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(Acts whose publication is obligatory)

COUNCIL REGULATION (EC) No 177/2005

of 24 January 2005

concerning Community financial contributions to the International Fund for Ireland (2005-2006)

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⁽¹⁾,

Whereas:

(1) The International Fund for Ireland (hereinafter '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 (hereinafter 'the Agreement') in order to promote economic and social advance, and to encourage contact, dialogue and reconciliation between nationalists and unionists throughout Ireland, in implementation of one of the objectives specified by the Anglo-Irish Agreement of 15 November 1985.

(2) The Community has provided financial contributions to the Fund from 1989. For the period 2003 to 2004 EUR 15 million was committed from the Community budget for each of the years 2003 and 2004 in accordance with Council Regulation (EC) No 2236/2002 of 10 December 2002 concerning Community financial contributions to the International Fund for Ireland (2003–2004)⁽²⁾. That Regulation expired on 31 December 2004.

(3) The assessments carried out in accordance with Article 6 of Regulation (EC) No 2236/2002 have confirmed the need for further support for Fund activities, while continuing reinforcing synergy of 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

(hereinafter '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⁽³⁾.

(4) The peace process in Northern Ireland requires a continuation of Community support to the Fund beyond 31 December 2004.

(5) At its meeting in Brussels on 17 and 18 June 2004, the European Council called on the Commission to examine the possibility of aligning interventions under the PEACE 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.

(6) The Community contribution to the Fund should take the form of financial contributions for the years 2005 and 2006, thus terminating at the same time as an extended PEACE programme.

(7) In allocating the Community contribution, 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.

(8) In accordance with the Agreement, all financial contributors to the Fund participate as observers at the meetings of the Board of the International Fund for Ireland.

(9) The Commission should foster coordination at all levels between the Fund's Board and agents, and the managing bodies set up under the Structural Funds interventions concerned, in particular under the PEACE programme.

(10) 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.

⁽¹⁾ Opinion delivered on 14 December 2004 (not yet published in the Official Journal).

⁽²⁾ OJ L 341, 17.12.2002, p. 6.

⁽³⁾ OJ L 161, 26.6.1999, p. 1. Regulation as last amended by Regulation (EC) No 1105/2003 (OJ L 158, 27.6.2003, p. 3).

- (11) An assessment reviewing the performance of the Fund and the need for further Community support should be carried out before 1 April 2006.
- (12) A financial reference amount, within the meaning of Point 34 of the Interinstitutional Agreement of 6 May 1999 between the European Parliament, the Council and the Commission on budgetary discipline and improvement of the budgetary procedure⁽¹⁾ is included in this Regulation for the entire duration of the programme, without thereby affecting the powers of the budgetary authority as they are defined by the Treaty.
- (13) The amount of the Community contribution to the Fund should be EUR 15 million for each of the years 2005 and 2006, expressed in current values.
- (14) That support will contribute to reinforcing solidarity between the Member States and between their peoples.
- (15) The Treaty provides for no powers other than those in Article 308 thereof for the adoption of this Regulation,

HAS ADOPTED THIS REGULATION:

Article 1

The financial reference amount for the implementation of the Community contribution to the International Fund for Ireland (hereinafter 'the Fund') for the period 2005-2006 shall be EUR 30 million.

The annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspective.

Article 2

The contribution 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 (hereinafter 'the Agreement').

In allocating the contribution 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 (hereinafter 'the PEACE Programme') set up in accordance with the first subparagraph of Article 7(4) of Regulation (EC) No 1260/1999.

⁽¹⁾ OJ C 172, 18.6.1999, p. 1. Agreement as amended by Decision 2003/429/EC of the European Parliament and of the Council (OJ L 147, 14.6.2003, p. 25).

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

Article 3

The Commission shall represent the Community as an observer at the meetings of 'the Board' of the Fund (hereinafter 'the Board').

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 Fund's Board, determine appropriate publicity and information procedures in order to publicise the Community's contribution to the projects financed by the Fund.

Article 5

By 31 March 2006, the Commission shall submit a report to the Budgetary Authority, assessing the results of the activities of the Fund and the need for continuing contributions beyond 2006, taking into account developments in the peace process in Northern Ireland. That report shall incorporate, *inter alia*, the following:

- (a) a survey of the Fund's activities;
- (b) a list of projects which have received aid;
- (c) an assessment of the nature and impact of the Fund's activities, notably in relation to its objectives and the criteria laid down in Articles 2 and 7;
- (d) an assessment of action taken by the Fund to ensure cooperation and coordination with Structural Funds interventions, taking account, in particular, of obligations under Articles 3 and 4;
- (e) an annex setting out the results of the verifications and controls carried out by the Commission pursuant to the undertaking referred to in Article 6.

Article 6

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 Fund's Board, 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 six 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 decision on the basis of new information provided by the Fund and shall continue payments as soon as they are considered justified.

Article 7

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 8

This Regulation shall enter into force on 1 January 2005.

It shall expire on 31 December 2006.

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

Done at Brussels, 24 January 2005.

For the Council
The President
F. BODEN
