SIGMA
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Public Administration: Responding to the COVID-19 Pandemic

Mapping the EU member states' public administration responses to the COVID-19 pandemic (for EU Enlargement and Neighbourhood countries)

PART 5
Public Financial Management

1-7 April 2020

This informal mapping exercise was prepared by internal and external SIGMA experts, following a discussion with the European Commission, using publicly available information and some informal insights (collected between 1 and 7 April 2020. It provides a summary of how EU member states and selected OECD countries have managed the COVID-19 crisis initial stage with regard to the functioning of the government and the public administration. The mapping has been compiled as a source of information and inspiration for decision-making and decision implementation by policymakers in EU Enlargement and Neighbourhood countries.

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Are COVID-19 response measures being introduced within the framework of or with reference to existing fiscal rules (budget deficit or public debt ratio limits etc.)

AUSTRIA

The budget has been flexibly adapted to requirements / public debt increase accepted by parliament.

The "Protective Shield" support package comprises the following elements (Austrian Federal Ministry of Finance)[1]:

- *A new emergency assistance fund for industries hit hard by the crisis (EUR 15 billion): The financial aid is principally available to companies with a priority for strongly affected sectors, such as catering and retail. The emergency aid provides a mix of loans and grants in order to support the liquidity of enterprises. Loans are available up to a limit of EUR 120 million to cover operating costs.*
- *A new crisis management fund (EUR 4 billion): The fund is to provide money to increase the capacity of the health sector in terms of infrastructure and human resources. It also provides money to enterprises to bridge liquidity shortages and cushion the loss of revenues. The new crisis management fund also covers the hardship fund (EUR 1 billion) that gives grants to freelancers, non-profit organisations and small businesses affected by the legal or economic consequences of COVID-19. Immediate aid of up to EUR 7 000 over three months is available. The Austrian Chamber of Commerce processes the cases.*
- *Extension of the short time work scheme (funded by the crisis management fund): The budget of the Public Employment Service Austria (AMS) was increased to EUR 1 billion. It covers the salary of all workers including apprentices from 10% up to 90% of the working time according to collective bargaining agreements up to a certain threshold. The waiting period for short-time work allowances has been lifted. The net replacement rate is between 80 and 90%. Short-term work will be extended to three months (until May) with the possibility to extend it by another three months (until August).*
- *Tax-related measures (EUR 10 billion): The Ministry of Finance is to provide ways for businesses to request reductions in advance payments of income and corporate tax, the deferral of taxes and an exemption from deferred interest and late payments. Related to that, the social health insurance fund offers deferrals of social security contributions and forbearance regarding late payment surcharges. The increase in tobacco tax planned for April is postponed to October and deadlines in the area of the Tax Code and the Financial Criminal Law have been extended.*

Separate from measures that directly affect the Government's fiscal balance, the Federal Budget includes a guarantee framework of EUR 7 billion for credit protection to further support the liquidity of enterprises and self-employed, processed by the Federal Development and Financing Bank. EUR 2 billion is to be provided to the export credit scheme to cover up to 15% of operating costs of exporting enterprises. In addition, a temporary bankruptcy brake will ensure that enterprises do not have to file for bankruptcy in the event of temporary insolvency due to COVID-19.

BELGIUM

On 23 March, the Prime Minister presented a comprehensive overview of the measures to Parliament and mentioned the interventions that have already been decided will cost this year's budget EUR 8 billion to EUR 10 billion. That amount is in addition to the existing budget deficit, which was estimated at EUR 13 billion before the corona crisis. This means a deficit of almost 5% of GDP. Most measures are one-offs. These do not normally exacerbate the structural budget deficit, which is separate from the economic trend and one-off measures. The structural deficit was recently estimated at 2.9% or about EUR 14 billion.

On 19 March, the Government decided to set up the Economic Risk Management Group (ERMG) in order to analyse and combat the economic consequences. The ERMG is trying to map the economic impact as

[1] Quoted from "Initial Budget and Public Management Responses to the Coronavirus (COVID-19) Pandemic in OECD Countries", OECD

accurately as possible. That is not easy, because the usual economic indicators are less suitable for this purpose. The National Bank, working with various government institutions and with a great deal of support from organisations representing businesses and workers has therefore developed new measuring instruments. It is too early yet to publish objective figures on the crisis.

Nevertheless, the ERMG states that the impact will be severe but expects the effect to be fairly temporary. The economic infrastructure was sound before the crisis and will not be destroyed by the crisis, so it can restart once the pandemic is under control and that becomes possible again.

The Economic Risk Management Group has three tasks:

- *To measure the impact of the coronavirus pandemic on businesses, sectors and the financial markets*
- *To ensure that businesses and infrastructures which are particularly critical for the country continue to operate ("business continuity")*
- *To propose measures to the Government for combating this crisis and to co-ordinate those measures*

CROATIA

The Law on Budget envisages in Article 7 para. 2 that if in the course of the fiscal year extraordinary circumstances require the increase in expenditures or the decrease in revenues, the budget has to be balanced by identifying new sources of revenues and of new modes of decrease of expenditures. This has to be done by the amendments of the budget. The Government has not yet proposed the amendments to the 2020 state budget but it is expected that it will do so in the near future (after the agreement with the trade unions of civil and public servants and the employers' association).

The same law on Article 56 envisages that in the extraordinary circumstances (including a pandemic) the resources in budgetary stocks (separate resources that can be spent for extraordinary purposes) can be used, up to the limit of 0,5 % of fiscal revenues.

The Ministry of State Property has to ensure that the restrictions apply to the state companies.

The Government issued a Decision on Restrictions of Budgetary Spending (Official gazette 41/2020 of 3 April 2020): only the spending for necessary tasks is allowed; new recruitments are prohibited (including contractual employments) regardless of the source (health services are exempted as well as specific employment that has to be approved by the minister of finance); all public calls and public procurements that are not necessary are suspended (exempted are only the procurements and calls related to the COVID-19 pandemic measures or earthquake measures, as well as specific cases which have to be approved by the minister of finance).

The sanctions for those who do not apply the measures are provided in accordance to the Law on Budget and Law on Fiscal Responsibility.

Also, the Government Decision on the Suspension on the Fiscal Rules (Official gazette 41/2020 of 3 April 2020) temporarily suspended the rules on the share of the public spending in GDP and corresponding convergence rules.

CZECH REPUBLIC

The Government announced a fiscal package of CZK 100 billion (EUR 3.7 billion, 2% of GDP). While details are being determined, the measures will likely include income support of 60% of gross wages of employees sent into quarantine and up to 80% of gross wages of employees of businesses, that had to close because of containment requirements. The Government further granted a credit line for businesses through the state development bank (CMZRB) of CZK 10 billion and further pledged CZK 900 billion (EUR 33.3 billion, 16% of GDP) in guarantees. Advance payments on personal and corporate income tax are waived for Q2 2020, as are penalties for failing to pay property tax and file tax returns on time.

The Government has also released significant sums from its rural development and infrastructure development funds (which are part of the EU Operational Programmes) to cover additional costs relating to agriculture and transport infrastructure respectively during the crisis.

The package and other emergency measures pushes the budget deficit from CZK 40 million to CZK 200 million. A reserve of 4% of GDP is being prepared for 2021, with fiscal consolidation planned from 2022. The EU fiscal 'escape clause' is being invoked.

DENMARK

A range of new measures is already in place. Existing fiscal rules no longer apply. Denmark has adequate fiscal space. The authorities responded to the ongoing crisis by providing discretionary fiscal support to the tune of 2.5%of GDP (about DKK 60 billion). The increased spending will mainly finance additional health care needs and extraordinary budgetary measures to support workers and businesses. Another 2.5% of GDP in countercyclical support is expected to come through Denmark's strong automatic stabilisers—including from weaker tax receipts and higher social benefits. Temporary liquidity measures, including postponement of tax payments and government guarantees, will further support activity in the first half of year.

The Danmarks Nationalbank (DN) increased the policy rate by 15bps to -0.6%. The standing swap line with ECB was activated and its size was doubled to EUR 24 billion. It will remain in place as long as needed. In addition, the DN reached an agreement with the Federal Reserve to establish a USD 30 billion swap line that will stand for at least 6 months. The DN announced the launch of an 'extraordinary lending facility' which will make full-allotment, 1-week, collateralised loans available to banks at -0.5% interest rate on 20 March. On 19 March 2020, the DN expanded this facility to include 3-month variable rate loans, which will be available from 27 March 2020. The DN also increased the interest rate on the previously announced 1-week loans to -0.35%. The Danish authorities decided on 12 March 12 2020 to pre-emptively release the countercyclical capital buffer and cancel the planned increases meant to take effect later. The Financial Stability Authority also announced a case-by-case relaxation of regulation on the LCR requirement.

Denmark has enacted a massive stimulus package. See here for English summary: https://e-markets.nordea.com/#!/article/56458/massive-package-to-support-the-danish-economy

ESTONIA

The Government has prepared an additional budget to respond to the COVID-19 outbreak, which is to be debated in Parliament during April and enter into force from 1 May. The overall cost of the measures to respond COVID-19 covered in the supplementary budget is ca EUR 1.14 billion.

Key data from the supplementary budget regarding the change of economic situation:

- *expected economic growth rate 2020: -8%*
- *expected change in employment: -8.2%*
- *nominal budget position for 2020= -5.7% and for 2021= -2.9%*
- *structural budget position for 2020= -0.7% and for 2021 = 0.1%*

The budgetary position together with the impact of additional COVID-19 measures proposed by the Government to the Parliament on 2 April 2020:

- *Nominal position for 2020= -10.1% (-4.4% is the impact of COVID-19 measures)*
- *Structural position for* ***2020= -5.2%*** *(-4.4% is the impact of COVID-19 measures)*

The budget strategy for 2020-2023 (adopted in 2019) set a medium term objective to keep structural ***budget deficit to 0.5%. Considering the data from the fresh supplementary budget, the budget position both with (-5.2%) and without (-0.7%) crisis measures will exceed the planned deficit.***

The Government has also proposed to the Parliament to use the Stabilisation Reserve fully to alleviate economic and financial risks during 2020 and 2021.

Estonia has launched a EUR 2 billion support programme, including:

- *Measures for businesses through the KredEx Foundation such as loan guarantees, business loans, investment loans.*
- *The labour market service `Temporary subsidy program´, which is administered by the Unemployment Insurance Fund. Temporary subsidies will be paid to those employees whose employers are significantly impacted by the current extraordinary circumstances. The subsidy will grant an income for the employees and help the employers to surpass temporary difficulties without having to lay off their staff or file for bankruptcy. The amount of the subsidy will be 70% of the average monthly wage of the employee. The maximum amount of the subsidy is €1000. In addition to that, the employer must pay a wage of at least €150 to the employee. More information:https://www.tootukassa.ee/eng/content/subsidies-and-benefits/temporary-subsidy-program*
- *For the period of March to May, the state will compensate the first three days of sick leave for all incapacity leave applications.*
- *Rural companies can apply to the Rural Development Foundation for guarantees (up to EUR 50 million), business loans (up to EUR 100 million) or land capital financing (up to EUR 50 million).*
- *Self-employed workers are subject to an advance social tax support measure.*
- *Payments into the II pillar of the pension fund are temporarily suspended.*
- *The State compensates for the direct costs of cultural and sporting events cancelled due to COVID-19 in March-April, up to EUR 3 million. There are also supplementary subsidies for culture workers to compensate loss of income because of cancelling cultural events.*
- *Suspension of the tax interest calculation for a period of two months and to allow tax debt to be rescheduled at lower interest rates than are currently in force.*
- *Several tax incentives, for example reduction of excise taxes to reduce the price of fuel and electricity between 1 May 2020 and 30 April 2022 to ease the financial situation of consumers; reduction of tax on electronic publications, study materials, journals, newspapers etc.; reduction of personal income tax on income from forest management.*

https://www.valitsus.ee/en/news/emergency-situation-government-supports-estonian-workers-and-economy-least-eur-2-billion

FINLAND

The Government submitted the first supplementary budget proposal for 2020 to Parliament on 20 March. The supplementary budget is intended to cover expenses incurring from the coronavirus as well as for easing the financial situation of companies.

The General Government Fiscal Plan for 2021-2024 will be published on 16 April 2020. Measures to support the economy will be taken into consideration in the preparation of the 2021 budget proposal in mid-2020.

In April, the Ministry of Finance will provide the basis for the Government's decision on spending limits.

FRANCE

The costs of the tax package for households and businesses, as well as for the health sector, are officially estimated (as of 17 March) at around EUR 45 billion, or 1.9% of 2019 GDP, covering both expenses and taxes. This estimate is based on the assumption of 600 million hours covered by the plan over two months. The main budgetary costs are the postponement of social and tax deadlines (EUR 32 billion); the partial *unemployment scheme (EUR 8.5 billion), health measures (EUR 2 billion) and the solidarity fund (EUR 1 billion) for the self-employed and small businesses. The amending finance law provides for a deficit of 3.9% of GDP, compared to 2.2% in the initial finance law. It is based on a growth forecast of -1%, against + 1.3% in the initial finance law. The assumption underlying the growth forecasts is aligned with those established by the institutions of the European Union and will be revised in the event of further deterioration of economic conditions.*[2]

GERMANY

In order to finance the planned aid packages for companies, hospitals and employees, the Federal Government is making an additional EUR 122.5 billion available with a supplementary budget. At the same time, it expects to reduce taxes by around EUR 33.5 billion this year. To finance this burden, the law authorises the Federal Government to take out loans totalling EUR 156 billion.

The adopted supplementary budget of EUR 156 billion (4.9% of GDP) includes:

i. *spending on healthcare equipment, hospital capacity and R&D (vaccine),*
ii. *expanded access to short-term work ("Kurzarbeit") subsidy to preserve jobs and workers' incomes, expanded childcare benefits for low-income parents and easier access to basic income support for the self-employed,*
iii. *EUR 50 billion in grants to small business owners and self-employed persons severely affected by the COVID-19 outbreak in addition to interest-free tax deferrals until year-end.*

At the same time, through the newly created economic stabilisation fund (WSF) and the public development bank KfW, the Government is expanding the volume and access to public loan guarantees for firms of different sizes, with an allocation of at least EUR 825 billion (25% of GDP).

In addition to the Federal Government's fiscal package, many state governments (Länder) have announced their own measures to support their economies, amounting to EUR 48 billion in direct support and EUR 63 billion in state level loan guarantees.[3]

The adopted measures mean exceeding the constitutionally required debt brake. According to the Basic Law, this is only permissible in the event of an emergency - which the Bundestag decided on 25 March 2020 with the required majority of its members.

HUNGARY

The Government announced (on 6 April) the increase of the budget deficit from 1% to 2.7% for 2020. A special epidemic fund is established in value of about 3.5 billion euro by reallocating funds from other areas of the budget (including transfers to political parties and local governments) and introducing new taxes on banks and large retailers. The public debt/GDP ratio will not be decreased further this year as originally planned.

The outline of a big economic rescue package was announced (on 6 April), 18-20% of the GDP. However, no details are public at the moment.

IRELAND

The normal rules are not a priority now. The objective is to introduce measures that will alleviate the pressure on business and maintain employment so that the Irish economy is well placed to recover when the virus dissipates. In this regard, the Government introduced a fiscal package of a gross €7.2 billion (about 2% of GDP) that includes income support measures, liquidity support for affected businesses and an

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2 Initial Budget and Public Management Responses to the Coronavirus (COVID-19) Pandemic in OECD Countries - Working Document- Public Governance Directorate – OECD - 03 April 2020

3 https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#G as of 2 April 2020

increased allocation to the health sector. There is an expectation that the ECB will provide monetary policy support that will enable the Government to fund these measures.

ITALY

The pandemic has caused significant economic damage and cost to the Italian economy. The shutdown will cost Italy billions of Euros.

On 5 March 2020, in a letter informing the European Commission of Italy's latest fiscal decisions, the Minister of Economy and Finance stated: "Deviations from existing structural deficit targets can be authorised by Parliament in the presence of extraordinary events outside of the Government's control[…] The package we are about to legislate is worth EUR 6.3 billion in terms of impact on the general government deficit. Last September Parliament authorised a general government deficit of 2.2% of the GDP in 2020. If Parliament approves the additional expenditure, the deficit projection for 2020 will rise to 2.5 % of the GDP[...]. The coronavirus outbreak will negatively affect the economic and budgetary data for March and our annual projections. At present, it is difficult to predict what the net impact of all these factors will be".[4]

The Decree no. 18 of 17 March 2020 (the "#CuraItalia Decree") provides for additional public schemes to employers operating across the whole country.[5] *It contains measures such as allowing additional funding to pay for overtime of staff within the national health service and provide an allowance for temporary employees.*[6]

During the last week of February, the Government requested the Parliament to approve an increase in the deficit ceiling for 2020 in order to finance additional emergency measures. Along with this request, the Government reiterated its commitment to returning to a fiscal consolidation and debt-reduction path as soon as the epidemic and its economic fallout have been resorbed. The Government is committed to sparing no efforts to ensure that a package of measures is agreed with the European Union and other international partners.[7]

LATVIA

The Government is constantly informing the Parliament and the public on the impact of its decisions related to public finances. The budget deficit has increased in compliance with the overall rules set out by eurozone economies during a time of crisis.

More information on the fiscal decisions can be found on the Ministry of Finance's website in the specially designated chapter[8] *and the IMF Latvia country page*[9]*.*

LITHUANIA

Exceptional circumstances initiated by the Ministry of Finance and confirmed by the National Audit Office related to COVID-19. This exception is based on the measures taken by the parties to combat the adverse effects of COVID-19. As soon as the situation regarding COVID-19 in Europe stabilises, the fiscal discipline rules of the Pact will resume normal application.

Fiscal measures – overall *(copied from http://www.oecd.org/coronavirus/en/)*

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[4] http://www.mef.gov.it/inevidenza/Covid-19-lettera-di-Gualtieri-a-Dombrovskis-e-Gentiloni/

[5] Ministry of Finance and Economy website. 17 March 2020. http://www.mef.gov.it/covid-19/Sostegno-ai-lavoratori-e-garanzia-dei-redditi/

[6] http://www.mef.gov.it/covid-19/index.html

[7] Economy and Finance Ministry comments on the latest measures announced by the government in relation to the COVID-19 outbreak, 9 March 2020. http://www.mef.gov.it/ufficio-stampa/comunicati/2020/documenti/en_comunicato_0043_.pdf

[8] Covid-19 related information on the Ministry of Finance web-site (in Latvian): https://www.fm.gov.lv/lv/covid_19/arkarteja_situacija/

[9] IMF Latvia country page on Covid-19 response (in English): https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#L

The Government introduced on 16 March 2020 a fiscal package of EUR 2.5 billion (including EUR 0.5 billion for health) under the action plan to mitigate the impact of COVID-19. The measures aim to:

- *Ensure the effective functioning of the health care system: the funds are dedicated, in particular, to the acquisition of equipment, finance additional health care costs, including bonuses to health care workers, and ensure subsidiary social guarantees for employees infected by a contagious disease.*
- *Help safeguard jobs and incomes, including subsidies wages, benefits for self-employed and funds to ensure the payment of sickness benefits of carers.*
- *Help business to save liquidity, including postponement of the payments date of tax arrears for the affected taxpayers.*
- *Stimulate the economy including through measures to accelerate the investment programmes; reallocate the EU investment funds to health, employment and business areas; permit the use of all funds of the Climate Change Programme, Road Maintenance and Development Programme, and to speed up the multi-apartment building renovation programme; and offer possibilities for municipalities to implement the investment projects by extending lending targets and to ensure the emergency liquidity assistance.*

To ensure the liquidity of the State Treasury, the action plan grants the right to the Government to borrow additional EUR 5 billion.

***Fiscal measures - people specific** (copied from http://www.oecd.org/coronavirus/en/)*
The fiscal package under the action plan to mitigate the impact of COVID-19 includes the following measures:

- *Subsidising wages: from public resources to contribute (up to three months) to the efforts of employers to safeguard jobs by covering part of the salary to employees for downtime or partial downtime. The employee should be guaranteed payment that is not lower than the minimum monthly salary (MMS).*
- *Ensuring the payment of sickness benefits.*
- *Flat rate sickness benefit (EUR 257) to self-employed persons who have paid social insurance contributions for at least three months during the year prior to the declaration.*
- *Payment for up to nine months of unemployment insurance benefits to unemployed persons.*
- *Prolongation (from three to six months) of the grace period for repayments on mortgage loans to redundant persons.*
- *Possibility of deferring or arranging installments for electricity and gas payments to public provider.*
- *Recommendation for municipalities to exempt taxpayers from taxes levied on business property and land.*

***Fiscal measures - company specific** (copied from http://www.oecd.org/coronavirus/en/)*
The fiscal package under the action plan to mitigate the impact of COVID-19 includes the following measures:

- *Postponement of the payment date of tax arrears for affected tax payers.*
- *Exemption from fines and default interest for failure to comply with tax obligations on time.*
- *The guarantee limit for the Agricultural Credit Guarantee Fund and ceiling for INVEGA (promoting the development of small and medium-sized enterprises) guarantees are set to increase by EUR 500 million.*
- *Possibility for business customers to defer or arrange payments in installments to the public provider of electricity and gas.*
- *Recommendation for municipalities to offer the possibility of deferring or arranging the payment of public utility charges and payments for heat in installments.*

- *Recommendation for municipalities to exempt the taxpayers from taxes levied on business property and land.*

Monetary policy / Macro-prudential regulation

It is planned to allocate 10% of GDP, EUR 5 billion, to secure employment, health and security for the population - and, of course, it will help business and boost the economy:

- *Providing the necessary resources for the efficient running of health and public health systems - EUR 500 million.*
- *EUR 500 million for jobs and income protection.*
- *EUR 500 million to maintain business liquidity.*
- *EUR 1 billion to boost the economy.*

The Economic and Financial Instruments Plan provides for the Government to borrow an additional EUR 5 billion.

NETHERLANDS

The crisis management has forced the Cabinet to give priority to supporting companies in trouble over the fiscal rules. For the support of the economy there is 'whatever it takes' strategy. This was a Cabinet decision with the approval of the Parliament. The costs of the measures taken up to now will not lead to the budget deficit being exceeded. However, the measures are being introduced on a step by step basis, starting with a package of EUR 15.6 billion for the first three months, which is about 2% of GDP.

POLAND

So far, fiscal rules for state budget have not been modified but it is a likely scenario in upcoming weeks. Fiscal rules for local governments have been loosened, especially in terms of the calculation of the debt limits.

PORTUGAL

- Tacit approval of multi-annual expenses that are not expressly rejected, within three days, after submission of the request for authorisation of an extension of expenses ordinance to the member of the Government responsible for the area of finance (Article 3(1)(c));
- Budgetary changes involving an increase in funds, in exchange for other actual expenditure items, shall be authorised by the member of the Government responsible for the respective sector area (Article 3(1)(d));
- Tacit approval of the disengagement of funds, as soon as three days have elapsed after the submission of the respective request, in cases where this is duly justified in order to comply with the objectives set out in Article 1 of the Decree Law (Article 3(1)(e));

ROMANIA

No specific reference can be identified so far to fiscal rules as regards budget deficit and public debt ratio.

The Presidential Decree provides for two particular cases:

- *During the state of emergency, transfers can be made between the budgets of the Ministry of Health and the National Fund for Health Insurance (in both directions), as well as between the different budget lines of the Ministry of Health or the National Fund for Health Insurance, depending on needs.*
- *For medical services, medicines, paraclinical investigations provided during the period of emergency, the amounts committed will not be limited to those approved for the first quarter of 2020.*

SLOVENIA

So far, no specific reference has been made to fiscal rules as regards budget deficit and public debt ratio. A Law on urgent measures in public finance was passed stipulating that:

- *The Government may, at the proposal of the Ministry of Finance, temporarily (there is no limitation as to the period) withhold budgetary expenditure for certain purposes, which will enable spending for urgent needs and financing of measures for mitigating the effects of the epidemic on citizens and economy.*
- *The Government has full prerogative to create new budget lines and reallocate resources from one line to another (an action that is normally very limited). This means that significant transfer of power in the PFM area from the Parliament to the Government has taken place.*
- *The Law also stipulates that the Government shall submit a proposal for the re-balanced state budget within 90 days of the termination of the state of epidemic, but no later than 1 September 2020.*

As regards the fiscal rules, the Law on Fiscal Rule (2015), partially transposing the Council Directive 2011/85/EU (8 November 2011) on requirements for budgetary frameworks of the Member States, envisages exceptions from the principle of mid-term public finance balance in the case of unexpected events. The existence of such events shall be declared by the Government upon receiving an opinion by the Fiscal Council. The Parliament then, at the proposal of the Government, amends the mid-term budget framework accordingly.

This mechanism has not yet been applied, but we can assume that it might be applied when the Government proposes the re-balanced budget within 90 days of the termination of the state of epidemic, in line with the Law on urgent measures.

SLOVAK REPUBLIC

The first fiscal measures approved in response to the pandemic are new rules in the sickness insurance system to help those affected by school closures and quarantine. Parents who are at home with their kids will get 55% of their gross salary from the state during school closure (instead of 10 days maximum). Employees in quarantine will get 55% of their gross salary from the state (first 10 days were covered by the employer previously). This measure is estimated to cost EUR 400 million.

On 3 April, the Prime Minister announced that individuals, the self-employed and small and medium enterprises (SMEs) can request a nine month postponement of loan repayments. Contactless credit card payments are being raised from EUR 20 to EUR 50.

Among the specific measures already announced:

- *Support for employees: The state will pay 80% of wages at firms forced to shut. The state will also contribute help to self-employed people and employees in firms that suffer falling revenue, with payments linked to the size of the revenue drop.*
- *Support for businesses: Employers will be allowed to postpone their contributions to state social and health systems and delay some tax payments if they suffer a 40% drop in revenue. Firms can also offset accumulated losses from past years going back to 2014 against corporate income tax.*

Other key measures currently under consideration include (i) deferral of various tax payments (including PIT, CIT and VAT) and temporary relief from social security and health insurance contributions; (ii) enhanced support for affected workers and businesses through easing conditions of social insurance programmes and state subsidies for retention of jobs; (iii) negotiations with banks to postpone repayment of loans for citizens and businesses; and (iv) measures to ease administrative burdens on businesses and relax labour code requirements.

It is worth noting that Slovakia has the highest dependence on the car industry in the world, and all four major production sites are now at a standstill. This is the major economic challenge facing the Government with respect to the long-term stability of the economy.

SPAIN

The Ministry of Finance is performing all budget amendments required (transfers between budget sections)

The local governments have additional budget flexibility to spend on COVID-related issues

SWEDEN

In mid-March, the Government proposed a 300 billion SEK (€27bn) emergency package to reduce the economic impact of the crisis. The proposal included a system with a reduction in work hours where the Government will cover half of the salary, aiming to help businesses stay afloat without having to layoff staff. Furthermore, the Government would pay the employer's expenses for any sick leave, which is normally shared between the employer and the state. The employer contributions have also been temporarily discontinued for small business owners. This will save small businesses approximately 5000 SEK per employee each month but will result in a loss of tax revenue of 33 billion SEK.

Local governments, such as the Municipal Government in Gävle, have applied measures to businesses delaying the payment of invoices until September 1, 2020 at the earliest and deferring rent payment. On 2 April, the Financial Supervisory Authority ('Finansinspektionen') decided that Swedish banks can temporarily allow exemptions for housing mortgage lenders regarding the reimbursement of loans.

On 30 March, the Government announced a new crisis package for jobs and transition

- *Temporary reinforcement of unemployment insurance: eligibility conditions (length of employment and membership of a fund) will be temporarily relaxed; both the highest and the lowest amounts paid out by an unemployment insurance fund will be raised temporarily; the six initial qualifying days will be removed; the unemployment insurance funds will receive funding from the administration.*
- *More active labour market policy: increased funding for the public employment service and labour market policy programmes; the period during which a person may have a subsidised job (extra job, new start job or introductory job) will be extended by an additional year for those who already have such jobs; the maximum time for support for starting a business will be extended from six to twelve months; municipalities will receive grants for more summer jobs for young people and funding for green jobs.*
- *More places and more distance learning at higher education institutions to benefit unemployed and people who are given notice of the termination of their contract.*
- *More opportunities for vocational education and training throughout the country.*
- *Removal of the income ceiling for student aid: the income ceiling for all those receiving student aid will be temporarily removed so that health and medical care students can help out in the health care sector without their student aid being reduced.*

Fiscal measures - company specific

- *On 16 March, the short-term layoffs scheme was introduced. Employees receive more than 90% of their wages, but employers' wage costs can be halved, thanks to the Government subsidy. The subsidy level is significantly higher than in the previous short-time work scheme (estimated cost: SEK 20 billion).*
- *Liquidity reinforcement via tax accounts: companies can defer three months payment of employer social security contributions, preliminary tax on salaries and value added tax that are reported monthly or quarterly for up to 12 months, with interest. The new regulations take effect on 30 April, but can be retroactively applied from 1 January 2020. If companies use this opportunity to the same*

extent as in 2009, this would amount to SEK 27 billion. If all companies would use it to the maximum, this would amount to SEK 315 billion. To support SMEs, it will also be allowed to defer the value-added tax reported annually. Hence, companies can defer the payment of last year's VAT that is due shortly. If this is used to the maximum, it can amount to SEK 7 billion. In addition, SMEs can claim back the preliminary tax paid in 2019 and either pay it later or set it off against future losses (the maximum liquidity reinforcement could amount to SEK 13 billion).

THE UNITED KINGDOM

The Government has announced a wide-ranging economic package to help support UK public services, businesses and households. The Institute for Fiscal Studies estimates that the total package of additional spending would cost more than £50 billion, or 2.3% of GDP in 2020–21. A new package of measures was announced on 3 April, and more measures are expected.

The Government did not issue any official statements suspending the fiscal rules. The Office for Budget Responsibility stated that "the fiscal rules approved by Parliament in the January 2017 - Charter for Budget Responsibility - remain in force for now – and the Government is not on course to meet them".

However, breaking the fiscal rules is not a concern for the Government at the moment. The Chancellor (Minister of Finance) promised to "do whatever it takes" to support the economy through the crisis (Source: Speech: Chancellor of the Exchequer/Minister of Finance on COVID-19 response). The Head of the Office for Budget Responsibility said that "now is the time to spend without regard for the national debt", (Source: link) and the Department of Health and Social Care received ministerial approval for spending which, at the end of the 2019-20 financial year, could lead to the department exceeding its expenditure limits (Source: Matt Hancock's letter).

KOREA

Direct measures amount to 0.8% of GDP (approximately KRW 16 trillion, including a supplementary budget for KRW 11.7 trillion).

Health care measures: prevention, testing, and treatment costs, and loans and support for medical institutions. Measures for households: transfers to quarantined households, employment retention support, consumption coupons for low-income households, and emergency family care support. Measures for firms: loans and guarantees for business operation, and support of wages and rent for small merchants. Measures for local communities: local gift certificates and local government grants for costs of responding. Revenue measures: consumption tax cut for auto purchases; tax cuts for landlords who reduce rent for commercial tenants; VAT reduction for the self-employed; and tax payment deferral covering a broad range of taxes for small businesses and the self-employed in medical, tourism, performance, hospitality, and other affected sectors.

The Government announced an additional KRW 50-trillion rescue package for small businesses and self-employed workers hit hard by the virus. The assistance includes the expansion of financial support for small businesses to KRW 12 trillion, making them eligible for loans with 1.5% interest from any domestic financial institution. A special loan guarantee program worth KRW 5.5 trillion and debt rollover by all registered financial institutions are also included. In addition, financial institutions will give small and medium companies and small business owners extensions on their loan payments and allow delayed payments for loan interest.

Are the cost of these measures being published?

AUSTRIA

Yes – all measures & impacts are published. See also regional sample:
https://www.graz.at/cms/beitrag/10346920/8145153/Coronavirus_Milliarden_Euro_Hilfspaket_der.html

BELGIUM

Several severe measures have been taken over the past weeks to support and save the economy (companies, self-employed to temporally unemployed people)

- *National Promotional Institution will provide a credit line of EUR 5 million to support SMEs. Through leverage and the intervention of banks, this intervention will mobilise EUR 100 million.*
- *On 13 March, EUR 100 million of additional guarantees (on top of the existing EUR 300 million) for companies affected by the coronavirus were announced for new working capital financing.*
- *Income replacement for small enterprises/shops of EUR 4000 (full closure) or EUR 2000 (partial closure) per enterprise, temporary unemployment for technical reasons or force majeure for many employees, postponement and reduction of social security contribution. Some support from within certain sectors such as cafes/bars/restaurants: large breweries will charge no rent on own buildings during the crisis. Postponement of payment of road tax and real estate taxes.*

CROATIA

The first package of measures for the economy was worth EUR 4 billion but the April package introduced a set of new measures.

The implementation of the measures has been in place for less than a month (formally from 12 March) so the exact figures are not yet known (some measures depend on the applications of the private sector entities). However, the Prime Minister has given the general framework for certain expenditures at the press conferences. For example, the tourism sector measures will amount to approximately EUR 80 million, support for the employment around EUR 50 million etc.

Information on donations by the citizens and private sector has been published (EUR 1.5 million; in parallel, an account for the donations for the earthquake has been opened – EUR 1 million)

CZECH REPUBLIC

The full package of measures is still in preparation and their total cost is, as in other countries, an estimate given the uncertainty around the duration and severity of the crisis, level of uptake by programme, etc…

DENMARK

Yes

ESTONIA

Yes, in the explanatory letter (in the section of impact assessment) of the package of laws in response to the COVID-19 crisis.

FINLAND

Cost = EUR 397.89 million
The cost of the measures can be found :

https://budjetti.vm.fi/indox/sisalto.jsp?year=2020&lang=fi&maindoc=/2020/ltae1/hallituksenEsitys/hallituksenEsitys.xml&opennode=0:1:

FRANCE

Yes. Please consult the figures of the law n° 2020-289 of 23 March 23 2020 of amending finance for 2020.[10]

GERMANY

Yes, with the documents of the supplementary budget, so for example for the federal level:

https://www.bundesfinanzministerium.de/Content/DE/Downloads/Abt_2/2020-03-23-Tabellen-Nachtragshaushalt2020.pdf?__blob=publicationFile&v=6

HUNGARY

The only published figure (on 3 April) is that about EUR 1.1 billon has been spent so far for the protection measures.

No forecasts are available on the economic impact of the crisis

IRELAND

It is impossible to accurately forecast the effect of the virus and/or the response measures on the Irish economy and on public finances, but a recent forecast by the Economic and Social Research Institute (ESRI) forecasts a 7.1% fall in GDP, whereas its previous pre-Virus forecast had been for growth of 4%. The ESRI also forecasts that instead of running a budget surplus, as had been expected, the Government now expects to face a budget deficit of 4.3% (€12.7bn) due to the significant fall in tax revenues to the exchequer.

The Parliamentary Budget Office has published information on the Parliamentary website at https://data.oireachtas.ie/ie/oireachtas/parliamentaryBudgetOffice/2020/2020-03-26_ireland-s-fiscal-response-to-covid-19-a-pbo-analysis-of-the-emergency-measures-in-the-public-interest-covid-19-bill-2020-and-previous-act_en.pdf.

ITALY

There is no official estimate of the various measures but there are some estimates of the total "ALL"cost (including indirect) of the measures. http://www.mef.gov.it/covid-19/Sostegno-ai-lavoratori-e-garanzia-dei-redditi/. *The Ministry of Economy and Finance website http://www.mef.gov.it/index.html has published all decrees adopted by the Government and measures taken during COVID-19 emergency, along with the existing legislation, in a dedicated section on the MEF page: http://www.mef.gov.it/covid-19/Potenziamento-del-sistema-sanitario-nazionale-della-Protezione-Civile-e-degli-altri-soggetti-pubblici-impegnati-sul-fronte-dellemergenza/*

As stated in the letter, the Minister of Economy and Finance sent to the EC o*n 5 March 2020, "The deficit estimate for this year is likely to change by the time we release our 2020 Stability Program. The trend in public finances before the coronavirus outbreak was extremely encouraging. Indeed, the deficit outturn for 2019 was much lower than expected, at 1.6% of GDP, versus a projection of 2.2% of GDP in October's Draft Budgetary Plan. Moreover, January and February 2020 have seen a continuation of the year-to-year decline in the borrowing requirement of the central Government: at EUR 32 billion, the twelve-month rolling deficit is the lowest since mid-2008. However, while starting from a stronger base, the coronavirus outbreak will negatively affect the economic and budgetary data for March and our annual projections. At present, it is difficult to predict what the net impact of all these factors will be, but we are hopeful that the new estimate will be close to the original one.* [11] *However, some recent studies show that so far, "the government has*

[10] https://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000041746298&categorieLien=id

[11] http://www.mef.gov.it/inevidenza/Covid-19-lettera-di-Gualtieri-a-Dombrovskis-e-Gentiloni/

sought to borrow an extra EUR 25 billion and announced it wants to borrow an additional EUR 25 billion. With Italy's total debt already at EUR 2.5 trillion, about 130% of its GDP, there is not much room to manoeuvre.[12] *Economist Alberto Bisin predicts that, due to borrowing and losses, Italy's debt-to-GDP ratio will rise from 130% to 180% by the end of the year.*[13]

The 17 March Law Decree provides for a package based on four pillars:

1. *measures to strengthen the National Health Care System, the Civil Protection Department and law enforcement bodies (EUR 3.2 billion)*
2. *measures to protect jobs and incomes and strengthen the social safety net (EUR 10.3 billion)*
3. *measures to support credit supply for businesses and households (EUR 5.1 billion)*
4. *suspension of tax commitments and provision of tax incentives (EUR 1.6 billion).*

On 28 March, the Government decided to advance EUR 4.3 billion from the Solidarity Fund for municipalities. To complement this measure, the Civil Protection Department allocated another EUR 400 million to Italian municipalities, to be used to distribute coupons for groceries to the poorest families especially in the southern regions of the country (Source: OECD GOV paper).

Indirect costs of the crisis are hard to estimate.

LATVIA

All decisions taken by the Government are supplemented by an Explanatory Note (Annotation) consisting of a compulsory fiscal impact assessment on the state budget. This is checked by the Ministry of Finance as part of a compulsory inter-ministerial consultation process. All Explanatory Notes (Annotations) are publicly available alongside the legal act.

Costs and means of financing are explicitly communicated to the public by the Prime Minister and other ministers during regular press conferences held after each Government meeting.

LITHUANIA

Yes: http://finmin.lrv.lt/lt/naujienos/visuomenes-sveikatos-apsaugai-ir-salies-ekonomikai-5-mlrd-euru

NETHERLANDS

Yes. The €15.6bn figure is an estimate. The Government has stated that the total cost of these programs will depend on demand. Nevertheless, according to Finance Minister Wopke Hoekstra, the budget surplus gives room for additional public spending of up to EUR 90 billion (or 11.6% of GDP). While the direct support measures announced so far are estimated to cost €15.6bn, or about 2% of GDP, it is also noted that the estimated costs of the tax deferral support is between EUR 45-60 bn (5.8%-8.4%) of GDP in 2020.

POLAND

The Explanation Note attached to the Government's draft Law (26 March 2020) amending the special Law of 2 March 2020 on specific solutions related to the prevention, counteraction and fighting COVID-19 provides information about estimated (partial) costs of some instruments, but not the full financial assessment and costs for the budget since it is impossible to assess at this stage, and more measures are planned to be introduced.

No modification of the state budget for 2020 has been adopted, no changes have been introduced in the 2020 budget law so far.

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12 *Italy's future is in German hands". POLITICO. 2 April 2020.* https://www.politico.eu/article/coronavirus-italy-future-germany/

13 *Italy's future is in German hands". POLITICO. 2 April 2020.* https://www.politico.eu/article/coronavirus-italy-future-germany/

PORTUGAL

No data available.

ROMANIA

No systematic information

RON 42 million (~ EUR 8.5 million) allocated from the Government Reserve Fund to the Health Ministry to support the quarantine activities.

The Government put forward a package estimated at approximately 3% of GDP for sustaining the companies, in particular SMEs, affected by coronavirus crisis.

SLOVENIA

Every draft law, including the ones introducing urgent measures, is accompanied by a calculation of financial impacts. Limited transparency might be an issue with amendments to the draft laws proposed by the members of parliament.

The package of measures envisaged by the Law on urgent measures is estimated to cost EUR 3 billion (cca. 7% of GDP).

SLOVAK REPUBLIC

There are currently no estimates of the size of these fiscal measures, though the Government suggested that the cost could be around 1% of GDP per month.

The Deputy Prime Minister made a statement saying the EU funding streams currently in place through various Operational Programmes would be tapped to provide funding for emergency measures.

SPAIN

No data available

SWEDEN

Yes, on government and agency websites

THE UNITED KINGDOM

The Government has not published one overarching estimate for the total package of additional spending. However, HM Treasury/Ministry of Finance has quantified or monetised several parts of the package. For example, it has estimated that about 3m people, or 10% of the private sector workforce, would be laid off temporarily and thus their employers would be able to take advantage of the Job Retention Scheme and that the Self-employment Income Support Scheme would cost £9bn for the first three months (Source: Financial Times and Financial Times). Several think tanks have also published their estimates; for example the Institute of Fiscal Studies .

KOREA

Yes, the Government is publishing detailed breakdowns of the costs of its economic package.

The Government has monitored the progress of the fiscal measures by converting Regular Fiscal Management Inspection Meeting, which are held twice a month, into an Emergency Fiscal Management Inspection Meeting. A goal from the supplementary budget is to execute 75% or more of the response measures in the next two months. In addition, the Central Government has urged the Local Government to prepare supplementary budgets as soon as possible. The Government is to prepare a further package *including a second supplementary budget to help boost the economy after the election of members of the National Assembly on 13 April.*

Have budget users been asked to identify cost-saving measures to partially offset the cost of the response measures?

AUSTRIA

Nothing known so far; the Government is expecting drastic overspending. There are NO austerity measures in place.

BELGIUM

At this time, the exercises are being made to identify cost-savings, although ministries have been pre-occupied with taking the necessary measures in response to the crisis and assure business continuity.

CROATIA

The budget users have been asked to identify obligatory savings of 5% of their budgets plus, if possible, additional savings above that limit.

CZECH REPUBLIC

No information. While current extra spending is being met through an expansion of the deficit in the 2020 State budget and with recourse to some EU funding streams, a search for savings from public organisations is likely to be the next step.

DENMARK

No

ESTONIA

Formally not yet, but most probably it will come soon. The administration is preparing the next years' budget now and looking at the economic forecasts, and it is highly probable that they will be asked to propose cuts.

FINLAND

The Government has not yet discussed the cost-saving measures.

FRANCE

Information currently unavailable.

GERMANY

The supplementary budget is financed by additional borrowing. Budget users have so far not been asked to suggest cost-saving measures.

HUNGARY

Budget users have not yet been asked, however cost saving measures are expected in the near future.

IRELAND

So far there has been no such requests although there will have to be at some point in the future. For example, in many expenditure programmes there will be less activity owing to activities being deferred or cancelled. With staff being re-allocated between agencies on a temporary basis, there may be some savings to the "home" agency budget. However, the reality is that any reallocations will be relatively minor in the scale of things.

ITALY

The Government is currently focused on providing additional funds to support the measures aimed at addressing the crisis. At this time, no information to fund the emergency measure is available for cost-saving measures across public administration and sectors of economy.

LATVIA

There is a decision to transfer all expenditure of public institutions related to business travel to a special budget program "Expenditure for unforeseen measures". That budget will be used to cover unplanned expenditure connected with the COVID-19 crisis[14].

Currently there is no other publicly available information on any other cost-saving measures.

LITHUANIA

No, for the time being budget users are not asked to take over cost saving measures. On the contrary, the MoF has recommended to budget institutions to speed up the utilisation of budget funds (current expenditures) in order to stimulate the economy. It is important to also point out that budget revenue performance in March was 85%.

NETHERLANDS

At this stage, budget savings elsewhere are not foreseen. Thanks to a very healthy state budget and debt position, the authorities believe that the extra measures can be financed by increasing the state debt, with no need for cost-saving measures in other areas. Where there are programmes with underspending at the end of the year, these savings will offset partially the overruns owing to COVID-19.

POLAND

No information available.

Head of Internal units in ministries were asked to provide information about expenditures they could resign from and the amount of potential savings.

PORTUGAL

No data available.

ROMANIA

No information

14 Covid-19 related information on the Ministry of Finance web-site (in Latvian): https://www.fm.gov.lv/lv/covid_19/arkarteja_situacija/

SLOVENIA

The Ministry of Finance is co-ordinating reallocation of funds. No systemic approach to cost-saving for the future re-establishing of public finances has been established.

SLOVAK REPUBLIC

Not yet, but this will probably happen in the coming weeks, once the Government takes stock of its fiscal position.

SPAIN

Not on the (public) agenda

SWEDEN

No information available

THE UNITED KINGDOM

There have been no official announcements regarding cost-saving measures to partially offset the cost of the response measures. Departments have not been asked to look for savings. However, the Chancellor hinted at changes to the way the self-employed are taxed once the crisis is over to ensure "all pay is equal in the future" (Source: Speech: Chancellor outlines new coronavirus support measures for the self-employed).

*The Cabinet Office has issued **procurement guidance, advising central departments and executive agencies** that the COVID-19 crisis qualifies as an exceptional circumstance that allows normal rules for buying goods and services to be bypassed (Source: Procurement Policy Note 01/20: Responding to COVID-19).*

KOREA

The Government is considering ways to reduce the public sector budget. In the past, this has meant pay and hiring freezes (lasting two years in the case of the financial crisis). Senior civil servants and government officials have already offered voluntary pay cuts, as have senior officials from other government agencies.

Are internal controls continuing to operate smoothly (electronic signatures)?

AUSTRIA

No doubt.

BELGIUM

Overall, the arrangements for audit and control are complex. This is partly due to the hybridity of the Belgian public administration, with characteristics of a managerial system (ex post control) and characteristics of a bureaucratic system (with ex ante control).

The federal Government has only recently (15/01/2016) decided to introduce a system of internal auditing. The foundation of the federal internal audit service is currently in progress. Since 2010, the federal Government however did have an audit committee. Audit and control mechanisms typically build on each other. The management of the organisation is responsible for organising control. Processes in an organisation need to be organised in such a way that there can be reasonable assurance of correct and purposeful actions. The internal audit checks these processes of control and reports to the audit committee, which in turn advises the board or the functional minister. The external auditors build on the work of the internal audit and are independent of the organisation. This system continues to work as regular.

CROATIA

Yes, internal controls are functioning as usual.

CZECH REPUBLIC

No information, but the public finance and purchasing systems were already highly digitalised.

DENMARK

Yes

ESTONIA

Internal control has been using electronic document management for all kinds of operations (administrative decisions, staff decisions, cost approvals and other budgetary operations, letters etc.) for many years. No major change is needed here because of the crisis. Electronic approvals and signatures are secure, and transparency and accountability is ensured.

FINLAND

No information available.

FRANCE

It would appear so.

GERMANY

Ministries generally do not yet fully function in paperless mode, but they have adapted to the situation by issuing specific organisational acts for the administrations in their sector.

Here is the example for regulating signatures:

Internally necessary signatures required to show internal consultations have taken place, can be issued by e-mail. E-mails then have to be printed for the files (this can be done at a later stage when possible). The files have to mention in which way signatures were issued (name, signature per e-mail, etc.). In cases, where normally an original of a decision with a signature has to be issued and printed, this can now be done by indicating that it was issued in the above-mentioned way.

If a printout is currently not possible it can be substituted by a PDF file.

Each administration is required to organise the process in the described way.

HUNGARY

Most probably. The treasury system is working, there have not been any complaints about delays or other problems.

IRELAND

Anecdotally, within the Civil Service, increased digitalisation in recent years means there is better provision for electronic sign off. Internal financial controls incorporate electronic means so they should continue smoothly, as long as key officials do not fall ill. Even in that eventuality, there are contingency plans in place. Most requirements can be fulfilled with electronic signatures, up to the level of a Minister. However, original signatures are still required in some cases (e.g. Statutory Instrument)

ITALY

Internal financial controls should continue running smoothly as they had already been using electronic signatures and systems. No new changes and announcements in response to the coronavirus have been made based on informal checks and review of publicly available information.

LATVIA

Currently, the public administration is functioning as foreseen by the laws and regulations and this includes internal and external controls.

LITHUANIA

No evidence.

NETHERLANDS

Signatures can be signed electronically and, when necessary, confirmed at a later point.

POLAND

No information available.

PORTUGAL

No data available.
Deadlines to submit financial reports to the SAI are extended.

ROMANIA

No information

SLOVENIA

Yes, electronic signature is broadly used throughout the public administration and it seems that no major problems have been encountered.

SLOVAK REPUBLIC

No information currently available.

SPAIN

No data available

SWEDEN

No information available

THE UNITED KINGDOM

An electronic system of internal controls and approvals have been in place before the crisis in most Departments/ministries, and they continue being used in central departments and agencies.

KOREA

Yes, administrative procedures are unaffected.

Does each budget user or at least ministry have a risk management strategy that envisaged emergency measures in response to a sudden crisis? How is staff and customer safety balanced against the need to deliver required services?

AUSTRIA

Unknown.

BELGIUM

Ministries have a general risk management strategy as part of their internal control system. These exercises were also intensified after the Brussels terrorist attacks of 22 March 2015. However, few have foreseen such large-scale calamities and translated this in their risk management plans. Nevertheless, the risk plans and scenarios made to assure business continuity are proving their added value. Needless to say that no, or few, scenarios foresaw a lockdown on such a wide scale, impacting the whole government and all policy areas. This raises a more fundamental concern. Organisations are increasingly confronted with problems that require a cross-border approach. Traditional barriers between units and services often have to be demolished within one government agency. An even greater challenge lies in removing the barriers between institutions. This observation naturally has consequences for risk management in modern government organisations. With regard to achieving their own strategic and operational objectives, as well as in controlling the associated risks, government organisations are increasingly dependent on external organisations. In addition to risk management at organisational level - or "enterprise risk management" - there is also a need for "systemic risk management".

CROATIA

Law on Internal Financial Control (PIFC law) envisages that each public institution has to establish a risk management system (Article 12).

The issue of customer and staff safety is currently even more problematic due to the earthquake on 22 March 2020 that damaged most of the Government, state administration, and agency offices in the capital city.

CZECH REPUBLIC

The Ministries of Health and Social Affairs have issued new guidance for public and private sector organisations regarding health and safety of employees and working conditions. These instructions include a strong recommendation that all organisations, if they have not already done so, should have a risk management strategy in place that covers issues such as protection of workers in exposed sectors. However, as in other countries, the stated obligation of employers to ensure workers' well-being, particularly for those in the health and social services sectors, has sometimes been compromised by the shortage of protective clothing and equipment.

DENMARK

No information

ESTONIA

In general, budget users are required to regularly assess risks and update their risk management strategy.

For crisis management, there are specific crisis management plans prepared for different kinds of emergency situations, including pandemics. Considering the novelty of this disease and unprecedented closure of societal activities, it can be assessed later how relevant and useful these plans were.

FINLAND

No information about individual risk management strategies.

The Government has set up a COVID-19 Co-ordination Group, which is responsible for implementing the decisions made by the Government to curb the coronavirus epidemic and to co-ordinate co-operation between the ministries.

On 17 March the Parliament adopted the Emergency Powers Act, which took effect in late March. The Act defines various emergency conditions, including an attack on Finland, a particularly serious major accident or a widespread infectious disease, such as the coronavirus pandemic. The purpose of the Act is to secure the livelihood of citizens and the economy, to maintain legal order and fundamental and human rights, and to safeguard the territorial integrity and independence of Finland in emergency conditions.

Access to some services are limited or made available to citizens by appointment only to secure the safety of the staff as well as its customers.

FRANCE

Yes. Please refer to point 2 of the section "Centre of Government, Policy Co-ordination and Decision Making".

GERMANY

Situation in the states:

There are general risk management strategies in place but for the current situation ministries have issued "Ministry Pandemic Plans", based on state wide "Pandemic Plans". Those were issued in the beginning of March by the state governments already before the crisis got the status of a "Pandemic," to be prepared for this event. Their objective is to prepare the necessary information and guidelines for staff of the ministries and to insure that essential public services can continue to be provided. Second level administrations establish their own pandemic plans.

The plans decide, e.g. that the following preparatory measures needed to be issued, such as:

- *establishment of a Task force for handling the situation, usually headed by the state secretary and relevant heads of departments (personal, general administration, etc.), with a medical officer as external advisor.*
- *definition of the "core functions"*
- *definition of the necessary personnel to hold up core functions, including a representation plan*
- *establishment of an urgency call plan for staff*
- *establishment of communication plans*
- *provision of medical information*
- *decision on venue of work and working time*

The plans foresee the following implementation measures in case a pandemic is declared, such as:

- *activation of the task force*
- *depending on the availability of staff (especially for the event of many staff being on sick leave): reduction of the activities to the core functions*
- *cancellation of all events and gatherings*

- *restriction of access to the ministry building*
- *information and advice, especially through IT networks of all staff.*

HUNGARY

There are requirements for emergency planning, but no information is available regarding this. Most probably, those plans have limited use in the current situation.

Staff and customer safety are the overarching priority and if services require human contact, all safety precautions are taken.

IRELAND

There is a National Risk Strategy. Each budget user is expected to have a risk management strategy and a risk officer in place. The risk mitigation preparations for Brexit, which was expected to impact significantly on the Irish economy, will have helped in this regard. With regard to remote working and communications interruptions, the recent spate of weather warnings proved valuable to managing the challenges posed by COVID-19. However, it is impossible to suggest that there was a contingency plan that envisaged the impact currently being felt.

Staff and customer safety are the overarching priority and if services require human contact, all safety precautions are taken.

ITALY

No reliable information was possible to collect for this question.

LATVIA

There are no specific risk management strategies, however, risk management is part of the internal financial control system and must be established by the manager of each public institution. The internal financial control system in public administration is co-ordinated by the Ministry of Finance.

Staff and customer safety principles are set out in the Law on Functioning of Institutions during an Emergency in connection with COVID-19 and Guidelines on the Organisation of Work, Pay and Client service in Public Administration Institutions during COVID-19 crisis. In-person service delivery is currently still allowed; however, each manager of a public institution is tasked to find solutions that would limit the possible spread of the COVID-19.

LITHUANIA

No, for the time being budget users in the majority of ministries do not have risk management strategies to respond to this crisis. Instead, there is a centralised Government management process to combat this crisis through the Governmental COVIR-19 Committee, led by the Prime Minister. The Committee co-ordinates activities of ministries and agencies and ensures cross-cutting issues. However, formal decisions are taken by the Government and the Parliament.

NETHERLANDS

No information available about individual risk management strategies though this is standard practice in most developed administrations. Also, given the existence of the Ministerial Commission on Crisis Control in the Netherlands already, there is clearly a strategy in place. As with all countries, it is clear that the scale of the current crisis was not anticipated.

As there is a restriction in physical contact moments, citizens are forced / encouraged to use digital solutions: filling out forms, pose their questions, etc. Where personal interaction is required, it must be within the requirements of social distancing.

POLAND

No information available

PORTUGAL

On 2 March 2020, the Government instructed all public services to elaborate contingency plans. The idea is to be able to continue offering services even if workers have to work from home.

ROMANIA

Yes, in accordance with the provisions of the Government Decision no. 557/2016 on specific risks management, regulating measures that have to be adopted, management crisis, responsibilities of all state authorities and co-ordination mechanisms in case of earthquakes, epidemics, floods, nuclear and / or radiological accidents and forest fires.

SLOVAK REPUBLIC

In principle, public sector organisations should have a risk strategy.

SLOVENIA

In 2016, the Government adopted the State Plan of Protection and Rescue in the case of epidemic or pandemic of infectious diseases. The document envisages measures of protection and rescue, sets up crisis management and co-ordination mechanisms and defines responsibilities of all state institutions, including many ministries and agencies.

SPAIN

The 2011 Law on Public Health has not been fully developed and implemented (a key decree regulating information flows and creating a monitoring network [Red Nacional de Vigilancia en Salud Pública] is still not adopted. The Ministry of Health has a unit in charge of a national alert system regarding health emergencies, connected with the regional governments

The Civil Protection system is regulated by the 2015 Ley del Sistema Nacional de Protección Civil.

Ministries and other public organisations have defined strategies regarding work-related risks.

SWEDEN

No information available

UNITED KINGDOM

The UK has a strong risk management system and strategies in place to deal with the current crisis situation. Special rules/measures are introduced in the health sector/NHS and the procurement rules are being relaxed by recognising the crisis as an exceptional circumstance.

Most organisations prioritise their staff safety and health and adjust working arrangements and service delivery to minimise risks to their heath as much as possible.

KOREA

Yes, all major government departments have a risk management strategy and contribute to the national crisis co-ordination system. This is the result of accumulated experience with natural and other risks over the past two decades.