Ireland
Memorandum of Understanding
on

SPECIFIC ECONOMIC POLICY CONDITIONALITY
3 December, 2010

The quarterly disbursement of financial assistance from the European Financial Stabilisation Mechanism (EFSM), the European Financial Stability Facility (EFSF) and bilateral loans by UK, Sweden and Denmark will be subject to quarterly reviews of conditionality for the duration of the programme. Release of the instalments will be based on observance of quantitative performance criteria, respect for EU Council Decisions and Recommendations in the context of the excessive deficit procedure, and a positive evaluation of progress made with respect to policy criteria in the Memorandum of Economic and Financial Policies (MEFP) and in this Memorandum of Understanding on specific economic policy conditionality (MoU), which specifies the detailed criteria that will be assessed for the successive reviews up to the end of 2013. If targets are (expected to be) missed, additional action will be taken.

The authorities commit to consult with the European Commission, the ECB and the IMF on the adoption of policies that are not consistent with this Memorandum. They will also provide the European Commission, the ECB and the IMF with all information requested that is available to monitor progress during programme implementation and to track the economic and financial situation. Prior to the release of the instalments, the authorities shall provide a compliance report on the fulfilment of the conditionality.

The release of the first instalments will be conditional on the successful adoption of Budget 2011 as described in the MEFP and this MoU.

1. Actions for the first review (actions to be completed by end Q1-2011)

i. Fiscal consolidation

Government submits the draft budget for 2011 for Dáil approval. The budget provides information and prudent projections on the entire general government sector and targets a further reduction of the general government deficit in line with the MEFP. It includes a detailed presentation of fiscal consolidation adjustments for 2011 of €6 billion.

The budget includes the following measures (in exceptional circumstances, measures yielding comparable savings could be considered in close consultation with European Commission, IMF and ECB staffs);

- Revenue measures to raise at least €1,400m in 2011 and an extra €620m in a full year will be introduced to the Houses of the Oireachtas, including:
    - A lowering of personal income tax bands and credits or equivalent measures to yield €945m in 2011 and an extra €300m in a full year.

  - A reduction in pension tax relief and pension related deductions to yield €155m in 2011, and an extra €105m in a full year.
  - A reduction in general tax expenditures to yield €220m in 2011, and an extra €185m in a full year.
  - Excise and miscellaneous tax measures to raise €80m in 2011 and a further €30m in a full year will be introduced.
  - The government will outline methods to raise at least €700m in one-off and other measures in 2011.

- A reduction of current expenditure in 2011 of at least €2,090m will be implemented including;
  - Social Protection expenditure reductions.
  - Reduction of public service employment numbers in 2011.
  - A reduction of existing public service pensions on a progressive basis averaging over 4% will be introduced.
  - Other expenditure savings of €1,030m including savings on goods and services.

- A reduction of at least €1,800m in public capital expenditure against existing plans for 2011 will be introduced.

Government will rigorously implement the budget for 2011 and the fiscal consolidation measures announced afterwards, consistent with the requirements of the excessive deficit procedure. Progress is assessed against the (cumulative) quarterly primary deficit ceilings in the Memorandum of Economic and Financial Polices (MEFP) including the Technical Memorandum of Understanding (TMU).

The Department of Finance will continue to ensure tight supervision of expenditure commitments by the line departments, and effective tax collection, to make certain that the primary deficit target in cash (see Table 1 of MEFP) and the general government nominal budget deficit on ESA95 basis as set out in the EU Council Recommendation on excessive deficit procedures are achieved.

ii. Financial sector reforms

Recapitalisation measures

- The measures proposed for the recapitalisation of Irish banks in the government statement of 30 September 2010 will be implemented, taking into account any changes in strategy for the future of the banking sector agreed under the programme.

- Further deleveraging of the banks will be achieved by the extension of the NAMA programme to include approximately €16bn of land and development loans in AIB and Bank of Ireland, which had previously been excluded as they were below a value threshold of €20m. NAMA will categorise sub-€20m AIB and BOI land and development and associated loans (roughly estimated to number 10,000) by reference to asset type and region. NAMA will then apply different discounts to each category based on NAMA's loan valuation experience up to the point of valuation. On this basis it is expected that all loans will be transferred by end-March 2011. NAMA will issue bonds in return for the assets transferred. NAMA would build on the existing outsourcing arrangements with the banks for the management of these smaller loans and performance will be incentivised as appropriate. The NAMA legislation will be amended to underpin the valuation and acquisition of these assets on a portfolio basis. The additional capital requirement will be met by the programme and is included in the figure below. These measures will be notified to the European Commission in accordance with EU competition rules.

- Prudential Capital Assessment Review (PCAR) minimum capital requirement for the Irish banks (AIB, BOI, EBS and ILP) will be set at 10.5% core tier 1.

- In addition the Irish authorities will ensure that AIB, BOI and EBS are initially recapitalised to a level of 12% core tier 1 capital, which will take account of haircuts on the additional loans to be transferred to NAMA and will fund early deleveraging by making available EUR 10 billion in the system; the recapitalisation will take the form of equity shares (or equivalent instruments for EBS).

- The PCAR exercise will be enhanced to provide a comprehensive evaluation of the underlying assets of the banks, taking into account future expected losses.

- The PCAR for 2011 will be completed based on comprehensive Terms of Reference for its design and implementation, which will have been previously agreed between the Central Bank, the European Commission, IMF and ECB staff. The methodology used will be published in detail. The Commission, IMF and ECB shall be involved in the validation of the PCAR process. In particular, key data and information that relates to the PCAR exercise will be available to the Commission, IMF and ECB upon request.

Deleveraging measures

- The Central Bank will complete a Prudential Liquidity Assessment Plan (PLAR) for 2011, outlining measures to be implemented with a view to steadily deleveraging the banking system and reducing the banks' reliance on short term funding by the end of the programme period. Ambitious target loan to deposit ratios, to be achieved by end 2013, will be established for each bank by the Irish authorities in consultation with the ECB, EC and the IMF by end Dec 2010. These targets will be designed to ensure that convergence to Basel III standards can be readily met by the relevant dates. To this end, the PLAR will establish target funding ratios for 2013 for each of the banks, identify non core assets and set an adjustment path to these targets based on specified non public annual benchmarks. Banks will be informed of necessary actions to be taken so as to comply with the respective funding targets and adjustment paths. The design and implementation of the PLAR will be agreed with the European Commission, the ECB and the IMF. Compliance with the PLAR benchmarks will be monitored and enforced by the Central Bank taking account of prevailing market conditions. The PLAR will be updated on an annual basis.

Reorganisation of banking sector

- The strategy for the future structure, functioning and viability of Irish credit institutions will be developed in detail and agreed with the European Commission, the ECB and the IMF. Within the context of a comprehensive reorganisation and downsizing of the banking sector the strategy will identify the appropriate path to ensure that the banking system will operate without the need of further State support. The Irish authorities are committed to divest the participations in the banks acquired during the crisis within the shortest timeframe possible which is compatible with financial stability and public finance considerations. Building on restructuring undertaken to date, further restructuring and viability plans for the institutions concerned will be submitted in accordance with EU competition rules; these plans will also be made available to the IMF and ECB. Commitments undertaken by the Irish authorities in the context of EU competition decisions will be maintained.

- In the context of the above strategy, a specific plan for the resolution of Anglo Irish Bank and Irish Nationwide Building Society will be established and submitted to the European Commission in accordance with EU competition rules. Any related legal procedures will be set in motion under a precise timetable. This plan will seek to minimise capital losses arising from the working out of these non-viable credit institutions. The Government will ensure that these credit institutions adhere to the requisite capital ratios.

- Legislation on improved procedures for early intervention in distressed banks and special bank resolution regime (SRR) will be introduced. The SRR should include a robust set of powers and tools to ensure the competent authorities can promptly and effectively resolve distressed banks e.g. when they pose a risk to financial stability. The legislation will be consistent with the EU Treaty rules and will be consistent with similar initiatives ongoing at EU level.

- Central Bank staffing in relation to the PCAR and PLAR exercises will be reviewed and augmented as necessary to guarantee that both exercises can be conducted on a timely and efficient basis.

Burden sharing by holders of subordinated debt

- Consistent with EU State aid rules, burden sharing will be achieved with holders of subordinated debt in relevant credit institutions over the period of the programme. This will be based on the quantum of capital and other financial assistance the State commits to support specific credit institutions and the financial viability of those institutions in the absence of such support. Resolution and restructuring legislation which will address the issue of burden sharing by subordinated bondholders will be submitted to the Oireachtas by end-2010. Where it is appropriate in line with the above criteria, the process of implementing liability management exercises similar to that which is currently being undertaken in relation to holders of subordinated debt in Anglo Irish Bank will be commenced by end-Q1 2011.

iii. Structural reforms

To facilitate adjustment in the labour market

The government will introduce legislation to reform the minimum wage in such a way as to foster job creation notably for categories at higher risk of unemployment and prevent distortions of wage conditions across sectors associated with the presence of sectoral minimum wages in addition to the national minimum wage. Measures will be as follows:

- Reduce by €1.00 per hour the nominal level of the current national minimum wage.
- Enlarge the scope of the "inability to pay clause" permitting firms to invoke this clause more than once;

These measures should come into effect by May 2011.

An independent review of the Framework REA and ERO arrangements will be initiated by the end of Q1 2011. Terms of Reference and follow up actions will be agreed with European Commission Services.

To reduce the risk of long-term unemployment

The government will reform the unemployment benefit system in such a way as to provide incentives for an early exit from unemployment. This reform of unemployment and social assistance benefits will be part of overall reforms in the welfare system designed to reach budgetary savings of €750m in 2011.

Legislative measures will be introduced with a view to:

Taking steps to tackle unemployment and poverty traps including through reducing replacement rates for individuals receiving more than one type of benefit (including housing allowance).

The government reforming the system of activation policies in such a way as to adapt it to the reform in benefits and make it more effective. Legislative and other measures will be introduced with a view to:

- improving the efficiency of the administration of unemployment benefits, social assistance and active labour market policies, by exploiting synergies and reducing the overlapping of competencies across different departments;
- enhancing conditionality on work and training availability;
- strengthening activation measures via:
    i. the introduction of instruments to better identify of job seekers' needs ("profiling") and increased engagement;

ii. a more effective monitoring of jobseekers' activities with regular evidence-based reports;

iii. the application of sanction mechanisms for beneficiaries not complying with job-search conditionality and recommendations for participation in labour market programmes set in such a way as to imply an effective loss of income without being perceived as excessively penalising so that it could credibly be used whenever lack of compliance is ascertained.

At each subsequent review of the programme, the government will submit reports containing an assessment (including by means of quantitative indicators) of the management of activation policies and on the outcome of job seekers' search activities and participation in labour market programmes.

Legislative measures should come into effect by May 2011.

An in-depth review of the personal debt regime will be published shortly. Work will commence on reform of legislation which will balance the interests of both creditors and debtors.

2. Actions for the second review (actions to be completed by end Q2-2011)

i. Fiscal consolidation

Government will rigorously implement the budget for 2011 and the fiscal consolidation measures announced afterwards, consistent with the requirements of the excessive deficit procedure. Progress will be assessed against the (cumulative) quarterly primary deficit ceilings in the Memorandum of Economic and Financial Polices (MEFP) including the Technical Memorandum of Understanding (TMU).

The Department of Finance will continue to ensure tight supervision of expenditure commitments by the line departments, and effective tax collection, to make certain that the primary deficit target in cash (see Table 1 of MEFP) and the general government nominal budget deficit on ESA95 basis as set out in the EU Council Recommendation on excessive deficit procedures are achieved.

The government will submit a timetable for implementing the recommendations of the Memorandum. Upon consideration by the European Commission, IMF and ECB staffs the measures in this timetable shall become the performance benchmarks for future reviews.

ii. Financial sector reforms

- The results of the PCAR for 2011 will be assessed by the authorities, together with the European Commission, the ECB and the IMF. The results will be published in detail and on a bank-by-bank basis.

- Depending on the results of the PCAR 2011, the Government will ensure that the banks are recapitalised in the form of equity, if needed, so as to ensure that the minimum capital requirement of 10.5% will be maintained.

- Introduce legislation for the enhancement of financial regulation, expanding the supervisory and enforcement powers of the Central Bank.

- The Irish authorities will ensure that ILP is recapitalised to a level of 12% core tier 1 capital.

- Progress in implementation of the strategy for the reorganisation of Irish credit institutions will be assessed by the authorities, together with the European Commission, the ECB and the IMF.

iii. Structural reforms

To enhance long-term fiscal sustainability

- The Authorities undertake to introduce legislation to increase the state pension age. Under the Government's National Pension Framework the age at which people will qualify for the State Pension will be increased to 66 years in 2014, 67 in 2021 and 68 in 2028.

iv. Structural fiscal reforms

To reinforce a credible budgetary strategy

- The government will continue to ensure the reliability and the regular availability of budgetary data for both the whole of the general government sector and its breakdown into government layers. Specifically, reporting will comply with the provisions included in annex 1 of the MoU.
- Under the period of this financial assistance programme, any additional unplanned revenues must be allocated to debt reduction.
- In accordance with the proposal set out in the National Recovery Plan 2011-2014, the government will establish a budgetary advisory council to provide an independent assessment of the Government's budgetary position and forecasts.
- Government extends the voluntary 15 day rule relating to prompt payments to the health service executive, local authorities and state agencies.

3. Actions for the third review (actions to be completed by end Q3-2011)

i. Fiscal consolidation

Government will rigorously implement the budget for 2011 and the fiscal consolidation measures announced afterwards, consistent with the requirements of the excessive deficit procedure. Progress is assessed against the (cumulative) quarterly primary deficit ceilings in the Memorandum of Economic and Financial Polices (MEFP) including the Technical Memorandum of Understanding (TMU).

Government will consider an appropriate adjustment, including to the overall public service wage bill, to compensate for potential shortfalls in the projected savings arising from administrative efficiencies and public service numbers reductions.

The Department of Finance will continue to ensure tight supervision of expenditure commitments by the line departments, and effective tax collection, to make certain that the primary deficit target in cash (see Table 1 of MEFP) and the general government nominal budget deficit on ESA95 basis as set out in the EU Council Recommendation on excessive deficit procedures are achieved.

ii. Financial sector reforms

- Interim review of progress under PLAR 2011 and any related actions will be assessed, together with the European Commission, the ECB and the IMF.
- Progress in implementing the strategy for the reorganisation of Irish credit institutions will be assessed by the authorities, together with the European Commission, the ECB and the IMF.
- Review progress against PCAR requirements.

iii. Structural reforms

To increase growth in the domestic services sector

Government will introduce legislative changes to remove restrictions to trade and competition in sheltered sectors including:

- the legal profession, establishing an independent regulator for the profession and implementing the recommendations of the Legal Costs Working Group and outstanding Competition Authority recommendations to reduce legal costs.
- medical services, eliminating restrictions on the number of GPs qualifying and removing restrictions on GPs wishing to treat public patients as well as restrictions on advertising.
- the pharmacy profession, ensuring that the recent elimination of the 50% mark-up paid for medicines under the State's Drugs Payments Scheme is enforced.

To enhance competition in open markets

- Government should introduce reforms to legislation to (1) empower judges to impose fines and other sanctions in competition cases in order to generate more credible deterrence and (2) require the competition authorities to list restrictions in competition law which exclude certain sectors from its scope and to identify processes to address those exclusions.

To encourage growth in the retail sector

- The government will conduct a study on the economic impact of eliminating the cap on the size of retail premises with a view to enhancing competition and lowering prices for consumers and discuss implementation of its policy implications with the Commission services.

iv. Structural fiscal reforms

To put the public service pension system on a more sustainable basis

- Pension entitlements for new entrants to the public service will be reformed with effect from 2011. This will include a review of accelerated retirement for certain categories of public servants and an indexation of pensions to consumer prices. Pensions will be based on career average earnings. New public service entrants will also see a 10% pay reduction. New entrants' retirement age will also be linked to the state pension retirement age.

To ensure a more credible fiscal framework

- Assessment of work in progress related to the fiscal governance requirements considered in the previous quarters.

To facilitate better government at a local level

- Government will ensure that effective measures are in place to cap the contribution of the local government sector to general government borrowing at an acceptable level. The mechanisms in place to underpin this position will be kept under close review, in consultation with the Commission services. The review will also consider how to provide data on the financial position including assets and liabilities of the sector on a timelier basis.

4. Actions for the fourth review (actions to be completed by end Q4-2011)

i. Fiscal consolidation

Government will rigorously implement the budget for 2011 and the fiscal consolidation measures announced afterwards, consistent with the requirements of the excessive deficit procedure. Progress is assessed against the (cumulative) quarterly primary deficit ceilings in the Memorandum of Economic and Financial Polices (MEFP) including the Technical Memorandum of Understanding (TMU).

The government will provide a draft budget for 2012 aiming to further reduce the general government deficit in line with the National Recovery Plan and the programme and including the detailed presentation of consolidation measures amounting to at least €3.6bn.

- Revenue measures to yield €1,500m[1] in a full year will be introduced, including:
  - A lowering of personal income tax bands and credits.
  - A reduction in private pension tax reliefs.
  - A reduction in general tax expenditures.

[1] Inclusive of 2011 carryover

  - A property tax.
  - A reform of capital gains tax and acquisitions tax.
  - An increase in the carbon tax.

- The budget will provide for a reduction of expenditure in 2012 of €2,100m including:
  - Social expenditure reductions.
  - Reduction of public service numbers and public service pension adjustments.
  - Other programme expenditure, and reductions in capital expenditure.

The Authorities will introduce measures to ensure that the deficit reduction targets as set out in the National Recovery Plan are achieved.

The Department of Finance will continue to ensure tight supervision of expenditure commitments by the line departments, and effective tax collection, to make certain that the primary deficit target in cash (see Table 1 of MEFP) and the general government nominal budget deficit on ESA95 basis as set out in the EU Council Recommendation on excessive deficit procedures are achieved.

ii. Financial sector reforms

- Progress in implementing of the strategy for the reorganisation of Irish credit institutions will be assessed by the authorities, together with the European Commission, the ECB and the IMF.

iii. Structural reforms

To assist in financing need and to increase competition

- Building on the forthcoming report of the Review Group on State Assets & Liabilities the government will undertake an independent assessment of the electricity and gas sectors. State authorities will consult with the Commission Services on the results of this assessment with a view to setting appropriate targets.

In advance of the introduction of water charges

- The government will have undertaken an independent assessment of transfer of responsibility for water services provision from local authorities to a water utility, and prepare proposals for implementation, as appropriate with a view to start charging in 2012/2013.

iv. Structural fiscal reforms

To reinforce the credibility of the budgetary process

- Assessment of work in progress related to the fiscal governance requirements considered in the previous quarters.

- The Government will introduce a Fiscal Responsibility Law which will include provision for a medium-term expenditure framework with binding multi-annual ceilings on expenditure in each area by Q4 2011. This will take into account any revised economic governance reforms at EU level and will build on reforms already in place.

5. Actions for the fifth review (actions to be completed by end Q1-2012)

i. Fiscal consolidation

Government will rigorously implement the budget for 2012 and the fiscal consolidation measures announced afterwards, consistent with the requirements of the excessive deficit procedure. Progress is assessed against the (cumulative) quarterly primary deficit ceilings in the Memorandum of Economic and Financial Polices (MEFP) including the Technical Memorandum of Understanding (TMU). Finance Bill 2012 will contain necessary provisions to bring into effect the already signalled VAT increases in 2013 and 2014.

The Department of Finance will continue to ensure tight supervision of expenditure commitments by the line departments, and effective tax collection, to make certain that the primary deficit target in cash (see Table 1 of MEFP) and the general government nominal budget deficit on ESA95 basis as set out in the EU Council Recommendation on excessive deficit procedures are achieved.

ii. Financial sector reforms

- PCAR for 2012 will be completed. The methodology used will be published in detail. The Government will ensure that the banks adhere to the requisite capital ratios.

- PLAR 2012 will be completed and any related actions will be assessed, together with the European Commission, the ECB and the IMF.

- Progress in implementing of the strategy for the reorganisation of Irish credit institutions will be assessed by the authorities, together with the European Commission, the ECB and the IMF

- Legislation to reform the personal debt regime to be presented to the Houses of the Oireachtas.

iii. Structural reforms

To boost the integrity of the fiscal framework

- Assessment of work in progress related to the fiscal governance requirements considered in the previous quarters.

6. Actions for the sixth review (actions to be completed by end Q2-2012)

i. Fiscal Consolidation

The Department of Finance will continue to ensure tight supervision of expenditure commitments by the line departments, and effective tax collection, to make certain that the primary deficit target in cash (see Table 1of MEFP) and the general government nominal budget deficit on ESA95 basis as set out in the EU Council Recommendation on excessive deficit procedures are achieved.

ii. Financial sector reforms

- The results of the PCAR for 2012 will be assessed, together with European Commission, the ECB and the IMF. The results will then be published in detail and on a bank-by-bank basis.

- Depending on the results of the PCAR 2012, the Government will ensure that the minimum capital requirement of 10.5% will be maintained.

- Progress in implementation of the strategy for the restructuring of the Irish credit institutions banking system will be assessed by the authorities, together with the European Commission, the ECB and the IMF.

iii. Structural fiscal reforms

To further enhance the credibility of the fiscal framework

- Assessment of work in progress related to the fiscal governance requirements considered in the previous quarters.

7. Actions for the seventh review (actions to be completed by end Q3-2012)

i. Fiscal Consolidation

The Department of Finance will continue to ensure tight supervision of expenditure commitments by the line departments, and effective tax collection, to make certain that the primary deficit target in cash (see Table 1 of MEFP) and the general government nominal budget deficit on ESA95 basis as set out in the EU Council Recommendation on excessive deficit procedures are achieved.

ii. Financial sector reforms

- Interim review of progress under PLAR 2011 and any related actions will be assessed, together with the European Commission, the ECB and the IMF.

- Progress in implementing of the strategy for restructuring of the Irish credit institutions will be assessed by the authorities, together with the European Commission, the ECB and the IMF.

- Review progress against PCAR requirements.

8. Actions for the eighth review (actions to be completed by end Q4-2012)

i. Fiscal consolidation

The government will provide a draft budget for 2013 aiming at a further reduction of the general government deficit in line with the 4-year plan and the programme and including the detailed presentation of consolidation measures amounting to at least €3,100m.

- Revenue measures to raise at least €1,100m[2] in the full year will be introduced, including:
    - A lowering of personal income tax bands and credits.
    - A reduction in private pension tax relief.
    - A reduction in general tax expenditures.
    - An increase in property tax.
- The budget will provide for a reduction in expenditure in 2013 of no less than €2,000m, including:
    - Social expenditure reductions.
    - Reduction of public service numbers and public service pension adjustments.
    - Other programme expenditure, and reductions in capital expenditure.

The Department of Finance will continue to ensure tight supervision of expenditure commitments by the line departments, and effective tax collection, to make certain that the primary deficit target in cash (see Table 1 of MEFP) and the general government nominal budget deficit on ESA95 basis as set out in the EU Council Recommendation on excessive deficit procedures are achieved.

ii. Financial sector reforms

- Progress in implementation of the strategy for the reorganisation of Irish credit institutions will be assessed by the authorities, together with the European Commission, the ECB and the IMF.
- Implementing of the plan for restructuring and strengthening the balance sheets of the credit union sector will be completed.

[2] Inclusive of carryover from 2012

9. Actions for the ninth review (actions to be completed by end Q1-2013)

i. Fiscal consolidation

Government will rigorously implement the budget for 2013 and the fiscal consolidation measures announced afterwards, consistent with the requirements of the excessive deficit procedure. Progress is assessed against the (cumulative) quarterly primary deficit ceilings in the Memorandum of Economic and Financial Polices (MEFP) including the Technical Memorandum of Understanding (TMU).

The Department of Finance will continue to ensure tight supervision of expenditure commitments by the line departments, and effective tax collection, to make certain that the primary deficit target in cash (see Table 1 of MEFP) and the general government nominal budget deficit on ESA95 basis as set out in the EU Council Recommendation on excessive deficit procedures are achieved.

ii. Financial sector reforms

- PCAR for 2013 will be completed. The methodology used will be published in detail.

- PLAR 2012 will be completed and any related actions will be assessed, together with the European Commission, the ECB and the IMF.

- Progress in implementing of the strategy for the reorganisation of Irish credit institutions will be assessed by the authorities, together with the European Commission, the ECB and the IMF.

iii. Structural fiscal reforms

- Assessment of work in progress related to the fiscal reforms considered in the previous quarters.
- The nominal value of the State pension should not rise over the period of the programme.

10. Actions for the tenth review (actions to be completed by end Q2-2013)

i. Fiscal Consolidation

The Department of Finance will continue to ensure tight supervision of expenditure commitments by the line departments, and effective tax collection, to make certain that the primary deficit target in cash (see Table 1 of MEFP) and the general government nominal budget deficit on ESA95 basis as set out in the EU Council Recommendation on excessive deficit procedures are achieved.

ii. Financial sector reforms

- The results of the PCAR for 2013 will be assessed, together the European Commission, the ECB and the IMF. The results will then be published in detail and on a bank-by-bank basis.

- Depending on the results of the PCAR 2013, the Government will ensure that the minimum capital requirement of 10.5% will be maintained.

- The PLAR for 2013 will be completed.

- Progress in implementation of the strategy for the restructuring the banking system will be assessed by the authorities, together with the European Commission, the ECB and the IMF.

11. Actions for the eleventh review (actions to be completed by end Q3-2013)

i. Fiscal Consolidation

The Department of Finance will continue to ensure tight supervision of expenditure commitments by the line departments, and effective tax collection, to make certain that the primary deficit target in cash (see Table 1of MEFP) and the general government nominal budget deficit on ESA95 basis as set out in the EU Council Recommendation on excessive deficit procedures are achieved.

ii. Financial sector reforms

- Interim review of progress under PLAR 2011 and any related actions will be assessed, together with the European Commission, the ECB and the IMF.

- Progress in implementing of the strategy for the reorganisation of Irish credit institutions will be assessed by the authorities, together with the European Commission, the ECB and the IMF.

- Review progress against PCAR requirements

12. Actions for the twelfth review (actions to be completed by end Q4-2013)

i. Fiscal Consolidation

The Department of Finance will continue to ensure tight supervision of expenditure commitments by the line departments, and effective tax collection, to make certain that the primary deficit target in cash (see Table 1 of MEFP) and the general government nominal budget deficit on ESA95 basis as set out in the EU Council Recommendation on excessive deficit procedures are achieved.

ii. Financial sector reforms

- Progress in implementing of the strategy for the reorganisation of Irish credit institutions will be assessed by the authorities, together with the European Commission, the ECB and the IMF.

Annex 1. Provision of data

During the programme, the following indicators and reports shall be made available to the European Commission, the ECB and the IMF staffs by the authorities on a regular basis.

To be provided by the Department of Finance	
Monthly data on adherence to budget targets (Exchequer statement, details on Exchequer revenues and expenditure with information on Social Insurance Fund to follow as soon as practicable).	Monthly, 10 days after the end of each month
Updated monthly report on the central government's budget execution and prospects for the remainder of the year.	Monthly, 30 days after the end of each month
Quarterly data on main revenue and expenditure items of local government.	Quarterly, 90 days after the end of each quarter
Updated annual plans for the general government balance showing transition from the Exchequer balance to the general government balance (using presentation in Table 1 and Table 2A of the EDP notification).	Monthly, 30 days after the end of each month
Quarterly data on the public service wage bill, number of employees and average wage (using the presentation of the Pay and Pension Bill with further details on pay and pension costs of local authorities).	Quarterly, 30 days after the end of each quarter
Information on the main Government spending and receipt items	Weekly on Friday, reporting on the previous Thursday
Quarterly data on general government accounts, and general government debt as per the relevant EU regulations on statistics.	Quarterly accrual data, 90 days after the end of each quarter
Updated annual plans of the general government balance and its breakdown into revenue and expenditure components for the current year and the following four years, using presentation in the stability programme's standard table on general government budgetary prospects.	Together with EDP notification
To be provided by the NTMA	
Weekly information on the Government's cash position with indication of sources as well of number of days covered	Weekly on Friday, reporting on the previous Thursday
Data on below-the-line financing for the general government.	Monthly, no later than 15 days after the end of each month
Data on public debt, new guarantees and other instruments issued by the general government to public enterprises, banks and the private sector.	Monthly, 30 days after the end of each month
Data on short-, medium- and long-term debt falling due (all instruments) over the next 36 months for the general government (interest and amortisation) and for central government and local authorities	Monthly, 30 days after the end of each month
Data on short-, medium- and long-term debt falling due (all instruments) over the next 36 months for State-guaranteed enterprises (interest and amortisation) (or Dept of Finance)	Quarterly, 30 days after the end of each quarter
Updated estimates of financial sources (bonds issuance, other financing sources) for the banking and government sectors in the next 12 months	Monthly, 30 days after the end of each month

To be provided by the Central Bank	
Assets and liabilities of the Central Bank	Weekly, next working day
Assets and liabilities of the Irish banking system - aggregate monetary balance sheet of credit institutions	Monthly, 30 days after the end of each month
Short-, medium- and long-term debt falling due (by type of instrument) over the next 36 months for domestic banks of systemic importance (interest and amortisation).	Monthly, 30 days after the end of each month
Weekly individual operational balance sheets of commercial banks (of systemic importance), including detailed information on deposits (by maturity and type of depositor) and loans provided to the public and the private sector (households and corporates)	Weekly, next working day
Public debt and new guarantees issued by the general government to banks.	Monthly, 30 days after the end of each month
Financial stability indicators (IMF core set: deposits, non-performing loans, capital adequacy ratios)) for systemic domestic banks	Monthly, 30 days after the end of each month
Estimates of domestic banks' capital needs in the next 12 months	Monthly, 30 days after the end of each month
Estimates of funding sources for the banking sector for the next 12 months	Monthly, 30 days after the end of each month