

## I

(Legislative acts)

## REGULATIONS

**REGULATION (EU) No 1232/2010 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL  
of 15 December 2010  
concerning European Union financial contributions to the International Fund for Ireland  
(2007 to 2010)**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 175 and Article 352(1) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee <sup>(1)</sup>,

After consulting the Committee of the Regions,

Acting in accordance with the ordinary legislative procedure and the requirement for unanimity in the Council provided for in the first sentence of Article 352(1) of the Treaty on the Functioning of the European Union <sup>(2)</sup>,

Whereas:

(1) The International Fund for Ireland ('the Fund') was established in 1986 by the Agreement of 18 September 1986 between the Government of Ireland and the Government of the United Kingdom of Great Britain and Northern Ireland concerning the International Fund for Ireland ('the Agreement') in order to promote economic and social advancement, and to encourage contact, dialogue and reconciliation between nationalists and unionists

throughout Ireland, in the implementation of one of the objectives specified by the Anglo-Irish Agreement of 15 November 1985.

(2) The Union, recognising that the objectives of the Fund are a reflection of those pursued by itself, has provided financial contributions to the Fund from 1989. For the period 2005 to 2006 EUR 15 million was committed from the Community budget for each of the years 2005 and 2006 in accordance with Council Regulation (EC) No 177/2005 of 24 January 2005 concerning Community financial contributions to the International Fund for Ireland <sup>(3)</sup>. That Regulation expired on 31 December 2006.

(3) The assessments carried out in accordance with Article 5 of Regulation (EC) No 177/2005 have confirmed the need for further support for activities of the Fund, while continuing to reinforce synergies of its objectives and coordination with Structural Funds interventions, in particular with the Special Programme for Peace and Reconciliation in Northern Ireland and the Border Counties of Ireland ('the PEACE programme') set up in accordance with Council Regulation (EC) No 1260/1999 of 21 June 1999 laying down general provisions on the Structural Funds <sup>(4)</sup>.

(4) The peace process in Northern Ireland requires a continuation of Union support to the Fund beyond 31 December 2006. In recognition of the special effort for the peace process, the PEACE programme has been allocated additional support from the Structural Funds for the period 2007 to 2013 pursuant to paragraph 22 of Annex II to Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999 <sup>(5)</sup>.

<sup>(1)</sup> Opinion of 29 April 2010 (not yet published in the Official Journal).

<sup>(2)</sup> Position of the European Parliament of 15 June 2010 (not yet published in the Official Journal) and decision of the Council of 10 December 2010.

<sup>(3)</sup> OJ L 30, 3.2.2005, p. 1.

<sup>(4)</sup> OJ L 161, 26.6.1999, p. 1.

<sup>(5)</sup> OJ L 210, 31.7.2006, p. 25.

- (5) At its meeting in Brussels on 15 and 16 December 2005, the European Council called on the Commission to take the necessary steps with a view to continued Community support for the Fund as it enters the crucial final phase of its work until 2010.
- (6) The main purpose of this Regulation is to support peace and reconciliation through a wider range of activities than those covered by the Structural Funds, and which extend beyond the scope of the Union policy on economic and social cohesion.
- (7) The Union contributions to the Fund should take the form of financial contributions for the years 2007, 2008, 2009 and 2010, thus terminating at the same time as the life of the Fund.
- (8) In allocating the Union contributions, the Fund should give priority to projects of a cross-border or cross-community nature, in such a way as to complement the activities funded by the PEACE programme for the period 2007 to 2010.
- (9) In accordance with the Agreement, all financial contributors to the Fund should participate as observers at the meetings of the Board of the Fund.
- (10) It is vital to ensure proper coordination between the activities of the Fund and those financed under the Structural Funds provided for by Article 175 of the Treaty on the Functioning of the European Union, in particular the PEACE programme.
- (11) This Regulation lays down a financial envelope for the entire duration of the Fund constituting the prime reference, within the meaning of point 37 of the Inter-institutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management <sup>(1)</sup>, for the budgetary authority during the annual budgetary procedure.
- (12) The amount of the Union contributions to the Fund should be EUR 15 million for each of the years 2007, 2008, 2009, and 2010, expressed in current values.
- (13) The Fund's strategy launched for the final phase of its activities (from 2006 to 2010) and entitled 'Sharing this Space' focuses on four key areas: building foundations for reconciliation in the most marginalised communities, building bridges for contact between divided communities, moving towards a more integrated society, and leaving a legacy. Consequently, the ultimate aim of the Fund and of this Regulation is to encourage inter-community reconciliation.
- (14) Union support will contribute to reinforcing solidarity between the Member States and between their peoples.
- (15) Assistance from the Fund should be regarded as effective only in so far as it brings about sustainable economic and social improvement and is not used as a substitute for other public or private expenditure.
- (16) Council Regulation (EC) No 1968/2006 of 21 December 2006 concerning Community financial contributions to the International Fund for Ireland (2007 to 2010) <sup>(2)</sup> established the financial reference amount for the implementation of the Fund for the period 2007 to 2010.
- (17) In its judgment of 3 September 2009 in Case C-166/07 (European Parliament v Council of the European Union) <sup>(3)</sup>, the Court of Justice annulled Regulation (EC) No 1968/2006 as it was based only on Article 308 of the Treaty establishing the European Community (EC Treaty), ruling that the third paragraph of Article 159 EC Treaty and Article 308 EC Treaty were the appropriate legal bases. However, the Court also ruled that the effects of Regulation (EC) No 1968/2006 were to be maintained until the entry into force, within a reasonable period, of a new regulation adopted on the appropriate legal bases and that the annulment of Regulation (EC) No 1968/2006 was not to affect the validity of payments made or of undertakings given under that Regulation. In this respect it is necessary, for the sake of legal certainty, to provide for the application with retroactive effect of Article 6 of this Regulation because it relates to the whole programme period of 2007 to 2010,

HAVE ADOPTED THIS REGULATION:

#### Article 1

The financial envelope for the implementation of the International Fund for Ireland ('the Fund') for the period 2007 to 2010 shall be EUR 60 million.

Annual appropriations shall be authorised by the budgetary authority within the limit of the financial framework.

<sup>(1)</sup> OJ C 139, 14.6.2006, p. 1.

<sup>(2)</sup> OJ L 409, 30.12.2006, p. 86.

<sup>(3)</sup> Case C-166/07, *Parliament v. Council* [2009] ECR I-7135.

*Article 2*

Contributions shall be used by the Fund in accordance with the Agreement of 18 September 1986 between the Government of Ireland and the Government of the United Kingdom of Great Britain and Northern Ireland concerning the International Fund for Ireland ('the Agreement').

In allocating contributions, the Fund shall give priority to projects of a cross-border or cross-community nature, in such a way as to complement the activities financed by the Structural Funds, and especially those of the Special Programme for Peace and Reconciliation in Northern Ireland and the Border Counties of Ireland ('the PEACE Programme').

Contributions shall be used in such a way as to bring about sustainable economic and social improvement in the areas concerned. They shall not be used as a substitute for other public and private expenditure.

*Article 3*

The Commission shall represent the Union as an observer at the meetings of the Board of the Fund.

The Fund shall be represented as an observer at the Monitoring Committee meetings of the PEACE programme, and of other Structural Funds interventions as appropriate.

*Article 4*

The Commission shall, in cooperation with the Board of the Fund, determine appropriate procedures to foster coordination at all levels between the Fund and the managing authorities and implementing bodies set up under the Structural Funds interventions concerned, in particular under the PEACE programme.

*Article 5*

The Commission shall, in cooperation with the Board of the Fund, determine appropriate publicity and information procedures in order to publicise the Union contributions to the projects financed by the Fund.

*Article 6*

By 30 June 2008, the Fund shall submit to the Commission its strategy for the closure (closure strategy) of its activities, including:

- (a) an action plan with projected payments and a foreseen winding-up date;
- (b) a de-commitment procedure;
- (c) the treatment of any residual amounts and interest received at the closure of the Fund.

Subsequent payments to the Fund shall be conditional on the Commission's approval of the closure strategy. If the closure strategy is not submitted to the Commission by 30 June 2008, payments to the Fund shall be interrupted until the strategy is received.

*Article 7*

1. The Commission shall administer the contributions.

Subject to paragraph 2, the annual contribution shall be paid, in instalments, as follows:

- (a) a first advance payment of 40 % shall be made after the Commission has received an undertaking, signed by the Chairman of the Board of the Fund, to the effect that the Fund will comply with the conditions for the grant of the contribution set out in this Regulation;
- (b) a second advance payment of 40 % shall be made 6 months later;
- (c) a final payment of 20 % shall be made after the Commission has received and accepted the Fund's annual activity report and audited accounts for the year in question.

2. Before paying out an instalment the Commission shall carry out an assessment of the Fund's financial needs on the basis of the Fund's cash balance at the time scheduled for each payment. If, following that assessment, the Fund's financial needs do not justify payment of one of those instalments, the payment concerned shall be suspended. The Commission shall review that suspension on the basis of new information provided by the Fund and shall continue payments as soon as they are considered justified.

*Article 8*

A contribution from the Fund may be allocated to an operation which receives or is due to receive financial assistance under a Structural Funds intervention only if the sum of that financial assistance plus 40 % of the contribution from the Fund does not exceed 75 % of the operation's total eligible costs.

*Article 9*

A final report shall be submitted to the Commission 6 months before the winding-up date provided for in the closure strategy or 6 months after the final payment referred to in point (c) of the second subparagraph of Article 7(1), whichever is the sooner, and shall include all the necessary information to enable the Commission to evaluate the implementation of the assistance and the attainment of the objectives of the Fund.

*Article 10*

The final-year contribution shall be paid following the financial needs analysis referred to in Article 7(2) and provided the Fund's performance respects the closure strategy.

*Article 11*

The final date of eligibility of expenditure is 31 December 2013.

*Article 12*

This Regulation shall enter into force on the day following its publication in the *Official Journal of the European Union*.

Article 6 shall apply from 1 January 2007.

This Regulation shall expire on 31 December 2010.

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

Done at Strasbourg, 15 December 2010.

*For the European Parliament*

*The President*

J. BUZEK

*For the Council*

*The President*

O. CHASTEL

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