



**COUNCIL OF
THE EUROPEAN UNION**



Brussels, 13 March 2012
7576/12
PRESSE 106

Greece: Decision paves way for next disbursement

The Council today¹ adopted a decision adjusting fiscal consolidation measures required of Greece under the EU's excessive deficit procedure following an agreement reached between the Greek government and the Troika².

The decision paves the way for the disbursement of financial assistance under the second economic adjustment programme for Greece, enabling the Commission to sign a memorandum of understanding, on behalf of the member states, establishing the conditions for that assistance. The first disbursement must be made available before Greece's next payment obligations fall due on 20 March.

The new programme is aimed at putting Greece's public debt ratio on a downward path reaching 120.5% of GDP by 2020. Provided policy conditionality is met on an ongoing basis, it will be financed until 2014 to a maximum of EUR 130 billion by the European Financial Stability Facility and the IMF.

The programme will be accompanied by strengthened monitoring of the implementation of reforms in Greece.

¹ The decision was taken at a meeting of the Economic and Financial Affairs Council.

² Commission, IMF and European Central Bank.

P R E S S

The decision adopted today¹ maintains the 2014 deadline set for bringing Greece's government deficit below the EU's reference value of 3% of GDP. Amending decision 2011/734/EU, it adjusts the annual adjustment path set for achieving this target and the annual change that will be required in consolidated gross debt, as well as the timetable set for taking specific measures. Greece must report on a quarterly basis on measures taken.

More specifically, the decision calls for a primary deficit (i.e. excluding interest expenditure) not exceeding 1% of GDP in 2012 and primary surpluses of at least 1.8% of GDP in 2013 and 4.5% of GDP in 2014. Following the debt exchange, these targets are consistent with overall deficit targets of 7.3% of GDP in 2012, 4.7% of GDP in 2013 and 2.2% of GDP in 2014.

On 9 March, the Eurogroup confirmed that the necessary conditions are in place to launch the procedures required for approval of the EFSF's contribution to the financing of the second adjustment programme for Greece.

¹ Under article 129, paragraph 6, and article 136 of the Treaty on the Functioning of the European Union.