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Proposal for a

COUNCIL IMPLEMENTING DECISION

**amending Implementing Decision 2011/77/EU on granting Union financial assistance to
Ireland**

{SWD(2013) 403 final}

EXPLANATORY MEMORANDUM

In order to allow for a due assessment of compliance with the conditionality under the macroeconomic adjustment programme for Ireland and to assure a completion of the final review within the timeframe of the financial assistance, Council Implementing Decision 2011/77/EU on granting financial assistance to Ireland should be amended. The proposed amendment is of a purely technical nature and concerns the extension of the availability period of the financial assistance from three years to three years and two months. The key parameters of the macroeconomic adjustment programme, notably the duration of the programme and the overall financial envelope remain unchanged.

In accordance with Article 4 of Regulation (EU) No 473/2013 on the common budgetary timeline, which entered into force on 30 May 2013, the Irish authorities will publish their draft budgetary plan on 15 October 2013 at the latest. Moreover, the results of the balance sheet assessment as per programme conditionality are expected by end November 2013. For a comprehensive and thorough assessment of compliance with the programme conditionality it is clearly essential to take the information contained in the draft budgetary plan and the bank diagnostics into account. Therefore, the 12th and final review mission under the Irish programme cannot start before 15 October 2013. Council Implementing Decision 2011/77/EU currently states that the financial assistance shall be made available during three years starting from the first day after its entry into force, which means the availability period of the assistance ends 8 December 2013. All the processes to complete the review and prepare the necessary documents would have to be squeezed in the few remaining weeks before this date, running the risk of lacking time for the appropriate scrutiny in assessing the compliance as well as failing the deadline due to an unforeseen event, in which case Ireland would miss out the final disbursement. To mitigate these risks, the availability period of the programme could be extended by two months.

It should be noted that such decision will enhance the predictability of the disbursement under the programme. At the same time, it enhances the quality of the review assessment. These effects are beneficial for both creditor and debtor countries and therefore contribute to the stability of the euro area.

Taking into account the above explanations, the Commission considers that the changes consisting in the extension of availability period of the financial assistance are beneficial to securing the programme's objectives.

Proposal for a

COUNCIL IMPLEMENTING DECISION

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EU) No 407/2010 of 11 May 2010 establishing a European financial stabilisation mechanism¹, and in particular Article 3(2) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) Upon a request by Ireland, the Council granted financial assistance to Ireland (Implementing Decision 2011/77/EU²) in support of a strong economic and reform programme aiming at restoring confidence, enabling the return of the economy to sustainable growth, and safeguarding financial stability in Ireland, the euro area and the Union.
- (2) The Commission completed the tenth review of the Irish economic reform programme on 10 July 2013.
- (3) A short extension of the availability period of the financial assistance is necessary as it would allow for a comprehensive and thorough assessment of programme compliance under the final review in due diligence and make sure that the decision on the release of the last instalment can proceed in time.
- (4) In light of these developments, Implementing Decision 2011/77/EU should be amended,

HAS ADOPTED THIS DECISION:

Article 1

In Article 1(2) of Implementing Decision 2011/77/EU, the words “during 3 years” are replaced by “during 3 years and 2 months”.

Article 2

This Decision is addressed to Ireland.

¹ OJ L 118, 12.5.2010, p. 1.

² OJ L 30, 4.2.2011, p. 34.

Article 3

This Decision shall be published in the *Official Journal of the European Union*.

Done at Brussels,

For the Council
The President