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GREECE AND CREDITORS PROCLAIM 'END OF CRISIS'

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"The Greek crisis ends here, in Luxembourg, tonight".

It was well past 1AM, on the night of Thursday (21 June) to Friday, when EU finance commissioner Pierre Moscovici tried to lend solemnity to the tedious deal reached after hours of discussions by eurozone finance ministers and Greece's creditor institutions - the European Commission, European Central Bank, European Stability Mechanism (ESM), and the International Monetary Fund (IMF).

What was at stake was how the last of the three Greek bailouts since 2010 will end in August, and what happens to Greek finances in the years and decades to come without the international lifeline.

The Eurogroup first decided that Greece will receive a □□□□□ in the coming weeks, after it completed the last package of 88 'prior actions' required by its creditors to close the programme launched in 2015.

This last tranche of loans will leave Greece with a cash buffer of □□□□□□□ that will allow it to repay its debt without the need to finance itself on the markets for at least 22 to 24 months.

In addition, the Eurogroup agreed on a package of debt relief measures, to make Greece's debt sustainable and reassure financial markets and foreign investors over the country's economic capacities in the future.

Under the agreement, Greece obtained, in particular, 10 more years of interest deferral on loans from the European Financial Stability Facility (EFSF), which was the first emergency fund established in 2010, as well as a 10-year extension of maturities - the delay to repay loans.

That means that Greece will pay interests on these loans only after 2032 and is expected to finish repaying the loans in 2066.

Greece will also get back some □□□□□□ from profits made by eurozone countries on previous loans. It will receive part of the money every six months, under the condition that it continues to implement all the reforms started under the bailout.

This conditionality was crucial to the creditors, in order to ensure that the current and future Greek governments do not roll back the economic, social, political, and administrative reforms engaged in in the last eight years.

In addition to the normal monitoring by the European Commission under the European Semester mechanism, Greece will also be put under a so-called enhanced surveillance, at least for the next four years, with reports every six months.

The Eurogroup also issued a list of "specific commitments" that Greece will have to meet in the coming years.

In particular, it will be required to maintain a primary surplus - the budget surplus before debt servicing - of at least 3.5 percent until 2022.

From 2023 and until 2060, the Eurogroup noted that Greece would have to reach a primary surplus of 2.2% of GDP on average in order to make its debt sustainable - a performance that no country has achieved over such a long period.

"The measures that have been announced are significant," IMF director Christine Lagarde said after the meeting, adding that the fund had "no doubt that Greece would be in a position to reaccess financial markets."

Difficult negotiation

The IMF and the Europeans had long been at odds over the size of the necessary debt relief.

While the Washington-based fund insisted in the need to make the Greek debt sustainable, Germany in particular was opposed to extensive debt measures before Greece makes all the required reforms.

"It was a difficult negotiation," French finance minister Bruno Le Maire admitted after the meeting.

While preparatory talks in recent weeks had suggested that an agreement would be relatively easy to find at political level, "the international context made things more complicated," a source told EUobserver, mainly referring to the government crisis in Germany.

Tensions within German leader Angela Merkel's coalition over migration and the future of the eurozone stiffened the German position on Greece, which the official described as a "still very symbolic issue" in Germany.

Most of the time on Thursday afternoon and evening was spent in bilateral meetings between ministers and officials from creditor institutions and in phone calls to governments, while officials and journalists spent their waiting time watching the football world cup.

In the end, "Europe took its responsibilities," Le Maire noted.

France accepted to scrap a scheme it proposed last year to link the amount of debt repayment to the level of growth, but the Eurogroup promised to review, in 2032, whether Greece's debt was still sustainable and whether new debt measures were needed.

Lagarde, who noted that the IMF still had reservations over the long term sustainability of the debt, said the promise was a "very significant commitment".

'I'm happy'

For Greece, Thursday's tight but dispassionate late-night negotiations were an uncharacteristic end to what former prime minister George Papandreou called "a new odyssey", in 2010 when he asked the EU and the IMF to come to Greece's rescue.

After three bailouts in eight years, with □□□□□□□ disbursed so far, a near-exit from the euro in 2015, and a 25-percent fall in GDP, Greece "is turning a page," finance minister Euclid Tsakalotos said.

"I'm happy," he said. "I think it is the end of the Greek crisis."

He said Greece "has all the building blocs there to leave the programme with confidence, access the markets, implement our growth strategy and turn the agenda away from one of fiscal adjustment to one of growth."

"It's a momentous moment," he added.

Looking at the continuing international supervision of Greece, he admitted that "of course, that doesn't mean that there is not work to be done."

Kaynak/Source: