

MONITORING REPORT No. 4

17.05.- 02.06.2020.

SUMMARY

1. Economic indicators and expert opinions suggest that the lowest point of the Covid-19 economic crisis may have been reached in April. Although unemployment continues to rise, the dynamics of vacancies, wages and taxes collected suggest that a recovery from the crisis may have begun, which in turn means that support measures need to be more selective, targeting sectors and companies that are still constrained;
2. The level of taxes collected is relatively positive, especially in view of the amount of tax holidays granted, and does not appear to be particularly correlated with the pace of economic slowdown;
3. The government's decision to reallocate EUR 500 million from the EU Cohesion Fund and the Structural Funds to mitigate the effects of Covid-19 is the right decision, as it does not increase public debt, but there must be confidence in the effectiveness of the redeployment;
4. The Council, like the government, considers investment in productive infrastructure to be an important tool for economic recovery, but agrees with the Bank of Latvia that the State budget may not have sufficient resources for it, so the European Reconstruction Fund would be an extremely important source of finance for the Latvian economy¹. Many support measures will only benefit the economy in the medium to long term.
5. The envisaged European Reconstruction Fund, if approved, will be able to provide significant fiscal support, but clear criteria and principles for the selection of the most successful projects would already need to be developed in order to avoid a hasty and non-transparent allocation of funds;
6. A clear vision of the work to be done, both in the short and long term, is important to overcome the consequences of Covid-19. The strategy developed by the government for Latvia to mitigate the effects of the Covid-19 crisis is a step in the right direction, but it is not clear what the status of this strategy is and its connection with other national planning documents, such as the National Development Plan or the draft state budget for 2021. is concerned about the effectiveness of the strategy and its negative impact on the country's fiscal situation;
7. While the Council broadly welcomes the government's response to the crisis, it calls on the government to take a more balanced approach to public investment and business support, and to take into account the growing short- and medium-term fiscal risks:
 - The draft law “Law on Prevention and Management of State Threats Caused by the Spread of Covid-19 and Its Consequences”¹ approved by the Cabinet of Ministers on 28 May stipulates that in 2021 the budget expenditure ceilings specified in the Financial Discipline Law will not be applied. The rule that the deviation from the balance sheet condition is allowed only to the extent necessary to overcome a severe recession and may not exceed the projected reduction in revenue (Section 12 (3) of the FDL²) will not be complied with. Such derogations make it possible to increase budget expenditure in 2021 to a level disproportionate to the country's fiscal sustainability and could run counter to the EU's fiscal framework;
 - State aid to companies must be proportionate to the problems caused by the crisis and must not distort the principles of fair competition or serve as a basis for business growth. The “generosity” shown towards individual companies contrasts with the reprimand of the EU Council that too many small and medium-sized enterprises in Latvia suffer from

excessively strict requirements for receiving guarantees. In the FDP's view, the loan guarantees should not exceed a period of five years. Following the government's decision of 2 June on additional support measures of EUR 600 million, the impact of the support measures on the VVBB is already 7% !;

- The Council agrees with the EU Council's recently published recommendations and conclusions that public funding for the health sector has so far been inadequate, so the government's commitment to increase medical salaries by 20% in 2021 is clearly justified, but budgetary costs and fiscal risk, greater savings in other areas need to be implemented at the same time.

DETAILED ANALYSIS

1. General development of the situation

The European Commission (EC) has submitted proposals to the EU Council for the European Reconstruction Fund and the Multiannual Budget. The total amount of the Renewal Fund could be EUR 750 billion for four (2021-2024) years and the Multiannual Budget - EUR 1,100 billion for seven (2021-2027) years. Of this, € 310 billion would be disbursed to Member States in the form of grants and € 250 billion in loans (Table 1.1). In addition, funding is expected to be available front-loaded and part of the funding could be available as early as this year. The main criterion for the distribution of money will be the severity of the economic shock, and according to the media, the largest grants are for Italy (81.8 billion euros) and Spain (77.3 billion). Latvia could have 2.9 billion euros in grants and 1.6 billion in loans. These proposals for financial instruments have yet to be agreed by EU Member States, so the total amount of funding earmarked and its distribution among Member States is indicative.

1.1. table. European Commission proposal for financial instruments by functional breakdown

EUR billion, 2018 prices

	MFF 2021-2027 (May 2020)	Of which under Next Generation EU
TOTAL MFF	1.850,0	750,0
1. Single Market, Innovation and Digital	210,5	69,8
Horizon Europe	94,4	13,5
InvestEU Fund, of which under the Union Recovery plan	31,6	30,3
Investing in the EU economic recovery	15,3	15,3
Strategic Investment Facility (new window)	15,0	15,0
EU Solvency Instrument under EFSI	26,0	26,00
2. Cohesion and Values	984,5	610,0
Cohesion Policy	373,2	50,0
Recovery and Resilience Facility (incl. Technical Support)	560,8	560,0
Of which LOANS	250,0	250,0
Of which GRANTS	310,0	310,0
3. Natural Resources and Environment	402,0	45,0
Common Agricultural Policy	348,3	15,0
Of which Pillar II (Rural Development)	90,0	15,0
Just Transition Fund	40,0	30,0
4. Migration and Border Management	31,1	
5. Resilience, Security and Defence	29,1	9,7
Union Civil Protection Mechanism (rescEU)	3,1	2,0
Health programme	9,4	7,7
6. Neighbourhood and the World	118,2	15,5
Neighbourhood, Development and International Cooperation	86,0	10,5
Humanitarian Aid	14,8	5,0
7. European Public Administration	74,6	

Source: European Commission

Although the macroeconomic impact of these EU financial instruments will be relatively small (around 1.5% of EU GDP against the current 1%), it is significant that part of the financing is planned to be obtained through EC maturing bonds in 2027 and 2028 and increased revenues from For the EU's own

resources, all this can be seen as a step towards fiscal union, which is essential for the stabilization and more balanced economic development of the euro area.

The EU Council has published annual recommendations to EU member states, including Latvia. It is recommended to strengthen the field of health care, to expand the circle of recipients of downtime benefits, to facilitate the conditions for receiving state guarantees for small and medium-sized enterprises, as well as to improve the work of institutions responsible for the promotion of employment. Latvia is invited to accelerate the implementation of well-prepared public investment projects and to invest more in green and digital technologies.

The rating agency DBRS Ratings has reduced Latvia's credit rating outlook from positive to stable, citing the challenges posed to the country's macroeconomic environment by the current health and economic crisis. Other rating agencies have not yet downgraded Latvia's credit rating.

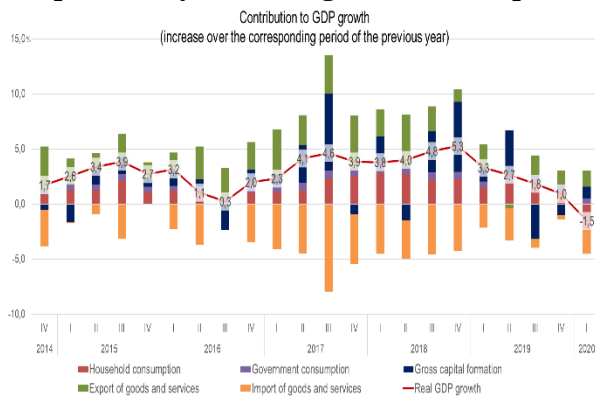
On 26 May, the government approved the strategy developed by the Ministry of Economics to mitigate the effects of the Covid-19 crisis on Latvia, which, among other things, outlines priority areas for action and provides for public and private investment of 2.2 billion euros by 2023. Work on the improvement of the strategy will be continued, however, neither the status of this strategy in the hierarchy of state planning documents nor the link with, for example, the NDP, the 2021 state budget planning and the recently published EC recommendations to Latvia are really clear. The current version of the strategy also does not provide clarity on the amounts of funding required, their fiscal impact and sources.

2. Macroeconomic situation in Latvia

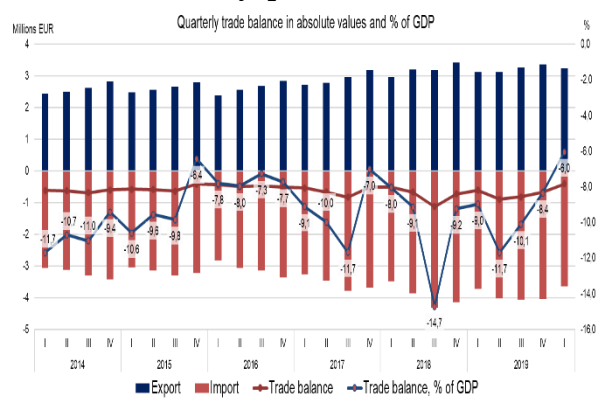
According to Latvian economists, the lowest point in the economy could have been in mid-April - now the situation is already improving. The sectors most affected: the passenger transport industry, the accommodation industry, catering services, etc., which are most directly linked to the movement of people. Economists also predict that some companies may fail to return to production in their previous form and volume. 77% of companies have changed their solvency forecasts.

The decline in GDP in the first quarter of 2020 was 1.5%. According to the seasonally adjusted data of the Central Statistical Bureau (CSB), the decline was due to a sharp decline in household consumption (to .32.3% compared to the first quarter of 2019). GDP has been positively affected by such areas as exports of goods and services (+ 1.4% compared to the first quarter of 2019), investment (+ 1.1%) and, to a lesser extent, government consumption (+ 0.5%). The decline in imports and a slight increase in exports led to an improvement in the trade balance to -6% of GDP (Picture 2.1).

2.1. picture. Dynamics of gross domestic product and trade balance by quarters



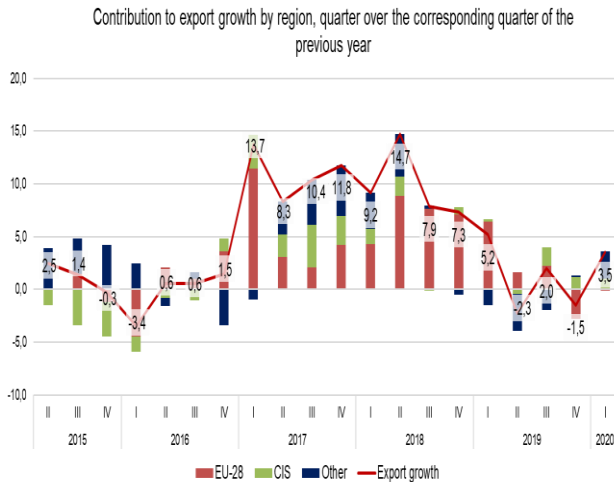
Source: CSB (IK10_070c.)



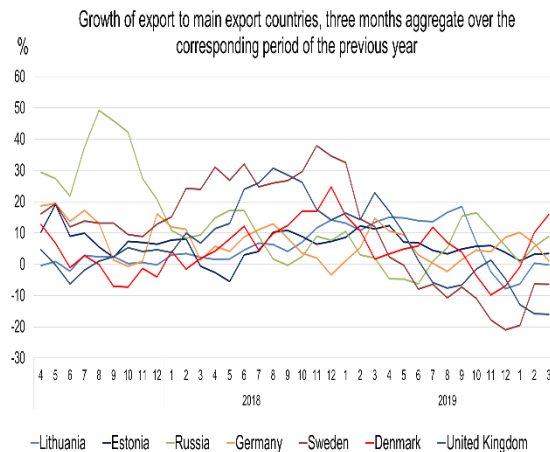
Source: CSB (IK10_070c.; AT020c.)

In the 1st quarter of 2020, the volume of exports of goods increased by 3.5% year-on-year due to exports to the CIS and so on. "other countries. The export of medicines has played an important role. Exports to EU countries, on the other hand, fell by 1%. In March, the value of Latvia's exports decreased by 0.7% (Chart 2.2). Restrictions imposed by Covid-19 also had a negative impact on exports of services, falling by 15.5% in March. Transport services have fallen by 11% and travel services by 6%. It should be noted that this decline was recorded at a time when the borders of most countries were still open for travel.

2.2. picture. Quarterly dynamics of the contribution of trading partners to growth and export indicators by major partner countries



Source: CSB (AT0020mE)

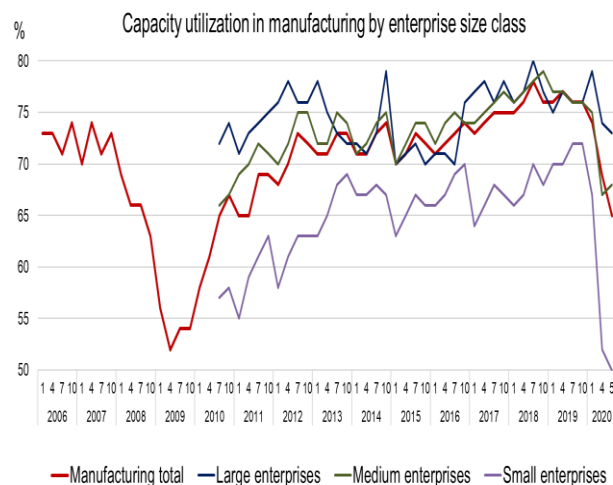


Source: CSB (AT0051m)

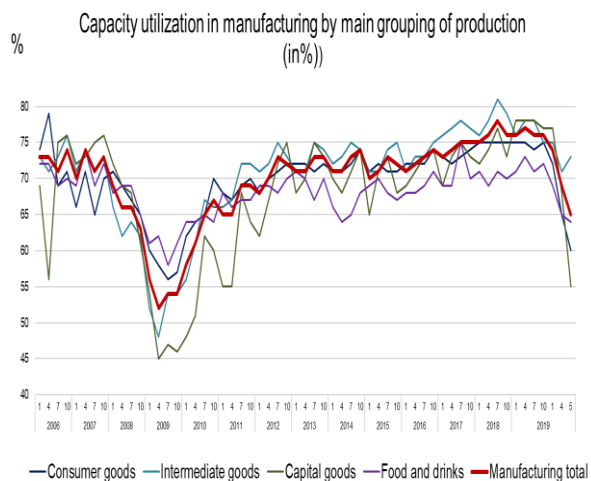
According to the information provided by the CSB, the output of the industrial sector decreased by 9.2% in April compared to April 2019, thus starting the second quarter with a sharp downward trend. It was affected by a decline in manufacturing by 9%, mining and quarrying by 8.7% and electricity and gas supply by 10.8%. The decline in industrial production, with a high probability, will continue in May, as evidenced by the indicators of industrial capacity utilization in May.

Capacity utilization in manufacturing began to decline sharply in April, with the situation continuing to deteriorate in May, with utilization falling to 65%. The small business sector has suffered the most: in May, the capacity utilization of small businesses reached only 50%. It should be noted that the crisis has had a minimal impact on the large business segments, which can be explained by the impact of economic stimulus measures and the funds accumulated in previous years. Since April, a sharp decline in capacity utilization has been observed in all manufacturing sectors. Manufacturers of capital goods (equipment and their components) have fallen the most - currently 55%. It should be noted that a large proportion of such producers are involved in international supply chains and are therefore affected by the deteriorating external environment. The situation has slightly improved for intermediate producers. Among the factors limiting entrepreneurship, the problem of labor shortage is no longer a feature, nor are financial problems mentioned - the most frequently mentioned limiting factor is "other" limitations, which can be understood as Covid-19 effects. (Picture 2.3.)

2.3. picture. Capacity utilization in manufacturing by quarters



Source: CSB KR060c



Source: CSB(KR060c)

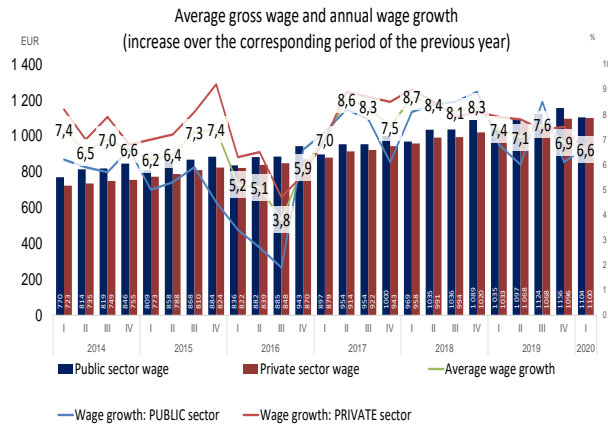
The volume of freight transportation in the railway transport segment this year reached a decline of 21.6% in the first quarter, and the downward trend in this segment has been observed continuously since the 1st quarter of 2019. A significant reduction in the number of employees in the company also continues.

Data on freight transport by road registered in Latvia in the 1st quarter show that the volume of freight transported decreased by 0.7% compared to the 1st quarter of 2019. Overall, this is better than in the last quarter of 2019, when the decline was 3.5%.

In the first quarter of 2020, the contribution of Latvian ports to cargo turnover decreased by 29.3%, continuing the decline observed in previous quarters. The largest decrease in cargo turnover was observed in Ventspils port in the amount of 15%, and in Riga port by 12%.

This year In the first quarter, wages and salaries continued to grow, but the growth rate slowed down: compared to the corresponding period of 2019, the average monthly gross wage increased by 7% in January, reaching 1101 euros, in February - by 7.8% (1,085 euros), but in March the pace was the lowest - 5% (1113 euros). Overall, in the first quarter of 2020, gross wages and salaries for full-time work increased by 6.6% and the average wage in the public sector was 1,104 euros and in the private sector 1,100 euros (Picture 2.4).

2.4. picture. Average monthly earnings of employees by quarters



Source: CSB (DS020c.)

Unemployment continued to rise in May. According to the latest data from the Central Statistical Bureau, the actual unemployment rate reached 9.2% in April 2020, which is 1.3 percentage points more than in March, while the registered unemployment rate exceeded 8% in May. Recipients of downtime benefits are not included in these figures, which, if included, could be said to mean that unemployment in Latvia has reached 13%. The latest operative information of the State Employment Agency shows that 76,441 unemployed were registered on June 1, of which 3,524 were registered in May. thousand vacancies, on 11 May 16.8 thousand, on 18 May 17.1 thousand and on June 1, 17.1 thousand.

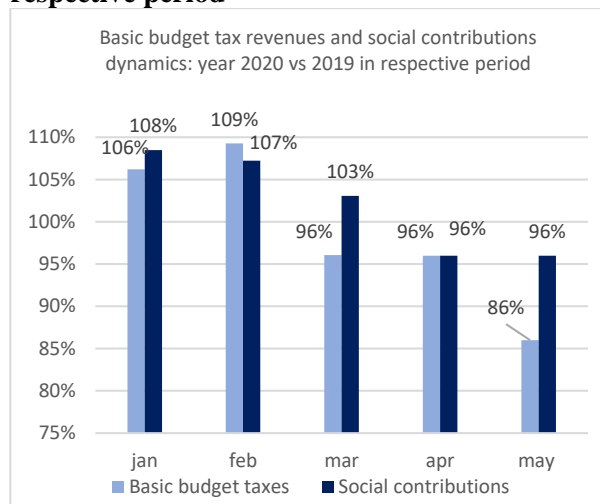
Despite the alarming increase in the number of unemployed and more and more new applications for collective redundancies, the indicators for collecting state social insurance

contributions and PITs are only slightly behind the corresponding period in 2019. Unemployment is likely to rise faster when the cost of downtime benefits ends.

3. Dynamics of budget balance and tax revenues

The results of tax collection in the first half of May gave rise to some optimism, but the second half of the month brought the expected adjustments. In May, basic budget taxes were collected in the amount of 86% of the 2019 level in the respective period and the State Social Insurance Mandatory Contributions (SSIMC) in the amount of 96%. Consequently, the downward trend in tax revenues has been clear since

3.1. picture. Dynamics of the state basic budget revenue and SSIMC in 2020 against 2019 in the respective period



March (Picture 3.1). However, it should be noted that in May the State Revenue Service (SRS) granted “tax holidays” in the amount of approximately 97 million euros: if this amount were hypothetically added to revenue, the taxes collected in May and the SSIAI would exceed the previous year's level by 6%. In addition - in May, the SRS prematurely reimbursed VAT to entrepreneurs in the amount of approximately 75 million euros, thus the drop in taxes in May was not so dramatic. According to SRS estimates, approximately 60% of those taxes that have not been collected due to tax holidays granted could be paid in the next three years.

The Ministry of Finance (MoF) has reduced the general budget tax revenue forecast for 2020 by 15%, which means that the level of general budget revenue in 2020 could reach approximately 91% of the amount of taxes actually collected in 2019. Given that the state of emergency is likely to be lifted in June, the biggest drop in tax revenue could be in May or June, so it cannot be ruled out that the tax collection plan for 2020 could still be met under the Covid-19 scenario - provided, of course, the second Covid-19 wave or some other economic shock.

According to the operational data of the Treasury, the collection of corporate income tax (CIT) in May increased by 16.3% compared to May of the previous year. VAT was collected in May in the amount of 79.2% of the previous year, however, it should be taken into account that this year the SRS refunds VAT to entrepreneurs faster than in other years. Excise duties and Personal Income Tax (PIT) were collected in May in the amount of 91.4% and 92.9%, respectively, of the respective period in 2019.

3.2. The figure shows that the impact of the crisis on budget spending was already felt in March. In turn, both the basic budget and the social budget have had higher expenditures. In May, basic budget and special budget expenditures increased almost equally compared to 2019 expenditures.

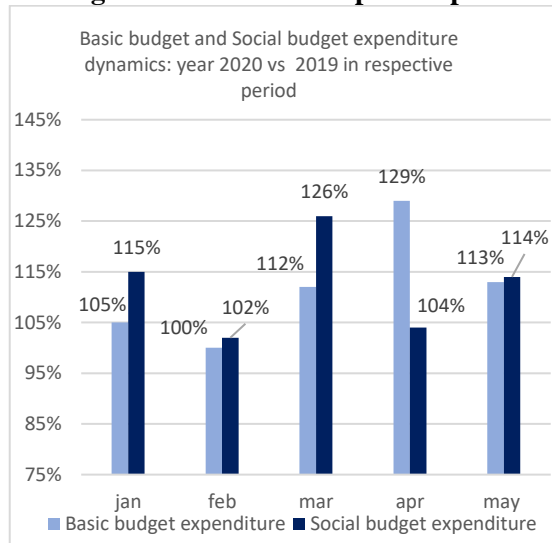
In both April and May, the state budget received higher repayments of EU money than in the previous year, which contributes to the budget balance, despite a significant increase in expenditure. According to the SAO's operative data, both the central government basic budget and the special budget balances were positive in May: 78.3 million and 4.2 million euros, respectively, which is worse than in 2019, when the balance was 166.1 million and 39.6 million euros, respectively.

4. Detailed analysis of economic support measures from a fiscal point of view

While government support mechanisms stimulate the economy and provide social protection, they also affect the country's fiscal position and increase public debt. For example, in the Stability Program approved by the government, the impact of support measures on the State General Budget Balance (SGBB) in 2020 is estimated at 851.4 million (3% of GDP); The impact of the support measures on the SGBB on 1 June in 2020 could even exceed 4.9% of GDP (Table 4.1). However, after the government's decision on June 2 on additional support measures in the amount of 600 million euros, the impact of the support measures on the SGBB already reaches 7%! In the second half of May, the government decided to reallocate € 500 million in EU Cohesion and Structural Funds to deal with the effects of the Covid-19 crisis. This decision does not have a direct impact on the SGBB, but it is not yet possible to assess the indirect impact due to the lack of knowledge of the new project selection criteria and the impact of the investment on economic growth, productivity and competitiveness.

The FDP, like the government, believes that investment in productive infrastructure is an important tool in the economic recovery process, but agrees with the Bank of Latvia that there may not be enough funds in the state budget, so the planned European Reconstruction Fund would be an extremely important source of finance for the Latvian economy. It would be necessary to develop clear criteria and principles for the selection of the most successful projects in order to avoid a hasty and non-transparent distribution of funds;

3.2. picture. Dynamics of the state basic budget and special budget expenditures in 2020 against 2019 in the respective period



Source: MoF and FDC

The government has indicated that it does not currently plan to extend the state of emergency until 9 June, so it can be expected that a large part of the country's economy will soon return to normal operation and that new support measures will be more specific and targeted at restrictions maintained after 9 June. The government has also approved a draft law on the prevention and management of the state threat posed by the spread of Covid-19 and its consequences. The new framework stipulates that, with the exception of downtime benefits, which expire on 30 June, other crisis support instruments will continue to be available until the end of this year. In the new draft law, Article 31 stipulates the following: in 2020 and 2021, the provisions of Section 7, Paragraph three, Section 9 and Section 12, Paragraph three of the Fiscal Discipline Law shall not apply. Such restrictions on the regulation of fiscal discipline increase the risk that the government's fiscal behavior in the event of an economic downturn will be disproportionate. It is in the context of the economic downturn that the Fiscal Council's view on allowable expenditure would help mitigate the risk, and the FDP will continue to monitor the impact of the introduction of support measures on the SGBB.

The OECD has published a report on the role of independent financial institutions (IFIs) during the Covid-19 crisis, which emphasizes that the role of IFIs is growing in such scenarios of fiscal developments. The main tasks of IFIs are: (i) to provide rapid economic and fiscal analysis, (ii) to monitor the implementation of emergency clauses and new fiscal conditions, (iii) to calculate the costs of emergency measures and legislation, (iv) to promote transparency and accountability. The Council regrets that, in these circumstances, the planned law on the prevention and management of the state threat posed by the spread of Covid-19 and its consequences reduces the role of the FDC.

4.1. table. FM and FDP estimates of the impact of support measures on the SGBB in 2020				
Activity	Measures with an impact on the VSE (EUR million)*	Redistribution of EU funds, without impact on the VSE	Total	Amount disbursed (EUR million)**
Support for the population and the workforce	167.7	88.7	256.4	14
Downtime (including assistance) allowance	32.9	32.3	65.2	3
Different types of benefits - unemployment, families, children, etc.	134.8	30.7	165.5	9
Retraining of employees		25.7	25.7	1
Support for entrepreneurs	612.2	52.8	665	36
Aid towards time limits for payment of taxes	331		331	18
ALTUM working capital loans	50.8	35	85.8	5
ALTUM credit guarantees and portfolio guarantees	50		50	3
Support for the road sector	75		75.0	4
Supporting companies for international competitiveness		17.8	17.8	1
Support for agriculture and food businesses	105.3		105.3	6
Support to State Corporations and Sectors	592.4	357.5	949.9	51
Aid to the air transport sector **	346.5		346.5	19
Support for public transport		283	283	15
Support for the healthcare sector	84.5	30	114.5	6
Support for municipal investments	150.0	44.5	194.5	10
Others, including private and public media	11.4		11.4	1
TOTAL	1372.3	499	1871.3	100
Of GDP	4.9%	1.8%	6.4%	
*MoF dat and FDC calculations				

** including 36.1 million euro support to AirBaltic, which from the accounting point of view does not affect the SGBB in 2020, as well as the planned support to AirBaltic in the amount of 150 million euros and to Riga Airport in the amount of 54.4 million euros.

*** By 28 May, downtime benefits have been paid in the amount of EUR 28.8 million, so the amount indicated in the table is likely to be exceeded.

Source: MoF data and FDC calculations

**** The table does not take into account the additional support measures of 600 million approved by the Cabinet of Ministers on June 2, which will affect the SGBB in both 2020 and 2021.

Although the calculation of the fiscal impact of the support measures summarized above is approximate, it can be concluded that 6% support to the health care sector is inadequate, especially considering that the low level of funding for the Latvian health system was already a problem before the crisis. In this context, the government's commitment to increase medical salaries by 20% in 2021 is clearly justified, especially in the context of the EU Council recommendations published in May, but it is also to be expected that these expenditures will further increase budgetary expenditures and fiscal risk.

State aid to companies must be proportionate to the problems caused by the crisis and must not distort the principles of fair competition or serve as a basis for business growth. The “generosity” shown towards individual companies contrasts with the reprimand of the EU Council that too many small and medium-sized enterprises in Latvia suffer from excessively strict requirements for receiving guarantees. In the FDP's view, the loan guarantees should not exceed a period of five years.

Review of government decisions related to COVID-19 containment and economic support

19.05.2020. the government decided:

- Allocate EUR 499,029,112 from EU Cohesion and Structural Funds funding for COVID-19 mitigation;
- To allocate 7,500,000 euros of funding from the Ministry of Economics to the Ministry of Environmental Protection and Regional Development for increasing energy efficiency and the use of renewable energy resources in municipal buildings;
- Encourage amendments to the Law “On Measures to Prevent and Overcome the State Threat and its Consequences Due to the Spread of Covid-19” so that (1) local governments can also receive state support and (2) issue a guarantee to the European Commission for participation in the European Union support instrument. To reduce the risk of unemployment in an emergency (SURE) ”in the amount of 57,070,750 euros. The decision has no impact on the state budget, but the debt obligations of guarantees provided on behalf of the state to the state budget are increased by this amount;
- Allocate funding to the Ministry of Welfare in the amount of EUR 23,595 to improve the functionality of the social insurance information system (SAIS);
- To provide funding to the Ministry of Welfare in the amount of 4,324,233 euros to ensure the payment of childcare benefits;
- Provide funding to the Ministry of Health in the amount of EUR 2,192,204 to cover the costs incurred in connection with the Covid-19 outbreak and its aftermath;
- In order to stabilize the agricultural market due to the adverse effects of Covid-19, from 7 May 2020, to grant aid for the private storage of certain agricultural products. The allocated funding - EUR 5,148,001 - will be fully covered from the EU budget, therefore the decision has no impact on the state budget;
- Provide funding to the Ministry of Education and Science for the development of a national research program on Covid-19 mitigation research. Funding will be provided through contingencies. Impact of the decision on the state budget - 5,000,000 euros.

21.05.2020. the government decided:

- As of 21 May 2020, to ease both restrictions on the gathering of persons and restrictions on the crossing of borders in respect of nationals of the EU, the European Economic Area and Switzerland, as well as persons residing in these countries.

26.05.2020. the government decided:

- To approve the funding available for the regular selection of water supply and sewerage system service quality improvement projects in the amount of 2,492,308 euros. Of these funds, the EU Cohesion Fund funding will be EUR 1,620,000 and the national funding, consisting of private and municipal funds, will be EUR 872,308;
- To approve the funding available for the regular selection of projects for the development of the environmental monitoring and control system and the promotion of public participation in environmental management in the amount of 15,117,424 euros. Of these funds, the EU Cohesion Fund funding will be EUR 12,849,811 and the national funding, consisting of private and municipal funds, will be EUR 2,267,613;

- To approve the “Strategy for Latvia to Mitigate the Consequences of the Covid-19 Crisis” developed by the Ministry of Economics. The impact of the decision on the state budget cannot be determined yet, as specific measures will be developed later.

28.05.2020. the government decided:

- To approve the draft law “Covid-19 Infection Spread Management Law”. The law prescribes the basic principles of operation of state institutions and the rights and obligations of state institutions and individuals for the prevention and management of state threats after the lifting of the emergency situation caused by the spread of Covid-19 infection;
- Encourage amendments to the Law on Epidemiological Security by incorporating into the law the requirements arising from the Cabinet Order of 12 March 2020 “On Declaring a State of Emergency” and can be generally applied to epidemiological security in the country, providing for the possibility of other re-emerging infections due to the spread of the disease;
- To support the draft law on “Law on Prevention and Management of State Threats Due to the Spread of Covid-19 and Its Consequences”. The draft law improves, supplements and successively transposes the norms of the Law “On Measures to Prevent and Overcome State Threats and Its Consequences Due to the Spread of Covid-19” adopted in the previous emergency situation, as well as includes a new legal regulation aimed at Covid-19 threat and its consequences prevention and management regulation. It is not possible to determine the impact of the decision on the state budget, but it contains a norm that provides for exceptions to the provisions of the Fiscal Discipline Law in 2020 and 2021.

02.06.2020. the government decided:

- Provide support to fishing vessel owners and fishing vessel crews who temporarily cease fishing activities, including due to the Covid-19 outbreak. Impact of the decision on the state budget - 1,625,001 euros;
- Provide support to companies processing fishery and aquaculture products. The decision has no impact on the state budget;
- To provide public funding to merchants, farmers or fishermen who grow aquaculture products for sale. The public funding of the measure in the amount of 2,000,000 euros consists of the EMFF co-financing of 1,500,000 euros and the Latvian state co-financing of 500,000 euros;
- Provide support to fisheries producer organizations that store fishery products in cases where the Covid-19 outbreak affects fishing activities and the unpredictability of the market situation prevents producer organization members from finding buyers for the fishery products caught. The public funding of the measure consists of 675,000 euros, of which the EMFF co-financing is 100%, therefore Latvian state co-financing is not necessary;
- To support the measures of the information report “On measures to overcome the Covid-19 crisis and economic recovery” for 2020 and 2021, the total value of which is estimated at 600 million euros and to allow the use of state budget surplus funding up to 71 million. million for the EU Structural Funds and the Cohesion Fund 2014-2020. for the various activities of the priority axes of the Operational Program “Growth and Employment” for the 2007-2013 programming period.