



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 26.10.1999
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99/0221 (CNS)

Proposal for a

COUNCIL REGULATION

on Community financial contributions to the International Fund for Ireland

(presented by the Commission)

EXPLANATORY MEMORANDUM

The International Fund for Ireland was established in 1986 in order to contribute to the work envisaged in Article 10(a) of the Anglo-Irish Agreement of 15 November 1985 which provides that *"The two governments shall co-operate to promote the economic and social development of those areas of both parts of Ireland which have suffered most severely from the consequences of the instability of recent years, and shall consider the possibility of securing international support for this work"*.

The objectives of the Fund are to promote economic and social advance and to encourage contact, dialogue and reconciliation between nationalists and unionists throughout Ireland.

The EC, recognising that the objectives of the Fund were a reflection of those pursued by itself, wished to give practical support to the initiative. From 1989 until 1995, this has taken the form of an annual contribution of 15 MECU which was written into the budget and implemented by the Commission.

The Commission has been represented by an observer at all Board meetings since the beginning of 1989 and has thus been able to monitor the progress of the Fund.

The Commission has always insisted that the Community's contribution be used as a priority for cross-community projects, thereby encouraging dialogue and reconciliation, and that it have a genuine additional impact in the areas concerned, i.e. that it should not be used as a substitute for other public or private expenditure.

The Fund is a particular example of successful Anglo-Irish co-operation in promoting reconciliation between the two communities and their economic and social progress.

Since its inception, the Fund has supported some 4.000 projects to the benefit of both communities.

The Joint Declaration by the Taoiseach Mr. Reynolds and Prime Minister Major of 14 December 1993 has given new impetus to the reconciliation process. It was welcomed by the Commission in a statement issued on 16 December 1993 indicating that the achievement of peace would bring many social and economic benefits to the region, the Member States concerned and the European Union as a whole, and expressing the wish to give practical support to the process.

The Joint Declaration was also welcomed in a statement issued by the General Affairs Council on 20 December 1993.

Since then, peace has made slow but steady progress, and on 10 April 1998 the so called Good Friday Agreement was reached between the various communities in Northern Ireland setting in train a process that should lead to a form of government in which all sides are represented.

On 31 October 1994 the Council adopted Regulation (EC) N° 2687/94 on Community financial contributions to the International Fund for Ireland relating to 1995, 1996 and 1997. For each of those years 20 MECU has been provided as part of the annual budgetary procedure.

On 15 December 1997 the Council adopted Regulation (EC) No 2614/97 on Community financial contributions to the International Fund for Ireland relating to 1998 and 1999. For each of those years 17 MECU was provided as part of the annual budgetary procedure.

Notwithstanding the major Community structural Fund commitment to the whole of the Island of Ireland, and the considerable effort made under the PEACE Programme, it was decided by the European Council, meeting in Berlin on 24-25 March, that financial contributions to the International Fund should be continued for three more years with an annual contribution of EUR 15 million, as an effective complement to other Community support for the peace process.

Since the present arrangement for Community contributions expires on 31 December 1999, it is proposed that the Council adopt the attached Regulation.

A review of the performance of the Fund and the need for further support will be made by the Commission before 1 April 2001.

It is further proposed that the following conditions shall apply in respect of this contribution :

- priority shall be given to projects which have a strong reconciliation and cross-community element;
- it shall be ensured that it has a genuine additional impact in the areas concerned and not therefore be used as a substitute for other public or private expenditure.

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 308 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Whereas:

- (1) the programmes of the International Fund for Ireland (hereinafter 'the Fund') encourage cross-border and cross-community co-operation and thereby promote dialogue and reconciliation between nationalists and unionists;
- (2) the Fund is an example of successful Anglo-Irish co-operation in promoting reconciliation between the two communities and their economic and social progress;
- (3) ECU 15 million a year has been provided from the Community budget from 1989 until 1995 to support projects of the Fund which have a genuine additional impact in the areas concerned;
- (4) on 31 October 1994 the Council adopted Regulation (EC) N° 2687/94 on Community financial contributions to the International Fund for Ireland for 1995, 1996 and 1997;
- (5) pursuant to Council Regulation (EC) No 2687/94 of 31 October 1994 on Community financial contributions to the Fund, the amount established as part of the budgetary procedure for each of the years 1995, 1996 and 1997 has been ECU 20 million;
- (6) pursuant to Council Regulation No 2614/97 of 15 December 1997 on Community financial contributions to the International Fund for Ireland, the amount established as part of the budgetary procedure for each of the years 1998 and 1999 has been ECU 17 million;
- (7) the assessments carried out in accordance with Articles 5 and 7 of Council Regulation (EC) N° 2614/97 have confirmed that the Community's contribution has been used in accordance with the objectives of the Fund and the criteria laid down in Articles 2 and 3 of the said Regulation;
- (8) Council Regulation (EC) N° 2614/97 expires on 31 December 1999;

- (9) the peace process in Northern Ireland requires a continuation of Community support beyond that date;
- (10) at its meeting in Berlin on 24-25 March 1999, the European Council decided that support for the Fund would be continued for three more years (2000-2002);
- (11) at the said meeting the European Council decided that the PEACE Programme in Northern Ireland and the Border Counties of Ireland would be continued for five years (2000-2004), with an amount of EUR 500 million;
- (12) the Community contribution should be used by the Fund in accordance with the Agreement under which it was established and in priority for projects that are consistent with the activities funded by the PEACE programme for the period 2000-2004;
- (13) such support should take the form of financial contributions for a period of three more years;
- (14) it is vital to ensure proper co-ordination between the Fund's activities and those financed under Community structural policies;
- (15) Fund assistance will be effective only insofar as it is additional and not a substitute for other public or private expenditure;
- (16) an assessment reviewing the Fund's performance and the need for further support will be drawn up before 1 April 2001;
- (17) the amount deemed necessary for the Community contribution to the International Fund for Ireland is EUR 15 million for each of the years 2000, 2001 and 2002, expressed in current values;
- (18) this support will contribute to reinforcing the solidarity between the Member States and between their peoples;
- (19) the Treaty provides no powers other than those in Article 308 for the adoption of this Regulation;

HAS ADOPTED THIS REGULATION :

Article 1

An annual contribution shall be made to the International Fund for Ireland, hereinafter called the Fund, for each of the years 2000, 2001 and 2002. The amount of this contribution shall be established as part of the annual budgetary procedure.

Article 2

The contribution shall be used by the Fund in priority for projects of a cross-border or cross-community nature, in particular those consistent with the objectives of the PEACE Programme and other operations supported by the Structural Funds.

The contributions shall be used in such a way that they have a genuine additional impact on the areas concerned and should not therefore be used as a substitute for other public and private expenditure.

The Commission shall be represented by an observer at the Board meetings of the Fund.

Article 3

The Commission shall ensure co-ordination between the Fund's activities and those financed by Community structural policies. The Commission shall keep the relevant monitoring committees informed of the activities of the Fund.

Article 4

The Commission shall, in co-operation with the board of the Fund, determine appropriate publicity and information procedures in order to publicise the Community's participation in the projects financed by the Fund.

Article 5

The Commission shall administer the contributions.

The Commission shall submit not later than 1 April 2001 a report to the Budgetary Authority assessing the need for continuing contributions beyond 2002. This report will cover *inter alia* the following matter :

- a survey of the Fund's activities;
- a list of projects which have received aid;
- an assessment of the nature and impact of the interventions, in respect, in particular, of the objectives of the Fund and the criteria laid down in the first and second paragraphs of Article 2 and in Article 3;
- an annex containing the results of the verifications and controls carried out by the Commission representative or its agents, particularly as regards co-ordination of the Fund's activities with those carried out under Community structural policies.

Article 6

The annual contribution shall be paid in two parts as follows :

- an advance of 80 % will be paid over after the Chairman of the Board of the Fund has signed the Commission's relevant undertaking relating to grants and has undertaken to use the contribution in accordance with the provisions of Article 2 and after the Commission has received and accepted the beneficiary's annual activity report and audited accounts in respect of the previous year;

- the remaining 20 % will be paid over after the Commission has received and accepted the beneficiary's annual activity report and audited accounts relating to the year for which the Community contribution was made.

Article 7

This Regulation shall enter into force on 1 January 2000 and shall remain in force until 31 December 2002.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, [...]

*For the Council
The President*

FINANCIAL STATEMENT

1. TITLE OF OPERATION

COMMUNITY CONTRIBUTIONS TO THE INTERNATIONAL FUND FOR IRELAND

2. BUDGET HEADING(S) INVOLVED

B2-604

3. LEGAL BASIS

Proposal for a Council Regulation under Article 308

4. DESCRIPTION OF OPERATION

4.1 General objective

To encourage contact, dialogue and reconciliation between nationalists and unionists throughout Ireland by promoting the economic and social advance of the two communities

4.2 Period covered and arrangements for renewal

2000, 2001, 2002

5. CLASSIFICATION OF EXPENDITURE OR REVENUE

5.1 Compulsory/Non-compulsory expenditure

5.2 Differentiated/Non-differentiated appropriations

5.3 Type of revenue involved

6. TYPE OF EXPENDITURE OR REVENUE

– Subsidy for joint financing with other sources in the public and/or private sector

7. FINANCIAL IMPACT

7.1 Method of calculating total cost of operation (relation between individual and total costs)

7.2 Itemised breakdown of cost

Commitment and payment appropriations EUR million (at current prices)

Breakdown	2000	2001	2002	TOTAL
Commitment appropriations	15	15	15	45
Payment appropriations	15	15	15	45
Total	15	15	15	45

8. FRAUD PREVENTION MEASURES

The Commission is represented on the Board of the Fund and the final annual contribution is only paid over after receipt and acceptance of the Fund's annual report and audited accounts.

9. ELEMENTS OF COST-EFFECTIVENESS ANALYSIS

9.1 Specific and quantified objectives; target population

- Through economic and social development to promote reconciliation between the two communities in both parts of Ireland which have suffered most severely from the consequences of the instability of recent years.

9.2 Grounds for the operation

- The Community, recognising that the objectives of the Fund are a reflection of those pursued by itself, has given practical backing (15 MECU p.a. since 1989; 20 MECU for each of the years 1995, 1996, 1997; 17 MECU for the years 1998 and 1999). Continuation of this contribution for another three years would provide a clear indication of Community support for the peace process in Northern Ireland, which is at a highly critical juncture.

9.3 Monitoring and evaluation of the operation

- The Commission will monitor the Fund's activities through its continuing presence on the Board as an observer. It is informed of all the Fund's proposed decisions before they are put to the Board. All Fund-supported projects are moreover monitored by staff responsible for Structural Fund policy implementation to avoid overlap

10. ADMINISTRATIVE EXPENDITURE (SECTION III, PART A OF THE BUDGET)

None

This section of the financial statement must be sent to DGs IX and XIX; DG IX will then forward it to DG XIX with its opinion.