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LEGISLATIVE ACTS AND OTHER INSTRUMENTS

Subject:	COUNCIL IMPLEMENTING DECISION amending Implementing Decision (EU) 2020/1353 granting temporary support under Regulation (EU) 2020/672 to the Republic of Poland to mitigate unemployment risks in the emergency following the COVID-19 outbreak

COUNCIL IMPLEMENTING DECISION (EU) 2022/…

of …

amending Implementing Decision (EU) 2020/1353 granting temporary support under Regulation (EU) 2020/672 to the Republic of Poland 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 outbreak[1], 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 Poland on 6 August 2020, the Council, by means of Implementing Decision (EU) 2020/1353[1], granted financial assistance to Poland in the form of a loan amounting to a maximum of EUR 11 236 693 087 with a maximum average maturity of 15 years, and with an availability period of 18 months, with a view to complementing Poland'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 Poland to finance the short-time work schemes and similar measures, as referred to in Article 3 of Implementing Decision (EU) 2020/1353.

(3) The COVID-19 outbreak has immobilised a substantial part of the labour force in Poland. This has led to repeated sudden and severe increase in public expenditure in Poland in respect of new measures, namely PCR testing and cash benefits for healthcare workers fighting COVID-19.

[1] Council Implementing Decision (EU) 2020/1353 of 25 September 2020 granting temporary support under Regulation (EU) 2020/672 to the Republic of Poland to mitigate unemployment risks in the emergency following the COVID-19 outbreak (OJ L 314, 29.9.2020, p. 45).

(4) The COVID-19 outbreak and the extraordinary measures implemented by Poland 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, Poland had a general government deficit and debt of 6,9 % and 57,1 % of gross domestic product (GDP) respectively, which narrowed to 1,9 % and 53,8 % respectively at the end of 2021. According to the Commission's 2022 spring forecast, Poland is expected to have a general government deficit and debt of 4,0 % and 50,8 % of GDP respectively by the end of 2022. According to the Commission 2022 summer forecast, Poland's GDP is projected to increase by 5,2 % in 2022.

(5) On 19 September 2022, Poland requested the Union to extend the list of measures for which financial assistance was already granted by Implementing Decision (EU) 2020/1353 with a view to continuing 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 and the self-employed ('the request'). In particular, Poland introduced a series of health-related measures to address the COVID-19 outbreak set out in recitals (6) to (7).

(6) Based on the ‘Act of March 2, 2020 on specific solutions related to the prevention, counteraction and eradication of COVID-19, other infectious diseases and crisis situations caused by them’[1], the Minister of Health instructed the National Health Fund to conclude with interested laboratories contracts on performing diagnostic RT-PCR tests for SARS-CoV-2. The costs of tests were financed from the state budget and they were commensurate to the number of people applying for testing. As referred to in the request, only expenditure executed in 2020 and 2021 is requested to be financed under Regulation (EU) 2020/672. The measure is new and was implemented from end of April 2020 to end of March 2022.

[1] Art. 10a paragraph 1 and 2, and, after the expiry of Art. 10a, Art. 11h paragraph 2 point 2 and paragraph 4. Dz.U. 2020 poz. 374, as amended.

(7) Based on the ‘Act of March 2, 2020 on specific solutions related to the prevention, counteraction and eradication of COVID-19, other infectious diseases and crisis situations caused by them’[1] and the ‘Act of August 14, 2020 on amending certain acts in order to ensure the functioning of health protection in connection with the COVID-19 epidemic and after it has ceased’[2], the Minister of Health ordered the National Health Fund to transfer to medical entities performing medical activities funds intended for granting the cash benefits for healthcare workers fighting COVID-19, as referred to in the request. The measure consists of covering the costs of granting additional monthly cash benefits for medical professionals and one-off additional cash benefits for other healthcare workers. The benefits were granted to persons who participated in the provision of health services and had direct contact with patients infected or suspected of being infected with SARS-CoV-2 virus in organisational units of medical entities. Only expenditure executed in 2020 and 2021 is requested to be financed under Regulation (EU) 2020/672. The measure is new and was implemented from September 2020 to the end of March 2022.

[1] Art. 10a paragraph 1. Dz.U. 2020 poz. 374.
[2] Art. 42. Dz.U. 2020 poz. 1493.

(8) Poland fulfils the conditions for requesting financial assistance set out in Article 3 of Regulation (EU) 2020/672. Poland has provided the Commission with appropriate evidence that the actual and planned public expenditure has increased by EUR 11 826 003 428 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 the new health-related measures to address the COVID-19 outbreak that cover a significant proportion of undertakings and of the labour force in Poland. Poland intends to finance EUR 9 100 000 of the increased amount of expenditure due to the new health-related measures through Union funds and EUR 580 210 341 through its own financing.

(9) The Commission has consulted Poland 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, as referred to in the request, in accordance with Article 6 of Regulation (EU) 2020/672.

(10) The health-related measures referred to in the request and in recitals (6) to (7), amount to EUR 1 672 546 359.

(11) Financial assistance already granted by Implementing Decision (EU) 2020/1353 should therefore also cover the new measures referred to in recitals (6) to (7).

(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) Poland 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 Poland has implemented that expenditure,

HAS ADOPTED THIS DECISION:

Article 1

Article 3 of Implementing Decision (EU) 2020/1353 is replaced by the following:

'*Article 3*

Poland may finance the following measures:

(a) a reduction in social security contributions, as provided for in Art. 31zo of the "Act of 2 March 2020 on specific solutions related to the prevention, counteraction and eradication of COVID-19, other infectious diseases and crisis situations caused by them", for the part of expenditure related to the support of self-employed persons, all social cooperatives (regardless of the number of employees) and, for companies employing up to 50 people, the part of expenditure in respect of employees who were continuously in employment;

(b) a downtime benefit for self-employed persons and those working under civil law contracts, as provided for in Art. 15zq and 15zua of the "Act of 2 March 2020 on specific solutions related to the prevention, counteraction and eradication of COVID-19, other infectious diseases and crisis situations caused by them";

(c) subsidies towards salaries and social security contributions of companies that use short-time work or voluntarily reduce working time or when the employees were continuously in employment, as provided for in Art. 15g, 15ga, 15gga, 15gg, 15zzb, 15zze and 15zze^2 of the "Act of 2 March 2020 on specific solutions related to the prevention, counteraction and eradication of COVID-19, other infectious diseases and crisis situations caused by them";

(d) subsidies to self-employed persons without employees as provided for in Art. 15zzc of the "Act of 2 March 2020 on specific solutions related to the prevention, counteraction and eradication of COVID-19, other infectious diseases and crisis situations caused by them";

(e) loans convertible into subsidies granted to self-employed persons, micro-companies and non-government organisations, for the amount actually converted into grants, as provided for in Art. 15zzd and 15zzda of the "Act of 2 March 2020 on specific solutions related to the prevention, counteraction and eradication of COVID-19, other infectious diseases and crisis situations caused by them";

(f) financing the performance of PCR diagnostic tests in the laboratories that concluded contracts on performing diagnostic RT-PCR tests for SARS-CoV 2 with the National Health Fund, as provided for in Art. 10a paragraphs 1 and 2, and, after the expiry of Art. 10a, Art. 11h paragraph 2 point 2 and paragraph 4 of the "Act of March 2, 2020 on specific solutions related to the prevention, counteraction and eradication of COVID 19, other infectious diseases and crisis situations caused by them";

(g) granting additional monthly cash benefit for medical professionals and one-off additional cash benefit for other healthcare workers, as provided for in Art. 10a paragraph 1 of the "Act of March 2, 2020 on specific solutions related to the prevention, counteraction and eradication of COVID-19, other infectious diseases and crisis situations caused by them" and, after the expiry of Art. 10a, Art. 42 the "Act of August 14, 2020 on amending certain acts in order to ensure the functioning of health protection in connection with the COVID-19 epidemic and after it has ceased".'.

Article 2

This Decision is addressed to the Republic of Poland.

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