

Policy Guide

for Pacific National
Private Sector Organisations on
Covid-19 responses





This is an adaptation of an original work by the International Labour Office (ILO)
- [A quick reference guide to common COVID-19 policy responses](#) (ILO, 2020).
Responsibility for the views and opinions expressed in the adaptation rests solely
with the author or authors of the adaptation and are not endorsed by the ILO.





PREFACE

Enterprises across the Pacific are faced with a crisis. While the private sector wants to do business, for many sectors the global and regional impacts of COVID-19 deny or severely limit the opportunity to do so. And there is no reasonable forecast for when Pacific economies will resume near normal business operations. Recognizing that Pacific businesses will be at the heart of the COVID-19 economic recovery, ensuring the right policy settings are in place and active social dialogue with the private sector is sustained will be critical. In this, the Pacific Private Sector Organization (PIPSO) and its membership network of National Private Sector Organizations (NPSO) will play an essential role in representing their enterprise and association members through policy advocacy with governments and relevant stakeholders on key labour and social issues that enable a competitive business environment to return. In addition, NPSOs need to provide information to their membership that enables them to make the right decisions to grow and sustain their businesses.

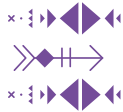
While a number of issue-based policy guidance notes and practical tools have been produced in 2020 for private sector organizations to use in their services and work, PIPSO's members have called for a simple but comprehensive overview of the most common policy measures being implemented by governments or called for by the private sector in different parts of the world. Through this collaboration between PIPSO and the International Labour Organization (ILO) Decent Work Team for East and Southeast Asia and the Pacific, the ILO's publication "A quick reference guide to common COVID-19 policy responses" has been tailored to the specific needs and context of NPSO in the Pacific, with an emphasis on sharing examples from within the Pacific of both policies adopted by Governments in the region and those being advocated for by NPSO in the region.

While no analysis or evaluation is provided on the effectiveness of the policy measures referenced, the publication aims to assist NPSOs in their advocacy and policy work by providing examples for reflection, particularly in light of the ongoing risk of future waves of the pandemic.

Stephen Lyon
Board Chairperson
Pacific Islands Private Sector Organization
(PIPSO)

Graeme Buckley
Director of Decent Work Team for
East and Southeast Asia and the
Pacific - ILO





ACKNOWLEDGEMENTS

The contributions of NPSO throughout the Pacific were instrumental to the tailoring of this guide. In particular, we extend our appreciation to all those NPSO that took the time to share insights on their organizations' needs and efforts to develop policy response to COVID-19.

We thank the researcher, MiawTiang Tang for her contributions, expertise and thoughtful collaboration to tailor the original quick reference guide. We are grateful for her expertise and professionalism throughout the assignment.

We extend our thanks also to ILO colleagues from the Bureau for Employers' Activities and the Decent Work Team (DWT) for East and South-East Asia and the Pacific who provided additional technical inputs to enrich the tailoring of this guide. We thank these colleagues for their time and important contributions.

Finally, we express deep appreciation to the PIPSO team that coordinated the research and provided technical review and editing of the guide, Alisi Tuqa, Chief Executive Officer, and Kristyn Lobendahn, Communication Officer.





DISCLAIMER

Enterprises across the Pacific are faced with a crisis. While the private sector wants to do business, for many sectors the global and regional impacts of COVID-19 deny or severely limit the opportunity to do so. And there is no reasonable forecast for when Pacific economies will resume near normal business operations.

Recognizing that Pacific businesses will be at the heart of the COVID-19 economic recovery, ensuring the right policy settings are in place and active social dialogue with the private sector is sustained will be critical. In this, the Pacific Private Sector Organization (PIPSO) and its membership network of National Private Sector Organizations (NPSO) will play an essential role in representing their enterprise and association members through policy advocacy with governments and relevant stakeholders on key labour and social issues that enable a competitive business environment to return. In addition, NPSOs need to provide information to their membership that enables them to make the right decisions to grow and sustain their businesses.

While a number of issue-based policy guidance notes and practical tools have been produced in 2020 for private sector organizations to use in their services and work, PIPSO's members have called for a simple but comprehensive overview of the most common policy measures being implemented by governments or called for by the private sector in different parts of the world. Through this collaboration between PIPSO and the International Labour Organization (ILO) Decent Work Team for East and Southeast Asia and the Pacific, the ILO's September 2020 publication "A quick reference guide to common COVID-19 policy responses" has been tailored to the specific needs and context of NPSO in the Pacific, with an emphasis on sharing examples from within the Pacific of both policies adopted by Governments in the region and those being advocated for by NPSO in the region.

While no analysis or evaluation is provided on the effectiveness of the policy measures referenced, the publication aims to assist NPSOs in their advocacy and policy work by providing examples for reflection, particularly in light of the ongoing risk of future waves of the pandemic.



TABLE OF CONTENTS

Disclaimer	5
Introduction	7
How to use this guide	8
Regionalism in the Pacific and its Policy Implications	9
The United Nations Development System	10
The United Nations Pacific Strategy (UNPS) 2018-2022	10
Opportunities and Challenges	11
Social dialogue and workplace cooperation	12

SURVIVAL PHASE

1. Employment Measures	14
1.1 Wage subsidies	14
1.2 Job retention schemes	16
1.3 Work sharing or short-time work schemes	17
1.4 Layoffs, furloughs and redundancy	17
1.5 Payment of wages and wage freezes	18
1.6 Targeted public employment programmes	19
2. Extending social protection	20
3. Supporting and sustaining enterprises	21
3.1 Debt deferral	21
3.2 Direct loans and loan guarantees	23
3.3 Interest rate cuts	24
3.4 Tax relief and social contribution deferrals	25
3.5 Support for utilities, rental and other essential fixed costs	27
3.6 Investment incentives and facilitation for medical supplies and research	29
3.7 Minimum wage	29
3.8 Central resource for COVID-19 business information	30
4. Extending support to self-employed people and the informal economy	31
4.1 Self-employed income support	31
4.2 Supporting the self-employed in the informal economy	32
5. Facilitating temporary changes in work arrangements	33
5.1 Extended paid sick leave, care leave or family leave	33
5.2 Child care and child protection	35
5.3 Working from home and teleworking	36
6. Trade facilitation: export and import	37

ADJUSTMENT PHASE

1. Supporting the return to work	39
1.1 Reviewing work arrangements	39
1.2 Enhancing occupational safety and health at work	40
2. Training and skill development	41
2.1 Technical and vocational education and training	41
2.2 Training, reskilling and apprenticeships	42
3. Supporting the use of digital technology	43
3.1 Expanding digital infrastructure	43
3.2 Developing digital literacy and dexterity	44
4. Promoting entrepreneurship and innovation	45
5. Specific measures to support employment-intensive and/or growth industries	46
6. Supporting small-scale cross border trade	47
7. Public procurement	48

RECOVERY PHASE

1. Easing border control and protecting public health	49
2. Promoting investment	51
2.1 Attracting investment	51
2.2 Incentives and facilitation to restore international trade	52
2.3 Export credit insurance schemes	53
3. Promoting labour market flexibility	54
4. Investing in productivity	55
4.1 Productivity	55
4.2 Education and skill development	56
4.3 Research and development	57
4.4 Leveraging technology	57
5. Promoting business resilience	58
6. Greening the recovery	60
7. Revisiting social protection	61
8. Transitioning to the formal economy	61
9. Public-private partnerships	62
10. Improving public administration, coordination and transparency	63
10.1 Coordination across government and between sectors	63
10.2 Conduct scenario planning	64



INTRODUCTION

The COVID-19 pandemic has devastated the world of work, affecting people's lives, health and well-being, and it has had a dramatic effect on enterprises, jobs and livelihoods throughout the world. This public health crisis has also generated massive economic and social disruption in every country, including the Pacific region. As tourism plays a major role in local Pacific economies, despite avoiding the worst health effects of the Covid-19, the devastation due to lockdowns and travel bans are significantly affecting businesses across the region. According to the latest Pacific Economic Monitor report of the Asian Development Bank, despite recording fewer than 100 coronavirus cases in total, the 14 Pacific economies were forecast to shrink an average of 4.3 per cent this year due to the collapse of trade and tourism, with double-digit contractions expected in the most tourism-dependent nations¹.

Governments have taken unprecedented measures to combat the spread of the virus and to protect people's lives. Lockdowns and other restrictive measures, however, have had a deep impact on economies, job markets and societies, and the global economy is sliding into a recession. Supply chains are disintegrating, sectors are collapsing, enterprises are closing, and more and more workers are losing their incomes and livelihoods. Many micro and small enterprises are at risk of bankruptcy.

To ameliorate those detrimental consequences, most countries have deployed large-scale fiscal and monetary packages to stimulate the economy and protect people's income and well-being. Recognizing the importance of keeping business going, governments are helping enterprises cope by offering employment subsidies, cost subsidies, and tax payment delays as well as other measures to rebuild the economy and recover from the crisis.

The success of the recovery will depend critically on policies enacted during the crisis. Different phases of the pandemic require different policy responses, and governments must find the right policy balance. Interventions must be sustained and implemented on the right scale. Social dialogue at both the national and workplace levels, is critical at all stages of the pandemic to develop effective policy responses and sustainable solutions to the various issues emerging in the wake of COVID-19.





HOW TO USE THIS GUIDE

This reference guide provides a menu of common policy measures implemented by governments from different parts of the world in response to the COVID-19 pandemic, particularly the Pacific islands countries, other islands and landlocked countries of similar economic characteristic, with a focus on policy measures affecting business directly or indirectly. It assists employers' and business membership organizations (NPSOs) in their advocacy and policy work by providing examples of policy measures drawn from different regions, countries, sectors and development contexts with relevance to the Pacific islands region. This guide also includes a number of policy proposals advocated by NPSOs in the Pacific Islands countries which have not yet been adopted.

For ease of reference, the policy measures have been arranged and categorized according to three phases of the pandemic response: survival, adjustment and recovery, although some policy measures are relevant in more than one phase. Given the rapid pace of developments, this guide is a living document, meaning it will be updated periodically and used by NPSOs themselves to track developments. For the latest policy developments and further examples organized by country, NPSOs can review the [ILO COVID-19 country policy responses platform](#), the [IMF COVID-19 policy tracker](#), or the [COVID-19 Pacific Island Response Matrix](#).

For guidance and support on putting forward recommendations on COVID-19 to governments, unions and other stakeholders, NPSOs may review the [ILO ACT/EMP COVID-19 EBMO public statement template](#).





REGIONALISM IN THE PACIFIC AND ITS POLICY IMPLICATIONS

PIPSO's work is founded on the principles of regionalism and collective efforts, and in supporting and mobilizing its members to strengthen both the national and regional private sector. The principles behind this work rest on the belief that deeper regionalism will help increase socio-economic and development prospects, expand market opportunities, improve service delivery, and contribute to security and good governance for Pacific people and for the region as a whole.

PIPSO is guided by a regional business agenda that takes into account the priorities set out in regional frameworks, and determined under a regional architecture; as well as the aspirations of the Pacific Island countries espoused in their National Sustainable Development Plans (NSDPs).

Over the years PIPSO has held the Private Sector Dialogue with Forum Economic Ministers and Forum Leaders, held during the Forum Economic Ministers Meeting (FEMM) and Forum Leaders Meeting, and these have provided an inclusive platform for the Pacific business community to discuss emerging common private sector issues of importance to the region for which regional solutions can be discussed and considered. This is to then encourage debate on the premise that the outcome could influence accelerated implementation of regional initiatives, and on the ground implementation at the national and/or sub regional levels.

While COVID19 has compounded further challenges within the private sector there are vast opportunities for regional solutions and approaches and some that members have called for are:

- Recovery Plans being developed at national and regional levels be inclusive of private sector and ensure the business community is heart of that consultation and discussion, and play a role in implementation;
- Establish platforms to dialogue with private sector – with development partners and Governments et al – as this can be a renewed approach in promoting and implementing PPPs;
- Appropriate resourcing/support be directed to strengthen the private sector – that is, both businesses/employers as well as national private sector organisations (NPSOs, PIPSO and other businesses and industry groups). The NPSOs, industry organisations and PIPSO are at the forefront of supporting businesses during these challenging times (now and over coming years);
- Strategies to stimulate spending or recreate confidence for private sector and consumers in the region. This could include strengthening intra-regional, regional business clusters, and considerations to mitigate transport and freight issues on cost and regulatory concerns, and for exporters around arrangements/modalities to continue doing business;
- Business continuity planning/building private sector resilience must now include in addition to preparedness and post disaster rehabilitation; climate change, natural disasters plans for health/pandemics. The lessons of the current health pandemic must be integrated in future plans, and private sector inclusion is essential;
- Labour and employment issues - challenges associated to labour laws/employment issues that are quite complex following COVID19 and how these are intrinsically linked to doing business, especially as private sector as employers; and
- Importance of data collection and statistics to capture private sector figures for informed decision making.

THE UNITED NATIONS DEVELOPMENT SYSTEM

In the Pacific the United Nations (UN) is a strategic partner of many governments in defining and implementing national development policies. However the UN is reforming how it provides assistance to countries, including on the 2030 Agenda, and the new approach will change the way national development policies are designed and implemented. While UN Country Teams are expected to work more directly with the private sector, NPSOs will need to assert their role in the mix of competing voices of business. After the implementation of the UNDS Reform, this engagement and continuous dialogue between the UN and governments is going to become even stronger and more coherent.

The UNPS is implemented through Joint Country Annual Work Plans (JCAPS) which detail the intended results and activities to be carried out, the responsible implementing agencies, timeframes and planned inputs from Government and relevant UN Agencies. These JCAPS are the result of a Common Country Analysis (CCA) covering the 14 PICTs which is led by the United Nations Country Team (UNCT) in the Pacific. The CCA examines progress, gaps, opportunities and bottlenecks vis-à-vis a country's commitment to achieving the 2030 Agenda, UN norms and standards, and the principles of the UN Charter, including as reflected in the Cooperation Framework Guiding Principles.

THE UNITED NATIONS PACIFIC STRATEGY (UNPS) 2018-2022

The UNPS is a five year strategic framework that outlines the collective response of the UN system to the development priorities in 14 Pacific Island Countries and Territories (PICTs), namely Cook Islands, Fiji, Federated States of Micronesia, Kiribati, Nauru, Niue, Palau, Republic of Marshall Islands, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, and Vanuatu. The UNPS supports the 14 governments and peoples in the Pacific to advance a localized response to the global 2030 Agenda for Sustainable Development. This response is tailored to each country's national priorities, and responds to the Pacific Leaders' call to the United Nations system to "align its work programmes and operations to support internationally agreed outcomes, including the Small Islands Developing States (SIDS) Accelerated Modalities of Action (SAMOA) Pathway, the Addis Ababa Action Agenda and the 2030 Agenda for Sustainable Development, in the Pacific region"².



OPPORTUNITIES AND CHALLENGES

With this in mind, NPSOs will need to proactively engage with the UN Resident Coordinators and UN Country Teams in order to represent the interests of business and help shape the priorities of these National Cooperation Frameworks:

- UN Cooperation Frameworks provide an opportunity to bring the vision of the private sector into national development priorities. It is an important policy forum to advance the interests of member companies and promote policies enabling conditions for enterprise growth and productive employment;
- They provide an opportunity for NPSOs to work more closely with different UN organizations and harness their resources and competencies. For instance, NPSOs could be identified as implementing partners for certain Cooperation Frameworks' activities (i.e. research on skills mismatch in the country) and participate in a wide range of projects. This may include opportunities to strengthen NPSOs' institutional capacities as a part of UN strategies to develop stakeholders and partners;
- Cooperation Frameworks represent a tool to identify major development-related issues at the national level and find out ways to address them. This could present an opportunity to demonstrate NPSOs' capacity and expertise on issues shaping economic and social policies (e.g. business environment, SME development, skills, employment, workplace relations, rights at work, social protection systems, gender, and education policies among others);

However, NPSOs will have to address some challenges to have a role in this process and benefit of the above mentioned opportunities:

- While one of the key strengths of the ILO is its tripartite nature, there is generally little knowledge of the ILO's unique structure, and particularly of the NPSO, across the UN system.
- Many UN agencies do not have experience in working with NPSOs. When the UN needs to engage with the private sector, it tends to do so by engaging directly with multinational firms or with networks of companies, such as the Global Compact Local Networks. The added value of working with organizations that represent the majority of the entire business sector, such as NPSOs, is not always clear across the UN system, especially if the capacity of the NPSO is limited.
- Many UN organizations have a narrow image of NPSOs as strictly limited to social dialogue, and thus might not fully understand the wider role played individually by NPSOs in societies, such as improving the business environment, promoting democratic governance and social equity.
- While NPSOs have a recognized and well-defined role in the ILO, this is not the case within the broader UN system and NPSOs will face strong competition from other business networks and associations. This is particularly relates to the Global Compact Local Networks, which have been formally recognized by the UN as the entity that should connect UN Country Teams with the private sector.

More information for NPSO about the UN system can be found in the ILO guidance note "The United Nations Development System: What employers' and business membership organizations need to know and how they should engage"³.

SOCIAL DIALOGUE AND WORKPLACE COOPERATION

Social dialogue and workplace cooperation can be drivers for economic and social resilience, competitiveness, stability and inclusive growth and development. Globally, NPSOs and workers' organizations contribute to achieving solutions and building social cohesion and rule of law. Partnerships between social partners can support good governance, and peace and stability, and they can boost economic and social progress. Even when countries experience disruptive situations, such as a pandemic, natural disaster, conflict or social unrest, the individual and collective efforts of social partners can contribute to improved stability and inclusive economic, social and political development.⁴

Each country situation and each industry is different. There is no "one-size fits all" dialogue, and all forms and levels of social dialogue and workplace cooperation have a role to play.⁵ At the national and sectoral levels, with the advances in technology and digital transformations that have resulted from COVID-19, policymakers can use video conferencing platforms and social media applications to engage social partners and other stakeholders. Support may also be required to assist NPSOs and workers' organizations to transition towards digital approaches to membership engagement, consultation and social dialogue.



The **Barbados Employers Confederation (BEC)** engaged in the Tripartite discussion regarding the national curfew and shutdown, and participated in a joint action with the Labour Department on delivery and curb side protocols relate to essential goods.

Source: Barbados Employers Confederation (BEC)



The **St. Kitts & Nevis Chamber of Industry and Commerce (SKNCIC)** met with the Prime Minister, cabinet members and senior Government officials & the COVID-19 Taskforce to discuss and have provided inputs on the way forward in the COVID-19 Economic Planning and Border Re-opening in October 2020. It also emphasised the importance of compliance with the health regulations including the wearing of masks in public spaces in accordance with SRO No. 38 of 2020 to ensure success in re-opening the borders and maintaining its success with COVID-19.

Source: St. Kitts & Nevis Chamber of Industry and Commerce (SKNCIC) Media Release 14 August 2020



The **Employers Consultative Association of Trinidad & Tobago (ECA)** submitted COVID-19 draft policy guidelines to the National Advisory Council with recommendations being subsequently adopted.

Source: Employers Consultative Association of Trinidad & Tobago (ECA)



⁴ ILO, "Managing Conflicts and Disasters: Exploring Collaboration between Employers' and Workers' Organizations", 2020.

⁵ ILO, "The need for social dialogue in addressing the COVID-19 crisis", ILO brief, May 2020.

In Fiji, the Fiji Trades Union Congress (FTUC) and the Fiji Commerce and Employers Federation (FCEF) have signed a bipartite initiative on 30 June 2020 for the implementation of a COVID19 recovery initiative called Transition to Business (T2B). The initiative aims at helping the redundant formal sector workers to build their capacities to sustain their micro businesses through business training, business advisory and business mentoring.

Source: *ILO in the Pacific*

In Trinidad and Tobago, the employers' and workers' organizations engaged in a national bi-partite dialogue and committed to strengthening social dialogue to build more resilient labour markets damaged by COVID-19. The high-level representatives from employers' and workers' organizations expressed their solidarity to find sustainable solutions to the many complex socio-economic challenges faced by businesses and workers as a result of the global health pandemic.

Source: *St Kitts & Nevis Observer. 24 Sept 2020. "Trinidad and Tobago employers,' workers' groups commit to find COVID-19 crisis solutions."*

In Cabo Verde, An extraordinary meeting of the "Conselho de Concertação Social" (Social dialogue council) took place related to COVID-19 on the 24 march to adopt a consensual agreement (signed by all) on the measures to mitigate the effects on employment/jobs, income and enterprises. Before declaring the state of emergency the President of the Republic held a series of meetings with different partners including employers and worker's organizations.

[Link]

In Seychelles, a COVID-19 response Task Force was established by the President of Seychelles that comprises of representatives from Government agencies, Central Bank, Seychelles Chamber of Commerce and Industry (SCCI), key economic sectors, Seychelles Trade Union Council. The task force chaired by the President meets weekly to discuss policies and measures in response to COVID-19 pandemic. Social partners plus consultation taken place for legislative changes and policy measures and SCCI has actively engaged and provided proposal and responses.

Source: *ILO COVID-19 country policy responses platform.*

SURVIVAL PHASE

This section contains a suite of policy measures for immediate crisis response and short-term relief. In this phase it is particularly important to keep supply chains flowing, especially health care and food supplies, and prevent enterprise closures, protect against the loss of jobs and income and remove unnecessary barriers, including export restrictions and other trade barrier that could worsen the situation. Immediate stimulus packages are needed to strengthen the health sector while mitigating the impact on economies and labour markets through the provision of financial relief for enterprises and income support for workers.⁶

Interventions should build on existing institutions, while steering workers and enterprises to facilitate a sustainable recovery.⁷ Measures in support of formal enterprises should be executed alongside measures to help micro and small enterprises in the informal sector that have limited capacities and resilience.

Many countries have reacted promptly to the COVID-19 crisis with an unprecedented scope and scale of measures including investments in health care, income support, job retention schemes and business facilitation. The ILO reported that by the end of May 2020, over 90 countries had introduced or announced fiscal measures totalling over US\$10 trillion, while a similar number of countries have cut interest rates following the outbreak.⁸ The following are some of the common immediate and short-term measures implemented by countries around the globe.

1. Employment measures

Employment related policies and packages to support enterprises and protect workers from employment risks and boost new employment opportunities have been implemented by many countries as immediate response to the pandemic. Popular measures include employment or job retention schemes, wage subsidies, incentives for work sharing and shorter working hours, cash grants, the provision of low interest loans and the temporary suspensions of tax payments and social security contributions.

1.1 Wage subsidies

Wage subsidies are the most widely used employment protection measure. They are implemented through direct subsidies or reimbursements to enterprises for all or some portion of the worker's salary when revenue and profit are reduced by a crisis. Wage subsidies provide incentives to employers to keep workers on the payroll even as business activities decrease.

Wage subsidies can be costly but tend to contribute to a faster recovery for enterprises by enabling them to retain a qualified workforce and minimizing their layoffs and rehiring costs.⁹ It is effective as a temporary and complementary measure to wider policy interventions in preserving jobs and stimulating the economy.

⁶ ILO, "A policy framework for tackling the economic and social impact of the COVID-19 crisis", ILO brief, May 2020.

⁷ UN, "The World of Work and COVID-19", Policy Brief, June 2020.

⁸ ILO, "COVID-19 and the world of work", fifth edition, 2020.

⁹ ILO, "Temporary Wage Subsidies", 2020.

In Mauritius, Wage Assistance Scheme has been implemented to provide financial support to employees who became technically unemployed during the lockdown/curfew period. The scheme which will be implemented until June 2021 will be extended for the month of July but will only cover employees in the tourism sector.

Source: IMF Policy Response to COVID-19

In Mongolia, the Government provides \$72 per month wage subsidy to affected companies for each retained employee.

Source: UNDP Asia and Pacific, 21 April 2020. "COVID-19 policy responses for those small enough to fail."

In Botswana, the Wage Subsidy programme is applicable to its citizen employees starting from April until June. Employers receiving the benefits are not allowed to retrench their employees. Eligible employers will receive a subsidy of 50% of the employee's monthly wages, with minimum support of P1,000 and cap at P 2,000 per month.

Source: ILO, "Appendix: Country Examples", in Temporary Wage Subsidies, 2020.

In Cook Islands, registered enterprises that demonstrate a 30 per cent decline in their business since 1 March 2020 could apply for the wage subsidy, equivalent to the minimum wage for a 35-hour work week for up to three months. The subsidy was provided on the condition that enterprise would keep the worker on the payroll.

Source: Ibid.

In Fiji, employers whose businesses are affected by the COVID-19 pandemic or the lockdown should continue to pay salaries as normal and the government would reimburse them. For unpaid salaries for those earning less than FJ\$30,000 (\$US13,000) the state would fund those upfront.

S

Source: Ibid.

In Timor Leste, a wage subsidy of 50 per cent of the minimum wage (US\$57.50) will be given for every employee registered in the Contributory Social Security System who does not have a pre-existing debt with the CSSS. The duration of the subsidy is three months and provided the workers will not be terminated.

Source: Ibid.

1.2 Job retention schemes

Similar to wage subsidies, job retention schemes have been implemented by many countries to help employers to retain workers and continue to pay their salary during the COVID-19 crisis so they will be able to get back to work quickly after the pandemic. The aim is to prevent loss of income for workers who are already employed. The schemes provide cash grants, low-interest loans, or tax credits for all eligible enterprises that maintain payroll at the pre-COVID-19 level. Such measures are suitable for enterprises of all sizes and help to preserve employment relationships that will facilitate the recovery phase.¹⁰

Different countries have implemented the schemes in various ways: some countries do not allow employers to lay off or terminate workers during the assistance period while others allow employers to lay off workers temporarily and claim a cash grant to be distributed to the workers, with the guarantee that those workers will return to work when the situation improves.

In Australia, the Government has implemented the AUD 130 billion Job Keeper Scheme to enable enterprises significantly impacted by COVID-19 to continue paying their employees. This assistance supports enterprises to maintain their workforce and quickly restart when possible. Affected enterprises can claim a payment of AUD 1,500 per fortnight per eligible employee and they must pay at least this amount to each eligible employee.

Source: Employee Matters, "Federal Government Job Keeper Scheme Explained", 2020.

In Seychelles, the financial Assistance for Job Retention (FA4JR) scheme was launched to help retain jobs in private sector businesses that are suffering significant negative impacts from the COVID-19 pandemic. The Financial Assistance for Job Retention (FA4JR) Committee was set up to help businesses pay the salaries of their employees for the months of April, May and June 2020. Businesses that suffered a reduction in turnover of more than 25%, unable to pay normal salaries, and agree that no staff are to be made redundant will be able to receive the financial assistance, up to the maximum wage of R30,000 a month for each employee. The scheme has been extended until end of 2020.

Source: Seychelles News Gazette, "Financial Assistance for Job Retention (FA4JR) due to COVID-19", 30 March 2020.

In Faroe Islands, the Government introduced the job retention scheme to support companies hit by the COVID-19 crisis by temporarily helping to pay the wages of people who cannot do their jobs, thus allowing employees to stay on the payroll despite not working due to the lockdown. The job retention scheme, which was due to expire on 31 August, will be extended until 31 October and will also include people registered as being in quarantine.

Source: Ugo Gentilini et al., "Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures", Living papers, version 13, 18 September 2020.

In Vanuatu, the government has launched the Employment Stabilization Program, which will reimburse employers for up to VT 30,000 (US\$ 249) per employee on their payroll for 4 months (March -June 2020). Employers will also receive a payment of 15% of the amount they are reimbursed for wages as an additional incentive to maintain employment.

Source: Ibid

¹⁰ ILO, "A policy framework for tackling the economic and social impact of the COVID-19 crisis", ILO brief, May 2020

1.3 Work sharing or short-time work schemes

Work sharing or short-time work is a reduction of an employee's working time to spread a reduced volume of work over the same number of workers to avoid layoffs. It is a government scheme that assists employers during temporary drops in demand or production or other economic difficulties by providing workers with a subsidy proportional to the reduction in hours. Short-time work schemes have been negotiated between social partners, and various European countries are implementing them in response to the pandemic¹¹ to help stabilize employment and support workers' incomes.

1.4 Layoffs, furloughs and redundancy

To halt the spread of COVID-19, governments' enacted restrictions such as curfews, movement controls and lockdowns, and many enterprises were unable to operate and struggled to retain their workers without financial assistance.

Despite the challenges of retaining workers, redundancy and termination should be the last resort for any enterprise. To assist and facilitate employers' efforts to retain workers and to ensure business continuity, a certain degree of flexibility may be needed so that employers can make workforce adjustments, at least temporarily, during the crisis when financial assistance is exhausted. This would enable employers to stand down workers, lay off or furlough them when enterprises are unable to operate due to lockdowns, restrictions or lack of demand, and they have exhausted all other avenues and have no alternative.

In Barbados, the National Insurance Board will give those on short weeks 60 per cent of their earnings for those days. For example, if a person is put on a three-day week, then the Board will pay 60 per cent of the wages the person would have earned for the other two days.

Source: Ugo Gentilini et al., "Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures," *Living papers*, version 13, 18 September 2020.

In Costa Rica, legislation passed as response to COVID-19 to provide compensation for the reduction in working hours and pay, dismissal and fall in informal worker income. The government has put forward the Bono Proteger, which provide two levels of benefit:

- 125k colones (USD 223) – unemployed, contract suspended, formal workers with more than 50% cut in working hours and pay and informal workers –
- 62,500 colones (USD 112) – less than 50% reduction in working hours and pay.

Source: *Ibid*

In Australia, temporary changes to workplace laws were made due to the impact of COVID-19. Some unions and employer's associations have applied to the Fair Work Commission to increase flexibility in some awards. As a result, the Commission has adjusted a number of provisions in those awards to give employers and employees extra flexibility to agree on alternative working arrangements, such as the extension of unpaid pandemic leave.

Source: Fair Work Ombudsman, Government of Australia, "Temporary changes to workplace laws during coronavirus," 30 March 2020.

In Fiji, the recent amendment to the Employment Relations Act that include COVID-19 as an act of God, an employer who cannot fulfill its duty to provide work to a worker, may stand down the employee and not continue to pay the employee.

Source: Siwatibau and Sloan, *Commercial Law Updates*, 1 June 2020. "Fiji Employment Law Update: Covid-19 has led to an amendment to the Employment Relations Act."

In Mauritius, Workers' Rights Act 2019 (the 'WRA') has been amended following the passing of the COVID-19 Act on 15 May 2020 to provide some flexibility in the workforce management enables work from home, flexi work hours and reduction of workforce in selected sectors of the economy.

Source: Dentons, "The COVID-19 (Miscellaneous Provisions) Act of 2020 introduced by the Parliament of Mauritius - Amendments and their implications. 27 May 2020.

¹¹ *Ibid*.

1.5 Payment of wages and wage freezes

In protecting the interests of workers, most legislation is restrictive in terms of the payment of wages. Without government financial assistance, some enterprises would be unable to retain workers when they close their operations or operate below full capacity due to restrictions or decreased demand. In those circumstances, understanding and shared commitment between employers, unions and workers is most important. Legislation may need to be loosened to enable social partners to explore alternative arrangements for job preservation so that employers are able to keep workers and minimize layoffs or redundancy. Bipartite and tripartite social dialogue plays an essential role for achieving agreement on arrangement, such as temporary wage freezes, salary reductions, prorated wages, and deferred payments of wages and allowances, among others.

In Mauritius, under the Workers' Rights Act 2019, an allowance of 15 per cent of basic wage was paid to a worker employed on night shift in addition to his basic wage. The COVID-19 Act abolishes the payment of night shift allowance which takes effect from the date the COVID-19 Act is gazetted until such period as may be prescribed. For overtime during COVID-19, for workers in the manufacturing, blockmaking, construction, stone crushing and related industries may be provided paid time off in lieu of overtime payment for additional hours worked from the date the COVID-19 Act is gazetted until such period as may be prescribed. In the event that the worker is unable to take the paid time off, it shall be accumulated up to the date the worker ceases to be in employment or 31 December 2021, at which date the accumulated paid time off shall be converted into remuneration.

Source: Dentons, *"The COVID-19 (Miscellaneous Provisions) Act of 2020 introduced by the Parliament of Mauritius - Amendments and their implications. 27 May 2020.*

1.6 Targeted public employment programmes

Cash for work schemes seek to provide immediate employment opportunities while developing infrastructure and supporting the delivery of government services to provide a better foundation for future growth. These common crisis response measures provide work and income for those who are mentally and physically able and willing, and it slows the further deterioration of the labour market. Examples of cash for work include routine road maintenance activities or the delivery of water/utilities, sanitation and health services. These employment programmes can offer adjustments to procurement and incentives to mobilize the capacity of the private sector, in particular construction enterprises that execute infrastructure and maintenance works.¹²

In Palau, the Government has announced a new temporary job creation scheme for public works as part of its COVID-19 measures to mitigate economic and social hardship.

Source: IMF Policy Response to COVID-19

In Timor-Leste, with support from the ILO, the Government has created almost 2,000 direct employment opportunities for poor and vulnerable people in rural areas through routine road maintenance activities.

Source: ILO Country Office for Indonesia and Timor-Leste.

In Bhutan, the Tourism Stimulus Package was announced on 17 April as an income support program through cash for work and cash for reskilling style programme for 2,436 people formally affiliated with tourism sector. Work provided under this program includes beautification of the main tourist attractions, maintenance of relevant infrastructure, hotel assessments, support to carrying out of survey and studies aimed to improve performance of the sector, as well as waste management. Those eligible will be provided Nu 6,000 (~USD 80) per month in case of selecting in training, and Nu 15,000 (~USD 200) per month in case of opting out for construction and development work.

Source: Ugo Gentilini et al., "Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures", Living papers, version 13, 18 September 2020.

In Indonesia, the Government has allocated IDR 16.9 Trillion (US\$ 1.1 trillion) for cash for work programs implemented by various Ministries. The program targets 530,000 workers. Village Fund will be also be allocated for village-level Cash for Work programs targeting unemployed, poor, and other vulnerable residents of the village. The program targets 59,000 workers.

Source: Ibid

¹² ILO, "The role of public employment programmes and employment guarantee schemes in COVID-19 policy responses". ILO brief, May 2020.

2. Extending social protection

Social protection is an indispensable mechanism for delivering support to individuals during the COVID-19 crisis by providing access to health care and protecting against massive losses of income resulting from the deepest economic downturn since the Second World War.¹³ Many countries have been able to react quickly by mobilizing, expanding or adapting existing social protection mechanisms. According to the “ILO Social Protection Monitor on COVID-19”, as of 17 April 2020, 108 countries had implemented social protection measures as part of their response to the COVID-19 crisis, especially in the areas of health protection, unemployment protection, sickness benefits and social assistance. This has helped to ensure inclusive and effective access to health care and income security, thereby supporting jobs, livelihoods and incomes, notably among those in a vulnerable situation.¹⁴

In Barbados, persons who are laid off will immediately have the opportunity to get their unemployment benefits, guaranteeing them 60 per cent of their insurable earnings, up to a limit of 26 weeks.

Source: Ugo Gentilini et al., “Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures,” Living papers, version 13, 18 September 2020.

In Cook Islands, The Emergency Hardship Fund was introduced to provide a quick response to alleviate financial hardship and stress related to the COVID-19 impact. This is a temporary fund that will be available until 31 December 2020. Eligible applicants will receive a fortnightly payment of \$150 for up to 2 months, or a one-off payment of \$600 depending on the circumstances being faced. For families, \$25 per fortnight is added for each eligible family member, up to a family of 5.

Source: Ibid

In Fiji, workers in the hospitality sector who have lost their jobs or have had their hours cut since 1 February 2020 able to access an initial \$1,000 from their FNPF accounts, with additional funds to be considered. Employees affected by the nationwide stipulated physical distancing requirements, along with employees in the Lautoka confined area who have been placed on leave without pay or had their hours cut, able to access an initial \$500 from their FNPF accounts

Source: Ibid

In Samoa, a special one-off pension payment, unemployment benefit, and a per citizen payout of SAT 50 per person, which is in part a social protection measure and in part an incentive to register for the national ID, have been approved by the parliament on 30 June 2020 as part of the second phase of the fiscal and economic response. In the longer term, the national ID scheme may provide the basis to establish a registry to support vulnerable people quickly and effectively in response to future economic shocks or natural disasters.

Source: Ibid

In Timor-Leste, cash transfers with a monthly basic income to over 214,000 households, worth US\$100 per month per household, lasting for 3 months.

Source: Ibid

In Federated States of Micronesia, on April 3, 2020, the government announced the Pandemic Unemployment Assistance Program of US\$36 million (9 percent of GDP) for the period of nine months.

Source: IMF Policy Response to COVID-19

In Palau, the government has announced a new unemployment benefit scheme as part of its COVID-19 measures to mitigate economic and social hardship to help affected individuals.

Source: Ibid

In Tonga, the Government announced hardship allowances for laid-off employees (up to 3 months) and needs-based financial assistance as part of its Economic and Social Stimulus Package for FY2020 on April 2, 2020.

Source: Ibid

¹³ ILO, “Social protection responses to the COVID-19 pandemic in developing countries: Strengthening resilience by building universal social protection”, ILO brief, May 2020.

¹⁴ ILO, “The role of public employment programmes”.

3. Supporting and sustaining enterprises

The **Bahamas Chamber of Commerce and Employers Confederation (BCCEC)** engaged in the discussion with the National Tripartite Council on amendment to the Employment Act, and provided recommendations on provision of COVID-19 financial support.

Source: Bahamas Chamber of Commerce and Employers Confederation (BCCEC)

3.1 Debt deferral

Governments, agencies and commercial banks have enacted measures for the temporary relief of enterprises affected by the crisis, including freezing or deferring financial obligations, such as loan repayments. They are also extending loan maturities, imposing debt moratoriums, temporarily freezing debtor ratings and temporarily increasing the threshold at which creditors can issue a statutory demand on an enterprise and the time enterprises have to respond to statutory demands they receive.

The **Barbados** government has introduced a six-month payment moratorium on all existing loans and mortgages for persons and businesses who are directly affected and impacted by COVID-19.

Source: Ugo Gentilini et al., “Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures,” Living papers, version 13, 18 September 2020.

The **Dominican Republic** has introduced a temporary freeze of debtor ratings and provisioning to the prevailing levels as of 16 March 2020; overdue loans will be classified as current for a 60-day period; and debtors have been given 90 days to update loan guarantees.

Source: IMF, “Country Report No. 20/154: Dominica Republic,” 7 May 2020, p. 7.

The **Maldives Monetary Authority (MMA)** has identified the following measures to be taken through the financial institutions to reduce economic disruptions and loss of jobs and output:

- reduction of the minimum required reserves (RR) up to 5 percent as and when required (MVR RR were reduced to 7.5 percent on April 23.
- introducing regulatory measures to enable a moratorium of 6 months on loan repayments for those impacted by the current situation.

Source: IMF Policy Response to COVID-19

The **Bank of Mauritius (BOM)** adopted a set of measures focused on economic operators which are being directly impacted by COVID-19, which include a moratorium on capital repayment for existing loans of affected economic operators until 31 December 2020 and easing of supervisory guidelines on handling credit impairments.

Source: Ibid

Palau, the National Development Bank of Palau announced plans to provide financial relief to affected business and households, including interest only payments, term extension, loan consolidation, and temporary payment deferral. Some private banks have introduced loan deferral and forbearance programs for three months.

Source: Ibid

In **Papua New Guinea**, all financial institutions have agreed to provide relief of 3 months on loan repayments and interest payments to customers who have lost their jobs on a case-by-case basis.

Source: Ibid

In **Samoa**, a grace period of three months applied for all loan payments was implemented as part of the first phase of the fiscal and economic response package to help the private sector approved by the parliament on April 7, 2020.

Source: Ibid

In **Solomon Islands**, the government is encouraging commercial banks to grant a three to six-month grace period for all loan repayments.

Source: Ibid

In **Fiji**, loan repayments have been deferred for six months including mortgages, personal loans, hire purchase for those who lost their jobs or are on reduced pay. Banks would also waive all charges on minimum balances for customers.

Source: ILO COVID-19 country policy responses platform

In **Tonga**, On March 19, 2020, the National Reserve Bank of Tonga (NRBT) Board approved the provision of liquidity support to the banking system. Commercial banks are implementing the following measures to assist customers affected by the COVID-19 a case by case basis by:

- reducing or suspending the principal loan repayments to interest only loan repayments.
- restructuring loans to businesses that have reduced business hours, in affected sectors such as tourism and related industries like transportation and to individuals who have been laid off.
- extending the terms of loans to reduce repayments.
- reducing loan interest rates on a case by case basis; and
- providing access to short-term funding, if required.

Source: ILO COVID-19 country policy responses platform

3.2 Direct loans and loan guarantees

Many governments have introduced and extended measures to boost lending to small and medium-sized enterprises (SMEs) including direct credit provided by central banks and incentives for commercial banks, such as the provision of guarantees on loans or lifting reserve requirements for banks to allow them to increase their lending. Some governments are offering partial guarantees of up to 80 per cent to banks against losses on qualifying loans and now allow less stringent credit risk assessments.

In **Bahamas**, the Government launched the Business Continuity COVID-19 Relief Loan Program to provide micro, small and medium-sized enterprises (MSMEs) with loans for working capital to help overcome the temporary loss of revenue due to the impact of COVID-19.

Source: *Bahamas Chamber of Commerce and Employers Confederation (BCEEC)*

In **Tonga**, the Reserve Bank has given USD 2 million to the Tonga Development Bank for providing loans to small businesses and other groups.

Source: *COVID-19 Pacific Island Response Matrix*

In **North Macedonia**, USD 15.5 million are made available for loans to micro, small and medium companies through the Development Bank of North Macedonia with 0% interest rate.

Source: *ILO COVID-19 country policy response platform*

In **Cabo Verde**, loan guarantees measures have been taken to support the private sector, including loan guarantees of up to 50 percent for large companies in all sectors (CVE 1 billion, about €9 million); up to 80 percent for companies in the tourism and transport sectors (CVE 1 billion); up to 100 percent for small and medium-sized enterprises in all sectors (CVE 300 million, €2.7 million) and for micro-enterprises in all sectors (CVE 700 million CVE, about €6.7 million).

Source: *IMF Policy Response to COVID-19*

In **Fiji**, the Government guaranteed the debt of Fiji Airways and announced a concessional loans initiative for MSMEs impacted by COVID-19. The Reserve Bank of Fiji (RBF) also expanded the SME Credit Guarantee Scheme to assist small entities.

Source: *Ibid*

In **Nauru**, while mitigation measures have not been needed, containment efforts have been sizeable with the Government reprioritizing expenditures and drawing down cash buffers and general reserves to support the fiscal measures to keep the national airline and other SOEs afloat, including AUD 5.1 million on liquidity injections to Nauru Airlines, an estimated AUD 0.5 million in budget support to SOEs in managing inventory from limited freight and cargo services.

Source: *Ibid*

In **Mauritius**, special credit line of Rs5 billion (1.1 percent of GDP) through commercial banks for affected firms to meet their cash flow and working capital requirements, with Rs2 billion granted by May 29 have been adopted by the Bank of Mauritius (BOM) as part of its measures to support economic operators which are being directly impacted by COVID-19.

Source: *Ibid*

3.3 Interest rate cuts

One of the immediate monetary policies implemented by most countries is slashing the interest rate. The action by the reserve banks to cut the interest rate has a direct and immediate effect on the economy. Commercial banks have subsequently cut variable and fixed interest rates on business loans to help support business in this challenging time and to boost the economy.

The **Reserve Bank of Fiji** reduced the overnight policy rate to 0.25 percent from 0.5 percent on March 18 to counter the economic impact of COVID-19.

Source: ILO COVID-19 country policy responses platform

The **Central Bank of Cabo Verde (BCV)** has taken key measures which include a reduction in the policy rate by 125 basis points to 0.25 percent, the minimum reserve requirements from 13 to 10 percent, and the overnight deposit rate by 5 basis points to 0.05 percent.

Source: IMF Policy Response to COVID-19

The **Bank of Mauritius (BOM)** reduced the Key Repo Rate from 3.35 percent to 2.85 percent on March 10, followed by a further reduction to 1.85 percent on April 16.

Source: IMF Policy Response to COVID-19

The **Bank of Papua New Guinea (BPNG)** has reduced the Kina Facility Rate (KFR) – the main policy rate - by 200 basis points to 3 percent from 5 percent and has asked the commercial banks to reduce their respective Indicative Lending Rates. BPNG has also reduced the Cash Reserve Requirement to 7 percent from 10 percent to provide additional liquidity to the commercial banks.

Source: IMF Policy Response to COVID-19

On March 27, the **Reserve Bank of Vanuatu (RBV)** cut its policy rate from 2.9 percent to 2.25 percent. Other RBV measures include: a reduction of commercial banks' Capital Adequacy Ratio (CAR) from 12.0 per cent to 10.0 per cent; and the reactivation of the Bank's Imports Substitution and Export Finance Facility (ISEFF) and the Disaster Reconstruction Credit Facility (DRCF).

Source: Ibid



3.4 Tax relief and social contribution deferrals

Tax relief includes fiscal policies implemented by governments to stimulate the economy and boost spending. Common policies are tax cuts, credits, waivers, postponing deadlines for annual tax declarations and payments, waivers of interest and penalties for deferred tax payments, deferral of social security and pension contributions, allowing payment plans so employers can pay past contributions in instalments, among others.



The **Samoa Chamber of Commerce and Industry (SCCI)** put forward proposals to the Government to postpone the deadline of income tax payments due and waive penalties for delayed payments.

The **Tonga Chamber of Commerce and Industry (TCCI)** put forward a proposal to the Ministry of Trade & Economic Development on measures to mitigate the impacts of COVID-19 by offering temporary tax and/or duty relief to businesses.

Source: ILO COVID-19 country policy responses platform.



The **Seychelles** Pension Fund has postponed contributions for 3 months, for those due April to June 2020 will now be due July-September 2020.

Source: Ugo Gentilini et al., “Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures,” *Living papers*, version 13, 18 September 2020.

In **Samoa**, the Government has implemented a six-month moratorium on pension contributions for the hospitality sector as part of its first phase of the fiscal and economic response package which was approved by the parliament on April 7, 2020.

Source: *IMF Policy Response to COVID-19*

In **Solomon Islands**, the government has adopted a COVID-19 economic stimulus package of SI\$319 million which include tax and utility relief for affected businesses in specific sectors.

Source: *Ibid*

In **Cook Islands**, the Government provided income tax credit of \$2,000 for short-term accommodation providers with up to 10 beds, and implements provisional tax adjustments:

- businesses and individuals can re-estimate their provisional tax;
- early refunds where provisional tax has been overpaid;
- the provisional tax threshold increased from \$2,000 to \$5,000.
- Tax relief through payment instalment arrangements and serious financial hardship measures.

Source: *ILO COVID-19 country policy responses platform*

In **Fiji**, effective 1 April to 31 December, Fiji National Provident Fund (FNPF) contribution has been reduced from 10% to 5% for both employers and workers.

Source: *Ibid*

In **Vanuatu**, the Government has implemented the following tax measure to support businesses:

- Deferring of a number of taxes and charges in 2020 this includes Road Tax, Work Permits fees, Business Licenses fees (except for commercial banks), Residence Permit charges and Rent Tax.
- Reducing the turnover tax of commercial banks from 7% to 5% to support more efficient banking and encourage lower interest rates, fees and charges
- Requirement to pay turnover tax on zero rated or exempt VAT sales removed to assist financial institutions, insurance entities, and professionals become better equipped to supply international services in an increasingly competitive international market.
- Business license reform measures to be backdated to begin on 01 January 2020, and or those businesses who have already paid these taxes, license fees, and charges, you will be refunded.

Source: *ILO COVID-19 country policy responses platform*

In **French Polynesia**, Government has postponed tax due dates for VAT, RPT, IS, IT, MFI, TPE; established payment schedules without surcharges or interest on late payments for companies in difficulty; postponed payment of employer's contributions to social security by 3 months; introduced a moratorium on maritime and land-based AOT fees, and introduced an exemption of the DSPE for the year 2020

Source: *French Polynesia Regional Group*



3.5 Support for utilities, rental and other essential fixed costs

Despite the drastic fall in revenue and income, enterprises are still required to pay ongoing costs and expenses such as rental, mortgage and utilities, among others. Countries have introduced policies and guidance to temporarily help enterprises during this difficult period. Waivers of disconnection fees, deposit refunds, payment plans, prohibitions on eviction, rent subsidies or assistance and deadline extensions for real estate tax payments are some of the popular measures countries have implemented.



With the **Solomon Islands** having the highest electricity tariff in the Pacific, the Solomon Islands Chamber of Commerce and Industry (SICCI) has been advocating for a tariff reduction to benefit businesses as an outcome of the review of the Mines and Energy Act. The Chamber developed Submission on Solomon Power Cost of Service Study in July 2020 which advocated for an immediate tariff reduction of 20% for at least three months but the longer the time period for a reduction in energy tariff the better it is to provide certainty for business and industry to ride out current liquidity pressures

Source: Solomon Islands Chamber of Commerce and Industry



In **Cook Islands**, electricity subsidy of 60 per cent for all businesses on Rarotonga and 100 per cent subsidy for all businesses on Aitutaki, for 3 months starting from the 19 March 2020 meter reading. For households in Rarotonga and Aitutaki, a 100 per cent subsidy for 3 months starting from the 19 March 2020 meter reading.

Source: ILO COVID-19 country policy responses platform.

In the **Marshall Islands**, the government adopted a COVID-19 emergency measure for the procurement of assets, supplies and materials in which 80% of payment can be released to businesses once purchase has been approved, and remaining 20% of payment be paid once services and goods are delivered/rendered. This has helped relieve businesses that have become increasingly cash-strapped due to disruptions in supply chains and runs on essential items during the initial shock of the pandemic.

Source: Marshall Islands Chamber of Commerce and Industry

In **Timor Leste**, the government waives the payment of electricity (up to US\$15 per month), water bills, property rental payments owned by the government for three months (for low-income households).

Source: Ugo Gentilini et al., “Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures,” *Living papers*, version 13, 18 September 2020.

In **Maldives**, as part of its Economic Recovery Plan announced on March 2020, the Government of Maldives will subsidize 40 percent of electricity bills and 30 percent of water bills for the months of April and May.

Source: IMF Policy Response to COVID-19

In **Palau**, the government has announced a temporary subsidy for utility bills as part of its COVID-19 measures to mitigate economic and social hardship to help the affected businesses and individuals.

Source: *Ibid*

In **Samoa**, as part of the first phase of the fiscal and economic response package, approved by parliament on April 7, 2020, a temporary reduction of utility bills (both electricity and water) for six months through September 2020 has been implemented.

Source: *Ibid*

In **Tonga**, the Government announced assistance with the payment of utility bills by public enterprises as part of its Economic and Social Stimulus Package of 60 million Tongan pa’anga (5.3 percent of GDP) for FY2020 on April 2, 2020.

Source: *Ibid*

3.6 Investment incentives and facilitation for medical supplies and research

A range of fiscal and financial policies have been implemented by governments in different regions of the world to support, facilitate and incentivise investments in the production of critical medical equipment related to COVID-19 and support research on vaccines or medication. Policies have created incentives to enhance contracted economic activities, convert production lines and authorize non-voluntary licensing to speed up research and development and improve access to medications.

On 23 March 2020, the **Czech Republic** established a CZK 500 million investment subsidy scheme for medical devices, pharmaceuticals and biotechnology manufacturing.

Source: United Nations Conference on Trade and Development, "Investment policy responses to the COVID-19 pandemic," Investment Policy Monitor, Special issue No. 4, May 2020.

Italy created a €50 million programme to encourage manufacturers to convert to or expand their production of medical devices and supplies.

Source: Ibid

The **Myanmar Investment Commission** announced on 11 April 2020 that it would accelerate approvals for investments in labour-intensive and infrastructure projects. The Commission will accelerate approvals for enterprises working on health care and medical equipment, including those involved in manufacturing supplies such as face masks, and prioritize pharmaceutical enterprises and health care service providers. A 50 per cent reduction of investment application fees was announced on 9 April 2020.

Source: Ibid

3.7 Minimum wage

Due to the exceptional circumstances surrounding COVID-19, some governments and social partners have considered deferring minimum wage adjustments to give enterprises additional time to recover from the extended closures and the significant economic losses many are experiencing. The decision to defer minimum wage adjustments and the difference in earnings it would represent could be offset by social protection measures. However, a few developed countries, including Australia, New Zealand and the United Kingdom, have recently announced minimum wage increases.

In the **Philippines**, the Regional Tripartite Wages and Productivity Board – National Capital Region has deferred stakeholder consultations and public hearing on pending minimum wage discussions until the majority of workers have been allowed to return to work.

Source: ILO COVID-19 country policy responses platform.

3.8 Central resource for COVID-19 business information

One of the challenges for enterprises has been to keep abreast of changing COVID-19 policy measures and information about available resources. In the age of social media, a related challenge has been separating fact from fiction. Enterprises need accurate, up-to-date information from credible sources at all stages of the pandemic. Some countries have set up a central source for COVID-19 business information, with links to different departments and agencies.

In **Cook Islands**, the Business Support Office was established to provide information and support to businesses.

Source: Cook Island Chamber of Commerce.

In **New Zealand**, the Government's central resource for COVID-19 business information was established to provide updates about COVID-19 and guidance to help enterprises, including financial support, work visas, leases and tenancies, exports and imports, working from home, etc.

Source: Government of New Zealand, COVID-19: Information for businesses.

In **Singapore**, the Ministry of Trade and Industry through its statutory board Enterprise Singapore, established special webpage "Advisory on COVID-19 for businesses" and the Ministry of Manpower provides advisory on COVID-19 to employers including requirements for Safe Management Measures at the workplace, COVID-19 support programmes, BCP and all other related information for businesses and employers.

Source: Singapore Ministry of Manpower, Enterprise Singapore.



4. Extending support to self-employed people and the informal economy

Self-employed individuals and enterprises operating in the informal economy make up an important part of the workforce today, and many have lost income or their job as a result of the COVID-19 pandemic. This includes workers in the gig economy, freelancers, professionals, owners of small enterprises, sole traders, independent contractors and so on. They usually have limited capacities and poor chances of survival during the crisis, and they need tailored support. Some countries have implemented measures to help self-employed people and enterprises to cover their fixed costs during the crisis.

4.1 Self-employed income support

Self-employed cash grant income support is one form of direct assistance, and other measures include tax relief, deferral of loan payments, small enterprise loan and credit, and so on (see section 3 above “Supporting and sustaining enterprises”). One-off grants or short-term cash assistance for microenterprises and sole traders will help them in these tough times and cushion them from the economic impact of COVID-19. A number of countries have offered this kind of support, including the United Kingdom, the Republic of Korea and Singapore.

In **Dominican Republic**, the government has launched the freelancer/ self-employed work assistance program (Pa ‘Ti) which provide temporarily support of RD \$ 5,000 to independent workers, who have not been able to work by the measures social distancing imposed by the pandemic, with an unconditional cash transfer that allows them to counteract the economic effects of the measures taken to stop the spread of COVID-19.

Source: Ugo Gentilini et al., “Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures,” Living papers, version 13, 18 September 2020.

In **Isle of Man**, the Government has introduced the Coronavirus Business Support Scheme offers financial support in the form of a grant payment of up to £3,000 to eligible self-employed.

Source: Ibid

In **Mauritius**, self-employed who are either in business (examples: shops, hawkers, hair dressers, etc.) or are casual workers (examples: masons, plumbers, artists etc.) whose total monthly household income does not exceed Rs 50,000 will be eligible to receive a financial support of Rs 5,100 (i.e. 50% of Guaranteed Income) for the p

Source: Ibid

In **Taiwan (China)** a special benefit for self-employed workers who have joined the Labour Insurance Fund and have an insured monthly salary under NT\$24,000, will receive a single one-time payment of NT\$30,000.

Source: Ibid

4.2 Supporting the self-employed in the informal economy

According to the ILO, the informal employment represents 90 per cent of total employment in low-income countries, 67 per cent in middle-income countries and 18 per cent in high-income countries.¹⁵ Support for the informal economy is an important component of the government policy response to COVID-19, but policymakers face additional challenges in designing policies for informal enterprises because they are not officially registered, making them harder to reach.

In **Fiji**, informal sector in the lockdown areas entitled to one-off Government relief payment of FJ\$150 (US\$66) where holding a street trader or hawker license. Fijians in the informal sector who tested positive for the virus to be paid a one-off sum of FJ\$1,000 (US\$443).

Source: Ugo Gentilini et al., "Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures," Living papers, version 13, 18 September 2020.

In **North Macedonia**, unemployed and informal sector workers will receive an average of 7,000 denars (US\$124) per household. The estimated coverage is about 20,000 new households from the informal economy and 30,000 existing beneficiaries.

Source: Ibid

The **Government of Burkina Faso** has suspended fees charged on informal sector operators for rent, security and parking. It also allocated a total of US\$10 million (5 billion CFA) to help the fruits and vegetable informal retailers affected by the situation, particularly women.

Source: Kaleb Nygaard and Mallory Dreyer, "Countries provide support to workers in the informal economy," Yale School of Management, Program on Financial Stability, 22 May 2020, and Ugo Gentilini et al., "Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures," Living papers, version 13, 18 September 2020.

In **Mauritius**, a Self-Employed Assistance Scheme for those employed in the informal sector or self-employed has been implemented as measure to limit the socio-economic impact of COVID-19. The scheme which will be implemented until June 2021 will be extended in July but only for the tourism sector.

Source: IMF Policy Response to COVID-19.

In **Cabo Verde**, income compensation to provide financial support to individuals operating in the informal sector has been implemented as mitigating measures in response to COVID-19.

Source: Ibid.

¹⁵ ILO, "COVID-19 crisis and the informal economy: Immediate responses and policy challenges", ILO brief, May 2020.

5. Facilitating temporary changes in work arrangements

5.1 Extended paid sick leave, care leave or family leave

The ILO reported that almost 50 per cent of the global labour force have no legal entitlement to sickness benefits. These workers must choose between staying at home when they are sick to protect their own health (and public health) and continuing to work to maintain their jobs and income, thereby placing their own and others' health at risk.¹⁶ Even when countries have legislation that provides paid sick leave and paid annual leave, workers may experience difficulty during the COVID-19 crisis if they experience prolonged illness, if quarantine is required or if they must care for family members who are sick. The need for paid sick leave, care or family leave has increased during the extended lockdown period when schools and day care facilities were required to close.

Financial provisions from the government are required for employers to introduce or extend paid sick leave, care leave or family leave arrangements for workers. Some countries have extended the coverage and adequacy of these benefits or adjusted their scope, for example by expanding coverage in cases of quarantine and self-isolation, or introducing special COVID-19 leave for eligible workers.



The **Organisation of Employers of Macedonia (OEM)** submitted a letter to the Government asking to consider exempting companies from paying sick leaves to workers who are unable to work due to childcare, or workers who need to be self-isolated or quarantined.

During the session of the ESC held on March 31, OEM presented a set of proposals, among which expanding the eligibility criteria for the state support measures for businesses; exempting companies from payment of social security contributions for workers with special needs during the crisis period; for workers with children up to ten years of age that need homecare, one parent shall be released from work and the absence shall be recorded as justifiable by the employer.

Source: ILO COVID-19 Policy response platform

In **Seychelles**, Employment (Coronavirus Special Leave) (Temporary Measures) Regulations were introduced on 30 March 2020, requiring employers to provide paid “special leave” to eligible workers with young or school age children, single parents or workers whose spouse is in essential service or in isolation when child care or schools were closed by the directive of the authorities.

The Government also offers the Financial Assistance for Job Retention scheme to eligible employers. The Seychelles Chamber of Commerce and Industry requested the Government to review the special leave measures, as there was no definite timeline given. and the continuation of such leave is not practical nor cost-effective for both employers and Government, despite the job retention scheme. The Seychelles Chamber of Commerce and Industry suggested that a maximum number of days should be provided, and upon exhaustion of the special leave, workers should resort to sick leave or annual leave if they need to.

Source: Seychelles Chamber of Commerce and Industry.



¹⁶ ILO, “Sickness benefits during sick leave and quarantine: Country responses and policy considerations in the context of COVID-19”, ILO brief, May 2020.

In **Cook Islands**, workers who are in self-isolation as defined under the public health guidelines, including: (i) not sick, cannot perform work remotely and has been advised by the Ministry of Health to self-isolate; (ii) not sick but has to care for dependents who are required to self-isolate or who are sick with COVID-19, will be granted paid leave.

Source: Ugo Gentilini et al., "Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures," Living papers, version 13, 18 September 2020.

In **Dominican Republic**, paid sick leave is provided for employees who are over 60 years of age and have a special health condition.

Source: Ibid.

In **Fiji**, Government will pay 21 days' sick leave to people earning less than \$US13,000 if they tested positive to the coronavirus.

Source: Ibid.

In **Malta**, €350 grant is being awarded to employers for each employee required to be on mandatory quarantine leave. Persons with disabilities who have to stay at home due to health concerns that may arise as a consequence of COVID-19 and cannot telework will be entitled to a benefit of €800 per month for a specified period (€500 per month for part-timers).

Source: Ibid.

Trinidad and Tobago introduced a "pandemic leave" as a new classification of paid leave for public officers, including those not eligible for sick leave, and is looking to plans to introduce similar leave for private sector. The pandemic leave is meant to accommodate leave for employees who do not have sick leave eligibility. The leave applies to workers classified as short-term employees, and temporary workers who only have sick leave, but no provision for extended sick leave.

Source: Ibid.

5.2 Child care and child protection

Social distancing and lockdown measures to contain COVID-19 may inadvertently increase the risk that children will be exposed to violence and it could push millions of vulnerable children into child labour. Already, there are an estimated 152 million children in child labour, 72 million of which are in hazardous work. These children are now at greater risk of hazardous working conditions and working longer hours.¹⁷ Ensuring decent employment and safe return-to-work policies for adults, and safe reopening of schools for children are of paramount importance, as are efforts to further adapt and strengthen child protection systems and social services, and social protection measures, such as cash transfers. For low-income families in particular, these are the fundamental measures to meet basic needs without resorting to child labour or other harmful practices that put children at risk.¹⁸ Additionally, the closure of schools has required many working parents to balance work from home arrangements with child care duties when schools and day care facilities were required to close.

¹⁷ ILO, "COVID-19: Protect Children from Child Labour, now more than ever!", 12 June 2020.

¹⁸ ILO and the United Nations Children's Fund (UNICEF), "COVID-19 and Child Labour: A time of Crisis, A time to act", 2020.

In **Australia**, the Government made child-care services free during the pandemic with priority given to parents who had to continue working. Given the gendered burden of child care and gendered workforce in the sector, the policy measure has had a positive impact on enabling women to remain active and productive in the workforce.

Source: *Parliament of Australia, "COVID-19 Economic response – free child care", 6 April 2020.*

In **Seychelles**, Employment (Coronavirus Special Leave) (Temporary Measures) Regulations were introduced on 30 March 2020, requiring employers to provide paid "special leave" to eligible workers with young or school age children, single parents or workers whose spouse is in essential service or in isolation when child care or schools were closed by the directive of the authorities.

Source: *Ministry of Employment, Immigration and Civil Status, Seychelles*

In **Costa Rica**, as part of the social services for social transfer beneficiaries, the child care and nurseries remain open for those workers that need to work even during the containment measures/partial lockdown.

Source: *Ugo Gentilini et al., "Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures", Living papers, version 13, 18 September 2020.*

In **Cyprus**, a "Special Leave" are granted to parents who are employed in the private sector for the care of children up to 15 years old (including the third grade of gymnasium) due to the suspension of classes in schools, both public and private, in nurseries and kindergartens.

Source: *Ibid.*

In **Malta**, a benefit of €800 per month (€500 in case of part-timers) to one of the parents (including single parents) who take additional unpaid leave to take care of children whilst schools remain closed, when both parents work in the private sector.

Source: *Ibid.*

5.3 Working from home and teleworking

During the COVID-19 pandemic, many enterprises have implemented remote working arrangements either as a preventive measure or in response to the order or directive of the government restricting face-to-face contact. Some countries have implemented measures and incentives to support and encourage enterprises to implement this alternative work arrangement.

In **Bahamas**, Emergency Powers orders encourage and allow non-exempted businesses to continue to operate with employees working from home.

Source: ILO COVID-19 Country Policy Responses Platform

In **Malta**, a Teleworking Grant Scheme was announced on 16 March 2020. Malta Enterprise, the country's economic development agency, has issued a guideline document and an application form under the Business Development and Continuity Scheme to facilitate employers providing teleworking arrangements to their employees to carry out work from their residence. The cash grant provides up to €500 per teleworking agreement and €4,000 per undertaking will partially cover the costs of teleworking solutions and encourage employers to invest in technology. The scheme has since been phased out on 8 May 2020.

Source: Malta Employers Association

In **Mauritius**, Workers' Rights Act 2019 (the 'WRA') has been amended following the passing of the COVID-19 Act on 15 May 2020 that enable employers to request their workers to work from home, provide a prior notice of at least 48 hours has been given to the workers.

Source: Dentons, "The COVID-19 (Miscellaneous Provisions) Act of 2020 introduced by the Parliament of Mauritius - Amendments and their implications. 27 May 2020.



6. Trade facilitation: export and import

Trade facilitation is critical in the current crisis to ensure the swift movement of essential medical, food and information technology supplies. In particular, trade facilitation measures are needed to do the following:

- remove bans, quantitative restrictions and taxes on exports.
- make boarder processes faster and safer such as automating, digitizing and streamlining border processes to speed up processing and reduce the need for physical contact between border agencies and traders.
- facilitating e-commerce, expedite formalities, simplify fees to ensure goods ordered online face fewer bottlenecks before reaching the recipients.
- implementing risk management to allow low-risk critical supplies to pass clearance controls speedily.
- ensure all formalities are transparent and accessible to all traders, especially micro, small and medium-sized enterprises (MSMEs).



The **Tuvalu National Private Sector Organization (TNPSO)** has advocated for Government to make provision for businesses to have a designated area of the wharf with the objective of improving food security through speeding up customs clearance and delivery of essential foods and medicines to outlets in Funafuti and outer islands, while reducing the business costs associated with container storage, during the State of Emergency period.

Source: Tuvalu National Private Sector Organisation (TNPSO)



The **Fiji Revenue and Customs Service FRCS** has introduced an integrated data exchange program in conjunction with the Ministry of Health & Medical Services and Biosecurity Authority of Fiji (BAF) for seamless and legitimate facilitation of trade through the ASYCUDA System. This is a step towards an expansion and systematic scope to approach a single window scheme, reduction in the cost of doing business, greater transparency, elimination of multiple submission of documents and optimal utilization of resources.

Source: Fiji Revenue and Customs Service.

Vanuatu has introduced the online service for their customs and biosecurity processes by introducing the country's Electronic Single Window system that enables businesses to submit and pay for import and export certificates, licenses and permits online. The new online service has significantly reduced the amount of paperwork and time required to process approvals and also enables the government to track and collect data on the processes.

Source: Michelle Kovacevic, Violeta Gonzalez, Trade for Development News by EIF, 22 July 2020. "Vanuatu leading Pacific in digitising customs and biosecurity clearance."

The **South African Revenue Service** has encouraged the use of electronic filing for all documents for clearance. It established a task force consisting of occupational health and safety, governance and operational staff to oversee operations to minimize the risk of COVID-19, and it established an 'employee wellness toll-free line' to deal with queries related to COVID-19.

Source: OECD, Coronavirus (COVID-19): SME Policy Responses, 2020.



ADJUSTMENT PHASE

As the lockdown and other restrictive measures are relaxed and normal activity slowly resumes, a suit of medium-term policy measures will be needed to help enterprises reopen and workers to safely return to work as soon as possible. In this phase, medium- to longer-term demand-led employment strategies will be required to recover jobs and incomes, restore a conducive business environment and reinvigorate productivity growth to prepare the economy and workforce for the recovery phase. This section contains an array of medium-term policy measures being implemented or advocated by the employers' and business membership organizations (NPSOs) in different parts of the world, with some naturally extending into and beyond the recovery phase and complementary measure to wider policy interventions in preserving jobs and stimulating the economy.

1. Supporting the return to work

1.1 Reviewing work arrangements

Since the outbreak of the COVID-19 pandemic, most enterprises have implemented remote working, but not all jobs are suitable for remote working. As countries ease restrictions, workers are gradually returning to the workplace. Alternative work modalities; workplace adjustments; staggered work groups, working hours and breaks; and physical distancing at the workplace are some of the common policy responses in the adjusting phase.

In **Bahamas**, the Emergency Powers Orders mandate physical distancing protocols for businesses allowed to operate. Face masks have also been mandated for entry into business places.

Source: ILO COVID-19 country policy responses platform.

In **Mauritius**, Workers' Rights Act 2019 has been amended following the passing of the COVID-19 Act on 15 May 2020 that enable employers to request workers to work from home provided a notice of 48 hours has been given. It also enables workers to request for flexible work time, with 48 hours notices, unless there are reasonable business grounds to refuse, an employer may grant a worker's request to work on flexitime.

Source: Dentons, "The COVID-19 (Miscellaneous Provisions) Act of 2020 introduced by the Parliament of Mauritius - Amendments and their implications. 27 May 2020.

The **Government of Singapore** is providing Work Life Grant of SGD 2,000 per local employee per year up to SGD 70,000 over two years as incentives to employers to implement flexible work arrangements such as flexi-load (part time work and job sharing arrangements), and flexi-time (compressed work week).

Source: Workforce Singapore.

1.2 Enhancing occupational safety and health at work

As workers gradually return to the workplace following the easing of restrictions, enhancing workplace safety and health takes on paramount importance. Employers generally have a duty of care for the safety and health of their workers. Policies and guidance on workplace hygiene and physical distancing to minimize the risk of infection are some of the essential measures that must be in place.



The **Barbados Employers Confederation** (BEC) collaborated with the University of the West Indies, Cave Hill, Centre for Professional Development and Lifelong Learning organised the “Workplace, Health & Wellness, Open for Business During COVID-19” to prepare businesses to proper hygiene practices for successful re-open amidst the rampages of COVID-19

Source: Barbados Today, 12 September 2020. “Adapting the workplace for COVID-19”



In **Fiji**, the BizFiji under the Ministry of Commerce, Trade, Tourism and Transport provided comprehensive online information on Covid-19, including safe and health guidelines for business.

Source: BizFiji Portal, Ministry of Commerce, Trade, Tourism and Transport

In **Barbados**, Ministry of labour issued guidelines for OSH in business places, sector-specific guidelines also being implemented, such as protocols for domestic workers, hairdressing salons, food service workers. Barbados National Standards Institution (BNSI) implementing a Safe Business Certification Mark to certify businesses as having adhered to required safety and health regulations based on the ISO 45001 Occupational Health and Safety Standard.

Source: ILO COVID-19 country policy responses platform.

In **Cyprus**, COVID-19 guidelines published for precautionary measures to be taken at workplaces.

Source: Ibid.

In Trinidad and Tobago, the Occupational Safety and Health Authority and Agency (OSHA) issued Guidance for employers and business.

Source: Ibid.

2. Training and skill development

2.1 Technical and vocational education and training

Social distancing and lockdowns have caused substantial disruption to technical and vocational education and training and skills development. Many courses have been put on hold or converted to online learning. However, access to the Internet is limited, especially in developing countries and rural area. In this regard, governments can implement measures to improve Internet infrastructure, accessibility and affordability. Some countries have implemented measures to support providers to expand and enhance their online services provision, assist teachers and trainers to operate in the new online environment and strengthen systems to recognize and validate digital learning, and expand schemes which allow employers to access funding for staff development and training.

In **Australia**, the Queensland Government has offered free online training courses through universities and TAFE for small business owners and individual.

Source: Queensland Government

In **Fiji**, the Government is trialling remote learning for school children using smartphones and TV. However due to low ownership numbers, primary and secondary remote learning is not compulsory. Remote learning is active at National universities.

Source: ILO COVID-19 Country Responses Platform

The **Government of Ghana** together with other stakeholders in education enacted innovative measures to minimize the negative effect COVID-19 would have on teaching and learning. The Ghana Education Service regularly broadcasts various subject topics on a dedicated television channel called Ghana Learning (GL) TV. Joy Learning TV is also complementing the Government's efforts to keep students actively studying despite COVID-19.

Source: Kamal Deen Habib, "Ghana's coronavirus response: Let's not leave TVET behind," GhanaWeb, 7 June 2020.

2.2 Training, reskilling and apprenticeships

During this period, some workers are out of work due to redundancy, layoffs or furloughs, and others have been required to take paid or unpaid leave, and it is best if workers can use this time to acquire a new skill or try something different. Training and reskilling, including apprenticeships, are ways to assist workers to build skills and plan for the next stage of the job or career, especially for young people.

In addition, the COVID-19 crisis has accelerated the adoption of digitized approaches in both working and learning through live video or social sharing. Although most enterprises and workers took a “learn by doing” approach during the initial phase of the crisis when social distancing measures and lockdowns prevented face-to-face contact, continued remote working will probably pose an upskilling challenge. For example, sales forces will have to go beyond setting up video meetings to begin managing customer relationships effectively in remote settings.¹⁹ Upskilling and reskilling are necessary to enable both workers and enterprises to better prepare and adapt to changing needs in the economy.

Government responses included incentives and support for training and reskilling, and collaboration with educational and training institution for innovative programmes such as online approaches to training.

In **Seychelles**, the Seychelles Employee Transition Scheme (SET) has been implemented as a temporary programme created in response to the COVID 19 pandemic economic retrenchment to assist private sector employees who are made redundant during the period 01st July 2020 – 01st December 2020. Workers who participated in the scheme would be assigned for refresher training, up-skilling and reskilling activities, work placement and participation in the national workers participatory projects, and they will receive monthly allowance equivalent to the last monthly basic gross salary before they were made redundant.

Source: Seychelles Employee Transition Scheme

In **Bhutan**, the Build Bhutan program has been introduced which aims to provide relief and support recovery through reskilling and provision of jobs to newly unemployed and at the same time address shortages of labour in sectors that previously relied on foreign workers. The program aims to provide support to 7,000 newly unemployed.

Source: Ugo Gentilini et al., “Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures”, Living papers, version 13, 18 September 2020.

In **Cook Islands**, training subsidy has been provided to assist businesses in upskilling their employees to improve their productivity for recovery phase. The training subsidy is based on minimum wage for 35hrs/weekly over an additional period of 3 months, available only to those businesses qualified for the wage subsidy. All training courses must be endorsed or provided by an approved training entity and must run for a period of at least two months, at a minimum of 10 hours per week. Courses may include those provided through the Cook Islands Tertiary Training Institute, University of the South Pacific, and other courses offered by recognized official organizations, such as those offered by online institutions

Source: Ibid.

¹⁹ McKinsey & Company, “To emerge stronger from the COVID-19 crisis, enterprises should begin reskilling their workforces now”, 7 May 2020.

3. Supporting the use of digital technology

3.1 Expanding digital infrastructure

Expanded access to digital technology is important to accelerate the economic recovery, especially for people hardest hit by job losses. Since the outbreak, there has been a sharp rise in online business and the use of social media to promote, market and sell goods and services by both formal and informal enterprises. However, due to the lack of digital infrastructure, low reliability of services and high costs, enterprises in some areas are deprived of the opportunity. As a major force in the marketplace, governments can also drive or promote universal access and use, including the use of data to identify in-demand jobs and the skills required. Governments could gradually move all services online or provide incentives, such as faster processing time or cash incentives for filing online tax returns, to encourage the use of online services.

The Pacific Island Private Sector Organization (PIPSO) has called for Pre-COVID infrastructure commitments to proceed and where possible be brought forward. PIPSO has noted that major infrastructure not only creates jobs in its own right but provides an economic multiplier that supports the MSME sector. PIPSO advocates for the telecommunications cabling of the region to be enhanced, noting that with borders closed, connectivity has become essential. ICTs are crucial for the region as it endeavours to embrace digital transformation and build on networked economies, ecommerce and digital trade opportunities.

Source: Pacific Island Private Sector Organization

In **Africa**, the MarketplaceAFRICA.com is global e-commerce retailer with a platform, app and payment system that allows online consumers to shop directly from African small businesses, select from familiar payment methods, and have the products shipped to their home.

Source: ILO, "Enabling Environment for Sustainable Enterprises and the Post COVID-19 Rapid Response," ILO brief, June 2020.

In **Fiji**, the Government DIGITALFIJI application enables E-services for company registrations and the Ministry of Economy manages the e-tender portal for paperless and fast processing procedures.

Source: Bart Hogeveen. 2020. Australian Strategic Policy Institute (ASPI), "ICT for development in the Pacific islands: An assessment of e-government capabilities in Fiji, Papua New Guinea, Samoa, Solomon Islands, Tonga and Vanuatu."

The **Solomon Islands Business** Registry portal was launched as the online registry allows businesspeople to register as foreign investors, incorporate companies and register business names in one sitting.

Source: Ibid.

In **Samoa**, as part of Government ICT policy to create an enabling environment for the development and adoption of ICT and improve economic growth and sustainability through ICT, the Samoa Business Registry and Samoa e-Tax has been introduced and function as the most prominent online services of the government.

Source: Ibid.

3.2 Developing digital literacy and dexterity

While expanding access to digital infrastructure, it is equally important to ensure that people can use the services and take advantage of the technology to acquire new skills or expand the market. Policy measures that incentivize and support related skills training are needed.



The **Samoa Chamber of Commerce and Industry (SCCI)** offered the basic computer and IT training as part of its training courses.

Source: Samoa Chamber of Commerce and Industry



The **Samoa Government** has entered into a partnership with India that includes the establishment of the Centre for Excellence in IT at the National University of Samoa. The centre was launched in 2019 with four 'trained trainers' to facilitate its programs.

Source: Bart Hogeveen. 2020. Australian Strategic Policy Institute (ASPI), "ICT for development in the Pacific islands: An assessment of e-government capabilities in Fiji, Papua New Guinea, Samoa, Solomon Islands, Tonga and Vanuatu."

In **Papua New Guinea**, a high-level whole-of-government committee is being established to oversee the functioning and development of the IGIS and the implementation of the Digital Government Masterplan which include improving digital skill as one of the priorities area.

Source: Ibid.

4. Promoting entrepreneurship and innovation

To complement short-term measures, such as direct lending, loan guarantees and subsidies that support short-term liquidity and funding as listed in the previous section, policy interventions could also aim to provide the right conditions and incentives for innovative start-ups to expand, close and divert to other business goals. It is essential to have medium- to longer-term policies that support entrepreneurship and innovation, and that make it easier for potential entrepreneurs to innovate in response to market changes post-COVID-19 and to change their products, services and business model. Measures to promote entrepreneurship and innovation could do the following:

- reduce barriers to entrepreneurship, such as compliance cost.
- reduce administrative burdens for start-ups and simplify the procedures associated with business restructuring and closure, such as implementing simplified procedures, fast track approval process and accelerating transitions to e-government.
- boost entrepreneurial potential by promoting training, network development and so on.
- provide financial support and incentives.
- Countries around the world have adopted different policy measures promoting and supporting entrepreneurship and innovation.

The Fiji Commerce and Employers Federation and the Fiji Trades Union Congress implemented a COVID-19 recovery initiative, called Transition to Business, to support redundant workers in microenterprises in the formal sector. Workers are identified who have started potentially scalable enterprises and the initiative builds their capacities to sustain their microenterprise and income. The medium- to long-term objective is for the targeted enterprises to potentially employ more workers and, through the private sector, contribute to economic recovery. The specific services the Transition to Business initiative will provide are business training, business advisory services and business mentoring.

Source: Fiji Commerce and Employers Federation.

In **Fiji**, the Government announced a concessional loans initiative for MSMEs impacted by COVID-19 as part of its second stimulus package. The Young Entrepreneurship Scheme of the Fijian Government is another initiative targeting the development of young business entrepreneurs with innovative ideas, by providing financial support through grants of up to \$30,000 for eligible young Fijian entrepreneurs to develop or expand their innovative business ideas.

Source: IMF Policy Response to COVID-19 and Fiji Ministry of Commerce, Trade, Tourism and Transport

In **Vanuatu**, the Government will pay a one-time cash grant of VT60,000 to every small and medium business that has an annual turnover of VT200 million or less as part of its COVID-19 financial and economic stimulus package to support SMEs.

Source: Government of Vanuatu, Finance and Treasury. 8 April 2020.

In **Mongolia**, new credit guarantee scheme has been given to SMEs and soft loan from the development bank to cashmere producers.

Source: Singapore FinTech Association.

5. Specific measures to support employment-intensive and/or growth industries

Measures to tackle the spread of COVID-19 have hit certain sectors particularly hard, many countries have extended targeted support measures to their affected industries particularly tourism and hospitality, transportation and manufacturing, among others. However, in designing policies, it is important for policymakers to understand the specific constraints, issues and challenges in different sectors, therefore interactions between enterprises and regulating authorities are essential. For example, SMEs in the tourism sector could be hesitant to take a loan for fear of taking on additional debts, especially when the economic outlook for the industry is not promising in the near future.

The **Cook Islands Chamber of Commerce (CICC)** produced a white paper which was presented to Government in September 2020 focused on the recovery and recalibration of the tourism sector. The white paper noted concern that there would be on-going disruptions to tourism and advocated for support in recognition of the heavy public and private investment made in the sector. The white paper set out a number of policy proposals such as longer term visa options, remote working options, and targeting of retirees, and called for multi-agency agreement including around foreign investment and immigration.

Source: Cook Islands Chamber of Commerce

In **Federated State of Micronesia**, the government has approved a US\$ 15 million Economic Stimulus Package focused on supporting businesses in the tourism sector. The package includes provisions for wage subsidies, debt relief, and gross revenue tax and social security tax rebates for affected businesses.

Source: Ugo Gentilini et al., "Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures," Living papers, version 13, 18 September 2020.

In **Costa Rica**, the government announced 4-month moratorium on taxes to be paid to the Costa Rican Tourism Institute for firms in the tourism sector facing liquidity constraints as part of the measures to protect workers and companies against the economic effects of COVID-19.

The **Fiji Government** has allocated F\$60 million as part of its second fiscal stimulus package in the FY2020-21 budget for a subsidy to Fiji Airways to incentivize first 150,000 tourists in new fiscal year beginning in August 2020.

Source: IMF Policy Response to COVID-19

The **Niue Development Bank** has offered businesses loan repayment holidays.

Solomon Islands has introduced a five-year tax holiday for tourism operators as part of its USD 37.5m economic stimulus package.

In **Vanuatu**, the government has allocated AUD 40m to infrastructure projects to boost economic activity, provide jobs and support food security. An allocation of USD 8,777,910 will be provided to support the agricultural sector including Commodity Support Grant to producers of copra, kava, cocoa and coffee, and USD 26,333,730 to the agricultural bank as a recovery measure from COVID-19.

Source: COVID-19 Pacific Islands Response Matrix

6. Supporting small-scale cross border trade

The potential for small-scale cross border trade to contribute to food security, provide employment and allow inexpensive access to goods and services otherwise unavailable or in short supply is widely recognized, especially in many border communities and in landlocked or small island States. In response to the closing of borders and lockdown restrictions which have significantly impacted the livelihoods of thousands of people, governments could collaborate and implement support measures such as cooperative arrangements among small-scale cross border traders to organize their supply chains and remove unnecessary controls and procedures. This would enable business continuity, promote access to essential goods and services and preserve income.

The **Southern African Development Community** recently approved revised guidelines for cross border transportation of goods in response to the COVID-19 pandemic. The revised guidelines aim to structure smooth and harmonized processing of COVID-19 regulations among member States, including Angola, Botswana, Comoros, Democratic Republic of Congo, Eswatini, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Tanzania, Zambia and Zimbabwe.

Source: Thando Mnkandhla, “SADC approves new cross-border rules,” *The Southern Times*, 26 June 2020.

7. Public procurement

Public procurement could have a significant impact on local enterprises, especially in a time of crisis. Simplifying the public procurement rules and allowing institutions to bypass certain provisions of public procurement laws to facilitate government purchases from local community enterprises would help to expand market opportunities for MSMEs, provide a path for enterprise growth and local job creation and promote innovation. Governments can establish a coherent, comprehensive and coordinated legal and regulatory framework to support the functioning of the public procurement system as a whole.²⁰

In New Caledonia, the **Confédération des Petites et Moyennes Entreprises** (CPME NC/ Confederation of Small and Medium-sized Enterprises) has been advocating for what they call the “Smart Buy Strategy”; a proposal focused on promoting public procurement that integrates social, environmental, and maintenance criteria into decision making with the objective of enhancing the competitiveness and opportunity for domestic enterprises. CPME has also been advocating for public purchasers to make use of the new legal possibility of reserving up to 30% of the amount of a contract for companies with less than 15 employees. By increasing the share of New Caledonian companies winning public procurement contracts the Smart Buy Strategy aims to make public procurement a level for post-COVID economic recovery.

Source: the Confédération des Petites et Moyennes Entreprises

In **India**, it is mandatory that government agencies procure a minimum of 20 per cent of goods and services from micro and small enterprises.

In **South Africa**, Preferential Procurement Regulations call for procuring entities to subcontract 30 per cent of the value of the contract to SMEs or designated disadvantaged groups.

In the **Republic of Korea**, the Korean Public Procurement Service Authority has adopted several measures to increase small enterprise participation in government procurement, through the Korea On-line E-Procurement System.

Source: ILO, “Enabling Environment for Sustainable Enterprises and the Post COVID-19 Rapid Response”, ILO brief, June 2020.

²⁰ ILO, “Enabling Environment for Sustainable Enterprises and the Post COVID-19 Rapid Response”, ILO brief, June 2020.

RECOVERY PHASE

As governments relax restrictions, the goal of policy responses will shift from adjusting to the crisis to recovering from it. Therefore, in this longer-term phase of the response to COVID-19, the focus should shift to establishing a better foundation for the future and restoring business confidence. Targeted initiatives that buttress demand while promoting employment creation, economic diversification and structural transformation, productivity, skill development, leveraging digitalization and supporting investment for green growth are some of the essential policy aims for a sustained and inclusive recovery. It may include some of the medium-term policy measures that were described in the previous section on the adjustment phase. It is critical that the recovery phase anticipates continued but less disruptive waves of the pandemic with associated economic disruptions.

1. Easing border control and protecting public health

The key to economic recovery is to open borders and to resume full trade and economic activities. However, it is important that appropriate risk management and health controls are in place as open borders will bring commensurate associated risks of exposure to COVID-19. Some countries have categorized and identified “green zone” countries as those that are considered safe for reopening.



The **Pacific Island Private Sector Organization (PIPSO)** has called for the adoption of regional standards for travel that have key actions in place to protect from the health risks of COVID19, while enabling COVID19 free travel within and between areas free of community transmission. This may be done bilaterally initially, but as the call for open borders intensifies PIPSO has called for a regional standard that can be scaled to include other international partners as their COVID19 status improves, noting that there needs to be consistency in plans and applications on those wanting to participate

Source: Pacific Island Private Sector Organization



The **Government of the Bahamas** introduces new travel and testing protocols designed to eliminate the need to quarantine for all arrival effective from 1st November 2020, as part of the effort to promote tourism and recover from the impact of the pandemic. The 14 days mandatory “Vacation in Place” requirement for all visitors to move about and explore the destination beyond the confines of their hotel or other accommodations will be removed. The new protocols will require visitors, and returning citizens and residents to obtain a RT-PCR (swab) test no more than seven (7) days prior to their travel to The Bahamas and upon arrival, a rapid antigen test will be conducted and then again four days (96 hours) after arrival in the Bahamas.

Source: The Government of the Bahamas official website

In **Fiji**, the Fijian COVID Safe Economic Recovery Framework has been introduced as new order control measure to contain the transmission of the virus and creating a “new normal” that allows economic activity to safely resume. The framework outlines a three phased approach based on the core principles of stopping importation of the virus, ensuring health system readiness, and COVID-proofing Fijian businesses and society at-large.

Source: Government of Fiji, “Fiji COVID-19 Border Control Measures”

In **Papua New Guinea** (PNG), the PNG parliament passed the Public Health Emergency Bill 2020 which seeks to provide a practical and effective legislative mechanism for the implementation of all necessary measures to detect, prevent the entry of, and eradication of pandemic, outbreak or serious public health threat.

Source: IMF Policy Response to COVID-19

The **Economic Community of West Africa States** (ECOWAS) has endorsed a unified guideline for movement across borders within the sub-region as a joint and coordinated efforts in the reopening of international borders to ensure an effective regional response to the fight against COVID-19 and revive the economies. The heads of state and government endorsed the immediate application of the ECOWAS harmonised guidelines on cross-border transport, trade and health protocols in the COVID-19 pandemic and post-recovery within the ECOWAS region recommended by the Ministerial Coordination Committees on Health and Transport & Trade.

Source: The Cable, 9 Sept 2020. “COVID-19: ECOWAS endorses guidelines for movement across borders.”

2. Promoting investment

2.1 Attracting investment

Investment policies play an important role in contributing to long-term recovery from the devastating economic and social effects of the COVID-19 pandemic. Many countries have taken measures to promote and support investments particularly in domestic industries. Some of the common policy measures that can be implemented to attract investment are as follows: reduce administrative burdens and bureaucratic obstacles for foreign direct investment, reduce corporate tax rates, step up public investment in infrastructure development, accelerate the use of online tools and e-platforms, remove bottlenecks in air, sea, rail and road transport to facilitate logistics and set up investment promotion agencies are some of the common policy measures that can be implemented to attract investment into the country.

Pacific Trade Invest is re-calibrating its strategies for promoting investment in the Pacific in the wake of Covid-19. Investment is more important than ever given the Pacific's reliance on tourism and the way the sector had been decimated by the coronavirus pandemic. The Pacific Trade Invest New Zealand held a rich database of information on "bankable investment projects" across several industries including the ICT, agriculture, aquaculture, the renewable energy, infrastructure, e-commerce across 16 Pacific countries.

Source: RNZ Pacific, 29 July 2020. "New areas for Pacific investment identified in wake of Covid-19."

The Fiji Trade Commission in Auckland is collaborating with the New Zealand Trade Ministry to organise road shows in different cities in New Zealand to promote "Doing Business in Fiji" to bring in more investment and trade to the nation struggling to cope with the effects of Covid-19 restrictions.

Source: Arvind Kumar. Stuff. 5 Aug. 2020. "Doing business in Fiji: trade and investment roadshows start soon."

In **Mali**, with the assistance of UNCTAD, has recently introduced the online registration system to enable the continuity of essential services including investment facilitation.

Source: United Nations Conference on Trade and Development, "Investment policy responses to the COVID-19 pandemic", Investment Policy Monitor, Special issue No. 4, May 2020.

In **Solomon Islands**, the government has adopted a COVID-19 economic stimulus package of SI\$319 million which include capital grants to businesses to support investment in productive and resource sectors.

Source: IMF Policy Response to COVID-19

2.2 Incentives and facilitation to restore international trade

There is a need to boost confidence in trade and global markets by improving the transparency of trade-related policy actions and intentions. Some measures that were implemented in the survival or adjustment phase could be continued in the recovery phase to further boost growth and diversify the economy. Those measures include securing international declarations in support of investment; negotiating tariff reductions and tariff elimination where possible; enhancing transparency, control and inspection; digitizing, automation and streamlining border processes; and expediting certification procedures to allow new products to be traded. The use of online services that allow traders to electronically submit applications for permits and licences and obtain the corresponding certificates from border regulating agencies would eliminate physical interaction during the critical period of the crisis, and it would help to strengthen international trade and transport facilitation in the medium to long term.²¹

The Pacific Island Private Sector Organization (PIPSO) has called for Governments to explore options to mitigate transport and freight issues such as cost and regulatory regimes. PIPSO has called for regulators to look at options – both bilaterally and regionally - to address the rising prices of transportation, and for exporters around arrangements and modalities to continue doing business.

Source: Pacific Island Private Sector Organization

In **New Zealand** where non-essential goods are blocking the movement of essential imports, customs allow the movement of non-essential cargo from the port to the receiving establishment. The non-essential cargo may not be unpacked or distributed until the shipment is released.

The **South African Development Community (SADC)** has proposed a number of initiatives including automating of the submission and approval of trade documents through single windows, increasing the use of pre-clearance based upon electronically submitted documents and accelerating the use of online platforms for the submission of applications, renewals for licenses, etc. aim to reduce interactions between border officials and trader's representatives. The SADC consists of Angola, Botswana, Comoros, Democratic Republic of Congo, Eswatini, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Tanzania, Zambia, and Zimbabwe.

In **St. Kitts and Nevis**, the customs agency is acquiring laptops to permit staff to clear shipments based on electronic document submission to reduce direct contact and to enable smooth processes in custom clearance.

Source: World Bank Group, "Trade and COVID-19 Guidance Note Trade Facilitation Best Practices Implemented in Response to the COVID-19 Pandemic."

²¹ ILO, "Enabling Environment for Sustainable Enterprises and the Post COVID-19 Rapid Response", ILO brief, June 2020.

2.3 Export credit insurance schemes

Policy measures to support and facilitate international trade include temporary measures, such as short-term credit guarantees, insurance for indirect export transactions, extensions of policy cover, export credit guarantees for existing loans, increased percentage of coverage of counter-guarantees and capital financing cover, cancellation of upfront deposits and fast track approval processes.

The **Reserve Bank of Fiji** (RBF) expanded raised its Import Substitution and Export Finance Facility by FJ\$100 million to provide credit to exporters, large scale commercial agricultural farmers.

Source: IMF Policy Response to COVID-19

The **Central Bank of Solomon Islands** is working on establishing an export credit facility to support the country's exporters, as part of the USD 37.5 million economic stimulus package.

Source: COVID-19 Pacific Island Response Matrix

3. Promoting labour market flexibility

During this crisis, legislative provisions in some countries may have prevented enterprises from pursuing some innovations that could have contributed to business continuity. Some governments and social partners have agreed on temporary measures to relax some legislated obligations to enable business to implement flexible work arrangement. The temporary measures would allow variation in the terms and conditions of employment or collective agreements. Legislative review is necessary and rigid labour laws and regulations may need to be reformed so that they promote employment creation, safeguard the rights of workers and align with trends in technology and digital disruption, while remaining relevant in crisis situations like the COVID-19 pandemic. For example, as work from home is likely to become a more common practice, there will be a need to assess the legal implications of workplace insurance and workers compensation schemes. The rationale for both is that at the employer has control over the workplace and so owes a duty of care to workers in the premises. When an employee works from home, the workplace is not under the control of the employer. Tripartite committees should be established to review the existing regulations and make recommendations.

The **Seychelles Chamber of Commerce and Industry (SCCI)** has submitted its position to the Government on the Employment (Amendment) Bill 2020, requesting the Government to consider permitting employers to implement measures such as variation of job function, pay reduction with mutual consent or redundancy as employers need enabling policies that provides certain flexibility and incentives to help the sustainability of business during the difficult time.

Source: Seychelles Chamber of Commerce and Industry

The Government of **Fiji** introduced Bill No. 12 of 2020, that has passed into law as the Employment Relations (Amendment) Act 2020 that aims “to provide for a more realistic work environment which enables the sustainability of jobs and businesses, and to clarify the meaning of “an act of God” in the Act during the COVID-19 period”. By including COVID-19 as an act of God an employer who, in good faith, cannot fulfill its duty to provide work to a worker/employee, may stand down the employee and not continue to pay the employee. The Amendment has also reduced the paternity leave and family care leave from five working days to only two working days.

Source: Siwatibau and Sloan, Commercial Law Updates, 1 June 2020. “Fiji Employment Law Update: Covid-19 has led to an amendment to the Employment Relations Act.”

In **Mauritius**, Workers’ Rights Act 2019 (the ‘WRA’) has been amended following the passing of the COVID-19 Act on 15 May 2020 that lay the foundations for re-opening of the country, and provide some flexibility in the working arrangement and workforce management as follows:

- **Work from Home** - An employee may now be required to work from home by the employer, provided that a prior notice (of at least 48 hours) has been given to the employee.
- **Flexitime** - Any worker may now request his/her employer to work flexible hours, provided that a prior notice of at least 48 hours is given by the employer, which is a new prerequisite under the Workers’ Rights Act. Unless there are reasonable business grounds to refuse, an employer may grant a worker’s request to work on flexitime.
- **Reduction of workforce** - Employers of the selected service sectors including air traffic control, civil aviation and airport, customs, electricity, health, hotel services, hospital (amongst others) may be exempted from the required process for reduction of workforce under section 72 of the Workers’ Rights Act.

Source: Dentons, “The COVID-19 (Miscellaneous Provisions) Act of 2020 introduced by the Parliament of Mauritius - Amendments and their implications. 27 May 2020.

4. Investing in productivity

4.1 Productivity

Productivity is important because it enables enterprises to thrive, grow, innovate and compete nationally and internationally. Governments need to recognize productivity as a critical driver of sustainable economic growth and recovery. It is also critical to shaping the world of work going forward. While productivity can be driven by technology, it also requires the right level of skills to be deployed to make it effective. Governments can encourage enterprises to invest in productivity enhancements through incentives, support for research and development, and schemes to support skills development and training, and by promoting models for skills- or performance-based pay systems and so on.

This recent crisis is showing that a more agile and flexible working environment can also bring about productivity growth. Measuring employee performance less on the number of hours worked each day, and more on achieving key deliverables or performance indicators is proving to be not just popular both with enterprises and employees but a critical contributor to rises in productivity. Adapting a more decentralized working environment is showing the potential to boost productivity, as well.

Mthunzi Mdwaba, International Organisation of Employers Vice-President to the ILO

Source: International Organisation of Employers, "What the pandemic has taught us about labour productivity", 2020.

The **Fiji Commerce and Employers Federation (FCEF)** has been advocating for productivity improvement to go along with minimum wage increases to ensure Fiji remain competitive.

Source: Fiji Commerce and Employers Federation (FCEF).

4.2 Education and skill development

The crisis has particularly highlighted the importance of skills agility and portability, within and between countries. Greater digitalization and automation will increase the need for digital literacy and skills. Proactive policies on upskilling, reskilling and promoting skill portability are essential in preparing the workforce to meet the changing demand in the economy, especially for young people and recent graduates. NPSOs have advocated for some longer-term policy measures, including adjustment phase policies that emphasized digital technologies and occupational safety and health and hygiene, increasing productivity in multiple work arrangements, addressing skills mismatches, connecting labour market needs with formal education systems and supporting effective formal and informal lifelong learning, including apprenticeships.



The Fiji Hotel and Tourism Association (FHTA) has partnered with the United Nations Development Programme (UNDP), United Nations Capital Development Fund (UNCDF), the Pacific Tourism Organisation (SPTO) and the Australia Pacific Training Coalition (APTC) to provide training opportunities to Pacific island tourism and hospitality businesses and workers who have been impacted by the economic disruption due to the COVID-19 pandemic. The partnership will enable a series of virtual development training courses to be delivered for employees who have been affected by COVID-19.

Source: Fiji Hotel and Tourism Association (FHTA), "Partnership to Assist Tourism Employees Impacted by COVID-19." 8 July 2020.

Source: Cambodian Federation of Employers and Business Associations.



In **Cook Islands**, the training subsidy has been introduced to assist businesses in upskilling their employees to improve their productivity for recovery phase. The training subsidy is based on minimum wage for 35hrs/weekly over an additional period of 3 months, available only to those businesses qualified for the wage subsidy. Employees have to be enrolled in an official training by the 1 July 2020 and to commence by 30 July 2020. If training has occurred prior to these dates, the payment will only be available from 1 July 2020. All training courses must be endorsed or provided by an approved training entity and must run for a period of at least two months, at a minimum of 10 hours per week. Courses may include those provided through the Cook Islands Tertiary Training Institute, University of the South Pacific, and other courses offered by recognized official organizations, such as those offered by online institutions.

Source: Ugo Gentilini et al., "Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures," Living papers, version 13, 18 September 2020.

Seychelles, the Seychelles Employee Transition Scheme (SET) has been implemented as a temporary programme created in response to the COVID 19 pandemic economic retrenchment to assist private sector employees who are made redundant during the period 01st July 2020 – 01st December 2020. Workers who participated in the scheme would be assigned for refresher training, up-skilling and reskilling activities, work placement and participation in the national workers participatory projects, and they will receive monthly allowance equivalent to the last monthly basic gross salary before they were made redundant.

Source: COVID-19 Pacific Island Response Matrix

4.3 Research and development

Innovation and knowledge are the primary sources of long-term economic growth, and governments can support and encourage research and development and innovation. Policy measures to promote and support research and development through tax credits, grants, loans and equity finance are some of the common policies needed for a long-term sustainable recovery.

In **Malta**, the Government has introduced a direct grants scheme of €5.3 million to support investment in research and development.

Source: Clifford Chance's Coronavirus: International Regulatory Update, 20 – 24 April 2020.

The **Economic Community of West Africa States (ECOWAS)** called for ideas on the establishment of pharmaceutical industries to boost healthcare in the sub-region, and urges member states, the commission, the West African Health Organisation (WAHO) to propose urgently a strategy for the availability of anti-COVID-19 vaccines in the ECOWAS region and support for the creation of pharmaceutical industries. The president of the commission has been directed by the heads of state and government to constitute a team of experts to conduct a feasibility study on the production of vaccines within the region.

Source: The Cable, 9 Sept 2020. "COVID-19: ECOWAS endorses guidelines for movement across borders."

4.4 Leveraging technology

The crisis has accelerated the adoption of digital technologies in many enterprises. Investments in technology, automation, digital skills and preparedness for digital changes are necessary to prepare the future workforce and enable greater flexibility for business during the pandemic to maximize efficiencies and productivity. Investments in measures to leverage technology can also ensure the gains made during the lockdown period are sustained and become a foundation upon which to build back better. Many countries have established incentives and training for enterprises on how to use e-commerce platforms, better promote and describe their products or services and adjust their business models.

In **Burkina Faso**, the Western Africa Central Bank (BCEAO) is providing more flexible measures to open a mobile money and making transfers between people backed by electronic money free to promote the use of electronic payment tools.

Source: Ugo Gentilini et al., "Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures," Living papers, version 13, 18 September 2020.

In **Fiji**, bizFIJI established under the Ministry of Commerce, Trade, Tourism and Transport, is a centralised portal of information, resources and facilitation to support new and existing business owners and investors including starting a business or obtaining a construction permit.

Source: bizFIJI Portal of Ministry of Commerce, Trade, Tourism and Transport

In **Samoa**, initiatives are on-going to support the uptake of its e-commerce platform, Maua App, as a response to combat the economic effects of the COVID-19 crisis. The app allows registered vendors to upload their goods and services onto the Maua platform for potential buyers to purchase through digital payments in real time.

Source: UNDP Asia and the Pacific, 27 June 2020. "The post-COVID-19 normal in the Pacific must be digital."

5. Promoting business resilience

Enterprises today face an unprecedented exposure to risk. Preparing for, mitigating and managing risk has become a key strategy in enhancing business resiliency. Governments can promote and support business continuity through incentives, such as providing subsidies or grants for training on business continuity plans, issuing clear guidance and templates, and working with financial institutions to provide incentives for the development of business continuity plans (i.e. favourable access to loans) to prepare enterprises for any unexpected crisis. Recognizing that insurance can improve risk management and increase business resilience, governments and the private sector can introduce a range of policy measures to improve the uptake of insurance.



The **Barbados Employers Confederation (BEC)** launched the COVID-19 Business Continuity tools which consists of:

- Six-step COVID-19 business continuity plan
- Business Continuity Practices COVID-19 Pandemic Response

Source: Barbados Employers Confederation (BEC)

The **Fiji Business Disaster Resilience (FBDRC)** Council of the **Fiji Commerce and Employers Federation (FCEF)** began populating a private sector information sheet for preparedness and response to assist FCEF and Government to identify business focal points from different sectors. FCEF continues to help map out key service providers in essential industries to assist with preparedness and response. FCEF made policy proposals for:

- Development of Business Continuity Plans (BCP) fully for SME's, to be driven by the focal point for FBDRC.
- Development of COVID-19 Response, and Workplace Policy.

The **Seychelles Chamber of Commerce and Industry (SCCI)** has adapted and launched ILO ACT/EMP tools: the Six-steps COVID 19 Business Continuity Plan and SCCI video on Business Continuity Plans.

Source: ILO COVID-19 policy response platform



The **Pacific Island Private Sector Organization (PIPSO)** has advocated for Governments to support the private sector to include health pandemics alongside climate change and natural disasters in business continuity planning and building private sector resilience. PIPSO has called for the lessons of the current health pandemic to be integrated in future plans, and for recognition that private sector's inclusion as essential to overall resilience.

Source: Pacific Island Private Sector Organization.



The **Reserve Bank of Fiji** (RBF) raised its Natural Disaster and Rehabilitation Facility to FJ\$60 million (renaming it the Disaster Rehabilitation and Containment Facility) to provide concessional loans to commercial banks for them to on-lend to businesses affected by COVID-19.

Source: IMF Policy Response to COVID-19

The **Central Bank of the Solomon Islands** plans to increase insurance penetration to at least 20 per cent, via the introduction of new products, such as microinsurance, and by potentially issuing insurance licenses to new service providers. In response to this, the Solomon Islands National Provident Fund is looking at participating directly in the insurance market or via a partnership or distribution agreement with an existing insurer to offer insurance products and schemes for its members.

Source: Pacific Financial Inclusion Programme.

In **Tonga**, Business Continuity Plans are in place for most companies as a response to the COVID-19 pandemic.

Source: ILO COVID-19 country policy responses platform

6. Greening the recovery

The effect of climate change is being felt globally and the level of risk varies with the climatic conditions in different part of the world. The impact of COVID-19 has slowed down the economy, but it has also reduced emissions of carbon dioxide significantly. As economies across the world start to reopen and activities begin to pick up, carbon dioxide emissions will begin to increase unless green recovery policies are enacted to revive the economy and generate jobs while preserving the environment and addressing climate change adaptation. The possible measures include grants, subsidies, tax incentives and low interest loans for investments in energy efficient buildings, energy efficient bulbs, subsidies for the installation of solar panels, low interest rates for loans to support low carbon technologies, tax rebates for environmentally friendly cars, measures to increase energy efficiency in industry and agriculture, and support for environmental research and development, among others.

Facing constant threats from climate change and wary of the possible spread of COVID-19 to their shores, Pacific Island leaders on Friday touted their own environmental action plans and called for more aggressive climate action from other nations, including rapid shifts toward clean energy.

The Prime Minister of Tuvalu when addressing the UN Assembly, calling for stronger political will from all countries towards full implementation of the *Paris Agreement*, the *SAMOA Pathway* for small island developing States, and the *Istanbul Plan of Action* for landlocked developing States.

Source: UN News, 25 September 2020. “Pacific small islands and ‘Big Ocean’ nations at UN Assembly make the case for climate action, shift to clean energy.”

In **Kiribati**, the Government continues to implement critical projects to build resilience, including the Peacebuilding Fund’s climate security project launched in early September 2020 as part of the effort to protect the nation from the impacts of climate change.

The Government of the **Federated States of Micronesia** recently passed the legislation which bans the importation of Styrofoam and one-time-use plastics into Micronesia. Over the next five years, it would also partner with the Blue Prosperity Coalition to seek to protect 30 per cent of its ocean’s Exclusive Economic Zone by 2030.

Papua New Guinea has given high priority to the protection of the maritime and fisheries sector, which represents a quarter of the annual budget and employs 80 per cent women, especially in the canneries of the tuna. In support of the sector, the Government launched in July 2020 its very first National Oceans Policy 2020-2030, to ensure that the oceans, seas and their resources are correctly and sustainably coordinated, managed, protected, governed and used.

In **Tonga**, the Government is taken measure towards conservation and sustainable use of energy, including push towards solar, wind and battery and other innovative technologies. Measures has been taken to establish Special Management Areas (SMAs) initiatives, and the implementation of the Tonga Marine Spatial Planning Project to protect and sustainably use the ocean, seas and marine resources.

Source: UN News, 25 September 2020. “Pacific small islands and ‘Big Ocean’ nations at UN Assembly make the case for climate action, shift to clean energy.”

In **French Polynesia**, the Government has set the following targets for a green recovery: 80% of buses, taxis and administrative vehicles to be electric by 2030 and 100% by 2040; 30% of private automobiles to be electric by 2030 and 70% by 2040; and to put in place a vast network of electric recharging stations set up across the islands to achieve carbon neutrality for air and maritime transport by 2040.

Source: French Polynesia Regional Group

7. Revisiting social protection

Many developing countries have introduced temporary social protection measures in response to the pandemic to facilitate access to health care, protect jobs and mitigate income loss. To increase the chances that recovery will be sustained and future crises mitigated, countries may need to progressively build on or transform temporary relief measures into comprehensive and shock-responsive social protection systems, including social protection floors, in line with human rights and ILO social security standards, as well as the 2030 Agenda for Sustainable Development.²² This will require increasing and sustaining fiscal space for social protection, as well as political will. Enterprise sustainability and job protection must also be integral parts of the social protection scheme. In some Asian countries employers and workers bear the burden of contributing significantly while having no control over the management of funds which remain with governments, and many schemes are suffering from poor management of funds, low return on investment and inadequate benefits. Employers should be involved at different levels within social protection systems.

8. Transitioning to the formal economy

The COVID-19 pandemic has reinforced the need to make the transition from the informal to the formal economy a priority in national policies. Policy measures to support and facilitate the transition need to address infrastructure and institutional and economic constraints:



Infrastructure – improve upon poor transportation, storage facilities, water, electricity, working premises, poorly developed physical markets.

Institutions – improve access to formal training, formal schooling and illiteracy, access to land and property rights, access to formal finance and banking institutions; review restrictive or cumbersome taxation systems and labour laws, excessive government regulations related to enterprise start-ups and costly procedures for business registration.

Economic issues – reduce excessive registration and transaction costs of starting or operating enterprises, provide opportunities for bulk purchase of inputs, develop solutions for the lack of funds for further investment and low and inconsistent household income.



In **Fiji**, the bizFIJI Portal to support business start-up and the DIGITALFIJI application enables E-services for company registrations has made it easier for registration and formalise businesses.

Source: bizFIJI Portal of the Ministry of Commerce, Trade, Tourism and Transport

The **Solomon Islands Business Registry** portal was launched as the online registry enable informal sector to register business names in one sitting.

Source: Bart Hogeveen. 2020. Australian Strategic Policy Institute (ASPI), “ICT for development in the Pacific islands: An assessment of e-government capabilities in Fiji, Papua New Guinea, Samoa, Solomon Islands, Tonga and Vanuatu.”

²² ILO, “Social protection responses to the COVID-19 pandemic in developing countries: Strengthening resilience by building universal social protection”, ILO brief, May 2020.

9. Public-private partnerships

The collaboration and partnership between governments and the private sector plays a critical role in reviving the economy from the impact of the COVID-19 crisis. In designing the post-COVID-19 policy strategy, governments need to understand the challenges enterprises are facing and their needs, while enterprises need the support of the government to enact policies to drive the economy, accelerate investment and create jobs. A number of countries have established a public-private sector task force or economic recovery committee.



The **Niue Chamber of Commerce (NCOC)** developed and presented an Economic Stimulus Strategy to the Government in March 2020 based on analysis of up to date information from the private sector on economic impacts of COVID 19. The submission was not intended to interfere in the process of governing but to advocate for the private sector while assisting government with a clear understanding of the private sector's needs.

Source: Niue Chamber of Commerce.



The **Seychelles Chamber of Commerce and Industry** presented a recovery and prosperity plan to the President of Seychelles on 7 July 2020. Among other things, the plan proposed the establishment of Post COVID-19 Recovery and Prosperity Committee made up of civil servants and private sector actors to revive the economy.

Source: Seychelles Chamber of Commerce and Industry.



10. Improving public administration, coordination and transparency

An effective, well-coordinated and transparent public administration is not only essential to support and facilitate the execution of well-planned policies towards recovery but to restore business confidence. Enterprises need accurate, up-to-date information on market developments and policy changes, and time bound policy measures must be reviewed regularly to ensure they meet expectations and remain relevant. Policy information must be communicated to relevant audiences.

10.1 Coordination across government and between sectors

A holistic pandemic recovery requires the capability of governments to coordinate across various levels and agencies, as well as with health-care providers, insurers, suppliers, industries and academia. Governance structures and efforts to promote cross-boundary collaboration should be promoted and grown in the recovery phase.

The **Fiji Commerce and Employers Federation (FCEF)** has advocated for a Strategic Roadmap and Think-tank for Partnership which includes private sector representatives – including micro and small enterprises, other key stakeholders and Government with the objective to create a standing forum for discussion on current and future tax structures and policies and proposals to address the challenges that constrain private-sector led economic recovery in FijiSource: Fiji Commerce and Employers Federation.

The **Kiribati Chamber of Commerce and Industry (KCCI)** has advocated for and supported the convening of a multi-stakeholder working group to develop a Reset Kiribati Strategy aimed at preparing the tourism sector for the “New Normal”.

Source: Kiribati Chamber of Commerce and Industry.

The **Pacific Island Private Sector Organization (PIPSO)** has advocated for Governments and regional organisation's to work with the private sector to discuss, plan and identify resourcing for the pathway to recovery. PIPSO has called for platforms to be established as a way for and dialogue with the private sector, such as national taskforces or roundtables.

Source: Pacific Island Private Sector Organization



10.2 Conduct scenario planning

Scenario planning can help governments to better prepare for a wide range of potential challenges during the recovery phase. The scenarios for potential future waves of COVID-19 should be developed in coordination with industry, academia and non-governmental organizations that can mobilize to support various recovery scenarios.

Taiwan, province of China, has successfully contained the spread of the virus without a large-scale lockdown of economic activities. The Central Epidemic Command Center was mobilized at an early stage of the outbreak to address needs and challenges, and it listed more than 124 action items, including identifying cases, quarantine measures, border control and supply chain security for essential goods and services.



Contact

Pacific Islands Private Sector Organisation (PIPISO)
147 Ratu Mara Road, Samabula
Suva, Fiji

E: info@pipso.prg.fj

W: www.pipso.org.fj

