

EUROPEAN PARLIAMENT

2004



2009

Session document

FINAL
A6-0071/2004

10.12.2004

REPORT

on the proposal for a Council regulation concerning Community financial contributions to the International Fund for Ireland (2005-2006)
(COM(2004)0632 – C6-0222/2004 – 2004/0228(CNS))

Committee on Regional Development

Rapporteur: James Nicholson

Symbols for procedures

- * Consultation procedure
majority of the votes cast
- **I Cooperation procedure (first reading)
majority of the votes cast
- **II Cooperation procedure (second reading)
*majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or amend
the common position*
- *** Assent procedure
*majority of Parliament's component Members except in cases
covered by Articles 105, 107, 161 and 300 of the EC Treaty and
Article 7 of the EU Treaty*
- ***I Codecision procedure (first reading)
majority of the votes cast
- ***II Codecision procedure (second reading)
*majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or amend
the common position*
- ***III Codecision procedure (third reading)
majority of the votes cast, to approve the joint text

(The type of procedure depends on the legal basis proposed by the Commission)

Amendments to a legislative text

In amendments by Parliament, amended text is highlighted in ***bold italics***. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the legislative text for which a correction is proposed, to assist preparation of the final text (for instance, obvious errors or omissions in a given language version). These suggested corrections are subject to the agreement of the departments concerned.

CONTENTS

	Page
DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION	5
EXPLANATORY STATEMENT	6
PROCEDURE.....	9

DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the proposal for a Council regulation concerning Community financial contributions to the International Fund for Ireland (2005-2006)
(COM(2004)0632 – C6-0222/2004 – 2004/0228(CNS))**

(Consultation procedure)

The European Parliament,

- having regard to the Commission proposal to the Council (COM(2004)0632)¹,
 - having regard to Article 308 of the EC Treaty, pursuant to which the Council consulted Parliament (C6-0222/2004),
 - having regard to Rule 51 of its Rules of Procedure,
 - having regard to the report of the Committee on Regional Development (A6-0071/2004),
1. Approves the Commission proposal;
 2. Calls on the Council to notify Parliament if it intends to depart from the text approved by Parliament;
 3. Asks the Council to consult Parliament again if it intends to amend the Commission proposal substantially;
 4. Instructs its President to forward its position to the Council and the Commission.

¹ Not yet published in OJ.

EXPLANATORY STATEMENT

Background

The International Fund for Ireland (IFI) was established as an independent international organisation by the British and Irish Governments in 1986 as a result of the Anglo-Irish Agreement of 15 November 1985. This committed both governments to promoting "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 "to consider the possibility of securing international support for this work".

The objectives of the Fund are:

- to promote economic and social advances; and
- to encourage contact, dialogue and reconciliation between nationalists and unionists throughout Ireland.

With contributions from the United States of America, the European Union, Canada, Australia and New Zealand, the total resources committed by the Fund to date amount to some €712m. The EU began contributing to the Fund in 1989 and now officially accounts for 44% of annual income. However, if recent currency fluctuations are taken into account, the EU is now the largest single donor providing more than half of the Fund's revenue. Thus in 2004, the EU contributed €15m, compared to \$18.5m from the US (€14.5 at the current rate of exchange) and 0.333m (€0.212) from Canada.

The Board of the Fund is appointed jointly by the British and Irish Governments. It 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 based in Belfast and Dublin. Where appropriate, Government Departments and public bodies act as administering agencies for the Fund, North and South. In addition, the Fund has engaged the services of a team of Development Consultants, located across Northern Ireland and the border counties of the South, who act as local contact points for the Fund and assist prospective applicants to identify and develop proposals. They also monitor the on-going operation of projects providing assistance as necessary. The European Commission is represented by an observer at all Board meetings.

Substance of the Commission Proposal

The Commission is proposing that the annual EU contribution of €15m to the IFI be continued for a further 2 years until the end of 2006 so as to coincide with the end of the current programming period for the Structural Funds and the extended period for the PEACE II programme¹. Moreover, the Commission aims to promote a closer alignment between the Fund's activities and the objectives of the EU's cohesion policy and to ensure that funding is

¹ Proposal for a Council Regulation amending Regulation (EC) No 1260/1999 laying down general provisions on the Structural Funds concerning the extension of the duration of the PEACE programme and the granting of new commitment appropriations.

genuinely additional to other public and private finance. In particular, it intends that the Community contribution be allocated so as to favour cross-border or cross-community cooperation, to promote sustainable economic and social improvement.

Assessment

The current Council Regulation¹ governing the EU contribution to the IFI states that "it is vital to ensure proper co-ordination between the Fund's activities and those financed under Community structural policies". An assessment of the nature and impact of the IFI intervention should therefore ensure that funding provided by the IFI complements the Community Support Frameworks for Northern Ireland and Ireland (2000 – 2006), in particular the EU Programme for Peace and Reconciliation in Northern Ireland and the Border Region of Ireland ("PEACE II Programme"), and other Structural Funds' Operational Programmes or Community Initiatives in the region (e.g. INTERREG III-A).

Yet, the funding of €15m per year provided for under that Regulation will expire on 31 December 2004. This, in itself clearly represents an anomalous situation which needed to be resolved.

However, perhaps more importantly, the work which the Fund set out to do and the situation which led the Community to contribute towards it, is not over. The economic, social and psychological scars caused by over 30 years of conflict still run deep and whilst their principal impact has been on Northern Ireland, their effects have also been felt in the neighbouring counties of the Republic. It is thus vital that the work to heal these wounds continue and it is highly desirable and indeed fully consistent with its historic role, that the EU continues to be associated with it.

Thus, after representations were made to the Commission and to the British and Irish Governments by Members of the European Parliament and others, the European Council, on 18 June 2004, adopted the following Presidency's conclusion in reference to the Northern Ireland peace process²: "*The European Council takes note of the current difficulties in the peace process in Northern Ireland and supports the efforts of the two governments in seeking to re-establish the devolved institutions. In order to support these efforts, the European Council calls on the Commission to examine the possibility of aligning interventions under the PEACE II programme and the International Fund for Ireland with those of the other programmes under the Structural Funds that come to an end in 2006, including the implications in financial terms.*"

The Commission's proposal is fully in accordance with this call and should be welcomed, although it is to be regretted that it is only now that it is being forwarded to the European Parliament.

With regard to the implementation of the Regulation, the rapporteur would urge the

¹ Council Regulation (EC) No 2236/2002 of 10 December 2002 on Community financial contributions to the International Fund for Ireland, OJ L 341, 17.12.2002.

² Presidency Conclusion No. 47– Brussels European Council 17-18 June 2004; Council of the EU No.10679/04 (CONCL 2) of 18.6.2004.

Commission to make full use of Article 4 by which it is bound, in co-operation with the Fund's Board, to determine appropriate publicity and information procedures in order to publicise the Community's contribution to the projects financed by the Fund. As the Commission itself has noted, there has been a tendency for the IFI to be regarded as an "American Fund", while as the figures mentioned above demonstrate, the EU is now the largest contributor. The Commission, thus, has a duty to ensure that the contributions of the European tax payer are duly recognised.

Conclusions

This report is inextricably linked with the Assent which this Parliament is required to give to the Commission's proposal for the continuation of the PEACE Programme and the two issues should be assessed together.

At the present time (December 2004), the Institutions set up under the terms of the April 1998 Good Friday Agreement remain in suspension as talks aimed at their reestablishment proceed. The ending of the Community's financial contribution to the IFI or the PEACE Programme would amount to sending precisely the wrong political message at this critical time in what is, by necessity, an on-going peace process.

For this reason, you rapporteur would urge that this proposal be rapidly approved, without amendment, so as to allow this Regulation to come into force on 1 January 2005.

PROCEDURE

Title	Proposal for a Council regulation concerning Community financial contributions to the International Fund for Ireland (2005-2006)
References	COM(2004)0632 – C6-0222/2004 – 2004/0228(CNS)
Legal basis	Article 308 EC
Basis in Rules of Procedure	Rule 51
Date of consulting Parliament	6.12.2004
Committee responsible Date announced in plenary	REGI 14.12.2004
Committee(s) asked for opinion(s) Date announced in plenary	BUDG 14.12.2004
Not delivering opinion(s) Date of decision	BUDG 15.11.2004
Enhanced cooperation Date announced in plenary	– –
Rapporteur(s) Date appointed	James Nicholson 24.11.2004
Previous rapporteur(s)	–
Simplified procedure Date of decision	– –
Legal basis disputed Date of JURI opinion	– –
Financial endowment amended Date of BUDG opinion	– –
Discussed in committee	25.11.2004
Date adopted	25.11.2004
Result of final vote	for: unanimously against: 0 abstentions: 1
Members present for the final vote	Alfonso Andria, Stavros Arnaoutakis, Jean Marie Beaupuy, Adam Jerzy Bielan, Jana Bobošíková, Graham Booth, Bairbre de Brún, Giovanni Claudio Fava, Gerardo Galeote Quecedo, Iratxe García Pérez, Eugenijus Gentvilas, Lidia Joanna Geringer de Oedenberg, Zita Gurmai, Marian Harkin, Konstantinos Hatzidakis, Jim Higgins, Alain Hutchinson, Carlos José Iturgaiz Angulo, Mieczysław Edmund Janowski, Gisela Kallenbach, Tunne Kelam, Miloš Koterec, Constanze Angela Krehl, Jamila Madeira, Sérgio Marques, Ioannis Matsis, Miroslav Mikolášik, Francesco Musotto, James Nicholson, Lambert van Nistelrooij, István Pálfi, Francisca Pleguezuelos Aguilar, Elisabeth Schroedter, Alyn Smith, Grażyna Staniszweska, Catherine Stihler, Margie Sudre, Salvatore Tatarella, Kyriacos Triantaphyllides.
Substitutes present for the final vote	Philip Bradbourn, Jan Březina, Mojca Drčar Murko, Richard Falbr, Richard Seeber, Thomas Ulmer, Daniel Varela Suanzes-Carpegna.

Substitutes under Rule 178(2) present for the final vote	-	
Date tabled - A6	10.12.2004	A6-0071/2004
Comments		