

Statement by the Eurogroup

Eurogroup Ministers concur with the Commission and the ECB that market access for Greece is not sufficient and that providing a loan is warranted to safeguard financial stability in the euro area as a whole. Following a request by the Greek authorities, euro area Ministers unanimously agreed today to activate stability support to Greece via bilateral loans centrally pooled by the European Commission under the conditions set out in their statement of 11 April. Parliamentary approval, needed in some Member States prior to the release of the first tranche, is expected to follow swiftly.

The Eurogroup is confident that the ambitious fiscal adjustment and comprehensive structural reforms under the Greek authorities' programme are appropriate to stabilise the fiscal and economic situation and address the fiscal and structural challenges of the Greek economy in a decisive manner. The programme is supported by strong conditionality. It will thereby also help restore confidence and safeguard financial stability in the euro area.

In the context of a three year joint programme with the IMF, the financial package makes available €110 billion to help Greece meet its financing needs, with euro area Member States ready to contribute for their part €80 billion, of which up to €30 billion in the first year. The first disbursements will be made available before the payment obligations of the Greek government fall due on 19 May.

Euro area financial support will be provided under strong policy conditionality, on the basis of a programme which has been negotiated with the Greek authorities by the Commission and the IMF, in liaison with the ECB. The programme has been approved by the Greek Council of Ministers on 2 May and endorsed by the Eurogroup on the basis of a Commission and ECB assessment.

In this context, the Eurogroup welcomes the efforts to date by the Greek Government to resolutely address the fiscal imbalances as well as the new measures announced today in the framework of a three-year programme agreed with the European Commission, the ECB and the IMF, which is also announcing its staff-level agreement with Greece on a standby arrangement.

The main elements of policy conditionality, as endorsed today, will be enshrined in a Council Decision under Articles 126 and 136 TFEU to be formally adopted in the coming days and further detailed in a Memorandum of Understanding, to be concluded between the Greek authorities and the Commission on behalf of euro area Member States.