

TerraGov



In-depth Case Study Analysis on Partner Countries in the Field of Good Governance



Erasmus+

In-depth Case Study Analysis on Partner Countries in the Field of Good Governance

The information and views set out in this volume are those of the author(s) and do not necessarily reflect the official opinion of the European Union. Neither the European Union institutions and bodies nor any person acting on their behalf may be held responsible for the use which may be made of the information contained therein.

About the project

The project Teaching Institutional Resilience and Prompt Reaction to Crisis: Good Governance Experiences in Europe (TERRAGOV), contributes to knowledge creation of good governance. It educates participants on the optimal ways to build institutional resilience through collaboration of both public and private actors in society. The project brings a new approach to participation of students as future actors at the national level, European and global business ecosystem. That is aligned with the goals of the Bologna Agenda (BA), to improve quality and relevance of higher education by providing necessary resources and skills. The quest for good governance and institutional resilience is no longer a prerequisite of some countries, but of all, and as such, the more inclusive and international the project, the more widely applicable can its concepts become. In this project the partnering Higher Education Institutions (HEIs) provide a uniquely diverse perspective on the institutional context. With both new and old EU member states, both Nordic and Southern European countries, the TERRAGOV project aims to foster academic internationalization, while identifying common elements of institutional design and practice. By bridging different national experiences, the project team will create teaching deliverables that offer common solutions to contemporary common problems.

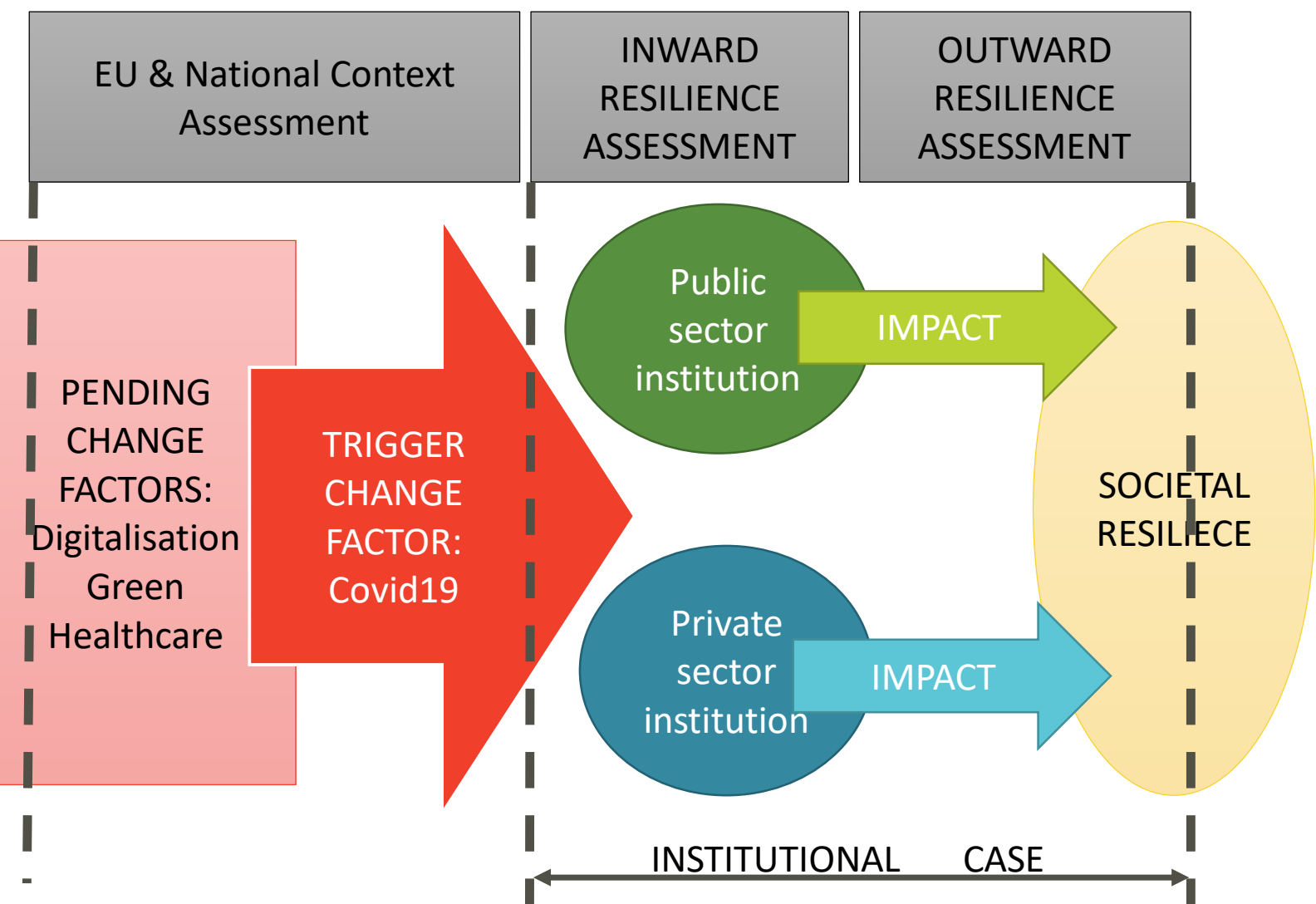
Methodological Approach

- ✓ Telescoping – from EU to national and institutional context (e.g. SWOT framing/ Capabilities & Vulnerabilities);
- ✓ Deductive approach (i.e. framing a “checklist” assessment of institutional resilience case studies based on a broader understanding of actor-centered resilience in the EU context);
- ✓ Cross-national comparison (i.e. Iceland, Lithuania, Croatia, Spain and Romania);
- ✓ Trigger (i.e. Covid19) vs. Pending/On-going (i.e. digitalization, green) factors of change;
- ✓ Public vs. private (enterprises and/or NGOs) institutional resilience;
- ✓ Inward governance (risk management, capacity to react to crisis, capacity to adapt to change etc.) vs. Outward governance (institutional impact in society, capacity to reach intended goals, collaborative activities etc.).

Our methodological design was drafted on the following assumptions and considerations:

- Strategic Foresight Process initiated by the EC puts forward prototype dashboards for different resilience dimensions linked to the Covid19 crisis: socio-economic, health, green and digital.

- The Prototype Dashboards allow for a national framing of the vulnerabilities and capabilities in each relevant resilience dimension (i.e. setting-the-stage for the institutional case studies),
- Governance in the traditional public sector framing was expanded in order to include in a broader manner all stakeholders' responsibility.
- Each consortium partner institution compiled a set of institutional resilience case files on a public and a private institution for each of the EC dimensions of resilience.
- Inspiration for the selection of cases was drawn from existing reports at EU level or national data portals.



Proposed Methodology for Evaluation of Institutional Resilience (both private and public) is concentrating on in-depth looking into the following milestones:

- Preparedness: How did the institution/company prepare for a crisis before Covid19? Did it have in place any measures or plans for risk-management? Did its activities present more or less of a risk with regards to a potential crisis? How much of an impact Covid19 could have had on the institution?
- Agility: How fast did the institution/company react to the Covid19 crisis? Was its structured and organisation designed to adapt quickly to unexpected circumstances? Did it react to evolving situations in the Covid19 context? How responsive was the institution/company to the surrounding challenges?
- Robustness: How vulnerable was the institution/company to a potential crisis? How vulnerable was it to a pandemic? Was it hit more or less than other institutions/companies? Did its activities suffer because of the crisis? Did it manage to recover?
- Impact in Society: How far reaching was the institutions'/company' impact in society? What measures did the institution/company implement to affect positive changes in society (i.e. attributions for public institutions, CSR for companies)? To what extent was the institution's/company's previous activities suited for the crisis context? Did it adapt/implement new measures to help counter the Covid19 crisis?

Each national case study is based on the following structure:

1. Intro/Brief overview of institutional background and context
2. Rationale for selection (area of activity, Covid19 Impact)
3. Institutional descriptive statistics (no. of employees, age etc.)
4. Inward Resilience Evaluation (risk management, capacity to react to crisis, capacity to adapt to change etc.)
5. Outward Resilience Contribution (institutional impact in society, capacity to reach intended goals, collaborative activities etc.)
6. Expert evaluation of governance performance in the crisis context
7. Specificities

Croatia



Case Study 1. Elementary school Brestje Sesvete¹

1.	Rationale for selection (area of activity, Covid19 Impact)	<p>The reason for choosing primary school as an example is due to the significant impact that COVID-19 pandemic had on the education system. In March 2020, in just a few days, the usual educational system with face-to-face teaching was replaced by distance learning activities in a virtual environment. Given that these changes affected children in early development and adolescence, where some children were unable to use digital tools on their own, such a new way of learning also required adjustments in students' households and families. Thus, although primarily only students are in focus, the changes caused by the COVID-19 pandemic have affected the entire population associated with students and teachers, i.e. their families, and the families of school's employees.</p>
2.	Institutional descriptive statistics (no. of employees, age etc.)	<p>The Brestje Elementary school was founded in 1999 in Zagreb and today is one of the largest schools in Croatia with over 950 students². The school is located on an area of 16,800 m². It is one of the most modern and best equipped elementary schools in Croatia with a surface of 4200 m², of which 1700 m² is a sports hall. Within the school there are outdoor sports fields for handball, basketball, volleyball and tennis, four athletics tracks of 60 m and a long jump.</p> <p>The environment of the school is decorated with flowers, walking paths, benches and illuminated by public lighting. The interior of the school consists of 20 classrooms, 11 cabinets, a computer room, a library, a hall for physical education and health, a school kitchen and a dining room. The school is equipped for modern teaching with audio-visual teaching aids. Although excellently equipped, the cabinets are continuously equipped with modern aids. The school library is constantly replenishing its</p>

¹ <http://os-brestje-zg.skole.hr/>

² <http://os-brestje-zg.skole.hr/skola>

		<p>library fund, both book and non-book material, especially audio-visual material, which is increasingly needed in modern teaching that has been, and still is emphasized in the COVID-19 pandemic.</p> <p>In 2020, it employed 78 employees.</p>
<p>3.</p>	<p>Inward Resilience Evaluation (risk management, capacity to react to crisis, capacity to adapt to change etc.)</p>	<p>Starting from 16 March 2020, all primary and secondary schools and universities in Croatia were expected to have their educational programmes on the basis of distance learning.³ Despite the COVID-19 pandemic, Brestje Elementary School was able to continue working in a somewhat adapted way, due to the use of modern technology already implemented in their teaching process.</p> <p>As a complement to the state-level distance learning school program for younger students (the television program “<i>Škola na trećem</i>”⁴), this elementary school used the Microsoft Teams platform for students in higher grades. A separate virtual classroom has been created on the platform for each individual class, which was 23 virtual classrooms in total.</p> <p>In order to help their students and make as many books as possible available to them, the school has enriched the e-library offer with new editions.</p>
<p>4.</p>	<p>Outward Resilience Contribution (institutional impact in society, capacity to reach intended goals, collaborative activities etc.)</p>	<p>The most noticeable impact is precisely in terms of social contact, which has been significantly limited. Given that it is extremely important to children in the period of primary education to socialise and participate in activities with their colleagues, it was rather challenging to adapt them to the “new normal” way of learning. Accordingly, it was necessary to adapt the school curriculum to the new situation and circumstances. For example, electronic communication between teachers and students has been intensified. Also, some activities, such as school competitions in various sports, and knowledge competitions in certain subjects, have been postponed.</p>

³ Official Gazette (2020) Odluku o obustavi izvođenja nastave u visokim učilištima, srednjim i osnovnim školama te redovnog rada ustanova predškolskog odgoja i obrazovanja i uspostavi nastave na daljinu, 29/20, https://narodne-novine.nn.hr/clanci/sluzbeni/full/2020_03_29_670.html

⁴ <https://i-nastava.gov.hr/vijesti/skola-na-trecem/67>

5.	<p>Expert evaluation of governance performance in the crisis context</p>	<p>Preparedness (4/5) – Due to their high technical equipment Elementary school Brestje very quickly adapted to work in the new situation. Immediately after the transition to online teaching, virtual classrooms were created where students could find all the necessary materials for learning and fulfilling their homework.</p> <p>Agility (5/5) – From the beginning of pandemic in Croatia and the lockdown, Elementary school Brestje showed a high level of readiness to arrange distance learning, so the quality of the teaching process would be as high as possible given the specific circumstances.</p> <p>Impact in society (4/5) – As pointed out at the beginning the social impact was rather significant. The school has approximately 950 students what implies wide variety of student’s activities; both curricular and extracurricular. Many extracurricular activities had to be suspended due to COVID-19 pandemic. That and the anxiety caused by earthquake that hit Zagreb in March 2020 affected some students. So, in addition to teaching process in order to compensate the inability to maintain extracurricular activities the school offered assistance programs in cooperation with the Central Office for Demography and Youth of the Republic of Croatia⁵.</p>
6.	Specificities	

⁵ http://os-brestje-zg.skole.hr/upload/os-brestje-zg/images/newsimg/978/File/mladi_hr_brosura_digital.pdf

Case Study 2. The Association Economy of Communion (EoC) / *Croatian Udruga za ekonomiju zajedništva, UEZ*

<p>1.</p>	<p>Rationale for selection (area of activity, Covid19 Impact)</p>	<p>The Association Economy of Communion/ (UEZ) is a non-profit non-governmental organization working in the civil sector with the following activities (from the Statute) - creating programs for human and social development in the field of economics, togetherness, environmental care, health, education, sports, communication, personal development for kids and youngsters, promoting traditional values of family and society as the basis to highlight the coexistence, reciprocity, justice, honesty and dignity of man, promoting Economy of communion, culture of giving, construction of ethical goals and values in business, promoting culture of peace, culture of acceptance, cultural and religious dialogs as foundation to democratic coexistence and communion, organizing educational and creative workshops, lectures, congresses, seminars and other events, co-operating with state, civil and international institutions and other organizations and movements who have the same or similar goals, objectives and activities.</p> <p>The Association EoC is a part of the International EoC network founded in 1991 in Sao Paulo, Brazil.</p> <p>COVID-19 impact on this NGO was positive, as due to the pandemic the number of participants in all its activities was several times higher than it was initially planned.</p>
<p>2.</p>	<p>Institutional descriptive statistics (no. of employees, age etc.)</p>	<p>The Association EoC (UEZ) is a non-profit, non-governmental organization founded in 2004. The Association EoC is founded and situated in Center Mariapoli "Faro" in Križevci, Croatia. The budget for the centre is approximately HRK 250,000 for 2020.</p> <p>The organization has a workforce of 20 volunteers and one employee. Volunteers include youth and social workers, as well as experts in various fields, especially economy and organic agriculture.</p> <p>Since 2016. UEZ is a Croatian hub in Economy of Communion - International Incubation Network (www.eoc-iin.org), a global project for incubating new businesses that want to work for a different economic system, fairer to the society and the environment. Several professors, entrepreneurs and numerous experts, and young people and students in particular, are participate in various programs, gatherings, and training.</p>

<p>3.</p>	<p>Inward Resilience Evaluation (risk management, capacity to react to crisis, capacity to adapt to change etc.)</p>	<p>Due to relatively small size, the organization is flexible and was able to respond well to external changes. Namely, it was not a problem to place all business activities in the online environment, which proved to be a great advantage in the pandemic. Furthermore, a large international stakeholder base has helped hold various conferences and trainings. Moreover, the number of participants in online activities increased. Thus, at the most prominent event or the most numerous conference that was supposed to occur in March 2020 in Assisi, where 3000 participants were planned, 100 000 participants appeared online in the virtual environment. For Croatia, there should have been only 6 participants, but as many as 60 participants applied. The program lasted three days, one day for young people, two days for entrepreneurs and three days for the academic community.</p> <p>Second crisis that hit Croatia were two earthquakes, in March and December 2020. Crisis management related to the devastating earthquake in December that hit Sisak, Petrinja, Glina included volunteering, organizing material assistance, volunteering two days after the earthquake to help in covering the roofs with ten volunteers (100 volunteer hours).</p>
<p>4.</p>	<p>Outward Resilience Contribution (institutional impact in society, capacity to reach intended goals, collaborative activities etc.)</p>	<p>Several large conferences, projects and small events were organized by the Association during 2020. Taking part in European projects and national events is essential for the Association EoC. In January 2020, at the Faculty of Economics and Business Zagreb, the Association organized the conference “Inspired economy has happened”, with a guest entrepreneur from Singapore, Lawrence Chong, where more than 120 participants participated.</p> <p>The Association EoC is participating in ERASMUS + projects in the field of education, MAREA i ACT 4 impact).</p> <p>ACT 4 IMPACT international project with participants from Germany, Croatia and Ukraine is at the last phase. The aim of the project is making an online curriculum for young people so that they start with their social enterprise; developing tools and methods that can easily help them realize their social entrepreneurial ideas and turn them into the action. The project included 20 Croatian students / several hundred young people in total.</p> <p>MAREA (multifunctional agriculture rural education for action) included participants from Germany, Belgium, Norway, Italy and Croatia. The aim was rural assistance / to strengthen rural areas in the way</p>

		<p>of encouraging new vocabulary- rural guide / the result will be forming the Rural academy; each country is supposed to establish its Academy.</p> <p>In November 2020 the Association EoC organized online conference titled - FRANCIS' ECONOMY. The Conference was included a dozen workshops, round tables.</p> <p>INCUBATOR NETWORK is a significant European project, a part of a bigger network creating incubators in this region based on values of tolerance, work ethics, a culture of knowledge. Th Association supported the project.</p> <p>For the end of May 2021, it is planned to hold an online conference at the Faculty of Economics under the title Alternative Forms of Business- today and tomorrow.</p>
<p>5.</p>	<p>Expert evaluation of governance performance in the crisis context</p>	<p>Preparedness (5/5)</p> <p>Due to COVID-19 situation, there is more time to apply for new projects, for example SOFI (an European project on hold).</p> <p>All the activities planned for 2020 were held, except one (children's active summer due to COVID-19). It should be noted that the success of the project of Francis' economy was significantly more remarkable than expected, as well as the impact on the wider social Facebook community following the Association EoC. Also a great national influence releases such as an international event /ecumenical nature with the idea of promoting the social economy and the involvement of young people through projects (accompanied in the media 14 times; 2 times on the radio, 2times on TV and 10 press media).</p> <p>Agility (5/5)</p> <p>Exceptional adaptability to situations and response to changes caused by pandemic but also consequences of earthquakes and economics and health crisis. Excellent response through a large number of projects, namely small organizations that act quickly, resourceful, adapt and survive if they</p>

		<p>are well networked and have many volunteers and professionals who generously provide help in knowledge.</p> <p>Robustness (4/5)</p> <p>Although the budget was reduced in comparison with the previous year, the effects are greater due to online events, which are mainly related to the most essential and most significant activities. Lower costs, but no business activities, important number of participants and a much larger number of projects/ activities, have marked the Association's work in the past year. With a large number of educations and participants (due to the online environment, larger than planned), the Association remained strong in implementing the mission. Moreover, there is a jump in finding new ideas, ways and techniques for cooperation, connection and knowledge exchange.</p> <p>Impact in society (5/5)</p> <p>The Association promoted incubator networking, i.e. networking of companies and individuals and creating a place for dialogue, encouraging the transfer of knowledge and experience, exchanging international practices and initiatives of social enterprises. Those are just some of the achievements of this Association that create a new world and a new company that promotes a culture of giving and freeness, which so strongly needs a new economy.</p>
6.	Specificities	<p>The Pandemic year has been passed more than successfully.</p> <p>A larger number of interested in the topics and field dealt with by the Association. The increase of potential volunteers, a large number of followers on the Facebook site, increased interest in different social economy topics, volunteering, and interest in an alternative business that exist in Croatia, but also survive on the international scene is happening at the moment.</p> <p>People are aware of the connection between the economy and ecology, but there is a shift in the paradigm of business in the middle of a crisis where there is a tendency to return to rural areas from</p>

cities and strengthening local communities predominantly rural parts; through producing your own food, and strengthening spiritual and digital competencies for survival.

Source: <https://www.edc-online.org/en/publications/conference-speeches/6000-economy-of-communion.html>

<https://uez.hr>

<https://fokolar.hr/sto-je-ekonomija-zajednistva>

Case Study 3. Valamar plc

1.	Rationale for selection (area of activity, Covid19 Impact)	<p>Croatia is a tourism-dependent country as almost 20% of country's GDP is related to tourism, which is the largest share among all EU countries.⁶ Valamar Riviera d.d. is the largest tourism company in Croatia, among the ten largest companies in Croatia by market capitalization, a leading investor in Croatian tourism and a significant company for the overall economy. It operates 36 hotels and resorts and 15 camping resorts in prime costal locations in Croatia and can welcome around 58,000 guests. Its business operations have a strong seasonality, as it receives most guests during the summer season (May-September). Valamar Riviera is a responsible and desirable employer and one of the top Croatian and regional investors in tourism with over 800 million EUR invested in the last 17 years.⁷</p> <p>The extraordinary circumstances caused by the COVID-19 pandemic severely impacted the tourism sector, including Valamar Riviera. Lockdowns, national restrictions of movement and border crossing between EU states from March to May almost fully suspended national and international travel and left the company with no revenues. For Valamar Riviera it was an unprecedented disruption and serious threat for its operations as the hotels were closed due to lockdown, bookings for the summer season were cancelled and there was overall lack of demand for their services.</p>
2.	Institutional descriptive statistics (no. of employees, age etc.)	<p>Valamar Riviera was founded through several integration processes. The predecessor of Valamar Riviera was founded in 1953 under the name Riviera. The consolidation of the portfolio occurred in the period 2010-2014 when other hospitality companies were merged to Riviera Adria d.d. Later all these were fully integrated and the consolidated company started operating under the name Valamar Riviera d.d.. The new company was listed on the Zagreb Stock Exchange in December 2014. The company pursues a growth driving strategy focused on investments in high added-value products, talents, innovative services and destinations to maintain business continuity.</p>

⁶ https://ec.europa.eu/info/sites/info/files/economy-finance/eb036_en.pdf

⁷ Valamar (2021) Annual Report for 2020

		<p>During the peak season Valamar Riviera employs about 7000 employees (about 1900 are permanently employed, while the rest is employed through some form of temporary employment).</p> <p>In 2020, Valamar Riviera Group total revenues amounted to HRK 697 million (approx. 92.9 million EUR), which is 31% of total revenues achieved in 2019. This is a direct result of the global COVID-19 pandemic.</p>
<p>3.</p>	<p>Inward Resilience Evaluation (risk management, capacity to react to crisis, capacity to adapt to change etc.)</p>	<p>Before the COVID-19 pandemic, Valamar had a constant annual growth in overnight stays and average daily rates. One of the reasons for this was its strong commitment to investments and increasing quality of their hotels and other offer. When the crisis emerged, Valamar Riviera was in preparations for the summer season. As soon as the crisis occurred, the company launched action plans to stabilize its operations. Valamar Riviera has engaged and focused all resources towards implementing preventative measures to protect the health of guests and employees, activating full-scale standard operating procedures for dealing with crises and maintaining business continuity and job preservation.</p> <p>Valamar Riviera established the Risk Management Committee, and adopted the Risk Management Regulation. The Committee’s tasks and authorities included risk assessment and its impact on business, guests and employees, as well as determining measures to protect guests and employees, property and organizing business processes and operations. Depending on the circumstances and intensity of the risk event, the Committee had the power to activate changing the financial, business and contingency plan, activating escalation plans to preserve the company’s liquidity, solvency, and maintaining business continuity, as well as other necessary acts in accordance with the assessment of bookings and revenues. Furthermore, comprehensive operational crisis management procedures have been developed and activated to protect the health of guests and employees. For example, these included providing general information on the spread of COVID-19 and measures to prevent and control the spread of respiratory viruses.</p> <p>On April 1 2020 Valamar implemented the “Pause, Restart Program”. The intention of the plan was to stabilize company’s operations, protect its employees and ensure modified products and services that will additionally increase guest safety and service quality.</p>

The “Pause, Restart Program” ensured job preservation from lay-offs and continued pay-outs to all “paused” employees waiting for work in the amount of at least 60% of their regular salary, but not less than HRK 4,250 net (approx.. 570 EUR). In the period from March to June 2020, over 90% of Valamar’s employees were waiting for work the cost of which was jointly borne by shareholders and the government support of pay-outs for employees. After opening and the launch of the summer season 2020, Valamar’s employed more than 4,400 employees. Valamar continued its “Pause, Restart program” during autumn and winter with the aim of protecting jobs until the spring of 2021, when the situation is expected to partially normalize.⁸

In addition to protecting jobs, Valamar needed to ensure sufficient liquidity during the crisis and enable the company to continue its growth path in 2021. In March, dividend payment proposal for 2019 was revoked while Supervisory Board members reduced their fees and management reduced their salaries up to 30%. Valamar has deferred the vast majority of credit liabilities for 2020 and for the first half of 2021, and secured additional medium-term liquidity through a loan contract with a club of banks in the amount of EUR 66 million. The initially planned investment cycle for 2020 amounted to over HRK 800 million was reduced by HRK 120 million to HRK 705 million by the end of June. Valamar also temporarily postponed the construction or reconstruction of some hotel projects. Lower investments were planned for 2021. Operating cost-savings plans, investment decrease, payment deferrals (e.g. concessions for the use of land/cost for tourism purposes) and agreements with banks and other investors have secured liquidity for the following period. Operating expenses were reduced by 62% compared to 2019.

In the second quarter of 2020, Valamar modified its products and accelerated the development of digitization projects in order to improve service quality and safety for the 2020 tourist season. Even more space has been provided for guests in restaurants, at the reception, swimming pools, on the beach and in other communal facilities, and promotional campaigns #stayinnature and “beachholidays” were launched. Additional innovations were the V Health & Safety program, “CleanSpace - 100% privacy”, hotel service “Bed & Brunch”, and Valfresco Direkt online food shopping and delivery service.

V Health&Safety is a comprehensive program of health, safety and environmental standards, as well as a set of advanced cleaning protocols aimed at the further enhancement of hygiene standards that

⁸ Valamar (2020) Annual Report for 2020

Valamar applies in its properties. V Health&Safety protocols are aligned with the safety recommendations of the World Health Organization, the European Center for Disease Prevention and Control, the Croatian Institute of Public Health, as well as relevant standards and certificates such as HACCP and ISO standards. As of 2020, every property in Valamar will have a V-Health&Safety Manager, available to guests 24/7 throughout their stay. In case of need, he manages health insurance for guests in cooperation with the Croatian health care system.

“CleanSpace - 100% privacy” is a service, which guarantees that key points of contact in rooms and mobile homes are thoroughly cleaned and disinfected, and that no one enters the accommodation unit before the scheduled guest arrives. In addition, it offers complete room privacy throughout the stay with the guarantee that staff will enter the accommodation unit only at the invitation of the guest themselves.

By accelerating digital development, Online reception is available to all hotel and camping guests in 2020. Valamar’s Online reception enables check-in and check-out via the Internet (web check-in and My Valamar application) and “self-check-in” points, thus simplifying arrival and departure. Bed & Brunch is a new restaurant concept which, instead of the classic half board scenario, offers an extended breakfast and brunch that guests can enjoy from 07:00 to 13:00, which gives them even more space and simplifies meals and hotel stays.

As part of the restart preparations, Valamar has developed a new service called Valfresco Direkt, which was officially launched on June 8, 2020. It is a new online store that combines a wide range of local, home-made and fresh products from the best family farms in Istria. In cooperation with local family farms, Valamar’s new project aims to diversify business, strengthen local production and the market position of small producers and offer them a wider presence and availability.

4. Outward Resilience Contribution
(institutional impact in society,

Corporate social responsibility (CSR) has been an important issue in all Valamar’s activities, as the company has the policy to invest at least 2.5% of annual revenues into CSR programs.⁹ In 2019 it invested into CSR initiatives 5.8% of its revenues (129 million kuna, or approx. 17.2 million EUR¹⁰).

⁹ Valamar (2021) CSR Programs, <https://valamar-riviera.com/en/social-responsibility/csr-programs/#image-0>

¹⁰ <https://valamar-riviera.com/hr/drustvena-odgovornost/krovni-programi/#image-0>

	<p>capacity to reach intended goals, collaborative activities etc.)</p>	<p>Valamar has formally established nine “umbrella programs” under which it develops its CSR efforts. These include development of the local community and the creation of the prerequisites for a sustainable development of the tourism business in the general and social interest of all the destinations where it operates, scholarships for students pursuing careers in tourism and catering across Croatia, fundraising and charity initiatives, support to projects in arts and culture, promoting sports and active lifestyle in Valamar’s destinations. Additionally, Valamar pursues energy efficiency projects and various environmental protection initiatives, while in the context of everyday operations it pursues awareness-raising activities among guests, employees and the local community about the importance of preserving the Adriatic coast and sea. These programs have been recognized by the relevant institutions and Valamar was selected at the company with best CSR practices among large companies in Croatia.¹¹</p> <p>During the COVID-19 pandemic, the company emphasized stakeholder protection, especially employee protection as the company undertook initiatives that would prevent lay-offs despite the fact that the hotels were closed.¹² In one of their destinations (Dubrovnik) they provided free accommodation to frontline healthcare professionals that were transferred to work in the local hospital from other parts of Croatia due to COVID-19.¹³ The company also donated food to those affected by the pandemic. During COVID-19 lockdown the company launched its on-line grocery store and offered support to small local producers to use this platform to sell and distribute its products due to the fact that other distribution channels were severely impacted by COVID-19.¹⁴</p>
<p>5.</p>	<p>Expert evaluation of governance performance in the crisis context</p>	<p>Preparedness (2/5) – Valamar’s revenues were constantly increasing and the company was strongly committed to new investments and developing high-quality tourism products. There were no signs that tourism could be impacted by a crisis of this scale that would completely stop tourist movements globally.</p>

¹¹ <https://novac.jutarnji.hr/novac/aktualno/valamar-riviera-regeneracija-hendal-i-hrvatska-lutrija-dobitnici-nagrada-za-dop-15030557>

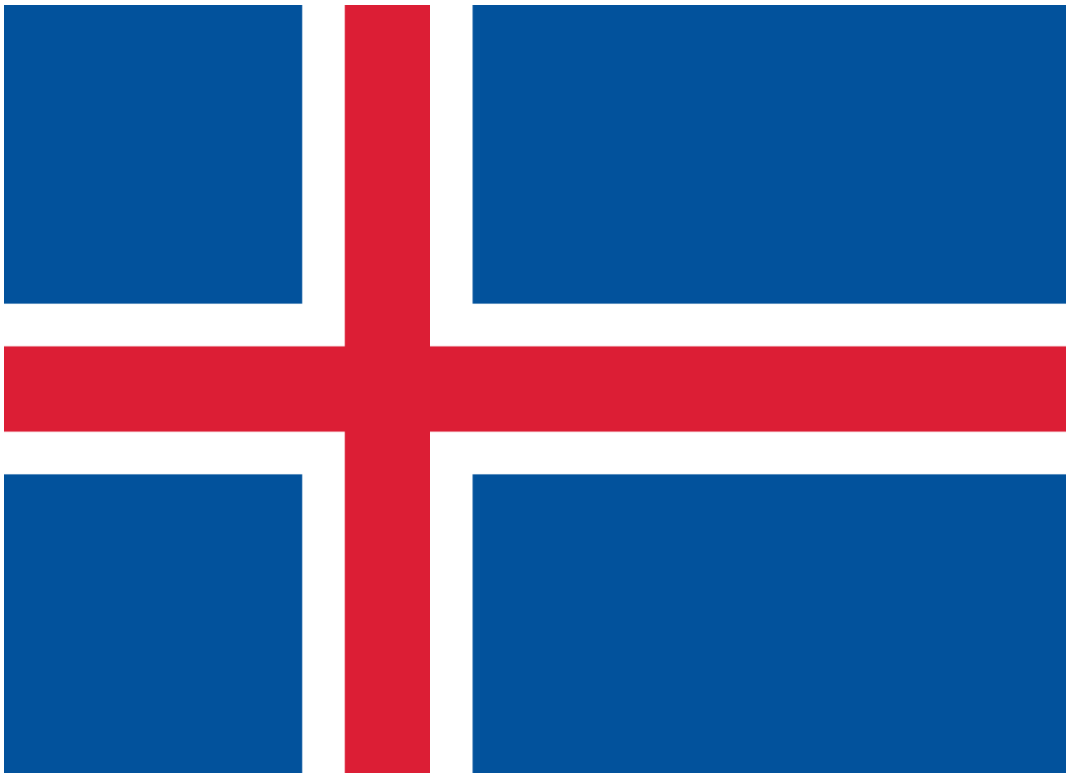
¹² <http://idop.hr/hr/dop-trendovi/dop-u-vrijeme-covid-19/primjeri-drustveno-odgovornog-poslovanja-hrvatskih-poduzeca-u-vrijeme-koronavirusa/>

¹³ Valamar (2020) <https://valamar-riviera.com/hr/drustvena-odgovornost/vijesti-iz-dop-a/valamar-pomaze-opcoj-bolnici-dubrovnik/>

¹⁴ Valamar (2020) <https://valamar-riviera.com/hr/drustvena-odgovornost/vijesti-iz-dop-a/valamar-nudi-suradnju-opg-ovima-iz-istre/>

		<p>Agility (5/5) – Valamar Riviera undertook initiatives to prevent the negative impacts of the COVID-19 crisis almost immediately as the crisis started unfolding. The company focused on employee protection and implemented numerous changes into its tourism products in order to protect safety and health of their guests and employees (e.g. V Health & Safety program, financing PCR tests for its guests, active and open communication with guests).</p> <p>Robustness (3/5) – In 2020, Valamar Riviera total revenues amounted to 31% of total revenues achieved in 2019. Credit liabilities were deferred and with additional loans the company assured financial stability. Despite this sharp decline in its revenues, the company still well adapted to the new situation caused by COVID-19.</p> <p>Impact in society (4/5) – Valamar is the largest employer in tourism in Croatia and a significant company in terms of the overall Croatian economy. The company did not lay off its employees during the COVID-19 crisis and it supported local communities with its fight against coronavirus. Even though the company itself was impacted by COVID-19 much stronger than other companies, it still tried to keep up with its socially responsible behaviour for which it was previously rewarded.</p>
6.	Specificities	

Iceland



COVID-19 AND THE ICELANDIC GOVERNMENT REACTIONS

Identified in December 2019, the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) otherwise known as COVID-19 or the “coronavirus” spread rapidly throughout the world in the first three months of 2020. On March 11, 2020, the World Health Organization (WHO) declared COVID-19 to be a global pandemic due to its highly contagious nature. Several countries swiftly moved to close borders and put in place a number of restrictions to limit the spread of the disease.

The pandemic hit Iceland with full force in March 2020 as local authorities tried to contain the virus in order to shield the nation’s public health care system. On March 15th, 2020, the government restricted gatherings to a maximum of 100 people. Government officials recommended against travelling outside the country and Icelanders currently abroad were urged to return as soon as possible. On March 22, 2020, gathering restrictions were tightened to a maximum of 20 people with rules on 2-meter social distancing between individuals. Moreover, various activities, such as swimming pools, gyms and clubs were forced to close, and sporting activities were limited. Very few exceptions were made to the 20 people gathering restrictions, such as allowing up to 200 people at a time to grocery stores, as long as the area in question was at least a thousand square meters. On April 24, 2020, anyone arriving in Iceland was forced to quarantine for 14 days from the arrival date.

Since international leisure travel essentially ceased, Iceland’s largest export industry – tourism – was hard hit. In order to aid companies, prevent bankruptcy and to counter redundancies and rising unemployment, the Icelandic government released a series of COVID-19 relief packages.

The Partial Compensation Route

The Icelandic government introduced a number of economic aids to assist individuals and companies deal with closures and restrictions. Among the government relief programs was the “partial compensation route”, an amendment to the Act on Unemployment Insurance and the Act on the Wage Guarantee Fund (Act no. 23/2020) introduced on March 20, 2020 and was valid until June 1, 2020. The partial compensation route was a specific type of unemployment benefit in which the employer and the employee entered into a temporary agreement for reduced employment rates where the employee could apply for a grant from the Unemployment Insurance Fund that corresponded to the reduced employment rate. The goal was to encourage companies to maintain an employment relationship with employees, instead of resorting to layoffs. Payments were made to employees.

With the aforementioned Act no. 23/2020, the partial compensation route was introduced in Temporary Provision XIII of Act no. 54/2006, on unemployment insurance. According to the provision, an individual who applied for unemployment benefits in parallel with a reduced

employment rate, due to a temporary contraction in the employer's activities, was entitled to unemployment benefits equal to the proportional difference in the employee's entitlement if they had lost their job altogether. The main conditions were:

- The employment rate had to be decreased by at least 20% and the employee had to be kept at a minimum of 25% employment rate.
- Payments from the employer and the payment of unemployment benefits in total could never amount to more than ISK 700,000 per month and could not exceed 90% of the average total salary of the employee in the last three months from the application.
- There could be no reduction if the average total wage of an employee was below ISK 400,000 per month based on full-time employment. If the average total wage of an employee was over ISK 400,000 per month based on full-time employment, a reduction could never result in a total of wages from the employer for the reduced employment rate and unemployment benefits.

In return for the reduced employment rate, employees could apply for unemployment benefits from the Directorate of Labour in accordance with the reduced employment rate. The payment of unemployment benefits to individuals was calculated from the maximum income-related unemployment benefits, ISK 456,404 in accordance with the reduced employment rate. Thus, an employee would be entitled to unemployment benefits in the amount of ISK 228,202. (ISK 456,404 x 50%) if their employment rate was reduced by 50%. There were no other conditions for the use of the resource when the program was first introduced.

In the 4th paragraph of the provision, the Directorate of Labour was authorized to request information and data from the employer with whom the employee lost his or her job in part, stating further justification for a contraction in operations, such as a reduction in tasks or a contraction in services. The law did not contain any conditions concerning dividends, repurchases and other payments to owners and managers.

According to a memorandum accompanying the bill, they were intended, on the one hand, to reduce increased unemployment due to temporary labour market constraints and, on the other hand, to meet the conditions of employees who would suffer wage cuts in the form of reduced employment due to temporary operational problems. The report stated that the Icelandic Federation of Trade would encourage companies that had temporary operational problems to take advantage of the opportunity to reduce the staffing ratio temporarily rather than resort to redundancies. The report specifically stated that tourism companies were among those most affected by the epidemic. It also stated in its comments on Temporary Provision XIII that it was intended to meet the needs of employees who had to reduce their workload due to the company's temporary operational problems. The Welfare Committee's opinion on the bill also pointed out that it was foreseeable that many companies would have to reduce their operations significantly, but that the income of employees would have to be

ensured and employers had to be allowed to temporarily reduce their activities due to slower economic growth.

Once the partial compensation route was first introduced in Alþingi, Iceland's national parliament, it was estimated that around 1,000 individuals would use the aid and that the cost would be approximately ISK 755 million. Applications opened on March 25, 2020 with around 7,000 submissions. In April 2020, submissions had reached 32,000, which was significantly more than originally estimated. It then became clear that the employment insurance fund's additional needs had been underestimated considerably.

CASE STUDY 1 THE UNIVERSITY OF ICELAND¹⁵

1. Rationale for the case selection

The last few days of January 2020 mark a timeline of the coronavirus epidemic in Iceland. It is the date when the Icelandic authorities stated a level of uncertainty and reviewed their contingency plans and inventory of necessary equipment to deal with the epidemic. This was followed by raised concerns over the outbreak situation in China and Northern Italy, where the latter one and Tyrol were defined as risk areas. The first registered COVID-19 infection in Iceland was on February 28th 2020, followed by meeting limitations, with limits set at 100 people, and closing of colleges and universities¹⁶. Throughout the epidemic Icelanders' trust in the Directorate of Health and the Chief Epidemiologist have scored very high, or around 95% in both cases¹⁷, according to survey statistics from March/April 2021. The University of Iceland (UI) is one of the institutions of the society also ranking high regarding trust according to Gallup survey in 2021, and the trust is growing¹⁸. The University of Iceland therefore makes an interesting case to explore in the context of its preparedness to deal with the epidemic.

The University of Iceland acts according to Law on Public Higher Education Institutions, No. 85/2008 and Law on Higher Education Institutions No. 63/2006. It is by far the largest university in Iceland, with around 13,300 students and around 1,650 staff members, whereof 33% are academics, 29% are governance staff, and 38% are research staff and teachers in temporary positions^{19,20}. During the summer of 2020, the UI received a record high number of applications to undergraduate and graduate studies due to higher unemployment rate in the country, or more than 11,000, for the academic school year 2020-2021. This was the largest number of applications received since the university was founded in 1911, highlighting the social impact of the COVID-19 epidemic. Such increase in number of students causes challenges both for university infrastructure and the staff. This finally resulted in 15% increase in number of students, increasing the number of enrolled students to around 15,000²¹. The number of foreign students studying at the UI is steadily growing, currently (2020) around 1,550. The UI also offers student exchange programme, both sending students abroad and welcoming foreign students to Iceland²².

The UI offers more than 400 educational programmes spanning the fields of education, health sciences, humanities, natural sciences and engineering, and social sciences²³. It is “a progressive educational and scientific institution, renowned in the global scientific community for its research”²⁴, and ranks high in international comparison, such as by the Round University Ranking²⁵, Shanghai Ranking²⁶, and Times Higher Education University

¹⁵ We thank the University of Iceland Rectors office for allowing the use of internal communication for this analysis.

¹⁶ <https://www.covid.is/undirflokkar/vidbrogd-a-islandi>

¹⁷ https://fel.hi.is/is/covid-tracking?fbclid=IwAR3qzbWAbWwNdL76BDSI4zTT10Ts6U_dz7GORDKKT0tE7b18ZSC_2-Q96QA

¹⁸ <https://www.hi.is/frettir/traust-til-haskola-islands-eykst-um-sjo-prosentustig>

¹⁹ <https://english.hi.is/news/jon-atli-benediktsson-elected-rector-of-the-university-of-iceland>

²⁰ <https://english.hi.is/sites/default/files/bryndjo/pdf/lykiltolurfacts2020.pdf>

²¹ <https://english.hi.is/news/record-number-of-applications-at-the-university-of-iceland>

²² <https://english.hi.is/university/facts-and-figures>

²³ <https://english.hi.is/university/the-university>

²⁴ <https://english.hi.is/university/the-university>

²⁵ <https://english.hi.is/news/the-university-of-iceland-on-round-university-ranking-of-leading-world-universities>

²⁶ <https://english.hi.is/news/university-of-iceland-remains-the-only-icelandic-university-in-the-shanghai-university-rankings>

Rankings²⁷. Given the size of the UI in the local context it is also instrumental in a Network of public universities in Iceland²⁸ and for the whole society.

2. Institutional description.

The University of Iceland implemented various measures in response to the COVID-19 epidemic in Iceland. During the period of February 2020-March 2021 more than 80 announcements were sent from the University Rector, Jón Atli Benediktsson, to various stakeholders, mainly students and staff, in addition to 16 news articles describing University projects, societal support, and COVID-19 related research. At the beginning of the epidemic the University's Emergency Response Board meet daily to evaluate the situation, suggesting how to respond to the situation²⁹.

2.1. Transparency and communication

The first COVID-19 announcement to the University staff and students came from the UI Rector on February 27th, 2020, the day before the first registered COVID-19 case in Iceland. The message voiced concerns over travels from areas with high risk of infection and students and staff were asked to quarantine themselves for 14 days after returning from these areas³⁰. The next announcement came on March 4th 2020 stating that the “National Commissioner of the Icelandic Police has declared a civil protection alert phase in consultation with the Chief Epidemiologist and the Directorate of Health regarding the Coronavirus (COVID-19)³¹”. Staff and students were reminded of the importance of following the Chief Epidemiologist instructions, and where to seek information in case of potential exposure to the Coronavirus. Students and staff were particularly urged to look out for those with no support network in Iceland. Furthermore, this announcement offered a link to the University of Iceland emergency response plan for the Covid-19 epidemic 2020³², where the preparedness of the UI was described in the following manner (p. 1):

- *If the Department of Civil Protection announces a change of emergency level, the response will be immediate.*
- *It may be that the University of Iceland needs to make changes to operations and teaching arrangements without a new emergency level being announced, e.g. due to significant numbers of absences.*
- *The Rector and school deans are responsible for making such decisions in the conventional manner.*

The emergency response plan furthermore stated that plan “will not be deactivated until a formal notification is issued by the authorities (the Chief Epidemiologist at the Directorate of Health or the Department of Civil Protection)” (p. 1).

Messages regarding the COVID-19 epidemic were directed towards different stakeholder groups according to the emergency response plan, namely message to everyone, staff, and students (section 2.2.1), school deans and faculty heads (section 2.2.2), teaching staff (section

²⁷ <https://www.timeshighereducation.com/world-university-rankings/university-iceland>

²⁸ https://english.hi.is/collaboration/network_of_public_universities_in_iceland

²⁹ https://english.hi.is/news/announcement_from_the_rector_on_the_assembly_ban

³⁰ https://english.hi.is/news/announcement_from_the_rector_concerning_covid_19_epidemic

³¹ <https://english.hi.is/node/68517>

³² https://english.hi.is/sites/default/files/bryndio/pdf/responseplan_covid19_2020.pdf

2.2.3), in addition to external stakeholders. In addition to announcements, according to this plan, a special COVID-19 website was set up at the external web of the University³³, as well as internal website for staff, both already available on March 11th 2020³⁴.

Throughout the epidemic many of the rector's announcements included words of encouragement to students and/or staff, such as:

I urge you all to look out for one another, remain in contact with your fellow students and support one another in these unusual circumstances. We have every reason to believe that the difficulties we are now dealing with as a society are both manageable and temporary³⁵.

It has been a huge challenge for students, teaching staff and other staff to adjust to these unfamiliar circumstances at the University. Everyone has done their part to make this work. The results have exceeded expectations and I want to thank you all for your incredible efforts and unity³⁶.

These are troubled times, but we know that they will pass. We must stand together and find solutions, think of the common good, and not neglect our own wellbeing³⁷.

2.2. Working during COVID-19

A flexible working structure was established early on for administration staff, and on March 12th 2020 students were urged to seek service through digital channels, such as a 'Web Chat', where they could contact the Service Desk for general queries, Student Registration for applications and registration, and the Division of Information Technology for queries regarding technical issues³⁸. The first assembly ban was announced on the following day March 13th 2020, which took effect three days later, to impede the spread of COVID-19 according to recommendation of Iceland's Chief Epidemiologist. Consequently, specific work arrangements were made between administration staff and their managers, and all teaching in on the University premises was banned, replacing onsite teaching with online teaching. Therefore, all staff members were allowed to move equipment's, including monitors, docking stations, and keyboards, from their own workstations to their homes³⁹.

Furthermore, an internal COVID-19 website of UI was developed. It provided information on issues such as working from home, tools available for the staff, transportation to and from work during the epidemic during periods when the university buildings were open, rules of communication, flexible working arrangements, and general information about health and well-being.

The assembly ban also affected the University Council, as it, early on, held a web conference discussing the Rector's proposal arrangements for teaching, exams, and course assessment.

³³ <https://english.hi.is/covid>

³⁴ https://english.hi.is/news/new_announcement_from_the_rector_11_march_2020_concerning_covid_19

³⁵ https://english.hi.is/news/announcement_from_the_rector_on_the_assembly_ban

³⁶ https://english.hi.is/news/the_goal_is_for_students_to_complete_their_courses

³⁷ https://english.hi.is/news/we_must_stand_together_and_find_solutions

³⁸ https://english.hi.is/news/new_announcement_from_the_rector_12_march_2020_concerning_covid_19

³⁹ https://english.hi.is/news/announcement_from_the_rector_on_the_assembly_ban

The main purpose was to ensure the possibility of students to complete courses, and to ensure that the assessment of their work aligned with existing regulations of the University⁴⁰. Due to rising number of Coronavirus cases in the fall of 2020 staff within the same unit, and PhD students working in open spaces, were divided into subgroups to ensure consistent service in case of illnesses and to reduce likelihood of infection and spreading of the coronavirus⁴¹.

2.3. Teaching and learning during COVID-19

The teaching aspect was in particular addressed in the UI emergency response plan (section 2.4) which stated that: “Instructors may determine whether they use distance teaching, e.g. using teleconferencing technology, in order to continue teaching in accordance with the course catalogue (p. 5)” if the school is closed or access to buildings and classrooms is limited. An overview of solutions for distance teaching available for faculty and students was provided, including information about teleconferencing solutions, recordings of lectures and teaching material, and the exam environment⁴². A web chat service was also established for queries about contingency plans for teaching and learning.

The internal COVID-19 website of the University provided information on e-learning, a new exam platform Inspera, contacts information related to academic affairs such as pedagogical advice, web conferencing, communication systems, recordings, examinations, learning management system, and more. Prior to the epidemic UI was already implementing Canvas, a learning management system, and a new exam system, Inspera, so that the workload on academic faculty was immense, when adding on a steep learning curve on how to operate digital online courses through Teams or Zoom. The main emphasis in the spring of 2020 was to ensure that students were able to continue their studies and exams and complete the semester successfully by offering distance learning instead of on-campus learning⁴³. One of the Rectors announcements during the epidemic stated the following:

We all owe a debt of gratitude to the teachers and other staff who have done their very best to respond to this enormous challenge⁴⁴.

In the spring of 2020 deadline were extended in some cases, such as for BS/BA theses and Master's theses, and application for undergraduate studies and graduate programs extended. Online presentations were held for prospective students⁴⁵. Teaching in the fall of 2020 and spring of 2021 was mainly provided online, however, special efforts were made to welcome new students and to utilize buildings for on-campus teaching to the extent allowed by health authorities at any given time and by prioritising the needs of new students as well as “discussion periods, tutorials and similar classes, teaching in artistic subjects, practical teaching and clinical training”^{46, 47}.

⁴⁰ https://english.hi.is/news/the_goal_is_for_students_to_complete_their_courses

⁴¹ https://english.hi.is/news/message_to_students_and_staff_division_of_the_university_centre

⁴² https://english.hi.is/sites/default/files/bryndio/pdf/responseplan_covid19_2020.pdf

⁴³ https://english.hi.is/news/announcement_from_the_rector_on_the_assembly_ban

⁴⁴ https://english.hi.is/news/announcement_from_the_rector_17_march_2020

⁴⁵ https://english.hi.is/news/application_deadlines_and_weekend_openings_of_buildings

⁴⁶ https://english.hi.is/news/activities_at_the_university_of_iceland_in_the_autumn_of_2020

⁴⁷ https://english.hi.is/news/the_universitys_success_is_based_on_the_wealth_it_has_in_its_staff_and_students

In the University of Iceland annual forum, the Rector awarded the teaching staff and administrative staff in academic affairs a recognition for enterprise and leadership based on successful transformation in teaching in a “miraculously short time under challenging circumstances⁴⁸” and “hard work, selflessness, talent and inventiveness” during the epidemic. This was described in the following manner:

After being set the enormous task of moving literally all teaching, learning, examinations and other assessment online during the assembly ban in Iceland, teachers and administrative staff at the University of Iceland displayed all the qualities that this award is intended to recognise.

2.4. Researching during COVID-19

On March 19th 2020 guidelines were issued on work trips, field trips and outdoor fieldwork. Recipients of UI research grants, namely PhD students and postdoctoral researchers, were also guided on how to meet their research responsibilities. The epidemic also created challenges for doctoral defences⁴⁹, because of assembly ban, restricted international travels of opponents, and self-quarantine rules. This issue was solved with a blend of online solution such as streaming of defences with opponents either at site or online, limitation on number of guests, social distances of 1-2 meters, depending on guidance from authorities at any given time.

In June 2020, the Rector issued an announcement regarding delays in research and publication output following COVID-19 because of family responsibility, change in teaching methods, delays in operations of academic publishers and journals, cancellation of conferences, and illnesses, but solutions to these issues were also introduced. Potential loss of work of PhD students and postdocs taking part in externally funded research projects were to be covered from the funding overhead charges, and in case of internally funded projects through compensation grant recipients had to apply for⁵⁰.

3. Inward resilience

The whole teaching and learning environment at the UI had to be reorganized and digitalized for all schools, faculties, and study programmes at the UI due to the epidemic within a very short timeframe, while simultaneously safeguarding the quality of the study programmes. This required a solution-orientated attitude of teaching staff, as well as those supporting them with relevant solutions. Same applied for exams, replaced with take-home exams, digital exams, assignments, or essays. As described by the Rector this transformation was successful and happened within “miraculously short time⁵¹”. The outcome was an increased trust in the institution⁵² and growing number of applications for 2020-2021 academic school year⁵³. As the Rector stated:

⁴⁸ https://english.hi.is/news/response_to_potential_delays_in_research_and_publication_output_following_covid_19

⁴⁹ https://english.hi.is/news/the_goal_is_for_students_to_complete_their_courses

⁵⁰ https://english.hi.is/news/response_to_potential_delays_in_research_and_publication_output_following_covid_19

⁵¹ https://english.hi.is/news/response_to_potential_delays_in_research_and_publication_output_following_covid_19

⁵² https://www.hi.is/frettir/traust_til_haskola_islands_eykst_um_sjo_prosentustig

⁵³ https://english.hi.is/news/record_number_of_applications_at_the_university_of_iceland

My sincere thanks to you, dear students and colleagues, for the part you have played in bringing about this transformation in these unprecedented circumstances⁵⁴.

The flexibility was not just evident in case of teaching, learning, research and the daily operation of the University, events of relevance to students and others in the community had in some cases to be cancelled or postponed by some days, such as the 2020 spring graduation ceremony which was performed successfully in two stages⁵⁵. Guests were not allowed to attend, instead the ceremony was streamed live for family and friends⁵⁶.

When analysing the main themes evident in the Rectors' announcements, three main themes are evident: 1) health and wellbeing, 2) social implications, and 3) technological and infrastructure implications⁵⁷. Messages around health and wellbeing include concerns and guidance related to self-quarantine and potential exposure to the Coronavirus, symptoms and illness, underlying health conditions, mental and physical wellbeing, anxiety, surveys carried out to map out the situation, physical distancing, handwashing, and use of protective masks free of charge. Solutions include web chat services, the importance of exercise, nutrition, sleep, social contact, positive thinking and mindfulness, psychological therapy for students and staff, educational material on mental health, remote exercise classes for staff, and message of encouragement⁵⁸.

In the case of social implication, the Rectors' message emphasised civil protection and the importance of following instruction, limits on travels, social support network and lookout for others, especially those with weak social network in the country. Announcements also reflected the requirements and guidelines issued by Ministries and health authorities, including the Directorate of Health and the Chief Epidemiologist. These related to different emergency levels, ban on social gatherings, hygiene practices, physical distancing rules, screening of staff and students by deCODE genetics free of charge, closing of University buildings, reorganising of teaching, meetings, and other events, delay in research output, postponing of events, and more. The University announcements are also reflective of consultation with various stakeholders, including faculty heads, teaching staff and students⁵⁹.

The technological and infrastructure implications highlighted in the Rectors' announcements include various types of guidelines offered, such as the role of the Emergency Response Board, emergency response and guidance, solutions related to work from home, distance teaching, web conferencing, remote service, digital channels, such as the web chat, increase in cleaning of buildings and surface, use of university equipment at home, guidelines for work trips, field trips, and outdoor fieldwork, doctoral defences, change in implementation of exams and assessments, digital assessment tools, such as for take-home exams, new course offering, i.e. summer courses, guidelines for those coming from abroad, compartmentalisation of buildings, videos for new students, Canvas student app, Digital University day, Availability of MOOC courses on edX, and more⁶⁰.

⁵⁴ https://english.hi.is/news/easter_greetings

⁵⁵ https://english.hi.is/news/new_date_for_graduation_27_june_2020

⁵⁶ https://english.hi.is/news/the_upcoming_graduation_ceremony_and_organisation_of_teaching_in_the_autumn_semester

⁵⁷ https://english.hi.is/covid/general_information

⁵⁸ https://english.hi.is/covid/general_information

⁵⁹ https://english.hi.is/covid/general_information

⁶⁰ https://english.hi.is/covid/general_information

Despite encouragement, flexibility, and solutions provided to eliminated uncertainty to the extent possible internal surveys, e.g. conducted by the Student Council in the fall of 2020 and the University of Iceland School of Education revealed a an anxiety of students, which were “feeling worried, stressed and unhappy, because of the epidemic situation⁶¹m and a significant high workload on the University staff because of the assembly ban, resulting in higher stress levels of the staff, Most of the staff, however, felt safe in the work environment regardless of the situation⁶².

The internal resilience of the University of Iceland in adapting to the epidemic situation in a very steep learning curve has resulted in new technology, methods and procedures employed in terms of communication, digital teaching, teleconferences and so on, is expected to serve the university well in the future.

4. Outward resilience

The University of Iceland was instrumental to the outward resilience of the society during the COVID-19 epidemic. This is for instance evident in extended deadlines for undergraduate studies and graduate programs, to respond to, in consultation with the Ministry of Education, Science and Culture and other universities in Iceland, growing unemployment rated in Iceland caused by the epidemic⁶³. Furthermore, almost diverse range of around one hundred summer courses were offered, both courses for credits and without credits, and temporary summer jobs for students organized⁶⁴. Furthermore, higher unemployment rate in the country resulted in a record high number of applications for the fall semester 2020, both for undergraduate and postgraduate programmes⁶⁵, and application from foreign students for the fall semester of 2021 increased by 25%⁶⁶.

Some annual events for the society were cancelled, such as the University of Youth and so-called Knowledge Train which travels around the country offering varied program and science communication for young people and the whole family. The purpose of the cancellation was to keep young people, otherwise taking part, safe during the epidemic⁶⁷. Furthermore, large meetings and open events were banned on University premises, instead such events were offered online in compliance with authorities’ rules on restrictions on gatherings⁶⁸.

Academics, scientists, and students were also instrumental in combatting the epidemic, one way or the other, such as through solutions offered or research on the COVID-19 pandemic, for instance in collaboration with Landspítali University Hospital and the authorities. These include a prediction model for the development of COVID-19 in Iceland Coronavirus⁶⁹, and an assistant offered by University students assisting the contact the national contagion tracing team at the Department of Civil Protection. A PhD student in psychology, furthermore,

⁶¹ https://english.hi.is/news/weekend_wishes_as_the_winter_begins

⁶² https://english.hi.is/news/weekend_wishes_as_the_winter_begins

⁶³ https://english.hi.is/news/application_deadlines_and_weekend_openings_of_buildings

⁶⁴ https://english.hi.is/news/review_of_the_assembly_ban

⁶⁵ https://english.hi.is/news/the_upcoming_graduation_ceremony_and_organisation_of_teaching_in_the_autumn_semester

⁶⁶ https://english.hi.is/news/international_applications_up_a_quarter_despite_covid_19

⁶⁷ https://english.hi.is/news/tenacity_prevalis

⁶⁸ https://english.hi.is/news/a_frame_for_teaching_and_operations_at_university_premises

⁶⁹ https://english.hi.is/news/weekend_wishes_5_february_2021

translated and adapted to local conditions educational material on the disease for children, and an EduCamps was organised online, and website created with supportive materials for parents, and those working in schools and after school programmes⁷⁰. Furthermore, students at the University of Iceland's Faculty of Social Work, offered to take part in a project called Let's talk aimed at contacting the isolated elderly population⁷¹. Other projects include an evaluation of the economic impact of COVID-19 on industry, a COVID-19 National Resilience Cohort study, and offering answers on the Science Web to support an enlightened discussion on COVID-19⁷². These few examples demonstrate the crucial part a university can play regarding the outward resilience of the society as whole.

5. Evaluation

Preparedness (4/5): The largest university of a small nation has a crucial role to play, both as an academic institution, and a workplace. It can be a place where mass contagion can take place spreading the virus through its own community, as well as into the society. Based on the analysis it is not clear if the University's Emergency Response Board was established prior to the epidemic situation, or after emerged, but it started to operate early on according to the overall timeline, such as by introducing an emergency response plan forming the basis of the University actions.

Agility (5/5): The University took swift action in addressing the epidemic, following closely the timeline of local authorities dealing with the situation. This is evident from the timeline, and the few infection cases directly tied to the University staff and students. All relevant hygiene measures were taken, as well as compartmentalisation of buildings, closing of premises when required, social distancing, restriction on mass gathering, and so on. Digitalising the teaching and learning environment, course assessment, meetings and so forth was also very swift, with a full support from the University administration and support staff.

Robustness (5/5): The robustness of actions is based on how well the University followed the rules and guidance provided by relevant authorities, such as by the Chief Epidemiologist, the Directorate of Health, and the Department of Civil Protection Minister of Health. The establishment of University's Emergency Response Board, the issuing of the emergency response plan, and the full support of the Rector of the University, Jón Atli Benediktsson, are all aspects of how successful the epidemic response was.

Impact in Society (5/5): The size and the importance of the University in the society is also evident from the case study, as well as the trust it has gained throughout the years. This did not just benefit the University, but also the whole society. Academics, scientists, and students were instrumental in combatting the epidemic, one way or the other, such as through solutions and support offered or research carried out.

⁷⁰ https://english.hi.is/news/we_must_stand_united_together_we_will_prevail

⁷¹ https://english.hi.is/news/students_in_social_work_become_phone_pals_in_times_of_covid_19

⁷² https://english.hi.is/news/university_knowledge_for_the_benefit_of_society

CASE STUDY 2

THE STORY OF HOW SIDEKICK AND CONTROLLANT SAW OPPORTUNITY IN THE COVID19 PANDEMIC⁷³

1. Rationale for the case selection

The COVID-19 pandemic has had a huge negative impact on a large number of companies all around the world. Many companies have simply not survived and gone belly up. A different story is to tell about two Icelandic companies, Sidekick Health and Controlant, that managed to turn defense strategy into an offensive one by seeing specific opportunities in the COVID-19 situation. This case will examine and reflect on how Controlant and Sidekick Health managed to use COVID-19 to their advantage. The results indicate, on the one hand, that Controlant was able to use its technology and contracts with pharmaceutical giants to obtain a mandate to import and distribute vaccines against COVID-19 in Iceland and elsewhere. As a result, the company received a huge increase in its funding, which the company intends to use to expand, increasing number of employees and establish offices around the world. On the other hand, Sidekick Health used the pandemic to develop a digital solution which reduces the burden on the health care system. The digital solution was well received, resulting in funds from international investors, and the funds will be used to expand, such as in the case of Controlant. The results indicate two interesting resilience cases where two companies saw an opportunity for an expansion policy middle in the crisis. Both academics and practitioners will benefit from the findings.

2. Institutional description.

Roughly one-third of the food produced in the world for human consumption every year, or approximately 1.3 billion tons and \$1 trillion worth, is estimated to be wasted. Roughly 40 percent of all food & beverage products require temperature-controlled transportation, and those numbers are on the rise as consumer demand and population growth continue.⁷⁴ The company Controlant was founded in 2007, and its mission is to ensure consumer safety and reduce global cold chain waste in transportation by 70 percent. Controlant aims to develop next-generation solutions that improve the quality and safety of goods being transported and reduce the staggering losses in the cold chain. The losses in the food business alone are estimated to be over \$35 billion worth of perishable food products annually.

With the aim of significantly reducing waste in the transportation value chain and deliver value to stakeholders Controlant also aims to ensure safety of consumers and patients in the health care system. Today, the company has over 170 employees serving over 300 B2B customers in over 115 countries. The company specializes in the development and production of software and machine solutions, especially real-time monitoring of temperature sensitive products in transit across the value chain. With real-time monitoring, it is possible to monitor the location and condition of the product anywhere in the world.

⁷³ We thank Sidekick and Controlant for providing information for this case study.

⁷⁴ <https://forwardfooding.com/blog/foodtech500/gisli-controlant-foodtech-500/>

Controlant was founded by five individuals, Gísli Herjólfsson CEO, Erlingur Brynjúlfsson, chief technology officer (CTO), Trausti Þórmundsson, as well as Atli Þór Hannesson and Stefán Karlsson. Gísli and Erlingur met while studying at the Faculty of Electrical and Computer Engineering at the University of Iceland. Trausti was a supervisor in one of their projects and Atli Þór and Gísli later joined the group but they are Gísli's childhood friends. To begin with, the founders worked on solutions that were to be used with wireless technology in order to make the various measurements automatic, such as real-time measurements of pressure, temperature and humidity in the construction industry and air pressure in car tires. In 2009 Controlant took a U-turn and entered the industry the company operates in today, which is to service the pharmaceutical sector with automated real-time solutions that are to ensure the quality of drugs by registering them as well as monitoring their temperature and response services. It was a kind of turning point that year in light of the H1N1 or the swine flu outbreak that Controlant technology was used to protect and control the hosting and distribution of vaccines. Controlant went through various challenges in the beginning, e.g., to find the right market for the product and service that the company was producing as well as the general production of the product. To begin with, the company focused on gaining a foothold in Iceland before embarking on a position in the international market.

The founders had to show great resilience and perseverance when negotiating with the World's biggest drug giants, and it seemed that for a while, around the establishment of Controlant and shortly after, the biggest drug companies were simply not ready to take advantage of functional solutions and wireless technology offered but the story is different today and more and more pharmaceutical companies are choosing to take advantage of such solutions. According to the founders, there are three periods in the company's history that mark the beginning of the company's success, first in 2009 when Controlant monitored the swine flu vaccine as it was their first step into the pharmaceutical market, second in 2018 when one of the world's largest pharmaceutical companies implemented Controlant's solutions for drug shipment monitoring, which brought the company to market and other large pharmaceutical companies began to look towards Controlant. Then the third one when Controlant enters into an agreement with the pharmaceutical giant Pfizer regarding the monitoring of a worldwide vaccine against COVID-19.

The company Sidekick Health was founded in 2014 by two medical doctors, Tryggvi Þorgeirsson, CEO and Sæmundur Oddsson, who had long worked in the treatment of patients with lifestyle-related diseases. The founders of Sidekick Health were frustrated and dissatisfied with the high death rates from lifestyle-related illnesses and wanted to try to prevent chronic diseases and help such patients improve their health and quality of life. From this came the idea of creating a scientific-technical solution that has its roots in behavioral economics, but behavioral science tells that lifestyle-related diseases are more about emotion than reason. Sidekick Health cares for patients suffering from everything from type 2 diabetes to ulcerative colitis. Today, the company has about 53 employees and the company has offices in Iceland, Sweden, and the United States.

One of the founders of Sidekick Health claimed, after graduating from medical school, that he felt that doctors were constantly dealing with cases that could be prevented, especially lifestyle-related diseases. Given that Sidekick Health was founded by doctors, its operations are largely based on health sciences, unlike other similar companies. Another founder stated that the idea for the development of Sidekick is largely based on the idea of so-called preventive medicine. Given the success of the scientific-technical solution major

pharmaceutical giants began to notice the company, and in 2019 Sidekick Health had entered into an agreement with two of the five largest pharmaceutical companies, mainly in connection with drug treatments. An agreement was made with Pfizer, on the one hand, for Sidekick Health to offer a digital solution to help smokers quit smoking, and on the other hand with Bayer to help them provide a digital platform for patients with arterial disease.

As with Controlant, the COVID-19 pandemic did not adversely affect Sidekick Health's operations. Instead, Sidekick Health worked with the COVID-19 response team in Iceland to provide a digital platform in the field of health for people who have been diagnosed with COVID-19. Sidekick Health received help to create an algorithm that categorizes infections by severity, but those infected could check the symptoms they experienced. This was done to ease constant calls to healthcare professionals from infected Icelanders and to alert healthcare professionals if the condition of the infected deteriorates significantly.

In late 2020, Sidekick Health received almost ISK 3 billion in funding from foreign investors. With increased funding, the company aims to expand its operations even further, add new functionality, inspect and access more disease categories, carry out more research as well as to increase number of employees. A founder of Sidekick Health believes that large foreign investors have been more willing to finance the company in light of the pandemic and in light of the rapidly growing remote health care systems that Sidekick Health focuses on.

3. Inward resilience

In early 2020, the pandemic COVID-19, with its gathering restrictions, had a huge impact on business operations. Many companies did not survive the epidemic. There is another story to be told about Controlant, where the owners saw opportunities for growth during the epidemic, especially in light of the fact that the company had already become a leader in its industry. The company had already begun distributing vaccines against COVID-19 in Iceland. During the first year Controlant increased its turnover tenfold due to its contracts for the distribution of the vaccine. In 2020, the company issued convertible bonds in the amount of ISK 1,250 million and the intention was to put the company in a good position for the next share capital increase as well as financing the implementation of solutions for their main customers. Controlant raised thereafter ISK 1 billion in bond issuing, receiving considerably more subscriptions than the supply was. In line with this high demand, it was decided to expand the share offering. One of the owners said that in the beginning Controlant did not have a clear strategy and that the company first actually took off with a new strategy in 2017. The business model was changed from selling hardware to selling subscriptions to services as well as concluding agreements with the main pharmaceutical giants. Controlant has worked extensively with transforming in this way its strategy and owners feel that digital transformation was necessary in the whole value chain, which must go hand in hand with the company's stakeholders' digital transformation.

To build an internal resilience against unexpected situations, Controlant had already before the pandemic established a strategic advisory board. It advised the company on regulations, international growth opportunities, possible partnership and co-operations, and risk management. To begin with the advisory board was kept small and with focus on digitalization knowledge of its members. Then it was broadened in 2019 and three members added with

value chain executive experience. Their involvement and expertise were intended to help further expansion to accelerate in the United States as well as in other markets. The participation of the advisory board was intended to help Controlant achieve its goal of digitally linking temperature-controlled value chains globally, reducing global waste by one percent, and ultimately ensuring patient and consumer safety. The company's policy does not clearly state the company's strategy. The company has played a major and vital role of vaccine transmission and distribution and has entered into agreements with the world's largest pharmaceutical giants. Since the company was founded Controlant and its employees have been awarded several awards such as the 2020 Icelandic Innovation Award, Controlant was named to Food Logistics' 2020 FL100+ Top Software and Technology Providers in December 2020, and it won the Sully and demand chain executive's 2020 Green supply chain award in December 2020. Further, the company was named to Food logistics 'top green providers list for 2020 and named to Fast Company's 2020 list of the world's most innovate companies⁷⁵.

With the establishment of Sidekick Health, the aim was to develop small programs related to health and lifestyle. A news item from the local Icelandic business paper from 2015 stated that the small program was originally intended for company employees. Two years later it was marketed as a medical device such that doctors could provide their patients with. The company therefore aims to prevent lifestyle-related diseases as well as to encourage people to make lifestyle changes through exercise, nutrition, and encouragement. Sidekick Health received investments from foreign index funds amounting to almost ISK 3 billion. One of the founders of Sidekick Health stated that the plan was to use the investment to support the company's growth, but it has been growing rapidly lately and as a result of the investment it has a good competitive advantage over other similar companies. Sidekick Health intends to open marketing and sales offices in both the United States and Europe, and to increase its research and development. Sidekick Health has won several awards since embarking on its journey such as the eHealth Award 2020 and it was among winners in the 2019 EIT Digital challenge, operating by Europe's leading digital innovation organization.

4. Outward resilience

Controlant's goal is to significantly reduce waste in the transportation value chain and deliver value to stakeholders. At first, Controlant seems to have adopted a so-called transformation strategy. Such a strategy was intended to strengthen digital transformation and support business growth so that reliable decisions and forecasts could be made, and operational efficiency increased. The company has an advisory board whose role is to provide advice on regulatory issues, international growth, and co-operation. The board was originally established in 2018 and has expanded over the years. It was also to assist Controlant in meeting the objectives set out above. For the first decade of its operation the company seemed aimless, and it was not until 2017, when the company changed its strategy, that the company actually went into flight mode. It was at this time Controlant changed its business model from selling hardware to negotiating with e.g., pharmaceutical giant and is the company we know today.

⁷⁵ <https://controlant.com/newsroom/>

When COVID-19 hit the world in early 2020, Controlant recognized an opportunity, and especially an opportunity for growth when the company was given the task of importing and distributing vaccines against COVID-19. The opportunity was given by the Icelandic Health Authorities to the company in light of its expertise in the development and production of software and machine solutions and real-time monitoring of products in transit across the value chain. Therefore, Controlant was able to monitor the transmission of COVID-19 vaccines throughout the process. Controlant also received a huge share capital increase, which the company intends to use to drive the company's rapid expansion, which will include the company's geographical footprint, an increase its customers and emerging markets. It can therefore be said that the company is setting itself a future goal of permanent expansion and that Controlant's strategy is now an expansion strategy.

Since its inception in 2014, Sidekick Health has had the goal of promoting health and combating lifestyle-related diseases. Preventive medicine is a hallmark of the company and it is widely used to promote the health and well-being of people, therefore preventing diseases, disability, and death. From the beginning, Sidekick Health's goal has simply been to increase people's health in a fun way, and that was done through script development. Although the company is still very young and has relatively few employees, it has not stopped Sidekick Health from concluding contracts with some of the largest pharmaceutical giants in the world. Sidekick Health's agreements with Pfizer and Bayer were considered very strategic and can greatly help the company in the international market. In other respects, Sidekick Health's policy seems to have focused mainly on improving the health of people to prevent lifestyle diseases.

When the COVID-19 pandemic hit, Sidekick Health, like Controlant, was faced with an opportunity. Sidekick Health worked with the COVID-19 response team in Iceland to create a digital platform in the field of health for people who have been diagnosed with COVID-19. The development of the Sidekick Health algorithm categorized infections by severity, which facilitated constant calls to healthcare professionals. In late 2020, Sidekick Health received almost ISK 3 billion in funding from foreign investors, and the company aims to expand its operations, increase the number of employees and develop its solutions further.

5. Evaluation

Preparedness (2/5): Controlant was founded in 2007 and Sidekick Health founded in 2014 and although seven years apart from their foundation they are both in their early life cycle. Although both companies aim to provide new solutions neither could foresee the pandemic.

Agility (4/5): Both companies responded quickly to the pandemic by using the opportunity to further get a foothold on the market with their services and ensure necessary funding for expansion. Controlant by gaining a foothold and being ready with a solution to monitor humidity and temperature on shipments and Sidekick Health by building on a platform to further advance digital health.

Robustness (4/5): The robustness of actions can be seen for example when Sidekick Health created a solution to remotely care for COVID-19 patients with a digital platform that was a relief to overstressed hospitals and health care clinics when human contact was strained.

Controlant was already ready with a wireless technology to measure real-time temperatures to ensure the quality of drugs.

Impact in Society (5/5): Both these companies with their technology and solutions have had a positive effect on society. Allowing drugs to be delivered globally to fight the pandemic or from manufacturers to distributors around the globe when time was of essence. Further with a platform to allow and provide COVID-19 patients to self-report on a panel of symptoms and measurements helped health care workers to assist a greater number of patients.

CASE STUDY 3

REACTION TOWARDS LOCKDOWN OF RETAIL INDUSTRY – THE CASE OF FESTI⁷⁶

Rationale for the case selection

Retailers in Iceland had due to Covid19 in first week of March 2020 to lock their shops. Amongst those were Festi, one of Iceland's largest retailers and listed at Nasdaq stock exchange. Festi like other retailers received a compensation aid package from the Icelandic government for COVID-19 relief. But only about couple of weeks later the company send out a press release stating that it would reimburse the aid received. The company's use of the program had reached a harsh criticism where both media and politicians questioned an aid granted to successful companies like Festi. The company had experienced a 3.5% decrease in Q2 2020 revenues since the onslaught of the Coronavirus in March 2020, which effectively ceased tourism and shuttered stores causing declines to its N1 fuel stations and the ELKO electronics store located at the Keflavik International Airport. The company offered this explanation in a press release:

“The partial compensation route was used by the government instead of resorting to redundancies and thus protecting the employment relationship with employees, as we are concerned about protecting jobs and keeping the good employees who work for us. The decision was made with good intentions and it did not occur to us that it would be considered dubious, as the company fully complied with the government's recommendations. These are strange times we live in now and many unexpected things that come up in the daily operations that we learn from.”⁷⁷

Most other retailers in Iceland had participated in the program. Some of them continued to do so, others stopped but didn't repay the aid while others did so in full. At the societal, political and business level the question remained unanswered, which was the right action of companies to take in the light of the uncertainty Covid19 was creating. Could it be immoral in any situations for companies to accept aid like these ones?

Institutional description

Festi was the result of a number of mergers and acquisitions, dating back to 1913 when the Danish company, DDPA (Det Danske Petroleum Aktieselskab) set-up an subsidiary to import kerosene, eventually leading to the establishment of the first petrol fuel station in 1920.⁷⁸ The company changed hands several times after World War II, becoming Oliufélagid and listing on

⁷⁶ We thank Klappir Green Solutions for providing information for this case study.

⁷⁷ Ritstjórn Kjarnans, “Festi ætlar að hætta að nýta hlutabótaleiðina,” May 8, 2020, <https://kjarninn.is/frettir/2020-05-08-festi-aetlar-ad-haetta-ad-nyta-hlutabotaleidina/>, Accessed December 13, 2020.

⁷⁸ Festi Website, Our History, <https://festi.is/en/cc/our-history>, Accessed February 15, 2021.

Nasdaq Iceland in 1994.⁷⁹ Through another series of mergers, the company became N1 in 2007 and after Iceland's financial crisis, the company restructured in 2011.⁸⁰

Another major change occurred in September 2018, when N1 acquired all shares of Festi, which included Krónan supermarkets, ELKO appliance stores amongst other assets some of which were divested.⁸¹ The group reorganized after the acquisition, whereby the parent company was given the name Festi and two holding companies were set-up: EGO for the group's investment and development; and, Hlekkur the holding company for the companies main operating businesses⁸²:

- N1 - 95 fuel stations (with 29 including Nesti convenience stores), 11 lubrication and tire repair shops and 6 corporate stores located throughout the country
- Krónan – 22 supermarkets differentiating with fresh produce and extensive product selection
- ELKO – 4 locations and 1 online store offering brand-name electronics and appliances
- Bakkinn – 1 location for warehousing and distribution services
- Festi fasteignir – the owner and operator of the group's real estate

As of the end of 2019, Festi posted total revenues of ISK 85 billion and EBITDA of ISK 7.6 billion.⁸³ Assets totalled ISK 81.2 billion of which ISK 5.4 billion was in cash and equivalents.⁸⁴ Combined, the company had 1,872 employees (1,158 full time equivalents) and total salary costs for 2019 were ISK 9.95 billion.⁸⁵ Festi was traded on Nasdaq OMX Nordic exchange and 85% of its shares were owned by 20 institutional investors including pension funds and banks.⁸⁶

Inward resilience

During March 2020, it was unclear how the restrictions would affect Festi in the coming months. It was, nevertheless, clear that there would be a great restriction on ELKO's operations in the Keflavik airport, resulting in a total revenue loss in the store. A recession in the tourism industry, along with less traffic and activity in fishing also had a negative impact on the management of N1's fuel stations and shops. Therefore, the company faced employee layoffs in N1 during that time.⁸⁷

⁷⁹ Festi Website, Our History, <https://festi.is/en/cc/our-history>, Accessed February 15, 2021.

⁸⁰ Festi Website, Our History, <https://festi.is/en/cc/our-history>, Accessed February 15, 2021.

⁸¹ Festi Website, Our History, <https://festi.is/en/cc/our-history>, Accessed February 15, 2021.

⁸² Festi Consolidated Financial Statements 2019, <https://ml-eu.globenewswire.com/Resource/Download/9dd786e3-6d05-481b-8d05-2f78438b6494>, Accessed March 14, 2021.

⁸³ Festi Consolidated Financial Statements 2019, <https://ml-eu.globenewswire.com/Resource/Download/9dd786e3-6d05-481b-8d05-2f78438b6494>, Accessed March 14, 2021.

⁸⁴ Festi Consolidated Financial Statements 2019, <https://ml-eu.globenewswire.com/Resource/Download/9dd786e3-6d05-481b-8d05-2f78438b6494>, Accessed March 14, 2021.

⁸⁵ Festi Consolidated Financial Statements 2019, <https://ml-eu.globenewswire.com/Resource/Download/9dd786e3-6d05-481b-8d05-2f78438b6494>, Accessed March 14, 2021.

⁸⁶ Festi Consolidated Financial Statements 2019, <https://ml-eu.globenewswire.com/Resource/Download/9dd786e3-6d05-481b-8d05-2f78438b6494>, Accessed March 14, 2021.

⁸⁷ Festi ætlar að hætta að nýta hlutabótaleiðina. (2020. 8. maí). *Kjarninn*. Sótt af: <https://kjarninn.is/frettir/2020-05-08-festi-aetlar-ad-haetta-ad-nyta-hlutabotaleidina/>

Festi applied to the partial compensation program for its employees when the aid was introduced in March 2020. At that time, there was enormous uncertainty in the operating environment of companies and the business community. Moreover, it was unclear how the pandemic would unfold given unknowns about the disease and the effectiveness of the restrictions. The law for the partial compensation route had been passed by the parliament of Iceland, with great haste and its criticism included that preconditions were not defined properly for companies in order to be eligible for the aid. Authorities did, however, emphasise presenting the partial compensation route and encouraged companies to utilize it instead of layoffs due to contractions in operations.

By May 2020, the pandemic began to subside with daily infection rates in Iceland falling dramatically. During that time, Festi's operations had contracted with sales dropping by 3.5% from ISK 21.4 billion to ISK 20.6 billion in Q2 2020.⁸⁸ Sales of the N1 fell by 27% in the same period.⁸⁹ Offsetting the decrease was a 15.3% increase in Krónan supermarkets and 15% increase in ELKO overall.⁹⁰

With improving conditions, the Icelandic press began to investigate which companies had utilized the partial compensation route and whether the aid had been necessary for large and well-funded companies. Furthermore, companies were also criticized heavily for having paid dividends to shareholders and bought their own shares at the same time as they had reduced the staff ratio. Festi was among the companies the government and general public had criticized for utilizing the partial compensation route, since the company had maintained a strong financial position.

Before it became clear which companies had utilized the aid, Iceland's Prime Minister Katrin Jakobsdottir, addressed the nation stating how Icelanders had placed their trust in solidarity to the response to the COVID-19 pandemic instead of resorting to curfews. Furthermore, she described how Icelanders had risen together under that responsibility and claimed the nation could be proud of belonging to such a community.

On May 7th, 2020, news media began reporting on at least five registered companies traded on Nasdaq Iceland, including Festi, that had utilized the partial compensation route and many focused on companies that had no experienced financial difficulties.⁹¹ Of these five companies, namely the other two companies operating networks of fuel stations – Skeljungur and Hagar – had utilized the partial compensation route at the same time as buying back their own shares. In addition, Skeljungur had paid shareholders an ISK 600 million dividend at the beginning of April 2020.

When it was revealed that successful companies had utilized the partial compensation route at the same time as they paid dividends to their owners or bought their own shares, Iceland's

⁸⁸ Festi Company Announcement, Festi Q2 2020 Interim Report, 6 August 2020, <https://www.globenewswire.com/news-release/2020/08/06/2074506/0/en/Festi-hf-Financial-results-for-Q2-2020.html>, Accessed March 27, 2021.

⁸⁹ Festi hf. (2020) Afkoma á öðrum ársfjórðungi 2020. Sótt af: <http://www.globenewswire.com/news-release/2020/08/06/2074502/0/en/Festi-hf-Afkoma-%C3%A1-2-%C3%A1rsfj%C3%B3r%C3%B0ungi-2020.html>

⁹⁰ Festi hf. Presentation of Q2 2020 results, <https://www.globenewswire.com/news-release/2020/08/07/2074897/0/en/Festi-hf-Presentation-of-Q2-2020-results.html>, Accessed March 27, 2021.

⁹¹ Ríkisendurskoðun (2020). *Hlutastarfaleiðin: Atvinnuleysisbætur vegna minnkaðs starfshlutfalls*. Sótt af: <https://rikisendurskodun.is/hlutastarfaleid-uttpekt-rikisendurskodunar/>

Prime Minister had to answer for the government's decision and implementation of the partial compensation route. She claimed that it had always been part of the plan for the aid to be solely for companies in need. Furthermore, companies were not expected to take advantage of the aid meant to save the nation's companies.⁹²

Unnur Sverrisdóttir, CEO of The Directorate of Labour stated that it had come as a surprise to her that financially strong parties had used the partial compensation route and considered it offensive to people's sense of justice.⁹³ Ásmundur Einar Daðason, Minister of Social Affairs strongly objected in the news media pointing out that large, successful companies that were not facing any operational difficulties, had utilized the aid with tens of millions of ISK in costs for the Treasury and even paid dividends at the same time.⁹⁴ He stated:

"It is completely intolerable that we are here with the public fund working to develop resources to support the people and companies in this country which is of course extremely important, at the same time we see companies abusing this and I just think it is immoral at best."⁹⁵

One of the companies, Skeljungur, announced that it had made a mistake utilizing the partial compensation route and the company ceased the aid benefits and offered their employees back their full-time jobs beginning May 1, 2020. Furthermore, Skeljungur decided to reimburse the Directorate of Labour for the costs.⁹⁶

Outward resilience

In an interview with Iceland's national news channel RÚV on May 7, 2020, Festi's CEO Eggert Þór Kristjánsson claimed the company was doing well. During the interview, Eggert Þór defended the use of the aid package since a number of Festi's employees were out of work at the Keflavik airport ELKO store along with staff at N1's service stations. Festi understood that the law was meant to prevent layoffs in companies. The company chose this route due to closures noting that it did not utilize the aid for office jobs or any part of the company that did not have affected employees. Eggert Þór also revealed that the company had utilized the aid for 5.5% of its employees and the estimated cost to the state amounted to ISK 40 million. Finally, he said that he did not believe the company would take the same steps as Skeljungur did when they stopped utilizing the partial compensation route.⁹⁷ (Previously, on March 23,

⁹²Tryggvi Páll Tryggvason. (2020. 7. maí). Ætlast til þess að fyrirtæki misnoti ekki „björgunarhringi“ stjórnvalda. *Vísir.is*. Sótt af: <https://www.visir.is/g/20201080292d>

⁹³Jón Trausti Reynisson. (2020. 8. maí). Samstaðan og þeim sem er sama. *Stundin*. Sótt af: <https://stundin.is/grein/11160/samstadan-og-their-sem-er-sama/>

⁹⁴Sigríður Dögg Auðunsdóttir. (2020. 7. maí). Í besta falli siðlaust að misnota hlutabótaleiðina. *Rúv.is*. Sótt af: <https://www.ruv.is/frett/2020/05/07/i-besta-falli-sidlaust-ad-misnota-hlutabotaleidina>

⁹⁵ Í besta falli siðlaust að misnota hlutabótaleiðina. (2020. 7. maí). Kvöldfréttir Rásar 1 & 2 kl. 18:00. Sótt úr gagnagrunni Fjölmiðlavaktar Creditinfo, <https://www.ruv.is/frett/2020/05/07/i-besta-falli-sidlaust-ad-misnota-hlutabotaleidina>

⁹⁶Skeljungur sér að sér. (2020, 7. maí). *mbl.is*. Sótt af: https://www.mbl.is/vidskipti/frettir/2020/05/07/skeljungur_ser_ad_ser/

⁹⁷Kristín Ólafsdóttir og Berghildur Erla Bernharðsdóttir. (2020. 7. maí). Gerir ráð fyrir 7,3 milljarða rekstrarhagnaði en ætlar ekki að hætta við hluta-bóta-leiðina. *Vísir.is*. Sótt af: <https://www.visir.is/g/20201082049d/gerir-rad-fyrir-7-3-milljarða-rekstrarhagnadi-en-aetlar-ekki-ad-haetta-vid-hluta-bota-leidina>

2020 Festi had decided at the company's annual general meeting to defer payment of dividends in the amount of ISK 650 million and to not pay out management bonuses.⁹⁸⁾

A day after the RÚV TV interview on May 8, 2020, Festi made an announcement that it had decided to stop utilizing the partial compensation route from that day forth. In its announcement, the company reaffirmed that it had neither paid dividends nor bought its own shares from the time the aid was introduced. The company explained that it was encouraged to utilize the partial compensation route by the government as opposed to resorting to employee layoffs. Thus, the company had protected the employment relationship with its employees, as it was concerned about safeguarding jobs and keeping employees who were working for it. Furthermore, he reiterated the company used the partial compensation route because of limitations to the company's shops not because of lower demand.⁹⁹

Eggert Þór explained his view how the situation had escalated with the government and media in a letter:

“The Minister of Social Affairs believed that "well-to-do companies" should not take advantage of the share compensation method and I decided to change my mind and refunded on behalf of the subsidiaries ELKO and N1 the funds that VMST had paid our employees in share compensation. This turnaround in the executive branch was special because of the dismissal of people who went against the goals of the share-compensation route - it was important to keep the employment relationship.

We who are managers in companies are part of the community we want to be together in and try to improve it while we are here. In this light, one reacts if the Minister thinks that the company you run is "wrong" - but I repeat that we did what we did to maintain the employment relationship and followed the rules that were set.”

Additionally, he would not rule out the possibility of Festi having to resort to layoffs in the future.¹⁰⁰ In a separate interview, he talked about how the government had changed their mind about the partial compensation program:

“The authorities want something different than what was proposed. We are part of the community and take responsibility. New decisions are made if necessary, you are not so proud that you are going to drive into a ditch.”¹⁰¹

⁹⁸ Stefnt var að greiðslu arðsins þann 20. apríl 2020 til hluthafa. Stjórn Festi var hins vegar veitt heimild til að meta og taka ákvörðun um hvort rétt væri að fresta greiðslu arðsins eða fella hana niður, með hliðsjón af sjóðsstöðu og aðstæðum í rekstri samstæðu félagsins, til allt að 23. september 2020.“ Í samræmi við ákvörðun aðalfundar tók stjórn Festi ákvörðun í apríl um að fresta ákvörðun um greiðslu arðs vegna rekstrarársins 2019. Sjá tilkynningu: Festi hf. (2020) Frestun á arðgreiðslu vegna rekstrarársins 2019

⁹⁹ Í besta falli siðlaust að misnota hlutabótaleiðina. (2020. 7. maí). Kvöldfréttir Rásar 1 & 2 kl. 18:00. Sótt úr gagnagrunni Fjölmiðlavaktar Creditinfo, <https://www.ruv.is/frett/2020/05/07/i-besta-falli-sidlaust-ad-misnota-hlutabotaleidina>

¹⁰⁰ Erla María Markúsdóttir. (2020. 8. maí). „Ekki það stolt-ur að maður ætli að keyra út í skurð“. *mbl.is*. Sótt af: <https://www.mbl.is/vidskipti/frettir/2020/05/08/ekki-thad-stoltur-ad-madur-aetli-ad-keyra-ut-i-skur/>

¹⁰¹ Erla María Markúsdóttir. (2020. 8. maí). „Ekki það stolt-ur að maður ætli að keyra út í skurð“. *mbl.is*. Sótt af: <https://www.mbl.is/vidskipti/frettir/2020/05/08/ekki-thad-stoltur-ad-madur-aetli-ad-keyra-ut-i-skur/>

The company was still not clear exactly how it would repay the government since the amounts had been paid out to the individual employees instead of the government. Eggert Þór stated:

“We contacted the Directorate of Labour on Friday to repay the partial compensation route. It is not yet in the process of how this will be done. The process does not exist and it is being designed. The employees received the payments, not the companies.”¹⁰²

Even after Festi announced it would be repaying the amounts collected under the program, not all critics and politicians were convinced. Þorsteinn Sæmundsson, Member of Parliament for the Center Party stated the following in Iceland’s parliament:

“The tastelessness of the week goes to the CEO of a company called Festi. Like many others, he was caught with the lid in a common cake can of the people and returned the spoils afterwards. But this is not about a proud CEO, this is about respect, honesty and openness, and it does not exist there.”¹⁰³

Festi maintained that it had done everything according to the government’s recommendation at the time.¹⁰⁴ Festi reiterated their policy on social responsibility.

Evaluation

Preparedness (2/5): The fact is that all businesses were operating in a time of great uncertainty in March 2020 with a once-in-a-century situation. Furthermore, the rules were not clear as at the time, the law only stated that companies requesting aid needed to have a temporary reduction in the employer's activities, without defining the level. It is hard to see in which way a retailer like Festi could have been prepared for what was to come.

Agility (4/5): As of May 2020, there was more optimism about reopening the economy, however, it was still expected that tourism would be very minimal until the situation with COVID-19 improved substantially on an international basis. Hence some observers might appreciate Festi CEO’s position to both seek aid to secure the operation of the company but then shortly after commitment to pay back the funds to the government.

Robustness (5/5): The company responded quickly to the criticism as soon as new operational numbers were coming through, showing that the industry most likely would weather the storm by its own.

Impact in Society (4/5): The size and the importance of Festi as an employer in Iceland cannot be undermined. It is evident from the case that the company was trying to do its best to secure its livelihood. Others are still upset and feel that Festi had crossed the line by requesting to be a part of the program in the first place. They point to the continued

¹⁰² Andri Eysteinnsson, “Festi hefur haft samband við Vinnuálastofnun vegna endurgreiðslu hlutabótaleiðarinnar,” *Visir*, May 12, 2020, <https://www.visir.is/g/20201323814d>, Accessed March 19, 2021.

¹⁰³ Forstjóri Festi á „smekkleysu vikunnar“. (2020. 12. maí). *Mbl.is*. Sótt af: https://www.mbl.is/frettir/innlent/2020/05/12/forstjori_festi_a_smekkleysu_vikunnar/

¹⁰⁴ Festi ætlar að hætta að nýta hlutabótaleiðina. (2020. 8. maí). *Kjarninn*. Sótt af: <https://kjarninn.is/frettir/2020-05-08-festi-aetlar-ad-haetta-ad-nyta-hlutabotaleidina/>

improving conditions, Festi's financial strength and the gains made in Festi's stock price over the last number of months and years.

Exhibit - Festi Code of Conduct & Corporate Responsibility

Code of Conduct from Festi Website

"We are aware that the reputation of Festi and its subsidiaries is one of the company's most valuable assets. In light of this, we have established the following code of conduct, which applies to all the company's operations, all its employees and board, as well as the contractors who carry out projects for the company.

The community: We follow all laws and regulations pertaining to the company's activities and strive to be reliable participants in the community.

The customers: We respect our customers and strive to provide them with excellent products and services at reasonable prices. In the same way, we respect our suppliers and value their role in the value chain.

The staff : We strive to ensure the safety and well-being of the company's employees with good conditions in the workplace, education and training. We follow recognized safety and health standards. We are tolerant, take different points of view into account and allow everyone's talents to be enjoyed. We promote equality in the workplace and are objective and fair in all our dealings. We do not suffer from bullying or other harassment.

The shareholders: We provide shareholders and other market participants with correct and clear information about the company's operations as a qualified company in the market. The company follows market rules and good governance.

Environment: We show respect for the environment and strive to offer environmentally friendly products and services. We strive to cause the least possible damage to the environment through the company's operations and adhere to recognized environmental, quality, safety and health standards.

Confidentiality: We respect the confidentiality of the confidential information we receive, and maintain that confidentiality even after resignation. We do not use confidential information for the benefit of ourselves or others.

Approved February 27, 2020"

Source: Festi Website, Siðareglur Festi ,
<https://arsskyrsla2019.festi.is/stjornarhaettir/sidareglur-festi>, Accessed March 27, 2021.

Corporate Responsibility from Festi Website

“In 2019, Festi and its management companies began work on formulating social responsibility goals and aligning them with the United Nations' Goals for Sustainable Development in line with its core business. That work has been completed at Festi, Króna and N1.

Festi has chosen five world goals to focus on in the coming seasons.



The company wants to continue to significantly reduce waste through prevention, greater recycling and reuse, thus supporting the global goal 12 of responsible consumption. The climate goals will continue to be supported with the aim of reducing emissions and carbon offsetting the company's operations. This is how it works in the spirit of Global Goal 13: Climate Action. The good work that all the companies have done in carbon offsetting this year continues. The main projects of the parent company are related to the merger of the companies during the year, transport under one roof and the merger and development of support departments for all the operating companies. Last year, Festi's policy was formulated that the parent company intends to focus well on the management companies with support services and the investments they need so that they continue to achieve the good results that are expected and can work towards the future vision that they aim to. The parent company places great emphasis on all companies pursuing sound and good business practices, thus supporting the global goal 8 of good employment and economic growth for the future. Each company within the group has formulated its own policy for the future and these policies have been presented to the board and will be implemented during the year. The implementation is very important and service is one of the aspects that all the companies will focus on. Krónan has formulated a very clear policy regarding environmental protection, public health and informed choices, which has already become a competitive advantage. N1 has a clear strategy as an energy supplier and places great emphasis on environmental issues. ELKO is the largest electronics store in the country, which intends to continue to be a leader in its field in Iceland. Bakkin emphasizes efficiency in service and efficiency in all processes and can thus offer very favorable services for those customers who want to outsource warehousing services and distribution in whole or in part. Environmental issues are extremely important in the operations of the management companies and will continue to be so, but emphasis has been placed on reducing the carbon footprint. The future for ELKO, Festi fasteignir and Bakkan is to set climate goals and targets for reducing waste emissions. Festi and its subsidiaries are all members of FESTU, a center for social responsibility. Festi and its subsidiaries are also members of the Environment Agency's Procurement Network, the Iceland Chamber of Commerce, the Trade and Services Association, the Confederation of Icelandic Employers, Dokkun and Stjórnvís.”

Source: Festi Website, Samfélagsábyrgð,
<https://arsskyrsla2019.festi.is/samfelagsabyrgd/samfelagsabyrgd>, Accessed March 27, 2021.

CASE STUDY 4

KLAPPIR GREEN SOLUTIONS¹⁰⁵

Rationale for the case selection

The United Nations' 17 Sustainable Developmental Goals (SDGs) were presented in their vision for 2030¹⁰⁶. Throughout the world, social awareness is growing, as some companies have decided to adopt the SDRs and thus promote social responsibility as part of their strategic goals. To date, research has focused on how stakeholders can set goals to align with the SDGs¹⁰⁷ and address challenges in their implementation¹⁰⁸. There is a lot of growth in research that sheds light on how companies can incorporate SDG into their policies¹⁰⁹. After the Covid19 coronavirus made its inroads in the spring of 2020, researchers have assessed how companies have responded based on a focus on corporate social responsibility; that is, whether it has been declining or increasing during the virus¹¹⁰. Connected to the focus on the SDGs, an increased focus has been on the umbrella concept of Environmental, Social and Governance (ESG) criteria that enable organizations to assess sustainability and governance matters while harnessing the benefits of financial performance¹¹¹¹¹². Still, the United Nations acknowledges progress on the SDGs agenda is too slow¹¹³. As a further challenge, Covid-19 is projected to worsen 12 of the 17 SDGs¹¹⁴.

Although companies have started applying the SDGs and the ESG, indicators in their disclosure of are complicated. The SDG's includes 17 main goals, 169 targets and 231 unique indicators linked to the goals. A subset within SDG's includes Environmental, Social and Governance indicators or the ESG, with 33 indicators. There is a lack of measurement, standardization and approved conversion factors that makes it difficult to understand what indicators and measures can drive businesses in an efficient and transparent way towards sustainability. Hence, there is neither a common global methodology nor a platform for disclosing information that foster the transition towards a low-carbon and more equitable society aligned with the 2015 Paris Agreement on climate change, the United Nations 2030 Agenda and the Sustainable Development Goals (SDGs)

The Icelandic company Klappir Green Solutions was created in 2015 to address this dilemma, by developing a new methodology and technology that would try to solve three main barriers which are thought of being the most serious hindrances. These were first the vast number of different actors where each of them is blocked within own silo (own understanding of the indicators, methodology and data sources), the second barrier is the sector-gap between government, universities, and the businesses. Each of these three sectors have different view on sustainability, work separately toward their individual performance goals and have

¹⁰⁵ We thank Klappir Green Solutions for providing information for this case study.

¹⁰⁶ United Nations. (2015). Transforming Our World: The 2030 Agenda for Sustainable Development. UN report.

¹⁰⁷ <https://doi.org/10.1016/j.cosust.2017.01.010>

¹⁰⁸ <http://dx.doi.org/10.1016/j.cosust.2017.05.002>

¹⁰⁹ <https://doi.org/10.1057/s42214-018-0008-x>

¹¹⁰ <http://DOI.org/10.3390/su1213534>

¹¹¹ Gillan, S., Hartzell, J., Koch, A. & Starks, L. (2010). Firms' environmental, social and governance (ESG) choices, performance and managerial motivation, Working Paper.

¹¹² <http://doi.org/10.3390/su7021932>

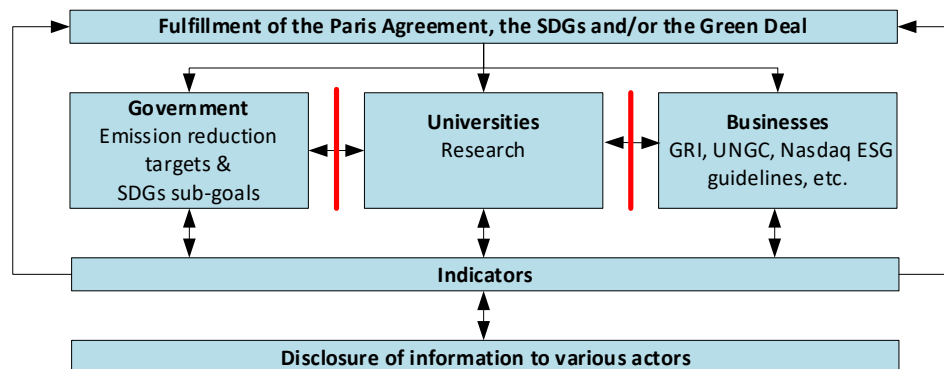
¹¹³ https://sustainabledevelopment.un.org/content/documents/24978Report_of_the_SG_on_SDG_Progress_2019.pdf

¹¹⁴ <https://doi.org/10.1016/j.worlddev.2020.105082>

different drivers for working on sustainability projects. The third barrier is the significant number of frameworks, guidelines and voluntary standards that already exist for ESG and SDG's reporting, even running into the hundreds. In fact, this is a big part of the problem. As an example, there are general guidance's such as the United Global Compact (UNGC), and Nasdaq ESG reporting guidelines, and standards including the Global Reporting Initiative (GRI). There are also number of ISO standards like ISO 14001 and ISO 26000 and other. This chapter studies the threats facing Klappir Green Solution's effort, as a mean to aid the implementation of the United Nations Sustainable Development Goals (SDGs) and the Environmental, Social and Governance (ESG) framework, when Covid19 disrupts not only strategies of companies but in some instances their existence.

Institutional description.

Klappir Green Solutions is a five-year-old software company listed at First North at Iceland Stock Exchange (Nasdaq), employing about 30. It has developed a platform for sustainability reporting and had in 2020 over 350 connected companies and more than 3000 users mainly in Iceland and starting to grow abroad. The Klappir platform is designed to promote sharing of SDG knowledge between connected organizations, to increase companies' capability. Each company can also share data with other companies through the platform, when needed. Klappir has developed multiple digital software solutions built to work on the sustainability reporting platform. To overcome the barriers mentioned above, common methodology needs to be agreed upon by the different actors, use of the right data sources, calculation, and conversion factors and standardized disclosure of the SDG's indicators. Only with this in place, it will be possible to remove the barriers, highlighted in the figure below in red, and get joined effort on common goals. That is Klappir Green Solutions' mission.



Inward resilience

The Klappir Green Solution team consist of sustainability specialists and software developers who combine a passionate vision for how to improve the world with a modern approach to sustainability and deep insights into the latest technology advances. The educational background of the employees includes Software Development, Law, Business Administration, Engineering, Political Science, Psychology, and Theoretical Physics, as well as creative fields such as Writing, Marketing, and Media. The employees are relatively young (average age 38) and motivated towards the young company's vision *to create long term, quantifiable sustainability value for societies using software solutions*. Klappir Green Solution's values are

just as well integrated into the company's culture and lived by, being *We care for the environment and are committed to use resources wisely. We lead in a passionate way, providing cutting edge digital sustainability solutions. We are responsible towards all our stakeholders: our teams, our customers, our investors, our society, and the whole natural world.* The challenge facing the company at the time when Covid19 entered the scene in March 2020, was both to test resilience internally in terms of culture, creativity, engagement, output of employees, and externally against actors as businesses, governmental agencies and universities.

When it became apparent in beginning of March 2020 that a near total lockdown was to be the governmental decision, the CEO of Klappir, Jon Agust Thorsteinsson, decided that he needed to have an emergency meeting with his employee.

I needed to meet the employees right away and explain how serious the situation was. I think not many realized that Iceland was going from being more and less corona virus free to a serious situation and that not only meant health related but operations of more and less all companies would be scattered. We at Klappir Green Solutions built so much on the specialty, loyalty, creativity and R&D of our employees, that it was a massive dilemma to me how to approach those cultural aspects when employees would have to work from home. On top of this was the fact that Klappir Green Solutions, five years start-up, was just in its initial face of a growth strategy. That meant a strong focus on marketing and sales. How would I be able to carry that forward with the office closed? I needed to meet with my employees right away and find a solution all would find agreeable.

In explaining what he anticipated from the discussion at the meeting and is mentioned above, Jon Agust was especially worried about the cultural aspect of employees not being able to work at the office. In an IT / software company, it is in his opinion, instrumental that employees come together and collaborate in a cohesive way solve the continuous stream of issues that come up. IT developers, software programmers, marketing and sales people along with those who directly service customers when they have begun using the software, all must share learning and continue in a structured but fast way to deliver value to customers. Jon Agust claims that pleasantly surprisingly the cultural aspect worked well and the whole value chain of the company did hang together. Jon Agust explains.

We have more and less worked from home for a full year now. I am surprised how things have gone well. But I think that it is no accident in which way we responded to the crisis. First thing was to take care of that all employees had all the facilities we as a company could equipped them with. That is establishing a home office for everyone, with possible restrictions that each employee's household allowed. Then secondly, we decided to begin every singly working day with a short meeting of all employees. In that way it would be like as showing up at the office in the morning. This worked out very neatly and employees were happy with it where they felt some comradeship. We are still recon that nothing exchanges communication at the coffee machine!

The VP for Marketing and Customer Relations, Sigrún Jonsdottir, reflected on the difference when it comes to employees' personalities depending on which field of work they belong to.

For my employees at the front line of the company, that is in marketing and in direct communication with customers, it was truly hard to keep up both phase and moral. These people are typically extravert and thrive on meeting other people face to face, just as much as their own colleagues. They want to go out for lunch together and go to the pub after work. When this was removed because of Covid19 a big part of their daily routine and energy source vanished. I felt that output of these people went down, while I noticed that our programmers were doing just fine or as nothing had changed.

It goes without saying that industries have been differently hit by the Covid19 virus. Klappir Green Solutions sells its software to all industries, governmental agencies, municipalities and cooperates closely with universities. For a company early in its life-stage and just recently started to sell its products and services, it is a matter of life or death to keep the revenue stream. First wave of Covid19 lockdown in Iceland, March – May 2020, came with a blow on the income statement of the company. All customers within tourism, big and small, discontinued their subscription to the software. Jon Agust explains:

This was one of the hardest experiences I have been through. This was rowing for one's life. We saw an immediate drop in revenue when customers from tourism industry left. We noticed that other companies were on the tentative stage. Still a swift reaction was needed to decrease cost. We decided to keep all employees and we managed to do that with the help of the government aid introduced beginning of March 2020 which offered companies a 25% salary contribution. This we accepted for 3 months. At that point in time, we had managed to stabilize the operation and could survive on our own.

Keeping other type of customers became of highest vitality. Far from all of them (all industries) where taking a blow because of Covid19. Some like governmental agencies many managed to keep running their operations as usual, same applied for municipalities, although tax revenue and various type of financial support was needed from these bodies to those in need. Industries like retail, whether food and clothing, or sports or those who could sell through the interview, were many doing fine. The big question was whether companies would leave their focus on sustainability measures in time of uncertainty. And whether they would continue to see Klappir Green Solutions as their software provider for their sustainability platform.

The CEO of Klappir Green Solutions, Jon August, says that several observations were made. First, sustainability strategy continued to be vital as a key mechanism of most companies. They felt they both need and wanted to continue advancing with SDGs/ESG and it reflected on Klappir Green Solution's reputation as a solid high-quality provider of such solutions, that business did not drop. The company conducted surveys amongst customers to map the likelihood of continuous focus on sustainability. Few quotes describe the view towards sustainability during the Covid19 issues:

We believe its partially because of a very clear sustainability strategy we have put great effort in executing, and made a strong culture for, we will stick to our sustainability strategy.

The business must be green – enormously important – and the existence of a sustainability platform strengthens us in carrying out that strategy.

The VP for Marketing and Customer Relations, Sigrún Jonsdottir, described how Covid19 has created a supportive environment for sustainability strategy of companies.

It seems to me that all the discussion around the Covid19 pandemic, which is so much at the societal level, on matters that effect the whole society, that companies if anything has moved closer to integrating sustainability into their strategy. For the first part of the pandemic that period might be characterized by uncertainty and fear, but then gradually we have seen more and more companies searching for a platform to rest their sustainability initiatives on, and that is what we provide. Since the start of 2021 we have never had as much lead in our pipelines and new customers joining. And we do not see any difference between industries, except tourism is none-existing.

Then SDGs and ESG are seen to be even more important elements with Covid-19 situation taking place. Some participants in the survey noted that while the environmental (“E”) component was one of the major focuses, there was a greater movement to the social (“S”) and governance (“G”). Many business leaders believed ESG to remain paramount even if it meant needing to delay some of the environmental projects for cost considerations. A senior officer of a financial company commented:

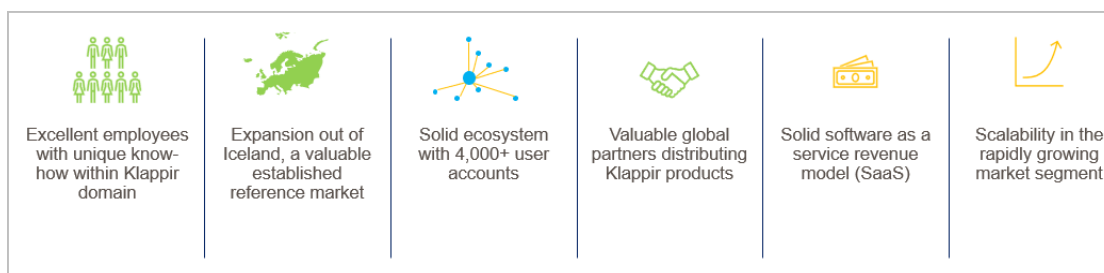
I believe that the Covid-19 crisis has pushed what I call the ESG agenda rather than not. I say that where my experience is that the environmental factor has received most attention of investors, but the crisis has pushed forward the social and governance ones. The environmental factor seems to have mattered the most to investors, but Covid-19 is pushing social matters forward where the crisis has hit people hard.

Part of the sustainability development has been issuing of green bonds and socially responsible bonds. Green bonds were still considered to be a vital financing mechanism and some participants pointed to a lack of supply of Green Bonds given the heavy demand. A company’s CFO commented:

Covid-19 has just strengthened us in driving towards being socially responsible. Of course, we run a stable business. Few clients have run into such difficulties that have impacted our operations. If there is an occasional hotel that goes under, it does not drive our decision-making process. Because of Covid-19, investors look towards investments in infrastructure, and we benefit from that.

Assessing the impact of Covid-19, the participants seem determined that SDG, ESG and other sustainable initiatives as issuing of green bonds continue to remain of utmost importance.

Klappir Green Solutions had the technological and infrastructure strength to include various type of tools to apply as an internal response of Covid9. The solutions related to work from home, distance meetings, web conferencing, remote service, digital channels, such as a web chat, increase in cleaning of buildings and surface, use of the company’s equipment at home.



Outward resilience

Today the global sustainability market is forming and going mainstream. However, while the economic indicators are well established, systematic, and robust (Reisman, Olazabal and Hoffman, 2018¹¹⁵), the parallel task regarding the measurement of social and environmental impact lacks such historical pedigree (Reeder, Colantonio, Loder and Jones, 2015¹¹⁶), given that there is neither a common methodology nor a platform for accounting and disclosing sustainability information. The focus of the Klappir Green Solution market study was on the market for digital platform solutions to create sustainability ecosystem, especially digital platform solutions that support sustainability accounting, reporting and disclosure in times of Covid19 and beyond.

While there appears to be an intuitive connection between SDGs and ESG, the research on ESG has typically focused on the motivation of a firm and its managers to adopt an ESG framework (Gillan et al., 2010¹¹⁷; Kocmanová & Šimberová, 2014¹¹⁸; Syed, 2017¹¹⁹) as well as the formation, adoption and disclosure of ESG measurements. Perhaps not surprisingly, several studies investigate financial performance of companies that adopt an ESG framework; in studying U.S. companies, Greenwald (2010¹²⁰) found that companies with stronger ESG scores beat earnings estimates more than companies with lower ESG scores. On a broader level, Friede, Busch and Bassen (2015¹²¹) ventured to summarize approximately 2,200 individual studies analyzing the connection between ESG criteria and corporate financial performance (CFP), finding that a large majority of the studies reported positive findings with financial performance appearing to be stable over time. Ortas et al. (2015¹²²) conducted an empirical analysis of companies who were committed to the United Nations Global Compact, a year 2000 initiative to encourage businesses to implement sustainable principles, finding that companies saw improvements in their ESG performance.

In Iceland the sustainability accounting, reporting and disclosure is forming within larger companies, many of them listed on Nasdaq. Most of these companies use the ESG guidelines from Nasdaq as a framework for disclosure while other use Global Reporting Initiative (GRI)

¹¹⁵ Reisman, J., Olazabal, V., & Hoffman, S. (2018). Putting the "impact" in impact investing: The rising demand for data and evidence of social outcomes. *American Journal of Evaluation*, 39(3), 389-395.

¹¹⁶ Reeder, Neil, and Andrea Colantonio (2013): "Measuring impact: critical overview of concepts and practice" EIBURS Working Paper, 2013/01. LSE Cities, London School of Economics and Political Science: London.

¹¹⁷ Gillan, S., Hartzell, J., Koch, A. & Starks, L. (2010). Firms' environmental, social and governance (ESG) choices, performance and managerial motivation, Working Paper.

¹¹⁸ doi:10.3846/16111699.2013.791637

¹¹⁹ <https://doi.org/10.1080/23311975.2017.1340820>

¹²⁰ Greenwald, C. (2010). ASSET4: ESG and earnings performance. Thomson Reuters.

¹²¹ Friede, G., Busch T. & Bassen, A. (2015). ESG and financial performance: Aggregated evidence from more than 2000 empirical studies. *Journal of Sustainable Finance & Investment*, 5:4, 210-233

¹²² doi:10.3390/su7021932

and United Nations Global Compact (UNGC). These companies are now increasingly connected to the Klappir Green Solution ecosystem and use the company's platform to simplify work, enhance transparency and an overview over progress towards their sustainability goals.

According to Sachs global SDG index - Iceland ranks number 26 on country scale¹²³. The main reason for Iceland's low rating, is poor performance on SDG 12 (Ensure sustainable consumption and production patterns), 13 (Take urgent action to combat climate change and its impacts), 14 (Life Below Water), 15 (Life on land) and average performance in SDG 17 (Partnership for the Goals). To increase the focus on SDG's, the SA Confederation of Icelandic Enterprise, established an Icelandic affiliate for cooperation on UNGC Iceland. Therefore, although still at its infancy, integrating the SDG's into business strategies is foreseen to become widespread in the future.

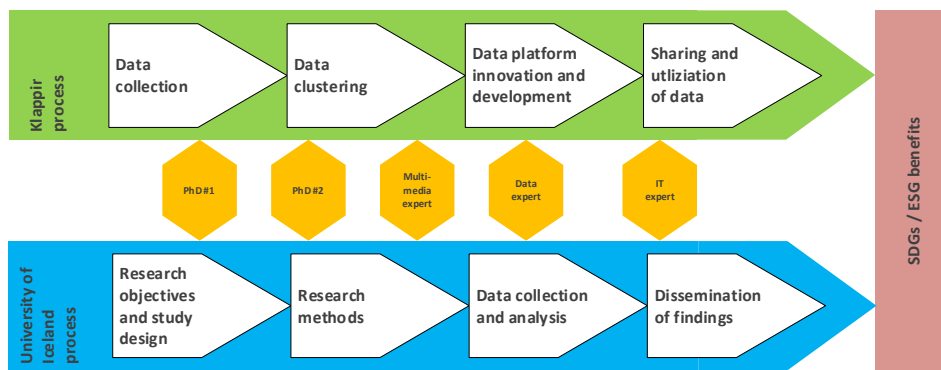
Globally the situation is similar as in Iceland. More and more executives agree that effectively addressing sustainability issues must be carried out in cooperation. The appreciation of the value of collaboration is explicitly built into SDG 17 which outlines various targets for a cross-sector partnerships. In general, globally businesses can explore at least three types of partnerships:

- Value chain partnerships, where companies in the value chain combine complementary skills, technologies, and resources and bring new solutions to market.
- Sector initiatives that bring several industry leaders together in efforts to raise standards and practices across the entire industry and overcome shared challenges.
- Multi-stakeholder partnerships, where governments, private sector and civil society organizations join forces to tackle complex challenges. The SDGs can help bring together partners around a shared set of goals and priorities.

Klappir Green Solution uniqueness is that its ecosystem can aligned to SDG17 as all three above mentioned needed cross-sector partnerships are included in the Klappir Green Solution ecosystem.

The challenge the company has faced during the Covid19 is keeping the necessary cooperation with key partners; with the research arena (universities), business industries and governmental agencies / municipalities. Together these agents need to align on definition of the indicators, methodology, calculation methods and how to present the results. To mitigate this challenge, Klappir Green Solution and the University of Iceland will utilize the existing ecosystem to get a structured and result driven communication initiated on each of the SDG's. The figure below shows the process of this cooperation.

¹²³ <https://dashboards.sdgindex.org/static/countries/profiles/Iceland.pdf>



A successful implementation of the project calls for a partnership with the university setting. University of Iceland has had a clear strategic focus on sustainability during the last few years. It decided to show its determination sticking to that strategy despite of Covid19 challenges and partner up with Klappir Green Solutions summer 2020 and join forces in research work including a literature review, development of methodology and validation of data, conversion factors and the outcome. University of Iceland was founded in 1911, is a progressive educational and scientific institution. It is a research led state university. It offers opportunities for study and research in 400 programs spanning most fields of science and scholarship: Social Sciences, Health Sciences, Humanities, Education, Natural Sciences and Engineering. The university employs over 1.300 people and has over 14.000 students of which there are more than 500 PhD students. In 2017 The University of Iceland is ranked no. 242 of the best universities in the world according to the Times Higher Education Supplement. Jon Agust, the CEO of Klappir Green Solutions, claims it was a breakthrough moment during Covid19 that the university decided to partner up in further developing the company's ecosystem.

With a broad remit around the creation and dissemination of knowledge, universities have long been powerful drivers of global, national, and local innovation, economic development, and societal wellbeing. As such, they have a critical role in the achievement of the Sustainable Development Goals (SDGs) and will also greatly benefit from engaging with society. The key role for universities is to provide the knowledge and solutions to underpin the implementation of the SDGs, through research, teaching and dissemination. Addressing the SDGs challenges will require new knowledge, new ways of doing things, making hard choices between competing options, and in some cases profound transformations. Universities drive technological and societal progress through research, knowledge creation, and adoption of new methods. They attract and nurture talent and creativity and are central players in regional and national innovation systems, and can therefore help understanding of challenges, opportunities, and interactions between the SDGs and its development and implementation¹²⁴.

Evaluation

Preparedness (2/5): Klappir Green Solutions were not ready to take on the Covid19 pandemic, or as with so many companies the severeness of the virus took them by surprise. What at first

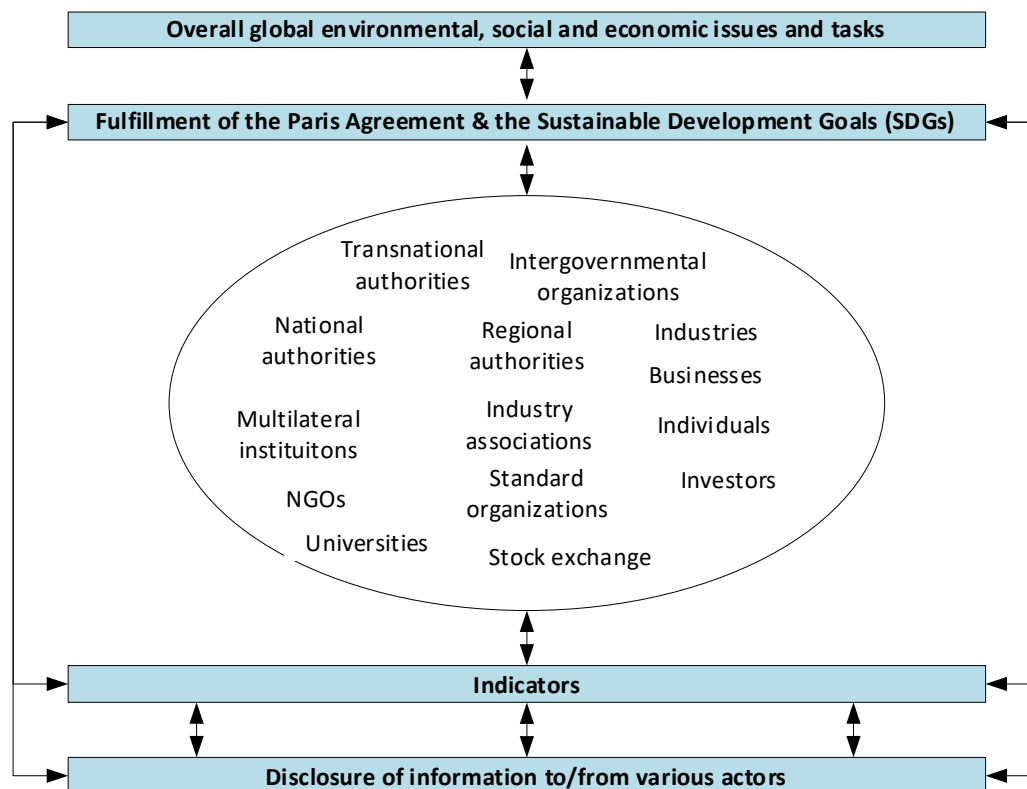
¹²⁴ See also http://ap-unsdsn.org/wp-content/uploads/University-SDG-Guide_web.pdf.

seemed to be just another yearly virus ended up with being a total crisis at the societal and economical levels.

Agility (4/5): A small and a young company like Klappir Green Solutions should be able to react quickly to crisis and such was this case. When the severeness of the crisis became known both internal and external reactions were swift. Employees were sent home but provided with necessary supplies and support and very short morning meetings were scheduled every working day. Externally close contact was kept with customers as possible, but it became evident while many of them had a full schedule themselves keeping up with crisis management.

Robustness (4/5): The first three Covid19 waves were manageable with the support that came from Klappir Green Solution’s headquarters. But VP Sigrún Jonsdottir claims that the fourth wave during spring 2021 was truly to stretch the limits. Employees have become tired of working only from home, especially those who are used front line role as being in contact with customers and other marketing and salespeople. They miss not going out for lunch and meet socially after work.

Impact in Society (5/5): The company has managed to keep up with growing demand, especially at the start of 2021 and since then. Hence impact on society is strong and getting stronger, where the core of the company’s product is to provide customers with a platform for them to rest their sustainability activities on.



LITHUANIA



Case Study 1. Maxima GRUPĖ (Lithuania)

<p>1.</p>	<p>Rationale for selection (area of activity, Covid19 Impact)</p>	<p>Impact on the Retail sector</p> <p>MAXIMA GRUPĖ, retail chain, is the largest Lithuanian capital company, one of the largest taxpayers and the largest employer in the country. During almost three decades Maxima GRUPĖ has grown from a single store in Vilnius into the largest Lithuania grocery retailer owning more than 1200 stores in the Baltic States, Poland and Bulgaria.</p> <p>The Baltics market has felt more strain from competition from large international food retailers for instance, Lidl. In 2021, Lidl will have entered all three Baltic countries, materially disrupting the competitive landscape. After Lidl entered the Lithuanian market, Maxima market share decreased to 32% in 2020 from 33% in 2019. Lidl will enter Latvia and Estonia in 2021, where Maxima holds dominant market shares (about 25.5% and 17.0%, respectively in 2019)⁴. This makes Maxima more sensitive to Lidl's push in these markets, as Maxima is building some of its competitive advantage on price positioning and price perception. This situation could create volatility in earnings and profit margins, since Maxima will have to defend its positions.</p> <p>Maxima GRUPĖ was among the first in the Baltics to launch e-retail operations. The e-grocery business BARBORA serves customers in Lithuania, Latvia, Estonia and Poland.</p>
<p>2.</p>	<p>Institutional descriptive statistics (no. of employees, age etc.)</p>	<p>The retail chain was established after the restoration of Lithuania's independence. The history of the company began in 1992, with the opening of the first stores in Vilnius. Company's legal status – private limited liability company, business activity is retail in food and consumables.</p> <p>At the end of 2019, MAXIMA GRUPĖ had more than 40.600 employees across 5 countries. A number of employees 0.7% increase compared to 40.300 employees at the end of 2018. MAXIMA is the largest job creator in Lithuania. The company employs about 15.000 people⁴. 1.3 million customers are serve every day. More than 550.000 customers visit the Maxima stores operating in Lithuania every day, where there are about 250 stores located over the country.</p>

Given that various customers have different needs, there are stores of several different sizes operating in Lithuania, i.e. MAXIMA X, MAXIMA XX, MAXIMA XXX and MAXIMA XXXX. These stores are easy to find because they operate in big cities, smaller towns and district centres. In the largest stores, part of the retail space is leased to specialized stores, so that the customers can find all the products and services they need in one place. Meanwhile, MAXIMA X is a community store that is located close to populated neighbourhoods, to which people go every day to quickly buy the products they need.

About 80 percent of the fresh food offered in MAXIMA stores is Lithuanian, while goods made in Lithuania make up more than half of all the products sold. The retail chain is committed to maintaining the quantity of its Lithuanian goods and to increasing the number of items from local producers in its product range.

3. Inward Resilience Evaluation (risk management, capacity to react to crisis, capacity to adapt to change etc.)

Large retail centers were never closed in Lithuania, as in many countries. Moreover, during COVID-19 pandemic, company became the first choice for many customers in the Baltic countries where Maxima retail chain is the market leader. However, the company's report² states that results were affected by COVID-19 pandemic. The revenue growth was negatively impacted by the lockdown measures taken by the national governments in the second quarter of 2020. On the other hand, pandemic accelerated shift to e-commerce and this resulted in increased company's revenue of online sales and compensated negative impact on revenue from lockdown measures. Company has not applied for any government assistance and has not received any government grants or concessions.

The company incurred additional costs related to protection of health of employees and customers and compensation to employees for the work in COVID -19 pandemic environment. Company provided temporary rent concession to tenants that suffered from the lockdown resulting in the decrease of rent income. COVID -19 negative impact on the company's profit before tax is estimated to be in the range of EUR 5 to 10 million². Although measures to prevent the spread of COVID -19 virus were relaxed by many governments at the end of the second quarter of 2020, the company's management monitors the situation and takes adaptive decisions to the changing environment. The company's priority is to maintain a safe environment to its employees and customers.

4. Outward Resilience Contribution (institutional impact in society, capacity to reach intended goals, collaborative activities etc.)

MAXIMA GRUPĖ strives that sustainability would become an integral part of every operation. It is what is right for customers, employees, partners, communities and the environment. As retail leader and one of the biggest taxpayers in the Baltics with gradually expanding the operations in Poland and Bulgaria, it is important for company to act in a responsible way and respond to the global challenges and trends that society faces. Being part of a tight network of local and international suppliers, MAXIMA GRUPĖ is aware of multiple challenges it has to respond to regarding its social and environmental performance. Understanding the scope of daily operations, company is building a stronger sense of responsibility over the impact of operations. 2018 for MAXIMA GRUPĖ marks the year of valuable commitments and increased responsibilities. Together with the development of the new company strategy until 2025, MAXIMA GRUPĖ has approved its new long-term Corporate Social Responsibility (CSR) strategy to 2025 aligned with company's goals. With this strategy company is looking for ways to improve the sustainability of business model while making an even higher contribution to the environment and society, adding to the well-being of key stakeholders. Creating a meaningful CSR 2025 strategy additionally ensures transparency before stakeholders and adds value to business.

MAXIMA GRUPĖ has built a strong vision to be a responsible leading retailer and create a shared value for customers, suppliers and societies. Therefore, company has set a focus on six key CSR directions. Customers are one of the most important stakeholders that company focus on. MAXIMA want to ensure the best shopping experience for customers that would create value for it. In 2018 company worked on better prices, revised assortment, invested in new stores and renovated existing ones, developed new convenient store formats and concepts, invested in home deliveries and introduced in-store solutions. MAXIMA GRUPĖ strive to offer customers more sustainable practices, creating cleaner environment and ensuring choices for healthier lifestyle.

As one of the biggest employers in the Baltic countries MAXIMA understand that more than 40 thousand employees are the ambassadors of the company and are most valuable asset. Therefore, company put great effort to ensure engagement, motivation and professional improvement of employees. Company seek to create the internal organizational culture where each team member from the top management to the operational level is appreciated, respected and empowered to reach their full potential, where equal opportunities, good working conditions and feedback are the foundation of daily work. Close cooperation with strategic partners – suppliers and producers – lets company create success business. Long years of great partnerships have given rise to Lithuanian businesses that have established

themselves in foreign markets together with MAXIMA GRUPĖ. Company pursued to develop even closer collaboration with local businesses, and work hand-in-hand with long-standing partners to achieve the best results. MAXIMA want to encourage sustainable business practices and be a trusted long-term partner that helps companies to reach their customers in a transparent and merit-based way.

When collaborating with its suppliers, MAXIMA promotes the principles of transparency, honesty, openness, goodwill, sustainability, communication and respect of the Lithuanian heritage. When creating its assortment, MAXIMA supports initiations, solutions and products that promote healthier nutrition, conservation of resources and environment, and the nurturing of Lithuanian products while also paying attention to problems and helping reduce social exclusion in the country.

MAXIMA is working to make a positive impact for communities and especially families in need. Therefore, company wants to continue active and responsible efforts to support communities, contribute to the general wellbeing and help solve problems that matter in the countries they operate in.

MAXIMA strives to be a valuable part of the community, wherever it operates. It is a socially responsible company which contribute to the social projects initiated by both public institutions and private initiatives. In 2020, the company allocated EUR 800 thousand for social projects. Every year, the most talented Lithuanian students can apply for the Lithuanian Maximalists scholarship established by MAXIMA. In 2020, the scholarship fund reached EUR 80 thousand. For 5th year in a row, MAXIMA has implemented the "We Are One Community" project, in which different communities submit projects that could contribute to the well-being of their members. In 2020, EUR 90 thousand was allocated for the implementation of 15 projects involving various communities in Lithuania³.

Maxima is also a member of the Association of Lithuanian Trade Companies and the Investors' Forum. MAXIMA GRUPĖ approach is to take care of the environment by reducing impact on it. In the long term, company strive for clean and sustainable business practices that would have as little as possible impact on the environment. Company is committed to find more circular systems for packaging and implement new renewable energy solutions to meet climate targets, accelerate emission reduction and manage food waste.

5. Expert evaluation of governance performance in the crisis context

Preparedness (4/5) – COVID-19 spread very quickly and the companies did not expect the virus stop the business. MAXIMA GRUPĖ was not prepared for a pandemic in terms of day-to-day activities as many companies in Lithuania. But very quickly the situation was brought under control. The company takes preventive measures to maintain a clean and safe store environment in all geographical areas in which it operates, works closely with governments in each country and follows official recommendations. The company is the largest employer in the Baltics, so it takes care of the health of its employees responsibly - all the employees who complain about health stay at home, and most of the office employees work remotely.

Agility (4/5) – The coronavirus pandemic continues to develop, so the ultimate impact of COVID-19 on the MAXIMA GRUPĖ business is still unknown. The situation is monitored daily and locally adjusted activities as necessary. Company monitors the effects of coronavirus on the supply chain. As a result, the supply chain is slower than usual, resulting in a temporary shortage of goods on store shelves. However, according to the report², the impact of the virus on the Group's results is not significant. MAXIMA GRUPĖ conducts e-commerce in the Baltic States using the BARBORA brand which was rapidly developed during the pandemic. During 2019-2020, BARBORA maintained its leading position in the region and has started to provide a pick-up service in Lithuania (38 pick-up stops). This service also has been launched for customers in Latvia and Estonia. BARBORA continues to improve the customer experience. For instance, one-click recipes, where all the ingredients needed to prepare a dish can be ordered at once, extended delivery hours to meet customer needs, pick-up points and a drive-in service that allows to pick up pre-assembled goods without leaving the car.

Robustness (3/5) – MAXIMA GRUPĖ' s liquidity position is adequate, the company's business is highly resilient and flexible enough to withstand the effects of the coronavirus and the global economic downturn. Data on MAXIMA GRUPĖ turnover in 2020¹ shows that the company has managed change successfully and the business continues to grow. In 2020, MAXIMA GRUPE report a material increase in profitability due to improving earnings generation. For instance, sales of goods through e-commerce amounted to 50 mln. EUR, i.e. y. 32.3% more than in 2018. E-trade revenue in the Baltics accounted for 1.7% of total Baltic sales.

Impact in society (3/5) – 2019 MAXIMA GRUPĖ has become a member of the United Nations (UN) Global Compact⁵. By joining the Global Compact, the MAXIMA GRUPĖ has committed itself to supporting and further strengthening the 10 principles of the Global Compact in the fields of human

rights, the environment, labor and the fight against corruption, and seek 17 sustainable development goals, on which the UN 2030 Agenda for Sustainable Development is based.

The company seeks to support communities, contribute to the common good. MAXIMA has been constantly cooperating with Food Bank, Mothers' Union, SOS Children's Village, Order of Malta, sponsors “Ankstukai” and other social organisations.

6. Specificities

¹https://maximagrupe.eu/uploads/images/kas-mes-esame/2020%20S&P%20Global%20Ratings_%20Maxima%20Grupe_Research%20update_28%20Oct2020.PDF

²<https://maximagrupe.eu/uploads/MAXMAX-2020-04-14-MAXIMA-GRUPE-metinis-pranesimas.pdf>

³<https://www.maxima.lt/naujienos/maxima-isplatino-2019-m-socialines-atsakomybes-ataskaita>

⁴https://maximagrupe.eu/uploads/images/kas-mes-esame/MG%20FS_H1%202020_ENG.pdf

⁵<https://www.unglobalcompact.org/participation/report>

Case Study 2. IKEA (Lithuania)

<p>1.</p>	<p>Rationale for selection (area of activity, Covid19 Impact)</p>	<p>Impact on the Manufacture-Retail sector</p> <p>IKEA is a private multinational company, the world's largest furniture manufacturer and retailer of furniture, accessories, bathroom and kitchen equipment worldwide. 1943 founded by Ingvar Kamprad, managed by the Stichting INGKA Foundation. Parent company - holding INGKA Holding B. V.²</p> <p>IKEA is a global values-driven company with a passion for life at home. IKEA founder Ingvar Kamprad's dream to create a better life for as many people as possible – whatever the size of their wallet – is and will always be driving force². Every product create with idea for making home a better place. The overall IKEA ambition is to become people and planet positive and enable many people to live a better everyday. Most IKEA customers have at least one thing in common: they like good design at affordable prices.</p>
<p>2.</p>	<p>Institutional descriptive statistics (no. of employees, age etc.)</p>	<p>In 1943, Ingvar Kamprad founded IKEA as a mail-order sales business, but began to sell furniture five years later. The first store was opened in Älmhult, Småland, in 1958, under the name Möbel-IKÉA (Möbel means "furniture" in Swedish). The first stores outside Sweden were opened in Norway (1963) and Denmark (1969)². The first IKEA store in Vilnius (Lithuania) was opened in 2013. In 2019 the expanded furniture factory IKEA in Kazlų Rūda occupied 45 thousand. m² area, had over 700 employees. Total of 423 IKEA stores are currently operating in 52 countries.</p> <p>In 2020 more than 500 IKEA sales locations, including 12 new IKEA stores opened around the world, 445 IKEA stores on 60 markets, 3 new e-commerce markets, more than 60 test locations. 4 billion visits to IKEA websites, 45% increase in e-commerce sales compared to 2019, more than 825 million visits to IKEA stores on 60 markets. 9.500 products in the IKEA range, more than 2.000 new products developed, 217.000 IKEA co-workers, the amount of co-workers grew by 6.000 compared to 2019. Nearly 1.600 IKEA suppliers, 900 home furnishing suppliers in more than 50 countries, 9 global food suppliers. Retail revenue in 2020 was 39.6 billion EUR¹.</p>
<p>3.</p>	<p>Inward Resilience Evaluation (risk management, capacity to react to crisis, capacity to adapt to change etc.)</p>	<p>IKEA production units were heavily impacted with a dramatic drop in production levels, while the supply business had to manage and facilitate totally new flows of goods as stores and borders closed. During spring 2020, about 75% of IKEA stores were closed for seven weeks on average. A majority of IKEA</p>

suppliers also had to close in periods. The total amount of transported goods dropped considerably due to the COVID-19 pandemic (8.2% less in 2020 compared to 2016), having increased by 1.2% between 2016 and 2019¹. For these reasons, some IKEA units furloughed or let go of co-workers despite their best efforts. As sales improved and co-workers returned to work, some franchisees reimbursed co-workers for lost income during the furlough period. IKEA maintained an open dialogue with each supplier to see what actions needed to take together. Whenever possible, company has followed purchase agreements and adjusted to meet the new reality, without canceling future orders. IKEA also initiated the production of masks and other protective health equipment to support communities and keep suppliers in operation. IKEA provided financial support to a number of external IKEA suppliers to keep them financially stable during the pandemic.

The COVID-19 pandemic is a people crisis – with devastating impacts on people’s health and wellbeing. And with the loss of income and livelihoods, the crisis hit the most vulnerable in society the hardest, increasing inequality and insecurity. The repercussions are felt in different ways everywhere. During this difficult time, first priority has been to protect and support the health and livelihoods of co-workers, customers, business partners, and the communities where IKEA operate. Many IKEA businesses have, in coordination with local authorities and stakeholders, taken immediate action to donate IKEA products, produce materials for healthcare workers or make their spaces available for relief and health efforts. In total, more than 1.7 million products, such as face masks, gloves, beds, bedding, food and toys, were donated to hospitals, medical centres and shelters.

Securing the employment for as many co-workers as possible, for as long as possible, has also been a main priority, both in retail and other parts of the IKEA business. Additional leave for co-workers who were at home with children, and more flexible work arrangements, were provided whenever possible.

The IKEA Life at Home report¹ found that 78% of people globally agreed that home was their sanctuary during 2020 and the pandemic restrictions. Many people have spent more time at home than ever before. As a result, 2 in 5 have also made changes to their homes. Some insights from the report include: 37% are cooking more, 44% are spending more time with their family, 29% are exercising at home, 22% are socialising virtually, 28% are eating meals with family, 17% are working from home.

4. Outward Resilience Contribution (institutional impact in society, capacity to reach intended goals, collaborative activities etc.)

IKEA business philosophy is to inspire and enable 1 billion people to live better lives within the limits of the planet by 2030. Company focus on three areas where can make the biggest difference: promoting healthy and sustainable living, becoming a circular and climate positive business and becoming a more fair and inclusive company and employer.

IKEA actively support the work of the UN Global Compact, and have participated in a number of events organised or supported by the UN⁴. Company fully support the United Nations Sustainable Development Goals (SDGs) in their ambition to achieve a better world for all. As a global business, IKEA have a role to play in contributing to achieving the SDGs.

Co-workers took the lead in organizing COVID-19 support, responding to local community needs. For instance, IKEA in Spain helped set up a 5.000-bed hospital, and IKEA in China donated 117.000 products to hospitals, including textiles, chairs and trolleys. IKEA in Germany and IKEA in Switzerland helped women and children escaping violence by completely furnishing apartments for women establishing a new life in a safe home. Many children were affected by school closures during the pandemic. IKEA in Portugal partnered with more than 80 local charities to reach 10.000 vulnerable children and their families to support home learning. IKEA in Russia provided sports equipment to children with disabilities so they could continue being active at home during lockdown⁵.

Jordan River Foundation (JRF) received financial support from IKEA Social Entrepreneurship enabling the continuation of wage payments for their artisans, which was vital as it meant JRF was able to resume business operations.

The IKEA People & Planet Positive strategy³ describes the sustainability agenda and ambition for everyone in the IKEA value chain. It gives a roadmap to follow, and outlines a strong, common long-term agenda. Each company, working under the IKEA Brand, sets its own strategic goals to contribute to the common ambitions and commitments.

IKEA sustainability ambitions and commitments are set for 2030 in line with the UN Sustainable Development Goals. The purpose of this strategy is to inspire, activate and lead in decision making and goal setting, in order to achieve the big positive changes company want to see in the world, and for the entire IKEA ecosystem. It stimulates action across the IKEA business in the coming years. The strategy is reviewed annually to secure alignment with the total IKEA strategic framework, and to align with potential big changes in the world.

The People & Planet Positive Strategy³ is structured based on material topics. These are considered the most important sustainability issues in terms of the ability of the IKEA business to have an impact. IKEA identified material topics into three major challenges: unsustainable consumption, climate change, and inequality.

Company is committed to respecting and supporting human rights throughout value chain. Special focus is on the rights of children, decent work and inclusive workplaces that support diversity and equality.

IKEA Industry is a manufacturer of board material and wood-based furniture. Wood is fundamental to IKEA - it makes furniture age beautifully, making them durable enough to last for generations. But forests are fragile and sensitive to how treat them. Today, all wood is sourced in compliance with the IWAY Forestry Standard, which bans wood from sources involved in forest-related conflicts or illegal harvests. The size of operation means company has great ability and responsibility to protect the world's forests. 80% of wood is FSC (Forestry Stewardship Council) certified or from recycled sources. The FSC standard protects ecosystems and people's livelihoods⁵.

Company develop products with an understanding that people care about the planet. Approximately 90% of the material used in IKEA products is from renewable, recyclable and recycled materials. IKEA products must be safe, from both a health and environmental perspective. IKEA strive to follow the strictest safety and quality laws and standards on the markets. Whenever IKEA explores a new material, it's evaluated from a safety, quality, and sustainability perspective before it's allowed to be used in any IKEA products.

Sustainability is not only about producing each thing in a way that is good for the planet, but about how life at home can become a way of making things better for the planet.

5. Expert evaluation of governance performance in the crisis context

Preparedness (3/5) – IKEA was not prepared for the pandemic like many other businesses around the world. 75% of IKEA stores were closed for seven weeks on average. A majority of IKEA suppliers also had to close in periods. Production level dropped dramatically. 2020 has been an extraordinary year,

where focus has been fully on protecting the health, wellbeing and livelihoods of people throughout the IKEA value chain.

Agility (4/5) – IKEA is developing all products using Democratic Design and the IKEA circular product design principles. IKEA will support a circular economy by prolonging the life of products and materials throughout the business, and inspire and enable people to acquire, care for, and pass on products in circular ways. IKEA marketing, communication and sales practices that inspire and enable people to make healthy and sustainable choices.

Robustness (4/5) – The main financial principle of the IKEA Group is to grow by using own resources. This makes possible for company to make long-term investments for the future. IKEA re-invest a majority of profits in existing and new IKEA stores, as well as in product development, sustainable solutions and by continuously lowering prices to customers.

Impact in society (5/5) – During 2020, more people than ever before began working from home. IKEA offers affordable solutions to improve the home office environment in terms of wellbeing and ergonomics. IKEA in coordination with local authorities and stakeholders, taken immediate action to donate IKEA products, produce materials for healthcare workers or make their spaces available for relief and health efforts. In total, more than 1.7 million products, such as face masks, gloves, beds, bedding, food and toys, were donated to hospitals, medical centres and shelters. IKEA Foundation has made new commitments that add up to 1 billion EUR for climate action.

6. Specificities

¹https://preview.thenewsmarket.com/Previews/IKEA/DocumentAssets/578053_v2.pdf

²<https://about.ikea.com/en/about-us/history-of-ikea>

³<https://gbl-sc9u2-prd-cdn.azureedge.net/-/media/aboutikea/pdfs/people-and-planet-sustainability-strategy/people-and-planet-positive-ikea-sustainability-strategy-august-2020.pdf?rev=3a3e9a12744b4705b9d1aa8be3b36197&hash=099EADD58A6B850BD522866B8E01F518>

⁴<https://www.unglobalcompact.org/participation/report>

⁵<https://about.ikea.com/en/sustainability/sustainability-report-fy20>

Case Study 3. Republican Hospital of Panevezys

1.	Rationale for selection (area of activity, Covid19 Impact)	Republican Hospital of Panevezys is the biggest hospital in Panevezys region and one of those that had to offer its facilities and services for the people infected by the Corona virus.
2.	Institutional descriptive statistics (no. of employees, age etc.)	<p>The hospital in Panevežys was established around 1840.</p> <p>Now it is one of the 25 largest employers in the country providing high-quality personal health care services. The hospital is well known in Lithuania and abroad as an institution using innovative diagnostic and treatment methods in the field of interventional radiology.¹²⁵</p> <p>It has more than 2000 employees (382 doctors, 872 nurses, 80 other medical personnel, 683 other personnel).</p> <p>9 departments. At the end of 2019, the hospital had 29 inpatients (active and long-term treatment) services providing compartments with 782 beds.</p> <p>Capital held by the Ministry of Health of the Republic of Lithuania, a shareholder of the hospital is 619059,56 Eur for the date 2019-12-31²</p>
3.	Inward Resilience Evaluation (risk management, capacity to react to crisis, capacity to adapt to change etc.)	There was a pandemic response plan in place before the outbreak of COVID-19, but it was specific to pandemic flu. The Pandemic Preparedness Program 2019-2023 includes Planning and coordination; Situation monitoring and evaluation; Prevention and localization; Health system response; Communication and public engagement ³ .

¹²⁵ <https://www.panevezioligonine.lt/istorija/>

² <https://www.panevezioligonine.lt/veiklos-ataskaitos-2/>

³ <https://www.covid19healthsystem.org/countries/lithuania/livinghit.aspx?Section=5.1%20Governance&Type=Section>

⁴ <https://www.panevezioligonine.lt/covid-19/>

Republican Hospital of Panevezys, being one of the biggest players in Lithuanian Health system was responding to the pandemic according to the plan and following the Law on the Prevention and Control of Communicable Diseases in Humans (1996) (2). Prompt and objective public information became the main principle of the communication of the Hospital, carried thru the webpage. Regular press conferences took place reflecting new cases of coronavirus infection or changes in the work of the Hospital.

Panevėžys Republican Hospital started timely and responsible preparations for the possible spread of coronavirus COVID - 19 in the territory of our country. The hospital was properly prepared for all cases related to this infectious disease: the hospital was equipped with the necessary amount of personal protective equipment for staff who will work with infected persons, with the necessary amount of essential medication, with well-prepared rooms for isolation and treatment of persons, with operating rooms, maternity hospitals, resuscitation facilities. Arrangements for replenishment and delivery of essential supplies have been agreed, medical teams have been formed, emergency hospital management staff were operating.

With the announcement of the quarantine situation in March, 16th, scheduled inpatient treatment in the Hospital was suspended till the quarantine period.

From the start of quarantine to April, 2020, the hospital has tested 411 workers, of whom 88 workers have also been retested. Testing for hospital staff on the first priority list (working in "hot spots") - Resuscitation and Intensive Care Unit, Admission and Emergency Department, Infectious Diseases Clinic and Quarantine Corps - has been completed. All other staff groups were tested in a period of two-three weeks.

The Panevėžys Republican Hospital was probably the first in the country to provide psychological assistance to its employees and their relatives. This work was done by 7 hospital psychologists around the clock.

The administration of the Republican Panevėžys Hospital constantly delved into the current situation, closely monitored and analyzed the daily changing epidemiological situation in Panevėžys, Utena counties and the whole country. This close monitoring enabled a reduction of the number of beds for

		<p>patients with COVID - 19 from 236 to 184 beds (52 beds were immediately used to treat patients with other diseases) in January, 2021.</p> <p>The process of vaccination of the employees of the medical institutions also gave a positive result and a very important safety guarantee for the patients treated in the Panevėžys Republican Hospital and the staff working in the hospital. Till the 1st of February 1138 employees have already been vaccinated with two vaccines. Evaluating this number together with 502 hospital employees - 80.1 percent. employees have been vaccinated or have contracted this infectious disease and have immunity, so the hospital has already reached the threshold of collective immunity, which guarantees that the Republican Panevėžys Hospital has become a safe medical institution for patients and employees.</p> <p>After assessing the current epidemiological situation, the gradual provision of scheduled services of the Department of Day Surgery, the Department of Vascular Surgery and the Department of Eye, Ear, Nose and Throat Diseases to patients was resumed in February.⁴</p>
4.	<p>Outward Resilience Contribution (institutional impact in society, capacity to reach intended goals, collaborative activities etc.)</p>	<p>Main role of the hospital is to provide health care services to the citizens of Panevėžys region. During pandemic period new page devoted to the issues of Coronavirus (https://www.panevezioligonine.lt/covid-19/) was created on the official webpage of the hospital. It became a very important channel of the latest information for Panevezys region, providing statistic data of pandemic, preventive measures, information about the virus and vaccination, introduced changers in the activities of the hospital, answers to the questions and links for extra information. Close cooperation with the Ministry of Health had helped to keep ensure objective and timely information.</p>
5.	<p>Expert evaluation of governance performance in the crisis context</p>	<p>Preparedness (5/5) – Panevezys Hospital was well prepared for the crisis.</p> <p>Agility (5/5) – Republic Hospital of Panevezys reacted promptly to the context of the pandemics providing all the necessary information to the patients and society and ensuring safety of the employees</p> <p>Robustness (?/5) – There is still no data on the turnover in 2020 provided. Public hospitals haven't prepared their annual reports yet.</p>

		Impact in society (5/5) – Republic Hospital of Panevezys is directly responsible for the health care of the citizens of Panevezys region, so its impact in society during the crisis is absolutely positive.
6.	Specificities	-

Case Study 4. ŠEIMOS Credit Union

1.	The rationale for selection (area of activity, Covid19 Impact)	Impact on the financial sector. ŠEIMOS is one of the fastest-growing financial institutions of its segment in the Lithuanian financial market; main RATO, MAGNUS, NÉRIS credit unions, major banks. Covid19 did not have any negative impact - deposit collection was growing +10% every quarter. The credit portfolio was also increasing up to 15% every quarter since the beginning of the Pandemic situation during the 1st Q, 2020 ¹²⁶ .
2.	Institutional descriptive statistics (no. of employees, age, etc.)	<p>ŠEIMOS CREDIT UNION (#top16LTfin) is an accredited financial institution, which collects deposits (portfolio is around 30 MLN EUR, which is insured by the State with amounts up to 100 000 EUR) and provides full-scale loans (up to 1,2 mln EUR), public financial instruments, and general banking services (incl. credit/debit cards, e-banking, plus, other overall functions and licensed financial institution services for individuals and legal persons, according to the Law on Credit Unions (No I-796, 21 February 1995, LT). According to "Verslo Žinios" ("Business News"¹²⁷)- the core Lithuanian business newspaper & Internet portal - ŠEIMOS Credit Union was an absolute national market leader by the growth of credit portfolio in 2018; in 2019 Lithuanian "Business News" has published the list of Lithuanian Business Leaders (LVL 500) where ŠEIMOS Credit Union was announced (and nominated) among the best 16 of ALL Lithuanian financial institutions (including all the banks, insurance companies and other). ŠEIMOS Credit Union is a corporate member of Lithuanian Central Credit Union (the 1st Cooperative bank in CEE¹²⁸). In 2015 the Bank of Lithuania (Central Bank of the Republic of Lithuania (part of Eurozone System/ECB)) issued the license for ŠEIMOS Credit Union - it allows providing the overall financial and credit management services to both corporate clients and individuals in Vilnius Region (LT, EU).</p> <p>26 employees; the average age is 27 years.</p>

¹²⁶ www.unija.lt

¹²⁷ <https://www.vz.lt/pramone/2019/12/20/lietuvos-verslo-lyderiai-500-reitingas---nauji-pirmunai-ir-ispudingi-suoliai>

¹²⁸ www.lku.lt

3.	Inward Resilience Evaluation (risk management, capacity to react to crisis, capacity to adapt to change etc.)	Since the growth of mortgages was one of the largest in the EU ¹²⁹ ŠEIMOS Credit Union did not any decrease in demand among customers. Therefore there was no need to adopt any special measures in order to accelerate business or compensate potential losses.
4.	Outward Resilience Contribution (institutional impact in society, capacity to reach intended goals, collaborative activities, etc.)	Unfortunately, due to various covid19-based governmental restrictions and particular recommendations from the Central Bank, ŠEIMOS Credit Union is not proactive in collaborative activities anymore. There were only a few episodes of participation in several online social initiatives and related charity movements ¹³⁰ . However, it is supporting national efforts to beat the target in terms of overcoming the Pandemic situation ¹³¹ , and based on this approach it is planned to sponsor and predicate overall measures of Covid19 virus prevention and related initiatives based on both NGOs and public sector participation.
5.	Expert evaluation of governance performance in the crisis context	According to the Central Bank of Lithuania (as the main supervision institution of all financial sector market players ¹³²) and Central Credit Union (an “umbrella organization” of the leading credit unions of Lithuania ¹³³) in terms of overall governance in the crisis context, after various auditing procedures, ŠEIMOS Credit Union is evaluated very well and usually shown as a good example for other market players.

¹²⁹ <https://www.lrt.lt/naujienos/verslas/4/1364676/lba-lietuvos-busto-paskolu-augimas-metu-pradzioje-sparciausias-es>

¹³⁰ <https://www.vm.vu.lt/mokslo-ir-studiju-naujienos/424-juubilejiniame-versli-seima-2020-renginyje-seimos-verslu-apdovanojimai>

¹³¹ <https://www.pwc.com/lt/lt/paslaugos/covid-19.html>

¹³² <https://www.lb.lt/lt/finansu-rinku-dalyviai/seimos-kredito-unija>

¹³³ <https://lku.lt/saukiamas-seimos-kredito-unijos-eilinis-visuotinis-nariu-susirinkimas/>

ROMANIA



Case Study 1. Ministry of Health

The Romanian health care system is a social health insurance system. The public healthcare system includes national health insurance, that covers 85% of the population. Citizens who are not insured have access to a minimum package of benefits, such as the access to emergency medicine. In addition, the private healthcare system is developing at a fast pace. The Ministry of Health is the institution who coordinates the provision of public health care services.

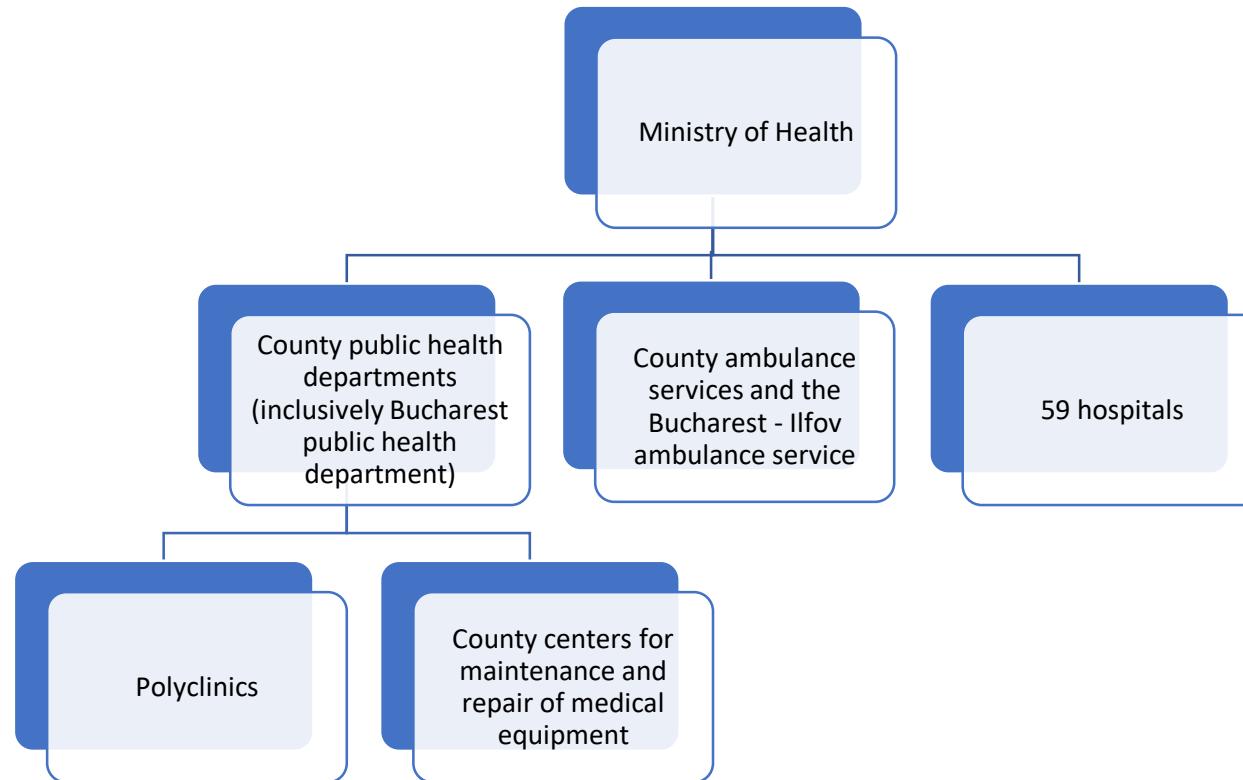


Figure 1: Institutions subordinated to the Ministry of Health
Source: Ministry of Health (2021)

The Ministry has in its subordination 42 county public health departments- (one in each county and one in Bucharest) which are deconcentrated institutions that represent the Ministry within the Romanian territory. The county public health departments have in their subordination, polyclinics and county centres for maintenance and repair of the medical equipment. The county ambulance services and the Bucharest - Ilfov Ambulance Service are also subordinated to the Ministry of Health and to the Department of Emergency Situations. The Ministry of Health ensures general management, policy development, political guidance and regulatory oversight at national level and the territorial health authorities- the County public health departments- have the responsibility to deliver the healthcare services. The Ministry of Health has in its subordination 59 hospitals out of 368 public hospitals. The other hospitals are under County Councils (the county hospitals which are general hospitals that provide the counties' medical assistance) and City Councils' (the municipal and city hospitals organized at the municipalities or towns levels) subordination. Primary care is provided by family medicine physicians that have contracts with the County Health Insurance Houses.

The National Health Insurance House (CNAS) is a public, autonomous institution of national interest, with legal personality, whose main activity is to ensure the unitary and coordinated functioning of the social health insurance system in Romania. It is not subordinated to the Ministry of Health. The CNAS is responsible with creating a modern and efficient health insurance system aiming to improve the health of the population. The CNAS has the obligation to ensure the unitary and coordinated functioning of the social health insurance system. The National Health Insurance House has in its subordination, 42 territorial structures, namely the County Health Insurance Houses and the Bucharest Health Insurance House.

1. Rationale for selection (area of activity, Covid19 Impact)

Covid19 crisis has stretched the limits of healthcare systems throughout the world, even in more advanced countries than Romania. This sector was at the forefront on the Covid19 crisis, and yet in many countries both before and during the pandemics, structural weaknesses were present, diminishing the reaction capacity and the buffer towards high incidence and high mortality rates. In terms of institutional resilience, the Strategic Foresight Report of the European Commission¹³⁴ highlights the key vulnerabilities of the Romanian healthcare sector, such as the low public healthcare expenditures, the low preventive care expenditures, and the very high prevalence of both treatable mortality and respiratory disease in Romania.

¹³⁴ Strategic foresight – charting the course towards a more resilient Europe, COM(2020) 493

		<p>In Romania, the first case of coronavirus was registered on 26 February 2020, in Gorj County situated in the South-West region. The first patient was direct contact of an Italian national who visited Romania. Firstly, most of the people who tested positive for coronavirus came from countries as Spain, Italy or other countries with high number of infections, or had contact with persons who travelled abroad. Official data (Statista, 2021) show that until July, 2021, 1.081.120 cases of coronavirus were registered. Out of the total number of cases, 1.045.351 persons cured and 34.168 people deceased. At the beginning of the pandemic, the virus spread relatively slow. The highest daily increase was in autumn, in November 18 where 10,269 new cases registered. At the beginning of the pandemic, in the first wave of infections, Romania had a testing capacity of 2000 people per day which increased to 20,000 tests per day, in the second wave. The cities which registered the highest number of coronavirus cases were Bucharest, Cluj, Iasi, Brasov and Timisoara (Statista, 2021, Geospatial, 2021).</p>
<p>2.</p>	<p>Institutional descriptive statistics (no. of employees, age etc.)</p>	<p>In Romania, in 2020, there were 65,740 physicians and 152,686 people working as auxiliary medical staff. The medical personnel continue to emigrate, consequently, the healthcare system is still facing the problem of understaffing (Statista, 2021). In 2017, there were 2.9 doctors per 1,000 inhabitants, which situated Romania on the last places in the EU rankings, because the European average is 3.6 and 6.7 nurses per 1,000 inhabitants (EU average being 8.5) (European Commission, 2020). Romania is the country that continues to have the lowest health expenditure from the European Union regarding the percentage of gross domestic product (GDP) (5% vs. 9.8% in the European Union) and expenditures per capita (1 029 EUR, vs. 2 884 EUR- the European average) (European Commission, 2020). The primary healthcare assistance services continue to be underfinanced and less used by the population.</p> <p>At the beginning of the pandemic Romania confronted with a lack of proper medical equipment which contributed to the spread of coronavirus in hospitals. Firstly, the worst situation was registered in Suceava county hospital where the coronavirus cases spread rapidly among the medical personnel. At that time, Suceava became the area which registered the highest number of infections being followed by Bucharest. Official data (Statista, 2021, Geospatial, 2021) show that in Romania, more than eight thousand people working in the healthcare system tested positive for COVID-19.</p>

3. Inward Resilience Evaluation (risk management, capacity to react to crisis, capacity to adapt to change etc.)

According to figures published by the EU and summarized recently by The Economist, Romania has the poorest healthcare system in the EU, plagued by corruption, a massive exodus of medical staff, lack of proper infrastructure and medical supplies.

Despite recent improvements, the health of Romania's population is still below the EU average, which is reflected in such indicators as the preventable mortality rate (i.e. deaths that could have been avoided by providing optimal quality care) which was two and a half times higher than the EU rate in 2015¹³⁵.

- Poor medical infrastructure in Romania

The health system in Romania has been severely under strain for a long period of time before the 2020 Covid19 pandemic outburst. Most of the health facilities in Romania were outdated, built during the communist period, with non-systematic facility improvements over the past decades, and heavily skewed towards some leading regional poles. The territorial network of medical facilities was therefore not comprehensively equipped to manage specialised treatment such as intensive care. Even early diagnostic and at-home care was problematic in many of the poorer counties in Romania, where the number of general practitioners („family doctors” in Romanian) has decreased significantly over the previous decade¹³⁶.

The hospital units do not correspond to the safety norms and the hygienic-sanitary norms, determining: increased risk of infections associated with the medical act, high degree of unsatisfied medical needs, increased costs with the maintenance of the sanitary infrastructure¹³⁷.

- Scarcity of human resources in the medical sector due to braindrain

Romania’s public healthcare system has a deficit of almost 40,000 healthcare workers today, equivalent to 17.46 per cent of staffing needs at public hospitals¹³⁸. Romania has one of the lowest level of overall healthcare expenditure in EU, and the lowest per capita healthcare expenditure amongst all member

¹³⁵ National Recovery and Resilience Plan (2021), p. 31.

¹³⁶ <https://monitorsocial.ro/indicator/accesul-la-ingrijire-medicala-din-ce-in-ce-mai-usor-in-orasele-mari-din-ce-in-ce-mai-difil-in-restul-tarii/>

¹³⁷ National Recovery and Resilience Plan (2021), p. 31.

¹³⁸ <https://www.euronews.com/2020/03/30/covid-19-and-romania-s-healthcare-brain-drain-could-be-perfect-storm>

states, with only 584 EUR per capita in 2018. Almost 20% of healthcare expenses are out-of-pocket in Romania, according to Eurostat.

- Poor protection of medical personnel and corruption in public procurement acquisitions

During COVID-19 pandemic, firstline healthcare workers were severely lacking personal protective equipment (PPE): masks, gloves, gowns, and hospitals had a low testing capacity, as well as insufficient beds in intensive care units (ICU)¹³⁹. Not only did Romania have a very poor preparedness in terms of medical equipment for the pandemics, but its reaction was equally slow and problematic. As firstline medical professionals were scrambling to get personal protective equipment (PPE) on their own, the national procurement agency was still engaging in kick-back negotiations with overpriced suppliers¹⁴⁰.

The Romanian authorities managed the Covid-19 pandemic, following WHO's recommendations, implementing measures similarly with other countries that were affected by the coronavirus. Romania faced many challenges in handling the situations caused by the pandemic such as: the high number of citizens that returned from abroad, the old and inadequate healthcare system infrastructure, and the lack of healthcare personnel (Dascalu, 2020). Considering the evolution of the pandemic, the President of Romania, Klaus Iohannis, decreed an emergency state starting on March 16 which lasted until May 17. After that, the emergency state has been replaced with the state of alert. In the emergency state, various rights were restricted, like the freedom of movement and many types of businesses considered to be non-essential, were closed. The obligation of wearing masks outside and inside buildings was introduced, the schedule of the supermarkets was shortened, the children and students learned in the online system and the freedom of moving was restricted only for certain situations such as: going to work, to hospitals, to pharmacies, to supermarkets or for helping old people. The authorities introduced mandatory self-isolation or institutionalized quarantine for the people who returned from moderately or severely affected countries. Initially, the police escorted the majority of the citizens returning from abroad, to quarantine facilities in their home counties, thereby avoiding an overwhelming of infrastructure in the border regions (Dascalu, 2020). When the state of emergency was replaced with

¹³⁹ World Bank (2020) Rapid Assessment of Romanian CSO in the Context of COVID19

¹⁴⁰ <https://balkaninsight.com/2020/06/24/romania-investigates-allegations-of-bribery-in-covid-19-masks-contract/>

		<p>the state of alert, many restrictions had been relaxed. The territory was divided in red, yellow and green areas, depending of the epidemiological situation. Non-essential businesses have been opened, restaurants were opened in certain conditions, travels were allowed, the schools were opened if they were situated in green areas, if not, the children continued to learn online (in red areas) or in the hybrid system (in yellow areas). The freedom of movement was restricted only by night – from 11:00 pm initially to 5:00 am. Regarding the hospitals, most of them passed in the subordination of the Ministry of Health and became support-Covid-19 hospitals. In these conditions, the patients who did not have coronavirus could be treated only in hospitals which were not dedicated to Covid-19 patients (Ministry of Health, 2020).</p>
<p>4.</p>	<p>Outward Resilience Contribution (institutional impact in society, capacity to reach intended goals, collaborative activities etc.)</p>	<p>Like everywhere in the world, larger cities have been much more affected by COVID19 prevalence in Romania too, with leading cities such as Bucharest, Cluj, Sibiu, Iasi or Timisoara having the highest incidence rate per positive COVID19 test¹⁴¹.</p> <ul style="list-style-type: none"> • Reforming the healthcare system <p>The COVID-19 pandemics came at a time when the medical sector in Romania was trying to push forward reforms regarding the provision of public services by private service providers in healthcare. This was intended by the incumbent government as a way to compensate in part the very poor quality of the healthcare sector in Romania, due to poor and unbalanced distribution of resources. While some regional hospitals benefited from EU funded refurbishment and endowment, they severely lacked qualified personnel given the massive brain drain that Romania is experiencing. In contrast, many of the leading hospitals in larger cities were facing overcrowding and poor capacity to adequately cover the needs of patients. Similarly paradoxical, Romania has one of the highest hospital beds density in Europe, but it severely lacks specialised personnel and facilities in such critical areas as ICU. The ad-hoc reconversion of hospital facilities for ICU led to tragic accidents sourced in improper and outdated technical equipment, such as the deadly fires in Piatra Neamț and Bucharest hospitals.</p> <ul style="list-style-type: none"> • Subnational disparities

¹⁴¹ <https://www.statista.com/statistics/1104730/covid-19-infections-by-region-romania/>

The various disparities in access to medical services in Romania remains one of the largest vulnerabilities of the healthcare sector capacity to deliver in times of crisis and in general. About 11% of the population remains uninsured and has access only to a restricted package of services, and there is a decreasing trend in the coverage of healthcare insurance in Romania, with a significant gap between urban and rural areas, while the level of unmet medical needs is about 28% higher in rural areas than in the whole country¹⁴².

- Emergency services

One of the main strengths of the interaction between the healthcare service in Romania and the population is the emergency service system. The emergency medical services are coordinated by the Department of Emergency Situations (DSU) along with the Ministry of Health. The Department for emergency situations is an operational structure without legal personality, from the Ministry of Internal Affairs structure, responsible for coordinating the emergency prevention and management activities, ensuring and coordinating human, material, financial and other resources necessary to restore normality, including first qualified aid and emergency medical assistance within emergency reception units and compartments (UPU/CPU). DSU also coordinates the General Inspectorate for Emergency Situations, institution subordinated to the Ministry of Internal Affairs with 42 operational centres and 280 operational sub-units, which provides a multitude of activities of prevention and intervention for fire-fighting, discharge and first aid, saving people and limiting damage caused by floods, landslides, seismic movements, epidemics, diseases, snowfalls, assistance of persons in radiological situations, critical situations, biological interventions, disasters, droughts. Within the General Inspectorate for Emergency Situations and under the Department of Emergency Situations coordination operates the Mobile Emergency Service for Resuscitation and Extrication (SMURD), in collaboration with county, regional and local public authorities. Within the SMURD structure, integrated discharge, reanimation teams, specialized in providing emergency medical and technical assistance, as well as teams with paramedical personnel, specialized in granting qualified first aid are integrated.

5. Expert evaluation of governance performance in the crisis context

Preparedness (2/5) – The Romanian Health system was very poorly prepared for the Covid19 crisis, with no procedures in place for the safety and security of the medical personnel and the patients, with

¹⁴² National Recovery and Resilience Plan (2021), p. 31.

not enough reserves of personal protection equipment etc. This resulted in a relatively high incidence of medical professionals falling ill in the early period of the pandemics in Romania.

Agility (3/5) – Slow and contradictory institutional reactions led to grave confusion regarding the internal procedures in hospitals and the public health units. No unitary norms and procedures were issued by the Ministry of Public Health and hospitals were often left to organize as they saw fit, which proved to be challenging in a context of poor capacity related to management—it was often the medical professionals themselves that had to piece together protocols and procedures on an ad-hoc basis. In contrast, the preventive measures were swiftly implemented, as large-scale restrictions were put in place early on, with very good impact on case incidence, but more severe economic contraction in the first quarter of 2020. Later on, restrictions were relaxed in favour of economic recovery, which unfortunately led to a much worse increase in case incidence than a poorly equipped medical system could support.

Robustness (3/5) – Two dimensions of the Romanian health system contributed to its robustness: the specialised infectious disease hospitals, and the emergency services. One of the pre-existent strengths of the Romanian health system was unintentional, as there was a relatively higher number of infectious disease hospitals as stand-alone medical centres and with older building that still have a pavilion-based architecture that facilitated the safety circuits for the care of Covid19 patients. The second element of robustness in the Romanian healthcare system is the well performing emergency services. In contrast, the large deficiencies of the healthcare infrastructure (e.g., overcrowded, poor servicing of outdated medical equipment) manifested themselves during the pandemics with two dramatic events related to deadly fires in intensive care units, as a result of faulty equipment and usage of space.

Impact in society (3/5) – The territorial imbalances in both material and human resource distribution led to a differentiated impact of the Healthcare system in Romania—with more affluent regions in the West having a lower average mortality rate per capita than in Eastern counties. In addition, the depopulation through outward migration of poorer counties made them more vulnerable with higher categories of elderly population. Covid19 occurred in a context of very imbalanced accessibility to public health services between different categories of the population and between urban and rural areas in Romania. While major cities were most affected by the pandemics, they also had the medical infrastructure capabilities to treat not only Covid19 patients, but also the various medical emergencies

and cronical diseases that encountered bottlenecks in treatment throughout the world. In compensation, rural areas, or smaller urban areas, had a lower incidence of the disease because of lower population concentration, and as such could transit the first year of the pandemics relatively safely despite much poorer healthcare conditions. However, in the latter case, the treatment of emergencies and cronical disease became increasingly scarce, as they relied on urban centres of proximity even before the crisis (Volintiru et al 2021).

6. Specificities

Department of Emergency Situations, (2021), Atribuțiile DSU, Online, Available at: <http://www.dsu.mai.gov.ro/atributiile-dsu/>.

Department of Emergency Situations, (2021), Instituții aflate în coordonare, Online, Available at: <http://www.dsu.mai.gov.ro/institutii-in-subordinea-dsu/>.

European Commission, (2017), State of Health in the EU. Romania. Country Health Profile 2017. Online. Available at: https://ec.europa.eu/health/sites/default/files/state/docs/chp_romania_english.pdf.

General Inspectorate for Emergency Situations, (2021), Atribuții, Online, Available at: <https://www.igsu.ro/InformatiiGenerale/Atributii>

Ministry of Health, (2021), UNITĂȚILE CU PERSONALITATE JURIDICĂ AFLATE ÎN SUBORDINEA, SUB AUTORITATEA SAU ÎN COORDONAREA MINISTERULUI SĂNĂTĂȚII, Online, Available at: <http://www.ms.ro/organizare/#tab-id-2>.

Romanian Government, (2006), STATUTUL din 26 iulie 2006 (*actualizat*) al Casei Naționale de Asigurări de Sănătate, published in the Official Monitor no. 680 from 8 August 2006.

Romanian Parliament, (2003), LEGE Nr. 270 din 18 iunie 2003. Legea spitalelor. published in the Official Monitor no. 438 from 20 June 2003.

Romanian Parliament, (2015), Law no. 95 from 14 April 2006 (republished) regarding the reform in the health system, published in the Official Monitor no. 652 from 28 August 2015.

World Bank, (2012), Analiza Funcțională a Sectorului Sănătate în România, Online, Available at: <http://sgg.gov.ro/docs/File/UPP/doc/rapoarte-finale-bm/etapa-II/MS-RO-FR-Health-Sector-ROM>

Case Study 2. Bucharest District 1 Municipality

<p>1. Rationale for selection (area of activity, Covid19 Impact)</p>	<p>Bucharest city, the capital of Romania is divided into 6 administrative districts, each having its own municipality. District 1 is located in North-West side of Bucharest, with surface of 67,5228 km² and 238,217 inhabitants, that makes it the district with the lowest density.</p> <p>Although it is the district with the most prosperous and dynamic economy, it does not have a very homogenous structure, as there are big discrepancies among various neighbourhoods, which lead to a increased diversity of issues on the local agenda and a high level of complexity in terms of local governance challenges.</p> <p>District 1 is host for many central government institutions (Romanian Government, Ministry of Transport, Ministry of Economy, Ministry of Internal Affairs, Ministry of Health etc.), business centres (located in Piața Victoriei, Floreasca, Băneasa), two of the most important transport knots (Central Station, Băneasa airport), university centres (Bucharest University, Bucharest University of Economic Studies, University of Architecture, Romanian-American University, several student halls). All these features make District 1 one of the most crowded areas of Bucharest, with many non-residents.</p> <p>Apart from the central area of District 1, there are new neighbourhoods at the periphery, which need a lot of investments in order to develop the public utilities, education and cultural infrastructure.</p> <p>Despite the administrative challenges, District 1 strong point stands in its inhabitants, who are the most highly educated among Bucharest population, with an income above the average, having high expectations from the municipality and also very aware of local authorities duties. Therefore one the major challenges for local public administration is to integrate such citizens as partners in the local governance process in order to make produce positive changes (Stamule, 2021).</p> <p>Regarding the budgetary resources, District 1 is by far the richest local administration in Romania, with an average of 350 million euros budget only for the sectors attributions.</p>
--	---

<p>2.</p>	<p>Institutional descriptive statistics (no. of employees, age etc.)</p>	<p>District 1 Municipality has 424 positions, out of which 370 civil service post and 51 contractual positions (PS1, 2020a).</p> <p>For 2021, BD1M estimated incomes of 1.124.534,04 lei and expenses of 1.186.413,18 lei. Although the 2021 budget is smaller in 2021, more than 25% of it is meant for investments in health, education and infrastructure, by comparison with 16% in 2020. In this context, the main concern of the municipality is to start attracting EU funds.</p>
<p>3.</p>	<p>Inward Resilience Evaluation (risk management, capacity to react to crisis, capacity to adapt to change etc.)</p>	<p>Despite de Covid 19 restrictions, local public administrations had to assure the continuous provision of public services and protect the public interest, no matter the circumstances. Thus, in the early stages of the Covid-19 pandemics, BD1M took measures to ensure public services provision in safe conditions. The first reactions data back in February 2020, when District 1 Municipality started the disinfections of streets and alleys and installed disinfection stations in the blocks of flats. An emergency telephone line for auto-isolated persons was created and an informing campaign on preventions measures was carried out.</p> <p>In terms of internal procedures and human resources, no major changes took place. Thus, in pandemics times, there were only two weeks of telework in BD1M. Later on this system was considered inappropriate and therefore employees were asked to come to work as usually and participate to face to face meetings, while respecting social distancing and wearing masks. Although the situation called the implementation of electronic signatures, no further steps were made</p> <p>Regarding working loads, most BD1M departments registered an increase of their working volumes. Thus, despite the fact that face to face citizen - civil servants interactions were cancelled during lockdown (March-May 2020), the provision of administrative services was made available through email, telephone (call centre) and website.</p>

		<p>Communication on social networks also increased substantially both in term of digital content posted by local municipality, as well as in terms of citizens presences in the digital area (access, public and especially private comments etc.)</p> <p>On the 15th of April, BD1M launched the "Citizens Platform", a digital platform created to facilitate de online provision of administrative services. Although this was an older initiative of the district 1 local authorities, its materialization during the pandemic period helped a lot in terms of adaptation to the new situation.</p>
<p>4.</p>	<p>Outward Resilience Contribution (institutional impact in society, capacity to reach intended goals, collaborative activities etc.)</p>	<p>As early as February 2020 BD1M carried on information campaigns on the corona virus (PS1, 2020a), intensified very much the disinfection measures of the public domain and supplied free masks and disinfection solution for marginal social categories, in order to minimize their risk infection rates in times when such products were very scarce on the Romanian market.</p> <p>During the lockdown period, but also afterwards, many District 1 residents, especially those pertaining to vulnerable categories were left without jobs and therefore with no source of income. BD1M supplied them with basic aliments (over 60 000 packages), while Social Assistance authorities performed incredible volumes of social surveys in order to provide social benefits for people in great need.</p> <p>In pandemics times, BD1M asked the help of volunteers in order to carry out several social services such as reaching for elder people who needed medical care, food or medicines.</p> <p>In March, two emergency telephone lines were created for auto-isolated citizens, in order for them to register and get help consisting in basic aliments and hot meals (PS1, 2020, 12 March).</p> <p>Aid during pandemics also consisted in donations made by the municipality for children from Valea Plopului, Prahova county, where there is one of the largest centers for children and single mothers. Spiritual guidance was available to citizens through telephone, by the priests working in District 1 churches. (PS1, 2020 – 10 apr)</p> <p>Probably the strongest institutional impact on society was performed through the Multifunctional Complex Caraiman, a public institution created in 2008 by BD1M, under the subordination of the District 1 Local Council and financed from the local budget. Intended to provide medical and social care for the</p>

poor communities living in District 1, Caraiman Complex is a pioneer institution of this kind in Romania, that supports vulnerable social categories such as children from poor families, disabled people, old people that have small incomes, persons that are subject to social exclusion etc. (PS1, 2018; PS1, 2021). The creation of this unique type of organisation in 2008 helped BD1M to be very prepared for a crisis scenario. Thus, when the pandemic started Caraiman Complex became a "hot point" for several services:

- free testing for Covid 19
- telemedicine by monitoring 24 hours per day health parameters from distance, through devices installed on patients
- attracting volunteers in order to support the medical personnel.

In April 2020, BD1M purchased 2 modern mobile CT capable of revealing the infection with the virus from very early stages, with no contact at all between the doctor and the patient. One of these devices was donated to the Matei Balş, after signing a memorandum with the Ministry of Health. The other device was used to equip Caraiman Medical Complex, but unfortunately it was not given authorization for use.

BD1M also purchased 50 ventilators that were shared between 4 major hospitals located in District 1 (PS1, 2020, 8 April)

On the 24th of March parks and playgrounds belonging to District 1 were closed down and Local Police started monitoring them. BD1M face to face interaction with citizens was cancelled until the 18th of May. In June public kinder-gardens in District 1 restarted their activities and remained opened during summer time (PS1, 2020, 17 June, 24 June).

In August 2020, BD1M offered **electronic devices** to online education for all teachers and children living and/or studying in the 1st district, from kinder-garden to high-schools.

From January 2021, District 1 hosts at **Romexpo** the largest vaccination centre from Bucharest and also the largest at national level. Medical personnel as well as all the facilities and services needed to support the vaccination process are assured by BD1M as well.

5. Expert evaluation of governance performance in the crisis context

Preparedness (4/5)

In terms of internal capacities, BD1M was more prepared for the pandemics than other local governments due to the activity of the Caraiman Medical Complex.

It was also very well prepared to participate to collaborative activities, such as the Memorandum signed with the Ministry of Health and the support offered by the volunteers) and to support the community to pass the pandemics time.

The online platform was intended to ease the interaction between public administration and citizens, thus its implementation in 2020 synchronized perfectly with the pandemic situation.

Agility (4/5)

BD1M reacted immediately to the pandemics circumstances, due to the legal framework set by the Romanian Government during the pandemics, Bucharest District 1 Municipality was able to react very quickly to the Covid 19 crisis, especially because of the exceptions in the public procurement field, which enabled the municipality to buy all necessary goods, such as masks and disinfectants, medical equipment, electronic devices for online education etc.

Social aid was also provided with agility and adapted to the evolution of the epidemiologic situation.

The procurement of electronic devices for online education was fast and reached all categories of stakeholders, with no discrimination.

Robustness (3/5)

In 2019 BD1M had a budget of approximatively 1,2 billion lei. In 2020, which was an electoral year in Romania, BD1M mayor estimated a non-realistic budget of 2 billion lei (based on a penalties collection scenario) in order to be able to spend more. Therefore several important expenses targeting the Covid 19 pandemic were made. After the new mayor won the elections, she revealed the unrealistic source

		<p>of financing for such extravagant expenses, which led the richest district of Bucharest on the fourth position, after districts 3, 2 and 6. (PS1, 2021, Budget).</p> <p>Impact in society (4/5)</p> <p>The measures undertaken by BD1M during pandemics had a deep and positive impact on the local community. At the beginning of the pandemics, in February- March 2020, when protection masks were very difficult to find and also very expensive, BD1M freely distributed them to persons belonging to vulnerable groups. Free electronic devices were provided to all pupils studying in schools belonging to District 1, in order to guarantee none of them is excluded from educational opportunities.</p> <p>By far, the Caraiman Complex had the deepest echo in the pandemics context, as a hot point for testing people for free, providing medical care and telemedicine.</p>
6.	Specificities	<p>The measures taken by BD1M must be interpreted in the electoral context of the year 2020, which was an extra stimulus for most mayors to act and react quickly during the Covid crisis, in order to gain visibility and electoral capital.</p> <p>Data collected for this case study was based on desktop research, by analysing secondary data such as: activity reports, press releases, budgets, statistics etc. A semi-structured interview with a municipality employee was also carried out in February in order to gather data about internal procedures, work loads, work planning etc.</p>

PS1 – Primăria Sector 1 (2018) Raport de activitate al Complexului Multifuncțional Caraiman pentru anul 2018 [online] <https://www.primariasector1.ro/download/directii-servicii/complex-caraiman/Raport%20%202018%20CM%20Caraiman.pdf>, accessed 23rd January

PS1 – Primăria Sector 1 (2020a) "Organigrama PS1" [online] <https://www.primariasector1.ro/download/regulamente/Organigrama%20aparaturii%20de%20specialitate%20al%20Primarului%20Sector%201%20cf.%20HCL%20291%20din%2004.12.2020.pdf>, accessed January 23rd January

PS1– Primăria Sector 1 (2020, 24 Feb), " Ce este coronavirusul și cum ne putem proteja" [online]

<https://www.primariasector1.ro/articole/citeste/comunicate-presa/1835/ce-este-coronavirusul-si-cum-ne-putem-proteja>, accessed 23rd January

PS1– Primăria Sector 1 (2020 – 12 March), S1 Linii telefonice de urgență pentru persoanele auto-izolate la domiciliu (primariasector1.ro)

[online] <https://www.primariasector1.ro/articole/citeste/comunicate-presa/1841/linii-telefonice-de-urgenta-pentru-persoanele-auto-izolate-la-domiciliu>, accessed 23rd January

PS1– Primăria Sector 1 (2020 -10 Apr) "Ajutor spiritual pentru enoriașii din sector 1 în săptămâna patimilor" [online]

<https://www.primariasector1.ro/articole/citeste/comunicate-presa/1850/ajutor-spiritual-pentru-enoriasii-din-sectorul-1-in-saptamana-patimilor>, accessed 23rd January

PS1– Primăria Sector 1 (2020 -8 April) [https://www.primariasector1.ro/articole/citeste/comunicate-presa/1848/sectorul-1-computer-](https://www.primariasector1.ro/articole/citeste/comunicate-presa/1848/sectorul-1-computer-tomograf-ultraperformant-pentru-depistarea-infectiei-cu-coronavirus)

[tomograf-ultraperformant-pentru-depistarea-infectiei-cu-coronavirus](https://www.primariasector1.ro/articole/citeste/comunicate-presa/1848/sectorul-1-computer-tomograf-ultraperformant-pentru-depistarea-infectiei-cu-coronavirus), accessed 23rd January

PS1– Primăria Sector 1 (2020 -15 April) "Am lansat platforma digitală de servicii online oferite de Primăria sectorului 1 – platforma cetățeanului" [online]

<https://www.primariasector1.ro/articole/citeste/comunicate-presa/1852/am-lansat-platforma-digitala-de-servicii-online-oferte-de-primaria-sectorului-1-platforma-cetateanului>, accessed 24th January

PS1 – Primăria Sector 1 (2020 - Dec) "Proiect de buget 2021" [online] <https://www.primariasector1.ro/download/buget-2021/buget-2021-C-prima%20parte-final.pdf>, accessed January 23rd January

PS1 – Primăria Sector 1 (2021) "Prezentare CM Caraiman. pptx" [online] <https://www.primariasector1.ro/download/directii-servicii/complex-caraiman/Prezentare%20CM%20Caraiman.pdf>, accessed January 23rd January

Stamule, T. (2021) "Sectorul 1", [online] <https://tanasestamule.ro/sectorul-1/>, accessed January 23rd January

SPAIN



Case Study 1. Health and Social Consortium of Catalonia¹⁴³

1. **Rationale** for selection (area of activity, Covid19 Impact)

The Spanish Constitution of 1978 designed a decentralised system divided into 17 regions called Autonomous Communities. This design, shaped over the years by the jurisprudence of the Constitutional Court, has configured a cooperative quasi-federal State in which most of the competences are shared between the central government and the government of the Autonomous Communities. The latter can develop the basic legislation of the State and can implement their own management models in the areas of their competences. The result is a highly decentralised country in which the regions have legislative capacity, manage 37.12%¹⁴⁴ of total public spending and employ 58.29% of the country's public workers¹⁴⁵, most of whom are engaged in the provision of labour-intensive services such as health, education and social services.

The capacity of the Autonomous Communities to organise their health services has given rise to different models, based on the separation between financing and service provision activities and on the introduction, with greater or lesser intensity depending on each region, of indirect management formulas. This variability was favoured by the approval of Law 15/1997 on "Entitlement of new forms of management of the National Health System", which mentions for the first time a plurality of types of management, including those allowing the participation of the private sector which opens the door to novel forms of public-private cooperation in health services.

Thus, when Catalonia began to take over health services in 1981, it created the Catalan Health Service (CatSalut) as the body that guarantees the provision of health services, plans, evaluates and contracts them with a variety of public and private providers integrated in a network called the Comprehensive

¹⁴³ We thank José Augusto García Navarro, Director General of the Health and Social Consortium of Catalonia for the information provided for this case study.

¹⁴⁴ Banco de España (2021): Boletín Estadístico: <https://www.bde.es/webbde/es/estadis/infoest/bolest.html>

¹⁴⁵ Ministerio de Política Territorial y Función Pública (2021): Boletín del Registro Central de Personal, 2020, July: http://www.mptfp.es/dam/es/portal/funcionpublica/funcion-publica/rcp/boletin/Boletines/200701_Boletin_julio_2020.pdf

		<p>Health System of Catalonia (SISCAT) for the provision of hospital, socio-health and mental health services.</p> <p>This is the basis of the peculiar Catalan healthcare model: a public system configured as a network of public (owned by town councils, provinces, foundations) and private providers (religious orders, foundations, cooperatives, commercial companies, etc.). In this context, the Health and Social Consortium of Catalonia (CSC) was created in 1983 as an associative public body whose main aim is to guarantee the quality of services through cooperation and assistance activities for public and non-profit organisations operating in the field of health and social services¹⁴⁶.</p>
<p>2.</p>	<p>Institutional descriptive statistics (no. of employees, age etc.)</p>	<p>Local consortia are regulated by Law 7/1985 on the Bases of the Local Regime, which, in its article 85.1, states that "local entities may form consortiums with other public administrations for purposes of common interest or with private non-profit entities that pursue purposes of public interest, concurrent with those of public administrations"¹⁴⁷; by the Law 8/1987 on Municipalities and Local Regime of Catalonia, which understands consortia as public entities created by local governments together with other public or private non-profit bodies that have common interests of public interest; and, in the specific field of health, by the Law 15/1990 on Health Planning of Catalonia¹⁴⁸.</p> <p>The most significant aspect of this type of organisation is therefore its voluntary and cooperative nature and its capacity to create and manage public services. In addition, its own legal personality and organisational flexibility allow it to adapt its organisation and to use direct or indirect forms of management or to equip itself with instrumental bodies in order to achieve its purpose in changing or volatile contexts.</p>

¹⁴⁶ http://www.consorci.org/en_index/

¹⁴⁷ http://www.juntaelectoralcentral.es/cs/jec/normativa/estatal?idContenido=354322&idLeyJunta=109545&idLeyModificacion=332970&p=1379061506503&paux=1379061506503&template=Loreg/JEC_Contentido

¹⁴⁸ <https://www.boe.es/buscar/pdf/1990/BOE-A-1990-20304-consolidado.pdf>

Specifically in the Catalan healthcare sector, one of the most unique aspects that sets it apart from other Spanish Autonomous Communities and western European countries is the traditional importance of local governments and private non-profit organisations in the provision of social and healthcare services, which makes it necessary to create coordination efforts to guarantee the financial sustainability of the services, improve their infrastructures and ensure the quality of the system as a whole.

In 1983 the Health and Social Consortium of Catalonia (CSC) integrated two municipalities and nine municipal hospitals (with the initial name of Hospital Consortium of Catalonia) as a local associative public body. Today, the Consortium is made up of 108 associated entities, including municipalities (29), provinces (2), other local entities (24), public companies and organisations (22) and non-profit organisations (31), which are represented in a General Assembly (“Junta General”) as the decision-making body that in turn appoints a President.

The extraordinary organisational flexibility of the Consortium has allowed the introduction of business management instruments in public health services; the replacement of the traditional bureaucratic model by a participatory management system based on the co-responsibility of all the institutions involved in the provision of health services; the use of more flexible human resources management tools for the recruitment and promotion of professionals; and the use of more flexible procedures for contracting works, supplies and services without forgoing the respect of the principles of equality, merit, capacity and competition that are applicable to the entire public sector and are established in the article 103.3 of the Spanish Constitution.

What is remarkable, therefore, about the CSC is its great capacity to evolve and adapt to specific circumstances and to its environment, which offers the flexibility of the “consortial” organisational form to rationalise and take advantage of the existing health resources in civil society (whether public or private) to provide imaginative responses to complex challenges and to operate in a participatory way to tackle health challenges by coordinating the actions of small operators or centralising actions to generate economies of scale, as appropriate.

The CSC is thus presented as the meeting point for multiple health operators integrated in the Catalan public health network to provide information, manage services, share experiences and generate

knowledge for advanced public management in health and dependency care. In this way, the CSC performs the following functions:

- a) It represents the interests of its members through the Health and Social Employers' Association Consortium (CAPSS), which brings together some 43,000 professionals.
- b) It directly manages hospitals, health and social services, primary care and long-term care services (residential homes, day centres and municipal home help services).
- c) It provides tailor-made vocational training services for workers.
- d) It centralises public procurement activities through the Administrative Contracting Aggregate Service (SACAC) to achieve better economic conditions in the acquisition of goods, works and services, which aims to improve efficiency in the purchase of medicines and achieve synergies and network projects between operators, and promotes the inclusion of environmental or social responsibility clauses in the procurement conditions.
- e) It assists small operators such as small hospitals with legal advice and support on organisational issues, management, training, information systems, communication, finance, benchmarking, etc.
- f) It carries out surveys on health policy through the Health Policy Studies and Prospective Service (SEPPS) for the generation of knowledge and fast detection of problems, since the system planner (CatSalut) is far from the day-to-day problems while the CSC is close to the implementation of services.
- g) It manages transversal services of common interest for all the components of the network, such as the Reference Laboratory of Catalonia and radiological diagnosis platforms.
- h) It makes international consultancy activities for the planning of social and health projects, especially in Latin America (more than 150 projects developed).

In short, the CSC offers a comprehensive service provision solution for small public and private non-profit operators included in the Catalan public health network.

3. Inward Resilience Evaluation (risk management, capacity to react to

When the Health and Social Consortium of Catalonia suspended all face-to-face activity in its institution (conferences, meetings, institutional events) on 10 March, Spain had not yet provided any national response to the violent irruption of the coronavirus. There had been partial responses from some

crisis, capacity to adapt to change etc.)

autonomous communities¹⁴⁹, such as the closure on 6 March of 213 social and health care centres for the elderly (day care and clubs for this age group) in the Community of Madrid; the confinement of entire blocks of the Rioja town of Haro due to an outbreak on 7 March; and the closure of schools in Madrid, Vitoria and Labastida (Álava) on 9 March. As a response at national level, only the timid recommendation by the health Minister of teleworking and the flexibility of working hours and staggered shifts can be mentioned.

In contrast, the central government anti-response or anti-measures were to allow the manifestations for Women's Day on 8 March, which were attended by hundreds of thousands of people in the main Spanish cities, as well as other minor gatherings that were allowed, such as the VOX party assembly and the league match day in the football stadiums.

Since the outbreak of the SARS-CoV-2 coronavirus, the internal resilience of the Health and Social Consortium of Catalonia has been demonstrated through contingency plans aimed at protecting staff as well as communication strategies with professionals and the community with much greater immediacy and intensity.

The Consortium has designed its interventions before and during the pandemic under the umbrella of the 2030 Sustainable Development Goals¹⁵⁰. Some of the Consortium's actions are aligned with the 2030 Sustainable Development Goals, which the COVID-19 pandemic has significantly disrupted. The principles on which the SDGs were established have been key to addressing the pandemic as well as to building back better during recovery after COVID-19¹⁵¹.

In principle, the measures are aimed at preventing infection while reconciling it, as far as possible, with the continuity of economic and employment activity. As the Consortium internal documents point out, SDG 3 "Health and well-being" is the most important goal, complemented by SDG 8 "Decent work and economic growth".

¹⁴⁹<https://www.20minutos.es/especiales/los-10-dias-que-llevaron-a-espana-a-un-estado-de-alarma/>

¹⁵⁰ Consorci de Salut i Social de Catalunya (2020): *El compromiso social ante la emergencia sanitaria*.

¹⁵¹ United Nations (2020): *Informe de los Objetivos de Desarrollo Sostenible 2020*, New York.

The creation of an internal communication space belongs to this group of measures: daily information provided by the management department to professionals through videos¹⁵² posted on the corporate intranet (from 11 March - the date on which the World Health Organisation recognises the pandemic). Teleworking is maximised in the Consortium¹⁵³ (from 12 March) and the necessary instructions for secure connections are provided. Teleworking continues to be prioritised in all areas and for those professionals who chose to work face-to-face due to the nature of their responsibilities, the necessary preventive measures have been taken since the beginning of the pandemic.

Meanwhile, in the broader context represented by the autonomous communities and the central government, the Autonomous Community of Madrid closed all commercial establishments except essential ones (on 13 March) and at the national level, the president of the government, Pedro Sánchez, confirms that the Council of Ministers has approved the declaration of the state of alarm by Royal Decree throughout the national territory (on 14 March) which included severe measures restricting the mobility of people and economic activity except in cases of force majeure and essential services.

Under the national umbrella of the state of alarm, the Consortium continues with the teleworking measures, until 20 May when the de-escalation period¹⁵⁴ begins. In accordance with the leitmotiv "New normality, new opportunities", the strategic plans have been adapted to the new needs and priorities; measures have been incorporated in the emergency plans to deal with possible new outbreaks and pandemics, in accordance with the aforementioned SDG 3 "Health and well-being".

Other relevant measures adopted by the Consortium consist of strengthening communication and dialogue in the framework of relations with all the aforementioned stakeholders (municipalities, provinces, local entities, public companies and organisations and non-profit organisations) in line with SDG 17 "Partnerships to achieve the goals"; and specific measures for the protection of vulnerable groups and those most affected by the pandemic, which is reflected in the measures for the re-entry of professionals according to the de-escalation plan. Thus:

¹⁵² <http://www.consorci.org/el-csc/responsabilitat-social/pindoles-rs-covid-19/>

¹⁵³ Consorci de Salut i Social de Catalunya (2021): *Resumen de las medidas y acciones de comunicación dentro de la organización a partir de la irrupción de la COVID-19.*

¹⁵⁴ Consorci de Salut i Social de Catalunya (20 de mayo de 2020), *Desescalada a T21: Consideracions, criteris i fases.*

- People considered by the health department to be the most vulnerable population will be the last to return to work (diabetics, cardiovascular diseases, hypertensive, chronic liver disease, chronic lung disease, chronic renal disease, immunodeficiency, cancer, pregnant women and people over 60 years of age).
- If all workers in a department are vulnerable, the working day shall be agreed on a rotational basis.

The main objective of these measures is to preserve health and contain the pandemic, but also to ensure the continuity of economic and employment activity as far as possible, as well as affirmative actions in favour of the most vulnerable populations.

4. Outward Resilience Contribution (institutional impact in society, capacity to reach intended goals, collaborative activities etc.)

As in the case of building internal resilience, conciliation of health protection and building of partnerships are cross cutting objectives and are present in all measures implemented by the Consortium.

Responses were generated outside the organisation to continue to contribute to institutional objectives despite the pandemic and to meet the new needs generated by it. In order to strengthen the Consortium's impact on society and the territories, the efforts of a well-articulated civil society, social entities and local administration converge under the principle of social responsibility¹⁵⁵. The Consortium has shared with the whole sector the information of experts in the labour field, associative area, pharmacy and medicine area, legal field, SACAC (Administrative Contracting Aggregate Service) and data protection. Collaboration is constant and the experiences shared with the health and social administration, are increasingly high. The framework for relations with all stakeholders has been improved, strengthening communication and dialogue.

In the health field, continuous support services to all the hospitals based on the design of a specific covid-care circuit and the incorporation in emergency plans of measures to deal with possible new outbreaks and pandemics are noteworthy.

¹⁵⁵ Consorci de Salut i Social de Catalunya (2019); *Plan estratègic 2019-2022*.

With the aim of preserving health and especially protecting vulnerable groups, in this case the elderly, the Consortium responded with the intervention of a nursing home¹⁵⁶ (Sant Adrià del Besós) in Barcelona. At a time of maximum complexity due to the epidemic, the management of this residence for the elderly was left in the hands of the Consortium until optimal and safe social and health care was achieved. Another measure taken by the Consortium to preserve health and care for vulnerable groups was the opening of a temporary nursing home in Barcelona for elderly people who tested negative¹⁵⁷. In addition, the software was updated for the identification of affected persons and the stock of essential medication for the treatment of covid-19 -such as the administration of sedatives for intubated patients- was monitored.

Outward resilience is also evident in the free training opportunity offered by the Consortium in the area where it was most needed (care for the elderly) and at a time when there was a lack of professionals because many had become infected when they were more in demand than ever. Faced with the lack of professionals caused by the pandemic, more than 800 people were able to access work exceptionally through a course developed by Consortium professionals and streamed through the on-line training platform Unió Consorci Formació. In addition, the training of health workers was deregulated so that students in their final years and retirees could join, accompanied by a distance and on-site training programme. The Consortium internal documentation aligns these measures with SDG 4 "Quality Education" which is based on ensuring inclusive and equitable quality education and promoting lifelong learning opportunities for all.

The Consortium has also acted on Goal 8 "Decent work and economic growth" by creating a job pool for all those who wanted to work in nursing homes and day care centres for the elderly. The pool has been open to both experienced and inexperienced workers. The training offered - already described - has temporarily accredited them to carry out this activity.

Likewise, in line with the leitmotiv "New normality, new opportunities", codes of conduct for professionals have been created, more information has been included in the transparency portals and the

¹⁵⁶ <http://www.consorci.org/actualitat/noticies/1160/el-csc-assumeix-la-gestio-de-la-residencia-sant-adria-de-besos-en-una-intervencio-durgencia>

¹⁵⁷ <http://www.consorci.org/actualitat/noticies/1173/el-csc-i-la-diputacio-de-barcelona-collaboren-amb-salut-per-obrir-27-places-per-a-pacients-negatiu-de-coronavirus>

		<p>strategic plans have been adapted to the new needs and priorities. In particular, the financial system has been oriented towards long-term sustainable investment.</p> <p>Outward resilience has been based essentially on health and the generation of alliances, without neglecting its contribution to job creation, training and, most notably, care of vulnerable populations.</p>
5.	<p>Expert evaluation of governance performance in the crisis context</p>	<p>Preparedness (2/5): The health crisis caused by covid-19 was unimaginable for any organisation operating in the health sector. While general epidemic contingency plans existed based on risk assessment and the identification of a set of concrete response measures and actions, these plans were developed as the pandemic evolved and in accordance with EU guidelines. However, the CSC allowed for centralised decision-making, unified instructions and offered a common support superstructure for small Catalan health operators.</p> <p>Agility (5/5): One of the main strengths of the Consortium is its organisational versatility and multi-functionality, which allowed fast responses in a context of uncertainty and lack of reliable information on the development and consequences of the disease. The measures taken in terms of communication, the exceptional deregulation of training requirements for working in care homes, the provision of emergency services or the support measures for hospitals and nursing homes during the worst moments of the economic crisis are examples of rapid reaction to the crisis.</p> <p>Robustness (3/5): The health sector was severely affected by the scale of the pandemic, which tested its institutional resilience. However, the Consortium took immediate steps to organise remote work of its employees, update the software for the identification of affected persons and monitor the stock of essential medication for the treatment of covid-19, such as the administration of sedatives for intubated patients.</p> <p>Impact in Society (5/5): The Consortium contribution to society, aligned with the 2030 Sustainable Development Goals, has been based essentially on health and the generation of alliances, without neglecting its contribution to job creation, training and, most notably and care of vulnerable populations, in a. One of the sectors most affected by covid was the nursing homes, which required the direct intervention of the Consortium, that took over the management of some of them in order to classify,</p>

sectorise and provide them with medical care. In the same area of work, the Consortium took exceptional measures to reinforce the workforce, and in March 2020, the training of health workers was deregulated so that students in their final years and retirees could join, accompanied by a distance and on-site training programme. Also, it is worth highlighting the continuous support services to all the hospitals based on the design of a specific covid-care circuit. Finally, the strengthening of communication and dialogue in the framework of relations with all stakeholders to build partnership are also cross cutting and most remarkable.

Case Study 2. Regional Transport Consortium of Madrid¹⁵⁸

1.

Rationale for selection (area of activity, Covid19 Impact)

In accordance with the Law 7/1985 on the Bases of the Local Regime, urban public transport is a competence of the municipalities (article 25.2.g), so they can exercise this competence to satisfy the needs of their citizens in relation to this essential service. However, for the 149 Spanish municipalities with more than 50,000 inhabitants -that represent 1.83% of the 8,131 municipalities in Spain in 2021 and concentrate 53% of the Spanish population (25 million out of a total of 47 million)¹⁵⁹- it is a compulsory competence.

The Autonomous Community of Madrid, one of the 17 regions into which Spain is divided, concentrates almost 7 million people (6,779,888) and is the third largest urban concentration in Western Europe after Paris and London in an area of 8,028.5 square kilometres. Of this total population, almost half is concentrated in the city of Madrid (49.18% with 3,334,730 inhabitants), surrounded by a metropolitan ring of large and medium-sized cities with a further 3 million inhabitants in an urban continuum closely linked to the city of Madrid for reasons of physical proximity and economic connection.

The foundation of the Regional Transport Consortium of Madrid (CRTM in Spanish) by the Law 5/1985 of the Regional Parliament, two years after the creation of the Autonomous Community of Madrid, is a unique organisation for several reasons: firstly, it is an example of multilevel management between different territorial governments that place their transport networks (rail, metro and buses) at the service of a body with its own legal personality for the integrated management of urban mobility; secondly, it is an experience of delegation of municipal powers to a supra-municipal body that ends up acting as a metropolitan government for the integrated management of urban transport; and thirdly, it is a governance structure that gives private operators access to the common network in the management of an essential public service.

¹⁵⁸ We thank Laura Delgado Hernández, Representative of the CRTM for External Affairs, for the information provided for this case study.

¹⁵⁹ National Institute of Statistics (2021): <https://www.ine.es/jaxiT3/Tabla.htm?t=2917&L=0>

2. Institutional descriptive statistics
(no. of employees, age etc.)

The Regional Transport Consortium of Madrid is an autonomous body of the regional government that is responsible for the comprehensive provision of urban transport services to the inhabitants of the 179 municipalities of the Autonomous Community of Madrid that voluntarily join it. Its operation is the result of 4 types of integration: administrative, fare, modal and technological.

5.1. Administrative integration.

The founding of the CRTM in 1985 created a single public transport authority with the capacity to make autonomous decisions on investment, pricing and management of the urban transport system throughout the Autonomous Community of Madrid, based on the association of municipal governments and the delegation of their transport competencies to the consortium.

Its Board of Management is made up of 20 representatives from public and private organisations such as the Autonomous Community of Madrid (7), the city of Madrid (3), other municipalities (3), the central government (2), private transport operators (2), trade unions (2) and consumer and user associations (1) and is chaired by the Minister of Transport of the Autonomous Community of Madrid.

The main objectives of the CRTM are strategic and tactical ¹⁶⁰:

- The planning of transport infrastructure
- The establishment of a single fare system
- The establishment of a financing system
- The coordinated planning of transport services
- The management and the economic control of the transport system.
- The creation of a brand image of the transport system and the unification of external relations with users.

¹⁶⁰ CRMT (2019): Annual Report: https://www.crtm.es/media/880193/informe_anual.pdf

The main operators of the system are:

- Metro de Madrid: Autonomous Community of Madrid-owned public company.
- Empresa Municipal de Transportes (EMT): public company owned by the city of Madrid
- Urban transport in other municipalities: public companies or private concessionaires
- RENFE Suburban Train Services: State-owned public company
- Suburban Bus Services: private operators connecting the different cities in the region and between Madrid and the metropolitan ring.
- Light Rail Services: private concessionaires.
- Interchange Terminals: private concessionaires.

5.2.Fare integration.

The CRTM prepares and approves a common system of fares. It also markets and advertises the different transport tickets and distributes the revenue among the operating companies.

The costs of the system are financed by public contributions from the different territorial administrations (State, Autonomous Community of Madrid and associated Municipalities) and the rest is covered by user contributions from fares, as shown in the following table:

Table 1. Economic Sustainability of the System

PUBLIC GRANTS	2019 (MILLION EUROS)	% GRANTS	% TOTAL
Central Government	126.89	9.11	5.26
Autonomous Community of Madrid	1,067.54	76.67	44.25
Madrid City	166.78	11.98	6.91
Other municipalities	31.16	2.24	1.29
Total public budgets	1,392.37	100	57.72
Fee revenues	1,019.85		42.28
TOTAL	2,412.22		100

Source: own elaboration based on official data from the Annual Report of the CRTM, 2019.

Thus, about 58% of the revenues come from budgetary contributions from public administrations (especially from the Autonomous Community of Madrid, which covers 44% of the total of these contributions), while 42% of the cost of the system is covered by user charges.

5.3. Modal integration.

Modal integration plays an essential role in the success of any metropolitan transport system. In the integration of the different modes of transport, interchange stations function as gateways to the city of Madrid as they are the destination point for the radial corridors that connect the cities of the metropolitan ring with the city of Madrid, and where different modes of transport (metro, buses, train) coincide to facilitate the mobility of passengers. These infrastructures are 30-year concessions for the construction and their operation, where private partners recover their investment by means of collecting a fare from each regular bus passenger that get on or off at the station and by the commercial exploitation of parkings, retail outlets, advertising areas or vending machines among others.

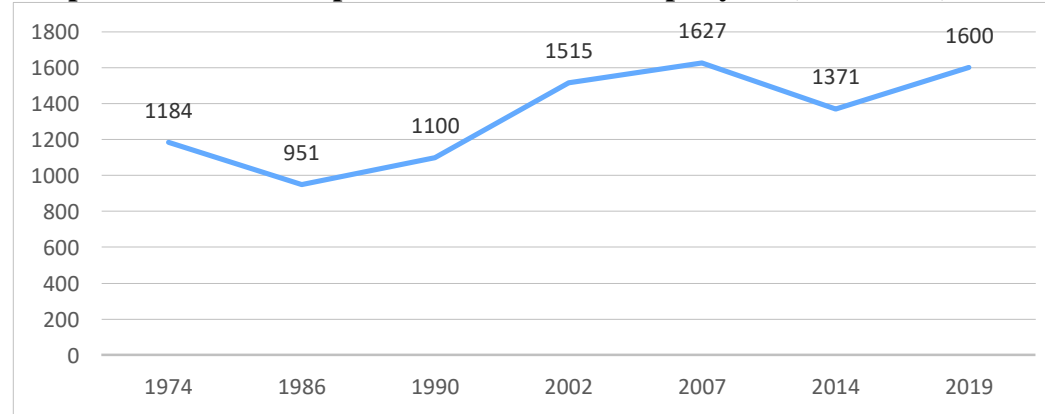
According to the CRTM data¹⁶¹, journeys in the Autonomous Community of Madrid are mainly distributed between three modes of transport: 34% travel on foot (40% in the city of Madrid), 24.3% use public transport (35% in the city of Madrid) and 39% prefer the private car (20% in the city of Madrid), while other alternative modes (mainly cycling) are slowly starting to take off (2.7% in the Autonomous Community of Madrid and 5% in the city of Madrid).

The annual demand for public transport has grown since the creation of the Consortium in 1985 and the monthly travel pass in 1986. Its evolution has been reflecting the economic situation. For this reason, the economic crisis of 2007-2008 affected the contraction of demand until the economic recovery of 2013-2014, which is reflected in a new increase in demand until 2019 (see graphic 1). As it can be appreciated, the annual demand for public transport reached 1,600 million trips, representing 4,383,561 journeys per

¹⁶¹ CRTM (2018): Household Mobility Survey: https://www.crtm.es/media/712934/edm18_sintesis.pdf

day and an average of 236 trips per inhabitant annually, which places Madrid at a very high level of public transport use among the Spanish and European cities.

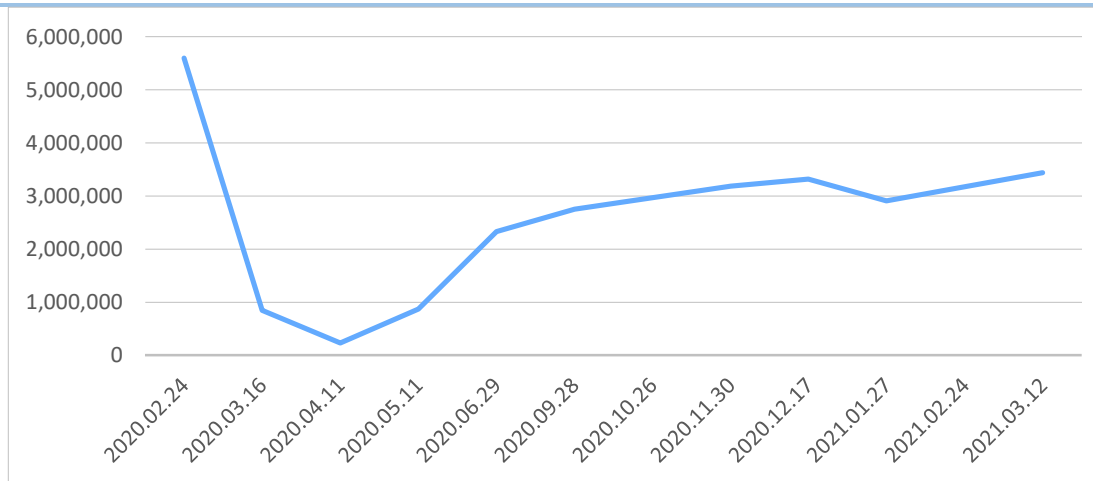
Graphic 1. Public transport demand in Madrid per year (in millions)



Source: CRTM, 2019: Annual Report.

However, the covid-19 health and economic crisis led to a sharp drop in transport use, especially during the lockdown periods in March and April 2020 (see graphic 2). Since then, public transport use has been slowly recovering, although it has fallen by 47% in 2020 compared to the previous year and is not expected to recover to 1.6 billion trips per year until 2023.

Graphic 2. Public transport demand in Madrid per day (February 2020-March 2021)



Source: own elaboration based on CRTM data: <https://www.crtm.es/comunicacion/medidas-sobre-coronavirus.aspx>

5.4. Technological integration.

Lastly, the Integrated Public Transport Management Centre (CITRAM in Spanish), as a part of the Consortium, coordinates the information on infrastructure and services of the different transport modes that operate in the whole region. The Centre provides real time information about the status of the public transport networks and gives integrated responses to all public transport stakeholders (customers, operators, emergency services, etc.). This way CITRAM can take decisions faster coordinating the entire transport system, which is especially important in case of big events in the city, major disruptions or security threats.

The different modes of transport are conceived as parts of a single multi-modal system and in this sense CITRAM monitors the proper functioning of the whole system.

3. Inward Resilience Evaluation (risk management, capacity to react to

The Regional Transport Consortium began its measures on 11 March, three days before the approval of the Royal Decree declaring a state of alarm on 14 March.

crisis, capacity to adapt to change etc.)

When classifying the measures taken by the Consortium, two main groups of responses are identified: those aimed at protecting staff (staff in general, as well as more vulnerable staff) and those aimed at preventing the spread of contagion, although most measures include both objectives.

Among the measures aimed at the protection of staff and users to prevent the spread of infection is the implementation from 11 March of the daily disinfection of vehicles used for regular passenger transport, an indication transferred to the various transport operators in the region (Metro de Madrid, EMT, other urban and interurban buses, Renfe Cercanías, light rail and trams¹⁶²).

From 19 March 2020, cash payment was not allowed on the region's urban and interurban bus networks. Buses without a partition for the driver had to be entered through the back door. Seating capacity was also limited to one third of the available seats¹⁶³.

On 3 April 2020, 44 lobbies and 183 entrances (with less than 500 passengers per day except for those next to hospitals) were closed to minimise the risk to employees. In addition, workplaces were readapted, with more human resources dedicated to cleaning, surveillance and maintenance tasks.

As measures to protect specific vulnerable groups, teleworking and flexible working hours were favoured in the case of employees responsible for the care of children under 12 years of age, people with disabilities or relatives up to the second degree of consanguinity or affinity who, due to illness or age, were unable to look after themselves¹⁶⁴.

From 26 March, metro supervisors over 60 years of age interrupted their work until the pandemic was over.

¹⁶² <https://www.crtm.es/comunicacion/actualidad-del-servicio/archivo/11032020-recomendaciones-transporte-publico-coronavirus.aspx>

¹⁶³ <https://www.crtm.es/comunicacion/sala-de-prensa/noticias/archivo/19032020-no-se-permitira-el-pago-en-efectivo-en-la-red-de-autobuses.aspx>

¹⁶⁴ <https://www.crtm.es/comunicacion/actualidad-del-servicio/archivo/03042020-metro-de-madrid-cierra-vestibulos-y-accesos.aspx>

4. Outward Resilience Contribution (institutional impact in society, capacity to reach intended goals, collaborative activities etc.)

As for the measures that directly impacted the environment, they can be classified into measures to prevent the spread of infection, measures to protect vulnerable groups, measures to logistically support health activities, and measures to help maintain economic and employment activity.

Measures to prevent the spread of infection include the already mentioned measure taken on 11 March 2020 regarding disinfection, as well as the redirection of human resources to areas of greatest need. Station personnel were established throughout the service hours and the control and remote control of the facilities is established and monitored from the Central Post. Special attention is paid to avoid congestion and concentration. Priority is given to escalators, lifts, moving walkways and bulkhead doors. Messages were sent every ten minutes asking users to spread out along the platform and inside the trains¹⁶⁵.

Preparations were made for de-escalation from 7 May by transforming buses on the busiest lines into direct buses. Despite the reduction in the use of public transport, 100% of the offer was put into operation to guarantee social distancing¹⁶⁶.

With the objective of guaranteeing social distancing, on 12 May, seats were marked on trains and platforms to avoid their occupation, and floor and walls were signposted. They underwent an Aenor audit to certify the anti-COVID-19 management protocols¹⁶⁷.

Automatic capacity control was strengthened on 16 August 2020 with the extension of the automatic capacity control device.

In relation to measures to protect vulnerable groups, the Regional Transport Consortium recommended that the elderly and those suffering from any illness should avoid public transport¹⁶⁸ (from 11 March onwards).

¹⁶⁵ <https://www.crtm.es/comunicacion/actualidad-del-servicio/archivo/14032020-nuevas-medidas-extraordinarias-en-el-transporte-publico.aspx>

¹⁶⁶ <https://www.crtm.es/comunicacion/sala-de-prensa/noticias/archivo/07052020-garantizamos-movilidad-plan-desescalada-en-transporte-publico.aspx>

¹⁶⁷ <https://www.crtm.es/comunicacion/sala-de-prensa/noticias/archivo/17052020-balance-actuaciones-de-seguridad-en-el-transporte.aspx>

¹⁶⁸ <https://www.crtm.es/comunicacion/actualidad-del-servicio/archivo/11032020-recomendaciones-transporte-publico-coronavirus.aspx>

During the de-escalation, and from 28 May onwards, the safe use of public transport by people with disabilities was encouraged. Passengers were also asked to help visually impaired and deafblind people to keep a safe distance¹⁶⁹.

Within the group of measures to provide logistical support for healthcare activities, the Ministry of Transport of the Autonomous Community of Madrid established a package of actions aimed at prioritising resources and acting strategically: on 14 March, Metro de Madrid established a priority in the availability of train services for each of the lines on which there are stations with close access to hospitals, ensuring the transport service during the opening hours of the Metro network. In order to optimise resources, hospitals with the greatest need for journeys were categorised in order to prioritise train drivers and trains to meet this need.

On 23 March, a free bus service to Ifema (a temporary hospital set up for patients with coronavirus) for medical staff and volunteers was set up with a frequency of 30 minutes. Similarly, the Consortium's fleet of urban and interurban buses was made available to the Military Emergency Unit to transport the affected patients. Specifically, a total of 4,133 vehicles¹⁷⁰ have been made available for the new health needs.

In addition, on 25 March, a free bus service was launched to transport health professionals between the hotels where they are staying (a measure implemented to prevent the infection of those living with health professionals in their homes) and the hospitals where they are carrying out their work¹⁷¹.

On 31 January 2021, the Community of Madrid launched free buses connecting the Hospital Enfermera Isabel Zenda with the Hotel AC Marriot Madrid Feria, which the Autonomous Community of Madrid government had set up for the rest of the healthcare workers. The Community of Madrid had made 150 rooms available in this hotel for the healthcare staff of the Isabel Zenda to provide them with a place to

¹⁶⁹ <https://www.crtm.es/comunicacion/sala-de-prensa/noticias/archivo/28052020-uso-seguro-del-transporte-publico-para-personas-con-discapacidad-durante-la-desescalada.aspx>

¹⁷⁰ <https://www.crtm.es/comunicacion/actualidad-del-servicio/archivo/23032020-lanzadera-gratuita-hasta-ifema-para-sanitarios-y-voluntarios.aspx>

¹⁷¹ <https://www.crtm.es/comunicacion/actualidad-del-servicio/archivo/25032020-autobuses-gratuitos-para-el-traslado-de-sanitarios-entre-hoteles-y-hospitales.aspx>

		<p>rest close to work or for those who needed to stay there, due to personal circumstances such as, for example, living with high-risk people¹⁷².</p> <p>The service was adapted by bringing forward the morning rush hour to 7:00 and practically eliminating the late afternoon rush hour¹⁷³ (from 18 March onwards) to help maintain economic and employment activity, and in accordance with the observed and measured change in demand. Yet, another measure to optimise resources.</p> <p>Following the 90% reduction in the use of public transport on 20 March, the Regional Transport Consortium decided to adjust the public transport offer to make compatible the mobility needs of people still obliged to travel (emphasising the inclusion of those living in remote locations but working in essential activities), with the restrictions provided for in the state of alarm¹⁷⁴.</p> <p>In general, the measures taken by the Transport Consortium strike a balance between supporting the maintenance of productive activity and protecting the health of employees and users. Also noteworthy is the support given to healthcare activity.</p>
5.	Expert evaluation of governance performance in the crisis context	<p>Preparedness (3/5): The public urban transport system is essential as an articulator of life in large cities. Moreover, in the case of covid-19, it could become a vector for mass contagion and the spread of the disease, so it was necessary to adopt immediate measures in an unforeseen scenario in which the government adopted measures too late because it did not forecast the magnitude of the crisis.</p> <p>Agility (5/5): The Consortium took swift action against the crisis even before the central government declared the state of alarm on 14 March 2020. From the outset, hygienic measures were adopted in the transport networks and communication with the operators integrated in the Consortium was intensified. From March and during the following months, teleworking was reinforced, priority was given to flexible working hours for staff to reconcile their working life with online school activities and protection</p>

¹⁷² <https://www.crtm.es/comunicacion/actualidad-del-servicio/novedades/31022021-lanzadera-gratuita-para-trasladar-a-los-sanitarios-del-zendal-hasta-el-hotel-de-descanso.aspx>

¹⁷³ <https://www.crtm.es/comunicacion/actualidad-del-servicio/archivo/18032020-la-comunidad-adapta-la-oferta-del-transporte-publico-por-la-tesis-del-coronavirus.aspx>

¹⁷⁴ <https://www.crtm.es/comunicacion/actualidad-del-servicio/archivo/20032020-metro-de-madrid-adelanta-su-horario-de-cierre.aspx>

measures were reinforced, such as the installation of separation screens in the transport networks or the introduction of automatic door opening tools or capacity control systems.

Robustness (4/5): The proper functioning of the public transport network played a key role in the mobility of essential service workers, mainly health workers. Most notable in this respect was the Consortium's ability to adapt to changing circumstances during the health crisis. Thus, the Consortium made decisions on the public transport offer considering the travel needs of citizens with mobility restrictions contained in central or regional government guidelines.

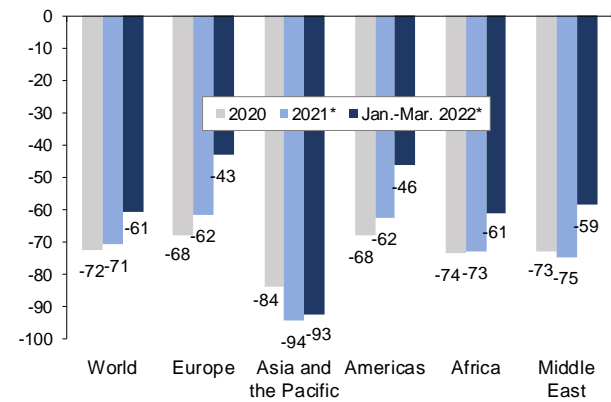
Impact on society (5/5): The Consortium put its transport infrastructure at the service of the fight against the pandemic. Examples of this work include the implementation of bus lines as free shuttles, the provision of fleets of buses for the Military Emergency Unit, the provision of free services for health professionals between the hotels that served as temporary accommodation and their hospitals, and the maintenance of public transport supply levels above the expected demand in order to avoid crowding on buses, platforms and trains as much as possible.

Case Study3. Benidorm Tourism Foundation: “Visit Benidorm”

<p>1. Rationale for selection (area of activity, Covid19 Impact)</p>	<p>COVID-19 has had a huge impact in virtually every sector and activity in the economy, but there are differences in depth and scope depending on the sector considered. Some have been able to take advantage of developments in the area of ICT's in order to redesign work processes, management strategies and relationships with customers in order to keep up activity while avoiding face-to-face interactions and watching distancing measures. However, being tourism an activity in which mobility is essential, the possibilities of replacing traveling by any similar online activity were null.</p> <p>According to the United Nations World Tourism Organization (UNWTO), international tourist arrivals fell by 72% between January and October 2020 over the same period the previous year. This decline represented around 900 million fewer international tourist arrivals in 2020 as compared with 2019, and translated into a loss of US\$ 935 billion in export revenues from international tourism, more than 10 times the loss in 2009 under the impact of the global economic crisis. Overall, the plunge in international tourism finally amounted to an economic loss of over US\$ 2 trillion in global GDP, more than 2% of the world's GDP in 2019.¹⁷⁵</p> <p>In 2022, tourism recovery gains momentum as restrictions ease and confidence returns. International tourist arrivals increased 182% year-on-year in Q1 2022 to an estimated 117 million international arrivals compared to 41 million in Q1 2021. Of the extra 76 million international arrivals, about 47 million were recorded in March. But despite the strong rebound experienced in Q1 2022, international tourism arrivals remain 61% below 2019 levels. The following chart shows the percentage of change over 2019 by regions.</p>
--	--

¹⁷⁵ UNWTO World Tourism Barometer and Statistical Annex, December 2020, 18(7)

International Tourist Arrivals (% change over 2019)



Source: UNWTO

* Provisional data

According to these figures, Europe is leading the rebound in 2022 after having experienced a decrease of 68% in the arrivals in 2020. By Q3 2022 international tourist arrivals have climbed to reach a level 19% below 2019 figures, with southern and Mediterranean countries showing the better behaviour.

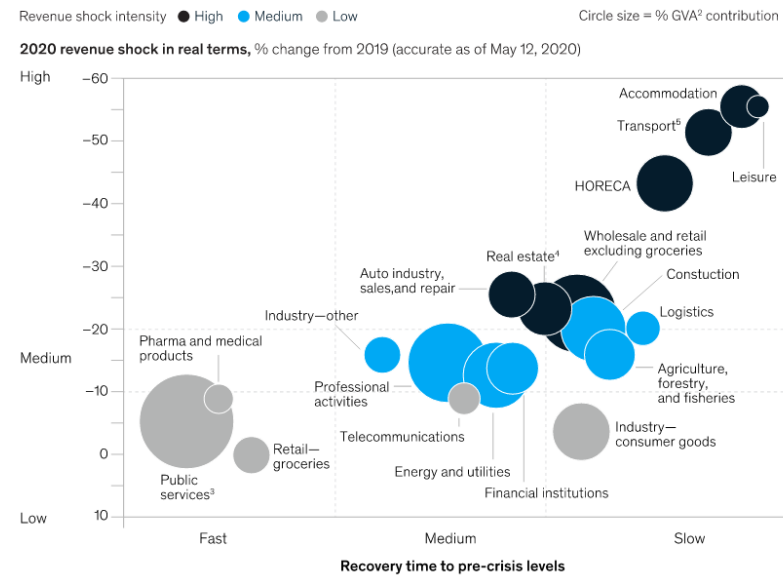
Region	YTD change (%)	change, absolute (thousand)	Data availability
Europe	-19 % ↓	-114,970	Jan - Sep 22
Northern Europe	-19 % ↓	-12,795	Jan - Sep 22
Western Europe	-12 % ↓	-19,904	Jan - Sep 22
Central/Eastern Europe	-43 % ↓	-47,935	Jan - Sep 22
Southern/Medit. Europe	-14 % ↓	-34,336	Jan - Sep 22

Source: UNWTO Tourism Dashboard

In the case of Spain, the sharp drop in international tourist arrivals implied a loss of 69% in international tourist expenditure and of 77% in international tourist receipts in 2020, a loss that by no means could be possibly compensated by domestic demand.¹⁷⁶

¹⁷⁶ UNWTO Tourism Dashboard. International Tourism and COVID-19.

With a Tourism GDP representing 12% of total GDP, the impact of the tourism crash in Spain's economy cannot be overstated. In Spain, industries, businesses and activities related to tourism are among the most affected by COVID-19 crisis. A report issued by McKinsey in June 2020¹⁷⁷ showed how the economic activities related to tourism sector, i.e. accommodation, transport, leisure, HORECA (HOTels, REstaurants and CAFes), had the highest losses in their revenue as compared to 2019 while having a prospect for slow recovery of pre-crisis levels.



Source: <https://www.mckinsey.com/business-functions/risk/our-insights/spain-after-covid-19-from-resilience-to-reimagination>

The performance indicators published by Exceltur¹⁷⁸ –an association of the 35 most relevant companies of the tourism sector – when making balance of 2020 clearly captured the severity of the situation:

- Tourism share in GDP had decreased in 116.402 million Euros.

¹⁷⁷ <https://www.mckinsey.com/business-functions/risk/our-insights/spain-after-covid-19-from-resilience-to-reimagination>

¹⁷⁸ <https://www.exceltur.org>

		<ul style="list-style-type: none"> – International tourist receipts had decreased in 62.849 million Euros. – 841.436 jobs in the tourism sector were at risk. – 346 million overnight stays at commercial establishments or hotels had been missing. <p>In destinations whose only productive activity and their very cultural identity depends on tourism the crisis has been experienced a particularly severe way. It is the case for Benidorm.</p> <p>Benidorm (67.558 inhabitants in 2018) is a sun and sand tourism destination located in the province of Alicante, in Spain’s Mediterranean coast. It emerged in the 1960s as a major international and national coastal resort and is characterised by an elevated occupancy rates in hotels throughout the year (75,96% average occupancy) and long stays (average stay of 5,6 nights)¹⁷⁹. It is the fourth Spanish destination in yearly hotel overnights after Barcelona, Madrid and San Bartolomé de Tirajana.¹⁸⁰</p>
2.	Institutional descriptive statistics (no. of employees, age etc.)	<p>The management and promotion of tourism in Benidorm, originally a competence of the municipality, is led by the Benidorm Tourism Foundation –better known by its commercial name "Visit Benidorm"¹⁸¹ –, created in 2010 as a public-private partnership that was intended to respond to rapid changes in the tourism industry in more efficient and flexible ways.</p> <p>The Foundation is a non-profit entity under the tutelage of the Protectorate exercised by the Generalitat Valenciana –the regional government – through the pertinent authority. The governing body is the Foundation Board, chaired by the Mayor of Benidorm, where the three Founding Trustees and the rest of institutional and collaborating partners and trustees are represented.</p> <p>The Founding Trustees were the City Council of Benidorm and the group HOSBEC, a local and regional group in the hostelry sector. In 2018, another local-regional hotel chain, Servigroup, joined as Founding Trustee with a small share. Besides, a number of other companies and business associations in the</p>

¹⁷⁹ Source: Exceltur

¹⁸⁰ INE (National Statistics Institute), 2017.

¹⁸¹ <https://en.visitbenidorm.es/ver/3181/quienes-somos.html>

		<p>sector of transport, travel agencies, leisure or utilities are related to the Foundation and its Board as Collaborating Partners.</p> <p>The agreements between the Foundation and the Generalitat Valenciana for marketing and promotion of the destination in national and international markets have increased at a very good pace since 2016 (60,000 € in 2016, 140,000 € in 2017, 100,000 € in 2018, 290,000 in 2019) and amounted 210,000 € in 2020 and 400,000 € in 2021.</p> <p>The Operative Plan of Benidorm Tourist Foundation for 2022 contemplates more than 200 actions to be carried out during 2022 in twenty countries, focusing on a dozen products and segments that will make up the promotion priority of the organization, attending to the interests of the Benidorm brand.</p> <p>Throughout 2021, 227 actions have finally been carried out in 23 countries and 18 fairs have been attended. Contacts and direct actions have been developed with 64 journalists, 86 influencers and 51 travel agents.</p> <p>As products and segments, in 2021 there has been an impact on:</p> <ul style="list-style-type: none"> – Sports (diving, cycling, golf and running) – Health and wellness – MICE tourism (Meeting, Incentives, Conferences and Exhibitions) – Digital nomads – Close collaboration with Like the Benidorm Film Office. <p>The approved budget for 2022 is just over a million and a half euros. A number of different actions are planned to take place along 2022, such as attendance at fairs in Finland (Matka), Holland (B2B Event) and Fitur, pending the evolution and incidence of the pandemic. Training actions are also to be completed in Spain and Europe.</p>
3.	Inward Resilience Evaluation (risk management, capacity to react to	<p>“Visit Benidorm” has proven to be a very dynamic and innovative institution in its response to COVID-19 crisis. From the outset, the efforts were focused on facilitating internal adjustments and the</p>

crisis, capacity to adapt to change etc.)

implementation of a comprehensive strategy under the label Benidorm Smart Tourism Destination +Safe.

Benidorm STD+Safe, is a plan whose main objective is building trust on visitors and residents and promoting employment and local productive network. The strategy is based on a continuing quality improvement in 4 steps:

1. Planning: setting goals, challenges, plans of action and indexes for STD+ design and management.
2. Doing: implementing STD+ plans of action according to a weighted set of priorities.
3. Verifying: monitoring of processes, measuring of goal achievement and report of main results.
4. Proceeding: taking necessary actions for a steady improvement of STD+ and its results.

Putting safety at the core of every action, Benidorm STD+Safe Plan develops three connected lines of action: management of public space through pedestrianisation, beaches management through Benidorm Beach Safety Plan and, thirdly, trust building through public health monitoring, with protocols such as Covid-19 Protocol-ON and programs such as the Patti Recovery and City Sentinel.

1. “Visit Benidorm” has promoted a plan for pedestrianisation of public ways in collaboration with the City Council.

The state of alarm declared by the Government in March 2020 dramatically reduced the number of pedestrians and traffic in the streets. As soon as public works could be reactivated, Benidorm local authorities gave priority to the works for the pedestrianisation of the city.

The aim of these actions is the increase of pedestrian ways in spite of the restrictions due to COVID-19 prevalence. It is a way for the citizens to have more space for walking or practicing outdoor sports. As far as restaurants and businesses alike are concerned, pedestrianisation allows for more outdoor space for terraces while restrictions in capacity issued by governmental decree are maintained. When the state of alarm concludes, residents and visitors will enjoy a new and enlarged pedestrian space in the city.

2. Benidorm Beach Safety¹⁸² is the plan that has been implemented for the management of public facilities and specially to secure the use of beaches for the whole population, residents and visitors alike, under optimal sanitary and safety conditions.

The Benidorm Beach Safety plan has as a main target the recovery of trust of in the international markets, far more reticent to traveling so far.¹⁸³ In order to meet this objective, the City Council has modified the beach management contract by incorporating, as another "service" to be provided by the RA Benidorm concessionaire, the implementation of a series of physical and technological measures, reserving a large section to the endowment of human resources. To avoid peak demand, morning and afternoon shifts have been established - an option offered by state legislation - and all-day shifts to double the capacity of a day. A pre-booking web platform was also developed.¹⁸⁴

3. Benidorm Covid-19 Protocol ON¹⁸⁵ is an accreditation awarded by the City Council to those tourist services and establishments that comply with the guidelines and provisions for the prevention and minimization of COVID-19 contagion. The basic principles on which the guidelines are based are:

- Social distancing, that minimizes the risk of direct contagion between people.
- Provision of all the devices and means that promote frequent and adequate handwashing.
- Elimination or reduction of objects or surfaces shared between people and that may be vehicles for the transmission of the SARS-CoV-02 virus.
- Intensification of cleaning and disinfection of surfaces susceptible to being contaminated.



¹⁸² Benidorm Beach Safety. *Las playas más seguras del verano*. Retrieved July 1st 2020 from <https://www.benidormbeachsafety.es/>

¹⁸³ <https://www.youtube.com/watch?v=OHQELbgG3As>



¹⁸⁴ <https://www.benidormbeachsafety.es/>

¹⁸⁵ Benidorm Covid-19 Protocol ON. Retrieved July 1st 2020 from <https://benidormcovid19protocolon.com/>

		<p>4. PATTI Recovery¹⁸⁶. PATTi, (Protección y Atención Turística Técnica Inteligente / Smart Technical Tourist Protection and Assistance) is the care coverage that the “Visit Benidorm” Foundation and its town hall provide free of charge during visitors trip or vacation. It implies the loaning to visitors of a 3rd generation device connected 24/7 to a care center.</p> <p>The project that seeks to detect in an anonymised way the real situation of the population regarding SARS-CoV-02 virus spread. The ultimate goal is to convey the message of Benidorm as a safe destination, as a means to recover trust and, with trust, the level of visits and economic growth prior to pandemics.</p> <p>5. City Sentinel¹⁸⁷</p> <p>The SUEZ Spain business group, parent company of the company in charge of water supply in Benidorm, Hidraqua, developed the COVID-19 City Sentinel program, a wastewater monitoring solution that quantifies the presence of the SARS-CoV-2 virus. This novel tool combines an adapted sampling plan, rapid RT-qPCR analyses and access to a digital observatory to characterize the virus in surface water, wastewater and sewage sludge in order to monitor the degree of incidence of COVID-19- City Sentinel has also an early warning system in place for possible future outbreaks of the disease. Likewise, this study has been the most extensive carried out in Spain and has been integrated into the initiative European Wastewater Monitoring System for the Surveillance of SARS-CoV-2 of the European Commission and the European General Directorate of the Environment with the support of Water Europe, EurEau and the UN (Environment Program).</p>
4.	Outward Resilience Contribution (institutional impact in society, capacity to reach intended goals, collaborative activities etc.)	The organization had an early awareness of the need for a responsible and proactive role towards society and, especially, towards regular visitors to the destination. In the first week they joined the Stay at Home campaign from different social networks and modified their brand to clearly convey that the health of their tourists was a priority for the destination.

¹⁸⁶ PattiRecovery. *¿Qué es PattiRecovery?*. Retrieved July 1st 2020 from <https://pattirecovery.com/#/>

¹⁸⁷ <https://www.suez.es/es-es/seccion-comercial/nuestras-referencias/referencias-comerciales/city-sentinel>

		<p>The usual destination brand  changed to </p> <p>In addition, an intense campaign on social networks was issued with the aim of changing the meaning of “being” in Benidorm under the slogan “<i>We discovered the other Benidorm “that surely you did not know :)</i>”. In social networks, content related to daily life in the city is shared with people who live in other places, inviting them to be part of it through videos to put while doing sports at home or a cooking course. All these contents could be reached from the web page <i>Life in Benidorm</i>¹⁸⁸, where visitors could find updated information on uses of common spaces, such as beaches, and travel restrictions¹⁸⁹. <i>Life in Benidorm</i> has afterwards became the site to discover what is going on and what to do in Benidorm.</p>
5.	Expert evaluation of governance performance in the crisis context	<p>Preparedness (2/5):</p> <p>The tourism sector was not prepared for a health emergency situation like COVID-19. Conversely, the sector had repeatedly boasted of its performance during the latest financial shocks, and of its resistance to other crisis, such as those related to terrorist attacks. Despite this lack of prior preparation, the capacity to react in some tourist destinations was far more interesting and valuable than in others.</p>

¹⁸⁸ <https://lifeinbenidorm.com/>

¹⁸⁹ <https://en.visitbenidorm.es/ver/5580/informacion-coronavirus-benidorm.html>

Benidorm was no exception to this general picture when talking about preparedness. However, the rapid and multifold response tell us about an embedded capacity in the governance structures that facilitated solutions through innovation.

Agility (5/5):

The fluidity of decision making and the determination to adopt unexplored strategies, actions and resources presents Benidorm as an exemplary case in terms of agility, innovation and resilience.

Even during the “lock-down”, from March to June 2020, and intense activity was deployed in social networks through *Life in Benidorm* in order to raise interest and trust in regular and potential visitors, and thus preparing a summer season predicted to be very difficult. The idea was “*come and see Benidorm from your screen. See our beaches, our sunsets, our many possibilities for leisure and recreation, and visit all this unparalleled places next summer*”.


This novel approach, that departs in many ways of traditional actions issued by Destination Management Organizations, rests upon a governance framework used to rapid and creative response to challenges. That is why all the measures and projects contemplated in Benidorm STD-Safe Plan had been most implemented by the time the first domestic visitors came back to Benidorm in July 2020.

Robustness (4/5):

The actions issued by Benidorm Tourism Foundation have had an undoubted positive impact on Visit Benidorm’s reputation, for different reasons.

On the one hand, the figures show that by Q3 2022 that number of national and international visitors and reached and even exceeded the levels in 2019, and a recovery has also been observed in employment.

On the other hand, the leadership of the organization's management has result in a great reinforcement for the collaboration between public and private actors in the territory.



Impact in Society (5/5):

Leisure and tourism are basic needs for today's societies. For citizens it is being especially hard to renounce them in a context of social distancing. The fact that a consolidated destination was able to reinvent its function and make it possible for its visitors to maintain the hope of being able to recover moments of relaxation and disconnection has been very valuable. In addition, the efforts to adapt the destination to the needs derived from the crisis have a very positive impact on the city itself and on the management systems of public spaces, which can be used when the crisis is over.