

# ESM Board of Directors approves €7.5 billion disbursement to Greece

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17/06/2016

Press releases

ESM

Luxembourg – The Board of Directors of the European Stability Mechanism (ESM) today authorised the second tranche of €10.3 billion of ESM financial assistance to Greece. The Board also authorised the first disbursement of this second tranche of €7.5 billion to Greece. The country will use the €7.5 billion to meet debt servicing obligations and to help clear domestic arrears. The Board of Directors' decisions follow the Greek government's completion of all prior actions.

ESM Managing Director Klaus Regling said: "Today's decision to disburse €7.5 billion to Greece is a recognition of the Greek government's commitment to carry out essential reforms. It has passed legislation that will: reform the pension and income tax systems; establish a new privatisation and investment fund; enable the sale of non-performing loans; and introduce an automatic fiscal adjustment mechanism to be triggered in case fiscal targets are not met. Thanks to these measures and other reforms implemented in recent months, Greece is on track to return to economic growth. As announced last month, ESM members are in principle willing to support Greece's efforts with further debt relief measures, including short-term measures that can be applied during the course of the current programme. This depends on Greece's continued fulfilment of the pre-defined conditionality."

The €2.8 billion of the second tranche remaining after the first disbursement will be available to Greece upon completion of a set of milestones and satisfactory clearance of domestic arrears by Greece. It is subject to a further Board of Directors decision. After the disbursement approved today, ESM financial assistance for Greece will reach €28.9 billion, out of a total programme volume of up to €86 billion. The ESM and the EFSF together have so far disbursed €170.7 billion to Greece (including the amount approved today), making the rescue funds by far the largest creditor to Greece.

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