IN-DEPTH ANALYSIS

Macro-Financial Assistance to EU Member States

State of Play – August 2021

This document provides regularly updated information on EU Member States which have received financial assistance from the ESM, the EFSF, the EFSM, the EU balance of payments assistance facility, other Member States and/or the IMF. Since August 2018, all financial assistance programmes to EU Member States have been concluded; therefore, the document focuses on the implementation of the enhanced surveillance framework for Greece and post-programme reviews for Ireland, Portugal, Cyprus, Spain and Romania, undertaken by the European Commission (EC) and, when relevant, in liaison with the ECB (Post-Programme Surveillance, PPS), the IMF (Post-Programme Monitoring, PPM, and Article IV assessments) and the ESM (Early Warning System, EWS).

Greece: On 11 July 2018, the EC decided on the basis of Art. 2(1) of EU Regulation 472/2013 that Greece shall be subject to enhanced surveillance; the most recent prolongation (EC implementing Decision 2021/1279) stipulates that enhanced surveillance shall be prolonged for a further period of six months, commencing on 21 August 2021. In accordance with these decisions, Greece is expected to continue and complete key reforms in line with the policy commitments monitored under the enhanced surveillance and to support a robust and sustainable economic recovery. The latest enhanced surveillance report was issued in June 2021 as part of the European Semester Spring Package. In November 2020, the Executive Board of the IMF concluded its second PPM on Greece and in June 2021 an Art. IV consultation mission (see also press release, staff report and IMF executive board conclusions).

The latest enhanced surveillance report (June 2021) is based on the findings of a mission (by the EC in liaison with ECB, IMF and ESM) held remotely on 20-21 April 2021 and on a regular dialogue with the Greek authorities. The report concludes that, despite the circumstances caused by the pandemic, Greece has taken the necessary actions to achieve its specific commitments, including - *inter alia* - on the insolvency framework legislation, a human resources reform of the Independent Authority of Public Revenue, an overhaul of the public procurement framework and an extension of the Hercules scheme to facilitate a further reduction of non-performing loans.

ECONOMIC GOVERNANCE SUPPORT UNIT (EGOV)
Authors: J. Angerer and C. Dias
Directorate-General for Internal Policies
PE 651.367 - August 2021

EN

On 17 June 2021, the Eurogroup discussed the latest enhanced surveillance report and published afterwards a statement which it inter alia welcomes:

- the progress made by Greece with reform implementation that has been achieved in the challenging circumstances of the pandemic;
- the implementation and entering into force of the major reform of the Greek insolvency framework that was agreed last year;
- the implementation of the third and final pillar of the Guaranteed Minimum Income (GMI). By implementing the GMI, Greece has put in place an effective and targeted framework for providing social support and tailor-made employment services;
- good progress on public sector human resource management (notably as regards the tax administration, public procurement, and measures to enhance the implementation of large public investment projects);
- the assessment that the necessary conditions are in place to confirm the release of the fifth tranche of policy-contingent debt measures (the transfer of so called "SMP-ANFA income equivalent amounts" and the reduction to zero of the step-up interest margin on certain EFSF loans, which are worth €748 million in total); see Box 1 for general information on these debt measures.

Furthermore, the Eurogroup of 17 June 2021 encouraged the Greek authorities to continue and, where necessary, reinforce their efforts with regard to financial sector reforms and to proceed with implementing the arrears clearance plan. The Eurogroup notes the delay the suspension of court proceedings has caused in the clearance of the backlog of insolvency court cases and call upon the Greek authorities to accelerate their efforts to reduce the backlog. It welcomes in this context that the horizontal suspension of enforcement measures was lifted on 5 April and look forward to the full resumption of this process.

Box 1: The debt relief measures agreed in June 2018

The enhanced surveillance reports pay particular attention to assessing the implementation of the 16 specific reform commitments by 2022 annexed to the Eurogroup statement of June 2018 as well as the general commitment to continue and complete the key reforms launched under the programme; progress in these areas serves as a basis to agree on the transfer to Greece of the interest accumulated by the Euro-system on Greek government bonds - so-called "SMP-ANFA income equivalent amounts" - and the cancellation of the step-up interest margin on certain EFSF loans; SMP stands for "Securities and Markets bond-buying programme" and Anfa - which is an agreement between central banks of the eurozone - for "Agreement on Net Financial Assets bonds".

Based on positive reports under enhanced surveillance, these debt measures (also called medium-term debt measures) are made available to Greece in semi-annual tranches up to mid-2022 (more information on these debt measures is presented in this ESM explainer).

On 30 June 2021, the Board of Directors of the EFSF decided on the basis of the assessment of the latest enhanced surveillance report and the corresponding statement of the Eurogroup to reduce to zero the step-up margin accrued by Greece for the period between 1 January and 17 June 2021, as part of the medium-term debt relief measures agreed for the country in 2018. The value of this fifth successive reduction (being a reimbursement to Greece by the EFSF) amounts to €103.3 million. Additionally, the ESM informed on 30 June 2021 that, acting as an agent for the euro area Member States and after their approval, it will make a transfer to Greece of €644.42 million, equivalent to the income earned on SMP/ANFA holdings. On that basis, the total amount of debt relief (since 2018) in all tranches exceeds €4.2 billion.

The next (=eleventh) enhanced surveillance report is expected to be published in September 2021. Previous enhanced surveillance reports are available on the EC website.

On 11 June 2020, an Evaluation Report "*Lessons from the Financial Assistance to Greece"* was published by the ESM. The report (by Joaquín Almunia) strongly focuses on the 2015-2018 ESM supported programme, while taking into account the preceding Greek financial assistance by the EFSF. It also assesses the post-programme developments up to end-September 2019. The report contains a couple of recommendations, including that ESM Boards should improve programme governance by setting out clear expectations and instructions for the institutions, to ensure sustainable outcomes and that a strong, coherent framework for post-programme monitoring is needed to safeguard the adjustment gains made and ensure sustainability in the context of the ESM's long-term creditor role. Mr Almunia would like the reformed ESM Treaty to be adopted and ratified and his recommendations be considered in that light.

For information purposes only [no direct link to the concluded programmes or current enhanced surveillance]:
On 28 April 2021, Greece submitted its Recovery and Resilience Plan to the EC, as foreseen in the Recovery and Resilience Facility Regulation. Greece has requested a total of €30.5 billion in support under the RRF, €17.8 billion in grants and €12.7 billion in loans. For further details/updates on the state of play of the national Recovery and Resilience plans, please see separate EGOV briefing and dedicated EC website.
Greece has received around € 5.3 billion loan support under the SURE. For further information on SURE disbursements, see specific EGOV paper. For a discussion on SURE main features, see here.

Ireland: End of 2013, Ireland exited the 3-year-programme (see ex-post evaluation of 2015) and became subject to PPS/EWS/PPM (see last page of this document for the legal background). The latest PPS by the EC was conducted (via virtual meetings) in March 2021 (together with staff from the ECB and the ESM). The corresponding PPS report (issued in June 2021 as part of the European Semester Spring Package) concludes - *inter alia* - that: (a) the Irish economy grew in 2020 despite the pandemic thanks to the strong performance of multinational corporations headquartered in Ireland; in addition, the economic outlook improved; (b) the impact of the pandemic on the financial sector has been contained so far and (c) risks for Ireland's capacity to service the EFSM and EFSF debt remain low

In accordance with the credit related thresholds included in the IMF criteria for PPM, Ireland is (since end of 2017) not any more subject to PPM; however, these criteria also stipulate that PPM may be required even if the country has paid back its credit to the IMF, *"if economic developments call into question the country's progress toward external viability*". The latest IMF Article IV consultation with Ireland was concluded in June 2021; the IMF executive board assessed inter alia that fiscal policy should continue to be supportive in the near term to avoid cliff-edge effects, especially in view of remaining vulnerabilities and that further progress should be made in the period ahead to build on the regulatory actions taken in response to the pandemic, which helped stabilize credit conditions.

For information purposes only [no direct link to the concluded programme or current PPS]:

On 28 May 2021, Ireland submitted a Recovery and Resilience plan to the Commission where it requested a total of EUR 1 B in grants under the RRF. For further details/ updates on the state of play of the national Recovery and Resilience plans, please see separate EGOV briefing and dedicated EC website. Ireland has received around € 2.5 billion loan support under the SURE. For further information on SURE disbursements, see specific EGOV paper. For a discussion on SURE main features, see here.

Portugal: Portugal became subject to PPS/EWS/PPM following the government's decision of June 2014 to exit the programme before its expiration. Portugal has no outstanding debt to the IMF anymore and does therefore not exceed thresholds leading to PPM. The latest PPS/EWS mission took place in February 2021 and the PPS staff report was published on 2 June, together with the European Semester Spring Package. The EC concludes, *inter alia*, that economic performance turned out somewhat better than previously projected, despite the large contraction caused by the COVID-19 pandemic. Growth is expected to resume from the second quarter of 2021, helped also by the ongoing vaccination campaign. The economy is likely to return to its pre-crisis level in mid2022, roughly half a year earlier than the expectation in the previous PPS review in September 2020. The EC signalled that Portugal's economy contracted by 7.6% in 2020 as a result of the COVID-19 pandemic but the outcome was 1.7 percentage points more favourable than earlier projections. The EC highlights that Government measures in support of jobs and incomes significantly cushioned the economic and social impact of the pandemic but that is taking a toll on Portugal's public finances: from a small surplus of 0.1% of GDP in 2019, the budget balance turned into a deficit of 5.7% of GDP in 2020, against the background of weaker cyclical revenue and increased spending needs. The deficit in 2020 clearly outperformed the revised target of 7.3% set in the 2021 State Budget, with revenue holding up better than expected. The public debt-to-GDP ratio increased from 116.8% in 2019, to 133.6% in 2020, mainly owing to the unfavourable denominator effect, the primary deficit and a higher cash buffer. The EC also points out that the Portuguese banking sector managed to improve most of its soundness indicators in 2020 and that risks to financing conditions and the capacity to repay remain low.

The latest IMF Article IV consultation with Portugal was concluded in July 2019.

For information purposes only [no direct link to the concluded programme or current PPS]: On 22 April, Portugal submitted its Recovery and Resilience Plan to the EC, as foreseen in the Recovery and Resilience Facility Regulation. Portugal requested € 13.9bn of grants and € 2.7bn of loans under the RRF. For further details/updates on the national Recovery and Resilience plans, please see separate EGOV briefing and dedicated EC website. Portugal has received so far € 5.4 billion loan support under the SURE. For further information on SURE disbursements, see specific EGOV paper. For a discussion on SURE main features, see here.

Spain: The ESM programme for the recapitalisation of the Spanish banking sector expired on 31 December 2013. Spain is since then subject to PPS/EWS, with the latest (virtual) mission taking place in April 2021, including ECB and ESM staff. The latest PPS report was published on 2 June, together with the European Semester Spring Package. It concludes, *inter alia*, that Spain experienced a sharp economic downturn in 2020, but a strong rebound is expected for 2021, even if the forecasts remain highly uncertain. GDP is set to grow by 5.9% in 2021 according to the EC spring 2021forecast, on the back notably of increased internal consumption and the impacts of the Recovery and Resilience Facility. Tourism is expected to approach its 2019 level only in 2022. The EC also notes that government policies have mitigated the short term impact of the pandemic and permanent scarring effects that would have undermined long term sustainability and have helped mitigate the impact of the crisis on the banking sector. The EC points that credit activity has been mainly supported by the expansion of lending to non-financial corporations backed by state guarantees, signaling that although no cliff effects are expected, a more marked deterioration in asset quality is likely to emerge once support measures are phased out. SAREB (the vehicle created to deal with non-performing loans) continued suffering losses and the authorities are reflecting on possible changes, taking also into account the reclassification of SAREB within the general government sector. Spain retains the capacity to service its ESM debt.

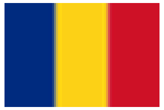
The latest IMF Article IV review with Spain was concluded in November 2020. IMF executive Directors concluded inter alia that, as the pandemic recedes, fiscal support should become increasingly targeted at vulnerable groups and viable firms, facilitating resource reallocation toward expanding sectors. They also highlighted the urgency of addressing corporate vulnerabilities and emphasized the need for continued strong supervision, together with relief measures and prudent dividend policies.

For information purposes only [no direct link to the concluded ESM programme or current PPS]:
On 30 April, Spain submitted its Recovery and Resilience Plan to the EC, as foreseen in the Recovery and Resilience Facility (RRF) Regulation. Spain requested €69.5 billion in grants under the RRF. For further details/updates on the national Recovery and Resilience plans, please see separate EGOV briefing and dedicated EC website.
Spain has received € 21.3 billion loan support under the SURE. For further information on SURE disbursements, see specific EGOV paper. For a discussion on SURE main features, see here.

Cyprus: In March 2016, Cyprus successfully exited from the ESM and IMF financial assistance programme. Cyprus used about € 7.3 billion out of €10.0 billion available under the programme. The latest PPS/EWS mission report was published on 2 June, as part of the European Semester Spring Package, following the latest mission taking place from 8 to 18 March. The mission was combined with the Article IV assessment and thus followed by the EC, ECB, ESM and IMF staff. The staff notes that a gradual recovery is expected in 2021 and 2022. Cypriot real GDP contracted by 5.1% in 2020 but domestic demand, helped by fiscal measures, was more resilient than external demand. Tourism plummeted in 2020 with receipts falling by 85.4%. In 2021, a modest recovery is expected, with GDP forecast to grow by 3.1%, as the renewed lockdown at the beginning of the year and in April has clouded the short-term growth outlook of the Cypriot economy and travel restrictions are assumed to be in place until the pace of vaccinations picks up. It further noted that the Recovery and Resilience Plan is expected to gradually have a positive impact on the economy as of the end of 2021 with the implementation of reforms and investments and ultimately boost the growth potential of the country over the medium term. Unemployment increased only moderately in 2020 to 7.6% from 7.1% in 2019, helped by income support measures to preserve employment, which were partly financed by a loan under SURE (Support to mitigate Unemployment Risks in an Emergency). Overall, the fiscal situation is foreseen to improve in 2021 and 2022. Banks made further progress in reducing non-performing loans (NPLs), but important challenges remain in the banking sector, notably linked to reduced profitability (affected by the offloading of legacy NPLs and increased provisioning). Cyprus' sovereign financing and capacity to repay remain sound.

The latest IMF Article IV review with Cyprus was concluded in June 2021; IMF executive Directors assessed inter alia that the economic outlook remains highly uncertain with risks tilted on the downside. As regards the financial sector, they recommend a targeted extension of credit support measures, flexible use of macroprudential buffers and effective NPLs and debt workouts. They also recommend maintaining fiscal sustainability and promoting inclusive, growth-enhancing policies . On the structural side, executive Directors recommended inter alia focusing on inequalities brought about by the COVID-19 crisis, continued judicial reform and policies facilitation job reallocation.

For information purposes only [no direct link to the concluded ESM programme]:
On 17 May 2021, Cyprus submitted its Recovery and Resilience Plan to the EC, as foreseen in the Recovery and Resilience Facility Regulation. Cyprus has requested €1 billion in grants and €227 million in loans under the RRF. For further details/updates on the state of play of the national Recovery and Resilience plans, please see separate EGOV briefing and dedicated EC website.
Cyprus has received € 0.6 billion loan support under the SURE. For further information on SURE disbursements, see specific EGOV paper. For a discussion on SURE main features, see here.



Romania: PPS started in October 2015, with the end of the third balance of payments programme (BoP). It is linked to the loans under the 2009-2011 BoP (when €5 billion were disbursed). PPS ended in April 2018, as Romania had repaid more than 70% of its EU loan. PPS missions took place in May 2016, March 2017 and November 2017. All three missions concluded that the risks related to the repayment of the debt to the EU are very low. On fiscal policy, the report on the third mission noted: (a) a Significant Deviation Procedure was initiated in June 2017 due to Romania's deviation from its medium-term budgetary objective in 2016, (b) the structural deficit is projected to further deteriorate in, (c) the headline deficit may breach the Treaty reference of 3% of GDP in 2018 and (d) the implementation of the national fiscal framework remains insufficient.

Beyond Macro-Financial Assistance to EU Member States, it may be noted that Romania is currently (for reasons pertaining to pre-pandemic developments) the only country under the corrective arm of the Stability and Growth Pact. In April 2020, the Council adopted the decision to open an Excessive Deficit Procedure for Romania and issued a recommendation on the adjustment path and the deadline (2022) to end the excessive deficit situation. In June, the EC proposed that the Council update its recommendation on the fiscal adjustment path for Romania, targeting a correction of its excessive deficit in 2024.

The latest IMF Article IV review took place in May 2021; the staff concluding assessment included inter alia that despite the strong recent economic recovery, continued fiscal support remains essential to combat the uneven economic fallout of the pandemic and that as the recovery is becoming entrenched, policy efforts should focus on fiscal-structural reforms to help rebuild room for fiscal policy manoeuver over the medium term and comply with EU norms.

For information purposes only [there is no direct link to the former BoP or PPS]: On 7 April 2021, Romania adopted its Recovery and Resilience Plan, as foreseen in the Recovery and Resilience Facility Regulation. The maximum financial allocation for Romania under the RRF are €14,2 billion grants and €15.0 billion loans.
Romania already received € 3 billion loan support under the SURE. For further information on SURE disbursements, see specific EGOV paper. For a discussion on SURE main features, see here.

The **table overleaf** provides an updated overview of various elements of the financial assistance granted to EU Member States since 2009.

Data on repayment profiles, interest and fees of ESM and EFSF loans can also be found in the ESM financial assistance database**.**

	GREECE	IRELAND	PORTUGAL	SPAIN	CYPRUS	ROMANIA
CURRENT STATUS	Post-Programme Surveillance/Enhanced Surveillance (as of August 2018)	Post-Programme Surveillance (as of January 2014)	Post-Programme Surveillance (as of July 2014)	Post-Programme Surveillance (as of January 2014)	Post-Programme Surveillance (as of April 2016)	Expiration of Post-Programme Surveillance in April 2018
COMPLETED OR ENDED	*First Economic Adjustment Programme (2010-2012)* *Second Economic Adjustment Programme (2012- 2015; IMF Extended Fund facility Arrangement until 2016)* *Third Economic Adjustment Programme (2015-2018)*	*Economic Adjustment Programme (2010-2013)*	*Economic Adjustment Programme (2011-2014)* Portugal decided to leave the programme without completing the final review and without receiving the final tranche (€1.7bn by EFSM and €0.9bn by IMF)	*Financial Assistance for Recapitalisation of Financial Institutions (2012-2013)*	*Economic Adjustment Programme (2013-2016)* Cyprus cancelled its financial arrangement with the IMF, effective 7 March 2016	*BoP Assistance (2009-2011)* *Pre-cautionary BoP Assistance (2011-2013)* *Pre-cautionary BoP Assistance (2013-2015)* Post-Programme Surveillance (October 2015-April 2018)
MoUs SIGNED	First: 3 May 2010 Second: 14 March 2012 Third: 19 August 2015	07 December 2010	17 May 2011	20 July 2012	26 April 2013	First: 23 June 2009 Second: 29 June 2011 Third: 7 November 2013
CONDITIONALITY & OBJECTIVES	In accordance with the EC decision of 17 February 2021 (enhanced surveillance) and with Art. 2(1) of Regulation 472/2013, Greece is expected to continue and complete key reforms in line with the policy com-mitments monitored under enhanced surveillance; these reform commitments are published in an annex to the Eurogroup statement of 22 June 2018 and contain measures by mid-2022.	While there is in accordance with two-pack Regulation (EU) N°472/2013 no policy conditionality under PPS, the Council can issue recommendations for corrective actions if necessary and where appropriate. PPS is biannual in terms of reporting and missions.	While there is in accordance with Article 14 of the two-pack Regulation (EU) N°472/2013 no policy conditionality under PPS, the Council can issue recommendations for corrective actions if necessary and where appropriate. PPS is biannual in terms of reporting and missions.	While there is in accordance with Article 14 of the two-pack Regulation (EU) N°472/2013 no policy conditionality under PPS, the Council can issue recommendations for corrective actions if necessary and where appropriate. PPS is biannual in terms of reporting and missions.	► Restore the soundness of the banking sector and rebuild depositors' and market confidence ► Fiscal consolidation, supported by structural fiscal reforms ► Structural reforms to support competitiveness and sustainable and balanced growth ► Further strengthening of the anti-money laundering framework in line with best practice	While there is in accordance with two-pack Regulation (EU) N°472/2013 no policy conditionality under PPS, the Council can issue recommendations for corrective actions if necessary and where appropriate. PPS is biannual in terms of reporting and missions.

	GREECE	IRELAND	PORTUGAL	SPAIN	CYPRUS	ROMANIA
MONITORING	► EC, ECB, ESM and IMF	► EC and ECB (PPS) ► ESM (EWS) ► MF (PPM)	► EC and ECB (PPS) ► ESM (EWS) ► IMF (PPM)	► EC and ECB (PPS) ► ESM (EWS) ► IMF (regular IMF surveillance)	► EC, ECB, ESM and IMF	► EC ECB (PPS). PPS expired in 2018. ► No PPM, since the outstanding credit with the IMF has fallen well below the threshold for PPM by the IMF
TECHNICAL ASSISTANCE	On 17 June 2015, the EC decided to replace the Task Force for Greece by the structural reform service.	-	-	-	On 17 June 2015, the EC decided to replace the Support Group for Cyprus by the structural reform service.	-
TOTAL AMOUNT COMMITTED	**€366bn**	**€85bn**	**€78bn**	**up to €100bn**	**€10bn**	**€31bn** 2009-11 programme: €20bn 2011-13 programme: €6bn 2013-2015 programme: €5bn

	GREECE	IRELAND	PORTUGAL	SPAIN	CYPRUS	ROMANIA
BREAK-DOWN BY LENDER (ORIGINAL COMMITMENTS)	*All three programmes together* ▶ EA-MSs + EFSF + ESM: €308bn ▶ IMF (SBA+EFF): €58bn *First Programme*: ▶ EA MSs: €80bn *(subsequently reduced by €2.7bn as SK did not participate and IE and PT required assistance themselves)* ▶ IMF (SBA): €30bn Second Programme: ▶ EFSF: €144.7bn ▶ IMF (EFF): €28bn *[Bridge financing: €7.2 bn EFSM – fully paid back]* Third Programme: ▶ ESM: Up to €86bn	▶ EFSM: €22.5bn ▶ EFSF: €17.7bn ▶ IMF: €22.5bn ▶ Bilateral (UK, DK, SE): €4.8bn ▶ Ireland (Treasury and National Pension Reserve Fund): €17.5bn	▶ EFSM: €26bn ▶ EFSF: €26bn ▶ IMF: €26bn	▶ ESM: up to €100bn	▶ ESM: €9bn ▶ IMF: €1bn	*2009-11 programme*: ▶ €5bn - EU (BoP) ▶ €13bn - IMF (SBA) ▶ €1bn – World Bank ▶ €1bn – EIB + EBRD *2011-13 precautionary programme (funds not used)*: ▶ €1.5bn - EU (BoP) ▶ €3.5bn - IMF ▶ €1.15bn – World Bank *2013-2015 precautionary programme (funds not used)*: ▶ €2bn - EU (BoP) ▶ €2bn - IMF ▶ €1bn – World Bank
PREFERRED CREDITOR	IMF	IMF	IMF	ESM	IMF	IMF
DISBURSED	***Total: € 288.9bn*** ***All three programmes together*** ▶ EA-MSs+ EFSF + ESM: €256.6bn ▶ IMF: €32.3bn *First Programme (closed)*: ▶ EA MSs: €52.9bn ▶ IMF: €20.7bn *Second Programme, including PSI participation (closed)*: ▶ EFSF: €141.8bn ▶ IMF: €11.6bn *Third Programme (closed)*:	***Total: € 67.5bn*** ▶ EFSM: €22.5bn ▶ EFSF: €17.7bn ▶ IMF: €22.6bn ▶ Bilateral (UK, DK, SE): €4.8bn	***Total: € 76.0bn*** ▶ EFSM: €24.3bn ▶ EFSF: €26.0bn ▶ IMF: €25.7bn	***Total: € 41.3bn*** ▶ ESM: €41.3bn	***Total: €7.3bn*** ▶ ESM: €6.3bn ▶ IMF: €1bn	***Total: € 21.05bn*** *2009-2011 programme* ▶ €5bn - EU (BoP) ▶ €12.9bn - IMF (SBA) ▶ €1bn - World Bank ▶ €1bn – EIB + EBRD *2011-13 and 2013-15 programmes:* ▶ Pre-cautionary assistance; no request for disbursement of BoP and IMF funds was made ▶ €1.15 bn - World Bank

	GREECE	IRELAND	PORTUGAL	SPAIN	CYPRUS	ROMANIA
	► ESM: €61.9bn					
LOANS ALREADY REPAID	► On 27/02/2015, the Hellenic Financial Stability Fund (HFSF) redelivered €10.9 bn in bonds issued by the EFSF for the recapitalisation of Greek banks. This comprised: a full repayment of €7.2bn disbursed on 30/05/2013; and a partial repayment of €3.7bn of the loan tranche disbursed on 19/12/2012) ► €2 billion were paid back (contractual obligation) on 20 /2/2017 to the ESM following the sale of assets a bank that took part in the 2015 banking recapitalisation ► Next repayments to the EFSF are scheduled for 2023 and to the ESM for 2034 (see ESM database). ► **Altogether €31.9bn** to the IMF; €3.6bn have been repaid since January 2021.	► €3.5bn to the UK (in 2019 and 2020) ►On 20 December 2017, Ireland repaid the remaining €4.5bn it owed the IMF just a day after it paid back €1bn it owed Sweden (€0.6bn) and Denmark (€0.4bn). In November 2017, the EFSF allowed these early repayments. ► PPS report of July 2018: *"In June 2018, the EC adopted a Decision for the EU to borrow in order to extend the maturities of loans to Ireland under EFSM. This will allow for the maturity of EFSM loans to Ireland, including € 3.9 billion originally due in 2018 (of which € 3.4 billion were due in April and EUR 500 million in October) to be extended, within the limit of 19.5 years of average maturity established by the Council Decision on Union financial assistance to Ireland. It is therefore not expected that Ireland will actually have to repay any of its EFSF and EFSM loans before 2027."*	► In December 2018 Portugal repaid the remaining tranches (€4.684 bn) of the IMF loans .	► In total, €17.612 bn to the ESM (about 42% of the funds effectively disbursed). ► October 2018: €3.0bn (early repayment to the ESM).	► July 2017: €0.3bn (early repayment to the IMF) ► Feb 2020: Repayment of the remaining money it owed the IMF (€0.7bn)	***Total: € 16.7bn*** ► €3.8bn – EU (BoP): a tranche of € 1.2bn was paid back in April 2018, which has increased the sum of repaid loans to more than 70% ► €12.9bn - IMF (SBA) ► No repayment figures have been published on the website of the World Bank and the EIB.

	GREECE	IRELAND	PORTUGAL	SPAIN	CYPRUS	ROMANIA
TOTAL OUTSTANDING LOANS (end of June 2021)	***Total: €245.5bn*** ► EA MSs + EFSF +ESM: €243.7bn ► IMF: €1,8bn	***Total: €40.6bn*** ► EFSM: €22.5bn ► EFSF: €17.7bn ► IMF: € 0 ► Bilateral (UK): €0.4bn	***Total: €50.3bn*** ► EFSM: €24.3bn ► EFSF: €26.0bn ► IMF: € 0	***Total: €23.7bn*** ► ESM: €23.7bn	***Total: €6.3bn*** ► ESM: €6.3bn ► IMF: €0.0bn	***Total : €3.35bn*** ► €1.15bn EU (BoP, EC website) ► €0 – IMF (SBA) Outstanding loans of up to €2.25bn to the World Bank and €1bn to EIB + EBRD, but the corresponding figures have not been published on the websites of the World Bank, EIB and EBRD.
LATEST AVAILABLE COUNTRY RATING (based on FITCH)	**Rating: BB** Grade: Non-investment Outlook: Stable (status 16 July 2021)	**Rating: A+** Grade: Investment Outlook: Stable (status 30 July 2021)	**Rating: BBB** Grade: Investment Outlook: Stable (status 14 May 2021)	**Rating: A-** Grade: Investment Outlook: Stable (status 11 June 2021)	**Rating: BBB-** Grade: Investment Outlook: Stable (status 26 March 2021)	**Rating: BBB-** Grade: Investment Outlook: Negative (status 23 April 2021)

Contact: egov@ep.europa.eu

This document is available on the internet at: www.europarl.europa.eu/supporting-analyses

ABBREVIATIONS/EXPLANATIONS

BoP Assistance	Balance of Payments facility for non-euro area MS in BoP difficulties. It usually takes the form of medium-term financial assistance, in co-operation with the IMF.
BoP for Romania	From 2009 to 2011 Romania was under a BoP assistance programme (€5bn) as part of multilateral assistance of €20bn (IMF €13bn; World Bank €1bn; EIB + EBRD €1bn).
EFSF	European Financial Stability Facility: it provides financial assistance to euro area MS. As of 1 July 2013, the EFSF may no longer engage in new financing programmes or enter into new loan facility agreements. The ESM is now the sole and permanent mechanism for responding to new requests for financial assistance by euro area MS.
ESM	European Stability Mechanism; entered into force on 27 September 2012. It is now the main instrument for providing financial assistance for the euro area MS. It has capital base of €704.7987bn (including its recent member Lithuania). It enjoys preferred creditor status, junior only to the IMF.
EFSM	European Financial Stabilisation Mechanism: for any EU MS, it reproduces the basic mechanics of the existing Balance of Payments facility. The lending capacity is €60bn, raised by the EC in financial markets. The EC then on-lends to the beneficiary MS in form of loan or credit line. All interest and loan is repaid by the MS, without any cost for the EU. The EFSM funding has been completed after Portugal´s exit from the programme.
PSI	Private Sector Involvement: in March 2012 existing Greek bonds held by private institutions were exchanged on a voluntary basis. For each 100 of old Greek bonds, the bond holders received 31.5 of new Greek bonds and 15 of EFSF one-year and two-year notes (in equal proportions), which corresponded to a nominal reduction of 53.5% (and NPV loss of about 73%), thus reducing Greek debt by about €100bn. EFSF notes were accounted as a loan made to Greece by the EFSF and thus as part of the EU financial assistance.
DBB	On 11 December 2012 Greece concluded the tendering process for a debt buy-back operation (DBB) to capture a substantial discount on Greek government bonds (GGB), thereby reducing public debt substantially. Before the DBB, the total of new GGBs amounted to €62bn (ensuing from the PSI). The DBB invitation yielded a total participation of approximately €31.9bn at an average price of 33.8% of the nominal value. Following the settlement of the operation, Greek debt was reduced by €21.1bn in net terms.
Greek Loan Facility - EU MS Loans	The Greek Loan Facility was an instrument used for the 1st Greek Adjustment Programme agreed in May 2010: 15 euro area MS committed to provide bilateral loans of up to €80bn, of which €52.9bn were disbursed by the end of the 1st programme. The loans were pooled by the EC, which was entrusted with the coordination, the administration and the disbursement. The 1st programme ceased in March 2012, when the 2nd adjustment programme started with the involvement of the EFSF. The remaining undisbursed part of €80bn was thus transferred to the 2nd programme which was disbursed by the EFSF.
EFF and SBA	When a country faces serious medium-term balance of payments problems because of structural weaknesses that require time to address, the IMF can assist with the adjustment process under an Extended Fund Facility (EFF). Compared to assistance provided under the Stand-by Arrangement (SBA), assistance under an extended arrangement features longer program engagement—to help countries implement medium-term structural reforms—and a longer repayment period.
IMF Disbursements	IMF disbursements are made in Special Drawing Rights (SDRs) and therefore the € amounts change over time, applying the current exchange rate.
IMF Article IV	Surveillance of Members' economies undertaken by the IMF under Article IV of the IMF Articles of Agreement. Annually, the IMF assesses the situation of a member country and reports to the relevant authorities, whose views are taken into account in preparing the reports that are presented to the IMF Executive Board. Although Article IV surveillance missions are somehow similar in scope to IMF PPM (see below), their legal bases are different. For countries that have received financial assistance, the IMF undertakes, in general, two missions per year, one under the PPM and the other under Article IV.
PPS	Post-Programme Surveillance: under the so-called "two pack", countries exiting a bailout are subject to PPS until 75% of its rescue loans are paid back (Art 14 of Reg. 472/2013).
EWS	Early Warning System: in accordance with Article 13(6) of the ESM Treaty, the ESM shall establish an appropriate warning system to ensure that it receives any repayments due by the ESM Member under the stability support in a timely manner. EWS thus detects repayment risks and allows for corrective actions. It applies not only to the ESM programme countries (Spain, Cyprus), as foreseen in the Treaty, but also to the EFSF programme countries (Greece, Ireland, Portugal).
PPM	Post-Programme Monitoring by the IMF. PPM is generally expected for all member countries that have substantial IMF credit outstanding following the expiration of their programs.