

International Fund for Ireland: EU financial contributions 2007-2010

2010/0004(COD) - 05/02/2010 - Legislative proposal

PURPOSE: to change the legal bases of the regulation concerning the International Fund for Ireland.

PROPOSED ACT: Regulation of the European Parliament and of the Council

CONTENT: the EU has provided financial contributions to the International Fund for Ireland (IFI) 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 on Community financial contributions to the International Fund for Ireland. That Regulation expired on 31 December 2006 and was replaced by Council Regulation (EC) No 1968/2006 concerning Community financial contributions to the International Fund for Ireland (2007-2010). The regulation was adopted, like all previous regulations, on the basis of Article 308 of the Treaty establishing the European Community.

The European Parliament considered that the regulation should have been adopted under Article 159§3 of the Treaty establishing the European Community (now Article 175 of the Treaty on the Functioning of the European Union) and launched an action for annulment before the Court of Justice. The Court passed down its judgement on 3 September 2009 and ruled that both Articles 159§3 and 308 should be used as the legal basis and therefore annulled Council Regulation (EC) No 1968/2006 and asked the institutions to adopt a replacement regulation with a dual legal basis. In complying with the Court's ruling the European Commission is presenting a new proposal for a Regulation.

In comparison with the annulled regulation the proposal for a new regulation reflects in the recitals the **dual legal basis**.

All articles remain the same but Article 12 (on entry into force) provides for the retroactive application of Article 6 (on closure of the Fund) since in the annulled regulation the said article was providing for a closure strategy to be submitted to the Commission by June 2008. The closure strategy in question has indeed been submitted to the Commission and it has been approved.

Legal Basis: Article 175 and Article 352 (1) of the Treaty on the Functioning of the European Union.

FINANCIAL IMPLICATIONS: the proposal provides for EU contributions of EUR 15 million per year to the IFI for a period of 4 years from 2007 - 2010. The proposed new period will therefore end in 2010, which would coincide with the last year the Fund will be seeking financial contributions from the donors.