



PM Cameron plans second tour of European capitals

Prime Minister David Cameron is to take another tour of European capitals next month to secure backing for Britain's EU renegotiations before the Conservative annual conference in October. David Cameron, who already visited Berlin, Paris, Rome and Warsaw, plans to target smaller nation in the latest diplomatic campaign. (Source: [EUObserver](#))

France and Britain to defuse Calais migrant crisis

France and Britain signed a deal this week, aimed at preventing undocumented migrants entering the Channel Tunnel. The accord, signed in Calais by France's Interior Minister Bernard Cazeneuve and his British counterpart Theresa May, will focus on securing the area. As part of the agreement, the Home Office said that British police officers will be deployed to Calais to combat gangs smuggling migrants across the Channel. Led by one British and one French senior commander, they will work alongside their French counterparts in a "Command and Control Centre". New measures include increased French police numbers and British-funded fencing, CCTV and other security equipment to protect the tunnel entrance in Calais. Operator Eurotunnel will receive unspecified support to deploy more security guards at the site. It will also provide a boost to humanitarian assistance for the migrants in a bid to ease the desperate conditions in Calais.

(Source: [Euractiv](#))



Greece – ESM Board of Directors approves first loan tranche of £26bn

The European Stability Mechanism (ESM) approved to the first tranche of financial assistance for Greece of £26bn. This decision follows the ESM Board of Directors approval of the Financial Assistance Facility Agreement (FFA), specifying the terms of financial assistance for Greece. The Board also decided to immediately disburse €13bn to Greece. This week's disbursement is the first part of a sub-tranche of €16bn, to be used for budget financing and debt servicing needs. The remaining billion of this sub-tranche will be disbursed at the latest by the end of November, once Greece has completed additional prior actions. The second sub-tranche of €10bn, provided in ESM floating rate notes, is destined for potential bank recapitalisation or resolution. The ESM will hold the notes in a segregated account. They can be disbursed provided, among other things, Greece makes such a request and that the competent recapitalisation/resolution authority confirms the amount. The ESM Board of Directors must also give final approval. (Source: [ESM](#))

Greece – Commission signs three-year ESM stability support programme

The European Commission signed the Memorandum of Understanding (MoU) with Greece for a new stability support programme this week. The European Stability Mechanism (ESM) will be able to disburse up to €86bn in loans over the next three years, provided that Greek authorities implement reforms to address fundamental economic and social challenges, as specified in the MoU. Following months of negotiations, the programme should help to lift uncertainty, stabilise the economic and financial situations and will assist Greece in its return to sustainable growth based on sound public finances, enhanced competitiveness, a functioning financial sector, job creation and social cohesion. As provided

in Article 13 of the ESM Treaty, the MoU details the reform targets and commitments needed to unlock ESM financing. The disbursement of funds is linked to progress in delivery. Implementation will be monitored by the Commission, in liaison with the European Central Bank and, wherever possible, together with the International Monetary Fund. This will take the form of regular reviews.

(Source: [European Commission](#))

Greek Prime Minister resigns

Greek Prime Minister Alexis Tsipras resigned on Thursday this week, paving the way for new elections. The move came after he lost the support of many of his own MPs in a vote on the country's new bailout with European creditors. Alexis Tsipras had long been expected to seek early elections in the autumn. But he was forced to move quickly after nearly a third of Syriza lawmakers refused to back the programme in parliament last week, robbing him of his majority. The Panhellenic Socialist Movement also refused to back Alexis Tsipras. The election date is yet to be set but earlier reports suggested 20 September. Mr Tsipras will lead his leftist Syriza party into the polls, but he has faced a rebellion by some members angry at the bailout's austerity measures. A Metron Analysis poll on 24 July put support for Syriza at 33.6%, making it by far the most popular party, but not enough to govern without a coalition partner. No polls have been published since then due to the holiday season.

(Source: [BBC](#), [Euractiv](#))



Bundesbank predicts 'solid' German economic growth

Economic growth in Germany is set to be "solid" in the second half of the year, the country's central bank has said. The Bundesbank said growth in the country would be boosted by both external and domestic demand. Last week, Germany, Europe's largest economy, reported that its economy grew 0.4% in the three months to June. However, the Bundesbank noted that the China's slowdown could add to uncertainty over growth prospects for the global economy. In its monthly report, the Bundesbank said that Germany would benefit from increases in real earnings domestically, as well as economic recovery in the eurozone. Accelerating growth in the United States and Britain - two of Germany's key trading partners - would also contribute to Germany's growth.

(Source: [BBC](#))

Week ahead

The European Parliament is in summer recess until 1 September 2015.