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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) 2022/...

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, the Council, by means of Implementing Decision (EU) 2020/1346¹, 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, and with an availability period of 18 months, with a view to complementing Greece's national efforts to address the impact of the COVID-19 outbreak and respond to the socioeconomic 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 Implementing Decision (EU) 2020/1346.
- (3) Further to a second request from Greece on 9 March 2021, the Council, by means of Implementing Decision (EU) 2021/679² amending Implementing Decision (EU) 2020/1346, granted additional financial assistance of EUR 2 537 000 000 to Greece by increasing the maximum loan amount to EUR 5 265 000 000 with a maximum average maturity of 15 years, and with an availability period of 18 months, with a view to complementing Greece's national efforts to address the impact of the COVID-19 outbreak and respond to the socioeconomic consequences of that outbreak for workers.

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).

² Council Implementing Decision (EU) 2021/679 of 23 April 2021 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 (OJ L 144, 27.4.21, p. 16).

- (4) The additional loan was to be used by Greece to finance the short-time work schemes and similar measures, as referred to in Article 3 of Implementing Decision (EU) 2020/1346, as amended by Implementing Decision (EU) 2021/679.
- (5) The COVID-19 outbreak has immobilised a substantial part of the labour force in Greece. This has led to repeated sudden and severe increases 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.
- (6) The COVID-19 outbreak and the extraordinary measures implemented by Greece in 2020, 2021 and 2022 to contain that outbreak and its socioeconomic and health-related impact had and are still having a dramatic impact on public finances. In 2020, Greece had a general government deficit and debt of 10,2 % and 206,3 % of gross domestic product (GDP) respectively, which narrowed to 7,4 % and 193,3 % respectively at the end of 2021. According to the Commission's 2022 spring forecast, Greece is forecast to have a general government deficit and debt of 4,3 % and 185,7 % of GDP respectively by the end of 2022. According to the Commission's 2022 summer interim forecast, Greece's GDP is projected to increase by 4,0 % in 2022.

- (7) On 1 September 2022 Greece requested further financial assistance from the Union in the amount of EUR 900 000 000 with a view to continuing to complement its national efforts undertaken in 2020, 2021 and 2022 to address the impact of the COVID-19 outbreak and respond to the socioeconomic consequences of the outbreak for workers. In particular, Greece further extended the short-time work schemes and similar measures set out in recitals (8) and (9).

- (8) 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 have been 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 that for which the labour contract was suspended. The measure has been extended until 31 January 2022.

¹ 'Legal Act of 14 March 2020' (OJ A' 64/2020) ratified by Article 3 of 'Law 4682/2020' (OJ A' 76/2020); 'Legal Act of 1 May 2020' (OJ A' 90/2020) ratified by Article 2 of Law 4690/2020 (OJ A' 104/2020); 'Law 4714/2020' (OJ A' 148/2020); 'Law 4722/2020' (OJ A' 177/2020); 'Law 4756/2020' (OJ A' 235/2020); 'Law 4778/2021' (OJ A' 26/2021); 'Ministerial Decision 12998/232/2020' (OJ B' 1078/2020), 'Ministerial Decision 16073/287/2020' (OJ B' 1547/2020), 'Ministerial Decision 17788/346/2020' (OJ B' 1779/2020), 'Ministerial Decision 23102/477/2020' (OJ B' 2268/2020), 'Ministerial Decision 49989/1266/2020' (OJ B' 5391/2020); 'Ministerial Decision 45742/1748/2020' (OJ B' 5515/2020); 'Ministerial Decision 3208/108' (OJ B' 234/2021); 'Ministerial Decision 4374/131' (OJ B' 345); 'Ministerial Decision 9500/322/2021' (OJ B' 821/2021); 'Ministerial Decision 22547/2021' (OJ B' 1683/2021); 'Ministerial Decision 28631' (OJ B' 2012/2021); 'Ministerial Decision 47100/2021' (OJ B' 2975/2021); 'Ministerial Decision 51320/2021' (OJ B' 3127/2021); 'Ministerial Decision 58921/2021' (OJ B' 3637/2021); 'Ministerial Decision 74831/2021' (OJ B' 4593/2021); 'Ministerial Decision 105596/2021' (OJ B' 6076/2021); 'Ministerial Decision 109412/2021' (OJ B' 6368/2021); and 'Ministerial Decision 3512/2022' (OJ B' 103/2022).

- (9) The authorities additionally introduced State financing of the social security coverage of employees that benefit from the special allowance referred to in recital (8), 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 that for which the labour contract was suspended.
- (10) Greece fulfils the conditions for requesting the 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 6 477 014 989 as of 1 February 2020 as a result of the national measures taken to address the socioeconomic effects of the COVID-19 outbreak. This constitutes a sudden and severe increase because it is also related to an extension of existing national measures directly related to short-time work scheme and similar measures that cover a significant proportion of undertakings and of the labour force in Greece. Greece intends to finance EUR 312 014 989 through its own financing.
- (11) The Commission has consulted Greece and verified the sudden and severe increase in the actual and planned public expenditure directly related to the short-time work schemes and similar measures referred to in the request of 1 September 2022, in accordance with Article 6 of Regulation (EU) 2020/672.

- (12) Financial assistance should therefore be provided with a view to helping Greece address the socioeconomic 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.
- (13) Given that the availability period indicated in Implementing Decision (EU) 2020/1346 has expired, a new availability period for the additional financial assistance is needed. The availability period for financial assistance of 18 months granted by Implementing Decision (EU) 2020/1346 should be extended by 21 months and, as a consequence, the total availability period should be 39 months starting from the first day after Implementing Decision (EU) 2020/1346 has taken effect.
- (14) 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.
- (15) 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.

- (16) 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.
- (17) 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) paragraphs 1 and 2 are replaced by the following:

- ‘1. The Union shall make available to Greece a loan amounting to a maximum of EUR 6 165 000 000. The loan shall have a maximum average maturity of 15 years.
2. The availability period for financial assistance granted by this Decision shall be 39 months starting from the first day after this Decision has taken effect.’;

(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 concluded between Greece and the Commission replacing the original 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 last extended by Law 4778/2021 of 19 February 2021 and “Ministerial Decision 3512/2022”;
- (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 last extended by Law 4778/2021 of 19 February 2021 and “Ministerial Decision 3512/2022”;
- (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 in 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
