



Policy Recommendations on addressing the Coronavirus disease (COVID-19) pandemic and mitigating its impacts

A. Introduction

As the Coronavirus disease (COVID-19) pandemic continues to sweep across the Americas, endangering the health, lives and livelihood of our peoples, particularly the most vulnerable, causing serious economic fallout and forcing governments to adopt unprecedented measures to contain its spread, the private sector grouped in the Americas Business Dialogue (ABD) has sought to respond proactively, leveraging its resources, ingenuity and expertise in support of our governments, citizens and workers.

Our companies and associations have adopted a series of measures to contribute directly to the response of the pandemic. These include making financial and in-kind donations, adapting our production lines and facilities to produce essential medical devices (including equipment, *In Vitro* Diagnostics and supplies), engaging in research and development that will hopefully lead to an effective vaccine, and providing free access to scientific research and tools that allow companies and institutions to continue working remotely. We have also adapted our business practices to protect our workers and consumers and to continue ensuring access to the goods and services that we provide.¹

The private sector leaders engaged in ABD have also coalesced around a series of policy recommendations that, if fully implemented by the governments of the Americas, have the power to help our countries defend against the pandemic and experience a strong recovery after the worst of its impact has subsided. These recommendations pursue two distinct and important objectives.

First, to ensure that the private sector can continue to efficiently and rapidly supply goods and services that are critical at this time – ranging from medical devices (including equipment, *In Vitro* Diagnostics and supplies), medicines, food and other essential consumer goods, to energy, financial services and access to the digital tools that enable us to remain informed and connected to each other.

¹ A repository containing contributions and initiatives from members in response to COVID-19 will be made available through ABD's website (www.americasbd.org).

Second, to ease the burden of the economic impact of the pandemic and the measures that have been adopted to contain it –particularly in support of micro, small and medium enterprises (MSMEs)–, to protect jobs, maintain high standards of ethics and integrity, and lay the groundwork for strong economic recovery after the pandemic has been controlled.

Furthermore, the policies that we recommend in our *Action for Growth: Policy Recommendations and 2018-2021 Action Plan for Growth in the Americas* report – which we submitted to our Heads of State at the III CEO Summit of the Americas and on whose implementation we have been working on for the past two years – also provide solutions to address our current challenges and, in the medium to long term, guidance to increase the resilience of our economies and improve our preparedness to face future crises.

We recognize and welcome the efforts that our governments and international organizations have already undertaken to protect the human life and sustain economic activity and ABD stands ready to work with them and the Inter-American Development Bank in implementing these and other policies and initiatives, in the belief that now more than ever we will overcome our shared challenges through strong public-private partnership.

B. Responding to the pandemic, ensuring business continuity and preserving vital supply chains

1. Governments should clearly and comprehensively define essential infrastructure, industries, goods, services, and workers. Governments should engage in open, transparent, and ongoing consultations with industry to develop such guidance. There should be a mechanism for frequent updates to guidance based on changing circumstances and factors. Regional harmonization should be the goal to minimize disruptions to hemispheric and global supply chains. Similarly, for measures to be effective and minimize economic harm, governments must ensure sub-national entities are aware of, and adhere to, the same definitions and rules. Coordination with international partners and relevant organizations to best align access and movement policies is essential.

Governments should incorporate a supply-chain or value-added chain approach when characterizing sectors as essential. As reference, governments should characterize as essential: maintenance, manufacturing, and construction for business continuity for essential products, services and supply chains; research, development and manufacturing of medicines, medical devices (including equipment, *In Vitro* Diagnostics and supplies); personal protective equipment (PPE) and consumer

products critical to combatting COVID-19 (e.g., hand sanitizer and soap); food, feed and agricultural production and distribution activities; transportation, express carriers and logistics and, in particular, all activities and workers involved in sea, air and land cargo; distribution, warehouse and call center facilities; any efforts that support retail purchases through methods that augment social distancing requirements; infrastructure, generation, transmission and distribution of energy; financial services broadly defined; information and communications technology manufacturing, operation, construction and services delivery, broadly defined; as well as activities and companies involved in their respective supply chains.

2. Governments should engage in a coordinated, coherent and cooperative international response. The sharing of information, data and best practices on how to contain the pandemic is critical. There is a need for a multilateral, regional and multi-sector response that collaboratively addresses the immediate public health crisis, preserves trust in the trade and investment system, supports private sector efforts and considers the different needs of neighboring countries and regions.

3. Governments should cooperate with each other and industry to protect the global medical supply chain, and abstain from implementing export restrictions to address shortages and supply chain issues on medicines, medical devices (including equipment, *In Vitro* Diagnostics and supplies) and all essential supplies to tackle COVID-19. Any emergency measures should be transparent, temporary, targeted to a legitimate specific objective, be made public and applied in a nondiscriminatory way, and be consistent with WTO rules.

4. Governments should avoid excessive stockpiling of medicines and medical devices (including equipment, *In Vitro* Diagnostics and supplies), as this could lead to critical worldwide shortages; and continue to respect intellectual property rights and proactively engage rights holders to address supply and access challenges where necessary.

5. Governments should work to ensure that international trade and investment flows continue uninterrupted and to protect and strengthen global and regional supply chains that are critical for the continued delivery of essential goods and services. In particular, governments should:

- a) Reduce or eliminate tariffs and remove non-tariff barriers affecting imports of essential tools to fight the pandemic, including medicines, medical devices (including equipment, *In Vitro* Diagnostics and supplies), personal protective equipment (PPE) and disinfectants; as well as those affecting agricultural products and trade in services, particularly telemedicine.

- b) Implement trade facilitation measures to reduce the cost of moving health-related products and materials and food products across borders, including by simplifying and expediting border procedures, national authorizations, and certification and licenses; digitizing import and export procedures to reduce workers' exposure; and minimizing physical inspections when possible.
- c) Ensure the continued flow of vital medical supplies, critical agricultural products and other essential goods and services; and take measures to maintain the safety of essential facilities and personnel.
- d) Work to adopt global standards on quarantine rules for air cargo pilots and crew members to ensure that international networks continue to operate.
- e) Leverage e-commerce capabilities and marketplaces to ensure that the logistics and distribution of essential products are still delivered at hospitals, essential facilities, retailers and homes as needed, assuring that the right incentives and policies are in place to allow micro, small and medium enterprises (MSMEs) to stay online and alive.

6. Governments should work to implement Good Regulatory Practices (GRPs) and strengthen regulatory cooperation to facilitate trade in essential goods. In particular, governments should:

- a) Eliminate unnecessary regulatory requirements for critical medical devices (including equipment, *In Vitro* Diagnostics and supplies).
- b) Continue applying GRPs in emergency situations as regulatory oversight and international standards should be maintained to ensure the safety and efficacy of all medicines and medical devices (including equipment, *In Vitro* Diagnostics and supplies), preventing the traffic of products that do not minimally comply with relevant international standards.
- c) Promote regulatory convergence, international standards, licensing reciprocity and expedited pathways for the development of new medicines, vaccines, and medical devices (including equipment, *In Vitro* Diagnostics and supplies).
- d) Maintain and enhance pharmacovigilance systems to ensure the safety and efficacy of medicines.
- e) Recognize and accept common sanitary and phytosanitary (SPS) standards and certificates from within the region to facilitate the rapid import of food and feed products.
- f) Consider deferring the introduction of new compliance requirements not

already in force; and take a pragmatic approach by suspending ordinary penalty and interest regimes for late filings and payments if companies are exercising their best efforts to comply.

- g) Publish clear, coherent and timely guidance regarding border-measures and procedures and ensure transparency for business in a rapidly changing landscape, particularly where measures are applied under the designation “non-essential” and ensure standardized documentation requirements, seeking alignment among governments and international organizations.

7. Governments should prioritize critical regulatory and supervisory matters related to market conduct or investor protection, while making efforts to pause, when feasible, on all non-critical regulatory changes, rule implementation and supervisory activities. This should include new consultations on all matters unrelated to COVID-19 or which are not immediately essential to keep markets open. Governments should provide legal certainty concerning the effects of COVID-19 response policies, in particular over all private and public deals, contracts or procedures, and in relation to deadlines and fulfillment of obligations.

8. Governments should accelerate their digital transformation to ensure that public administration may continue and to enable remote working and business operations, by removing reliance on paper and promoting the use of digital technologies for all transactions and procedures, while adopting effective measures regarding cybersecurity and privacy and ensuring free cross-border data flows. Digitization should include, at a minimum, all public services and administrative procedures, registries, and procurement in areas such as construction; as well as digital payment channels, account openings, the use of electronic documents for trade and trade finance transactions, the use of digital powers of attorney, and the acceptance of digital signatures and biometric features as digital identification. Regulatory systems with a rapid investment facilitation impact, such as licensing and permitting, should be especially prioritized during the crisis. Governments should welcome public-private multilateral cooperation, including ongoing ABD initiatives, to implement digital transparency best practices. Governments should embrace digital payments solutions to channel social programs and allow beneficiaries to collect and spend digitally supporting social distancing but also pay for essential services and goods, fostering partnerships among banking, financial institutions and the tech sector.

9. Governments should collaborate with the private sector to support testing, scientific research and clinical trials in pursuit of effective vaccination and treatment alternatives and should work to ensure that appropriate intellectual property protection contributes to the development of and access to new technologies, vaccines

and drugs. Governments should implement data regimes that do not jeopardize data access and facilitate essential research and development into innovative treatments and vaccines.

10. While adopting measures to protect the most vulnerable sectors and ensure their continued access to basic public services and utilities, including heating and electricity, **governments should explore measures to ensure that deferral of payment does not lead to cash liquidity problems that impact business continuity over time and disrupt the energy sector production chain.**

In particular, governments should explore financing options and compensation mechanisms to address this short-term challenge and ensure cost-recovery that allows for continuation of service, to the extent established by relevant regulatory frameworks and through measures that may include, where and if appropriate, preferential loans, subsidies, tariff adjustments, reduction of government profit in public or public-private utilities and guarantees from multilateral development banks.

C. Mitigating the economic impacts and fostering a robust and fast recovery

11. Governments should increase health investments as a strategy for economic growth and recovery. The pandemic has clearly shown the relationship between health and its effects on the economy, markets, businesses, and employment. Governments should collaborate with the private sector to develop resilient health systems that limit the future spread of both pandemic threats and chronic illness.

12. Governments should implement short- and medium-term fiscal policy measures to support economic activity. Tax policy and tax administration should be among the tools to deploy economic stimulus that supports consumption, business cash flow and investment; and governments should consider deferrals in tax filings and tax payments, and the implementation of temporary moratoriums.

Governments should allow a concession such that employees can continue their ordinary job (to the extent possible given the disruption to other areas of their lives), without triggering any tax consequences for the individual or the employing company. Employees should be treated for all tax purposes as if they are continuing to work from their normal work location.

To the extent possible, governments should consider other economic stimulus measures, including investment in emergency preparedness, sustainable infrastructure and renewable energy, which would create jobs and accelerate the energy transition.

13. Governments should strive to ensure that financial markets remain open and that capital keeps flowing, in particular to allow businesses to maintain liquidity, by adopting measures that decrease reserve requirements and adopt temporary relief for capital buffers and liquidity requirements, expand access to capital markets, allow for improvement in loan conditions (interest rates, amounts, requirements, duration, grace periods) and provide officially supported export credits to ensure exporters have the support and flexibility they currently need. All these without increasing the systemic risk of the financial system.

14. Governments should help protect jobs by postponing or subsidizing social security contributions during the crisis and by modernizing labor legislation and social insurance systems to ensure that employers have adequate flexibility, workers are adequately protected and that the use of technology for modern work is adequately recognized and promoted.

Employers should have increased flexibility to modify the organization of work – including work shifts, virtual and telework and the assignment of tasks and responsibilities – and to hire temporary workers, while governments should strive to develop social protection systems that protect all people, regardless of their work.

Governments should adopt occupational health and safety regulations compatible with the current situation, including the obligation of workers to report symptoms and test results to their employers and regulating the consequences of exposure to COVID-19 at the worksite and of health and safety incidents while working from home.

15. Governments should proactively work to protect micro, small and medium enterprises (MSMEs) that may face liquidity issues resulting from meager revenues and consider the adoption of short-term liquidity financing and guarantee programs, foreign trade financing and guarantee programs, loan restructuring programs, financing and guarantees for strategic supply chains and digital trade, financing and guarantee programs for productive development, digital transformation, e-commerce adoption and access to working capital. Moreover, governments should implement best practices in supply chain processes to help enable exporting and importing opportunities for MSMEs, as well as measures to simplify regulations and allow interactions with government primarily through digital channels to reduce the administrative burden on these enterprises.

16. Governments should continue to maintain the highest standards of ethics, transparency and integrity during and after the pandemic. It is essential to maintain the highest levels of integrity and transparency in the procurement process, and throughout the contracting cycle, particularly for contracts related to the pandemic, and to implement resilient procurement and permitting and regulatory approval

practices and processes. These responses should rely on the intensive and practical use of digital technologies, which enhance transparency and facilitate accountability, including following the ultimate destiny of the resources deployed. Close coordination between governments and the private sector is vital to ensuring this is achieved and integrity agencies and supreme audit institutions should enhance their cooperation and coordination, especially by using preventive approaches based on disclosure of information.

Given the central role of medical technology in addressing patient needs during this public health crisis, it is also essential that governments, industry, healthcare professionals and providers, and all relevant stakeholders strengthen their coordination in adherence with the Bogotá Principles adopted in 2017 and welcomed by Ministers during the III CEO Summit of the Americas.

17. Governments should prioritize funding for education and scientific research. The global health crisis highlights, as never before, how important it is for Latin America and the Caribbean to make investing in education and scientific research a regional and domestic priority. By prioritizing funding for research, governments help to accelerate scientific-based findings and bring solutions to help the public tackle not only health but other equally devastating potential global crises.