



*Investigation report on support  
schemes for businesses and  
employees to overcome the  
COVID-19 crisis*

Investigation report



Latvijas Republikas  
Valsts kontrole

Rīga 2022

## Investigation report

The date is stamped on the document's signature time stamp and the document number is displayed in a text file.

“Investigation report on support schemes for businesses and employees to overcome the COVID-19 crisis”

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The investigation was conducted and the report drafted within the framework of the financial audit “On the consolidated annual financial statement of the Republic of Latvia for 2021 on state budget outturn and municipal budgets” (Audit schedule No 2.4.1-26/2021 of 17 August 2021 of the Audit and Methodology Department of the State Audit Office) based on Sub-paragraph c), Paragraph 3, Section 3 of the State Audit Office Law.

The cover design includes a photo from the website <http://depositphotos.com>, *Tree growing from coins*, author *aeaydenphumi*, ID 50689663.

## Why was this investigation conducted?

Overcoming, mitigating and preventing the crisis caused by the COVID-19 pandemic has required significant state budget funds. Public funds were allocated for various measures, from the purchase of protective equipment and vaccines, strengthening of the healthcare system, to the allocation of funds to both businesses and employees within the framework of several support instruments (schemes), as well as benefits to certain population groups. Within the framework of overcoming the COVID-19 crisis, the state budget funds were also directed to, for example, strengthening the finances of state-owned enterprises in the transport sector, restoration of cultural infrastructure, improving roads and other measures.

With the onset of the COVID-19 pandemic, the State Audit Office reoriented its work by directing part of the institution's resources to auditing for evaluating the validity and actual use of requests for state budget funds allocated for overcoming the COVID-19 pandemic, and for the prevention and mitigation of its consequences.

The State Audit Office has identified that in two years, 2020 and 2021, the Cabinet of Ministers has made decisions to allocate up to 3,604,615,103 euros from the state budget for overcoming the COVID-19 crisis, respectively up to 1,238,192,125 euros<sup>1</sup> in 2020 and up to 2,366,422,978 euros<sup>2</sup> in 2021. Also in 2022, the allocation of state budget funds for overcoming the consequences of COVID-19 continues. The planned amount of support for overcoming the consequences of COVID-19 in 2022 is 1,499,983,809 euros<sup>3</sup>.

During the COVID-19 pandemic, it was necessary to ensure both an immediate fight against the pandemic, as well as the fastest possible action to support the national economy and responsible action with state budget funds at the same time.

**To assist the decision-makers, the Saeima and the Cabinet of Ministers, to evaluate the previous support for mitigating the consequences of COVID-19 and to learn from experiences to feed into future decisions on providing support, the State Audit Office has conducted an investigation, in which information on support schemes for overcoming the consequences of the COVID-19 crisis has been collected and compared, which can be classified as direct support for businesses and employees granted to facilitate the stability of the national economy.**

The government of the Republic of Latvia decided to introduce schemes to support the national economy as soon as possible, involving the ministries responsible for the sectors in the creation of support schemes and the development of regulations. Support schemes for mitigating the consequences of COVID-19 for businesses and employees were prepared by the ministries of the responsible sectors such as the Ministry of Economy, the Ministry of Finance, the Ministry of Culture and the Ministry of Agriculture. The implementation of these schemes was ensured by various institutions including the State Revenue Service, the Investment and Development Agency of Latvia,

<sup>1</sup> The estimate of the State Audit Office based on the Cabinet decisions on the funds allocated for overcoming, mitigating and preventing the crisis caused by the COVID-19 pandemic.

<sup>2</sup> The estimate of the State Audit Office based on the Cabinet decisions on the funds allocated for overcoming, mitigating and preventing the crisis caused by the COVID-19 pandemic.

<sup>3</sup> <https://www.fm.gov.lv/lv/pieskirto-valsts-budzeta-lidzeklu-sadalijums-un-izlietojums-COVID-19-laika> [viewed on 18 July 2022].

Joint-Stock Company “Development Finance Institution Altum” (hereinafter - Altum), the State Cultural Capital Fund and the Rural Support Service.

This investigation gathers information about the support granted to businesses and employees for overcoming the COVID-19 crisis within 25 support schemes in 2020 and 2021, as well as analyses the beneficiaries of support and their further activities after receiving the support. State budget funds were allocated for the implementation of 24 schemes, but one scheme was related to reducing the expenses of businesses through rent discounts granted to tenants of public sector property by public sector institutions and their state-owned enterprises. The criteria for granting support and the administration costs of schemes have been analysed in detail in 14 support schemes, for which budget funding was allocated in 2021<sup>4</sup>. We have analysed the support intended for businesses and employees to overcome the COVID-19 crisis according to the following breakdown: grants, scholarships, loans, guarantees and capital investment.

One should note that no unified classification of support measures has been established because different institutions in different situations use different a classification or grouping of support measures for mitigating the consequences of COVID-19 in their publicised information, and therefore the information analysed is presented in accordance with different perspectives and is not comparable. The State Audit Office has collected examples of differences in the classification of support measures for mitigating the consequences of COVID-19 in various information sources (see Annex 1).

There were 40% or 1.4 billion euros out of the state budget funds allocated for mitigating the consequences of COVID-19 in 2020 and 2021 earmarked within the framework of the 24 support schemes reviewed in this investigation.

Ministries and implementers of support schemes provide information on their websites about the support they administer, the allocated support amounts and beneficiaries thereof. However, the information on the websites of the ministries and institutions administering the support scheme about the support granted to businesses and employees to mitigate the consequences of COVID-19 is not everywhere complete and is not yet available everywhere for all support periods, nor is this information available all together.

In this investigation, the State Audit Office provides interested parties with the opportunity to familiarize themselves with the publicly available information which, for the first time, is gathered together in various aspects about the support actually granted to businesses and employees in the form of data analysis and the visualization tool “Power BI”, and which presents the opportunity for parties to further analyze this information for themselves.

The investigation report is a collection of facts without drawing conclusions or making recommendations.

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<sup>4</sup> The analysis did not include the following three support schemes, for which budget funding was also allocated in 2021: loans of working capital; support for economic operators in the tourism sector, costs for the accommodation of individuals in tourist accommodation.

## Summary

- In 2020 and 2021, funds of **up to 3.6 billion euros** were allocated from state budget funds to various measures for the prevention, security and mitigation of the consequences of the COVID-19 pandemic. Also in 2022, state budget funds are channelled to limiting the COVID-19 pandemic and mitigating its consequences.
- In 2020 and 2021, funding of **up to 1.4 billion euros**<sup>5</sup> out of 3.6 billion euros was intended as direct support for businesses and the employees **24 support schemes** to compensate for restrictions related to bans on economic activity and to facilitate the stability of the national economy during the COVID-19 pandemic.
- **1 billion euros** or **72 % of the funds allocated to these schemes** out of the 1.4 billion euros of support for businesses and employees were actually allocated to the beneficiaries in 2020 and 2021.
- **In addition**, support was granted to tenants of property of public institutions, incl. enterprises in the amount of **9 million euros** in the form of rent reduction or exemption<sup>6</sup> (five million euros from state institutions, four million euros from municipal institutions).
- This investigation report gathers information on support for businesses and employees in **25 support schemes**. State budget funds were allocated for the implementation of 24 support schemes, and one scheme was related to reducing the expenses of businesses through rent discounts granted to tenants of public sector property by public sector institutions and their state-owned enterprises.
- **Under 3 support schemes**<sup>7</sup> (out of a total 25 schemes), no applications for support were submitted. In fact, 22 schemes provided support to businesses and employees in 2020 and 2021.
- In this investigation report, a more detailed analysis has been made of **14 support schemes**, for which budget funding was allocated in 2021<sup>8</sup> by analysing the criteria for granting support and the costs of scheme administration.
- Support from the state budget was provided in the form of **grants, subsidies, loans, guarantees** and **capital investment in enterprises**.
- Businesses and employees have received the biggest support in the form of **grants** in the amount of **848 million euros** in two years.

<sup>5</sup> The state budget funding allocated by the order of the Cabinet of Ministers for the provision of support to businesses and employees.

<sup>6</sup> Article 13.3 of the Law on Measures to Prevent and Overcome the Threat to the State and its Consequences due to the Spread of COVID-19 (in force from 22 March 2020 to 9 June 2020); Article 14.3 of the Law on Overcoming the Consequences of the Spread of COVID-19 Infection (in force from 10 June 2020).

<sup>7</sup> Guarantees for large businesses; crisis loans and their interest rate subsidies for large and medium-sized enterprises to promote competitiveness and the guarantee scheme for agriculture.

<sup>8</sup> The analysis did not include the following three support schemes, for which budget funding was also allocated in 2021: loans of working capital; support for economic operators in the tourism sector, costs for the accommodation of individuals in tourist accommodation.



*Publicly available information on the aid granted to the beneficiaries*

**The public does not have access to complete information about the support granted to businesses and employees from the state budget to mitigate the consequences of COVID-19.**

**Should the institutions not be obliged to publish complete, transparent, and comparable information about the support granted?**

In this investigation, we have analysed the information about the aid actually granted to the beneficiaries by using the publicly available information on the websites of the institutions, grantors of such support (State Revenue Service, Investment and Development Agency of Latvia, Rural Support Service, State Cultural Capital Fund and Altum), as well as in the support accounting system *de minimis* (for rent reduction or exemption). At the same time, one should point out that the state institutions have not made part of the information about the beneficiaries public<sup>9</sup> or it is no longer publicly available during the course of the investigation<sup>10</sup>, or the publicized information is not complete<sup>11</sup>.

The State Audit Office has collected the publicly available information on aid granted to beneficiaries from various websites and published it in one place. This information can be viewed in different ways – [see in the format of data analysis and visualisation tool Power BI in the website of the State Audit Office](#).

Businesses and other economic operators who leased property (real estate or movable property) of public institutions (state or local government institutions and their controlled state-owned or municipal enterprises) could also receive support **in the form of rent reduction or exemption**. The costs incurred because of granting this support to the lessor are not compensated directly from the state budget.

There is no publicly available and aggregated information on the overall support provided to tenants in the form of rent reduction or exemption.

The information published in the websites of the lessors has a different level of detail, indicating, for example, only the list of tenants who received support, or indicating both the tenants and the period of time when the support was granted, and the amount of the support in rare cases.

<sup>9</sup> Downtime benefit and wage subsidies for the self-employed who received the support, royalties recipients and patent payers, as the laws and regulations do not provide for the obligation to publish this information; support in the form of rent reduction or exemption (for information about the provided support, which is not support for commercial activity or is support for commercial activity within the Temporary Framework of the European Commission; as well as grantors of support do not always publish the provided support on their websites); costs for the accommodation of individuals in tourist accommodations, as the laws and regulations do not provide for the obligation to publish such information.

<sup>10</sup> Idle time benefit recipients in the 1st wave of the COVID-19 pandemic.

<sup>11</sup> For example, the specific amount of aid granted per aid recipient is not specified: for idle time benefit recipients in the 1st wave of the COVID-19 pandemic, as well as for aid recipients for compensating the decrease in the flow of working capital until 19 March 2021, is not indicated. On the other hand, with regard to portfolio guarantees, information on the amount of guarantees actually issued has been made public, but no information has been made public on the maximum amount of guarantees granted to beneficiaries.

During the investigation, the Ministry of Finance provided data at the request of the State Audit Office<sup>12</sup> regarding the information provided by the lessors, that tenants received support in the form of rent reduction or exemption in the amount totalling 9 million euros in 2020 and 2021, including 5 million euros from state institutions and 4 million euros from municipal institutions<sup>13</sup>.

*Total number of beneficiaries*

**Support for mitigating the effects of COVID-19 was mainly received by enterprises in the sectors most affected by the crisis caused by COVID-19.**

**More than a third of businesses received support from several support schemes.**

**Was the support to mitigate the effects of COVID-19 targeted to the sectors most affected by the pandemic?**

In total, 36,928 different beneficiaries have received support for mitigating the consequences of COVID-19 in 2020 and 2021.

The results of the analysis carried out as part of the investigation show that enterprises in the sectors that have been most affected by the crisis caused by COVID-19 have mainly received the aid where the drop in turnover was greater than in the sectors and enterprises that did not receive support.

The largest drop in turnover among the enterprises, which received support was observed in the administrative and services sector, the arts, entertainment and recreation sector, transport and storage sector, as well as the accommodation and catering sector.

The most significant support (both in terms of the amount of support granted and the number of enterprises) has been granted to the wholesale and retail trade, automotive and motorcycle repair sector, followed by accommodation and catering services, manufacturing industry and construction sector.

One beneficiary could receive support under several schemes. In total, 11,648 enterprises out of 36,928 enterprises have used this opportunity by receiving support in up to seven different support schemes. More than two-thirds of enterprises have received support under one support scheme, almost one-fifth of them have received support under two support schemes, and more than one in ten enterprises has received support from three or more support schemes.

<sup>12</sup> Letter No 1.2-8/15-2/1888 of 17 June 2022 from the Ministry of Finance.

<sup>13</sup> The Ministry of Finance stated that the data on the amount of rent discounts provided by local and regional government institutions was based on the data provided by the Association of Latvian Local and Regional Governments and the Association of Large Cities of Latvia.

### *Criteria for awarding support to sectors affected by COVID-19*

**The impact of the COVID-19 pandemic on economic activity was most clearly justified by the decrease in revenue. The level of revenue reduction required for receiving aid varied among schemes (from 5% to as much as 60%), while other schemes did not even require quantitative proof of revenue reduction.**

**Were the differences in revenue reduction requirements in different support schemes justified?**

The investigation analysed the criteria for granting support in 14 support schemes. Most of them, that is, 11 out of 14 analysed schemes, were intended to support specific sectors or types of activity, for example, agriculture, culture, shopping centres, etc. On the other hand, the three support schemes with the largest amount of funding in total were intended for a wide range of industries with a minimal level of restrictions on the sectors.

To receive support under the support schemes intended for businesses and employees, the support applicants had to meet both:

- criteria directly related to the consequences of the COVID-19 pandemic, such as a decrease in revenue; and
- various other criteria for granting support, such as the limitation of the amount of tax debt, the business should not have been in difficulties<sup>14</sup>, etc.

Most of the funding<sup>15</sup> (96 %) was intended for seven support schemes in 2021, under which support could be received if the income of a support applicant had decreased. Depending on the scheme, the requirements for the level of revenue reduction were very different between 5, 20, 30 or 60%, including four<sup>16</sup> support schemes which requested applicants to justify that the revenue reduction was directly related to restrictions on economic activity due to the COVID-19 pandemic.

In order to qualify for the support, depending on the support scheme, there had to be a decrease in revenue in one specific period or in one of several periods. Moreover, the approach of different support schemes in regard to comparable periods varied significantly. This creates a risk that the revenue reduction might not be directly related to the imposed COVID-19 restrictions, but to other reasons, such as seasonality. The State Audit identified such a situation in the construction sector<sup>17</sup>.

<sup>14</sup> According to par. 22(c), 25(h), 27(g) and 49(d) of the Temporary Framework of the European Commission (Communication from the Commission “Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak” 2020/C 91 I/01 (19 March 2020 C(2020) 1863), aid cannot be granted to companies which were already in trouble on 31 December 2019.

<sup>15</sup> Funding of the support program granted by the Order of the Cabinet of Ministers.

<sup>16</sup> In the case of one support programme “Support for producers and other enterprises in agriculture, fisheries and food sector”, it only covered microgreens production and fisheries and aquaculture sectors.

<sup>17</sup> Audit Report by the State Audit Office “On the 2021 annual report of the Ministry of Finance” of 28 April 2022. Available: <https://www.lrvk.gov.lv/lv/revizijas/revizijas/noslegtas-revizijas/par-finansu-ministrijas-2021-gada-parskata-sagatavosanas-pareizibu> [viewed on 10 June 2022].



The rest of the funding (4%) was intended for schemes for which quantitative criteria describing the impact of COVID-19 were not set, and within which the impact of COVID-19 was justified in other ways. For example, the Ministry of Agriculture provided justification for the sector as a whole, and the impact in some cases was confirmed only by the applicant without providing more detailed information for the justification<sup>18</sup>.

Businesses affected by the COVID-19 crisis also had to meet various other criteria unrelated to the impact of COVID-19, including providing various assurances, for example, of continuing operations for a certain period. Under eight schemes, support could not be received if the applicant had tax debts (over 150 or 1,000 euros) and businesses in difficulty<sup>19</sup> could not receive support, while specific criteria were set for individual support schemes, for instance, the area of the premises, compliance with epidemiological requirements, etc.

#### *Redistribution of funding allocated for mitigating the effects of COVID-19*

**Not all types of planned support to businesses for overcoming the COVID-19 crisis were used, as no applications for support were submitted in two schemes of the Ministry of Economy. The 63 million euros, originally intended for mitigation of the consequences of COVID-19, have been redistributed to finance schemes not directly related to the mitigation of the consequences of COVID-19.**

**Was the most necessary type of support for businesses assessed when planning support for mitigating the consequences of COVID-19?**

Funding in the amount of 63 million euros was redistributed from four support schemes intended for the mitigation of the consequences of COVID-19 to the financing of schemes not directly related to the mitigation of the consequences of COVID-19 in 2021.

Funding has been redistributed because the demand for support in the schemes was lower than originally planned, for example, no applications for support were submitted in two schemes of the Ministry of Economy<sup>20</sup> despite the fact that the Ministry had estimated enterprises would need support in the amount of at least 90 million euros under those schemes. Although no applications were submitted in those specific support schemes, Altum spent 120,000 euros for scheme administration until the end of 2021.

It should be noted that, while already planning one of the schemes<sup>21</sup>, in which no application for support was submitted, the Financial Industry Association repeatedly called on the Ministry of Economy to stop further development of this scheme by calling for a precise identification of the market imperfection and stating that they did not see a market imperfection in the financing of large enterprises because the private sector could provide access to financing for those enterprises.

<sup>18</sup> Employment Program for Creative People.

<sup>19</sup> According to par. 22(c), 25(h), 27(g) and 49(d) of the Temporary Framework of the European Commission (Communication from the Commission "Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak" 2020/C 91 I/01 (19 March 2020 C(2020) 1863), aid cannot be granted to companies which were already in trouble on 31 December 2019.

<sup>20</sup> Guarantees for large enterprises and crisis loans and their interest rate subsidies for large and medium-sized enterprises to promote competitiveness.

<sup>21</sup> Crisis loans and their interest rate subsidies for large and medium-sized enterprises to promote competitiveness.

### *Support scheme administration costs*

**It is not known how much administration of the support granted to businesses and employees to mitigate the effects of COVID-19 costs.**

**Should we find out how much administration of the support schemes to mitigate the consequences of the COVID-19 costs?**

The State Revenue Service, the State Cultural Capital Fund, and Altum have been allocated separate state budget funding for the administration of the schemes from the state budget funds under eight schemes out of the 14 randomly audited support schemes for mitigating the effects of COVID-19 intended for businesses and employees in 2021. For the administration of six schemes<sup>22</sup>, the State Revenue Service and the State Cultural Capital Fund have been granted funding in the amount of more than one million euros, but for two schemes administered by Altum<sup>23</sup>, the latter has applied the status of *restricted access information* to information on the administration costs of the planned schemes<sup>24</sup>.

Following the recommendations made in the audit conducted by the State Audit Office in 2020<sup>25</sup>, Altum has started to publish information on the **actual administrative** costs of the schemes on its website. There is publicly available information that in 2020 and 2021, Altum used a total of 2.3 million euros for the administration of seven support schemes granting support of 167 million euros<sup>26</sup>.

In addition to the allocated funding, the State Revenue Service and the State Cultural Capital Fund also financed the administration of support schemes from the existing budget of their institutions. These institutions have not made calculations about the actual extent of funding used for the administration of the schemes, that is, the institutions have not calculated how much of the institutions' existing budget funds they had used for the administration of the support schemes for mitigating the consequences of COVID-19. The Ministry of Finance has indicated<sup>27</sup> that:

<sup>22</sup> Wage subsidies; downtime benefit; support for ensuring the flow of working capital; Employment Program for Creative People; ticket compensation for organizers of cultural events, sustainability of cultural institutions.

<sup>23</sup> Support for businesses in the art, entertainment and leisure industries; guarantee program for agriculture.

<sup>24</sup> Evaluation of program indicators for the loan and grant program, which will be implemented in accordance with the Cabinet Regulation on support for businesses of the cultural sectors whose activities have been affected by the spread of COVID-19 (approved at the Altum Board meeting on 20 January 2021, minutes No 6); Evaluation of program indicators for the Guarantee Program for Agriculture (approved at the Altum Board meeting on 26 May 2021, minutes No 49).

<sup>25</sup> Interim report of the State Audit Office "Funds allocated to the Ministry of Economy for inclusion in the reserve capital of Joint-Stock Company "Development Finance Institution Altum" for the support of economic operators to mitigate the consequences of the COVID-19 crisis" of 29 December 2020. Available: <https://lrvk.gov.lv/lv/revizijas/revizijas/noslegtas-revizijas/ekonomikas-ministrijai-pieskirtie-lidzekli-ieskaitisanai-akciju-sabiedribas-attistibas-finansu-institucija-altum-rezerves-kapitala-saimnieciskas-darbibas-veiceju-atbalstam-COVID-19-krizes-seku-mazinasanai> [viewed on 3 August 2022].

<sup>26</sup> [https://www.altum.lv/wp-content/uploads/2022/07/COVID\\_19\\_informacija\\_majas\\_lapai\\_31\\_12\\_2021\\_precizets\\_0706-1.xlsx](https://www.altum.lv/wp-content/uploads/2022/07/COVID_19_informacija_majas_lapai_31_12_2021_precizets_0706-1.xlsx) [viewed on 5 August 2022].

<sup>27</sup> Letter No 1.2-8/15-2/2348-ip of 2 August 2022 from the Ministry of Finance.

*Employees of the State Revenue Service performed their direct duties simultaneously with the review of the applications for support, therefore it is not possible to make calculations about the actual extent of funding used for scheme administration.*

The Investment and Development Agency of Latvia provided scheme administration within the framework of the institution's existing budget, but the costs of scheme administration have been calculated only partially, that is, from the part of the funding allocated from the budget program "Appropriations reserve".

The Rural Support Service, which managed the administration of four support schemes for mitigating the consequences of COVID-19 **within its existing budget**, has calculated the cost of administering one euro of state support.

In 2020 and 2021, state institutions have granted support to businesses and employees in the amount of more than one billion euros, but only two institutions (Altum and Rural Support Service) have calculated the actual expenses for scheme administration.

Consequently, no comparable information is available on the costs of administering support schemes.

#### *Further action of the beneficiaries after receiving the aid*

**After receiving support of 17.9 million euros, 722 enterprises or 2.71% of the total number of enterprises that received support have terminated their activities. In sectors with targeted support, the proportion of such enterprises is lower.**

#### **Did those enterprises terminate their business due to the COVID-19 pandemic?**

During the operation of the support schemes designed to mitigate the spread of COVID-19 and the consequences of the imposed restrictions, and after the end of the operation of these schemes, 2.71% or 722 enterprises of the total number of enterprises that received support have been liquidated, their economic activity has been suspended or the enterprise has initiated insolvency or legal protection proceedings. These beneficiaries have been granted aid in the amount of 17.9 million euros, which is 1.78% of the total support granted to businesses.

In sectors where targeted support is provided to operating enterprises, the proportion of enterprises that have initiated insolvency or legal protection proceedings, suspended economic activity or have been liquidated is lower, for example, only 0.66% of the total number of supported enterprises in the agricultural sector.

#### *Comparison of the tax payments of the beneficiaries and the aid granted*

**Although the amount of taxes paid by enterprises was mostly higher than the aid paid, 10% received support in 2020 and already 40% of enterprises who received support in 2021 had paid less in taxes in 2019 than the amount of support received (in the form of a grant).**

#### **Does the amount of aid provided correlate with the amount of taxes paid?**

The amount of taxes paid by most of the beneficiaries in the year before the crisis caused by COVID-19 began (in 2019) exceeded the support received in the form of **grants** in both 2020 and 2021.

Of the enterprises that received support in 2020, the amount of taxes paid by 90% of enterprises in 2019 exceeded the amount of support received. The proportion of enterprises whose paid taxes exceeded the amount of support received decreased to 60% in 2021 compared to 2020 with a 3.6-fold increase in the amount of support received.

However, it should be noted that the amount of support for a number of enterprises exceeded the amount of taxes paid in 2019 by several hundred times, for example, the support granted to one beneficiary in 2021 exceeded the amount paid in taxes by 210 times.

#### *Analysis of changes in the number of employees*

**In 2021, the number of employees of almost half of the enterprises after receiving downtime support and wage subsidy support decreased compared to 2019.**

**Does the support provided ensure the employment of staff in the same number as before the emergency?**

As part of the investigation, changes in the number of employees in 2021, compared to 2019, were analysed in enterprises that received wage subsidies and downtime support in 2020 and 2021, which was intended to ensure the employment of employees in the same number as before the emergency situation<sup>28</sup>.

In almost half (46%) of the enterprises that received support in the amount of 135.3 million euros, the number of employees decreased by 1 to as many as 554 employees in 2021. A third of the enterprises receiving support in a total amount of 18.3 million euros, the number of employees has remained unchanged. A fourth of the enterprises, receiving support totalling 39.8 million euros, the number of employees has increased by 1 to 224 employees.

<sup>28</sup> Initial impact assessment report (annotation) of Cabinet Regulation No 709 "Regulation on support for downtime for taxpayers to continue their activities in the context of the crisis caused by COVID-19" of 24 November 2020.