COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 8.7.2009
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Proposal for a

COUNCIL DECISION

Amending Council decision of 20 January 2009 providing Community medium term financial assistance for Latvia

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 332/2002 of 18 February 2002 establishing a facility providing medium term financial assistance for member States balance of payments and in particular Article 5, second subparagraph, in conjunction with Article 8 thereof,

Having regard to the proposal from the Commission made after consulting the Economic and Financial Committee (EFC),

Whereas:

(1) By Decision 2009/289/EC, the Council decided to grant mutual assistance to Latvia. By Decision 2009/290/EC, the Council decided to provide medium term financial assistance for Latvia.

(2) The scope and intensity of the financial crisis affecting Latvia calls for a revision of the economic policy conditions foreseen for the disbursement of the instalments of the Community financial assistance with a view to taking into account the fiscal effects entailed by the significant reduction of the GDP.

(3) Council Decision 2009/290/EC should therefore be amended accordingly.

HAS ADOPTED THIS DECISION:

Article 1

Council Decision 2009/290/ EC is hereby amended as follows:

1. In Article 3(5), point (a) shall be replaced by the following:

"Implementation of a clearly-set medium-term fiscal program so as to bring the general government deficit below the Treaty reference value of 3% of GDP with a timeframe and consolidation path consistent with the Council recommendations to Latvia adopted under the excessive deficit procedure".

2. In Article 3(5), point (b) shall be replaced by the following:

"An implementation of the budget for 2009 and an adoption of the budget for 2010 with sustainable measures consistent with the consolidation path."

Article 2

This decision is addressed to the Republic of Latvia.

Article 3

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

Done at Brussels,

For the Council,
The President