



The G7 Research Group presents the

2020 G7 Virtual Summit Final Compliance Report

17 March 2020 to 6 May 2021

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“We have meanwhile set up a process and there are also independent institutions monitoring which objectives of our G7 meetings we actually achieve. When it comes to these goals we have a compliance rate of about 80%, according to the University of Toronto. Germany, with its 87%, comes off pretty well. That means that next year too, under the Japanese G7 presidency, we are going to check where we stand in comparison to what we have discussed with each other now. So a lot of what we have resolved to do here together is something that we are going to have to work very hard at over the next few months. But I think that it has become apparent that we, as the G7, want to assume responsibility far beyond the prosperity in our own countries. That’s why today’s outreach meetings, that is the meetings with our guests, were also of great importance.”

Chancellor Angela Merkel, Schloss Elmau, 8 June 2015

G7 summits are a moment for people to judge whether aspirational intent is met by concrete commitments. The G7 Research Group provides a report card on the implementation of G7 and G20 commitments. It is a good moment for the public to interact with leaders and say, you took a leadership position on these issues — a year later, or three years later, what have you accomplished?

Achim Steiner, Administrator, United Nations Development Programme,
in G7 Canada: The 2018 Charlevoix Summit

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16. Global Economy: Downside Risk

“We resolve to ... safeguard against downside risks.”

G7 Leaders' Statement

Assessment

	No Compliance	Partial Compliance	Full Compliance
Canada			+1
France			+1
Germany			+1
Italy			+1
Japan			+1
United Kingdom			+1
United States			+1
European Union			+1
Average	+1.00 (100%)		

Background

The global economy faces significant downside risk, or uncertain negative outcomes such as decline in economic growth or loss of asset returns relative to expected, as it recovers from the COVID-19 pandemic.^{3063,3064} The June 2020 World Bank Global Economic Prospects, for example, predicted a 5.2 per cent reduction in global gross domestic product (GDP) in 2020 as a baseline but a downside scenario of nearly eight per cent.³⁰⁶⁵ As early as March 2020, the Organisation for Economic Co-operation and Development (OECD) Interim Economic Assessment predicted a downside GDP reduction scenario three times the base case prediction.³⁰⁶⁶ In this context, on 3 March 2020, the G7 finance ministers and central bank governors reaffirmed their “commitment to use all appropriate policy tools to achieve strong, sustainable growth and safeguard against downside risks” in a statement in follow up to the 2020 Leaders' Statement.³⁰⁶⁷

Downside risk has been addressed in G7 communiqués, declarations, and statements as early as 2008, often as context for global economy actions and commitments. On 8 July 2008, the G8 Hokkaido Toyako Summit Leaders' Declaration introduced its commitments relating to global growth by stating that “the world economy continues to face uncertainty and downside risks persist.”³⁰⁶⁸ Leaders expressed “strong concern about elevated commodity prices, especially of oil and food, since they pose a serious challenge to stable growth worldwide, have serious implications for the most vulnerable, and increase global inflationary

³⁰⁶³ Policy Research Working Paper 2674: Measuring Economic Downside Risk and Severity - Growth at Risk, The World Bank (Washington DC) 30 September 2001. Date of Access: 13 December 2020. <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/553431468741369627/measuring-economic-downside-risk-and-severity-growth-at-risk>.

³⁰⁶⁴ Policy Research Working Paper 8947: A Novel Downside Risk Measure and Expected Returns, The World Bank (Washington DC) 29 July 2019. Date of Access 13 December 2020. <https://openknowledge.worldbank.org/bitstream/handle/10986/32131/WPS8947.pdf?sequence=4&isAllowed=y>.

³⁰⁶⁵ June 2020 Global Economic Prospects - Pandemic, Recession: The Global Economy in Crisis, The World Bank (Washington DC) 8 June 2020. Date of Access: 13 December 2020. <https://www.worldbank.org/en/publication/global-economic-prospects>.

³⁰⁶⁶ Interim Economic Assessment - Coronavirus: The world economy at risk, OECD (Paris) 2 March 2020. Date of Access: 13 December 2020. <https://www.oecd.org/berlin/publikationen/Interim-Economic-Assessment-2-March-2020.pdf>.

³⁰⁶⁷ Statement of G7 Finance Ministers and Central Bank Governors, G7 Research Group (Toronto) 3 March 2020. Date of Access: 13 December 2020. <http://www.g7.utoronto.ca/finance/200303-coronavirus.html>.

³⁰⁶⁸ G8 Hokkaido Toyako Summit Leaders' Declaration, G7 Research Group (Toronto) 8 July 2008. Date of Access: 13 December 2020. <http://www.g7.utoronto.ca/summit/2008hokkaido/2008-declaration.html>.

pressure.”³⁰⁶⁹ On 14 June 2008, concerns of “uncertainty and downside risks” had been stated by finance ministers, who also stated that “further declines in housing prices in the United States and greater strains in the financial markets may adversely affect the global outlook.”³⁰⁷⁰

On 18 June 2013, the G8 Lough Erne Leaders Communiqué stated that “downside risks have reduced thanks in part to significant policy actions taken in the United States, euro area and Japan, and to the resilience of major developing and emerging market economies” before stating that there is “need for countries to press ahead with the necessary reforms to restore sustainable growth and jobs.”³⁰⁷¹

On 5 June 2014, the G7 Brussels Summit Declaration again mentioned downside risk to introduce its global economy commitments, stating that “downside risks remain which will need to be managed carefully.”³⁰⁷² Immediate afterwards, it stated that “sustained growth is needed to bring down unemployment, particularly among young people and the long-term unemployed.”³⁰⁷³

On 27 May 2016, the G7 Ise-Shima Leaders’ Declaration stated that “downside risks to the global outlook have increased” before observing that “weak demand and unaddressed structural problems are the key factors weighing on actual and potential growth.”³⁰⁷⁴

On 27 May 2017, the G7 Taormina Leaders’ Communiqué identified a “balance of risks tilted to the downside” before stating that leaders’ “top priority is to raise global growth to deliver higher living standards and quality jobs.”³⁰⁷⁵ Leaders then reaffirmed a commitment “to achieve strong, sustainable, balanced and inclusive growth.”³⁰⁷⁶

While the G7 Charlevoix Summit Communiqué issued on 9 June 2018 did not explicitly address downside risk, it stated that “resilience against risk has improved among emerging market economies” immediate after an observation that the “global economic outlook continues to improve, but too few citizens have benefited from that economic growth.”³⁰⁷⁷ This was again followed by a commitment to “continue ... to support strong, sustainable, balanced and inclusive growth that generates widespread prosperity.”³⁰⁷⁸

On 18 July 2019, the Chair’s Summary of the G7 Finance Ministers and Central Bank Governors’ Meeting once again reaffirmed the combined “commitment to use all policy tools to achieve strong, sustainable, balanced and inclusive growth, and safeguard against downside risks.”³⁰⁷⁹ Immediately following this, the

³⁰⁶⁹ G8 Hokkaido Toyako Summit Leaders’ Declaration, G7 Research Group (Toronto) 8 July 2008. Date of Access: 13 December 2020. <http://www.g7.utoronto.ca/summit/2008hokkaido/2008-declaration.html>.

³⁰⁷⁰ Statement of the G-8 Finance Ministers Meeting, G7 Research Group (Toronto) 14 June 2008. Date of Access: 13 December 2020. <http://www.g7.utoronto.ca/finance/fm080614-statement.pdf>.

³⁰⁷¹ G8 Lough Erne Leaders Communiqué, G7 Research Group (Toronto) 18 June 2013. Date of Access: 13 December 2020. <http://www.g7.utoronto.ca/summit/2013lougherne/lough-erne-communique.html>.

³⁰⁷² G7 Brussels Summit Declaration, G7 Research Group (Toronto) 5 June 2014. Date of Access: 13 December 2020. <http://www.g7.utoronto.ca/summit/2014brussels/declaration.html>.

³⁰⁷³ G7 Brussels Summit Declaration, G7 Research Group (Toronto) 5 June 2014. Date of Access: 13 December 2020. <http://www.g7.utoronto.ca/summit/2014brussels/declaration.html>.

³⁰⁷⁴ G7 Ise-Shima Leaders’ Declaration, G7 Research Group (Toronto) 27 May 2016. Date of Access: 13 December 2020. <http://www.g7.utoronto.ca/summit/2016shima/ise-shima-declaration-en.html>.

³⁰⁷⁵ G7 Taormina Leaders’ Communiqué, G7 Research Group (Toronto) 27 May 2017. Date of Access: 13 December 2020. <http://www.g7.utoronto.ca/summit/2017taormina/communique.html>.

³⁰⁷⁶ G7 Taormina Leaders’ Communiqué, G7 Research Group (Toronto) 27 May 2017. Date of Access: 13 December 2020. <http://www.g7.utoronto.ca/summit/2017taormina/communique.html>.

³⁰⁷⁷ The Charlevoix G7 Summit Communiqué, G7 Research Group (Toronto) 9 June 2018. Date of Access: 13 December 2020. <http://www.g7.utoronto.ca/summit/2018charlevoix/communique.html>.

³⁰⁷⁸ The Charlevoix G7 Summit Communiqué, G7 Research Group (Toronto) 9 June 2018. Date of Access: 13 December 2020. <http://www.g7.utoronto.ca/summit/2018charlevoix/communique.html>.

³⁰⁷⁹ Chair’s Summary: G7 Finance Ministers and Central Bank Governors’ Meeting, G7 Research Group (Toronto) 18 July 2019. Date of Access: 13 December 2020. <http://www.g7.utoronto.ca/finance/190718-summary.html>.

summary stated that “[f]iscal policy should be flexible and growth-friendly, while rebuilding buffers where needed and ensuring debt as a share of GDP is on a sustainable path.”³⁰⁸⁰

On 16 March 2020, under the U.S. presidency, G7 leaders met virtually to respond to the COVID-19 pandemic. At the time, they expected to meet again in three months at their regularly scheduled summit on 10-12 June 2020, which was later postponed indefinitely.

Commitment Features

The commitment is to “safeguard against downside risks” where “downside risks” can refer to a variety of uncertain negative economic outcomes.^{3081,3082} To “safeguard” is to protect, which, in the context of “risk,” commonly defined as the product of probability and impact of an uncertain outcome, may be understood as to reduce either the likelihood or the extent of downside risk.

Given the range of outcomes regarding which downside risk may be understood and the impracticality of assessing members’ performance in reducing the likelihood and significance of every uncertain negative economic outcome, variables relevant to the G7 may be identified from the context of downside risk in past commitments. In the past statements above, the principal recurrent areas of risk are “strong, sustainable, balanced and inclusive growth” and employment. Recurrent objectives to be served by addressing downside risk include widespread prosperity (or prosperity shared by a wide range of citizens) and the wellbeing of “the most vulnerable,” or disadvantaged groups such as young people and the long-term unemployed. This is consistent with World Bank findings that downside risk particularly has “grave consequences for the poor.”³⁰⁸³

Given these areas of focus, the priority areas identified in the 16 March 2020 G7 Leaders’ Statement comment that “[t]his is particularly important for small and medium businesses and working families” shortly after making the commitment at hand are an effective proxy for compliance with this commitment as a whole.³⁰⁸⁴ Small businesses and working families are examples of the disadvantaged groups historically connected with statements related to downside risk, and given their large numbers must be addressed for prosperity to be widespread or growth to be balanced and inclusive. They also account for both the supply and demand side of employment. Furthermore, ensuring the resilience of these groups may mitigate the likelihood of downside risk as well as its extent. Inequality reduces demand, a key factor of growth, and strengthening borrowers is a particularly effective policy to address downside risk in the housing sector, which was an industry particularly connected to downside risk concerns in the 2008 Statement of the G8 Finance Ministers Meeting.^{3085,3086,3087,3088}

³⁰⁸⁰ Chair's Summary: G7 Finance Ministers and Central Bank Governors' Meeting, G7 Research Group (Toronto) 18 July 2019. Date of Access: 13 December 2020. <http://www.g7.utoronto.ca/finance/190718-summary.html>.

³⁰⁸¹ Policy Research Working Paper 2674: Measuring Economic Downside Risk and Severity - Growth at Risk, The World Bank (Washington DC) 30 September 2001. Date of Access: 13 December 2020. <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/553431468741369627/measuring-economic-downside-risk-and-severity-growth-at-risk>.

³⁰⁸² Policy Research Working Paper 8947: A Novel Downside Risk Measure and Expected Returns, The World Bank (Washington DC) 29 July 2019. Date of Access 13 December 2020. <https://openknowledge.worldbank.org/bitstream/handle/10986/32131/WPS8947.pdf?sequence=4&isAllowed=y>.

³⁰⁸³ Policy Research Working Paper 2674: Measuring Economic Downside Risk and Severity - Growth at Risk, The World Bank (Washington DC) 30 September 2001. Date of Access: 13 December 2020. <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/553431468741369627/measuring-economic-downside-risk-and-severity-growth-at-risk>.

³⁰⁸⁴ G7 Leaders’ Statement, G7 Research Group (Toronto) 16 March 2020. Date of Access: 13 December 2020. <http://www.g7.utoronto.ca/summit/2020usa/covid-200316.html>.

³⁰⁸⁵ IAI Working Paper 17/15 - A Coordinated Approach to Foster Sustainable Growth and Financial Stability, Istituto Affari Internazionali (Rome) April 2017. Date of Access: 13 December 2020. http://www.g7.utoronto.ca/conferences/2017/Saccomanni_Romano.pdf.

³⁰⁸⁶ G7 Ise-Shima Leaders' Declaration, G7 Research Group (Toronto) 27 May 2016. Date of Access: 13 December 2020. <http://www.g7.utoronto.ca/summit/2016shima/ise-shima-declaration-en.html>.

For these reasons, the two components assessed of compliance with the commitment are action to improve the resilience of small and medium businesses in the case of a downside economic environment, and action to improve the resilience of working families in such a case. Such downside economic environments may include an extension in pandemic response measures such as lockdowns beyond expected, or lower aggregate economic activity as the world recovers. General policies that could address downside risk in these cases include those that foster stability or confidence, including by encouraging the expectation of stability.³⁰⁸⁹ This could for example be done on the consumer side by strengthening the social safety net with more generous unemployment security. More specifically, steps to address small and medium businesses may include structural improvements such as greater tax fairness and government provision of needed services such as training, while steps to address working families may include stronger labour protections. Meanwhile, broad-based stimulus measures may not specifically protect businesses or families from uncertain future impacts of the pandemic, and do not constitute compliance if that is the case.

Examples of strong compliance include legislative or regulatory changes or the launch of new programs of expenditure, while examples of weak action include verbal affirmations of intention or assigning responsibilities to a certain government body. Negative action is also possible for both groups, as tax codes for example may be changed to further favour large companies and labour protections may be weakened, and this should be counted against members' compliance with the commitment.

Thus, to receive a score of +1, or full compliance, members must take strong action to improve the resilience of small and medium businesses as well as working families in the face of possible economic outcomes worse than baseline expectation, and not take action to weaken the resilience of either group. To receive a score of 0, or partial compliance, members may either take strong action to improve and not worsen the resilience of one of the two groups, and fail to do so for the other, or they may take only weak action to improve and not worsen the resilience of both groups. To receive a score of -1, or no compliance, members may take at most weak action to improve the resilience of at most one of the groups, and either take no action to improve, or take action to weaken, the resilience of the other group or both groups.

Scoring Guidelines

-1	G7 member does not take action to improve or takes action to weaken the resilience of small and medium businesses and working families, OR G7 member takes weak action to improve the resilience of only one group.
0	G7 member takes strong action to improve and does not take action to weaken the resilience of small and medium businesses or working families, but takes no action to improve or takes action to weaken the resilience of the other group; OR G7 member takes weak action to improve and does not take action to weaken the resilience of both groups.
+1	G7 member takes strong action to improve and does not take action to weaken the resilience of small and medium businesses and working families.

*Compliance Director: Zhenglin Liu
Lead Analyst: Sofia Shatrova*

Canada: +1

Canada has fully complied with its commitment to safeguard against downside risks by improving the resilience of small and medium businesses and working families.

³⁰⁸⁷ April 2019 Global Financial Stability Report - Vulnerabilities in a Maturing Credit Cycle, International Monetary Fund (Washington DC) April 2019. Date of Access: 13 December 2020. <https://www.elibrary.imf.org/view/IMF082/25728-9781498302104/25728-9781498302104/ch02.xml>.

³⁰⁸⁸ Statement of the G-8 Finance Ministers Meeting, G7 Research Group (Toronto) 14 June 2008. Date of Access: 13 December 2020. <http://www.g7.utoronto.ca/finance/fm080614-statement.pdf>.

³⁰⁸⁹ IAI Working Paper 17/15 - A Coordinated Approach to Foster Sustainable Growth and Financial Stability, Istituto Affari Internazionali (Rome) April 2017. Date of Access: 13 December 2020. http://www.g7.utoronto.ca/conferences/2017/Saccomanni_Romano.pdf.

On 18 March 2020, Prime Minister Justin Trudeau announced the introduction of new measures totalling CAD82 billion to support Canadian workers and businesses who have been impacted by the COVID-19 pandemic.³⁰⁹⁰ The economic package was split into CAD27 billion designated for direct support to Canadian workers and businesses, which includes the Emergency Care Benefit and the Emergency Support Benefit, and CAD55 billion for enabling tax deferrals to assist Canadians with meeting liquidity needs.³⁰⁹¹ On the same day, Finance Minister Bill Morneau announced a uniform extension of the deadline to file taxes to 1 June 2020, as well as a further extension — until 1 September 2020 — for workers and businesses who owe taxes after the June deadline.³⁰⁹²

On 25 March 2020, Prime Minister Trudeau held a press conference to announce the Canada Emergency Response Benefit (CERB), a new economic measure intended to address the crisis sparked by the COVID-19 pandemic.³⁰⁹³ The benefit replaced the direct measures announced on 18 March 2020 by implementing a four-month income replacement scheme for workers who have lost wages for a minimum of 14 days due to factors related to the pandemic.³⁰⁹⁴ Later, on 25 March 2020, Minister Morneau specified that the CERB would not replace the Employment Insurance system, and that it was expected to total CAD52 billion in direct economic support.³⁰⁹⁵

On 27 March 2020, Prime Minister Trudeau introduced further measures to support small and medium sized businesses, including a 75 per cent wage subsidy and new government-backed loans known as Canada Emergency Business Accounts.³⁰⁹⁶ Minister Morneau said that the supports would cost an estimated CAD120 billion.³⁰⁹⁷

On 11 May 2020, Prime Minister Trudeau announced the expansion of the Business Credit Availability Program to include medium-sized businesses.³⁰⁹⁸ The program includes loans of up to CAD60 million and

³⁰⁹⁰ The latest developments on COVID-19 in Canada: 18 March 2020, The Canadian Press (Toronto) 18 March 2020. Access Date: 20 February 2021. <https://www.cp24.com/news/the-latest-developments-on-covid-19-in-canada-march-18-2020-1.4857891?cache=yes%3FclipId%3D89578>.

³⁰⁹¹ The latest developments on COVID-19 in Canada: 18 March 2020, The Canadian Press (Toronto) 18 March 2020. Access Date: 20 February 2021. <https://www.cp24.com/news/the-latest-developments-on-covid-19-in-canada-march-18-2020-1.4857891?cache=yes%3FclipId%3D89578>.

³⁰⁹² News release, Government introduces Canada Emergency Response Benefit to help workers and businesses, Department of Finance Canada (Ottawa) 25 March 2020. Access Date: 23 February 2021. <https://www.canada.ca/en/department-finance/news/2020/03/introduces-canada-emergency-response-benefit-to-help-workers-and-businesses.html>.

³⁰⁹³ Trudeau and Morneau Announce Adjustments to COVID-19 Support Measures, TD Economics (Cherry Hill, NJ) 25 March 2020. Access Date: 20 February 2021. <https://economics.td.com/ca-morneau-adjustments>.

³⁰⁹⁴ Trudeau and Morneau Announce Adjustments to COVID-19 Support Measures, TD Economics (Cherry Hill, NJ) 25 March 2020. Access Date: 20 February 2021. <https://economics.td.com/ca-morneau-adjustments>.

³⁰⁹⁵ Trudeau and Morneau Announce Adjustments to COVID-19 Support Measures, TD Economics (Cherry Hill, NJ) 25 March 2020. Access Date: 20 February 2021. <https://economics.td.com/ca-morneau-adjustments>.

³⁰⁹⁶ Additional Federal COVID-19 Response Measures, TD Economics (Cherry Hill, NJ) 27 March 2020. Access Date: 21 February 2021. <https://economics.td.com/additional-covid19-measures>.

³⁰⁹⁷ Additional Federal COVID-19 Response Measures, TD Economics (Cherry Hill, NJ) 27 March 2020. Access Date: 21 February 2021. <https://economics.td.com/additional-covid19-measures>.

³⁰⁹⁸ News release, Prime Minister announces additional support for businesses to help save Canadian jobs, Office of the Prime Minister (Ottawa) 11 May 2020. Access Date: 21 February 2021. <https://pm.gc.ca/en/news/news-releases/2020/05/11/prime-minister-announces-additional-support-businesses-help-save>.

guarantees of up to CAD80 million per company.³⁰⁹⁹ While directly supporting medium-sized businesses, the program also seeks to act as a safeguard working families from losing jobs at the targeted companies.³¹⁰⁰

On 13 May 2020, the Government of Canada launched the Regional Relief and Recovery Fund (RRRF) as part of Canada's COVID-19 Economic Response Plan.³¹⁰¹ The RRRF allocates CAD962 million to help small businesses in sectors that support local economies retain their employees, pay rent, and cover other costs.³¹⁰² It is specifically targeted toward businesses that may require additional help to recover from the pandemic but have been unable to access existing support measures.³¹⁰³

On 11 June 2020, Minister of Indigenous Services Marc Miller introduced a new, two-stream Indigenous Community Business Fund totalling CAD117 million intended to support enterprises and microenterprises which do not qualify for existing economic measures announced by the Canadian government in response to the COVID-19 crisis.³¹⁰⁴

On 27 September 2020, Employment and Social Development Canada announced the implementation of a simplified Employment Insurance program intended to support workers who are unable to work.³¹⁰⁵ The Government of Canada also announced a four-week extension of the CERB for qualifying workers.³¹⁰⁶

On 26 January 2021, Minister of Small Business, Export Promotion, and International Trade Mary Ng announced the introduction of the Highly Affected Sectors Credit Availability Program intended to support businesses that have been "hardest hit by the pandemic."³¹⁰⁷

The Canadian government's economic response to the COVID-19 pandemic safeguarded against downside risks by improving the resilience of small and medium-sized businesses and working families.

³⁰⁹⁹ News release, Prime Minister announces additional support for businesses to help save Canadian jobs, Office of the Prime Minister (Ottawa) 11 May 2020. Access Date: 21 February 2021. <https://pm.gc.ca/en/news/news-releases/2020/05/11/prime-minister-announces-additional-support-businesses-help-save>.

³¹⁰⁰ News release, Prime Minister announces additional support for businesses to help save Canadian jobs, Office of the Prime Minister (Ottawa) 11 May 2020. Access Date: 21 February 2021. <https://pm.gc.ca/en/news/news-releases/2020/05/11/prime-minister-announces-additional-support-businesses-help-save>.

³¹⁰¹ COVID-19: \$962 million additional support fund now available to businesses and communities affected by the pandemic, Government of Canada (Ottawa) 13 May 2020. Access Date: 12 February 2021. <https://www.canada.ca/en/innovation-science-economic-development/news/2020/05/covid-19-962-million-additional-support-fund-now-available-to-businesses-and-communities-affected-by-the-pandemic.html>.

³¹⁰² Regional Relief and Recovery Fund: Overview, Government of Canada (Ottawa) 17 December 2020. Access Date: 12 February 2021. https://www.ic.gc.ca/eic/site/icgc.nsf/eng/h_07682.html.

³¹⁰³ COVID-19: \$962 million additional support fund now available to businesses and communities affected by the pandemic, Government of Canada (Ottawa) 13 May 2020. Access Date: 12 February 2021. <https://www.canada.ca/en/innovation-science-economic-development/news/2020/05/covid-19-962-million-additional-support-fund-now-available-to-businesses-and-communities-affected-by-the-pandemic.html>.

³¹⁰⁴ COVID-19: Indigenous Community Business Fund (ICBF), First Nations of Quebec and Labrador Economic Development Commission (Wendake, QC) 23 September 2020. Access Date: 23 February 2021. https://cdepnql.org/en/notre_blogue/covid-19-indigenous-community-business-fund-icbf/.

³¹⁰⁵ Supporting Canadians through the next phase of the economy re-opening: Increased access to EI and recovery benefits, Government of Canada (Ottawa) N.D. Access Date: 23 February 2021. <https://www.canada.ca/en/employment-social-development/news/2020/08/supporting-canadians-through-the-next-phase-of-the-economy-re-opening-increased-access-to-ei-and-recovery-benefits.html>.

³¹⁰⁶ Supporting Canadians through the next phase of the economy re-opening: Increased access to EI and recovery benefits, Government of Canada (Ottawa) N.D. Access Date: 23 February 2021. <https://www.canada.ca/en/employment-social-development/news/2020/08/supporting-canadians-through-the-next-phase-of-the-economy-re-opening-increased-access-to-ei-and-recovery-benefits.html>.

³¹⁰⁷ News release, Minister Ng announces launch of Highly Affected Sectors Credit Availability Program, Government of Canada (Ottawa) 26 January 2021. Access Date: 23 February 2021. <https://www.canada.ca/en/innovation-science-economic-development/news/2021/01/minister-ng-announces-launch-of-highly-affected-sectors-credit-availability-program.html>.

Thus, Canada receives a score of +1.

Analyst: Maria Anna Staszkievicz

France: +1

France has fully complied with its commitment to safeguard against downside risks by improving the resilience of small and medium businesses and working families.

On 23 March 2020, Prime Minister Jean Castex enacted three French State aid schemes aimed at supporting businesses of up to 5,000 employees with State guarantees on commercial loans and credit lines.³¹⁰⁸ The first of these two schemes motions for advanced increased guarantees on loans made by state-owned investment bank Bpifrance Financement S.A. to small and medium-sized firms.³¹⁰⁹ France outlined the conditions and eligibility of this scheme in an amendment to the 2020 finance act.³¹¹⁰

On 18 May 2020, the Government of France released a statement on a Franco-German plan to facilitate COVID-19 recovery. It announced its cooperation for a European Commission stimulus fund of EUR500 billion, to be enacted for “the most affected sectors and regions, on the basis of the EU’s budget programmes and in compliance with European priorities” as part of the Multiannual Financial Framework.³¹¹¹

On 11 May 2020, France received approval from the European Commission, under EU State aid rules, for the French guarantee scheme specifically for “small and midsize companies” and aimed at “limiting the risk associated with issuing financing guarantees of those exporting companies that are most severely affected by the economic impact of the coronavirus outbreak.”³¹¹² The measure is accessible to all French exporting companies with annual turnovers below EUR1.5 billion and is expected to mobilise EUR200 million.³¹¹³

On 29 June 2020, France forwarded a EUR4.1 billion amendment, in line with the European Commission Temporary Framework, to the French wage subsidy scheme.³¹¹⁴ When a company must reduce or suspend work due to the pandemic, it is eligible to receive state funding of 70 per cent of an employee’s gross salary.³¹¹⁵

France fully complied with its commitment to safeguard against downside risk, having taken strong fiscal action to improve the resilience of small to medium businesses and working families. France employed its State aid initiatives to provide small to medium firms advanced increased guarantees on loans. In cooperation

³¹⁰⁸ State aid: Commission approves French schemes to support economy in Coronavirus outbreak, European Commission (Brussels) 21 March 2020. Access Date: 22 February 2021. https://ec.europa.eu/commission/presscorner/detail/en/IP_20_503

³¹⁰⁹ Covid 19: Bpifrance emergency plan, Bpifrance (Maisons-Alfort) 8 April 2020. Access Date: 25 February 2021. <https://www.bpifrance.com/news-insights/covid-19-bpifrance-emergency-plan>.

³¹¹⁰ Updated - COVID-19 France: State Guarantee Scheme for New Money Loans, Shearman & Sterling (New York) 1 April 2020, updated 28 January 2021. Access Date: 23 February 2021. <https://www.shearman.com/perspectives/2020/04/covid-19-france-state-guarantee-scheme-for-new-money-loans>.

³¹¹¹ France and Germany united for the sustainable recovery of the European Union, République Française (Paris) 18 May 2020. Access Date: 23 February 2021. <https://www.gouvernement.fr/en/france-and-germany-united-for-the-sustainable-recovery-of-the-european-union>.

³¹¹² Details of France’s support measures to help citizens and companies during the significant economic impact of the coronavirus pandemic, European Commission (Brussels) N.D. Access Date: 24 February 2021. https://ec.europa.eu/info/live-work-travel-eu/coronavirus-response/jobs-and-economy-during-coronavirus-pandemic/state-aid-cases/france_en.

³¹¹³ Details of France’s support measures to help citizens and companies during the significant economic impact of the coronavirus pandemic, European Commission (Brussels) N.D. Access Date: 24 February 2021. https://ec.europa.eu/info/live-work-travel-eu/coronavirus-response/jobs-and-economy-during-coronavirus-pandemic/state-aid-cases/france_en.

³¹¹⁴ Details of France’s support measure to help citizens and companies during the significant economic impact of the coronavirus pandemic, European Commission (Brussels) 29 June 2020. Access Date: 25 February 2021. https://ec.europa.eu/info/live-work-travel-eu/coronavirus-response/jobs-and-economy-during-coronavirus-pandemic/state-aid-cases/france_en.

³¹¹⁵ The race to save jobs: European governments step in to pay wages, France 24 (Paris) 25 March 2020. Access Date: 25 February 2021. <https://www.france24.com/en/20200325-the-race-to-save-jobs-european-governments-step-in-to-pay-wages>.

with the European Commission, France increased spending into economic recovery by implementing the Franco-German plan. France supported small to medium-sized businesses and their workers with the wage subsidy.

Thus, France receives a score of +1.

Analyst: Mirei Matsumoto

Germany: +1

Germany has fully complied with its commitment to safeguard against downside risks by improving the resilience of small and medium businesses and working families.

On 23 March 2020, the German government announced EUR50 billion in emergency aid for small businesses, including direct grants that do not have to be repaid.³¹¹⁶ However, on the same day, the German government launched an Economic Stabilisation Fund targeted towards large companies.³¹¹⁷ Set to provide large-scale assistance until the end of 2021, the fund thus disadvantages small and medium enterprises.³¹¹⁸

On 1 April 2020, the German government announced the largest assistance package in its history, which included health-related measures, support for families, and support for small businesses.³¹¹⁹ As part of the package, lost earnings by families due to the closure of schools or childcare centres would be mostly covered.³¹²⁰

On 3 June 2020, the German government announced a EUR130 billion stimulus package designed to restart the economy.³¹²¹ The measures included a cut in value-added tax and a one-time EUR300 bonus payment for families with children.³¹²² Families could also apply for a monthly payment of up to EUR185 per child.³¹²³

On 15 June 2020, the German government announced a short time work benefit to keep employment stable during the financial crisis amidst the COVID-19 pandemic.³¹²⁴ The program is designed to help employers reduce their amount of layoffs by reducing work hours with an additional government wage top up.³¹²⁵

³¹¹⁶ German government announces €50 billion in emergency aid for small businesses, Federal Ministry of Finance (Berlin) 23 March 2020. Access Date: 26 February 2021.

<https://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2020/2020-03-23-gemeinsame-pm.html>

³¹¹⁷ Large-scale federal assistance to protect businesses and jobs, Federal Ministry of Finance (Berlin) 23 March 2020. Access Date: 26 February 2021. <https://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2020/2020-03-23-economic-stabilisation-fund.html>.

³¹¹⁸ Large-scale federal assistance to protect businesses and jobs, Federal Ministry of Finance (Berlin) 23 March 2020. Access Date: 26 February 2021. <https://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2020/2020-03-23-economic-stabilisation-fund.html>.

³¹¹⁹ Combating the coronavirus: Germany adopts the largest assistance package in its history, Federal Ministry of Finance (Berlin) 1 April 2020. Access Date: 26 February 2021. <https://www.bundesfinanzministerium.de/Content/EN/Standardartikel/Topics/Priority-Issues/Corona/2020-03-25-combating-the-corona-virus.html>.

³¹²⁰ Combating the coronavirus: Germany adopts the largest assistance package in its history, Federal Ministry of Finance (Berlin) 1 April 2020. Access Date: 26 February 2021. <https://www.bundesfinanzministerium.de/Content/EN/Standardartikel/Topics/Priority-Issues/Corona/2020-03-25-combating-the-corona-virus.html>.

³¹²¹ German stimulus package hands families €300 for each child, BBC News (London) 4 June 2020. Access Date: 26 February 2021. <https://www.bbc.com/news/business-52920516>.

³¹²² A stimulus package for everyone in Germany, Federal Ministry of Finance (Berlin). Access Date: 26 February 2021. <https://www.bundesfinanzministerium.de/Web/EN/Issues/Priority-Issues/stimulus-package-for-everyone/stimulus-package-for-everyone.html>.

³¹²³ A stimulus package for everyone in Germany, Federal Ministry of Finance (Berlin). Access Date: 26 February 2021. <https://www.bundesfinanzministerium.de/Web/EN/Issues/Priority-Issues/stimulus-package-for-everyone/stimulus-package-for-everyone.html>.

³¹²⁴ Kurzarbeit: Germany's Short Term Work Benefit, International Monetary Fund (Washington) 15 June 2020. Access Date: 1 May 2021. <https://www.imf.org/en/News/Articles/2020/06/11/na061120-kurzarbeit-germanys-short-time-work-benefit>.

On 10 February 2021, The German government announced a child benefit for families in the Hospitality sector.³¹²⁶ The Kinderbonus includes a EUR150 bonus for each eligible child under the program and a reduced rate for value added tax until December 2022.³¹²⁷

On 24 March 2021, the German government announced a bill that would improve the tax framework especially for small and medium-sized partnerships and family businesses. The bill would give family businesses and small and medium-sized partnerships the option of being taxed like a corporation, making them more competitive internationally.³¹²⁸

Germany having taken strong fiscal action to improve the resilience of small to medium businesses and working families, but has also taken action to comparatively weaken the resilience of small to medium businesses by targeting some relief only to large companies.

Thus, Germany receives a score of +1.

Analyst: Para Babuهران

Italy: +1

Italy has fully complied with its commitment to safeguard against downside risks by improving the resilience of small and medium businesses and working families.

On 17 March 2020, the Italian government issued Law Decree No. 18 (Cura Italia Decree), a EUR25 billion (1.4 per cent of gross domestic product) bill, to provide economic support for families, workers, and enterprises and strengthen the national health service. The decree made available new public schemes to grant support to all entrepreneurs operating within the Italian territory during the COVID-19 health emergency. Specific measures introduced to support small businesses and professionals include the deferral of taxes relating to wages and assimilated employment income, regional and municipal surcharge deductions, social security contributions, and mandatory insurance premiums.³¹²⁹

On 25 March 2020, the Italian government issued a debt moratorium on a total volume of loans estimated at around EUR220 billion from banks to small and medium-sized enterprises (SMEs) affected by the coronavirus outbreak. The debt moratorium includes the postponement of repayments of overdraft facilities, bank advances, bullet loans, mortgages, and leasing operations and aims to temporarily relieve the financial burden on SMEs that are severely affected by the economic impact of COVID-19 and ensure that they have enough liquidity to help safeguard operations.³¹³⁰

On 8 April 2020, the Italian government issued the Law Decree No. 23 of April 8, 2020 (Liquidity Decree), implementing wide-ranging measures to mitigate the adverse economic impact of COVID-19. Measures introduced to support companies affected by COVID-19 include: (1) the granting of new financing to enterprises; (2) the extension of the Gasparirini Fund (to individual enterprises and artisans) and the Small and Medium Enterprises (SMEs) Fund (to professionals and companies with no more than 499 employees);

³¹²⁵ Kurzarbeit: Germany's Short Term Work Benefit, International Monetary Fund (Washington) 15 June 2020. Access Date: 1 May 2021. <https://www.imf.org/en/News/Articles/2020/06/11/na061120-kurzarbeit-germanys-short-time-work-benefit>.

³¹²⁶ Relieving the burden on families and the hospitality sector, Federal German Government (Munich) 10 February 2021. Access Date: 30 April 2021. <https://www.bundesregierung.de/breg-en/news/kinderbonus-mehrwertsteuer-1852786>.

³¹²⁷ Relieving the burden on families and the hospitality sector, Federal German Government (Munich) 10 February 2021. Access Date: 30 April 2021. <https://www.bundesregierung.de/breg-en/news/kinderbonus-mehrwertsteuer-1852786>.

³¹²⁸ Scholz to boost the competitiveness of family businesses, Federal Ministry of Finance (Berlin) 24 March 2021. Access Date: 27 April 2021. <https://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2021/2021-03-24-update-to-corporate-tax-law.html>.

³¹²⁹ COVID-19 and the Cura Italia Decree, The National Law Review (Rome) 1 April 2020. Access Date: 25 February 2021. <https://www.natlawreview.com/article/covid-19-and-cura-italia-decree>.

³¹³⁰ State aid: Commission approves Italian State guarantee scheme to support SMEs affected by coronavirus outbreak, European Commission (Brussels) 25 March 2020. Access Date: 25 February 2021. https://ec.europa.eu/commission/presscorner/detail/en/IP_20_530.

(3) the temporary relief of certain transparency requirements between financial intermediaries and customers to reduce the operational burden and ease the completion of new transactions.³¹³¹

On 13 April 2020, the Italian government introduced a public scheme that would compensate self-employed workers and companies with less than 500 employees affected by the coronavirus outbreak. Executive Vice-President Margrethe Vestager states that the scheme “will enable Italy to support self-employed workers, SMEs, and mid-caps affected by the coronavirus outbreak through the provision of State guarantees,” which would help smaller businesses cover their immediate investment and working capital needs and ensure that they can continue their operations during and after the outbreak.³¹³² Under this scheme, support will be granted in the form of (1) state guarantees on investment and working capital loans and (2) direct grants in the form of waiving applicable fees on the guarantees awarded.³¹³³

On 8 July 2020, the European Union approved an Italian state aid measure that establishes a EUR6.2 billion grant scheme to support SMEs and self-employed individuals adversely impacted by the coronavirus outbreak. The support will take the form of non-repayable grants to undertakings and self-employed individuals, whose 2019 turnover or fees did not exceed EUR5 million.³¹³⁴

On 11 November 2020, the European Investment Bank and the Italian public sector bank, Mediocredito Centrale, announced that they would provide EUR50 million to help Italian SMEs and mid-caps to face the COVID-19 crisis, with a specific focus on supporting smaller companies in southern Italy. The support includes the provision of financing for new investment projects with a maximum term of five years and working capital needs, which includes social security contributions, and administrative and other operational costs.³¹³⁵

On 12 February 2021, the European Commission approved an Italian scheme to relieve liquidity shortages faced by micro, small, and medium-sized enterprises providing fuel distribution services on Italian motorways. The EUR4 million scheme is intended to dampen the impact of travel restrictions imposed by the Italian authorities to restrict the spread of the coronavirus.³¹³⁶

Italy fully complied with its commitment to safeguard against downside risk, having taken strong fiscal action to improve the resilience of small to medium businesses through a number of measures, and having improved the resilience of working families through its Cura Italia Decree.

Thus, Italy receives a score of +1.

Analyst: Naomi Shi

³¹³¹ Liquidity Decree Enacted: Measures Relevant for the Financial System and Italian Enterprises, Jones Day (Cleveland) April 2020. Access Date: 25 February 2021. <https://www.jonesday.com/en/insights/2020/04/liquidity-decree-enacted-measures-relevant-for-the-financial-system-and-italian-enterprises>.

³¹³² State aid: Commission approves Italian guarantee scheme to support self-employed workers, SMEs and mid-caps affected by coronavirus outbreak, European Commission (Brussels) 14 April 2020. Access Date: 25 February 2021. https://ec.europa.eu/commission/presscorner/detail/en/IP_20_656.

³¹³³ State aid: Commission approves Italian guarantee scheme to support self-employed workers, SMEs and mid-caps affected by coronavirus outbreak, European Commission (Brussels) 14 April 2020. Access Date: 25 February 2021. https://ec.europa.eu/commission/presscorner/detail/en/IP_20_656.

³¹³⁴ Italy: EC approves EUR 6.2 billion grant scheme for SMEs (COVID-19), Global Trade Alert, 8 July 2020. Access Date: 25 February 2021. <https://www.globaltradealert.org/state-act/46061/italy-ec-approves-eur-6-2-billion-grant-scheme-for-smes-covid-19>.

³¹³⁵ Italy: COVID-19 - EIB provides €50 million to MCC for SMEs and mid-caps in southern Italy, European Investment Bank (Kirchberg) 11 November 2020. Access Date: 25 February 2021. <https://www.eib.org/en/press/all/2020-303-covid-19-eib-provides-eur50-million-to-mcc-for-smes-and-mid-caps-in-southern-italy>.

³¹³⁶ State aid cases: Italy, European Commission (Brussels) N.D. Access Date: 25 February 2021. https://ec.europa.eu/info/live-work-travel-eu/coronavirus-response/jobs-and-economy-during-coronavirus-pandemic/state-aid-cases/italy_en.

Japan: +1

Japan has fully complied with its commitment to safeguard against downside risks by improving the resilience of small and medium businesses and working families.

On 7 April 2020, Prime Minister Shinzo Abe announced the introduction of a stimulus package totalling JPY108 trillion, of which JPY39.5 trillion was designated for direct spending.³¹³⁷ In his statement, Prime Minister Abe emphasized that micro, small, and medium-sized businesses are a priority of the fiscal measures and will receive interest-free loans and no-penalty deferrals on tax payments.³¹³⁸ Moreover, Prime Minister Abe announced that families will receive payments of JPY300,000 per household and an additional JPY10,000 per child.³¹³⁹

On 17 April 2020, Prime Minister Abe introduced the implementation of direct fiscal transfers of JPY100,000 to all Japanese citizens.³¹⁴⁰ Additionally, the terms of the JPY300,000 payment for households in need, which was announced on 7 April 2020, were amended to widen the scope of the program by expanding eligibility.³¹⁴¹

On 1 May 2020, the Ministry of Economy, Trade and Industry opened the Subsidy Program for Sustaining Businesses intended to support companies impacted by COVID-19.³¹⁴² The program continued accepting requests until 15 February and provided financing support for businesses.³¹⁴³

Japan has taken strong fiscal action to improve the resilience of small and medium businesses as well as working families by offering transfers, loans, and tax deferrals that cushioned both groups from pandemic impacts.

Thus, Japan receives a score of +1.

Analyst: Maria Anna Staszkiemicz

United Kingdom: +1

The United Kingdom has fully complied with its commitment to safeguard against downside risks by improving the resilience of small and medium businesses and working families.

On 23 March 2020, the Government of the United Kingdom announced a three-month ban on evictions for commercial tenants who miss rent payments as part of the emergency Coronavirus Bill.³¹⁴⁴

On 20 April 2020, the Treasury launched the Coronavirus Job Retention Scheme (CJRS), as part of a support package to protect jobs and businesses.³¹⁴⁵ The CJRS allowed businesses to claim up to GBP2,500 a month

³¹³⁷ Address by Prime Minister Shinzo Abe, Office of the Prime Minister (Tokyo) 7 April 2020. Access Date: 21 February 2021. https://japan.kantei.go.jp/98_abe/statement/202004/_00001.html.

³¹³⁸ Address by Prime Minister Shinzo Abe, Office of the Prime Minister (Tokyo) 7 April 2020. Access Date: 21 February 2021. https://japan.kantei.go.jp/98_abe/statement/202004/_00001.html.

³¹³⁹ Address by Prime Minister Shinzo Abe, Office of the Prime Minister (Tokyo) 7 April 2020. Access Date: 21 February 2021. https://japan.kantei.go.jp/98_abe/statement/202004/_00001.html.

³¹⁴⁰ Address by Prime Minister Shinzo Abe, Office of the Prime Minister (Tokyo) 17 April 2020. Access Date: 21 February 2021. https://japan.kantei.go.jp/98_abe/statement/202004/_00002.html.

³¹⁴¹ Address by Prime Minister Shinzo Abe, Office of the Prime Minister (Tokyo) 17 April 2020. Access Date: 21 February 2021. https://japan.kantei.go.jp/98_abe/statement/202004/_00002.html.

³¹⁴² Acceptance of Requests for Subsidy Program for Sustaining Businesses Starts, Ministry of Economy, Trade and Industry (Tokyo) 1 May 2020. Access Date: 21 February 2021. https://www.meti.go.jp/english/press/2020/0501_001.html.

³¹⁴³ METI's Support Measures for Companies Concerning the Impacts of the Novel Coronavirus Disease, Ministry of Economy, Trade and Industry (Tokyo) Undated. Access Date: 21 February 2021. <https://www.meti.go.jp/english/covid-19/index.html>.

³¹⁴⁴ Extra protection for businesses with ban on evictions for commercial tenants who miss rent payments, Her Majesty's Government (London) 23 March 2020. Access Date: 25 February 2021. <https://www.gov.uk/government/news/extra-protection-for-businesses-with-ban-on-evictions-for-commercial-tenants-who-miss-rent-payments>.

per worker towards staff wages.³¹⁴⁶ The CJRS was expected to benefit thousands of businesses and millions of people across the UK.³¹⁴⁷

On 4 May 2020, the Treasury launched government-backed Bounce Back Loans for small businesses.³¹⁴⁸ Small businesses could apply for loans of up to GBP50,000.³¹⁴⁹

On 11 June 2020, the Government confirmed GBP63 million for local authorities to help those struggling to afford food and other essentials due to coronavirus.³¹⁵⁰ The funding added to the GBP6.5 billion of extra support for the vulnerable through the welfare system.

On 1 November 2020, the Treasury launched the Job Support Scheme (JSS), which could be combined with the Job Retention Bonus to cover 95 per cent of the employment costs of the average previously furloughed employee until February 2021.³¹⁵¹ The JSS aimed to support businesses that were either required to close due to coronavirus restrictions or facing lower demand while staying open.³¹⁵²

On 13 November 2020, the Government announced grant schemes of GBP2.2 billion to be distributed to businesses across England by councils.³¹⁵³ The grants were aimed at businesses that were required to close due to coronavirus restrictions.³¹⁵⁴

On 5 January 2021, Chancellor of the Exchequer Rishi Sunak announced GBP4.6 billion in grants for businesses affected by the lockdown.³¹⁵⁵ Businesses in the retail, hospitality, and leisure sectors would be offered a one-off grant of up to GBP9,000.³¹⁵⁶

³¹⁴⁵ Coronavirus Job Retention Scheme up and running, Her Majesty's Treasury (London) 20 April 2020. Access Date: 25 February 2021. <https://www.gov.uk/government/news/coronavirus-job-retention-scheme-up-and-running>.

³¹⁴⁶ Coronavirus Job Retention Scheme up and running, Her Majesty's Treasury (London) 20 April 2020. Access Date: 25 February 2021. <https://www.gov.uk/government/news/coronavirus-job-retention-scheme-up-and-running>.

³¹⁴⁷ Coronavirus Job Retention Scheme up and running, Her Majesty's Treasury (London) 20 April 2020. Access Date: 25 February 2021. <https://www.gov.uk/government/news/coronavirus-job-retention-scheme-up-and-running>.

³¹⁴⁸ New Bounce Back Loans to launch today, Her Majesty's Treasury (London) 4 May 2020. Access Date: 25 February 2021. <https://www.gov.uk/government/news/new-bounce-back-loans-to-launch-today>.

³¹⁴⁹ New Bounce Back Loans to launch today, Her Majesty's Treasury (London) 4 May 2020. Access Date: 25 February 2021. <https://www.gov.uk/government/news/new-bounce-back-loans-to-launch-today>.

³¹⁵⁰ £63 million for local authorities to assist those struggling to afford food and other essentials, Her Majesty's Government (London) 11 June 2020. Access Date: 25 February 2021. <https://www.gov.uk/government/news/63-million-for-local-authorities-to-assist-those-struggling-to-afford-food-and-other-essentials>.

³¹⁵¹ Millions of jobs will continue to be supported as Job Support Scheme launches, Her Majesty's Treasury (London) 30 October 2020. Access Date: 25 February 2021. <https://www.gov.uk/government/news/millions-of-jobs-will-continue-to-be-supported-as-job-support-scheme-launches>.

³¹⁵² Millions of jobs will continue to be supported as Job Support Scheme launches, Her Majesty's Treasury (London) 30 October 2020. Access Date: 25 February 2021. <https://www.gov.uk/government/news/millions-of-jobs-will-continue-to-be-supported-as-job-support-scheme-launches>.

³¹⁵³ Businesses in England to receive £2.2 billion to see them through national restrictions, Her Majesty's Government (London) 13 November 2020. Access Date: 25 February 2021. <https://www.gov.uk/government/news/businesses-in-england-to-receive-22-billion-to-see-them-through-national-restrictions>.

³¹⁵⁴ Businesses in England to receive £2.2 billion to see them through national restrictions, Her Majesty's Government (London) 13 November 2020. Access Date: 25 February 2021. <https://www.gov.uk/government/news/businesses-in-england-to-receive-22-billion-to-see-them-through-national-restrictions>.

³¹⁵⁵ £4.6 billion in new lockdown grants to support businesses and protect jobs, Her Majesty's Treasury (London) 5 January 2021. Access Date: 25 February 2021. <https://www.gov.uk/government/news/46-billion-in-new-lockdown-grants-to-support-businesses-and-protect-jobs>.

³¹⁵⁶ £4.6 billion in new lockdown grants to support businesses and protect jobs, Her Majesty's Treasury (London) 5 January 2021. Access Date: 25 February 2021. <https://www.gov.uk/government/news/46-billion-in-new-lockdown-grants-to-support-businesses-and-protect-jobs>.

On 1 April 2021, the Government launched a GBP5 billion Restart Grants scheme. The scheme would provide funding of up to GBP18,000 to eligible businesses.³¹⁵⁷

On 6 April 2021, the Treasury launched the Recovery Loan Scheme announced as part of the 2021 budget. The loans would provide additional support to businesses, varying in size from GBP25,000 to GBP10 million with an 80 per cent government guarantee and interest rate cap.³¹⁵⁸

The United Kingdom has fully complied with its commitment to safeguard against downside risk. It improved the resilience of small to medium businesses through a number of fiscal measures targeted at a wide range of businesses and improved the resilience of working families through wage subsidies and increases to local authority funding.

Thus, the United Kingdom receives a score of +1.

Analyst: Para Babuهران

United States: +1

The United States has fully complied with its commitment to safeguard against downside risks by improving the resilience of small and medium businesses and working families.

On 18 March 2020, the Families First Coronavirus Response Act (FFCRA) passed by the United States Congress made available USD100 billion to supply paid leave or expanded family and medical leave for employees for reasons related to COVID-19.³¹⁵⁹ Furthermore, the bill provided free testing for the virus, two weeks of paid sick leave, and supplementary paid sick leave for employees with children for up to three months.³¹⁶⁰

On 23 March 2020, the Federal Reserve implemented a set of actions including support for critical market functioning; facilitating credit flow to employers, consumers, and businesses by creating programs that will provide USD300 billion in new financing; and establishing the Term Asset-Backed Securities Loan Facility to support credit flow to consumers and businesses.³¹⁶¹

On 6 April 2020, the Wage and Hour Division and the Department of Labor issued a temporary rule to clarify the applicability of paid leave benefits which decreased worker eligibility, such as being inapplicable to workers furloughed from a business that remains open.³¹⁶² The temporary rule exempts employers with “fewer than 50 employees from paid leave provisions if the employer deems compliance would “jeopardize

³¹⁵⁷ Fresh wave of grant funding launched as councils are called on to do their bit to continue supporting businesses, Her Majesty's Government (London) 1 April 2021. Access Date: 27 April 2021. <https://www.gov.uk/government/news/fresh-wave-of-grant-funding-launched-as-councils-are-called-on-to-do-their-bit-to-continue-supporting-businesses>.

³¹⁵⁸ Recovery Loan Scheme launches today, Her Majesty's Treasury (London) 6 April 2021. Access Date: 27 April 2021. <https://www.gov.uk/government/news/recovery-loan-scheme-launches-today>.

³¹⁵⁹ Families First Coronavirus Response Act: Employee Paid Leave Rights, U. S. Wage and Hour Division (Washington D.C.) 18 March 2020. Access Date: 24 February 2021. <https://www.dol.gov/agencies/whd/pandemic/ffcra-employee-paid-leave>.

³¹⁶⁰ Coronavirus (COVID-19): SME policy responses, Organisation for Economic Co-operation and Development (Paris) 15 July 2020. Access Date: 24 February 2021. <https://www.oecd.org/coronavirus/policy-responses/coronavirus-covid-19-sme-policy-responses-04440101/#section-d1e22628>.

³¹⁶¹ Federal Reserve announces extensive new measures to support the economy, Board of Governors of the Federal Reserve System (Washington D.C.) 23 March 2020. Access Date: 24 February 2021. <https://www.federalreserve.gov/newsevents/pressreleases/monetary20200323b.htm>.

³¹⁶² Paid Leave Under the Families First Coronavirus Response Act, Federal Register (Washington D.C.) 6 April 2020. Access Date: 12 March 2021. <https://www.federalregister.gov/documents/2020/04/06/2020-07237/paid-leave-under-the-families-first-coronavirus-response-act#p-183>.

the viability of the business as a going concern.”³¹⁶³ Thus, the Department estimates this would exempt 96 per cent of firms.³¹⁶⁴

On 21 April 2020, the United States Senate passed a COVID-19 relief plan of USD484 billion to support small businesses and hospitals in expanding testing.³¹⁶⁵ It provides an additional USD310 billion to keep employees on small business payrolls.³¹⁶⁶

On 15 June 2020, the Federal Reserve launched its Main Street Lending Program to provide lending to small and medium-sized for-profit businesses and non-profit organizations affected by the COVID-19 pandemic.³¹⁶⁷ The Federal Reserve terminated the program on 8 January 2021.³¹⁶⁸

On 11 September 2020, the Department of Labor's Wage and Hour Division declared various revisions to the FFCRA regarding paid sick leave and expanded family and medical leave provisions, including clarifications to workers' rights and legal protections for “millions of workers fully and fairly.”³¹⁶⁹

On 20 December 2020, the United States Congress announced additional support measures to unemployment benefits.³¹⁷⁰ The Coronavirus Response and Relief Supplemental Appropriations Act of 2021 provides an additional USD300 per week to unemployed workers until 14 March 2021, USD100 per week for self-employed or gig workers, and eleven extra weeks of benefits.³¹⁷¹

On 30 December 2020, Internal Revenue Services issued USD600 Economic Impact stimulus checks to qualifying individuals through January 2021.³¹⁷²

On 20 January 2021, President Joe Biden announced his American Rescue Plan, which included delivering immediate relief to working families affected by COVID-19 by “sending 1,400 per-person checks to households across America, providing direct housing and nutrition assistance, expanding access to safe and

³¹⁶³ The Trump administration has weakened crucial worker protections needed to combat the coronavirus, Economic Policy Institute (Washington D.C.) 14 April 2020. Access Date: 12 March 2021. <https://www.epi.org/blog/the-trump-administration-has-weakened-crucial-worker-protections-needed-to-combat-the-coronavirus-agencies-tasked-with-protecting-workers-have-put-them-in-danger/>.

³¹⁶⁴ Paid Leave Under the Families First Coronavirus Response Act, Federal Register (Washington D.C.) 6 April 2020. Access Date: 12 March 2021. <https://www.federalregister.gov/documents/2020/04/06/2020-07237/paid-leave-under-the-families-first-coronavirus-response-act#p-183>.

³¹⁶⁵ Senate passes \$484 billion coronavirus bill for small business and hospital relief, testing, CNBC (Englewood Cliffs) 21 April 2020. Access Date: 24 February 2021. <https://www.cnbc.com/2020/04/21/coronavirus-senate-passes-484-billion-small-business-relief-bill.html>.

³¹⁶⁶ Senate passes \$484 billion coronavirus bill for small business and hospital relief, testing, CNBC (Englewood Cliffs) 21 April 2020. Access Date: 24 February 2021. <https://www.cnbc.com/2020/04/21/coronavirus-senate-passes-484-billion-small-business-relief-bill.html>.

³¹⁶⁷ Main Street Lending Program, Board of Governors of the Federal Reserve System (Washington D.C.) 15 June 2020. Access Date: 25 February 2021. <https://www.federalreserve.gov/monetarypolicy/mainstreetlending.htm>.

³¹⁶⁸ Main Street Lending Program, Board of Governors of the Federal Reserve System (Washington D.C.) 15 June 2020. Access Date: 25 February 2021. <https://www.federalreserve.gov/monetarypolicy/mainstreetlending.htm>.

³¹⁶⁹ Temporary Rule: Paid Leave Under the Families First Coronavirus Response Act, U. S. Wage and Hour Division (Washington D.C.) 11 September 2020. Access Date: 25 February 2021. <https://www.dol.gov/agencies/whd/ffcra>.

³¹⁷⁰ Disaster Financial Assistance for Workers and Small Business Owners, USA.gov (Seattle) 20 December 2020. Access Date: 25 February 2021. <https://www.usa.gov/disaster-help-workers-businesses>.

³¹⁷¹ Disaster Financial Assistance for Workers and Small Business Owners, USA.gov (Seattle) 20 December 2020. Access Date: 25 February 2021. <https://www.usa.gov/disaster-help-workers-businesses>.

³¹⁷² Disaster Financial Assistance for Workers and Small Business Owners, USA.gov (Seattle) 20 December 2020. Access Date: 25 February 2021. <https://www.usa.gov/disaster-help-workers-businesses>.

reliable childcare and affordable healthcare, increasing the minimum wage, extending unemployment insurance, and giving families with kids and childless workers an emergency boost this year.”³¹⁷³

The United States fully complied with its commitment to safeguard against downside risk, having taken strong fiscal action to improve and having not taken action to weaken the resilience of small to medium businesses and working families. It addressed small to medium businesses through institutions such as the Federal Reserve, and strengthened sick leave and unemployment benefits for workers, with measures specific to families.

Thus, the United States receives a score of +1.

Analyst: Nina Maria Logvin

European Union: +1

The European Union has fully complied with its commitment to safeguard against downside risks by improving the resilience of small and medium businesses and working families.

On 4 April 2020, the European Commission secured an EUR1 billion fund from the European Fund for Strategic Investments as a guarantee to allow the European Investment Fund, a part of the European Investment Bank Group, to incentivise banks and lenders to provide liquidity to small European businesses.³¹⁷⁴ This incentive was expected to facilitate the provision of a total of EUR8 billion to at least 100,000 European small and mid-sized companies.³¹⁷⁵ European Commission Executive Vice-President Valdis Dombrovskis stated that in this way, “[t]he EU is responding quickly to help cushion the blow and to help small and medium-sized companies, which are especially vulnerable.”³¹⁷⁶

On 25 September 2020, the European Council approved the granting of EUR87.4 billion to 16 member states through the temporary Support to mitigate Unemployment Risks in an Emergency initiative.³¹⁷⁷ The initiative was set up to provide loans of up to EUR100 billion to member states to fund expenditures for preserving jobs, and made further disbursements through the months of October 2020 to February 2021.³¹⁷⁸

The European Union has complied with its commitments to safeguard against downside risk through fiscal measures including a project dedicated to improving the resilience of small to medium-sized companies and funding to mitigate unemployment.

Thus, the EU receives a score of +1.

Analyst: Lydia Estreed

³¹⁷³ President Biden Announces American Rescue Plan, The White House (Washington D.C.) 20 January 2021. Access Date: 25 February 2021. <https://www.whitehouse.gov/briefing-room/legislation/2021/01/20/president-biden-announces-american-rescue-plan/>.

³¹⁷⁴ Coronavirus: Commission and European Investment Fund (part of EIB Group) unlock €8 billion in finance for 100,000 small and medium-sized businesses, European Commission (Brussels) 6 April 2020. Access Date: 12 March 2021. https://ec.europa.eu/commission/presscorner/detail/en/IP_20_569.

³¹⁷⁵ Coronavirus: Commission and European Investment Fund (part of EIB Group) unlock €8 billion in finance for 100,000 small and medium-sized businesses, European Commission (Brussels) 6 April 2020. Access Date: 12 March 2021. https://ec.europa.eu/commission/presscorner/detail/en/IP_20_569.

³¹⁷⁶ Coronavirus: Commission and European Investment Fund (part of EIB Group) unlock €8 billion in finance for 100,000 small and medium-sized businesses, European Commission (Brussels) 6 April 2020. Access Date: 12 March 2021. https://ec.europa.eu/commission/presscorner/detail/en/IP_20_569.

³¹⁷⁷ The European instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE), European Commission (Brussels) N.D. Access Date: 12 March 2021. https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/financial-assistance-eu/funding-mechanisms-and-facilities/sure_en.

³¹⁷⁸ The European instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE), European Commission (Brussels) N.D. Access Date: 12 March 2021. https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/financial-assistance-eu/funding-mechanisms-and-facilities/sure_en.