

Statement by the Eurogroup

Ministers reaffirmed their absolute commitment to safeguard financial stability in the euro area. To this end, Ministers stand ready to adopt further measures that will improve the euro area's systemic capacity to resist contagion risk, including enhancing the flexibility and the scope of the EFSF, lengthening the maturities of the loans and lowering the interest rates, including through a collateral arrangement where appropriate. Proposals to this effect will be presented to Ministers shortly.

Ministers discussed the main parameters of a new multi-annual adjustment programme for Greece, which will build on strong commitments to fiscal consolidation, ambitious growth-enhancing structural reforms and a substantial privatisation of state assets. Ministers welcomed the reinforcement of monitoring mechanisms of the programme of Greece, the nomination of the board of the privatisation agency, which comprises two observers representing euro area Member States and the European Commission, and agreed to provide extended technical assistance to Greece. They called upon the Greek government to sustain its on-going efforts to meet these commitments in full and on time.

Ministers welcomed the decision by the IMF to disburse the latest tranche of financial assistance to Greece, as well as the proposals from the private sector to voluntarily contribute to the financing of a second programme, building on the work already underway. The ECB confirmed its position, reaffirmed by its Governing Council last Thursday, that a credit event or selective default should be avoided.

While the responsibility for resolving the crisis in Greece lies primarily with Greece, Ministers recognised the need for a broader and more forward-looking policy response to assist the government in its efforts to bolster debt sustainability and thereby safeguard financial stability in the euro area.

In this context, Ministers have tasked the Eurogroup Working Group to propose measures to reinforce the current policy response to the crisis in Greece. The Eurogroup Working Group will notably explore the modalities for financing a new multi-annual adjustment programme, steps to reduce the cost of debt-servicing and means to improve the sustainability of Greek public debt. This reinforced strategy should provide the basis for an agreement in the Eurogroup on the main elements and financing of a second adjustment programme for Greece shortly.

Ministers commit to continue negotiating with the European Parliament the legislative proposals to reinforce economic governance in the European Union in order to agree on an ambitious reform as soon as possible. The reinforced governance should be fully operational without delay.