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RECOMMENDATION

on the 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
(COM(2004)0631 – 16064/2004 - C6-0252/2004 – 2004/0224(AVC))

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)

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the 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

(COM(2004)0631 – 16064/2004 - C6-0252/2004 – 2004/0224(AVC))

(Assent procedure)

The European Parliament,

- having regard to the proposal for a Council regulation (COM(2004)0631 - 16064/2004)¹,
 - having regard to the request for assent submitted by the Council pursuant to Article 161 of the EC Treaty (C6-0252/2004),
 - having regard to Rule 75(1) of its Rules of Procedure,
 - having regard to the recommendation of the Committee on Regional Development and the opinion of the Committee on Budgets (A6-0001/2005),
1. Gives its assent to the proposal for a Council regulation;
 2. Instructs its President to forward its position to the Council and Commission.

¹ Not yet published in OJ.

EXPLANATORY STATEMENT

Background

The EU Programme for Peace and Reconciliation in Northern Ireland and the Border Region of the Republic of Ireland (PEACE) aims to reinforce progress towards a peaceful and stable society and to promote reconciliation. It was established as a Community Initiative Programme in 1994, for an initial period of three years, in order to encourage positive developments in the peace process and in particular as a response to ceasefires declared by various groups involved in the conflict.

It followed on from earlier EU support which had seen Northern Ireland benefit from special financial assistance in favour of peace and reconciliation. From 1989, the European Community became one of the main sources of funding for the International Fund for Ireland (IFI), an international body established by treaty between the UK and Irish governments¹ "to promote economic and social development, and to encourage contact, dialogue and reconciliation between nationalists and unionists throughout Ireland". It currently receives €15 million annually from the EU budget.²

The PEACE I Programme

The first PEACE programme was allocated a total amount of €500 million from the EU budget for the period 1995 - 1999, of which, around 80 per cent was spent in Northern Ireland and 20 per cent in the border counties of the Republic (Cavan, Donegal, Leitrim, Louth, Monaghan, and Sligo). From the beginning, the Programme employed a "bottom-up" approach designed to involve people at the grass roots level and to target its interventions on those areas and sections of the population most directly affected by the conflict. PEACE I funded over 13,000 projects across Northern Ireland covering such areas as social inclusion, economic development and employment, urban and rural regeneration, and cross border co-operation.

The Community's co-financing amounted to 72.13% of the total investment, with the remainder being met by authorities in both countries and by the private sector. In Northern Ireland, a special sub-programme was specifically aimed at encouraging the creation of local partnerships as well as voluntary and community groups which subsequently had a major role in the implementation of the Programme. A single monitoring committee for both sides of the border was also set up.

The PEACE II Programme

In order to build upon the success of PEACE I and "in recognition of the special efforts for the peace process in Northern Ireland", the Berlin European Council of 24 and 25 March 1999

¹ Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Ireland concerning the International Fund for Ireland, 18 September 1986 (last amended 10 October 2000) ; UK Treaty Series N°58 (1987) Cm 266 / Republic of Ireland N°1 (1986) Cmnd 9908.

² 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, p. 6.

decided to extend the programme for a further five years (2000-2004) [with the strategic aim of reinforcing progress towards a peaceful and stable society, promoting reconciliation and assisting economic regeneration and social inclusion activities.](#)

The context of this decision was the Belfast or "Good Friday" Agreement¹ reached between the main political parties and the British and Irish Governments during multi-party talks on 10 April 1998. This committed the participants to exclusively democratic and peaceful means of resolving differences on political issues and to oppose any use or threat of force by others for any political purpose. It provided a political framework for the peace process and included the devolution of powers to a Northern Ireland Assembly and Executive, which were subsequently set up at the end of 1999. However, the Agreement acknowledged that substantial differences remained between the various equally legitimate, political aspirations and therefore also committed the parties and the Governments "to strive in every practical way towards reconciliation and rapprochement within the framework of democratic and agreed arrangements".

Thus the 5-year extension of the Programme was, as the Commissioner responsible, Michel Barnier, said at the time, an illustration of "concrete European Union solidarity and support for the peace process established by the Belfast Agreement."

Total EU funding for PEACE II is €531 million, of which some €100 million has been allocated to the border counties of the Republic, while around 80% of this funding has been assigned to projects in Northern Ireland (€ 425 million). The Programme's total expenditure between 2000 and 2004 amounts to over € 708 million with the EU contribution represents 75 % of total public funding, the remaining coming from co-financed expenditure from the UK and Ireland public sectors, and from the private sector. 15% of the total allocation is attributed to cross-border projects. The Programme has been implemented in full respect of additionality of structural fund interventions and other public sector expenditure in Northern Ireland and in the Republic of Ireland.

The new element in PEACE II has been to address the economic and social legacy of over 30 years of conflict and to take advantage of new opportunities arising from the peace process as part of the so-called "peace dividend". It has thus sought to benefit a wide range of sectors, areas, groups and communities which have been particularly affected as a result of the violence and encourage cross-community projects. The Programme has also attempted to build on the inclusive, "bottom-up" and joint North/South delivery approach of the first Programme. The greatest share of the funding will thus continue to be managed by locally based partnership structures and by sector-specialised non-government organisations. Overall, the Programme is managed by the Special EU Programmes Body (SEUPB), one of the six North/South Implementation Bodies set up under the Belfast Agreement.

Substance of the Commission Proposal

The Commission is proposing that Regulation (EC) No 1260/1999 be amended so as to extend the implementation of the PEACE programme by two years until the end of 2006, coinciding with the programming period for the Structural Funds. This coincides with a

¹ Agreement reached in the Multi-Party Negotiations on Northern Ireland, (10 April 1998), (Cmnd. 3883), [Good Friday Agreement / Belfast Agreement]. Belfast: HMSO.

proposal to extend the annual Community contribution of €15m to the International Fund for Ireland for the same period.¹ The wider aim therefore, is to align the measures financed by these two instruments with interventions carried out in the region under EU cohesion policy.

Assessment

Clearly, as the Commission itself states, "consolidation of the peace process in Northern Ireland, to which the PEACE programme has made an original and essential contribution thus far, requires continuing financial support from the European Community to the regions concerned and the extension of the PEACE programme for another two years". Unfortunately, this is probably an understatement.

The peace process requires long-term commitment by all involved in it and it is unrealistic to expect that economic, social and psychological problems caused or exacerbated by over 30 years of violence can be solved over night - or even in the next two years. This is the case in all the priority areas covered by the Programme:

- **Economic Renewal:** Combating the economic legacy of conflict and distrust must continue to be a central objective of the PEACE Programme. Empowering communities to overcome these legacies and confront the challenges of a changing economy must remain a priority. Whether by creating new areas of employment or through assisting those affected by industrial decline to make the transition to other sustainable forms of employment, the PEACE programme has brought and must continue to bring added economic and social value to the political process. With the continuing closure of large segments of the traditional manufacturing sector, the need to assist individuals employed in those sectors in making the transition to other sustainable employment remains as great as ever. This priority remains vital so that all can participate in the dividends of peace.
- **Social Integration, Inclusion and Reconciliation:** Much progress has been made over the last 10 years since the albeit imperfect cessation of violence by the major protagonists in the conflict, allowing a sense of normality to return to much of the region. However, this improvement has not been uniform. In certain areas and in particular, but not exclusively, those on the "interface" between the communities, divisions and mistrust run deep, if not deeper than ever. The on-going necessity to promote social integration, inclusion and reconciliation in both urban and rural areas, looks certain to constitute a heavy burden and to remain the unwelcome legacy of the "Troubles" for many years to come. The programme needs to continue its efforts to support those most affected by the conflict including the victims of violence and their families. It must, moreover, support groups and communities which contribute actively to peace and reconciliation, paying particular attention to the positive contribution which can be made by women, and provide specific action to promote them.

Furthermore, given the grief and harm brought upon the entire community by the violent past, it is vitally important that there is a balanced take-up and distribution of the benefits of peace and, equally importantly, that this is seen and perceived to be the case. In this context, where empirical evidence indicates that those from the Unionist section of the

¹ Proposal for a Council Regulation concerning Community financial contributions to the International Fund for Ireland (2005-2006), COM(2004) 632 final, 13.10.2004.

community in particular have been slow to participate in PEACE activities, more active encouragement and if necessary proactive measures are required in order to motivate such participation. This must also apply in the case of other social groups where poor participation rates are observed.

- **Locally-Based Regeneration and Development Strategies:** For the same reasons the importance of locally based cross-community partnerships cannot be overstated, since it is by working together that barriers and mistrust can best be broken down. However, again this will by necessity be a long-term process. **Moreover, it is by favouring local input that a real simplification of procedures can be achieved and administrative formalities and costs can be kept to a minimum.**

- **Outward and Forward Looking Region:** There is still the need to overcome the introspection and negative image associated with over three decades of relative isolation as a region usually shunned by visitors from other parts of Europe. Now is precisely the moment when it is necessary promote a more forward and outward-looking approach by encouraging constructive dialogue with other EU regions on economic, social and environmental matters and by promoting abroad the positive image of a more peaceful society.

- **Cross-border Co-operation :** The sustained period **of conflict, spanning more than 30 years**, hindered the development of normal economic and social relations and cooperation across the Irish border. Ironically, this occurred at precisely the time that economic barriers across Europe were coming down. There is thus a particular need within this region to promote the usual economic, social and cultural cross-border co-operation and initiatives which are already common practice and well advanced in other parts of the continent.

For these reasons of substance, the Commission's proposal should be welcomed, as should the concomitant proposal with regard to the IFI. However, just as important is the political message that the Union chooses to send at this critical moment in the peace process.

At the time of writing, the political institutions set up by the Belfast Agreement remain in suspension, while negotiations continue in an attempt to restore devolved government. Your rapporteur considers that a positive signal from the EU is therefore vital at this juncture.

Following representations from MEPs and others, this point was accepted by the Commission, the British and Irish Prime Ministers and by the European Council, which on 10 June 2004 stated that it "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."

It is clear therefore that considerable political good will exists for the extension of this Programme both at Commission level and at the level of the Heads of State and Government. It is perhaps only to be regretted that given this was already evident at the June European Council, it has taken the Commission until mid-October in order to produce a proposal for a Council Regulation. The consequent obligation on Parliament to condense all its normal procedures must therefore be seen as unfortunate.

Finally, given the degree of support for the extension of PEACE, it is incumbent upon the Budgetary Authority - Parliament and the Council - to approve the necessary modifications to the 2000-2006 Financial Perspective, or to take whatever other measures might be necessary, in order to ensure that adequate financial provisions are put in place for the continuation of the programme.

Conclusions

In a climate where there still exists, understandably, distrust and indeed fear in many quarters, the on-going peace process requires subtle and delicate handling. Political messages and symbolism are all important. In this the EU can now act positively to demonstrate its solidarity, while at the same time contributing in a concrete manner to the creation of a better society in a region of Europe that has already suffered too much.

Parliament should therefore provides its assent so that this extension may come into force on 1 January 2005.

25.11.2004

OPINION OF COMMITTEE ON BUDGETS

Mr Gerardo Galeote Quecedo
Chairman
Committee on Regional Development
BRUSSELS

Subject: Commission 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 (COM(2004)0631 –16064/2004 - C6-0252/2004 - 2004/0224(AVC))¹

Dear President,

The Committee considered the above Commission proposal at its meeting of 15 November 2004.

At this occasion, the Committee on Budgets decided unanimously with 1 abstention², to adopt the following amendment:

"Considers that a financial statement should be attached to the Commission proposal, and that such a statement shall only be compatible with the ceiling of Heading 2 of the financial perspective, provided that an agreement between the European Parliament and the Council on the increase of the corresponding sub-ceiling within the heading is reached."

The Committee on Budgets calls on the Committee on Regional Development, as the committee responsible, to incorporate the above amendment in its report.

¹ Not yet published in OJ.

² The following were present for the vote: Janusz Lewandowski (chairman), Jan Mulder (vice-chairman), Reimer Böge (vice-chairman), Gérard Deprez (draftsman), Laima Liucija Andrikienė, Paulo Casaca, Brigitte Douay, Den Dover, Salvador Garriga Polledo, Neena Gill, Dariusz Maciej Grabowski, Louis Grech, Catherine Guy-Quint, Anne Elisabet Jensen, Wiesław Stefan Kuc, Zbigniew Krzysztof Kuźmiuk, Alain Lamassoure, Albert Jan Maat, Vladimír Maňka, Hans-Peter Martin, Jean-Claude Martinez, Mario Mauro, Gérard Onesta, Wojciech Roszkowski, Paul Rübig, Antonis Samaras, Jacek Emil Saryusz-Wolski, László Surján, Helga Trüpel, Kyösti Tapio Virrankoski, Marilisa Xenogiannakopoulou and Tomáš Zatloukal.

Yours sincerely,

(sgd) Janusz Lewandowski

PROCEDURE

Title	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	
References	COM(2004)0631 - 16064/2004 – C6-0252/2004 – 2004/0224(AVC)	
Legal basis	Article 161, EC	
Basis in Rules of Procedure	Rule 75(1)	
Date of request for Parliament's assent	21.12.2004	
Committee responsible Date announced in plenary	REGI 10.01.2005	
Committee(s) asked for opinion(s) Date announced in plenary	BUDG 10.01.2005	
Not delivering opinion(s) Date of decision		
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	/	
Discussed in committee	25.11.2004	
Date adopted	25.11.2004	
Result of final vote	for:	unanimously
	against:	
	abstentions:	1
Members present for the final vote	Alfonso Andria, Stavros Arnautakis, 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 Staniszevska, 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	5.1.2005	A6-0001/2005

Comments	
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