

Proposal for the technical extension of the Master Financial Assistance Facility Agreement between the European Financial Stability Facility and the Hellenic Republic

1. Background

Under the current Master Financial Assistance Facility Agreement (MFFA) between Greece and the European Financial Stability Facility (EFSF), the availability period of the Loan Facility expires on 31 December 2014. Despite the progress made by the Greek authorities, the current 5th review of the 2nd Economic Adjustment Programme for Greece cannot be completed before the end of 2014.

As a result, the Euro Area Member States reached a political understanding in the Eurogroup on 8 December 2014 that they would be favourably disposed to a request from Greece for a technical extension by 2 months of the MFFA under the EFSF, in order to allow for the successful conclusion of the final review of the current EFSF programme. It would pave the way for the disbursement of the final 7th instalment of €1.8 bn outstanding under this programme.

On 9 December 2014, the Greek government subsequently requested from the President of the Eurogroup, a technical extension of the availability period of the MFFA under the EFSF, in order to allow for the completion of the last review of the programme, the adoption of the relevant prior actions, and the corresponding parliamentary procedures in Member States. The duration of the extension would be for the time required to complete the technical work and procedures and, in any case, a maximum of 2 months.

2. Proposal

Following the political approval provided by the Eurogroup on 8 December 2014 and the request from Greece's Minister of Finance dated 9 December 2014, the EFSF proposes that the availability period of the MFFA shall be extended until the earlier of 28 February 2015 and the day after the disbursement of the residual amount of the EFSF programme.