
Greek crisis endgame: EU agrees to allocate €80bn+ over 3 years

13/07/2015



[Greek debt crisis: EU leaders struggle to reach bailout compromise LIVE UPDATES](#)

In his Twitter account the President of the European Council Donald Tusk said that agreement on Greece was reached “*unanimously*”. All of the key participants in the talks acknowledged that the deal means a so-called Grexit was no longer on the agenda.

The program will affect the overall pension reform, reform of the product markets, privatization and changes in labor exchanges, said German Chancellor Angela Merkel after the eurozone summit Monday.

“We have been long engaged in the matter of the size of the program, which is very significant - from €82 to €86 billion over three years,” she said at a news conference.

A write-off of Greece’s debt is not on the agenda, she added.

[READ MORE: Greece asks for new 3yr loan, promises reform plan on July 9](#)

“It has been agreed to start negotiations on an (European Stability Mechanism) ESM program, which means continued financial support for Greece,” said Tusk. *“The decision gives Greece the chance to get back on track with the support of European partners,”* he said, adding there would be “*strict conditions*.”

Greece agreed to set up a €50 billion fund to repay its debt, said Eurogroup President

JeroenDijsselbloem.

"The target size of the fund, which will accumulate assets of Greece, will be €50 billion, and it will be based in Greece. This will create a fund to which funds will be transferred, which will then be monetized through their privatization or commercial use. The fund will be aimed at solving the debt problem, or debt reduction, and it can be used to recapitalize banks," said Dijsselbloem.

[READ MORE: Russia mulls direct energy supplies to Greece in near future - energy minister](#)

The problem of the recapitalization of banks is one of the key challenges for the eurozone, according to Dijsselbloem. This will require about €25 billion, half of the €50 billion fund, he added.

The European Commission will provide the Greek economy with €35 billion in investments, European Commission President Jean-Claude Juncker added.

The Greek parliament has to approve all the reform laws by July 15 in order to receive the aid, said Dijsselbloem. The final conclusion of the negotiations on the development of the third program of aid to Athens will require a few more weeks, he added.

The markets and the euro started growing after the Greek agreement. A composite Stoxx Europe 600 Index grew by 1.1 percent at the opening, with the euro rallying to \$1,1147 from a Friday reading of \$1,1162.

The results achieved at the eurozone summit allow Greece to return to the path of growth, Merkel commented at a press conference after the meeting.

"All in all, the advantages outweigh the disadvantages...I think that Greece has a chance to return to the path of growth," Merkel said.

"We've made a good step to build confidence, but there [are] still a lot of steps to implement the achieved," says IMF Chief Christine Lagarde.

The agreement is complex, but Greece avoided the transfer of its state property abroad, as well as financial strangulation and destruction of the financial system, Greek Prime Minister Alexis Tsipras commented.

However, a former Greek ambassador Leonidas Chrysanthopoulos says the new deal is *"too tough, too late, the death of Greeks."* Despite the concessions the EU has made to Greece the country is far from being out of the crisis, he told RT.

"These absurd measures do not reflect the EU we entered back in 1981. It has actually made Greece a colony of Germany, not to say of the European Union," he said.

Last Thursday Tsipras [submitted](#) a new reform plan to its so-called troika of creditors – the IMF, the ECB and the European Commission. When bargaining over a new deal, the PM was asking for a €53.5 billion bailout package over the next three years.

The Greeks voted 61 percent [against](#) a bailout package of new austerity measures at a national

referendum on July 5. It put Greece on the verge of leaving the eurozone, hastened negotiations, and led to the [resignation](#) of Finance Minister Yanis Varoufakis.
