Bail-out and reform
Context and next steps for Greece

SUMMARY

On 30 June 2015, Greece defaulted on an IMF loan. Due to lack of agreement between the Greek Government and the Eurogroup, the financial assistance programme from the European Financial Stability Facility expired on the same day.

After tense negotiations during extraordinary summit meetings and the looming danger of Greece leaving the euro area, a preliminary agreement was finally reached on 13 July 2015. The heads of state or government of the euro area held an extraordinary Euro Summit meeting on the financial situation in Greece. The agreement adopted unanimously provides a roadmap for further discussions and a potential third bail-out programme (ESM loan) for Greece of up to €86 billion for a period of three years.

The envisaged new three-year assistance programme (July 2015 – July 2018) requires several conditions to be fulfilled by the Greek authorities. These include the transfer of 'valuable' Greek assets to an independent fund. This fund will monetise these assets (target: €50 billion) in order to help to recapitalise Greek banks (€25 billion), to reduce the debt to GDP ratio (€12.5 billion) and to be disbursed for investment (€12.5 billion).

On 15 July 2015, the Greek Parliament adopted the first set of reform measures required. In addition, the consent of national parliaments in several euro area Member States has been, or is being, sought in order to pave the way for the third bail-out programme for Greece.

The European Commission has proposed a bridging loan of €7 billion (using funds from the EFSM) to Greece, enabling it to repay its immediate obligations to the ECB and the IMF by 20 July.

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Glossary

Macroeconomic adjustment programme: EU programme which aims to address the financial, fiscal and structural challenges facing the economy in a decisive manner and should allow a Member State to return to a sustainable growth path (informally referred to as 'bail-out').

European Financial Stability Facility (EFSF): Established in 2010, it provides financial assistance to euro area Member States. As of 1 July 2013, the EFSF may no longer engage in new financing programmes or enter into new loan facility agreements (but will continue the management and repayment of any outstanding debt). Predecessor of ESM.

EFSM (European Financial Stabilisation Mechanism): For any EU Member State, the EFSM reproduces the basic mechanics of the existing Balance-of-Payments (BoP) facility. The lending capacity is €60 billion, and lends to the beneficiary Member State in the form of a loan or credit line. All interest and the loan is repaid by the Member State, without any cost for the EU. The EFSM funding had been ended after Portugal´s exit from the programme.

Memorandum of Understanding (MoU): A document prepared by the European Commission, in liaison with the ECB, the IMF (where applicable) and an ESM/EFSF or Member State, detailing the policy conditions attached to the stability support instrument provided.

PPS (Post-Programme Surveillance): Under the 'two pack' rules, countries exiting a bail-out must be subject to a PPS until 75% of its rescue loans are paid back (see Article 14 of Regulation (EU) No 472/2013).

Context

Since at least 2010, the state of the economy in Greece has been a worry for the euro area and for the EU itself. Among political players and economists, different schools of thought have emerged on how best to address the nexus of debt relief and structural reforms, and whether to blame EMU deficiencies or domestic politics for the problems. This has made finding political consensus in the EU on Greece difficult. The expiry, on 30 June 2015, of the financial stability arrangement between the Greek Government and the European Financial Stability Facility added new problems. With the decision of the European Central Bank (ECB) on 28 June (reaffirmed on 6 July) to limit its emergency liquidity assistance (ELA) to €89 billion, the following days saw the first discussion of a possible Greek exit from the euro area. On 12 July, heads of state or government of the euro area held an extraordinary Euro Summit meeting on the financial situation in Greece. Their agreement on 13 July provides a roadmap for further discussions and a potential third bail-out programme for Greece of up to €86 billion over three years.

Key developments since 2010

2010

After George Papandreou's newly elected socialist government revealed a black hole in the government accounts on 18 October 2009, budget deficit estimates rose to 12% of GDP. In the wake of these developments, in January 2010, the debt yield spread of Greek and German 10-year bonds widened above 300 basis points (i.e. hundredths of one per cent), indicating a sharply deteriorating economic situation in Greece. Despite two more rounds of austerity measures in the following two months – including an increase in VAT, tax on cigarettes and alcohol, a freeze on pensions and cap on civil servants' pay, rating agencies continued to downgrade Greece in April. This development led Papandreou to call for a euro area/IMF rescue package.

A joint European Commission/IMF/ECB mission visited Athens from 21 April to 3 May. On 2 May the mission concluded a staff level agreement for a joint euro area / IMF financing package of €110 billion and supporting economic policies. On the same day the Eurogroup agreed to activate stability support to Greece via bilateral loans centrally pooled by the European Commission (Greek Loan Facility – GLF). The first Memorandum of Understanding (MoU) was signed on 3 May 2010. On 9 May, the IMF approved a stand-by arrangement. On 18 May, the euro area Member States disbursed their first instalment of €14.5 billion of a pooled loan to Greece, following an IMF disbursement of €5.5 billion.

Private Sector Involvement (PSI)

In March 2012, existing Greek bonds held by private institutions were exchanged on a voluntary basis. For each 100 old Greek bonds, bond-holders received 31.5 new Greek bonds and 15 EFSF one-year and two-year notes (in equal proportions), which corresponded to a nominal reduction of 53.5% (and net present value loss of about 73%), thus reducing Greek debt by about €100 billion. EFSF notes were accounted for as a loan made to Greece by the EFSF and thus as part of EU financial assistance.

2011

In Spring 2011, several rating agencies continued to downgrade Greece in line with the Commission's worse than expected estimates of the Greek budget deficit, at 13.6% of GDP. The Greek Parliament passed an austerity bill of €28 billion after two days of violent protests, during which some 300 protesters and police were injured. The legislation contained severe spending cuts and tax increases. The EU had set passage of the bill as a precondition for 'unlocking' €12 billion of loans which Greece needed in order to repay debts due in mid-July. The Taskforce on Greece started work in July. In October, an EU/IMF plan was agreed, which called for private creditors to take a 50% write-down (in converting existing bonds into new loans) and allowed for €130 billion of fresh bail-out loans. Faced with a storm of criticism over his referendum plan on the EU/IMF proposal, Mr Papandreou withdrew it and announced his resignation in November. Lucas Papademos, a former head of the Bank of Greece, became interim prime minister of a New Democracy/Pasok coalition with the task of stabilising the country and prepare for elections scheduled for the spring of 2012.

2012

Up to March 2012, international assistance loans actually disbursed to Greece amounted to €73 billion – €52.9 billion had been paid by the euro area Member States, and €19.9 billion by the IMF. A joint Commission/ECB/IMF mission met the Greek authorities in Athens from 17 January to 9 February. The mission assessed compliance with the terms and conditions of the Economic Adjustment Programme[1] and discussed the policy package forming the basis of a successor programme.[2] The second MoU was signed on 14 March. Formally, the EU's financial assistance was granted through the Greek Master Financial Assistance Facility Agreement (MFFA), a legal contract between the European Financial Stability Facility (EFSF), the Greek Government, the Greek central bank, and the Hellenic Financial Stability Fund (HFSF).[3] In November, the Eurogroup decided to extend loan maturities (from 15 to 30 years) and to defer interest payments, to ease Greece's debt burden.

European Stability Mechanism (ESM)

Entering into force on 27 September 2012, the ESM is an intergovernmental treaty among EU Member States whose currency is the euro.

It is the main instrument for providing financial assistance for the euro area Member States, with subscribed capital of €704.8 billion. The ESM issues debt instruments in order to finance loans and other forms of financial assistance to euro area Member States. Its lending capacity is €455.31 billion as of 30 June 2015. It enjoys preferred creditor status.

Art. 13(2) of the ESM Treaty stipulates that 'On the basis of the request of the ESM Member and the assessment referred to in paragraph 1, the Board of Governors may decide to grant, in principle, stability support to the ESM Member concerned in the form of a financial assistance facility.'

2013

The Parliament approved a bill that included cutting some 15 000 state jobs by the end of 2014, including 4 000 in 2013. At the same time unemployment rose to 26.8% – the highest rate in the EU. As the Democratic Left (ΔΗΜΑΡ) withdrew from the coalition government, Prime Minister, Antonis Samaras had to reshuffle his cabinet. Another package of austerity measures − a condition for the release of additional financing from the country's foreign creditors − was passed by the Parliament with a very thin majority, raising questions about the stability of the coalition that was to enforce the cuts.

2014

In April, Greece raised €3 billion from the capital markets in its first sale of long-term government bonds (3-year and 5-year) since 2010. Considered an important step in the country's economic recovery, the bond sale led to the first credit rating agency upgrade since the beginning of the crisis. The 26.6% share of the vote in the European Parliament elections of the left-wing Syriza party increased the pressure on the incumbent government in the lead up to the snap presidential vote in December. Parliament's failure to elect a new president sparked a political crisis and led to early elections in January 2015.

2015

The new Greek Government was elected in late January 2015 on a platform of reversing austerity and securing debt relief whilst remaining in the euro. The Greek Government's approach met resistance from creditors who continued to insist that further financial assistance should be linked to economic reforms and spending cuts. Debt relief was also resisted, notably by Germany. On 28 June, the Commission published the latest proposals ('list of prior actions') agreed among the Commission, ECB and IMF which took into account proposals from the Greek authorities. On 28 June, the Greek Parliament approved the Government's plan for a referendum to be held on 5 July on the conditions set out in the draft proposal by the Commission, ECB and IMF. On 29 June 2015, Greece became the second euro area country, after Cyprus, to introduce capital controls. On 30 June 2015, Greece failed to repay around €1.5 billion to the IMF (see Annex). Lacking agreement on a possible extension of the MFFA, financial assistance provided by the EFSF formally expired the same day. According to ESM estimates, this led to the freezing of €16.15 billion in financial assistance for Greece.[4] On 3 July, the EFSF Board of Directors decided 'not to request immediate repayment of its loans, nor to waive its right to action'. On 5 July, Greek voters, agreeing with the Greek Government's position, rejected the proposal by 61.31% to 38.69% on a turnout of 62.5%. On 8 July, Greece sent to the Eurogroup President and the Board of Governors of the European Stability Mechanism (ESM) a request for stability support in the form of a loan with an availability period of three years. On 12 July, heads of state or government of the euro area held an extraordinary Euro Summit meeting on the financial situation in Greece. Their final agreement of 13 July provides a roadmap for a potential third bail-out programme for Greece, backed by the Eurogroup.

Euro Summit agreement

Beginning on 12 July 2015, the summit of the euro area heads of state or government stated negotiations with the Greek government on a third bail-out programme could be re-opened under several conditions. In the words of the Greek Prime Minister Alexis Tsipras, 'the agreement calls for tough measures' but Greece 'needs radical reforms in favour of social forces'.

Programme benefits

Funding

The estimated size of the third financial assistance programme amounts to €85-89 billion over three years. Regarding the weakened banking sector, up to €10 billion would be available immediately for recapitalisation and resolution. Additional financial assistance of up to €35 billion will be provided from the EU budget under the Structural and Investment Funds (2014-20), including a €1 billion increase in pre-financing.

Debt relief

A nominal reduction of debt ('hair-cut') has been ruled out explicitly, despite the longstanding demand of the Greek Government. Instead, the Euro Summit agreement offers 'possible additional measures' akin to the prolonging of maturities decision of the Eurogroup in November 2012. However, these measures will be 'conditional upon full implementation ... and will be considered after the first positive completion of a review.' However, recent criticism from the IMF warns that total debt will peak at close to 200% of GDP in the next two years.

Bridging finance

In order to allow Greece to meet its immediate repayment obligations to the ECB and the IMF it needed bridging finance of €7.16 billion by 20 July and €5 billion by Mid-August. The possible use of – still available – EFSM funds met with political resistance from the UK and the Czech Republic, but a means to provide guarantees to non-euro-area Member States was agreed by EU Finance Ministers on 17 July, thus enabling use of the EFSM.

Programme conditions

In order to become eligible for a third bail-out programme and initiate a formal ESM procedure, the Greek Government has been urged to set up a privatisation programme and to legislate for a number of reform measures by 15 and 22 July.[5] In the wording of the statement this reads: 'Immediately, and only subsequent to legal implementation of the first four above-mentioned measures as well as endorsement of all the commitments included in this document ... may a decision to mandate the Institutions to negotiate a Memorandum of Understanding (MoU) be taken'. The agreed reform measures are spelled out in the Euro Summit agreement and points 1-3 in more detail in the bridge loan proposal of the Commission of 14 July:

as of 15 July

1. Streamlining of the VAT system and the broadening of the tax base with the target of a net revenue gain of 1% of GDP on an annual basis from parametric changes. The new VAT system shall: unify the rates at a standard 23% rate, which shall include restaurants, and a reduced 13% rate for basic food, energy, hotels, and water.
2. Upfront measures to improve long-term sustainability of the pension system (see below) as part of a comprehensive pension reform programme; (e.g. according to the Commission proposal, (i) freeze monthly guaranteed contributory pension limits in nominal terms up to 2021; (ii) to legislate to provide that pensions are available only at the statutory normal retirement age, currently 67 years (notably the basic flat rate pension of €360 per month will be only payable for those 67 or over); (iii) increase pensioners' health contributions from 4 to 6%; and (iv) oblige all pension funds to fully implement law 3863/2010 for pension requests from 1 January 2015).
3. Full legal independence of ELSTAT (Hellenic Statistical Authority); The legislation shall address the role and structure of the advisory bodies of the Hellenic Statistical

System; the recruitment procedure for the President of ELSTAT; the involvement of ELSTAT as appropriate in any legislative or other legal proposal pertaining to any statistical matter; (iv) other issues that impact the independence of ELSTAT.
4. full implementation of the Fiscal Compact Treaty, in particular by making the Fiscal Council operational, introducing quasi-automatic spending cuts in case of deviations from ambitious primary surplus targets;

by 22 July

5. The adoption of the Code of Civil Procedure;
6. The full transposition of the BRRD directive. Directive (2014/59/EU) is a key element of the EU's Banking Union, as it gives broad powers to national authorities to prevent, intervene and conduct the resolution of troubled banks. Adopted in May 2014, currently the Commission finds full implementation of the BRRD Directive to be lacking in 11 Member States.

Trust fund

The agreement provides for the establishment of an independent fund, based in Athens,[6] to transfer 'valuable' Greek assets. This fund will monetise these assets (target: €50 billion) in order to help to recapitalise Greek banks (€25 billion), to reduce the debt to GDP ratio (€12.5 billion) and to be used for investment purposes (€12.5 billion).

The Euro Summit agreement urges the Greek authorities to undertake several further reforms, including a medium-term timetable for legislation and implementation of: a proposal on how to de-politicise the Greek administration; the commitment to introduce further reforms to product[7] and energy markets; and improvements to collective bargaining in labour markets. Most specifically, Greece needs to roll back legislation that backtracked on previous government commitments.

The Greek pension system is not a new item on the Greek reform agenda. During recent years some major changes have been introduced. A third financial programme will demand of the Greek authorities to 'compensate for the fiscal impact of a Constitutional Court ruling on the 2012 pension reform'.

Greek Pension system – recent developments

Demographic pressures

Greece was already facing pension challenges from ageing demographics, like much of the developed world, due to low birth rates and people living longer. This will mean Greece is expected to move from having roughly one person over age 65 for every three of working age today to around two people over age 65 per three workers by 2060, with major implications for the sustainability and adequacy of the Greek pension system. Nonetheless, substantial pension reform in Greece has been a relatively recent phenomenon, primarily in response to the fall-out from the financial and economic crisis.

Unsustainable expenditure

Public pension expenditure represents a major component of public spending in Greece, as with other Member States. The 2015 Ageing report shows Greece had, at 16.2% of GDP, the highest pension expenditure in the EU (EU average 11.3% – figures relate to 2013). According to the projections in the report this will reduce by 1.9 percentage points of GDP by 2060 (with 1.8 percentage points coming by 2030). The EU average reduction by 2060 is 0.2 percentage points of GDP.

Declining generosity (from relatively high levels)

The same report shows that at 65.6% (EU weighted average 46.9%) the public pensions 'benefit ratio'[8] in Greece (in 2013) is the highest in the EU. It is expected to decline to 51.7% by 2060, when it will still be the second highest (EU weighted average 37.8%). Another adequacy measure, the 'gross average replacement rate',[9] shows Greece at 38.7% in 2013 (EU weighted average 47.5%) dropping to 22.3% (EU weighted average 35.3%) in 2060. At 16.4 percentage points this is the third biggest fall in the EU. Average effective accrual rates for Greek pensions fall by 36.3% between 2014 and 2060 (EU simple average 9%), the third biggest fall in the EU, albeit from high levels. The average contributory period is increasing in Greece by 7.1 years between 2014 and 2060 (EU simple average 3.6 years) – the highest increase in the EU.

Major reforms in 2010

This reflects the substantial reforms made in Greece since 2010 with the first major step being the July 2010 pension reform for the private sector (Law 3863/2010) and public sector (Law 3865/2010), done with the aim of increasing sustainability. Some key points included: (i) More uniform rules for all insured persons and pensioners, ending the previous fragmented system; (ii) Strengthening the link between contributions and benefits; (iii) Moving to pensionable earnings being calculated on a lifetime basis (rather than the final five years); (iv) Requiring 40 years of work for a full pension; (v) Introducing a statutory retirement age of 65 for both men and women and indexing this to changes in life expectancy for the future; (vi) Merging pension funds for efficiency gains, and separating them from other funds for clarity; (vii) Penalising and reducing early retirement options and exemptions, including for hazardous occupations; (viii) Bringing civil servants' pensions into line with those of the private sector pension system. These were major steps but nonetheless it was acknowledged in the Greek reform programme and elsewhere that further measures were needed to complete the pension reform.

Further reforms

Law 4093/2012, passed in 2012, increased retirement age to 67 for both men and women, effective from 1 January 2013[10] (those with 40 years of contributions can retire at 62). Pension age for men and women had already been equalised at 65 between 2011 and 2013.

Law 4052/2012 revised auxiliary pensions and lump sum benefits, establishing a single auxiliary pension fund merging a number of existing funds and defining a new calculation formula.

Existing pensioners

Existing (rather than future) pensioners have also been impacted by reforms. According to the most recent (November 2013) ASISP Country Document for Greece, significant reductions in current retirees' pension income have taken place, with certain pension income brackets seeing reductions of 40-50%. A Pensioners' Solidarity Contribution (so-called EAS) was introduced in August 2010 ranging from 3-10% of gross monthly (basic) pension income for certain higher pension levels. The ceiling was subsequently raised to 14% in early 2012 and the monthly income threshold for it to apply reduced to €800. A levy (of 3-4%) on auxiliary pensions over €300 a month was introduced in September 2011.

Law 3986/2011 cut basic pensions over €1 200 a month by 20%, with a 40% reduction for pensioners under 55 years of age with pensions over €1 000 a month. From November 2011 certain auxiliary pensions were reduced some by 30%, others by 15%.

Law 4051/2012 introduced a further cut by 12% to basic pensions over €1 300 and 10-20% for auxiliary pensions (depending on the amount of benefit paid – those over €300 a month being reduced the most).

Law 4093/2012 abolished the Christmas, Easter and summer bonuses for pensioners and introduced further cuts of 5-20% to pensions of over €1 000 euro a month.

From 1 January 2014 onwards pensions are indexed by half the annual change of GDP growth and half the changes in the Consumer Price Index (CPI), with the annual change of CPI being the ceiling for adjustment. This will reduce the real value of pension income if inflation rises faster than GDP.

The pension reforms have made the pension system more sustainable. In June 2013, the IMF said: 'There were notable successes during the SBA-supported [stand-by arrangement] program (May 2010-March 2012) ... the pension system was put on a viable footing.' However, the new Greek Government postponed the main changes from the various reforms that were due to be introduced from January 2015. Furthermore, a June 2015 ruling by the Greek constitutional court, whilst upholding pension reforms from 2010 and 2011, has ruled certain private pension cuts made in 2012 unlawful. The next steps remain to be seen, though any further bailouts will require full implementation of the reforms or compensating measures for any extra costs.

From the ASISP Country Document (data from 2013), a quarter of pensioners get an average of around €360 a month gross pension income. Slightly more than a further third receive an average of €700 or so gross. And a little more than a fifth average around €1 250 a month gross. This leaves around 15% of pensioners who have gross pension income above €1 500. According to latest Eurostat data, 23.1% of Greek people aged 65 or over were at risk of poverty or social exclusion in 2013 (EU28, 18.2%). However, younger people were even more at risk, with people aged 18-64 having a 39.1% risk of poverty or social exclusion (EU28, 25.4%).

European Parliament

The Greek Prime Minister, Alexis Tsipras was invited to address the European Parliament during its plenary debate on 8 July 2015 in Strasbourg. While some MEPs criticised him for his lack of concrete proposals, others praised him while some urged him to take his country out of the euro area. The debate also took into account the conclusions of the European Council on 25-26 June and the results of the Euro Summit on 7 July. Prior to the following (12 July) Euro Summit, the President of the European Parliament, Martin Schulz emphasised the EP's support for a continued Greek membership in the euro area: 'Members vowed to reject and oppose a Grexit. Because Europe would not be Europe without Greece and Greece's place is at the heart of Europe. A Grexit would be a lose-lose situation for all, with unpredictable, possibly catastrophic consequences.'

In a similar vein, Roberto Gualtieri (S&D), chair of the Committee on Economic and Monetary Affairs (ECON), expressed his relief during a debate on 16 July that the notion of 'Grexit' has not been incorporated into the Summit agreement. Since the Euro Summit statement strengthens the role of the 'institutions' (former 'Troika') to assist Greek authorities, the EP will have to 'monitor the democratic accountability' of this process. Some ECON Members expressed doubts regarding the possible implementation of upcoming reforms: either because of 'lack of ownership' of the Greek Government or because of 'lack of fairness' of behalf of the creditors.

Remaining challenges

Internal challenges

In economic terms, the immediate debt repayments (see Annex) and the stabilisation of the Greek financial sector (including a lift of capital controls) are key. So far, immediate bridge financing costs are estimated to amount to €7 billion by 20 July and an additional €5 billion by mid-August. The use of EFSM funds was adopted by the ECOFIN Council on 17 July. To default on the ECB part of these obligations would possibly force the ECB to withdraw emergency loans to the Greek banking system with unforeseen consequences. On 16 July the ECB announced it would increase emergency assistance to Greek banks to €900 million over a week. To preserve the Greek financial sector (especially the four biggest banks, Alpha, Piraeus, Eurobank and NBG) will remain one of the most pressing challenges for some time to come. In order to break the sovereign-bank vicious cycle, Greek banks need to improve solvency and liquidity. Part of the upcoming privatisation fund will therefore be channelled to recapitalising Greek banks. Though the ESM provides for its own instrument for direct recapitalisation, this would require a substantial bail-in of 8% of total liabilities.[11]

In terms of domestic politics, the parliamentary approval (229 votes of 300) on the Euro Summit's first reform requirements on 15 July is a tentative sign of support for the Prime Minister, Alexis Tsipras but less so for his coalition government. Open opposition from many Syriza MPs (38 rejected the proposal, including former Minister of Finance Yanis Varoufakis), and the resignation of deputy finance minister, Nadia Valavani prior to the vote appear to bring instability into the coalition. Having had to rely on votes from the opposition, it will be paramount to safeguard effective implementation of legislated reforms in the upcoming months. Due to be voted on 22 July are a major overhaul of the civil justice system and the full implementation of the bank resolution directive (BRRD).

External challenges

Prior to signing a possible new MoU with Greece, several national parliaments need to approve the start of negotiations and thereafter the rescue package itself. Such formal ex-ante mandating provisions, related to Article 13(2) of the ESM Treaty (see box above), for the start of negotiations apply in Estonia (granted on 10 July), Finland (granted on 16 July)[12] and Germany. The German Bundestag granted[13] its federal government a mandate for negotiations on Friday 17 July, as well as the Austrian Nationalrat. Apart from the crucial initial approval of the Hellenic Parliament, the French Assemblée Nationale also voted in favour on 15 July.[14]

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Euro Summit Statement: SN 4070/15, Brussels, 13 July 2015.

Annex – Greece's debt obligations up to October 2015

Creditor	Due Date	Description	Amount
IMF	30 June 2015 OVERDUE	Loan under the IMF's first bailout programme for Greece, in 2010.	€1 563 461 487
IMF	13 July 2015 OVERDUE	Loan under the IMF's first bailout programme for Greece, in 2010.	€457 598 484
Bond-holders	**17 July 2015**	**Short-term govt. bonds**	**€1 000 000 000**
ECB	20 July 2015	Bonds held by ECB exempted from the 2012 default	€2 095 880 000
ECB	20 July 2015	Bonds held by national central banks exempted from the 2012 default	€1 360 500 000
EIB	20 July 2015	Bonds held by the European Investment Bank; exempted from the 2012 default	€25 000 000
Bond-holders	7 August 2015	Short-term govt. bonds	€1 000 000 000
Bond-holders	14 August 2015	Short-term govt. bonds	€1 400 000 000
ECB	20 August 2015	Bonds held by ECB exempted from the 2012 default	€3 020 300 000
ECB	20 August 2015	Bonds held by national central banks exempted from the 2012 default	€168 000 000
IMF	4 Sep. 2015	Loan under the IMF's first bailout programme for Greece, in 2010.	€305 065 656
Bond-holders	4 Sep. 2015	Short-term govt. bonds	€1 400 000 000
Bond-holders	11 Sep. 2015	Short-term govt. bonds	€1 600 000 000
IMF	14 Sep. 2015	Loan under the IMF's first bailout programme for Greece, in 2010.	€343 198 863
IMF	16 Sep. 2015	Loan under the IMF's first bailout programme for Greece, in 2010.	€571 988 105
Bond-holders	18 Sep. 2015	Short-term govt. bonds	€1 600 000 000
IMF	21 Sep. 2015	Loan under the IMF's first bailout programme for Greece, in 2010.	€343 198 863

Source: Wall Street Journal, 'Greece's Debt Due: What Greece Owes When' as of 16 July 2015, Greek Public Debt Management Agency and IMF.

For the purposes of the present document, we only show debt due until October 2015. The sources provide debt due until 2054.

Note: IMF € figures vary according to the conversion rate from SDRs (special drawing rights).

Endnotes

[1] 'The debt restructuring has been executed and the very comprehensive prior actions that were necessary to bring the programme back on track were completed. Taking this into account, compliance with the agreed policy measures under the first programme has been sufficient, in spite of deficiencies that this report discusses.'

[2] In the second programme, the EFSF and the IMF committed the undisbursed amounts of the first programme plus additional €130 billion for the years 2012-14. During this period, the EFSF committed an overall amount of €144.7 billion (including the already committed or disbursed amounts for PSI and bank recapitalisation), while the IMF would contribute €28 billion during 4 years.

[3] Originally scheduled to expire on 31 December 2014, the EFSF Board of Directors decided to grant a technical extension twice, on 19 December 2014 (until 28 February 2015) and on 27 February 2015 (until 30 June 2015).

[4] The sum consists of: 1) Last EFSF loan tranche of €1.8 billion; 2) funds earmarked for bank recapitalisation or bank resolution of €10.9 billion; 3) possible disbursement to cover the €1.6 billion repayment to the IMF; 4) access to funds from related agreements including the transfer by euro area Member States of the profit from Greek government bonds held by Eurosystem central banks in an amount of €1.85 billion. Source: ESM, 13 July 2015.

[5] The judicial framework of the solidarity in exchange of austerity principle is spelled out in: Hufeld, Ulrich: § 22 Das Recht der Europäischen Wirtschaftsunion, in: Müller-Graff, Peter-Christian (ed.): Europäisches Wirtschaftsordnungsrecht (EnzEuR Bd. 4), Nomos: Baden-Baden, 2015, p. 150ff.

[6] In May 2014, the Greek and the German governments set up a fund for to finance SMEs, the 'Institution for Growth in Greece (IfG)', a sub-fund of Germany's promotional bank KfW, based in Luxembourg.

[7] The agreement refers to the so-called OECD toolkit I, which is a 'general methodology for identifying unnecessary regulatory restraints and developing alternative, less restrictive policies that still achieve government objectives.'

[8] The 'Benefit ratio' is the average benefit of public pensions, as a share of the economy-wide average wage (gross wages and salaries in relation to employees)

[9] The 'Gross Average Replacement Rate' is calculated as the average first pension as a share of the average wage at retirement, as reported by the Member States.

[10] See OECD: Pensions at a Glance 2013: OECD and G20 Indicators, OECD Publishing, Paris, 2013, p. 260 for the Greek Country Profile. And also ASISP Country Document 2013 for Greece.

[11] This holds true for a transition period until 31 December 2015. From 1 January 2016, full bail-in in line with the rules of the Bank Recovery and Resolution Directive (BRRD) will be required.

[12] The Finish approval (16 yes, 4, no, 5 abstentions) was taken by the EU Affairs Committee ('Grand Committee') on behalf of the Eduskunta.

[13] According to §4 of ESMFinG, the German Bundestag approved (439 yes, 119 no, 40 abstentions) the start of negotiations as well as the use of EFSM funds for a bridging loan. See the tabled document by the German Federal Ministry of Finance on 16 July 2015.

[14] The approval (412 yes, 69 no, 49 abstentions) of the French Parliament was not compulsory. Instead the French government intended to show public support and choose to trigger a debate and vote on its 'Déclaration du Gouvernement sur l'accord européen sur la Grèce' according to Art. 50-1 of the French Constitution.

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