European Commission - Press release

Commission disburses €14 billion under SURE to nine Member States

Brussels, 2 February 2021

The European Commission has disbursed €14 billion to nine Member States in the fourth instalment of financial support to Member States under the SURE instrument. This is the first disbursement in 2021. As part of today's operations, Belgium has received €2 billion, Cyprus €229 million, Hungary €304 million, Latvia €72 million, Poland €4.28 billion, Slovenia €913 million, Spain €1.03 billion, Greece €728 million and Italy €4.45 billion. All nine Member States had already received financial support under SURE in 2020, under one of the first three issuances and disbursement operations that took place in 2020.

These loans will assist Member States in addressing sudden increases in public expenditure to preserve employment. Specifically, they will help Member States cover the costs directly related to the financing of national short-time work schemes, and other similar measures that they have put in place as a response to the coronavirus pandemic, including for the self-employed. Today's disbursements follow the issuance of the fourth social bond under the EU SURE instrument, which attracted a considerable interest by investors. The notable oversubscription was translated into favourable pricing terms, which the Commission is directly passing on to the benefitting Member States.

Following today's disbursements, 15 Member States have received a total of €53.5 billion under the SURE instrument. Once all SURE disbursements have been completed, Belgium will have received €7.8 billion, Cyprus €479 million, Hungary €504 million, Latvia €192 million, Poland €11.2 billion, Slovenia €1.1 billion, Spain €21.3 billion, Greece €2.7 billion and Italy €27.4 billion.

An overview of the amounts disbursed so far and the different maturities of the bonds are available online here. A breakdown of the €90.3 billion that have been authorised for 18 Member States so far is here. Member States can still submit requests to receive financial support under SURE which has an overall firepower of up to €100 billion.

Members of the College said:

President Ursula **von der Leyen** said: *"Under the SURE programme, the EU has mobilised up to €100 billion in loans for EU Member States to save jobs and keep people in work. The funds are regularly making their way to our Member States, helping them financially to mitigate the impact of the coronavirus pandemic."*

Commissioner **Johannes Hahn,** in charge of Budget and Administration, said: *"Following the fourth successful bond issuance under SURE, we have now disbursed more than half of the funds foreseen under this instrument. The 15 Member States benefitting from the initial four disbursements are now better equipped to alleviate the social impact of the coronavirus pandemic. We will proceed with a speedy implementation of the rest of the programme in order to provide all authorised funds for the 18 Member States that have so far requested financial support under this instrument*".

Paolo **Gentiloni**, Commissioner for Economy, said: "*Today, the European Commission pays out a further €14 billion to support workers in nine hard-hit EU countries. The pandemic continues to weigh on our economies and while we know there is light at the end of this tunnel, we don't yet know how much longer until we reach it. That's why SURE and the European solidarity it represents are so important."*

Background

On 26 January, the European Commission issued the fourth social bond under the EU SURE instrument and the first one for 2021, for a total value of €14 billion. The issuing consisted of two bonds, with €10 billion due for repayment in June 2028 and €4 billion due for repayment in November 2050.

There was high demand among investors – the bonds were over 8 and 12 times oversubscribed, respectively, which once again enabled the Commission to obtain very good pricing conditions. More concretely, the 7-year bond was priced at a negative yield of -0.497%. This means that for every

€105 that Member States get, they pay back €100 when the bond matures. The 30-year bond was priced on the slightly positive territory, at 0.134%, which is an excellent result for this maturity. These are being passed on directly to the EU Member States.

The bonds issued by the EU under SURE benefit from a social bond label. This provides investors in these bonds with confidence that the funds mobilised will serve a truly social objective.

For More Information

Press release on the fourth bond issuance

SURE Regulation

Factsheet: SURE - Supporting Member States to help protect people in work and jobs

Questions and answers: Commission proposes SURE

Coronavirus response

Social Bond Framework

SURE website

EU as a borrower website

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