International Fund for Ireland: continuation of the Community financial contributions for 2005-2006

2004/0228(CNS) - 13/10/2004 - Legislative proposal

PURPOSE : to provide new Community financial contributions to the International Fund for Ireland (2005-2006).

PROPOSED ACT : Council Regulation.

CONTENT : the International Fund for Ireland (IFI) was established in 1986 in order to contribute to the implementation of Article 10(a) of the Anglo-Irish Agreement of 15 November 1985 which provides that the two governments shall co-operate to promote 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 shall consider the possibility of securing international support for this work. The objectives of the IFI are to promote economic and social advance and to encourage contact, dialogue and reconciliation between nationalists and unionists throughout Ireland. EC funding now represents 44 % of annual contributions to the Fund and 39,5 % of cumulative contributions to date.

The political background of the region has evolved over the years: in 1994, the main paramilitary groups announced cease-fires ; in April 1998, the Belfast ("Good Friday") Agreement set a political settlement for a peace process, including the devolution of powers to a Northern Ireland (NI) Assembly and Executive Committee, which were set up at the end of 1999. However, there is still a significant level of violence relating to the conflict and division between the main communities remains high. The NI Assembly is currently suspended, which illustrates the threats and uncertainties surrounding the peace process in the region.

In this context, economic and social development in support of peace and reconciliation at grassroots level is a long term process. As an instrument towards this goal, the IFI complements the action carried out by the EU Programmes for Peace and Reconciliation in Northern Ireland and the Border Region of Ireland ("PEACE "I 1995-1999, and" PEACE "II 2000-2004).

In 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.

In accordance with the current round of contributions, the European Commission has also submitted an assessment of the IFI's activities to the Budgetary Authority. This acknowledges the IFI's very valuable and positive actions for peace and reconciliation in the region.

In light of the above assessment, it is proposed that the Commission adopts the following proposal for a Council Regulation on the EC contributions to the IFI which will continue the EU contributions of EUR 15 million per year to the IFI, for a further period of 2 years. The proposed new period will therefore end in 2006, which would coincide with the end of the extended PEACE Programme (please refer to procedure reference AVC/2004/0224).

Also to be taken account of are the observations made in the Commission report, in particular those

reinforcing synergy of objectives and co-ordination with Structural Funds interventions, in particular with an extended PEACE Programme.

FINANCIAL IMPLICATIONS :

- Budget line concerned : B2-604.

- Period of application : 2005-2006.

- Total allocation for action (excluding administrative and human resource expenditure): EUR 30 million for commitment.

- Financial impact on human resources : EUR 32 400 per year.

- Other administrative expenditure : EUR 9000 per year.