

Main building blocks for Eurogroup outline on Greece

The aim of any adjustment programme for Greece is to return to sustainable and balanced growth and job creation, based on solid competitiveness allowing Greece to regain full market access. That is why the Eurogroup needs a clear and *frontloaded* commitment by Greece to ensure full implementation of key reform measures necessary to keep the programme on track. Greece has to commit on the core reform agenda of the programme, to ensure fiscal and financial market stability as well as future competitiveness of the country. The aim is the perpetuation of the agreed reform agenda (*no roll back of measures*), covering major areas as the revenue administration, taxation, public financial management, privatisation, public administration, health care, pensions, social welfare, education and the fight against corruption. Inter alia:

- Continued role of COM, ECB, IMF on review completion and ongoing monitoring.
- Announcement to honour repayment commitments towards creditors ECB, IMF, EFSF and GLF.
- Acceptance of independence of the Central Bank, HFSF, tax and statistic authority.
- Achievement of primary surplus in the General Government Budget of *3% in 2015* and *4,5 % of GDP in 2016*, closing the remaining gap in the 2015 budget to reach the 2015 target.
- Perpetuation of the agreed path to increase efficiency in the public sector, therefore continue application of the 1:5 attrition rule with the aim to reduce the general government employment by 150.000 as agreed.
- Perpetuation and implementation of Pension Reforms, establishing a close link between contributions and benefits.
- Stick to implemented labour market reforms, especially decrease in minimum wage, wider use of decentralized wage bargaining.
- Reforms to narrow the VAT gap and simplify the VAT rate structure (abolish tax exemptions).
- Continued implementation and perpetuation of OECD tool kit to foster competitiveness, proceed with the liberalization of key professions.
- Continuation of privatizations of ports, energy utilities and real estate in particular and fostering foreign direct investments with the aim of 2.2 bn. revenue in 2015.
- Adopt further measures to ensure that the energy component of regulated tariffs for households and small enterprises reflects market prices.

On the basis of the elements outlined above we are ready to further intensify our cooperation with Greece to foster growth and create new jobs. More needs to be and can be done – on a bilateral basis as well as in a European framework. On a bilateral basis, we stand ready to continue technical assistance of Member States, OECD, EBRD, already engaged in key areas such as tax administration, the management of EU Structural and Investment Funds, the reform of the public administration and SME support. Significant steps were taken to launch the Institution for Growth (IfG), an IfG SME Debt-Sub-Fund was set up and we stand ready to develop the remaining 2 pillars of that institution as well as to continue our bilateral assistance in the partnership agreements on cooperation between local authorities.