

## EUROPEAN COUNCIL CONCLUSIONS

The European Council welcomes progress made in Ireland in the implementation of its reform programme, which is well on track. It also welcomes the strong commitment by the newly elected Portuguese government to fully implement its programme of reforms. Building on a cross-party consensus on the need to reform, strict implementation of those programmes will ensure debt sustainability and will support the return of Ireland and Portugal to the financial markets.

Euro area Heads of State or Government reiterate their commitment to do whatever is necessary to ensure the financial stability of the euro area as a whole.

The recovery in the euro area is well on track and has reached a sustainable path of solid growth. The euro is based on sound fundamentals, and we are deeply satisfied with the track record of price stability achieved since the inception of the euro.

As regards Greece, the European Council recognises the considerable progress achieved over the last year, particularly in the area of fiscal consolidation. It welcomes the Greek government's continued strong commitment to implement the adjustment programme.

The European Council calls on the national authorities to continue implementing with resolve the necessary adjustment efforts to put the country on a sustainable path. A comprehensive reform package agreed upon with the Commission, in liaison with the ECB, and the IMF, and adoption by the Greek Parliament of the key laws on the fiscal strategy and privatization must be finalized as a matter of urgency in the coming days. Following the request by the Greek government announced by the Greek Prime Minister, this will provide the basis for setting up the main parameters of a new programme jointly supported by its euro area partners and the IMF, in line with current practices, and at the same time for allowing disbursement in time to meet Greece's financing needs in July.

The euro area Heads of State or Government agree that required additional funding will be financed through both official and private sources. They endorse the approach decided by the Eurogroup on 20 June as regards 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.

The euro area Heads of State or Government call on Finance Ministers to complete work on outstanding elements to allow the necessary decisions to be taken by early July.

The European Council calls 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.

The European Council welcomes the Commission's intention to enhance the synergies between the loan programme and the EU funds. The European Council supports all efforts to increase Greece's capacity to absorb EU funds in order to stimulate growth and employment. This can be done by refocusing them on improving competitiveness and employment creation. Moreover, the European Council welcomes and supports the preparation by the Commission, together with the Member States, of a comprehensive programme of technical assistance to Greece.

Heads of State or Government are conscious of the efforts that the adjustment measures entail for the Greek citizens, and are convinced that these sacrifices are indispensable for the economic recovery and will contribute to the future stability and welfare of the country.

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