

Box 8. Financing needs of the Greek government

This box provides information on the financing needs of the Greek government. Information is provided for the next two years (the horizon of the ongoing adjustment programme), and extends the information through mid-2014 (the horizon of a potential new three-year programme that started now).

The financing needs of the Greek government through mid 2013 are in excess of EUR 127 billion and amount to EUR 172 billion until 2014. This amount covers maturing bonds and loans; maturing instalments of the IMF loan from the third quarter of 2013 on; the budget deficits and, other needs, such strengthening the cash buffers, reducing of T-bill outstanding stock, increasing the share capital of HFSF; clearance of arrears; maturing debt of public enterprises. The loans granted by the euro-area Member States have a grace period of 4½ years, which meant that their reimbursement will only start at the beginning of 2015.

Financing needs will have to be covered through several means. The amounts not yet disbursed by the Greek loan facility organised by the euro-area Member States, and the IMF's stand-by arrangement amount to EUR 57 billion. The planned privatisation proceeds will also cover a substantial part of the needs. Until mid 2014, privatisation proceeds are expected to be close to EUR 30 billion. Moreover, private sector involvement, according to which bond holders would voluntarily agree to roll over a share of the bonds that mature in this period would decrease the need of additional official loans.

Table 1. Financing needs of the Greek government

	Total financing needs	Market debt amortisation			IMF loan	Deficit	Other financing needs						
		Total	Bonds	Loans			Total	Public enterprises	Adjustment to cash	Settlement of arrears	Cash buffer	HFSF	Reducing outstanding T bills
Q3 2011	23,260	6,447	6,194	253		6,484	10,329	43	424	1,362		2,000	6,500
Q4 2011	13,022	3,099	2,914	185		2,348	7,576	152	424		2,500	1,500	3,000
Q1 2012	21,860	14,679	14,528	151		3,729	3,452	52	151	999	1,250	1,000	
Q2 2012	15,886	9,708	8,570	1,138		3,729	2,449	48	151		1,250	1,000	
Q3 2012	15,789	8,275	8,043	232		3,729	3,785	635	151	999	1,000	1,000	
Q4 2012	8,616	2,422	2,118	304		3,729	2,465	314	151		1,000	1,000	
Q1 2013	10,808	6,125	5,975	150		2,850	1,833	284	158	891	500		
Q2 2013	18,207	13,316	11,722	1,594		2,850	2,041	492	158	891	500		
Sub-total	127,447	64,071	60,064	4,007		29,448	33,928	2,019	1,766	5,143	8,000	7,500	9,500
Q3 2013	11,654	7,406	6,679	727	682	2,850	717	59	158		500		
Q4 2013	7,214	1,994	1,885	109	988	2,850	1,382	724	158		500		
Q1 2014	8,745	4,897	4,722	175	1295	1,596	957	391	66		500		
Q2 2014	17,095	13,067	12,311	756	1806	1,596	625	60	66		500		
Total	172,155	91,435	85,661	5,774	4,772	38,340	37,609	3,253	2,213	5,143	10,000	7,500	9,500

4.5. TECHNICAL ASSISTANCE

65. Given administrative capacity constraints, the government has been facing challenges in implementing its reform agenda. The mission discussed the need to establish a formal project-management framework, in particular for the growth-enhancing structural reforms. It recommended that project managers are nominated for each initiative to be carried out in the various areas (labour market reform, product and service market reform, fast tracking investment, etc.) and that an internal