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01.03.2012

Statement by the President of the Eurogroup, Jean-Claude Juncker

The Eurogroup welcomes the assessment of the Troika that Greece has made sufficient progress in completing the agreed prior actions. All required legislation by the Parliament and the Ministerial Cabinet has been adopted, and a few pending implementing acts should be completed shortly. Ministers note with satisfaction that Greece thereby undertook decisive and swift legislative action in the areas of fiscal consolidation, revenue administration, pension reform, financial sector regulation and supervision and growth-enhancing structural reforms. This will allow the Greek adjustment effort to regain momentum, which – together with a rigorous implementation of the agreed policy package for the new programme - constitutes the basis for putting the public finances and the economy of Greece back on a sustainable path. The Troika will finalise in the next few days the detailed assessment of the quality of the transposition of prior actions in Greek legislation.

Against this background and in view of the completion of the relevant national procedures in Member States, Ministers authorise the EFSF to implement the Eurosystem collateral enhancement facility. This entails the provision by EFSF of a buy-back scheme for the eligibility of marketable instruments issued or guaranteed by the Greek Government for use as collateral in Eurosystem monetary policy operations.

Ministers also agreed on a backstop facility for the recapitalisation of Greek banks in case of financial stability concerns. In addition, Ministers authorise the issuance by EFSF of bonds to finance the euro area's contribution to the PSI exercise and the repayment of accrued interest on Greek government bonds. The Eurogroup, however, reiterates that a successful PSI operation with high participation and a final positive assessment of the complete set of prior actions are necessary conditions both for the disbursements of these EFSF bonds and for the second programme.

The Eurogroup therefore looks forward to a high participation of private creditors in the debt exchange. Ministers are confident that the terms described in the Greek authorities' Invitation to holders of Greek government bonds include sufficient attractive and unique features that should appeal to private creditors and ensure the broadest participation.