

ESM Board of Governors' statement on evaluation of financial assistance to Greece

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The ESM Board of Governors welcomes lessons from financial assistance to Greece

The ESM Board of Governors discussed an [evaluation report](#) on the financial assistance to Greece presented by Joaquín Almunia, the High-Level Independent Evaluator, appointed to [lead this exercise](#). This second ESM evaluation builds upon the first, cross-country evaluation report published in 2017.

The ESM Governors concur that lessons from past experience can be particularly valuable for crisis preparedness and response. The ESM Governors welcome the report's comprehensive assessment, which they consider to be of great value for better shaping future ESM stability support. While noting the considerable economic and social costs of the crisis to Greece, they stress the overall benefit of the

programmes in providing indispensable financial support to Greece following its loss of market access, and in preserving the integrity of the euro area. The absence of the financial assistance would have resulted in a substantially costlier outcome both for Greece and the euro area, with unforeseeable negative effects.

The ESM Governors agree that the financial assistance provided to Greece by the EFSF and ESM helped preserve euro area integrity, stabilise Greek public finances, and strengthen the institutional framework in Greece. The ESM Governors share the finding that the social impact and long-term growth are important. They commend the ESM for the successful implementation of short- and medium-term debt measures that have contributed significantly to ensuring Greece's debt sustainability. Recalling the June 2018 Eurogroup statement on Greece, the ESM Governors note that the Greek economy's resilience to shocks improved following the exit from the ESM programme. Greece was leaving the financial assistance programmes with a stronger economy building on the fiscal and structural reforms implemented. In this context, they stress the importance of continuing the reform process to provide the basis for a sustainable growth path with higher employment and job creation.

The ESM Governors take note of the Independent Evaluator's recommendations on programme design and strategic objectives, programme governance, coordination among the institutions and country authorities, considerations of long-term impact, and post-programme arrangements. They recall that several recommendations could be addressed by the ESM reform agreed in principle in December 2019.

The ESM Governors invite the ESM management to explore follow-up work to the recommendations in the context of financial assistance operations in cooperation with the European institutions, and with full respect to their respective competences and the applicable agreements and legal frameworks, including Union law. It will also take into account the terms of the ESM reform as agreed in principle on 4 December 2019 in the revised ESM Treaty and accompanying documents, pending finalisation by the Eurogroup and completion of national procedures, as well as in the joint position on future cooperation between the European Commission and the ESM of 14 November 2018.

The ESM Governors emphasise the importance of continuously improving practices in the context of financial assistance operations and addressing identified

challenges. The ESM Governors invite the ESM management to explore with the European Commission potential future work streams related to the areas of collaboration as indicated in the joint position on future cooperation, with each one taking a lead within their respective field of competence. The ESM Governors also invite the ESM management to follow-up in its own field of competence on the recommendations related to further improving the ESM's internal working methods and to keep the ESM governing bodies informed and present proposals for approval when necessary. Initiatives could be presented to the competent ESM and Union bodies in 2021.

The ESM Governors acknowledge that the engagement and communication with stakeholders, and governance setting could be evaluated in the future, given their critical impact on ESM credibility and the quality of financial assistance provided to ESM members.

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