



Questions and answers: Commission proposes SURE, a new temporary instrument worth up to €100 billion to help protect jobs and people in work

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What is SURE and why is the Commission proposing it?

The new instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE) is designed to help protect jobs and workers affected by the coronavirus pandemic. It will provide financial assistance, in the form of loans granted on favourable terms from the EU to Member States, of up to €100 billion in total. These loans will assist Member States to address sudden increases in public expenditure to preserve employment. Specifically, these loans will help Member States to cover the costs directly related to the creation or extension of national short-time work schemes, and other similar measures they have put in place for the self-employed as a response to the current coronavirus pandemic.

What are short-time work schemes?

Short-time work schemes are programmes that under certain circumstances allow firms experiencing economic difficulties to temporarily reduce the hours worked by their employees, which are provided with public income support for the hours not worked. Similar schemes apply for income replacement for the self-employed.

SURE would provide additional EU support to finance Member States' short-time work schemes, and other similar measures, helping to protect jobs.

All Member States already have some form of national short-time work schemes in place.

Why is the Commission focusing on supporting short-time work schemes?

The SURE instrument is just one element of the Commission's comprehensive strategy to protect citizens and mitigate the pandemic's severely negative socio-economic consequences.

Many businesses experiencing difficulties are being forced to temporarily suspend or substantially reduce their activities and the working hours of their employees. By avoiding wasteful redundancies, short-time work schemes can prevent a temporary shock from having more severe and long-lasting negative consequences on the economy and the labour market in Member States. This helps to sustain families' incomes and preserve the productive capacity and human capital of enterprises and the economy as a whole.

How much funding will be available for the EU as a whole and for individual Member States?

Up to €100 billion in total financial assistance will be available to all Member States.

There are no pre-allocated envelopes for Member States.

How will the Commission secure and provide funding for the SURE instrument?

Financial assistance under the SURE instrument will take the form of a loan from the EU to the Member States that request support.

To finance the loans to Member States, the Commission will borrow on financial markets. The Commission would then provide the loans to Member States on favourable conditions. Member States would, therefore, benefit from the EU's strong credit rating and low borrowing costs.

The loans will be underpinned by a system of voluntary guarantees from Member States committed to the EU. The instrument will start to function once all Member States have committed to those guarantees.

How will the conditions of each loan be decided?

These loans should be used by Member States to finance short-time work schemes for employees or similar measures for the self-employed.

Following a request by a Member State for financial assistance, the Commission would consult the Member State concerned to verify the extent of the increase in public expenditure that is directly related to the creation or extension of short-time work schemes and similar measures for self-

employed. This consultation will help the Commission to properly evaluate the terms of the loan, including the amount, the maximum average maturity, pricing, and the technical modalities for implementation.

On the basis of the consultation, the Commission would present a proposal for a decision to the Council to provide financial assistance.

Once approved, the financial assistance will take the form of a loan from the European Union to the Member State requesting support.

How will the guarantee system work?

Loans provided to Member State under the SURE instrument would be underpinned by a system of voluntary guarantees from Member States. This will allow the Commission to expand the volume of loans that can be provided to Member States.

This guarantee system is necessary to achieve the necessary capacity while at the same time ensuring a prudent financing of the SURE instrument.

To this end, a minimum amount of committed guarantees (i.e. 25% of the maximum amount of loans of €100 billion) is needed.

How does this instrument relate to the previously announced European Unemployment Reinsurance Scheme?

In the Communication setting out its coordinated economic response to the coronavirus pandemic, the Commission committed to accelerating the preparation of its legislative proposal for a European Unemployment Reinsurance Scheme.

The SURE instrument is the emergency operationalisation of the European Unemployment Reinsurance Scheme and is designed specifically to respond immediately to the challenges presented by coronavirus pandemic.

It in no way precludes the establishment of a future permanent unemployment reinsurance scheme.

What are the next steps?

The Commission's proposal for a SURE instrument will need to be swiftly approved by the Council.

The new instrument will be of a temporary nature. Its duration and scope are limited to tackling the consequences of the coronavirus pandemic.

For more information

[Commission proposal for Council Regulation](#)

[Press release: Coronavirus: the Commission mobilises all of its resources to protect lives and livelihoods](#)

Factsheet: [Supporting Member States to help protect people in work and jobs - SURE](#)

[Press release: Commission sets out European coordinated response to counter the economic impact of the Coronavirus](#)

[Coronavirus response](#)

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Press contacts:

[Marta WIECZOREK](#) (+32 2 295 81 97)

[Enda MCNAMARA](#) (+32 2 296 49 76)

[Siobhán MILLBRIGHT](#) (+32 2 295 73 61)

General public inquiries: [Europe Direct](#) by phone [00 800 67 89 10 11](#) or by [email](#)