

## **RECOMENDAÇÕES ATUAIS DAS ORGANIZAÇÕES INTERNACIONAIS NO CONTEXTO DA PANDEMIA COVID-19**

### **1. O papel das organizações internacionais referenciadas nesta nota, nomeadamente da Organização Mundial do Comércio (OMC), da Organização para a Alimentação e a Agricultura das Nações Unidas (FAO/ONU), Organização para a Cooperação e Desenvolvimento Económico (OCDE)**

A doença de Coronavírus 2019 (COVID-19) gerou uma crise de saúde pública mundial que coloca antes de tudo a prioridade em assegurar a primazia da vida humana, mas com custos diretos e indiretos nas economias elevados, com choques económicos e sociais difíceis de prever, mas significativos. Antevê-se um período de recuperação, à escala global, europeia e nacional, cuja extensão é ainda difícil de perspetivar em toda a sua magnitude.

Estas três organizações internacionais merecem-nos particular destaque pelo papel institucional que lhes é reconhecido no plano mundial e pelo contributo que prestam, a nível global, para a definição de estratégias e políticas multidisciplinares, também específicas no domínio da agricultura e dos produtos alimentares.

Acresce a enorme mais-valia destas organizações, que a par do conhecimento e do “pensar global”, já experienciaram anteriores situações de crises, de natureza financeira, de saúde pública, de emergência alimentar em situações de conflito, detendo estruturas que lhes permitem fazer análises e avaliações extremamente úteis para a monitorização dos efeitos desta pandemia, a par das recomendações que efetuam sobre medidas de política para o seu combate e para a sua superação.

#### **1.1. Organização Mundial do Comércio (OMC)**

Devido à rápida mudança da situação e ao aumento da gravidade da crise do coronavírus COVID-19, e após declaração de situação de pandemia pelo DG da Organização Mundial de Saúde das Nações Unidas, o diretor-geral Roberto Azevedo observou recentemente que esta crise, no domínio do comércio, já causou disrupções dramáticas de oferta e procura na economia mundial no domínio de medicamentos vitais, produtos médicos e serviços de saúde, dado que nenhum país é totalmente autossuficiente para colmatar as necessidades de produtos e equipamentos dos seus sistemas de saúde pública.

Essas disrupções serão evidentes nas previsões comerciais anuais da OMC, a divulgar nas próximas semanas. Entretanto, os Barómetros de Comércio de Bens e Serviços da OMC, emitidos em 17 de fevereiro e 11 de março, respetivamente, apontaram para o

enfraquecimento contínuo do comércio mundial nos dois setores e a probabilidade de mais quedas nos próximos meses.

**Goods trade barometer**  
Index value, December 2019



Index history, trend = 100



Cada membro da OMC é livre de considerar as necessidades para proteger os seus cidadãos e tomar as medidas que considerar apropriadas. Em geral, as regras da OMC oferecem um amplo espaço para os membros adotarem as medidas comerciais consideradas necessárias para proteger a saúde pública e o bem-estar público (incluindo proibições de importação e exportação, restrições quantitativas à importação e exportação e licenciamento não automático de importação). Essas medidas devem ser aplicadas de maneira a não discriminar os membros da OMC e não devem constituir uma restrição ao comércio internacional.

### Em Agricultura

Existe flexibilidade para impor medidas comerciais sob os acordos da OMC para responder à atual emergência de não quebrar a cadeia internacional de produção de alimentos. Esta cadeia é muito sensível a disrupções pela perecibilidade de alguns produtos, nomeadamente frutas e hortícolas e por outras causas, designadamente a indisponibilidade de mão-de-obra agrícola suficiente. Estas disrupções terão que ser geridas do prado ao prato, através do valor agregado prosseguido via processamento local.

É imperativo que a pandemia seja tratada de forma o menos restritiva possível ao comércio, por razões de eficiência da segurança alimentar. Em tempos normais e em tempos de crise, os alimentos devem poder passar dos países excedentários para os deficitários. A segurança alimentar e as necessidades de segurança no abastecimento alimentar são necessidades iguais.

É necessária total transparência em relação às medidas comerciais e à informação necessária para atender às necessidades a cobrir.

## **1.2. Organização para a Alimentação e a Agricultura das Nações Unidas (FAO/ONU)**

O fortalecimento dos sistemas de produção e distribuição de alimentos é fundamental para combater a fome e implica ajudar a combater doenças onde quer que surjam em seres humanos, animais, plantas ou no meio ambiente.

A FAO desempenha um papel na avaliação e resposta aos seus possíveis efeitos na vida e nos meios de subsistência das pessoas, no comércio global de alimentos, nos mercados, nas cadeias de suprimentos alimentares e na pecuária. Esta informação poderá permitir aos países antecipar e mitigar possíveis disrupções que a pandemia pode desencadear em matéria de segurança alimentar e dos meios de subsistência das pessoas, evitando-se reações de pânico que possam agravar e deteriorar a segurança alimentar e nutricional dos mais vulneráveis.

### **Entender a origem e a propagação do vírus**

Compreender como o novo coronavírus emergiu e se espalhou constitui uma parte importante do contributo da FAO para prevenir, conter e mitigar a epidemia. A FAO e a Agência Internacional de Energia Atómica (IAEA) trabalham em parceria na Divisão de Técnicas Nucleares em Alimentação e Agricultura. Através da sua rede de laboratórios veterinários em 69 países, apoiam o diagnóstico potencial do vírus SARS-CoV-2 em animais e fazem a vigilância da circulação do vírus no ambiente. Equipamentos de diagnóstico e de formação estão a ser fornecidos aos laboratórios, redes especializadas estão a avaliar o risco de exposição aos animais e diretrizes têm sido disponibilizadas aos agricultores e profissionais de saúde animal a fim de evitar a propagação do vírus.

### **Papel da FAO - Garantir uma abordagem unificada e compreender e mitigar o impacto da pandemia em alimentos e agricultura**

A FAO trabalha continuamente para apoiar os países na prevenção, deteção e controle de doenças e ameaças à saúde, sempre que estas surgem. A interconectividade de humanos, animais e meio ambiente é muito relevante no combate a qualquer ameaça ao funcionamento dos sistemas alimentares, produção agrícola e meios de subsistência. Esse foco é particularmente importante nas comunidades agrícolas rurais, onde os animais fornecem transporte, combustível e roupas, além de alimentos. A FAO trabalha

com muitos parceiros, incluindo a OMS e a OIE, para estabelecer uma abordagem de Saúde Única local e global, com foco especial no reforço de capacidades onde necessário e na proteção das comunidades mais vulneráveis.

Com o objetivo de fornecer aos decisores em todo o mundo informações sólidas sobre medidas políticas para manter vivos os sistemas alimentares, a FAO desenvolve um trabalho de análise como a pandemia do COVID-19 afeta o setor alimentar e agricultura, delineando por regiões geográfica, os graus de exposição dos países ao choque causado pela pandemia. Com base nos resultados dessa análise é feita uma taxonomia de exposição dos países, constantemente atualizada. Por meio do Data Lab e do Big Data para a Agricultura, a FAO desenvolve uma avaliação global que identifica e rastreia as respostas políticas adotadas pelos países durante crises passadas. As práticas e respostas políticas são coletadas e atualizadas constantemente na plataforma política da FAO, que as classifica em seis áreas temáticas principais: emergências, nutrição, comércio, proteção social, desenvolvimento e transformação e incentivos e desincentivos.

Através do seu banco de dados de Análise de Decisões de Políticas de Alimentos e Agricultura (FAPDA) <http://www.fao.org/in-action/fapda/tool/index.html> a FAO oferece uma visão geral das decisões de políticas atuais que os Países Membros adotaram para mitigar os impactos da pandemia de COVID-19 nos sistemas agrícolas e alimentares.

### **Salvaguardar a segurança alimentar e os meios de subsistência das pessoas mais vulneráveis**

A FAO está a reorganizar a sua programação humanitária e de resiliência para garantir a prestação contínua de assistência onde já existem altos níveis de necessidade, enquanto atende a novas necessidades emergentes dos efeitos diretos e indiretos do COVID-19.

O programa de campo da FAO está a ser ampliado no sentido de:

- Fornecer aos pequenos agricultores e pastores sementes, ferramentas, alimentos para animais e outros *inputs* agrícolas, juntamente com apoio à saúde animal, para que estes possam continuar a ter um rendimento e a produzir alimentos para suas famílias e comunidades;
- Distribuir sementes e utensílios agrícolas, sistemas de armazenamento de alimentos e aves domésticas para melhorar a nutrição das famílias e diversificar o seu rendimento, nas comunidades onde a desnutrição e a pobreza são

predominantes. Atividades similares serão realizadas em campos de refugiados e deslocados;

- Estabilizar o acesso aos alimentos apoiando o poder de compra das pessoas por meio de injeções de dinheiro (incondicional ou dinheiro por trabalho, quando possível e apropriado), para que as famílias afetadas possam atender às suas necessidades mínimas sem vender os seus principais ativos. A FAO está a trabalhar com os governos para ampliar os sistemas de proteção social, especialmente em áreas rurais de difícil acesso.

### **1.2.1. O Comité de Segurança Alimentar Mundial da FAO (CFS)**

À medida que a nova infeção pelo Coronavírus (COVID-19) se espalhava em proporções pandêmicas o Presidente do Comité de Segurança Alimentar Mundial (CFS), Thanawat Tiensin, sentiu a obrigação moral e política de iniciar um diálogo proactivo com os parceiros do CFS sobre as implicações e os possíveis impactos desta pandemia na segurança e nutrição alimentar global.

Como primeira medida o Presidente solicitou ao Painel de Peritos Alto Nível do CFS (HLPE) a preparação de um Documento de situação sobre o COVID-19, visando fornecer uma análise preliminar dos prováveis efeitos a curto, médio e longo prazo no sistema de abastecimento, segurança alimentar e nutrição a nível global.

O Presidente do CFS convocou uma videoconferência, na quinta-feira 19 de março, em que participaram elementos do seu Bureau juntamente com os membros do seu Grupo Consultivo (ad hoc), a que se juntaram especialistas das três agências da ONU sedeadas em Roma (FAO, FIDA e PAM), a OMS e o Enviado Especial do Secretário-Geral da ONU para a Cimeira sobre Sistemas Alimentares em 2021, para discutir o draft de Documento de situação preparado pelo HLPE. O Presidente encoraja todos os parceiros do CFS a estudarem e divulgarem esta primeira versão do Documento do HLPE.

O Presidente do CFS considera que se devem tomar todas as medidas de política necessárias para garantir que, de maneira oportuna e organizada, os sistemas alimentares continuem a funcionar de forma a evitar ruturas de mercado. Por outro lado, os Governos devem garantir que a proteção social seja fortalecida, mantida ou implementada para proteger os mais vulneráveis que dependem de programas de alimentação. Considera ainda que nunca antes foi tão importante, para todos nós, concentrar o esforço coletivo para promover sistemas alimentares resilientes e sustentáveis, assegurando que o trabalho do CFS nestes tópicos continuarão para uma adoção antecipada das Diretrizes Voluntárias sobre os Sistemas Alimentares e Nutrição (VGSyN) e outras recomendações políticas derivadas do CFS (14 outubro de 2019), assim

como vão continuar os trabalhos de preparação e implementação da Cimeira das Nações Unidas sobre Sistemas Alimentares prevista para 2021.

No seu comunicado, o Presidente afirma que o CFS, como organização internacional e intergovernamental inclusiva que é, está comprometido num trabalho coordenado em prol da segurança alimentar e nutrição para todos os seres humanos. O CFS está disponível e pronto para continuar a desempenhar o seu papel, proporcionando um espaço de troca de experiências e lições aprendidas, bem como para fornecer orientações de política para superar os desafios e incertezas deste momento difícil. Para esse efeito, apela à ação conjunta atempada imediata e empenhada de todos para impedir uma grande crise alimentar resultante da pandemia motivada pelo COVID-19.

### **1.3. Organização para a Cooperação e Desenvolvimento Económico (OCDE)**

A pandemia COVID-19 traz consigo a terceira e maior crise económica, financeira e social do século XX, após o 11 de setembro e a crise financeira global de 2008.

A enorme magnitude do choque causado por esta pandemia introduz uma complexidade sem precedentes na elaboração de previsões económicas, refletindo o comportamento dos mercados financeiros a extraordinária incerteza da situação.

O Panorama Económico Provisório da OCDE, publicado em 2 de março de 2020, reflete uma primeira tentativa de quantificação do possível impacto do COVID-19 no crescimento mundial, projetando um forte impacto negativo. Parecem cada vez mais prováveis declínios sequenciais no PIB mundial, ou PIB regional, no trimestre atual e nos próximos trimestres de 2020.

As implicações para o crescimento anual do PIB dependerão de muitos fatores, incluindo da magnitude e duração da “paralisação” nacional, da extensão de uma redução da procura e da celeridade de um apoio significativo à política fiscal e monetária. No entanto, é claro que o impacto desta paralisia enfraquecerá substancialmente as perspectivas de crescimento no curto prazo.

Para cada mês, haverá uma redução no crescimento anual do PIB de 2 pontos percentuais/anual. Se esta “paralisia” se prolongar até três meses, sem quaisquer fatores de compensação, o crescimento anual do PIB poderá aitar-se em 4-6 pontos percentuais abaixo.

Muito antes do surto, a economia mundial já mostrava uma série de vulnerabilidades subjacentes que agora ameaçam exacerbar a desaceleração causada pelo COVID-19.

Entre essas vulnerabilidades, destacam-se:

- O elevado nível de dívida corporativa e as tensões comerciais entre as principais economias;
- Desigualdades em termos de rendimento, riqueza e estabilidade no emprego que existem em muitos países. Mais de um terço das famílias nos países da OCDE sofrem de insegurança financeira, o que significa que elas cairiam na pobreza se fossem privadas do seu rendimento por três meses;
- Aumento das restrições comerciais, que têm vindo a proliferar nos últimos anos, as quais podem não só afetar as necessidades de suprimentos médicos, mas também perturbar as cadeias de abastecimento de produtos alimentares ou outros bens e serviços essenciais, potenciando o risco de que o surto seja ainda mais sério e a recessão, mais profunda e duradoura.

Sublinhando que a prioridade mais urgente é minimizar o número de infeções e mortes, importa encontrar soluções para a grande crise económica, em que o impacto do choque da pandemia é duplo: por um lado, uma desaceleração na produção de países afetados, que por sua vez atingem as cadeias de suprimento da economia mundial, altamente integrada e interdependente; e, por outro lado, uma forte contração no consumo e um colapso na confiança.

Reconhecendo que as medidas estritas que estão a ser já aplicadas por vários países são essenciais para conter o avanço do vírus, não deixa de considerar que estas empurram as economias para uma paralisação sem precedentes, não sendo fácil ou automática uma recuperação da economia quando esta fase de combate à pandemia parar.

Além da resposta imediata no campo da política de saúde, o mundo precisa de ações decisivas e ambiciosas para mitigar a desaceleração económica e proteger os mais vulneráveis.

Perante este desafio, a única forma de reativar as economias de maneira rápida e vigorosa é por meio de ações imediatas, coordenadas pelos governos, permitindo uma recuperação da crise, de que o setor privado emergirá muito fragilizado.

Preconiza, assim, a necessidade de respostas imediatas e eficazes, a realizar em todos os níveis: subnacional, nacional e internacional, tendo em consideração diferentes imperativos e horizontes temporais:

- a) Necessidade imediata de enfrentar a crise da saúde pública;
- b) Necessidade subsequente de reativar a economia;
- c) Necessidade de longo prazo de adotar novas políticas para reparar os danos e garantir que estamos melhor preparados para futuras crises.



Concluindo, a OCDE, reconhecendo a resposta já dada por vários países para atender à emergência imediata de saúde pública, amortecer o choque económico e traçar o caminho da recuperação, pede um esforço substancial, credível e coordenado internacionalmente<sup>1</sup> para responder a este desafio, assegurando que as ações a tomar oferecem os melhores resultados, tranquilizam os mercados e apoiam os países e as pessoas mais vulneráveis.

A fim de ajudar os governos a trocar informações em tempo real, facilitar uma atuação coordenada e contribuir para a formulação das necessárias ações a nível internacional, o *website* da Organização (<http://www.oecd.org/coronavirus/>) inclui informação oportuna e exaustiva sobre medidas de política já adotadas pelos diversos países (ver Anexo – medidas de política atualizadas a 04/04/2020 adotadas por Portugal, Espanha, França, Itália, Alemanha, União Europeia) para responder a esta situação e devendo vir a publicitar notas sobre políticas nas várias áreas.

## **2. Declaração Comum dos DG's da Organização Mundial de Saúde das Nações Unidas (OMS), da Organização para a Alimentação e a Agricultura das Nações Unidas (FAO) e da Organização Mundial do Comércio (OMC), de 31 março 2020**

A 31 de março, Tedros Adhanom Ghebreyesus, QU Dongyu e Roberto Azevedo, Diretores-Gerais da OMS, da FAO e da OMC, a propósito dos impactos motivados pela pandemia do Coronavírus COVID-19, emitiram um comunicado conjunto chamando a atenção para a importância de trabalhar para minimizar os possíveis impactos no abastecimento alimentar, no comércio mundial e no domínio da segurança alimentar.

Os três DGs alertam para que na proteção da saúde e o bem-estar de seus cidadãos, os estados garantam que as medidas comerciais desencadeadas, no seu conjunto, não perturbem a cadeia de abastecimento alimentar. A desaceleração do movimento de trabalhadores na indústria agrícola e alimentar e os atrasos na fronteira pela intensificação dos controlos, conduzirão à perda dos produtos perecíveis e ao aumento

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<sup>1</sup> Recente declaração do G7 é vigorosa e estabelece diretrizes claras, nomeadamente na determinação não apenas de restaurar o nível de crescimento previsto antes da pandemia do COVID-19, mas, também, para construir as bases de um crescimento futuro mais forte. Os líderes do G20, grupo das maiores economias do mundo, decidiram, em 26 de março, na sua declaração final sobre COVID-19: “Trabalharemos rápida e decisivamente com organizações internacionais na linha de frente, especialmente a OMS, o FMI, o Banco Mundial e os bancos multilaterais e regionais de desenvolvimento, a fim de adotar um pacote financeiro robusto, coerente, coordenado e rápido e de solucionar quaisquer lacunas em seus instrumentos de políticas. Estamos prontos para fortalecer as redes de segurança financeira global. Conclamamos todas essas organizações a intensificar ainda mais a coordenação de suas ações, inclusive com o setor privado, para apoiar os países emergentes e em desenvolvimento que enfrentem choques decorrentes da COVID-19 nas áreas de saúde, económica e social. “



do desperdício alimentar. Restrições ao comércio de alimentos podem também manifestar-se com preocupações injustificadas sobre segurança alimentar, com consequências particularmente pronunciadas para as populações mais vulneráveis e inseguras.

Reconhecem que as incertezas sobre a disponibilidade futura de alimentos podem desencadear uma onda de restrições à exportação, causando escassez no mercado mundial. Tais reações podem contribuir para alterar o equilíbrio entre oferta e procura de alimentos, com efeitos num aumento e na volatilidade dos preços. Crises anteriores já ensinaram que medidas deste cariz são particularmente prejudiciais para os países de baixa rendimento e com déficit alimentar e prejudicariam os esforços de organizações humanitárias que desejam distribuir alimentos para aqueles que mais precisam, fazendo um apelo ao impedimento da repetição de medidas que incorreriam em consequências tão prejudiciais.

Enfatizam que é nestes momentos que a cooperação internacional é essencial. Diante das medidas de contenção promovidas pela pandemia do COVID-19, consideram que é importante garantir o comércio, principalmente para evitar a escassez de alimentos. Da mesma forma, também é essencial que os produtores e trabalhadores de alimentos nas etapas de processamento e vendas sejam protegidos, a fim de minimizar a propagação do vírus no setor e garantir a manutenção das cadeias de abastecimento alimentar. Os consumidores, especialmente os mais vulneráveis, ainda devem poder aceder aos alimentos nas suas comunidades desde que estes respeitem os requisitos de segurança.

Por outro lado, observam que deve ser garantida a disponibilidade informativa sobre medidas comerciais relacionadas com os alimentos, níveis de produção, consumo, armazenamento e preços de alimentos, para todos e para todo o período em que decorre a crise, contribuindo para aliviar a incerteza e permitindo que produtores, consumidores e comerciantes baseiem as suas tomadas de decisão em informação fidedigna. Acima de tudo, contribuindo para mitigar as compras induzidas pelo pânico e o açambarcamento de alimentos e outros bens essenciais.

Consideram que deverá ser garantida uma resposta coordenada à pandemia do COVID-19 que não crie intencionalmente escassez injustificada de produtos essenciais e exacerbe a fome e a desnutrição. Chegou a hora de mostrar solidariedade, agir com responsabilidade e aderir ao objetivo comum de melhorar a segurança alimentar, a qualidade alimentar e a nutrição e o bem-estar geral das pessoas em todos os países do mundo.

## **ANEXO**

**Medidas de contenção adotadas por:**

**Portugal,**

**Espanha,**

**França,**

**Itália,**

**Alemanha,**

**União Europeia**

## Portugal

Updated on 2020-04-04 00:01

Containment measures

### **Quarantine/Confinement**

Public containment has been implemented on the 19th of March. It will last until the 2nd of April.

### **Travel bans/restrictions**

Border control with Spain through mutual agreement started on 17th of March. Suspended air, rail and river connections until 15th of April.

- Movement of goods and authorized persons at only 9 border points, including nationals and residents returning home, family reunion and cases of access to health units in bilateral health care agreements. Boat traffic on both Minho and Guadiana rivers and train traffic is only allowed for circulation of goods.

- Flights to and from Italy are also suspended from 11th of March.

- Suspension of flights from/to extra-EU on 19th of March. Exceptions: flights to countries with strong presence of PT communities (CA, US, UK, ZA), with all PT-speaking countries, EEA (NO, IS, LI, CH).

- 14-day isolation period for all passengers on flights to the Azores and Madeira, since 14th of March.

- Temperature control sensors in airports (Lisbon, Porto, Faro, Madeira, Ponta Delgada), 20th of March.

- COVID-19 support telephone line for consular emergencies (Portuguese abroad), 13th of March.

### **Closure of schools/universities**

Suspension of all face-to-face school activities (teaching and non-teaching) from 16th of March to be reassessed on 9th of April.

### **Cancellation of public events / Closure of public places**

Closure of non-essential shops (i.e. nightclubs, bars, and restaurants)

Closure of all national monuments and places of cultural activities (both public and private).

Suspension of religious and cult celebrations.

## Support measures

### Health

On March 12th, the authorities unlocked 296 million EUR to increase the capacity of the health sector. Other health-related measures include: a) suspension of overtime limits; b) simplifying the hiring of workers; c) worker mobility; d) hiring retired doctors without being subject to age limits.

- Exceptional regime for public procurement and expenditures in the health sector, allowing swifter procedures and more transparency in public spending (including ventilators, protective equipment, diagnostic support material).

- Special protection regime for professionals in the health sector directly involved in the diagnosis and specialized laboratory response. Exceptional regime for composition of medical boards to assess needs of people with disabilities. Special duty of protection to risk group (+70 year-old / severe disease) with call for limited mobility.

- Mandatory curfew to all tested positive or in active surveillance (in hospital, or at home).

- General call to avoid unnecessary displacements and to promote social distancing.

- National Contingency and Response Plan for Disease by the new Coronavirus.

The Portuguese government has been developing three areas of action, the commitment with the Joint Procurement Agreements developed by the European Commission, the purchase of protective equipment on international markets and the use of the national capacity and availability in production of protective equipment and medical equipment to support the breathing of patients.

### Fiscal measures - overall

On March 13th, the government announced a package of measures, including a 200 million EUR credit line to support firms' liquidity, a 60 million EUR credit line to support micro-companies in the tourism sector, and the deferral on fulfilment of fiscal obligations and reporting requirements regarding CIT and payment on account, additional payment on account and special payment on account. On March 18th, the government announced a second package worth 9.2 billion EUR package, of which 5.2 billion EUR are fiscal measures such as flexible payment schedules for tax payments, 3 billion EUR are state-backed credit guarantees and 1 billion EUR relate to social security payments to support workers and provide liquidity for companies affected by the coronavirus outbreak.

### Fiscal measures - people specific

Parents who need to stay home to take care of their kids (up to 12 years old) and who cannot telework cannot be laid-off for unjustified leave but will receive 2/3 of their salary during that period. These 2/3 of salary will be paid half-half by the employer and the social security. Thus, the employer pays 1/3, the social security pays 1/3, and the individual pays 1/3.

- Training subsidy of 50% of prior earnings, up to minimum wage, plus the cost of training, for workers without occupation for a long period as a result of the Covid-19 crisis.

- The equivalent of 14 days sick absence leave for workers who have to self-isolate or isolate their children or grandchildren, as a prophylactic measure.

- A temporary rent payment scheme has been proposed by the government.

#### **Fiscal measures - company specific**

3 billion state-backed credit guarantees are provided by firms.

-Direct state guaranteed credit support to companies that are most affected (€200 million) and for microenterprises in the tourism sector (€60 million).

-State guaranteed credit through the banking system: for restaurants (€600 million, €270 million for SMEs), tourism (€200 million, €75 million for SME), tourism accommodation (€900 million, €300 million for SME), industry (€ 1.300 million, €400 million for SME), fishing and aquaculture sectors (€20 million).

- Increased ceilings for export credit insurance schemes for metallurgic, mould, metal and mechanical industries (€100 million), construction abroad (€100 million), short-term exports (€50 million).

- "Temporary lay-off scheme" for firms with activity severely affected by the epidemic.

Severely affected firms are those who show a decline in turnover of 40% compared to the previous three months or those that started their business less than 12 months ago. Workers will receive 2/3 of their gross income, up to 1905€ per month. Firms pay 30% of that sum while the social security pays the remaining 70%. This can last up to 6 months maximum. The social security is fully covering the costs of workers who are under a 14 days quarantine, i.e. exempting companies from paying salaries.

-Flexible tax payments for companies and the self-employed, regarding VAT payments, PIT and CIT, which look as follows: 1) payment in three instalments with no late payment interest being charged; or 2) payment in six instalments with late payment interest being due only over the last three instalments. Applicable to self-employed workers and companies with turnover up to €10M in 2018 or starting on January 1, 2019. Remaining companies or independent workers may require the same flexibility in Q2, if turnover decreases at least 20%.

-For self-employed and companies with a turnover of up to EUR 10 million in fiscal year 2018 or that have started the activity after 1 January 2019, it will be possible to defer the withholding tax payment

#### **Monetary policy / Macro-prudential regulation**

Smaller credit institutions, under the supervision of Banco de Portugal and not the ECB, can temporarily operate with a lower level of minimum capital requirements and lower levels of liquidity than usual.

Rescheduling of banking loans, with maturities extended.

## Spain

Updated on 2020-04-04 18:02

Containment measures

### **Quarantine/Confinement**

\* Mandated nation-wide quarantine for at least 15 days since March 15th, which has been further extended until April 11th.

\* Suspension of all non-essential work from March 30 to April 9, inclusive.

### **Travel bans/restrictions**

\* Land borders are closed except for Spanish citizens, residents and land transportation of goods (March 16).

\* Airport and port border restrictions have been introduced for 30 days (March 23).

\* Ban on direct flights from Italy (March 11) except for flights transporting Spanish citizens or residents.

### **Closure of schools/universities**

Closure of schools nationwide since March 12.

### **Cancellation of public events / Closure of public places**

Closure of hotels (March 26). Closure of all retail spaces, except those selling food and essential items. Closure of restaurants, which will only be able to maintain food delivery services. Closure of museums, libraries, public show venues (cinemas and theatres). Sport events and local celebration events have been suspended.

Support measures

### **Health**

\* EUR 110 million for R&D for the development of drugs and vaccines for COVID-19. (March 17)

\* EUR 1 billion for the Ministry of Health to cover expenditures related to healthcare needs. (March 12)

\* EUR 2.8 billion advance payment to the regions to meet increased healthcare needs. (March 12)

\* Price intervention: possibility for the Government to set, in an exceptional public health situation, a maximum price for medicines and certain products. (March 12)

### **Fiscal measures - overall**

\* Three comprehensive packages have been approved (on March 12, March 17 and March 31).

\* Funds mobilised:

o First package: EUR 18.225 billion (including liquidity measures)

o Second package: EUR 5 billion in additional public expenditure, and up to EUR 100 billion in public guarantees, estimated to mobilise up to EUR 200 billion in liquidity for companies and SMEs.

### **Fiscal measures - people specific**

March 31:

\* An unemployment benefit for temporary workers who have had their contracts suspended during the lockdown and have not reached the minimum contribution period. New temporary subsidy for domestic workers affected by the crisis (70% of the regulatory base).

\* Rental market measures for vulnerable groups, which include, among others, the suspension of evictions for 6 months, an automatic 6 month extension of current rental contracts that are about to expire, automatic moratorium on rent payments for vulnerable groups whose landlord is "large" (10 or more properties) and the possibility of deferral of rent in the case of small landlords. In the case of no agreement in the latter case, access of tenants to a microcredit scheme at 0% interest to pay rent (repayment period of up to 10 years).

\* A three-month credit moratorium on the payment of credits and non-mortgage loans by vulnerable groups.

\* Extension of the temporary contracts of university teachers and research staff during the state of emergency.

March 27: Dismissals for reasons related to Covid19 will not be considered justified from March 27 until the end of the health crisis. Temporary contracts can not be cancelled (they can be interrupted during the crisis but must be resumed after the end of the lockdown).

March 30: Workers affected by the suspension of all non-essential activities will receive their full salary during the suspension, and will be required to compensate the work hours before December 31, 2020.

March 17:

\* Changes in the temporary employment adjustment schemes (ERTEs) in order to avoid outright dismissal by promoting temporary unemployment (the suspension of employment) or reductions in working time. In particular: (i) the temporary employment adjustment schemes have been significantly simplified, (ii) access conditions to these schemes have been extended, (iii) unemployment benefits received under the temporary employment adjustment scheme do not count in terms of consumption of unemployment benefit rights, and (iv) as further detailed under firm-specific measures, employers will be exempt from social contributions during the period of application of the temporary employment adjustment scheme.

\* An extraordinary allowance is provided for self-employed workers affected by the suspension of economic activity (70% of the SSC base, at least for one month).

\* Additional budgetary funds of EUR 300 million to ensure the provision of assistance to dependent persons.

\* Additional flexibility for local authorities to use their 2019 budgetary surplus to fund social services and primary assistance to dependent persons (EUR 300 million)

\* The social benefit for energy provision ('bono social') will be automatically extended until September 15.



\* March 12: Supplemental credit of EUR 25 million to cover meal allowances to ensure the basic access to food for vulnerable children affected by the suspension of educational activity in schools.

\* March 10: Increased sick pay for coronavirus infected workers or those quarantined, from 60 to 75 percent of the regulatory base, paid by the social security budget.

Other employment and social measures:

\* Three-month credit postponement on mortgage payments for the most vulnerable. (March 17, expanded on March 31)

\* Broadened scope for protected families in the supply of water and energy. Telecommunication services are also guaranteed. (March 17, expanded on March 31)

\* Increased flexibility of working conditions, encouragement of telework and adjustment of working times. Reduced working times are permitted for workers having to take care of children, elderly or dependent persons. (March 17)

#### **Fiscal measures - company specific**

March 31:

\* A three-month credit moratorium on mortgages to the self-employed affected by the crisis.

\* The possibility to defer SSC payments by the self-employed and firms for up to 6 months.

\* Suspension of interest and loan payments for entrepreneurs in the tourism industry for one year.

March 17:

\* Exemption of social security contributions, directed to maintain employment in temporary employment adjustment schemes (ERTEs) due to COVID -19: 100% for SMEs, 75% of employer's social security contributions for other companies.

\* The Government will open a new line of guarantees via the national development bank (ICO) of up to EUR 100 billion so that the financial sector provides liquidity to firms and self-employed workers to fund working capital, payment of bills and other needs to maintain operations and protect economic activity and employment. The main features of the first tranche of guarantees amounting to EUR 20 billion are the following: (i) 50% of the tranche will cover loans to SMEs and self-employed workers, and (ii) the guarantee will cover 80% of new loans and loan renewals to SMEs and self-employed workers, whereas for the rest of companies, the guarantee will cover 70% of new loans and 60% of loan renewals.

\* The ICO is allowed to increase its funding by EUR 10 billion to extend its existing lines of credit to companies and self-employed workers.

- \* Additional guarantees of up to EUR 2 billion through the Spanish Export Insurance Credit Company (CESCE), for financial institutions to provide new working capital credit to companies.

- \* Guarantees for loan maturity extensions to farmers using credit lines under the special 2017 drought credit line.

- \* Support to the digitalisation of small and medium companies through grants and loans to finance investment in digital equipment or solutions for remote working conditions (programme ACELERA PYME).

March12:

- \* Increased flexibility of the tax deferral regime: possibility for SMEs and self-employed workers, upon request, to defer tax payments for six months, and benefit from interest rate subsidies. This measure will allow for an injection of up to EUR 14 billion in the system.

- \* 50% exemption from employers social security contributions, from February to June 2020, for workers with permanent discontinuous contracts in the tourism sector and related activities.

- \* Specific ICO (Instituto de Crédito Oficial) financing facility amounting to EUR 400 million to support, through liquidity provision, firms and self-employed workers in the tourism sector affected by COVID-19.

- \* Deferral of the reimbursement of principal and/or interest of loans received from the Ministry of Industry, Trade and Tourism if COVID-19 has caused disruptions to the beneficiary firm.

Other firm-specific measures:

- \* Prior government authorisation for third country FDI in strategic sectors.

- \* Acceleration of custom procedures for imports and exports in the industrial sector for six months.

- \* Facilitation of procedural and administrative requirements for companies. (March 17)

- \* Measures to support the aviation sector: EU Commission has been requested to provide urgently flexibility for airport slots.

- \* Publication of sectoral guidelines on how to operate in labour related aspects in the context of coronavirus, and on good practices for businesses and workers in the tourism sector.

- \* Introduction of a special regime for the suspension of public contracts, foreseeing

compensation in certain cases. (March 17)

**Monetary policy / Macro-prudential regulation**

Monetary policy set by the ECB. No macroprudential measures taken at the national level.

Other related measures:

March 16: The National Securities Market Commission (CNMV) issued a ban on transactions which might constitute or increase net short positions in shares admitted to trading to Spanish trading venues for which the CNMV is the competent authority. This measure will expire after the end of the trading session on April 17th.

## France

Updated on 2020-04-04 00:01

Containment measures

### **Quarantine/Confinement**

As of 17 March (at noon), stringent containment measures to slow the epidemics have been implemented. The containment measures will apply at the national level at least until 15 April. Going outside has been restricted to the bare essentials (medical appointments, commuting, grocery shopping, imperative family reasons, exercising close to home). People most at risk (including elderly people) have been encouraged to self-isolate.

### **Travel bans/restrictions**

Travel within towns, between regions and outside the country have been severely limited (need for a good reason and steep reduction of transport offers). National long-distance transportation is being gradually reduced. EU and Schengen borders have been closed (for 30 days).

### **Closure of schools/universities**

All educational institutions have been closed, except for the introduction of a basic day-care service in nurseries and schools for the underage children of medical staff.

### **Cancellation of public events / Closure of public places**

Public meetings have been banned. All public-access buildings and businesses have been closed, except those essential to people's everyday lives. Companies and administrations must offer teleworking options to their employees for all jobs that can be performed remotely. The second round of the municipal elections has been postponed.

Support measures

### **Health**

- Financial support has been provided to the healthcare system: EUR 260 million (0.01% of GDP) for hospitals have been allocated out of unspent reserves in the 2019 budget. Payments of EUR 3.5 billion (0.14% of GDP) from the 2020 allocation have been brought forward (April instead of May)
- EUR 4.5 billion of additional funds for the purchase of equipment and other health expenses
- Creation of an additional emergency fund of EUR 50 million for research on Covid-19
- Overtime caps for health care professionals in hospitals have been removed, lifting the cap of 15 hours per month (i.e., 180 hours per year),
- Reduced regulatory barriers to the use of telemedicine, such as easing restrictions on reimbursement of consultations done by telephone or videoconference, which currently limit

its use

- State requisition of protective masks stocks and future production to support in priority hospitals, town medicine and nurses
- Immediate postponement of non-urgent surgeries
- Mobilization of taxis and hotels for medical staff
- Allowed pharmacists to make their hydro alcoholic solutions and regulated their prices, as well as overtook the national stock and production of protective masks.
- A military health service hospital has been deployed in Alsace
- The military is helping move patients from the most affected regions to reduce local capacity needs.

#### **Fiscal measures - overall**

- Joint actions/coordination: joint actions are being taken between national and regional authorities to manage the crisis as part of the new Economic Council 'Etats-Régions', including to set-up regional Task Forces together with development banks (BPI), to accelerate support measures for businesses enterprises.
- The costs of the fiscal package for households and firms, as well as the healthcare sector, are officially estimated (as of 3 April) at around EUR 16.5 billion, ie 0.7% of 2019 GDP. The main fiscal costs are the short-time work scheme (EUR 8.5 billion), health measures (EUR 4.5 billion) and the solidarity fund (EUR 1.5 billion) for the self-employed and smallest firms
- The postponement of social and fiscal deadlines and the early reimbursements of tax credits will reach EUR 48.5 billion (2.0% of 2019 GDP)
- Implementation of an exceptional State guarantee mechanism for new liquidity loans granted by credit institutions between 16 March and 31 December 2020 to companies registered in France (within the limit of EUR 300 billion). Specific guarantees for export insurance and credit insurance could also reach EUR 12 billion.

#### **Fiscal measures - people specific**

- Increased sick leave reimbursements for affected workers, as well as those facing school closures.
- Short-time work schemes will help maintain household income despite partial business closures (see also firm-specific measures). Employees receive an allowance of 70% of their gross salary (approximately 84% of their net salary), and 100% for minimum-wage workers
- Relaxation of the conditions for the firms to grant an exceptional purchasing power bonus

- Extension of social rights (minimum welfare benefits, benefits for disabled people)
- Extension of unemployment benefit
- A "solidarity fund" will support income for the self-employed and entrepreneurs (see also firm-specific measures)
- Postponement of part of the unemployment insurance reform (around EUR 0.5 billion)
- Tax exemptions for bonuses in "essential" sectors. These bonuses can reach 1000 euros or 2000 euros in case of firm-level agreement.

**Fiscal measures - company specific**

Broad-based support measures including:

- postponing the payments of social security contributions and taxes, and on a case-by-case basis granting exemptions
- State-guaranteed treasury loan of up to 25% of annual turnover or 2 years of payroll for newly created or innovative companies. No repayment will be required in the first year; the company may choose to amortize the loan over a maximum period of five years. Scheme enabling the State to guarantee EUR 300 billion in cash loans. The guarantee may cover 70 to 90% of the amount of the loan, depending on the size of the company
- Activation of public reinsurance on outstanding credit insurance up to EUR 10 billion, which will help companies to keep the credit insurance cover they need in order to maintain their activity
- Setting up of reinsurance for short-term export credits with the "Cap Francexport" public reinsurance scheme, launched in October 2018, will be extended to support French exporters. The cap on outstanding amounts reinsured by the State has been doubled to EUR 2 billion, and eligibility has been extended to more destination countries.
- for VSEs and SMEs, water, gas or electricity bills and rents will be postponed for the time of the crisis.
- Early repayment of corporate tax claims refundable in 2020 and accelerated processing of VAT credit claims
- encouraging conflict mediation with a free, fast and reactive mediation service by a mediator within 7 days for any dispute to the implementation of a contract between private parties, even if tacit, or public procurement
- Creation of a crisis unit for inter-company credit;
- Mobilise credit mediation to support SMEs thanks to a public scheme to help any company

that is experiencing difficulties with one or more financial institutions

- encouraging the use of short time work schemes (by shortening procedures and a higher public coverage of firms' costs). Strengthening the short-time work scheme for employees by making it retroactive from the application. The take up of short-time work schemes has reached 760,000 employees (on 25 March).

- Cancellation of late fees for State and local authorities procurement contracts. The government has allowed companies to declare the epidemic as a cause of "force majeure" if it prevented them fulfilling their public procurement contracts.

- Removal of the ceiling for advances paid by the State on public contracts

- setting-up a "solidarity fund" with a lump-sum compensation corresponding to the loss of turnover over one year (up to €1500) for very small businesses (turnover under €1 million and annual taxable profit under €60,000), the self-employed, micro-entrepreneurs and liberal professions suffering a very sharp drop in turnover (loss of 70% of turnover over one year in March 2020) or subject to administrative closure. Additional flat-rate aid of €2000 for businesses with at least 1 employee threatened with bankruptcy.

- Implementation of a €4bn fund to support the cash flow of start-ups

- Reduction of the notice period for the imposition or modification of paid leave days

#### **Monetary policy / Macro-prudential regulation**

The French High Council for Financial Stability has decided to fully release banks' countercyclical capital buffer on 18 March.

There is wider access to Banque de France refinancing for SMEs.

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## Italy

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### Containment measures

#### **Quarantine/Confinement**

- 23 February: quarantine of municipalities with initial clusters of cases.
- 25 February: Restrictions introduced to several northern regions.
- 8 March: Quarantine extended across Lombardy and 14 other northern provinces.
- 9 March: Nation-wide quarantine. "I stay at home decree", aims at limiting the movement and contact of people. People are required to stay at home but can leave in case of necessity or for prescribed motives. Reconversion of facilities (e.g., army barracks) to host people in quarantine.
- 25 March: Movements restrictions reinforced, with fewer exceptions and a limited range of industrial and commercial activities permitted to continue operating, effective 29 March.

#### **Travel bans/restrictions**

Strict travel restrictions nation-wide, reinforced from March 23 to prohibit movements out of the municipality where individuals reside.

#### **Closure of schools/universities**

Closure of schools and universities from March 4 until April 3, extended to at least April 14.

#### **Cancellation of public events / Closure of public places**

- Bars and restaurants along with many other retail trade activities (e.g. shopping centres; indoor and outdoor markets) closed from March 10 until at least 14 April, and all sporting competitions suspended over the same period along with other public gatherings.
- All but prescribed essential production activities suspended from March 23, with the list of permitted activities further limited from March 26.
- On March 30, closures extended from April 3 to 30 April for sports, bars and similar activities.

### Support measures

#### **Health**

EUR 3.2 billion for the national health service and to support civil protection. Within this package:

- EUR 1.4 bn to raise funding for the health care system for 2020, including EUR 845 m to recruit 20 000 more health workers.

- Ease burden of hospitals: dedicate entire facilities to patients infected with Covid-19, while redirected non-infected patients for other facilities.
- Increased cleaning of public transportation facilities, such as metro transit, buses, boats.
- Measures to increase purchases and production of medical materials (masks, ventilation machines)
- Repurposing of medical equipment and buildings (e.g. hotels) for the medical emergency.
- The production of face masks is incentivised
- Retired medical personnel are encouraged to come back to work
- Smart working has been extensively favoured, both in the private and in the public sector.

#### **Fiscal measures - overall**

1) EUR 3.2 bn for health care and civil protection; 2) EUR 10.3 bn for employment and incomes; 3) EUR 5.1 bn support to raise liquidity for businesses and households; 4) EUR 1.6 bn tax payment support.

#### **Fiscal measures - people specific**

Over EUR 10 bn allocated:

- EUR 5.0 bn to strengthen the wage supplementation scheme for furloughed employees, and increase to a last-resort fund for workers not qualifying for these measures. This includes about EUR 1.3 bn for ordinary wage supplementation schemes, EUR 300 m for wage supplementation schemes to firms that already participate in the "cassa integrazione guadagni straordinaria" supplementation scheme, and EUR 3.3 bn for firms already that already participate in of the "cassa integrazione in deroga". A Last Resort scheme is established for workers not qualifying (EUR 300 m).
- EUR 2.3 bn for one-off EUR 600 payment to various categories of self-employed and seasonal workers. A Last Resort scheme has been established for those not qualifying.
- EUR 400 m for one-year suspension in the repayment of real estate mortgages by workers having lost their job.
- Allowance of EUR 500 per month for up to 3 months for self-employed workers in the municipalities most affected.
- EUR 1.3 bn to strengthen childcare support for children up to 12 years old (15 extra days at a 50% wage replacement rate, compared with 0% or 30% of the ordinary leave) or, alternatively, a EUR 600 transfer to pay childcare services.

- EUR 30 m for EUR 1000 childcare payment to employees in the healthcare and law enforcement sectors.
- EUR 0.5 bn to raise by 12 days the paid leave for disabled workers and workers caring for a disabled relative.
- EUR 130 m to extend sick leave to cover days spent in quarantine.
- EUR 900 m for a EUR 100 one-off bonus to workers who continued to work at their workplace.
- Moratorium on debt payments, including mortgages.

**Fiscal measures - company specific**

- EUR 540 m for 60% tax credit on commercial rents.
- EUR 50 m for incentives to firms to sanitise workplaces.
- Suspension for 2 months of tax and social security payments in the municipalities most affected.
- For firms with an annual turnover below EUR 2 m, suspension of all the tax and social security payments coming due in March (valued at EUR 10 bn in deferred payments).
- Non-application of withholding tax for professionals without employees, with revenues below EUR 400 000 until 31 May 2020.
- Suspension of collection of tax collection files (valued at EUR 0.6 bn).
- EUR 50 m allocation for one-year suspension in repayment of loans to Invitalia to support SMEs in the most affected municipalities.
- Suspension of 2 months (until end of April) in the payment of the electricity, gas, water and waste bills in the most affected municipalities.
- Increase to EUR 1.7 bn for the Fund to provide fee-free guarantee for SMEs loans. Eligibility has been enlarged, admission fees and costs reduced. Private individuals can contribute to the SMEs Fund's financing. Maximum guarantees raised from EUR 2.5 m to EUR 5 m.
- Further guarantees for firms most affected by the virus. Facilitate guarantees for self-employed workers, freelancers and individual entrepreneurs.
- Suspension of 6 months (until end of September) of loan repayment by SMEs.
- State guarantee for up to EUR 10 bn in new loans for medium-large firms.

- EUR 500 m to support exporting firms.
- Incentive to sell impaired loans (NPLs) by converting deferred tax assets (DTA) into tax credits for financial and industrial companies.
- Establishment of a Fund to support the cultural sector. Increase in advances from the 2014-2020 Development and Cohesion Fund.

**Monetary policy / Macro-prudential regulation**

Less significant banks and non-bank intermediaries are allowed to operate temporarily below the level of the Pillar 2 Guidance, the capital conservation buffer and the liquidity coverage ratio. Their deadline to submit their revised NPL reduction plans is postponed to 30 June. Other reporting and inspection deadlines are delayed.

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## Germany

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Containment measures

### **Quarantine/Confinement**

Contact ban for meetings of more than two individuals in public with exemption for household members have been decided on March 22 across the country for at least 14 days, extended until at least April 19 on April 1. The Federal States of Bavaria, Saarland and Saxony have introduced stricter lockdowns.

### **Travel bans/restrictions**

Reintroduction of border controls at the internal Schengen borders to France, Luxembourg, Switzerland, Denmark, Italia, Spain and Austria with restriction on entry since 16/19 March. Goods and commuters are allowed to cross border. On April 2, the government agreed to exceptionally allow seasonal agricultural workers to enter the country under strict requirements after seasonal workers have generally been denied entry from March 25 onwards. Travel warning for all countries in place until the end of April. In accordance with the decision at the European level, individuals from outside the EU with few exceptions cannot enter the country for at least 30 days starting March 18.

### **Closure of schools/universities**

Most schools and day care centres closed until mid April.

### **Cancellation of public events / Closure of public places**

Restaurants are now closed. Non-essential stores, leisure and cultural facilities have been closed since March 15/16. Larger events were cancelled already earlier.

Support measures

### **Health**

The budget committee provided additional 800 million for protective equipment, equipment for intensive care and research on vaccines. Previously, around € 350 million were already agreed on for protective equipment and the WHO. Agreement of federal level and Länder to expand hospital capacities for COVID by e.g. postponing elective treatments. Additional funding for hospitals will be provided to balance losses due to rescheduled surgeries and to increase ICU capacity. Federal government will provide EUR 2.8 billion in 2020, additional funding will come from health insurance. Additional central procurement of special equipment on federal level, in addition to procurement of hospitals and private practices

- participation in EU joint procurement. Derogation for the provision and use of biocidal products (Biocide Ordinance) allows pharmacists to produce and place on the market hand disinfectants. Insurance Physicians: Sick leave by telephone for up to 14 days for patients with minor illnesses.

### **Fiscal measures - overall**

- Overall fiscal measures and funds made available to slow further spreading of the virus, ensure best-possible medical care and protect the economy amount to well over EUR 1 trillion

(including the additional EUR 156 billion from the supplementary budget 2020).

- Coalition parties agreed on an additional investment package of € 3.1 billion per year over the period 2021
- 2024 funded by the 2019 budget surplus.

#### **Fiscal measures - people specific**

Starting April 1, access to social benefits (Basic income support for job-seekers under Book II of the Social Code (SGB II) and Social assistance under Book XII of the Social Code (SGB XII)) will be eased for six months, with assets and apartment size not taken into consideration. Parents, who temporarily lose income, will be able to benefit from child allowance (Kinderzuschlag).

#### **Fiscal measures - company specific**

- Short-time working schemes: The "short-time" work scheme will be easier to access temporarily as was the case during the financial crisis. Firms will be able to request support for their workers under this scheme if 10% of their workforce are affected by cuts in working hours as opposed to one third under the usual regulation. In addition to compensating 60% of the difference in monthly net earnings due to reduced hours, the labour agency will now also cover 100% of social-security contributions for the lost work hours. This is an increase compared to the financial crisis, where only 50% of social-security contributions were subsidised and employers had to cover the other half.

- Providing liquidity to affected firms through programs of the KfW with unlimited credit. Firm size limitations for liquidity support will be adjusted upwards. Risk taken by the government will increase. The volume of guarantees provided by guarantee banks will be doubled to €2.5 billion.

- Direct support to self-employed and small businesses with fewer than 10 employees of up to EUR 15 000 per firm (total of EUR 50 billion foreseen).

- An economic stabilisation fund for larger companies with 250 employees or more. The fund will provide EUR 100 billion for recapitalisation, EUR 400 billion of guarantees for corporate liabilities, and a credit authorisation for EUR 100 billion to the KfW for refinancing purposes.

- EUR 2 billion for co-investment in start-ups through the KfW bringing forward a first tranche of an already planned future fund of EUR 10 billion.

- Tax deferrals are possible and tax prepayments can be adapted to expected lower income in 2020. Enforcement measures and penalty surcharges will be paused in 2020 if the enterprise is hit hard. For companies that find themselves in financial difficulties as a result of the current situation, the obligation to file for insolvency will be suspended until September 30, 2020.

#### **Monetary policy / Macro-prudential regulation**

The national designated authority BaFin declared its intention to reduce the countercyclical capital buffer from 0.25 % to 0 % as of 1 April 2020.

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## European Union

Updated on 2020-04-04 00:01

Containment measures

### **Quarantine/Confinement**

Information not available

### **Travel bans/restrictions**

On March 17, EU member states agreed to restrict non-essential travel to the European Union for an initial period of 30 days, with exceptions mainly for EU and British citizens, long-time residents, cross-border commuters, health care workers and workers delivering goods. Movement of goods is not to be affected. With regard to internal border controls in the Schengen area, member states have endorsed the guidelines proposed by the Commission on border management, which call inter alia for proportionality and non-discrimination between own nationals and resident EU citizens.

### **Closure of schools/universities**

Information not available

### **Cancellation of public events / Closure of public places**

Information not available

Support measures

### **Health**

The Commission has been pursuing joint public procurements of protective equipment, which reinforces member states' negotiating position towards the industry. Additionally, on 19 March, the Commission has decided to create a European civil protection stockpile of medical equipment such as ventilators and protective masks. Member states wishing to host the stockpile will procure the equipment, financed with a 90% Commission grant. The initial EU budget of the stockpile is EUR 50 million. Distribution of the equipment will be managed at EU level.

### **Fiscal measures - overall**

\* The Commission proposed a EUR 37 billion Coronavirus Response Investment Initiative to accelerate the implementation of cohesion policy (total country allocations for the 2014-2020 period remain unchanged). Member States will not have to pay back to the EU budget unspent pre-financing received from structural funds (about EUR 8 billion). Instead, they will be able to use it as national co-financing for the next tranches of their structural fund allocations (about EUR 29 billion). Investment for fostering the crisis response capacities in public health services and some financing of working capital in SMEs will become eligible.

\* Maximum flexibility will be deployed in the application of the Stability and Growth Pact by activating for the first time the general escape clause in case of a severe economic downturn



for the euro area or EU as a whole.

\* Other proposals by the Commission:

- o Extending the scope of the EU Solidarity Fund to cover major public health emergencies and to increase advance payments from this Fund (up to EUR 800 million available in 2020)
- o Using the European Globalisation Adjustment Fund to support dismissed workers and those self-employed (up to EUR 179 million available in 2020)
- o Providing EUR 1 billion from the EU budget as a guarantee to the European Investment Fund (part of the EIB group) to support SME financing.

#### **Fiscal measures - people specific**

Information not available

#### **Fiscal measures - company specific**

\* The Commission intends to allow State aid for struggling businesses. In particular, the Commission considers that the impact of the COVID-19 outbreak is causing a serious disturbance to the entire EU economy (Article 107(3)(b) of the Treaty). In this context, the Commission has adopted a Temporary Framework, in place until end-2020, to enable Member States to use the full flexibility foreseen under State aid rules.

\* The European Investment Bank (EIB) Group has proposed a plan to mobilize up to EUR 40 billion of financing to alleviate liquidity and working capital constraints for SMEs and mid-caps. This comprises dedicated guarantee schemes to banks based on existing programmes, dedicated liquidity lines to banks, and dedicated asset-backed securities (ABS) purchasing programmes to allow banks to transfer risk on portfolios of SME loans.

#### **Monetary policy / Macro-prudential regulation**

\* In March the ECB took several measures to support bank lending and liquidity throughout the euro area:

- o Lowering the interest rate applied in targeted longer-term refinancing operations (TLTRO III) during the period from June 2020 to June 2021 (25 basis points below the average rate applied in the Eurosystem's main refinancing operations).
- o Conducting additional longer-term refinancing operations (LTROs) temporarily (with an interest rate equal to the average rate on the deposit facility, -0.50% currently).
- o Easing collateral standards to give easier access to ECB liquidity, by adjusting the main risk parameters of the collateral framework.
- o Major banks (i.e. those directly supervised by the ECB) will be allowed to operate temporarily below the level of capital defined by the Pillar 2 Guidance (P2G), the capital conservation buffer (CCB) and the liquidity coverage ratio (LCR). The ECB considers that these temporary measures will be enhanced by the appropriate relaxation of the countercyclical capital buffer (CCyB) by the national macroprudential authorities. In addition, the ECB has introduced supervisory flexibility regarding the treatment of non-performing loans (NPLs), in particular to allow banks to fully benefit from public guarantees and moratoriums. Flexibility will also extend to banks' implementation of NPL reduction strategies.

\* The ECB also took measures to reinforce the asset purchase programme (APP):

- o Adding a temporary envelope of additional net asset purchases of €120 billion until the end

of the year.

o Furthermore, launching a new temporary asset purchase programme of private and public sector securities (Pandemic Emergency Purchase Programme, PEPP) with an overall envelope of EUR 750 billion until the end of 2020. Together, both envelopes amount to 7.3% of euro area GDP. Some self-imposed purchase limits will not apply to the PEPP.

o Expanding the range of eligible assets under the corporate sector purchase programme (CSPP) to non-financial commercial paper.

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