



Press Release

Luxembourg, 20 August 2020

Auditors to examine post-programme surveillance for Member States that received financial assistance after 2008 crisis

The Commission's post-programme surveillance applies to Member States exiting an adjustment programme and aims to ensure that they have the capacity to repay the financial assistance provided. The European Court of Auditors has started work on an audit examining the design, implementation and effectiveness of post-programme surveillance for the five Member States (Ireland, Portugal, Spain, Cyprus and Greece) that received financial support after the 2008 financial crisis. The audit will look at whether the Commission took relevant measures where needed to enable these Member States to maintain a sound economic and financial position, and whether it provided creditors with assurance regarding repayment capacity.

All EU Member States are normally subject to the standard surveillance for policy coordination under the European Semester. If, however, a Member State experiences serious financial difficulties, it can apply for a financial assistance programme. After the 2008 financial crisis, this was the case for Ireland, Portugal, Spain, Cyprus and Greece.

At the end of a financial support programme, the Member State is placed under post-programme surveillance (PPS), which is implemented alongside the European Semester. Its aim is to ensure that Member States are able to repay the financial assistance granted, while continually assessing their economic, fiscal and financial situation and identifying any risks to medium-term viability.

"Now that the global economy is being severely impacted by the COVID-19 pandemic, it is important to know if the pillars of the EU's economic and financial architecture are solid and effective", said Alex Brenninkmeijer, the member of the European Court of Auditors responsible for the audit. "Our audit will also consider the suitability of post-programme surveillance as a monitoring tool for the economic recovery fund currently under discussion".

The audit – due for completion by mid-2021 – will look in particular at whether:

- the Commission's work provided creditors with assurance regarding Member States' repayment capacity;

The purpose of this press release is to convey the main messages of the European Court of Auditors' audit preview. The full preview is available at eca.europa.eu.

ECA Press

12, rue Alcide De Gasperi – L-1615 Luxembourg

E: press@eca.europa.eu @EUAuditors eca.europa.eu

- the Commission drew appropriate conclusions from its assessments/analyses and took relevant measures where needed to enable the Member States concerned to maintain a sound economic and financial position.

As far as possible, the auditors will take account of the impact of the COVID-19 crisis on the Commission's assessment of Member States' public finances and their repayment capacity under PPS.

Note to Editors

As a direct consequence of the 2008 economic and financial crisis, specific mechanisms were adopted to provide financial support to euro-area Member States – the Greek loan facility agreement (GLF), the European Financial Stability Facility (EFSF), the European Financial Stabilisation Mechanism (EFSM) and the European Stability Mechanism (ESM). EU legislation to provide a surveillance framework and governance structure for the assistance programmes was developed a few years later. The legal base for the PPS is embedded in the so-called “Two-Pack”, consisting of **Regulation (EU) No 472/2013**, which is the main legal basis for post-programme surveillance, and **Regulation (EU) No 473/2013**, which builds on and complements the Stability and Growth Pact (SGP), the European framework for fiscal surveillance.

This audit complements previous work on [financial assistance to Member States](#) and [EU economic governance](#) under the Six-Pack and the Two-Pack. In addition, the ECA will shortly publish a special report specifically about the European Semester.

The audit preview published today provides information about an ongoing audit task. Audit previews are based on preparatory work and should not be regarded as audit observations, conclusions or recommendations. The full audit preview is available in English at eca.europa.eu.

Press contact for this preview

Claudia Spiti – E: claudia.spiti@eca.europa.eu - T: (+352) 4398 45765 / M: (+352) 691 553 547