Governance and Institutions Emergency Measures for State Continuity during COVID-19 Pandemic

I. The challenge of the pandemic to the public sector

Governments must lead response to pandemic through policy, coordination, funding and implementation, requiring fast and agile action. At the same time government itself is negatively impacted as social distancing prevents the public service from working as usual and requires new processes and technologies as well as selectivity to continue essential business operations — while also managing the impact of the crisis on what, in many countries is the main middle-class sector — the public service. There is a need to balance responsiveness with accountability. Not only to ensure accountability for the influx/redirection of massive amounts of funds and resources, but also to ensure that as institutions are inevitably reshaped, they are done so without endangering fundamental principles and norms.

Across the board the unusual circumstances lead to a shortened policy cycle without the luxury of having the information needed to make the right decisions, requiring a different way of managing that involves actions, feedback, learning and adjustment.

The COVID-19 outbreak calls for effective, inclusive, and accountable governments. As governments are at the center of the response measures, they need to be fast, creative, effective, transparent and accountable. Moreover, during times of crisis, the Public Sector takes on a stronger role in society in several ways. Public sector institutions in some countries are responsible for the provision of emergency services (alongside private providers), the formulation of special responses (economic support packages, cash transfers or other social safety nets), coordination across several levels of Government, the regulation of private sector agents –such as to reduce speculative behaviors. In order to perform these roles, Governments need to ensure coordination of government action to ensure business continuity to the best of their ability across several public sector functions, including Public Financial Management (PFM), Domestic Revenue Mobilization (DRM), Public Employment and Management, Provision of Essential Services, and Transparency and Accountability.

In times of crises, speed and responsiveness appropriately take center stage. However, objectives of good governance – efficiency, effectiveness, accountability and transparency – are key to ensuring that resources are put to good use and maintaining or rebuilding public trust in the public sector. In practice this means that internal control mechanisms in public expenditures may be made more flexible, but that audit trails should be kept, and the application of public funds should be audited ex post. While single source selection may be warranted for speed, market consultation, disclosure and transparency should be maintained to mitigate risks to quality and overpricing. Moreover, care should be taken not to undo years of institution building by ensuring subset clauses to any extraordinary measures introduced.

II. Purpose of this note

The purpose of this note is to identify emergency measures for public sector continuity at national and subnational levels of government during and after the COVID-19 pandemic. The note focusses on institutional and governance measures the central government can take that will make possible and complement initiatives in sectors, agencies and lower levels of government. The measures aim to deliver

one or more of the following three objectives: (a) public sector continuity; (b) timely and effective response to the health crisis; and (c) timely and effective response to the economic crisis.

The focus of the note is not on specific policy responses such as approaches to testing, quarantining or fiscal stimulus, but on actions that can be taken by adjusting institutions and governance arrangements in support of such policies.

III. How to use this note in different countries

Countries will be affected to different degrees by the health and economic crises and have different levels of institutional, financial and human resources to implement responses to the crises. Critically, the relevance and feasibility of the listed institutional and governance adjustments will depend on the timing of the pandemic: less feasible if the crisis is unfolding already, more feasible if there is time to get institutions and systems adjusted before impacts are felt. Many countries are adopting measures of social distancing including lock downs. In some countries, internet connectivity, ICT literacy and ICT capabilities in the private sector will make it possible to introduce home-based work for some government workers and deliver administrative services online. In other countries, these options are mostly or partly theoretical: responses will have to use significantly-reduced staffing levels and other non-ICT based responses instead. FCV countries face additional challenges. Similarly, countries will have different financial positions. All countries – including especially resource depend ones – are facing severe revenue shortfalls and may not have equal access to lending and other sources of funding to implement responses making prioritization more necessary and harder. Given the limited capacity of fragile countries, priority must be given to actions to tackle the health crisis and guarantee the continuity of the State and possibly also consider implementation and coordination support actions in collaboration with UN agencies or other specialized organizations.

The areas of response below and the specific measures in the attached Checklist are therefore intended to inspire and facilitate the development of country responses taking the local constraints and capabilities into account.

IV. Overview of measures

Below is an overview of institutional and governance measures the central government can take that will make possible and complement sector and agency specific initiatives. The attached Checklist includes more specific actions in each area, distinguishing short- and medium-term horizons.

1. Coordination of Government Action

Coordination of government actions and functions are particularly critical during times of crisis. Governments are exposed to an unprecedented situation of business disruption at different levels, from decision making processes involving senior management levels (Parliament, Cabinet), to administrative and bureaucratic processes, and service delivery. In the absence of pre-established rules, procedures and protocols to deal with such disruptions, governments need to develop business continuity assessments and plans.

In addition, in many countries, health systems are highly decentralized and crisis response is a shared function with subnational governments. The devolution of responsibility can help improve the responsiveness and performance of the services, but it creates challenges of vertical and horizontal coordination and liquidity and continuity of funding for subnational governments to continue to offer services and support economic recovery. In many countries, SNG account for a large share of public expenditures and can be used as part of the economic crisis response in the medium terms after social

distancing measures are eased, including by accelerating public investment spending. The role of SNGs in health care and the wider economy would determine the level of priority in a given country.

Setting up mechanisms that allow senior officials to exercise their authority effectively requires processes to collect data to inform decisions, decision-making procedures, coordinated action for deployment and appropriate monitoring that allows for timely course correction when needed.

The attached Checklist contains measures and initiatives government can take to strengthen the Center of Government for crisis response, prepare business continuity options for ministries, departments and agencies at all levels of government, and strengthen multi-level government coordination.

2. Emergency funding, budgeting and budget execution / public financial management

Health emergencies as well as implementation of economic crisis responses present a particular challenge to public financial management (PFM) systems given the need to mobilize funding in a timely manner while ensuring efficiency, accountability and transparency of the use of public funds. PFM systems need rapid adjustments in their processes, procedures, and control mechanisms to ensure rapid disbursement of resources both to the service delivery units and beneficiaries of fiscal stimulus packages directed at affected businesses and households. Speed and flexibility in budget execution should be priorities for continuity, health and economic response. This note provides recommendations for action to be taken along the public financial management cycle on aspects related to budgeting and funding, liquidity and debt management, internal controls, agile procurement, payments, effective reporting, and auditing.

3. Domestic Revenue Mobilization

Tax/customs can be used as a measure address bottlenecks in supply chains and incentivize health responses. Tax systems can also play a key role in easing the cash burden on the most severely affected businesses and individuals thereby saving jobs and containing the repercussions of a slowing economy. At the same time, domestic revenue mobilization needs to continue, to the extent possible, with minimal disruptions to fund essential public service delivery. As with all services, tax services should be moved online where possible to reduce physical contact and limit transmission risks. Measures can be taken to lower costs of health supplies. Tax measures will be a medium-term priority in many countries, given the difficulty on making immediate changes to tax legislation, as well as the need to understand better the dimensions of the ensuing economic crisis.

4. Public Employment and Management

Developing specific policies for managing staff during the crisis is proving critical. There needs to be flexibility in public employment and management policies to enable rapid hiring (or redeployment) of essential service delivery and disaster response staff; consider additional compensation and support for workers in the frontline and potentially reallocate non-essential staff to support the crisis response; and to enable staff to work remotely and securely. Effective implementation of these polices would also be improved by sound management information systems and data analysis, including through mobile technologies where possible. Addressing public employment issues in the health sector is a high priority in all countries. Addressing public employment issues in the wider public sector is a priority for wider government continuity. This note provides options to secure the continuity of public administration, guaranteeing payment of wages to civil servants, and securing the safety of staff and the population at large.

5. Provision of essential services

During the time of the pandemic demand for public services is reconfigured (for example higher demand in households, lower in office buildings), while public agencies' service provision is also curbed by the sick leave and/or home-based work of their employees. Nevertheless, delivery of essential services—healthcare, water and electricity supply, public security, food security and financial services must remain uninterrupted. Governments need to secure uninterrupted delivery of these services by both adjusting regulations for private sector providers as well as by securing the continuity of services provided by public sector entities and State-owned enterprises (SOEs).

In the case of SOEs, like all businesses, the crisis exposes them to more stress than usual. As many SOEs are critical for the provision of basic services to citizens (especially water and electricity), they are expected to step in and maintain continued provision of such services while dealing with restrictive measures for their employees, disruptions from other providers and reduced revenues. Government decisions may waive user fees, debt servicing and tariffs during the emergency, causing SOEs significant financial distress. Those SOEs that are engaged in manufacturing of medical supplies, equipment and medications will be called to significantly increase their production. In all likelihood, SOEs will see a significant deterioration in financial strength, exacerbating fiscal pressures, and threatening their ability to secure continuity in the delivery of basic services.

At a time of widespread societal disruption caused by the outbreak, justice systems are critical for maintaining stability and safeguarding citizen rights. Some countries are experiencing a large increase in domestic violence and a sudden upsurge in gun sales. At the same time, justice systems are constrained in their operations so they do not comprise the efforts to curtail transmission, not least because courts, prosecutors and public defender offices and prisons are sites of congregation and thus contagion.

This note provides recommendations on concrete actions to be takes to secure continuity of critical public services during the crisis. It also provides specific recommendation on special areas like the SOEs and the justice sector.

6. Transparency and accountability

Building and sustaining citizens trust is critical for governments to manage the crisis and increase effectiveness of all above actions and measures. To achieve this governments should be proactive in implementing actions to secure transparency and accountability and to take actions necessary to enforce co-operation from the citizens. Citizens may only support government emergency interventions and consider them legitimate if government decisions are clearly communicated to the public, Backed on evidence and are back by the necessary accountability mechanisms. The use of sanctions may be necessary to support some policies, and have citizens comply with some spatial distancing and individual isolation rules. Effective communication and citizen engagement and participation, backed by preparedness to enforce behavior, is also critical to sustain trust and to make sure decisions and guidelines are conveyed swiftly and clearly to the intended audience. This requires governments to take actions and use resources available for citizen outreach and participation that are already available or could be deployed rapidly as a critical action for managing a pandemic crisis. Recommendations for the adaptation of tools and methods to communicate with citizens, engagement with citizens, and increase transparency are included in the Checklist.

Area of Focus	Action	Time Frame
	1. Coordination of government action	
Strengthen the Center of	• Ensure continuity of parliament, board, cabinet and management meetings, by regularly organizing meetings as needed using, when possible, available technology.	Short
Government for	Adopt information technology tools to ensure business continuity (Zoom, Jitsi, Skype, etc.).	Short
crisis response	Back up core information systems.	Short
	• Establish a solid cross-government crisis management coordination mechanism, including for example cabinet level emergency management teams with pre-established decision-making protocols.	Short
	 Publish information on the Government's business continuity arrangements. 	Short
Prepare for government	Define clear decision-making procedures and delegation mechanisms in cases of absences of high-level decision makers.	Short
business continuity for ministries,	• Improve communication channels and access to critical information including for example business critical information such as health data, HR data, data on service levels, funding, emergency procedures and processes etc. i.e. by establishing dedicated internal web-page and other channels.	Short
departments	 Identify critical activities and map essential and non-essential functions and staff. 	Short
and agencies at	 Introduce tele work solutions for civil servants and ensure the needed digital tools and guidelines are in place. 	Short
all levels of	 Identify vulnerabilities in operations (IT systems, identification of key staff, security, etc.) and mitigating actions. 	Short
government	 Define clear decision-making procedures and delegation mechanisms in cases of absences and reassigning of staff to core functions as needed. 	Short
	Train additional staff to process critical operations.	Short
	 Enable rapid recruitment of staff to replace sick workers in non-core functions and mobilization of volunteers and recent retirees by adjusting HR policies and guidelines for recruitment etc. 	Short
	• Improve safety measures for staff working on the ground by introducing social distancing measures or providing protective equipment.	Short
	Reduce contact with the public and moving operations and processes online if possible.	Short
	• Implement payment solutions to efficiently and quickly disburse salaries (mobile payment, pre-paid cards, checks home delivery).	Short
Strengthen multi-level government	 Establish centralized coordination channel for systematically exchanging information on emergency in SNGs and progress in their emergency response. Depending on institutional set up this could involve virtual meetings of SNG associations, representatives or major SNGs. 	Short
coordination	Streamline fiscal transfer procedures to SNGs, e.g. by unmarking earmarked grants, removing co-funding requirements, simplifying grant request procedures, easing other disbursement requirements, etc.	Short

	CHECKLIST FOR GOVERNMENTS	
Area of Focus	Action	Time Frame
	• Where SNG PFM is regulated by the national government, implement same flexibility as for national government listed below.	Short
	Move forward in time SNG public investment projects to the extent social distancing requirements allow.	Short
	 Increase SNG borrowing, total spending and/or capital expenditure caps. 	Short
	Prepare response for SNG revenue shortfalls.	Short
	2. Emergency funding and budget execution / public financial management	
On Budget and	Identify and prioritize extraordinary public sector funding needs.	Short
funding:	• Specify additional budgetary and financial resources from contingency funds, budget reallocations, in year budget appropriations and donor contributions where possible.	Short
	• Accelerate expenditure plans and public investments in infrastructure may form part of fiscal stimulus measures to support the post-crisis resurgence of economic activity.	Short
On liquidity and debt:	Continue to prepare daily cash flow forecasting and a cash management plans, including additional resource requirements.	Short
	Reschedule debt payments when necessary.	Short
	 Access financing sources (contingency appropriations within the approved budget, emergency spending provisions, expenditure reprioritization, identify possible savings in ministry budgets, access to external grants and borrowing.). 	Short
		Short
		Short
	 Produce an updated daily summary indicating the overall net government inflow or outflow to the banking system. 	Short
	Prepare daily update of the Treasury Plan to ensure timely fund emergency disbursement with adequate	Short
	accounting, reporting and traceability.	Short
	Prioritize funds release to priority ministries and agencies.	
	Discourage agencies from contracting without spending authorization and thereby reduce the risk of creating arrears with suppliers.	Short
	Simplify funding transfer mechanisms (virement) for optimal access by those in urgent need and auditing mechanisms.	Short
	 Establish Special Funds with oversight systems to channel, oversee and account for the funds to be collected from non-traditional contributions during the crisis. 	Short
On Controls:	Allocate authority to expedite implementation. In some situations, this will imply decentralizing/delegating authority. In others – where staffing levels are reduced – it may imply centralizing for effective decision making.	Short
	nevoke numerous ex unite controls but strengthen ex post controls.	Short
	Focus ex ante control functions on areas with high spending volume and high fiduciary risks.	Short

CHECKLIST FOR GOVERNMENTS		
Area of Focus	Action	Time Frame
On Payments:	Adopt a risk-based approach to disbursement controls.	Short
	Delegate more financial authority to ensure diligent payments.	Short
	Use real-time gross settlement system to enable moving funds swiftly across the financial system.	
	• Implement electronic payments to facilitate payments if possible (in certain cases, negotiate with private operators	Short
	to perform electronic payments).	Short- Medium
	Apply fraud prevention mechanisms (mobile money in case of cash transfer to significant group of beneficiaries,	
	direct deposit though banking channel for the suppliers, streamlined procedures for advances).	Short
	Adopt mobile payment solutions and prepaid card systems.	
	Arrange cash payout home delivery.	Short
	• Increase coordination of teams involved in procurement, fiduciary controls, and expenditure management, e.g. by	Short
	establishing (when possible virtual) teams including all functions to accelerate processing while performing	Short
	sufficient screening and control.	
	Pay accounts payable faster to reduce private sector credit to government. Some governments may wish to	
	introduce wage subsidies and cash transfer schemes to mitigate the impact of the economic crisis on all citizens	Chaut
	and/or the most vulnerable. Mobile payments, transfers to bank accounts, pre-paid cash cards or vouchers may be	Short
	used depending on the financial infrastructure of the country.	
On	Invoke rapid response measures stipulated in Countries' Disaster Management Strategies when available.	Short
Procurement:	Prioritize/reschedule projects in the procurement pipeline.	Short
	Apply simplified decision making for emergency procurement procedures.	Short
	Establish emergency procurement teams with relevant skills to work on emergency supply chain.	Short
	Apply normal due diligence checks of pre-selected contractors, suppliers and consultants.	Short
	Rely on existing Framework Agreements for faster delivery of urgently-needed supplies	Short
	Aggregate demand and centralize purchase of critical medical equipment and medicine at appropriate levels of	Short
	government.	Short
	Fast track import procedures for emergency medical goods.	Cl ···
	Prioritize streamlined and simple procurement and selection methods and market approaches, and when	Short
	appropriate engagement of UN Agencies.	Short
On Reporting:	Use dedicated budget lines or contrived codes to facilitate tracking of emergency relief funds and direct all	Short
	budgetary resources deployed for emergency response flow through these budget lines.	
	Report daily to policymakers on the utilization on funds.	Short
On Auditing:	Adapt Supreme Audit Institutions auditing plans to focus on emergency related expenditures when social	Short-medium
	distancing measures are eased.	
		Short

	CHECKLIST FOR GOVERNMENTS	
Area of Focus	Action	Time Frame
	 Request advice from Auditor-general on executive actions to speed up disbursements and tax expenditures while ensuring auditor satisfaction Reassign or appoint auditors to work on urgent expenditures after social distancing measures are eased. Use data analytics in audit procedures to detect fraud & corruption after social distancing measures are eased. 	Medium Medium
	3. Domestic Revenue Mobilization	
Adjust Domestic Revenue Mobilization/tax and customs administration	 Introduce simplified tax regimes, i.e. rates, base and regulations. Extend tax returns filing and tax/duties payment deadlines. Defer social contribution payments for firms. Pay all VAT refunds immediately but advise that audit will follow. Suspend penalties of late payment or filing. Extend DRM administration services and use automation to the maximum (hotline, internet resources, longer service hours). Announce tax refund scheme to exempt over-time work in health and other emergency-related sectors. Communicate effectively on tax measures adopted via social media, newspaper and TV ads and other appropriate media. Increase digital channels for tax payments. Cut volume of tax inspections to highest value cases to limit physical interactions. Invoke simplified import procedures and customs administration for COVID-19 related goods. Revise the VAT regime for zero-rated and tax-exempted goods and services (in countries where this is the norm) and accelerate VAT refunds. Adopt online tools when possible. 	Medium-long Short Short Short Short Short-medium Short Short-medium Short-medium Short-medium Short Short
	• Ease the tax burden of SMEs and the most affected sectors by deferring tax obligations, applying tax holidays and/or reducing rates for severely categories of businesses.	Medium
	4. Public Employment and Management	
Continuity of public administration functioning.	 Invoke state of emergency or equivalent for operation of the public sector. Identification of critical activities and prioritization of essential business lines by senior management. Introduce remote work solutions for civil servants and ensure the needed digital tools are in place. Identify vulnerabilities in operations (IT systems, identification of key staff, security, etc.) and mitigating actions. Define clear decision-making procedures and delegation mechanisms in cases of absences. Improve communication channels and access to critical information. Reassign staff to core functions as needed. 	Short Short Medium Short Short Short Short Short

	CHECKLIST FOR GOVERNMENTS	
Area of Focus	Action	Time Frame
	Establish interim HR policies for staff categories. Policies may include aspects related to alternative work	Short
	modalities, compensation (including special incentives or overtime compensation for workers in critical or essential	Short
	functions), leave and sick policies, insurance coverage, and others.	Short
	Provide staff with tools and information on alternative work modalities.	Short
	Train additional staff to process critical operations.	
	Facilitate rapid recruitment of staff to replace sick workers in non-core functions.	
	Mobilization of volunteers and recent retirees.	
Guarantee	Use payment solutions to efficiently and quickly disburse salaries (mobile payment, pre-paid cards, checks home	Short-medium
payment of	delivery).	
wages to civil		Short
servants.		Short-medium
Guarantee staff	Improve safety measures for staff working on the ground.	Short
and population	Reduce contact with the public and move operations and processes online if possible.	Short
personal safety.		
	5. Provision of essential services	
Ensure essential	Rapid assessment of currently available critical emergency capacities (staff, equipment, supplies, facilities etc.) to	Short
service delivery	rapidly identify emerging needs for emergency response operations and to facilitate allocation of resources as needed	
for business	focused on:	
continuity	Health sector (personnel, infrastructure, medical goods).	
	Security sector (personnel).	
	Essential Functions of General Public Administration.	
	Digitalize services, applications, and claims.	
	Assess the potential demand for the service delivery and implications on the facilities, supplies, staff.	
	Ensure enough staffing of service delivery functions.	
	Avoid suspension of service delivery in case of late fee payment.	
	Engage citizens in the pandemic-related service provision (e.g. pandemic information sites, hotlines for Q&A,	
	redress platforms or citizen feedback tools and neighborhood watches)	
	Provide distributed help desk (call center) function minimizing interaction with the citizens.	
	Engage the private sector institutions in augmenting service delivery.	
	Adopt mobile payment solutions and prepaid card systems. Arrange cash payout home delivery.	
Prepare State	Rapid assessment of currently available critical emergency capacities focused on essential functions of SOEs (water,	Short
Owned	electricity, telecommunications).	
Enterprises	Prepare crisis management and business continuity plans.	Short
(SOEs) for	Review subsidy programs.	Short-Medium

	CHECKLIST FOR GOVERNMENTS	
Area of Focus	Action	Time Frame
economic crisis	Consider fiscal implications for SOEs.	Short-Medium
response and	Rethink labor management.	Short
business	Take stock of the liquidity position and assess the potential to borrow from SOEs	Short-Medium
continuity		
Ensure justice	• Suspend evictions and foreclosures, as pushing people into shelters or other group accommodation is unwi	ise when Short
sector services	we need to be practicing social distancing.	
for business continuity	• Automatically extend protection orders, for example in response to gender-based violence, so that people need to come to court.	don't Short
	• Use the full scope of the law to relax the application of bail and bond to avoid remanding all non-violent accustody, and where unavoidable, use video conferencing for bail hearings to avoid unnecessary transmission between police cells, prisons and the courts.	
	• Encourage (or mandate) the use of e-filing, telework and hearings by phone and videoconference by waivin and providing additional tech support.	ng fees Short-medium
	• Postpone non-critical hearings (e.g. traffic and civil cases), deciding motions based on written submissions a granting automatic adjournments for misdemeanors and minor criminal offences.	and Short
	• Stay open for serious criminal cases and emergency filings – especially in relation to government actions (are inactions) in relation to COVID-19.	nd Short
	6. Transparency and accountability	·
Adapt tools and methods to	• Launch multi-media channels to communicate with the public about the crisis, including: phone hotlines, information websites, radio communications, TV messages.	Short
communicate	• Reach out to isolated, disabled, and marginalized populations working with media and civil society groups.	Short
with citizens.	• Negotiate partnership with private sector to provide free access to telecommunication and online tools to government workers and providers critical functions such as utilities.	Short
	 Set up data collection and visualization tools to help inform and engage with citizens. 	Short
	Deploy existing innovation labs resources for crisis response purposes.	Short
Engagement	Introduce citizen feedback mechanisms.	Short
with citizens.	Collect and track information on citizen feedback and sentiment.	Short
	Engage community leaders to communicate on the disease and responses needed.	Short
	 Devise strategy to reach out to isolated, disabled, and marginalized populations. 	Short
	 Partner with private sector to provide free access to telecommunication and online tools. 	Short
Transparency.	Publish all Covid-19 and economic recovery response policies and associated costs.	Short
	Introduce complaints and citizen reporting mechanisms.	Short