

institutions. The Greek government commits to reduce further the costs of the Greek administration, in line with a schedule agreed with the institutions;

- to fully normalize working methods with the institutions, including the necessary work on the ground in Athens, to improve programme implementation and monitoring. The government needs to consult and agree with the institutions on all draft legislation in relevant areas with adequate time before submitting it for public consultation or to Parliament. The Eurogroup stresses again that implementation is key, and in the context welcomes the intention of the Greek authorities to request by 20 July support from the institutions and Member States for technical assistance, and asks the European Commission to coordinate this support from Europe;
- [finally, to amend or compensate for "roll-back" legislation adopted during 2015, which have not been agreed with the institutions and run counter to the commitments agreed in the framework of the 20 February 2015 Eurogroup statement.]

The above-listed commitments are minimum requirements to start the negotiations with the Greek authorities. However, the Eurogroup made it clear that the start of negotiations does not preclude any final possible agreement on a new ESM programme, which will have to be based on a decision on the whole package (including financing needs, debt sustainability and possible bridge financing).

The Eurogroup takes note of the possible programme financing needs of between EUR 82 and 86bn, as assessed by the institutions. The Eurogroup invites the institutions to explore possibilities to reduce the financing envelope, through an alternative fiscal path or higher privatisation proceeds. Restoring market access, which is an objective of any financial assistance programme, lowers the need to draw on the total financing envelope. The Eurogroup takes note of the urgent financing needs of Greece which underline the need for very swift progress in reaching a decision on a new MoU: these are estimated to amount to EUR 7bn by 20 July and an additional EUR 5bn by mid August.

The Eurogroup acknowledges the importance of ensuring that the Greek sovereign can clear its arrears to the IMF and to the Bank of Greece and honour its debt obligations in the coming weeks to create conditions which allow for an orderly conclusion of the negotiations. The risks of not concluding swiftly the negotiations remain fully with Greece. The Eurogroup will discuss these issues as a matter of urgency.

Given the acute challenges of the Greek financial sector, the total envelope of a possible new ESM programme would have to include the establishment of a buffer of EUR 10 to 25 bn for the banking sector in order to address potential bank recapitalisation needs and resolution costs, of which EUR 10bn would be made available immediately in a segregated account at the ESM.

The Eurogroup is aware that a rapid decision on a new programme is a condition to allow banks to reopen, thus avoiding an increase in the total financing envelope. The ECB/SSM will conduct a comprehensive assessment after the