



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)*

CZECH REPUBLIC

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Table of Contents

Centre of Government, policy co-ordination and decision-making process.....	3
1. How is the Government (Council of Ministers) functioning (organisation of virtual meetings, remote sessions etc.)?	3
2. How are the crisis management and external communications co-ordinated within the Government? What is the role of CoG in this? Is there a central strategy/guidance?.....	3
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)?	3
Public service and human resource management	4
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?.....	4
2. What other flexible working arrangement (part-time work, distribution of working hours over 7 days...)?.....	4
3. If civil servants cannot telework, how are they paid?	4
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?	5
5. Any new, special regulations for working overtime (removing limitations to overtime work e.g. for medical staff)?.....	5
6. Arrangement for paying for extra workload (health care)?	5
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...)?.....	5
Accountability	5
1. How did you keep the national parliament operational? Any simplification of parliamentary procedures?.....	5
2. How about the Ombudsman (e.g. overseeing the situation in prisons).....	6
3. Does administrative justice work? Have deadlines changed?	6
4. Any public debates in respect of principles of good administration (legality, proportionality, predictability) of protective measures?	6
Service delivery	6
1. Which services are being delivered (all, some, only the essential)?	6
2. Are there any modifications done to the obligations of:.....	6
3. Has the crisis initiated any simplifications or enhanced the use of alternative tools :	7
Public financial management.....	7
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...)	7
2. Are the cost of these measures being published?	7
3. Have budget users been asked to identify cost-saving measures to partially offset the cost of the response measures?	8
4. Are internal controls continuing to operate smoothly (electronic signatures)?.....	8
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?.....	8

CZECH REPUBLIC

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.)?

A state of emergency was declared on 12 March by the Government in accordance with the Crisis Act of 2000. The Parliament has the power to revoke a declaration of a state of emergency but did not do so in this case. The state of emergency is in force for one month, renewable with the approval of the Parliament. During the week following the declaration, the Government issued a series of executive decrees on the basis of its emergency powers concerning, as with most other countries, closure of schools, limits on gatherings, export controls on medicines, etc. Given the geographical location of the country, a significant number of emergency measures focused on cross-border movements of people and goods and, in particular, which workers and goods are exempt from the provisions of the decrees. One particularity of the Czech Republic that was picked up by international media is its early adoption of the use of face masks, which was taken up proactively by the population – production of masks by each village, reconversion of businesses to manufacture masks, and so on – and has become a symbol of national solidarity.

The Prime Minister works through an ‘inner circle’ of key ministers, notably Interior, Health and the Deputy Prime Minister in the Government Office, rather than through normal Cabinet sessions. Regional assemblies are expected to continue to work normally via teleconferencing or other means.

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?

According to the Crisis Act, a Central Emergency Committee should have been created and co-ordinated directly by the Minister of Interior. However, the Prime Minister opted to manage the initial stages of the crisis response directly before establishing the Committee 10 days later, with a Deputy Minister of Health as Chair, to oversee implementation of the emergency measures. At the same time, the Deputy Prime Minister in the Government Office and the Minister of the Interior remain the key actors with respect to actions outside the health sphere and with respect to non-health related communications. The Prime Minister continues to take primary responsibility for strategy in close consultation with the Interior, Finance and Health Ministers and the CoG.

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)?

According to the OECD iREG indicators, the Czech Republic has a well-developed and well-established system of regulatory impact analysis and stakeholder consultation with regard to primary legislation and secondary laws and regulations. However, for the period of the state of emergency, line ministries have been instructed that their principal responsibility is to monitor compliance with emergency measures in their sectors. Implicitly, compliance with other regulatory requirements is relaxed. A series of decrees have clarified that during the state of emergency deadlines and reporting requirements are suspended. Each ministry manages its own work, but the overall guidance from the CoG is that each must identify and focus on priority tasks and ensure the smooth implementation of emergency measures.

A series of ad hoc regulations have been published by ministries in order to facilitate enforcement of emergency provisions. For example, the Ministry of the Interior has developed a taxonomy of 'international transport and critical infrastructure workers' who are exempt from restrictions on travel. Similarly, the Ministry of Health has published a definition of 'health' and 'social services' workers who have special status with respect to crisis-related regulations. These regulations and rules of application have not been subject to any mandatory consultation or impact assessment process. Indeed, some have had to be subsequently amended because of omissions or new circumstances (e.g., locksmiths had to be added to trades that could continue to trade during the crisis).

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 Director-General for the Civil Service has made a number of statements regarding the organisation of the work of the civil service during the state of emergency, a number of which relate to human resource management. These recommendations include limiting civil service examinations; possible postponement of regular service performance appraisals; postponement of selection process for vacant posts; review of the specification of civil servants' duties; and facilitating the transfer of civil servants to support priority services, and so on. In general, these statements represent guidance for line departments rather than new instructions; however, this might change if the Government decides that more stringent measures are required in order to ensure delivery of vital services or to reduce the operating budget of the public sector.

Among these recommendations, teleworking was strongly encouraged for all civil servants whose duties permit this and has now been adopted by all departments. The exceptions are defined at the level of the individual department and have to be communicated to the Ministry of the Interior in the context of the overall plan for staffing of/access to Government buildings during the crisis. Teleworking arrangements and modalities are defined between the organisation and the individual civil servant, i.e., there is no uniform system for the whole civil service.

According the OECD Government at a Glance 2019, the Czech Republic has one of the most advanced and integrated digital Government systems among OECD countries (1st on some indicators). As such, teleworking (in the sense of full access to files and data, ability to provide services to citizens and businesses, rather than simply accessing E-mail) is not likely to generate any more difficulties than are experienced in other EU member states.

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

The specific working arrangements of employees are worked out on a case-by-case basis, at the level of the public sector organisation. For example, while schools are closed, teachers are expected to work remotely, using different e-platforms to teach normally, with no adjustment in working hours. Doctors, dentists, pharmacists and all medical staff are prohibited from taking leave during the emergency state and are expected to work normally (though in practice many have remained closed because they have not had access to protective clothing or equipment that is now mandatory for interaction with patients). For the moment, no amendment to the Civil Service Act has been made to take into account working arrangements during the crisis.

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

No information on this, but it would seem unlikely that they would not be paid in the absence of any legal basis for withholding salary.

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?

On a case by case basis, at the level of the public sector organisation.

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

The recommendation of the DG for the Civil Service is that all public sector organisations should work to ensure that they can deliver their services in the context of the emergency measures and decrees, which implicitly means reducing human resources allocated to non-priority activities and increasing resources in priority areas. In cases in which specialist skills are required, this is likely to mean that some staff will be required to work longer hours. According to the Civil Service Act, overtime is limited to 150 hours per year or 8 hours per week. In the absence of revision of this Act, additional overtime to deal with the crisis would have to be agreed with the individual.

The ministries of Health and of Employment and Social Affairs have developed instructions for both public and private sector organisations and businesses on how to ensure the health and safety of employees. These instructions include recommendations on working hours and working conditions, with the basic principle being that the employer is liable for the well-being of employees. As such, employees may work overtime and adjusted hours, but they have the right to refuse to do so, particularly when they consider that their working environment does not adequately guarantee their safety from infection.

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

So far, no special measures have been introduced to supplement the wages of staff working long hours or working in exceptional circumstances. Nevertheless, the appointing authority is free to use the usual tools, such as overtime payments or special bonuses for performing extraordinary tasks relating to the crisis.

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...)?

So far, allocations relating to the emergency measures have been made from the State Budget (an increase in the budget deficit up from CZK 40 to CZK 200 million) and do not identify specific savings to be made from the public administration's operating budget envelope.

Accountability

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

The declaration of the state of emergency was approved by the Parliament. It will review the renewal of the declaration on April 12. In the meantime, it does not sit. Apparently, the Government tabled a motion to transfer some powers from the legislature to the executive on a more permanent basis but this proposal was withdrawn after a public outcry.

At the same time, the Government has requested that regional assemblies continue to work using virtual meetings and other methods.

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

The Public Defender of Rights has been providing updates for the public on the crisis through press releases on its website. The Ombudsman has addressed issues concerning children and young people and offered them and their parents particular support during the crisis.

3. Does administrative justice work? Have deadlines changed?

All deadlines not related to the emergency measures are liable to be postponed, at the discretion of the public organisation concerned.

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

The public is sensitive to attempts to use emergency powers to extend the reach of the State, as was shown when the Minister of Defence presented a proposal to transfer powers from the legislature to the executive that went beyond the scope of the state of emergency.

Service delivery

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

As in most other countries, a wide range of public services have been suspended or significantly reduced – schools and higher education institutions are closed, sporting facilities are closed, public transport services have been reduced, etc.

The Government has instructed all service delivery bodies to undertake an exhaustive inventory of their public services to determine which services they are still in a position to deliver and which need to be adjusted or suspended. This review is still in progress. In the meantime, the Director-General for the Civil Service recommended that public sector organisations should restrict all activities not related to the emergency measures or to the daily lives of citizens. For example, service organisations were encouraged to reduce opening hours and telephone access times in order to free up resources.

Notwithstanding the more limited resources allocated for a wide range of public services, most administrative processes are digitalised, and, as such, applications for licences, certificates, etc. can be made online and processed by civil servants working remotely.

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

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

Deadlines for most administrative actions by citizens are frozen during the state of emergency.

Some important deadlines have already been pushed back, notably income tax declarations which were due on 31 March but are now due in July. Business tax deadlines are maintained but there is a grace period of three months during which no sanctions for late submission will be enforced.

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

An evolving set of economic measures to support businesses are being developed and announced that, as a general rule, offer rebates, credits, holidays or grace periods with

respect to financial and reporting regulations towards the State. In particular, a pro-business support package called Antivirus provides a variety of aids to SMEs and the self-employed, such as reductions in social security contributions, loan guarantees, employment support to cover payroll, rent holidays for companies forced to close as a result of emergency measures and so on. Individuals and companies are also able to request a three or six-month mortgage repayment holiday.

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 e-mail)?

No information on new measures, although as the Czech Republic has a highly-developed digital Government system, shared services, interoperability across agencies and electronic signatures were already in place.

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

No information, though again as the Czech Republic has a highly-developed digital Government system, interaction with citizens and businesses was already primarily through online channels and are 'single entry' for all Government services.

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

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

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

2. Are the cost of these measures being published?

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

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

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

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

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

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?

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