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LEGISLATIVE ACTS AND OTHER INSTRUMENTS

Subject:	COUNCIL IMPLEMENTING DECISION granting temporary support under Regulation (EU) 2020/672 to Romania to mitigate unemployment risks in the emergency following the COVID-19 outbreak
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COUNCIL IMPLEMENTING DECISION (EU) 2020/...

of ...

**granting temporary support under Regulation (EU) 2020/672
to Romania 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) On 7 August 2020, Romania requested financial assistance from the Union with a view to complementing its national efforts to address the impact of the COVID-19 outbreak and respond to the socio-economic consequences of the outbreak for workers and the self-employed.
- (2) The COVID-19 outbreak and the extraordinary measures implemented by Romania to contain the outbreak and its socio-economic and health-related impact are expected to have a dramatic impact on public finances. According to the Commission's 2020 Spring forecast, Romania was expected to have a general government deficit and debt of 9,2 % and 46,2 % of gross domestic product (GDP) respectively by the end of 2020. According to the Commission's 2020 Summer interim forecast, Romania's GDP is projected to decrease by 6,0 % in 2020.
- (3) The COVID-19 outbreak has immobilised a substantial part of the labour force in Romania. This has led to a sudden and severe increase in public expenditure in Romania in respect of short-time work schemes and similar measures, as well as health-related measures, as set out in recitals (4) to (11).

- (4) 'Government Emergency Ordinance 30/2020'¹, which is referred to in Romania's request of 7 August 2020, provides a benefit to employees of employers that reduce or temporarily interrupt their activity due to the effects of the COVID-19 outbreak. The benefit is capped at 75 % of those employees' basic salary (but no more than 75 % of the average gross salary in the economy) for the duration of the state of emergency.
- (5) 'Government Emergency Ordinance 92/2020'², which is referred to in Romania's request of 7 August 2020, introduced a benefit for persons whose employment contract was suspended for at least 15 days during the state of emergency or alert, provided that their employment relationship is maintained until 31 December 2020. The benefit amounts to 41,5 % of those employees' gross basic salary (but no more than 41,5 % of the average gross salary in the economy).
- (6) 'Government Emergency Ordinance 132/2020'³ introduced a short-time work scheme, under which, in the event of a temporary reduction of activity caused by the state of emergency or alert, the employer has the possibility to reduce the working hours of employees by up to 50 %. During the period of working time reduction, affected employees benefit from an indemnity of 75 % of the difference between the gross salary for normal working time and their actual salary.

¹ Published in Official Monitor 231 of 21 March 2020.

² Published in Official Monitor of Romania 459 of 29 May 2020.

³ Published in Official Monitor 720 of 10 August 2020.

- (7) For the self-employed and liberal professions, two measures were introduced. For those that stopped work entirely due to the effects of the COVID-19 outbreak, the state provides a benefit of 75 % of the average gross salary¹. For those that reduce their working hours, the state provides a benefit of up to 41,5 % of the average gross salary.
- (8) For daily labourers who stop working as a result of the suspension of business activities due to the effects of the COVID-19 outbreak, the authorities introduced a measure providing a support allowance of 35 % of the due remuneration per working day, for a maximum period of three months.
- (9) 'Government Emergency Ordinance 11/2020'², which is referred to in Romania's request of 7 August 2020, provides a bonus for additional work for the personnel of the specialty structures of the National Public Health Institute and the county public health directorates and/or the public health directorate of Bucharest which act towards coordinating and implementing the measures of prevention and limitation of events declared global public health emergency by the WHO as a result of COVID-19 infections. The measure provides a benefit equivalent to 75 % of the basic salary for hours worked over the normal working hours and to 100 % of the basic salary for hours worked on weekends, legal holidays and other days not counted as working days. That measure can be considered to be a health-related measure, as referred to in Regulation (EU) 2020/672.

¹ As provided by 'Law No. 6/2020 on State Social Insurance budget for 2020'.

² Published in Official Monitor 102 of 11 February 2020.

- (10) For employees of the national system of defence, penitentiaries, public health units and other categories established through ministerial orders, the authorities provided a childcare bonus. The benefit is conditional on the other parent not benefitting from alternative rights that grant days off to parents for the supervision of children in the event of the temporary closure of educational units. That measure can be considered to be a similar measure to short-time work schemes, as referred to in Regulation (EU) 2020/672, as it provides income support to employees, which will help to cover the costs of childcare during school closures and therefore help parents to continue working, preventing putting the employment relation at risk.
- (11) Finally, 'Law No. 56/2020'¹, which is referred to in Romania's request of 7 August 2020, introduces a bonus in respect of particularly dangerous conditions of up to 30 % of the salary of medical personnel that participate in the medical actions against COVID-19.

¹ Published in Official Monitor 402 of 15 May 2020.

- (12) Romania fulfils the conditions for requesting financial assistance set out in Article 3 of Regulation (EU) 2020/672. Romania has provided the Commission with appropriate evidence that the actual and planned public expenditure has increased by EUR 4 370 779 006 as of 1 February 2020 due to the increase in the amounts directly related to the technical unemployment benefits for employees and other categories than employees, a benefit for reinstated employees and other categories than employees, a forthcoming short-time work scheme, a support allowance to daily labourers and a childcare bonus for specific personnel. This constitutes a sudden and severe increase because it is related to new measures covering a significant proportion of undertakings and of the labour force in Romania. Romania intends to finance EUR 271 534 419 of the increased amount of expenditure through Union funds.
- (13) The Commission has consulted Romania and verified the sudden and severe increase in the actual and planned public expenditure directly related to short-time work schemes and similar measures, as well as the recourse to relevant health-related measures related to the COVID-19 outbreak, referred to in the request of 7 August 2020, in accordance with Article 6 of Regulation (EU) 2020/672.
- (14) Financial assistance should therefore be provided with a view to helping Romania 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.

- (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 under 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) Romania 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 Romania has implemented that expenditure.
- (17) The decision to provide financial assistance has been reached taking into account existing and expected needs of Romania, 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

Romania fulfils the conditions set out in Article 3 of Regulation (EU) 2020/672.

Article 2

1. The Union shall make available to Romania a loan amounting to a maximum of EUR 4 099 244 587. The loan shall have a maximum average maturity of 15 years.
2. The availability period for financial assistance granted by this Decision shall be 18 months starting from the first day after this Decision has taken effect.
3. The Union financial assistance shall be made available by the Commission to Romania in a maximum of eight instalments. An instalment may be disbursed in one or several tranches. The maturities of the tranches under the first instalment may be longer than the maximum average maturity referred to in paragraph 1. In such cases, the maturities of further tranches shall be set so that the maximum average maturity referred to in paragraph 1 is respected once all instalments have been disbursed.
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.

5. Romania shall pay the cost of the funding of the Union referred to in Article 4 of Regulation (EU) 2020/672 for each instalment plus any fees, costs and expenses of the Union resulting from any funding related to the loan granted under paragraph 1 of this Article.
6. The Commission shall decide on the size and release of instalments, as well as on the size of the tranches.

Article 3

Romania may finance the following measures:

- (a) the technical unemployment benefit to employees of employers that reduce or temporarily interrupt their activity, as provided for in 'Government Emergency Ordinance 30/2020', Article XI;
- (b) the benefit applied for persons whose employment contract was suspended, as provided for in 'Government Emergency Ordinance 92/2020', Article I;
- (c) the short-time work scheme, as provided for in 'Government Emergency Ordinance 132/2020', Article 1;
- (d) the benefit similar to that referred to in point (a) for categories other than employees, including self-employed and liberal professions, as provided for in 'Government Emergency Ordinance 30/2020', Article XV;

- (e) the benefit provided by 'Law No. 6/2020 on State Social Insurance budget for 2020' for other categories than employees, including self-employed and liberal professions, as provided for in 'Government Emergency Ordinance 132/2020', Article 3;
- (f) the support allowance to daily labourers as provided for in 'Government Emergency Ordinance 132/2020', Article 4;
- (g) the bonus in respect of additional work for the personnel of the specialty structures of the National Public Health Institute and the county public health directorates and/or the public health directorate of Bucharest, as provided for in 'Government Emergency Ordinance 11/2020', Article 8(6);
- (h) the childcare bonus granted to employees of the national system of defence, penitentiaries, public health units and other categories established through ministerial orders, as provided for in 'Government Emergency Ordinance 30/2020', Article I(6);
- (i) the bonus in respect of particularly dangerous conditions granted in recognition of the merits of medical personnel, as provided for in 'Law No. 56/2020', Article 7.

Article 4

Romania shall inform the Commission by ... [six months after date of publication of this Decision], and every six months thereafter of the implementation of the planned public expenditure until that planned public expenditure has been fully implemented.

Article 5

This Decision is addressed to Romania.

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

Article 6

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

Done at Brussels,

For the Council

The President
