this vulnerability and prioritize the financing of the increased need for health services and design agile mechanisms for future events. This can be done by reallocation from outside and from within the sector by increasing overall public expenditure through borrowing and grants, and by improving public financial management (Barroy & Gupta, 2021).

Even without the COVID-19 pandemic, millions of people are pushed into poverty each year because of colossal health costs. For more than half the world’s population, essential health services are not covered. In the face of adversity, it is clear that “countries with the weakest health systems have the narrowest room to manoeuvre” and hard fought advances are being lost. The United Nations “Framework for the immediate socio-economic response to COVID-19” proposes a two-phase strategy. In its health pillar, the first phase aims at maintaining essential lifesaving health services. The second phase aims at “health systems recovery, preparedness and strengthening with a focus on primary health care, UHC and preparedness for future waves of COVID-19” (UN, 2020, pp. 11–13).

The increased financial resources should go to health services provision, information systems and digital transformation, community and territorial models of care. Barriers to access, such as co-payments for COVID-19-related services, should be eliminated. The continuity of other essential services needs to be ensured to avoid the harmful effects of reallocation and prioritization. Both horizontal (interstate) and vertical (global-regional-national-local) data sharing is thereby crucial (Amaya et. al. 2019). To fight inequality and fragmentation it is also important that UHC guarantees access, independently of the population’s labour status. Therefore, UHC financing needs to be diversified beyond exclusive reliance on labour market contributions.

The impact of the COVID-19 pandemic stresses the fact that resilience in health financing is
needed to absorb or respond to shocks, such as the steep rise in health expenditures and decreases in revenue generation. Besides financing, countries also need procedures and regulations to ensure that resources are used well. “Roll back” policy decisions adopted during the pandemic, such as resource shifts from primary to secondary and tertiary care, loosening of public financial management rules to speed-up COVID-19 funding and recruitment of additional health workers who cannot be incorporated into the permanent payroll, constitute challenges for health-financing resilience and sustainability.

On the other hand, the “roll-out” of emergency policy measures (such as reinforced disease surveillance, new modes of public-private collaboration, accelerated deployment of telemedicine and increased task-shifting) can improve future health financing for UHC. The huge needs that arose in such a quick and ubiquitous way demonstrated clearly how important an adequately funded health sector and policies are. Countries can learn from this and tackle ambitious reforms in resilience and sustainability (Kurowski et. al., 2020).

On the one hand, concerted efforts over the last decades have allowed significant gains in access to health. With COVID-19, the challenge for the sector will be how to sustain or recover those gains. On the other hand, the pandemic exposed the lack of financial, human and other resources in the health sector, as well as significant vulnerabilities in the global supply chain. The resulting absence of buffer capacity in many countries created important vulnerabilities to this pandemic. To this may be added a cacophony of opinions and conspiracy theories increasing uncertainty, weakening compliance with control measures and increasing the ineffectiveness of measures.

These structural vulnerabilities that persisted or emerged will have to be progressively addressed in the long term. In the coming months and years, further analysis regarding the impact of COVID-19 on the health outcomes in LAC and on SDG 3 indicators will be crucial to inform policy measures. The COVID-19 pandemic has exposed many existing challenges and vulnerabilities. The recovery phase should take the opportunity to look at those challenges and vulnerabilities, analyse the underlying factors and coordinate and exchange ways to tackle them.

The role of regional cooperation in health

The COVID-19 crisis has clearly demonstrated the importance of cross-border cooperation in health. Regional cooperative mechanisms, whether within the confines of institutionalized regional organizations or not, have the potential to assist countries in addressing health threats, especially, but not exclusively, in cases of outbreaks of communicable diseases. There are several ways and modalities to do so: “By serving as a bridge between the global and national policy levels; strengthening disease surveillance; mobilizing supply chains and facilitating trade; supporting the production and procurement of medicines and supplies; and coordinating policies and work with other actors” (Amaya & Lombaerde, 2021).

From the first months of the pandemic, calls for strengthened regional or subregional cooperation were launched, while some deterioration of earlier collaborative transnational public health initiatives, e.g. because of changing national political priorities, were noted (Buss & Tobar, 2020). In April 2020, the United Nations General Assembly adopted two COVID-19 pandemic-related resolutions.
On 19 May 2020, Resolution WHA73.1 by the 73rd World Health Assembly followed. These resolutions highlight that “responding to, controlling, and coexisting with the COVID-19 pandemic in the coming months will depend on international solidarity and cooperation” (PAHO/WHO, 2020a). In July 2020, PAHO declared that national authorities can “strengthen, restart and rebuild institutions, capitalizing on successes and lessons learned through innovation, whole-of-government and whole-of-society engagement in responding to the pandemic” (PAHO/WHO, 2020a).

**The recovery phase should take the opportunity to look at those challenges and vulnerabilities, analyse the underlying factors and coordinate and exchange ways to tackle them.**

Regional institutional structures in Latin America are complex, overlapping and their point of political gravity is dynamic (Selleslags et. al., 2020). Regional and subregional (institution-based) approaches to health in LAC are not new. They exist since the creation of the Andean Health Community in 1971 or later the establishment of the MERCOSUR Subworking Group No. 11 on Health in 1996 (Herrero and Lombardi Bouza, 2020). They received a new impulse with the establishment of the South American Health Council within the Union of South American Nations (UNASUR) framework in 2008 (Faria et. al., 2012; Amaya et. al., 2019), providing a space for cooperation among countries but also among subregional organizations that have often been leaders in policy innovation, such as MERCOSUR (De Lombaerde, Mattheis & Vanfraechem, 2010).

This was accompanied by the creation of the South American Institute of Government in Health (ISAGS) in 2010. UNASUR promoted a rights-based approach to health, South-South technical cooperation and the advocacy of South American interests in global/multilateral fora (Faria et. al., 2012; Herrero & Lombardi Bouza, 2020). Between 2008 and 2019, UNASUR constituted a central pillar of regional health governance at the intergovernmental level. During that period, UNASUR enabled collective action of the health ministries of the 12 South American countries to combat several pandemics, including the H1N1 influenza and dengue (Buss & Tobar, 2020).

Due to political crises and conflicts within the organization unrelated to health cooperation, UNASUR has been institutionally paralysed in recent years, thus also preventing the South American Health Council to be used during the COVID-19 pandemic. Other regional organizations or mechanisms, such as the Forum for the Progress and Development of South America (PROSUR), the Andean Community of Nations (CAN), the Community of Latin American and Caribbean States (CELAC) and the Common Market of the South (MERCOSUR), have sought to provide opportunities for intergovernmental health cooperation to make up for the loss of the UNASUR framework.

CELAC, for example, has created a Regional Network of Virologists and has taken related initiatives, including in collective purchasing and regional production of medicines. MERCOSUR approved a USD16 million emergency fund (Herrero & Lombardi Bouza, 2020). All four organizations have played a role in information-sharing.

Within the United Nations system, PAHO/WHO constitutes a crucial health agency for the region during the pandemic, as it integrates all LAC countries, in addition to the USA, Canada and countries with overseas territories in the region. A subregional technical cooperation framework exists since 2004 to promote stronger collaboration between PAHO and integration processes in three subregions: Central America, the Caribbean and South America. PAHO’s secretariat, the Pan American Sanitary Bureau, provides technical support to the subregional integration organizations, and monitors and informs on policies arising from these integration mechanisms (PAHO/WHO 2021e). The agreements and resolutions concerning COVID-19 arising from this subregional technical cooperation framework are listed in table 5 below.
Table 5

COVID-19-related agreements and resolutions arising from regional integration mechanisms (PAHO/WHO 2021e)

<table>
<thead>
<tr>
<th>Subregion</th>
<th>Integration Entity</th>
<th>Bodies, secretariats and other</th>
<th>COVID-19-related Statements, Resolutions, Agreements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central America and the Dominican Republic</td>
<td>SICA</td>
<td>Health secretariat</td>
<td>12/03/2020: Heads of state: adopt actions on COVID-19 pandemic</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Executive secretariat</td>
<td>03/02/2020: Health Ministers: regional public health response on e.g. information flow, procurement</td>
</tr>
<tr>
<td></td>
<td>COMISCA</td>
<td>CEPREDENAC (Coordination Center for the Prevention of Natural Disasters in Central America)</td>
<td>19/03/2020: Regional Contingency Plan and implementation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Uppsala Monitoring Centre</td>
<td>04/04/2020: strengthen the CEPREDENAC SICA COVID-19 Information and Coordination Platform</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Executive secretariat</td>
<td>25/06/2020: technical support for Regional Pharmacovigilance</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>10&amp;11/12/2020: actions for COVID-19 vaccine strategy</td>
</tr>
<tr>
<td></td>
<td>Mesoamerican Public Health System (SMSP)</td>
<td>Ministers and Authorities</td>
<td>07/04/2020: promotion of joint efforts with SE-COMISCA, request to PAHO/WHO support to combat disinformation and facilitate dissemination of official information</td>
</tr>
<tr>
<td>Caribbean</td>
<td>CARICOM</td>
<td>Conference of Heads of Government</td>
<td>Joint policy for testing, procurement, HR; increase participation in WHO Solidarity clinical trial; equitable access to vaccines</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Council for Human and Social Development (COHSOD)</td>
<td>use PAHO/WHO tools for vaccine roll-out</td>
</tr>
<tr>
<td></td>
<td>Andean Community</td>
<td>Organismo Andino de Salud (ORAS)-Convenio Hipólito Unanue (CONHU)</td>
<td>19/02/2020: Epidemiological situation</td>
</tr>
<tr>
<td>South America</td>
<td>MERCOSUR and associate states</td>
<td>Meeting of Health Ministers</td>
<td>14/06/2020: Role PAHO/WHO in response</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>03/12/2020: Food aid for vulnerable populations, environmental and worker health, tobacco control and COVAX</td>
</tr>
<tr>
<td></td>
<td>PROSUR</td>
<td>Heads of State and of Government</td>
<td>16/03/2020: joint actions in response</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Joint procurement of supplies through PAHO revolving fund</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>19/05/2020: implementation joint actions, coordination of migration &amp; repatriation</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>27/08/2020: equitable access to the future COVID-19 vaccines</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>25/02/2021: COVID-19 as global public good, strengthening COVAX Facility</td>
</tr>
</tbody>
</table>
An example of the use of existing regional cooperation is the Regional Network for Genomic Surveillance of COVID-19. PAHO encourages its member States to coordinate genomic surveillance and align themselves with the calls of the WHO to develop sequencing coverage on a global level. This will ensure that genomic surveillance can detect and monitor virus evolution globally and inform evidence-based decision-making processes. As such a timely notification of the detection of SARS-CoV-2 variants is dependent on each country’s capacity to implement genomic surveillance, PAHO/WHO is supporting countries to strengthen said surveillance (UN, 2020).

There is room and a need for the further development of the regional cooperative health infrastructure in LAC while at the same time ensuring harmonization and convergence. The choice of institutional modalities is a matter to be decided on political and technical grounds by the regional decision-makers. Nevertheless, the existing structures offer opportunities for UNDP to engage in technical cooperation at the regional level, as well as opportunities for interregional dialogue, for instance, with the EU

**The role of international cooperation for health recovery**

The COVID-19 pandemic has had a galvanizing effect on development partnerships. All donors, both DAC and non-DAC, have adapted their assistance to support emergency response measures in the health domain. To ensure health recovery from COVID-19 in the long run, the LAC region will have to rely on international cooperation to increase its meagre 2 percent share of global vaccine production capacity (WTO: COVID vaccines, 2021). Brasil’s Fiocruz Foundation production of the Astra Zeneca vaccine was registered in March (Lang, 2021). The cooperation with Russia to enable the production of Sputnik V in Argentina and Brazil by private companies is another step away from being a recipient towards manufacturing both vaccines and medications in the region (Devitt, 2021; Benassatto et. al., 2021).

To ensure health recovery from COVID-19 in the long run, the LAC region will have to rely on international cooperation to increase its meagre 2 percent share of global vaccine production capacity.

To curb the spread of the virus, it will be particularly important to build on the crucial role that PAHO, the Caribbean Health Agency (CARPHA) and other regional initiatives have played (EC, 2020b). Partners that have a strong affinity for regional initiatives, such as the EU and its member States, should be further leveraged to increase the capacity of regional institutions that can coordinate and monitor the fight against COVID-19 and act as interlocutors for global dialogues. At the same time, a duplication of regional structures needs to be avoided.

Existing priorities of donors should be geared by the LAC region towards efforts to recover from the pandemic. For instance, the support given to digitalization that is prominent in programmes by the European Union and Japan can be adapted to amplify the LAC’s advancements in terms of electronic health systems during the pandemic.

Furthermore, international partners can adapt existing initiatives to the COVID-19 pandemic. The UHC Partnership of the WHO supports countries to strengthen the foundations of their health systems, to boost their COVID-19 response, to enhance preparedness for impending health emergencies and to ensure access for the most vulnerable. In LAC, the target countries for the UHC Partnership are Belize, Dominica, El Salvador, Guyana, Haiti, Paraguay and Venezuela (UCH, n.d.).
3.3 Economic pathways to recovery

The proposal by Landau Torchinsky (2020) is to implement a coordinated fiscal expansion within the region with lower impacts on budget as it has been proven to have a bigger and faster influence than independent policies adopted by countries. This implies extensive and coordinated work between different institutions all over the region. This measure should be implemented jointly with a decrease in technological dependency, targeting specific sectors, such as the service sector (e.g. tourism, restaurants and hotels, among others) that suffered a heavy blow during the pandemic. In any case, the warning is to move towards a more integrated fiscal policy definition instead of adopting restrictive fiscal expenditures and undermining trade, especially interregional trade.

Fiscal space should focus on: i) recovering or protecting jobs, not only because of the sharp increase in unemployment rates but also because of the loss of over 2.7 million SMEs; and ii) transfers to the most vulnerable households to increase aggregated demand, as in the following examples:

Rebuilding the economy

Trade, as highlighted in the section on impact, was a key aspect to determine action. The region shows relatively low intra-regional integration when compared to other parts of the world. Commercial flows are mostly with outsiders such as the EU, USA and China. Fiscal and external deficit could impact the pace at which the terms of trade could recover after the pandemic, and therefore could have an internal domino effect.
However, the lack of conditionalities needs to be addressed to implement the lessons learned by other economies during the financial crisis of 2008/2009 (Mazzucato, 2021). Monitoring and evaluation mechanisms to assess the extent of success of these measures could not be found in the revision. Another crucial aspect is the architecture of these programmes, which should generate incentives to promote a transition into the formal economy or to remain in it, as put forward in the Regional Human Development Report 2021 (UNDP 2021).
Other countries in the region could benefit from South-South cooperation to learn and implement mechanisms like the Chile’s Fund for Economic and Social Stabilization in order to contain future crises.

Chile, Colombia and Jamaica are the only countries that reported the combination of several measures early on: a reduction in the policy interest rate, intervention in the foreign exchange market, provision of liquidity in dollars through swap lines and purchase of public or private securities. Measures were mainly concentrated in providing relief to poorer households and SMEs, for example, a temporary moratorium of loans, increased liquidity to SMEs and policies regarding reserve requirements (IADB, 2020c). An example of already established, excellent measures that could be replicated in other countries is the Chile’s Fund for Economic and Social Stabilization that balances surpluses from copper prices when weak growth scenarios are in place. The Fund was ranked by the Peterson Institute of International Economics in the top 10 of global funds in 2019 (Dib & Mourtada, 2021).
On top of the uncertainty caused by monetary decisions, the increase in public expenditure, external debt and the decline in tax incomes will – on an individual basis, based on the situation before the pandemic – increase the need to access emergency financial resources or debt relief from international financial organizations.

A proposal by ECLAC (2021a) suggests the introduction of green bonds, except for Mexico and Chile. The region has not massively implemented such measures yet, and could use them to finance other interventions, especially in the social sector, as is being done with the technical cooperation of the IADB and UNDP.

Intervention in terms of strengthening governance should focus on “supporting governments to create fiscal space, invest in priority markets, strengthen engagement with the private sector and develop inclusive, green economic recovery strategies” (UNDP, 2020a, p. 7). Now more than ever, there is a need to find creative ways to finance the accelerated search for financial resources to jump start economies.
The role of international cooperation for economic recovery

The LAC region needs international cooperation to tackle deep structural issues that have a global dimension. First, the LAC region faces a high and rising debt with the pandemic, estimated at 79.3 percent of GDP in 2020 (ECLAC, 2020e), combined with a widening fiscal deficit that has tripled in 2020 to 9 percent of GDP (IMF, 2020a). Secondly, the LAC region had already been facing substantial borrowing costs and foreign exchange volatilities, which were exacerbated during the pandemic (OECD, 2020a).

To enable the LAC region to regain fiscal space (Izquierdo & Pessino, 2021), international partners can contribute through debt relief and facilitate access to liquidity as well as lower future interest rates by stimulating public and private demand for LAC bonds linked to specific SDGs.

In terms of partnerships, the EU has already taken concrete steps with the LAGREEN bonds programme, which could be scaled up for other policy areas. The IADB, ECLAC and international financial institutions already play a central role in coordinating international efforts regarding bonds and debts, including an allocation of Special Drawing Rights (SDRs). They will need to be further mobilized by the LAC region to bring all relevant lenders to the table, including non-DAC countries and private investors. In addition, donors that already have experience with Private Public Partnerships (PPPs) due to their development assistance in middle-income countries of the region, such as Spain, are well placed to play a stronger role in increasing liquidity from private actors.

A crucial element of LAC’s economic recovery is to ensure that regional integration is strengthened. However, the COVID-19 pandemic has exposed the existing weaknesses of regional institutions in LAC. Some organizations, such as MERCOSUR and SICA, have been able to organize collective action for contingency or commercial measures (SICA, n.d.; MERCOSUR, 2020). However, their capacity to mobilize funding or advance cohesion policies remains limited.

Other organizations, such as CELAC and UNASUR, have not been able to reactivate and respond to the crisis, despite regional health cooperation having been a core pillar in the past (González-González et. al., 2021).

A crucial element of LAC’s economic recovery is to ensure that regional integration is strengthened.

The LAC region should take inspiration from successful examples, such as the African Union or its own CARICOM, that have demonstrated that having a visible and capable regional interlocutor with a clear mandate during the pandemic can be a crucial advantage to establish international partnerships (Massinga Loembé et. al., 2020). This would also be a chance to boost economic integration, regional value chains and the tourism sector (Noticias ONU, 2020). Several donors, such as the EU, Spain and Canada, have already put regional integration on their cooperation agenda.
3.4 Social pathways to recovery

Strengthening social protection

Social protection systems have been designed to contain all kinds of shocks that households may face; but were never put to the test in such an unprecedented way. The existing mechanisms in the region prevented the worsening of the situation and simultaneously exposed its weaknesses. The most important drawbacks in the region have been the reversal in gains made to eradicate poverty and in employment, affecting several SDG goals but most specifically, SDGs 1, 5, 8 and 10.

In terms of poverty, there is almost a universal claim to introduce basic income policies; the design being discussed is the one of unconditional basic income. In this sense, there is an increasing need for early programme evaluation in terms of coverage, targeting mechanisms and the implementation time span. The urgent issue to address is related to the targeting of households that could benefit from cash transfers.

The crisis made evident that a large portion of the population was unreachable through the existing mechanisms, so the most efficient way was to send cash transfers to social programme beneficiaries that were already in the system (mostly focused on the conditional cash transfers (CCTs) that reflect a relatively recent experience as social assistance mechanisms in the region). Issues, such as lack of financial inclusion and informality, made it more complicated to distribute the available resources efficiently, and sometimes forced the governments to make in-kind transfers like food baskets, addressing the immediate food security needs, as in the cases on Trinidad and Tobago, the Cayman Islands and Haiti.

In principle, programmes should be transitory, have explicit conditionalities and be well targeted. To boost aggregated demand, some of these policies might need to be extended over time which will surpass the emergency and create budgetary needs. In that case, it needs to be ensured that they increase the livelihoods and income generation of the vulnerable population over time in order to limit the period over which transfers are...
required. Two cases show interesting paths that could be followed: Colombia's Ingreso Solidario that took advantage of beneficiaries of other social programmes and previously established digital platforms to perform government-to-person (G2P) transfers (Gentilini, Almenfi & Dale, 2020a); and Marica's Brazil's Renda Básica de Cidadania that has been temporarily designed to target vulnerable households in the community.

<table>
<thead>
<tr>
<th>INGRESO SOLIDARIO (COLOMBIA) - UNCONDITIONAL CASH TRANSFER</th>
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<tbody>
<tr>
<td>The new measure transferred cash to households that are not beneficiaries of other social programmes such as Familias en Acción, Colombia Mayor, Jóvenes en Acción y Devolución del IVA. Until April 2021 it had covered more than three million households identified through the national registry of beneficiaries of social programmes SISBEN. The total amount transferred to poor or vulnerable households is COP 480,000, or USD131, divided in three instalments (Prosperidad Social, 2021b). The main issue of the programme has been the identification of beneficiaries that delayed instalments early on, although, according to Rodríguez (2021) the total amount transferred accounts for 0.4 percent of GDP. Another reason to showcase this programme is the extent of financial inclusion in the informal population (Amezquita Díaz &amp; Imitola Yépez, 2020), and the preliminary testing by Díaz and Narváez (2020) that highlights the efficiency of cash transfers over transfers in specie. Issues found by Gallego et. al. (2021) included household reports on the measure's positive impact on income, the higher expenditure spent on food and a feeling of financial inclusion.</td>
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</tbody>
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<tr>
<th>RENDA BÁSICA DE CIDADANIA (MARICÁ, BRAZIL) - BASIC INCOME TRANSFER</th>
</tr>
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<tbody>
<tr>
<td>A variety of socio-economic measures were adopted in Brazil by both the Congress and the local governments. Some of these were strongly encouraged by NGOs and the civil society. The Basic Income Transfer highlighted in this section was designed for the town of Maricá, Rio de Janeiro, Brazil and has been recognized as the greatest Basic Income Programme in LAC since 2019, although it dates from 2013. It is considered to be a Basic Income Transfer that despite not being universal, is unconditional and individual. Before the pandemic it covered 25 percent of its population, with a transfer of R130 per capita, equivalent to USD22. The transfer is used as a credit that can be spent in several businesses around town, so the money circulates internally. After the emergency declaration of the COVID-19 pandemic, the local government reacted in less than a week, and on top of other measures taken and integrated to the Basic Income Transfer as the Abono natalino de beneficiários do Programa Renda Básica de Cidadania, it temporarily increased the transfer to R 300, equivalent to USD 5.5 per cápita. This injected the local economy with close to R 21 million, equivalent to USD 3.7 million. The capacities of the local government to incrementally design and redesign a programme that started as a CCT and now is much more identified as a BIT, plus the organizational capacity, prepared the local government to deal with the challenges of COVID-19. This included the fast-tracked implementation of a subsidy for informal workers not included in the identification system of beneficiaries, the Cadastro Único Municipal, which warrants considering undertaking a thorough evaluation of this experience in the near future (Lago Da Silva et al., 2020; Prefeitura de Maricá, 2020).</td>
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</table>
In terms of labour market measures, the pathway to recovery needs to assess the extent of damage and the populations who are disproportionately affected. So far, the region is recognizing economic sectors hit hard by the combination of the pandemic and lockdown measures, including service industries like tourism, transportation, restaurants and hotels, recreation and culture, retail and, to some extent, manufacturing. A commonly implemented policy practice in the region is short-term jobs, as was previously witnessed during crises, mainly in Chile and Argentina. However, as has been proven before in the case of Germany, this should not be a long-term solution (Dengler & Gehrke, 2021).

As mentioned before, SMEs were the most affected, and their recovery requires not only direct support to business owners but also their employees, especially those laid-off. However, it also requires a differentiated viewpoint. Youngsters and women were hardest hit by unemployment rates. In this sense, targeting sectors and subpopulations should be included in long-term and structural policies that are less reactive and more prospective. In other terms, measures should consider the gender and age-sensitivity of target populations. Social insurance measures, as advanced payments to pensioners, and the lifting of conditions to use unemployment benefits will leave the system under-financed and vulnerable to future shocks. Public-private partnerships are needed to finance incentives for business associations and SMEs to hire the most vulnerable population.

Additionally, education as a means and an end could be central to the recovery path after COVID-19. First, school closures harmed learning experiences and increased the gap between rural and urban areas and across different socio-economic levels, and second, the reopening of schools is found to be a predictor of increased employment rates, as proven by Dube (2021) for the case of school districts in the USA. Young and vulnerable people have scarce financial means to pursue tertiary education. The NEET phenomenon, young people who neither study nor are employed, has been increasing in the region. The effects of school closures will increase the gap among the most vulnerable who, as described before, had limited resources to attend online classes. Based on our revision, there were no programmes focused on training for specific skill sets and career advancement (e.g., micro masters, nano degrees) using technology and focused on the sectors in need due to the pandemic and that, at the same time, were officially recognized. It will depend on the relationship between academia and public and private sectors to design tailor-made trainings according to the needs in the labour market and the corresponding increase in employability and quality of life for young people who are unemployed because of lack of expertise (IADB, 2020d).
To assess the effects of the COVID-19 pandemic in LAC, especially those related to employability and poverty, gender equality needs to remain central. It is urgent to make the pandemic’s impact on women visible; this will require investments in information and technology that could assess the differential effects of the pandemic by gender. In that sense, policies, such as the ones recommended above, should include evidence of the scale of the pandemic’s effect on women (e.g. sectors, businesses, value chains and successful interventions). This visibility will push the policy agenda to target women better and more efficiently in times of crisis, address the most vulnerable populations and provide enough tailor-made measures for better use of scarce resources.

Finally, there is an increased need to define the level of empowerment of women in every country in the region, and to include women as leaders in the recovery paths adopted by governments. So far, 84 percent of executive branch institutions created in response to the pandemic crisis are led by men worldwide. In LAC only 20 percent of task force leaders are women (UN WOMEN et. al., 2020). The patriarchal roles adopted by women in the region were also made visible by the extent of school and early childhood education facilities, increasing, as mentioned before, time poverty and decreasing their labour participation. Every single measure adopted and pathway to recovery must include this assessment to recover the gains lost during the pandemic due to the conditions described in the sections before (e.g. domestic workers, violence against women, economics of care, access to reproductive rights) (UN Women, 2020b). An example of coordinated effort to put women in the centre is the decision of the Argentinian Government to propose a gender sensitive central budget to the Parliament for the first time:

**GENDER RESPONSIVE PUBLIC SPENDING PROGRAMME (ARGENTINA)**

According to the Ministry of Finance of Argentina: “There are no neutral public policies in terms of gender, every single public policy tool has gender equality effects” (Drazer, 2020). In this sense, the central budgetary project of the Government of Argentina proposed to Parliament an investment of 3.4 percent of GDP and 15.2 percent of the budget on measures to reduce gender inequality. This proposal includes trans women. It includes a monitoring and evaluation strategy to assess in a transparent way the effort made by the government to decrease gender inequality, and a multilevel governance framework that also includes the effort of local governments (Gobierno de Argentina, 2020).
The last SDG that has been mentioned as central for the recovery pathway has been SDG 10: Reduced inequalities. In the previous sections we mentioned groups that should be considered across the adopted measures: children, the elderly, migrants, ethnic groups and LGBTQI+, and the positive effects this could have on a faster recovery. The principal successful measures adopted in the region combined both public and community initiatives, as in the cases of Argentina and Brazil:

**LONG-TERM CARE FOR ELDERLY IN ARGENTINA**

Due to the increasing need of care-dependent elderly people in Argentina, the country is the most advanced in terms of policies on long-term care. Its example could be useful to address the gaps in other countries. Institutional arrangements, such as the recognition of the rights of the elderly in the Constitution, the ratification of the Inter-American Convention on Protecting the Human Rights of Older People and key entities at the national level, such as Instituto Nacional de Servicios Sociales para Jubilados y Pensionados, Programa de Atención Médica Integral, Consejo Federal de Adultos Mayores and Mesa Ministerial de Políticas del Cuidado, are in place at the national level.

However, the effective health care and long-term provision of services are spread among different actors: public, private and NGOs. This causes an increasing lack of coordination which acts as a barrier to effective access. In some cases, local governments as in the case of Buenos Aires, are an outlier in terms of care for the elderly, while other provinces lack effective policies. The need here is for the reduction of fragmentation and informality in long-term care, as most of the funding for these services come from families (IADB, 2020b).
PROTECTION OF LGBTQI+ RIGHTS IN ARGENTINA

Argentina’s experience contains examples of measures taken to provide effective access to services and rights for the LGBTQI+ community. A combination of different measures and coordination between different entities made the inclusion of this population clear. The Ministerio de las Mujeres, Género y Diversidad (MMGD) designed guidelines and recommendations for health-care providers to protect the members of the LGBTQI+ community in need of health-care services, including the location of LGBTQI+ patients based on their gender identity, continuity of hormone treatments and a consultation helpline, including mental and sexual health support (COVID-19, 2020). The MMGD also allowed exemptions for the LGBTQI+ population so it could avoid quarantine when faced with the risk of intra-family violence due to lockdowns (Cornali, 2020). The MMGD and the Ministerio de Desarrollo Social partnered to include the trans population as beneficiaries of Hacemos Futuro and food supply support (Buchara, 2020). As a long-standing country in terms of the protection LGBTQI+ rights in the LAC region, the measures adopted could be showcased as a best practice for other countries.

COMMUNITY STRATEGIES AGAINST COVID-19 (BRAZIL) IN AFRO-DESCENDANTS POPULATION

In the city of Sao Paulo, the community of Paraisópolis created the figure of ‘street chairpersons’ that provided a link between public and private services and the community, mostly Afro-descendants. The coordination achieved both the containment of COVID-19 and the distribution of food baskets, production and the distribution of facemasks to the community. Moreover, members of the community were trained to intervene in emergencies supported by the firefighters. This intervention curbed contagion in the slum (ECLAC, 2021c).
Social protection systems in the region need to improve in the identification and targeting of traditionally invisible and vulnerable populations: informal workers, women, the elderly, children, migrants, ethnic populations and LGBTQI+. Policy coordination among different offices and multilevel governance schemes need to be enhanced. Social assistance was the most readily available tool for governments during the crisis. In a time of recovery, resilience, serious financial constraints, redefining comprehensive social protection system is urgent. Financial support for initiatives labelled as social pathways to recovery will require the private sector.

An example of such engagement has been proposed by IFC (2020) focusing on business productivity and gender equality and includes: i) retaining female employees during and after crisis, as gender equality has been linked to improved business performance; ii) providing support to employees and entrepreneurs facing increased care demands which helps to reduce absenteeism and resignations, especially for employees who are parents and work from home; iii) creating a safe working environment free of violence; iv) supporting the mental health of employees; v) supporting digital transition among workers at home; and vi) diversification of supply chains supporting women entrepreneurs.

The role of international cooperation for social recovery

The development priorities of international partners have sought to align with the socio-economic policy priorities of LAC countries seeking to recover from the impact of COVID-19.

Canada and Sweden have a particular role to play in the social recovery for the LAC region, as their feminist approaches to development assistance make them particularly suited to tackle inequalities and the gendered effects of the pandemic. The LAC region should ensure that partners with substantial programmes in education and social services, like Germany and the USA, are aligned with these aims.

A particular challenge for the social recovery is to align the geographic foci of donor programmes in this area with the scope of the pandemic, which has affected the entire LAC region. In the first phase, the geographic fragmentation of development assistance remained, with each donor concentrating on social programmes with their established partners. There have been no major geographical shifts to cover all affected areas in the LAC region, but rather
a reinforcement of existing bilateral relations. The situation is further complicated by the fact that LAC countries fall into different low- or middle-income categories and thus do not have access to the same instruments, although the social recovery needs are evident in all countries, including the larger economies. Some flexibility has been shown for humanitarian responses, such as the EU providing exemptions for the three LAC countries currently under EU sanctions, which are coincidentally privileged aid recipients of Russia and China (Council of the EU, 2020).

To make sure that rising inequalities are fully addressed, both within communities and across the region, aid coordination in this area is key. This issue remains a key obstacle despite the objectives advocated at the high-level forums on aid effectiveness (cf. Paris Declaration of 2005 and subsequent commitments in Accra in 2008 and Busan in 2011). Partners participate in the financing of a plethora of educational, social and training programmes that partly operate in relative isolation. Few partners, such as the EU, have developed specific strategy papers for the LAC as a region, which is linked to the fact that for most donors the LAC makes up only a small fraction of their development assistance.

The COVID-19 pandemic has deepened the social, economic and health gap within the region and between the LAC region and high-income countries.

To fill this gap, it is crucial that the LAC region mandates a regional organization such as ECLAC and/or UNDP RBLAC to define a multilateral strategy for social cohesion and inclusion, building on existing structures such as the Socio-Economic COVID-19 Observatory (Resident Coordinators System of the United Nations in Latin America and the Caribbean, UN Women and ECLAC, n.d.). This should go together with a preference for development partners willing to increase their share of budget support targeted at social recovery, as donors orient their actions towards a strategic regional vision set by LAC.
Conclusion: fine-tuning the correlation between demand and supply of international cooperation
More than a year and a half since the first recorded outbreak in mid-December 2019, the reported number of deaths due to COVID-19 surpassed 4 million and reported infections approached 200 million people worldwide. As the so-called epicentre of the pandemic shifted, from China to Europe, to the Americas and India, its effects on health systems, society and the economy were chillingly similar, cutting into the very fabric of society.

In the LAC region, the rapid spread of COVID-19 could not be halted despite the initial quick call for action of PAHO and the rapid response of several of its member States. Glaring issues of health information and of health services capacity emerged. Systemic limitations and differences in data collection, reporting and interpretation in and among countries in the region, led governments to make decisions based upon inaccurate data, further exacerbating the increasingly troublesome situation. In mid-June 2021, LAC was still reporting a million new infections about every 6 days and had reported more than 35 million cases since the pandemic began.

The LAC region has shown itself as significantly overexposed to the effects of this pandemic, not only in terms of lives lost but also socio-economically. As part of their efforts to minimize the spread of the virus, governments in the region imposed lockdowns that halted local and international mobility, causing a range of grave social and economic effects, many of which will have a lasting impact on the region due to existing socio-economic vulnerabilities. The inevitable processes of rebuilding and recovering that will follow this crisis offer opportunities for structural change in a region afflicted by systemic problems across all levels of governance and society.

As ECLAC/PAHO argue, “if the transmission curve is not brought under control, the countries’ economies will be unable to recover”. To do this, the necessary control measures need to be enacted and solidified. However, the underfunded health and social sectors in the region are not well placed to exert control over the transmission curve. A broader recovery is contingent upon strengthening these sectors as critical elements, starting with the necessary increased financing that allows reinforcing the trend towards universal coverage of essential health services.
Vaccination and the control of the spread of COVID-19

The COVID-19 pandemic has deepened the social, economic and health gap within the region and between the LAC region and high-income countries. To prevent the LAC region from further decoupling and from becoming isolated from global interactions, low vaccination rates are an immediate concern. While costly, the ensuing economic and social benefits by far outweigh the investment required (Agarwal & Gopinath, 2021). As COVID-19 is still spreading in LAC, with many countries still near the peak of their local epidemic, continued monitoring and control of the spread of the virus will be necessary for the foreseeable future. To be effective this will need a further move towards common standards, information exchange and coordination in and between the health and emergency response sectors, using increasing data analytics and evidence base. The existing pooled procurement mechanisms for medical supplies and vaccines in the region through PAHO/WHO constitute a comparative advantage that should be maximized. Setting common regional milestones such as having 70 percent of the eligible population vaccinated in 2022 could further regional collaboration and regulatory standards and boost local capacity for pandemic response and preparedness.

Since the beginning of 2020, all international partners have already taken important steps to adapt their engagement with the LAC region with humanitarian and emergency programmes that are directly earmarked to combat COVID-19. As long as the pandemic rages through the region and vaccination rates lag, these programmes will remain necessary in the same way as vaccine donations, which have been pursued by core partners, such as the USA, Canada and Spain, and are a crucial element in filling the immediate vaccination gap (PAHO/WHO, 2021f; Harrison, 2021; Gonzales et. al., 2021).
To further support the LAC region in regaining its autonomy, international partners should seriously address questions of technology transfer and patent rights to enable vaccine production in the region. In this regard Russia has paved the way by supporting Sputnik V production in Argentina and Brazil; while Mexico, Brazil and Argentina have started the production of AstraZeneca (Graham & Heavens, 2021). Other international partners, especially vaccine-producing countries should follow suit in scaling up the capacities within the region. Support should also be directed towards intraregional solutions, in particular the Cuban vaccines that are hampered by the existing embargo (Augustin, 2021).

Debt

Expediting the economic recovery requires an integrated fiscal policy that supports intraregional trade, as LAC already struggles on this front. A regional policy would have a bigger and faster effect than independent policies adopted by single countries. Underlying this response should be two main objectives: i) recovering or protecting jobs, not only because of the sharp increase in unemployment rates, but also due of the loss of over 2.7 million SMEs, and ii) transfers to the most vulnerable households to increase aggregated demand.

To allow the LAC region to recover, international partners will need to play a key role to tackle the deep structural issues afflicting the region and its economies, in particular the high and rising debt levels, estimated at 79.3 percent of GDP in 2020, combined with a widening fiscal deficit that has tripled in 2020 to 9 percent of GDP, and substantial borrowing costs and foreign exchange volatilities, which have all been exacerbated during the pandemic. International partners can contribute through debt relief and by facilitating access to liquidity and lowering future interest rates, for instance by stimulating public and private demand for LAC bonds managed by the IADB and linked to specific SDGs.

Inequality

The increasing poverty and inequality in the region, which has been aggravated by the COVID-19 pandemic, will require the strengthening of social protection systems both in the short and medium term. This situation, which added to the increasing levels of fiscal deficits, implies trade-offs between tax and social reform, that will give priority, according to context, to essential services while it tries to reduce social unrest. The dialogue for possible future reforms should include businesses and firms. Social assistance mechanisms, such as transitional unconditional cash transfers and policies that target vulnerable populations, as well as conditionalities and monitoring mechanisms to ensure compliance of subsidies to specific productive sectors, based on retaining employees in the formal sector, are needed to protect aggregated demand.

Social protection systems require a proactive gender perspective, including the building or strengthening of care systems. Social protection plays a transformative role in achieving the well-being of all, as well as in the fight against structural inequalities, including gender inequalities, which impede progress towards sustainable development and have been exacerbated as a result of the COVID-19 pandemic.

Social protection systems require a proactive gender perspective, including the building or strengthening of care systems.

Canada and Sweden have a particular role to play in leading partnerships for the social recovery for the LAC region, as their feminist approaches to development assistance make them particularly suited to tackle the gendered effects of the pandemic. The LAC region should ensure that partners with substantial programmes in education and social services, such as Germany and the USA, are aligned with these objectives.
Climate

To be sustainable, all COVID-19 recovery plans will have to address the massive challenges emerging from climate change. Despite the immediate focus on humanitarian and emergency aid, international partners remain committed to climate change as a global priority, and the LAC region constitutes an essential partner, be it in biodiversity, energy, or natural disaster management. The EU made lasting efforts to streamline the climate aspects into its development partnerships and other donors are making it a selection criterion, too. The LAC region should thus ensure that its social and economic recovery programmes are geared towards being eligible for investments by international partners that prioritize climate-friendly activities. The regional development banks in the LAC region can play a leveraging role through green bonds. Given that climate issues are of a transboundary nature, the potential for regional and subregional cooperation with LAC is particularly high, by setting up clusters of countries that face similar challenges, such as energy transitions or rising sea levels.

Overcoming regional fragmentation

A particular challenge for the bundling of international resources for the recovery of the entire region is to adjust the geographic foci of donor programmes to ensure the inclusion of all LAC countries, as any neglected territories endanger the recovery of the entire region, be it regarding the pandemic directly or the social and economic recovery in the medium to long term. Since the entire region has been severely affected by the pandemic, recovery programmes should include a transnational dimension rather than relying on isolated bilateral support. Regional aid also allows for the better inclusion of LAC countries that have been hurt by the crisis but have played a less prominent role in development partnerships due to historic or political reasons, or due to their middle-income status.

Other world regions, in particular Africa led by the African Union, have shown that acting as a region does not only enable synergies but also increases visibility and facilitates bringing together international partners. Interregional transfers of knowledge thus offer a lot of benefits (Mattheis, 2014). Regional development banks can play a key role in technical implementation and in fundraising, based on their formal frameworks with the non-regional members.

Integral to lasting recovery is ensuring that regional integration is strengthened, addressing the existing weaknesses of many regional institutions in LAC, to prevent a fragmentation of partnerships in the pandemic recovery and to ensure an integrated path towards regional sustainable development. In the absence of an authoritative overarching political regional organization for the entire LAC region, the coordination and management
Such donors with existing affinities for regional cooperation could be targeted by the LAC region by either expanding the scope of subregional organizations, such as MERCOSUR and SICA, or by creating new regional initiatives that focus on specific regional recovery policies, such as social cohesion, given that most of root causes that impede sustainable development in a pandemic LAC are not mere national issues. IADB and ECLAC can play a coordinating and facilitating role for dialogue among existing subregional initiatives and to redirect international partnerships to work in triangular fashion with regional initiatives. IADB could build further on its existing regional public goods programme.

Integral to lasting recovery is ensuring that regional integration is strengthened, addressing the existing weaknesses of many regional institutions in LAC.
Overcoming international fragmentation

Successful recovery policies require cooperation with a wide range of international partners that share the goals of addressing the flaws of previous development models and are committed to supporting the LAC region in its ambitions. The pandemic has reinforced existing trends in international partnerships with the LAC region. These trends include a shrinking share of the region in global development assistance and a fragmentation of aid through individual geographic preferences of donor countries. Avoiding fragmentation of partnerships and of development initiatives is thus a key challenge for the region given the multitude of existing bilateral engagements. International partners and countries of the region should work together to adapt and upscale the most effective national and local programmes throughout the region. Partners should therefore be flexible to engage beyond their traditional focus areas and contribute to a cohesive international partnership with the region that does not exclude individual countries.

The health, social and economic pathways to recovery are best laid with strong cooperation, both among LAC and international partners and within LAC itself. Given similar COVID-19 development challenges in many countries, multi-country programmes, where a sector-specific programme is replicated in several countries after local adaptation, offer a great potential to benefit from synergies. For instance, social programmes to enable an inclusive education after the school closures can be deployed under a regional programme and implemented according to the specific local conditions. In addition, a true regional dimension should be included. This does not only concern targeted support for transborder areas, which have been particularly affected, but also loans for large-scale infrastructure projects and fiscal and land reforms.

The health, social and economic pathways to recovery are best laid with strong cooperation, both among LAC and international partners and within LAC itself.

To that effect, key partners need to be convinced to loosen their geographic priorities and embrace a development assistance practice that is guided by the respective policy area. As substantial funds are channelled through multilateral institutions, an opportunity for donors to align on the same themes has appeared even though many concrete programmes might retain a bilateral logic. Instead of a reinforcement of existing bilateral partnerships, international partners should consider adopting a collective approach to the region, while still providing leadership in their areas of respective strength to ensure the most stable and sustainable recovery for the entire region. At a broader level, international partners should be encouraged to shift more assistance towards multi-donor funds to avoid fragmentation and the duplication of recovery efforts.
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Appendix
Appendix 1.

EMBI in Latin America and the Caribbean compared to global performance

Figure 1
EMBI Global diversified subindices

Source: Own calculations based on Invenómica (2021)
Appendix 2.

Google’s COVID-19 community mobility report for the Caribbean
Source: Own calculations based on Google’s COVID-19 Community Mobility for all the countries with available data in the Caribbean
Appendix 3.

Google’s COVID-19 community mobility report for Central America
Source: Own calculations based on Google’s COVID-19 Community Mobility for all the countries with available data in Central America
Appendix 4.

Google’s COVID-19 community mobility report for South America
Source: Own calculations based on Google's COVID-19 Community Mobility for all the countries with available data in South America
Appendix 5.

Economic Policies - The Caribbean

Source: Own calculations based on Oxford COVID-19 Government Response Tracker
Appendix 6.
Economic Policies - Central America

Source: Own calculations based on Oxford COVID-19 Government Response Tracker
Appendix 7.

Economic Policies - South America

Source: Own calculations based on Oxford COVID-19 Government Response Tracker