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Committee on Regional Development

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DRAFT REPORT

on the proposal for a regulation of the European Parliament and of the Council concerning European Union financial contributions to the International Fund for Ireland (2007-2010)
(COM(2010)0012 – C7-0024/2010 – 2010/0004(COD))

Committee on Regional Development

Rapporteur: Seán Kelly

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

In amendments by Parliament, amendments to draft acts are highlighted in ***bold italics***. Highlighting in *normal italics* alerts the relevant departments to parts of the draft act which may require correction when the final text is prepared – for instance, obvious errors or omissions in a language version. Suggested corrections of this kind are subject to the agreement of the departments concerned.

The heading for any amendment to an existing act which the draft act seeks to amend includes a third and fourth line identifying respectively the existing act and the provision in that act affected by the amendment. Passages in a provision of an existing act that Parliament wishes to amend, but the draft act has left unchanged, are highlighted in **bold**. Any deletions that Parliament wishes to make in passages of this kind are indicated thus: [...].

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a regulation of the European Parliament and of the Council concerning European Union financial contributions to the International Fund for Ireland (2007-2010)

(COM(2010)0012 – C7-0024/2010 – 2010/0004(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to the European Parliament and the Council (COM(2010)0012),
 - having regard to Article 294(3), and Article 175 and Article 352(1) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C7-0024/2010),
 - having regard to the reasoned opinions sent to its President by the national parliaments relating to the compliance of the draft act with the principle of subsidiarity,
 - having regard to the opinion of the European Economic and Social Committee¹,
 - having regard to the opinion of the Committee of the Regions²,
 - having regard to Rule 55 of its Rules of Procedure,
 - having regard to the report of the Committee on Regional Development (A7-0000/2010),
1. Adopts the position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it intends to amend the proposal substantially or replace it with another text;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Amendment 1

Proposal for a regulation

Recital 17

Text proposed by the Commission

(17) In its judgement of 3 September 2009

Amendment

(17) In its judgement of 3 September 2009

¹ Not yet published in the Official Journal.

² Not yet published in the Official Journal.

in Case C-166/07 (*European Parliament v Council and Commission*) the Court of Justice of the European Communities annulled Regulation (EC) No 1968/2006 as it was based only on Article 308 of the Treaty establishing the European Community, ruling that both the third paragraph of Article 159 of the Treaty establishing the European Community and Article 308 of the Treaty establishing the European Community were the appropriate legal basis. However, the Court also ruled that the effects of Regulation (EC) No 1968/2006 were maintained until the entry into force, within a reasonable period, of a new regulation adopted on an appropriate legal basis and that the annulment of Regulation (EC) No 1968/2006 must not affect the validity of payments made or of undertakings given under that Regulation,

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In this respect it is necessary for the sake of legal security to maintain the application with retroactive effect of Article 6 of the new Regulation because it relates to the whole programme period of 2007-2010,

Or. en

Justification

The text inserted reflects the position already taken by the Council. This is undertaken with a view to concluding the adoption of the regulation without undue delay.

EXPLANATORY STATEMENT

Background

The current proposal comes before the European Parliament following the judgement of the European Court of Justice of 3 September 2009 in case C-166/07 (European Parliament v. Council and Commission)³.

The Court ruled to annul Council Regulation (EC) No 1968/2006, following a case taken by the legal service of the European Parliament. However its effect was permitted to remain in place pending the re-issuance of a proposal for a Regulation of the Council and the European Parliament using the new legal basis.

The European Parliament considered that the regulation should have been adopted under Article 159§3 of the Treaty establishing the European Community (now Article 175 of the Treaty on the Functioning of the European Union) and launched an action for annulment before the Court of Justice. The Court ruled that both Articles 159§3 and 308 should be used as the legal basis and has asked the institutions to adopt a replacement regulation with a dual legal basis.

The European Community has contributed to the International Fund for Ireland (IFI) since 1989, three years after its establishment by an agreement between the governments of the United Kingdom and Ireland. In the current period (2006-2010) EU support represents approximately 57 % of annual contributions, making the Union the major donor to the Fund. The fund aims to contribute to the implementation of 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"*.

Two objectives are leading the work of the IFI; to promote economic and social advance and to encourage contact, dialogue and reconciliation between nationalists and unionists throughout Ireland.

As an instrument towards the goal of peace and reconciliation at grassroots level through economic and social development support, the IFI complements the action carried out by the EU programmes for Peace and Reconciliation in Northern Ireland and the Border Region of Ireland ("PEACE I" 1995-1999, "PEACE II" 2000-2006 and "PEACE III" 2007-2013).

The Board of the Fund is appointed jointly by the UK and Irish Governments and consists of a Chairman and six members which oversee the direction and operation of IFI. The Board is assisted by an Advisory Committee of officials appointed by the two Governments. The administration of the Fund is provided by a Secretariat, headed by Joint Directors General

³ OJ C 256/2, 24.10.2009.

based in Belfast and Dublin. Where appropriate, Government Departments and public bodies act as administering agencies for the Fund, North and South. The Board is representative of the communities in both parts of Ireland and meets on average four times per year. The Commission has observer status at the Board, along with other donor countries (United States, Canada, New Zealand and Australia) and is represented at all Board meetings. Currently, the IFI's activities are carried out through various programmes and schemes which can be grouped under three headings: the regeneration of deprived areas, community capacity building and economic development. The IFI is today concentrating more on people-centred projects (approximately 30 % of its resources) such as education-related interventions.

A review by the Fund was performed in 2005, prompted by recognition that the current level of international support cannot be maintained indefinitely. Its structures and priorities were scrutinised in order to redefine its mission in light of the new realities. The review resulted in the adoption of a strategic framework, "Sharing this Space", which will bring an end to the life of the Fund in 2010. Hence, a final phase of activities of the Fund (2006-2010) was launched. The objectives of the IFI over the final five years include:

- building and realising the vision of a shared future for Northern Ireland and both parts of the island;
- promoting understanding between the different communities in Ireland;
- facilitating integration between the communities;
- building alliances with other agencies, ensuring the long term work of the IFI beyond 2010 and sharing the expertise with peace builders in other regions.

The programmes supported by the IFI will in the future be clustered around four themes: building foundations, building bridges, integrating communities and leaving a legacy.

The Commission proposal

The package of proposals for adoption includes:

- a proposal for a Council Regulation concerning Community financial contributions to the International Fund for Ireland (2007-2010);

In its proposal, the Commission notes that the final phase is meant to target the areas of greatest need and seek to ensure that its work is made sustainable in the longer term. The Commission proposes that EU contributions of € 15 million per year to the IFI continue for a further period of 4 years. However, the IFI will have until 2013 to use these monies and there is scope for future recycling of unspent monies, subject to the closure strategy.

Assessment of the IFI

There has been significant progress made in peace-building between both communities in Northern Ireland and in the Border Regions between the Republic of Ireland and Northern Ireland. Your Rapporteur in particular highlights the role of Sport in fostering cross-community reconciliation. Some examples include:

Football4Peace - This three-year project approved by the IFI Board in June 2008 is a joint venture between Inishowen Rural Development Ltd., the IFA (Northern Ireland) and the FAI (Republic of Ireland) targeting young people and using football as a means to promote good community relations through cross-border and cross-community partnerships. The IFI is providing financial assistance of €527,954 with "In Kind" contributions from the FAI, IFA Inishowen School Boys League and Limavady Council/ Limavady Utd.

Maximising Community Space - Crossing Borders project - In June 2008 Board approval was given for the (NI) Rural Development Council, the agent for the project, to work with 50 community groups (38 Northern Ireland and 12 from the southern border counties) for a year to improve community relations and facilitate the development and wider usage of existing community halls by increasing the capacity and confidence of the groups. Groups that successfully complete this phase may subsequently make an application for a maximum of £50,000 to improve the facilities in the hall they use, thereby making it more attractive to potential users.

Recruitment drives for this programme have included meetings with the GAA among other organisations and Michael Davitt's GAA Club in Swatragh, County Derry are among the groups participating.

'Community Relations through Sport' - This two-year project being delivered by Donegal Sports Partnership which was approved funding of €152,000 in November 2009 and is to use the medium of sport to promote peace and reconciliation was launched recently. It will work within the border communities of Donegal, West Tyrone and Derry and engage 150 young people between the ages of 14-18, from all religious backgrounds. It will include practical support from national governing bodies of sports, including the GAA, FAI, IRFU, Cricket Ireland, Athletics, Badminton Ireland and Cycling Ireland. This will be twinned with community relations and cultural diversity workshops which will allow young people to explore their own culture, beliefs and traditions and to challenge stereotypes in order to acknowledge and address difference.

Conclusion

Your Rapporteur would like to highlight the excellent contribution by the International Fund for Ireland to grassroots support for the Peace Process, which has recently been solidified with the recent transfer of justice and policing powers to the Northern Ireland Assembly.

The IFI has been a key part of cross-community reconciliation and as it comes to the end of its current period, due recognition needs to be given to the key role played by the EU in this area.

Your Rapporteur calls on the Governments of Ireland and the United Kingdom to consider extending the life of the International Fund for Ireland. There is still much work to be done to complete the goals of building bridges and integrating communities, especially through the medium of sport.

In this context your Rapporteur calls on both Governments in the framework of the European Council to make a statement as to how they foresee the development of funding initiatives in this area to proceed over the next financial period of the EU.

Also, your Rapporteur calls for the whole island of Ireland to be taken into consideration in any future projects. Bridge building should take place not just across communities in Northern Ireland, but also between Northern Ireland and all areas of the Republic of Ireland.

Finally, your Rapporteur calls for a swift passage of this proposal through Parliament so that no legal uncertainty will remain following the annulment of the original Regulation by the European Court of Justice.