Economic governance: facility for financial assistance for Member States whose currency is not the euro

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The Council discussed a draft regulation updating the EU's facility for providing financial assistance in the event of a non-eurozone member state being in serious difficulties with its balance of payments.

The discussion confirmed broad support for the text. However, several delegations maintained reservations. The presidency indicated that the Council could **return to the matter at a forthcoming meeting**.

Major points of discussion focused on:

- **The menu of instruments that can be used under the facility**: the compromise draws attention to the fact that financial assistance for a concerned Member State may be needed to address issues stemming mainly from the financial sector; in such case, the policy conditions under the regular macroeconomic adjustment programme may be adjusted so as to address primarily these problems.
- The involvement of Economic and Financial Committee in various phases of the decision making under regulation.
- Pricing aspects of the facility.
- References to the private sector involvement.

The proposal was enhanced with references to dialogue with EP and national parliaments throughout the regulation and references to the appropriate involvement of the ECB in the course of implementation of the regulation. However, one of the major proposals of the EP - to introduce a **separate instrument** (loan for recapitalization of financial institutions) **did not find its way into final compromise**.