Brussels, 26 October 2011

Main results of Euro Summit

The euro is at the core of our European project of peace, stability and prosperity.
We agreed today on a comprehensive set of measures to restore confidence and address the current tensions in financial markets. These measures reflect our unwavering determination to overcome together the current difficulties and to take all the necessary steps towards a deeper economic union commensurate with our monetary union.

Today we agreed on the following:

1. An agreement that should secure the decline of the Greek debt to GDP ratio with an objective of reaching 120% by 2020. Euro area Member States will contribute to the PSI package up to 30 bn euro. The nominal discount will be 50% on notional Greek debt held by private investors. A new EU-IMF multiannual programme financing up to 100 bn euro will be put in place by the end of the year. It will be accompanied by a strengthening of the mechanisms for the monitoring of implementation of the reforms.

2. The significant optimisation of the resources of the EFSF, without extending the guarantees underpinning the facility. The options agreed will allow the EFSF resources to be leveraged. The leverage effect of both options will vary, depending on their specific features and market conditions, but could be up to 4 or 5, which is expected to yield around 1 trillion euro (around 1.4 trillion dollar). We call on the Eurogroup to finalise the terms and conditions for the implementation of these modalities in November. In addition, further cooperation with the IMF will be sought to further enhance the EFSF resources.

3. A comprehensive set of measures to raise confidence in the banking sector by (i) facilitating access to term-funding through a coordinated approach at EU level and (ii) the increase in the capital position of banks to 9% of Core Tier 1 by the end of June 2012. National supervisors must ensure that banks' recapitalisation plans do not lead to excess deleveraging.

4. An unequivocal commitment to ensure fiscal discipline and accelerate structural reforms for growth and employment. Particular efforts are being deployed by Spain. New strong commitments on structural reforms have been made by Italy. Portugal and Ireland will continue their reform programmes with the support of our crisis mechanisms.

5. A significant strengthening of economic and fiscal coordination and surveillance. A set of very specific measures, going beyond and above the recently adopted package on economic governance, will be put in place.

6. Ten measures to improve the governance of the Euro area.

7. A mandate to the President of the European Council, in close collaboration with the President of the Commission and the President of the Eurogroup, to identify possible steps to strengthen the economic union, including exploring the possibility of limited Treaty changes. An interim report will be presented in December 2011. A report on how to implement the agreed measures will be finalised by March 2012.