

CONTENTS

EXECUTIVE SUMMARY	2
INTRODUCTION	3
1. MACROECONOMIC AND FINANCIAL BACKGROUND	4
2. PROGRAMME IMPLEMENTATION	9
3. POLICY DISCUSSIONS	16
3.1. Fiscal Consolidation	16
3.2. Financial Sector Policies	17
3.2.1. RECAPITALISATION	17
3.2.2. RESTRUCTURING AND GOVERNANCE OF DOMESTIC FINANCIAL SECTOR	18
3.2.3. OTHER FINANCIAL SECTOR OR FRAMEWORK REFORMS	19
3.3. Structural fiscal reforms	20
3.4. Other structural reforms	21
4. PROGRAMME MODALITIES AND RISKS	22
5. APPRAISAL	25
LIST OF ABBREVIATIONS	27
ANNEX 1: COMMISSION SERVICES' MACROECONOMIC PROJECTIONS	28
ANNEX 2: PROGRAMME DOCUMENTS	32

LIST OF TABLES

Table 1: Macroeconomic framework	8
Table 2: Tax revenue outturn in January-June against the Spring 2011 updated programme projections (EC) and Department of Finance (DoF) forecast, cash	9
Table 3: Annual consolidation measures, EUR billion	11
Table 4: Projected financing needs and sources, 2010-2013 (billion EUR) 1/	23

LIST OF GRAPHS

Graph 1: Contributions to y-o-y GDP growth	5
Graph 2: Real export growth and GDP growth (2000Q1-2011Q1)	5
Graph 3: Reuters consensus y-o-y GDP growth)	6
Graph 4: Unemployment (survey-based)	6
Graph 5: Wage growth	7
Graph 6: Current account	7
Graph 7: Competitiveness developments	7
Graph 8: Financing needs (EUR billion)	23
Graph 9: Financing sources (EUR billion)	23
Graph 10: Ireland Sovereign ratings	24
Graph 11: Sovereign spreads (ten year)	24

LIST OF BOXES

Box 1: Deleveraging so far	14
Box 2: Emerging governance structure of the domestic Irish banking sector	15