

Statement by the Eurogroup

The Greek authorities are embarking on a significant and necessary adjustment effort. Ministers recognised the considerable progress achieved by the Greek authorities over the last year, particularly in the area of fiscal consolidation. Ministers are also conscious of the serious challenges that Greek citizens are facing in these difficult times.

Ministers took note of the debt sustainability assessment prepared by the Commission and the IMF. The assessment showed that debt sustainability hinges critically on Greece sticking to the agreed fiscal consolidation path, the plans of collecting EUR 50 billion in privatisation proceeds until 2015, and the structural reform agenda which will promote medium-term growth.

Ministers look forward to the Commission's Compliance Report, that requires the finalisation of the updated Memorandum of Understanding, which is expected in the coming days, reflecting the outcome of the ongoing negotiations between the Greek government and the European Commission, in liaison with the ECB, and the IMF. This, together with the passing of key laws on the fiscal strategy and privatisation by the Greek parliament, will pave the way for the next disbursement by mid-July.

However, given the difficult financing circumstances, Greece is unlikely to regain private market access by early 2012. Ministers agreed that the required additional funding will be financed through both official and private sources and welcome the pursuit of voluntary private sector involvement in the form of informal and voluntary roll-overs of existing Greek debt at maturity for a substantial reduction of the required year-by-year funding within the programme, while avoiding a selective default for Greece.

On these conditions, Ministers decided to define by early July the main parameters of a clear new financing strategy.

Ministers call on all political parties in Greece to support the programme's main objectives and key policy measures to ensure a rigorous and expeditious implementation. Given the length, magnitude and nature of required reforms in Greece, national unity is a prerequisite for success.