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Eurogroup statement on Greece

The Eurogroup welcomes the recent positive macroeconomic developments in the Greek economy. The renewed growth prospects for Greece reflect the remarkable adjustment efforts undertaken by the Greek citizens and authorities. The economic adjustment programme is starting to pay off and is proving to be a cornerstone for Greece's return to sustainable and balanced growth. Fiscal performance continues to be strong, as reflected in the primary surplus for 2013 as defined in the programme. Moreover, the recent return of the Hellenic Republic and of Greek banks to the international capital markets is an encouraging sign of increasing market confidence and is an important first step towards regaining broader market access. Fully implementing the reforms of the programme will be crucial to that end.

We further welcome that the Greek authorities have complied with the prior actions required for the first EFSF disbursement of the current review. The EFSF Board of Directors approved the disbursement of EUR 6.3 billion, which took place on 28 April. The IMF Executive Board is foreseen to decide in June on the IMF disbursement of around EUR 3.6 billion linked to the review. We call on the authorities to carry the current positive reform momentum forward to maintain the programme on track and avoid accumulating delays.

As foreseen under the programme, the significant adjustment made allows the Greek economy to enter now a new phase, moving from stabilisation and recovery to sustainable growth. The long-term strategy to foster growth presented to us by the Greek authorities shows a clear ownership and determination to continue the reform path. The Eurogroup supports this strategy that builds on the adjustment programme by stepping up policies that raise private investment, facilitate economic activity and eventually lead to more job creation. We invite Greece to develop a more detailed action plan consistent with the existing programme.

Against this background, the Eurogroup welcomes the progress made by the European Commission and the Greek authorities with the preparation of the Partnership Agreement for the European Structural and Investment Funds. In the next seven years, these funds will provide around EUR 19 billion of co-financing transfers for the Greek economy with the aim to create a competitive, dynamic and inclusive economy, driven by entrepreneurship and innovation. Moreover, the Greek government has expressed the ambition to attract and facilitate private investment. In this context, the recently established Institution for Growth will help to pool financial resources from private and public organisations to provide financing to SMEs and for public investment projects.

The Eurogroup also welcomes the contribution to programme implementation provided by technical assistance to Greece under the coordination of the Task Force for Greece (TFGR). We stress the need for a continuation and stepping up of technical assistance in support of growth-related reforms (including via fighting tax evasion and corruption and supporting capacity building of national public administration). Euro area Member States will assess their possibilities for getting into closer partnerships with Greece in this regard. We encourage Greece to make use of the new funding arrangement for technical assistance beyond 2014. We recommend Greece, in coordination with the Commission (including the Task Force for Greece) to provide an overview of external financing and technical support available and to reflect on the potential role of relevant international financial institutions in providing their expertise and, where applicable, funds.

Euro area Member States reaffirm their commitment to provide adequate support until Greece regains full market access, provided Greece fully complies with the requirements and objectives of the adjustment programme. The relative merits of possible debt sustainability measures, as stated by the Eurogroup on 27 November 2012, will be considered in the context of the next review