

ESM Board of Directors approves €6.7 billion loan tranche to Greece

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Press releases

ESM

Luxembourg – Today the Board of Directors of the European Stability Mechanism (ESM) approved the fourth tranche of €6.7 billion of ESM financial assistance for Greece. This decision follows the Greek government's completion of all prior actions and the subsequent approval of the Supplemental Memorandum of Understanding by the ESM Board of Governors. The tranche will be used for debt service, domestic arrears clearance and for establishing a cash buffer. The Board also approved an amendment to the Financial Assistance Facility Agreement (FFA) between the ESM and Greece.

The Board of Directors approved for release the first disbursement under this tranche, amounting to €5.7 billion. The disbursement is expected to be made by the ESM on Wednesday, 28 March. A further disbursement for arrears clearance of €1 billion may be carried out after 1 May 2018. It is dependent on Greece making progress in reducing its stock of arrears and improving the effectiveness of the e-auction system. This subsequent disbursement is subject to a further decision by the ESM Board of Directors.

ESM Managing Director Klaus Regling said: “Today's decision by the ESM Board of Directors acknowledges the hard work by the Greek government and Greek people in completing an extensive set of reforms. These include important actions in the field of privatisation, public revenue collection, tax policy and resolution of non-performing loans (NPLs). The fourth and final review of the programme has already started and I am confident that Greece is on track to successfully exit the ESM programme in August 2018, provided that the remaining reforms are implemented by the Greek government”.

After today's approved €5.7 billion disbursement, ESM financial assistance for Greece will reach €45.9 billion, out of a total programme volume of up to €86 billion. Together the ESM and the EFSF have so far disbursed €187.77 billion to Greece (including the amount approved today), making the rescue funds the largest creditors to Greece by far.

The meeting today also approved an amendment to the FFA, which will add the Hellenic Corporation of Assets and Participations (HCAP) as a party to the FFA once the amendment is signed. The amendment also includes obligations for Greece in relation to HCAP, which is a new fund established as part of the ESM programme. It owns and manages key Greek assets to increase their value as well as the quality of services that state-owned enterprises and real estate provide to the Greek public. Its financial results will contribute to debt reduction and to investment in Greece.

The ESM Board of Governors comprises the finance ministers of the ESM Members. The ESM Board of Directors comprises deputy finance ministers and other high-ranking finance ministry officials representing the nineteen ESM Members.

For more information, please consult our [Explainer on the fourth ESM loan tranche for Greece](#).

Contacts



[Cédric Crelo](#)

Head of Communications and Chief Spokesperson

+352 260 962 205

c.crelo@esm.europa.eu



[Anabela Reis](#)

Deputy Head of Communications and Deputy Chief Spokesperson

+352 260 962 551

a.reis@esm.europa.eu



[Juliana Dahl](#)

Principal Speechwriter and Principal Spokesperson

+352 260 962 654

j.dahl@esm.europa.eu