

THE TRUST DIVIDE: HOW COVID-19 EXPOSES THE IMPACT OF INEQUALITY ON CITIZEN CONFIDENCE IN GOVERNMENT



El futuro
es de todos

Presidencia
de la República



El futuro
es de todos

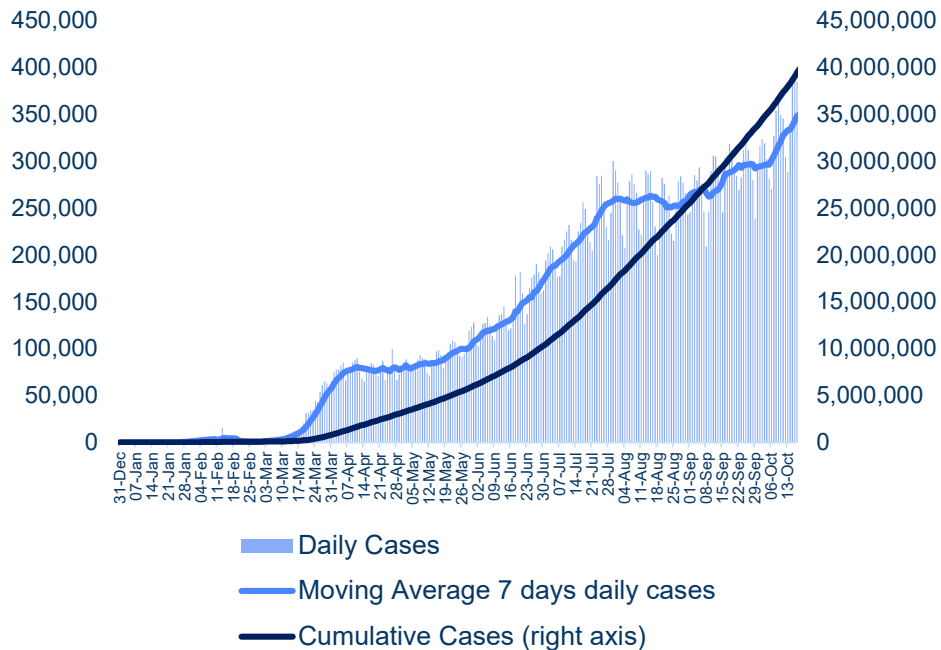
Consejería Presidencial
para la gestión y cumplimiento

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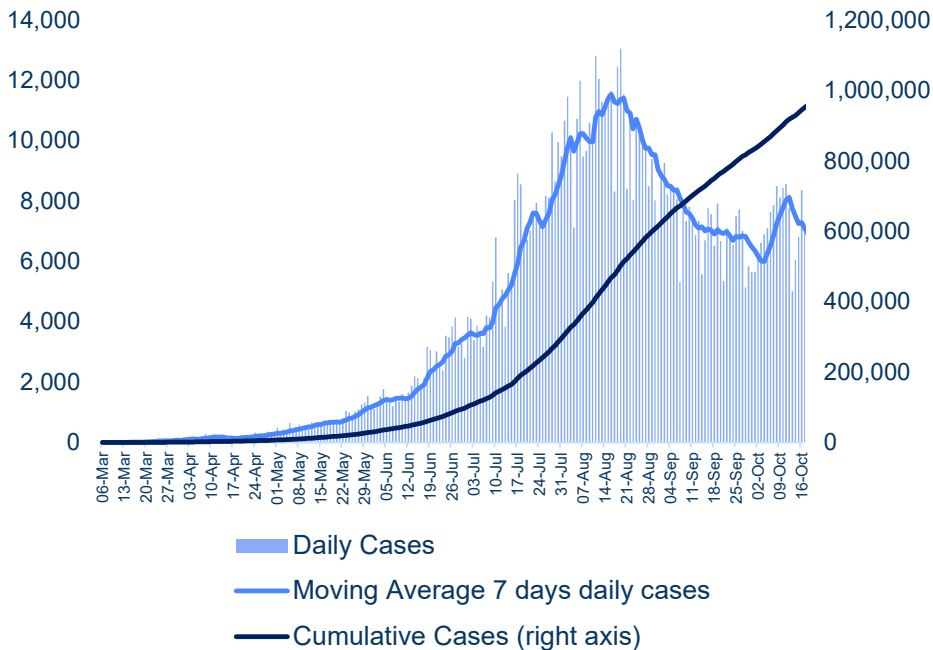


COVID CASES IN COLOMBIA AND THE WORLD

Covid-19 cases Worldwide



Colombia Covid-19 cases





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COVID CASES IN COLOMBIA, OCTOBER 18

959.572

Registered cases

858.294

Recovered

7.201

New infections

28.970

Deaths



NEW NORMALITY DUE TO COVID-19

1. REACTION

- **Public health emergency declaration:** March 12.
- **Economic, Social and ecological emergency:** March 17.
- **Preventive Mandatory Insolation (PMI):** from march 25- April 27.
- **PMI extension** until April 27th.

march - april

2. ADAPTATION

- **Gradual reopening of economic sectors** in coordination with local government (with exceptions).
- **PMI extension** until August 31

may - august

3. REACTIVATION

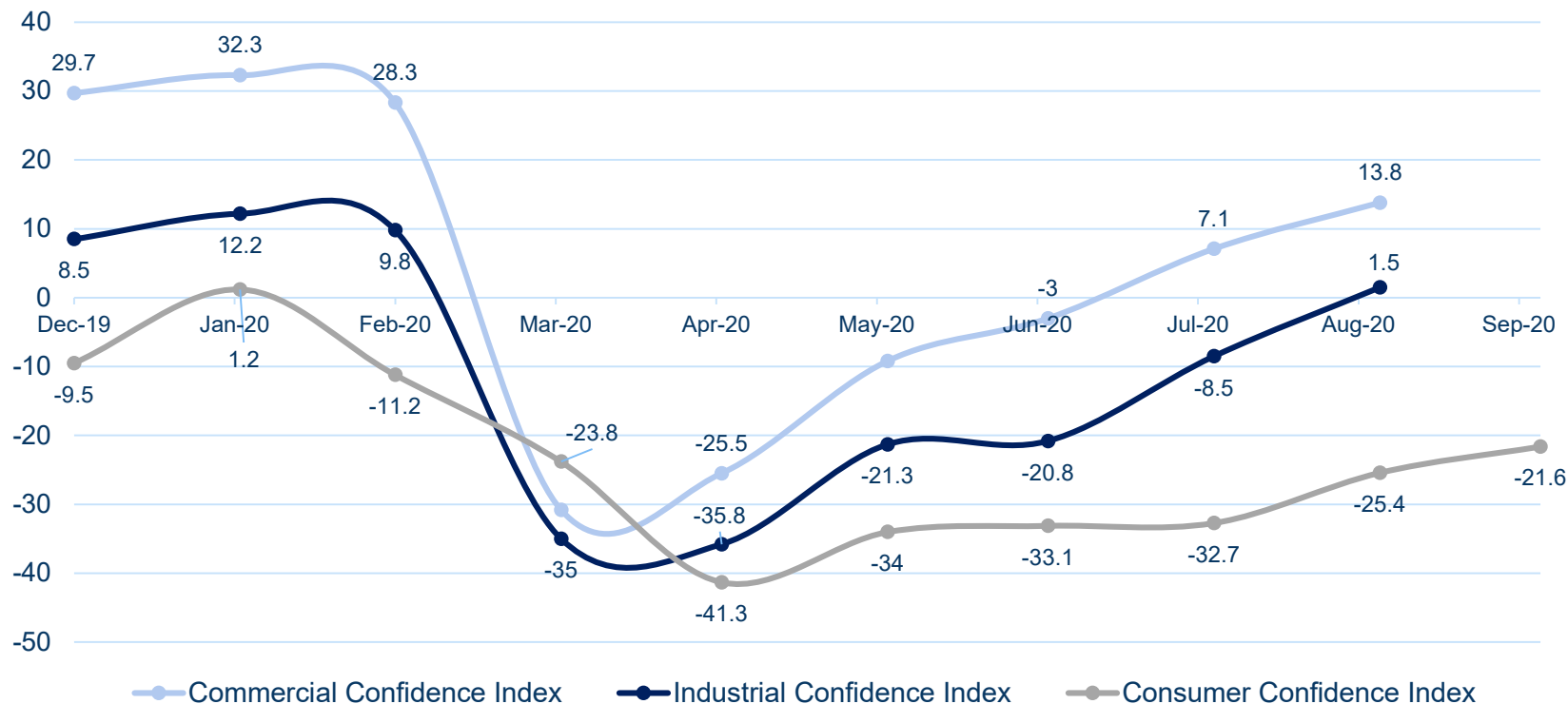
- **Total reopening of economic sectors**
- **Selective isolation:** September 1

september - today



RECOVERING TRUST

Confidence Indexes



Source: Fedesarrollo.



PERMANENT CHANNELS OF DIGITAL COMMUNICATION

1.
Portal
Coronavirus
Colombia



2.
Aprender Digital:
Contenido
para todos



3.
Dashboards



4.
Teleorientación
en salud



5.
Colombia
Emprende
e Innova



6.
E-Commerce



7.
Ayudar Nos
Hace Bien



8.
CoronApp



9.
Chat con el
gobierno



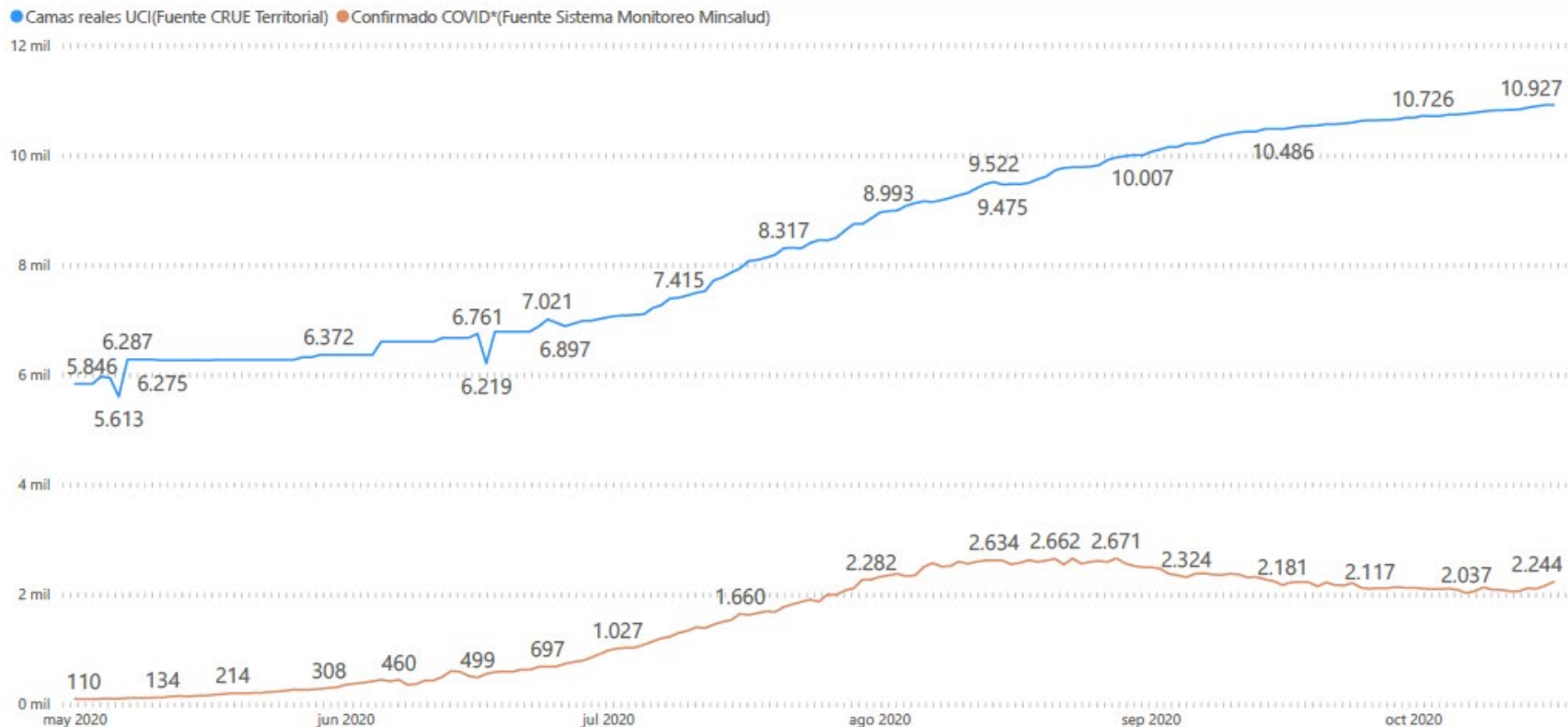
10.
Ingreso
Solidario





INCREASE OF ICU BEDS AND OCCUPANCY FOR COVID-19 CASES (MAY-OCT 2020)

Línea del tiempo de crecimiento de camas UCI y ocupación de casos covid (mayo-octubre 2020)



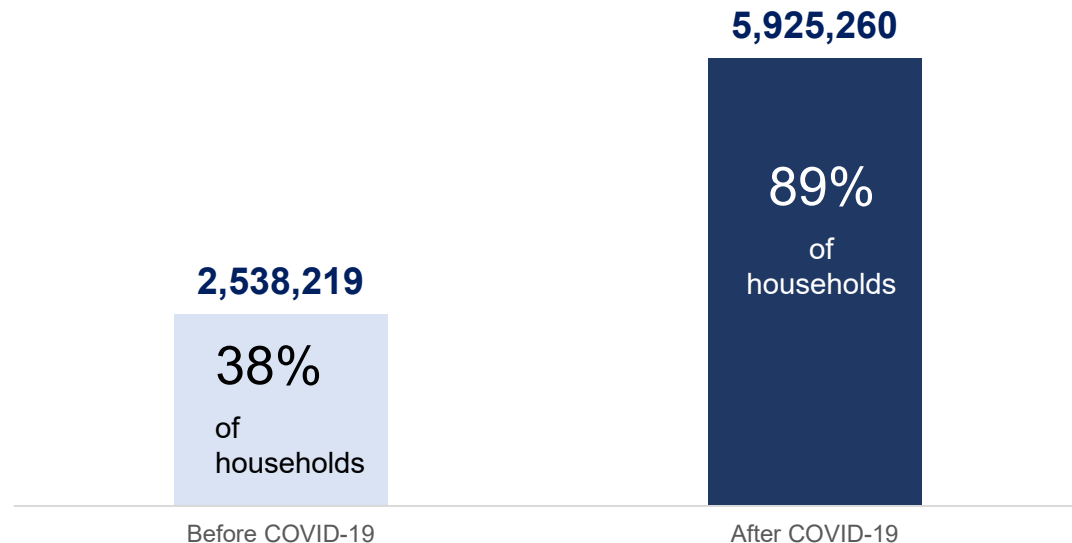


SOCIAL INTERVENTIONS TO TACKLE COVID-19 WERE FOCUSED ON THE MOST VULNERABLE POPULATIONS

To mitigate the effects of COVID-19, a survey named **Sisbén IV** was used to classify the population between: extremely poor, moderate poor, vulnerable, no poor either vulnerable.

- With this classification process, it was possible to focus efforts on the extremely poor and moderate poor groups.

Households in poverty and vulnerability
with at least one cash transfer



The coverage of cash transfer programs increased **from 38% before Covid-19 to 89%.**



ADDITIONAL SOCIAL INTERVENTIONS AGAINST COVID-19

Programs	Cash transfers as a response to the pandemic (COVID-19)
Ingreso Solidario	Three cash transfers, each for USD 41,6 to 3 million poor and vulnerable families. (1,2 extreme poverty lines)
Familias en Acción	Three additional cash transfers, each for USD 37,7 (average per family) to 2,6 million poor and vulnerable families with children studying at school. (1,1 extreme poverty lines)
Colombia Mayor	Three additional cash transfers, each for USD 20,8 to 1,7 million older adults living in poverty. (0,6 lextreme poverty lines)
Jóvenes en Acción	Three additional cash transfers, each for USD 94,9 (average per young person) to 260 thousand young people living in poverty that studying in higher education (2,7 extreme poverty lines)
Devolución del IVA	Cash transfers every two months from USD 19,5 up to 1 million poor families. It is expected to make five transfers in 2020. (0,5 extreme poverty lines)
Plan de Alimentación Escolar	The school feeding value for home consumption is about USD 13, which is similar to the amount given to educational institutions before COVID-19. Due to the similar costs, no additional value was included. (0,4 extreme poverty lines)
Mercados UNGRD	Food delivery. Average value for rural areas USD 39, for urban areas USD 30,4, delivered to 178.127 elderly people. (between 0,9 and 1,1 extreme poverty lines)
Canastas nutricionales ICBF	The cost of food delivered within the framework of early childhood protection is USD 28,5, which is an additional amount of USD 7,9 respect to the total cost before COVID-19. It is considered five additional deliveries to 1.6 million children and adolescents. (0,8 extreme poverty lines)

The additional investment for social interventions against COVID-19 was about **USD 936 million**



Ingreso Solidario

Key step to mitigate the economic effects of the emergency for COVID-19



What is Ingreso Solidario?

It is an Unconditional cash transfer (UCT) program to mitigate the impacts of the emergency caused by COVID-19



Who is it aimed at?

To households that are not part of other programs such as Familias en Acción, Jóvenes en Acción, Colombia Mayor or Compensación de IVA and that live in extreme poverty, poverty or vulnerability



What is the amount of the cash transfers?

Households will get 9 cash transfers in 2020 for USD 41,6 each, and 6 transfers in 2021

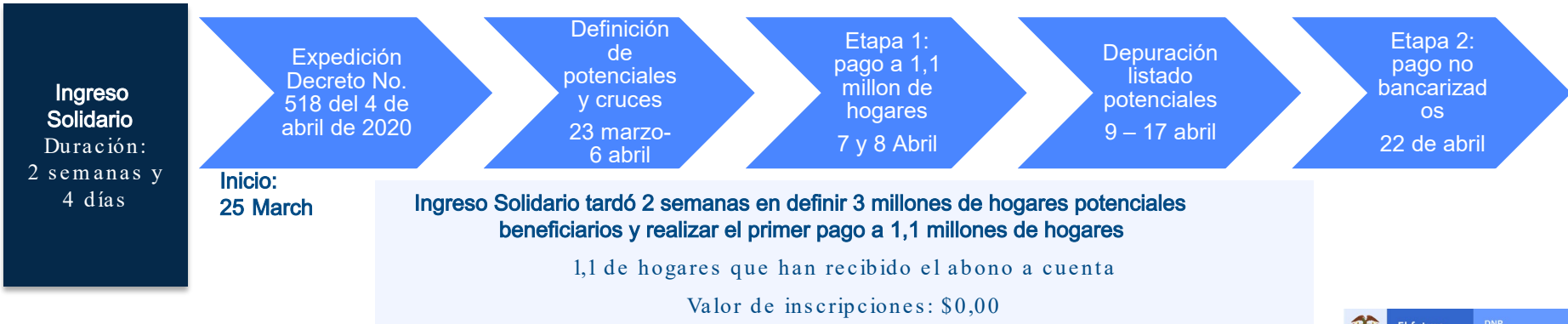


Who manages the program?

1st stage (design and implementation): Ministry of the Treasury and the National Planning Department.
2nd stage (operation): Departamento para la Prosperidad Social

Ingreso solidario was a quick response program

Familias en Acción inició su operación en 2001 con 300 mil familias y en casi 1 década logró llegar a 2,6 millones de familias



Results in financial inclusion from Ingreso Solidario

La inclusión financiera que logró el Ingreso Solidario es una poderosa herramienta de política pública.

El país debe aprovechar las externalidades positivas que se generaron para contribuir a superar el entorno de informalidad y los sobrecostos de las transacciones basadas en efectivo.

Impact

957.000

hogares incluidos financieramente por Ingreso Solidario en 2 meses de operación

Empowerment

60%

hogares tienen una mujer a la cabeza y por primera vez acceden al sistema financiero

Digital use

62%

hogares han utilizado el auxilio para pagos y compras a través de canales digitales

Trust

45%

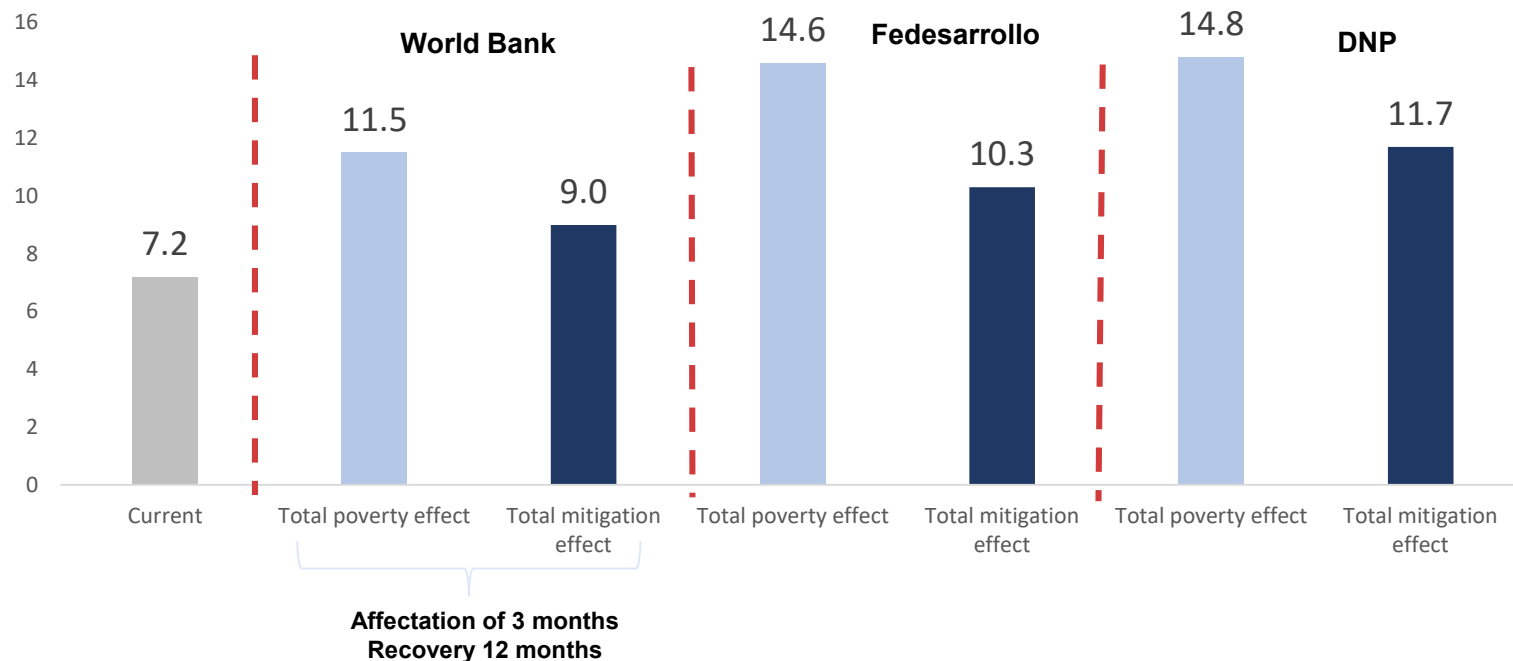
hogares han depositado recursos propios en las cuentas aperturadas



EXTREME POVERTY MITIGATION

The additional social measures have mitigated the impact on poverty between 2,2 and 4,3 p.p,

Estimates of effect on extreme poverty with social measures of mitigation





COMMITMENTS FOR COLOMBIA'S FUTURE

Stabilize



Restart



Reactivate



Reinforce



Need

Counter reduction in consumption and economic activity

Create necessary conditions to safely reopen the economy

Restore economic confidence and achieve pre-crisis activity levels

To adapt the economy for the new normality, an important step forward in terms of productivity

Government's objective

To stabilize the crisis' immediate effects and relieve the most vulnerable populations and economic sectors.

Reopen the economy and restore operations while ensuring sanitary protocols and social distancing applications.

Promote and accelerate the economic growth, confidence and employment generation to restore economic activity levels

Promote Colombia's transformation through structural measures, which generate a radical impact towards growth and development.

Government's role

Economic interventions to relieve the crisis' effects through fiscal expenditure

Economic interventions through fiscal expenditure and the implementation of regulations

Economic interventions through fiscal expenditure, implementation of regulations, credit promotion to foster growth, and enabling capacities for the new normality.

Enabling economic activities with regulations, coordination and some fiscal expenditure to accelerate growth structurally



COMPONENTS OF THE COMMITMENT FOR THE NEW FUTURE – RECOVERY PLAN

	Pilar1 Private investment	Pilar2 Public / Private Investment	Pilar3 Private investment with fiscal incentives	Pilar4 Public Investment	Pilar5 FOME
	Investment	USD 4,7 billion	USD 6,7 billion	USD 2,4 billion	Total resources of FOME USD 5,6 billion
	4 years	8 years	3 years	10 years	Appropriation USD 2,9 billion
	Employment	310.244	236.000	105.593	Commitments USD 1,8 billion
					Payment USD 1,4 billion

 Investment **\$28 Billion**



Jobs to be created:
More than 1 million direct and indirect jobs.



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Thank you for your time

Alejandra Botero
Presidential Adviser