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LEGISLATIVE ACTS AND OTHER INSTRUMENTS

Subject: COUNCIL IMPLEMENTING DECISION amending Implementing Decision (EU) 2020/1346 granting temporary support under Regulation (EU) 2020/672 to the Hellenic Republic to mitigate unemployment risks in the emergency following the COVID-19 outbreak

COUNCIL IMPLEMENTING DECISION (EU) 2021/...

of ...

**amending Implementing Decision (EU) 2020/1346
granting temporary support under Regulation (EU) 2020/672
to the Hellenic Republic to mitigate unemployment risks in the emergency
following the COVID-19 outbreak**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EU) 2020/672 of 19 May 2020 on the establishment of a European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) following the COVID-19 outbreak¹, and in particular Article 6(1) thereof,

Having regard to the proposal from the European Commission,

¹ OJ L 159, 20.5.2020, p. 1.

Whereas:

- (1) Further to a request from Greece on 6 August 2020, on 25 September 2020 the Council granted financial assistance to Greece in the form of a loan amounting to a maximum of EUR 2 728 000 000 with a maximum average maturity of 15 years, with a view to complementing Greece's national efforts to address the impact of the COVID-19 outbreak and respond to the socio-economic consequences of that outbreak for workers and the self-employed.
- (2) The loan was to be used by Greece to finance the short-time work schemes and similar measures as referred to in Article 3 of Council Implementing Decision (EU) 2020/1346¹.
- (3) The COVID-19 outbreak continues to immobilise a substantial part of the labour force in Greece. This has led to a sudden and severe increase in public expenditure in Greece in respect of the measures referred to in Article 3, points (a) and (b), of Implementing Decision (EU) 2020/1346.

¹ Council Implementing Decision (EU) 2020/1346 of 25 September 2020 granting temporary support under Regulation (EU) 2020/672 to the Hellenic Republic to mitigate unemployment risks in the emergency following the COVID-19 outbreak (OJ L 314, 29.9.2020, p. 21).

- (4) The COVID-19 outbreak and the extraordinary measures implemented by Greece in 2020 and 2021 to contain the outbreak and its socio-economic and health-related impact have had and continue to have a dramatic impact on public finances. According to the Commission's 2020 autumn forecast, Greece was expected to have a general government deficit and debt of 6,9 % and 207,1 % of gross domestic product (GDP) respectively by the end of 2020. In 2021, Greece's general government deficit and debt are forecast to narrow to 6,3 % and 200,7 % of GDP respectively. According to the Commission's 2021 winter interim forecast, Greece's GDP is projected to increase by 3,5 % in 2021.
- (5) On 9 March 2021, Greece requested further financial assistance from the Union of EUR 2 537 000 000, with a view to continuing to complement its national efforts undertaken in 2020 and 2021 to address the impact of the COVID-19 outbreak and respond to the socio-economic consequences of that outbreak for workers. In particular it concerns the measures set out in recitals (6) and (7).

- (6) More specifically, Greece's request pertains to 'Legal Act of 14 March 2020'¹, as referred to in Article 3, point (a), of Implementing Decision (EU) 2020/1346, which introduced a special allowance for private sector employees whose labour contracts have been suspended. That measure aims to protect employment in companies that cease their operations by public order or belong to economic sectors that are heavily affected by the COVID-19 outbreak, and concerns the provision of a special monthly allowance of EUR 534 to employees whose labour contracts are suspended. The precondition to benefit from the scheme is that the employer retains the same number of employees (meaning the same exact employees) for a period equal to the period for which the labour contract was suspended. The measure has been extended until 31 March 2021 for regular workers and until 31 October 2021 for seasonal workers. Further extensions may apply to a decreasing number of eligible economic sectors in the coming months.

¹ 'Legal Act of 14 March 2020' (Government Gazette A' 64) ratified by Article 3 of 'Law 4682/2020' (Government Gazette A' 76); 'Ministerial Decision 12998/232' (Government Gazette B' 1078/28 March 2020), 'Ministerial Decision 16073/28722 April 2020' (Government Gazette B' 1547/22 April 2020), 'Ministerial Decision 17788/346/8 May 2020' (Government gazette B' 1779/10 May 2020), 'Ministerial Decision 23102/477/2020' (Government Gazette B' 2268/13 June 2020), 'Ministerial Decision 49989/1266/2020' (FEK B' 5391/07-12-2020); and 'Ministerial Decision 45742/1748' (FEK B' 5515/16/12/2020).

- (7) The authorities additionally introduced State financing of the social security coverage of employees that benefit from the special allowance referred to in recital (6), as referred to in Article 3, point (b), of Implementing Decision (EU) 2020/1346. The precondition to benefit from the scheme is that the employer retains the same number of employees (meaning the same exact employees) for a period equal to the period for which the labour contract was suspended.
- (8) Greece fulfils the conditions for requesting financial assistance set out in Article 3 of Regulation (EU) 2020/672. Greece has provided the Commission with appropriate evidence that the actual and planned public expenditure has increased by EUR 6 071 899 097 as of 1 February 2020 due to the national measures taken to address the socio-economic effects of the COVID-19 outbreak. This constitutes a sudden and severe increase because it is related to an extension of existing national measures directly related to short-time work schemes and similar measures that cover a significant proportion of undertakings and of the labour force in Greece. Greece intends to finance EUR 806 899 097 of the increased amount of public expenditure through its own financing.
- (9) The Commission has consulted Greece and verified the sudden and severe increase in the actual and planned public expenditure directly related to short-time work schemes and similar measures referred to in Greece's request of 9 March 2021, in accordance with Article 6 of Regulation (EU) 2020/672.

- (10) Financial assistance should therefore be provided with a view to helping Greece to address the socio-economic effects of the severe economic disturbance caused by the COVID-19 outbreak. The Commission should take the decisions concerning maturities, size and release of instalments and tranches in close cooperation with national authorities.
- (11) Greece and the Commission should take this Decision into account in the loan agreement referred to in Article 8(2) of Regulation (EU) 2020/672.
- (12) This Decision should be without prejudice to the outcome of any procedures relating to distortions of the operation of the internal market that may be undertaken, in particular pursuant to Articles 107 and 108 of the Treaty. It does not override the requirement for Member States to notify instances of potential State aid to the Commission under Article 108 of the Treaty.
- (13) Greece should inform the Commission on a regular basis of the implementation of the planned public expenditure, in order to enable the Commission to assess the extent to which Greece has implemented that expenditure.
- (14) The decision to provide financial assistance has been reached taking into account existing and expected needs of Greece, as well as requests for financial assistance pursuant to Regulation (EU) 2020/672 already submitted or planned to be submitted by other Member States, while applying the principles of equal treatment, solidarity, proportionality and transparency,

HAS ADOPTED THIS DECISION:

Article 1

Implementing Decision (EU) 2020/1346 is amended as follows:

(1) Article 2 is amended as follows:

(a) paragraph 1 is replaced by the following:

'1. The Union shall make available to Greece a loan amounting to a maximum of EUR 5 265 000 000. The loan shall have a maximum average maturity of 15 years.';

(b) paragraph 4 is replaced by the following:

'4. The first instalment shall be released subject to the entry into force of the loan agreement provided for in Article 8(2) of Regulation (EU) 2020/672. Any further instalments shall be released in accordance with the terms of that loan agreement or, where relevant, be subject to the entry into force of an addendum thereto, or of an amended loan agreement.';

(2) Article 3 is replaced by the following:

'Article 3

Greece may finance the following measures:

- (a) a special allowance provided to employees whose labour contracts have been suspended, as provided for in Article 13 of "Legal Act of 14 March 2020", as extended;
- (b) the social security coverage of employees under the measure referred to in point (a) of this Article, as provided for in Article 13 of "Legal Act of 14 March 2020", as extended;
- (c) a special allowance to professionals who are self-employed, as provided for in Article 8 of "Legal Act of 20 March 2020";
- (d) a short-time work scheme, as provided for by Article 31 of "Law 4690/2020";
- (e) the employer social security contributions for employees in seasonal enterprises in the tertiary sector, as provided for in Article 123 of "Law 4714/2020".'

Article 2

This Decision is addressed to the Hellenic Republic.

This Decision shall take effect on the date of its notification to the addressee.

Article 3

This Decision shall be published in the *Official Journal of the European Union*.

Done at Brussels,

For the Council

The President
