



SIGMA

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Public Administration: Responding to the COVID-19 Pandemic

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

ITALY

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ITALY

Centre of Government, policy co-ordination and decision-making process

1. How is the Government (Council of Ministers) functioning (organisation of virtual meetings, remote sessions etc.)?

During this crisis period, the Council of Ministers (CoM) has continued holding frequent meetings, discussing and improving important measures¹ to manage the emergency and address immediate risks and challenges. The Government meetings, chaired by the Prime Minister, are being held at Palazzo Chigi (the official meeting place of the CoM).² The CoM have not had any official meeting by video-conferencing but the Prime Minister (PM) and ministers have had frequent conference calls using video and tele-communication tools. Meetings are also being held with external partners and business groups. For example, the Prime Minister organised a virtual meeting using video-conference with ministers, business and trade union representatives on 14 March 2020 to discuss the impact of the crisis on SMEs, enterprises, the economic initiatives and workers' rights.³

Additionally, the decree #CuraItalia⁴ allows the regional and municipal councils and state-owned enterprises to have remote deliberations and meetings (using video-conferencing where possible).

2. How are the crisis management and external communications co-ordinated within the Government? What is the role of the CoG in this? Is there a central strategy/guidance?

The Italian Government approached the emergency with a series of decrees that introduced various limitations and restrictions within the so-called 'red' regions and areas. These restrictions were later expanded to cover the whole country.

A new coronavirus Task Force (COVID-19) was established on 22 January 2020. The Task Force is a committee involving experts and scientists with a mission to provide the Government with relevant evidence and data so that the decisions and policies of the Government are evidence-based. The task force is chaired by the Secretary General of the Ministry of Health and includes: (the Directorate General for Prevention, other relevant directorates of the Ministry of Health, Carabinieri, the Higher Institute of Health, the National Institute for Infectious Diseases "Lazarus Spallanzani", the Offices of Maritime, Air and Border Health, the Italian Pharmaceutical Agency, the Italian Agency for regional medical services and the Diplomatic Advisor of the Minister).⁵

*There is also a dedicated department, the Department of Civil Protection, which has been functioning within the offices of the Presidency of the CoM since 1982. It has an advisory role, working with the regional and local governments on projects and activities regarding prevention, prediction and monitoring of risks and intervention procedures to ensure national co-ordination of policy and response. The Head of the Department of Civil Protection was appointed as the **Special Commissioner for the COVID-19 emergency**, and is entrusted with special functions to co-ordinate interventions to fight the emergency across the country.⁶ The main activities co-ordinated by the Special Commissioner included rescue and assistance efforts for people likely to be affected by the virus,*

¹ <http://www.governo.it/it/articolo/comunicato-stampa-del-consiglio-dei-ministri-n-38/14376>

² <http://www.governo.it/it/tipologie-contenuto/riunioni>

³ <http://www.governo.it/it/articolo/coronavirus-informativa-del-presidente-conte-alla-camera/14380>

⁴ Adopted on 17 March 2020, at the 37th meeting of the Council of Ministers

⁵ <http://www.salute.gov.it/portale/home.html>

⁶ <http://www.governo.it/it/approfondimento/coronavirus/13968>

controls in airports and port areas, the repatriation of Italian citizens from abroad and the return of foreign citizens to their home countries.⁷

At the Civil Protection Department, an **Operational Committee** exists, which ensures the co-ordination of all operations and activities of the National Civil Protection Service.⁸ The Prime Minister has chaired the meetings of the Civil Protection Operational Committee to co-ordinate activities (e.g. a meeting on 6 February 2020 in Rome and another meeting on 25 February 2020 with the Ministers, the Presidents of the Regions and the technical specialists of the Ministry of Health were held at the Civil Protection Department offices).

In addition, a **multidisciplinary task force** was established on 31 March 2020 by the Minister for Technological Innovation and Digitalisation, in agreement with the Ministry of Health, to evaluate and propose data-driven technological solutions and address the health, social and economic emergency linked to the spread of COVID-19 in Italy.⁹ In particular, the task force is developing an online application to monitor movement of people.

The Prime Minister has been giving regular briefings and press conferences to the media and public to announce important decisions approved during the meetings of the Council of Ministers and other emergency co-ordination structures and committees. The Government has issued advisory notes for the press limiting the number of journalists access to the Prime Minister's building.¹⁰ Daily briefings are also provided by the Department of Civil Protection.¹¹

3. Any arrangements (rules, working procedures) which aim to streamline and accelerate the government decision-making process (as regards deadlines, public consultations, transparency, impact analysis)?

Almost all new efforts and initiatives of the Government are aimed at addressing the crisis and are being processed through expedited procedures. There does not seem to be any formal decision or changes in working procedures and rules relating to other areas and policies. Following the declaration of a six-month state of emergency on 31 January 2020, the CoM has approved several orders and decrees¹² and some draft laws have been sent to the Parliament for approval (the parliament has 60 days to turn a decree into law or reject it).

Public service and human resource management

1. What arrangements regarding teleworking? What is the share of civil servants teleworking? What is the share of civil servants still coming to the office?

The coronavirus emergency is accelerating a digital revolution within the Italian administration.¹³ The administration is focused on introducing smart working solutions.¹⁴

According to a recent circular on smart working, signed by the Minister of Public Administration (4 March 2020),¹⁵ it includes four working solutions:

⁷ <http://www.protezionecivile.gov.it/risk-activities/health-risk/emergencies/coronavirus>

⁸ http://www.protezionecivile.gov.it/media-communication/press-release/detail/-/asset_publisher/default/content/coronavirus-sono-83-049-i-positivi

⁹ <https://innovazione.gov.it/nasce-la-task-force-italiana-per-l-utilizzo-dei-dati-contro-l-emergenza-covid-19/>

¹⁰ <http://www.governo.it/it/articolo/nuove-regole-di-accesso-alla-sala-stampa-di-palazzo-chigi/14272>

¹¹ <http://www.protezionecivile.gov.it/media-communication/press-release>

¹² <http://www.governo.it/it/approfondimento/coronavirus/13968> & <http://www.governo.it/provvedimenti>

¹³ <http://www.funzionepubblica.gov.it/Lavoro%20agile%20e%20COVID-19>

¹⁴ http://www.funzionepubblica.gov.it/sites/funzionepubblica.gov.it/files/documenti/SW_COVID/DIRETTIVASG_lavoro_agile_misure_temporanee.pdf

¹⁵ http://www.funzionepubblica.gov.it/sites/funzionepubblica.gov.it/files/Circolare_n_1_2020.pdf

Teleworking: the Government has established and is in the process of gradually putting in place several security IT protocols to support this more widely.

Flexible working time: it is applicable to those public services which require physical presence of civil servants in offices/workplace. Individual decisions and cases are agreed between the civil servant and administration to allow for a better balance between professional/business needs and private life.

Rotation: it is applicable to those public services which require physical presence of the civil servant at the workplace. It consists of a regular rotation of employees to work at predetermined time slots in order to deliver various organisational and functional needs of a specific service. The Government envisages working slots covering a 24h period. It ensures continuity of the service, while avoiding the presence of too many civil servants in the offices at the same time.

Specific working arrangements: consist of mutually agreed working calendars considering a higher or lower number of working hours compared to the statutory one (35 hours a week).

While these working arrangements were already in place, the Decrees #IoRestoCasa and #CuraItalia,¹⁶ consider and promote **remote working as normal working practice** until the end of the emergency. The Government encourages all institutions to extend this practice as much as possible and has simplified procedures to access these working arrangements and granted permissions to categories of civil servants originally excluded.

Further Guidelines for public sector employees¹⁷ include useful recommendations and tips for working online safely and on 17 March 2020 similar guidance prepared by the Agency for Digital Italy (AgID) has been made available in the Vademecum.¹⁸

The Decree #CuraItalia, adopted by the Council of Ministers on 17 March 2020, allows for the provision of IT equipment (laptops and tablets) to employees of the Public Administration in order to promote smart working.¹⁹

The Civil Service Department monitors remote working arrangements introduced within the public administration to verify the effects of regulatory measures.

A significant majority of civil servants at the central level are teleworking (except for police forces). Precise data is not available for the central level.

At the **regional and local level**, monitoring data (updated twice a week) shows that 73.2% of civil servants are using smart working solutions²⁰: an estimated 65,242 civil servants are working in regional and local administrations, 46,676 of them are benefiting from smart working arrangements²¹ and only 1,162 of them are teleworking. This can be explained by the fact that most of the regional and local administrations are front-office service providers.

2. What other flexible working arrangement (part-time work, distribution of working hours over 7 days...)?

See above

¹⁶ On 4 March 2020, the Presidency of the Council of Ministers issued a Decree containing temporary measures on agile work, which will remain in force until 31 July 2020, except for any subsequent changes due to the evolution of the health emergency situation. This Decree was a follow up of the Resolution issued by the Council of Ministers on 31 January 2020, with which it declared the state of emergency on the national territory to continue for six months; the law-decree on 23 February 2020, n. 6, containing urgent measures regarding the management of the emergency raised from COVID-19; the decree of the President of the Council of Ministers on 1 March 2020, containing implementing provisions of the law-decree of 23 February 2020; the directive of the Minister for Public Administration n. 1/2020 of 25 February 2020.

¹⁷ <http://www.funzionepubblica.gov.it/lavoro-agile-e-covid-19/linee-guida>

¹⁸ <https://www.agid.gov.it/index.php/it/agenzia/stampa-e-comunicazione/notizie/2020/03/17/smart-working-vademecum-lavorare-online-sicurezza>

¹⁹ <http://www.mef.gov.it/covid-19/Sostegno-ai-lavoratori-e-garanzia-dei-redditi/>

²⁰ <http://www.funzionepubblica.gov.it/lavoro-agile-e-covid-19/monitoraggio-lavoro-agile>, updated information by 03 April 2020

²¹ http://www.funzionepubblica.gov.it/sites/funzionepubblica.gov.it/files/documenti/SW_COVID/Monitoraggio/regioni_sw_3aprile.pdf

3. If civil servants cannot telework, how are they paid?

All civil servants are working. Based on the current legislation and the approved decrees, civil servants not able to work from home are working in accordance to other forms of smart working solutions and continue to be paid.

Public Administration institutions can also request the presence of their employees on a "rotation" basis, combining various types of working arrangements. Non-essential activities and those strictly functional to emergency management are either carried out remotely or by physical presence in the workplace. The institutions identify activities that can be carried out remotely and those requiring a presence in the workplace, adopting various forms of rotation to ensure a minimal present of staff in the office whenever possible.

4. Are civil servants being sent on mandatory annual leave? If not, is use of annual leave recommended? Any other special arrangement on absence management?

The Legislative Decree 18/2020 provides for an additional 12 days of annual leave already provided by the current regulations. Annual leave days can be used during the months of March and April 2020 if the conditions/needs of public sector organisations allow for it.²²

For activities which, by nature, cannot be carried out remotely, the relevant administrations can adopt alternative tools such as, rotation of staff, use of annual/sick leave, or reduced hours in compliance with the discipline defined by the national collective bargaining agreement "Article 87, paragraph 3, L.D. 18/2020.

The #CuraItalia decree establishes for both the public and private sectors, that illness, quarantine or fiduciary stay at home is considered sick leave.²³

Public sector institutions are recommended to encourage the use of annual leave or other forms of leave and recuperation allowance.²⁴ Annual leave or recuperation of time are not mandatory (trade unions opposed these recommendations).

5. Any new, special regulations for working overtime (removing limitations to overtime work e.g. for medical staff)?

As a general rule, overtime is not compatible with teleworking. However, overtime is possible and can be agreed between the administration and individual civil servants.²⁵

The #CuraItalia decree, adopted by the Council of Ministers on 17 March 2020, contains measures to fund overtime for workers of the National Health Service. The Government has mobilised resources, amounting to approximately EUR 3.2 billion, to guarantee and provide the health system with the personnel, tools and means needed to combat the crisis and to support civil protection and law enforcement agencies to assist people affected by the disease and to prevent, mitigate and contain the pandemic. EUR 250 million has been allocated to cover overtime of healthcare workers.²⁶

6. Arrangement for paying for extra workload (health care etc...)?

The #CuraItalia decree contains additional measures and funding for the health sector and civil protection providing funds to pay for the overtime of doctors and nurses.

²² <http://www.funzionepubblica.gov.it/lavoro-agile-e-covid-19/faq>

²³ <http://www.mef.gov.it/covid-19/index.html>

²⁴ Decree of the Presidency of the Council of Ministers of 8 March 2020.

²⁵ https://www.giustizia.it/giustizia/it/mg_1_8_1.page?contentId=SDC252056

²⁶ <http://www.mef.gov.it/covid-19/index.html>

An average of 20,000 new hires has already been approved for the national health system to address the shortage. Extraordinary measures have been adopted for the recruitment of health personnel, within the framework of the regulations on public employment. It also provides access to the National Health System of medical personnel having a one-year fixed-term contract.

If it is not possible to recruit new staff, there is the possibility of requisitioning retired medical staff.

Special allowances are granted to civil servants on rotating timeslots. These are not new, but it is expected that many officials will be using it in the current situation. In particular, it provides extra pay as per the below²⁷:

- EUR 9.53 per day for any afternoon time slots
- EUR 15.20 per day for any night or holiday slots
- EUR 29.40 per day for any night and holiday slots

A weekly reporting system has recently been introduced for those civil servants who are working from home.

7. What measures have been introduced to create fiscal space to fund health care, economic measures etc. against COVID-19 (salary cuts, freeze of recruitment, promotions...)?

There have been no salary cuts or freezes on recruitment at this time. Dismissal procedures have been suspended for the two months following the date of entry into force of the #CuraItalia decree (18 March 2020). During this period, regardless of the type of contract, the employers cannot terminate any contract for whatever reason including dismissal on economic/financial grounds. As per the #CuraItalia decree, it guarantees that nobody will lose his or her job because of the pandemic. With an allocation of EUR 10.2 billion, employment and income is guaranteed, enhancing the entire system of social safety nets.²⁸

The #CuraItalia decree introduces various incentives, including financial incentives and bonuses.

There is agreement for a recruitment drive in the health sector (see also answer to Q#6).

There have been no announcements regarding promotions.

Accountability

1. How did you keep the national parliament operational? Any simplification of parliamentary procedures?

Since the emergency started, the Senate and the Chamber of Deputies have never stopped working. On the contrary, they have been very active and have adopted several measures in response to the COVID-19 emergency.²⁹ They have adjusted their working procedures based on the advice of the Government to minimise risks of contamination. Parliamentary committees carry out video-conference hearings and preparatory discussions. Online voting is not allowed in the current parliamentary procedures. Sessions continue to be organised in the Parliament buildings. Precautions for social distancing that have been introduced are:

- access is granted to representatives of parliamentary groups, in proportion to their parliamentary right.

²⁷ [National Collective Labour Contract 2016-2018 \(still in place\)](#)

²⁸ <http://www.mef.gov.it/covid-19/Sostegno-ai-lavoratori-e-garanzia-dei-redditi/>

²⁹ http://www.parlamento.it/leg/ldl_new/v3/sldlelencodlconvers.htm

- visits to Parliament were reduced and measures are introduced to check visitors (including journalists)
- limiting the number visitors to Members of the Parliament.³⁰

The parliamentary debate can be viewed on the Chamber's satellite channel and web-TV and all documents are available on the website of the Parliament.

2. How about the Ombudsman (e.g. overseeing the situation in prisons)

Since 1997, the Ombudsman service (in Italian: difensore civico) has been established at the regional and municipal level. The web-site of the Ombudsman for the Region of Lombardia, one of the worst affected regions of Italy,³¹ states that "In light of recent developments of the flu syndrome in our Region and to reduce any risks of public health, the information point of the Office for the Regional Ombudsman, the Ombudsman for Children and Adolescents and the Ombudsman for the protection of crime victims, will be temporarily closed to the public, as per the Regional Council Presidency Resolution no. 54 of 24 February 2020."³² A recorded announcement on the telephone switchboard, specifying telephone numbers is active from Monday to Thursday (09.00 to 12.30), and provides e-mail addresses to contact outside the scheduled times.

Other regions where the ombudsman office is established are adopting similar measures (but having an Ombudsman in each region is not mandatory).

3. Does administrative justice work? Have deadlines changed?

The directive of the Ministry of Justice department on 4 March 2020³³ contains urgent measures to manage the emergency by adopting remote/flexible working methods. It authorises employees in central and territorial offices, to carry out their work remotely (smart working), and as such, reducing drastically the number of staff in the offices. It also provides examples of activities/tasks which can be accomplished remotely. Guidelines of the Ministry of Justice of 10 March 2020³⁴ provide new measures and guidance for carrying out the work activity for the staff of the Judicial Administration during the emergency. Urgent measures have been taken to suspend deadlines and postpone hearings in civil and criminal proceedings and administrative justice. In particular, the following³⁵:

- postponement of hearings and suspension of civil and criminal proceedings;
- the application of amnesty for late submission through facilitated procedures;
- the application of some exceptions to the law, when participation in hearings is made possible by video-conference or remotely;
- the need for inmates' meetings with relatives to be carried out, whenever possible, remotely, using equipment provided by the prison administration or by telephone, within the restrictions established by law.

4. Any public debates in respect of principles of good administration (legality, proportionality, predictability) of protective measures?

There are some discussions in the media but most of the country and citizens agree urgent measures are needed and they are focused on getting results. Discussions may arise later.

³⁰ <http://www.senato.it/4522?comunicato=127401>

³¹ http://www.difensoreregionale.lombardia.it/news_ita/avviso-agli-utenti-chiusura-sportello-ricevimento-pubblico/

³² http://www.difensoreregionale.lombardia.it/news_ita/avviso-agli-utenti-chiusura-sportello-ricevimento-pubblico/

³³ https://www.giustizia.it/giustizia/it/mg_1_8_1.page?facetNode_1=0_62&contentId=SDC251036&previousPage=mg_1_8

³⁴ https://www.giustizia.it/giustizia/it/mg_1_8_1.page?contentId=SDC252056

³⁵ <http://www.mef.gov.it/focus/Coronavirus-le-prime-misure-del-Governo-per-ridurre-limpatto-economico/>

Service delivery

1. Which services are being delivered (all, some, only the essential)?

Public Services are disrupted but continue to be provided as much as possible by using flexible and new working arrangements. The decree #Curaitalia specifies which services are to be considered as urgent and essential. Such information is also available on the websites of each administration/public service organisation. Opening hours are reduced and citizens are received by appointment only. In any case, almost all services are available online. Activities in certain sectors, however, are suspended (e.g. closure of schools, kindergartens, museums and libraries).³⁶ School lessons are offered through video-conferencing, where possible.

New arrangements are introduced to ensure pensioners get their pensions from post offices on different days and times of the week to reduce the number of people. The system is based on alphabetical order (A-D gets on Monday, E-K on Tuesday etc.).

2. Are there any modifications done to the obligations of:

- i. the administrations towards citizens/businesses (e.g. freezing of deadlines)?

#IoRestoCasa³⁷ and #Curaitalia are two important decrees containing measures to decrease the effects of the coronavirus emergency on people and on the economy.³⁸ Based on Directive no. 2/2020 of the Minister for Public Administration, the activities related to the direct provision of services to the public are primarily guaranteed electronically, or in any case exclude or limit physical presence in the offices (e.g. to be offered through telephone appointment or virtual assistance). Access to public offices is possible but should be based on appointment only.³⁹ Consequently, some administrative activities (e.g. order management, customer support), where possible, will be organised remotely or other working solutions;- warehouse and shipping management activities, which cannot be carried out remotely, are continued within certain limits.

- ii. citizens/businesses towards public administration (reporting, payments of taxes, contributions, fees...)?

With the #Curaitalia decree, the government has recently introduced a series of rules that provide for a total allocation of EUR 2.4 billion and have postponed the deadline for tax declarations.⁴⁰ The deferral of deadlines and the suspension of tax and social security contributions have been adopted (for all small businesses and without turnover limits, for businesses operating in the sectors most affected) as well as the collection and dispatch of the tax collection files and of assessment documents and payments due for the various tax amnesty measures.

3. Has the crisis initiated any simplifications or enhanced the use of alternative tools:

- i. in the internal procedures of the government (e.g. acceptance of formal approvals over email)?

It appears there are no specific new measures introduced in this regard.

³⁶ <http://www.governo.it/it/articolo/decreto-iorestocasa-domande-frequenti-sulle-misure-adottate-dal-governo/14278>

³⁷ Signed by PM on 9 march 2020

³⁸ <http://www.governo.it/it/articolo/consiglio-dei-ministri-n37-la-dichiarazione-del-presidente-conte/14322>

³⁹ <http://www.governo.it/it/articolo/decreto-iorestocasa-domande-frequenti-sulle-misure-adottate-dal-governo/14278>

⁴⁰ <http://www.mef.gov.it/covid-19/Sospensione-dei-versamenti-fiscali-e-contributivi/>

- ii. *in the administrative procedures with citizens and businesses (e.g. replacement of handwritten signature with scanned copies or simple exchange of mails)?*

Public and private employers can apply remote working, or smart working solutions to all workers.⁴¹ Guidelines contained in the "Shared protocol regulating measures to combat and contain the spread of the COVID-19 virus in the workplace",⁴² encourage businesses and companies to use smart working methods as much as possible.

There has been an increase in digital solutions. The implementation of simplifications and alternative tools have been used to deliver services. Government offices are further evaluating which services can be digitalised case by case.

Most public services are available online. The Government is intensively working to simplify public procurement procedures to lighten administrative burdens.

Public financial management

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

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

On 5 March 2020, in a letter informing the European Commission of Italy's latest fiscal decisions, the Minister of Economy and Finance stated: "Deviations from existing structural deficit targets can be authorised by Parliament in the presence of extraordinary events outside of the Government's control[...] The package we are about to legislate is worth EUR 6.3 billion in terms of impact on the general government deficit. Last September Parliament authorised a general government deficit of 2.2% of the GDP in 2020. If Parliament approves the additional expenditure, the deficit projection for 2020 will rise to 2.5 % of the GDP[...]. The coronavirus outbreak will negatively affect the economic and budgetary data for March and our annual projections. At present, it is difficult to predict what the net impact of all these factors will be".⁴³

The Decree no. 18 of 17 March 2020 (the "#CuraItalia Decree") provides for additional public schemes to employers operating across the whole country.⁴⁴ It contains measures such as allowing additional funding to pay for overtime of staff within the national health service and provide an allowance for temporary employees.⁴⁵

During the last week of February, the Government requested the Parliament to approve an increase in the deficit ceiling for 2020 in order to finance additional emergency measures. Along with this request, the Government reiterated its commitment to returning to a fiscal consolidation and debt-reduction path as soon as the epidemic and its economic fallout have been resorbed. The Government is committed to sparing no efforts to ensure that a package of measures is agreed with the European Union and other international partners.⁴⁶

⁴¹ <http://www.governo.it/it/articolo/decreto-iorestoaocasa-domande-frequenti-sulle-misure-adottate-dal-governo/14278>

⁴² http://www.andersentaxlegal.it/wp-content/uploads/2020/03/circular-Andersen-6.2020_Protocol-workplaces.pdf

⁴³ <http://www.mef.gov.it/inevidenza/Covid-19-lettera-di-Gualtieri-a-Dombrovskis-e-Gentiloni/>

⁴⁴ Ministry of Finance and Economy website. 17 March 2020. <http://www.mef.gov.it/covid-19/Sostegno-ai-lavoratori-e-garanzia-dei-redditi/>

⁴⁵ <http://www.mef.gov.it/covid-19/index.html>

⁴⁶ Economy and Finance Ministry comments on the latest measures announced by the government in relation to the COVID-19 outbreak, 9 March 2020. http://www.mef.gov.it/ufficio-stampa/comunicati/2020/documenti/en_comunicato_0043_.pdf

2. Are the cost of these measures being published?

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

As stated in the letter, the Minister of Economy and Finance sent to the EC on 5 March 2020, "The deficit estimate for this year is likely to change by the time we release our 2020 Stability Program. The trend in public finances before the coronavirus outbreak was extremely encouraging. Indeed, the deficit outturn for 2019 was much lower than expected, at 1.6% of GDP, versus a projection of 2.2% of GDP in October's Draft Budgetary Plan. Moreover, January and February 2020 have seen a continuation of the year-to-year decline in the borrowing requirement of the central Government: at EUR 32 billion, the twelve-month rolling deficit is the lowest since mid-2008. However, while starting from a stronger base, the coronavirus outbreak will negatively affect the economic and budgetary data for March and our annual projections. At present, it is difficult to predict what the net impact of all these factors will be, but we are hopeful that the new estimate will be close to the original one."⁴⁷ However, some recent studies show that so far, "the government has sought to borrow an extra EUR 25 billion and announced it wants to borrow an additional EUR 25 billion. With Italy's total debt already at EUR 2.5 trillion, about 130% of its GDP, there is not much room to manoeuvre."⁴⁸ Economist Alberto Bisin predicts that, due to borrowing and losses, Italy's debt-to-GDP ratio will rise from 130% to 180% by the end of the year.⁴⁹

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

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

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

Indirect costs of the crisis are hard to estimate.

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

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

⁴⁷ <http://www.mef.gov.it/inevidenza/Covid-19-lettera-di-Gualtieri-a-Dombrovskis-e-Gentiloni/>

⁴⁸ Italy's future is in German hands". POLITICO. 2 April 2020. <https://www.politico.eu/article/coronavirus-italy-future-germany/>

⁴⁹ Italy's future is in German hands". POLITICO. 2 April 2020. <https://www.politico.eu/article/coronavirus-italy-future-germany/>

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

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

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

No reliable information was possible to collect for this question.