

Legislación y Economía

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A FORCED BREATH TO THE PLANET EARTH

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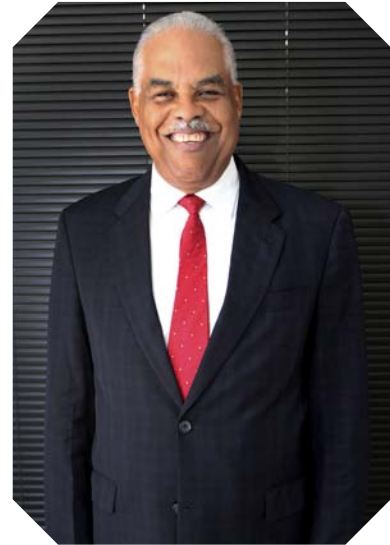


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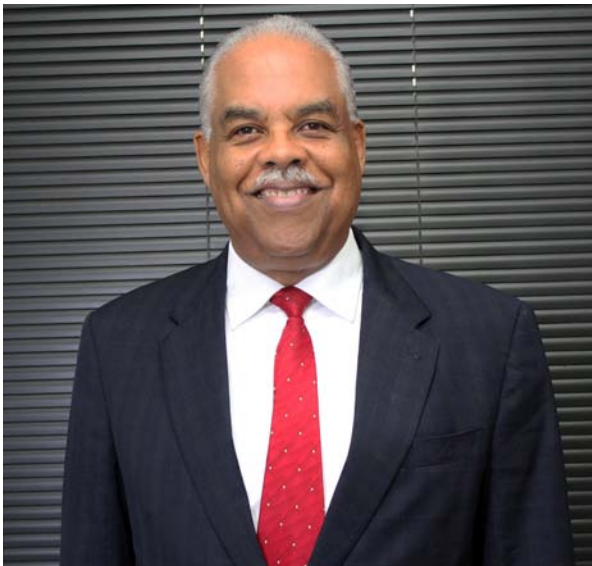
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Editorial

A FIRST EXAMINATION ON MANAGEMENT BY THE STATE OF THE COVID-19 CRISIS

Since the State of National Emergency was declared, the majority of Panamanians have been complying with the recommendations issued by the Executive Branch, led by the Ministry of Health, aimed at reducing the impact of COVID-19 on the Panamanian population.

While the wide contagion capacity in the population was known, which has caused an average of more than twenty thousand deaths in Italy, France, Spain, and more than sixty thousand now in the

United States, in our country, eminent doctors and researchers from the Gorgas Memorial Institute of Health Studies, have explained in great detail the reasons why certain basic recommendations should be followed that do not need explanation now.

At the Presidential level and at the Ministry of Economy and Finance, the population was informed that this quarantine would have devastating effects on the economy, particularly due to the closure of companies, suspension of employment

contracts, significant reduction in collections, and impact on traffic. air, sea and land, as well as the entry of tourists to the country, among others.

Soon, citizens were told that the country would have to go to the financial markets to seek financing from banks and multilateral organizations to face this fracture in the country's productive fabric.

Later, an alliance between the private and public sectors was produced to begin providing families with less income, with the essential supplies for their food. In addition, cash support was promised to alleviate other needs of those same families and many of whom had their contracts suspended.

From the first moment, a transparent management of the more than two billion dollars that has been allocated to this fight against the disease and its consequences was promised, but this use of public resources was never shielded in a responsible manner.

Over the course of this month, the citizen complaint about direct hiring, lack of planning, procurement of goods and services, and in particular evident price premiums, has been increasing.

From the CSS, the Ministry of Economy and Finance, the Ministry of the Presidency, the Institute of Agricultural Marketing, and other entities of the Executive Body, as well as those of municipalities, have urgently approved

contracts, without complying with the minimum control requirements of the Office of the Comptroller General of the Republic and which signify an abuse of the minimal behaviors expected of a serious government.

From face masks, alcohol gel, computers, ammunition, a hospital, a municipal tax collection service and even logistics for the delivery of medicines, every day public opinion has listened with astonishment, the contempt of this government for its responsibility to care for Good father of a family, the scarce resources that the country has before the gloomy panorama that appears on the near horizon.

Other serious things have happened, such as the suspension of classes from official schools, which means a further lag for those who have the least and consequently they are condemned to a certain failure in their desire to climb as citizens through the educational system. They will continue as a kind of second-class citizens and will constitute the group that achieves the least skill in a world that is becoming increasingly technological and exclusive..

On the other hand, construction workers whose contracts are suspended for a total of sixty days have had to ask their union for alms, which has shamefully appropriated their funds, giving a miserable response to the effect that this support

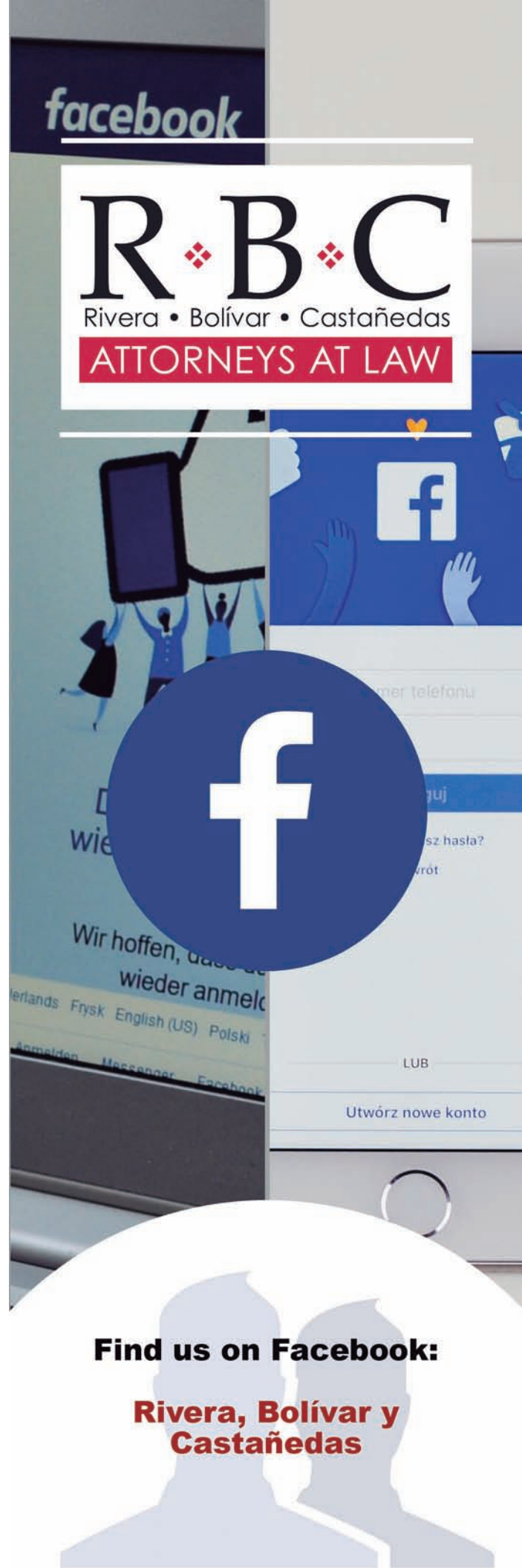
union is for strike cases and not for COVID-19.

Returning to the Executive Branch, in a brief period that becomes endless, the trust of the citizens has been lost because the commitment to transparency in the management of public funds has not been fulfilled, much less is there certainty today in what corresponds to the revival of employment and a roadmap on the resumption of productive activities in the country.

This crisis has only reaffirmed the urgent need to remake the country; since issues such as the wide inequality that we see daily when many people lack minimum subsistence conditions, a health system that has been fractured, generating great inefficiencies and duplication; lack of strength of state institutions and the efficiency of their management and also an economy that doesn't meet the needs of the vast majority.

We consider it a notorious urgency to initiate a tripartite National Dialogue to deal responsibly with this crisis and avoid a collapse of the country and a breakdown of democratic causes.

It will dawn and we will see...L&E



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PUBLIC PROCUREMENTS IN STATES OF EMERGENCY

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MINIMUM ELEMENTS THAT GOVERNMENTS MUST CONSIDER TO ENSURE INTEGRITY OF THE AWARDS THAT THEY MAKE DURING CONTINGENCIES

Given the risk that countries face of emergencies of a different nature, it is vitally important that the authorities guarantee the adequate use of available public resources to mitigate, contain and correct the negative effects derived from them.

In emergencies with the magnitude such as that of the coronavirus, the States face economic and social consequences that lead to a greater demand for goods and services to meet the needs generated by such a situation, as well as in damages due to limited economic activity due to restrictions or inability to operate normally. This situation favors the manipulation of information and generates the conditions for the inappropriate use of emergency funds and trusts or extraordinary budgets..

Programmatically, States allocate resources to deal with potential emergencies such as the one we face, and depending on the magnitude, additional resources may be approved. Likewise, as part of the parallel efforts to the governmental ones, extraordinary funds are created in which companies, international organizations or citizens participate that also channel resources for the attention of an emergency situation. In both cases, the rules that govern them are extraordinary to guarantee the timely provision of public goods and services and the continuity of critical services such as health, as well as for the implementation of economic measures to guarantee stability in the countries.

The exercise of spending is particularly important, because by misusing these extraordinary funds,

people's rights are violated. In order to guarantee the integrity of these extraordinary resources and, consequently, people's access to the timely exercise of their rights, the following recommendations are proposed for public purchases and contracting carried out in the context of an emergency:

TRANSPARENCY AND OPEN DATA

The resources destined for emergency and their use must be fully informed, in a continuous, timely, truthful and verifiable manner and in citizen language. Information on purchases and contracting in periods of emergency should be published in open data formats and ensuring its accessibility for different types of audiences.

The information generated in the area of public procurement must be concentrated in a specific public site (web page, official microsite, or other), ensuring the standardization of its content. This information standard must consider at least ten elements:

- 1. Information on goods or services purchased in the contracting procedure, including the technical specifications of the good, the quantity and quality.**
- 2. Unit and global price of the contracted goods or services.**
- 3. Type of contracting procedure used.**
- 4. A registry with information about the natural person; or legal; with which the contract was concluded: Identity, location, contact details, tax details, identity of their governing bodies, information on the holders of the shares or social participations, total income; among others.**
- 5. Technical and economic justification to define the contracting.**
- 6. Information on the contract compliance requirements, such as date, place and delivery conditions.**

7. Population or need to which the hiring responds.

8. Mechanisms and elements to verify compliance with contracting conditions.

9. Public entity and official responsible for contracting and owner of the public entity that performs the contracting.

10. Information on results of audits carried out on the contracting procedures.

ADMINISTRATION OF RESOURCES

The budget designated to attend emergencies and contingencies due to force majeure, must be administered under the principles of efficiency, effectiveness, economy, transparency and impartiality, and must ensure the best conditions for the State, at any level of government. This budget will be destined to fulfill the determined objectives while attending to the contingency that gave rise to it.

It is essential that governments report on the origin of the resources that are available to face the contingency that they are going through, the budgetary effects that other items or funds could suffer, as well as the justification for their determination and the general rules that should govern the use of those resources. These rules should define:

- 1. The period or conditions in which emergency will be considered to prevail, in order to avoid making an undue exercise of the available resources.**
- 2. Needs that can be met with the resources allocated for emergency care.**
- 3. The definition of the authority responsible for supervising compliance with said rules.**
- 4. The means and manner in which the exercise of said resources will be made transparent.**

Governments should preferably use the available budget transparency platforms, through a specialized microsite for information on extraordinary resources for emergency response.

5. The determination to carry out real-time audits to ensure compliance with the principles that govern public procurement and the rules for authorized extraordinary funds for emergency care.

ACCOUNTABILITY

In addition to the previously described real-time transparency mechanisms, governments must report the results of the use of resources at the end of the emergency. In particular, it will be necessary to report on:

- 1. The total resources invested in emergency care, in relation to authorized resources.**
- 2. The actions carried out with the resources invested.**
- 3. Number and location of beneficiaries of the actions carried out to attend to the emergency.**
- 4. Contracts held to meet the needs of the emergency and the status of compliance of each one.**
- 5. The evaluation of the efficiency of said contracts.**
- 6. The actions that could be carried out with the remaining budget, if any, or the mechanisms to reintegrate it into the State's assets.**

Additionally, to ensure the accountability of the

contracting processes in contingency periods, it is useful to have independent monitoring mechanisms that check that the contracting processes adhere to the regulations and legal adjustments made by the contingency. These mechanisms must ensure citizen participation through access to information, but also as part of the processes for controlling extraordinary funds for emergency care.

GUARANTEE ECONOMIC COMPETENCE

Governments should avoid that in their contracting procedures to deal with the emergency, concentration or hoarding be promoted, either for the acquisition of goods or contracting of consumer services necessary during the contingency due to force majeure.

Likewise, the pertinent measures must be taken so that the micro, small and medium-sized companies participate in the provision of goods and services necessary in the emergency, evaluating the cost benefit that this would represent; not only for the direct cost of the good, but for the potential effects of promoting economic activity in the countries.

Governments are responsible for promoting free competition and competition, and it is their duty to avoid paying for goods and services at a premium. The use of framework contracts should be a priority strategy in public procurement to deal with the emergency, when national laws consider them.

Governments have an obligation to avoid and sanction price increases, hoarding and speculation in service provision. Governments must eliminate any type of potential or real advantage in favor of one or more

individuals and/or legal entities, over their competitors.

To guarantee economic competition, the contracting entities must justify, review similar contracts and establish the bases so that maximum prices for goods or services that are considered necessary to pass through the contingency stage are indicated. The State, and the responsible entities, must promote free competition on equal terms to ensure their own interests and contract under the best conditions.

Governments are likely to face the shortage of goods needed to deal with emergencies, in view of which it is essential that economic competition bodies prevent unfair practices. The companies to which the contracts will be awarded during the emergency, should know that otherwise, the corresponding sanctions and administrative responsibilities to which both individuals, companies and public officials who participate in will be subject will be applied. illegal acts.

MONITORING PUBLIC EXPENDITURE DURING CONTINGENCY BY FORCE MAJEURE

In the event of an emergency, it is necessary that extraordinary budgets be reviewed under extraordinary measures that guarantee efficiency and integrity in the use of resources. To this end, additional surveillance mechanisms must be implemented to those provided for by national and local government laws.

In particular, it is necessary that the oversight and audit bodies are in constant coordination with the contracting entities to maintain effective control of both the budget and the goods and services that are contracted to face the contingency due to force majeure.

The inspection bodies must establish an action protocol for monitoring and auditing the exercise and destination of resources, in real time. The oversight and audit bodies must have access to the records of the contracting procedures, including contracts, agreements, documents, data, books, files, and supporting and supporting documentation regarding public spending and compliance with the objectives according to the needs determined by the contracting entities; as well as the other information that may be necessary for the revision and control of the budget destined to face the contingency due to force majeure.

In parallel, mechanisms for citizen reporting or reporting of irregularities that are detected must be implemented. These mechanisms must guarantee anonymity and security of those who report, as well as the follow-up given to said reports.

The results of the budget exercise destined to cover the population's needs during the force majeure contingency, must be evaluated by the technical bodies corresponding to each level of government or contracting entity and the information derived from this evaluation must be published on the intended site. to provide information about the emergency.

The audit and oversight bodies must permanently present to the public opinion the reports that contain observations and recommendations of the files that are audited, as well as the follow-up actions that are given to them. This information must be published through the defined means to report the emergency. *L&E*

MONITORING PUBLIC EXPENDITURE DURING CONTINGENCY BY FORCE MAJEURE

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U4 Basic Guide, March 27, 2020
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The SARS-CoV-2 virus and the disease it causes, COVID-19, may have arisen as a result of corruption (as the WHO explains, SARS-CoV-2 is the name of the virus and COVID-19 is the disease that causes)

The current outbreak is affecting developed and developing countries simultaneously. In the aftermath of such a crisis, it is tempting to prioritize mitigation and management of corruption risks and defense of sanctions against perpetrators of corruption. This pandemic will be seen by some as an opportunity to take advantage of the emergency to abuse its power for private gain. In this unique circumstance, it is essential that corruption is not ignored. The importance of continuing and strengthening the fight against corruption is further highlighted by the fact that the best evidence we currently have of the origin of SARS-CoV-2 leads to a market in Wuhan, China that is

dedicated to corrupt trade. and illegal. of exotic fauna, so this zoonotic disease was transferred to humans.

Health systems in aid-receiving countries suffer from chronic systemic weaknesses that will make it difficult to respond to this crisis. They will require a quick injection of financial and technical support. It is essential that existing investments as well as additional funds available to deal with the disease are strategically implemented. Anti-corruption procedures and accountability systems will ensure that development aid deployed to help fight the virus is used well and benefits those who need it most.

The following text outlines the emerging corruption trends associated with the disease outbreak and suggests priorities that development actors can adopt to minimize the threat that corruption

poses to an effective response to the crisis.

Emerging risks and trends of corruption

Throughout March 2020, there has already been a wave of corruption-related incidents, diminishing transparency and accountability, as well as manipulative political propaganda around the world.

Europe

At the time of writing this article, the European continent is the epicenter of the outbreak with the worst hit Italy. An agricultural company won a contract to supply the government with face masks. ICJ reports that the public procurement agency is now investigating the case and the offer has been blocked.

In Hungary, Prime Minister Viktor Orbán has wasted no time in securing his appointment to oversee the response to the outbreak, instead of the Minister of Health or the Minister of the Interior. His government is pressing to extend an indefinite state of emergency and securing power to make critical decisions without involving parliament.

Serbian President Aleksandar Vučić has publicly indicated that due to the lack of fans available on the European market, he was “forced” to purchase them on the semi-gray market. This raises suspicions about the integrity of the acquisition procedure. Vučić is quoted as saying “you can prosecute me one day for providing respirators to people”.

In Germany, evidence of small forms of corruption has been reported, such as people posing as health personnel going door-to-door in neighborhoods of Berlin providing SARS-Cov-2 test kits.

There are also accounts of Russian oligarchs, whose

wealth is often obtained through corruption, buying scarce fans, equipping their homes with makeshift clinics, and arranging agreements with doctors to be on call to ensure they can avoid seeking treatment in the state from their own responsible hospitals. treatment of outbreak victims. Fan suppliers reported that private buyers made up up to 30% of their recent sales.

In Norway, some doctors are reported to be breaking the guidelines of the state drug agency that has issued a rationing of drugs that may help against COVID-19; they continue to write recipes for their families and friends.

South Asia

In the Tamil Nadu state of India, there is a suspicion that authorities have not been informed of the number of SARS-CoV-2 cases. And in Bangladesh, there are reports of a general failure in the proper detection of those entering the country. Bangladesh Workers’ Party President Rashed Khan Menon said this was at least in part due to rampant corruption within the Ministry of Health, which he says is “more dangerous than the spread of the coronavirus.”

North America

In the United States, there is concern that those in positions of power will bend what remains of regulatory, political, and legal institutions for their private gain, or influence bailout decisions and stimulus packages for industries at the behest of groups. of special interests and at the expense of the public interest. This could severely derail the country's efforts to respond to the crisis..

US Senators, Representatives, and High-ranking Helpers were found. USA They committed insider trading, downloaded shares for travel companies,

and invested in biotech companies during a time when they themselves were aware of the virus threat, but continued to reassure the American people. In addition, proposed aid packages to shore up the US economy have been criticized. USA They include a specific mention of hotels, raising questions about whether or not the president's own hotels will benefit from the aid.

Middle East and North Africa

In less than weeks after the outbreak, Israeli Prime Minister Benjamin Netanyahu ordered the internal security services to secretly track citizens' movements using mobile phone data, incapacitated the Israeli parliament and closed the courts of law, which they were meant to start the trial. against him for bribery, fraud and breach of trust on March 24, but at the time of writing it has been postponed until May. Critics claim Netanyahu is using the outbreak to exercise an unprecedented takeover.

After the most recent 2020 elections, opposition leader Benny Gantz was given the mandate to form a government. Netanyahu now urges Gantz to form an "emergency government", but under his leadership.

In Iran, one country also hit hard with the pandemic, there are reports of a "well-connected network" that controls the distribution and prices of items needed for the country's response. There are suspicions that the leaders of this network are closely related to those in power..

Africa

The outbreak presents an opportunity for scammers and businessmen to defraud citizens, often with the complicity of government officials, as reported by

Uganda. There are also reports of citizens evading quarantine by bribing officials in Cameroon and Uganda, which will inevitably lead to further spread of disease.

Finally, six million face masks ordered by Germany to protect health workers from the coronavirus disappeared at an airport in Kenya. Investigations continue on how the masks ended up in Kenya and how they disappeared.

There are several types of corruption that show what type of corruption occurs under normal circumstances in many low- and middle-income countries. During an outbreak, care and funds for other health operations may be misplaced. This can lead to a number of consequences, such as:

- 1. Emergency acquisition that increases the risks of corruption**
- 2. Steal available supplies, price increases and resale in gray and black markets**
- 3. Increase of inferior and counterfeit products entering the market.**

Acquisition of goods and services for disease management

Evidence from audits of international aid spending during the Ebola outbreak in West Africa 2013-2016 indicates that the procurement procedures were largely ignored. In the case of SARS-CoV-2, considerable funding will be required to purchase the equipment and other infrastructure necessary to provide intensive care. European countries are currently struggling to acquire more fans to deal with the crisis through domestic production and subcontracting. The cost of a standard fan is \$ 25,000 and requires frequent maintenance. The shortage and demand for ventilators and other intensive care equipment will increase the

risk of corruption in the acquisition of these goods.

Opacity and corruption in the governance, recruitment and management of the health workforce

Strong and capable leadership, backed by a health workforce with the necessary expertise, is the cornerstone of an effective response to pandemics. However, in many developing countries, corruption and lack of transparency have led to the hiring of people who cannot implement complex treatment protocols, reducing the ability to handle a crisis. This issue is relevant at a time when health systems are under pressure to recruit as many workers as possible.

During the Ebola outbreak, audits of international development spending showed that health funds and awareness efforts were fraudulently documented. There was also a failure to provide salaries of health workers and the monies earmarked for the organizations were paid to individuals by those in charge of distribution. Only the Red Cross reported that 5% of total disbursements were lost.

Small corruption at the service delivery level

Forms of corruption carried out by health workers, such as informal payments, over-prescription, favoritism, and nepotism, are likely to be exacerbated during an outbreak as the system experiences increased patient burden. These types of corruption can be driven by low wages and poor working conditions and contribute to the patient's poor perception of public services, which affects health seeking behavior.

In addition, other forms of low-level corruption perpetrated by patients may also contribute to further spread of the disease, such as bribing law

enforcement officials to evade quarantine. This has already been reported in Uganda, where foreigners who were supposed to be quarantined were able to evade it by corrupt means. Similar incidents of "connected" people evading quarantine have been reported in Cameroon. This could have serious consequences for containing the spread of the disease.

Opacity in research and development

There is a global call to advance research and development of diagnostics and therapies to address the SARS-CoV-2 outbreak, and a considerable amount of public funds is being spent in support. Pharmaceutical development is opaque and costly at best, and the dynamics of the industry and the market can be expected to be manipulated for higher profits when possible.

Already criticized for excessive prices for the cure for hepatitis C, Sovaldi, the pharmaceutical company Gilead Sciences has received FDA approval for the experimental drug, Remdesvir, to treat COVID-19 giving it the status of "orphan drug". The orphan drug state comes with a number of financial incentives, such as tax breaks, fee waivers, and market exclusivity. Since then, Gilead Sciences has terminated orphan drug status after the protests, but shows that it is critical during this time:

- **Ensure strict compliance with regulatory procedures in research and development.**
- **Scrutinize decision making.**
- **Publicize the results of the investigation.**
- **Verify that the prices of the final products reflect the public investment made and not the company's**

interest in making profits.

- **Ensure equity of access for all nations without restrictions.**

Recommendations for development actors

This emergency requires that mitigation of the risk of corruption be incorporated into donor support provided to the response to avoid further damage to societies and be maintained in existing investments. Donors should take advantage of their help and influence, drawing wisely on the experience of past crises.

Apply a sectoral approach against corruption

The fight against corruption must remain a priority in times of crisis and in this particular case of the SARS-CoV-2 outbreak. It's comfortable to rely on traditional anti-corruption policies and programs that focus primarily on financial management to identify and prevent corruption, but the funds may be divergent and the documents may be forged, and response to the outbreak requires haste, not bureaucracy. The Ebola outbreak shows that such mechanisms in the face of an epidemic are insufficient. Instead, donors should prioritize a sectoral approach to addressing corruption that places achieving health outcomes as the highest priority and that incorporates anti-corruption into the design of the intervention. This means including anti-corruption experts in the public health discussion and working together constructively. Donors also need to know the corruption risks they face, and implementers must design interventions accordingly. There are a number of risk assessment frameworks that can be applied, such as these UNDP or WHO examples.

For example, in the event of an outbreak, dedicated

staff are needed to deliver health services. Donors can leverage their influence to ensure that strong and capable leaders are appointed to lead responses at the country level. Despite widespread sponsorship in the appointment of public officials, developing countries like the DRC, Uganda and Nigeria have been able to control the spread of Ebola by appointing experts with strong leadership skills to spearhead their response plans to the epidemic. Therefore, a pandemic is an opportunity for meritocracy to be prioritized.

The common risk of corruption of informal payments in health facilities that can lead to poor health seeking behavior and mistrust in health providers, and in general in the public service, is a significant threat that must be urgently addressed. To curb this, governments must ensure the timely payment of adequate wages and consider more incentives, such as overtime allowances and bonuses. Civil society organizations can play a supervisory role using various social responsibility tools to discourage informal payments and other corrupt practices at the service delivery level.

Share the risk and minimize compliance burdens

At a webinar on the SARS-CoV-2 international response held on March 19, 2020 by The New Humanitarian, Suze van Meegen, Defense Manager of the Norwegian Council for Refugees, indicated that the increasing compliance obligations for the Financial management and the fight against corruption imposed on implementation Organizations carried the burden of risk on NGOs and restricted their ability to act. Such traditional enforcement mechanisms have little evidence of success, are time-consuming, and expensive. It was suggested that donors reflect on their own policies

to avoid stifling activity and avoid achieving results.

Channel funding together and use existing networks

When it comes to best anti-corruption health practices, it is recognized that the Global Fund has strong policies to enable the prevention and management of corruption within grants, as well as the application of sanctions. Increasingly, bilateral donor funds are already being channeled through the Global Fund, and the fund is considering making donations to combat the SARS-CoV-2 outbreak. This presents an opportunity for donors to come together to achieve greater impact using a trusted entity that provides grants with strong and established anti-corruption mechanisms. As recommended by a U4 number 2019, donors who channel aid through multi-partner funds should aim towards a shared understanding of risk appetite and risk sharing among stakeholders: financial partners, manager / MPF manager, implementing partners, national authorities and intended beneficiaries. Rather than building new systems to safeguard funding, donors should identify and strengthen existing systems that have robust anti-corruption procedures. Once again, Global Fund has established a transparent open procurement system that could be used to purchase medical devices and other necessary supplies.

Where possible, donors should support civil society organizations, journalists and anti-corruption commissions to provide an oversight role over grant disbursement and hold implementing agencies accountable.

Safeguard the justice system and deter fraud

To the extent possible, the justice system should be allowed to continue to operate to enforce sanctions

and rule on corruption cases, thus maintaining accountability systems during a state of emergency. Relevant anti-corruption and criminal justice agencies must issue strong warnings against fraud and corruption in crisis response measures, and prepare to initiate investigations against those who abuse their public office to benefit from the crisis.

Low-income countries have a long-standing problem with overcrowded prisons, and there is a real threat that prisons will become epicenters for the spread of the disease. The government in Iran is reported to have been forced to release prisoners to curb the spread of SARS-CoV-2 in prisons. The released prisoners were those considered as not a threat to society. Those convicted of corruption-related cases could fall into the “low security risk” category of prisoners. This is unknown territory and must be carefully planned and managed to minimize the weakening and subversion of justice.

Support the response of civil society and the community

There are important lessons to be learned from the HIV / AIDS epidemic that can be applied to the SARS-CoV-2 response. The response to HIV / AIDS was notable for its emphasis on the role of civil society. Governments worked closely with local community organizations and encouraged local programs and practices. As a result, the HIV / AIDS epidemic did not have as devastating an impact on societies as anticipated.

During a natural disaster in Bosnia-Herzegovina in 2014, anti-corruption hotlines were implemented to allow citizens to report cases of corruption. A similar approach could be applied to enable reporting not only on corruption, but also reporting the proliferation of misinformation.

In times of crisis, when the demands for rapid action are high, the important role of civil society in anti-corruption efforts can be forgotten. Civil society organizations can play a crucial role in public health systems as supporting actors in that space or in a role of monitoring, accountability and information exchange. CSOs can help monitor health outcomes and reveal problems that end users may experience, can support budget tracking measures, and monitor procurement systems. They can also provide crucial user feedback through community healthcare dashboards on topics such as informal payments, access to medications, etc..

Apply a rights-based approach

Human rights considerations must be prioritized in efforts to safeguard humanitarian aid from corruption. An integrated approach to corruption and human rights can guarantee an effective response. Human Rights Watch says that due attention should be paid to human rights principles such as non-discrimination, transparency and respect for human dignity. This will ensure an effective response and limit the damage that can result from imposing overly broad measures.

This is the first time that the international community has faced an urgent public health crisis affecting all nations, and international guidelines to guide UN member states on what to do within their own borders or how they must interact with each other are not yet known. As a result, countries have adopted various responses to the crisis, with some countries implementing severe restrictions on freedom of movement and others taking a more relaxed approach.

The 1984 Syracuse Principles on Limitation and Repeal Provisions in the International Covenant on Civil and Political Rights provide guidance on government responses that restrict human rights for reasons of

public health or national emergency. However, these principles are decades old and it is unclear whether they are being followed or will be followed. They may need to be revisited and updated to align with the realities of the twenty-first century to promote a more coherent and coordinated response that balances public interest and security with human rights.

Apply a gender lens

Combining a gender lens in anti-corruption measures is important to ensure that the controls introduced to reduce the risks of disease or corruption are not marginal or further harm women and other vulnerable and marginalized groups. Pandemics affect men and women differently. Previous responses to the pandemic (to SARS, Ebola, etc.) didn't take gender into account, with disastrous consequences for women.

The risks to women arise in many ways. First of all, most health workers are women. Second, social isolation increases the burden on your home due to the greater role they play in childcare, food preparation, and other household chores. Added to this is the fact that they are responsible for the care of the sick and the elderly, so if the family members are infected, they will have to intervene.

Another real danger is the diversion of public resources away from important health services, such as maternal and obstetric care, vaccination and other forms of primary health care, putting the lives of women and children at risk. In Sierra Leone during the Ebola crisis, maternal mortality probably increased.

Women are also overrepresented in the informal sector and in temporary jobs. They will be hit by the loss of jobs and income.

School closings and social isolation obligations put girls in developing countries at risk of dropping out of school altogether, as also happened in Sierra Leone during Ebola. Teenage pregnancies increased, as did domestic violence. In fact, domestic violence is reported to have increased in China and is increasing in other countries facing social estrangement and isolation, as families are forced to spend more time together under stressful circumstances that can trigger abusive behavior.

Apply a lens of social norms

Health workers and administrators, as well as public officials in general, will be subjected to widespread social pressure from family, friends, colleagues, and the powerful to ignore official rules and official guidance, as is happening in the example from Norway described above. These pressures are likely to be systematic because they are rooted in social norms: shared understandings of actions that are appropriate in society. These norms provide the unwritten rules of behavior and, in times of crisis, the regulatory role and pressure to follow them can be sharpened, overriding not only formal rules but even personal attitudes and beliefs. Presence of social sanctions for violators of these standards, from gossip and disapproval to physical punishment, increases pressure to comply.

These pressures related to the norms that fuel corruption can be multiple in the health sector. Nurses may view it as perfectly legitimate or under pressure to prioritize treatment for family members over those with more acute conditions because 'putting the family first' is an essential standard. Doctors can seek further bribes in the hospital because an internal code among medical colleagues tolerates it; Being an outlier can lead to a social reaction. Public officials may, as a favor, issue fraudulent health certificates to those online because reciprocity underpins social relationships.

Political leaders may illegally allocate more funds to areas inhabited by their own ethnic group because loyalty to the group is more important than to the state. The more these negative social norms play a role, the more they crystallize as alternative reference points to formal rule, threatening to subvert the administration and treatment of pandemic according to science and necessity. This 'trap' also hinders attempts to build integrity in the health sector: issuing new regulations, codes of conduct or guidelines around integrity may have little 'bite' in behavior or be thwarted by continued operation of 'unofficial rules.

Professionals seeking to ensure and build integrity in the health sector require a deep understanding of the social forces that perpetuate corrupt practices. In addition, conventional health governance initiatives must be complemented by social norm strategies, the purpose of which is to alleviate and change social pressures for other types of interventions, such as codes of conduct, wage increases, legal reform, enforcement, and civil society supervision: can be effective. These interventions should be developed according to the characteristics of each case and the respective entry points.

These strategies make use of methods such as:

- Find people or mechanisms to coordinate behavior so that norms can be collectively reinterpreted, for example, through trendsetters who are the 'first drivers' who break free from established norms in a way that can inspire and mobilize others to follow their example.
- Build social spaces for standards negotiations by providing an infrastructure for policy dialogue in the health sector, for example through online portals or by convening discussions.
- Building positive norms around integrity that

can be done by connecting social status and prestige with integrity. It is also important to support leaders at the top of the hierarchies who are willing to initiate a rule change in the network: the elimination of hierarchical rules that induce corruption and a cascade of pro-integrity rules.

- Negative norms can result from inflated notions of how many co-workers are involved in corrupt acts. This is what social psychologists call “pluralistic ignorance.” Addressing this collective ignorance requires providing credible information and reshaping perceptions of how much corruption is tolerated within an organization. Collecting and disseminating information about the amount or little corruption that actually occurs in peer organizations can be a way to overcome pluralistic ignorance.

Actions for development actors summarized

The SARS-CoV-2 pandemic requires urgent action from all those involved in the national and global health response. What we do know from past global epidemics and crises is that they provide a perfect environment for corruption to flourish and that this guarantees further loss of life, depreciation of public confidence, and dysfunctions in society that persist far more than the crisis itself. At this time, protection from corruption must be prioritized alongside the health response. At the same time, it is important to avoid premature or ill-thought reforms that can do more harm than good, such as overwhelming a society’s ability to absorb aid and implement it.

As mentioned above, the health systems of many low-income countries suffer from systemic weaknesses that could hinder an effective response to COVID-19. However, the experience of the HIV / AIDS and Ebola crises shows that the challenges are not

insurmountable. Development partners must ensure that development aid is not misused or misused. They can do this by ensuring transparency in procurement, implementing civil society oversight of grant disbursements and service delivery, and encouraging standards of integrity in the health workforce.

The crisis also provides an opportunity to strengthen leadership and governance in the sector, cleanse ghost workers, and improve wages and benefits for health workers. The COVID-19 crisis has shown that transparency must be strengthened throughout the private medical sector (medical devices, pharmaceuticals, life sciences, medical supplies, drug trials, etc.), to ensure that profit-making don’t override the public interest.

The pandemic is also a reminder that global community and governments should make sufficient investments in pharmaceutical management systems (warehousing and distribution). This is a good time to strengthen WHO’s substandard and counterfeit medicines department and ongoing efforts to combat pharmaceutical corruption, such as Good Governance Initiative for Medicines.

As governments around the world pass emergency laws to deal with the crisis, they should prioritize protecting the public interest by deterring those who seek to capitalize on crises through fraud and corruption. Legislation could, for example, allow retrospective scrutiny of acquisitions and other official decisions made during the crisis by a specially established body with reputable staff. This would also allow countries to learn lessons ahead of the next pandemic attacks, as it probably will. *L&E*

CONTEST PROCESSES AGAINST THE EFFECTS PRODUCED BY COVID - 19 IN THE WORLD ECONOMY

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Since the appearance of COVID -19, considered the greatest global catastrophe in recent years, we have been in an alarm situation due to the effects caused by contagion in human beings, which has caused drastic measures to be taken to decrease the advance of the pandemic and that people continue to die in the world. Given measures established by authorities of different countries to prevent the spread of the virus, which consist of the closure of schools, businesses, companies and social distancing, the economy has been paralyzed, which has brought as a consequence inevitable, millionaire losses in the different sectors of the economy, since companies have had to suspend or limit their activities.

This situation of force majeure will uncontrollably cause many companies to be prevented from meeting their obligations, and in the same way, their financially affected creditors, initiate legal actions for the collection of the debt, having as a point of coincidence,

that most people will be in a similar condition due to the decrease of their assets or worse still in an insolvency situation. It is important to mention that this situation is similar with companies from another latitude, which have been affected by COVID-19 and which have commercial relations with Panamanian companies.

For cases where the debtor company is insolvent, but with the ability to reorganize, avoid liquidation and loss of the company, in Panama we have modern bankruptcy legislation, focused on ensuring that insolvency companies can be reorganized or liquidated in an orderly manner.

In this sense, we will briefly discuss the content of the law that regulates the reorganization process in Panama, its possible effects in the face of the crisis caused by COVID-19 and the recommendations to address possible actions that may be initiated as a consequence of non-compliance with payments.

Since January 2017, Law No. 12 of May 19, 2016 has been in force in Republic of Panama, which establishes Insolvency Bankruptcy Regime and dictates other provisions, published in Official Gazette No. 28036 -B May 23, 2016.

This law, in addition to establishing the reorganization and liquidation procedures, regulates cases of cross-border insolvency. Rules of the Criminal and Procedural Code are amended, likewise rules of the Commercial and Procedural Code regarding bankruptcy and bankruptcy are repealed.

The purpose of Law 12 of 2016 is to protect credit and creditors, through the reorganization process in order to guarantee recovery or conservation of efficient company, as an economic exploitation unit and source of employment generation, or through a Protated and orderly judicial liquidation of inefficient company.

It is important to note that the provisions of the law are of public order and are intended to protect and ensure the national economic order, creditors, sources of employment and the process of free economic competition, as well as to increase national wealth. Private agreements regarding the removal of law and jurisdiction are not enforceable.

- Jurisdiction of the Insolvency Courts

The law creates the Fourth Superior Court of the First Judicial District, and the Insolvency Circuit Courts, designed as a structure with the capacity to attend to processes of this type, as well as the execution processes efficiently. But to date the budget for required is not available, therefore, the circuit judges are those who attend these processes. For this reason, the judges acquire a series of powers aimed at making the process efficient for the parties.

- Who can request the Reorganization

They are entitled to request reorganization, debtor or his representative, General Meeting of Creditors and

the Representative of a foreign insolvency process.

- Those who are excluded from insolvency insolvency proceedings:

Public entities, municipalities, autonomous, semi-autonomous, decentralized entities and other entities of Public Law, as well as companies in which the State owns 51% or more of its shares or assets are excluded from the reorganization processes.

Also banks, insurance companies, entities regulated by the Superintendence of the Securities Market and other entities that are subject to a special recovery, settlement or intervention regime.

Entities that provide public services during the period of intervention of the regulatory entity.

In the event of intervention by a public service company, the regulatory entity will notify the competent courts of the start and end of the intervention within the following two days, so that the bankruptcy process does not start or the one already started is suspended.

- What documents must the debtor submit with the application

It is important to note that when the debtor is requesting the reorganization, they must present a series of documents, listed in article 31 of the law, among which we can mention, the authenticated Copy of the minutes of the Shareholders Meeting or the corresponding body, in the one that includes the resolution to take advantage of the reorganization process, the list of their assets, the place where they are and the liens that affect them, a list of the processes, the project of reorganization of the debtor that contemplates the financial, organizational restructuring among others.

Information that will be useful for the judge to decide to admit, correct or deny the request.

- Effects of the reorganization request

The presentation of the reorganization request has its effects, since from that moment, no reforms to the corporate agreement or statutes of the debtor company can be made. In addition, and unless they are part of ordinary course of business of the debtor, the debtor is prohibited from natural or legal person: constitute and execute guarantees or sureties that fall on the debtor's own assets, including commercial trusts or fiduciary orders that have this purpose.

Make compensation, payments, settlements, withdrawals, raids, unilateral terminations or by mutual agreement of ongoing judicial processes. Carry out conciliations, agreements or transactions of any kind of obligations in his charge or carry out disposals of goods or operations or carry them out without being subject to the applicable statutory limitations, including commercial trusts and fiduciary commissions that have that purpose or entrust or empower the fiduciary in this sense, unless there is prior, express and precise authorization of the bankruptcy judge.

For the celebration, execution or modification of any of the operations indicated in this article, the judge's authorization will be required.

- What happens with Labor processes?

The protection established in the Law does not apply to labor processes, suspending in this case only the execution and realization of the debtor's assets, with the exception of labor processes in favor of his spouse or relatives, or managers, directors, administrators, dignitaries, legal representative, proxies with general power of administration or other persons who have interference in the administration of their businesses.

This indicates that the workers will be able to initiate labor actions for the claim of their credits.

- Self opening of the Reorganization Process

The issuance of the Order declaring opening of the

reorganization process, in which the following should be indicated, is important in this phase of the process:

1. The insolvency administrator from a list of administrators previously evaluated and qualified as suitable and set their provisional fees.

2. Declare open the term of bankruptcy financial protection, which begins from the date of the order decreeing the opening of the reorganization process until the confirmation of the Reorganization Agreement.

3. Order the inscription of the car in the Public Registry of Panama, so that the appointment of the insolvency administrator and the general prohibition to register any title issued by the debtor are recorded.

4. Order the bankruptcy administrator, based on the information collected and other documents and evidence provided by the interested parties, to present the qualification and graduation of credits and voting rights, as well as the inventory and appraisal of the debtor's assets, which includes the debts caused up to the start date of the process.

5. Prevent the debtor that, without the authorization of the bankruptcy judge, he will not be able to carry out disposals that are not included in the ordinary course of his business, nor constitute sureties on his assets, nor make payments or arrangements related to his obligations, nor adopt reforms. statutory if it is a legal person, under penalty of nullity.

6. Decree, when deemed necessary, precautionary measures on the debtor's assets and order, in any case, the inscription in the corresponding registry of the order to open the reorganization process, regarding those assets subject to that formality..

a. Order the debtor and the bankruptcy administrator to post a notice informing about the start of the reorganization process, at the debtor's headquarters and branches.

b. Order to publish in the mass media, for five consecutive days, the order to open the reorganization process and to appeal to all creditors and interested parties, national and foreign, to appear in the process within twenty days. The publication will be made by the bankruptcy administrator within five days after the issuance of the car, at the expense of the applicant.

c. Make available to the interested parties the reorganization project presented by the debtor.

7. Communicate to the courts the beginning of the reorganization process, for the purposes of bankruptcy financial protection measures, as well as to the National Authority of Public Services so that it can request the suspension of the process, in the event of having intervened in the debtor.

Additional measures should be taken as deemed appropriate to inform known foreign creditors of the decision.

- Purpose of the First Meeting of Creditors and effects

Once the resolution by which the reorganization is admitted has been issued, the credits have been received by the different creditors, for their qualification and after the acceptance or objection phase, the date for the holding of the First Meeting of Creditors is set, with the purpose of approving the plan or reviewing it for prompt approval. The participation of all those involved in presenting solutions is important, so that the proposed plan meets the expectations of those who participate in the reorganization and can be approved and executed, since if a concession is not achieved, the process will be lucky. to end and go to liquidation.

This being the case, if the plan is approved by creditors, under the approval mechanism established by law for recognized creditors.

- On the enforceability of liens and collateral

It is important to mention that the law establishes that in the stipulations of the Reorganization Agreement no recognized credit will be excluded, and the priority rights, privileges and preferences established in the law, as well as the schedule for compliance with the Agreement.

That is why in order to establish, modify or cancel liens and real or fiduciary guarantees constituted by the debtor, suspend its enforceability or make such guarantees effective during the term of the Reorganization Agreement, the creditors will have to enter into agreements, with the majority vote absolute of them and the consent of the affected creditors, including the creditors of a third party whose obligation has been backed with real or fiduciary guarantees constituted by the debtor. These agreements will form part of the Reorganization Agreement. For this purpose, it will suffice to register in the Public Registry once the judge confirms the Reorganization Agreement.

The Reorganization Agreement may stipulate the constitution of guarantees to ensure compliance with the debtor's obligations. These guarantees may be constituted in the same Reorganization Agreement or in separate instruments..

It is worth noting that when the Board does not approve the Reorganization Agreement, the judge does not confirm it, it is not complied with, more than six months of the term of the bankruptcy protection period elapse or it is decided for any reason not to continue with its execution, they will be restored, without need for resolution, actions to demand the execution of liens and real or fiduciary guarantees established by the debtor. The important thing in this case, will be to be able to determine, when the term of bankruptcy protection granted by the Judge ends.

In effect, the bankruptcy process has its grounds for termination and as a consequence of them, the process becomes a liquidation, a topic widely addressed by law.

- Among the advantages of the law, we can highlight the following:

- **The possibility that an expert judge in commercial matters, attend these processes.**
- **That the process can be evacuated within periods established by law.**
- **Admit or request correction of the request for a reorganization process presented by the debtor (5 days). Art. 31 to 33.**
- **The opening of the reorganization, where a suitable administrator is appointed, important measures are taken and creditors are summoned to present their credits in a short time. Art. 36.**
- **The debtor will be granted bankruptcy financial protection, to avoid, during that time, requesting its liquidation or other executions, the restitution of its assets or the launch.**
- **The administrator who is appointed must have capacity to receive credits, qualify them and comment on reorganization plan presented.**
- **At that first General Meeting of Creditors, feasibility of reorganization plan will be resolved and it will be put into operation. Art. 52.**
- **The conclusion of agreements with the authorization of the judge, in order to make the company work.**
- **All this under the effects of bankruptcy financial protection that is granted to the debtor. Art. 36 and 39.**
- **Proceed to liquidation in the event that reorganization is not possible, but in an orderly manner.**
- **Ensure that the debtor does not act in bad faith or intentionally, leaving open the possibility of criminal actions.**

The figure of the commercial payment suspension appears widely regulated in the codifications of several countries and is part of the well-known bankruptcy processes, in the United States, it has been known as the Chapter 11 process, for many decades, with different adaptations due to the evolution normal of countries and their economies.

Although these processes are applied as a remedy to the insolvency situation of the company, it can be generated by certain events, which oblige the debtor or his creditors to request the reorganization or liquidation ordered. These events may be the result of poor company management, increased competition, little investment in the business, crisis in the company area due to political or regional issues, etc., but the situation as a result of COVID-19, for sure, was never considered as a possible cause of company insolvency.

This leads us to the conclusion that reorganization processes are not intended to solve a number of processes, as a result of the situation presented to us with COVID-19.

The courts, given the lack of specialized courts, will not be able to receive the number of processes that will be presented in the coming months, nor will they be able to process the process established by Law 12, so it is urgent that they receive the support economic necessary to put create these offices.

The government must take immediate measures to mitigate in the short and medium term, the devastating effects that could be caused by the rampant legal actions that trial creditors and workers against the debtor, who have had to suspend their operations by COVID-19, promptly approving a process special and abbreviated that is in tune with the situation in the world. This without forgetting that many of the creditors are also insolvent and in need of recovery to face

similar claims at the national and international levels.

In this plan, it should be considered that, when the quarantine is lifted and return to work, it will not be an automatic reactivation, it will have to be given gradually, taking into account the recommendations or instructions given by health institutions, to ensure that new infections don't occur.

It should be borne in mind in legislation that many companies, due to the service they provide or the business they are engaged in, will have to remain behind until the epidemic is controlled, therefore, it must be thought that all companies they will not have the same treatment and therefore the importance of having the support of the government.

It is recommended that the debtor companies, creditors and workers, adopt a conciliatory position, in order to ensure that the company continues to operate and guarantee the payment of obligations, which will benefit everyone.

It will be important to consider an abbreviated process that, parallel to Law 12 of 2016, can help people who resort to these processes with the genuine interest of saving the company, as a guarantee of a source of employment and compliance with all obligations and country can recover quickly with the support of all Panamanians. *L&E*



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Norms of INTEREST

SPECIAL LICENSE PAID FOR PARENTS TO CARE FOR THEIR CHILD IN A SERIOUS OR TERMINAL CONDITION

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With the approval of Law 147 of 15 of 2020, a special paid license is granted for the care of the child or adolescent with leukemia, cancer or degenerative disease in serious or terminal condition.

It establishes Law 147, which is considered serious or terminal a progressive and incurable disease, as a result of diagnosis of leukemia, cancer, advanced chronic disease of an organ, degenerative disease of the central nervous system, evolved coma of various causes and / or any disease advanced in evolutionary and irreversible phase.

The father or mother working in the public or private sector may make use of the license, after completing certain formalities and it will be for a period of up to

three months non-renewable and during this period the worker may not work for another employer.

Finally, it is established that the worker who has the leave will have the right to receive one hundred percent of his salary, which will be covered by the employer.

As we can see, we are faced with a norm that, although it has a character of solidarity and support for the worker in a difficult situation, it is also true that such support constitutes an obligation for the employer, given that it must not only grant the license, but must cover the payment of the same. Situation, which can be very onerous for micro, small and medium-sized companies.*L&E*

MODIFY INTEGRAL PROTECTION OF OLDER ADULTS

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Law 36 of 2016 contemplates the comprehensive protection of the rights of older adults, under these parameters, Law 149 of April 24, 2020 has been enacted, which modifies Law 36 and adds provisions to the Penal Code.

Among the modifications, numeral 9 is introduced to article 2 in the sense of pointing out that the Law is intended to guarantee legal protection so that the elderly are not physically or psychologically mistreated, and in the event of these cases, the people will be criminally responsible for these actions.

Article 10-A is introduced, which establishes that

older adults will have the right to have their physical, mental, and moral integrity respected, a right that includes the protection of their image, thought, dignity, and values, as well as participation in the process. productive of the country according to its possibilities, capacities, conditions and vocation.

With regard to the Penal Code, Chapter V Abuse of the Elderly is added, containing articles 212-A and 212-B, which develop the sanctions that will be imposed on those who mistreat an older adult and the behaviors that constitute mistreatment of an older adult. *L&E*

PORT WORKERS PROTECTION

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With the approval of Law 150 of April 24, 2020, regulations are issued for the protection of the maritime worker, that is, that the Law will apply to people who engage in port work on a regular basis.

It provides for Law 150, which will correspond to the Ministry of Labor and Labor Development to supervise that legal norms that establish contractual provisions, security conditions and

labor protection of port workers are complied with. In turn, it will correspond to the Maritime Authority of Panama, to ensure that its port policy generates jobs consistent with the rights and guarantees in employment.

However, Law 150 must be regulated by the Executive Branch and will come into force six months after its enactment, that is, on October 25, 2020. *L&E*

DROPPED WAGES FOR WORKERS COVERED BY JURISDICTION FOR CHRONIC DISEASES

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Our current labor legislation has Law 59 of 2005, which establishes labor protection for people with chronic, involuntary and / or degenerative diseases that cause occupational disability.

In order to complement said norm, Law No.149 of April 24, 2020 published in Official Gazette No.29010 of April 24, 2020, which introduces article 4-A by stipulating that all workers, national or foreigner, who is reinstated by the competent authority, by an

administrative court or by courts of justice for being protected by Law 59, will have the right to be paid wages not received from suspension of office, dismissal or dismissal until moment your refund is effective.

In addition, it has been established that he must occupy the same position, except in the case that the worker accepts another similar position in hierarchies, functions and remuneration. *L&E*

UNIVERSAL EDUCATIONAL SOCIAL ASSISTANCE PROGRAM

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Through Law No. 148 of April 21, 2020, Universal Educational Social Assistance Program is created, which will be in charge of the Institute for the Training and Use of Human Resources with the collaboration of the Ministry of Education.

The program aims among others to: **1. Prevent absenteeism, repetition and counteract dropout. 2. Raise enrollment and school attendance rates. 3. Benefit education, elementary, middle, high school, and special education students who meet the requirements during the school year. 4. Motivate and strengthen academic improvement.**

It has been established that the IFAHRU will grant the economic benefit of the Program to the student who meets the following conditions: **1. Be a regular**

student of the first or second level of education in the regular subsystem and special education in the non-regular subsystem. 2. Maintain good conduct, in accordance with the provisions of the internal regulations of each school. 3. That the legal guardian or guardian comply with visits to the school. 4. The legal guardian or guardian must provide proof of their participation in the School for Parents talks that the educational center organizes, as well as the support in the learning of client and undertakes to make good use of the benefit assignments.

Article 13 of Law 148 establishes that all regulatory provisions that refer to the Universal Scholarship Program shall be understood to refer to the Universal Educational Social Assistance Program...*L&E*

INTERINSTITUTIONAL COMMISSION FOR THE DEFENSE OF NATIONAL PRODUCTION

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By means of Executive Decree No. 146 of April 20, 2020, the Inter-institutional Commission for the Defense of National Production is created, whose objectives are to: **1. Facilitate the exchange of institutional information required for commercial defense investigations. 2. Identify and eliminate obstacles between institutions to improve import supervision. 3. Create coordinated and periodic mechanisms of action that allow the timely exchange**

of information to mitigate the risks of trade openness for sensitive and special items of national production. 4. Issue recommendations on the necessary actions against market openings and commercial practices that negatively impact national production.

The Decree adds, that the Commission will be installed within thirty calendar days from its promulgation, that is, on May 21, 2020. *L&E*

TRIPARTITE TABLE OF DIALOGUE FOR THE ECONOMY AND SOCIAL DEVELOPMENT

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The Ministry of Labor and Labor Development, issued Resolution No. DM-150-2020 of April 27, 2020, by which the most representative trade union and business organizations in the country are called to a tripartite dialogue table for the economy and the development of labor relations, from May 1, 2020.

The objective of the round table is to reach consensus to help recover and / or improve labor relations that existed before the COVID-19 pandemic.

It has been established that the dialogue table will be moderated by the Specialized University of the Americas and guests and observers who contribute to the objectives of the table will be able to attend.

On the other hand, it has been established that the table will work for two months and must agree on guidelines to carry out labor actions in the following six months at least and / or recommendations to the authorities in the same sense. *L&E*

THE WORK PERMITS ARE EXTENDED

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The Ministry of Labor and Labor Development issued Resolution No. DM-153-2020 of April 30, 2020, which extends the validity of work permits for foreign workers until May 30, 2020.

Likewise, the suspension of the biometric filiation procedure and the issuance of a work permit card for foreign workers for this period are maintained. *L&E*

THE RESIDENT PERMITS ARE EXTENDED

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Through Resolution No. 7,051 of April 29, 2020 published in Official Gazette 29014, National Immigration Service extends the residence permits of foreigners, until May 15, 2020, for those permits that expired from 13 of March 2020.

The procedures it covers include provisional

permit cards, non-resident visas, judicial stay cards and immigration regularization cards.

The Resolution also orders the suspension of all terms in the processes and actions that are managed before the Institution until May 15, a term that may be extended as provided by the health authorities. *L&E*

Politics



JOE BIDEN TOWARDS THE PRESIDENCY?

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The first presidential pre-candidates to emerge as the next Democratic Party presidential candidate for the November 3, 2020 elections were TULSI GABBARD, Representative for Hawaii; MICHAEL BLOOMBERG, former Mayor of New York City; AMY KLOBUCHAR, Minnesota Senator; PETE BUTTIGIEG, Mayor of South Bend, Indiana; TOM STEYER, philanthropist and billionaire; DEVAL PATRICK, former Governor of Massachusetts; ANDREW YANG, entrepreneur, founder of Venture for America; MICHAEL BENNET, Senator from Colorado; ERIC SWALWELL, Representative for California; MIKE GRAVEL, former Senator from Washington State; SETH MOULTON, Representative for Massachusetts; KIRSTEN GILLIBRAND, Senator from New York; BILL DE BLASIO, Mayor of New York; TIM RYAN, Representative of Ohio; BETO O'ROURKE,

former Representative for Texas; WAYNE MESSAM, Mayor of Miramar, Florida; JOE SESTACK, former Representative for Pennsylvania; STEVE BULLOCK, Governor of Montana; KAMALA HARRIS, California Senator; JULIAN CASTRO, ex-Mayor of San Antonio, Texas; MARIANNE WILLIAMSON, writer and activist; CORY BOOKER, Senator from New Jersey; JOHN DELANEY, former Representative for Maryland; and the two that remained at the end of the race, the independent Senator from Vermont, 78, pre-candidate in the primaries of the Democratic Party in 2016, BERNIE SANDERS, and JOE BIDEN, ex-Vice President of the United States, of 77 years.

After 30 ballots between primaries and caucuses, multiple debates, countless polls, trips, meetings and

interviews, a lot-a lot of money and efforts, six of the last eight candidates still in the running began to suspend their campaigns from February 29 until March, 19. Eighteen pre-candidates withdrew before the Iowa Caucus on February 3. Seven very popular candidates withdrew at the start of state certification to put them on the ballots, and the vast majority of them publicly declared their support for Biden's candidacy. Three others gave up after the New Hampshire primary. None of these candidates obtained delegates..

At the start of the contest between political veterans Biden and Sanders, Independent Senator Bernie Sanders took the lead winning in Iowa (Feb 3), New Hampshire (Feb 11) and Nevada (Feb 22), leading some analysts to declare the death of the Joe Biden campaign. But the tide turned on February 29 when Biden beat Sanders in South Carolina by 28 points. Subsequently, with the celebration of the so-called SuperMartes on March 3, although Sanders won in Utah, Vermont, Colorado and California, former Vice President Joe Biden was greatly strengthened by winning Democratic primaries in 10 of the 14 states that disputed primaries: Virginia, North Carolina, Alabama, Oklahoma, Tennessee, Arkansas, Massachusetts, Minnesota, Maine and Texas. Biden also won in Michigan, Mississippi, Missouri and Washington on March 10; in Florida, Illinois and Arizona on March 17; also in Wisconsin and Alaska on April 7 and 10 respectively. Former Vice President Biden closed the gap to turn the primaries into a duel between the progressive stream represented by Bernie Sanders, who calls himself "socialist", and the Democratic establishment led by former Vice President Joe Biden, representative of the moderate wing of the Democratic Party.

Sanders is known for his progressive political agenda, being a seasoned advocate of expanding social benefits and raising the minimum wage. Adversary of the policies that have favored multinationals and large investors, he wants to reduce the great inequality of the USA. through a better distribution of wealth, with new taxes on corporations and the wealthiest to ensure that the State has a stronger presence in areas such as health or education. It proposes to pay off student loan debts and access free education at public universities. He has a strong fan base among youth and Latinos.

For their part, Senator Sanders' opponents censure him for his universal health plan, for having opposed certain arms regulations in the past, for recognizing the social programs of countries such as China or Cuba, to the point of foolishly defending the regime. from the late dictator Fidel Castro, all of which significantly damaged him in South Florida and in a large section of the country's voters. Without a doubt, this statement constituted a tremendous scandal within the ranks of the members of the Democratic Party and in the media. His main letter of introduction is his social agenda in favor of workers, which aims to control the greed of millionaires in the U.S.A. as well as corporate power, which in his opinion dominates the country's politics. His enemies call him radical and even communist, which he rejects clarifying that what he proposes is "a democratic socialism" closer to social democracy. They also criticize Sanders for his positions on foreign policy regarding the intervention of the U.S. in internal affairs of other countries.

On the contrary, the adversaries of former Vice President Joe Biden demand that he be closely related

to the interests of the country's large corporations and that many of them make significant donations to his electoral campaign, which, according to his adversaries, commits him and for Thus, it may be impeded to fulfill the promises made to the working class, including the reforms to the health system, since corporations in the health sector finance their electoral campaign. In the midst of the crisis and the electoral campaign paralyzed by COVID-19, with the postponement of the vast majority of the state primaries, Independent Senator Bernie Sanders decided to end his candidacy for the presidency of the United States the day Wednesday, April 8, 2020, at a time when former Vice President Joe Biden had an almost insuperable advantage of 300 delegates. Biden at the time had 1,293 delegates compared to 937 for Sanders and the number of delegates required for the nomination is 1,991. It was logical to deduce that for the celebration of the next primaries the future of Sanders was not flattering. The prediction, or rather the obvious, was that at the end of the race the winning candidate of the Democratic primaries for the presidential candidacy would be ex-Vice President Joe Biden and that Sanders would not win a single one of the remaining contests.

Although personally I am not surprised, the curious thing about Sanders and his followers is that he indicates that he will continue on the ballot paper for the next primaries with the purpose of obtaining more delegates and thus have greater influence in the presidential convention of the Democratic Party, postponed. at the moment for August 17. It is possibly the first time that such a misstep has occurred in the political history of the Democratic Party. We wonder if this agenda is allowed by the

regulations that regulate the National Convention of the Democratic Party. If allowed, probably the other and very important Democratic pre-candidates who participated in this race, they would also have liked to suspend their primarista candidacies and continue on the ballot with the idea of also having their delegates and having greater influence in the Convention. In my opinion, this misguided game works against the Democratic presidential candidate in his contest against and victory over President Trump..

What is certain is that Presidential Candidate Joseph Biden must listen not only to Senator Bernie Sanders' interesting approaches and campaign programs, but also to the more than 20 primarist pre-candidates who from the beginning competed for the nomination because they are all very important. and necessary for the unity and triumph of the Democratic Party in the elections of next November. Just as former Democratic rivals lined up and announced their endorsement of Joe Biden, Bernie Sanders has promised to "work" with Joe Biden to evict President Donald Trump from the White House. We assume that Sanders has the support of his supporters in his decision to support Biden, but the best description that can be given of this support is that it is "uncertain." In 2016, these supporters maintained the recalcitrant position of "Bernie or nothing", exhibiting a hostile attitude towards the Democrats during the Democratic Party National Convention that they lost to Clinton - in good Panamanian "the mosquitoes flitting" -, they didn't vote for Clinton In the general election, they have even expressed that they prefer to vote for Trump because he is all it takes for everything to go to hell and so people wake up. In 2016, many of them voted for a third

candidate, the Green Party, while others crossed the party and decorum lines and voted for Trump. With this background for me there is uncertainty as to whether these followers of Sanders join candidate Biden, who represents the best option among those seeking a candidate who truly unites the country against the "most dangerous President in the history of the United States. America" according to recent description of 2016 Democratic presidential candidate Hillary Clinton.

We cannot forget that in 2018 the Democratic National Committee approved a reform that neutralizes the historical power of the party's elites in choosing the presidential candidate, in order to please that base that supported Sanders in 2016 against Hillary Clinton. They lobbied to prevent the 2020 primaries from being as bitter as the 2016 primaries were. The reform consisted of eliminating the vote of the Superdelegates except in the case of registering a tie between the candidates. The figure of the Superdelegate was created in 1982 and is a group made up of legislators, governors, former presidents, activists or party elites; According to the promoters of this reform, it was justified to ensure that the party was more open and democratic. However, in 2016 the votes of the Superdelegates made no difference to the outcome of the Convention, as Hillary Clinton defeated Sanders in both the regular delegate and Superdelegate votes.

Now alone, Joe Biden, the Democratic Party presidential candidate unless something unusual happens before the general election, is facing President Donald Trump and his Republican Party on November 3. Joe Biden is 77 years old, it is his third and last electoral campaign to obtain the Presidency of the United States, and

if he wins he would be the oldest US president to be elected because he will be 78 years old when he is sworn in in 2021. If this happens, Biden would surpass Ronald Reagan, until now the eldest when he was sworn in, at the age of 69 on January 20, 1981.

Regardless of whether Biden wins or Trump is re-elected, either will have to do commendable work to rebuild the country left behind by the Covid-19 scourge and the biggest economic recession since the Great Depression of 1929. In addition to being widely known Joseph Biden has an enormous wealth of experience in handling state affairs for having been practically the right hand of former President Barack Obama for eight years as Vice President and is also supported by a long career in the United States Senate and as a historical defender of the civil rights. Another positive factor for Biden is that, together with former President Obama, he played a leading role in the face of the great recession inherited in 2008, demonstrating his capacity and experience and leadership in times of crisis. On the contrary, President Trump's management in the current health crisis is characterized by maintaining a failed strategy in managing the pandemic and constant contradictory or confusing messages that have created an environment of general uncertainty and his administration seems to be a mere voyeur without influence by failing to remain calm in stock market. Now the practically official candidate for the Presidency of the United States by the Democratic Party, unless something unexpected happens, will have to designate its possible companion or colleague, its vice president. During the primarist campaign, Joe Biden promised to choose a woman as vice president, who will, in our opinion, have a very important role in

future administration and is victorious in elections, considering Biden's age, face consequences of Covid-19 both nationally and internationally. The characteristics of this electoral campaign make it different from the others and Biden will need to be accompanied by a capable, prepared vice president and face the serious problems that he will have in the future government if he achieves electoral victory.

Committed already to choosing a woman as vice president among the possible dozen who aspire and sound, I would suggest as the indicated to the seasoned primarista candidate, ex-prosecutor and current Senator for California, Kamala Harris. Kamala would be an excellent woman vice president, she would be from the African-American ethnic group that promoted, rescued, the candidacy of Biden, who has the moral authority, intelligence and ability to lead the solution of the great problems facing the nation.

In August 2020 the payrolls of the great American political parties will be complete and they will face each other in a difficult, extremely aggressive and dirty electoral campaign between these two septuagenarians with distant points of view on important issues such as foreign policy, climate change, medical care and others that require true effective leadership for the benefit of country and western world. *L&E*



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World ECONOMY

INCAE-STRATEGIES IN THE COVID - 19 CRISIS

Source: INCAE
Esteban Brenes

The INCAE Business School, in the figure of Professor Esteban Brenes, Director of the Executive MBA (EMBA), prepared a study called INCAE-Strategies in the Covid Crisis19, in which it precisely analyzes various economic activities in which it addresses the current implications and the business environment with short-term, medium-term and long-term projections.

The industries analyzed were the Aerospace Industry, the Food and Agribusiness Industry, the Automotive Industry, the Banking Industry and Financial Services, the Construction Industry, the Education Industry, the Entertainment Industry, the Pharmaceutical and Health Industry, the Hospital Industry and Health Centers, Oil Industry, Restaurant Industry, Retail Industry- Retail, Telecommunications Industry, Tourism Industry - Hospitality, Video Game Industry

and Aspects shared by many of the industries studied.

Taking into account, that it is a complete and updated study to the moments of crisis that world is going through, we present the detail of some of the industries studied; however, they can access the document on the INCAE website.

Aerospace Industry

To analyze this industry, the study indicates that airlines before the crisis showed a recovery from difficult times, which were caused by high fuel prices and operating costs. This is one of the industries that has been most affected by the crisis, due to the closure of the borders. Situation that has led airlines to take measures such as reducing payroll, reducing the number of flights.

The case of Lufthansa, Avianca and Copa is analyzed. "The current crisis will have short, medium and long-term implications, changing the way we operate in this industry. These changes will be primarily driven by the decrease in business trips (replaced by virtual means), greater restrictive measures in medium-term flights, a temporary trend towards local domestic tourism, tourism is expected to recover in the medium and long term.", INCAE pointed out.

Regarding the short-term business environment, a loss in the amount of US \$ 113 million is expected, in the medium term, mergers and bankruptcies are foreseen and the consolidation of the industry, and in the long term, investment in preventive measures for non-propagation. future of viruses or other diseases, such as purchase of facial scanner, thermometers, medical apps, among others.

Food and Agribusiness Industry

It is indicated that this has been one of the industries that has been favored, due to the high consumption of people for fear of food shortages, however, there are risks in the logistics chain, which has been affected by the Sanitary measures taken to prevent the spread of the virus.

Currently, there have been an increase in the prices of fruits and vegetables, motivated by the high consumption of foods rich in vitamins, as a means of defense against the virus. Food demand problems are estimated in low-income countries. The change in purchasing patterns towards e-commerce of supplies was mentioned. Cites as an example the case of the United States, which increased by 123% compared to 2019.

In the short term, the industry will have a significant increase in the demand for consumer products. There will be a greater use of e-commerce to avoid crowds and support for domestic production.

In medium term, less risky purchasing models will emerge, supply chain diversification, better image of food chain and agribusiness, and more tolerance of aggressive environmentalists against the food chain and agribusiness.

In the long term, increased expertise in food health and traceability, renewed emphasis on risk management and business continuity, advanced analytics to model demand, and extensive use of digital channels.

Banking Industry and Financial Services

For this industry, an important element arises, given that Esteban Brenes, author of the study, considers that "Although we might tend to think that banking is not an industry directly impacted by the crisis, we are wrong because its credit portfolios are more exposed to risk (enhanced by unemployment and decreased consumption). Which will have various implications."

It is expected that in the short term there will be renegotiations of the credit portfolio and / or its flexibility, the loss of profitability and central banks making strong decisions on monetary policy. In the medium term, the credit portfolio will deteriorate due to the implications of the crisis and the reduction or cancellation of dividends in small banks.

In the long term, there will be micro-segmentation, that is, customization, cups and specific products, as well as the transformation of physical branches to experiential points of contact and possible reduction of branches..

Construction Industry

In the current implications of the construction industry, it must be remembered that we are facing cyclical activity and that before the crisis, some countries already had a downward trend and others were in the long cycle. It is estimated that worldwide there is a decrease in income in the sector by 67%.

The short-term forecasts will be the completion of ongoing projects and processes in the final bidding stages, and investment in new projects that are not priority or essential for the operation of the companies will be postponed. In the medium term, investments in retail, hospitality and housing towers will be postponed, and public-private investments in the region are mainly foreseen. The positive would be that in the long term there will be a consolidation of the industry, a diversification of the services offered covering other market segments, changes in the business model working hand in hand with strategic partners.

Education Industry

For this segment, virtual classes are foreseen in the short term so as not to hinder the learning process and the reduction of income for private or non-state subsidized teaching centers. In the medium term, the change in the business model towards an education with a virtual complement is underpinned, achieving deeper learning, without forgetting the emotional and social aspects.

On the other hand, in the long term, new skills and robust platforms will be developed that allow asynchronous and synchronous online teaching, an increase in the productivity and effectiveness of public education and a greater investment in education, especially in science and technology..

Restaurant Industry

In the restaurant industry, a liquidity crisis is forecast in the short term, with the closure of stores and personnel cuts, delivery through attractive and aggressive applications and promotions. In the medium term, the survival of restaurants with strong financial positions and which took appropriate actions, slowdown in investment or opening of new premises in light of the new outlook and the decrease in quantity is expected, the delivery service will be essential.

On the other hand, in the long term, restaurants that offer a better experience, a culinary offer of delivery of the same quality as that of the restaurant in temperature, flavor and presentation, the strengthening of the platform for orders and agile processes with greater automation and robotics are expected and McDonalds is cited as an example.

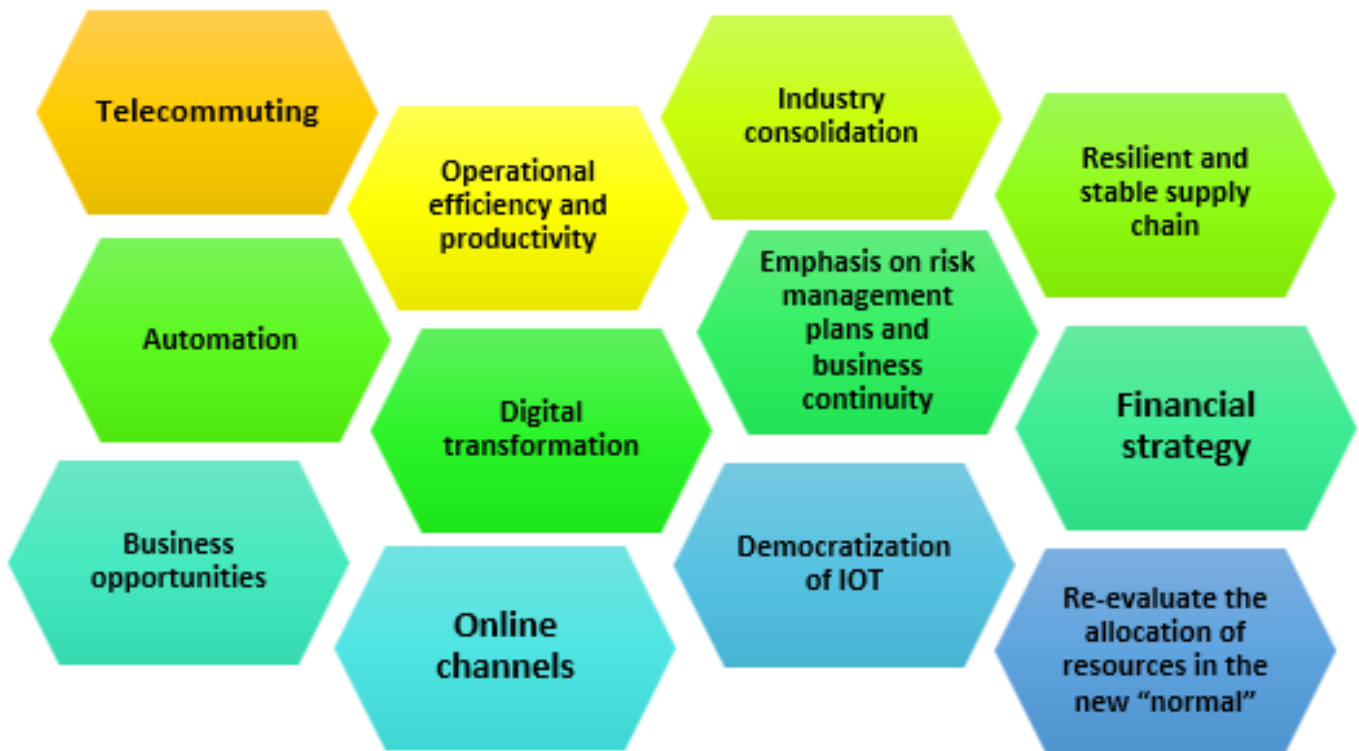
Tourism Industry – Hospitality

In the current implications for this industry, it should be considered that the World Tourism Organization has estimated that by 2020 the industry could decrease by 30%. Among the facts to highlight is solidarity, SMEs and support, since in different countries many hotels have lent their facilities for hospitals or to host doctors and thus avoid contaminating their family. SMEs represent 80% of the tourism sector, which will be affected.

The operational closure of hotels and tourism companies is estimated in the short term, so experts advise using this time to evaluate assets, security plans, definition of operating procedures, marketing plans, among others. In the medium term, the industry will take longer to return to normal compared to other industries and a promotion of domestic tourism at low prices.

In the long term, the industry will have the opportunity to differentiate itself from Airbnb, as customers will be demanding better hygiene and personal care conditions, they will have to give a unique experience to motivate consumers to travel again, long-term price competition, strong competition, prevention and safety plans to transmit confidence to clients and promote alliances that generate added value for tourists and facilitate the entire travel process.

The study concludes by referring to the fact that there are cross-cutting trends that affect all industries, which is why we must be prepared for a change, among which we can mention:



The author maintains, *"We are in a world in which we must adapt our business models to uncertainty, complexity, age and constant change."* *L&E*



THE WORLD BANK EXPECTS THE LARGEST FALL OF REMITTANCES IN RECENT HISTORY

Source: World Bank

Remittances are projected to fall sharply in 2020, around 20% worldwide, as a consequence of the economic crisis induced by the COVID-19 pandemic and confinement. The projected decline, which will be the steepest in recent history, is largely due to the collapse in wages and employment of migrant workers, who are often more vulnerable to loss of jobs and wages during crises. economic of the countries that host them. Remittances sent to low- and middle-income countries are forecast to drop 19.7% to \$ 445 billion, representing the loss of a vital flow of financing for many vulnerable households.

Various studies show that remittances alleviate poverty in low- and middle-income countries, improve nutritional outcomes, are associated with higher spending on education, and reduce child labor in disadvantaged households. A drop in remittances

affects families' ability to spend in these areas, as they must spend a larger proportion of their funds to address food shortages and immediate subsistence needs.. "Remittances are a vital source of income for developing countries. The current economic recession caused by COVID-19 is seriously affecting the ability to send money to homes of origin and that is why it is even more urgent that we shorten the time that recovery will take for advanced economies", said David Malpass, president of the World Bank Group. "Remittances help families pay for food, health care, and other basic needs. At a time when the World Bank Group is rapidly implementing comprehensive measures to provide support to countries, we are also working to keep remittance channels open and to protect the access of the poorest communities to the means that allow them to meet those needs. more basic".

The World Bank helps member states track remittance flows through various channels, as well as the costs and convenience of sending money, and regulations aimed at protecting financial integrity that affect flows of remittances. Work with the countries that make up the Group of 20 (G-20) and with the international community to reduce the costs of remittances and increase the financial inclusion of the poor.

Remittance flows are expected to decrease in all regions where the World Bank Group works: the steepest decline will be seen in Europe and Central Asia (27.5%), followed by Sub-Saharan Africa (23.1%), South Asia (22.1%), the Middle East and North Africa (19.6%), Latin America and the Caribbean (19.3%) and East Asia and the Pacific (13%).

This sharp decline forecast for 2020 will come after remittances to low-income and middle-income countries reached a record \$ 554 billion in 2019. Even with this decline, remittance flows are expected to become even more important as a source of financing for these countries, as foreign direct investment (FDI) is projected to drop further (more than 35%). In 2019, remittance inflows into low- and middle-income countries exceeded FDI volumes, which was an important milestone for monitoring resource flows to developing countries.

The World Bank estimates that, in 2021, remittances will recover and increase 5.6%, reaching USD 470 billion. The outlook for remittances remains as uncertain as the impact of COVID-19 on the outlook for global growth and on the measures implemented to restrict the spread of the disease. In the past, remittances have been countercyclical: workers sent more money home when their home countries experienced crises and hardships. This time, however, the pandemic has affected all countries, creating additional uncertainties.

“Effective social protection systems are crucial to protect the poor and vulnerable during this crisis, both in developing countries and in advanced economies. In host countries, interventions in the area of social protection must also support migrant populations”, said Michal Rutkowski, director of the World Bank’s Department of Global Social Protection and Labor Practices.

The global average of the cost of sending USD 200 remains high: in the first quarter of 2020 it stood at 6.8%, just below the value of the previous year. Sub-Saharan Africa continued to record the highest average cost, close to 9%, despite the fact that migrants who move to other countries within this same region constitute more than two thirds of all international migration originating from it.

“Rapid measures that facilitate the sending and arrival of remittances can help provide the much-needed support for migrants and their families. These include considering remittance systems as essential services and making them more accessible to migrants”, said Dilip Ratha, lead author of review and director of Global Knowledge Alliance on Migration and Development (KNOMAD).

Regional trends in remittances

Remittance revenues in the East Asia and Pacific region grew 2.6% to \$ 147 billion in 2019, about 4.3 percentage points below the growth rate of the previous year. In 2020, these flows are expected to decrease by 13% as a consequence of the decrease in remittances from the United States, the main source of these shipments in the region. In several remittance-dependent countries, such as those on the Pacific Islands, many households could be at risk as these incomes decline over the period. A recovery is expected in this region for 2021, with growth of 7.5%.
Remittance cost: The average cost of sending USD

200 to the East Asia and Pacific region decreased to 7.13% in the first quarter of 2020 compared to the same quarter of the previous year. In the five lowest cost corridors in the region, in the fourth quarter of 2019 the average value was 2.6%, while in the five highest cost corridors the average was 15.4%.

Remittances to countries in Europe and Central Asia remained at solid levels in 2019, as they grew by around 6% to reach USD 65 billion. Ukraine continued to be the main destination for remittances in this region, with a record volume of almost USD 16 billion in 2019. Other smaller remittance-dependent economies, such as the Kyrgyz Republic, Tajikistan and Uzbekistan, particularly benefited from the rebound in economic activity in Russia. By 2020, remittances are estimated to drop by about 28% as a result of the combined effect of the global coronavirus pandemic and the drop in oil prices. Cost of remittances: The average cost of sending USD 200 to the Europe and Central Asia region decreased slightly in the first quarter of 2020 from 6.67% a year earlier and stood at 6.48%. The cost differences between the different corridors in the region are significant: the highest values correspond to shipments from Turkey to Bulgaria, while the lowest were to remittances sent from Russia to Azerbaijan..

The arrival of remittances to Latin America and the Caribbean grew by 7.4% in 2019 and reached USD 96 billion, although the increase was uneven in the different countries of the region. In Brazil, Guatemala and Honduras, it was above 12% in 2019. In Colombia, Ecuador, Nicaragua and Panama, remittances grew more than 6%, while those sent to Bolivia and Paraguay decreased 3.8% and 2, 2% respectively. In 2020, the arrival of remittances to the region will be reduced by 19.3%. Cost of remittances: The average cost of sending USD 200 to the region was 5.97% in the first quarter of 2020. In the context of the COVID-19 crisis, the costs of transferring remittances to the region could rise. due to the operational difficulties

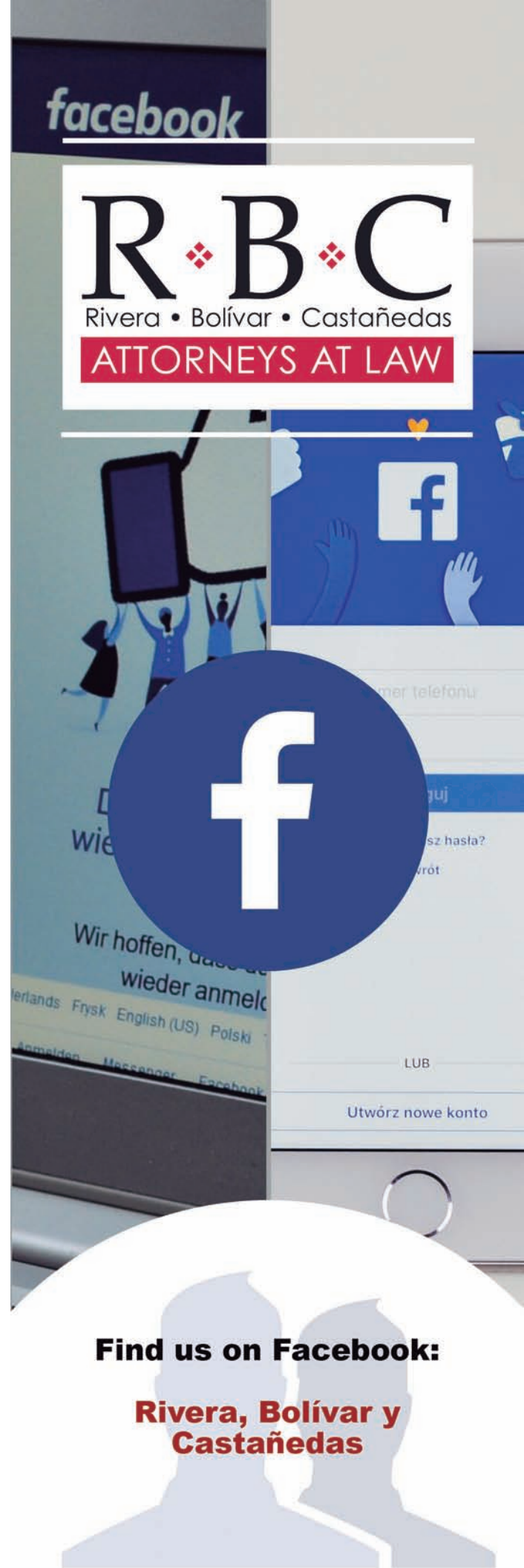
faced by the providers of these services (closure of agents and offices, access to cash, exchange rate, security) and compliance with regulations against money laundering and terrorist financing.

Remittances sent to the Middle East and North Africa region will decrease, according to projections, by 19.6% in 2020 to US \$ 47 billion, after the 2.6% growth observed in 2019. This The expected drop is attributable to the global slowdown and the impact of lower oil prices in the countries that make up the Gulf Cooperation Council (GCC). Remittances from the euro area will also be affected by the economic slowdown that was observed in the area before the COVID-19 pandemic and by the depreciation of the euro against the US dollar. In 2021, remittances received by the region are expected to recover, albeit at a slower rate, close to 1.6%, as a result of the moderate growth forecast in the euro area and the low volumes of funds from the countries of the region. CCG. Remittance cost: The cost of sending USD 200 to the region was 7%, practically the same value as the previous year, although it varies markedly in the various corridors. To send money from high-income countries that are members of the Organization for Economic Cooperation and Development (OECD) to Lebanon, a double-digit percentage continues to be charged. On the other hand, sending remittances from the GCC countries to Egypt and Jordan costs between 3% and 5% in some corridors. In one that unites Saudi Arabia with Syria, costs have experienced an abrupt drop due to the fact that the civil war in the latter country was attenuated.

Remittances reaching South Asia are expected to drop by 22% to USD 109 billion in 2020, after having grown by 6.1% in 2019. This decrease stems from the global economic slowdown caused by the coronavirus outbreak and declining oil prices. The economic slowdown is likely to directly affect the outflow of remittances from the United States, the United Kingdom and the countries of the European

Union to South Asia. On the other hand, the drop in oil prices will affect shipments from the GCC countries and Malaysia. Remittance cost: South Asia showed the lowest average values of all the regions, with 4.95%. Some of the least expensive corridors presented values below the 3% established as a goal in the Sustainable Development Goals, probably due to the high volumes, the competitiveness of the markets and the application of technologies. But in the most expensive corridors, values are well above 10% due to low volumes, low competition, and regulatory concerns. Banking regulations related to the fight against money laundering and terrorist financing raise the risk profile of remittance service providers and, therefore, increase costs for some recipient countries, such as Afghanistan, and for some senders like Pakistan.

Remittances received in Sub-Saharan Africa showed a slight decrease of 0.5% in 2019, when they reached USD 48 billion. Due to the COVID-19 crisis, remittance flows to the region are expected to decrease by 23.1% and reach USD 37 billion in 2020, while a recovery of 4%. This projected decline can be attributed to a combination of factors driven by the coronavirus outbreak in certain key duty stations where African migrants live, including the countries of the European Union, the United States, the Middle East and China. These large economies are home to a large proportion of migrants from sub-Saharan Africa, and together represent almost a quarter of the total remittances received in the region. In addition to the impact of the pandemic, many countries in the East African region are experiencing a severe plague of desert locusts that attack crops and jeopardize the provision of food for people living in the region. Cost of remittances: Sending a remittance of USD 200 to the region cost an average of 8.9% in the first quarter of 2020, which represents a slight decrease from the 9.25% registered a year earlier. The most expensive brokers are mainly found in southern Africa, where values were as high as 20%. At the other end of the spectrum, the least



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THE ONLY MEDIUM-TERM STRATEGIC OPTION TO MITIGATE THE EFFECTS OF COVID-19 IN THE REGION IS TO ADVANCE TOWARDS A NEW MODEL OF DEVELOPMENT THROUGH GREATER INTEGRATION

Source: ECLAC

The United Nations Economic Commission for Latin America and the Caribbean (ECLAC) affirmed that the region has no other strategic option than to move towards a more sustainable development model through greater integration to mitigate the effects of the COVID pandemic- 19 in the region, in a new document released at its headquarters in Santiago de Chile.

In the study Latin America and the Caribbean in the face of the COVID-19 pandemic: economic and social effects, ECLAC points out that only with a new development model will the region avoid going back on the roads that led to a situation in which effects of COVID-19 pandemic can not only be devastating in the short term, but also deteriorate the conditions of recovery and development.

The report expresses the urgency of implementing immediate actions in the region that allow the curve of contagion due to coronavirus disease (COVID-19) to be

flattened, without flattening the curve of the economy.

It also urges the governments of the region to take urgent measures to address the health emergency, the social emergency and the economic emergency. In the long term, it also calls on countries to rethink their development strategies, strengthening subregional and regional coordination and integration to ensure supply chains of critical goods, promote voluntary, forced migration, alleviate poverty and promote reduction. inequality, and strengthen intraregional trade and production chains, among other measures.

“The world is facing an unprecedented humanitarian and health crisis in the last century in an already adverse economic context. Unlike 2008, this is not a financial crisis but a crisis of people, production and well-being. A war economy situation is too important to be left to the market. States are assuming a central role to

suppress the virus and the risks that will affect the economy and social cohesion", said Alicia Bárcena.

The ECLAC Executive Secretary added that at this juncture international cooperation plays a fundamental role. ***"The way out of the crisis will depend on the economic strength of each country, therefore, given the asymmetries between developed and developing countries, the role of the UN, the IMF and the World Bank will be essential to guarantee access to financing and sustain social spending and economic activity with innovative measures,***" he indicated.

She specified that, to support the follow-up and monitoring of progress in the medium and long term, ECLAC has launched the COVID-19 Observatory, an effort coordinated by ECLAC with the support of the United Nations resident coordinators, who will present information updated on each country's policy announcements and other materials of interest. The Observatory contains information on movements within and between countries, health, work, economy and schooling.

The study indicates that Latin America and the Caribbean faces the pandemic from a weaker position than that of the rest of the world. Before the arrival of COVID-19, ECLAC foresaw that the region would grow a maximum of 1.3% in 2020. However, the effects of the crisis have led to change that forecast and forecast a drop in GDP of at least - 1.8%, although it cannot be ruled out that contractions of between -3% and -4%, or even more, may be reached. The final economic impact will depend on the measures taken at the national, regional and global levels, the Commission warns.

According to the report, the COVID-19 crisis will have direct economic effects on health systems and mortality rates, and indirect effects, which will materialize on the supply and demand side of the economy.

Among direct effects is the impact on region's health systems, whose infrastructure is insufficient to face

problems generated by the pandemic. Most countries in region are characterized by weak and fragmented health systems, which do not guarantee the universal access necessary to face the health crisis of COVID-19. Therefore, strengthening health systems requires more and better public spending: countries of region spend an average of 2.2% of GDP on health; therefore, it is necessary to find fiscal space to strengthen them. The indirect effects of the crisis unleashed by the pandemic are being felt in the region through six external transmission channels: **1) The decrease in the economic activity of its main trading partners and its effects; 2) The fall in the prices of primary products; 3) The interruption of global value chains; 4) The lower demand for tourism services; 5) The reduction of remittances and 6) The intensification of risk aversion and the worsening of global financial conditions.**

According to the ECLAC study, the value of the region's exports is expected to fall by at least 10.7% in 2020, due to the decrease in prices and the contraction in global aggregate demand. Furthermore, given that the spread of the virus has accelerated the use of the internet and digital technologies, this increase may exacerbate inequalities derived from different access to them between countries and between income groups.

Regional integration is crucial to face crisis, emphasizes United Nations agency. The countries of region have unsophisticated and fragmented production capacities at regional level, which is why it is necessary to scale up national and regional capacities, mainly in the production and provision of basic necessities. For this, it is imperative to boost intraregional trade, the report points out.

In the internal area, containment measures will have costs in production (up to 67% of regional GDP) and employment (up to 64% of formal employment). Likewise, prevention and containment measures deepen the care crisis in the region: in the period prior to the health crisis, women allocated between 22 and 42 hours per week to domestic work and

care activities. The pressure on health systems will significantly impact women, since they are 72.8% of the total number of people employed in this sector.

“The world and the region face a recession that is going to have short and long term effects. The question is how to minimize your costs and resume growth. The magnitude will depend, among other factors, on strength of economic response, in which fiscal policy plays a fundamental role”, emphasized Alicia Bárcena.

According to ECLAC, in order to address the health emergency, it is imperative to immediately and efficiently apply the containment measures suggested by the World Health Organization (WHO), strengthen health systems, and guarantee universal access to tests, medicines and cures. Addressing the social emergency requires income protection measures for the most vulnerable groups, employment protection measures, such as unemployment benefits and basic emergency income, and measures to support small and medium-sized enterprises (SMEs) and own-account workers.

Meanwhile, addressing the economic emergency requires fiscal policy, monetary policy and international cooperation actions, the study explains. In fiscal matters, budgets must be reorganized to implement fiscal stimulus packages to strengthen health systems, protect income, and minimize the contraction of the economy. In the monetary area, efforts must be made to stabilize exchange rates and preserve the solvency and functioning of the banking market. And to encourage international cooperation, it is necessary to reconsider the concessional loan and graduation policies of international organizations. Also facilitate low-interest loans and defer debt service to developing countries, including middle-income ones.

In particular, the United Nations agency calls for the sanctions imposed on Cuba and Venezuela to be lifted to allow their access to food, medical supplies

and COVID-19 tests and medical assistance. “It is a time of solidarity, not exclusion,” says the document. In the long term, the region will have to rethink its development strategies to prevent the severity of future shocks, the report emphasizes. In this sense, ECLAC proposes the creation of a regional fund dedicated to the particular needs of middle-income countries to support social, economic and productive recovery. It also emphasizes the importance of having flexible support from multilateral financial organizations. Developing countries should collectively negotiate concessional loans and debt services and review graduation policies for middle-income countries, she explains.

“ECLAC offers an intergovernmental space to convene stakeholders from public and private sectors, civil society and academia to develop political solutions to the long-term impacts of the crisis and monitor its impacts”, said Alicia Bárcena.

The report also warns that COVID-19 crisis jeopardizes the comprehensiveness of the 2030 Agenda for Sustainable Development and its Objectives (SDGs). In its analysis, it presents simulation exercises for 72 statistical series of the SDG indicators. According to the Commission, 73% of the indicators analyzed show that there are problems in achieving the SDGs by 2030. In this sense, ECLAC emphasizes that evaluating the impacts of the policies used to implement the 2030 Agenda in the countries of the region it's crucial. Hence, to support the follow-up and monitoring of progress in the medium and long term, the agency has developed two specific instruments: the SDG Gateway (Portal de los ODS) and the Observatory COVID-19, which will soon be available to the community. *L&E*

ENVIRONMENTAL



Capsule

A FORCED BREATH TO THE PLANET EARTH

Milena Vergara - Assistant
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In the midst of a global crisis caused by COVID-19, on April 22, the 50th anniversary of International Mother Earth Day was celebrated, just as we experienced a quarantine at home, which has generated very clear and encouraging effects for environment.

The changes in forms of coexistence and mobilization during this time of social isolation and its visible effects on nature and cities around the world, invite us to reflect on impact of our actions and to generate awareness among human beings.

With actions as simple as reducing the use of water and energy resources, generating less waste, reusing and recycling, we can all collaborate to reduce our environmental footprints that cause so much damage to the planet.

The global health crisis has brought visible and apparently positive effects such as the improvement of air quality or the reduction of greenhouse gas emissions due to the quarantines that take place in many countries. However, if no long-term changes are generated, these improvements will be only temporary.

The climate crisis will also cause big problems if you don't act now. One of the points that experts draw attention to is the need to change the way we live and work hard on mitigating and adapting to climate change, Nature is in crisis, threatened by the loss of habitats and biodiversity, global warming and pollution. If we do not act, we will fail humanity.

Addressing the new coronavirus pandemic and protecting ourselves from future global threats

requires the safe management of hazardous medical and chemical waste; solid management of nature and biodiversity; and a clear commitment to “rebuild better,” create green jobs, and ease the transition to carbon neutral economies. Humanity depends on immediate action for a resilient and sustainable future.

The United Nations Development Program (UNDP) recognizes that, despite current efforts, biodiversity is deteriorating worldwide at a rate unprecedented in human history.

It is estimated that around a million species of animals and plants are currently in danger of extinction, so it is extremely necessary that each one, from home, be able to contribute to curbing actions that affect the loss of biodiversity. Above all, because human beings depend on stable and healthy ecosystems for their own survival. Therefore, in this year 2020 urgent action is required to steer the world towards a more sustainable future.

The United Nations Development Program (UNDP) has joined major environmental initiatives to inform on climate policies and promote dialogue between citizens and governments in which you can propose solutions to combat the effects of climate change.

The campaign takes as reference a video game called Mission 1.5 that educates people about climate policies and provides a platform for them to vote for those solutions that they would like to see in practice.

Mission 1.5 aims to reach people wherever they are. This not only helps more people understand the extent of the climate crisis, but also enables a random sample to be

generated to generate more accurate data with surveys..

There is no better time than in these quarantine times to stay home and provide solutions to the weather. You can enter the following link www.mission1point5.org. There you can have fun while contributing your solutions to climate change.

Developed with support of British company 'Playmob', this video game was designed as an interactive survey in which each player will put himself in the shoes of political leaders. With each choice, you'll need to keep moving forward in game and try to keep global warming below 1.5 ° C. This threshold is the commitment of countries that adopted Paris Agreement. According to scientific community, we must not exceed this temperature so that the catastrophic consequences of climate change do not continue to increase irreversibly.

UNDP seeks to listen to the voice of all, to identify the proposed options that allow governments to better understand the climate priorities of their citizens.

In these moments of pandemic, the priority is to take the necessary measures to prevent the spread of COVID-19, however, the moment is propitious to realize the great positive effects that planet earth, the environment and animals have had with the quarantine that many of us are living at home, which we must take as lessons to continue acting in the same way in the long term and to lessen the effects of climate change

"If you love your life, start by loving the planet". *L&E*

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