

Compliance with conditionality

-- Monitoring --

- **Compliance with conditionality will be gauged in the context of regular reviews and a continuous assessment of economic policies and developments in Greece.** Quarterly joint review missions will be organised by European Commission, IMF and ECB staff. During the quarterly reviews, the European Commission, IMF and ECB staff will check the adoption of legislation and the implementation of policies against the commitments in the MEFP and the MoU, the evolution of quantitative indicators, and form a view on the overall assessment of progress.
- **Quantitative performance criteria will be assessed quarterly and annually.** An Annex to the MEFP contains a series of infra-annual performance criteria, such as the cash balance, primary spending, arrears, debt and guarantees. The upgrade in quality and quantity of infra-annual indicators (which is by itself a commitment in the MEFP and MoU) will contribute to the overall assessment of progress. A new Council decision under Articles 136 and 126(9), which supersedes the Decision of 16 February 2010, also contains annual targets to structural adjustment, and the ESA annual government deficit and debt.
- **The MoU contains a detailed time-bound plan for the adoption of fiscal measures and structural reforms, and the implementation of respective legislation.** This will allow an objective assessment of progress both in relation to fiscal policy but also structural reforms and financial stability-related measures.
- **Over time, to ensure the credibility of the programme, the measures underlying the fiscal adjustments and the rhythm and depth of structural reforms will be updated.** As time passes by, the unidentified policy measures that appear in table on fiscal measures for years 2013 and 2014 will be progressively agreed by Greece and the European Commission, IMF and ECB staff, and made public.
- **The regular flow of data will allow a continuous assessment of macroeconomic and financial developments and the effectiveness of policies.** An Annex to the MoU contains a detailed list of high-frequency data to be transmitted to the Commission by the Greek government and the Bank of Greece. In case these data reveal a need for urgent remedial action, an unforeseen review mission may be organised to assess the situation and adapt policy recommendations as needed.
- **Greece will provide quarterly reports to the Eurogroup and the European Commission prior to the decisions on the disbursement of the subsequent tranches of the pooled bilateral loans.** The new Council Decision under Article 136 and 126(9) establishes that Greece should provide quarterly report to the Commission and the Council (such an obligation already existed in the context of the Decision of 16 February). The timing of these reports will be coordinated with the joint regular review mission, to allow a consistent assessment.