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From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	21 October 2022
To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union

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Subject:	Proposal for a COUNCIL IMPLEMENTING DECISION amending Implementing Decision (EU) 2020/1351 granting temporary support under Regulation (EU) 2020/672 to the Republic of Latvia to mitigate unemployment risks in the emergency following the COVID-19 outbreak

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Delegations will find attached document COM(2022) 562 final.

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Brussels, 21.10.2022  
COM(2022) 562 final

2022/0346 (NLE)

Proposal for a

**COUNCIL IMPLEMENTING DECISION**

**amending Implementing Decision (EU) 2020/1351 granting temporary support under Regulation (EU) 2020/672 to the Republic of Latvia to mitigate unemployment risks in the emergency following the COVID-19 outbreak**

## EXPLANATORY MEMORANDUM

### 1. CONTEXT OF THE PROPOSAL

- **Reasons for and objectives of the proposal**

Council Regulation (EU) 2020/672 (“SURE Regulation”) lays down the legal framework for providing Union financial assistance to Member States, which are experiencing, or are seriously threatened with, a severe economic disturbance caused by the COVID-19 outbreak. Support under SURE serves for the financing, primarily, of short-time work schemes or similar measures aimed at protecting employees and the self-employed and thus reducing the incidence of unemployment and loss of income, as well as for the financing, as an ancillary, of some health-related measures, in particular in the workplace.

On 7 August 2020, Latvia requested financial assistance from the Union and on 25 September 2020, with its Implementing Decision (EU) 2020/1351, the Council granted financial assistance to Latvia with a view to complementing its national efforts to address the impact of the COVID-19 outbreak and respond to the socioeconomic consequences of the outbreak for workers and the self-employed.

On 11 March 2021, Latvia requested again Union financial assistance under the SURE Regulation. Further to this request, Council Implementing Decision (EU) 2020/1351 was amended by Council implementing decision (EU) 2021/677 of 23 April 2021.

On 6 October 2022, Latvia requested Union financial assistance under the SURE Regulation for the third time.

In accordance with Article 6(2) of the SURE Regulation, the Commission has consulted the Latvian authorities to verify the sudden and severe increase in actual and planned expenditure directly related to Latvia’s labour market measures and health-related measures caused by the COVID-19 pandemic. In particular, this pertains to existing measures referred to in Council Implementing Decision (EU) 2020/1351:

- (a) the scope of an existing scheme for the compensation of idle time for workers is broadened in different ways: (i) by extending it towards persons employed in the beauty industry, (ii) by making persons who have changed their tax treatment as from 2021 eligible for the support, (iii) by improving the qualifying conditions for the patent payers and (iv) by allowing the beneficiaries to choose between two qualifying criteria to apply for the support. The scheme pays compensations to furloughed employees or self-employed persons of 50% or 70% of their salaries or incomes, depending on the tax regime under which they operate. The minimum level of support is set at EUR 500 and the maximum at EUR 1 000 per employee per calendar month. The scheme applies to companies, self-employed persons and payers of the licence fee, whose income from economic activity has decreased by at least 20% as compared to August-October 2020 on average.
- (b) attached to the scheme for the compensation of idle time for workers is an existing scheme for the workers’ bonus for children which provides additional support to furloughed employees who have dependent children. The bonus amounts to EUR 50 per month per child.
- (c) an existing scheme for wage subsidies extends the support period until 28 February 2022, expands the scope of eligibility by allowing the beneficiaries to choose between two qualifying criteria to apply for the support, removes the risk of

overcompensation, clarifies eligibility restrictions for patent payers as well as limits eligibility for support from October 2021 to February 2022 to persons owning COVID-19 certificate attesting to vaccination against COVID-19 or the fact of illness. The support is available to employers facing decrease in revenue from any economic activity by at least 20%. The scheme amounts to 50% of the average monthly gross wage, but not more than EUR 500 per calendar month. The beneficiary employers are obliged to maintain employment of supported workers and to top-up the wage subsidy to the full regular wage.

- (d) an existing Covid-19 related sickness benefit is extended until 28 February 2022 and restricted to persons owning an COVID-19 vaccination or disease certificate or who have received an opinion on the need to postpone vaccination against Covid-19. The government pays fully the sick leave benefit to people who had to miss work due to a requirement to self-isolate or self-quarantine, while normally, a part of the sickness benefit is shared with employer.
- (e) an existing measure consisting of sickness aid benefits for parents and caretakers provides support for employees who cannot work remotely and have to attend for children until the age of 10 or for persons with disabilities, when schools and day-care centres are closed due to the COVID-19 infection. The benefit amounts to 60% of beneficiary's average wage in the previous 12 months. The beneficiary's employer has to certify the inability to work remotely and the school or municipality has to confirm the school closure or the unavailability of day-care services.
- (f) an existing health-related expenditure on protective personal equipment and other medical supplies to ensure the health and safety of public sector employees, in particular, healthcare workers.
- (g) an existing measure consisting of premiums for medical practitioners and employees dealing with the Covid-19 crisis to reward them for their work in conditions of increased risk and workload. These premiums of 20% to 100% of monthly salaries exceed the maximum premiums allowed for public employees.

Latvia provided the Commission with the relevant information.

Taking into account the available evidence, the Commission proposes to the Council to adopt an Implementing Decision to grant financial assistance to Latvia under the SURE Regulation in support of the measures above.

Health-related measures, as requested by Latvia, including on 6 October 2022, amount to EUR 70 921 236.

- **Consistency with existing policy provisions in the policy area**

The present proposal is fully consistent with Council Regulation (EU) 2020/672, under which the proposal is made.

The present proposal comes in addition to another Union law instrument to provide support to Member States in case of emergencies, namely Council Regulation (EC) No 2012/2002 of 11 November 2002 establishing the European Union Solidarity Fund (EUSF) ("Regulation (EC) No 2012/2002"). Regulation (EU) 2020/461 of the European Parliament and of the Council, which amends that instrument to extend its scope to cover major public health emergencies and to define specific operations eligible for financing, was adopted on 30 March 2020.

- **Consistency with other Union policies**

The proposal is part of a range of measures developed in response to the current COVID-19 pandemic such as the “Coronavirus Response Investment Initiative”, and it complements other instruments that support employment such as the European Social Fund and the European Fund for Strategic Investments (EFSI)/InvestEU. By making use of borrowing and lending in this particular case of the COVID-19 outbreak for supporting Member States, this proposal acts as a second line of defence to finance short-time work schemes and similar measures, helping protect jobs and thus employees and self-employed against the risk of unemployment.

## **2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY**

- **Legal basis**

The legal basis for this instrument is Council Regulation (EU) 2020/672.

- **Subsidiarity (for non-exclusive competence)**

The proposal follows a Member State request and shows European solidarity by providing Union financial assistance in the form of temporary loans to a Member State affected by the COVID-19 outbreak. As a second line of defence, such financial assistance supports the government’s increased public expenditure on a temporary basis in respect of short-time work schemes and similar measures to help them protect jobs and thus employees and self-employed against the risk of unemployment and loss of income.

Such support will help the population affected and helps to mitigate the direct societal and economic impact caused by the present COVID-19 crisis.

- **Proportionality**

The proposal respects the proportionality principle. It does not go beyond what is necessary to achieve the objectives sought by the instrument.

## **3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS**

- **Stakeholder consultations**

Due to the urgency to prepare the proposal so that it can be adopted in a timely manner by the Council, a stakeholder consultation could not be carried out.

- **Impact assessment**

Due to the urgent nature of the proposal, no impact assessment was carried out.

## **4. BUDGETARY IMPLICATIONS**

The Commission should be able to contract borrowings on the financial markets with the purpose of on-lending them to the Member State requesting financial assistance under the SURE instrument.

In addition to the provision of Member State guarantees, other safeguards are built into the framework in order to ensure the financial solidity of the scheme:

- A rigorous and conservative approach to financial management;

- A construction of the portfolio of loans that limits concentration risk, annual exposure and excessive exposure to individual Member States whilst ensuring sufficient resources could be granted to Member States most in need; and
- Possibilities to roll over debt.

Proposal for a

## **COUNCIL IMPLEMENTING DECISION**

### **amending Implementing Decision (EU) 2020/1351 granting temporary support under Regulation (EU) 2020/672 to the Republic of Latvia 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<sup>1</sup>, and in particular Article 6(1) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) Further to a request from Latvia on 7 September 2020, the Council, by means of Implementing Decision (EU) 2020/1351<sup>2</sup>, granted financial assistance to Latvia in the form of a loan amounting to a maximum of EUR 192 700 000 with a maximum average maturity of 15 years, and with an availability period of 18 months, with a view to complementing Latvia'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 Latvia to finance the short-time work schemes, similar measures and health-related measures, as referred to in Article 3 of Implementing Decision (EU) 2020/1351.
- (3) Further to a second request from Latvia on 11 March 2021, the Council, by means of Implementing Decision (EU) 2021/677<sup>3</sup> amending Implementing Decision (EU) 2020/1351, granted additional financial assistance of EUR 112 500 000 to Latvia by increasing the maximum loan amount to EUR 305 200 000 with a maximum average maturity of 15 years, and with an availability period of 18 months, with a view to complementing Latvia'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.

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<sup>1</sup> OJ L 159, 20.5.2020, p. 1.

<sup>2</sup> Council Implementing Decision (EU) 2020/1351 of 25 September 2020 granting temporary support under Regulation (EU) 2020/672 to the Republic of Latvia to mitigate unemployment risks in the emergency following the COVID-19 outbreak, OJ L 314, 29.9.2020, p.38.

<sup>3</sup> Council Implementing Decision (EU) 2021/677 of 23 April 2021 amending Implementing Decision (EU) 2020/1351 granting temporary support under Regulation (EU) 2020/672 to the Republic of Latvia to mitigate unemployment risks in the emergency following the COVID-19 outbreak, OJ L144, 27.4.2021, p.7.

- (4) The additional loan was to be used by Latvia to finance the short-time work schemes, similar measures and health-related measures, as referred to in Article 3 of Implementing Decision (EU) 2020/1351.
- (5) The COVID-19 outbreak has immobilised a substantial part of the labour force in Latvia. This has led to a still sudden and severe increase in public expenditure in Latvia in respect of the measures referred to in Article 3(a), (c), (d), (g), (h), (f) and (i) of Implementing Decision (EU) 2020/1351.
- (6) The COVID-19 outbreak and the extraordinary measures implemented by Latvia in 2020, 2021 and 2022 to contain that outbreak and its socioeconomic and health-related impact had and still have a dramatic impact on public finances. In 2020, Latvia had a general government deficit and debt of 4.5% and 43.3% of gross domestic product (GDP) respectively, which widened to 7.3% and 44.8% respectively at the end of 2021. According to the Commission's 2022 spring forecast, Latvia is forecast to have a general government deficit and debt of 7.2% and 47.0% of GDP respectively by the end of 2022. According to the Commission's 2022 summer interim forecast, Latvia's GDP is projected to increase by 3.9% in 2022.
- (7) On 6 October 2022 Latvia requested further financial assistance from the Union in the amount of EUR 167 607 000 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 and the self-employed. In particular, Latvia further extended and/or amended short-time work schemes and similar measures set out in recitals (8) to (12).
- (8) The scheme for the compensation of idle time for workers applies to companies, self-employed persons and payers of the licence fee, whose income from economic activity has decreased by at least 20%, as compared to August to October 2020 on average. The scheme pays compensations to furloughed employees or self-employed persons of 50% or 70% of their salaries or incomes, depending on the tax regime under which they operate. The minimum level of support is set at EUR 500 and the maximum at EUR 1000 per employee per calendar month.

The scheme is established by Cabinet Regulation No 709 (adopted on 24 November 2020<sup>4</sup> and amended on 12 January 2021<sup>5</sup>, 19 January 2021<sup>6</sup>, 4 February 2021<sup>7</sup> and 26 February 2021<sup>8</sup>) "Regulations Regarding the Allowance for Idle Time for Taxpayers for the Continuation of their Activity in the Circumstances of the COVID-19 Crisis".

The measure extends the scheme as referred to in Article 3(a) of Implementing Decision (EU) 2020/1351 towards persons employed in the beauty industry, allows persons who have changed their tax treatment as from 2021 to qualify for the support, improves the qualifying conditions for the patent payers as well as allows the beneficiaries to choose between two qualifying criteria to apply for the support.

- (9) Attached to the scheme for the compensation of idle time for workers is the workers' bonus for children, as referred to in Article 3, point (c), of Implementing Decision (EU) 2020/1351 for which Latvia requests additional support. The bonus of EUR 50

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<sup>4</sup> Latvijas Vēstnesis, 230B, 27.11.2020.

<sup>5</sup> Latvijas Vēstnesis, 9A, 14.01.2021.

<sup>6</sup> Latvijas Vēstnesis, 15, 22.01.2021.

<sup>7</sup> Latvijas Vēstnesis, 25A, 05.02.2021.

<sup>8</sup> Latvijas Vēstnesis, 48, 10.03.2021.

per month per child provides an additional support for idle workers who are entitled to personal income tax relief for dependants. The support measure was extended by ‘Cabinet Order No 706 of 1 December 2020 “Regarding the Allocation of Funds from the State Budget Programme ‘Funds for Unforeseen Events’”<sup>9</sup> and ‘Cabinet Order No 15 of 11 January 2021 “Regarding the Allocation of Funds from the State Budget Programme ‘Funds for Unforeseen Events’”<sup>10</sup>. The 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 and the self-employed, which will help to cover the costs of childcare during school closures and therefore help parents to continue working, preventing putting the employment relationship at risk.

- (10) The scheme for wage subsidies provides support to employers facing decrease in revenue from any economic activity by at least 20%. The scheme amounts to 50% of the average monthly gross wage, but not more than EUR 500 per calendar month. The beneficiary employers are obliged to maintain employment of supported workers and to top up the wage subsidy to the full regular wage.

The scheme is established by Cabinet Regulation No 675 on “Regulations Regarding the Provision of Aid to Taxpayers for the Continuation of their Activity in the Circumstances of the COVID19 Crisis” (adopted on 10 November 2020<sup>11</sup> and amended on 12 January 2021<sup>12</sup>, 1 April 2021<sup>13</sup>, 26 October 2021<sup>14</sup>, 9 November 2021<sup>15</sup>, 30 November 2021<sup>16</sup>, 7 December 2021<sup>17</sup>, 23 December 2021<sup>18</sup> as well as 11 January 2022<sup>19</sup>) and Cabinet Order No 128 “Regarding Allocation of Funds from the State Budget Programme ‘Funds for Unforeseen Events’”<sup>20</sup>.

The measure extends the support period of the scheme as referred to in Article 3(d) of Implementing Decision (EU) 2020/1351 and expands the scope of eligibility by allowing the beneficiaries to choose between two qualifying criteria to apply for the support, removes the risk of overcompensation, clarifies eligibility restrictions for patent payers as well as limits eligibility for support from October 2021 to February 2022 to persons owning a COVID-19 certificate attesting to vaccination against Covid-19 or the fact of illness.

- (11) The Covid-19 related sickness benefits scheme provides state-paid sickness benefits for those who had to miss work due to a requirement to self-isolate or self-quarantine, while normally, part of the sickness benefit is shared with employer.

The scheme is established by the Amendment to the Law “On Maternity and Sickness Insurance” (adopted on 20 March 2020<sup>21</sup> and amended on 12 November 2020<sup>22</sup>, 4 November 2021<sup>23</sup> as well as 13 January 2022<sup>24</sup>).

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<sup>9</sup> Latvijas Vēstnesis, 234, 3.12.2020.

<sup>10</sup> Latvijas Vēstnesis, 9, 14.1.2021.

<sup>11</sup> Latvijas Vēstnesis, 222A, 16.11.2020.

<sup>12</sup> Latvijas Vēstnesis, 9, 14.01.2021.

<sup>13</sup> Latvijas Vēstnesis, 66, 07.04.2021.

<sup>14</sup> Latvijas Vēstnesis, 211, 01.11.2021.

<sup>15</sup> Latvijas Vēstnesis, 220, 12.11.2021.

<sup>16</sup> Latvijas Vēstnesis, 236, 07.12.2021.

<sup>17</sup> Latvijas Vēstnesis, 240, 13.12.2021.

<sup>18</sup> Latvijas Vēstnesis, 249A, 27.12.2021.

<sup>19</sup> Latvijas Vēstnesis, 9, 13.01.2022.

<sup>20</sup> Latvijas Vēstnesis, 42, 02.03.2021.

<sup>21</sup> Latvijas Vēstnesis, 57B, 21.03.2020.

Measure provides for the extension of support period of Covid-19 related sickness benefits as referred to in Article 3 (g) of Implementing Decision (EU) 2020/1351 and meanwhile narrows the scope of eligibility of support to persons holding a Covid-19 vaccination or disease certificate or having received an opinion on the need to postpone vaccination against Covid-19, and specifies cases and conditions when employers should step in any pay sick leave to the employee without state support.

- (12) Sickness aid benefits for parents and caretakers provide support for employees who cannot work remotely and have to look after children under 10 years of age or persons with disabilities when schools and day-care centres are closed due to the COVID-19 outbreak. The 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 parents and caretakers and helps to preserve employment by preventing parents and caretakers who have to look after children or persons with disabilities while schools and day-care centres are closed from needing to terminate the employment relationship. Sickness aid benefits are provided for in the ‘Amendment to the Law “On Maternity and Sickness Insurance” of 26 November 2020’<sup>25</sup> and ‘Cabinet Order No 707 of 1 December 2020 “Regarding the Allocation of Funds from the State Budget Programme ‘Funds for Unforeseen Events’”’<sup>26</sup> and ‘Cabinet Order No 13 of 11 January 2021 “Regarding the Allocation of Funds from the State Budget Programme ‘Funds for Unforeseen Events’”’<sup>27</sup>.

Latvia requests additional support for this existing measure, as referred to in Article 3, point (h) of Implementing Decision (EU) 2021/677.

- (13) Latvia also further extended or amended a series of health-related measures to address the COVID-19 outbreak. In particular, this concerns the measures set out in recitals (14) to (15).
- (14) Health-related expenditure are foreseen for the personal protective equipment for public sector employees to ensure safe working environment for those exposed to Covid-19 virus infection.

The scheme is established by the ‘Cabinet Regulation No 380 on “Regulations on the Resources for Ensuring Epidemiological Safety Necessary for Institutions Included in the List of Priority Institutions and Needs”’ (adopted on 9 June 2020<sup>28</sup>).

Latvia requests additional support for existing measure, as referred to in Article 3, point (f) of Implementing Decision (EU) 2020/1351.

- (15) Premiums for medical practitioners and employees dealing with the COVID-19 crisis of 20 % to 100 % of monthly salaries rewards work performed in conditions of increased risk and increased workload, as provided for in ‘Cabinet Orders No 136 of 27 March 2020<sup>29</sup> and No 656 of 6 November 2020 “Regarding the Allocation of Funds from the State Budget Programme ‘Funds for Unforeseen Events’”’<sup>30</sup>, ‘Cabinet Order

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<sup>22</sup> Latvijas Vēstnesis, 221A, 13.11.2020

<sup>23</sup> Latvijas Vēstnesis, 215A, 05.11.2021

<sup>24</sup> Latvijas Vēstnesis, 10A, 14.01.2022.

<sup>25</sup> Latvijas Vēstnesis, 230A, 27.11.2020.

<sup>26</sup> Latvijas Vēstnesis, 234, 3.12.2020.

<sup>27</sup> Latvijas Vēstnesis, 9, 14.1.2021.

<sup>28</sup> Latvijas Vēstnesis, 113A, 12.6.2020.

<sup>29</sup> Latvijas Vēstnesis, 62B, 27.03.2020.

<sup>30</sup> Latvijas Vēstnesis, 218, 10.11.2020.

No 743 of 8 December 2020“Amendments to Cabinet Order No 655 of 6 November 2020‘On Declaring a State of Emergency’”<sup>31</sup> and ‘Cabinet Order No 37 of 21 January 2021‘Regarding the Allocation of Funds from the State Budget Programme ‘Funds for Unforeseen Events’”<sup>32</sup>. Those premiums are additional to the maximum premium set in the ‘Law On Remuneration of Officials and Employees of State and Local Government Authorities’. The measure supports employment by ensuring health safety of employees and continuity of essential public services. Latvia requests additional support for existing measure, as referred to in Article 3, point (i) of Implementing Decision (EU) 2020/1351.

- (16) Latvia fulfils the conditions for requesting financial assistance set out in Article 3 of Regulation (EU) 2020/672. Latvia has provided the Commission with appropriate evidence that the actual and planned public expenditure has increased by EUR 508 124 069 as of 1 February 2020 due to 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 or amendment 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 Latvia. Latvia intends to finance EUR 35 317 069 through its own financing.
- (17) The Commission has consulted Latvia 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 of 6 October 2022, in accordance with Article 6 of Regulation (EU) 2020/672.
- (18) The health-related measures, as referred to in Latvia’s request of 6 October 2022 and in recitals (14) to (15), amount to EUR 70 921 236.
- (19) Financial assistance should therefore be provided with a view to helping Latvia to 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.
- (20) Given that the availability period indicated in Implementing Decision (EU) 2020/1351 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) 2020/1351 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) 2020/1351 has taken effect.
- (21) Latvia and the Commission should take this Decision into account in the loan agreement referred to in Article 8(2) of Regulation (EU) 2020/672.
- (22) 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.

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<sup>31</sup> Latvijas Vēstnesis, 237A, 08.12.2020.

<sup>32</sup> Latvijas Vēstnesis, 16, 25.01.2021.

- (23) Latvia 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 Latvia has implemented that expenditure.
- (24) The decision to provide financial assistance has been reached taking into account existing and expected needs of Latvia, 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) 2020/1351 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 Latvia a loan amounting to a maximum of EUR 472 807 000. The loan shall have a maximum average maturity of 15 years.’;

(b) paragraph 2 is replaced by the following:

‘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.’

(c) 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 Latvia and the Commission replacing the original loan agreement.’;

- (2) Article 3 is replaced by the following:

‘Article 3

Latvia may finance the following measures:

- (a) the scheme for the compensation of idle time for workers, as provided for in “Cabinet Regulations No 179 (adopted 31 March 2020) ‘Regulations Regarding the Allowance for Idle Time for the Self-employed Persons Affected by the Spread of COVID-19’ and No 165 (adopted 26 March 2020) ‘Regulations Regarding the Employers Affected by the Crisis Caused by COVID-19 which are Eligible for the Allowance for Idle Time and Division of the Payment for Late Tax Payments in Instalments or Deferral Thereof for up to Three Years’”, as extended and last amended by Amendments to the Cabinet Regulation No 709 “Regulations Regarding

the Allowance for Idle Time for Taxpayers for the Continuation of their Activity in the Circumstances of the COVID-19 Crisis” on 19 January 2021 , 4 February 2021 and 26 February 2021;

- (b) the downtime allowance, as provided for on the basis of “Cabinet Regulation No 236 (adopted 23 April 2020) ‘Regulations Regarding the Assistance Allowance for Idle Time for Employed or Self-employed Persons Who have been Affected by the Spread of COVID-19’”;
- (c) the workers’ bonus for children, as provided for in “Cabinet Order No 178 of 16 April 2020‘Regarding the Allocation of Funds from the State Budget Programme “Funds for Unforeseen Events”””, as extended;
- (d) the scheme for wage subsidies for the tourism and export industries, as provided for in “Information report on measures to overcome the Covid-19 crisis and economic recovery”, as extended and last amended by Amendments to the Cabinet Regulation No 675 on “Regulations Regarding the Provision of Aid to Taxpayers for the Continuation of their Activity in the Circumstances of the COVID19 Crisis” on 1 April 2021, 26 October 2021, 9 November 2021, 30 November 2021, 7 December 2021, 23 December 2021 as well as 11 January 2022;
- (e) wage support payments for medical professionals and those employed by the cultural industry, as provided for in the “Law On Measures for the Prevention and Suppression of Threat to the State and Its Consequences Due to the Spread of COVID-19”, the “Law on the Suppression of Consequences of the Spread of COVID-19 Infection”and “Cabinet Order No 303 of 3 June 2020‘Regarding the Allocation of Funds from the State Budget Programme “Funds for Unforeseen Events”””, respectively;
- (f) health related expenditure on protective personal equipment, as provided for in “Cabinet Orders No 79 of 3 March 2020, No 118 of 20 March 2020 and No 220 of 27 April 2020, ‘Regarding the Allocation of Funds from the State Budget Programme “Funds for Unforeseen Events”””, “Cabinet Regulation No 380 of 9 June 2020‘Regulations on the Resources for Ensuring Epidemiological Safety Necessary for Institutions Included in the List of Priority Institutions and Needs’”;
- (g) COVID-19 related sickness benefits, as provided for in the "Amendment to the Law ‘On Maternity and Sickness Insurance’”(adopted 20 March 2020), as extended and last amended by the Amendments to the Law “On Maternity and Sickness Insurance” on 4 November 2021 and 13 January 2022;
- (h) sickness aid benefits for parents and caretakers, as provided for in the “Amendment to the Law ‘On Maternity and Sickness Insurance’”(Sections 48 and 49 of transitional provisions), adopted 26 November 2020, “Cabinet Order No 707 of 1 December 2020‘Regarding the Allocation of Funds from the State Budget Programme “Funds for Unforeseen Events”””and “Cabinet Order No 13 of 11 January 2021‘Regarding the Allocation of Funds from the State Budget Programme “Funds for Unforeseen Events”””;
- (i) premiums for medical practitioners and employees dealing with the Covid-19 crisis, as provided for in “Cabinet Order No 136 Adopted 27 March 2020‘Regarding the Allocation of Funds from the State Budget Programme “Funds for Unforeseen Events”””, “Cabinet Order No 656 Adopted 6 November 2020Regarding the Allocation of Funds from the State Budget Programme ‘Funds for Unforeseen Events’”, “Cabinet Order No 743 of 8 December 2020. ‘Amendment to Cabinet

Order No 655 of 6 November 2020”On Declaring a State of Emergency”and  
“Cabinet Order No 37 Adopted 21 January 2021 Regarding the Allocation of Funds  
from the State Budget Programme ‘Funds for Unforeseen Events’”.’;

*Article 2*

This Decision is addressed to the Republic of Latvia.

Done at Brussels,

*For the Council  
The President*