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COM(2013) 435 final

2013/0206 (NLE)

Proposal for a

COUNCIL IMPLEMENTING DECISION

approving the update of the macroeconomic adjustment programme of Ireland

{SWD(2013) 212 final}

EXPLANATORY MEMORANDUM

Upon a request by Ireland, the Council granted financial assistance to Ireland on 7 December 2010 (Implementing Decision 2011/77/EU). The financial assistance was provided to support a strong economic and financial reform programme aimed at restoring confidence in order to enable the return of the economy to sustainable growth, and safeguard financial stability in Ireland, the euro area and the EU.

In line with Article 3(9) of Decision 2011/77/EU, the Commission, together with the IMF and in liaison with the ECB, has conducted the tenth review of the Irish authorities' progress on the implementation of the agreed measures as well as of the effectiveness and economic and social impact of the agreed measures.

Taking into account of intervened information, by proposal [insert reference] the Commission has proposed to amend Decision 2011/77/EU.

An additional decision is necessary following the entry into force of the "two pack" (specifically, Regulation (EU) No 472/2013) which also disciplines how policy conditionality underpinning an economic adjustment programme is to be modified. Regulation (EU) No 472/2013 applies to existing macroeconomic adjustment programmes that are in place as of its entry into force which, as a consequence, requires that adjustments follow the Article 7(5) procedure.

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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 Regulation (EU) No 472/2013 of the European Parliament and of the Council of 21 May 2013 on the strengthening of economic and budgetary surveillance of Member States in the euro area experiencing or threatened with serious difficulties with respect to their financial stability, and in particular Article 7(5) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) Regulation (EU) No 472/2013 applies to Member States already in receipt of financial assistance, including those from the European financial stabilisation mechanism (EFSM) and/or European Financial Stability Facility (EFSF), at the time of its entry into force.
- (2) Regulation (EU) No 472/2013 sets rules for the approval of macro-economic adjustment programme for Member States in receipt of such financial assistance, which need to be articulated with the provisions of Regulation (EU) No 407/2010 establishing the EFSM when the concerned Member State receives assistance both from the EFSM and from other sources.
- (3) Ireland has been granted financial assistance both from the EFSM by Implementing Decision 2011/77/EU on granting Union financial assistance to Ireland and from the EFSF.
- (4) For reasons of consistency the approval of the update to the macroeconomic adjustment programme for Ireland under Regulation (EU) No 472/2013 should be done by reference to the relevant provisions of Implementing Decision 2011/77/EU.
- (5) In line with Article 3(9) of Implementing Decision 2011/77/EU, the Commission, together with the International Monetary Fund (IMF) and in liaison with the European Central Bank (ECB), has conducted the tenth review of the Irish authorities' progress on the implementation of the agreed measures as well as of the effectiveness and economic and social impact of the agreed measures. As a consequence of this review, some changes need to be made to the existing macro-economic adjustment programme.

- (6) These changes are contained in Decision [insert reference] amending Implementing Decision 2011/77/EU,

HAS ADOPTED THIS DECISION:

Article 1

The measures specified in Article 3(10) of Implementing Decision 2011/77/EU to be taken by Ireland during 2013 as part of its macroeconomic adjustment programme are hereby approved.

Article 2

This Decision is addressed to Ireland.

Article 3

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

Done at Brussels,

*For the Council
The President*