

Luxembourg, 16 June 2016

## Summary of decisions

### Board of Governors' annual meeting

16 June 2016

Luxembourg

#### **Approval of the ESM 2015 annual report and annual accounts**

The annual meeting provided a valuable opportunity for the euro area Finance Ministers to exchange views on the ESM's work.

The ESM Managing Director, Klaus Regling, presented the key ESM institutional developments in 2015 and concluded that the ESM has become a fully established institution.

The independent external auditor confirmed the clean audit opinion on the annual accounts. The Chairperson of the Board of Auditors presented the Board of Auditors' report on the annual accounts and its own annual report to the Board of Governors.

The Board of Governors approved the ESM 2015 Annual Report and praised the Managing Director and ESM staff for their work in 2015.

The ESM 2015 Annual Report is now available on the ESM website ([www.esm.europa.eu](http://www.esm.europa.eu)). The Board of Auditors' annual report and the ESM management comments in response to the report will be provided to the euro area national parliaments, national supreme audit institutions, the European Parliament and the European Court of Auditors.

#### **Allocation of the 2015 net income to the reserve fund**

Similarly to previous years, the Board of Governors acknowledged the allocation of the net income from the ESM operations in 2015 (€729.4 million) to the ESM reserve fund, which is now €1.4 billion. The accumulation of reserves enables the ESM to maintain its financial viability in the long term and reduces the likelihood of capital calls.

#### **Approval of Supplemental Memorandum of Understanding (MoU) with Greece**

The Board of Governors approved the Supplemental MoU with Greece. The MoU enabled the ESM to unlock the second tranche of financial assistance to Greece (€10.3 billion). The first instalment of this second tranche (€7.5 billion) was subsequently approved by the ESM Board of Directors on 17 June 2016.



The Supplemental MoU contains a package of reforms to be implemented by Greece and an additional contingency mechanism, which involves a set of additional reform measures if the programme's agreed primary surplus target (3.5% of GDP in 2018) is at risk of being missed.

## **Evaluation of EFSF/ESM programmes**

The Board of Governors supported a mandate for the ESM to perform evaluations of EFSF and ESM financial assistance programmes. The objective is to draw lessons from past programmes in order to improve the ESM's future work.

The evaluation will be led by an independent senior adviser and will compare all completed programmes rather than being a country-by-country analysis. Further details on the evaluation exercise will be decided by the ESM Board of Directors during one of its upcoming meetings.

## **Implementation of the ESM transparency initiative**

The Board of Governors endorsed the ESM transparency initiative, which follows up on the implementation of a similar initiative by the Eurogroup earlier this year. The initiative will enhance the transparency of the ESM decision-making process related to financial assistance programmes. It will also help the general public to become better acquainted with the role of the ESM as the crisis resolution mechanism of the euro area.