

## COVID-19 crisis and emergency management

Assessment

Published: 30.11.2020



[FULL REPORT \(LT\)](#) ↗

[SUMMARY \(EN\)](#) ↗

### What we assessed and why

In order to mitigate the socio-economic consequences of COVID-19, crosscutting measures and actions are needed in the form of swift political decisions and adjustments to legislation, additional economic and financial measures to minimise the negative impacts on the economy, and well-targeted solutions for societal needs. The extent of the government's response and its timely implementation has a decisive impact on how the negative consequences of COVID-19 on public health, population income, corporate liquidity, etc., will be minimised, and how significantly public revenue and expenditure will change.

Our report summarises information on the actions and measures taken by the Government of the Republic of Lithuania to manage the emergency, mitigate the consequences of COVID-19 and promote the economy and recovery. It also provides an overview of how the allocated funds have been used.

### What we found

Taking into account the negative impact of the situation on the social environment and the economy and in order to manage the spread of the COVID-19 disease, from March to June 2020 the Government of the Republic of Lithuania adopted related sets of measures:

- A plan for measures to boost the economy and reduce the consequences of the spread of the coronavirus (COVID-19) in order to: secure resources for the effective functioning of health and public protection systems; contribute to the maintenance of the jobs and income levels of the population; help businesses maintain liquidity; foster the economy and guarantee the liquidity of the Public Treasury. €6.2 billion was allocated to the plan and the measures needing direct financing (investments, loans, compensations, subsidies, disbursements), amounting to €4.9 billion, of which 40.1 % had been used by the end of September 2020.
- The Future Economy DNA Plan, the aim of which was to achieve rapid and effective investment in Lithuania's economic recovery and growth in order to make the economy sustainable and innovative and generate high added value. €5.8 billion was allocated to the plan, focusing on five priority areas: human capital, the digital economy and business, innovation and research, economic infrastructure, climate change and energy. By the end of October 2020, 13.5 % of the funds allocated to the plan had been invested.



- A COVID-19 management strategy that was intended to manage the spread of the COVID-19 disease in the short term and to prepare adequately for possible new waves of the virus in the future. 126 actions, which were not linked to funds, were planned for the implementation of the strategy. In October 2020, 28 % of the strategy's actions were affected by delays.

## What we concluded

When analysing the implementation of the measures adopted by the Government of the Republic of Lithuania, we saw that the risks to the transformation of Lithuania's economy into an innovative economy with high added value, to achieve the objective of the Future Economy DNA Plan, were due to the lack of time spent on consideration and evaluation of projects, the lack of information on their economic feasibility, and the lack of a detailed cost-benefit analysis.

The coronavirus pandemic had had a negative impact on public finances, the economy and the labour market: public debt had increased, gross domestic product had fallen; there was lower-than-expected public revenue, higher expenditure, higher unemployment, etc. Nevertheless, the economic development of Lithuania had been better than expected in the first half of 2020. This had also been partly influenced by the economic stimulus measures and support measures for the population and business taken by the Government.

We believe that the data compiled in the evaluation report will become a source of aggregated information on the actions of the Government of the Republic of Lithuania and provide an additional opportunity for the institutions involved in the management of the emergency situation to address its negative effects, to plan and take decisions that address best the needs of the areas most affected by the consequences of the pandemic.