



Mr Kieran Lenihan  
Secretary of the Committee of Public Accounts  
Committee of Public Accounts  
Leinster House  
Dublin D02 XR20

3 November 2016

Dear Mr Lenihan,

Thank you for your correspondence regarding my attendance at the Committee of Public Accounts to discuss the C&AG's Special Report 94 - National Asset Management Agency's Sale of Project Eagle on 6<sup>th</sup> October 2016.

As per your request, please find attached a number of documents related to my appearance:

1. Extracts from Troika Mission Staff Reports and rating agency commentaries
2. Letter from Ann Nolan to Andrew Harkness
3. Documentation related to my meeting, of 27 September 2013, with First Minister Peter Robinson and Finance Minister Simon Hamilton
4. Additional documentation released under Freedom of Information

### **1. Extracts from Troika Mission Staff Reports**

I include a collation of extracts from reports produced by staff of the Troika during their missions to Ireland and Rating Agencies throughout the Economic Adjustment Programme.

The Troika comprised of the European Commission, the International Monetary Fund ("IMF"), and the European Central Bank ("ECB"). The staff reports were prepared following each visit of the Troika and the Department was afforded the opportunity to review and comment on drafts prior to their finalisation. The European Commission and IMF each produced staff reports in this process. The ECB did not publish separate reports.

The full reports are lengthy, usually over 50 pages, and do not focus solely on NAMA.

Therefore, Department of Finance Officials have collated extracts, in date order, to give a

flavour of the intertwined nature of issues resulting from the financial crisis that featured in discussions between the Troika and the Irish Authorities, regarding debt sustainability and market access, the large contingent liability in the form of NAMA's guaranteed senior debt, the Irish banks' reliance on Eurosystem liquidity support and NAMA's deleveraging progress in helping to alleviate these pressures.

In addition, commentary from the rating agencies is provided to reflect the clear linkages between NAMA's performance and the credit rating of the Irish sovereign and the Irish banks.

These excerpts attempt to provide you with a sense of the context within which the NAMA Board was approaching its deleveraging decisions and the importance of NAMA's deleveraging to the success of the Irish recovery programme. They also reflect the positive impact of NAMA's deleveraging programme over time and the broad support for the accelerated disposal of assets enjoying stronger demand.

Should the Committee wish to access the comprehensive staff reports of the Commission and the IMF in full, these can be found at the following links:

- [http://ec.europa.eu/economy\\_finance/assistance\\_eu\\_ms/ireland/index\\_en.htm](http://ec.europa.eu/economy_finance/assistance_eu_ms/ireland/index_en.htm)
- <http://www.imf.org/external/country/irl/index.htm?type=9998>

## **2. Letter from Ann Nolan to Andrew Harkness**

I attach a copy of a letter, dated 8<sup>th</sup> July 2016, from Ms. Ann Nolan to Andrew Harkness, Director of Audit at the Office of the Comptroller and Auditor General ("OCAG"), regarding the draft of Special Report 94 - National Asset Management Agency's Sale of Project Eagle. I wish to point out that the letter refers to the "second draft" of the report meaning the second draft seen by the Department of Finance. As has been confirmed in the final report there was a previous draft received by the Department of Finance regarding which Department Officials had extensive discussions with OCAG officials. There were also two earlier drafts which NAMA were consulted on. My Department did not receive or provide feedback on these drafts.

**3. Documentation related to my meeting, of 27 September 2013, with First Minister Peter Robinson and Finance Minister Simon Hamilton**

As the Committee will be aware, I responded to a timely Parliamentary Question ("PQ") from Peadar Tóibín on 3rd of October 2013, less than a week after the meeting in Stormont. My officials decided that this PQ response was an accurate reflection of the meeting and would serve as a record of the meeting. The PQ response is attached for reference and is available from the Oireachtas website.

In the interest of transparency, I have also attached a response to a PQ posed by Micheál Martin in September 2015 following the publication of a minute of the meeting taken by the Secretary to the First Minister.

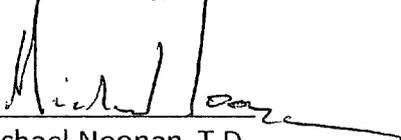
As set out in the PQ response, this was not an agreed minute of the meeting and so would not have had the benefit of comment by myself or my officials. A perceived disparity between the respective meeting notes is addressed in my response.

**4. Additional documentation released under Freedom of Information**

To assist the Committee in its work, I have provided, on a separate memory key, a large number of related documents, which have been released under the Freedom of Information Act relating to Project Eagle. I would point out that these documents were prepared and released for specific and separate Freedom of Information requests and there may be an element of duplication with documents previously released to the Committee. Therefore, a schedule of documents for each request is included to assist the Committee navigate the records. The majority of this documentation was provided to the Comptroller and Auditor General to assist his work on the Project Eagle report in November 2015.

I trust that the above and attached meet the requirements of the Committee's request.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Michael Noonan', written over a horizontal line.

Michael Noonan, T.D.  
Minister for Finance