



Highlights

Eurozone deal to boost firewall



30/03/2012

At the Eurogroup meeting in Copenhagen on 30 March 2012 the finance ministers agreed to set up a firewall of more than 800 billion euros to safeguard the financial stability of the euro area.

Joint lending power of the ESM and EFSF reinforced

The combined lending ceiling of the temporary [European Financial Stability Facility](#) (EFSF) and the permanent European Stability Mechanism (ESM) will be raised from 500 billion euros to 700 billion euros.

From July this year, the Luxembourg-based financial institution ESM will be the main fund to finance new support programmes for eurozone countries where required. Its new maximum lending volume will amount to 500 billion euros. Existing programmes, worth about 200 billion euros, will continue to be financed by the EFSF.

The EFSF/ESM lending capacity comes on top of the 102 billion euros already paid out in bilateral loans and from EU funds to support Greece, Ireland and Portugal.

In addition, eurozone member states have committed to provide 150 billion euros as bilateral contributions to the International Monetary Fund

ESM paid-in capital to be accelerated

As the available lending capacity of the ESM depends on the amount of paid-in capital, the Eurogroup agreed to speed up its capital pay-in from the pace initially provided for in the [ESM Treaty](#). If needed, the payment can be accelerated even further.

Greek foreign-law bond swap

In his statement President of the Eurogroup Jean-Claude Juncker encouraged holders of Greek foreign-law bonds to participate in the debt exchange offered by the Greek authorities (private sector involvement, PSI) and thus make a contribution to Greece's debt sustainability. The offer period for foreign-law bondholders runs until 4 April.

More information:

[Statement of the Eurogroup, 30 March 2012 \(pdf\)](#)

[Statement by the Eurogroup President, 30 March 2012 \(pdf\)](#)

[Eurozone governance](#)

[Eurogroup webpages](#)

[Statement by the Eurogroup President, 9 March 2012, inter alia on the PSI \(pdf\)](#)

[Eurogroup Statement, 20 February 2012, on agreement on a second programme for Greece \(pdf\)](#)

[Economic governance in graphs](#) (Commission webpages)