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Audit preview

Information on an upcoming audit

Support to mitigate Unemployment Risks in an Emergency (SURE)

March 2022

The SURE facility – temporary Support to mitigate Unemployment Risks in an Emergency – is one of the EU's responses to the economic crisis provoked by the COVID-19 pandemic. It allows the EU to provide additional support in the form of loans, to a maximum value of €100 billion, to Member States' own schemes aimed at keeping workers in employment, such as short-time work schemes or similar measures.

The European Court of Auditors is starting work on an audit to find out whether the Commission responded effectively to the risk of pandemic-related unemployment in the EU through the SURE instrument.

If you wish to contact the audit team, you may do so at the following e-mail address:

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The EU's SURE instrument: helping to repair the economic damage of COVID-19

In the early stages of the COVID-19 pandemic, EU Member States were forced to take restrictive measures. These measures essentially amounted to a temporary closure of various sectors of the EU economy. Member States put schemes in place to support workers whose income threatened to dry up as a consequence of this closure.

Against this background, the European Union put in place a novel instrument to mitigate the risk of unemployment: the SURE instrument, under which the EU can give loans to Member States to reinforce their own measures to tackle pandemic-related unemployment.

SURE covers traditional short-time work schemes and similar measures to keep people in employment. An important feature of SURE is that its scope includes support schemes for the self-employed. SURE is not a pure wage-subsidy or job retention scheme as some health-related measures can also be supported.

According to Member States' own estimates, SURE supported approximately 31 million people and 2.5 million companies in 2020.

SURE is a temporary instrument and it is due to end on 31 December 2022. If severe economic disturbance persists, based on a Commission proposal, the Council may decide to extend it each time for an additional six-month period.

Basis in EU law

Article 122 of the Treaty on the Functioning of the European Union allows the EU to take special measures to support Member States in crisis situations, including severe economic disruption. The Commission proposed SURE on 2 April 2020, and it was published as Council Regulation 2020/672 on 19 May 2020.

Management of SURE at EU level

SURE is managed by the Commission. The Directorate-General for Economic and Financial Affairs (DG ECFIN), as the lead Commission department responsible for the SURE instrument, coordinated its initial set-up and implementation. In doing so, it

worked with the Directorates-General for Employment, Social Affairs and Inclusion (DG EMPL) and for Budget (DG BUDG).

Amounts made available under SURE

The SURE Regulation allows the Commission to borrow up to €100 billion on capital markets or with financial institutions on behalf of the European Union. To finance the instrument, the Commission issued social bonds, a novel financing method which gives investors assurance that the funds they make available will be used for a socially useful purpose.

The SURE loans are underpinned by a system of guarantees. If a Member State fails to make a repayment on time, all of the other Member States can be held liable in proportion to their relative share of the EU's total gross national income. That section of the loan guarantee covers 25 % of the overall loan amount. The rest is guaranteed by the EU budget. Not all of the Member States are using the SURE instrument, but all of them are participating in the guarantee system.

By the end of January 2022, the Council had approved €94.4 billion in financial support to 19 Member States. The table below gives more details. Other Member States can still submit requests for support under SURE within the overall limit of €100 billion.

Table – SURE loan amounts at 25.1.2022

Country	Proposed loan amount (billion euros)	Disbursed
Belgium	8.2	100 %
Bulgaria	0.51	100 %
Czechia	2.0	100 %
Cyprus	0.6	100 %
Estonia	0.23	100 %
Greece	5.27	100 %
Spain	21.32	100 %
Croatia	1.0	100 %
Hungary	0.65	77 %
Ireland	2.5	100 %
Italy	27.44	100 %
Lithuania	0.96	100 %
Latvia	0.31	100 %
Malta	0.42	100 %
Poland	11.24	74 %
Portugal	5.93	91 %
Romania	4.1	73 %
Slovenia	1.1	100 %
Slovakia	0.63	100 %
Total	**94.4**	**95 % (€89.6 bn)**

Source: ECA based on Commission's SURE website.

Focus of the audit

There is a risk that the speed with which SURE was set up means that some aspects may be sub-optimal. Another important risk relates to the lack of appropriate monitoring and reporting.

On 17 March 2021, the Permanent Representatives of nine Member States asked the ECA to assess the effectiveness and efficiency of the SURE instrument. In November 2021, the budgetary committee of the European Parliament expressed interest in an audit of the controls in place for the instrument.

The audit will focus on the Commission's actions only and seeks to determine whether the Commission responded effectively to the risk of pandemic-related unemployment in the EU through the SURE instrument. To answer this, the auditors will assess whether the Commission's actions in respect of the SURE instrument were timely and appropriate, and whether the Commission has developed a robust framework for monitoring and reporting on the implementation of the instrument.

ABOUT ECA SPECIAL REPORTS AND AUDIT PREVIEWS

The ECA's special reports set out the results of its audits of EU policies and programmes or management topics related to specific budgetary areas.

Audit previews provide information in relation to an ongoing audit task. They are based on preparatory work undertaken before the start of the audit and are intended as a source of information for those interested in the policy or programme being audited.

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