



European Council  
Council of the European Union

# **Infographic - Reform of the European Stability Mechanism (ESM)**

# Reform of the European Stability Mechanism (ESM)

## What is the European Stability Mechanism (ESM)?

### Current role



Provide financial assistance to euro area countries experiencing or threatened by severe financing problems

### Lending capacity




Up to **€500** billion

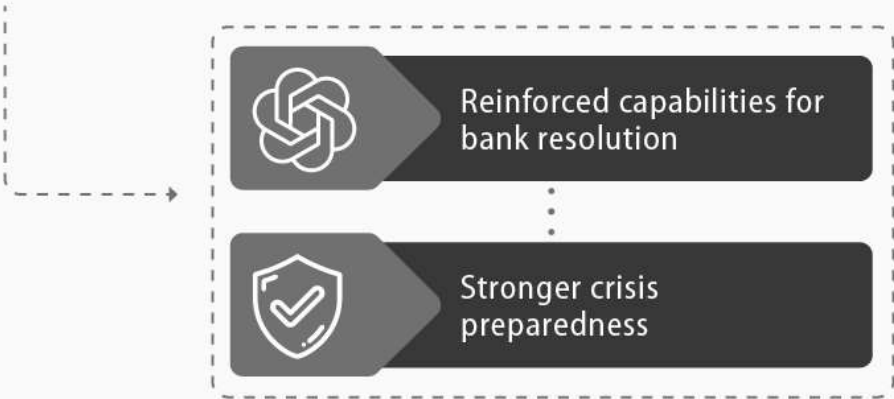
### Legal base




Intergovernmental treaty signed by euro area governments in February 2012

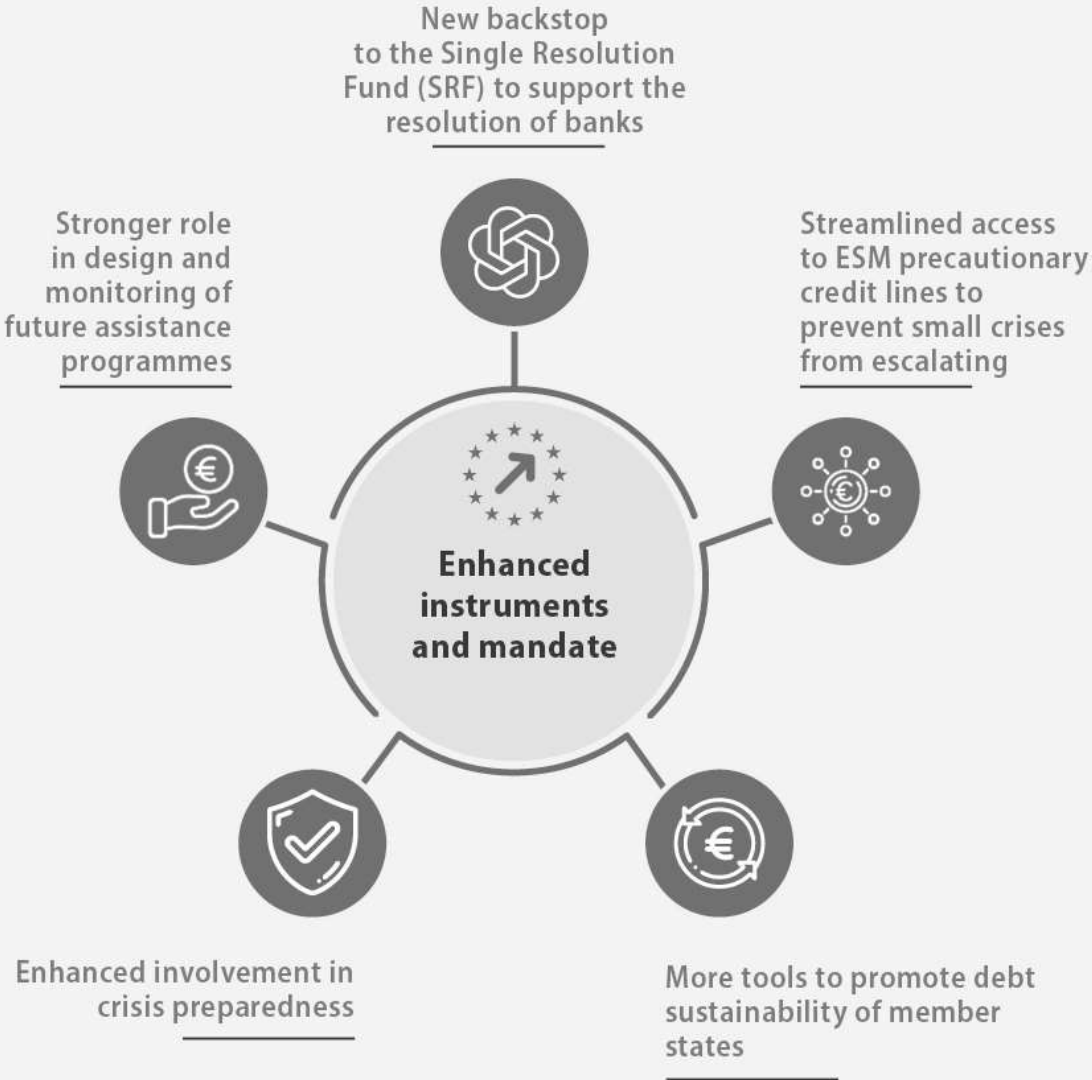
## Why a reform of the ESM?

 A more efficient and effective use of the ESM



 Increase the resilience of the Economic and Monetary Union

# What changes with the amended ESM Treaty?



# How will the reform enter into force?

**Political agreement in the Eurogroup**  
(30 November 2020)



**Signature of the agreement amending the ESM Treaty**

**Ratification by all 19 euro area member states**



**Entry into force of the amended ESM Treaty**

**Early introduction of the backstop to the SRF in 2022**



**Council of the European Union**  
General Secretariat

© European Union, 2020  
Reproduction is authorised, provided the source is acknowledged

**+ Text version**

- › Economic and Monetary Union (background information)
- › Video conference of the Eurogroup, 30 November 2020
- › ESM reform (European Stability Mechanism)
- › See all infographics

Share



**Topics:**