

UNOFFICIAL TRANSLATION

San José, Costa Rica, March 26th, 2020
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Mr. Antonio Guterres
Secretary General
United Nations Organization

Mr. David Robert Malpass
President
World Bank

Mrs. Kristalina Georgieva
Managing Director
International Monetary Fund

Mr. Luis Alberto Moreno Mejía
President
Interamerican Development Bank

Mr. Luis Carranza Ugarte
Development Bank of Latin America
CAF

Mr. Dante Mossi Reyes
Executive President
Central American Bank for Economic Integration

Subject: Of ventilators and fiscal policy

Dear Madam,
Dear Sirs,

COVID-19 confronts medical professionals and Government officials with profound ethical and humanitarian dilemmas.

The planet has witnessed how when health systems become saturated, doctors are forced to choose which patients to help to save their lives with ventilators, and which, due to lack of equipment, cannot be cared for, condemning them to an uncertain destiny. This is a tragedy the whole of humanity is facing.

Doctors are trained to save and protect human lives, and this deontological dilemma hurts them deep down in their Hippocratic Oath. In the current context, all health professionals on the planet are true heroes.

Today, we Government officials face a very similar dilemma, which goes beyond finding the resources to expand the reach of our health systems. Our current dilemma is to mitigate the growth curve of COVID-19 to avoid the saturation of our systems, while at the same time to sustain our economies after the crisis, and to protect the people, mainly the most vulnerable, from falling into unemployment and impoverishment.

Social distancing, one of the main measures against COVID-19, affects economies. The action of national Governments and central banks is key in mitigating the negative effects of the crisis, but developing countries and especially countries that do not have sufficient fiscal margin are limited in their capacity to respond, and that significantly exposes them. Their inhabitants are especially vulnerable.

Dear Madam and dear Sirs, the post-war institutions that you direct were created to face moments like the one we are experiencing.

Today it is necessary to do different and exceptional things.

Just as physicians should not decide between whom to give a ventilator, we Government officials, who have also sworn to protect our peoples, should not have to choose between the mitigation curve for COVID-19 and saving our economies and our fiscal viability. In this era where humanity has achieved greater technological advances, interconnectivity and accumulation of wealth, it is not acceptable that we must face this dilemma.

For the global medical response, Costa Rica proposed on March 24th of this year to the World Health Organization (WHO) the creation of a free access repository, or at least, with reasonable and affordable licensing, of all the existing knowledge that serves to face this emergency, and the one that will be generated in the future. This repository should include patents granted and in process to be granted, test data submitted to regulatory authorities, expert and technical knowledge, cell culture information, copyrights and designs for the manufacture of diagnostic tests, devices, as well as drugs or vaccines. This initiative would, for example, accelerate the production and availability of ventilators, among other benefits.

In the same manner, in order to meet the needs of developing countries and countries with fiscal limitations, I plead before you, having in mind the most vulnerable. It is urgent to complement the fund created in early March for central banks in order to deal with eventual reserve crises, with extraordinary financing facilities for extraordinary budgets for countries like mine as well as many others.

In this context, I urge you for more flexibility in the assessment of the countries' fiscal situation, so that a substantial increase in the deficit is considered, insofar it is the result of efforts to avoid the disappearance of businesses and the impoverishment resulting from unemployment, in relation to the economic deterioration caused by the strategy to combat COVID-19. The terms of the financial assistance granted in this context should be exceptional regarding interest rate, grace period and payment deadlines, that is, the lowest interest rate and the longest deadlines. It must, in turn, be complemented with payment arrangements for the existing portfolios, and the eventual suspension of payments.

This would, undoubtedly, be a historic multilateral and solidary response, perhaps the most important since the post-war period.

I make this request with the moral authority of having promoted during my government the profound and most comprehensive tax reform in my country in the last twenty years, approved by the Congress in 2018, which aimed to restructure our public finances, but above all to protect our people, executing an unpopular but responsible task.

The COVID-19 pandemic presents us, as an international community, with an unprecedented health and economic challenge. I therefore respectfully submit this request.

I appreciate your extraordinary efforts, demanded today by the poorest and most vulnerable.

With sincere consideration,

Carlos Alvarado Quesada
President of the Republic of Costa Rica