

European Union Programme for
Territorial Co-operation



PEACE III

EU Programme for
Peace and Reconciliation
2007 – 2013

Northern Ireland and the Border Region of Ireland

Operational Programme



*Special EU Programmes Body
Foras Um Chláir Speisialta An AE
Boord O Owre Ocht UE Projects*



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PEACE III



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SEUPB is a North South Implementation Body sponsored by the Department of Finance and Personnel in Northern Ireland and the Department of Finance in Ireland. Its principal functions are to manage certain European Union Structural Funds and to support a range of development and regeneration programmes in the North and South of Ireland

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I Introduction

Overview

1.1 The EU Programme for Peace and Reconciliation in Northern Ireland and the Border Region of Ireland¹ (2007-2013) (hereafter the PEACE III Programme) is a distinctive European Union Structural Funds Programme aimed at reinforcing progress towards a peaceful and stable society and promoting reconciliation. It will promote social and economic stability in the region by supporting actions to promote cohesion between communities.² It will assist Northern Ireland and the Border Region and specifically focus on reconciling communities and contributing towards a shared society. The Programme will carry forward key aspects of the previous peace programmes (PEACE I and II) and will have a continued and *renewed* emphasis on reconciliation.

The PEACE Programmes in Northern Ireland and Ireland

- 1.2 The implementation of the PEACE I Programme (1995-1999) was the direct result of the European Union's (EU) desire to make a positive response to the opportunities presented by developments in the Northern Ireland peace process during 1994, especially the announcements of cessation of violence by the main republican and loyalist paramilitary organisations. The cessations came after 25 years of violent conflict, during which over 3,500³ people were killed and some 37,000 injured.
- 1.3 The PEACE I Programme (the Special Support Programme for Peace and Reconciliation in Northern Ireland and the Border Region) was implemented in the form of a Community Initiative and committed €667m, including match funding (EU contribution of €500m) to the Programme over the period 1995 to 1999. The strategic aim of the Programme was as follows:
- 1.4 "To reinforce progress towards a peaceful and stable society and to promote reconciliation by increasing economic development and employment, promoting urban and rural regeneration, developing cross-border co-operation and extending social inclusion".
- 1.5 In March 1999, in recognition of the EU's continuing support for the peace process in Northern Ireland, the European Council in Berlin decided to continue the PEACE Programme for a further five years (2000-2004). The PEACE II Programme (EU Programme for Peace and Reconciliation in Northern Ireland and the Border Region of Ireland) was allocated a total of €995m, and was established as an Operational Programme within the Community Support Frameworks of Northern Ireland and Ireland and incorporated into mainstream Structural Funds.
- 1.6 The overall aim of the PEACE II Programme remained the same as for PEACE I 'To reinforce progress towards a peaceful and stable society and to promote reconciliation'. In an evolution of the strategic objectives and in an effort to carry forward the distinctive

¹ The Border Region includes the counties of Cavan, Donegal, Leitrim, Louth, Monaghan and Sligo in Ireland and covers the same boundaries as the Border Regional Authority, one of eight Authorities established under the Local Government Act 1991 (The Irish Regions Office, www.iro.ie). The term border areas refers to those areas adjacent to the border in both Northern Ireland and Ireland.

² The programme has been developed consistent with Annex II paragraph 22 of Council Regulation (EC) No 1083/2006.

³ Fay, M.T., Morrissey, M., Smyth, S., and Wong, T. (1999) *The Cost of the Troubles Survey, Derry/INCORE*

aspects of PEACE I, two specific objectives were identified in relation to the overall aim of the Programme. These included:

- Addressing the legacy of the conflict ;and
- Taking the opportunities arising from peace.

- 1.7 In addition, the Programme had a sub-objective of promoting actions that will 'pave the way to reconciliation'.
- 1.8 The PEACE II Programme was initially established for five years (2000 to 2004) but at the request of the Prime Minister and the Taoiseach, the European Council on the 18 June 2004, took note of the difficulties in the peace process in Northern Ireland and acknowledged the efforts of the two governments in seeking to re-establish the devolved institutions.
- 1.9 In order to support these efforts, the Council called on the Commission to examine the possibility of aligning interventions under the PEACE II Programme with those of the other programmes under the Structural Funds (allowing more time for the programme to meet its objectives) that came to an end in 2006. The Commission agreed a two year extension to the PEACE II Programme in June 2005 and an additional €160m was allocated for the 2005 and 2006 period.
- 1.10 Further to the PEACE II Extension, the EU budget agreement of the 16 December 2005 included a proposal for €200 million to be allocated to the PEACE Programme for the 2007-2013 programme period (this was subsequently adjusted to €225 million to reflect real prices). This continuation of the PEACE Programme was granted in recognition of the special effort for the peace process in Northern Ireland. In particular, EU Regulation expressed that the PEACE Programme will be implemented as a cross-border programme and, in order to promote social and economic stability, will include actions to facilitate cohesion between communities.⁴

Political and institutional context

Overview

- 1.11 The Good Friday (Belfast) Agreement of 1998 was the culmination of many years of joint effort by the British and Irish Governments to create an agreed political framework for a new beginning for Northern Ireland, as it emerged from three decades of violence and conflict.
- 1.12 After more than 4 years of suspension, the devolved institutions of government established under the Agreement (a legislative Assembly and a power-sharing Executive) were restored on 8 May 2007. The coming years are therefore crucial for Northern Ireland, if it is to realise its potential for a prosperous and stable future.
- 1.13 The key challenges in the short to medium term future, all of which are linked, include: harnessing the potential for sustainable economic development and tackling sectarianism and developing lasting reconciliation. Building on the foundations of recent political

⁴ 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.

progress, the British and Irish Governments are committed to working in close co-operation with the incoming Northern Ireland Executive to that end.

Historical Content

- 1.14 The Government of Ireland Act 1920 established Northern Ireland as a devolved administration within the United Kingdom, while the rest of the island of Ireland gained independence from Britain with the Anglo-Irish Treaty signed in 1921.
- 1.15 The political and civic life of the Northern Ireland State was based on the region's principal communal and national identities – Catholic/Nationalist and Protestant/Unionist. From 1921 to 1972, while the United Kingdom Parliament at Westminster continued to exercise sovereignty, power on a variety of matters was devolved to a local Parliament and Government
- 1.16 Low levels of contact and trust between the two communities were a factor in the onset of prolonged civil unrest and paramilitarism beginning in 1969. Levels of violence peaked in the 1970s, with close to 500 conflict-related deaths in 1972 alone. In a deteriorating security situation, the Northern Ireland Parliament and Government were prorogued in 1972 and the British Government assumed direct responsibility for all aspects of the government of Northern Ireland. With the exception of one brief period in 1974, Northern Ireland remained governed under a system of direct rule under the authority of the Secretary of State for Northern Ireland until December 1999.
- 1.17 Between 1969 and 1994 there were more than three thousand deaths resulting from the conflict, many injuries and widespread destruction across Northern Ireland and the border region. In this context, social segregation intensified as did social disadvantage and economic decline. Throughout this period attempts were made to end or minimise conflict through the promotion of cross-community, power-sharing government and cross border co-operation, as well as by addressing contentious issues such as employment practices, policing and local government. Government also sponsored cross community contact, especially among children and young people and assisted local entrepreneurship and foreign direct investment.

Search for a political settlement: 1980's and 1990's

- 1.18 From the early 1980s onwards, the British and Irish Government began to co-operate more closely in an effort to achieve a widely acceptable and durable political settlement. This effort involved both the successive establishment of a number of structures and mechanisms for dialogue and negotiation, and a growing convergence on the fundamental constitutional and other principles which should underpin a settlement.
- 1.19 On 15 December 1993, a joint declaration by the UK's Prime Minister John Major and Irish Taoiseach Albert Reynolds (the "*Downing Street Declaration*") included the statement that 'the British Government agree that it is for the people of the island of Ireland alone, by agreement between the two parts respectively, to exercise their right of self-determination on the basis of consent, freely and concurrently given, North and South, to bring about a united Ireland, if that is their wish'. The following year, 1994, saw the region's principal paramilitary organisations announce ceasefires.
- 1.20 In 1996, talks began between Northern Ireland's main political parties and the British and Irish Governments. For the first year, after the adoption of rules of procedure, little

progress was made, as the decommissioning of paramilitary weapons continued to be the dominant issue. An Independent International Commission on Decommissioning (IICD) was established by the two Governments in 1997 to report progress on the removal of paramilitary weapons.

Good Friday/Belfast Agreement

- 1.21 The multi-party talks finally culminated on Friday, 10 April 1998, when a comprehensive political agreement, known as the 'Good Friday' or 'Belfast Agreement', was signed. The Agreement restored devolved government to Northern Ireland on an inclusive power-sharing basis and was subsequently overwhelmingly endorsed by voters in Ireland, North and South, in referendums in May 1998.
- 1.22 The Agreement, explicitly recognising that any change in the constitutional status of Northern Ireland must be by agreement of the people, North and South.
- 1.23 The Agreement sets out a number of institutional arrangements which reflect three strands of relationships. **Strand 1** deals with Northern Ireland's internal arrangements – the creation of an elected Northern Ireland Assembly and a power-sharing Executive, where Ministerial posts are allocated in proportion to party strength (using the d'Hondt formula). **Strand 2** deals with North-South arrangements – the creation of a North-South Ministerial Council and North-South Implementation Bodies. **Strand 3** deals with East-West arrangements – the creation of a British-Irish Council and the British-Irish Intergovernmental Conference.
- 1.24 Elections to the new Northern Ireland Assembly took place in June 1998 with the Ulster Unionist Party (UUP) and the Social Democratic and Labour Party (SDLP) emerging as the largest parties. An Assembly and Executive were established in December 1998 with David Trimble of the Ulster Unionists and Seamus Mallon of the SDLP appointed as First and Deputy First Ministers respectively. A brief suspension followed due to disagreement between the parties, principally over the lack of progress in the decommissioning of paramilitary weapons. Although the institutions were re-established in May 2000, mutual distrust between the principal political parties adversely affected progress. In October 2002, the Assembly was suspended by the then Secretary of State, Paul Murphy due to a breakdown in trust and confidence amongst the parties. The Secretary of State assumed responsibility for all Northern Ireland Departments, and special arrangements were put in place to facilitate the continued operation of the North-South Ministerial Council and the North-South Implementation Bodies.
- 1.25 Throughout the period of suspension, the two Governments worked with the parties to resolve outstanding difficulties and to progress implementation of the 'Good Friday Agreement'. Despite the suspension of devolution, Assembly elections took place in November 2003. The results reflected a significant political shift away from the moderately political UUP and SDLP, and towards the Democratic Unionist Party (DUP) and Sinn Féin. In 2004 several attempts were made to restore devolution, but talks ended without agreement, centering again on the issue of IRA decommissioning. In July 2005, the IRA issued a statement indicating that an end to its armed campaign had been ordered by the leadership and in September 2005 the Independent International Commission on Decommissioning reported that the IRA had met its commitment to put its arms beyond use.

- 1.26 Building on these developments, the Governments' efforts to make progress intensified, culminating in three days of talks in October 2006 at St Andrews, Scotland, resulting in the St Andrews Agreement. Published on 13 October 2006, the St. Andrews Agreement underpinned the Good Friday Agreement, setting out a clear way forward for all parties to commit to support for the policing and criminal justice institutions and to support power-sharing.
- 1.27 In late January 2007, following a special party conference, Sinn Féin confirmed the party's support for policing and Assembly elections held on 7 March 2007 delivered a strong mandate in support of restoring the devolved power-sharing institutions. The elections reconfirmed the Democratic Unionist Party and Sinn Féin as the largest parties. At an unprecedented meeting on 26 March 2007, the two parties announced their agreement to participate in restored devolved institutions with effect from 8 May 2007.

Current Political and Institutional Context

- 1.28 On 8 May 2007, the devolved institutions were restored and the institutions of the Good Friday Agreement are once again fully functioning and are outlined in the following paragraphs:

North/South implementation bodies

- 1.29 Six matters were identified for which co-operation takes place through North/South implementation bodies which were established, on 2 December 1999, by international agreement between the British and Irish Governments. The new bodies are:
- The Special EU Programmes Body (SEUPB);
 - The Food Safety Promotion Board;
 - The Trade and Business Development Body (InterTrade Ireland);
 - Waterways Ireland;
 - The Foyle, Carlingford and Irish Lights Commission; and
 - The North/South Language Body (known in Irish as An Foras Teanga or in Ulster-Scots as Tha Boord o Leid).

In addition, Tourism Ireland has been established.

The Special EU Programmes Body

- 1.30 In the context of EU Programmes and this Operational Programme in particular, the Special EU Programmes Body will have a central role. It will be the Managing Authority for the new PEACE III Programme, as well as of the Cross-Border Territorial Co-operation Programme, 2007-2013 (successor to INTERREG IIIA).

Matters for North/South co-operation through existing bodies

- 1.31 Six matters were identified for North/South co-operation through existing bodies in each jurisdiction: Agriculture, Tourism, Transport, Environment, Education and Health.

British-Irish Intergovernmental Conference

- 1.32 The British-Irish Intergovernmental Conference has replaced the Anglo-Irish Intergovernmental Council and the Intergovernmental Conference established under the 1985 Anglo-Irish Agreement. It promotes bilateral co-operation on matters of mutual interest between the British and Irish Governments. Relevant Northern Ireland Ministers are involved in meetings of the Conference relating to non-devolved Northern Ireland matters.
- 1.33 The North/South Ministerial Council (NSMC) met on 17 July 2007 in Armagh under the joint chairmanship of the First Minister, the Rt Hon Dr Ian Paisley MP MLA, and the Deputy First Minister, Martin McGuinness MP MLA. The Taoiseach, Bertie Ahern TD, led the Irish delegation. They welcomed the opportunity to meet in the North South Ministerial Council to consult, promote mutually beneficial co-operation and take a number of decisions on a range of issues within the Council's work programme.

The new round of EU Structural Funds (2007-2013)

- 1.34 The EU budget agreement of the 16 December 2005 included a financial allocation of €308 billion (in 2004 prices) for Structural Fund interventions across the EU for 2007-2013.⁵ This represents 0.37% of EU Gross National Income (GNI). Funding for the new programming period is made available from the following financial instruments: the European Social Fund (ESF); the European Regional Development Fund (ERDF); and, the Cohesion Fund, which will be substantially reformed and integrated into the Operational Programmes.
- 1.35 The Structural Funds are incorporated within three objectives, Convergence, Regional Competitiveness and Employment, and European Territorial Co-operation.
- **Convergence:** has the largest proportion of funding (€252 billion or 81.9% of Structural Funds) which is allocated to regions with a Gross Domestic Product (GDP) below 75% of the EU average. The Convergence Objective includes €62 billion for Member States with a GNI below 90% of the EU average and €12 billion for the so-called "phasing out regions". This applies to regions that no longer qualify for full Convergence funding, but would have done so without enlargement. The Convergence Objective replaces the current Objective 1;
 - **Regional Competitiveness and Employment:** €48 billion or 15.7% of Structural Funds is allocated to the Competitiveness Objective. This includes €10 billion or 3.4% for the so-called "phasing in regions". This applies to regions that previously received Convergence funding but no longer qualify because their economies have improved. The Competitiveness Objective replaces Objectives 2 and 3 under the previous programming period; and
 - **European Territorial Co-operation:** €7.5 billion or 2.4% of Structural Funds is allocated to the Co-operation Objective. This Objective has separate cross-border (77%), transnational (19%) and inter-regional (4%) components. The Co-operation Objective replaces the previous INTERREG Community Initiative Programme.

⁵ <http://www.europa.eu>

- 1.36 Northern Ireland, an Objective 1 region in transition in 2000-2006, does not qualify under the Convergence Objective but will receive funding under the Competitiveness and Employment, and Co-operation Objectives.
- 1.37 Similarly, Ireland will receive funding under the Competitiveness and Employment, and Co-operation Objectives with the Border, Midlands and Western Region, qualifying for funding as a “phasing in” region.
- 1.38 For the 2007-2013 programming period, the Lisbon Agenda for growth and jobs and the need to focus on strengthening competitiveness and building a new economy has been highlighted as a key priority. The Lisbon Agenda includes three key priorities as follows:⁶
- Improving the **attractiveness of Member States, regions and cities** by improving accessibility, ensuring adequate quality and level of services, and preserving their environmental potential;
 - Encouraging **innovation, entrepreneurship** and the growth of the **knowledge economy** by research and innovation capacities, including new information and communication technologies; and
 - Creating **more and better jobs**, by attracting more people into employment or entrepreneurial activity, improving adaptability of workers and enterprises and increasing investment in human capital.
- 1.39 With a view to integrating the Lisbon Agenda into the Structural Funds, the European Commission has issued guidelines which outline what proportions of funding are to be allocated or ‘earmarked’ towards the Lisbon priorities. The guidelines state that 60% of funding for the Convergence Objective and 75% of funding for the Competitiveness and Employment Objective be earmarked for Lisbon. No guidelines for earmarking funding towards the Lisbon Agenda are set out for the Co-operation Objective.

⁶ European Commission (2005) *Cohesion Policy in Support of Growth and Jobs: Community Strategic Guidelines, 2007-2013*, 5 July 2005.

1.40 A summary of the different EU Structural Funds Programmes in Northern Ireland and Ireland is included in the following table.

Table 1.1: EU Structural Fund Programmes in Northern Ireland and Ireland, 2007-2013

Programme	Structural Fund Objective	EU funding allocation €(allowing for indexation)	Funding instrument
Northern Ireland			
Competitiveness	Regional Competitiveness and Employment	€306	ERDF
Employment	Regional Competitiveness and Employment	€165	ESF
Ireland			
Regional Programme South & Eastern	Regional Competitiveness and Employment	€146	ERDF
Regional Programme BMW	Regional Competitiveness and Employment	€229	ERDF
Employment	Regional Competitiveness and Employment	€375	ESF
Northern Ireland and the Border Region			
Programme for Peace and Reconciliation Ireland–Northern Ireland	European Territorial Co-operation	€225	ERDF
Territorial Co-operation, Northern Ireland, the Border Region and West Coast of Scotland	European Territorial Co-operation	€192	ERDF

- 1.41 The table shows that the PEACE III Programme 2007-2013 is included under the European Territorial Co-operative Objective which is funded by ERDF and is not incorporated within the guidelines for earmarking funding towards the Lisbon Agenda. The Programme is one of three Operational Programmes in Northern Ireland (including the Territorial Objective Programme) and one of four Operational Programmes in Ireland (including the Territorial Objective Programme). In addition to the other Structural Funds Programmes in Ireland and Northern Ireland, funding for the PEACE III Programme will be additional to national spending.
- 1.42 A summary of EU and national funding contributions for PEACE I, II and III is included in the following table:

Table 1.2

Programme	Funding Period	EU Contribution (€m)	National Contribution (€m)	Total (€m)
PEACE I	1995–1999	500	167	667
PEACE II	2000–2004	531	304	835
PEACE II Extension	2005–2006	78	82	160
PEACE III	2007–2013	225	108	333

- 1.43 Outside of the Structural Funds, the EU also provides financial support for:
- The International Fund for Ireland (IFI). Indeed, the EU has committed €60 million to the IFI over the 2007-2010 period to support its strategy ‘Sharing this space’;⁷
 - Rural development through the European Agricultural Fund for Rural Development (EAFRD). The Rural Development Programmes in Ireland and Northern Ireland 2007-2013 will be the vehicle for delivery of EAFRD support; and
 - The sustainable development of the fisheries sector, fisheries areas and inland fisheries through the European Fisheries Fund.

⁷ *International Fund for Ireland (2006) Sharing this space.*

II Presentation of region

Eligible area

- 2.1 As outlined in Council Regulation (EC) No 1083/2006, the eligible area for the PEACE III Programme 2007-2013 is Northern Ireland and the Border Region of Ireland (the Border Region comprises counties Louth, Monaghan, Cavan, Leitrim, Sligo and Donegal).⁸ A map of the eligible area is included in Appendix G.
- 2.2 The population of Northern Ireland was 1,724,400 in 2005, which is an increase of 3.6% since 1994. The Border Region of Ireland includes the counties of Louth, Monaghan, Cavan, Leitrim, Sligo and Donegal and had a population of 467,327 in 2006. This is an increase of 12.8% since 1996.

Socio-economic review

- 2.3 In 2006, an independent review of socio-economic conditions in Northern Ireland and the Border Region was carried out. While also reflecting on general economic and labour market issues to provide a context for the Programme, this review specifically focused on key indicators related to the conflict situation and was subsequently critically reviewed as part of the Ex-Ante evaluation process that accompanied the Programme preparation.
- 2.4 The socio-economic review and Ex-Ante evaluation identified a range of conditions relevant to the current position in the eligible area. While a more extensive analysis is included in Annex A, the main findings from the review are presented below under the following headings:
- Security situation and crime;
 - Community relations and good relations;
 - Ethnic minorities;
 - Cross-border co-operation;
 - Economic growth and productivity;
 - Labour market conditions; and
 - Sectoral employment.

Security situation and crime

- 2.5 Since 2001-2002, data shows that the general security situation in Northern Ireland has improved. For example, the number of deaths due to the security situation declined from 18 in 2000/2001 to 4 in 2004/2005, the lowest recorded since the ceasefires in 1994. In addition, while the number of security related incidents have fluctuated since 1994, these incidents have experienced a continuous decline from

⁸ Council Regulation (EC) No 1083/2006 (Annex II, Point 22) states that the eligible region for the PEACE III Operational Programme shall be Northern Ireland and border counties of Ireland.

a peak of 355 shooting incidents and 349 bombing incidents in 2001 to 167 shooting incidents and 83 bombing incidents in 2005.

- 2.6 The number of casualties as a result of paramilitary style shootings also follows a similar trend, with the peak of 190 in 2001/02 and a steady decline with 93 in 2004/2005. Reflecting this decline in paramilitary activity, the number of young people (aged 11-16) who agreed that they were worried about being threatened by paramilitaries fell from 53.1% in 2000 to 38.4% in 2003.
- 2.7 The effects of the conflict in Northern Ireland, however, are still strongly evident. The Northern Ireland Life and Times (NILT) Survey, for instance, found that in 2005, almost one fifth (18%) of respondents had been a victim of a conflict-related incident and almost a quarter (24%) of respondents considered themselves to be a victim of the troubles. While recognising that victims and survivors of the conflict are a diverse group, many are experiencing long term difficulties such as chronic pain, trauma and isolation. In addition, victims and survivors continue to face complex psychological problems, a lack of support and recognition, social exclusion, and do not feel they have a voice to express their views and share their experiences.⁹ Many victims of the conflict also have fears of being subject to further violence and attack.
- 2.8 While the general security situation in Northern Ireland has improved over the last number of years, 'lower level' sectarian crime is a significant problem in Northern Ireland. In 2005/2006, 'hate crimes' with a sectarian motivation were collected for the first time and 1,470 crimes were recorded. Of this total, 700 offences or 47.6% were violent sectarian crimes. Survey evidence also shows that sectarian violence is prevalent in Northern Ireland. The Life and Times Survey highlights that 93% of respondents feel that Northern Ireland is not a place which is free from displays of sectarian aggression.
- 2.9 Since 2001, the number of attacks on symbolic premises has increased. For example, there has been an upward trend in the number of attacks on churches/chapels from 30 in 2001 to 83 in 2005. Over the same period, attacks on Orange Halls (16 in 2001 to 35 in 2005) and schools (33 in 2001 and 132 in 2005) have also increased.
- 2.10 In addition, the level of disturbances and disorder surrounding contentious parades has increased. The number of parades at which disorder occurred has increased from 15 in 1996 to 34 in 2005. The number of clients awarded homelessness status by the Northern Ireland Housing Executive due to intimidation, however, has declined since 2000/01 (1,071 clients) but still remains a problematic issue with 494 clients awarded homelessness status in 2005/2006.

Community relations and good relations

- 2.11 Overall, data for the period 2000-2005, points to a strengthening level of community relations in Northern Ireland in recent years. A key policy development in this area has been the "A Shared Future" document. The vision and context of this policy is outlined in full in paragraphs 6.11-6.14 of this document. In addition, the Life and Times Survey, shows that in 2005, both Protestants and Catholics were more positive about relations between the two communities than they were in 2000. Data from the 2005 Northern

⁹ *Interim Commissioner for Victims Survivors (2007) Support for Victims and Survivors – Addressing the Human Legacy.*

Ireland Life and Times Survey also shows an increase in the proportions of both Catholics and Protestants who prefer to work in a mixed workplace (91% and 86% respectively in 2005). The corresponding proportions in 2000 were 83% for Catholics and 80% for Protestants.

2.12 Notwithstanding improvements in overall community relations, Northern Ireland remains a divided society. Indeed, it is important to highlight that the nature of the conflict can be more widely defined than the period of the armed conflict from 1968-1998. At its core, the problem is one of perceived national identity and national affiliation with origins that go back four centuries. Religion provides a powerful marker for national identity but is not, in itself, a cause of the conflict. The analysis below outlines the extent of division in Northern Ireland and the scale of the challenge to achieve a shared society:

- **Residential patterns and a lack of shared space.** 37% of Census Output Areas in Northern Ireland (that is, 90% or more people are from one community background) are segregated. In addition, 10 of the district council areas have segregation levels greater than 38%.¹⁰ In many cases, residential areas and public spaces are often 'marked out' with flags, emblems and graffiti to define the territory as belonging to one community, making the other community feel unwelcome. Survey evidence shows that 24% of people feel that there are more Republican flags on display than five years ago and 33% of people feel there are more Loyalist flags on display than five years ago¹¹. Reflecting this, the number of people who felt annoyed by Republican and Loyalist murals, painting or flags increased between 2004-2005 (the number of people annoyed by Republican murals, painting or flags increased from 31% in 2004 to 41% in 2005 and the increase in regard to Loyalist murals, painting or flags was 36% to 43%).¹² The marking of territory has impacted on the value of shared space in Northern Ireland. Evidence from the *Northern Ireland Life and Times Survey*, for example, shows that the proportion of respondents who believe their local shops are a neutral space 'always or most of the time' decreased from 84% to 77% between 2004 and 2005. In addition, the *Life and Times Survey* highlights that 69% of respondents feel that town and city centres are generally not safe and welcoming places for all people. However, although there are high levels of residential segregation in Northern Ireland, survey evidence shows a desire for change. *The Northern Ireland Life and Times Survey* found that in 2005, 79% of respondents preferred to live in a mixed religion neighbourhood. This is an increase from 71% in 1998. In 2004, 67% of respondents in the Border Region stated that very few or none of their immediate neighbours were from the other community.¹³ This may in part be due to the demographics of the Border Region, where the majority of the population is Catholic.
- **Interface areas**¹⁴ High levels of segregation have led to an increase in the number of boundaries between single identity areas and this in turn, leads to an increase in potentially contentious interface areas. In 2003, the Northern Ireland Office (NIO)

¹⁰ These include: Ards (41%), Armagh (41%), Ballymena (38%), Belfast (50%), Castlereagh (49%), Craigavon (59%), Derry (60%), Moyle (51%), Newry and Mourne (56%), and Newtownabbey (42%).

¹¹ *Northern Ireland Life and Times Survey 2005*.

¹² *Northern Ireland Life and Times Survey 2005*.

¹³ Northern Ireland Statistics and Research Agency (2004) *Attitudinal Survey*, Special EU Programmes Body.

¹⁴ *Interface areas are those in which highly segregated Protestant and Catholic communities are located in close proximity to one another. The interface marks the common boundary between the predominately Protestant area and the predominantly Catholic area. An interface community is the residential population who live alongside that interface. Interfaces vary in their appearance with physical barriers or 'peace-lines' marking some. These are the most widely recognised interfaces such as the brick walls and steel fences. However, interfaces can also be identified by a turn in the road, a local landmark or a row of shops and many are invisible to all but the local residents.*

identified 37 'peace-lines': 27 in Belfast, 5 in Portadown, 1 in Lurgan and 4 in Derry. In 2005, the Belfast Interface Project has updated this for the Belfast area and has identified a total of 41 interface areas or 'peace-lines' in Belfast alone. Figures from the NIO also show that at least 17 barriers have been built, extended or heightened in Belfast since the cease-fires of 1994. The presence or absence of formal interfaces between predominately Protestant and Catholic areas can be highlighted as a key factor in influencing the likelihood of sectarian violence. While interface violence mainly occurs in Belfast and a limited number of other urban centres, residential segregation creates a variety of interfaces between and within estates. Formal or easily visible interfaces are largely an urban phenomenon, but less formalised buffer zones between segregated residential areas also extend to smaller towns, villages and rural areas.¹⁵ In areas, the interface is often 'signed' by flags or hidden;

- **Lack of shared services.** As inter-community mobility is low in some regions, particularly in densely populated, socially disadvantaged regions, people are less willing to cross into areas perceived as dangerous to avail of public services¹⁶. In response, policy and services in Northern Ireland have adapted to this context and some services have been duplicated in both communities. This includes, for example, community health centres, job centres, public housing and public transport.
- **Sharing in Education.** Most Catholic children in Northern Ireland attend schools maintained by the Catholic Church whilst the majority of Protestant children attend controlled schools. There are currently around 17,500 or 5% of pupils attending integrated schools which aim to educate Protestant and Catholic children together. Aside from Catholic pupils in integrated secondary schools just over 3,500 Catholics in 2005/2006 were attending secondary schools not under Catholic management, accounting for approximately 5% of the pupils in such schools. The proportion of Protestants attending Catholic managed secondary schools was negligible, accounting for 0.6% of the pupils in such schools in 2005/2006. In 2005, 61% of people said they would prefer to send their children to a mixed religion school compared to 56% in 1998. In the Border Region, 59% of those from a Protestant community background attended schools which were completely or mostly Protestant, and 80% of those from a Catholic community background attended schools which were completely or mostly Catholic.¹⁷
- **Lack of cross-community contact.** Survey evidence on the extent of cross-community friendships, 63% of respondents said either 'all' or 'most' of their friends were of the same religion as themselves. Segregation in public services also reduces the opportunity for cross-community contact. 54% of people surveyed, for example, maintain that schools are not effective at preparing pupils for life in a diverse society¹⁸. In regard to cross-community relations in the Border Region, research has highlighted the problems of isolation and lack of participation and integration for the minority Protestant Community. Research shows that, *inter alia*,¹⁹
- 23% of survey respondents reported negative community relations as a result of their Protestant identity;

¹⁵ Jarman, N. (2005) *No Longer a Problem? Sectarian Violence in Northern Ireland*, Institute for Conflict Research, March 2005.

¹⁶ Office of the First and Deputy First Minister (2005) *A Shared Future, Policy and Strategic Framework for Good Relations in Northern Ireland*, March 2005, Dr Peter Shirlow, P., Murtagh, B., Mesev, V. and McMullan, A. (2005) *Measuring and Visualising Labour Market and Community Segregation in Belfast*, Office of the First and Deputy First Minister.

¹⁷ Northern Ireland Statistics and Research Agency (2004) *Attitudinal Survey*, Special EU Programmes Body.

¹⁸ Northern Ireland Life and Times Survey 2005.

¹⁹ LOCUS Management and Walsh, K. (2005) *Border Protestant Perspectives*, Abbeyset Print and Design Ltd.

- 57% of survey respondents believe that the Protestant Community is not fairly and adequately represented by the political system; and
- 26% of respondents believe that religious discrimination exists in the statutory sector.

2.13 Other research also shows that Protestants in the Border Region, in some cases, feel difficulty in fully expressing their cultural identity and interests, and that the conflict in Northern Ireland has increased their feelings of isolationism and marginalisation.²⁰

Ethnic minorities

2.14 Society in both Northern Ireland and the Border Region is becoming more diverse with an increase in international migration, particularly from Eastern European countries. In Northern Ireland, for example, the 2005 increase in population (0.8%) was greater than average annual increases experienced over recent years. This increase was due to a number of factors including an estimated net migration of 2,000 people from Great Britain and estimated net international migration of 4,700 people. In Ireland, a similar pattern has been observed. In 2005, a net migration figure of 53,400 was recorded, compared to 31,600 in the previous year. Over a third of immigrants (38%) were nationals of the new European Union states and census projections suggest that ethnic diversity could reach 18% in Ireland by 2030. This highlights that the Northern Ireland and the Border Region are no longer bipolar societies. Key policy developments in this area have been the Racial Equality Strategy in Northern Ireland and the National Action Plan Against Racism 2005-2008 in Ireland (Further details on these documents are outlined in Chapter 6 of this document).

2.15 Reflecting on this increasingly diverse society, the *Northern Ireland Life and Times (NILT) Survey* found that 83% of respondents agreed that they would accept ethnic minorities as residents in their local area. Despite the positive response, however, racially motivated crime is a concern.

2.16 The first major study of minority ethnic people's experiences in Northern Ireland, published in 1997, provided the first indications of the extent of the problem. In a survey of a sample of 1176 minority ethnic people, it was found that just under half (44%) had experienced verbal abuse and just under a third (29%) had experienced criminal damage to their property because of their racial identity. One in ten had actually been physically abused.²¹

2.17 In recent years, the numbers of crimes and incidents with a racial motivation have increased in Northern Ireland. Crimes have risen by 15% between 2004/2005 and 2005/2006 incidents have increased by 18%. In 2005/2006, 46% of racially motivated crimes were violent, representing an increase from 42% in the previous year.

2.18 Survey evidence also shows that 68% of respondents believe that there is increased racial prejudice in Northern Ireland compared to five years ago (the corresponding figure in 1994 was 12 %) and 49 % of respondents either strongly agreed or agreed that members of minority ethnic communities are less respected than they once were.²²

²⁰ Brian Harvey, B., Kelly, A., McGearty, S., and Murray, S. (2005) *The Emerald Curtain: the Social Impact of the Irish Border*, April 2005.

²¹ Irwin, G. and Dunn, S. (1997) *Ethnic Minorities in Northern Ireland*. Coleraine: Centre for the Study of Conflict, University of Ulster.

²² *Northern Ireland Life and Times Survey 2005*.

- 2.19 In Ireland, there were 94 racially motivated offences in 2005, representing an increase of 12% on the 2004 figure. Research also shows levels of racism in Ireland, a survey conducted in September 2005, for instance, revealed that:
- 35% of non EU migrants reported that they experienced harassment on the street and on public transport;
 - 32% reported being insulted at work; and
 - 21% experienced discrimination in access to employment.
- 2.20 With the relatively recent rise in ethnic diversity and problems of racially motivated crime, the eligible area has many similarities to the early years of immigration in other EU countries. However, although both Northern Ireland and the Border Region have lacked the longer term experience of ethnic diversity and the opportunity to develop more mature relationships, sectarianism, segregation and the conflict has exacerbated the problem by heightening territorial awareness and contributing towards building a culture of intolerance which is impacting on minority ethnic communities.²³

Cross-border co-operation

- 2.21 The border areas in Northern Ireland and Ireland share a number of common features with other peripheral borders across the European Union where the problems of development are most accentuated and compounded by political isolation. Indeed, the creation of the border, which cut off towns and markets from their natural hinterlands, and the promotion of subsequent economic isolationist policies contributed towards the economic decline of border areas. Problems of development, however, are exacerbated in areas where the border is in a conflict zone and border areas on the island of Ireland are no different. In particular, the high level of militarisation of the border during the conflict, the presence of security barriers and resulting road closures have had a long-term damaging impact. In this regard, the border can also be seen to represent an interface between communities.
- 2.22 Recent research has highlighted that the border can be seen both as a major contributory factor in the conflict and as a manifestation of the conflict itself. The research highlights that the border permeates the conflict and the relationship with Ireland is the ingredient which largely determines how the two communities in Northern Ireland relate to each other.²⁴
- 2.23 The conflict and the existence of the border have had a deep impact on the social, cultural and economic connections among communities. Such impacts were immediately visible whenever there was a high-profile act of violence near to the border. Cross-border visiting, shopping and travel, for instance, was extremely sensitive to violence, dropping sharply after such incidents and gradually rebuilding thereafter²⁵. Survey evidence conducted by the *Northern Ireland Statistics and Research Agency* (NISRA) shows that many of the sensitivities to crossing the border still remain. The survey highlights that almost two thirds (61%) of both the Northern Ireland and the Border Region population do cross the border, with Catholics being more likely than Protestants, in both regions, to do

²³ Office of First and Deputy First Minister (2005) *A Racial Equality Strategy for Northern Ireland 2005-2010*.

²⁴ Brusset, E., Buchanan-Smith, M., Hainsworth, M. and McGearty, S. (2007) *Evaluation of the Peace and Reconciliation Impact of the PEACE II Programme Measures 5.3 and 5.4, Final Report, 15th March 2007*.

²⁵ Robb, H. (1995) *Activities for the Joint Chair in Cross-Border Business Enterprise, University College Dublin and the University of Ulster*.

so. In regard to reasons for crossing the border, survey results also show that, in Northern Ireland, over three fifths (62%) of the population cross the border for short breaks or holidays but the comparable figure in the Border Region is only 8%.²⁶

- 2.24 This is also supported by other research on residents in a border town in Ireland which found that while for most people, travelling, shopping and socialising North of the border was presented as 'not an issue', very few people admitted to actually crossing the border.²⁷ This shows that the tendency to cross the border has not increased and that the impact of the conflict on cross-border activity will be felt for many years²⁸. Despite this, the research also shows that substantial agreement on the positive aspects of increased exchange and co-operation across the border does exist and all interviewees outlined that this is hugely beneficial to the area in terms of both community relations and economic rewards.
- 2.25 The border areas in Northern Ireland and Ireland also contain communities which have been affected by the conflict through isolation or marginalisation resulting from the severing of social and economic links. To support this, research shows that the border is still seen as symbolic of the difference and divisions that remain in modern Ireland and still creates a feeling of isolation for minority communities in the North and South.²⁹
- 2.26 In addition, while people displaced from Northern Ireland due to the conflict have located in Ireland, other parts of the UK and beyond, many displaced persons are concentrated in the Border Region. While there were too few statistical sources to make a strong estimate of displacement, recent research suggests that of the 22,000 people born in Northern Ireland and living in the Border Region, approximately 11,000 were displaced persons, mainly concentrated in Monaghan, Louth and Donegal.³⁰ While relocation generally brought feelings of greater security, many of these displaced persons have experienced problems of identity, trauma and isolation.³¹

Economic growth and productivity

- 2.27 Both Northern Ireland and the Border Region are relatively fast growing areas but have low levels of GVA (GNP) per head compared with their national averages. Low GVA/GNP per head partly reflects their largely rural economies and the small size of most firms.
- 2.28 Employment and GVA have expanded at a rapid rate by comparison with EU15 averages. In the Border Region, employment has risen by a remarkable 50% over the last decade. In Northern Ireland, the equivalent figure was 18%, again with a faster rate outside Greater Belfast. GVA grew at the again remarkable rate of almost 8% per annum in the Border Region from 1996 to the latest data in 2002. Northern Ireland's growth rate for GVA has been closer to the UK and EU averages at 2.6% per annum in the decade up to 2004.

²⁶ Northern Ireland Statistics and Research Agency (2004) *Attitudinal Survey, Special EU Programmes Body*.

²⁷ Todd, J., Muldoon, O., Trew, K., McLaughlin, K., Rougier, N., Canas Bottos., L. (2005) *Borders, States and Nations: Contested Boundaries and National Identity in the Irish Border Area, Geary Discussion Paper Series*.

²⁸ Brian Harvey, B., Kelly, A., McGearty, S., and Murray, S. (2005) *The Emerald Curtain: the Social Impact of the Irish Border, April 2005*.

²⁹ Todd, J., Muldoon, O., Trew, K., McLaughlin, K., Rougier, N., Canas Bottos., L. (2005) *Borders, States and Nations: Contested Boundaries and National Identity in the Irish Border Area, Geary Discussion Paper Series*.

³⁰ ADM/CPA (2005) *All Over the Place: People Displaced to and from the Southern Border Counties as a Result of the Conflict 1969-1994, ADM/CPA*.

³¹ *Ibid.*

- 2.29 Productivity as measured by GVA per employee (or GNP per employee in Ireland to allow for profit repatriation by multi-national companies) is below EU15 or national levels in both Northern Ireland and the Border Region. In Northern Ireland, productivity has been falling well behind the UK and is now at 89% of the UK average. In the Border Region, productivity has been rising rapidly, but from a low level. It is now similar to Northern Ireland but only 90% of the average for the rest of Ireland.
- 2.30 Employment rates have been improving quite rapidly in Northern Ireland at 68% of the working-age population but are still 7% below the UK average. The combination of productivity falling behind the UK average and rising employment rates gives a level of GVA per head of population at 80% of the UK and EU15 averages. Northern Ireland appears stuck at this low level and it seems unlikely that with current policies the position will change significantly. In the Border Region, employment rates are well below those in Northern Ireland and as a result GNP per head is close to that in Northern Ireland despite higher productivity. GNP per head is also only 75% of the average for Ireland but like the latter is rising.

Labour market conditions

- 2.31 Employment has reached historically high levels in both Northern Ireland and the Border Region, boosting working age employment rates and leading to substantial inflows of migrant labour. In Northern Ireland, in spring 2005, the employment rate reached 68.2%. The rate in the Border Region is unknown but is certainly lower than in Northern Ireland. Both employment rates are below their national averages but not below the average for the EU15. Other labour market measures are also better than the EU15.
- 2.32 Unemployment rates are below EU average levels but not necessarily below their national averages. The unemployment rate in the Border Region has remained consistently a little higher than the rate for Ireland as a whole between 2000 and 2005. In 2005, the unemployment rate in the Border Region was 4.9% compared with 4.2% in Ireland as a whole. In Northern Ireland, unemployment is now close to the UK average at 4.2%.
- 2.33 Unemployment in Northern Ireland remains significantly higher for Catholics than Protestants and the same is likely to be true in the Border Region although up to date figures are not available.
- 2.34 Long-term unemployment (LTU)³² has been a persistent problem in Northern Ireland and the Border Region and the levels have been consistently higher than both national averages. However the Northern Ireland LTU rate has decreased during the last decade, and in late 2006 the LTU comprised only 28% of total unemployment although this was still a little above the UK average (23%). Similarly, the LTU rate in the Border Region is higher than the rate in Ireland as a whole. In 2005, the LTU proportion of the unemployed in the Border Region was 37.9% while the corresponding figure for Ireland was 32.2%.
- 2.35 Economic inactivity rates in Northern Ireland are significantly higher than other UK regions. While Northern Ireland has experienced a sustained period of growth in terms of employee jobs, economic inactivity statistics reveal that there are 296,000

³² Long Term Unemployment (LTU) refers to those individuals who have been unemployed for 1 year or more.

economically inactive persons³³ or 28.2% of the working age (16-59/64) population in Northern Ireland. This is significantly higher than the UK average (21.4%) and is the highest level of economic inactivity of any UK region. One important factor is the high number of people receiving incapacity benefit in Northern Ireland; another is the higher number of students in Northern Ireland.

- 2.36 While employment is increasing faster outside of the Greater Belfast area, analysis highlights sub-regional differences within Northern Ireland and in particular, a growing East/West prosperity gap.³⁴
- 2.37 An analysis of the labour market reveals that, while the West may have an abundance of labour, it cannot provide a comparable number of jobs. Only two of the Western district council areas, Dungannon and Magherafelt have employment rates above the Northern Ireland average at 71.2% and 76.5% respectively. In stark contrast only two Eastern district council areas to have an employment rate below the Northern Ireland average are Belfast, 63.4% and Newtownabbey, 67.6%.
- 2.38 The relatively poor performance of the labour market in the West is also reflected by unemployment and economic inactivity data. An analysis of unemployment rates reveals a significant variation, both between and within the two regions. Unemployment in the West ranges from 4.4% in Derry to effective full employment in Magherafelt (1%). In the West, 3 of the 8 district councils, Derry, Strabane and Limavady have unemployment rates in excess of the average of the 26 District Council areas (2.4%). Unemployment rates in the East range from 1.2% in Castlereagh to 3.9% in Belfast (the only Eastern district council area with an unemployment rate in excess of the average of the 26 District Council areas).
- 2.39 In regard to earnings and income, both Northern Ireland and the Border Region have levels below their national averages. In 2002, the Border Region also had the lowest level of disposable income per person compared to the national average. Research has also highlighted that Border, Midland and Western region of Ireland has a higher poverty rate than the national average in Ireland. In comparison with the eleven other UK regions, earnings in Northern Ireland for full-time employees were the lowest of any UK region as are household incomes.
- 2.40 Analysis of the income deprivation domain of the Noble indices also highlights East/West differences within Northern Ireland. All but one of the Western district councils (Magherafelt) has a level of income deprivation greater than the Northern Ireland average and in two of these (Derry and Strabane) approximately 1 in 3 people are income deprived. Belfast is the only Eastern district council area to have a level of income deprivation above the Northern Ireland average at 31%.
- 2.41 In addition, differences between the counties in the Border Region can be identified, particularly given the development along what has been called the Belfast to Dublin economic corridor. Analysis has highlighted that rural poverty is generally more evident along the west coast and in the mid-part of the border counties of Ireland. ADM/CPA (now Border Action) have used an index of social

³³ An economically inactive person is someone of working age (for males this is aged 16-64 and for females this is 16-59), neither in unemployment nor employed according to the ILO definition.

³⁴ The East is defined as the district councils of Belfast, Castlereagh, North Down, Ards, Lisburn and Newtownabbey. The West is defined as the district councils of Derry, Strabane, Limavady, Fermanagh, Omagh, Cookstown, and Magherafelt and Dungannon.

deprivation (where 1= no deprivation and 10 = highest possible level of deprivation) finding that Donegal was the most deprived border county (8.1), followed by Leitrim, Cavan and Monaghan (all 6.7) and then Louth (6.3). Sligo was relatively prosperous at 4.9³⁵. This analysis is also supported by more recent research which highlighted that County Donegal recorded the highest poverty rate in Ireland at 90% above the average.³⁶

- 2.42 Despite recent improvements in total employment, gender differences can also be highlighted in that women tend to work part time, have lower status and are in lower value-added jobs. In December 2006, for example, 50% of all female employees worked part-time compared with 18% of male employees. Spring 2005 data shows that only 9% of working women are managers and/or senior officials, compared with 11% of men and of the total number of managers in Northern Ireland, women making up only 40%.
- 2.43 In addition, the average gross annual salary for males in NI is £23,845 some 34% above the average gross annual wage for females, £15,830. This is also reflected in the 32% higher average gross weekly pay for males of £458 compared to £310.10 for females.
- 2.44 At the same time, however, long term unemployment continues to affect men. Most recent data in March 2007 shows that 5,493 individuals who were long-term unemployed, 4,452 (or 81%) of them were male. Indeed, approximately 23% of all unemployed males in NI have been unemployed for 12 months or more.

Sectoral employment

- 2.45 An analysis of sectoral employment has demonstrated that there are a number of structural problems in the economies of the Border Region and Northern Ireland. The main problems include:
- High dependence on agriculture in some counties of the Border Region;
 - High dependence on traditional manufacturing vulnerable to competition from low cost producers; and
 - Low levels of employment in the fast growing financial and business services sectors especially in the Border Region. In Northern Ireland, dependence on the public sector is high with 28% of jobs in that sector. This provides a large number of secure jobs at national wage rates, but in some cases may lead to some crowding out of qualified labour from the private sector.
- 2.46 An examination of sectoral employment in Northern Ireland also reveals differences between the East and West. While both the East and West have relatively high levels of public sector employment (37% in the East and 31% in the West), the growth sectors of private services make up 84% of total employment in the East but only 62% in the West. Furthermore, the West has a higher dependence on the declining agriculture and manufacturing sectors.

³⁵ ADM/CPA (1999) *Socio-Economic Development, Reconciliation and Cross-Border Work in the Southern Counties of Ireland*.

³⁶ Combat Poverty Agency and the National Institute for Regional and Spatial Analysis (2005) *Mapping poverty: National Regional and County Patterns, Economic and Social Research Institute, Dublin*.

SWOT analysis

2.47 Drawing together the findings from the socio-economic review of indicators related to the conflict in Northern Ireland and the Border Region, the following table summarises the major themes under each heading of the SWOT analysis.

Table 2.1: Strengths Weaknesses Opportunities Threats (SWOT) analysis of eligible region

Strengths	Weaknesses
<ul style="list-style-type: none"> ▪ Political progress towards establishing a power-sharing government ▪ Good Relations Policies (A Shared Future and Racial Equality Strategy) in place ▪ General decline in the number of deaths and incidents connected with the security situation in Northern Ireland ▪ In 2005, both Protestants and Catholics were more positive about relations between the two communities than they were in 2000 ▪ Consistently high proportion of both Catholics and Protestants in Northern Ireland prefer to work in a mixed workplace ▪ Strong growth in employment in Northern Ireland and the Border Region and declining unemployment ▪ Increasing numbers of students attending third level education in Northern Ireland and the Border Region ▪ Increasing levels of cross-border activity 	<ul style="list-style-type: none"> ▪ Significant number of sectarian and racially motivated crimes ▪ High levels of division and segregation exist in society in Northern Ireland, including a lack of shared spaces and shared services ▪ Impact of conflict on cross-border economic and social linkages leading to isolation and exclusion in some areas of Northern Ireland and the Border Region ▪ Significant number of victims and survivors of the conflict and displaced persons continue to experience acute problems ▪ Low productivity compared to national averages (Ireland and UK) and continuing dependence on agriculture and traditional manufacturing industries ▪ Overdependence on the public sector for output and employment in Northern Ireland as well as high levels of economic inactivity ▪ High levels of long term unemployment and lower levels of earnings and income than the national averages (UK and Ireland) that contribute towards marginalisation and social

<ul style="list-style-type: none"> ▪ Sustained population growth in Northern Ireland and the Border Region since the early 1990s 	<p>exclusion</p> <ul style="list-style-type: none"> ▪ Prosperity gap between the East and West of Northern Ireland with differences within the border counties of Ireland also existing ▪ Gender differentials in the labour market
Opportunities	Threats
<ul style="list-style-type: none"> ▪ A power-sharing government established ▪ Stability arising from continued developments in the peace process encouraging economic development (e.g. attracting inward investment) and improved cross-community and cross-border linkages ▪ Building on cross-community and cross-border linkages, and utilising capacity and skills resource base established under the PEACE I and II Programmes ▪ Increasing number of residents stating that they would prefer to live in a mixed religion neighbourhood ▪ Joint delivery of Programmes, sharing best practice and creating synergies on a cross-border basis ▪ Continued strong economic growth in Ireland and sustained growth in the UK ▪ Implementation of Good Relations Policies (A Shared Future and Racial Equality Strategy) 	<ul style="list-style-type: none"> ▪ Other suspensions of the devolved institutions, political stalemate and instability will impact on community relations and economic growth ▪ Limited decommissioning of Loyalist paramilitary weapons and threat of Republican dissident groups ▪ Significant unrest or return to violent community conflict destabilising the peace process and increasing community tensions ▪ Increase in sectarian and racist incidents and crimes ▪ Increasing levels of disturbance and disorder over contentious parades ▪ Increased levels of residential segregation ▪ The need to meet the employment needs of a growing workforce ▪ Increased competition in light of pressures from globalisation

Evaluation results of the PEACE II Programme

- 2.48 As well as conducting evaluations required under EU guidance (*ex-ante*, mid-term and mid-term update evaluation reports), the Distinctiveness Working Group³⁷ was also particularly active in commissioning additional research and evaluation on the PEACE II Programme. In particular, the Monitoring Committee commissioned an Impact Report (December 2006) which identified the key qualitative impacts of the Programme, and complements the quantitative data available through the normal monitoring systems. On this basis, a significant body of evidence has been gathered on the Programme which has examined a range of issues including management and delivery structures and progress towards objectives.
- 2.49 Overall, the mid-term evaluation update found that the PEACE II Programme had overcome the problems created by its late start and was working well towards meeting its objectives and delivering the desired outcomes and impacts.³⁸ While some variation existed between Priorities and Measures, the evaluation concluded that the Programme was on course to meet its financial targets and was making progress in regard to key performance indicators. Taking this forward, some of the key findings from the evaluation and research reports, in particular the recent report 'Developing an Impact Evaluation for the PEACE II Programme',³⁹ are outlined below.

Progress towards peace and reconciliation goals

- 2.50 Crucially, the mid-term evaluation update commented that the PEACE II Programme was contributing towards facilitating increased engagement between the two main communities in Northern Ireland and the Border Region and building peace and reconciliation.⁴⁰ When compared to members of the general population, for example, Programme participants had higher levels of contact between the two communities, were more likely to have a greater number of neighbours and friends from the other community, and had a greater feeling that most members of the other community would try to be fair and helpful⁴¹. In addition, research has found that the Programme has helped to develop understanding between communities, and increase empowerment and confidence in addressing community and conflict related issues.⁴²
- 2.51 Political progress in Northern Ireland in the months and years prior to the restoration of devolution on 8 May 2007 has been slow. In this context, and with peace and reconciliation yet to be delivered, the PEACE II Programme has made an important contribution to peace building during this period of uncertainty. In this regard, the Programme has helped to sustain momentum towards peace building by facilitating a sense of engagement and ownership of the peace process. This contribution was clearly outlined in one research report which commented that, "for many, the PEACE II Programme has been the manifestation of the peace process on the ground."⁴³
- 2.52 Evaluation reports, however, have made a distinction between projects that promote a direct or indirect approach to addressing reconciliation. Direct approaches focus on

³⁷ The Distinctiveness Working Group was established by the Monitoring Committee to commission research and evaluation on the 'distinctiveness of the programme'. The working group includes representatives from the Managing Authority, Department of Finance and Personnel (Northern Ireland), Department of Finance (Ireland), NISRA, Border Action, the Community Workers Co-operative and other relevant government departments and agencies, where relevant.

³⁸ PricewaterhouseCoopers (2005) Update of the Mid-Term Evaluation of the PEACE II Programme 2000-2006, Final Report.

³⁹ McClure Watters (2006) Developing an Impact Evaluation for the PEACE II Programme.

⁴⁰ PricewaterhouseCoopers (2005) Update of the Mid-Term Evaluation of the PEACE II Programme 2000-2006, Final Report.

⁴¹ Northern Ireland Statistics and Research Agency (2004) Attitudinal Survey, Special EU Programmes Body.

⁴² McClure Watters (2006) Developing an Impact Evaluation for the PEACE II Programme.

⁴³ NICVA (2004) Telling the Story of PEACE II, An Assessment of the Impact of PEACE II funding in Strabane, East Belfast and Cavan.

projects that specifically seek to establish cross-border and cross-community engagement and address issues of conflict and cultural difference. With indirect approaches, on the other hand, reconciliation can be viewed more appropriately as a by-product or as a result of broader economic or social activity. In this way, the peace and reconciliation benefits can be considered more implicit as they do not specifically encourage engagement and address issues of conflict or cultural difference. In most cases, it has been recommended that, moving forward, projects should be encouraged to support more proactive activities for increasing engagement on a cross-border or cross-community basis and promoting cultural understanding.⁴⁴

Addressing the impacts of the conflict on areas, sectors and groups

- 2.53 Inclusion of the distinctiveness criteria in the PEACE II Programme has encouraged projects to proactively target areas, sectors or groups affected by the conflict and promote activities that will address the legacy of the conflict and/or take the opportunities arising from peace.⁴⁵ Evidence shows that projects, for example, are impacting on the most marginalised sections of society by developing activities for individuals and groups such as victims of the conflict, old and vulnerable people, disabled people, victims of domestic violence, ex-prisoners and the young unemployed. However, while the Programme focused on targeting groups, this did create difficulties for some project promoters who mainly work with individuals that do not generally organise on a collective basis. As a result, the group approach has had implications for addressing the needs of some beneficiaries.⁴⁶
- 2.54 Development of sectors (such as ICT and tourism) and areas particularly affected by the conflict has also been one of the main outcomes emerging from the PEACE II Programme. In areas of conflict, for instance, the PEACE II Programme has facilitated the development of services, infrastructure, training and engagement that would otherwise not have happened or at the very least, not happened as quickly.⁴⁷ Research examining the impact of the PEACE II Programme also highlights the role of the Programme in targeting interface areas and providing support in developing social and new enterprises, and providing employment creation and physical regeneration.⁴⁸ In this regard, the PEACE II Programme and its distinctiveness criteria has challenged people to think anew about their community, the diversity within their community and how their activities can contribute to peace and reconciliation. The research, therefore, has highlighted the importance of clearly distinguishing the PEACE II Programme from other economic and social Structural Fund programmes and promoting a targeted approach to peace and reconciliation.

Facilitating cross-border development

- 2.55 The authors of the 2005 study on the impact of the Irish border, “The Emerald Curtain”, highlighted that the PEACE I Programme had, “done much to underpin the peace process by providing close co-operation between civil society organisations and political leaders at the local level. The Programme validated work between ex-combatants and promoted their social and political reintegration. Cross-border work won increasing acceptance, was seen to be a norm and became less threatening to the loyalist community.”⁴⁹

⁴⁴ PricewaterhouseCoopers (2005) *Peace II Qualitative Assessment of the Economic Measures*.

⁴⁵ PricewaterhouseCoopers (2005) *Peace II Qualitative Assessment of the Economic Measures*.

⁴⁶ PricewaterhouseCoopers (2005) *Evaluation of Priority 5 of PEACE II, April 2006*.

⁴⁷ NICVA (2004) *Telling the Story of Peace II, An Assessment of the Impact of Peace II Funding in Strabane, East Belfast and Cavan*.

⁴⁸ McClure Watters (2006) *Developing an Impact Evaluation for the PEACE II Programme*.

⁴⁹ Harvey, B., Assumpta, K., and McGearry, S. (2005) *The Emerald Curtain: The Social Impact of the Irish Border, Triskele Community Training and Development*.

- 2.56 The PEACE II Programme has been able to build on this progress. All Measures included in Priority 5, for instance, were centred on promoting cross-border co-operation and evidence suggests that these have been broadly successful in establishing the skills, networks and capacity for co-operation among implementing bodies and project beneficiaries. Activities funded under this Priority have also worked to address reconciliation, promote economic and social development and improve cross-border relationships and understanding. An evaluation of Priority 5, for instance, found that PEACE II Programme funding provided the impetus for development and in its absence, the stakeholders would not have taken the risks in cross-border co-operation.⁵⁰ In addition, Priority 5 has made an important contribution towards promoting models of integrated service delivery, building a network of relationships between implementing bodies, and establishing a reserve of skills among stakeholders who know how to conduct cross-border working. In essence, the PEACE II Programme has helped to establish the required infrastructure for cross-border co-operation.⁵¹
- 2.57 Other research has also outlined the importance and value of cross-border co-operation and commented that “present British and Irish government and EU policy to encourage cross-community and cross-border contact is on exactly the right lines, and should be extended. This is the way in which lasting change can be provoked in enough individuals to percolate through entire communities”.⁵²

Promoting new ways of working

- 2.58 One of the main outcomes of the PEACE Programmes to date has been encouraging the development of new ways of working together among different stakeholders. While the District Partnerships (DPs) in Northern Ireland supported under the PEACE I Programme were not without their difficulties, they established a genuine bottom-up involvement in the delivery of the Programme. The DPs provided the first opportunity in many cases for representatives of the four main political parties to sit together with representatives of the social partners and other statutory bodies.⁵³ On this basis, the PEACE I Programme foreshadowed the key element of partnership which was included in the Good Friday Agreement.⁵⁴
- 2.59 The model of partnership governance was continued in the PEACE II Programme under the Local Strategy Partnerships (LSPs), which have also facilitated participatory development at the local level, and provided a forum for working together and resolving common issues. Building on the experience and lessons learned from the District Partnerships, the LSPs have aimed to develop Integrated Local Strategies (ILS) that seek to promote ‘joined up’ working in service delivery among other public bodies. While the overall impact of the ILS has been mixed to date, research suggests that the ILS principle has been broadly welcomed and has been able to generate some positive impacts in a relatively short period of time. These include: formulating an agreed action plan with wider service delivery bodies; outlining areas of local strategic fit; and, facilitating the co-ordination of actions.⁵⁵

⁵⁰ PricewaterhouseCoopers (2005) *Evaluation of Priority 5 of PEACE II*, April 2006.

⁵¹ PricewaterhouseCoopers (2005) *Evaluation of Priority 5 of PEACE II*, April 2006.

⁵² *Intergenerational Transmission and Ethno-National Identity in the Border Area*. School of Psychology, QUB; Department of Politics and Geary Institute, UCD. May 2006.

⁵³ PricewaterhouseCoopers (2003) *Ex-post evaluation of Peace I and Mid-Term Evaluation of Peace II*, Final report.

⁵⁴ Hughes, J., Knox, C., Murray, M., and Greer, J. (2000) *Partnership Governance in Northern Ireland: The Path to Peace*, Dublin: Oak Tree Press.

⁵⁵ Deloitte MCS Limited (2004) *Mid-term Evaluation of Local Partnerships, Stage 1 Report*, September 2004.

2.60 In addition, outside of the LSPs, the PEACE II Programme has led to the development of a new consortium of Intermediary Funding Bodies, new alliances and partnerships between communities and groups at the project level⁵⁶, and new international networks that share best practice on addressing peace and reconciliation.⁵⁷

Acting as a catalyst for development

2.61 Given the range of economic and social activities funded under the PEACE II Programme, funding has also provided a catalyst for further development. Programme funding, for instance, has been pooled with contributions from other funding initiatives (facilitating financial leverage) or has supported isolated projects which have created a 'knock-on effect' by encouraging additional development.⁵⁸

Facilitating inclusiveness and building capacity

2.62 In funding over 6,000 applications, the PEACE II Programme has supported a range of local groups (including the most marginalised) that have become involved in developing economic and social activities and engaging in broader networking opportunities. This process has facilitated a participatory approach which has increased the skills of project participants and helped to establish relationships and networks that can be utilised or transferred for future development. By supporting new and existing groups, the Programme has also developed the capacity of new organisations embarking on peace building activities for the first time and enhanced the organisational capacity of those that are more established.⁵⁹

Lessons from PEACE II

2.63 The following sections outline some of the key lessons to be learnt from the PEACE II Programme that will help to inform the development of the PEACE III Programme 2007-2013. The key lessons are as follows:

- **Peace building is a long term and multi-dimensional challenge:** implemented at a time when devolution was restored to Northern Ireland, the PEACE II Programme was introduced during a period of high optimism when it was considered that the Programme would support and accelerate ongoing political, economic and social developments. However, following a long period of direct rule and political uncertainty, there is increasing recognition that peace building is a more long term generational issue that cannot be fully resolved within the confines of two Programme periods (PEACE I 1995-1999 and PEACE II 2000-2006). However, while both previous Programmes have made a positive contribution towards building peace and reconciliation, a PEACE Programme is only one element or strand amongst various initiatives that seek to promote peace building. It is important, therefore, that a future PEACE Programme has strong strategic linkages and an understanding of where it is located within other broader government initiatives;
- **Strengthening peace building and understanding reconciliation:** in the PEACE II Programme, the distinctiveness criteria helped to define the 'uniqueness' of the Programme and ensure targeting on areas, sectors and groups most affected by the

⁵⁶ PricewaterhouseCoopers (2005) *Evaluation of Priority 5*.

⁵⁷ Office of the First and Deputy First Minister (2006) *Hanson Launches Northern Ireland's First European Strategy*, 16th October 2006.

⁵⁸ PricewaterhouseCoopers (2005) *Update of the Mid-Term Evaluation of the PEACE II Programme 2000-2006, Final Report*.

⁵⁹ PricewaterhouseCoopers (2005) *Update of the Mid-Term Evaluation of the PEACE II Programme 2000-2006, Final Report*.

conflict. In the initial stages of the Programme, however, a degree of confusion existed over what reconciliation actually meant and how it could be addressed. In addressing these concerns, a definition of reconciliation was defined for the PEACE II Extension by Hamber and Kelly⁶⁰ which has helped to clarify the term, encourage more understanding of reconciliation and refine the ‘uniqueness’ of the Programme even further. Indeed, for the period of the PEACE II Extension, the weighting for reconciliation in the project selection process was increased from 6% to 20% which placed greater emphasis on peace building. This working definition of reconciliation has general acceptance and is considered a necessary process following conflict. The definition regards reconciliation as a voluntary act which cannot be imposed and involves five interwoven and related strands, as follows;⁶¹

- **Developing a shared vision of an interdependent and fair society:** The development of a vision of a shared future requiring the involvement of the whole society, at all levels. Although individuals may have different opinions or political beliefs, the articulation of a common vision of an interdependent, just, equitable, open and diverse society is a critical part of any reconciliation process;
 - **Acknowledging and dealing with the past:** Acknowledging the hurt, losses, truths and suffering of the past. Providing the mechanisms for justice, healing, restitution or reparation, and restoration (including apologies if necessary and steps aimed at redress). To build reconciliation, individuals and institutions need to acknowledge their own role in the conflicts of the past, accepting and learning from it in a constructive way so as to guarantee non-repetition;
 - **Building positive relationships:** Relationship building or renewal following violent conflict addressing issues of trust, prejudice, intolerance in this process, resulting in accepting commonalities and differences, and embracing and engaging with those who are different to us;
 - **Significant cultural and attitudinal change:** Changes in how people relate to, and their attitudes towards, one another. The culture of suspicion, fear, mistrust and violence is broken down and opportunities and space opened up in which people can hear and be heard. A culture of respect for human rights and human difference is developed creating a context where each citizen becomes an active participant in society and feels a sense of belonging; and
 - **Substantial social, economic and political change:** The social, economic and political structures which gave rise to the conflict and estrangement are identified, reconstructed or addressed, and transformed.
- **Programme complexity:** the implementation of the PEACE II Programme which included 34 Measures and 22 sub-Measures, 56 implementing bodies plus consortia members, 7 paying authorities, 4 Structural Funds and 10 Horizontal Principles proved overly complex and burdensome. This created confusion among implementing bodies, not least potential applicants. The renaming of five Horizontal Principles as ‘Guiding Principles’ and a reduction in the number of Measures and implementing bodies under the PEACE II Extension, however, helped to simplify the Programme and make it more ‘user friendly’;
 - **Community uptake of the PEACE II Programme:** in the PEACE II Programme much debate has surrounded the level of funding awarded to the Protestant and

⁶⁰ Hamber, B. and Kelly, G. (2004) *A Working Definition of Reconciliation*. Occasional paper published by Democratic Dialogue, Belfast.

⁶¹ Hamber, B. and Kelly, G. (2004) *A Working Definition of Reconciliation*. Occasional paper published by Democratic Dialogue, Belfast.

Catholic Communities. While variations in the level of uptake of funding in the PEACE II Programme do exist, research has shown that no bias in funding exists, with the variations reflecting both the higher levels of deprivation in Catholic areas and the greater tendency of people living in these areas to apply for funding.⁶² In addition, the research emphasised that funding is awarded according to transparent criteria and not on the basis of community background. Although a number of initiatives were introduced to encourage participation of the Protestant Community in the PEACE II Programme, perceptions still remain in some areas that the Protestant Community is not getting its 'fair share' of funding. Going forward, therefore, continued efforts need to be made in terms of encouraging the full participation of all communities in the Programme;

- **Co-ordinating the bottom up approach:** in the PEACE II Programme the involvement of non-governmental organisations has continued to facilitate a bottom up approach that has encouraged participation and empowerment of the most marginalised. Local delivery bodies and IFBs, for example, have worked to address the needs of communities according to local requirements while LSPs and County Council Led Task Forces have now become an established form of governance and service delivery in both Northern Ireland and Ireland. However, notwithstanding these benefits, concerns have been raised that the bottom-up approach is very resource intensive and that local delivery bodies have in some instances lacked a strategic focus, particularly where a large number of smaller projects have been funded. Declining financial resources in the Peace II extension period (2004-2006) have resulted in an increasing number of applications failing to be awarded funding support. Completing the application process therefore represents a large amount of unproductive effort on behalf of the applicants, many of whom are from the community and voluntary sector, as well as causing competition between applicants. It is considered important to retain a strong bottom up approach, but also to reduce the administrative burden on beneficiaries and to increase co-operation between local organisations;
- **Measuring peace and reconciliation:** measuring and quantifying the impact of peace and reconciliation is an inherently difficult task. Peace and reconciliation is a complex term which is centred on developing more intangible outcomes such as establishing processes, and building relationships and understanding. These outcomes do not lend themselves readily to quantification.⁶³ In addition, conflict resolution outcomes tend to be slow to materialise and are back-end loaded. Although a monitoring and evaluation framework was established for the PEACE II Programme and implementing bodies were required to complete distinctiveness reports, examining progress towards peace building and identifying impact in particular, has proved difficult to measure. More consideration, therefore, needs to be given to developing a monitoring and evaluation framework that can capture the more intangible outcomes of peace and reconciliation;
- **Balancing accountability and innovation:** the PEACE I and II Programmes have demonstrated that the Structural Funds can be used to support peace building initiatives. While the PEACE I Programme was criticised for its relative lack of audit and financial control, concerns have been raised that the PEACE II Programme is too restrictive which has impacted on innovation and accessibility. These concerns are largely centred on problems over the lengthy and bureaucratic nature of the

⁶² Helm Corporation in association with Haase, T. and Pratschke, J. (2005) *Community Uptake Analysis of PEACE II*.

⁶³ Fast, L. and Neufeldt, R. (2005) *Envisioning Success: Building Blocks for Strategic and Peacebuilding Impact Evaluation*, *Journal of Peacebuilding and Development*, 2,2 2005.

application form and the level of financial controls within the Programme. During the course of the PEACE II Programme, however, the length of the application form was reduced and steps were made to co-ordinate financial controls and procedures across departments and the European Commission. These initiatives have helped to encourage a more effective balance between accountability measures and innovation which needs to be maintained; and

- **Developmental work at the local level:** The experience of the PEACE II Programme shows that by providing assistance and support and encouraging animation of local groups, a developmental approach can provide added benefits. This approach can improve the quality of applications among harder to reach groups and/or organisations that have limited capacity and experience of funding Programmes. This can create a more level playing field, help potential applicants with strong project ideas articulate their views, and encourage more participation within the Programme.

The Consultation Process

- 2.64 The SEUPB undertook a preliminary consultation exercise to assist the development of proposals for the PEACE III Programme from the end of April 2006 to the beginning of July 2006. To facilitate the consultation, a discussion document was prepared which focused questions on a number of issues including: what actions should be supported; how lessons learnt from PEACE II could be built on; how the new programme should be implemented and managed; and, what the priorities for the new programme should be.
- 2.65 The discussion document was widely circulated to all programme stakeholders and the SEUPB held eight public consultation events throughout the eligible region. Direct consultation and discussion was also held with the government departments, North and South, PEACE II programme implementation bodies and representatives of all sectors, including business, rural, agricultural, community and voluntary, trade unions and public sector organisations. All programme stakeholders were also encouraged to respond to the consultation through the SEUPB website or by written submission.
- 2.66 Over 200 people attended the public meetings and 100 written responses were received as well as detailed submissions from government departments, North and South.
- 2.67 Existing documentation on PEACE II written by external parties has also been reviewed with the key recommendations and issues contributing to the consultation exercise and the development of the PEACE III Programme proposal.
- 2.68 Following completion of a draft Operational Programme, SEUPB organised a further consultation process. The public consultation on the draft Operational Programme was launched on the 10 January 2007 and was opened for a period of 12 weeks, closing on 4 April 2007. 98 written submissions were received:

Table 2.3

Respondent type	Number	Percentage%
Business and Trade Unions	4	4
Community and voluntary sector	31	32
Individual	1	1
Local authority/Local Strategy Partnership (LSP)	36	37
National and regional organisation	13	13
Political parties MEPs/TDs	5	5
Rural bodies	2	2
Training and education body	3	3
Women's sector	3	3
Total	98	100%

To further support the consultation process, there was a consultation event held at the end of March in Armagh which provided a forum for stakeholders to comment on the Programme. 130 participants attended this event.

- 2.69 A consultation response document was produced outlining how the Operational Programme was amended following the public consultation.
- 2.70 A Consultative Group was established on which all the social partners were represented in addition to equality and environmental interests. The Group met on 6 occasions between September 2006 and April 2007 and contributed to all stages of Programme development.

The Ex Ante Evaluation Process

- 2.71 In May 2006, SEUPB appointed the Economic Research Institute of Northern Ireland (ERINI) and the Economic and Social Research Institute Ireland (ESRI) as the Ex Ante Evaluators for the Peace III Programme. An ongoing iterative process has taken place during the development of the Programme with the SEUPB and the Consultative Partnership Group who have informed the drafting of the Operational Programme document.
- 2.72 The Ex Ante Evaluators met with SEUPB and the Consultative Partnership Group on a number of occasions and made comment on the development of the Operational Programme at each stage of the process. A draft Operational Programme was launched for public consultation in January 2007 and the Ex Ante Evaluators submitted a draft report to SEUPB, which was subsequently discussed at the Consultative Partnership Group meeting in early March 2007. The Consultative Partnership Group met with the Ex Ante Evaluators in mid-March and mid-April 2007 to discuss the changes to the Operational Programme as a result of the findings of the Ex Ante Evaluators.
- 2.73 As a consequence of the Ex Ante Evaluation process a substantive number of changes were made to the draft Operational Programme document. The main changes are outlined in the following paragraphs.
- 2.74 The Ex Ante evaluation commented that the socio economic analysis focussed on regional economic issues with insufficient emphasis on the factors most relevant to the Programme, namely community relations, security and ethnic minority groups.

This has been addressed with more information provided on these issues. Residential segregation and the absence of shared space have been considered in greater depth to inform consideration of good relations (including race relations) issues. In relation to security, the Operational Programme now provides more information on trends, the problems/needs of victims and survivors, disturbances related to parades and attacks on symbolic premises. Further information on the level of racial prejudice has also been included with the impact of a historic culture of intolerance being considered to differentiate Northern Ireland from the experience of other countries during early immigration. The impacts of these factors have been reflected in the SWOT analysis, which underpins the rationale for the Programme.

- 2.75 The Ex Ante Evaluation recognised there was a strong rationale for the programme, with the theoretical underpinnings based on a need to focus on individuals and communities and their associated attitudes, behaviour and skills, while acknowledging wider political developments. The Ex Ante Evaluation suggested it was important to keep expectations at a realistic level and to balance the emphasis on individuals and communities with an appreciation of the historical and political dimensions of the issues. This has been addressed in the Operational Programme which now makes reference to the historical context, identifying that sectarianism is a centuries old phenomenon. Additional information on theories of change has been included with explanation of why the individual change theory and healthy relationships theory were selected.
- 2.76 The Ex Ante Evaluation considered the rationale for each of the priorities and areas of intervention to be relatively strong. However comment was made that the rationale for “key institutional capacities are developed for a shared society” needed further development, to clearly distinguish it from other actions more properly the responsibility of national governments. The Operational Programme now details the European networking dimension of these actions, and how the lessons of the region with regard to peace and reconciliation can be shared with other regions in the EU. This area of intervention also aims to build on some of the work undertaken in previous Peace Programmes, and to further identify pilot schemes and initiatives that provide models for the delivery of services that contribute to a shared society. The limited resources available to this activity will necessarily restrict investment to small scale innovative models that will inform wider government actions, but cannot be considered to replace actions more appropriately funded by national governments.
- 2.77 The Ex Ante Evaluation commented that the rationale for the cross border aspect of the programme was weak, and suggested that all cross border activity should be cross community based. The Operational Programme now makes reference to the border as a key dimension of the overall context for peace and reconciliation, and suggests there is a strong inherent rationale for cross border activity, as well as recognising the European policy and regulatory context for the Programme. The Operational Programme, places significant emphasis on the requirement that all projects must address reconciliation in a direct manner consistent with the priority axis. The Operational Programme states that the focus should be on achieving demonstrable reconciliation outputs rather than restricting any set of activity to cross community work, whilst recognising that in the vast majority of cases, cross community contact will be required to obtain the required reconciliation outputs.

- 2.78 The Ex Ante Evaluation commented on the monitoring and evaluation systems being proposed and recognised the difficulties in monitoring an innovative programme such as Peace, and recommended the use of surveys. Suggestions in this regard have informed the development of the evaluation plan as described in the Operational Programme. In particular, there is a commitment to ongoing detailed quantitative and qualitative evaluation building up from project level. This approach is based on the recommendations made by reports commissioned by the Monitoring and Evaluation Working Group of Peace II.
- 2.79 The implementation system was regarded as more centralised than previous Programmes by the Ex Ante Evaluation. The increased role for the SEUPB was also commented upon. The rationale, including the reduced availability of technical assistance, was accepted. These factors have been explained in the Operational Programme. The programme also emphasised that within the context of the local plans, there is a very high level of local decision making.
- 2.80 The above changes are outlined in detail in Chapter 2 of the Report of the Ex Ante Evaluators. The Report accompanies the Operational Programme. The process concluded at the end of April 2007.

III Programme Strategy

Programme Rationale

- 3.1 The PEACE I and II Programmes have made an important contribution to peace and reconciliation by facilitating increased engagement on a cross-community and cross-border basis, increasing empowerment and developing understanding between communities. However, given that the core of the conflict is one of perceived national identity and national affiliation with origins that go back four centuries and that the armed conflict itself lasted for over 25 years, it is recognised that peace building is a process which requires long-term commitment and effort to achieve real and lasting progress and create a peaceful and stable society.
- 3.2 Indeed, while there has been a general decline in the number of deaths and incidents connected with the security situation, significant barriers to peace and reconciliation still remain. This is particularly evident given the high number of sectarian incidents that have occurred in recent years in Northern Ireland. These trends indicate a significant reduction in the overall level of violence. The trends also indicate a change in the nature of violence from incidents involving paramilitaries and security personnel, to broader sectarian violence and hate crimes. This demonstrates an underlying culture of intolerance and violence and suggests that while one of the major components of the violence data has been taken out of the equation, another component may have increased. This relates to particularly 'low-level' violence at the interfaces of residentially segregated communities.⁶⁴
- 3.3 The causes of sectarianism and intolerance are varied and complex but many of these problems have emanated from patterns of segregation in society, mistrust between communities, exclusion and marginalisation, and a lack of citizenship and participation in civil networks.
- 3.4 Northern Ireland, for instance, remains a polarised divided society and this division is evident in terms of segregation in education and residential patterns, particularly in interface areas, and a lack of shared services, spaces and identity. Much mistrust and lack of cross-community contact and understanding of different cultures also exists. In the Border Region, a lack of cross-border social and economic links has contributed to isolation and marginalisation of some communities while problems of lack of participation and integration for the minority Protestant population remain.
- 3.5 Sectarianism, intolerance, marginalisation and lack of community cohesion are long term underlying problems in Northern Ireland and the Border Region and have existed regardless of whether paramilitaries have been active. These problems, *inter alia*, both contributed to, and have been exacerbated by, the conflict in Northern Ireland.
- 3.6 The effects of these problems are also particularly evident in those areas that experience the debilitating cycle of social exclusion and poverty that, in part, has been fed by violence and conflict. This was recognised in the Joint Declaration by the British and Irish governments in April 2003 which stated that;

⁶⁴ Morrissey, M. (2005) *The Role of Economic Development in Peace Building: Some Thoughts on PEACE II, Prosperity: A Part of Peace?, Learning from the economic experience of PEACE II, Learning from PEACE II, Vol. 2, Community Relations Council.*

- 3.7 “The substantial reduction in the security threat and the enabling political climate over recent years has contributed to the improved economic situation that is evident across many parts of Northern Ireland. However, both Governments recognise that many disadvantaged areas, including areas which are predominantly loyalist or nationalist, which have suffered the worst impact of the violence and alienation of the past, have not experienced a proportionate peace dividend. They recognise that unless the economic and social profile of these communities is positively transformed, the reality of a fully peaceful and healthy society will not be complete.”
- 3.8 While some areas and communities have been particularly affected by the conflict, particular groups/individuals have also suffered disproportionately. With over 3,500⁶⁵ people killed and some 37,000 injured, the conflict has had a significant impact on the victims and survivors. Victims and survivors of the conflict are suffering complex psychological problems and long term difficulties in terms of trauma and isolation and sustained efforts need to be made to address these effects to ensure individuals can deal with the past.⁶⁶ In the Border Region, displaced persons have also faced problems in terms of trauma and experienced ongoing difficulties integrating fully into society.
- 3.9 In Northern Ireland and the Border Region, growing ethnic diversity also presents new challenges for achieving greater integration and citizenship within a society which can no longer be characterised as being bipolar. These challenges have been highlighted with the increasing numbers of racial crimes and incidents in recent years. This problem of racism is closely linked to sectarianism and the effects of the conflict and provides further evidence of the underlying culture of intolerance and violence. This is highlighted in the Racial Equality Strategy for Northern Ireland which points out that:
- 3.10 ‘Racism in our society is to an extent shaped by sectarianism....the conflict in Northern Ireland over the past 35 years has created patterns and attitudes such as residential segregation and heightened territorial awareness that now impact upon minority ethnic communities.’⁶⁷
- 3.11 Therefore, due to the history of division in Northern Ireland and the Border Region, many sections of society have not yet developed the capacity to deal with diversity and difference.
- 3.12 Another layer or series of problems, therefore, exist in Northern Ireland and the Border Region. While the region faces core economic and social problems that are generally faced across all other Member States (e.g., need to increase RTDI, promote value added industry, encourage new businesses and address unemployment and inactivity⁶⁸), a number of problems ‘specific’ to Northern Ireland and the Border Region remain. These include segregation, racism, increased polarisation, mutual distrust, marginalisation and lack of community cohesion which together have created a complex and multi-faceted series of issues that need to be addressed.
- 3.13 These ‘specific’ problems remain significant barriers to economic and social progress and peace and reconciliation and demonstrate areas of ‘market failure.’⁶⁹ Both the ‘core’ and ‘specific’ problems, therefore, need to be addressed through complementary initiatives to

⁶⁵ Fay, M.T., Morrissey, M., Smyth, S., and Wong, T. (1999) *The Cost of the Troubles Survey, Derry /INCORE*.

⁶⁶ *Interim Commissioner for Victims Survivors (2006) Support for Victims and Survivors, Funding by the Government Since 1998*.

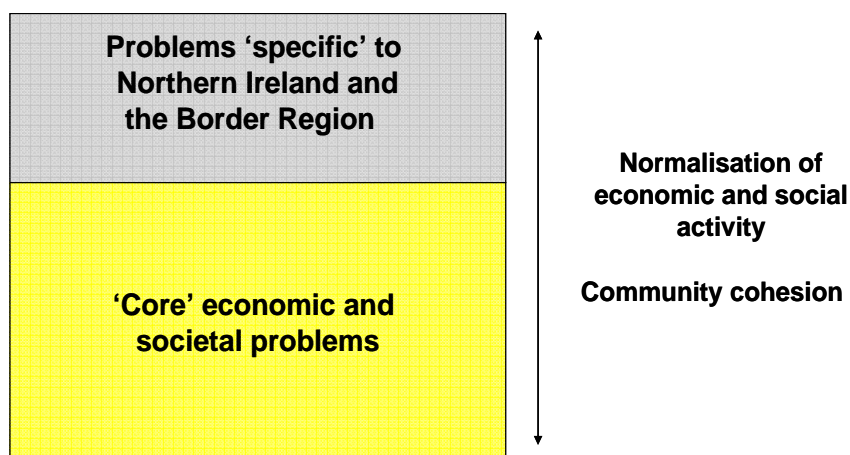
⁶⁷ *Office of First and Deputy First Minister (2005) A Racial Equality Strategy for Northern Ireland 2005-2010*.

⁶⁸ *Draft Northern Ireland Chapter Input to Draft UK National Strategic Reference Framework, Annex A, September 2006; Draft National Strategic Reference Framework for Ireland, Cohesion Policy 2007-2013*.

⁶⁹ *Office of the First and Deputy First Minister (2005) A Shared Future, Policy and Strategic Framework for Good Relations in Northern Ireland, March 2005. See also Murtagh, B. (1996) Community and Conflict in Rural Ulster*.

facilitate greater normalisation in economic and social activity, and achieve a peaceful and stable society, as shown in the following figure:

Figure 3.1: Differentiating the problems to be addressed in Northern Ireland and the Border Region



3.14 While understanding that a degree of interaction exists between the 'core' economic and social problems and those 'specific' to Northern Ireland and the Border Region, the PEACE III Programme 2007-2013 will enhance the work of the two Member States in addressing the more 'specific' problems of the region. On the basis of the socio-economic review and the consultation process, these 'specific' problems exist across a number of interlinking levels that include:

- The direct effects of the conflict (e.g. continued need to support victims and survivors);
- The key underlying issues which preceded and contributed to the conflict and were also exacerbated by the conflict and remain evident in Northern Ireland and the Border Region (e.g. sectarianism, isolation, marginalisation, mistrust, lack of citizenship and participation in civil networks); and
- The new challenges for integration and cohesion within the context of increasing ethnic diversity in Northern Ireland and the Border Region.

3.15 In carrying forward the key objectives of the previous Programmes (PEACE I and II), the overall aim of the PEACE III Programme is;

"To reinforce progress towards a peaceful and stable society and to promote reconciliation".

3.16 Taking this overall aim forward, the PEACE III Programme will focus on two strategic objectives outlined as follows:

- **Reconciling communities:** key activities will facilitate relationships on a cross-community and/or cross-border basis to assist in addressing issues of trust, prejudice and intolerance, and accepting commonalities and differences. In addition, key activities will seek to acknowledge and deal with the hurt, losses, trauma and suffering caused by the conflict; and

- **Contributing to a shared society:** key activities will address the physical segregation or polarisation of places and communities in Northern Ireland and the Border Region with a view to encouraging increased social and economic cross community and cross-border engagement.

3.17 Through these strategic objectives, the PEACE III Programme 2007-2013 will be based on facilitating relationships, encouraging dialogue and promoting change within individuals and within/between communities. Given the need to focus on addressing the problems 'specific' to Northern Ireland and the Border Region, attention is required on relationships and individual change as they are the areas in which the problems of polarisation, division, prejudice and trauma are most apparent and represent an appropriate level for changing mindsets, attitudes and behavioural patterns and addressing the hurt caused by the conflict.

3.18 This focus on individuals and relationships is also supported in academic literature. Literature on processes of transformation in conflict and post-conflict societies has identified a number of theories which capture how change can occur.⁷⁰ These theories are outlined in Appendix B and include a focus on different issues such as withdrawing the resources used for conflict, addressing underlying issues of injustice and oppression, and establishing stable/reliable social institutions that guarantee democracy, equity and justice. The literature shows that the processes of change most appropriate for changing attitudes, divisions and prejudice, key problems related to the post-conflict society in Northern Ireland and the Border Region, are building relationships and changing individuals. The underpinning theories of change are outlined below:

- **The individual change theory:** the basis of this theory is that peace comes through transformative change of a critical mass of individuals, their consciousness, attitudes, behaviours and skills. Activities to encourage this change include, *inter alia*, investment in individual change through training, personal transformation/consciousness raising workshops or processes, dialogues and encounter groups or trauma healing; and
- **The healthy relationships and connections theory:** the basis of this theory is that peace emerges out of a process of breaking down isolation, polarisation, division, prejudice and stereotypes between/among groups. Activities to encourage this change include, *inter alia*, processes of inter-group dialogue, networking, relationship building processes, joint efforts and practical programmes on substantive problems.

3.19 Therefore, by focusing on the two strategic objectives of Reconciling communities and Contributing to a shared society, the Programme will seek to facilitate relationships and promote change within individuals by addressing individual hurt and suffering caused by the conflict, supporting key activities on a cross-community and/or cross-border basis, addressing physical segregation or polarisation and promoting shared areas and addressing individual hurt and suffering caused by the conflict.

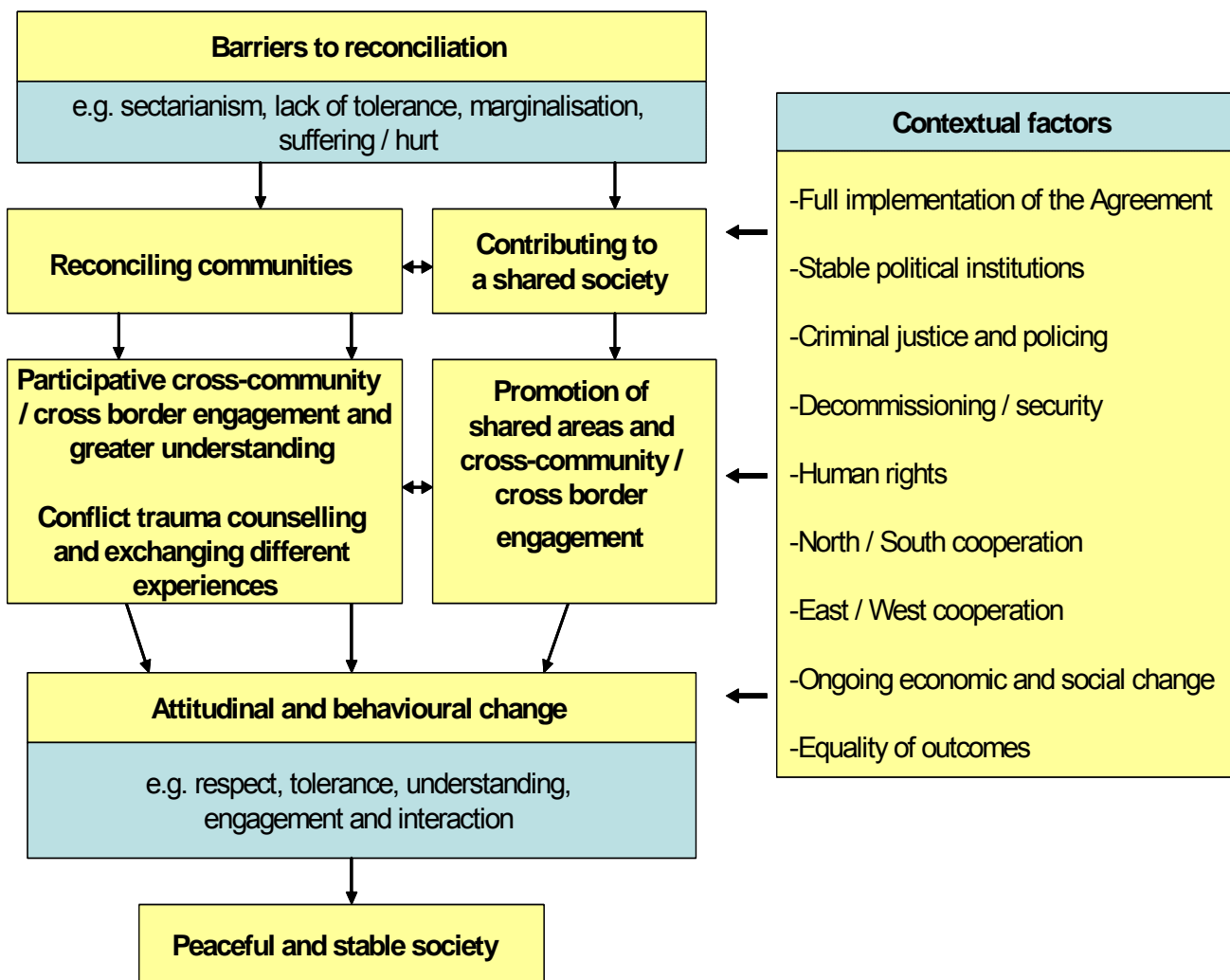
3.20 It is understood, however, that a range of issues in any area or region of conflict normally need to be addressed in parallel to ensure the transition to a peaceful society. Indeed, as the causes and consequences of the conflict in Northern Ireland are varied and complex, it is evident that other changes, in addition to focusing on change at the individual and

⁷⁰ Peter Woodrow, *Strategic Analysis for Peacebuilding Programs*, cited by Church, C and Rogers, M. (2005) *Designing for Results: Integrated Monitoring and Evaluation in Conflict Transformation Programs*, Search for Common Ground, Washington.

community level, also need to occur in parallel if progress towards building a peaceful and stable society in Northern Ireland and the Border Region is to be achieved. These include, *inter alia*, establishing new constitutional governance arrangements, addressing human rights, policing, decommissioning, changes in laws and social institutions, and promoting wider economic and social change and equality of outcome.

- 3.21 These issues are highlighted in other theories of change but are being addressed by the Member States through other processes and initiatives and will remain important contextual factors outside of the PEACE III Programme 2007-2013.
- 3.22 Therefore, while acknowledging that a number of key areas are being addressed by the Member States, by focusing on individual and relationship based processes required to change attitudes, divisions and prejudice, the unique and specific contribution of the Programme is summarised in the following diagram:

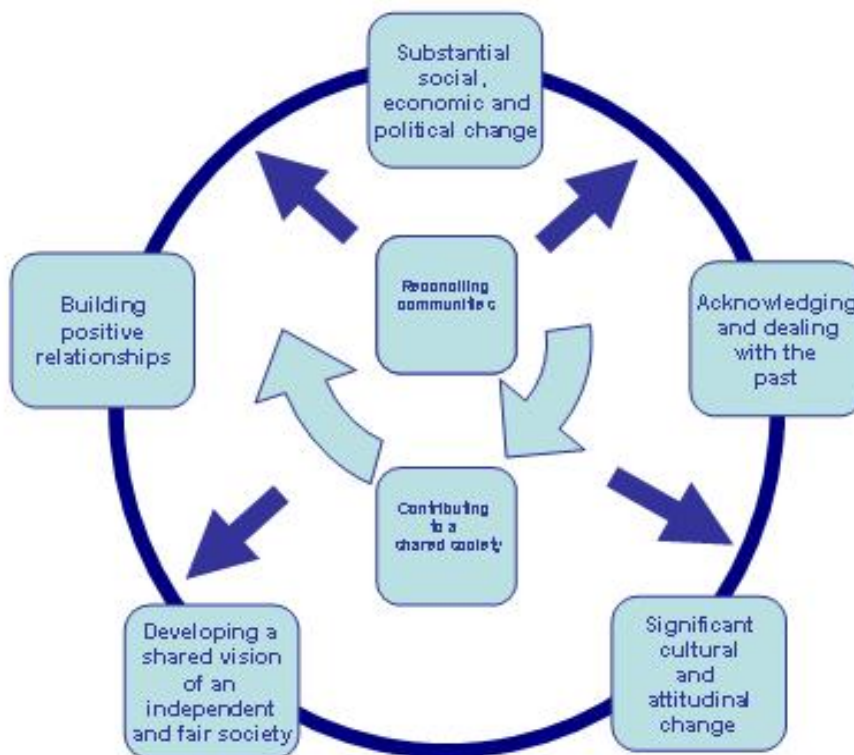
Figure 3.2: Processes of change, the PEACE III Programme 2007-2013



- 3.23 Figure 3.2 shows that by addressing issues of trauma and hurt, encouraging participative cross-community and cross-border engagement and promoting shared areas, the PEACE III Programme will facilitate attitudinal and behavioural change in Northern Ireland and the Border Region which is characterised by respect, tolerance and understanding, and greater social and economic engagement on a cross-community and cross-border basis.

3.24 Therefore, while appreciating that the definition of reconciliation provided by Hamber and Kelly ⁷¹ is a broad one which includes all elements or processes that contribute towards building a peaceful and stable society (political change and reforms to political institutions, for example, are contextual issues which are being addressed through other initiatives), the PEACE III Programme adopts good practice from the PEACE II Extension by focusing strategic objectives on the key strands of reconciliation, as shown in the following diagram.

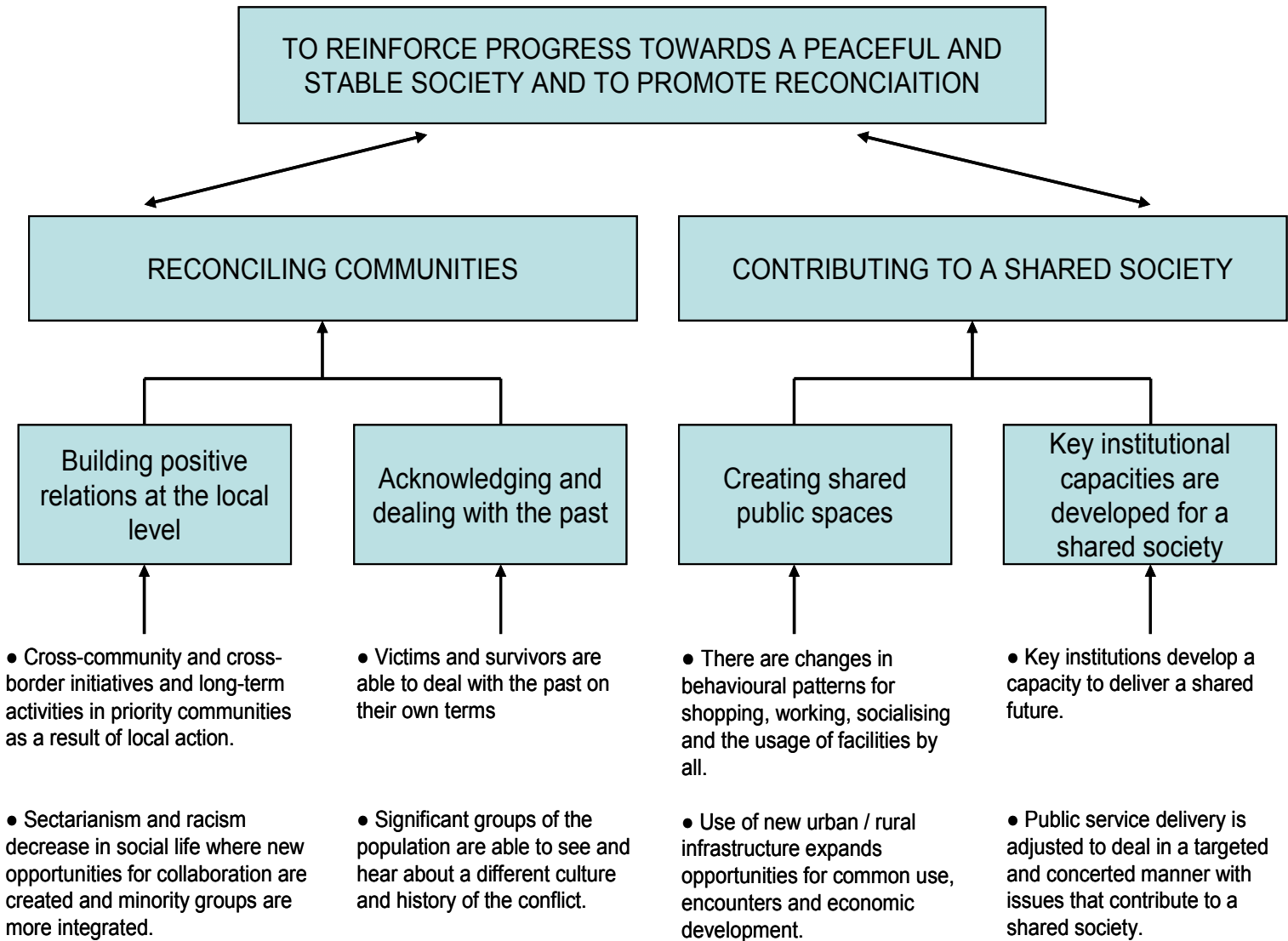
Figure 3.3: Focusing activities of the PEACE III Programme 2007-2013 on key strands of reconciliation



⁷¹ Hamber, B. and Kelly, G. (2004) *A Working Definition of Reconciliation*. Occasional paper published by Democratic Dialogue, Belfast.

- 3.25 The Programme directly relates to three of the strands: building positive relationships; acknowledging and dealing with the past; substantial social economic and political change; and in so doing contributes to addressing the other two strands: developing a shared vision of an independent and fair society; and significant cultural and attitudinal change. The concepts of developing a shared vision and bringing about attitudinal change are associated impacts that can be achieved through the intervention of the other three stands. In this manner the theoretical model of reconciliation developed by Hamber and Kelly will be given practical expression in a programming document. The concept of reconciliation and developing relationships lies at the centre of the design of the Programme, with all activities contributing in an integrated manner to the overall achievement of reconciliation.
- 3.26 In the PEACE III Programme, the two strategic objectives will be implemented through two Priority areas that include:
- Reconciling communities; and
 - Contributing to a shared society.
- 3.27 The following diagram summarises the structure of the PEACE III Programme 2007-2010

Figure 3.4: Overall structure of PEACE III Programme



- 3.28 In line with the provisions of paragraph 22 of Annex II to Regulation (EC) No 1083/2006, and Article 6(1) of Regulation (EC) No 1080/2006, the Operational Programme will therefore focus entirely on actions to promote cohesion between the Communities in Northern Ireland and the Border Counties of Ireland. This strategy is based on the belief that this approach is best suited to the promotion of long term, sustainable social and economic stability in the regions concerned and has been overwhelmingly endorsed by the public consultation exercises conducted as part of the Programme preparation process.
- 3.29 The Operational Programme will in this way complement the work of other EU funded programmes, most notably the INTERREG IV Ireland, Northern Ireland and Scotland Cross Border Territorial Co-operation Programme, which will focus on those other priority areas of activity envisaged under Article 6(1) of Regulation (EC) No 1080/2006. It will also complement the interventions of both Member States and other EU funded programmes aimed at improving the social and economic fabric of the regions concerned. By concentrating on those problems that are 'specific' to Northern Ireland and the Border Region (ref. Figure 3.1), the Peace III Programme will help to create the necessary conditions for sustainable, long term social and economic development.

Cross-cutting themes

- 3.30 There are a number of themes relevant across all the Priorities that will act as strategic guidelines for those engaged in the implementation of the Programme. These are:
- Cross Border Co-operation;
 - Equality of Opportunity;
 - Sustainable Development;
 - Impact on Poverty; and
 - Partnership.

Details on each of these are outlined below:

Cross-border co-operation

- 3.31 Cross-border co-operation has been mainstreamed in the PEACE III Programme 2007-2013 and integrated into the management and funding arrangements. Included under the European Territorial Co-operation Objective, the PEACE III Programme has a cross-border Managing Authority (The Special EU Programmes Body) and all decision making Programme structures will be constituted on a cross-border basis. Funding will also be provided on a cross-border basis. This means that all funding from both Member States will be included within a single financial table.
- 3.32 All of the actions envisaged under the Programme will be required to promote cohesion between the communities in Northern Ireland and the Border Region of Ireland and as such will have derogation from the requirements of Article 19 of EU Regulation No

1080/2006⁷² which provides guidance for cross-border programmes. However, while operations can be funded on a single jurisdictional basis, the Programme includes as a cross cutting theme an increased emphasis on cross-border working and it is anticipated that there will be a substantial number of cross-border operations which will meet the Programme objectives across all Priorities.

- 3.33 Given that the border can be seen as a major contributory factor in the conflict and as a manifestation of the conflict itself, particularly given the contested nature of national identity and national affiliation in Northern Ireland, cross-border co-operation is a particular dimension within the Programme. To maintain a strong focus on the Programme objectives, all cross-border projects will be required to identify how they will promote reconciliation and demonstrate outcomes in terms of good relations and understanding.

Equality of opportunity

- 3.34 In accordance with Section 75 of the Northern Ireland Act 1998 and the Employment Equality Act 1998 and the Equal Status Act 2000, as amended by the Equality Act 2004, operations part-financed by the Structural Funds shall comply with and, where appropriate, contribute to, Community policy and legislation on equal opportunities for men and women.
- 3.35 The Programme will also have due regard for the need to promote equality of opportunity between persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation, and:
- Between men and women generally;
 - Between persons with a disability and persons without; and
 - Between persons with dependants and persons without.

Without prejudice to the above, the Programme will have regard to the desirability of promoting good relations between persons of different religious belief, political opinion or racial group as per Section 75 (2) of the Northern Ireland Act 1998.

- 3.36 In addition, the Programme will be implemented in a consistent manner with the Disability Discrimination (NI) Order 2006.
- 3.37 Equality of participation in the Programme Monitoring Committee, working groups or selection panels will be encouraged in accordance with the provisions of the Structural Funds Regulation. All of the Programme Priorities have a potential impact on equality of opportunity and every effort will be made, and every assistance given to ensure (within the parameters of the Programme) that all sectors of the population participate fully in the Programme. This will be conducted in line with equality legislation in Northern Ireland and Ireland.
- 3.38 The PEACE III Programme will also have due regard to Resolution 1325 (2000) of the United Nations Security Council which urges participating States to ensure increased representation of women at all decision making levels in institutions and mechanisms for

⁷² Regulation (EC) No 1080/2006 of the European Parliament and of the Council of 5th July 2006 on the European Regional Development Fund and repealing Regulation (EC) No 1783/1999.

the prevention of conflict.⁷³ In this light, efforts will be made to ensure a minimum representation of 40% of women on the Programme Monitoring Committee. All operations will be required to demonstrate steps they will take to ensure the increased representation and participation of women throughout the Programme. These efforts will be consistent with equality legislation in Northern Ireland and Ireland.

- 3.39 In keeping with the requirements of Section 75 and Schedule 9 of the Northern Ireland Act 1998, the impact of the Programme on equality of opportunity will be assessed.
- 3.40 A full equality impact statement has been prepared for the Programme and was subject to full public consultation in accordance with the SEUPB equality policy.

Sustainable development

- 3.41 This theme sets out to ensure that the Programme supports activity which promotes sustainable development and creates sustainable communities. This involves ensuring that the Programme safeguards and uses existing resources in a sustainable way to enhance the long-term management of, and investment in, human, social and environmental resources. This should be seen in the context of the Sustainable Development Strategy adopted by the European Council in June 2006. In particular, point 25 of the Strategy addresses the co-ordination of EC co-financing between ERDF and ESF Programmes. A number of factors will help to ensure that Peace III achieves the goals set out in point 25:
- In establishing the Peace III Programme Monitoring Committee, the Rural Development Programme Monitoring Committee has been asked to bring forward a nominee representing the agricultural and rural community in Northern Ireland;
 - SEUPB have requested that BMW Regional Assembly (Managing Authority for BMW OP) bring forward nominees for the Peace III Programme Monitoring Committee;
 - Department of Finance and Personnel will chair meeting of the European Union Steering Group, a body comprising members from the Managing Authorities of all EU Programmes (including Peace III) and accountable departments in Northern Ireland; and
 - Environmental interests in Northern Ireland and the Border Region will be represented on the Peace III Monitoring Committee.

These steps will help to establish a co-ordinated approach to sustainable development through the sharing of experience and information.

- 3.42 As part of this approach, an environmental screening exercise was carried out on the Programme and reviewed by the Department of the Environment in Northern Ireland and the Environment Protection Agency in Ireland. The outcome of the screening exercise was that a full Strategic Environmental Assessment (SEA) was not necessary given the nature of the proposed activities. However, in view of the fact that certain operations which may be included in the Programme in the future may have an environmental impact a full SEA for the Programme was commissioned by SEUPB from ADAS UK Ltd. This assessment was undertaken with regard to the guiding principles of sustainable

⁷³ United Nations Security Council (2000) Resolution 1325, Adopted by the Security Council at its 4213 meeting on 31 October 2000.

development outlined in relevant policies in Northern Ireland⁷⁴ and Ireland⁷⁵ and to EC Directive 2001/42/EC.

A SEA was produced covering ten environmental and socio-economic topics. The programme was not predicted to have any significant negative effects. However, positive effects were predicted in relation to the material assets, cultural heritage and human health SEA objectives. Some non-significant impacts, both positive and negative, were identified. This environmental report was available for public consultation between 8 June 2007 and 6 July 2007. Following the closure of the consultation, a draft Article 9 Statement has been produced in accordance with the Directive. This highlights how the SEA has affected the adoption of the programme. The changes made in light of the consultation responses will effect the development of programme selection criteria and monitoring procedures.

3.43 In the Programme, funding will be conditional on projects complying with the requirements of both EU and domestic environmental legislation and policy, thus safeguarding or enhancing environmental quality and conserving the natural and built heritage at both a local and global level. In relation to the SEA discussed in 3.42, while no significant negative impacts were identified it was considered good practice to address non-significant impacts through integration of environmental criteria into the process of determining project eligibility. More specifically, the Programme will require that all funded projects comply with the standards laid out in environmental legislation through:

- The inclusion of standard questions on environmental impacts in all funding application forms;
- The requirement for a full environmental impact assessment where this is indicated;
- The allocation of resources by funding bodies for the commissioning of independent assessments of the environmental impacts of project proposals;
- The requirement of proof that all necessary environmental approvals have been obtained prior to the final offer of funds; and
- The scrutiny of the Monitoring Committee.

The results of the SEA consultation, as detailed in the Article 9 Statement, made reference to a number of issues which will be addressed through the development of project selection and monitoring criteria. The Article 9 statement will be made public within 1 month of the adoption of the Operational Programme.

Impact on poverty

3.44 The PEACE III Programme will conform to the principles outlined in the relevant anti-poverty strategies. In Ireland, this relates to the *National Report on Strategies for Social Protection and Social Inclusion 2006-2008*⁷⁶ and in Northern Ireland, the *Anti-Poverty and Social Inclusion Strategy*⁷⁷. While understanding that the relationship between poverty and the conflict is a complex one (although strongly evident in disadvantaged areas and

⁷⁴ Department of the Environment (2006) *First Steps Towards Sustainability, A Sustainable Development Strategy for Northern Ireland*.

⁷⁵ Department of the Environment (1997) *Sustainable Development, A Strategy for Ireland*.

⁷⁶ Department of Social and Family Affairs (2006) *National Report for Ireland on Strategies for Social Protection and Social Inclusion 2006-2008*.

⁷⁷ Office of First and Deputy First Minister (2006) *Lifetime Opportunities, Government's Anti-Poverty and Social Inclusion Strategy for Northern Ireland*.

communities, sectarianism, racism and the conflict has impacted across the Programme region) implementation of the PEACE III Programme will be consistent with these anti-poverty strategies and this will ensure the targeting of resources and effort on people, groups and areas objectively shown to be the most socially disadvantaged.

Partnership

- 3.45 This theme aims to ensure that that the Programme structures comprise, where appropriate, the active participation of the local authorities, other competent public authorities, the economic and social partners and the other relevant bodies in the implementation of the Programme.
- 3.46 The PEACE I and PEACE II Programmes have been characterised by the full and effective involvement of social partners in all stages of Programme delivery. It is important that this experience is built upon, as the adoption of a partnership approach is central to the success of the Programme.
- 3.47 In adopting the partnership approach, the Monitoring Committee will include balanced representation from a range of stakeholders including the Managing Authority, two Member States (Department of Finance and Department of Finance and Personnel), the Certifying Authority, Business, Trade Unions, the Agriculture/Rural Development/Fisheries sector, the Community and Voluntary sector, and those representing environmental and equal opportunities interests. Elected representatives from local authorities will also be included on the Monitoring Committee in addition to an independent expert on peace and reconciliation.
- 3.48 The social partners were involved in the formulation of the PEACE III Programme. All were invited to contribute to a public consultation exercise held in May 2006, and their responses informed the drafting of the Operational Programme. In addition, a Consultative Group was established consisting of the social partners, environment and equality interests. This group considered drafts of the Operational Programme and advised the SEUPB on the content of the emerging Programme.
- 3.49 A significant part of the programme will be focused on developing positive relationships at a local level. The implementation of this activity will build on the experiences of local partnerships in previous programmes and will facilitate a strong partnership approach at a local level. Local authorities will be required to work with social partners to develop strategic responses to locally identified needs in a manner that represents the independence of social partners. The demonstration of active partnership will be a requirement for funding. Applicants developing proposals for regional level interventions in the sectors such as women or youth, for example, will be encouraged to form effective partnerships to ensure a comprehensive approach is taken to addressing the complex reconciliation issues. Formalised partnerships agreements, which detail the roles and responsibilities of various partners, such as those developed under the EQUAL Programme, will be encouraged, as appropriate.
- 3.50 All selection panels/Steering Committees will reflect the partnership ethos of the Programme.
- 3.51 In addition, detailed guidance on the structure and operation of partnerships will be developed and presented to the Monitoring Committee for approval. The Programme

Monitoring Committee will also be requested to consider establishing a working group to monitor the implementation of partnership as a cross-cutting principle.

Project selection

Project selection under the PEACE II Programme

- 3.52 One of the key lessons emerging from the PEACE I Programme was the difficulty in identifying the impact of standard socio-economic activities on peace and reconciliation and the peace process/peace-building in general. In many cases, it was felt that the peace and reconciliation impact of the Programme was difficult to discern and it was recommended that project selection and appraisal criteria should be developed in any future programme which will take explicit recognition of the strategic aim of peace and reconciliation.⁷⁸
- 3.53 Following on from this, the PEACE II Programme included the 'distinctiveness criteria' which were designed to identify the 'uniqueness' of the Programme (compared to other Structural Fund Programmes) and ensure a greater focus on the specific peace and reconciliation objectives. The distinctiveness criteria were used in the project selection process and required projects to demonstrate how they aimed to address the Programme objectives (Addressing the Legacy of the Conflict, Taking the Opportunities Arising from Peace and Paving the Way to Reconciliation) and focus on specific areas, sectors and groups affected by the conflict.
- 3.54 The mid-term evaluation of the PEACE II Programme found that, in general, the guidelines on selection procedures, including the use of the distinctiveness criteria had been well observed.⁷⁹ Indeed, it was reported that the distinctiveness criteria had 'raised the bar' and challenged applicants to think how their activities could contribute to peace and reconciliation.⁸⁰
- 3.55 While the distinctiveness criteria were well observed in the PEACE II Programme, a degree of uncertainty existed during the initial stages over what reconciliation actually meant and how it could be addressed. As noted in Section 2, a definition of reconciliation was provided by Hamber and Kelly⁸¹ which helped to clarify the term and encourage more understanding of reconciliation. For the PEACE II Extension, the weighting for reconciliation in the project selection process was increased from 6% to 20% which placed more emphasis on peace building and refined the 'uniqueness' of the Programme.

The PEACE III Programme 2007- 2013

- 3.56 Building on the lessons from PEACE II, the PEACE III Programme 2007- 2013 has incorporated the key strands of the definition of reconciliation into the objectives of the Programme. While the overall aim of the Programme is to reinforce progress towards a peaceful and stable society and to promote reconciliation, the key objectives are:

⁷⁸ PricewaterhouseCoopers (2003) *Ex-post evaluation of Peace I and Mid-Term Evaluation of Peace II, Final report.*

⁷⁹ For instance, the mid-term evaluation noted that by mid 2003, one in three of applications had been approved while a further 1,741 (29%) had been rejected. Over one third of these rejections were due to the failure of applications to meet the distinctiveness criteria, PricewaterhouseCoopers (2003) *Ex-post evaluation of Peace I and Mid-Term Evaluation of Peace II, Final report.*

⁸⁰ NICVA (2004) *Telling the Story of Peace II, An Assessment of the Impact of Peace II Funding in Strabane, East Belfast and Cavan.*

⁸¹ Hamber, B. and Kelly, G. (2004) *A Working Definition of Reconciliation. Occasional paper published by Democratic Dialogue, Belfast.*

- Reconciling communities; and
- Contributing to a shared society.

3.57 These objectives, as shown in Figure 3.3, incorporate and specially seek to address the key strands of reconciliation defined by Hamber and Kelly that include :⁸²

- Building positive relationships;
- Acknowledging and dealing with the past;
- Developing a shared vision of an interdependent and fair society;
- Significant cultural and attitudinal change; and
- Substantial social, economic and political change.

3.58 The concept of reconciliation is ingrained into the Programme objectives. This ensures that the Programme has adopted a greater focus on peace and reconciliation goals and provides a clear distinction with the other Structural Funds Programmes.

3.59 All operations in the programme will contribute to social and economic stability by promoting cohesion between communities; in this manner Article 19 (1) Paragraph 3 of Council Regulation (EC) No 1083/2006 will apply to all operations funded.

3.60 In line with embedding reconciliation into the objectives, the PEACE III Programme will place a strong emphasis on promoting cross-community relations and understanding. Therefore, while single identity work will be eligible under the Programme to build confidence within communities, all projects (including those promoted on a cross-border basis) will be required to identify how they will address sectarian and/or racist behaviour to enable communities to work more effectively together and demonstrate outcomes in terms of good relations and understanding.

3.61 In addition to this, Priorities within the Programme will be specifically targeted on areas and groups that have been affected by the conflict and experience particular problems of segregation, marginalisation and isolation. More specifically, areas include:

- Areas such as sectarian interfaces where segregation, inter-community conflict and dispute are high and community relations are correspondingly poor;
- Disadvantaged areas suffering the effects of physical dereliction as a consequence of the conflict;
- Areas that have experienced high levels of sectarian and racial crimes, incidents and tensions;
- Areas and communities in decline as a result of lack of inward investment and isolated by limited economic and social cross-border linkages; and
- Areas where economic and social development has been inhibited by the conflict and problems of exclusion and marginalisation exist, illustrated by low levels of income, skills and qualification and consequently display high levels of multiple deprivation.

⁸² Hamber, B. and Kelly, G. (2004) *A Working Definition of Reconciliation*. Occasional paper published by Democratic Dialogue, Belfast.

- 3.62 The areas mentioned above include urban and rural areas and those areas along both sides of the border which were impacted upon in a very particular manner during the conflict, due to their physical proximity to the border.
- 3.63 Target groups include:
- Victims of the conflict, i.e., the surviving injured and/or disabled people (either physically or psychologically) of violent, conflict related incidents and those who care for or are related to them, including close relatives who mourn their dead;
 - Displaced persons, i.e., those who have involuntarily moved from areas of violence or from interface areas, and communities in which there is a concentration of such displaced persons or who are isolated by border closures;
 - People who have been excluded or marginalised from economic, social and civil networks as a result of problems related to sectarianism, racism and the conflict (this includes, *inter alia*, a focus on young people, women, older people and minority communities);
 - Former members of the security and ancillary services;
 - Ex-prisoners and their families, i.e., qualifying prisoners who were or would have been released under the terms of the Good Friday Agreement; and
 - Public, private and voluntary sector organisations and their staff who have a contribution to make towards developing a shared society.
- 3.64 Projects will be selected on the basis of efficiency and effectiveness and will have due regard to the five cross-cutting themes, as follows:
- Cross-border co-operation;
 - Equality of opportunity;
 - Sustainable development;
 - Impact on poverty; and
 - Partnership.
- 3.65 In addition to this generic criteria, not less than 60% of the selection criteria will be awarded to Programme and Priority specific objectives. As these Programme and Priority objectives are directly informed by a comprehensive definition of reconciliation, this will ensure a strong focus on reconciliation and a targeting of relevant areas and groups. Collectively this represents an increased focus on the “distinctiveness “of the Programme compared to previous Programmes.
- 3.66 Together, therefore, the generic criteria and the Programme and Priority specific objectives constitute the objective criteria that will form the basis for project selection. Detailed selection criteria will be developed within this framework and presented to the Monitoring Committee for approval, in accordance with Article 65 (a) of the Council Regulation (EC) No 1083/2006.
- 3.67 The Monitoring Committee in turn will delegate project selection to the Steering Committee (s) in accordance with Article 19 (3) of the Council Regulation (EC) No 1080/2006.

3.68 Given the smaller budgets and the desire to maximise impacts on identified areas and groups the PEACE III Programme will place an emphasis on supporting strategic project development. Under this approach, a Steering Committee(s) will be responsible for outlining a number of potential strategic outputs in line with the outputs identified in Section 4 and then invite calls to deliver these specific requirements. This enables a more proactive approach by allowing the Steering Committee to consider strategic options and outline targeted actions for delivering particular activities and outcomes and encouraging locally based project development. The Joint Technical Secretariat will then make specific calls for proposals for bodies to deliver these actions. In all cases where the Steering Committee(s), through the Joint Technical Secretariat, is making a call for proposals that involve the community and voluntary sector, proposals will be commissioned in accordance with the principles of Positive Steps⁸³ and the White Paper on a Framework for Supporting Voluntary Activity.⁸⁴ This includes the clear articulation of anticipated outcomes, multi-annual planning framework, full cost recovery and adherence to quality standards. There will be limited open calls for proposals, but where such calls are made; there will be facility for an “expression of interest” form which will serve to advise potential applicants of the eligibility of their proposals. This project selection procedure is summarised at Appendix F.

Promoting strategic project development

3.69 To ensure full participation of all communities in the Programme, this strategic approach will facilitate targeting of disadvantaged communities independently of their capacity to apply for funding on a competitive basis. The strategic development approach will also complement the activities of the Programme that will continue to facilitate the involvement of local groups and promote a locally based approach. Strategic projects may be of varying scales and types, depending on the nature of the issues being addressed and may include a high level of local participation as appropriate.

3.70 In addition, in common with promoting a strategic approach, the PEACE III Programme will seek to contribute towards change at different levels within society in Northern Ireland and the Border Region. These different levels have been identified by John Paul Lederach from his work on peace building and include⁸⁵:

- High level/macro leadership (i.e. government and political leaders);
- Middle range leadership (i.e. religious leaders, locally elected representatives, key representatives in public, private and voluntary/community organisations); and
- Community level (i.e. local communities and individuals at the grass roots).

3.71 While the PEACE III Programme is not focused on macro level interventions (e.g., implementation of the Agreement, criminal justice and policing, decommissioning/security and stable political institutions), it will be important to ensure that the Programme integrates support at the community level with the middle range leadership level, and understands how these activities can fit within, and influence, the broader strategy for peace building in Northern Ireland and the Border Region at the macro level.

⁸³ Department for Social Development (2005) *Positive Steps, The Government's Response to Investing Together: Report of the Task Force on Resourcing the Voluntary and Community Sector, March 2005.*

⁸⁴ Department of Social, Community and Family Affairs (2000) *White Paper on a Framework for Supporting Voluntary Activity and for Developing the Relationship between the State and the Community and Voluntary Sector.*

⁸⁵ Lederach, J.P. (2005) *The Moral Imagination: The Art and Soul of Building Peace, Oxford: Oxford University Press.*

IV Programme Priorities and Areas of Intervention

Programme objective

- 4.1 The overall objective of the Peace III Programme is to reinforce progress towards a peaceful and stable society and to promote reconciliation in Northern Ireland and the Border Region. Building on the successes and lessons of the PEACE I (1995-1999) and PEACE II (2000-2006) Programmes, the PEACE III Programme will have a continued and renewed emphasis on reconciliation and will specifically focus on reconciling communities and contributing towards a shared society. These strategic objectives will be grouped into two Priority areas as outlined below. For each Priority, this section provides detail on the rationale, aims, targets and indicators, budgetary allocations, and relevant target groups and areas.

Priority 1: Reconciling communities

- 4.2 This Priority will focus on two key areas:
- Building positive relations at the local level; and
 - Acknowledging and dealing with the past.

Building positive relations at the local level

Rationale

- 4.3 Over the last number of years there has been a significant reduction in the overall level of violence directly related to the conflict. However, there is evidence of a high level of sectarian and racially motivated crime. In addition, in Northern Ireland and the Border Region, growing ethnic diversity alongside relatively high levels of socio-economic deprivation in some areas presents new challenges for achieving greater integration and citizenship within society. Due to the history of division in Northern Ireland and the Border Region, many sections of society have not yet developed the capacity to deal with diversity and difference. Increasing numbers of racial crimes and incidents in recent years provides further demonstration of the underlying culture of intolerance and violence.

Aim

- 4.4 This objective aims to challenge attitudes towards sectarianism and racism and to support conflict resolution and mediation at the local community level. This element of Priority 1 will support the implementation of strategic models of collaboration between the public, private and community sectors that focus on reconciliation, cultural diversity and equality. The Priority aims to establish meaningful cross-community and cross-border initiatives that will improve trust and tolerance, and reduce levels of sectarianism and racism.
- 4.5 By promoting a participative bottom up approach, the Priority will seek to support the active role of people, communities and voluntary organisations in decision making which directly affects them. In this regard, the Priority will directly build on the experiences and learning of those involved in Sub Programme 6 (“Partnership”) of the PEACE I

Programme (1995-1999), the Local Strategy Partnerships in Northern Ireland and the County Council Led Task Forces in the Border Region in the PEACE II Programme (2000-2006). Under this approach, support may include a small grants programme implemented at a local level if this is considered an effective response to local needs and is co-ordinated within a strategic partnership framework. The Priority will pay particular attention to marginalised and minority groups so that opportunities will be created that allow for a greater degree of participation and integration in society. This will extend the concept of formal citizenship and democratic society from one of basic civil, political, social and economic rights to one of direct democratic participation and responsibility. As part of these activities, the Priority will also focus on working with communities on both sides and developing the necessary processes and relationships between communities to begin discussions about the possible removal of physical markers of segregation (e.g. peace walls).

- 4.6 In addition, while this element of the Priority will primarily be delivered through partnership arrangements operating at the local level, opportunity will exist to promote activities on a regional level and/or cross-border basis where some dimensions of building positive relationships may be best addressed. This could include, for example, actions to ensure the active involvement of women, youth or other identified groups in strategic actions that contribute to Programme objectives.

Acknowledging and dealing with the past

Rationale

- 4.7 The question of how to deal with the past is one of the most vexing problems facing any society emerging out of conflict; Northern Ireland and the Border Region is no different in that regard. Indeed, Hamber and Kelly's definition of reconciliation identifies the importance of acknowledging the hurt, truths and suffering of the past.⁸⁶ They identify mechanisms to do so including justice, healing, restitution or reparation and restoration (including apologies if necessary and steps aimed at redress). To build reconciliation, individuals and institutions need to acknowledge their role in the conflicts of the past, and accept and learn from it in a constructive way so as to guarantee non-repetition.
- 4.8 While recognising that the victims and survivors of violence and those who are related to, or care for them, are a diverse group with diverse needs, many are experiencing long term difficulties such as chronic pain and trauma and continue to face complex psychological problems. Victims and survivors often suffer from a lack of recognition, are characterised by marginalisation and exclusion and do not feel they have a voice to express their views and share their experiences.
- 4.9 Given the legacy of more than thirty years of the conflict, the needs of those directly affected by violent incidents require a strategic approach that will span a number of years and which will be capable of addressing changing circumstances. The Belfast (Good Friday) Agreement also acknowledges the needs of the victims and survivors of the conflict and accepts the necessity to address their suffering as an essential element of reconciliation.
- 4.10 Provision has been made by the two governments for direct assistance to victims of the conflict through the Memorial Fund (Northern Ireland) and the Remembrance Commission

⁸⁶ Hamber, B. and Kelly, G. (2004) *A Working Definition of Reconciliation*. Occasional paper published by Democratic Dialogue, Belfast.

(Ireland). The Victims Unit of OFM/DFM offers support to Victims Groups through the Community Relations Council, and a Commissioner for Victims and Survivors is to be appointed. In addition to these nationally funded initiatives, the EU PEACE II Programme has provided significant support to victims groups, particularly to facilitate labour market integration.

- 4.11 Although delivering valuable and good practice support, a report by Bertha Mc Dougall, who was appointed as Interim Commissioner for Victims and Survivors in October 2005 and completed her work in January 2007, outlines the need to promote a more comprehensive and longer term approach and to share good practice more widely. Further to this, an accepted consensus has yet to emerge as to how to “acknowledge and deal with the past”. It is important the Programme approaches these issues in a very sensitive and inclusive manner and in this regard, adopts a community based approach. In addition, as the report from the Interim Commissioner for Victims and Survivors will help inform the development of future policy in relation to victims and survivors which is currently being devised, the PEACE III Programme will operate within the new policy framework and complement other initiatives in this area. This part of the Programme will be implemented by the Community Relations Council and Border Action, who working jointly will be able to ensure a range of expertise and experience is brought to bear in addressing these sensitive and complex issues.

Aim

- 4.12 This objective aims to provide advice, counselling and support services for victims, their relatives and those who care for them. With a view to developing a comprehensive approach to the provision of services, the Priority will provide support for improving the accessibility of conflict related services including, counselling, befriending and other community based services. This element of Priority 1, will build the capacity of individuals to deal with the transition to peace and reconciliation and ensure that victims and survivors of the conflict are able to deal with the past on their own terms. In this regard, the Priority will build on the important work already undertaken in PEACE I and PEACE II in providing support to those most affected by the conflict. In particular, it will build on the experience of PEACE II and complement the work of the new Commissioner for Victims and Survivors and the Victims and Survivors Forum.⁸⁷
- 4.13 In addition, the Priority aims to exchange different views of history, culture and identity and different conflict and post-conflict experiences among relevant groups and individuals at the local level. This will focus on changing the awareness of the past and understanding different roles and experiences of the conflict, promoting cultural diversity and developing long term strategies that promote peace and reconciliation. This may include provision for a forum for testimonials which explores legacy and memory of the conflict through truth recovery, documentation, story telling and the recording of complex history and experience. In this light, the Priority will target those not already pre-disposed to reconciliation and facilitate and explore the wide range of experiences of the conflict that have been faced by different stakeholders in Northern Ireland and the Border Region. The Priority understands that focusing on the past and understanding different roles and experiences of the conflict is a difficult issue and any activities will be conducted in a sensitive manner.

⁸⁷ Office of the First and Deputy First Minister (2002) *Reshape, Rebuild and Achieve*, Office of the First and Deputy First Minister, Victims Unit.

Quantified targets and indicators

4.14 The specific outputs, results and impacts of the Priority will be monitored and evaluated using the indicators and targets set in the following table (Context indicators are included in Annex C and further information in relation to the Monitoring and Evaluation Plan for the Programme is outlined in Chapter 5 paragraphs 5.29 – 5.43):

Table 4.1: Targets and indicators, Priority 1: Building positive relations at the local level

Type	Indicator	Baseline	Source	Timeframe
Output	30 programmes developed and implemented of which: 13 will be local authority led	0	Reporting by beneficiaries and verification/checking by JTS	Six monthly
	60 events that address sectarianism and racism or deal with conflict resolution	0 [240 projects in Peace II focused on reconciliation ⁸⁸]	Reporting by beneficiaries and verification/checking by JTS	Six monthly
	3,000 participants attending above events	0 [38,000 participants in Peace II projects]	Reporting by beneficiaries and verification/checking by JTS	Six monthly
	Community balance of participation in events	n/a	Equality forms completed by all participants at events	Six monthly
	5% of participants from ethnic minority groups	n/a [Proportion of population from ethnic minority groups: NI 1%, ROI approx 3%]	Equality forms completed by all participants at events	Six monthly
	40% of participants are young people (under 25 years of age)	n/a [Proportion of population aged under 25: NI 35%, Border Region 38%]	Equality forms completed by all participants at events	Six monthly
Result	Changes in attitudes towards cross-community and cross-border activities [Target will be set when baseline information becomes available]	Not yet available - included in 2007 questionnaire	Attitudinal Survey	2007, 2010 and 2013
	Increase in the proportion of beneficiaries who have contacts/recognized friends in the other community [Target will be set when baseline information becomes available]	Not yet available - included in 2007 questionnaire	Attitudinal Survey	2007, 2010 and 2013
	Improved levels of trust and tolerance among Programme beneficiaries, decreased levels of prejudice [Target will be set when baseline information becomes available]	Not yet available - included in 2007 questionnaire	Attitudinal Survey	2007, 2010 and 2013
Impact (Global)	Increase in the percentage of adults who think relations between Protestants and Catholics are	52% (2005)	NI Life and Times Survey	Annual

⁸⁸ These projects were funded under Measure 2.1 of Peace II. It is expected that there will be a smaller number of more focused events under this Priority in Peace III, given both the more strategic focus of the Programme and the level of funding available.

	better than they were 5 years ago		
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Table 4.2: Targets and indicators, Priority 1: Acknowledging and dealing with the past

Type	Indicator	Baseline	Source	Timeframe
Output	1,000 people in receipt of Trauma Counselling/Service	0 [3,400 participants were involved in Peace II projects with trauma counselling as a key element, some may have received assistance other than trauma counselling ⁸⁹]	Reporting by beneficiaries and verification/checking by Intermediate Body	Six monthly
	50 events assisting victims and survivors	0 [211 Peace II projects were involved in reintegration activities with victims and survivors ⁹⁰]	Reporting by beneficiaries and verification/checking by Intermediate Body	Six monthly
	2,000 participants at events assisting victims and survivors	0 [8,700 participants involved in Peace II projects]	Reporting by beneficiaries and verification/checking by Intermediate Body	Six monthly
	20 conflict resolution workshops	0	Reporting by beneficiaries and verification/checking by Intermediate Body	Six monthly
	200 participants attending conflict resolution workshops	0	Reporting by beneficiaries and verification/checking by Intermediate Body	Six monthly
	Result	75% of recipients of trauma counselling feel they are better able to cope	0	Reporting by beneficiaries and verification/checking by Intermediate Body
75% of participants of events believe they are more able to describe what it is like for the other community		0	Reporting by beneficiaries and verification/checking by Intermediate Body	Six monthly
Change in perception amongst Programme beneficiaries that violence is not a legitimate or effective means of resolving conflict		Not yet available	Survey or focus groups of participants before and following events	Ongoing
Impact	Changes in awareness of the past and or roles in the conflict among Programme beneficiaries	Not yet available	Survey or focus groups of participants before and following events	Ongoing

⁸⁹ The 3,400 participants of Peace II were involved in projects where trauma counselling was a key element, however, there were other services offered within these projects and it is likely that some participants received assistance other than trauma counselling. In addition, less funding is available for Peace III.

⁹⁰ Measure 2.4b of Peace II had a particular emphasis on assisting victims and survivors and there were 211 projects funded. Given the more strategic nature of Peace III, it is expected that there will be a smaller number of focused events.

In relation to tables 4.1 and 4.2, the majority of the targets have been calculated on the basis of performance to date in comparable activities funded through the PEACE II programme.

Quantified targets and indicators

- 4.15 Methods of measurement will vary for each of the indicators identified. Where the indicators are quantified it is envisaged that project monitoring will capture the relevant information and this will be input electronically onto the Programme database. The PEACE I and PEACE II Programmes have already established baselines in regard to these indicators and the attitudinal surveys carried out in PEACE II will act as a baseline for further attitudinal surveys throughout the life of PEACE III. It is envisaged that an Attitudinal Survey will be carried out at least twice over the course of the PEACE III Programme. Other sources of information will include community audits and relevant government statistics, for example those collected by the Police Service for Northern Ireland (PSNI) in relation to sectarian and racist crime and from the *Shared Future and Racial Equality Strategy Good Relations Indicator Report*. These statistics have been officially collected since April 2005.
- 4.16 Where appropriate, qualitative research will be identified and carried out to add to the sources of verification in relation to the indicators identified above.

Target beneficiaries

- 4.17 This Priority will target areas showing the effects of conflict and/or community polarisation as a result of the conflict. Such areas might typically include:
- Sectarian interface areas where segregation, inter-community conflict and dispute are high and community relations are correspondingly poor;
 - Disadvantaged areas suffering the effects of physical dereliction as a consequence of the conflict;
 - Areas that have experienced high levels of sectarian and racial crimes, incidents and tensions;
 - Areas isolated by border closures and limited economic and social cross-border linkages; and
 - Areas where social and economic development has been inhibited by the conflict and problems of exclusion and marginalisation exist, illustrated by low levels of income, skills and qualification and consequently display high levels of multiple deprivation.
- 4.18 This Priority will also target communities and groups that have been affected as a result of the conflict or sectarian or racial tensions. Such groups include:
- Victims of the conflict, i.e., the surviving injured and/or disabled people (either physically or psychologically) of violent, conflict related incidents, and those who care for or are related to them, including close relatives who mourn their dead;
 - Displaced persons, i.e., those who have involuntarily moved from areas of violence or from interface areas, and communities in which there is a concentration of such displaced persons;
 - People who have been excluded or marginalised from economic, social and civil networks as a result of problems related to sectarianism, racism and the conflict (this

includes, *inter alia*, a focus on young people, women and older people and minority communities;

- Former members of the security and ancillary services; and
- Ex-prisoners and their families, i.e., qualifying prisoners who were or would have been released under the terms of the Good Friday Agreement.

4.19 It is likely that most projects will address one, or more than one, of the above project selection criteria. Other projects may exceptionally be considered for funding provided they clearly demonstrate relevance to the framework for the application of the PEACE III Programme.

Indicative operations

4.20 The following is an indicative list of the kinds of operations that will be funded by this Priority under the theme building positive relations at a local level. All operations will demonstrate how they promote social and economic stability by actions to promote cohesion between communities:

- Action plans (including those Action Plans for the Border Region and for Northern Ireland and those on a cross-border basis) developed and implemented at a local level that address the relevant issues in that area in relation to sectarianism, racism, conflict resolution, mediation and reconciliation;
- Cross-community, cross-border and other events that challenge attitudes towards sectarianism and racism, support conflict resolution and mediation and promote active citizenship;
- Activities that seek to address the barriers to participation in economic and social networks which victims and survivors face;
- Actions that explore legacy and memory of the conflict through truth recovery, documentation, story telling and the recording of complex history and experience;
- Projects that stimulate cultural diversity, including public, private and community institutions;
- Projects that increase the participation of marginalised and minority groups in society and promote active citizenship;
- Projects that develop high quality trauma counselling services;
- Projects that develop high quality befriending services; and
- Projects that contribute to the collection, development and exchange of messages concerning different experiences of conflict and post conflict.

Budget

4.21 The budget for Priority 1 is €128.9m ERDF funding. Detailed financial allocations are provided in the financial tables in Appendix D.

Priority 2: Contributing to a shared society

4.22 This Priority will focus on two key areas:

- Creating shared public spaces; and
- Key institutional capacities are developed for a shared society.

Creating shared public spaces

Rationale

4.23 One of the more visible aspects of the conflict over the past thirty years has been residential segregation, peace walls, and the sectarian graffiti, flags and emblems in the cities, towns and rural areas. The existence of demarcation lines in urban and rural settings, and the problems of peripherality and exclusion that reflect underlying sectarian or segregation attitudes, exacerbate the impact of the conflict in Northern Ireland and in the Border Region. As well as increasing social division and tension, these activities inhibit the potential for economic development. Greater opportunity exists, therefore, to develop a shared society as one in which public spaces are shared by all members of that society. Creating new opportunities for shared space and addressing segregation, will contribute to developing a shared vision of society and the changing of attitudes and in so doing enhance reconciliation. These activities seek to reclaim public spaces for all sections of the community and will enable the emergence of vibrant, economically active and engaged communities.

Aim

4.24 This objective aims to regenerate urban, rural and border areas that appear derelict, segregated, underused, threatening and/or unwelcoming and transform them into shared spaces. The intervention seeks to tackle the problems of separation of communities within society and address the underlying problems of sectarianism, racism and prejudice by encouraging the development of physical environments that are not 'marked out' with symbols that define it as a territory of one side of a community but as open to and welcoming to all. By complementing processes and relationships established in Priority 1, this element of Priority 2 will provide funding for new shared public spaces and help address the issues of physical segregation as manifested by peace walls, sectarian graffiti, flags and emblems.

4.25 By building on what has been achieved under the PEACE II and URBAN II Programmes, the Priority will also develop new and innovative approaches for changing the physical environment in a way which maximises potential for reconciliation and economic development. In particular, through new shared public spaces, the Priority will expand the opportunities for common use, interaction and engagement, and economic development in areas that have been particularly affected by the conflict. These developments will also contribute to changes in behavioural patterns in relation to shopping, working and socialising in the areas supported. In progressing new and innovative approaches for changing the physical environment, project promoters will be required to develop activities in consultation and partnership to ensure local community engagement and participation.

- 4.26 In particular, this Priority will support a number of significant developments in the North-West area. This follows the Joint Communiqué of the British Irish Intergovernmental Conference in May 2006 which stated that: “The two Governments have committed to working together to explore ways in which they could more closely co-operate to maximise the potential of the North-West region....In drawing up Programmes under the new round of Structural Funds, the two Governments will give due consideration to the particular needs of the North-West”.
- 4.27 There will be no specific prior allocation of funding for projects within the North-West; however the above statement reflects the wider policy of support to the North-West by the two Member States. Whilst there will be no weighting for applications from the North West, coherence with this policy context will be considered during project selection.
- 4.28 The activities supported in this Priority will also be consistent with (EU) Regulation No1080/2006 Article 8 which promotes the development of participative, integrated and sustainable strategies to tackle the high concentration of economic, environmental and social problems affecting urban areas.

Key institutional capacities are developed for a shared society

Rationale

- 4.29 Northern Ireland is a divided society and significant segregation exists in terms of residential patterns and interface areas. Indeed, as inter-community mobility is generally low, particularly in densely populated, socially disadvantaged regions, people are less willing to cross into areas perceived as dangerous or unwelcoming to avail of public services. This has exacerbated the lack of contact on a cross-community basis and impacted on the development of a shared society as policy and services in Northern Ireland, in some cases, are duplicated in both communities. This includes services such as community health centres, job centres, public housing, education and public transport. In the Border Region, problems of isolation, lack of participation and integration, and economic and social linkages also exist. These problems have been deepened and made more difficult to resolve because of the existence of the border and the conflict in Northern Ireland.
- 4.30 Greater opportunity, therefore, exists to deliver public services which promote a shared society in Northern Ireland and the Border Region on a cross-community and cross-border basis. In this task, the public sector and other key stakeholders face a number of challenges in identifying innovative service delivery models that move away from the provision of parallel services along sectarian lines, create synergies and promote sharing. In this regard, Northern Ireland and the Border Region can share and learn lessons from other multi-ethnic and post-conflict societies both within and outside the EU. This transfer of learning and experiences can be centred on best practice for promoting peace and reconciliation (specifically given the learning from the PEACE I and II Programmes) and how the delivery of public services can be developed to promote a shared society.

Aim

- 4.31 The principle objective of this element of the Priority is to develop the capacity of key institutions to deliver services in a manner that contributes to a shared society within Northern Ireland and on a cross-border basis. This in turn will contribute to the

development of a shared vision for society, attitudinal, social and economic change, and in so doing contribute to reconciliation. These actions will embed the learning of Peace I, Peace II and Peace III within a range of institutions and create a lasting legacy for EU interventions that will endure beyond the life time of the Programme.

- 4.32 The Priority aims to pilot innovative service delivery models (at both the local and central level) which directly address the issues of segregation, sectarianism and racism, and promote service delivery as a mechanism to enhance the concept of a shared society. This will necessitate that those charged with service delivery have the necessary skills and competences to engage in dialogue with communities on shared issues and ensure that the delivery of services is adjusted accordingly. This will include identifying and supporting innovative public sector delivery models to promote shared services that have previously been delivered along sectarian lines. These shared services will provide greater opportunities to facilitate cross-community and cross-border contact and promote shared identity. The shared services could include a focus on sectors such as education, community health centres, job centres, public housing and public transport and support pilot projects that could be mainstreamed by central/local government.
- 4.33 In developing and providing shared services, project promoters will be required to facilitate consultation and partnership processes to ensure linkages with the local community.
- 4.34 An additional element of this Priority will be to support organisations that promote European and international networking and facilitate the exchange of best practice in peace and reconciliation transnationally. Linkages that transfer learning and experiences between Northern Ireland and the Border Region and other multi-ethnic and post-conflict societies on how the delivery of public services can be developed to promote a shared society. In addition, research that focuses on promoting innovative best practice and transnational learning in relation to peace, conflict resolution and reconciliation will also be supported. In this regard, the Priority will build on the PEACE II Programme which supported the development of European and international networks and focused on promoting innovative practice and transnational learning.

Quantified targets and indicators

- 4.35 The specific outputs, results and impacts of the Priority will be monitored and evaluated using the indicators and targets set out in the following table (Context indicators are included in Annex C and further information in relation to the Monitoring and Evaluation Plan for the Programme is outlined in Chapter 5 paragraphs 5.29 – 5.43):

Table 4.3: Targets and indicators, Priority 2: Creating shared public spaces

Type	Indicator	Baseline	Source	Timeframe
Output	10 shared public environments created or improved through cross-community regeneration projects	0	Reporting by beneficiaries and verification/checking by JTS	Six monthly
Result	Increased usage of the shared public environments [Target will be set when baseline is known]	Baseline will be presented when projects are identified	Surveys of local communities	Ex-ante Ex-post
	Economic indicators will be developed following identification of projects	Not yet available	Reporting by beneficiaries and verification/checking by JTS	Six monthly
Impact (Direct)	Environments supported are perceived as being useful shared spaces	Baseline will be presented when projects are identified	Surveys of local communities	Ex-ante Ex-post
Impact (Global)	Increase in the percentage of people who think there are less Loyalist murals and flags on display these days than there were 5 years ago	17% (2005)	NI Life and Times Survey	Annual
	Increase in the percentage of people who think there are less Republican murals and flags on display these days than there were 5 years ago	2% (2005)	NI Life and Times Survey	Annual
	Percentage of people who think the neighbourhood where they live is a 'neutral space'	71% always 17% sometimes (2005)	NI Life and Times Survey	Annual

Table 4.4: Targets and indicators, Priority 2: Key institutional capacities are developed for a shared society

Type	Indicator	Baseline	Source	Timeframe
Output	10 pilot projects of cross-border co-operation between public sector bodies	0	Reporting by beneficiaries and verification/checking by JTS	Six monthly
	5 research reports disseminated	0	Reporting by beneficiaries and verification/checking by JTS	Six monthly
Result	Number of people benefiting from shared services [Target to be set when pilot projects have been identified]	0	Reporting by beneficiaries and verification/checking by JTS	Six monthly
	Number of public servants who can identify positive changes as a result of shared projects [Target to be set when pilot projects have been identified]			
Impact	50% of pilot projects go on to become mainstreamed		Reporting by beneficiaries and verification/checking by JTS	Ex-post

In relation to tables 4.3 and 4.4, the majority of the targets have been calculated on the basis of performance to date in comparable activities funded through the PEACE II programme.

- 4.36 Methods of measurement will vary for each of the indicators identified. Where the indicators are quantified it is envisaged that project monitoring will capture the relevant information and this will be input electronically onto the programme database. The PEACE I and PEACE II Programmes have already established baselines in regards to these indicators and the attitudinal surveys carried out in PEACE II will act as a baseline for further attitudinal surveys throughout the life of PEACE III. It is envisaged that an Attitudinal Survey will be carried out at least twice over the course of the PEACE III Programme. Other sources of information will include surveys, evaluation reports, research reports and where relevant photographic evidence before and after project development.
- 4.37 Where appropriate, qualitative research will be identified and carried out to add to the sources of verification in relation to the indicators identified above.

Target beneficiaries

- 4.38 This Priority will target areas showing the effects of conflict and/or community polarisation as a result of the conflict. Such areas might typically include:
- Sectarian interface areas where segregation and inter-community conflict and dispute is high and community relations are correspondingly poor;
 - Disadvantaged areas suffering the effects of physical dereliction as a consequence of the conflict, including areas 'marked out' with flags, emblems and sectarian graffiti;
 - Areas that have experienced high levels of sectarian and racial crimes, incidents and tensions;
 - Areas isolated by border closures and limited economic and social cross-border linkages; and
 - Areas where economic and social development has been inhibited by the conflict and problems of exclusion and marginalisation exist. This is illustrated by low levels of income, skills and qualifications and consequently high levels of multiple deprivation.
- 4.39 This Priority will also target the following groups:
- People who have been excluded or marginalised from economic, social and civil networks as a result of problems related to sectarianism, racism and the conflict (this includes, *inter alia*, a focus on young people, women and older people and minority communities); and
 - Public, private and voluntary sector organisations and their staff who have a contribution to make towards developing a shared society.

Indicative operations

4.40 The following is an indicative list of operations that may be financed under the theme of shared public spaces within this Priority. All operations will demonstrate how they promote social and economic stability by actions to promote cohesion between communities:

- Urban and rural regeneration activities in areas most affected by the conflict that are likely to have a positive impact on removing/replacing sectarian graffiti, flags and emblems;
- Urban and rural regeneration activities in areas most affected by the conflict that promote cross-community/cross-border interaction in areas most affected by the conflict;
- Public/community partnerships facilitated in support of urban renewal;
- Regeneration projects focused on removing/replacing peace walls; and
- Establishment of an urban development fund under Article 44 of Council Regulation (EC) No 1083/2006, within the context of an integrated plan for sustainable urban development.

The following are indicative lists of operations that may be financed under the theme of key institutional capacities and developed for a shared society within this Priority. All operations will demonstrate how they promote social and economic stability by actions to promote cohesion between communities:

- Supporting the active involvement of organisations in European networks, toward the exchange of good practices, research, and the dissemination of the results of this research;
- Supporting institutional development to deliver a shared society, and assist citizens in organising themselves to promote active citizenship and the accountability of the public service to constituencies;
- Promoting shared public services in areas such as community health centres, job centres and public transport;
- Promoting cross-community and cross-border sharing of educational facilities, and support governors, teachers and education providers to enable them to train, develop and educate young people to participate in a multi cultural society;
- Developing models to address issues of segregation in housing, and targeting public service delivery to ethnic minority groups; and
- Research that focuses on promoting innovative best practice and transnational learning in relation to peace, conflict resolution and reconciliation.

Budget

4.41 The budget for Priority 2 is €82.4m ERDF funding. Detailed financial allocations are provided in the financial tables in Appendix D.

Financial balance between Priority 1 and 2

- 4.42 A greater proportion of funding is allocated to Priority 1 as proposed activities are focused on addressing in-depth and complex issues such as the trauma of victims and survivors, and building local partnerships to tackle racism, intolerance and longstanding sectarian attitudes. A lower proportion of funding is allocated to Priority 2 as a key element of this Priority (key institutional capacities are developed for a shared society) is centered on supporting innovative public sector delivery models which are pilot or experimental in nature. Priority 2, therefore, will provide initial finance to explore new delivery models which could potentially be mainstreamed by government.

Priority 3: Technical assistance

- 4.43 This Priority will focus on two areas, as set out and described below:

- Programme information and publicity; and
- Management, monitoring and evaluation of the Programme.

Programme information and publicity

Rationale

- 4.44 Authorities in Ireland and Northern Ireland recognise the emphasis which the European Commission places upon information and publicity for EU funded activities. Communication plans are also required by Regulation EC No 1083/2006 in relation to information and publicity measures on assistance from the Structural Funds. Indeed, the Structural Funds Regulations require that publicity is given to EU funded activities. In particular this aims to inform potential final beneficiaries about the opportunities afforded by the available assistance as well as informing the general public about the role played by the European Union through assistance provision. Publicity will also raise awareness of the opportunities that exist under the Programme and of its benefits.

Aim

- 4.45 The aim of this element of the Priority is to publicise the contribution of the PEACE III Programme in reinforcing progress towards a peaceful and stable society and promoting reconciliation by:
- Informing potential and final beneficiaries about the opportunities offered by the Programme in the eligible region;
 - Informing the general public inside the region and outside about the Programme's results and impacts; and
 - Regularly reporting to the Monitoring Committee on the achievements of the communication action plan.

Management, monitoring and evaluation of the Programme

Rationale

- 4.46 Under the Structural Funds Regulations, the impact of Operational Programmes must be regularly monitored and evaluated. This provides the evidence base to ensure that optimum use is made of EU assistance throughout the life of the Programme. This element of the Priority will provide the resources to enable the requirements of monitoring and evaluation to be met.

Aim

- 4.47 The aim of this element of the Priority is to facilitate and support the management, monitoring and evaluation of the PEACE III Programme. With a view to ensuring that optimum use is made by all implementing bodies of EU assistance, the aim of this element of the Priority is to facilitate and support the management, monitoring and evaluation of the PEACE III Programme.

Quantified targets and indicators

- 4.48 The specific outputs, results and impacts of the Priority will be monitored and evaluated using the indicators and targets set out in the following table:

Table 4.5: Targets and indicators, Priority 3: Programme information and publicity

Type	Indicator	Baseline	Source	Timeframe
Output	2 public launches of the Operational Programme	0	Managing Authority	Six monthly
	25 dissemination activities supported	0	Managing Authority	Six monthly
	100 press releases	0	Managing Authority	Six monthly
Result	Average of 60 hits per month on website	0	Managing Authority website information	
	200 publicity and information enquiries	0	Managing Authority	
Impact	Increased overall awareness of the Operational Programme	First survey will be conducted in Autumn 2007	Omnibus Survey	Annually
	Increased awareness of the role of the EU in the Operational Programme	First survey will be conducted in Autumn 2007	Omnibus Survey	Annually

Table 4.6: Targets and indicators, Priority 3: Management, monitoring and evaluation of the Programme

Type	Indicator	Baseline	Source	Timeframe
Output	9 Technical Assistance projects funded	0 [58 implementation projects in Peace II]	Programme monitoring by Managing Authority	Six monthly
Result	14 monitoring reports completed	0 [10 progress reports for Peace II]	Programme monitoring by Managing Authority	Six monthly
	19 evaluation reports completed	0 [12 research studies in Peace II]	Programme monitoring by Managing Authority	Six monthly
Impact	100% of reports submitted to the EU Commission comply with regulations	0	Programme monitoring by Managing Authority	Six monthly
	100% of recommendations from evaluation reports responded to by Managing Authority and implemented where appropriate	0	Programme monitoring by Managing Authority	Six monthly

In relation to tables 4.5 and 4.6, the majority of the targets have been calculated on the basis of performance to date in comparable activities funded through the PEACE II programme.

Target beneficiaries

4.49 The Technical Assistance Priority will be targeted at the following stakeholders:

- Implementing bodies and other Programme structures;
- Potential beneficiaries under the Programme;
- Key intermediaries potentially interested in the objectives and delivery of the Programme including: news media and experts; regional and local authorities and other competent public authorities; religious authorities; trade unions; business organisations; academia and other research centres; the economic and social partners; and, non-governmental organisations, in particular those involved in equality issues and/or the implementation of aspects of the Belfast/‘Good Friday’ Agreement; and
- General public in Northern Ireland and the Border Region of Ireland and elsewhere in Europe.

Indicative operations

4.50 The following is an indicative list of operations that will be financed under this Priority:

- Development of a communication plan;
- A major information activity to launch the Operational Programme;
- Distribution of information and publicity about the programme and its impacts, including the dissemination of examples of good practice;
- Central archiving and access provided to all studies carried out on the Programme;
- Design, maintenance and promotion of the website (<http://www.seupb.eu>);

- Verification and assistance in the correct use of Programme's logo and other references to the programme by implementing bodies, funded projects and media relays;
- Costs associated with the preparation, selection, appraisal, monitoring of the Programme and of its individual operations (excluding expenditure on the acquisition and installation of computerised systems for management, monitoring and evaluation);
- Expenses associated with the meeting of the Programme Monitoring Committee and its sub-committees/working groups;
- Expenditure relating to controls, audits and on-the-spot checks of individual operations;
- Studies to develop appropriate monitoring and internal co-ordination procedures amongst implementing bodies involved in the Programme; and
- Mid-term and other evaluations of the Programme or particular aspects of the Programme.

Budget

4.51 The budget for Priority 3 is €13.5m ERDF funding. Detailed financial allocations are provided in the financial tables in Appendix D.

Moving from PEACE II to PEACE III

4.52 One of the key themes in the PEACE III Programme will be to take forward the lessons and best practices that have been gained from previous PEACE Programmes. The PEACE III Programme, for example, has been designed to take forward key lessons that include, *inter alia*:

- **Placing a greater focus on reconciliation objectives:** the PEACE III Programme has incorporated key stands of the definition of reconciliation (as defined by Hamber and Kelly) into its core objectives;
- **Reducing the complexity of the Programme:** two Priorities have been included within the Programme to be supported through one fund, ERDF;
- **Identifying targets and indicators:** in line with developing a Programme which has a greater focus on reconciliation, targets and indicators have been included that will seek to specifically measure the contribution of the PEACE II Programme towards peace and reconciliation goals;
- **Encouraging a bottom-up approach:** local partnership approaches will be a key feature of the delivery of Priorities 1 and 2. Aspects of Priority 1, for example, will be delivered through local authority action plans that will promote strategic models of partnership between the public, private and community sectors. In addition, public or community partnerships will be supported to deliver strategic new urban infrastructural developments as part of Priority 2. At the same time, however, locally led participative initiatives will be supported within the context of integrated strategic frameworks to facilitate co-ordination; and

- **Promoting innovation:** local authorities and other public, private and community organisations will be provided the opportunity to develop innovative approaches for delivering elements of Priorities 1 and 2. This includes, for example, innovative inclusive responses for developing positive relations at the local level and innovative public sector delivery models for addressing issues related to a shared society.

4.53 Another key aspect of the PEACE III Programme is to build on the progress and best practice work that has been made in relation to building peace at the ground level. In this regard, it will be important to bring forward the experiences, skills and capacities that have been developed during the previous PEACE Programmes. The following paragraphs outline areas in which activities and groups, supported under PEACE II and the PEACE II extension in particular, could be potentially continued under PEACE III:

- **Economic activities/business support:** while the PEACE III Programme is not specifically focused on providing business support, the private sector will be encouraged to work in partnership with the public and community stakeholders in Priority 2 (Creating shared public spaces) to regenerate urban spaces and interface areas. Under this partnership approach, private business can play a key role in designing innovative approaches for transforming the physical environment in a way which changes behavioural patterns in relation to shopping/ working/socialising and maximises potential for reconciliation and economic development. In addition, under Priority 1 (Building positive relations at the local level) the private sector will be invited to work in partnership with other stakeholders and establish meaningful cross-community and cross-border initiatives that will improve trust and tolerance and reduce levels of sectarianism and racism, including the promotion of activities in the workplace;
- **Cross-border initiatives:** while no specific Priority for cross-border co-operation is included in PEACE III, cross-border co-operation has been mainstreamed into the Programme. Cross-border projects which are significant, meaningful and add value to the Programme objectives will be actively encouraged and supported across all Priorities. In particular, Priority 2 (Key institutional capacities are developed for a shared society) will actively seek to support innovative public sector delivery models that can deliver a shared society within Northern Ireland and on a cross-border basis. In addition, opportunities for cross-border co-operation specifically exist in Priority 1 (Building positive relations at the local level) to develop local responses to addressing issues of sectarianism and racism, and promoting shared identity and cultural diversity. In this regard, it is anticipated that there will be a substantial number of cross-border projects which will meet the Programme objectives across all Priorities;
- **Rural areas/rural groups:** whilst some particular economic and social needs of rural areas will be addressed by the other EU funded programmes (Northern Ireland Rural Development Programme and the Rural Development Programme for Ireland⁹¹), promoting reconciliation in rural areas is a key focus of the PEACE III Programme. All actions of the Programme are relevant to rural areas. Reconciliation in rural areas, for example, will be specifically addressed through Priority 1 (building positive relations at the local level). This element of Priority 1 will facilitate partnership approaches among a range of stakeholders at the local level with a view to reducing levels of sectarianism and racism, and promoting shared identity and cultural diversity. Interface areas in rural areas will also be included under Creating shared public spaces in Priority 2;

⁹¹ Department of Agriculture and Rural Development (2006) Draft Northern Ireland Rural Development Programme 2007-2013; Department for Agriculture and Food (2006) Ireland Rural Development National Strategy Plan 2007-2013.

- **Women:** in seeking to establish strategic models of collaboration and develop meaningful cross-community and cross-border initiatives, Priority 1 (Building positive relations at the local level), will pay particular attention to supporting the active role of communities and voluntary organisations in decision making. As part of this approach, the PEACE III Programme will encourage the involvement of women in partnerships and draw on the positive contribution they can make to peace and reconciliation. Indeed, the PEACE III Programme will also have due regard to Resolution No1325 (2000) of the United Nations Security Council which urges participating States to ensure increased representation of women at all decision making levels in institutions and mechanisms for the prevention of conflict;⁹²
- **Ex-prisoners:** although the nature of the challenge facing ex-prisoners has shifted over the last number of years towards reducing the barriers to employment and other regulatory employment related issues which are outside the scope of PEACE III,⁹³ ex-prisoners can still have an important role in the Programme. Ex-prisoners will be supported under the local action plans (building positive relations at local level) and could also have a role in exchanging different views of history and culture and different conflict and post-conflict experiences (acknowledging and dealing with the past);
- **Children and young people:** on a similar basis to women, children and young people will be supported in Priority 1. Under this approach, children and young people will be supported to encourage integration in society, extend the concept of formal citizenship, address issues of sectarianism and racism, and work towards shared identity and cultural diversity. In addition, children and young people can potentially benefit from Priority 2 (key institutional capacities are developed for a shared society) which seeks to support the development of innovative public sector delivery models in the areas such as education;
- **Victims:** in the PEACE III Programme, the needs of victims will be specifically supported under Priority 1 (acknowledging and dealing with the past). In developing a comprehensive approach to the provision of services, this element of the Priority will provide support for improving the accessibility of conflict trauma counselling and community befriending services. As one of the groups in society that has been marginalised by the conflict, the involvement of victims will also be encouraged in the development and implementation of local actions plans (building positive relations at the local level); and
- **ERDF funding:** The PEACE I (1995-1999) and PEACE II (2000-2004) Programmes included contributions from four funds ERDF, ESF, EAGGF and FIGG. In response to the smaller budgets and in the interests of simplification, only two funds were included in the PEACE II Extension (2004-2006); ERDF; ESF. The EU contribution of the PEACE III will be funded solely from ERDF. The PEACE III Programme will have a greater focus on reconciliation, and it is proposed that activities with a stronger economic focus, including labour market interventions, would be funded from other EU Programmes or national initiatives. In Northern Ireland, the funding proposed in the ESF Competitiveness Programme will enable activity similar to that currently funded under the BSP Programme and delivered by projects including Voluntary and Community sector training and development, FE Colleges and District Councils. This does not mean there is a transfer of projects from PEACE II to the Competitiveness Programme, but rather opportunity will exist for the voluntary sector to apply for funding within the competitiveness programme within the policy parameters of that programme. Those targets

⁹² United Nations Security Council (2000) Resolution 1325, Adopted by the Security Council at its 4213th meeting on 31st October 2000.

⁹³ Northern Ireland Office (2006) Agreement at St Andrews.

groups that were the main beneficiaries of ESF funding in previous programmes i.e. women, victims, children and ex-prisoners will be able to benefit from ERDF support as outlined in the preceding paragraphs.

V Programme Implementing Provisions

Introduction

5.1 In accordance with the requirement of Article 12 of Council Regulation (EC) No 1080/2006, this section sets out the implementing provisions for the PEACE III Programme for Northern Ireland and the Border Region of Ireland. This has been developed taking into account the requirements of the Council Regulation referred to above and the general provisions for structural funds as outlined in Council Regulation (EC) No 1083/2006. The following issues are considered:

- Designation of authorities;
- Monitoring and evaluation;
- Financial management;
- Implementation arrangements;
- Information and publicity; and
- Compliance with Community policies (i.e. competition, sustainable development and equality of opportunity).

Designation of authorities

5.2 This section deals with the designation of authorities as required by Article 14 of Council Regulation (EC) No 1080/2006.

Managing Authority

5.3 The Special EU Programmes Body (SEUPB) is the designated Managing Authority of the PEACE III Programme. All correspondence in this regard should be directed to the SEUPB's head office in Belfast.

5.4 The SEUPB is one of the six cross-border Bodies set up under the "Agreement between the Government of Ireland and the Government of the United Kingdom of Great Britain and Northern Ireland establishing implementing bodies" signed on 8 March 1999 (the British-Irish Agreement of 8 March 1999). The Agreement was given domestic effect, North and South, by means of the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 and the British-Irish Agreement Act 1999 respectively.

5.5 In accordance with Article 60 of Council Regulation (EC) No 1083/2006 and Article 15 of Council Regulation (EC) No 1080/2006 the SEUPB in its capacity as Managing Authority will carry out the following functions:

- Ensure that operations are selected for funding in accordance with the criteria applicable to the PEACE III Programme and that they comply with applicable Community and national rules for the whole of their implementation period;

- Satisfy itself that expenditure of each beneficiary participating in an operation has been validated by the controller referred to in Article 16 (1) of the Council Regulation (EC) No 1080/2006, as further described in paragraph 5.16 below;
- Ensure that there is a system for recording and storing in electronic form accounting records for each operation under the Operational Programme, and that the data on implementation necessary for financial management, monitoring, verifications, audits and evaluation are collected;
- Ensure that beneficiaries and other bodies involved in the implementation of operations, maintain either a separate accounting system or an adequate accounting code, for all transactions relating to the operation without prejudice to national accounting rules;
- Ensure that the evaluations of Operational Programmes referred to in Article 48(3) are carried out in accordance with Article 47 of Council Regulation (EC) No 1083/2006;
- Establish procedures to ensure that all documents regarding expenditure and audits required to ensure an adequate audit trail, are held in accordance with the requirements;
- Ensure that the Certifying Authority receives all necessary information on the procedures and verifications carried out in relation to expenditure for the purpose of certification;
- Guide the work of the Monitoring Committee and provide it with the documents required to permit the quality of the implementation of the Operational Programme to be monitored in the light of its specific goals;
- Draft and, after approval by the Monitoring Committee, submit the annual and final reports on implementation to the Commission;
- Ensure compliance with the information and publicity requirements laid down in Article 69; and
- Provide the Commission with information to allow it to appraise major projects.

5.6 In carrying out its functions as the Managing Authority, the SEUPB will work in close liaison with the relevant government departments, which are accountable for expenditure. The Managing Authority, in close consultation and agreement with the Member States, will also agree the management arrangements for the Programme taking into account the advice of the Programme Monitoring Committee. The Managing Authority will ensure that such arrangements are recorded. The Managing Authority remains responsible at all times for the management of the Programme and ensuring that it is delivered in a manner which maximises efficiency and effectiveness.

5.7 In addition, the Managing Authority takes note of the Regions for Economic Change Initiative and will consider it during the operational lifetime of the programme. Regions for Economic Change provides opportunities for the lessons and experience of EU PEACE funding to be disseminated to a wider audience and applied to current and future programme development. These opportunities will be considered in the context of the wider Task Force announced by President Barroso during his visit to Northern Ireland on 1 May 2007. The Task Force will look at how best Northern Ireland can participate in the EU initiatives, financial and non-financial. It will cover a broad range of policy issues, including sustainable regional development, employment, rural development, and environment. The Task Force will assist in

meeting the economic goals of the region, in line with the Lisbon jobs and growth strategy, developing a dynamic, sustainable, enterprising and innovative economy.

Certifying Authority

- 5.8 The SEUPB is the designated Certifying Authority for the PEACE III Programme. All correspondence in this regard should be directed to the SEUPB's head office in Belfast.
- 5.9 To ensure adequate separation of responsibilities the functions of the Certifying Authority will be carried out by the Director of Corporate Services and will be functionally independent of the staff of the Managing Authority.
- 5.10 In accordance with Article 61 of Council Regulation (EC) No 1083/2006 and Article 14 of Council Regulation (EC) No 1080/2006, the SEUPB in its capacity as Certifying Authority will carry out the following functions:
- Prepare and submit to the Commission certified statements of expenditure and applications for payment certifying that:
 - The statement of expenditure is accurate, results from reliable accounting systems, and is based on verifiable supporting documents; and
 - The expenditure declared complies with applicable Community and national rules and has been incurred in respect of operations selected for funding in accordance with the criteria applicable to the Programme and complying with Community and national rules.
 - Ensure for the purposes of certification that it has received adequate information from the Managing Authority on the procedures and verifications carried out in relation to expenditure included in statements of expenditure;
 - Take account for certification purposes of the results of all audits carried out by, or under the responsibility of, the audit authority;
 - Maintain accounting records in computerised form of expenditure declared to the Commission; and
 - Keep an account of amounts recoverable and of amounts withdrawn following cancellation of all or part of the contribution for an operation. Amounts recovered shall be repaid to the general budget of the European Union prior to the closure of the Operational Programme by deducting them from the next statement of expenditure.

Audit Authority

- 5.11 In accordance with Article 14 of Council Regulation (EC) No 1080/2006, the Internal Auditor of the SEUPB will be the audit authority for the PEACE III Programme. All correspondence in this regard should be directed to the SEUPB's head office in Belfast.
- 5.12 The Internal Auditor is functionally independent from the SEUPB. The Internal Auditor reports to an Audit Committee, which has an independent chair and independent member. The Internal Audit functions are provided by Internal Auditor, Department of Finance and Personnel for Northern Ireland, and this relationship is governed by a Service Level

Agreement. The service level agreement will be amended to incorporate the functions of the Audit Authority as detailed in Article 62 of Council Regulation (EC) No 1083/2006.

5.13 The functions of the Audit Authority include:

- Ensuring that audits are carried out to verify the effective functioning of the management and control system of the Operational Programme;
- Ensuring that audits are carried out on operations on the basis of an appropriate sample to verify expenditure declared;
- Presenting to the Commission, within nine months of the approval of the Operational Programme, an audit strategy covering the bodies which will perform the audits referred to under the first two bullet points and including:
 - the method to be used;
 - the sampling method for audits on operations; and
 - the indicative planning of audits to ensure that the main bodies are audited and that audits are spread evenly throughout the programming period.
- Submitting to the Commission, by 31 December each year from 2008 to 2015, an annual control report. This report will set out the findings of the audits carried out during the previous 12 month-period (ending on 30 June of the year concerned in accordance with the audit strategy of the Operational Programme) and report on shortcomings found in the systems for the management and control of the Programme. The first report, to be submitted by 31 December 2008, shall cover the period from 1 January 2007 to 30 June 2008. The information concerning the audits carried out after 1 July 2015 shall be included in the final control report supporting the closure declaration referred to in the point below;
- Issuing an opinion, on the basis of the controls and audits that have been carried out under its responsibility, as to whether the management and control system functions effectively. This will provide a reasonable assurance that statements of expenditure presented to the Commission are correct and that the underlying transactions are legal and regular;
- Submitting, where applicable under Article 88, a declaration for partial closure assessing the legality and regularity of the expenditure concerned; and
- Submitting to the Commission by 31 March 2017, at the latest a closure declaration (assessing the validity of the application for payment of the final balance, and the legality and regularity of the underlying transactions covered by the final statement of expenditure) which shall be supported by a final control report.

5.14 The Audit Authority will provide the opinion of adequacy of controls as outlined in Article 71 (3) of Council Regulation (EC) No 1083/2006.

5.15 A combined Audit Strategy will be developed which covers the PEACE III Programme and the Territorial Co-operation Programme for the Border Region of Ireland, Northern Ireland and the West Coast of Scotland (INTERREG IV). The Member States have agreed that the Audit Authority referred to above, will have the authority to carry out its duties directly

without the establishment of a group of auditors drawn from the two Member States, (Article 14(2) 2nd sub paragraph of Council Regulation (EC) No 1080/2006).

Joint Technical Secretariat

- 5.16 The SEUPB shall be the Joint Technical Secretariat (JTS) for the Programme as defined by Article 14 of Council Regulation (EU) No 1080/2006. All correspondence in this regard should be directed to the SEUPB's head office in Belfast. The JTS will assist the Managing Authority and Monitoring Committee in carrying out its functions.

In particular, the JTS will be responsible for:

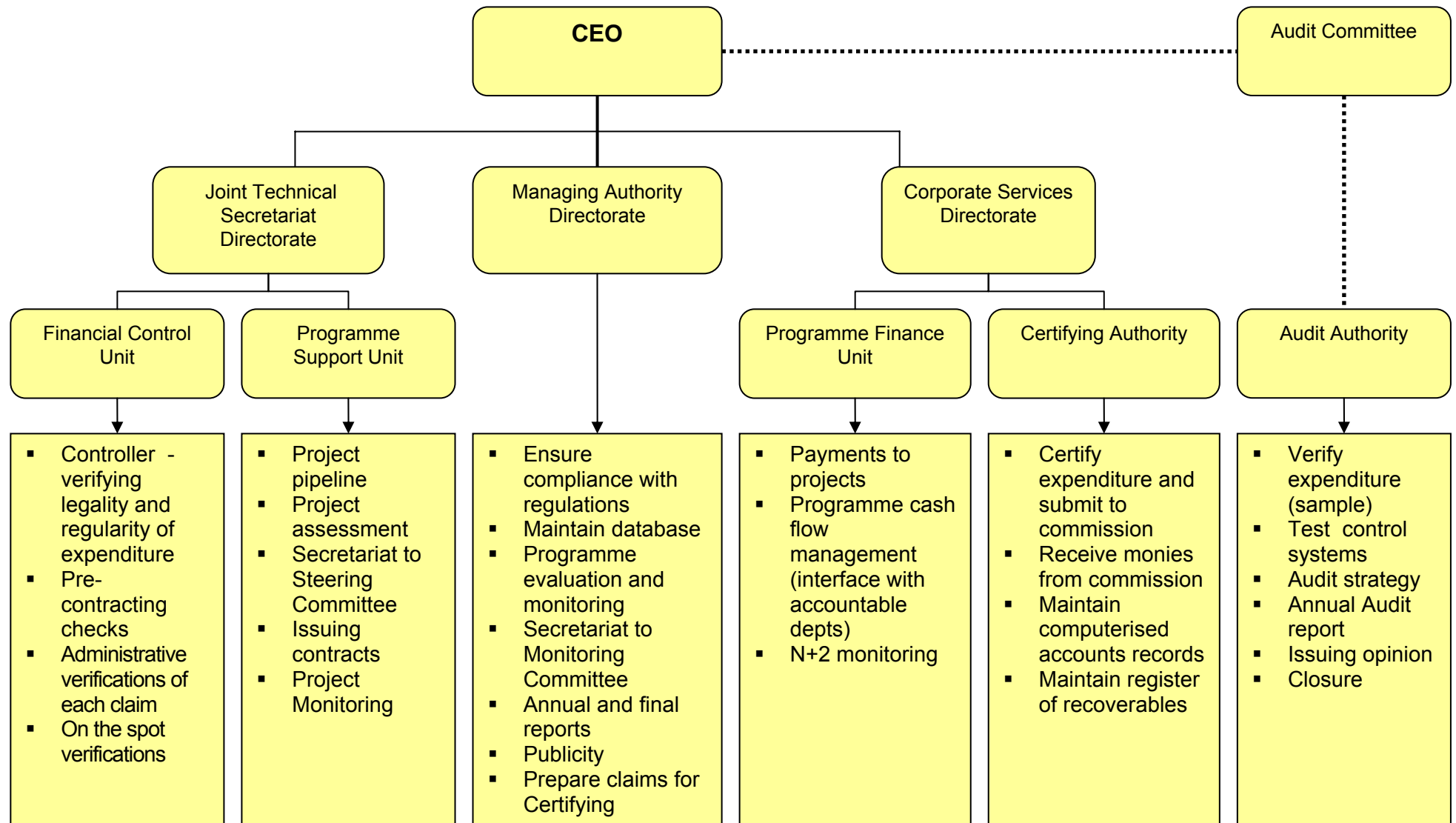
- Creating a project pipeline by issuing calls for proposals in line with the criteria defined in the Operational Programme and agreed by the Monitoring Committee;
- Assessing project proposals for consideration by the relevant Steering Committee;
- Providing secretariat services to the Steering Committees;
- Issuing contracts of funding to successful project applicants;
- Maintaining monitoring records on behalf of the programme and entering these into the database; and
- Ensuring that the Financial Control Unit (FCU) within the JTS will carry out re-contracting checks in accordance with Article 13 of Council Regulation (EU) No 1828/2006. The Financial Control Unit will also be responsible for administrative verifications of each claim, and on the spot verifications.

The FCU will act as the Controller as defined in Article 16 of Council Regulation (EU) 1080/2006. The legislative basis of the SEUPB enables it to perform the Controller functions throughout the eligible area.

Organisational Structure of SEUPB

- 5.17 There is a strict segregation of responsibilities at Director level within the SEUPB between the Directors responsible for Managing Authority, Certifying Authority (corporate services) and the Joint Technical Secretariat. Corporate Services provide financial services to other aspects of the organisation through a Programme Financial Unit (PFU), these being segregated at Manager level (accountant level) from Certifying Authority functions. Within the JTS, the FCU is segregated at Manager level (accountant level) and will carry out its functions independently in this regard from the other programme support functions of the Joint Technical Secretariat.
- 5.18 In accordance with Article 71 of Council Regulation (EC) No 1083/2006 and Article 21 of Council Regulation (EC) No 1828/2006 a full description of the systems and financial controls will be submitted to the Commission before the first interim payment and at the latest within 12 months of approval of the Programme.

Figure 5.1: Organisational Structure



Monitoring Committee

- 5.19 In accordance with Article 63 Council Regulation (EC) No 1083/2006 a Programme Monitoring Committee will be established. The Monitoring Committee will meet within 3 months of formal approval of the Programme.
- 5.20 The Monitoring Committee will be chaired by the Managing Authority and will include representation from the two Member States (Department of Finance and Department of Finance and Personnel), the Certifying Authority, Business, Trade Unions, the Agriculture/Rural Development/Fisheries sector, the Community and Voluntary sector, and those representing environmental and equal opportunities interests. Membership will also incorporate elected representatives (including local authority representatives), ensuring that all main political parties are represented on the Committee. The participation of each of the different sectors shall be balanced. An independent expert on peace and reconciliation will be requested to participate on the Committee. Particular effort will also be made to promote the balanced participation of women and men. There will be balanced representation from both Member States. The EU Commission shall participate in an advisory capacity.
- 5.21 The Managing Authority will be responsible for the preparation of documentation relating to Monitoring Committee meetings including reports, agendas and summary records of meetings. The Programme Monitoring Committee will be chaired by the Chief Executive of the Managing Authority or his nominee. The Committee will draw up its own rules of procedure and agree them with the Managing Authority. At its first meeting, the Committee shall approve detailed provision for the proper and efficient discharge of the duties assigned to it, including the frequency of its meetings. In particular, the Monitoring Committee will:
- Provide arrangements to review progress towards achieving the specific objectives of the Programme;
 - Satisfy itself as to the effectiveness and the quality of the implementation of the Programme;
 - Within six months of the approval of the Operational Programme consider and approve the criteria for selecting the operations financed, and approve any revision of those criteria in accordance with programming needs;
 - Put in place arrangements to ensure the selection of operations in accordance with Article 19 of Council Regulation (EC) No 1080/2006 by an appropriate Steering Committee(s);
 - Periodically review progress made towards achieving the specific targets of the Operational Programme on the basis of documents submitted by the Managing Authority;
 - Examine the results of implementation, particularly the achievement of the targets set for each Priority axis and the evaluations referred to in Article 48(3);
 - Consider and approve the annual and final reports on implementation referred to in Article 67;
 - Be informed of the annual control report (or of part of the report referring to the Operational Programme concerned) and any relevant comments the

Commission may make after examining that report or relating to that part of the report;

- It may propose to the Managing Authority any revision or examination of the Operational Programme likely to make possible the attainment of the Funds' objectives referred to in Article 3 or to improve its management, including its financial management; and
- Consider and approve any proposal to amend the content of the Commission decision on the contribution from the Funds.

5.22 Non-Permanent Members from the Member States or other relevant organisations may be invited by the Programme Monitoring Committee to attend Monitoring Committee meetings in response to specific agenda items. Implementing bodies and other interested parties will be invited to attend as observers.

5.23 The Programme Monitoring Committee may be assisted by a number of working groups, which will report directly to the Programme Monitoring Committee. The operations of the working group will be funded under Technical Assistance. The membership and remit of these groups will be proposed by the Programme Monitoring Committee and may operate on a limited or long-term basis.

Steering Committee

5.24 The Monitoring Committee shall delegate the responsibility for the selection of projects to a Steering Committee(s) as enabled by Article 19 of Council Regulation (EU) No 1080/2006;

5.25 The Steering Committee(s) will be constituted on a cross-border basis, reflect the principles of partnership and have the necessary technical expertise and independence to assess operations for funding. The Steering Committee(s) shall be responsible for selecting projects and will be supported by the JTS.

Annual reports

5.26 In accordance with Article 67, the Managing Authority submits to the Commission (within 6 months of the end of each full calendar year of implementation) an Annual Implementation Report. The first report will be due by 30 June 2008. The report must be examined and approved by the Programme Monitoring Committee before it is sent to the Commission. Once the Commission has received the report, it shall indicate, within a period of 2 months, if the report is unsatisfactory and provide reasons. Otherwise, the report shall be deemed to be accepted. The Annual Report shall include the following information:

- The progress made in implementing the Operational Programme and Priority axes in relation to their specific, verifiable targets, with a quantification (wherever and whenever they lend themselves to quantification), using the indicators referred to in Article 37(1)(c) at the level of the Priority axis;
- The financial implementation of the Operational Programme, detailing for each Priority axis;

- The expenditure paid out by the beneficiaries included in applications for payment sent to the Managing Authority and the corresponding public contribution;
- The total payments received from the Commission and quantification of the financial indicators referred to in Article 66(2);
- The expenditure paid out by the body responsible for making payments to the beneficiaries. Where appropriate, financial implementation in areas receiving transitional support shall be presented separately within each Operational Programme;
- For information purposes only, the indicative breakdown of the allocation of funds by categories, in accordance with the implementation rules adopted by the Commission procedure referred to in Article 103(3);
- The steps taken by the Managing Authority or the Monitoring Committee to ensure the quality and effectiveness of implementation, in particular:
 - Monitoring and evaluation measures, including data collection arrangements;
 - A summary of any significant problems encountered in implementing the Operational Programme and any measures taken, including the response to comments made under Article 68(2) where appropriate;
 - The use made of Technical Assistance.
- The measures taken to provide information on and publicity for the Operational Programme;
- Information about significant problems relating to compliance with Community law which have been encountered in the implementation of the Operational Programme and the measures taken to deal with them;
- Where appropriate, the progress and financing of major projects; and
- The use made of assistance released following cancellation as referred to in Article 98(2).

Final report

- 5.27 A final report will be submitted to the Commission at the latest 6 months after the final date of eligibility of expenditure. The same content and procedure (submission to the Commission by the Managing Authority after examination and approval by the Monitoring Committee) for annual reports apply to the final report. In the case of a final report, the Commission will indicate if the report is considered acceptable within a period of 5 months from receipt of the report.

Annual implementation review

- 5.28 In accordance with Article 68, when the Annual Implementation Report is submitted, the Commission and the Managing Authority shall review the main outcomes of the previous year. After this review, the Commission may make comments to the Member States and the Managing Authority. The Monitoring Committee will be informed accordingly. The

Member States will inform the Commission of any action taken in response to these comments.

Monitoring and Evaluation

- 5.29 Monitoring will be carried out by the Managing Authority under the supervision of the Programme Monitoring Committee. This monitoring will ensure the quality and effectiveness of implementation through assessment of progress towards achievement of the financial, physical and impact indicators. It will involve the organisation and co-ordination of the data relating to the financial, physical and impact indicators and those concerning qualitative aspects of implementation.
- 5.30 Monitoring and evaluating the previous EU Programmes for Peace and Reconciliation in Northern Ireland and Ireland has not been straightforward. The PEACE Programmes are unique amongst EU Structural Fund Programmes in their aims and objectives, and as a result do not easily lend themselves to the type of measurement and quantification that can be applied to more conventional economic and social development programmes. This is particularly true when it comes to assessing the impacts of the interventions.
- 5.31 These difficulties have been recognised in recent evaluations such as the Mid-Term Update Evaluation for PEACE II and the Ex Ante Evaluation for PEACE III. Despite this, significant efforts have been made throughout the implementation of the PEACE II Programme to obtain more information, both quantitative and qualitative, on the impacts of the assistance. However, it is recognised that further steps need to be taken to develop an appropriate monitoring and evaluation plan that is integrated with the implementation of the PEACE III Programme from the outset.
- 5.32 In an effort to inform this issue, the Monitoring and Evaluation Working Group of the PEACE II Monitoring Committee commissioned PricewaterhouseCoopers to develop a monitoring and evaluation framework for PEACE building. The report from this exercise⁹⁴, together with lessons learned from current and previous experience and the findings of the ex-ante evaluation for PEACE III, have all informed the development of this strategy for monitoring and evaluating PEACE III.
- 5.33 The key aspects of the Monitoring and Evaluation Strategy involve:
- Ongoing monitoring and reporting against the agreed Context, Priority and Sub-Priority indicators;
 - Ongoing detailed quantitative and qualitative monitoring and evaluation building up from the project level and based on the methodology recommended in the PWC report;
 - In line with the Commission working paper on on-going evaluation,⁹⁵ periodic evaluations of the Programme will be undertaken if (i) monitoring information reveals a significant departure from targets set, or (ii) major changes to the Operational Programme are required; and
 - A full evaluation of the Programme will be carried out during the life-time of the Programme, involving a synthesis of the work carried out in the ongoing

⁹⁴ PricewaterhouseCoopers (2007) *A monitoring and evaluation framework for peace building, Final Report*.

⁹⁵ Working Paper 5: *Indicative Guidelines on Evaluation Methods: Evaluation during the Programming Period (October 2006)*.

evaluations. In addition, this evaluation will review monitoring data and performance indicators with the purpose of assessing progress towards the key objectives and to recommend corrective actions if there is under-performance. It will also be used to support any proposed changes to the Operational Programme or reallocation of financial resources.

The general Monitoring and Evaluation Strategy outlined here will be further articulated in a detailed Monitoring and Evaluation Plan. The Plan will be developed on an annual basis by the Monitoring Committee, through a formal sub-group similar to the Monitoring and Evaluation Working Group which existed for PEACE II. This Working Group will identify the subject areas for on-going evaluation to reflect the issues most pertinent to the effective delivery of the Programme throughout the life of PEACE III. The Plan will be publicly available and will be of particular use to Monitoring Committee members and to project managers and implementers.

Context, Priority and Sub-Priority indicators

- 5.34 A suite of output, result and impact indicators have been developed for the Programme at a Priority and Sub-Priority level.
- 5.35 These indicators have been informed by a number of pieces of research and a range of processes. Namely, experience gained in monitoring PEACE I and PEACE II; a Logical Framework exercise carried out as part of the development of the PEACE III Operational Programme; various commissioned consultant and academic reports;⁹⁶ the Ex-Ante Evaluation for PEACE III and consultation responses to the draft PEACE III Programme which included comments from existing PEACE II implementing bodies.
- 5.36 The information to enable reporting against each of the indicators will be collected from a variety of sources. In the previous section, Priority level indicators were outlined including, baseline figures and targets, where appropriate, and the source and regularity of the data. The inclusion of ex ante and ex-post surveys as a source of information for many of these indicators meets the recommendation included in the PEACE III Ex Ante Evaluation.

Context indicators

- 5.37 It is acknowledged that other changes, in addition to those implemented through the PEACE Programme, need to occur as part of the process towards building a peaceful and stable society. Similarly, the PEACE III Programme operates within a broad context, much of which is outside the control of the Programme. In order to provide contextual information for the environment within which the Programme is being implemented a series of context indicators have also been included. These indicators are outlined in Appendix C. It is important to note that these are not designed to be measures of the success or otherwise of the PEACE III interventions, but can provide useful information on the wider picture in the region.

⁹⁶ This includes PriceWaterhouseCoopers (2007) *A monitoring and evaluation framework for peace building, Final Report, and Knox, C. (2007) PEACE III Guidelines and Assessment Framework.*

Ongoing quantitative and qualitative monitoring and evaluation

- 5.38 As outlined in the Ex Ante Evaluation, in comparison with the previous PEACE Programmes, the PEACE III Programme seeks to focus more directly on progress towards a peaceful and stable society and promoting reconciliation with fewer indirect measures dealing with economic development or physical regeneration. The Ex Ante Evaluation also acknowledges that these are the areas in which it has been particularly difficult to measure the impacts in previous programmes.
- 5.39 The following actions will be taken in an effort to obtain information that is meaningful at both a project and programme level. Prior to the issue of a letter of offer, a discussion will take place with each Lead Partner. This discussion will outline and agree the specific monitoring and evaluation mechanisms that will be applied to that particular project/operation. This will seek to identify the collation of any information necessary to contribute to the indicators discussed in the previous section. Additionally, an ongoing monitoring and evaluation mechanism will be agreed. This will involve the lead partner being required to:
- Identify their current understanding of the conflict in their area and the peace building needs the project is seeking to address;
 - Assess how the project is relevant to these needs;
 - Identify any risks for the project; and
 - Evaluate the conflict and peace building effects of the project.

Responsibilities

- 5.40 Implementing the Monitoring and Evaluation Plan will be the responsibility of the Managing Authority and the associated reports will be assessed by the Programme Monitoring Committee and, in the case of specific evaluations, by the European Commission.
- 5.41 In line with the regulations, the PEACE III Monitoring Committee shall examine the results of implementation and periodically review progress made towards achieving the targets set for the priorities and sub-priorities. This periodic review will take place at least once each year and will ensure the quality and effectiveness of implementation.
- 5.42 Evaluations will be carried out in accordance with Article 47. At a regional/policy level, the key issues which will be addressed in evaluation are:
- **Rationale** - to what extent is the Programme strategy justified?
 - **Relevance** - to what extent are the Programme objectives pertinent in relation to the evolving needs and priorities at national level?
 - **Efficiency** - how economically have the various inputs been converted into outputs and results?
 - **Effectiveness** - how far have the project's impacts contributed to achieving its specific and general objectives?
 - **Utility** - how do the project's impacts compare with the needs of the target population? And

- **Sustainability** - to what extent can the positive changes be expected to last after the project has been terminated?

5.43 In accordance with Article 43, the ex-post evaluation will be the responsibility of the European Commission, in collaboration with the Member States and the Managing Authority. It will cover the utilisation of resources, the effectiveness and efficiency of the Programme and its impact, and it will draw conclusions regarding policy on economic and social cohesion. It will cover the factors contributing to the success or failure of implementation and the achievements and results, including their sustainability. It will be carried out by independent assessors and be completed not later than 3 years after the end of the Programming period.

Financial Management

Financial flows

- 5.44 Without prejudice to the Commission's responsibility for implementing the general budget of the European Communities, the Member State shall take responsibility in the first instance for the financial control of assistance.
- 5.45 In the Member States, the treatment of Structural Funds expenditure is based on the principle that receipts from the Commission should be managed, disbursed and monitored in exactly the same way and using the same systems as other national public expenditure. The basic principles of Government Accounting apply to these receipts, the most important being:
- Parliamentary scrutiny and accountability;
 - The identification of an Accounting Officer responsible for the funds under this or her control; and
 - A statutory basis for all expenditure, whether from national or EU source.
- 5.46 Detailed provisions for handling transactions are contained in the procedural guide "Government Accounting in Northern Ireland (GANI)" and "Public Financial Procedures" (Ireland).
- 5.47 Payments by the Commission of the ERDF contribution to the Programme will be paid directly to the SEUPB as Certifying Authority for the Programme. Such payments will at all times comply with the General Regulation.
- 5.48 The Certifying Authority will establish a single dedicated bank account specifically for the purpose for this Programme. All payments, whether, payments on account, interim payments, payments of the final balance and Member State contributions will be made to this account.
- 5.49 Being included under the European Territorial Co-operation Objective, funding for the PEACE III Programme will be provided on a cross-border basis. This means that all funding from both Member States will be included within a single financial table.
- 5.50 The Special EU Programmes Body will use the ERDF and Member State's contributions to make all payments to the final beneficiary. The SEUPB has a dedicated Programme Financial Unit (PFU) (incorporates the previous "Central Payments Unit") which was

established to make payments directly to beneficiaries during PEACE II. The PFU will continue this function for PEACE III. The PFU will, upon receipt of an authorised instruction form, make the payment directly to the project beneficiary bank account.

- 5.51 In accordance with Article 80, the Certifying Authority shall ensure that final beneficiaries receive payment in full and as quickly as possible. No deduction, retention or further specific charge which would reduce these amounts shall be made.
- 5.52 In order to facilitate the verification of expenditure by Community and national control authorities, the Member State will ensure that all bodies involved in the management and implementation of Structural Fund operations shall maintain either a separate accounting system, or an adequate accounting codification, capable of providing detailed and complete summaries of all transactions involving Community assistance.
- 5.53 The Joint Technical Secretariat Financial Control Unit (FCU)/intermediate body will receive payment claims from the final recipients. The FCU/ intermediate body will check the payment claims against the offer of a grant and the project papers, and ensure eligibility and consistency with the performance targets set. If acceptable, they authorise payment on the basis of eligible expenditure incurred (all payments are backed up by invoices or other accounting documents). Payments will then be processed by the Central Payments Unit upon receipt of instructions from the FCU/intermediate body. Wherever these functions are executed by the same organisation, the functions of checking, authorisation and payments are separated within the Joint Technical Secretariat as described in paragraph 5.17.

5.54 The financial control arrangements developed will take due account of the key lessons emerging from the range of audits that have been completed in previous programmes. These are summarised in the table below:

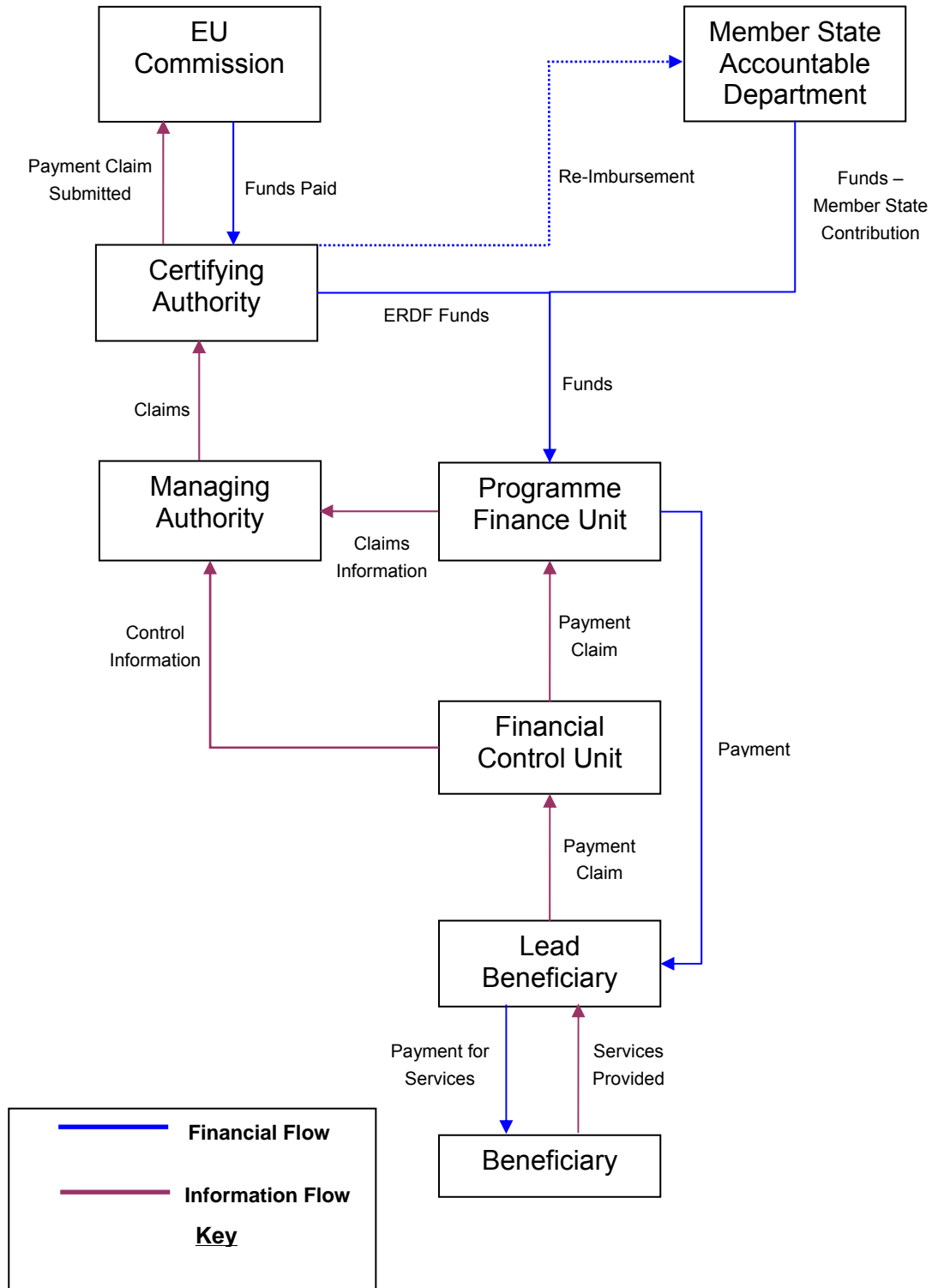
Table 5.2

Issue	Response
Insufficient corporate governance arrangements in some beneficiaries leading to irregularities	The FCU will conduct pre-contracting checks on beneficiaries
8 Paying Authorities resulted in complex reconciliations being required between Paying Authorities and Managing Authority exposing the programme to potential irregularities	There will be one Certifying Authority
The remote nature of the database results in timing delays of up to 3 days between entry of information by Implementing Bodies and recording of information. This results in reconciliation issues	The database will be web based, supplying real time information
Various Article 4 checks raised issues regarding the retention of documentation in relation to procurement	Managing Authority/JTS have drafted detailed procurement guidelines to be issued to all lead partners
Irregularities in relation to publicity requirements	Communication Manager recruited and detailed publicity guidance note and publicity tools issued

5.55 Financial and information flows are summarised in the table below

Table 5.3

Financial and Information Flows



Use of Euro and conversion rates

- 5.56 In accordance with Article 81, all commitments and payments are made in Euro (€). Statements of expenditure have also to be made in Euro. Since the UK does not have the Euro as its national currency, amounts of expenditure incurred will be converted into Euro by applying the rate in force in the month during which the expenditure is recorded in the accounts of the Certifying Authority. The appropriate rates of exchange will be published by the Commission.

Financial contributions by the funds

- 5.57 In accordance with Article 54, any project within the Programme may benefit from a contribution from a single Structural Fund only. An operation may not be financed simultaneously by any other Programme.

Re-location

- 5.58 In the case of assistance granted from the Structural Funds to a large enterprise, the Managing Authority undertakes to request an assurance from the enterprise concerned that the assistance will not be used in support of investment that concerns the relocation of its production or service facilities from another Member State of the European Union.

Differentiation of rates of contribution

- 5.59 In accordance with Articles 53(3) and 54(1), the contribution of the ERDF shall be subject to the following ceilings: a maximum of 75% of the total eligible cost, and at least 20% of the eligible public expenditure. In the case of investments in firms within the meaning of Article 87 of the Treaty, the contribution of funds will be determined by State Aid Regulations and Regional Aid Rates.

Community budget commitments

- 5.60 In accordance with Article 75, the Community budget commitments are made on the basis of the decision approving the Operational Programme for PEACE III. The first commitment is made when the Commission adopts this decision and subsequent commitments will be effected as a general rule by 30 April each year.
- 5.61 In accordance with Article 93, the Commission will automatically decommit any part of a commitment (other than any part which has been settled by the payment on account) for which it has not received an acceptable payment application by the end of the second year following the year of commitment (commonly known as the N+2 rule). The contribution from the Funds will be reduced by that amount. In other terms, at the end of 2009, the Commission will decommit (and automatically reduce the amount of contribution of the Funds allocated to the Programme) any part of the first year commitment, less the payment on account, for which an acceptable payment claim has not been received. This applies in all subsequent years. Finally, the Commission will decommit any part of the total commitment to the Programme for which an acceptable payment application has not been received by the 31 March 2017.

- 5.62 The period for automatic decommitment shall cease to run for that part of the commitment corresponding to operations which, at the specified date of decommitment, are the subject of a judicial procedure, or an administrative appeal having suspensory effects. This is subject to the Commission receiving prior information giving reasons from the Member States and to information being issued by the Commission. In any case, the Commission shall in good time inform the Member State and the Certifying Authority whenever there is a risk of application of an automatic decommitment as referred to above.
- 5.63 Following provisions of Article 76, payments by the Commission of the contribution from the Funds shall be made, in accordance with the corresponding budget commitments, to the Certifying Authority. Payment may take the form of payments on account, interim payments and payments of the final balance.
- 5.64 In accordance with Article 82, the Commission will pay to the Certifying Authority 5% of the total contribution from the Funds to the Programme. There will be a 2% payment in 2007 and a 3% payment in 2008. In accordance with Article 82, all or part of the payment on account depending on progress towards implementation of the Programme, will be repaid to the Commission if no payment application has been received within 24 months of the receipt of the first payment on account.
- 5.65 Any interest generated by the pre-financing shall be posted to the Operational Programme concerned, being regarded as a resource for the Member State as national public contribution and shall be declared to the Commission at the time of the final closure of the Operational Programme.
- 5.66 The payments on account are used to pay end beneficiaries. The Commission will make further payments (interim payments) based on declarations of expenditure certified by the Certifying Authority, to reimburse expenditure paid to end beneficiaries. These further payments are subject to the following conditions:
- Latest annual implementation report, containing the information specified, forwarded to the Commission; and
 - There is no reasoned opinion by the Commission in respect of an infringement under Article 226 of the treaty as regards the operations for which the expenditure is declared in the application in question.
- 5.67 The Certifying Authority will, as far as possible, present applications for interim payments to the Commission three times a year. The last application should be presented no later than 31 October to ensure payment within that calendar year. As required by Article 76(3), the Certifying Authority shall send the Commission their updated forecasts of applications for payment for the current year and the forecast for the following year, by 30 April each year. In accordance with Article 89, the final balance of the assistance will be paid if:
- The Member State has sent an application for payment comprising the following documents by 31 March 2017. These documents include:
 - An application for payment of the final balance and a statement of expenditure in accordance with Article 78;
 - The final implementation report for the Operational Programme, including the information set out in Article 67;
 - A closure declaration referred to in Article 62(1) (e);

- There is no reasoned opinion by the Commission in respect of an infringement under Article 226 of the Treaty as regards the operation(s) for which the expenditure is declared in the application for payment in question; and
- In accordance with Article 80, the Certifying Authority shall ensure that final beneficiaries receive payment in full and as quickly as possible. No deduction, retention or further specific charge which would reduce these amounts shall be made.

- 5.68 All statements of expenditure will include, for each Priority axis, the total amount of eligible expenditure, in accordance with Article 56, paid by beneficiaries in implementing the operations and the corresponding public contribution paid or due to be paid to the beneficiaries, in line with the conditions governing the public contribution. Expenditure paid by beneficiaries shall be supported by receipted invoices or accounting documents of equivalent probative value. Advance payments may be included in accordance with the Article 78(2).
- 5.69 In accordance with the conclusions of the European Council December 2005 and the Council Regulations (EU) No 1083/2006 (Annex II: 22), the Programme will be implemented in full respect of additionality of Structural Fund interventions. The UK and Irish authorities will provide the Commission with appropriate information to allow it to make an assessment of compliance with these additionality requirements.

Implementation Arrangements

- 5.70 Cross-border co-operation has been an important feature of the PEACE I Programme (1995-99) and PEACE II Programme (2000-06). In recognition of the important contribution that improved cross-border co-operation has to play in the achievement of the overall Programme objective of peace and reconciliation, such co-operation will be a central feature of the PEACE III Programme, and reflected wherever possible in the implementing arrangements for the Programme.
- 5.71 However, the implementing arrangements for the PEACE III Programme will take due regard of Article 19 of Council Regulation (EU) No 1080/2006, and in particular, subparagraph 3 of Article 19(1). This Article states that the requirement that all operations shall involve co-operation in at least two of the following ways: joint development; joint implementation; joint staffing; and joint financing shall not be applicable to actions funded under the PEACE III Programme referred to in the third subparagraph of Article 6(1). Although, Article 19(1), subparagraph 1 and 2 of Council Regulation (EU) No 1080/2006 is not applicable to the actions referred to in the third subparagraph of Article 6(1), the implementing arrangements for the PEACE III Programme will apply the provisions of Article 19 subparagraph 1 and 2 when assessing cross-border proposals.
- 5.72 The PEACE II Programme and the PEACE II extension were characterised by significant decentralised delivery. In Northern Ireland, community and voluntary sector organisations and the 26 Local Strategy Partnerships were responsible for delivering most of the Programme, with resource allocation mainly on the basis of open calls for project proposals. Similarly, in the Border Region of Ireland, implementation was largely through an intermediate body and 6 local partnerships.
- 5.73 The ex-post evaluation of PEACE I and mid-term evaluation of PEACE II, concluded that these structures have contributed in a positive fashion to the processes of community

empowerment and engagement. Local partnerships have also been important in creating opportunities for local dialogue between social partners and locally elected representatives.

- 5.74 However, the large number of delivery bodies has contributed to what has been perceived as an overly complex Programme. In public consultations in relation to the PEACE III Programme, there has been a widespread desire expressed for a decrease in the number of delivery bodies and the overall simplification of Programme structures. In addition, the reduced overall budget for the Programme and the stipulation that a maximum of 6% can be allocated to Technical Assistance (Article 46 of Council Regulation (EU) No 1083/2006) requires that there is a significant change in delivery arrangements. The six Task Forces involved in programme implementation in the Border Counties have built up a significant amount of capacity in applying the funds available from PEACE II to local needs. It is important that this capacity is retained and built on. In addition, the emergence of Integrated Partnership structures in the Border Counties reflects an increased emphasis on the importance of community development as an integral part of local authority policies and initiatives. The new Programme needs to take account of the important role these partnerships will play in the area.
- 5.75 Statutory agencies involved in community development and community relations have a direct interest in the way in which the Programme is conceived and delivered. It is important that provisions are made for their involvement, which builds on their experience in this area and ensures complementarity with other initiatives.
- 5.76 The Review of Public Administration (RPA) in Northern Ireland will also change local government boundaries and reduce the number of local authorities. The new local councils are intended to be set in place during the lifetime of this Programme and they may be responsible for areas of activity that are, at present, the work of the LSPs and other intermediate bodies, e.g. community planning and community relations. Arrangements need to be made during the period 2007-2010 to ensure a smooth transition to the new role when it takes effect.
- 5.77 Having due regard to the above factors the following implementation structures are proposed.
- 5.78 The principal delivery mechanisms for the Programme will be a Joint Technical Secretariat (JTS) as described in paragraph 5.16 who will implement the Programme excepting those activities outlined in paragraph 5.76.
- 5.79 There will be one intermediate body appointed to implement the theme “acknowledging and dealing with the past” (Border Action and the Community Relations Council in Northern Ireland). This intermediate body will act as defined in Article 2 of Council Regulation (EC) No 1083/2006, and designated in accordance Article 37(1)(g)(i) of Council Regulation (EC) No 1083/2006. The intermediate body will manage a global grant in accordance with Article 42 of Council Regulation (EC) No 1083/2006.
- 5.80 The intermediate body will be responsible for:
- Creation of a project pipeline by issuing calls for proposals in line with the criteria defined in the Operational Programme and agreed by the Monitoring Committee;
 - Assessing project proposals for consideration by the relevant Steering Committee;

- Providing secretariat services to the Steering Committees;
- Issuing contracts of funding to successful project applicants;
- Maintaining monitoring records on behalf of the Programme and entering these into the database;
- Carry out re-contracting checks in accordance with Article 13 of Council Regulation (EU) No 1828/2006. The Intermediate Body will also be responsible for administrative verifications of each claim, on the spot verifications; and
- The Intermediate body will act as the Controller as defined in Article 16 of Council Regulation (EU) No 1080/2006. The legislative basis of the intermediate body will enable it to perform the Controller functions throughout the eligible area.

Implementing arrangements for Priority 1

Building positive relationships at the local level

- 5.81 Building on the experiences and learning of local partnerships in the PEACE I and II Programmes and maintaining a unique bottom up and participative approach, the Joint Technical Secretariat (JTS) will invite applicants to submit proposals on a partnership basis for local programmes that contribute to the stated outputs and results in this Priority axis. Applications will have to demonstrate the following:
- Due regard of the important leadership role of local authorities;
 - Clearly developed partnership approaches;
 - Identification of strategic approaches to addressing local issues relevant to the priority axis; and
 - A demonstrated management capacity.
- 5.82 Applications from Northern Ireland will also be encouraged to reflect the new proposed council areas under RPA.
- 5.83 In addition, proposals will identify specific actions that contribute to cross-border co-operation. Applications will be for multi-annual programmes of actions and building on the effective grass roots participation in previous programmes, and will include detail on how the participation of the locally based groups will be facilitated. This may include the implementation of a small grants programme at a local level, if this is considered an effective response to local needs.
- 5.84 This approach will ensure that local authorities in the Border Region will be involved in the Programme through Task Forces and the Integrated Partnerships for activities that fall within their delegated authority and that are included in the areas of intervention in the Programme. Similarly, local authorities in Northern Ireland will be invited to be involved in the Programme through a leadership role in developing proposals for their areas in partnership with others. They will be encouraged to form consortia that reflect areas under RPA and that take advantage of the competence and capacity that has been built up in the Local Strategy Partnerships to date.
- 5.85 The Steering Committee, including social partner representation, will be responsible for approving the multi-annual programmes of action thus proposed.

- 5.86 The Joint Technical Secretariat will commission technical support from relevant statutory bodies with a remit for community development and community relations (i.e. Border Action and the Community Relations Council in Northern Ireland) to assist local authorities in the development of programmes that will maximise the contribution towards the Programme objectives. These implementation arrangements will be reviewed after the implementation of the Review of Public Administration in Northern Ireland in 2009, to reflect the statutory responsibilities of the new local authorities, including the statutory duty to promote sustainable development.
- 5.87 In recognition that some dimensions of building positive relationships may be best developed at a regional level and on a cross-border basis, the Steering Committee may instruct the Joint Technical Secretariat to make specific calls for proposals to address issues of a more strategic nature. Such proposals may include actions to ensure the active involvement of women, youth or other identified groups in strategic actions that contribute to Programme objectives.
- 5.88 For Northern Ireland, the department accountable⁹⁷ for these activities will be the Office of the First and Deputy First Minister (OFM/DFM) and in Ireland the Departments of Environment, Heritage and Local Government (DEHLG).

Acknowledging and dealing with the past

- 5.89 Building on the innovative work and experience in providing support to those most affected by the conflict gathered during PEACE I and PEACE II, it is envisaged that funded projects will be strategic in nature and be reflective of a partnership approach. This element of the priority will be implemented by relevant statutory bodies (i.e. Border Action and the Community Relations Council in Northern Ireland) who shall be designated as an intermediate body as outlined in paragraph 5.76. The bodies will be awarded a global grant, within the meaning of the Article 42 of Council Regulation (EU) No 1083/2006.
- 5.90 For Northern Ireland the department accountable for these activities will be the Office of the First and Deputy First Minister (OFM/DFM) and in Ireland the Department of Community, Rural and Gaeltacht Affairs (DCRGA).

Implementing arrangements for Priority 2

Creating shared public spaces

- 5.91 The Steering Committee will instruct the Joint Technical Secretariat to make specific calls for proposals from appropriate bodies that will contribute to stated outputs and results of this Priority axis. It is envisaged that a small number of strategic projects will be funded and that public bodies will normally act as project promoters for these projects working in partnership with other private and community stakeholders.
- 5.92 For Northern Ireland the department accountable for these activities will be the Department of Social Development (DSD) and in Ireland the Department of Environment, Heritage and Local Government (DEHLG).

⁹⁷ The accountable department supplies the necessary public sector match funding, and is accountable to its respective legislature for the totality of monies within its respective vote, including ERDF and match funding.

Key institutional capacities are developed for a shared society

- 5.93 The Steering Committee will instruct the Joint Technical Secretariat to make specific calls for proposals to contribute to stated outputs and results of this Priority axis. It is envisaged that projects thus funded will be strategic in nature.
- 5.94 For Northern Ireland the departments accountable for these activities will be the Office of the First and Deputy First Minister (OFM/DFM) and in Ireland the Department of Finance (DOF).

Implementing arrangements for Priority 3

Technical assistance

- 5.95 The Technical Assistance Priority will be managed by the Managing Authority. For Northern Ireland and Ireland, the departments accountable for these activities will be the Department of Finance and Personnel (DFP) and the Department of Finance (DOF).

Electronic data exchange

- 5.96 The Managing Authority will set up and operate a computerised system to gather reliable data required for the management, monitoring and evaluation of the Community assistance. The guidelines and recommendations provided by the Commission are being used to specify the new system to ensure compatibility with the Electronic Data Exchange requirements. This system will be operational from mid October. Information will be collected and codified at project level for the Operational Programme.
- 5.97 The system will be designed to support programming, financial and physical monitoring and the making and monitoring of payments. It will be based on the client/server application giving government departments and other relevant organisations access to a central database. All required financial and physical progress information, appropriately codified, will be relayed electronically to the Commission by the Managing and Certifying Authorities, as appropriate. The frequency of electronic transmission will conform to the management requirements as agreed between the Commission, the Member States and the Managing Authority.
- 5.98 SEUPB, as Managing Authority, has responsibility for operating the database. Steps will be taken to ensure that the necessary linkages are established between the different Programme computer systems to avoid duplication of funding from Community assistance sources, to prevent fraud and to ensure the effective delivery of the funds.

Major projects

- 5.99 At the time of planning, no major projects as defined by Article 39 are envisaged to be co-funded by the Programme. Major projects are those which comprise an economically indivisible series of works fulfilling a precise technical function, which have clearly identified aims and whose total cost taken into account in determining the contribution of the Funds exceeds €25 million in the case of the environment and €50 million in other fields.

- 5.100 Where the Managing Authority envisages the Funds' contributing to a major project, it shall inform the Commission in advance and provide the information necessary for the Commission's appraisal of the project, as set out in Article 40.
- 5.101 The Managing Authority will ensure that a cost-benefit analysis, referred to in Article 39, will be drawn up by an organisation truly independent of the project applicant. The cost may be supported by Technical Assistance from the programme, with co-financing provided either by the Managing Authority or the project applicant at the request of the Managing Authority. The Commission will appraise major projects, consulting the European Investment Bank where necessary. Within 3 months of receipt of the information referred to above, the Commission shall decide to confirm or amend the level of Community assistance to the project. If it considers that the project appears not to justify either part or all of the contribution from the Structural Funds, it may decide to withhold part or all of that contribution, stating the reasons for so doing.

Global grants

- 5.102 In accordance with Article 42 the Managing Authority may, in agreement with the Member States, appoint one or more intermediate bodies to manage a global grant. Detailed requirements shall be part of the procedures agreed between the Managing Authority and each intermediate body, in agreement with the relevant accountable departments representing the Member State. SEUPB, as Managing Authority, is responsible for ensuring that all supporting documentation regarding expenditure and audits on the Operational Programme is kept available for the Commission and the Court of Auditors. Documentation must be retained for at least three years following the closure of the Operational Programme.

Information and publicity

- 5.103 In accordance with Article 69 of Council Regulation (EU) No 1083/2006, a communications plan will be developed. The communication plan shall explain how the Programme will provide information and publicity to ensure that European Union assistance is transparent to the target groups identified in the communication plan. The target groups will include citizens, potential beneficiaries and beneficiaries. The messages to be delivered by the communication plan shall inform potential beneficiaries about the opportunities available through the Programme and inform the general public about the role played by the European Union through the assistance provided. To aid transparency the publication of details of beneficiaries, and the amount of support each of them has received, will be essential information for incorporation in publicity activity.

Aims and objectives of the communication plan

- 5.104 The aim of the communication plan shall be to maximise and publicise the contribution of the ERDF in reinforcing peace and reconciliation in Northern Ireland and the Border Region. This will be achieved by informing potential and final beneficiaries about:
- The conditions of eligibility to qualify for funding;
 - The procedures for examining applications and the time periods involved;

- The criteria for selecting projects to be financed; and
- The contacts who can provide information on the Operational Programmes.

- 5.105 In addition, the communication plan will inform the general public inside the region and outside about the Programme's distinctiveness, its results and the value added by the financial support from the Programme. Regular reports to the Monitoring Committee on the achievements of the communication action plan will also be provided.
- 5.106 The Annual Report on the Operational Programme shall include examples of the information and communication measures taken and report on the arrangements for the publication of the list of beneficiaries. Major amendments to the communication plan shall be included in the Annual Report. An evaluation of the measures, contained in the communication plan, shall also be included in the Annual Implementation Report for the year 2010 and the Final Implementation Report.
- 5.107 A major information activity shall be held to launch the Operational Programme and at least one major information activity shall be held each year to present the achievements of the Operational Programme and major projects. Information and publicity about the Programme and its impacts which is likely to attract media attention will be distributed on a regular basis. This shall include the dissemination of examples of good practice. An information and communication network of those responsible for information and publicity in projects and implementing bodies shall be established to share information and examples of good practice.
- 5.108 The Managing Authority shall maintain a web-based archive of examples of good practice and ensure full public access. It shall also design, maintain and promote the Programme's website (<http://www.seupb.eu>). The Managing Authority shall also ensure that all funded projects comply with Commission Regulations and shall require each application for funds from the programme to include a communication plan, with a budget line, to show how the project will meet its obligations under this regulation.

Compliance with community policies

- 5.109 The PEACE III Programme will be delivered in full compliance with Community policies. The main policies relevant to the Programme are:
- Competition policy;
 - Sustainable development (Article 17); and
 - Equal opportunities (Article 16).

Competition policy

- 5.110 The Programme will abide by the provisions on state aid as laid down in Articles 87 and 88 of the EC Treaty. An initial review of proposed actions would indicate that none of the proposed actions will constitute State Aid. However, the Managing Authority will ensure that any aid granted under this Programme will be in conformity with the provisions laid down in one of the Commission regulations adopted under Council Regulation (EC) No 994/98 of 7 May 1998 on the application of Article 92 and 93 of the Treaty establishing the European Community

to certain categories of horizontal State Aid (OJ L 142, 14.5.1988, P.8). At present, the most relevant State Aid Regulations are:

- Commission Regulation (EC) No 1998/2006 of 15 December 2006 on the application of Articles 87 and 88 of the EC Treaty to *de minimis* aid (OJ L 379, 28.12.2006, p 5);
- Commission Regulation (EC) No 70/2001 of 12 January 2001 on the application of Articles 87 and 88 of the EC Treaty to State Aid to small and medium-sized enterprises (OJ L 10, 13 January 2001, p 33);
- Commission Regulation (EC) No 68/2001 of 12 January 2001 on the application of Articles 87 and 88 of the EC Treaty to training aid (OJ L 10, 13 January 2001, page 20); and
- Commission Regulation (EC) No 1628/2006 of 24 October 2006 on the application of Articles 87 and 88 of the treaty to national regional investment aid (OJ L 302, 1.11.2006, p.29).

Sustainable Development

- 5.111 The Programme will abide by the principles and objectives of sustainable development, by giving weight to the environmental, economic and social costs and benefits in selecting projects for support under the Programme and by complying with Commission legislation and, where appropriate, the related Northern Ireland statutory duty on public authorities. Indeed, the implementation of the Programme will be consistent with the Sustainable Development Strategy in Northern Ireland⁹⁸ and Ireland.⁹⁹
- 5.112 Where required by Community legislation or where appropriate for other reasons, environmental impact assessments will be made.
- 5.113 An environmental screening exercise was carried out on the Programme and reviewed by the Department of the Environment in Northern Ireland and the Environment Protection Agency in Ireland. The outcome of the screening exercise was that a full Strategic Environmental Assessment (SEA) was not necessary given the nature of the proposed activities. However, in view of the fact that certain projects which may be included in the Programme in the future may have an environmental impact, it has been agreed to undertake a full SEA for the Programme. This assessment is being undertaken with regard to the guiding principles of sustainable development outlined in relevant policies in Northern Ireland¹⁰⁰ and Ireland.¹⁰¹ Further details of the SEA are detailed at sections 3.41 to 3.43 above.
- 5.114 In the Programme, funding will be conditional on projects complying with the requirements of both EU and domestic environmental legislation and policy, so safeguarding or enhancing environmental quality and conserving the natural and built heritage at both a local and global level.
- 5.115 Development Path Analysis is used (as recommended by the Commission) to assess the environmental impact of each project, and facilitate the environmental profiling of the Programme in terms of the degree to which it is helping to move the assisted region towards a more sustainable development path or more eco-efficient methods.

⁹⁸ *First Steps Towards Sustainability (2006): A Sustainable Development Strategy in Northern Ireland.*

⁹⁹ *Government of Ireland (1997) Sustainable Development: A Strategy for Ireland.*

¹⁰⁰ *Department of the Environment (2006) First Steps Towards Sustainability, A Sustainable Development Strategy for Northern Ireland.*

¹⁰¹ *Department of the Environment (1997) Sustainable Development, A Strategy for Ireland.*

- 5.116 All projects enjoying co-financing from the Structural Funds will be in compliance with Directive 85/337/EEC as amended by 97/11/EEC. As a result of this consideration, it should either be stated that they do not have any significant negative environmental impact, or a description of a possible negative impact as well as of the mitigating measures should be presented. In accordance with Article 40, applications for assistance concerning major projects must include information:
- That allows an evaluation to be conducted on the environmental impact and the implementation of the precautionary principle and the principles that preventive action should be taken;
 - That environmental damage should as a Priority be rectified at source; and
 - That the polluter should pay and comply with the Community rules on the environment.
- 5.117 Within areas classified as Special Protection Areas (SPAs) pursuant to Directive 79/409/EEC (on the conservation of wild birds), aquaculture Structural Fund plans or projects shall only be co-financed following an appropriate written assessment of their effects individually, and in combination with other plans and projects and following ascertainment that they will not adversely affect the integrity of the SPAs concerned.
- 5.118 Pending their full classification, the same requirements with respect to the co-financing of aquaculture plans or projects with Structural Funds will apply to areas:
- Proposed or required to be proposed by the Government of the United Kingdom or the Government of Ireland as Special Areas of Conservation (SACs) pursuant to Directive 92/43/EEC (on the conservation of natural habitats and of wild fauna and flora); and
 - Proposed or required to be proposed by the United Kingdom Authorities or Ireland Authorities as SPAs pursuant to Directive 79/409/EEC (on the conservation of wild birds).

Equal opportunities

- 5.119 In accordance with the Article 16 and wider Commission policies, priority will be given to projects which advance equal opportunities for men and women. The gender perspective will be promoted during all stages of Programme implementation. The PEACE III Programme will comply with, and where appropriate contribute to, Community policy and legislation on equal opportunities for men and women. In compliance with Section 75 of the Northern Ireland Act (1998) the Programme will be subject to a full equality impact assessment during its preparation.
- 5.120 The Programme, in accordance with national legislation and Commission regulation, will take steps to prevent any discrimination based on sex, racial or ethnic origin, religion or belief, age or sexual orientation during the implementation of the Programme. Particular steps will be taken to ensure that all operations co-funded are fully accessible to people with disabilities.
- 5.121 The appraisal of operations seeking co-financing from the Programme, and which are not specifically oriented towards the improvements of equal opportunities, will include an assessment as regards their impact on equal opportunities.

- 5.122 Monitoring and evaluation indicators will also include, where appropriate, provision for separate data in relation to men and women. The Managing Authority will produce desegregated statistics by gender on the basis of available data. It will also ensure that evaluations measure the extent to which the principle of promoting equal opportunities has been taken into account in the implementation of this Programme, with particular regard to the involvement of women and to the relevance and the outcome of such measures. It intends to develop, where appropriate, adequate evaluation procedures, tools and indicators to this end. Technical assistance will be made available to support the mainstreaming of equal opportunities between men and women.
- 5.123 The Annual and Final Implementation Reports will contain a specific chapter describing the actions taken in the framework of the Programme to ensure the implementation of equal opportunities objectives of the Programme and to state to which extent the targets set out in the Programme have been met.

VI Complementarity

Introduction

6.1 This section outlines the ways in which the PEACE III Programme complements other relevant programmes and policy initiatives in Northern Ireland and the Border Region. Taking forward one of the key lessons from the PEACE II Programme, the section identifies key strategic linkages and provides an understanding of how the PEACE III Programme fits with other broader government initiatives. The section outlines complementarity with the following policy initiatives:

- National Strategic Reference Framework in Northern Ireland and Ireland;
- European Territorial Co-operation Programme (INTERREG IV);
- A Shared Future and Racial Equality Strategy, Northern Ireland;
- National Anti-Poverty Strategy, Ireland;
- Neighbourhood Renewal Strategy, Northern Ireland;
- Task Force on Active Citizenship, Ireland;
- The National Development Plan for Ireland 2007-2013;
- The Investment Strategy for Northern Ireland;
- The National Spatial Strategy for Ireland 2002-2020;
- Policies for promoting equality in Northern Ireland and Ireland;
- The International Fund for Ireland;
- Rural Development Programme; and
- European Fisheries Fund.

The National Strategic Reference Framework in Northern Ireland and Ireland

6.2 The National Strategic Reference Framework (NSRF) set the overarching strategic framework for the Regional Competitiveness and Employment Structural Funds Programmes in Northern Ireland and Ireland over the 2007-2013 programming period.

NSRF, Northern Ireland

6.3 The strategic aim of the NSRF in Northern Ireland is to focus resources on addressing the infrastructure gap, and securing sustainable competitiveness and employment improvements.¹⁰² The Competitiveness and Employment Programmes are included under the NSRF in Northern Ireland:

¹⁰² Draft Northern Ireland Chapter Input to Draft UK National Strategic Reference Framework, Annex A, September 2006.

- **Competitiveness:** the central aim of this Programme is to close the productivity gap between Northern Ireland and the rest of the UK and between Northern Ireland and Ireland. The Programme has three Priorities focusing on:
 - Increasing investment in research and development and promoting innovation;
 - Promoting enterprise and entrepreneurship; and
 - Improving accessibility and protecting and enhancing the environment.

- **Employment:** the central aim of this Programme is to reduce the level of economic inactivity in Northern Ireland, and improve the workforce skills and educational levels. In particular, a focus will be provided on removing the barriers to work and equipping people with the necessary skills to enter the workforce. The Programme has two Priorities that include:
 - Helping people into sustainable employment; and
 - Improving workforce skills and adaptability.

6.4 As outlined in Figure 3.2, ongoing economic and social change is a key context factor which has an influence or bearing on the development of the PEACE III Programme and peace and reconciliation in general. Therefore, by focusing on economic and social development, the Competitiveness and Employment Programmes can promote economic and social change in Northern Ireland, and provide a supportive environment for addressing peace and reconciliation. In particular, the Employment Programme can address issues of marginalisation and exclusion by providing support and skills and removing the barriers to the labour market for those that may have difficulty in seeking gainful employment. At the same time, by seeking to address problems of sectarianism, racism and segregation, the PEACE III Programme can complement activities in the NSRF by breaking down cross- community and cross-border barriers and facilitating greater social and economic engagement.

6.5 Both the Competitiveness and Employment Programmes have included two cross-cutting Priorities namely, promoting sustainable development and creating sustainable communities. By focusing on areas of disadvantage and multiple deprivation, the creating sustainable communities cross-cutting priority has strong complementarities with the PEACE III Programme. In working together, both Programmes can therefore adopt a co-ordinated approach to addressing marginalisation in communities, specifically those that have failed to benefit from the peace dividend.

NSRF, Ireland/Border Region

6.6 The NSRF in Ireland aims to support and enable dynamic regional development and outlines a number of overarching strategic priorities that are to be addressed under three Programmes. Two of these Programmes (Regional Programme BMW and the Employment Programme) are relevant to the Border Region; the other Programme (Regional Programme S&E) is only relevant to the Southern and Eastern Region of Ireland.

The Strategic focus of the NSRF reflects the National investment priorities contained in the NDP 2007-2013 and the niche and complimentary position EU Regional Policy will play in Ireland over the period.

The Human Capital Investment Priority will address issues of Ireland's competitiveness challenges and changing economic and demographic structure by upskilling the workforce and increasing the participation and activation of groups outside the workforce.

ERDF Priority 1 will allow the Regional Operational Programmes to focus investment on the particular weaknesses and build on the strengths of their region in the RTDI field. This Priority will also support the development of knowledge and innovation and help foster entrepreneurship in Ireland through targeted interventions in each Region.

ERDF Priority 2 has been designed to address the weaknesses in the BMW and S&E Regions in strategic infrastructure, in particular focusing investment on strengthening the Gateways and Hubs as drivers of the regional economies and improving strategic Gateway and Hub inter-connectivity in a niche and complimentary manner to the NDP 2007-2013. ERDF Priority 2 will also promote environmental and sustainable development.

- 6.7 On a similar basis to the Programmes in Northern Ireland, the Regional Programme and the Employment Programme can create synergies with PEACE III by promoting economic and social change in the Border Region and provide a supportive environment for addressing peace and reconciliation. In particular, by providing support and skills and removing the barriers to the labour market for those that may have difficulty in seeking employment, the Employment Programme can complement the PEACE III Programme by addressing issues of marginalisation and exclusion. By seeking to address sectarianism, racism and segregation, the PEACE III Programme can also complement activities in the NSRF by encouraging inclusion in society and facilitating greater social and economic engagement on a cross-border and cross-community basis.

European Territorial Co-operation Programme (INTERREG IV)

- 6.8 The European Territorial Programme (INTERREG IV) is a cross-border programme between Northern Ireland, the Border Region of Ireland and parts of the West Coast of Scotland. The Programme aims to encourage economic and social co-operation in the areas of enterprise and innovation, infrastructure, and tourism and culture. In addition, the Programme seeks to pilot and develop innovative best practice models of cross-border co-operation that could be transferred across other sectors and activities.
- 6.9 Clear synergies can be identified between INTERREG IV and PEACE III. For instance, with a focus on promoting economic co-operation between Northern Ireland and the Border Region, INTERREG IV can provide a supportive environment for addressing peace and reconciliation and helping to facilitate cross-border linkages and relationships. In this way, the strong economic focus of the (INTERREG IV) Programme complements the focus of the PEACE III Programme which has an emphasis on building social processes and encouraging attitudinal and behavioural change. In this regard, the PEACE III Programme can also contribute towards INTERREG IV facilitating relationships

on a cross-community and cross-border basis and establishing the foundation for economic, social and environmental development.

- 6.10 The implementation of the two Programmes will be co-coordinated through the SEUPB who will act as the Managing Authority for both Programmes, and who will chair both Monitoring Committees. Furthermore it is envisaged there will be some common membership of both Monitoring Committees by local authority and social partner representation.

A Shared Future, Northern Ireland

- 6.11 Strong linkages can be established between the PEACE III Programme and A Shared Future and the Racial Equality Strategy. The Shared Future document sets the policy strategic framework for good relations in Northern Ireland and aims to establish, over time:
- 6.12 “A normal, civic society, in which all individuals are considered as equals, where differences are resolved through dialogue in the public sphere, and where all people are treated impartially. A society where there is equity, respect for diversity and recognition of our interdependence”¹⁰³.
- 6.13 A Shared Future, therefore, provides a strong strategic framework on which to ground the Priority areas and actions to be supported under the PEACE III Programme. Indeed, the document is also supported by the Government of Ireland. The Taoiseach, in an address to the Institute of Directors in Belfast on 3 November 2005, for example, stated that, “in the long term, there is only one viable future: a shared future.... That is the vision we should work to achieve.”
- 6.14 A Shared Future proposes a number of actions in a number of areas such as education, workplaces, interface areas, shared spaces and victims. For example, under the Shared Future framework, the Department for Social Development is supporting the Re-imaging of Communities which is aimed at tackling the visible signs of sectarianism and racism. In this regard, the PEACE III Programme will take account of any activities funded under the Shared Future framework to ensure complementarity and avoid any potential duplication. At the same time, PEACE III can also contribute towards A Shared Future by promoting cross-community and cross-border relationships focused on addressing sectarianism and racism and supporting innovative and pilot initiatives that could be mainstreamed by central/local government.

Policies for promoting equality in Northern Ireland and Ireland

- 6.15 In seeking to develop greater tolerance, respect and understanding, the PEACE III Programme will complement the promotion of equality of opportunity in Northern Ireland and the Border Region.
- 6.16 In this regard, the PEACE III Programme will operate closely within the legal and policy framework which is relevant to promoting equality of opportunity. This includes, *inter alia*, Section 75 of the Northern Ireland Act 1998, the Employment Equality Act (1998) and the Equal Status Act (2000), as amended by the Equality Act (2004), in Ireland, and strategies

¹⁰³ Office of the First and Deputy First Minister (2005) *A Shared Future, Policy and Strategic Framework for Good Relations in Northern Ireland, March 2005.*

on racial equality, the Racial Equality Strategy (Northern Ireland)¹⁰⁴ and the National Action Plan Against Racism (Ireland).¹⁰⁵

- 6.17 The Racial Equality Strategy in Northern Ireland aims to establish, “A society in which racial diversity is supported, understood, valued and respected, where racism in any of its forms is not tolerated and where we live together as a society and enjoy equality of opportunity and equal protection”. The aim of the National Action Plan Against Racism 2005-2008 in Ireland is to “provide strategic direction to combat racism and to develop a more inclusive, intercultural society in Ireland”. Therefore, as these policy and legal measures aim to achieve greater equality within society, the PEACE III Programme will complement this activity by promoting cohesion between communities.

Anti-Poverty Strategies, Ireland and Northern Ireland

- 6.18 As previously outlined, the implementation of the PEACE III Programme will be consistent with the anti-poverty strategies in Ireland and Northern Ireland. In Ireland, the National Anti-Poverty Strategy is a rolling strategy for addressing social inclusion and combating poverty in Ireland. First introduced in 1997, the National Anti-Poverty Strategy recognises the multi-faceted nature of poverty and the need for a co-ordinated multi-poverty response across government.
- 6.19 A National Strategy for Social Protection and Social Inclusion (NSSPI) covering the period 2006 to 2008 was submitted to the EU by each Member State in September 2006. The UK and Irish NSSPIs contain common text outlining how the UK and Irish Governments are committed to developing and promoting co-operation in relation to combating poverty and social exclusion. The common text acknowledges that poverty and social exclusion affect the quality of life of families and communities across the island of Ireland. Creating a more inclusive society by alleviating social exclusion, poverty and deprivation is a continuing challenge for administrators in Northern Ireland. The text points out that there are strong commonalities shared by both communities which have facilitated the establishment of a number of areas of North/South co-operation.
- 6.20 The UK and Irish Governments are committed to developing and promoting further North/South consultation, co-operation and common action concerning policies on poverty and social exclusion. Both administrations agree that there is further potential to promote co-operation between the two jurisdictions in relation to social inclusion. The common text commits both jurisdictions to preparing a report on areas of existing and on-going North/South work which will include the contribution of the voluntary and community sector in promoting North/South social inclusion, equality and reconciliation. This process will be used to determine where further work is required and to ensure that new work will complement work already in progress. The report will also describe how work on the potential areas may be progressed with the agreement of the relevant ministers in both jurisdictions and within existing institutional structures.

Areas for potential co-operation which could deliver mutual benefits will be explored. These may include:

- The compilation and sharing of data and information in relation to areas of common interest and/or;

¹⁰⁴ Office of First and Deputy First Minister (2005) *A Racial Equality Strategy for Northern Ireland 2005-2010*.

¹⁰⁵ Department of Justice, Equality and Law Reform (2005) *Planning for Diversity, the National Action Plan Against Diversity 2005-2008*.

- Specific topics of common interest for research and analysis; and
- Areas where joint approaches should be developed.

The finding of such work will inform policy development in both jurisdictions.

- 6.21 By providing a focus on social inclusion and poverty, the anti-poverty strategies in Ireland and Northern Ireland provide a strategic framework for addressing issues related to marginalisation in the PEACE III Programme. Strong linkages, for example, can be identified between the PEACE III Programme and the National Anti-Poverty Strategy in Ireland in regard to integrating immigrants, and providing greater access to services for excluded groups and communities. In particular, the Northern Ireland Anti-Poverty and Social Inclusion Strategy make reference to the 30 years of conflict and outline the promotion of respect and tolerance as a key challenge. It is held that greater tolerance is an essential condition for achieving further economic and social change needed to eliminate poverty and social exclusion. The PEACE III Programme can play an important role in this regard. In common with the co-ordinated or 'joined up' approach promoted under both anti-poverty strategies, the PEACE III Programme, therefore, will seek to act within this overarching policy framework and complement any relevant activities supported by ensuring the targeting of resources and effort on the most socially disadvantaged.

Neighbourhood renewal strategy, Northern Ireland

- 6.22 In Northern Ireland the Neighbourhood Renewal Strategy¹⁰⁶ aims to tackle the complex, multi-dimensional nature of deprivation in the most disadvantaged urban areas by supporting integrated neighbourhood action plans. Neighbourhood Renewal has four interlinking strategic objectives that include:
- **Community renewal** – to develop confident communities that are able and committed to improving the quality of life in the most deprived neighbourhoods;
 - **Economic renewal** – to develop economic activity in the most deprived neighbourhoods and connect them to the wider urban economy;
 - **Social renewal** – to improve social conditions for people who live in the most deprived neighbourhoods through better co-ordinated public services and the creation of safer environments; and
 - **Physical renewal** – to help create attractive, safe, sustainable environments in the most deprived neighbourhoods.
- 6.23 Focusing on these strategic objectives, Neighbourhood Action Plans containing integrated community, social, economic and physical programmes for a three year period are being developed and implemented. The plans are being created for Belfast, Derry and regional towns and cities.¹⁰⁷
- 6.24 At part of the approach for promoting community renewal, the plans also seek to improve community relations and segregation, including developing capacity building in areas with weak community infrastructure.
- 6.25 Strong complementarities can be identified between the PEACE III Programme and Neighbourhood Renewal Strategy. The PEACE III Programme will be able to further develop actions that aim to improve community relations and address sectarianism, while the Neighbourhood Renewal Strategy can complement the PEACE III Programme by promoting broader economic and social renewal which can provide a more supportive environment for addressing peace and reconciliation.

Task Force on Active Citizenship, Ireland

- 6.26 In Ireland, a Task Force on Active Citizenship has recently been established under the Department of the Taoiseach. One of the first tasks of the Task Force has been to launch a 'national conversation' or public consultation on the nature and health of active citizenship in Ireland.¹⁰⁸
- 6.27 Following this, the Task Force published a report on developing active citizenship. The report found that while active citizenship is not in decline, civic participation is facing a number of challenges. In this light, the report outlines a series of recommendations for promoting active citizenship including, *inter alia*, promoting public consultation and participation within the public sector, developing a group insurance scheme, supporting

¹⁰⁶ Department for Social Development (...) *A Strategy for Neighbourhood Renewal, Together, Tackling Disadvantage, Building Communities.*

¹⁰⁷ *Neighbourhood Renewal targets the 10 per cent worst urban wards, as measured by the Multiple Deprivation Measure, and the worst 10 per cent Enumeration Districts as measured by the Economic Deprivation Measure.*

¹⁰⁸ *Task Force on Active Citizenship (2006) Task Force on Active Citizenship: Public Consultation Paper, Together We're Better, Department of the Taoiseach.*

capacity development, establishing National Presidential Citizen Awards and encouraging community and voluntary organisations to reach out to and include members of ethnic and cultural minorities. In addition, the report recognised the potential for North-South Co-operation and the importance of joint initiatives and mutual learning and sharing of experience¹⁰⁹.

- 6.28 The PEACE III Programme can make a contribution towards encouraging active citizenship by promoting partnerships and encouraging interaction and engagement on a cross-border and cross-community basis. In addition, by focusing on addressing sectarianism and racism, the PEACE III Programme can address two key barriers to civic participation. At the same time, the Task Force on Active Citizenship can complement the PEACE III Programme by promoting cross-border dialogue and facilitating greater participation of marginalised groups, including ethnic minorities.

The National Development Plan for Ireland 2007-2013

- 6.29 The National Development Plan (NDP) is a high level strategic document which sets out an economic and budgetary framework and seven year investment programme for a range of sectoral areas in Ireland. Overall, the NDP in Ireland 2007-2013 will focus on the priorities for investment in public, economic and social infrastructure in transport, environmental services, housing, education, health, childcare and research and development fields and for investment in human resources in the education and training fields.
- 6.30 In addition, the NDP includes a range of investment priorities to promote all-island co-operation. Indeed, the NDP provides a framework of North-South co-operation in a number of areas including:
- Infrastructure (roads, public transport, airports and ports);
 - Energy (investments in gas, electricity, renewable energy, energy efficiency and research and innovation development of an all-island energy market);
 - Communications (wireless spectrum licensing and mobile roaming charges);
 - Science, technology and innovation;
 - Enterprise promotion;
 - Human capital;
 - Trade, tourism and investment promotion;
 - Health services;
 - Education;
 - Environment;
 - Agriculture and fisheries;
 - Culture, heritage, languages and sport; and
 - Social inclusion.

¹⁰⁹ Task Force on Active Citizenship (2006) Report of the Task Force on Active Citizenship, March 2007.

- 6.31 The NDP identifies that both North and South face a particular challenge arising from the existence of the border. The border causes natural markets to fragment along territorial lines, reducing economic interaction and the opportunity to develop economies of scale and strong indigenous industries is lost. Firms tend to shun border regions and infrastructural links are not developed, resulting in unbalanced economic growth. Taking an all-island approach will help deliver more balanced regional development and address the negative effects of the border.
- 6.32 Given the broad range of investment, the NDP can promote economic and social change in the Border Region and Northern Ireland and provide a supportive environment for addressing peace and reconciliation. The PEACE III Programme will work closely within the framework of the NDP to ensure that supported activities are promoted on a strategic and co-ordinated basis. In particular, in promoting regeneration projects under Priority 2, the PEACE III Programme will have due regard to the activities promoted under the NDP. By seeking to address sectarianism, racism and segregation, the PEACE III Programme can also complement activities in the NSRF by encouraging inclusion in society and facilitating greater social and economic engagement on a cross-border and cross-community basis.

The Investment Strategy for Northern Ireland

- 6.33 The Investment Strategy for Northern Ireland¹¹⁰ launched in December 2005, pledges sustained Government investment in a modern public infrastructure in Northern Ireland over a ten-year period between 2005 and 2015. It includes investment in public transport, roads, water and sewerage, and energy infrastructure to deliver economic returns and environmental benefits and reflects the need to ensure that the investment programme is based on the principles of sustainable development. While the strategy has, *prima facie*, no direct linkages with the PEACE III Programme, some commonalities do exist in relation to regeneration projects under Priority 2. In this light, the PEACE III Programme will also have due regard to initiatives supported under the Investment Strategy.

The National Spatial Strategy for Ireland 2002-2020

- 6.34 The National Spatial Strategy for Ireland 2002-2020 aims to set out a twenty year planning framework that will provide strategic guidance for a range of government policies, regional and local plans, and public investment decisions in an effort to deliver more balanced social, economic and physical development between regions.¹¹¹ The strategy is structured around gateways and hubs, as follows:
- **Gateways** have a strategic location nationally and relative to their surrounding areas and provide national scale social, economic, infrastructure and support services. In the Border Region, Letterkenny, Sligo and Dundalk are identified as gateways in the spatial strategy; and
 - **Hubs** are a number of small towns that will support the national and international role of the gateways and in turn energise the smaller towns and rural areas within their

¹¹⁰ www.sibni.org/isnifulldocument141205.pdf

¹¹¹ Department for the Environment and Local Government (2002) *National Spatial Strategy for Ireland 2002-2020, People, Places and Potential*.

sphere of influence. In the Border Region, Cavan and Monaghan towns are identified as hubs in the spatial strategy.

- 6.35 In addition, the strategy outlines the importance of key strategic cross-border linkages with Northern Ireland, particularly between Letterkenny and Derry, and Dundalk and Newry.
- 6.36 The National Spatial Strategy is relevant to the PEACE III Programme, as it provides an overarching framework for guiding future investment in the Border Region and on a cross-border basis. Therefore, when supporting capital investment under Priority 2, the PEACE III Programme will have due regard to the gateways and hubs identified in the National Spatial Strategy.

The International Fund for Ireland

6.37 As noted in Section I, the International Fund for Ireland (IFI) has adopted a strategy entitled 'Sharing this space' which sets out the objectives of the Fund over the 2006-2010 period, which will be the last five years of its operation. The strategy outlines that programmes will cluster around four key areas of activity that include:

- Building foundations for reconciliation in the most marginalised communities;
- Building bridges for contact between communities;
- Integrating moving towards a more integrated society; and
- Leaving a legacy looking ahead to ensure sustainability over the longer term.

6.38 Given the strong focus of these areas on reconciliation, complementarities and synergies can be developed between the strategy, 'Sharing this space', and the PEACE III Programme. Indeed, to this end, a number of mechanisms have been proposed to ensure co-ordination, these include¹¹²:

- Representatives of the IFI will act as observers on the PEACE III Monitoring Committee;
- Staff from SEUPB will attend meetings of the programme team of the IFI; and
- The electronic database, established under the PEACE III Programme, will have the capacity to identify projects that are co-funded by the IFI.

Rural Development Programme

6.39 Under the 2007-2013 programming period, support for rural development will be included within a new Rural Development Programme (RDP). In accordance with Regulation (EC) No 1698/2005, the RDP in each Member State will focus on three common overarching objectives which include:

- Improving the competitiveness of agriculture and forestry by supporting restructuring, development and innovation;
- Improving the environment and the countryside by supporting land management; and

¹¹² *International Fund for Ireland (2006) Sharing this space.*

- Improving the quality of life in rural areas and encouraging diversification of economic activity.

Taking these objectives forward, the RDPs in Northern Ireland and Ireland can complement the PEACE III Programme by aiming to promote economic and social development and provide a supportive environment for addressing peace and reconciliation. In addition, the synergies can be established as the PEACE III Programme seeks to promote community cohesion and address current barriers to development such as exclusion, polarisation and sectarianism. By working to address these barriers, the PEACE III Programme can then seek to provide a more supportive environment for economic, social and environmental development in rural areas.

European Fisheries Fund

6.40 Under the 2007-2013 programming period, support for the fisheries sector in Northern Ireland and Ireland will be provided under the European Fisheries Fund. The Programmes are currently being developed, but the European Fisheries Fund in Northern Ireland and Ireland will support five priority axes that include:

- Measures for the adaptation of the Community fishing fleet;
- Aquaculture, inland fishing, processing and marketing of fishery and aquaculture products;
- Measures of common interest;
- Sustainable development of fisheries areas; and
- Technical assistance.

6.41 By taking these priority axes forward, the European Fisheries Fund can complement the PEACE III Programme by aiming to promote economic and social development and provide a supportive environment for addressing peace and reconciliation, specifically those communities in which the fisheries sector is an important part of the local economy. In addition, synergies can be established as the PEACE III Programme seeks to promote community cohesion and address current barriers to development such as exclusion, polarisation and sectarianism. By working to address these barriers, the PEACE III Programme can then seek to provide a more supportive environment for economic, social and environmental development in fishing communities.

Other European Territorial Co-operation Programmes

6.42 Under the European Territorial Co-operation objective, the European Commission also supports a range of other transnational Programmes which aim to encourage joint projects that address the priorities for co-operation shared by the participating countries. There are three Programmes for the period 2007-2013 period which are relevant to Northern Ireland, Scotland and Ireland. These include:

- **The Northern Periphery Programme:** this Programme aims to help peripheral and remote communities to develop their economic, social and environmental potential. This will be achieved by supporting innovation, business competitiveness, accessibility, the sustainable development of community and natural resources, and cultural heritage. The programme involves the Member

States of Finland, Ireland, Sweden, United Kingdom (Scotland and Northern Ireland) in co-operation with the Faroe Islands, Iceland, Greenland and Norway;

- **The Atlantic Area Programme:** this Programme aims to achieve significant and tangible progress in transnational co-operation geared towards cohesive, sustainable and balanced territorial development of the Atlantic Area and its maritime heritage. The Programme involves the Member States of France, Spain, Portugal, Ireland and the United Kingdom; and
- **North-West Europe Programme:** aims to achieve a more cohesive, balanced and sustainable development of the North-West Europe area, and thus to contribute to the overall competitiveness of the Community territory in a globalised world. To this end, the Programme aims to promote an innovative and integrated approach of transnational co-operation on territorial issues and build on the territorial potentials of the area. The Programme involves the Member States of Belgium, France, Germany, Ireland, Luxembourg, Netherlands and the United Kingdom in co-operation with Switzerland.

6.43 Some key synergies can be identified between the transnational co-operation Programmes and PEACE III. For instance, by promoting transnational co-operation, the Programmes will encourage the exchange of experience and transfer of know-how between stakeholders. Key lessons can be learned from this experience which could be transferred to the PEACE III Programme and assist in facilitating cross-border linkages and relationships. In addition, the promotion of economic and social development by each of the Programmes can promote economic and social change in Northern Ireland and the Border Region and provide a supportive environment for addressing peace and reconciliation. On the other hand, the PEACE III Programme can also contribute towards transnational co-operation by establishing the foundation for economic, social and environmental development and also sharing lessons in promoting cross-border linkages and issues such as addressing sectarianism and racism.

VII Appendices

Appendix A: Socio-economic profile

Attached as Separate Document

Appendix B: Woodrow's theories of change

Theory	Basis of theory	Methods/intervention activities
The Individual Change Theory	Peace comes through transformative change of a critical mass of individuals, their consciousness, attitudes, behaviours and skills	Investment in individual change through training, personal transformation/consciousness-raising workshops or processes; dialogues and encounter groups; trauma healing
The Healthy Relationships and Connections Theory	Peace emerges out of a process of breaking down isolation, polarization, division, prejudice and stereotypes between/among groups	Processes of inter-group dialogue; networking; relationship-building processes; joint efforts and practical programs on substantive problems
The Withdrawal of the Resources for War Theory	Wars require vast amounts of material (weapons, supplies, transport, etc.) and human capital. If we can interrupt the supply of people and goods to the war making system, it will collapse and peace will break out	Anti-war campaigns to cut off funds/national budgets; conscientious objection and/or resistance to military service; international arms control; arms (and other) embargoes and boycotts
The Reduction of Violence Theory	Peace will result as we reduce the levels of violence perpetrated by combatants or their representatives	Cease-fires, creation of zones of peace, withdrawal/retreat from direct engagement, introduction of peacekeeping forces/interposition, observation missions, accompaniment efforts, promotion of non-violent methods for achieving political/social/economic ends
The Root Causes/Justice Theory	We can achieve peace by addressing the underlying issues of injustice, oppression/exploitation, threats to identity and security, and peoples' sense of injury/victimization	Long-term campaigns for social change, truth and reconciliation; changes in social institutions, laws, regulations, and economic systems
The Institutional Development Theory	Peace is secured by establishing stable/reliable social institutions that guarantee democracy, equity, justice, and fair allocation of resources	New constitutional and governance arrangements/entities; development of human rights, rule of law, anti-corruption; establishment of democratic/equitable economic structures; economic development; democratisation
The Political Elites Theory	Peace comes when it is in the interest of political (and other) leaders to take the necessary steps. Peace building efforts must change the political calculus of key leaders and groups	Raise the costs and reduce the benefits for political elites of continuing war and increase the incentives for peace; engage active and influential constituencies in favour of peace; withdraw international support/funding for warring parties
The Grassroots Mobilisation Theory	"When the people lead, the leaders will follow." If we mobilize enough opposition to war, political leaders will have to pay attention	Mobilise grassroots groups to either oppose war or to advocate for positive action. Use of the media; non-violent direct action campaigns; education/mobilization effort; organizing advocacy groups;

Theory	Basis of theory	Methods/intervention activities
		dramatic events to raise consciousness
The Economics Theory	People make personal decisions, and decision-makers make policy decisions based on a system of rewards and incentives and punishment/sanctions that are essentially economic in nature. If we can change the economics associated with war-making, we can bring peace	Use of government or financial institutions to change supply and demand dynamics; control incentive and reward systems; boycotts
The Public Attitudes Theory	War and violence are partly motivated by prejudice, misperceptions, and intolerance of difference. We can promote peace by using the media (television and radio) to change public attitudes and build greater tolerance in society	TV and radio programs that promote tolerance; modelling tolerant behaviour; symbolic acts of solidarity/unity; dialogues among groups in conflict—with subsequent publicity

Appendix C: Context Indicators

Indicator	Baseline	Year	Source
Number of sectarian incidents	1,701	2005/2006	PSNI
Number of racist incidents	936	2005/2006	PSNI
Number of attacks on symbolic premises: churches/chapels, GAA/AOH property, Orange Halls, schools	Churches/chapels 83 GAA/AOH property 1 Orange Halls 35 Schools 132	2005	PSNI
Percentage of people who think NI is a place free from displays of sectarian aggression	5% scored this question more than 5 (where 1 = Definitely not achieved and 10 = Definitely achieved)	2005	NI Life and Times Survey
Percentage of people who are prejudiced against people from a minority ethnic community	Very prejudiced 1% A little prejudiced 24%	2005	NI Life and Times Survey
Percentage of parades that are contentious	7%	2004/2005	Parades Commission
Reduction in the number of peace walls	37	2006	Northern Ireland Office

Appendix D: Financial Provisions

PEACE III Programme total

			PUBLIC		ERDF
			Community Participation	National Participation	Intervention
Year	Fund	Total Eligible Cost (€)	ERDF (€)	Regional (€)	Rate
2007	ERDF	44,777,928.20	30,244,428.00	14,533,500.20	0.675431607
2008	ERDF	45,673,486.03	30,849,316.00	14,824,170.03	0.675431606
2009	ERDF	46,586,956.99	31,466,303.00	15,120,653.99	0.675431602
2010	ERDF	47,518,695.84	32,095,629.00	15,423,066.84	0.675431605
2011	ERDF	48,469,070.51	32,737,542.00	15,731,528.51	0.675431603
2012	ERDF	49,438,450.61	33,392,292.00	16,046,158.61	0.675431604
2013	ERDF	50,427,218.82	34,060,138.00	16,367,080.82	0.675431618
2007-2013	ERDF	332,891,807.00	224,845,648.00	108,046,159.00	0.675431607

Priority 1: Reconciling Communities (Building positive relationships/Acknowledging and dealing with the past)

			PUBLIC		ERDF
			Community Participation	National Participation	Intervention
Year	Fund	Total Eligible Cost (€)	ERDF (€)	Regional (€)	Rate
2007	ERDF	25,680,793.96	17,345,619.93	8,335,174.03	0.675431607
2008	ERDF	26,194,409.42	17,692,532.01	8,501,877.41	0.675431606
2009	ERDF	26,718,298.32	18,046,383.04	8,671,915.28	0.675431602
2010	ERDF	27,252,664.12	18,407,310.67	8,845,353.45	0.675431605
2011	ERDF	27,797,717.83	18,775,457.12	9,022,260.71	0.675431603
2012	ERDF	28,353,671.44	19,150,965.78	9,202,705.66	0.675431604
2013	ERDF	28,920,744.91	19,533,985.45	9,386,759.46	0.675431615
2007-2013	ERDF	190,918,300.00	128,952,254.00	61,966,046.00	0.675431606

Priority 2: Contributing to a shared society (Creating shared public spaces/Key institutional capacities are developed for a shared society)

			PUBLIC		ERDF
			Community Participation	National Participation	Intervention
Year	Fund	Total Eligible Cost (€)	ERDF (€)	Regional (€)	Rate
2007	ERDF	16,410,458.64	11,084,142.45	5,326,316.19	0.675431607
2008	ERDF	16,738,667.54	11,305,825.09	5,432,842.45	0.675431606
2009	ERDF	17,073,441.34	11,531,941.84	5,541,499.50	0.675431602
2010	ERDF	17,414,910.07	11,762,580.66	5,652,329.41	0.675431605
2011	ERDF	17,763,208.55	11,997,832.43	5,765,376.12	0.675431603
2012	ERDF	18,118,472.24	12,237,788.77	5,880,683.47	0.675431604
2013	ERDF	18,480,841.62	12,482,544.76	5,998,296.86	0.675431618
2007-2013	ERDF	122,000,000.00	82,402,656.00	39,597,344.00	0.675431607

Priority 3: Technical assistance

			PUBLIC		ERDF
			Community Participation	National Participation	Intervention
Year	Fund	Total Eligible Cost (€)	ERDF (€)	Regional (€)	Rate
2007	ERDF	2,686,675.60	1,814,665.62	872,009.98	0.675431608
2008	ERDF	2,740,409.07	1,850,958.90	889,450.17	0.675431606
2009	ERDF	2,795,217.33	1,887,978.12	907,239.21	0.675431602
2010	ERDF	2,851,121.65	1,925,737.67	925,383.98	0.675431604
2011	ERDF	2,908,144.13	1,964,252.45	943,891.68	0.675431602
2012	ERDF	2,966,306.93	2,003,537.45	962,769.48	0.675431605
2013	ERDF	3,025,632.29	2,043,607.79	982,024.50	0.675431643
2007-2013	ERDF	19,973,507.00	13,490,738.00	6,482,769.00	0.675431610

Appendix E: Indicative Breakdown of the Community Contribution by category in the Operational Programme

Commission reference No: _____

Name of the programme: EU Programme for Peace and Reconciliation 2007-2013

Date of the last Commission decision for the OP concerned: __/__/__

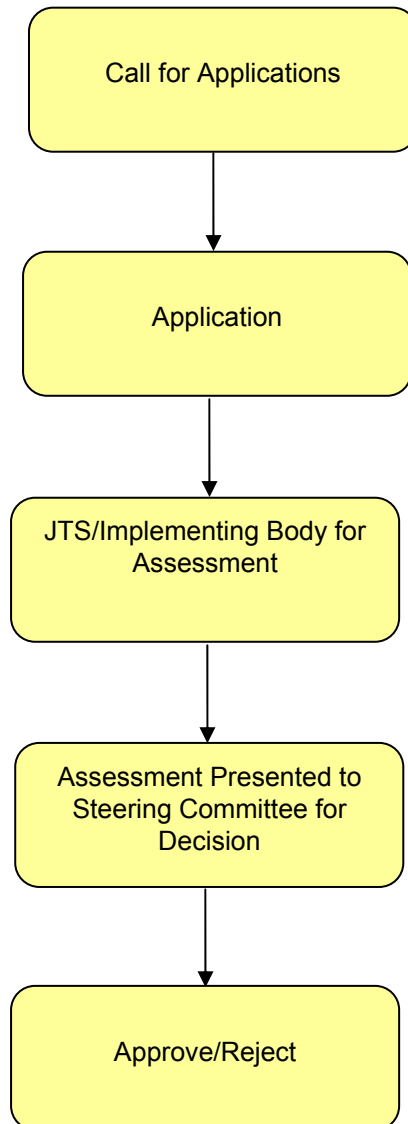
Dimension 1		Dimension 2		Dimension 3	
Priority Theme		Form of Finance		Territory	
Code	Amount (€)	Code	Amount (€)	Code	Amount (€)
		01	224,845,648	08	224,845,648
79	211,354,910				
85	7,100,000				
86	6,390,738				
Total	224,845,648		224,845,648		224,845,648

Dimension 1	
Priority Theme	
Code	Description
79	Investment in social infrastructure. Other social infrastructure.
85	Technical Assistance. Preparation, implementation, monitoring and inspection.
86	Technical Assistance. Evaluation and studies; information and communication.

Dimension 2	
Form of Finance	
Code	Description
01	Non-repayable aid.

Dimension 3	
Territory	
Code	Description
08	Cross Border Co-Operation area

Appendix F: Application Process Flow Diagram



Appendix G: Map Indicating the Eligible Are

