

COUNCIL REGULATION (EC) No 1968/2006**of 21 December 2006****concerning Community financial contributions to
the International Fund for Ireland (2007 to 2010)**

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,

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, 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 on Community financial contributions to the International Fund for Ireland¹. That Regulation will expire on 31 December 2006.

¹ OJ L 30, 3.2.2005, p. 1.

- (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 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 Funds¹.
- (4) The peace process in Northern Ireland requires a continuation of Community 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 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999².
- (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 up to 2010.

¹ OJ L 161, 26.6.1999, p. 1. Regulation as last amended by Regulation (EC) No 173/2005 (OJ L 29, 2.2.2005, p. 3) and repealed and replaced by Regulation (EC) No 1083/2006 (OJ L 210, 31.7.2006, p. 210) as of 1 January 2007.

² OJ L 210, 31.7.2006, p. 25.

- (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 Community's policy on economic and social cohesion.
- (7) The Community contribution 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 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 for the period 2007 to 2010.
- (9) 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.
- (10) It is vital to ensure proper coordination between the activities of the Fund and those financed under the Community Structural Funds provided for by Article 159 of the Treaty, in particular the PEACE programme.
- (11) 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.

- (12) An assessment reviewing the closure provisions of the Fund should be carried out before 1 July 2008.
- (13) A financial reference amount, within the meaning of Point 38 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management¹ is inserted in this Regulation for the entire duration of the programme, without the powers of the budgetary authority as defined by the Treaty being affected thereby.
- (14) The amount of the Community contribution to the Fund should be EUR 15 million for each of the years 2007, 2008, 2009, and 2010, expressed in current values.
- (15) The Fund strategy launched for the final phase of its activities (2006 – 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, therefore, to encourage inter-community reconciliation.
- (16) The Community support will contribute to reinforcing solidarity between the Member States and between their peoples.
- (17) The adoption of this Regulation is considered necessary to attain the objectives of the Community in the course of operation of the common market. Since the Treaty does not specifically provide the necessary powers, this Regulation should be adopted on the basis of Article 308 of the Treaty,

¹ OJ C 139, 14.6.2006, p. 1.

HAS ADOPTED THIS REGULATION:

Article 1

The financial reference amount for the implementation of the International Fund for Ireland (hereinafter "the Fund") for the period 2007-2010 shall be EUR 60 million.

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

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 PEACE programme operating in Northern Ireland and the Border Counties of Ireland.

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 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 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 6

By 30 June 2008 at the latest, the Fund shall submit to the Commission its strategy for the closure of the activities of the Fund, 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 are conditional on the Commission's approval of the closure strategy. If the strategy for closure is not submitted 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 Fund's Board, to the effect that the Fund shall 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 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 should be submitted to the Commission six months before the winding up date foreseen in the strategy for closure referred in point (a) of the first paragraph of Article 6 or six months after the last Community payment, whichever happens first, and should include all the necessary information that would enable the Commission to evaluate the implementation of the assistance and the attainment of the objectives.

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 provided for in Article 6.

Article 11

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

Article 12

This Regulation shall enter into force on 1 January 2007.

It shall expire on 31 December 2010.

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

Done at Brussels, 21 December 2006.

For the Council

The President

J. KORKEAOJA
