

## **Eurogroup statement on Greece**

The Eurogroup welcomes the implementation by the Greek authorities of the set of 15 milestones in the context of the first review of the ESM programme. The Eurogroup commends the Greek authorities for adopting the necessary further measures to reform the pension system and the energy sector, to strengthen bank governance, to fully establish the new independent Revenue Agency and to proceed with the privatisation programme. The Eurogroup also notes the further progress in the set-up of the Privatisation and Investment Fund – the Hellenic Corporation of Assets and Participations (HCAP). The Eurogroup stresses that the appointment of the members of the Board of Directors of HCAP, including the Chairman and CEO positions, must be pursued as a matter of priority in order to make the fund fully operational before the end of 2016, in the context of the second review of the ESM programme. To this end, we welcome the commitment of the Greek authorities to ensure that the appointment process is in line with the requirements of the HCAP law to ensure that Board members are fully independent, professional and with clear experience and the corporate governance standards will be in line with international best practices.

The implementation of the milestones paves the way for the ESM Board of Directors to approve the remaining disbursement of EUR 1.1 bn under the second tranche for debt servicing needs.

The Eurogroup acknowledges that significant progress has been made towards the clearance of net arrears during July and August and notes the time required for completing the data for September, which would be later in October. The institutions' positive assessment of Greece's clearance of net arrears would pave the way for the ESM Board of Directors to approve the further release of EUR 1.7 bn, which will be disbursed to a dedicated account to be used for arrears clearance.

The Eurogroup will now turn its attention to the next stages of the ESM programme. We call on the Greek authorities to intensify their work with the institutions on the measures needed to complete the second review in a timely manner, and welcome the intention of the institutions to return to Athens in mid-October 2016.