

17 July 2015

Eurogroup statement on Greece

The Eurogroup welcomes the successful completion of the relevant national procedures related to the decision to grant in principle a 3-year ESM stability support to Greece, and especially the recent swift legislative steps taken by the Greek parliament as a first step towards rebuilding trust.

Following a formal decision taken by the ESM Board of Governors, the institutions were entrusted with the task of swiftly negotiating a Memorandum of Understanding (MoU) detailing the policy conditionality attached to the financial assistance facility.

In line with the Euro Summit statement of 12 July, the Eurogroup discussed the issue of possible short-term bridge financing to ensure that the Greek sovereign can clear its arrears to the IMF and to the Bank of Greece and honour its debt obligations in the coming weeks. In this respect, the Eurogroup welcomes the decision of the Council to grant short-term financial assistance to Greece, using up to EUR 7.16 bn of the funds still available under the European Financial Stability Mechanism (EFSM).

In this context, the Eurogroup agrees in principle to transfer the 2014 SMP equivalent profits to be held at an ECB account to ensure legally enforceable rights to protect non euro area Member States from a risk of loss resulting from an EFSM programme to Greece. This will be confirmed by a letter from the President of the Eurogroup to the ESM. The SMP profits will be exclusively used either as compensation to non-euro area Member States in case of losses or will be returned to the euro area Member States, if not needed. Should Greece fail to repay the EFSM loan, the available instruments to recover the debt and protect the Union budget will be used, confirming that the risks of not concluding swiftly the negotiations on the ESM programme remain fully with Greece.

The Eurogroup welcomes the very constructive approach taken by the non-euro area EU Member States. The Eurogroup commits to ensure proper transparency and to strengthen cooperation with the non-euro area EU Member States. The Eurogroup confirms that all matters of general application, including the EU budget and the EFSM, are to be discussed and decided upon in the Council involving all Member States.