

LESSONS FROM FINANCIAL ASSISTANCE TO GREECE - INDEPENDENT EVALUATION REPORT

ESM evaluation team
reporting to the
Independent
Evaluator

LSE Hellenic Observatory

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CONFIDENCE AND TRUST ISSUES ACCOMPANIED PROGRAMMES

- The 2018 exit did not signal completion.
- The delay in adjusting Greek policies resulted in an exceptional scale of adjustment, and severe organisational stress.

Most decisive measures

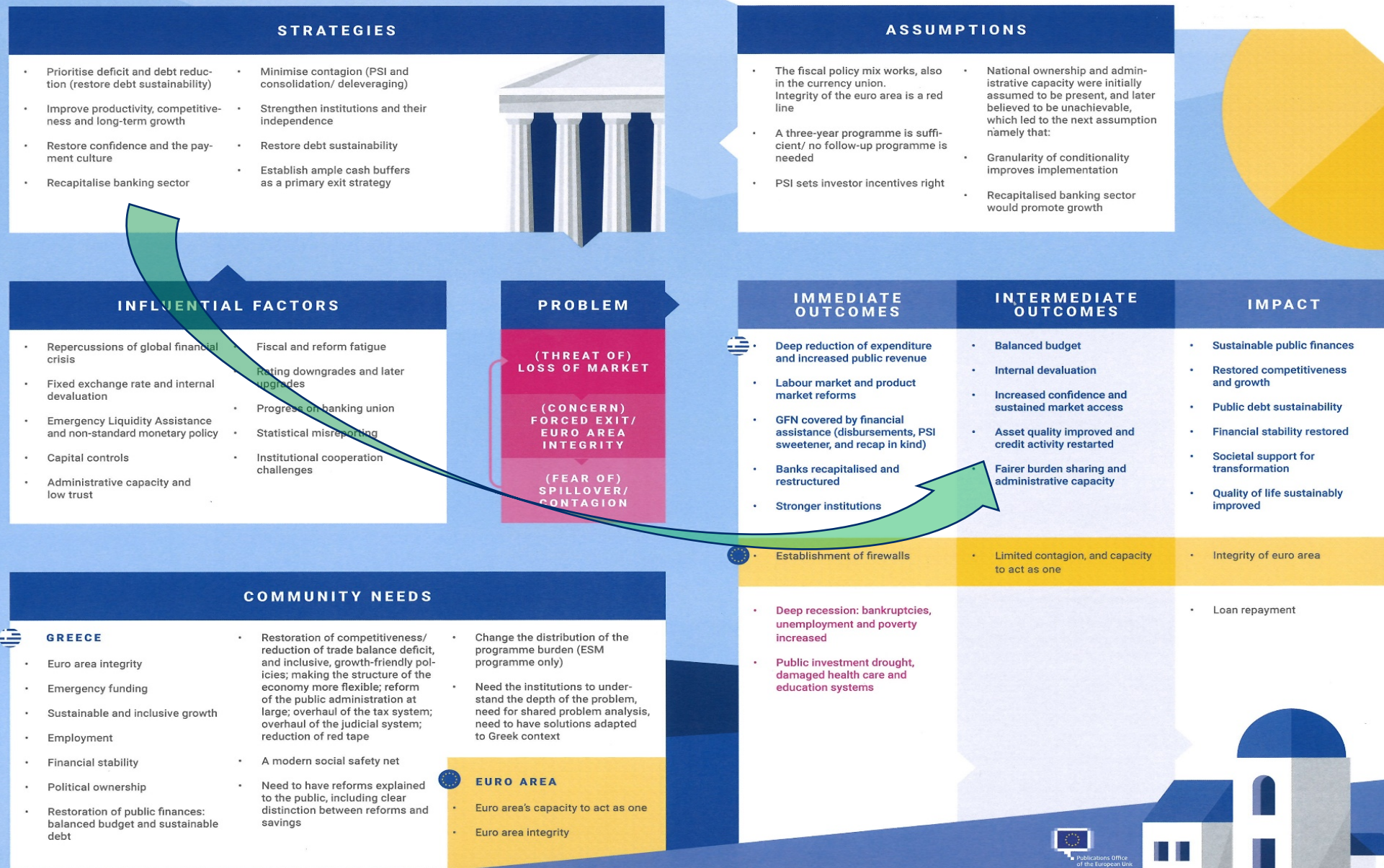
- Fiscal stabilisation was unavoidable
- Technical assistance necessary to strengthen institutions, especially the social income.
- Debt re-profiling cut financing risks, generated external confidence for return to market access.

Recommendations call for

- Better explained reform logic, broader engagement within the beneficiary society,
- Technical support to boost implementation capacity.
- Country knowledge, adaptation

- An early banking sector strategy and better focus on the growth benefits of the structural reforms would have helped speed up recovery.

Intervention logic



TIME TO RETHINK THE APPROACH

- Longer-term sector strategies to complement a more focused reform conditionality assessed against their effects.
- Attention to institutional capacity
- Set policy frameworks leaving room to adapt to unexpected outcomes.
- The Recommendations are an extension to ESM Treaty reform scheduled for ratification in 2021.
- Action plan to develop the capacity to
 - Deliver more coherent and impactful assistance through country knowledge and more established policy frameworks.
 - Upgrade the implementation review and post-programme policy engagement.
- Provision of assistance is a partnership

Many thanks

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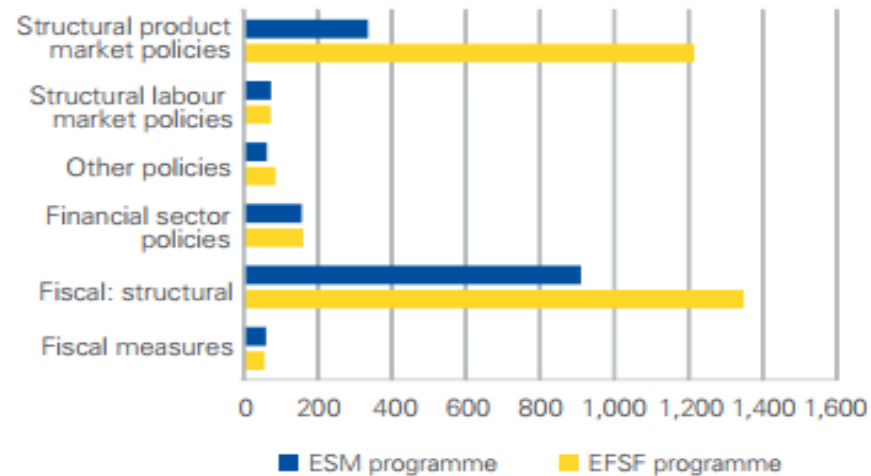
AVAILABLE MATERIAL FOR FURTHER STUDY



Sources	Links
Evaluation report	https://www.esm.europa.eu/sites/default/files/lessons-financial-assistance-greece.pdf
Technical appendices	https://www.esm.europa.eu/sites/default/files/greece_evaluation_technical_appendix_0.pdf
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Andersen background study	https://www.esm.europa.eu/sites/default/files/esmdp9.pdf
Ramaswamy background study	https://www.esm.europa.eu/sites/default/files/esmdp10.pdf
Cheng background study	https://www.esm.europa.eu/sites/default/files/esmdp11.pdf
OECD background study	https://www.esm.europa.eu/sites/default/files/dp12.pdf
Clancy & al. background study	https://www.esm.europa.eu/sites/default/files/wp45final.pdf
ESM Programme database	https://www.esm.europa.eu/financial-assistance/financial-assistance-database

CONDITIONALITY

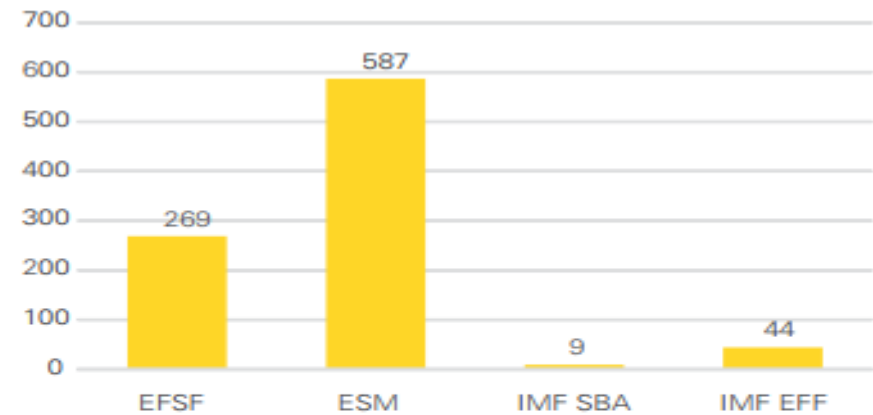
EFSF and ESM programme conditionality



Note: The bars represent the number of subconditionalities in respective categories.

Sources: ESM programme database, ESM calculations

Comparison of prior actions per programme



Note: The bars represent the number of subconditionalities in respective categories.

Sources: IMF IEO (2016b), IMF (2017a), ESM programme database, ESM calculations