

	Euro area intergovernmental loans to Greece	European Financial Stabilisation Mechanism	European Financial Stability Facility	European Stability Mechanism
Legal/ institutional form	Intergovernmental agreement	EU mechanism	Private company owned by euro area countries	Intergovernmental organisation
Capital structure	None, bilateral loans pooled by the European Commission	Guaranteed by EU budget (i.e. all EU Member States)	Guarantees and over- guarantees from euro area countries	€80 billion paid-in capital and €620 billion callable capital (payment of initial shares by euro area countries to be made in five annual instalments of 20% of the total amount)
Lending capacity				
EU/euro area limit	€80 billion	€60 billion	€440 billion ¹⁾	€500 billion
Commitments	€80 billion	€22.5 billion for Ireland	€17.7 billion for Ireland (plus €4.8 billion in bilateral loans)	N/A
		€26 billion for Portugal	€26 billion for Portugal	N/A
Instruments	Loans	Loans, credit lines	Loans, bond purchases on the primary market ¹⁾	Loans, bond purchases on the primary market
Duration	Loans to be repaid seven and a half years after disbursement date in 22 equal quarterly payments	Until the end of June 2013	Until the end of June 2013. Will also remain operational thereafter until all outstanding liabilities are repaid	Permanent mechanism from the beginning of July 2013 onwards
ECB involvement	Involved in programme design and monitoring, and as paying agent	Involved in programme design and monitoring, and as paying agent	Involved in programme design and monitoring, and as paying agent	Involved in conducting debt sustainability analysis, programme design and monitoring, and as paying agent
Main decision- making bodies	Eurogroup	ECOFIN Council, acting by qualified majority voting on proposal from European Commission	Eurogroup/EFSF Board of Directors	Eurogroup/ESM Board of Governors and ESM Board of Directors
Legal basis				
Financing	Intergovernmental decision and Treaty Article 136	Treaty Article 122 (a Member State facing "exceptional occurrences beyond its control")	Intergovernmental decision	Intergovernmental treaty linked to amended Treaty Article 136
Conditionality	Treaty Articles 126 and 136	EU Council Decision on basis of EFSM Regulation	EFSF Framework Agreement by cross-reference with Memorandum of Understanding and EU Council Decision	EU Council Decision on basis of regulation under Treaty Article 136 (forthcoming)

1) After adoption of the amended EFSF Framework Agreement.

on 1 January 2013,⁷ allowing the ESM to begin operations in July 2013.

is a private company incorporated under Luxembourg law.

THE GOVERNANCE OF THE EUROPEAN STABILITY MECHANISM

The most important decisions in relation to the ESM will be taken by its Board of Governors.

The ESM will be an intergovernmental institution established under public international law by a treaty signed by the euro area countries. The EFSF, by contrast,

⁷ The amendment to Article 136 can only enter into force when notifications of ratification have been received from all EU Member States. If this is not the case before 1 January 2013, it will enter into force on the first day of the month following the receipt of the last of the notifications.