

**Question for written answer E-002117/2012  
to the Commission**  
Rule 117  
**Daniel Cohn-Bendit (Verts/ALE)**

**Subject:** Troika-leaked version of the Troika Debt sustainability analysis (DSA)

The baseline scenario of the Eurogroup statement of 21 February 2012 affirms that contributions from the private and the official sector 'should ensure that Greece's public debt ratio is brought on a downward path reaching 120.5% of GDP by 2020'. However, a leaked version of a preliminary debt sustainability analysis drafted by the Troika throws very serious doubts on the capacity of the deal achieved to reach its objectives. Would the Commission confirm the existence of the document and the assessment mentioned above?

The report points out in particular that, 'there is a fundamental tension between the program objectives of reducing debt and improving competitiveness, in that the internal devaluation needed to restore Greece competitiveness will inevitably lead to a higher debt to GDP ratio in the near term (...) This would result in a much higher debt trajectory, leaving debt as high as 160 percent of GDP in 2020. Given the risks, the Greek program may thus remain accident-prone, with questions about sustainability hanging over it.' In such a scenario, Greek public sector financing needs up to 2020 would amount to around EUR 245 billion. Even after taking proper account of additional measures which were added to the measures already integrated in the DSA, a prudent scenario integrating risks foreseen in the DSA is highly unlikely to lead to a debt to GDP ratio below 150%.

- Can the Commission explain why it deems the 120.5% target to be credible?
- Why does the Eurogroup statement ignore downside risks enumerated in the DSA assessment, leading therefore to an over-optimistic forecast?
- What measures has the Commission planned should the risks highlighted in the DSA actually materialise?
- How does the Commission propose, if those downside risks materialise, to mitigate potentially massive financial losses for Member States and the EFSF?
- How can the Commission argue that under such conditions market access can be restored in the immediate post-programme years?
- What measures are envisaged to address the fundamental tension between the programme objectives of reducing debt and improving competitiveness?
- Does the Commission admit that forecasts contained in the first two packages of financial assistance for Greece were dangerously over-optimistic, leading to excessive costs for both EU taxpayers and Greek citizens?