



Office of the State Comptroller | 2020

The State of Israel Response to the COVID-19 Crisis
Special Interim Report

Introduction

Background

At the end of December 2019, there was an outbreak in China of the coronavirus (SARS-Co.-2) which causes COVID-19 disease. From mid-February 2020, the virus began to spread rapidly to other countries, and by early April 2020, it had already spread to over 200 countries. On 11.3.20, about three months after the first outbreak, the World Health Organization declared COVID-19 a global pandemic. The outbreak is a global crisis, and as of 31.8.20, there is still no vaccine against the virus. On that date, the number of active cases in Israel totaled 20,673 of which 458 were hospitalized in serious condition. The number of deaths reached 919¹.

Global Overview

Following the outbreak of the pandemic, countries all over the world set restrictions on movement and gathering, social distancing, cancellation of events and imposed instructions regarding the reduction of activity, and full or partial lockdowns. The purpose of all these measures was to isolate confirmed cases from their surroundings in order to break the chain of infection. The measures led to a sharp decline in the number of active employees, to partial or full closure of many branches of the economy, and a slowdown in production and global trade.

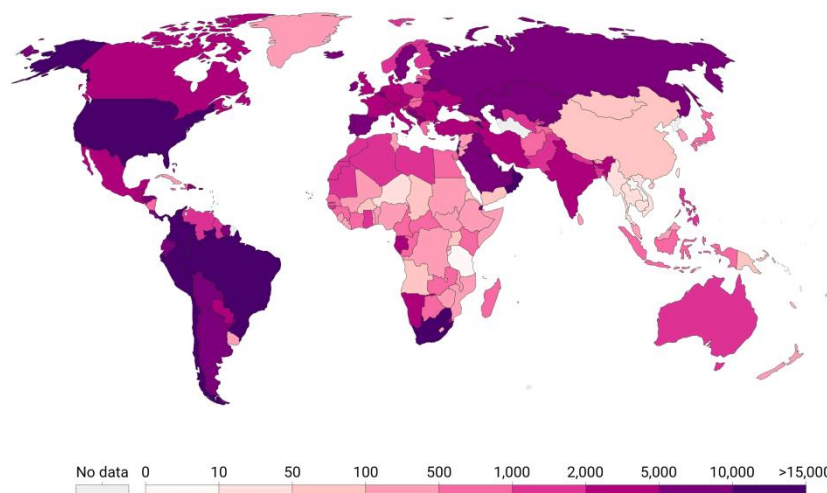
Figure 1 below presents the global situation in terms of verified cases of COVID-19 per million population by 31.8.20:

1 Based on the daily situation report published by the National COVID-19 Information & Knowledge Center

Figure 1: **Verified COVID-19 cases per million by 31.8.20 – global situation**

Total confirmed COVID-19 cases per million people, Aug 31, 2020

The number of confirmed cases is lower than the number of total cases. The main reason for this is limited testing.

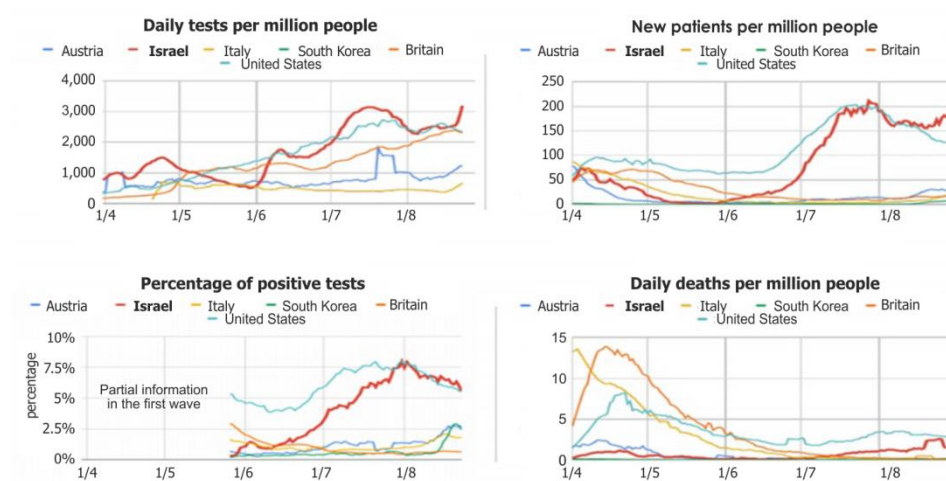


Source: European CDC – Situation Update Worldwide – Last updated 13 September, 10:35 (London time)
OurWorldInData.org/coronavirus • CC BY

Source: Website of the European Center for Disease Prevention and Control

Below is a picture of the morbidity situation in Israel², compared to the situation in a number of other countries in April-August, 2020, as published by the National COVID-19 Information & Knowledge Center.

Figure 2: Morbidity in Israel compared to the situation in a number of other countries, April-August 2020



Source: Daily status update- 31.8.20, National COVID-19 Information & Knowledge Center

² Differences between measurement methods used in different countries may affect the comparison.

Morbidity in Israel

Figures 3 and 4 present the COVID-19 morbidity situation in Israel:

Figure 3: Cumulative number of patients in Israel from the outbreak of the pandemic to 31.8.20

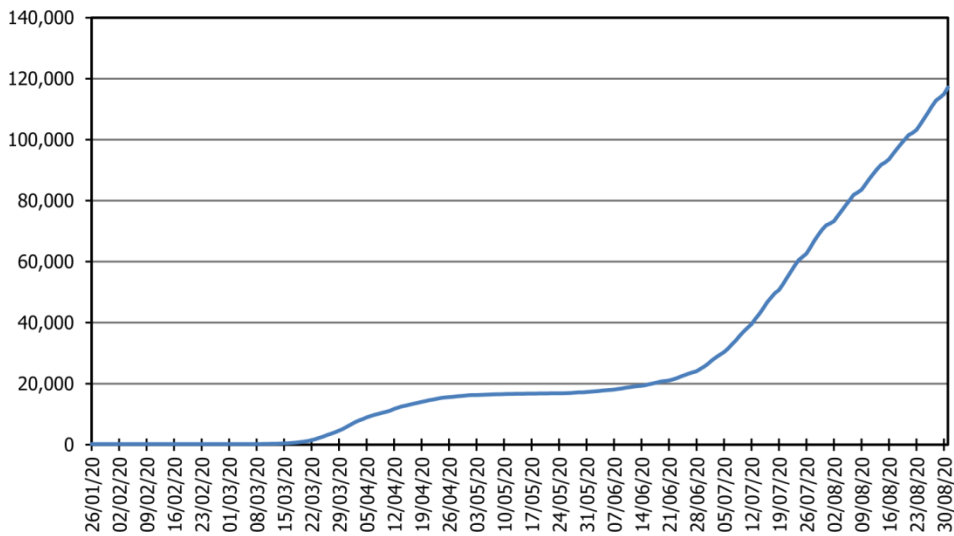
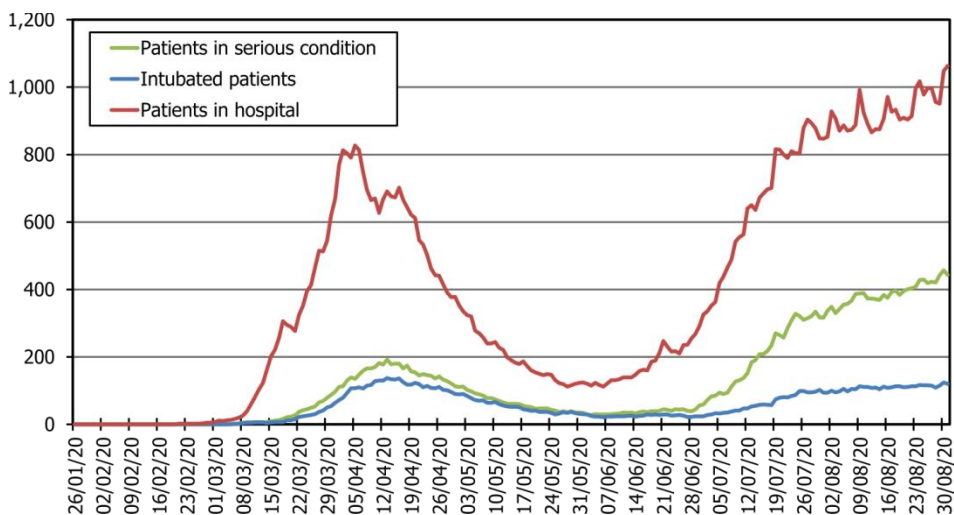


Figure 4: Cumulative number of patients in hospital, intubated patients, and in serious condition³ in Israel from the outbreak of the pandemic to 31.8.20



Source: Ministry of Health website, data retrieved on 15.9.20 and processed by the State Comptroller's Office.

³ Note that on 7.7.20 the World Health Organization changed the definition of "seriously ill patient" and consequently the definition was also changed in Israel. This led to a rise in the number of patients deemed to be in serious condition.

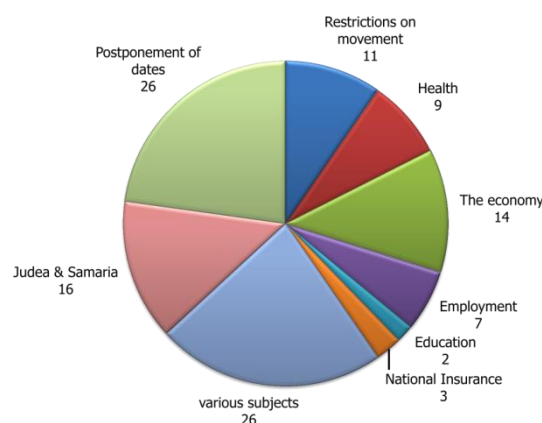
How Israel Handled the COVID-19 crisis

In order to handle the pandemic, the Government of Israel took a range of steps, affecting, inter alia, the following areas:

1. Imposition of restrictions on movement, according to the morbidity situation.
2. Preparing plans for financial aid to the economy, at three levels:
 - a. Ensuring “social subsistence”, including the payment of grants to the self-employed and employees who were fired or sent on unpaid leave, distribution of one-time grants by the National Insurance Institute.
 - b. Payment of grants to ensure continuing economic function and to prevent a chain of economic collapse; this included fixed expenses grants. .
 - c. Distribution of Employment grants and incentives to increase productivity, in order to assist the economy to recover from the crisis and return to economic growth.
3. Breaking the chains of infection by issuing temporary and future instructions to define the criteria for COVID-19 testing for the entities involved in the testing procedures, for the duration of time to provide test results, etc.
4. Closing the education system and moving to remote learning.

Since the beginning of the crisis, there have been 114 publications, including laws, regulations, injunctions and instructions. During this period, the Government set regulations by virtue of Section 39 of the Basic Law: Government, which authorizes the Government to institute emergency regulations in order to protect the state and public safety and ensure the continuing of the essential supplies and services. Figure 5 below shows quantitative segmentation of primary and secondary legislation by subject, from the beginning of the crisis until 21.9.20:

Figure 5: Quantitative segmentation of primary and secondary legislation⁴, from the outbreak of the COVID-19 crisis to 21.9.20, by subject

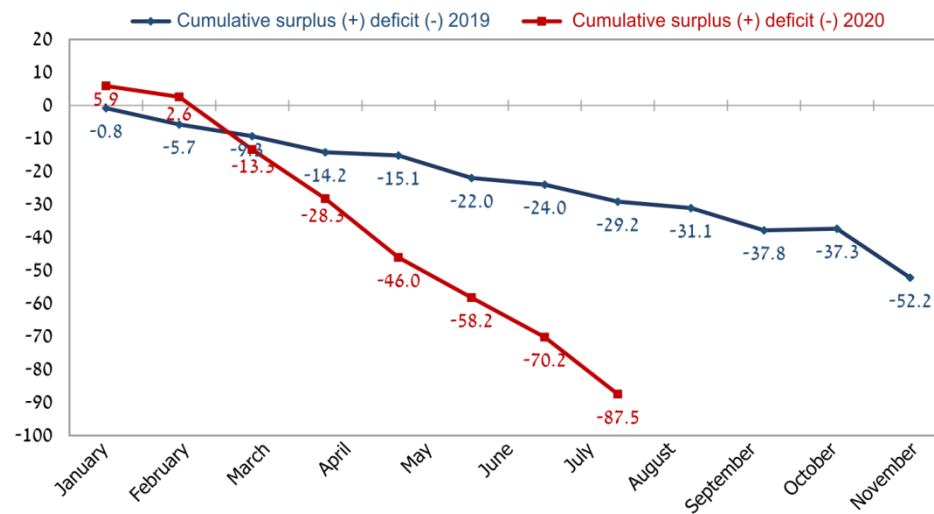


⁴ The quantitative data include publications no longer in force or canceled.

Economic Impact

The restrictions on movement that were imposed on the population led to the closure of supply (factories, shops, service providers), a drop in global trade, and a drop in demand, and the impact of all this on the global and domestic economy was significant, as the following figures show.

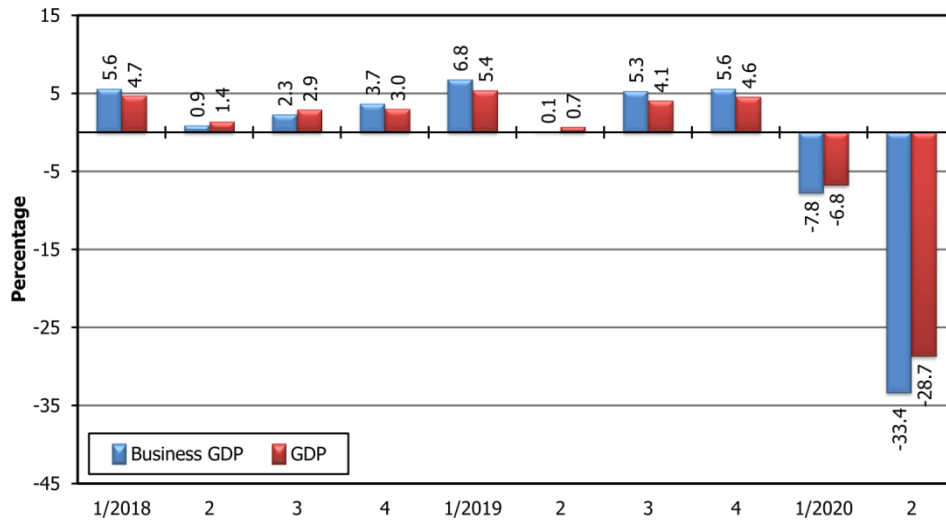
Figure 6: **Cumulative surplus or deficit without giving net credit for the years 2019-2020 (current prices, billions of NIS)**



Source: Website of the Accountant General

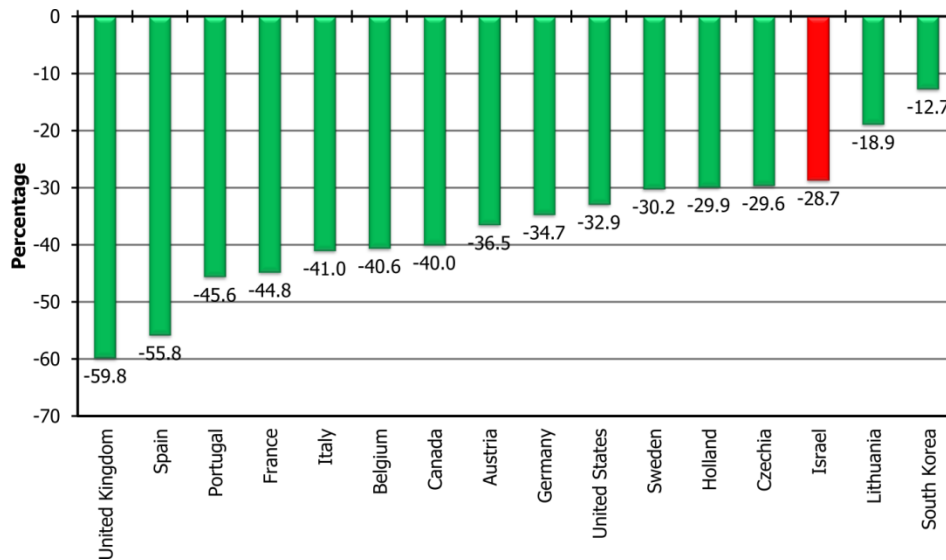
Below are figures from the Central Bureau of Statistics regarding changes in gross domestic product in Israel from the first quarter of 2018 to the second quarter of 2020.

Figure 7: **Changes in Israel's Gross Domestic Product from the first quarter of 2018 to the second quarter of 2020, quantitative change against the previous quarter by annual calculation**



Source: Website of the Central Bureau of Statistics

Figure 8: **GDP in Israel in the second quarter of 2020, compared to other countries, quantitative change by annual calculation, discounting seasonality**



Source: Website of the Central Bureau of Statistics

The Purpose and Content of the Report

This report is partly an interim report, towards future publication of a comprehensive report on how Israel dealt with various aspects of the State of Israel's handling of the COVID-19 crisis in 2021.⁵ This report presents the interim findings raised in the audit carried out until early September 2020,⁶ including the recommendations of the State Comptroller's Office. The purpose of the report is to point out to the audited bodies

Deficiencies that can be rectified immediately to improve their function, including the service provided to the public, with respect to the pandemic.

The report contains eight chapters and deals with a wide range of issues, including a chapter presenting the interim findings on how the Government handled with the unemployed and job seekers during the crisis, which was published on 10.9.20. The issues were chosen because of their impact on the public, and because the correction of the deficiencies that were found is possible in the immediate term. The issues are as follows:

- a. Aspects of the Tax Authority's Activity During the COVID-19 Crisis
- b. Utilization of General Security Service's Technological Capabilities to Assist the Ministry of Health's Epidemiological Studies
- c. Taking Samples and Laboratory Testing for Diagnosing COVID-19
- d. Epidemiological Studies to Break the Chain of Transmission
- e. Care for Senior Citizens in Residential Care Facilities During the COVID-19 Crisis
- f. Community Health Services During the COVID-19 Crisis
- g. Infrastructure for Remote Learning and Alternative Learning Spaces During the COVID-19 Crisis
- h. Government Handling of Job Seekers and the Unemployed During the COVID-19 Crisis

Note: Chapters A and B are final reports, while Chapters C-H contain interim findings.

5 It is noted that on 8.9.20 the state Ombudsman in the State Comptroller's Office published a report following the crisis.

6 The Audit of the Tax Authority's activity was completed in June 2020.

Timeline of Events from the Corona Outbreak until 31.8.20

