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Delegations will find attached document SWD(2025) 48 final.

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**COMMISSION STAFF WORKING DOCUMENT
EXECUTIVE SUMMARY OF THE EVALUATION**

of the

**European instrument for temporary Support to mitigate Unemployment Risks in an
Emergency (SURE)**

{SWD(2025) 47 final}

The ex-post evaluation of SURE

The instrument for Support to mitigate Unemployment Risks in an Emergency (SURE) was a key early element of the European Union's response to the COVID-19 crisis. SURE aimed to address the socio-economic fallout of the pandemic and the ensuing containment measures by protecting jobs and incomes. Established in May 2020 and used through 2022, SURE was designed as a temporary emergency instrument.

This report provides an ex-post evaluation of SURE's performance against its objectives. The report draws on multiple sources, including five Commission bi-annual reports and an evaluation study by an independent external contractor, which encompasses macroeconomic analyses used for the counterfactual assessment, six case studies, and insights from various stakeholders in the form of targeted surveys, structured interviews, and workshops.

Effectiveness: the additional impact of SURE

SURE's primary objective was to provide financial assistance to Member States to preserve employment and income during the COVID-19 pandemic. The programme, which provided support to national job retention schemes (and, in an ancillary fashion, health-related measures), was highly effective. Almost the entire EUR 100 billion envelope was disbursed to 19 beneficiary Member States. It was particularly relevant for Member States whose economies were more exposed to the pandemic and those facing higher borrowing costs, as sovereign bond spreads had widened in the early phases of the crisis.

Job retention schemes funded by SURE covered around 31½ million people and over 2½ million firms in 2020, when the pandemic first took hold. This represents almost one third of total employment and over a quarter of total firms in beneficiary Member States. The number of employees and firms benefitting from SURE-supported measures evolved in line with the COVID-19 pandemic. The most supported sectors were contact-intensive services (such as accommodation and food services, wholesale and retail trade) and manufacturing, which were also the most affected by the COVID-19 pandemic. In 2021, the firm and employment coverage of SURE measures decreased by around two thirds, while becoming modest in relative terms in 2022.

Job retention schemes, including those financed through SURE, are conservatively estimated to have saved between 1.03 million and 1.62 million jobs in 2020 alone in SURE beneficiary Member States. This finding from the external evaluation study is in line with the Commission's prior estimate as reported in its fifth bi-annual report. It is based on the expected unemployment levels inferred from the relationship between unemployment developments and the growth of economic activity, as observed before the pandemic (i.e. Okun's law approach). While Okun's law does not establish causality and is likely to underestimate the number of jobs saved, the combined reading of available evidence suggests that national job retention schemes played a crucial role in protecting employment during the pandemic.

The key role of job retention schemes in protecting employment is supported by various pieces of evidence. First, the muted unemployment rate developments, compared with past crisis

episodes and despite the very sharp drop in GDP, are well-documented. Second, the exceptional level of labour hoarding was also confirmed with the sharp rebound of the economic activity in the second half of 2021. Third, comparing the behaviour of unemployment in the EU and the US, where the policy response was based on unemployment benefits rather than job retention schemes, supports the conclusion that job retention schemes (the national measures and SURE taken altogether) have contributed to the observed shift in the unemployment behaviour.

To disentangle the specific impact that could be attributed to SURE only (its additionality), the evaluation also considered counterfactual analysis. This analysis tried to determine what would have happened in the absence of SURE. However, this proved challenging due to its highly speculative nature and the lack of supporting evidence pointing in the same direction. Although it was not possible to reliably quantify SURE additionality, the evaluation provides robust qualitative evidence that SURE had incentivised Member States to implement more ambitious job retention schemes, resulting in additional jobs saved compared with uncoordinated national policy responses.

Job retention schemes, including those funded through SURE, played a key role in protecting household incomes from the impact of the COVID-19 pandemic. Job retention schemes were the primary buffer against income loss, working alongside traditional automatic stabilisers. In addition, they proved highly progressive, cushioning the poorest households from income loss at double the rate of the wealthiest. Identifying SURE's specific effect on income stabilisation proved challenging for the same reasons as in the case of assessing its impact alone on jobs saved. Nevertheless, from a qualitative perspective, SURE clearly helped to smooth disposable income during the pandemic by saving jobs.

Unintended consequences were overall positive. Results of research based on country-specific microdata suggest that negative unintended consequences of job retention schemes were very limited. Most notably, support to non-viable firms and impaired matching on the labour market were minimal and deadweight costs seem to have been low. This likely owes primarily to the specific nature and the limited duration of the crisis, for which job retention schemes turned out particularly well-suited. At the same time, positive impacts, in addition to the longer-term benefits for the labour market, included the improvement of the EU's borrower status on the market and its establishment as a leading issuer of social bonds.

Efficiency: balancing low costs with strong benefits

The costs of SURE were minimal compared to its large benefits, notably the jobs saved and direct interest savings, which are estimated at EUR 9 billion. The Union did not incur direct financial costs related to the on-lending activities, meaning that the costs remained limited and of administrative nature only, owing to SURE's efficient design and implementation. Moreover, the risk to the EU budget remains very limited due to the robust financial structure underpinning SURE, backed by the 'headroom' of the EU budget and reinforced by the provision of national guarantees, which did not involve paid-in capital. The costs related to SURE were far outweighed by its benefits, most directly the significant interest savings estimated at EUR 9 billion and additional jobs saved in Member States, but also the longer-term and less quantifiable benefits it provided in the form of retaining skills in the firms,

maintaining high levels of labour market participation, and protecting those in the informal economy whose jobs were formalised due to schemes benefitting from SURE support.

SURE shored up the fiscal sustainability of the response to the COVID-19 crisis, also because it financed necessary and overall cost-effective measures. While a detailed inquiry into the efficiency of job retention schemes financed by SURE falls outside the scope of this evaluation, research findings and microsimulation results suggest high overall efficiency and greater cost-effectiveness compared to unemployment benefits. Moreover, SURE beneficiary Member States cut spending unrelated to the pandemic substantially more than non-beneficiaries, which suggests a sound prioritisation in the use of limited fiscal resources.

Coherence, relevance, and EU value-added

SURE was highly coherent with the other measures taken at the EU level to cushion the blow of the COVID-19 crisis. The fiscal policy response, including SURE, and the ECB's monetary policy response, through the Pandemic Emergency Purchase Programme (PEPP), complemented each other, boosting the overall macroeconomic response to the pandemic. SURE also complemented other emergency action implemented by the Commission, most notably the flexibility applied to the structural funds during the pandemic. In addition, it was in line with the fiscal policy guidance of the Commission under the General Escape Clause of the Stability and Growth Pact, which recognised the need for Member States to increase spending in response to the pandemic. SURE also supported the principles of the European Pillar of Social Rights and the Employment Guidelines and contributed to the UN Sustainable Development Goals. Finally, SURE helped pave the way for the implementation of NextGenerationEU, including the Recovery and Resilience Facility (RRF). The objectives of RRF, while broader, are well aligned with those of SURE.

SURE's relevance was evident in its timeliness and almost full absorption of available financing. The spending supported by SURE closely followed the evolution of the pandemic and the containment measures taken to tackle it. SURE's flexible scope enabled Member States to design job retention schemes to fit their specific national contexts. The temporary nature of SURE with a clear end-date proved appropriate to the time profile of the shock to the labour markets. The relevance of SURE extends beyond its end-date through lasting positive effects on the labour market, such as helping prevent or cushion long-term unemployment, a drop in labour participation and labour market scarring, as well as modernising labour market institutions in Member States. SURE's relevance was further underscored by the fact that Member States spent more on eligible measures than they received in SURE loans.

The evaluation demonstrates that SURE provided added value beyond what individual Member States could have achieved on their own. The collective approach resulted in substantial benefits, including additional jobs saved and stabilisation of income, and significant interest savings for national budgets. SURE was also a demonstration of solidarity among Member States, as it used the excellent credit rating of the EU and the guarantees provided by all Member States to the benefit of those most heavily impacted by the pandemic and facing greater fiscal constraints.

Conclusions and lessons learnt

The evaluation confirms that SURE successfully met its objectives and delivered value for money. The Staff Working Document provides a comprehensive ex-post assessment of how SURE delivered on its primary objective, as required by the Financial Regulation and recommended by the European Court of Auditors. SURE turned out to be a crucial, effective and efficient emergency instrument of the EU's comprehensive response to protect citizens and mitigate the negative socio-economic consequences of the COVID-19 pandemic.

Key lessons that can be drawn from SURE's success could be useful for both national policymakers and future EU policy instruments. The experience of SURE demonstrates the importance of a clear-purpose and a well-calibrated policy scope for ensuring the effectiveness and efficiency of such a novel instrument. The Community method, as opposed to the intergovernmental arrangements sometimes used in past crises, was also shown to be an effective governance approach, allowing for swift and inclusive decision-making. A well-thought-out design, promoting national ownership of the specific policy measures to achieve a shared objective, was also a source of effectiveness and legitimacy, particularly in an emergency. The robust financial architecture of SURE was effective and allowed the EU to maintain its high credit rating.

At the same time, the experience with SURE also highlights some challenges. The limited public awareness of SURE underscores the potential for more effective communication at national and EU level to boost citizens' appreciation of the role and importance of the EU in shaping policies with an impact on their lives. Stronger policy attention to national job retention schemes, e.g. through continued monitoring, regular evaluation and further analysis of national experiences and exchange of good practices, might be beneficial to inform future policy instruments and improve national schemes responding to large shocks.