



**EU PROGRAMME for
PEACE and RECONCILIATION
in NORTHERN IRELAND and the
BORDER COUNTIES OF IRELAND**

2000-2004

OPERATIONAL PROGRAMME

*“reinforcing progress towards
a peaceful and stable society and
promoting reconciliation”*

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CHAPTER 1: Introduction

The EU Programme for Peace and Reconciliation in Northern Ireland and the Border Region of Ireland (2000-2004) ("PEACE II" Programme) is a distinctive European Union Structural Funds Programme aimed at reinforcing progress towards a peaceful and stable society and to promote reconciliation.

It will assist Northern Ireland and the Border Region of Ireland to address the legacy of the violence and "troubles" of the past 30 years and to take advantage of opportunities arising from the peace process. It will carry forward the distinctive aspects of the EU Special Support Programme for Peace and Reconciliation (1995-1999) ("Programme for Peace and Reconciliation" or "PEACE I" Community Initiative) with a new economic focus.

1.1. FROM PEACE I (1995-1999) TO PEACE II PROGRAMME (2000-2004)

In the autumn of 1994, shortly after the cease-fires were announced by the main paramilitary groups in Northern Ireland, the European Commission looked into practical ways for the European Union to support the region's transition to a more peaceful and stable society. The Task Force set up at that time came to the conclusion that the European Union had a clear interest and vital role to play in maintaining the momentum for peace and reconciliation, not only for the benefit of the region most affected, but also for the wider benefit of the European Union as a whole.

On this basis, the European Commission proposed to create a *Special Support Programme for Peace and Reconciliation in Northern Ireland and the Border Counties of Ireland* (also known as "Programme for Peace and Reconciliation" or "SSPPR"), to be implemented in the form of a Community Initiative under the Structural Funds for the period 1995 to 1999. The principle of such a special Programme and its initial allocation of financial resources were endorsed by the European Council of Heads of States and Governments at the Essen Summit in December 1994. After a wide consultation of interested parties both in the eligible region and among European institutions and organs, the European Commission adopted Guidelines for the Initiative in May 1995, and formally created the Programme in July 1995, in agreement with the United Kingdom and Ireland.

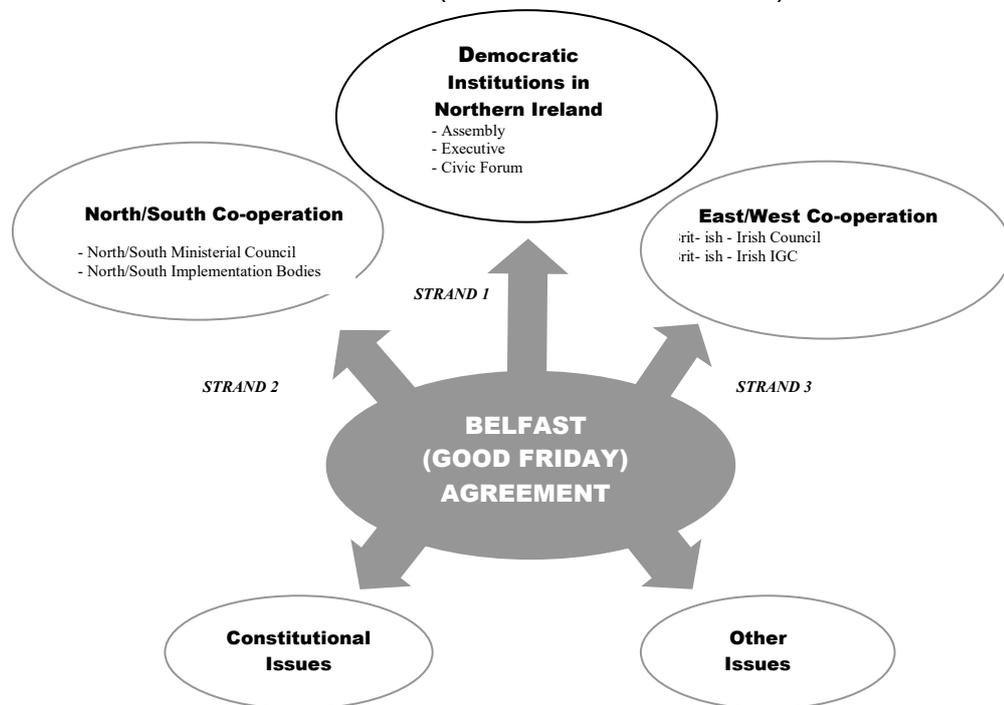
In recognition of the EU's continuing support for the peace process in Northern Ireland, the European Council in Berlin in March 1999 decided to continue the PEACE Programme for a further 5 years (2000-2004).

The implementation of the PEACE II Programme will take place in a new political and institutional context created by the implementation of the Belfast/Good Friday Agreement and by the new round of structural funds.

1.2. NEW POLITICAL AND INSTITUTIONAL CONTEXT : THE BELFAST/GOOD FRIDAY AGREEMENT

The Belfast/Good Friday Agreement is the result of the agreement reached at the multi-party talks for a peace process (April 1998) which was subsequently endorsed in referendums, North and South.

It sets out a number of institutional arrangements which reflect three strands of relationships within Northern Ireland (Assembly and Executive), between Northern Ireland and Ireland (North/South Ministerial Council and Implementation Bodies), between the British and Irish Governments (British-Irish Inter-Governmental Conference) and between those Governments, representatives of the devolved institutions in Northern Ireland, Scotland and Wales and representatives of the Isle of Man and the Channel Islands (the British Irish Council).



Power was devolved to the Northern Ireland Assembly and its Executive of Ministers on 2 December 1999. On the same date the North/South Ministerial Council, six North/South Implementation Bodies, British-Irish Council and British-Irish Inter-Governmental Conference were established. A Civic Forum was established in October 2000 to act as a consultative mechanism on social, economic and cultural issues.

1.2.1. Northern Ireland Assembly

The 108 member-strong Assembly is the prime source of authority for all devolved responsibilities. It has full legislative and executive authority - that is, the power to make laws and take decisions on all the functions of the Northern Ireland Executive's Departments.

Votes on specified matters require cross-community support in the Assembly.

The Assembly has 10 Statutory Committees for Departments with a Chair and Deputy Chair allocated to the Assembly political parties using the proportional d'Hondt System. Membership of Committees is in broad proportion to party strengths in the Assembly to ensure that the opportunity of Committee places is available to all Members.

Each Committee has a scrutiny, policy development and consultation role in relation to its Department and a role in the initiation of legislation. They have power to:

- consider and advise on Departmental budgets and annual plans within the overall budget allocation;
 - approve relevant secondary legislation and take the Committee stage of relevant primary legislation;
 - call for persons and papers;
 - initiate enquiries and make reports; and
 - consider and advise on matters brought to the Committee by its Minister.
- A non-statutory Committee has also been set up to carry out a similar role in relation to the Office of the First Minister and Deputy First Minister.

1.2.2. Executive Committee

The Assembly has elected, on a cross-community basis, a First Minister and a Deputy First Minister; ten Ministers with responsibility for the Northern Ireland Departments have been appointed on the basis of party representation in the Assembly. Together these Ministers make up the Executive. All members of the Executive have responsibility for a Department. Details of their responsibilities are described in Annex 1.

The Executive meets to discuss and agree on issues which cut across the responsibilities of two or more Ministers. It prioritises

executive business and recommends a common position where necessary.

The Executive will agree each year and review as necessary, a programme for Government with an agreed budget. This will be subject to approval by the Assembly, after scrutiny in Assembly Committees, on a cross-community basis.

In October 2000 the First and Deputy First Ministers issued on behalf of the Executive Committee the draft Programme for Government. This set out their vision, of a peaceful, inclusive, prosperous, stable and fair society together with their proposed strategic aims and priority to be pursued, working with and for all the people of Northern Ireland. The Programme for Government for 2001-2004 was approved by the Assembly on 6 March 2001.

1.2.3. Civic Forum

A Civic Forum consisting of 60 members was established in October 2000. The Forum acts as a consultative mechanism on social, economic and cultural matters across Northern Ireland. Membership is drawn from representatives of the business, trade union, voluntary and other sectors of the Northern Ireland community. The Chairperson has been appointed by the First Minister and Deputy First Minister.

1.2.4. The North/South Ministerial Council (NSMC)

North/South Co-operation was placed on a new basis with the establishment of the North/South Ministerial Council (NSMC). Strand Two of the Good Friday Agreement provided for the setting up of a NSMC and outlined a new institutional framework and context within which co-operation between the two parts of the island was to be taken forward. This provided a strategic focus for North/South Co-operation and a foundation for the Common Chapters in the Structural Funds Plan for Northern Ireland (2000-2006) and the National Development Plan for Ireland.

The NSMC was established on 2 December 1999. It brings together Ministers from the Northern Ireland Administration and the Irish Government, and meets on a regular basis in Plenary and Sectoral Format, covering 12 sectors - Trade and Business Development; Food Safety Promotion; Foyle, Carlingford and Irish Lights; Special EU Programmes; Inland Waterways; Language; Education, Agriculture, Environment, Health, Tourism and Transport). Cross-community participation by Northern Ireland Ministers is required in NSMC.

The role of the NSMC is "to bring together those with executive responsibilities in Northern Ireland and the Irish Government, to develop consultation, co-operation and action within the island of

Ireland – including through implementation on an all-island and cross-border basis – in matters of mutual interest within the competence of both Administrations, North and South”. The Council will also ‘consider the European Union dimension of relevant matters, including the implementation of EU policies and Programmes and proposals under consideration in the EU framework. Arrangements are to be made to ensure that the views of the Council are taken into account and represented appropriately at relevant EU meetings’.

1.2.5. North/South Implementation Bodies

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. These bodies implement policies agreed by Ministers in NSMC.

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).

The Special EU Programme Body

In the context of EU Programmes and this Operational Programme in particular, the Special EU Programmes Body has a central role. It will be the Managing Authority of the new PEACE II Programme, as well as of the INTERREG III Programme, and will be involved in the administration of the cross-border elements of the other Community Initiatives Programmes on the island of Ireland (LEADER+, EQUAL, and URBAN II). It is also responsible for monitoring and promoting the implementation of the Common Chapter on North/South Co-operation set out in the National Development Plan for Ireland and in the Northern Ireland Structural Funds Plan.

Matters for North/South Co-Operation through Existing Bodies

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

1.2.6. The British-Irish Council

The Belfast/Good Friday Agreement under Strand Three makes provision for a British-Irish Council (BIC) to promote the harmonious and mutually beneficial development of relationships among the peoples of the United Kingdom and Ireland. It is made up of representatives of the British and Irish Governments, of the devolved institutions in Northern Ireland, Scotland and Wales together with representatives of the Isle of Man and the Channel Islands. The Council held its inaugural plenary meeting in London on 17 December 1999. It has also had meetings in sectoral format.

The BIC will exchange information, discuss, consult and use best endeavours to reach agreement on matters of mutual interest, within their respective competencies.

The Council has agreed an initial list of issues for early discussion: drugs, social inclusion, the environment, transport and the knowledge economy. The BIC also agreed an indicative list of other issues suitable for the Council's work, including agriculture, tourism, culture, health, education, approaches to EU issues, links between cities, towns and local districts, sporting activity and minority and lesser used languages.

1.2.7. British-Irish Intergovernmental Conference

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.

1.3. THE BERLIN EUROPEAN COUNCIL AND THE NEW ROUND OF EUROPEAN COMMUNITY STRUCTURAL FUNDS (2000-2006)

1.3.1. Overview of Structural Funds in the Island of Ireland

At the Berlin Council in March 1999 the Heads of State and Government agreed a political package (known as "Agenda 2000") on the financial allocation of € 260 billion to structural interventions in favour of European Union regions for the period 2000-2006. In June 1999, the Council of the European Union adopted a series of EC Regulations which formalised this political agreement into European law.

Funding for the new programming period is made available from the Structural Funds as follows:

- European Regional Development Fund (ERDF) which promotes the development of those regions whose development is lagging behind;
- European Social Fund (ESF), focusing on the implementation of the European employment strategy;
- Guidance section of the European Agricultural Guidance and Guarantee Fund (EAGGF), whose objective is improving the efficiency of the structures of production, processing and marketing of agricultural and forest products.
- Financial Instruments for Fisheries Guidance (FIFG) focuses on the structural aspects of the common fisheries policy.

Regions within Member States are categorised into one of 3 Objectives.

Objective	Definition	Structural Funds Available			
		ERDF	ESF	EAGGF	FIFG
1	Promoting the development and structural adjustment of regions whose development is lagging behind	ERDF	ESF	EAGGF	FIFG
2	Supporting the economic and social conversion of areas facing structural difficulties	ERDF	ESF		FIFG
3	Supporting the adaptation and modernisation of policies and systems of education, training and employment			ESF	

Objective 1 receives the highest priority, as it is targeted on the poorest regions in the Union. It attracts support from all 4 Structural Funds and around 70% of the total EU Structural Funds is allocated to Objective 1 Programmes. To qualify as an Objective 1, a Region must have had a *per-capita* GDP (Gross Domestic Product) of less than 75% of the EU average for the 3 years prior to the Berlin Council.

Northern Ireland exceeded this 75% threshold for the period in question but was able to avail of newly introduced "phasing out" arrangements that provides former Objective 1 regions, such as Northern Ireland, with access to Objective 1 funding but on a gradually reducing basis over the period to 2006.

As a result Northern Ireland secured € 890.5m (£ 575m) for a Transitional Objective 1 Programme.

In the South, the Border, Midland and Western (BMW) Region qualifies for Objective 1 status for the full period to 2006, while the Southern and Eastern (S&E) Region will be in a transitional regime for Objective 1 up to 2005. Ireland will thus receive € 3.2 billion under seven Operational Programmes (one being PEACE II).

In addition to the mainstream Structural Funds Programmes, the new EC Regulations provide for four Community Initiatives to be set up in the European regions:

- INTERREG (ERDF) : cross-border, transnational and interregional co-operation ;
- URBAN (ERDF) : regeneration of urban areas in crisis ;
- EQUAL (ESF) : fighting against discrimination and inequality in access to work ;
- LEADER (EAGGF-Guidance): rural development.

These four Community Initiatives will be present in the form of Programmes amounting to approximately € 113 million in Northern Ireland, and € 176 million in Ireland.

1.3.2. The Specific Contribution of the EU to the Peace Process

In addition, to mark the European Union's continuing support to the Belfast/Good Friday Agreement, the Berlin European Council decided that the PEACE Programme would be continued for five years (2000-2004) with an amount of € 500 million¹, of which € 100 million would be allocated to the Border Region of Ireland. It also stressed that this programme would be implemented in full respect of additionality of Structural Funds interventions.

While PEACE I, the Programme for Peace and Reconciliation, was a joint programme in the form of a Community Initiative, PEACE II has been integrated as an Objective 1 Programme within the Community Support Frameworks (CSFs) of both Northern Ireland and Ireland: it is now one of the two Operational Programmes for Northern Ireland and one of the seven Operational Programmes for Ireland.

At that same meeting in Berlin, the fifteen European Heads of State and Government also decided that the EU contribution to the International Fund for Ireland (IFI) would be renewed for a period of three years (2000-2002) for a total amount of € 45 million (approx. £ 29 million). It is the continuation of a European financial contribution to the IFI' objectives and activities since 1989 which are close to the ones pursued by the PEACE Programme in the region².

¹ 1999 prices

² The IFI is an independent organisation established by an British-Irish Treaty in 1986, whose aims are "to promote economic and social advance and to encourage contact, dialogue and reconciliation between nationalists and unionists throughout Ireland."

CHAPTER 2: Rationale

2.1. INTRODUCTION

Northern Ireland and the Border Counties of Ireland face a significant challenge in supporting and reinforcing progress towards a more peaceful and stable society. The fundamental rationale for this European Union Programme is to support that transformation by supporting actions on both sides of the border which address the legacy of conflict over the past 30 years and take full advantage of the new opportunities arising from Peace.

The European Union has shown its clear and continued commitment to maintaining the momentum for peace and reconciliation, not only for the benefit of the region but also for the wider benefit of the European Union as a whole. This was highlighted in the decision of the European Council in Berlin in March 1999 to continue to support progress towards a more peaceful and stable society in the region for a further 5 years (2000-2004).

The decision of the Berlin Council to integrate the Peace Programme (formerly a Community Initiative) into the mainstream Structural Funds Programme led to the setting up of a Northern Ireland Community Support Framework (CSF) with two Operational Programmes – the Transitional Objective 1 Programme and the PEACE II Programme. In the Border Region the PEACE II Programme is one of 7 Operational Programmes in the Irish CSF.

Proposals for the PEACE II Programme were set out in the Structural Funds Plan for Northern Ireland and the National Development Plan for Ireland. In drawing together the proposals for the PEACE II Programme the relevant authorities in both Member States have taken into account the continuing overwhelming need to maintain the momentum for peace. In particular,

- The prevailing economic and social needs of the region identified by the ex-ante appraisal
- the outcome of the consultation process;
- the relationship with the CSF of Northern Ireland and Ireland

2.2. EX-ANTE EVALUATION

Independent ex-ante evaluations were carried out in Northern Ireland and Ireland. These included a careful analysis of the environmental position of the region, of equality between men and women and of the regional labour market.

The Northern Ireland ex-ante evaluation incorporated an extensive socio-economic review. The socio-economic review, which is set out in full at Annex 2 is discussed in more detail at paragraph 2.2.2 below.

The socio-economic review was complemented by a Labour Market Assessment (LMA); a shortened version of the LMA is reproduced in Annex 3. This LMA will be updated for the annual reviews.

In Northern Ireland the *ex-ante* evaluation has also drawn upon experience of the operation and evaluation of the 1994-1999 round of Structural Funds support, including the experience of introducing and implementing the Special Support Programme for Peace and Reconciliation, which introduced new approaches and Implementing Bodies to the Structural Funds in Northern Ireland.

2.2.1. Results of Previous Structural Funds Support: Lessons from PEACE I

The *ex-ante* evaluation found that the first Peace Programme was an innovative Programme not only in a UK and Irish context, but also at the level of the European Union as a whole.

The PEACE I Programme had a unique approach both in terms of successfully engaging groups which had not previously been involved in European funding, and also in the diversity of the implementation mechanisms used to implement the Programme. It is important that the experience gained under PEACE I is built upon by ensuring that any lessons learnt are carried forward to benefit the implementation of PEACE II.

There have been a number of interim evaluations carried out by the Programme Evaluator, appointed by the Monitoring Committee, over the latter stages of PEACE I. Many of the recommendations contained in these evaluations reflect some of the general lessons to be learnt, others were more directly related to improving the operational management of the Programme at the time and these were generally accepted and implemented as part of the ongoing management review process. Other reports produced on the Programme such as the report by the European Court of Auditors³ have also provided a valuable insight into how the initial stages of PEACE II could be better managed and implemented.

While a number of other evaluations have also been carried out many of these were from a particular perspective of the Programme whereas the Programme Evaluators' reports and the European Court of Auditors report provide an objective assessment of the overall Programme and the recommendations and lessons to be learnt can be applied across all of the Programme.

The following sections outline some of the emerging lessons to be learnt from PEACE I.

³ Special Report No 7/2000 concerning the PEACE programme and IFI; OJ 2000/C 146/01 of 25.5.2001

While the diversity of the implementation mechanisms is one of the reasons why PEACE I was so enthusiastically received they, together created a degree of overlap and confusion in Northern Ireland both within the Programme and with other forms of EU assistance available at the time, eg the Community Initiatives and the International Fund for Ireland. This caused some funding bodies to be unclear about their respective areas of responsibility and their lines of accountability. The Programme was also exposed to the risk of competition with other Structural Funds Programmes as no formal co-ordination relationship was established to avoid duplication and to promote complementary actions.

The absence of a clearly co-ordinated publicity campaign together with the initial confusion among some of the funding bodies, inevitably caused further confusion on the ground. In particular, project promoters were often unsure if their potential projects would be eligible for funding. In some cases they experienced difficulty in obtaining information as to which funding body, applications or enquiries for funding, should be directed. To some extent this initial confusion was exacerbated by the introduction of the unique District Partnership concept as part of the Programme in Northern Ireland. On the one hand it provided local groups with the opportunity to generate and implement a plan to meet local needs but it caused confusion in that sometimes calls for project applications were similar to those within other Programme Measures that were being administered on a wider regional thematic basis.

Initially a considerable amount of time had to be spent in setting up contracts and other important administrative procedures for the new implementation bodies. In addition, many of the implementing bodies were also dealing with the allocation and administration of European funding for the first time, and in some cases there was a tendency to underestimate the complexities attached to the allocation of funding and the subsequent monitoring and verification procedures that were required. The lack of experience and other problems normally associated with the start up of a new Programme, meant that progress was much slower than was originally expected. While it has been generally been acknowledged that the original expectations were perhaps overly optimistic given the new and experimental nature of the Programme, it has also generally been accepted that a strategic training programme to meet the various needs at the outset of the Programme would have accelerated progress at a much earlier stage.

In addition to the initial organisational and planning problems funding bodies were also faced with the significant task of seeking to engage groups from socially excluded communities who would not have had previous access to EU funding. As many of the target community groups required time to develop their projects, the majority of funding bodies found themselves faced with the additional task of having to

provide a capacity building and project development service to these groups. The absence of a suitable training process to equip the requisite number of development workers with the skills to meet this need meant that some projects were slow to materialise, and this also contributed to the slower than anticipated progress of the Programme.

Some evidence would suggest that funding bodies did not have a clear understanding of the strategic aim of the Programme and the monitoring and evaluation requirements at the outset of the Programme. This together with the absence of tightly drawn selection criteria for projects, caused funding bodies to experience some difficulty in deciding which particular groups they should target, and how potential projects should be assessed and selected for funding.

There are, of course, numerous other operational lessons that the funding bodies have learnt through their experience in delivering the PEACE I Programme. It is anticipated that this gradual build up of expertise and knowledge will continue to develop and give rise to continuous efficiency improvements under PEACE II. The facility to share, discuss and resolve common operational problems through regular co-ordinated meetings such as the Programme Management Committee and the bilaterals between the Finance Departments and Sub-programme leaders have also proved beneficial. The benefits of the centralised applications database became apparent during the latter stages of the Programme and it is recognised that this facility would have been of significant benefit at a much earlier stage in the Programme.

In summary, the main lessons to be learnt from PEACE I include:

- the need for formal co-ordination procedures between all relevant EU Programmes offering similar forms of assistance in the same areas covered by PEACE II;
- measure sheets should contain project selection criteria that are linked to the hierarchical aims of the CSF, Operational Programme and Priority and which are primarily targeted at specific sectors or groups;
- funding bodies should have a clear understanding of their role and area(s) of responsibility and of their relationship with other relevant organisations both within PEACE II and other EU Programmes;
- to maximise the contribution to decisions on the allocation of funds, projects should be appraised against agreed selection criteria by a representative committee with agreed minimum information reflecting the funding decisions;

- meaningful and consistent financial and other information needs should be co-ordinated electronically and, where appropriate, form part of a wider shared database in order to facilitate the co-ordination with other relevant EU Programmes or forms of assistance;
- a series of bespoke training courses and information days at the outset of the Programme to cover such areas as: design and content of application forms; creation of relevant procedures would help to ensure that all sectors of the population are invited to participate in the Programme;
- systems and procedures should be designed to openly and fairly assess, select and record projects against an agreed criteria;
- there should be clear procedures associated with the allocation of funding and follow up action (letters of offer, monitoring of projects, verification visits, audits etc); financial monitoring returns; role and duties of a Monitoring Committee member; and assisting promoters to develop potential and approved projects; and
- an effective publicity and communication strategy should be implemented at the outset of the Programme.

2.2.2. Socio-Economic Review and Labour Market Assessment

In an extensive socio-economic review, the Northern Ireland ex-ante evaluation compared current levels and trends in key indicators in relation to Northern Ireland with those for the UK as a whole, for Ireland, where appropriate, and with the European Union (EUR 15) results where up to date data is available.

2.2.2.1. Impacts of the Troubles – Northern Ireland

The socio-economic review also analysed the economic impacts of the troubles in Northern Ireland. It found that the economic impact of the Troubles fell under the following main headings:

- Impacts on the level and structure of public spending
increased expenditure took place on security and prison services as well as on measures such as health, education and housing intended to ameliorate community divisions. While this additional public expenditure helped to sustain household incomes, it did not contribute to developing the economy's capacity for self-sustaining growth. The diversion of funds to social and security expenditure and away from public investment

in areas such as economic infrastructure further undermined the development of the supply-side of the regional economy

- impacts on industrial re-structuring

the Northern Ireland economy has failed to develop growth sectors and to move away from dependence on declining sectors. The inhibiting effect of the conflict on inward investment has been a major contributor to this effect – denying Northern Ireland both the direct and indirect benefits of new investments and new technologies and providing a strong incentive to try to retain existing industrial employment even if it was located in sectors with poor long-term prospects of growth and development.

These effects, the very low level of development of the tourism industry, community divisions, degraded urban environments and a sense of political instability leading to a lack of business confidence have all created a context inimical to economic development.

- labour market impacts

The Troubles have produced additional employment in the police and security sectors and in other public sector occupations. However, these non-market related jobs are ultimately unsustainable and the diversion of human resources into these sectors has reduced the economy's productive potential. Community conflict has also fostered labour market inflexibility and made it more difficult to match job opportunities and job seekers, a factor which contributes to the very high rates of unemployment in particular communities.

2.2.2.2. Impacts of the Troubles – Border Region

The ex-ante evaluation prepared for the Border, Midland and Western Operational Programme identified several key socio-economic deficiencies in the Border Region in comparison to the economy generally. These are summarised as:-

- a higher dependence on agriculture;
- lack of an adequate physical infrastructure in part related to the closure of large sections of the border during the conflict;
- relatively poor skill level in the workforce;
- lower growth than that enjoyed elsewhere;
- lower income than that in both national economies; and
- higher levels of unemployment.

In the Border Region the Troubles had a major impact on the commercial development in the region particularly in terms of cross-border trade and the inflow of foreign direct investment. As in the case of Northern Ireland, the region is heavily dependant on traditional and low productivity industry and has failed to attract foreign direct industry compared to other regions of Ireland. People

who have migrated from Northern Ireland because of the Troubles are more heavily concentrated in the Border Region. The Region also contains communities which have been affected by the conflict through isolation or marginalisation resulting from the severing of social and economic links.

2.2.3. The Environment

Many of Ireland's environmental assets such as areas of outstanding natural beauty, loughs, coastlines, flora and fauna are common North and South. Overall, the island of Ireland has a "clean and green" image, although the image of Northern Ireland and the counties close to the border is somewhat affected by the violence of the past 30 years. In view of these factors, there will be an emphasis on co-operation between both parts of the island in relation to maintenance, conservation, enhancement, and promotion of the environment of all Ireland.

An evaluation of the Border Region's environment has been undertaken in the context of the preparation of the Regional Programmes under the National Development Plan and the Community Support Framework for Ireland. The environment of the BMW Region is generally of a high quality in most respects. This is to be expected given the relatively low population density, the absence of major population centres and industrial concentration, and the comparatively low vehicle ownership. The Region has a rich mixture of natural heritage in the form of flora and fauna, and mountains, bogs, rivers, lakes and beaches. However, the environment in the Region has been coming under increasing pressure in recent years both from the growth in population and the general acceleration of economic development and from specific factors such as changed agricultural practices and the development of industry, particularly the agri-food business.

Northern Ireland's environment is an important asset in its own right and in social and economic terms. The ex-ante evaluation identifies a number of weaknesses in Northern Ireland's environment including diminished landscapes; low woodland cover; a lack of species-rich grassland; low levels of waste reduction and recycling; and excess enrichment of waters. It has also identified a number of threats to the environment arising from economic growth and development.

A description of the Northern Ireland and BMW Region environment is included at Annex 4.

2.2.4. Strengths Weaknesses Opportunities Threats (SWOT) Analysis

The following table summarises the major themes identified under each heading of the SWOT analysis. Elements in italics are drawn from the draft INTERREG SWOT analysis.

<p>Strengths</p> <ul style="list-style-type: none"> ▪ The regional workforce is set to increase at a time when, elsewhere in the EU, the workforce numbers are declining. Many potential new entrants to the Northern Ireland labour market are well-educated school leavers and graduates. Regional economic activity could therefore increase at a time when it is in decline in many other regions. ▪ Production costs in the region are relatively low. ▪ Recent investments, many EU-funded, have enhanced the regional infrastructure. ▪ The region is characterised by a rich and attractive environmental heritage. • <i>high quality natural environment and excellent endowment of natural resources</i> • <i>good availability of human resources;</i> • <i>emerging enterprise culture;</i> • <i>lack of urban bottlenecks which exist in other regions of the island, particularly in the South and East; and past success of cross-border initiatives.</i> 	<p>Weaknesses</p> <ul style="list-style-type: none"> ▪ The regional economy is over-reliant on low value-adding and declining sectors. ▪ A relatively large agriculture sector characterised by small farm size and declining farm incomes. ▪ Regional businesses are typically small with little tendency to innovate. Business formation rates are relatively low, as is investment in human resource development or RTDI. ▪ High industrial and domestic energy costs. ▪ A significant proportion of the regional workforce is unqualified or poorly qualified and labour mobility is limited. ▪ Relatively high long term unemployment and economic inactivity. ▪ A lack of internal social and economic cohesion with marked sub-regional disparities in terms of relative deprivation. • <i>shortage of highly skilled personnel in many sectors, combined with high levels of youth and long-term unemployment;</i> • <i>inadequate physical, social and economic infrastructure to support economic development;</i> • <i>dependence on agriculture and other low value-added indigenous industry leading to lower than average earnings;</i> • <i>under-developed cross-border networks; and</i> ▪ <i>poor urban structure combined with a dispersed rural population and significant rural poverty.</i>
<p>Opportunities</p> <ul style="list-style-type: none"> ▪ Economic and other opportunities from stability arising from the peace process eg to attract more inward investment and to develop a larger, more innovative and more outward-focused private sector. ▪ Opportunities relating to Information Communications Technology (ICT). ▪ Opportunities arising from continued economic growth in Ireland. ▪ Opportunities for economic growth based on capacity recently built up a community level. ▪ 	<p>Threats</p> <ul style="list-style-type: none"> ▪ A return to violent community conflict thus affecting political stability is possible. ▪ The need to meet the employment needs of a growing workforce. ▪ Increased competition from Eastern Europe coupled with declining EU receipts. ▪ The region's relatively peripheral position within the EU. ▪ Threats to the regional environment arising from increased economic growth and population pressures. • <i>Environmental pollution;</i> • <i>Rural social exclusion</i> • <i>Delays in developing better-skilled human resource and R&D base;</i> • <i>Political instability;</i> ▪ <i>Inability to develop with appropriate spatial planning the necessary physical and social infrastructure to facilitate development of the region.</i>

2.2.5. Conclusion

The community conflict over the last 30 years has created serious barriers to reconciliation between the two communities. Polarisation and mutual mistrust leads to residential and workplace segregation and creates rigidities within local labour markets, loss of productive

output due to sectarian related incidents in the workplace, an undermining of business confidence, a negative external image, a “brain drain” of bright young students and the physical scarring of cities, towns and villages throughout, particularly in interface areas. There is therefore a need to promote actions which remove barriers to reconciliation and break down community divisions. This could be done by developing cross-community contact, particularly in interface areas, bringing together groups or individuals who have been separated by the conflict for co-operative/joint actions and promoting innovative approaches towards reconciliation.

Although all areas and people in Northern Ireland have suffered from the consequences of the “Troubles”, some have suffered disproportionately. Over 3,000 people have been killed and 40,000 injured whilst many more suffer related grief and trauma. In addition to the victims of violence other vulnerable groups have suffered from disadvantage or social exclusion as a result of the conflict including persons with disabilities, young people, women and ex-prisoners. It is important that actions are introduced to target individuals within these groups and the communities/areas in which they live to provide opportunities for reintegration into civil society and to provide the basis for the long-term improvement in economic and social conditions through innovative and community-led activity.

The conflict has also had an inhibiting effect on inward investment leading to secondary impacts in inhibiting technology transfer, development of new skills and SME supplier networks. Other areas to suffer include the tourism industry, which has been very adversely affected by the conflict and there has also been a broader and less easily quantified effect on the business environment across Northern Ireland. The opportunities afforded by Peace are key to addressing this legacy of the Troubles. This includes the exploitation of business opportunities arising from the removal of the constraints imposed by violence, or the threat of violence, will create job opportunities in sectors, or for people disadvantaged by the consequences of the Troubles. The prospects of a peaceful society in the longer term will create further opportunities which should be exploited in a more stable environment. It will also be necessary to tackle positively the reduction of employment opportunities in security-related sectors which will release people onto the labour market.

The Troubles have also spillover effects into the Border Region in terms of disruption of normal routes of cross-border trade, reduced inward investment and increased concentration of groups and individuals which have been personally affected by the Troubles and disruption of social interaction between community on both sides of the border.

2.3. CONSULTATION PROCESS

Fundamental to the development of the CSF and the OPs has been the wide and inclusive consultation process which was undertaken in Northern Ireland and the Border Counties of Ireland.

2.3.1. Northern Ireland

In Northern Ireland a widespread consultation exercise was launched in August 1998 inviting views from interested organisations and individuals on the priorities which should be addressed by the Plan and the types of activities which should be funded. Written responses to this consultation process provided an important input into the development of the Structural Funds Plan.

Following the Conclusions of the Berlin Summit, in March 1999, and the announcement of the overall package for Northern Ireland, a more substantive and carefully targeted consultation was undertaken with local partners to identify detailed proposals on how best to use the resources to maximise the impact on the economy and society. This included two Consultation Conferences in May and September 1999 which brought together over 300 delegates from a wide range of local interests and also included participants from Ireland.

A critical element of the consultation process was the input from the new Northern Ireland Assembly, which of course, represents an important channel of local opinions which did not exist during previous consultations on Structural Funds priorities for Northern Ireland. Two briefing seminars were organised for Members of the Assembly in May and September 1999. Consultation with the Assembly Parties were also continued by a series of meetings.

A Core Consultative Group of key economic and social partner bodies was established to facilitate ongoing consultation. The views of the First Minister (Designate) and the Deputy First Minister (Designate) were also represented on the Group by the participation of their advisers.

The work of the Core Group was complemented by a series of bi-lateral discussions, with social partner organisations and with local Government representatives.

In November 1999 the Core Group was replaced by the EU Programmes Development Committee which brought together Assembly Parties, representatives of local authorities, key economic and social partners into one forum. A further round of written consultation was undertaken in February 2000 on the consensus position reached by the Executive Committee on the Structural Funds Plan.

The EU Programmes Development Committee was subsequently replaced by the establishment of the "Interim CSF Monitoring Committee (ICSFMC) which enabled the consultation to continue in a structured and co-ordinated manner. The ICSFMC enabled regional and local interests to be kept informed of the negotiations with the European Commission on the CSF and the OPs. The Committee Members included Departments involved in spending proposals, the Northern Ireland Assembly Parties, District Councils, social and economic partners and other relevant local interests as well as representatives from the European Commission in an advisory capacity. This ICSFMC was replaced by the CSF Monitoring Committee following formal adoption of the CSF in December 2000. The CSF Monitoring Committee continued to take a broad focus of the Operational Programmes negotiations.

2.3.2. Border Region

The consultation on the PEACE II in Northern Ireland was complemented by a similar process in the Border Counties of Ireland. The process was lead by the Department of Finance under the aegis of consultation in relation to the preparation of the National Development Plan for Ireland. Submissions on the contents of the OP were invited from a wide range of players consisting of those involved in PEACE I at project promotion, implementation, sectoral, social partnership, local and central Government levels. With the agreement of the authorities in Northern Ireland, the consultation process there included participation from wide range of interests in the Border Region and at central and local Government level.

The contents of the submissions received formed the basis for a conference and a series of workshops held in Monaghan in September 1999. Just under 300 people participated at this conference and represented all sectors. This included elected representatives North and South, social partners, community and voluntary groups, representation from groups active in PEACE I, cross-border networks, and representatives of local and central Government. The Irish Government adopted the Priorities, outline funding and delivery mechanisms in March 2000.

2.3.3. Joint Consultation

While the initial consultation on the PEACE II Programme was carried out separately North and South to take account of the particular and differing needs, joint and continuing consultation has been facilitated through the establishment, initially in shadow form, of the PEACE II Monitoring Committee which is chaired by the Chief Executive of the SEUPB. The Committee which had its inaugural meeting on 20 December 2000 will ensure not only joint consultation and dialogue but also a more focused consultation with representatives of the voluntary and community sectors, business, agriculture, the trade unions, local Government, equality and

environmental bodies, the paying authorities and Finance Departments, being represented on the Committee in equal numbers North and South.

This full and inclusive consultation process has formed a major input to the whole development of the Structural Funds Plan, the Community Support Framework and the Operational Programme. The consultative process which concluded in January 2001 with a colloquy to discuss new delivery arrangements under PEACE II has been sophisticated and inclusive and has laid the foundations for continuing such an approach in the implementation of the Community Support Framework and of the Programmes.

2.4. RELATIONSHIP BETWEEN THE PEACE II PROGRAMME PRIORITIES AND THE CSFs

The PEACE II Programme forms a much more significant proportion of CSF funding in Northern Ireland than is the case in Ireland. In Northern Ireland it is one of only two Operational Programmes which will be implemented under the authority of the CSF and accounts for approximately 32% of total CSF funding whereas in Ireland it is one of seven Operational Programmes and accounts for 3.34 % of total CSF funding. In this context the relationship between the Peace Programme and each of the respective CSFs is considered separately below.

The logical derivation of the Northern Ireland CSF Priorities from the ex-ante evaluation and subsequent allocation to the Operational Programme, and the associated Priorities of the Irish CSF result in the following Priorities for PEACE II:-

- Priority 1: Economic Renewal;
- Priority 2: Social Integration, Inclusion and Reconciliation;
- Priority 3: Locally Based Regeneration and Development;
- Priority 4: Outward and Forward-Looking Region;
- Priority 5: Cross-border Co-operation; and
- Technical Assistance.

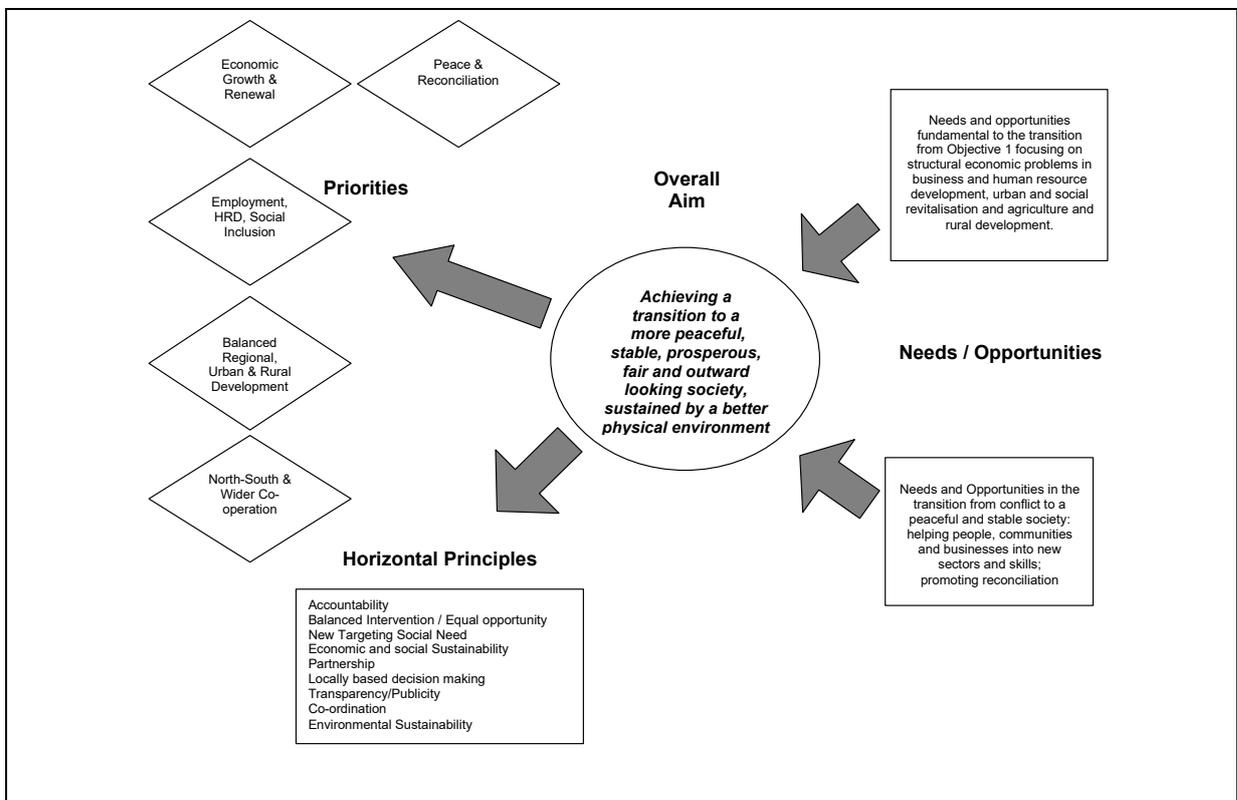
The PEACE II Programme will complement actions supported under other Operational Programmes and Community Initiatives in Northern Ireland and Ireland and will extend the range of actions undertaken under the respective CSFs to take account of those needs and opportunities arising from the Peace process. It will therefore represent a very distinctive application of the European Structural Funds – building on the radical and innovative approaches adopted under the original Peace Programme. At the same time PEACE II will be more closely integrated with other Structural Funds support because it will operate within the clear strategic parameters of both CSFs. The distinctiveness of the Peace Programme is routed in the specific and additional objectives and criteria for peace and reconciliation under the PEACE II Programme and the targeting of actions

to achieve these objectives. The Programme offers the opportunity to build on the new Implementing Bodies developed under the original Peace Programme and to achieve a tighter integration of actions and Implementing Bodies, based on the experience of PEACE I.

The PEACE II Programme will be the exclusive means by which the Northern Ireland CSF “sui generis” Priority “Peace and Reconciliation” will be delivered.

2.4.1. Links with the CSF of Northern Ireland

The overall logical structure and Priorities for the Northern Ireland CSF, were derived directly from the Northern Ireland Structural Funds Plan, the ex-ante evaluation, the consultation process and subsequent discussions with the European Commission.



These CSF Priorities provide the link between the Structural Funds Plan and the CSF, on the one hand, and the Operational Programmes, on the other. They are also grounded in the ex-ante evaluation; and provide a means of linking the broad strategic vision with the more detailed structure of the Operational Programmes.

2.4.2. Links with the CSF of Ireland

The focus of the Operational Programme in the Border Region draws on the priorities agreed with Northern Ireland and will build on the achievements of PEACE I. The CSF for Ireland proposes PEACE II as a distinctive Programme designed to address the opportunities and challenges arising from the Peace process. Actions in this OP

will be complementary to actions supported under other OPs and the Community Initiatives. The emphasis in the OP will be to:-

- address particular key socio-economic deficiencies in the Border Region resulting from the thirty years of conflict;
- ensure that the target groups for action are those most affected by the conflict and those in danger of remaining excluded from normal socio-economic activity.

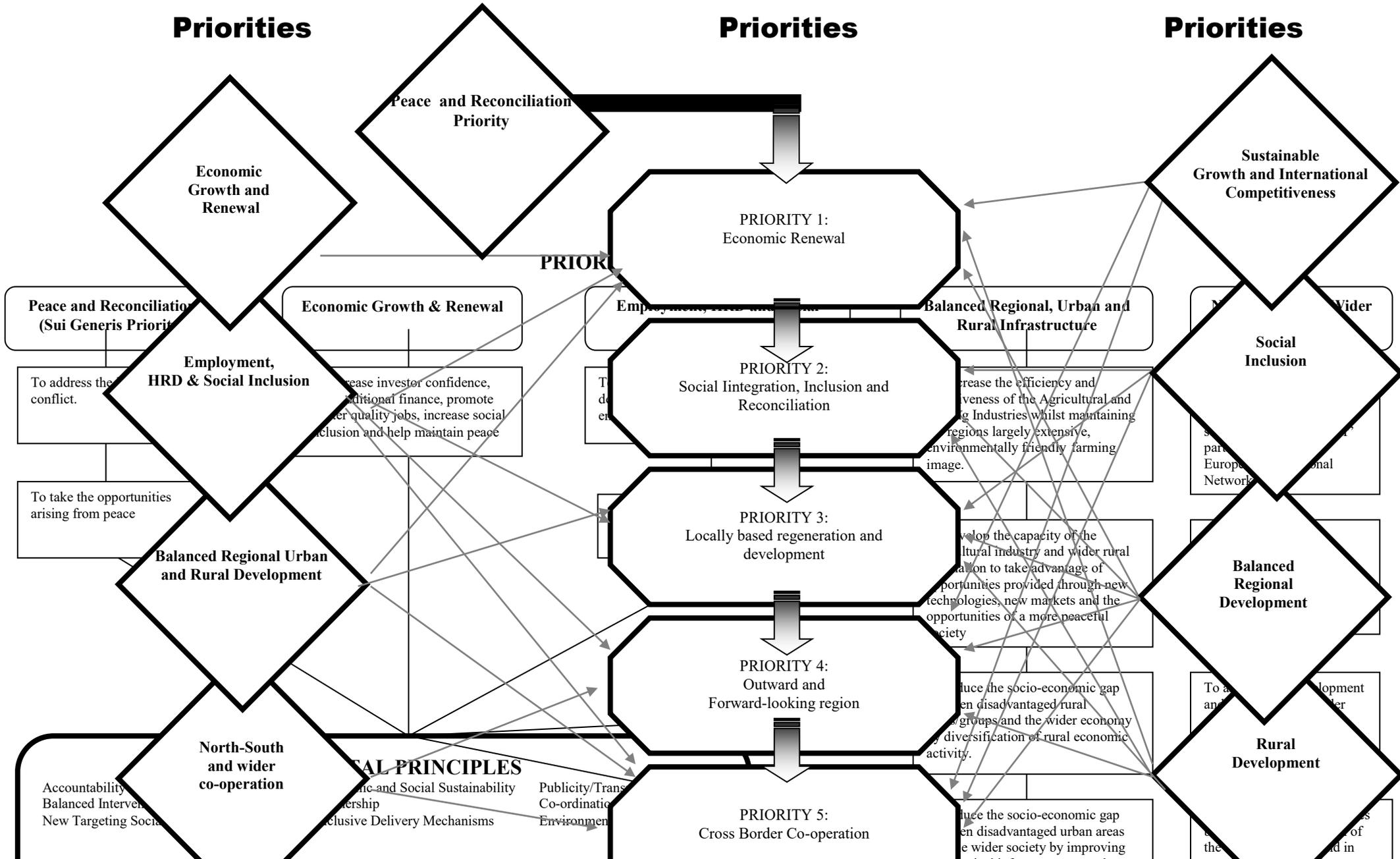
2.4.3. Synthesis

The following diagram illustrates the linkages between the CSF Priorities and the Priorities of the PEACE II Programmes. The sui generis Priority 'Peace and Reconciliation' will apply across all Priorities under PEACE.

CSF NI Priorities

PEACE II OP Priorities

CSF Ireland Priorities



CHAPTER 3: Distinctiveness of PEACE II Programme

3.1. INTRODUCTION

This Chapter highlights the distinctive features of the Programme *vis-à-vis* all other Structural Funds Programmes :

- Its overall strategic aim (Section 3.2), specific process (Section 3.3) and objectives (Section 3.4), form the basis for a unique framework of application (Section 3.5). Those elements had already been developed in the Northern Ireland CSF (*sui generis* Priority “Peace and Reconciliation”) but their introduction into the Programme’s document make them applicable to the entire eligible region, *i.e.* Northern Ireland and Border Region of Ireland.
- This framework is operationalised by specific targeting (Section (3.6) and selection criteria (Section 3.7).
- Finally, the unique set of implementing structures is described in Section 3.8.

3.2. STRATEGIC AIM

The overall strategic aim of the Programme is:

“to reinforce progress towards a peaceful and stable society and to promote reconciliation”.

This was already the overall strategic aim of the PEACE I Community Initiative Programme (1995-1999). Building on this experience, this overall strategic aim will be pursued over the new period both through an inclusive process as well as through specific objectives.

3.3. AN INCLUSIVE PROCESS: “PAVING THE WAY TO RECONCILIATION”

The overall aim of the Programme can be achieved by 2 different approaches which complement each other:

- firstly, by supporting the creation of inclusive, bottom-up and cross-border structures for the PEACE Programme itself (see Section 3.8);
- secondly, through the actions and projects supported by the Programme. Irrespective of whether they are region-wide or locally-based, originating from grass root or higher levels, cross-community or single identity, projects financed under the PEACE Programme should facilitate in one way or another co-operation or joint action between different communities and parts of the community or build cohesion and confidence within a community with the perspective that this is a first step in breaking down community divisions.

3.4. SPECIFIC OBJECTIVES

The PEACE II Programme will promote economic and social development with a special focus on those groups, sectors/ activities and areas which have been most affected by the conflict.

Two specific objectives can be identified in relation to the overall aim of the PEACE II Programme:

- **Objective 1: "*Addressing the Legacy of the Conflict*"**
i.e. the Programme will address specific problems generated by the conflict in order to assist the return to a normal peaceful and stable society.
- **Objective 2: "*Taking Opportunities Arising from Peace*"**
i.e. to encourage actions which have a stake in peace and which actively help promote a stable and normal society where opportunities for development can be grasped.

In light of the above specific objectives, the Programme Priorities will be :

- (i) **Economic Renewal**
i.e. to realise the economic and employment opportunities which peace brings while at the same time meeting the challenge of replacing employment which will be lost in traditional sectors and assisting individuals employed in those sectors in making the transition to other sustainable employment;
- (ii) **Social Integration, Inclusion and Reconciliation**
i.e. to promote social integration, inclusion and reconciliation by targeting opportunity and need in both urban and rural areas across Northern Ireland and the Border Region paying particular attention to vulnerable groups, areas most affected by the conflict, areas where community infrastructure is weak and interface areas;
- (iii) **Locally-based Regeneration and Development Strategies**
i.e. to consolidate the distinctive approaches to local needs developed under PEACE I through locally based regeneration strategies led by Local Strategy Partnership and County Council-led Task Forces which will support new working relationships and projects which cut across traditional sectarian and social divides thereby contributing to a process of trust building and prejudice reduction.
- (iv) **Outward and Forward Looking Region**
i.e. to make Northern Ireland and the Border Region a more forward and outward looking region by encouraging a more constructive dialogue with other EU regions on economic, social and environmental matters and by and by promoting abroad the positive image of a more peaceful society;

(v) Cross-border Co-operation

i.e. to promote economic, social and cultural cross-border co-operation and provide a strategic framework for supporting cross-border initiatives and projects across a variety of sectors and organisations - public, voluntary and private that will make a positive contribution to peace building, reconciliation and greater mutual understanding.

3.5. FRAMEWORK OF APPLICATION (GUIDELINES FOR SELECTION CRITERIA)

The Northern Ireland Structural Funds Plan indicated that it was important to have a clear set of principles to determine which actions should be allocated to the PEACE II Programme and which should be allocated to the Transitional Objective 1 Programme. A set of principles were developed by the interim NI CSF Monitoring Committee (see Section 2.3.1) and were endorsed by the Executive Committee in the course of the negotiations on the Northern Ireland CSF. These principles are set out in full in Annex 6.

The following guidelines have been developed from these principles and provide a framework within which “Peace and Reconciliation” additional and specific selection criteria have been defined (see Section 3.7) and link explicitly with them. While broadly similar guidelines will apply in Northern Ireland and the Border Region, addressing Community Division will not be a requirement in the Border Region as it is not a feature in the Region.

(a) Guidelines for Criteria to Address the legacy of the Conflict

Projects and actions will be supported which address the economic and social patterns which have grown as a result of the “Troubles”. Those include specific:

- activities / sectors most affected by community division and polarisation and those for which a restructuring is necessary with the return of peace;
- geographical areas showing high levels of community polarisation resulting from the conflict (*e.g.* housing in urban and rural areas) or suffering from the absence of contacts or from tensions between communities; or with significant numbers of displaced persons as a result of the conflict;
- groups and individuals which have suffered from the consequences of sectarianism and political violence.

(b) Guidelines for the Criteria for Opportunities Arising from Peace

Projects and actions will be supported which have a remedial effect on sectors, areas or groups which had been hindered in their economic and social development by the conflict and for which the prospect of a more stable society is a new opportunity. This includes specific:

- activities/sectors whose development has been impeded by the adverse image of the region abroad (*e.g.* tourism, inward investment) or by lack of confidence in entrepreneurship;

- geographical areas which have been particularly disadvantaged as a consequence of the conflict; and
- groups or individuals who have been prevented from fulfilling their potential in society or in the labour market or which have been excluded from the labour market as a result of Community conflict and divisions (*e.g.* young people, women, older workers).

(c) Guidelines for the Criteria to Build an Inclusive Process and to Promote Actions that will pave the way to Reconciliation

Projects and actions will be supported which develop reconciliation and mutual understanding and respect between and within communities and traditions, in Northern Ireland and the Border Region, and between North and South. This includes:

- actions promoting cross-community links.
The Programme will support projects for which co-operation or joint-action between different parts of the community is one essential feature, in particular those projects in favour of groups, areas or sector/activities which will be identified under (a) or (b) above.

- actions promoting reconciliation through single community identities.
The Programme will support projects in favour of one single community insofar as they contribute to confidence or capacity building in identity with an explicit aim at reconciliation between communities in Northern Ireland or across the Irish border. It will benefit in particular those projects in favour of groups, areas or sector/activities which will be identified under (a) or (b) above.

Projects should promote mutual respect rather than division. With this aim, project promoters should at least be ready to participate in cross-community initiatives (networks, exchange of practices, etc) organised by the PEACE Programme implementing bodies in their respective fields.

3.6. TARGETING THOSE MOST AFFECTED BY THE CONFLICT

The way in which PEACE Programme resources will be targeted in both Northern Ireland and the Border Region is an integral part of the Programme's distinctiveness with regard to other, more conventional, Structural Funds Programmes. This has been recognised in the guidelines set out above. Projects eligible for assistance under PEACE II will need to address social and economic problems clearly arising from the unique context presented in both regions. They should focus on the needs of areas, sectors, communities and/or groups adversely affected by political unrest and demonstrate that they will contribute to the Programme's specific objectives, namely:

- addressing the legacy of the conflict; and
- taking opportunities arising from peace.

It is intended that targeting criteria will allow these objectives to be met within the context of the agreed Priorities and Measures and through as wide as possible a range of innovative projects and actions. They will be

part of the project selection criteria set out in Section 3.7 that will distinguish specific PEACE II projects from more conventional regional development activities throughout the eligible area.

3.6.1. Addressing the Legacy of the Conflict

The legacy of the conflict is both social and economic. Successful projects will therefore focus on problems such as social distance, segregation or alienation. They will also address economic issues, including those of sectors or those of areas which have been particularly affected by the conflict. However, since social and economic problems arising from the conflict tend to occur together, many projects are likely to have both a social and an economic dimension. Furthermore, projects will be required to demonstrate a clear relevance to needs of the areas, sectors, communities and groups outlined below.

(i) **Areas**

The political conflict in Northern Ireland has contributed significantly to regional and sub-regional relative deprivation both sides of the border. Aspects of the conflict, including actual violence, community tensions and the destruction of local infrastructure, have resulted in, *inter alia*, a lack of investment, low levels of local entrepreneurship, the out-migration of those with valuable skills and qualifications, and a deterioration of local services. Areas close to the border have been further affected by closure of border crossings and isolation from natural, social, trading and commercial hinterlands. Although the respective contributions of political unrest and conventional economic decline to the pattern of deprivation in Northern Ireland and the Border Region cannot be quantified with any certainty, the role of regional instability has been both clear and significant. A recent analysis identified “the spatial distribution of economic disadvantage in Northern Ireland” as one “of the most fundamental issues for the economic development of Northern Ireland and for peace and reconciliation”⁴.

Whilst projects addressing the needs of areas displaying high levels of relative deprivation will be particularly eligible for assistance under PEACE II, deprivation cannot be the sole eligibility criterion. Projects focusing on the needs of areas showing other characteristics specific to the NI context or in the case of the Border Region, projects focussing on particular consequences of the conflict will also have a strong case for assistance under PEACE II.

(ii) **Sectors**

The ex-ante evaluation of the Northern Ireland CSF notes both the centrality of public sector employment to the regional economy and the relative weakness of the private sector. Factors contributing to the weakness of the local private sector, which are also true for the

⁴ KPMG Consulting, *Rapid Appraisal of Northern Ireland Structural Funds Plan*, June 2000, p10.

Border Region, include difficulties in attracting investment coupled with a relative shortage of local entrepreneurship.

It is envisaged that PEACE II will support projects throughout the eligible areas which clearly address this legacy. Such projects will include those supporting entrepreneurship, business development or the promotion or enhancement of particular areas to attract visitors and/or investors.

(iii) **Communities and Groups**

Projects addressing the needs of communities and groups adversely affected by political and social unrest will be targeted for assistance under PEACE II. Communities living in deprived areas will be among the principal beneficiaries along with deprived communities in otherwise affluent areas.

Projects meeting the needs of distinct groups adversely affected by the conflict will be targeted for assistance. Due to its duration, the conflict has impacted on many groups both directly and indirectly and those administering the programmes will need to consider these issues carefully and sensitively. Such groups include victims of the conflict and their families, ex-prisoners and their families, people displaced by the conflict and other groups facing continuing and significant disadvantage as a result of the conflict and community division.

3.6.2. Taking the Opportunities Arising from Peace

The advent of peace has brought the prospect of a more cohesive and integrated society characterised by greater partnership between the two communities and both parts of the island, reduced social distance and, in some areas, greater integration, and higher levels of cross-border co-operation. Increased social stability should also facilitate regional economic development through the development of sustainable, growth oriented local businesses. Successful projects will be those which clearly address social and/or economic opportunities arising primarily on account of the reduction in political unrest. They should also target one or more of the following:

(i) **Areas**

The social and economic impacts of the conflict have adversely affected social and economic opportunities throughout Northern Ireland and the Border Region. This is particularly true of areas showing markedly high levels of relative deprivation often with significant community division and polarisation. Therefore, projects which address the needs of highly deprived areas or areas where community conflict and division has been significant and/or enduring or areas which have concentrations of populations which have suffered as a consequence of the conflict, will be particularly eligible for assistance.

(ii) **Sectors**

Conflict and division have impeded the development of many sectors of NI society and economy, particularly tourism, the arts,

sport and new economy sectors such as ICT and business services. The region's negative image has deterred visitors, inward investors and inhibited local entrepreneurs with the result that the regional economy is disproportionately reliant upon its public sector and on declining sectors such as textiles. The Border Region has been affected in a similar fashion but to a lesser degree. Projects addressing the needs of economic sectors which have been clearly and adversely affected by the conflict will be highly eligible for assistance. In the arts, the region has suffered from a reluctance of international performers and organisations to include Northern Ireland in their itinerary whilst many sporting activities have become associated with one or other of the two communities. The potential of the region to make a more significant contribution to the arts and sport and for these areas to be a focus for reconciliation, make both suitable targets for assistance.

(iii) **Communities and Groups**

Increased political stability, and cross-border co-operation and movement, has resulted in a correspondingly greater number of social and economic opportunities for communities and groups impeded in their development by the conflict. Projects which aim to benefit such communities will be targeted for assistance. In this context, projects addressing the relevant needs of young people, women and older workers will be given particular consideration.

3.7. PROJECT SELECTION CRITERIA

Project sponsors will be required to demonstrate why their particular project merits being assisted under the PEACE II Programme.

The comparative merits of any projects seeking assistance will be assessed on the basis of the Programme's specific objectives and processes in particular:

1. How effectively they contribute to the relevant Priority and Measure level objectives.
2. How effectively they target social and/or economic needs of the groups/communities, areas and sectors relevant to the unique regional context.
3. How effectively they develop reconciliation and mutual understanding and respect between and within communities and traditions, in Northern Ireland and between North and South.

Projects submitted under this Programme will be assessed on these criteria referring, wherever possible, to quantitative data and similar authoritative evidence. In applying these three types of criteria, the PEACE II Programme Implementing Bodies will ensure an appropriate balance of eligibility requirements as compared to other EU Programmes in the region.

1. Contributing to the Priority and Measure Objectives:
Projects seeking assistance will need to demonstrate how effectively they contribute to the relevant objectives of the Priority and

Measures which are described in the following Chapters to this Programme (Chapters 5 - 9).

2. Targeting Areas, Groups/Communities and Sectors most affected by the Conflict

Projects will be selected on how effectively they will target one or more of the following:

(i) *areas showing the effects of conflict and/or community polarisation as a result of the conflict.*

Such areas might typically include:

- areas disadvantaged by the conflict;
- areas such as sectarian interfaces where inter-community conflict and dispute is high and community relations are correspondingly poor;
- disadvantaged areas whose image and attractiveness as an investment location has been adversely affected by local violence or community tension;
- areas suffering the effects of physical dereliction (including damaged infrastructure) as a consequence of the conflict;
- areas isolated by border closures;
- areas with high concentrations of displaced persons in relation to the 'Troubles';
- areas where social and economic development has been inhibited by the conflict, illustrated by demographic and labour market patterns/structures, and low levels of income, skills and qualifications, and consequently display relatively high levels of multiple deprivation.

(ii) *Sectors and activities adversely affected by conflict and division or experiencing structural adjustment as a result of peace.*

For example:

- Tourism relating to actions to address the negative image of the region by appropriate marketing activities, by facilitating development of tourism product and by complementary skills enhancement.
- Entrepreneurship including ICT and business services particularly in the context of those areas, groups and communities also targeted in the Programme.
- The Arts and Sport particularly in the context of those areas, groups and communities also targeted in the Programme.

(iii) *Communities and groups economically or otherwise disadvantaged by the conflict.*

Due to its duration, the conflict has impacted on many groups both directly and indirectly and those administering the programmes will need to consider these issues carefully and sensitively. Such groups include:

- Victims of the conflict, *i.e.* the surviving injured and/or disabled – either physically or psychologically – of violent, conflict-related incidents and those who care for or are

related to them, along with close relatives who mourn their dead.

- Ex-prisoners and their families, *i.e.* qualifying prisoners who were or would have been released under the terms of the Good Friday Agreement.
- 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.
- Former members of the security and ancillary services facing additional employability needs.
- Young people, women and older workers insofar as they have been prevented from fulfilling their potential in society or in the labour market.

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 show that they satisfy some other criteria, not listed above, but clearly relevant to the framework for the application of the PEACE II Programme.

3. Engaging in a process of reconciliation and mutual understanding:

Projects seeking assistance will need to demonstrate how effectively they will develop reconciliation and mutual understanding and respect between and within communities and traditions, in Northern Ireland and between North and South.

In Northern Ireland and where appropriate in the Border Region, applicants will also therefore have to explain if and to what extent cross-community elements are a part or will form an outcome of their project.

This includes:

- (i) Actions promoting cross-community links:
The Programme will support projects for which co-operation or joint action between different parts of the community is one essential feature, in particular those projects in favour of groups/communities, areas and sectors which have been identified above.
For example, some projects will focus on the regeneration of areas adversely affected by the conflict and aim to do so through a cross-community partnership. Others might adopt a partnership approach to the development of tourism, the arts or sport.
- (ii) Actions promoting reconciliation through single community identities:
Promoters of projects which focus on a single identity community should demonstrate how their project will ultimately contribute to improving cross-community relations.
With this aim, project promoters should at least be ready to participate in cross-community initiatives (networks, ex-changes of best practices, etc) organised by the Programme's implementing bodies in their respective fields.
The PEACE II Programme will continue to be implemented via the same combination of Implementing Bodies: Departments, Intermediary Funding Bodies and Local Strategy Partnership.

3.8. IMPLEMENTING STRUCTURES

Quite uniquely in the European Union, the PEACE I Programme (1995-1999) was implemented via a balanced mixture of Implementing Bodies on both sides of the Irish Border: Government Departments, and two sets of non-Governmental organisations namely “Intermediary Funding Bodies” (IFBs) and locally-based delivery mechanisms (“District Partnerships” in Northern Ireland; “County Council-led Task Forces” in the Border Region). In addition, a “Partnership Board” was established on a Northern Ireland basis.

The non-Governmental Implementing Bodies thus delivered the greatest share of the Programme financial allocation, respectively 35% for the IFBs and 21% for the local partnerships .

This innovative combination of implementing structures embedded an inclusive, cross-border and “bottom-up” decision-making which has been one of the most distinctive features of the PEACE I Programme.

The PEACE II Programme will continue to be implemented via the same combination of Implementing Bodies: Departments, Intermediary Funding Bodies and local Partnerships as well as the SEUPB as the new Programme’s Managing Authority. In addition, Regional Structures in the North and in the South will also be used for coordinating the locally-based delivery mechanisms.

3.8.1. Implementing Bodies

Implementing Bodies take decisions on the allocation of PEACE II funding to projects/actions under the Programme:

- they receive applications, process and take decisions on the provision of funds to projects and other actions on the basis of well defined criteria related to the project selection criteria for this Programme;
- as an active project sponsor, they help to shape policy and develop and support delivery, including actions in association with other Implementing Bodies; and
- they are responsible for collecting, on a regular basis, the information on project necessary for monitoring and evaluation purposes; and
- finally, they will offer to promoters of single identify projects the adequate level of cross-community engagements.

These implementing bodies have delegated management functions from the Managing Authority described in Chapter 13 on “Managing and Implementing Provisions”. Non-Governmental implementing bodies – IFBs, Local Strategy Partnership and County Council-led Task forces – will receive funding in the form of global grants (see Section 13.10 in Chapter 13 as defined in Article 9(i) of Regulation 1260/99.

The following table presents the allocations by type of Implementing Body as a percentage of the overall Programme financial allocation (€ 531 million).

Table – Distribution of Assistance by IMPLEMENTING BODY*

*Percentage figures have been rounded

Priority	Departments	Locally Based Delivery	Intermediary Funding Bodies	Special EU Programmes Body	Total
1. Economic Renewal	24.4%	-	7.7%	-	32.1%
2. Social Integration, Inclusion & Reconciliation	7.7%	-	17.0%	-	24.8%
3. Locally-based Regeneration & Development Strategies	-	19.4%	-	-	19.4%
4. Outward & Forward Looking Region	4.7%	0.4%	-	0.1%	5.2%
5. Cross-border Co-operation	2.4%	-	9.2%	3.4%	15.0%
Technical Assistance	-	-	-	3.5%	3.5%
Total	39.2%	19.8%	34.0%	7.0%	100.0%

3.8.1.1. *Departments*

Like in any other European Structural Funds Programme, the Central Departments in the Region will play a key role in implementing parts of the PEACE II Programme. Given their enhanced regional focus, after devolution in Northern Ireland, and the creation of regions in Ireland they can readily take and apply a strategic overview to needs and opportunities across a wide range of activities and sectors in the field of economic regeneration, training and development, the environment, social development and social inclusion, agriculture and rural development, and education. Also, given their responsibilities for promoting the effective and efficient use of substantial public resources, all Departments have highly developed and sophisticated systems for ensuring that all expenditure is closely monitored and accounted for, and for promoting ever greater efficiency in the use of public money.

3.8.1.2. *Intermediary Funding Bodies*

The development and implementation of PEACE II will also involve Intermediary Funding Bodies which will continue to play a key role as they did in PEACE I. Intermediary Funding Bodies operate on a partnership/sector specialised basis involving non-statutory key stakeholders in their decision-making processes. For instance they are non-governmental organisations specialised in dealing with social and economic development of women, young people, training, social inclusion of marginalised groups etc.

They have the ability to add value through a developmental role and their specialist knowledge and experience. Further they can identify gaps in provision through their sectoral understanding of their target groups. Intermediary Funding Bodies can operate at whatever level is appropriate to need *i.e.* cross-border, local, sub-regional, regional. Through the publication of guidelines and summaries of what works where for specific target groups, Intermediary Funding Bodies can feed their experience into the development of effective local strategies and contribute directly to the delivery of those local strategies.

For PEACE II, IFBs will be selected via an open tendering process in Northern Ireland and for the cross-border elements of the Programme. This will involve identifying the key elements of the Programme best delivered via IFBs and inviting organisations who believe they are well placed to deliver such elements to tender to become an IFB against selection criteria specified in advance.

3.8.1.3. *Locally-based Delivery Mechanisms*

These Implementing Bodies will mainly be responsible for overseeing the delivery of projects and actions under Priority 3 of the Programme “Locally Based Regeneration and Development Strategies”.

- **Local Strategy Partnerships (Northern Ireland)**

In Northern Ireland the working of District Partnerships under PEACE I proved to be a valuable experience both for those involved and the

local communities concerned, with many individuals, organisations and sectors contributing to local participation in decision making. However those involved at local level have identified the necessity to reinforce partnership working at the local level by establishing better working relationships to further develop the social partnership model. The objective is to ensure an evolution from the District Partnership model of PEACE I to a new model of Local Strategy Partnership based upon a more integrated and sustainable approach to planning and managing the use of resources available under Priority 3 of the Programme. District Council areas will continue to provide the most appropriate spatial frame for the local delivery of the Programme as was the case with District Partnerships under PEACE I.

The new Strategy Partnerships will enjoy greater autonomy in their decision making. The central decision making role in respect of funding, project selection and monitoring previously performed by the Northern Ireland Partnership Board under PEACE I will not be replicated in PEACE II. Instead the Partnerships, in common with the other groups of Implementing Bodies, will be required to operate within the framework set by the Regulation, this Operational Programme and the Programme Complement. This will be overseen by the Managing Authority (the Special EU Programmes Body) and the Monitoring Committee.

Each Local Strategy Partnership will be an equal partnership between two strands:

- Local Government and the main statutory agencies operating at a local level.
- the four pillars of Social Partners: private sector; trade unions; community and voluntary sectors; agriculture and rural development sector.

Given the distinctive nature of the PEACE II Programme, each Local Strategy Partnership will, in addition to ensuring representation from the above sectors, have a degree of flexibility in their membership and, where there is local agreement, may wish to include other local representatives.

While there will be no fixed figure set for the size of an individual Local Strategy Partnership, it is expected that a maximum membership of 28 individuals should not be exceeded. This is simply to help ensure the good and efficient conduct of business. The lessons from the PEACE I Programme indicate a need for local flexibility in the balance of member representation to respond to the needs of the local area. In order to ensure a full partnership, it is recommended that the two strands each have an equal membership of the Local Strategy Partnership.

Each membership strand will be responsible for the nomination of its own members. It will be necessary for a process to be put in place in each local area to determine how members will be sought. It will also be necessary to demonstrate to the Managing Authority that the nomination process is open and transparent within the local area. To ensure that the lessons learned from PEACE I are applied in the new Programme, it is envisaged that the new Local Strategy Partnership

will include members with experience from PEACE I. In order to ensure renewal of representatives over the lifetime of the Programme, a transparent process of renewal should also be agreed at the local level following consultation with the Managing Authority.

Each Local Strategy Partnership will be allocated a budget from within Priority 3 of the PEACE II Programme. As was the case for PEACE I this budget will be calculated on the basis of a formula based upon population weighted by deprivation; this approach reflects the strong correlation in Northern Ireland between areas suffering deprivation and areas which have been most affected by the conflict.

Local Strategy Partnership will be required to satisfy the Managing Authority, and through it the Member State, that adequate and effective selection, financial control and accountability procedures are in place to ensure that PEACE II expenditure authorised by the Local Strategy Partnership is appropriate to, and consistent with, the relevant Measures within the Operational Programme and the Programme Complement. .

To help ensure this happens a Global Grant as described in Section 13.10 will be contracted by each Local Strategy Partnership/District with the Managing Authority, in agreement with the Member State, within 2 months from the date of the agreement of the PEACE II Programme Complement by the Monitoring Committee.

The aim is to have new Local Strategy Partnership arrangements in place in each local area within 2 months of the agreement of the Programme Complement by the Monitoring Committee. However it is acknowledged that this process may take longer in some districts than in others. Consequently where local agreement on new Local Strategy Partnership structures has not been reached within the above 2 month period the transitional arrangements specified in Annex 7 will apply. The final date for the agreement of new Local Strategy Partnership in all districts will be 31 December 2001.

- **County Council-led Task Forces (Border Region):**

In the Border Region, the same type of local delivery mechanism will be used as under PEACE I, namely County Council-led Task Forces. Each Task Force will become a sub-committee of the CDBs (see Priority 3) and be structured in a similar fashion, namely quadripartite in make-up *i.e.* state agencies, local development bodies, social partners and local government and it may be expanded to include other relevant bodies as required.

Therefore, the Task Force will consist of elected representatives, social partners, local development agencies engaged in the delivery of similar type operations, ADM/CPA, and council officials. Functions will be largely similar to those executed under PEACE I. Each Task Force will be required to develop operational procedures in line with the Programme and the Programme Complement. These will be set out in more detail in the Global Grant contracted between the Managing Authority and the Task Forces with 2 months from the date of the agreement of the PEACE II Programme Complement by the Monitoring Committee.

In relation to the Programme, the Task Forces will be expected to draw up and amend as necessary detailed implementation plans in a manner consistent both with the Programme's aims and objectives and the CDBs strategy. It is expected that the Programme will make a significant contribution to the socio-economic development of the six border counties. The CDB will assist in co-ordinating the implementation of all action across the Programme regardless of the method of implementation.

An audit of baseline data is required for each County under the County development strategy reform process (CDBs in each county must produce such a baseline study); results will be published in April and May of 2001. Each Task force will reference this study in preparing specific action plans for this Programme.

Several items in this baseline audit will also serve as factors for the allocation of resources amongst Task Forces in a method consistent with the "bottom-up" approach set out in the Programme. For instance, the following indicators may be used: socio-economic deprivation, population, length of border, number of border crossing closed during "Troubles", number of social housing units, level of displaced population, etc.

3.8.2. Co-ordinating Structures at regional level

The locally-based delivery mechanism in the North and in the South will be co-ordinated by regional structures:

- In Northern Ireland, by the Regional Partnership Board;
- In the Border Region, by the Border Region Authority.

The Authority and the Regional Partnership Boards will be encouraged to develop links that will enable the exchange of information on best practice, performance and issues of relevance North and South.

3.8.2.1. *The Northern Ireland Regional Partnership Board*

A Regional Partnership Board will be created in Northern Ireland. Its functions will be to:

- promote the principles of partnership working at the local level;
- to promote the sharing of best practice in the development and delivery of local area strategies;
- assist different districts to work together on projects and actions which cross the boundaries of two or more districts; and
- promote effective working between districts and Intermediary Funding Bodies.

This role will cover projects and actions funded by European Programmes, other public expenditure and by private finance.

Given the cross-functional and nature of its activities and its links with the new Local Strategy Partnership, the Northern Ireland Regional Partnership Board will consist of representatives of the sectors represented on the Local Strategy Partnership; it will also include

representatives from Central Departments in Northern Ireland. The Board will be chaired by Junior Ministers in the Office of the First Minister and Deputy First Minister. Secretariat functions for the Board will be provided by the Special EU Programmes Body.

3.8.2.2. *The Border Regional Authority:*

The Border Regional Authority is a widely representative body consisting of locally elected representative drawn from each County and Town council, social partners, sectoral interests and representatives of central government departments and agencies. It will have a broadly similar role as the Regional Partnership Board in relation to the Programme.

The County Council-led Task Forces will co-ordinate their activities through the EU Co-ordinating Committee of the Border Regional Authority. The European Commission is also represented on this committee.

The Border Regional Authority has two representatives on the Programme Monitoring Committee. These members (one is an elected representative at local government level) will represent the link/relationship with the Monitoring Committee. The Department of the Environment and Local Government will act as an advisor to the Monitoring Committee – this Department has responsibility for the operation of local government in the State.

CHAPTER 4: Horizontal Principles

4.1. BACKGROUND

The following horizontal principles were identified in the Northern Ireland CSF as guidelines for those engaged in the implementation of its Operational Programmes. Their definitions set the specific ethos of the EU intervention.

The horizontal principles which are set out below are embedded in and will be delivered through the five main Priorities (Chapters 5 to 9) the Technical Assistance (Chapter 10) and the cross-cutting themes (Chapter 11). To ensure their appropriate delivery, a number of mechanisms will be adopted both in the Programme and in the Programme Complement which will include:

- project selection criteria;
- implementation arrangements; and
- targets and indicators.

4.2. ACCOUNTABILITY

Definition

Accountability and the safeguarding of public funds (whether EU or matching) must be a primary concern. Financial management and control arrangements will be established in such a way as to ensure that all funds are managed in accordance with the principles of the proper treatment of public funds, all applicable Community rules and the principles of sound financial management.

Operationalisation

Details of these arrangements are set out in Chapter 13 which deals with the Implementing Provisions and in the flowcharts on the management and financial accountability (Annex 9).

4.3. BALANCED INTERVENTION / EQUAL OPPORTUNITIES

Definition

In order to ensure coherence between the actions supported and the aims and objectives of the Programme, relevant target groups, sectors, areas or projects will be identified and encouraged to make applications. All eligible applications for support will be afforded equal opportunities to access funding.

In accordance with the Structural Funds regulation and consistent with section 75 of the Northern Ireland Act 1998 and equality legislation in Ireland, 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.

They shall also have due regard to the need to promote equality of opportunity:

- between persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;
- between men and women generally;
- between persons with a disability and persons without; and
- between persons with dependants and persons without;

and without prejudice to the above, have regard to the desirability of promoting good relations between persons of different religious belief, political opinion or racial group.

Operationalisation

The specific target groups, sectors and areas of the Programme are described in Section 3.7.

As described in the Implementing Provisions (Chapter 13), 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. In accordance with the Programmes policy aimed at mainstreaming equal opportunities (Section 11.1), 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. Where community infrastructure is weak, action will be taken to address this.

All of the Programme Priorities have a potential impact on equality of opportunity, often offering scope for enhancing it. In particular, the Programme will mainstream gender equality issues, in line with EU policy. The ex-ante evaluation included an assessment of gender equality.

Furthermore, implementation of the Programme will take account of the potential for differential impacts and for enhancing equality of opportunity, not only between men and women, but also in terms of the other Section 75 categories. 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.

4.4. NEW TARGETING SOCIAL NEED/IMPACT ON POVERTY

Definition

In Northern Ireland the Programme will conform to the principles of the New Targeting Social Need (New TSN). This involves the particular

targeting of resources and effort on people, groups and areas objectively shown to be most socially disadvantaged. This policy includes special focus on the problems of unemployed people and on improving their chances of finding employment.

In the context of its impact on poverty in the Border Region, actions will be targeted on communities and groups that are socially excluded or disadvantaged because of the “Troubles”.

Implementation will be consistent with the National Anti-Poverty Strategy (NAPS).

Operationalisation

New TSN (Northern Ireland) and impact on Poverty (Border Region) are operationalised by directing resources and efforts, in relevant activities, towards individuals, groups and areas objectively defined as being in greatest social need. For many actions under the Programme (e.g. training for the unemployed) individuals are targeted, and are eligible, on the basis of their socio-economic status. In other cases, actions are targeted on an area/community basis. In these cases objective indicators are available, drawn from administrative and census data, to assist targeting at Measure level. There is no simple list of disadvantaged areas to be targeted in all circumstances. The definition of target areas will depend on the nature of each Measure and the resources available. In the case of some Measures, implementing bodies will, where appropriate, give priority to applications for assistance from disadvantaged areas and communities. This will be set out in the Programme Complement.

All supported action in the Border Region will be subject to poverty proofing and will be consistent with the approach to implementation set out in Chapter 3. Details of implementation will be set out in the Programme Complement.

4.5. ECONOMIC AND SOCIAL SUSTAINABILITY

Definition

An assessment of sustainability for all projects, which might require public funding in order to continue, will be of critical importance. In assessing projects, all implementing bodies will bear in mind that all operations funded should, by the end of the relevant programming period, have developed an appropriate exit strategy *i.e.* they will either have completed the task for which they have been funded, have become self-sustaining or have identified alternative sources of funding.

Operationalisation

This principle will be considered at the Mid-term Evaluation and appropriate actions developed.

The Programme Complement will set out operational details. Project promoters and implementers will be encouraged to consider the development of appropriate exits.

4.6. PARTNERSHIP

Definition

In accordance with this principle, the Programme Structures shall comprise, where appropriate, a wide and effective association of the regional and local authorities, other competent public authorities, the economic and social partners and other relevant competent bodies in equal numbers North and South.

Operationalisation

The composition of the Monitoring Committee demonstrates the adoption of this principle. In conjunction with the principle locally-based decision making Local Strategy Partnerships and County Council-led Task Forces shall also include wide local interests as described in Chapter 3.

4.7. LOCALLY-BASED DECISION MAKING

Definition

Bodies and organisations selected as Implementing Bodies shall be those which are best placed to deliver the objectives of the Programmes by virtue of their scale, expertise or the nature of their activities. In this context, the decision-making process will be brought as close to the citizen as possible.

Operationalisation

Implementation Bodies will be selected where appropriate by open tender. Where appropriate a Measure may be best delivered in association with other bodies and organisations in an inclusive way (Partnership of Social Partners) in this case this is set out in the Programme Complement as “Delivery Mechanisms”.

4.8. PUBLICITY / TRANSPARENCY

Definition

All bodies involved in the delivery of the Programme shall commit themselves to a high degree of transparency. This includes public access to documents (within the terms of the Northern Ireland non-statutory Code of Practice on access to government information), information policy towards potential project promoters and regular and large-scale publicity given to their action. In doing so, the link with the Programme shall be always clearly specified according to publicity requirements as defined in EU legislation, in the Programme and its communication plan.

Operationalisation

Arrangements for information and publicity are set out in the implementing provisions (paragraph 13.3.8) and in a specific Measure under Technical Assistance (Section 10.4 Measure TA.1). Details of the Communication Plan which will implement these will be provided in the Programme Complement.

4.9. CO-ORDINATION

Definition

In conjunction with the principles of transparency and accountability, mechanisms will be put in place to ensure that funding from Structural Funds and other sources private and public will be applied in a co-ordinated and complementary manner. Project appraisal and reporting methodologies will be developed to ensure a consistency of approach irrespective of the delivery mechanism adopted. Co-operation among the implementing bodies will be encouraged and promoted by the managing authority especially in the sharing of information and of best practice.

Operationalisation

In terms of economic and social output, similar Measures to the ones provided for under the present programme may also be implemented under other Operational Programmes or Community Initiative Programmes in the region.

In accordance with the Structural Funds Regulations, the United Kingdom and Irish authorities will ensure that any activity eligible for support under this programme will not be co-funded under any other EC Programme. Detailed information will be provided in the Programme Complement for each Measure which will clearly demonstrate at the level of the organisational structure (such as delimitation of competence), the procedures for approval (such as common databases on the projects submitted for approval) and the specific selection criteria

for projects which will delimit the scope of these individual Measures, or any other step that might have been taken in order to avoid any risk of double funding between these measures.

A manual which deals with the application and management of the Structural Funds for this programme will be devised (paragraph [13.4.3]. This will encourage a consistency of approach.

Co-ordination arrangements for those engaged in the delivery of the Programme will be established through the Technical Assistance (Sub-Measure on internal and external co-ordination in Measure TA.2 in Chapter 10 and further detailed in the Programme Complement. They will be supervised by an adhoc Steering Group (Section [13.4.3]).

The SEUPB will chair the PEACE II and Ireland/Northern Ireland INTERREG IIIA Monitoring Committees as the Managing Authority of both Programmes, and it will be represented on the Monitoring Committee for all other Operational Programmes and Community Initiatives North and South as well as the CSF Monitoring Committees. This will provide a mechanism for complementary of actions across all Structural Funds Programmes.

4.10. ENVIRONMENTAL SUSTAINABILITY

Definition

This principle sets out to ensure that the Programme supports only economic activity which is at least environmentally neutral and includes much that seeks to protect and enhance the environment. Many forms of economic development have environmental costs; use natural resources, can damage or destroy natural habitats and wildlife, and generate by-products of pollution and waste, which can be harmful to health.

Operationalisation

The environmental dimension has been integrated as appropriate into all Measures of the Operational Programme, which have been drafted to include specific objectives on environmental sustainability and their respective indicators and targets. Funding will be conditional on projects complying with the requirements of both EU environmental legislation and policy 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. This mainstreaming of the environmental dimension is presented in Section 11.2.

4.11. IMPACT ON RURAL DEVELOPMENT – BORDER REGION

Definition

Balanced Regional Development is a fundamental objective of the National Development Plan and the CSF for Ireland. The commitment encompasses policy to develop regions which are lagging behind, tackle rural poverty and underdevelopment, and to promote better integration of physical and economic planning. The Programme will play a significant role in the delivery of the overall strategy for rural development set out in the Government White Paper in the Border Region.

Operationalisation

The Programme Complement will set out operational details. Criteria for project selection will include an assessment of the impact of actions on rural development. Where appropriate, indicators to assess the impact of actions on this horizontal principle will be developed at measure level.

CHAPTER 5: Priority 1 – Economic Renewal

5.1. RATIONALE

5.1.1. Link with the Northern Ireland CSF

The CSF is an integrated, logically structured strategy for the EU contribution to Northern Ireland's development. Each Priority contributes to the overall impact of the CSF by making up a balanced overall structure. However, each Priority also has its own specific role in the achievement of the CSF aims.

The overall aim of the PEACE II Economic Renewal Priority, is derived from aims of 3 of the Northern Ireland CSF Priorities *i.e.* the Economic Growth and Renewal Priority, the Employment, Human Resource Development Priority and the Balanced Regional Urban and Rural Development Priority. Specific aspects of the needs of the region which produced these 3 CSF Priorities are taken and strategies developed in this Priority to reflect the CSF Priorities but within the framework created by the aim of the PEACE II Programme, namely "to reinforce progress towards a peaceful and stable society and to promote reconciliation".

The CSF "Economic Growth and Competitiveness" Priority aims to "produce a fast-growing, competitive, innovative knowledge-based economy where there are plentiful opportunities and a population equipped to grasp them". It focuses on stimulating business growth and creation especially within an information society, boosting research and development and realising the potential of the tourist industry. The thrust is on the creation of *competitive businesses*.

The CSF "Employment, Human Resource Development and Social Inclusion" Priority focuses on the *people strategies* that will have to be developed to "enable high employment and develop a skilled, adaptable and entrepreneurial workforce and to promote access to the labour market for all and foster social inclusion".

The CSF "Balanced, Regional, Urban and Rural Development" Priority reflects a *spatial development* perspective with the goals of economic and social cohesion, sustainable development and balanced competitiveness. It focused on both urban and rural development and the development of regional infrastructure.

This is complementary to the view of NI Executive's Programme for Government that if a cohesive, inclusive and just society which places people and communities at its centre is to be achieved, it is essential that a vibrant economy is created capable of producing employment and wealth for the future.

5.1.2. Link with the Ireland CSF

This Priority links with 3 Priorities developed in the Irish CSF, namely “Sustainable Growth and International Competitiveness”, “Balanced Regional Development” and “Rural Development”.

This Priority will be used to address a number of deficiencies identified in the overall Programme’s rationale (Chapter 2). Activity will focus on the small firms and business sector which characterises the Border Region. Additionally, support will be provided for actions which enhance the commercial environment of the region. This should have a resultant impact on employment and on the conditions necessary for employment creation. Tourism and related leisure activity is an important economic generator, particularly in a rural context. Tourism related economic activity can be widely spread and bring social benefits across the region particularly to isolated areas or where alternative economic activity is unlikely to be sustainable.

In the border counties this Priority will, like Northern Ireland, build on existing strengths and include a range of actions complementary to actions funded by other Operational Programmes. These Measures will be outward looking and aim to develop the economy of the Border Region as an important gateway to Northern Ireland from the South and Ireland from the North.

5.1.3. Joint Rationale

In accordance with links to both the Northern Ireland and Ireland CSFs, this Priority thus has a tripartite structure of :

- Supporting Business Competitiveness;
- Developing People;
- Creating the Conditions for Regional Competitiveness.
- Supporting Business Competitiveness

Thirty years of conflict have distorted expenditure priorities in the region, undermined business confidence, deterred inward investment and led to missed business development opportunities, and continuing high levels of unemployment over many years have fostered discontent. Violence has made it difficult to attract the most sought after inward investments, particularly in the manufacturing sector; as a result of political necessity declining low-wage sectors are over-represented in Northern Ireland’s industrial structure and the Border Region is mainly rural. In addition, the tourism industry in Northern Ireland is perhaps only a third or a half of the size that might be expected.

Peace therefore offers both opportunities and challenges to the business and economic sectors in Northern Ireland and in the Border Region to counter these historical problems: it is essential

not only to diversify the economic base of the region by encouraging inward investment, but, most importantly, to develop it in a strong, modern, indigenous way by stimulating and supporting more business start-ups. The situation of additional business start-ups can be encouraged, in particular, by bottom up processes and by developing linkages between large and small businesses. Financial engineering will also play an important role in changing attitudes and delivering expansion.

Finally, the workplace remains a primary source of cross-community contact in Northern Ireland. This Priority theme contains actions to develop the capabilities of local businesses to compete in national and international markets, at a focal location between European and North American markets, and to encourage collaboration between businesses. It will be complemented by the other themes of this Priority on technology support for the Information Society as an important opportunity for a region with strong telecommunications infrastructure and high educational standards. There is also a need under this Priority to put in place the necessary infrastructure, skills and environmental and visitor initiatives to form the core of a sustainable tourism product that majors on natural resource, rural and water-based tourism. These key elements provide an integrated, cross-sectoral approach to developing a modern business structure in the Region.

- Developing People

The Priority recognises that economic renewal is equally dependent upon the supply of a labour force equipped with the skills to meet the demand. A knowledge-based economy requires that new skills are acquired at a high level both within the existing workforce and by new entrants to the labour market. It also recognises that communities in conflict are often inhabited by people who lack basic skills, and that higher level skills cannot be achieved until those basic needs are met. The position of women is particularly relevant if the opportunities and labour force demands deriving from peace are to be realised. The Labour Market Analysis has shown them to be under-represented in terms of their participation rate, and over-represented in terms of their share of part-time employment. This balance needs to change. There is also a need to further develop a culture of enterprise if the opportunities of job creation, particularly within the community business sector and the social economy, are to be delivered.

The imperative now is to restructure and renew the economy, reversing the emphasis on older declining industries and supporting those sectors with real growth potential in the 21st Century. This requires an approach which embeds the peace process, addresses the legacy of the past especially in

deprived areas and contributes to realising the opportunities which peace brings. At the same time the challenges must be met of replacing employment that will be lost in traditional and certain other sectors, such as security, which are likely to contract in size, and of assisting individuals employed in those sectors in making the transition to other sustainable employment.

Additionally under this Priority there is a need to address the particular challenges faced by the rural economy. It will assist the agri-food industry and the broader rural economy to take full advantage of the opportunities afforded by peace through a programme of skills training, capacity building, business development and service provision.

- Creating the conditions for regional competitiveness

As a consequence of the last 30 years of conflict numerous areas across Northern Ireland, particularly interface areas, have become run-down and consequently disadvantaged. With the passage of time these areas have deteriorated into a spiral of deprivation. There are particularly difficult hurdles to overcome both on the unemployment front and in restoring confidence to the communities. The situation is usually further exacerbated by high levels of crime, substance abuse and inequality in a bleak physical environment.

It is important that immediate action is taken to break the cycle, redress the situation and concentrate resources on those areas that have suffered most, both socially and economically. Progress on this front may be achieved through a bottom-up approach with consultation taking place with the local community.

This Priority makes provision for support to distinctive infrastructure projects which can contribute to the aims of the PEACE II Programme. Such projects would be required to demonstrate that they can:

- make a significant contribution to economic and social cohesion in Northern Ireland and in the Border Region by providing benefits which are both economic and social in character;
- have significant environmental benefits;
- be compatible with the principles of New TSN in Northern Ireland.

5.2. PRIORITY AIMS AND OBJECTIVES

The overall aim is to realise the economic opportunities which peace brings while at the same time meeting the challenge of replacing employment which will be lost in traditional sectors and assisting

individuals employed in those sectors in making the transition to other sustainable employment.

5.3. IMPLEMENTATION

Under the three thrusts the Priority will be implemented by the following Measures:

Supporting Business Competitiveness

- Business Competitiveness and Development (ERDF);
- Sustainable Tourism Development based on Shared, Natural and Cultural Resources (ERDF).

Developing People

- New Skills and New Opportunities (ESF);
- Promoting Entrepreneurship (ESF);
- Positive Action for Women (ESF);
- Training for Farmers (EAGGF) (Northern Ireland);
- Diversification of Agricultural Activities (EAGGF) (Northern Ireland).

Creating the Conditions for Regional Competitiveness

- Technology Support for the Knowledge-based Economy (ERDF);
- Investment in Agricultural Holdings (EAGGF) (Northern Ireland);
- Basic Services for the Rural Economy and Population (EAGGF) (Northern Ireland).

5.4. INDICATIVE FINANCIAL WEIGHTING

Priority/Measure	Fund	NI € million	Border Region € million	Total € million
Priority 1: Economic Renewal				
Supporting Business Competitiveness				
Measure 1.1: Business Competitiveness and Development	ERDF	28.49	4.67	33.16
Measure 1.2: Sustainable Tourism Development based on shared, natural and cultural resources	ERDF	20.95		20.95
Developing People				
Measure 1.3: New Skills and New Opportunities	ESF	27.15	7.90	35.05
Measure 1.4: Promoting Entrepreneurship	ESF	3.10	2.00	5.10
Measure 1.5: Positive Action for Women	ESF	10.56	2.50	13.06
Measure 1.6: Training for Farmers	EAGGF	8.58		8.58
Measure 1.7: Diversification of Agricultural Activities	EAGGF	10.70		10.70
Creating the Conditions for Regional Competitiveness				
Measure 1.8: Technology Support for the Knowledge-based Economy	ERDF	37.44		37.44
Measure 1.9: Investment in Agricultural Holdings	EAGGF	4.80		4.80
Measure 1.10: Basic Services for the Rural Economy and Population	EAGGF	1.90		1.90
TOTAL		153.67	17.07	170.74

5.5. MONITORING AND EVALUATION INDICATORS

The specific outputs, results and impacts of the Priority will be monitored and evaluated using the indicators and targets set out below:

Northern Ireland

Indicators		
Output	Result	Impact
3,000 SMEs supported (ERDF) 9,000 people participating in Programme (EAGGF)	8,000 gross jobs created 8,000 people achieving positive outcomes	2,800 net jobs created by new start-up (10% within new sectors) 12,000 net jobs created by existing business 6,000 people securing additional income
19,500 unemployed trained 15,500 employed trained (40% women)	16,750 gaining qualifications (48%) 12,150 unemployed entering employment (62%) 21,600 achieving positive outcomes (62%)	Numbers in work (net of deadweight) 6 months after ESF support – mid-term
16,860 unemployed trained 5,340 employed trained (50% women)	12,850 gaining qualifications (58%) 10,550 unemployed entering employment (63%) 17,160 achieving positive outcomes (77%)	50% net increase in participation in lifelong learning
10,400 unemployed trained 7,100 employed trained (38% women)	9,100 gaining qualifications (52%) 5,940 unemployed entering employment (57%) 10,500 achieving positive outcomes (60%)	75% of new businesses still running after 18 months
3,800 unemployed trained 200 employed trained (100% women)	2,700 gaining qualifications (68%) 1,700 unemployed entering employment (45%) 2,800 achieving positive outcomes (70%)	9% net increase in female labour market participation amongst ESF beneficiaries.

Border Region

Because the amount of funding in this Priority is small relative to overall funding for economic development in the Region it is difficult to measure the impacts. At a more measurable level it is proposed to monitor the following key indicators:

Indicators		
Output	Result	Impact
Numbers trained for employment = 500	Numbers achieving employment = 400	Numbers achieving employment = 400
Numbers trained for self-employment = 250	Numbers of SME's created = 150	Employment created = 300
Numbers trained for enhanced employment = 1,200	Numbers achieving enhanced business skills = 1,000	Number achieving results = 1,000
Number of SME's assisted 300	Number of jobs created and maintained = 600	Target 500 jobs safeguarded and 100 new jobs created
Number of businesses enhanced by provision of ICT = 150	Number of business with improved technology = 150	Indicator to be developed

Supporting Business Competitiveness

5.6. MEASURE 1.1: BUSINESS COMPETITIVENESS AND DEVELOPMENT (ERDF)

Rationale and Background

Together, Northern Ireland and the Border Region remains a relatively peripheral EU region with a small and highly dispersed population where there is a need to address the competitiveness of the regional economy, to provide better access to the labour market and to promote equality of opportunity.

The civil unrest of the past 30 years has also played a part in deflecting public investment in economic infrastructure and in undermining public transport services. Support for initiatives in this area will be used to make significant improvements to quality of life and to provide the means for those from more peripheral areas to take up opportunities for employment, education and training on an equitable basis.

In the specific context of the peace process, the ex-ante evaluation shows how the "Troubles" have diverted resources from the economic development, deterred inward investment and undermined business confidence, particularly in interface areas.

There is a particular need to:

- redress problems of physical environment *e.g.* interface areas of Northern Ireland; and

- reduce the grant dependency of Northern Ireland industry and increase self-sufficiency and confidence through financial engineering activity. The workplace provides an ideal means of bringing together people from different community backgrounds and building relationships through pursuit of common interests.

The importance of SMEs within the business sector in Northern Ireland and their contribution to the economic wellbeing of the region and the observations of the Northern Ireland CSF that:

- Northern Ireland is more dependant on small firms for employment and output than other parts of the UK;
- a structural adjustment process can be stimulated with the promotion of Financial Engineering by encouraging the use of private equity finance;
- EU funding can assist companies to overcome financial difficulties; and
- competitive and entrepreneurial businesses are indispensable to economic growth and development.

The NI CSF is also clear that economic growth and development requires competitive and entrepreneurial businesses capable of taking advantage of opportunities brought about by the end of the conflict and the resulting adjustment within the regional economy.

It is essential to implement a range of policy instruments designed to enhance their growth potential. Businesses will also be encouraged to respond better to market opportunities, and to develop an enterprise culture.

The ex-ante specifically refers to the difficulties experienced in interface areas. For those rundown and interface areas of greatest need, there is a particular need to prepare the way for employment through innovative investment and the stimulation of small business.

Actions to be undertaken will be complementary to the Local Economic Initiatives Measure in Priority 3 (Locally-based Regeneration and Development Strategies) and the Local Economic Development Measure under Sub-Priority 1(a) (Supporting Business Competitiveness) of the Transitional Objective 1 Operational Programme.

In relation to the Border Region, much of this activity is funded under other OPs, this OP will concentrate on economic and employment blackspots and areas which have a poor economic and enterprise infrastructure.

Measure Aims and Objectives

To support the economic transition of Northern Ireland and the Border Region to a more stable, peaceful and prosperous society by promoting and supporting entrepreneurship, increasing business survival rates, stimulating better quality start-ups encouraging business growth, improving access to finance and providing infrastructure support for ESF projects in this Priority. By encouraging economic development and

providing employment opportunities across the region the whole peace and reconciliation process will be further cemented.

Indicative Activities

The indicative activities under the Measure will build upon economic development opportunities offered by the peace process, address the economic legacy of the “Troubles” and help anchor the peace process in sustainable economic growth through:

- actions designed to stimulate investment and job potential, particularly in interface areas that are deprived and run down;
- strategic advisory, mentoring and support services, sectoral and cross-sectoral business and economic development for export market development and exchange of best practices between businesses to encourage business growth;
- financial engineering for business competitiveness by encouraging the creation of a range of financial products provided by commercially based organisations which offer expertise and advice as well as funds to support growth in local businesses especially in deprived areas. Actions could include further development of venture capital, focused development of funds for technology start-up and spin-out and spin-in companies and the provision of micro-finance for smaller companies;
- financial engineering, including start-up and innovative actions, in support of the community economic development sector which provide important employment opportunities;
- appropriate strategic public transport initiatives, transport linkages and infrastructure investments required to support identified investment projects; and
- the provision of training equipment in particular for ICT, and adaptation of buildings to meet the ESF requirements of the Priority.

Targeting

Within the framework of areas, groups and sectors most affected by the conflict as set out in Section 3.7, business and the providers of strategic business services, providers of key infrastructure facilities and economic development organisations, community and sector organisations, women entrepreneurs, groups providing training under ESF Measures within this Priority and other target sectors of the Programme, particularly individuals starting new employment or facing employment change. This Measure will also concentrate on those areas that have suffered most from the conflict and where action is necessary to create the climate and business confidence to stimulate investment and job potential. It will apply especially in new TSN areas.

Indicative Financial Weighting

This Measure will account for €33.16 million (NI 28.49, BR 4.67) which represents:

- 36% of the ERDF resource committed to this Priority; and
- 11% of the ERDF resource committed to this Programme.

Implementing Bodies

For implementation purposes the lead Department in Northern Ireland will be DETI. In the Border Region implementation will be through an IFB (ADM-CPA.)

5.7. MEASURE 1.2: SUSTAINABLE TOURISM DEVELOPMENT BASED ON SHARED NATURAL AND CULTURAL RESOURCES (ERDF) (NORTHERN IRELAND)

Rationale and Background

Tourism has been one of the major victims of the conflict in Northern Ireland over the past three decades. As a result of the conflict, tourism in Northern Ireland contributes just 1.6% to GDP, in comparison with 6.4% in the South. However, because it has been one of the major losers, tourism is also potentially the most significant beneficiary from peace. Peace will provide the region with the opportunity to capitalise on its unique and highly valuable cultural and environmental strengths.

The countryside of Northern Ireland is rightly regarded as one of its major resources. The classic tourist 'image' of Northern Ireland comprises a mix of majestic coastal and mountain scenery and intimate topography on which is super-imposed a tapestry of small hedged or walled fields, with a rich variety of vegetation. This is combined with a rich historic and cultural heritage. The other vital ingredient remains the people with their renowned hospitality and the warmth to visitors. However, because of the conflict, the tourism potential of these natural and cultural resources has remained largely untapped. The cultural heritage has even been used to fuel the conflict when it was associated with one tradition only.

A major challenge is to develop the kind of sustainable tourism product based on shared natural and cultural resources that has developed in other areas of Europe and would have developed in Northern Ireland in the absence of the conflict.

The nature of the tourism industry has changed significantly over the past 30 years. Visitors expect a standard of provision and service that has not developed in many rural areas of Northern Ireland. If the opportunities presented by peace are to be realised, special funding is required to put in place within a short period of time the core of the sustainable tourism product that would have developed over the last 30 years in the absence of the conflict.

At the same time, another challenge is to ensure that the development of the tourism potential does not destroy the very assets on which it seeks to capitalise – the natural beauty, wildlife and historic heritage of the countryside.

Natural and cultural tourism has the potential to make an immediate and significant impact on the economy by spreading economic and social benefits across the region, particularly to areas deprived of other economic generators. A further challenge is to use the growth of tourism to stimulate regeneration and create employment opportunities across the region. Finally, it will help all sections of local communities to become aware of and promote natural and cultural assets common to Northern Ireland.

A final challenge is to ensure that local communities, as the guardians of our visitor offer, are involved in the delivery of these objectives. Their support is essential in ensuring that Northern Ireland's natural and cultural assets are appropriately and sustainably developed and managed and that the local communities themselves become hosts to our international visitors. In addition, the partnership approach will help to bring communities together in pursuit of a common goal.

The Measure will complement the tourism activities that will be undertaken under Priority 4 ("Outward and Forward Looking Region") by contributing to the development of a high quality tourism product which will be promoted in the international market place. The quality of the tourism product that this Measure helps to develop will ultimately be more true to the unique values and attributes of the Northern Ireland visitor offer.

Measure Aims and Objectives

The primary aim of this Measure is to maximise opportunities for tourism development arising from peace by utilising previously untapped natural and cultural resources in a sustainable manner. In support of the CSF objective to strengthen the Northern Ireland economy through the sustainable development of the region's tourism potential, the key objectives of the Measure are:

- harnessing Northern Ireland's shared cultural and natural identity and resources for the benefit of tourism;
- ensuring that tourism development is economically, socially and environmentally sustainable;
- stimulating urban and rural regeneration particularly in disadvantaged areas; and
- creating opportunities for the two communities to work together in the co-ordinated pursuit of common goals.

Indicative Activities

Support will be provided for the development of sustainable, natural resource-based tourism through:

- the development of sustainable water-based tourism products with support for activities such as angling, other recreational facilities and access to such facilities. Support will be targeted primarily at disadvantaged rural areas;

- the development of sustainable natural resource rural tourism in disadvantaged areas where support will be made available for the development of tourism infrastructure and activities, environmental and visitor management initiatives and enhancing the capacity/skills and awareness level of those working in tourism in those areas. This action will be targeted towards those areas of rural Northern Ireland which fall within or are contiguous to designated areas of outstanding natural beauty or environmental sensitivity; and
- support for the drawing up of non-statutory ‘Sustainable Development Plans’ for each of the areas concerned, prepared on an inclusive basis through partnership bodies, and for the co-ordinated delivery through these bodies of practical, tourism-related projects and management initiatives;

Targeting

Within the framework of areas, groups and sectors most affected by the conflict as set out in Section 3.7, funds associated with this Measure may be used by private sector and locally targeted disadvantaged communities, but with an emphasis on partnerships featuring local authorities and community organisations.

Indicative Financial Weighting

This Measure will account for €20.95 million (NI 20.95, BR 0.00) which represents:

- 23% of the ERDF resource committed to this Priority; and
- 7% of the ERDF resource committed to this Programme.

Implementing Bodies

For implementation purposes the lead Department in Northern Ireland will be the Department of Agriculture and Rural Development.

Developing People

5.8. MEASURE 1.3: NEW SKILLS AND NEW OPPORTUNITIES (ESF)

Rationale and Background

This Measure recognises that the skill demands of a growing economy require that needs are met at both ends of the spectrum. The Labour Market Assessment has identified that there are very poor levels of performance in terms of literacy and numeracy, and that the lowest levels of performance often occur in those areas most disadvantaged by the years of conflict.

It is also recognised that at the other end of the spectrum regeneration will lead to a growth in higher value-added jobs requiring knowledge-based skills. There are consequences therefore in terms of re-skilling the current workforce and ensuring that new entrants to the labour market are appropriately equipped.

Measure Aims and Objectives

To develop a culture of lifelong learning and to support the economic transition of Northern Ireland and the Border Region. In this way the Measure will promote the objectives of the European Employment Strategy, in particular Employment Guideline 4 and Employment Action Plans North and South. This Measure is linked to the ESF Policy Field of Lifelong Learning.

Indicative Activities

- Actions to improve the level of basic skills among men and women across the working population, particularly those who have been affected by the conflict and those whose existing employment is threatened by change; and
- actions to promote transition to the knowledge based economy, particularly in key areas such as information and communications technology, software engineering and multimedia applications.

The potential for new employment opportunities offered by the Information Society should be recognised by integrating ICT skills into the context and delivery of projects. Where appropriate, steps should be taken to highlight the need to protect and improve the environment.

Targeting

Within the framework of areas, groups and sectors most affected by the conflict as set out in Section 3.7, people, both employed and unemployed, who lack basic skills. People who lack the higher level skills now demanded by the knowledge-based economy.

Indicative Financial Weighting

This Measure will account for €35.05 million (NI 27.15, BR 7.90), which represents:

- 66% of the ESF resource committed to this Priority; and
- 18% of the ESF resource committed to this Programme.

Implementing Bodies

For implementation purposes the lead Department in NI will be the Department of Higher and Further Education, Training and Employment. In the Border Region implementation will be through an IFB (ADM-CPA).

5.9. MEASURE 1.4: PROMOTING ENTREPRENEURSHIP (ESF)

Rationale and Background

This Measure will address the entrepreneurial skill demands of the growing economies North and South. It will concentrate on the ESF policy field of adaptability and entrepreneurship.

This Measure recognises the need for further development of an enterprise culture North and South, particularly looking to the potential of developing new sources of employment including community businesses and the social economy.

Measure Aims and Objectives

To raise the awareness of enterprise within local communities and to equip them with the capacity and capability to identify business opportunities, establish and grow businesses and promote cross community relations through the business development process. This Measure sits in the ESF Policy Field Entrepreneurship and Adaptability and promotes Employment Guideline 12.

Indicative Activities

- The promotion of self-employment opportunities; and
- supporting the development of self-sustaining community businesses.

The potential for new employment opportunities offered by the Information Society should be recognised by integrating ICT skills into the context and delivery of projects. Where appropriate, steps should be taken to highlight the need to protect and improve the environment.

Targeting

Within the framework of areas, groups and sectors most affected by the conflict as set out in Section 3.7, people, both employed and unemployed, who wish to explore the self-employment option, community based businesses and the social economy.

Indicative Financial Weighting

This Measure will account for €5.10 million (NI 3.10, BR 2.00), which represents:

- 10% of the ESF resource committed to this Priority; and
- 3% of the ESF resource committed to this Programme.

Implementing Bodies

For implementation purposes the Lead Department in Northern Ireland will be the Department of Higher and Further Education, Training and Employment. In the Border Region implementation will be through an IFB (ADM-CPA).

5.10. MEASURE 1.5: POSITIVE ACTION FOR WOMEN (ESF)

Rationale and Background

The Labour Market Assessment has shown that despite some overall positive trends as regards female participation, this has to be tempered

by the fact that many more women than men are in part-time employment. The overall economic activity rate is also much lower. This Measure will support activities which improve women's access to and participation in the labour market in support of the ESF Policy Field 5. It will assist in improving further participation by women, support career development and entrepreneurship and develop women's access to emerging work opportunities deriving from peace, particularly in the information technologies and new technologies sectors where skill shortages are already apparent. It is also recognised that women from areas most affected by the "Troubles" tend to have low educational and vocational attainments, making it more difficult for them to enter or return to the labour market. For many there is a need to build self-confidence and basic skills as a precursor to developing vocational skills relevant to market demands.

Measure Aims and Objectives

To improve women's access to and participation in the labour market and avail of labour market opportunities and to improve entrepreneurship among women. This Measure will underpin the European Employment Strategy, in particular Guideline 18.

Indicative Activities

- The promotion of entrepreneurship as an option for women;
- identification of barriers which impede women from entering and progressing within the labour market;
- support for confidence-building actions and skill enhancement;
- providing skill enhancement and training which promote career development and access to employment opportunities; and
- mainstreaming the PlayCare Initiative developed under PEACE I.

The potential for new employment opportunities offered by the Information Society should be recognised by integrating ICT skills into the context and delivery of projects. Where appropriate, steps should be taken to highlight the need to protect and improve the environment.

Targeting

Within the framework of areas, groups and sectors most affected by the conflict as set out in Section 3.7, women wishing to enter or re-enter the labour market. Women with an interest in developing their own business idea.

Indicative Financial Weighting

This Measure will account for € 13.06 million (NI 10.56, BR 2.50), which represents:

- 25% of the ESF resource committed to this Priority; and
- 7% of the ESF resource committed to this Programme.

Implementing Bodies

For implementation purposes the lead Department in Northern Ireland will be the Department of Higher and Further Education, Training and Employment. In the Border Region implementation will be through an IFB (ADM-CPA).

5.11. MEASURE 1.6: TRAINING FOR FARMERS (EAGGF) (NORTHERN IRELAND)

Legislative Base

Council Regulation (EC) No 1257/1999, Article 9.

Rationale and Background

Levels of education and training among those working in farming are relatively low. Farmers and farming families are therefore ill equipped to respond to the need for change necessitated by peace evolving in parallel with other major developments. Peace encouraged an influx of UK retailers immediately exposing UK farmers to the increased UK and international competition. Simultaneously farm families experienced various crises in farming and a substantial downturn in farm incomes.

Traditional agricultural production and marketing practice no longer secures sufficient income for many farming families. To sustain people on family farms, particularly smaller beef and sheep farms in remote areas, innovative forms of support are needed to enable farm families to identify and develop the skills required to achieve the highest standards of performance in traditional as well as on-farm diversified enterprises.

Measure Aims and Objectives

Under this Measure, support for vocational training will be provided in accordance with the objectives and conditions set out in Chapter 3 of Regulation (EC) No 1257/1999 and Section 3 of Common Regulation (EC) No 1750/1999, and in particular with the objective:

- to reduce economic and social exclusion in farming through cross-community collaborative actions to improve farm incomes and address local environmental issues;
- to promote the adoption of best production, business and environmental practice on farms through demonstration of best practice on commercial “model units”, delivery of peer mentoring within the industry to stimulate its adoption on other farms and training associated with improved environmental management and quality farm produce; and
- to stimulate farm businesses to exploit the potential of ICT for production, management and personal development purposes.

Indicative Activities

The Measure will support:

- the development of selected farm businesses as “model units” and the training of participating farmers to demonstrate best production, management and environmental practice in both traditional and diversified enterprises to other farmers;
- assistance to groups of farmers to identify common needs in relation to sustainable environmental management and improvement of farm produce quality;
- the delivery of training and mentoring through the “model units” to help groups of farmers adopt best production, management and environmental practice; and
- the delivery of training, mentoring and financial support to enable groups of farmers to exploit the potential of ICT for management, marketing and personal development purposes, specifically including the opportunity afforded by ICT discussion groups.

Targeting

Within the framework of areas, groups and sectors most affected by the conflict as set out in Section 3.7, farmers, their spouses and other members of farming families who are presently involved on a full-time or part-time basis on the family farm and are reliant on the farm for all or part of their livelihood.

Indicative Financial Weighting

This Measure will account for € 8.58 million (NI 8.58, BR 0.0) which represents:

- 33% of the EAGGF resources committed to this Priority; and
- 19% of the EAGGF resources committed to this Programme.

Implementing Bodies

For implementation purposes the lead Department in Northern Ireland will be the Department of Agriculture and Rural Development.

5.12. MEASURE 1.7: DIVERSIFICATION OF AGRICULTURAL ACTIVITIES AND ACTIVITIES CLOSE TO AGRICULTURE TO PROVIDE MULTIPLE ACTIVITIES OR ALTERNATIVE INCOMES (EAGGF) (NORTHERN IRELAND)

Legislative Base

Council Regulation (EC) No 1257/1999, Article 33, 7th indent.

Rationale and Background

Peace is a major advance for society and the economy in Northern Ireland. However the advent of peace has had some unfortunate side-effects for the farming industry. Political stability has encouraged investment by the UK multiple retailers who implement very demanding procurement specifications and who are prepared to source internationally. The massive downturn in farm incomes, the effect of

increased competition for market outlets and the limited opportunities within traditional farming enterprises is focusing farmers and members of their families to look for alternative ways to augment their incomes.

The lack of broader educational and work experiences often mean that farming families do not have the skills needed to secure gainful employment in non-traditional activities. Assisting farm families to acquire skills suited to off-farm employment or non-traditional on-farm employment will enable them to supplement farming income by generating alternative income and remain on their holdings. This will reduce the social and economic exclusion in farming communities and help to maintain the rural social structure.

The financial hardship within traditional agriculture has acted as a catalyst in stimulating those needing to augment farming incomes to develop entrepreneurial ideas for new non-traditional farm-based enterprises. Unfortunately, the drop in financial reserves and loss of equity experienced by many farmers has prevented the necessary capital investment. Provision of seed corn money will stimulate the establishment and development of these new enterprises.

One of the weaknesses identified by the ex-ante evaluation of the Structural Funds Plan is the labour market inflexibility that has been fostered by the community conflict. This has made it more difficult to match job opportunities and job seekers. In addition, employment initiatives have tended not to look at the opportunities offered by part-time employment. There is a need for a programme that can match farmers and members of farm families who have developed their skills in non-traditional activities and who are able to work off-farm on a part-time basis with the part-time employment opportunities available in rural areas.

In accordance with Article 35(3) of Regulation (EC) 1257/1999, the present Measure 1.7 and Measure 5.6 (Diversification of Agricultural Activities and Activities close to Agricultural to provide Multiple Activities or Alternative Incomes) and Measures 2.9 and 5.6 (partly) below (Renovation and development of villages and protection and conservation of the rural heritage), are eligible to be financed by the EAGGF in so far as their financing is not provided by the ERDF.

The authorities of Northern Ireland confirm that these measures will be funded out of EAGGF under the present Operational Programme. Where appropriate detailed descriptions of these measures and other information will be provided in the programme Complement to demonstrate clearly the difference of scope between each of these measures and any other measure allowing similar projects to be funded out of ERDF.

Measure Aims and Objectives

- To help people currently engaged in farming to identify their skills development needs and successfully undertake a skills development programme.
- To facilitate the re-skilling or up-skilling of these people either to secure off-farm employment or to acquire the expertise required to develop new non-traditional on-farm enterprises.
- To help people secure supplementary employment or engage in a farm diversification process which will provide alternative incomes.
- To implement a programme to stimulate awareness of part-time job opportunities. In doing so, it will enhance individual and private business capacity to respond positively to the new economic challenges now present in rural areas.

Indicative Activities

The Measure will support the:

- identification of people in farming families who need to secure additional income and provision of counselling and guidance to help them identify education/training opportunities and support arrangements to match their needs, aspirations and capabilities;
- development and delivery of bespoke education/training programmes where these are not available from other sources – the bespoke programmes are designed specifically to meet the needs of the target group *e.g.* farm business diversification, ICT skills applicable to farms or small rural businesses, or business management applied to small rural businesses;
- mentoring of people on education/training programmes to review their progress and provide encouragement and support towards achieving a nationally recognised qualification in key skills, and/or an alternative vocational discipline and/or business skills;
- provision of financial assistance for farmers and members of farm families towards the additional costs of undertaking education/training programmes where such costs cannot be covered from elsewhere. Examples include costs of registration, tuition, and examination fees, books and learning materials; travel subsistence and, where appropriate, childcare and care of elderly relatives; contributions towards the costs of relief workers if needed to maintain the existing business during training periods;
- provision of financial and mentoring assistance for farmers, groups of farmers and farming families to identify and evaluate new diversification opportunities, prepare detailed business plans, pilot project/service development, implement the project and use ICT for management and market purposes as appropriate; and
- actions to improve the functioning of the labour market with respect to part-time employment. An awareness campaign will be targeted at both employees and employers and will involve a dedicated website for advertising part-time vacancies as well as more conventional information dissemination channels.

This Measure will provide support which is not otherwise available through ESF, ERDF or mainstream UK Government Programmes in rural areas. Qualifications related to existing part-time/full time employment and professional qualifications will be excluded.

This Measure does not cover products covered by Annex 1 to the EC Treaty.

Targeting

Within the framework of areas, groups and sectors most affected by the conflict as set out in Section 3.7, farmers, their spouses and other members of farming families who are presently involved on a full-time or part-time basis on the family farm and are reliant on the farm for all or part of their livelihood.

Indicative Financial Weighting

This Measure will account for € 10.7 million (NI 10.7, BR 0.0), which represents:

- 41% of the EAGGF resources committed to this Priority; and
- 24% of the EAGGF resource committed to the Programme.

Implementing Bodies

For implementation purposes the lead Department in Northern Ireland will be the Department of Agriculture and Rural Development.

Creating the Conditions for Regional Competitiveness

5.13. MEASURE 1.8: TECHNOLOGY SUPPORT FOR THE KNOWLEDGE-BASED ECONOMY (ERDF) (NORTHERN IRELAND)

Rationale and Background

The ex-ante evaluation emphasised the need to focus on Information and Communications Technology (ICT) and the knowledge-based economy as a means of overcoming Northern Ireland's peripherality in traditional industrial terms. It also showed that Northern Ireland's industrial structure is characterised by relatively low value per hour worked and has a marked absence of high technology industries. ICTs have however already provided opportunities for inward investment and Northern Ireland has attracted software and electronic investment.

As indicated in the CSF success in the knowledge-based economy can be achieved by enhanced innovative processes, product development activities and technological support for the knowledge-based economy. The main thrust of these activities will be to sustain and develop employment opportunities and thereby provide additional workplace opportunities. The nature of these developments is such that the jobs are not necessarily constrained to main population centres and this is an

important consideration in the objective of providing opportunities for all sections of the Northern Ireland community.

Taking into account Northern Ireland's dependence on declining industries and the need to restructure its industrial base, support for the knowledge-based economy provides a great opportunity for growth in new businesses. Turnover can be increased and worldwide markets can be exploited.

While there is a need to develop the knowledge-based economy and e-commerce initiatives right across the region, the recent draft Communications White Paper indicated the need to guard against the development of a 'digital divide' in Northern Ireland. Action is therefore required to increase the availability and take-up of communications and information technology for people living in deprived and disadvantaged areas, especially those from rural populations and dense business areas.

In addressing the dangers of the digital divide it is important to ensure that all citizens have access to the advantages and opportunities provided by the next generation of communications technology. To meet this requirement resources need to be targeted at those areas where the impact will be greatest.

Consequently, to ensure those currently disadvantaged do not become further disadvantaged in the technology employment market this Measure will concentrate on:

- those areas that have suffered most over the conflict, including interface areas; and
- neutral areas but targeted at improving and fostering reconciliation through the workplace.

This is consistent with the CSF view that action must be taken to ensure that the new technology gap between the most disadvantaged areas and others is not widened to the extent that those who have access and knowledge to use the new technologies make progress while those who do not get left further behind.

Within these targeted areas there is also a particular need to:

- develop research and new technologies that lead to improvements in the quality of life for all sections of the community; and
- strengthen the science base and raise the education and skills level of the workforce.

As in other areas, the aim is to capitalise on the new opportunities offered by a stable society and assist, in particular those who have least opportunity to use the new technology.

Measure Aims and Objectives

To stimulate the restructuring of the economy; in particular to grasp the opportunities offered by new technologies to boost innovation, increase business confidence, build business competitiveness, encourage entrepreneurship, promote greater quality jobs and increase social inclusion and opportunity for all. The activities under this Measure will address the legacy of the conflict by meeting the needs of the socially excluded through the creation and maintenance of opportunities and jobs accessible by all communities within our society.

Indicative Activities

- Targeted actions such as for the creation of new centres of excellence, high technology incubators, science park development;
- best practice demonstration, environmental showcases and demonstrators and promoting entrepreneurship;
- actions designed to combat the digital divide with particular attention paid to those remote and deprived areas of Northern Ireland; and
- technology transfer and support for the knowledge-based economy that would provide the necessary infrastructure, technology transfer and economic stimulation activities that are not currently provided within existing R&D Programmes.

Targeting

Within the framework of areas, groups and sectors most affected by the conflict as set out in Section 3.7:

- Local communities, Higher Education Institutes and trade/business development promotion groups;
- people, groups and areas shown to be most socially dis-advantaged; and
- businesses/organisations wishing to establish/develop high-tech business solutions thus providing alternative sustainable employment.

Indicative Financial Weighting

This Measure will account for € 37.44 (NI 37.44, BR 0.0) million which represents:

- 41% of the ERDF resource committed to this Priority; and
- 13% of the ERDF resource committed to this Programme.

Implementing Bodies

For implementation purposes the lead Department will be the Department of Enterprise Trade and Investment.

5.14. MEASURE 1.9: INVESTMENT IN AGRICULTURAL HOLDINGS (EAGGF) (NORTHERN IRELAND)

Legislative Base

Council Regulation (EC) No 1257/1999, Article 4.

Rationale and Background

As well as fostering polarisation and isolation in rural communities, 30 years of violence impacted upon farming families by deepening the entrenchment of traditional attitudes and reinforcing a reluctance to change. There was little cross-community collaboration on farming and other business matters as well as social issues.

The substantial reduction in farm incomes occurring in parallel with a reduction in tensions within the community has brought about a new willingness among farmers to collaborate to solve the problems experienced by both sides of the community. Opportunities exist for farmers to work together, across communities, to enhance and protect the environment and undertake investments to address quality issues.

Measure Aims and Objectives

Under this Measure, support for investments in individual agricultural holdings will be granted according to the objectives and conditions set out in Chapter 1 of Regulation (EC) No 1257/1999 and Section 1 of Commission Regulation (EC) No 1750/1999, and in particular with the objective:

- to reduce economic and social exclusion in farming through cross-community collaborative actions to improving farm incomes;
- to assist and develop the capacity and actions of farmers working in cross-community groups to identify and propose solutions to specific environmental problems and provide assistance to implement remedial actions on individual holdings; and
- to assist and develop the capacity and actions of farmers working in cross-community groups to identify and propose solutions to specific quality problems and provide assistance to implement remedial actions on individual holdings.

Indicative Activities

The Measure will provide financial support for on-farm investments (machinery, farm buildings, works etc):

- to assist farmers undertake the on-farm investments required to implement local action plans aimed at rectifying local environmental problems related to point source and diffuse pollution of waterways, which have been identified through collaboration between farmers and local community members;

- to assist farmers undertake the on-farm investments required to implement local action plans aimed at rectifying quality problems associated with NI farm produce which have been identified through collaboration with other farmers and local community members.

Support under this Measure shall not be granted for investments which have amongst their objectives an increase in production for which no normal market outlets, as defined under Article 3 of Commission Regulation (EC) No 1750/1999 can be found.

As regards the Dairy Sector, no support will be granted for an investment which would increase production beyond the milk quota available to the farm.

Targeting

Within the framework of areas, groups and sectors most affected by the conflict as set out in Section 3.7, full-time and part-time farmers.

Indicative Financial Weighting

This Measure will account for € 4.8 million (NI 4.8, BR 0.0), which represents:

- 18% of the EAGGF resource committed to this Priority; and
- 11% of the EAGGF resource committed to this Programme.

Implementing Bodies

For implementation purposes the lead Department will be the Department of Agriculture and Rural Development.

5.15. MEASURE 1.10: BASIC SERVICES FOR THE RURAL ECONOMY AND POPULATION (EAGGF) (NORTHERN IRELAND)

Legislative Base

Council Regulation (EC) No 1257/1999, Article 33, 5th indent.

Rationale and Background

The conflict over the past 30 years has been a major factor in preventing the development of a vibrant and diverse economy in rural areas. The commercial life of small towns and villages across Northern Ireland has been disrupted by bombings, the highly visible security presence, disputed parades and the periodic boycott of shops.

The conflict has exacerbated the deep community divisions which exist in rural areas and affected the patterns of commercial and economic activity in rural areas. Describing shopping patterns in a village she called "Ballybeg", Harris pointed out that "the advantage offered by one shop over its rivals had to be very considerable before a Protestant

owner could attract Catholic customers and vice versa”⁵. In his study of two villages in mid County Armagh – “Glendale” which is predominantly Protestant and “Whiteville” which is predominately Catholic – during 1997, Murtagh found that the residents of Glendale mainly look North to largely Protestant towns such as Armagh, Markethill and Portadown for comparison goods, convenience goods and services. By comparison, the population of Whiteville are drawn South to the mainly Catholic towns of Newry, Keady and even across the border to Dundalk. Murtagh found it particularly interesting that the residents of Glendale preferred to go to Markethill rather than Newry despite the latter’s more dominant settlement status offering a wider number, range and quality of services than Markethill⁶.

It is recognised that local rural shops have a central role to play in the commercial and social viability of local communities. The availability of basic/essential goods at retail level at a reasonable price is a basic service to be provided to rural communities. Rural shops in Northern Ireland have struggled to continue providing these services to their local communities throughout the period of the conflict and they continue to face difficulties because of the conflict’s legacy of deepened community divisions. This service is not provided through public funding and support should therefore be provided under this Programme to private enterprises in order to develop or retain retail services in rural villages.

This Measure will target small retail outlets in rural areas to help them to address the legacy of conflict and face positively the challenges of peace. The Measure will support initiatives which help to ensure that the local retail sector maximises its contribution to building a peaceful and prosperous rural society. Support will mainly be provided for the retention and development of retail services through the setting-up of common structures (for example, ICT networks, joint purchase of products and increase of the range of services on offer) and individual investments (for example, new equipment, shop front refurbishment and better use of existing space). Financial support for private enterprise is intended for core activities of the rural shops and will be limited to the minimum necessary for the investments to be made and for which the viability can be demonstrated.

Information and Communications Technology (ICT) presents new and exciting opportunities for rural areas. ICT can help eliminate the isolation imposed by geography and can contribute to building bridges between communities divided by history, culture and political aspiration. Despite the potential benefits of ICT to rural development and social cohesion, there are indications that the use of ICT is most prevalent in urban areas and in the higher socio-economic groups.

⁵ Harris, R, Prejudice and Tolerance in Ulster, Manchester: Manchester University Press, 1972, p6

⁶ Murtagh, B, Conflict and Community in Rural Ulster, Derry: University of Ulster

“Electronic networking” involves using ICT to improve communications and increase access to information; to stimulate co-operation; to share knowledge and ideas; to develop partnerships, to build consensus, and to broaden perspectives. Such networks can become an important platform in supporting rural communities to engage in sensitive issues for the first time, for example, peace-building and conflict resolution. As Northern Ireland society emerges from conflict it should be encouraged to be more outward looking. ICT offers unsurpassed opportunities to address the negative affects of parochialism.

This Measure will harness the potential of ICT to promote peace building, community development and skill development. The Measure will strive to broaden the use of ICT in the rural community among those without current access or skills. This Measure, by primarily targeting community groups, complements the ICT support being offered to farmers under the “Investment in Agricultural Holdings” Measure.

Measure Aims and Objectives

- To support the retention and development of retail services in rural areas;
- to assist rural retail businesses to improve their long-term viability through the promotion of actions to improve business incomes;
- to stimulate rural retail businesses to exploit the potential of ICT and to update, expand and broaden the skills of those working in the sector;
- to develop the capacity of retail owners to work together in cross-community groupings to maximise their contribution to the social economic development of their local communities.;
- to help rural communities realise the potential that ICT offers in addressing division and isolation;
- to increase the accessibility of rural communities to high quality information and training materials, of which peace building processes will form an integral part; and
- to contribute towards a more cohesive rural society through the sharing of information and experiences between community groups.

This Measure will provide support which is not otherwise available through ESF, ERDF or mainstream UK Government Programmes in rural areas. Any activity eligible for support from EAGGF under this Measure will not be eligible for support under Measure 1.1 “Business Competitiveness and Development”. Detailed information will be provided in the Programming Complement for these two Measures which will clearly demonstrate at the level of the organisational structure (such as delimitation of competence), the procedures for approval (such as common databases on the projects submitted for approval) and the specific selection criteria for projects which will delimit the scope of these individual Measures.

Indicative Activities

Support will be provided for the:

- financial assistance for the rural retail sector towards the costs of activities where such assistance cannot be sourced elsewhere. Activities might include the provision of new technology/equipment; introduction of new services; shop front refurbishment and access; better use of existing space;
- financial assistance for marketing initiatives which encourage local shops to stock local produce (including farm products) and to encourage the local community to support the local retail sector. Examples of projects might include the establishment of local retail and service networks to examine and implement new ways of co-operating and marketing the range of services on offer;
- delivery of business mentoring associated with projects to assist the rural retail sector, including the promotion of ICT in the management, marketing and co-ordination of business activities;
- delivery of training, technical assistance, information and sharing of best practice associated with projects to assist the rural retail sector improve the management, marketing and co-ordination of business activities; and
- development and delivery of ICT based training materials and administrative purposes. Financial assistance will be provided for rural communities towards the costs of activities where such assistance cannot be sourced elsewhere. Examples might include: improved ICT access; training for recognised qualifications; the purchase or upgrading of equipment; purchase of appropriate software; website development and e-mail facilities.

Targeting

Within the framework of areas, groups and sectors most affected by the conflict as set out in Section 3.7, rural shops (in particular small retail outlets), rural collectives, food and retail co-operatives, rural community groups and their membership.

Indicative Financial Weighting

This Measure will account for € 1.9 million (NI 1.9, BR 0.0), which represents:

- 7% of the EAGGF resource committed to this Priority; and
- 4% of the EAGGF resource committed to the Programme.

Implementing Bodies

For implementation purposes the lead Department will be the Department of Agriculture and Rural.

CHAPTER 6: Priority 2 - Social Integration, Inclusion and Reconciliation

6.1. RATIONALE

6.1.1. Northern Ireland

Adverse socio-economic, political, psychological, physical and human consequences of conflict in Northern Ireland have made processes of social integration, inclusion and reconciliation complex issues to tackle. Studies have shown that one of the most devastating effects of the conflict is the sense of disempowerment that many feel.

The scale of the problem remains extensive and spatially concentrated in areas of high social need. Evidence from the Cost of the “Troubles” Study⁷ points to the fact that while much of the thinking about victims of the “Troubles” has focussed on individuals and families, whole communities and communities of interest have also been damaged. Many societies coming out of conflict have encountered similar problems and Northern Ireland can learn from experience elsewhere.

Much of the burden for future reconciliation work will rest at community level. If there is to be a lasting peace, this work of rebuilding social fabric within communities affected by conflict is crucially important and the requisite skills and resources should not be underestimated.

In rural areas too, while the overall population has stabilised in recent years, there is an increasing trend towards the centralisation of population and services, especially in the east of Northern Ireland. There is a particular rural dimension to the problems of poverty and social exclusion, reflecting the social structure of rural communities, rural isolation and more limited access to services in rural areas. Increased polarisation of settlements has reduced opportunities for building cross-community relationships with 87% of rural communities being classified as “single identity”.

One of the more visible aspects of the conflict over the past 25 years has been the physical disfigurement of property and the sectarian graffiti in towns and villages across Northern Ireland. Village centres are scarred, visitors feel unwelcome and businesses suffer. Redressing the problems of the physical

⁷ The United Nations University/University of Ulster

environment and encouraging the development of local enterprises will help exploit the opportunities afforded by a peaceful society.

The purpose of this Priority therefore is two-fold – to rebuild the **life skills** and the **social fabric** of communities most affected by conflict through developing the valuable work begun under PEACE I.

Recognition is afforded to learning in other conflict affected contexts. The ILO Action Programme for Communities Emerging from Armed Conflict has concluded that in societies emerging from conflict, life-skills training enhances creativity and the capacity to deal with the difficult period of transition to a peaceful society.

The Priority contributes to the CSF Priority 2: “Employment, Human Resource Development and Social Inclusion” by building new pathways and reinforcing individual life-skills in preparation for the world of work and by addressing skills gaps which impede the economic (re) integration of those affected by the conflict including victims and ex-prisoners. The value of early years actions is also fully recognised in the European Union and work will continue with children.

This Priority will also contribute to the CSF Priority 3 on “Balanced, Urban and Rural Development

6.1.2. Border Region

In Ireland the National Anti-Poverty Strategy has identified that poverty and social exclusion have a distinct impact in a rural context and can only be tackled in a comprehensive and sustained manner, and in particular, through the provision of adequate services, infrastructure and empowerment of local communities.

The underdeveloped infrastructure of the border counties reflects the difficulties and disadvantages the region has experienced as both a border region and a peripheral area. This type of underdevelopment and social exclusion while not peculiar to the region, has been significantly exacerbated both directly and indirectly by the conflict in Northern Ireland. This infrastructure has slowly begun to develop and improve over the last number of years. These improvements have been as a result of both the cease-fires (with the re-opening of roads and bridges and the development of a new sense of confidence in the region) and through the interventions of a range of funding and development agencies including the PEACE Programme.

With this background and these factors in mind this Priority will be implemented in a manner that builds on the objectives in relation to social inclusion set out in the National Development Plan and the National Anti-Poverty Strategy that has been endorsed by the

White Paper on Rural Development. This Priority will link with actions to be supported under, and complement elements of Priority 1 and 3. In addressing this Priority the principles set out in the National Anti-Poverty Strategy will be followed and built upon.

The NDP outlines the need for each Programme to contribute in its own way to promoting social inclusion. The particular contribution of PEACE II will be to focus on disadvantage, both social and economic, and division caused or resulting from the Northern Ireland conflict. Support will be provided at actions that demonstrate a capacity to address aspects of peace building, generating community and civil respect and reconciliation among people of different backgrounds and traditions. This Priority will be additional to interventions outlined in the National Development Plan for Ireland and will specifically complement and enhance the actions with groups which have been most affected by the conflict in Northern Ireland and which remain vulnerable and at risk of social exclusion.

This Priority contributes to the Irish CSF Priorities for Social Inclusion and Balanced Regional Development.

Through targeted actions supported by the ESF aimed at social deprivation caused by long-term unemployment, low standards of educational attainment and low adult literacy rates. In particular the level of educational attainment and low literacy rates are seen as playing a major part in creating and perpetuating social exclusion. The unemployment rate in the Border Region is higher than in the remainder of the BMW Region, the S&E Region and Northern Ireland. The Priority will be required to play a significant role in complementing actions under the Productive Sector, Employment and Human Resources Development, and BMW Regional Operational Programmes in addressing the level of long term unemployment.

Additional actions will facilitate the reintegration of the long-term unemployed into mainstream employment. Activities in relation to lifelong learning and interventions for young people to access the labour market will be supported where they are demonstrated to contribute to social inclusion and complement actions to be developed under Priority 1. This Priority will continue to build on the progress made under PEACE I in improving the level of educational attainment in the Border Region. In particular, actions will be identified which support community and voluntary organisations involved with victims of violence and their families, ex-prisoners and their families, as well as, in the framework of this Programme, people with disabilities, marginalised and alienated young people and Travellers. Support will target educational and training projects that will ultimately provide employment opportunities. Actions to be supported will be consistent with the

guidelines set out in the Employment Action Plan for Ireland and the Policy Fields supported by the ESF.

6.2. PRIORITY AIM AND OBJECTIVES

To promote social integration, inclusion and reconciliation by targeting opportunity and need in both urban and rural areas across Northern Ireland and the Border Region paying particular attention to vulnerable groups, areas most affected by the conflict, areas where community infrastructure is weak and interface areas.

6.3. IMPLEMENTATION

The Priority will be implemented by the following measures:

- Reconciliation for sustainable peace;
- Developing Children and Young People;
- Skilling and Building the Social Economy;
- Pathways to Inclusion, Integration and Reconciliation of Victims;
- Investing in Childcare;
- Promoting Active Citizenship;
- Developing Weak Community Infrastructure;
- Accompanying Infrastructure and Equipment Support;
- Renovation and Development of Villages and Protection and Conservation of the Rural Heritage;
- Encouragement for Tourist and Craft Activities; and
- Area-based Urban Regeneration.

FAS, the State training and employment agency, operates a national social economy programme covering the Border Region. Social economy type actions will not be supported in the Border Region under the measure Skilling and Building the Social Economy. Similarly, The Department of Justice, Equality and Law Reform operates a national childcare programme covering the Border Region. It is not proposed to fund similar type projects in the Border Region under the measure Investing in Childcare.

6.4. INDICATIVE FINANCIAL WEIGHTING

Priority/Measure	Fund	NI € million	Border Region € million	Total € million
Priority 2: Social Integration, Inclusion and Reconciliation				
Measure 2.1: Reconciliation for Sustainable Peace	ERDF	13.61	3.00	16.61
Measure 2.2: Developing Children and Young People	ESF	23.41	5.96	29.37
Measure 2.3: Skilling and Building the Social Economy	ESF	6.00		6.00
Measure 2.4: Pathways to Inclusion, Integration and Reconciliation of Victims	ESF	14.80	9.00	23.80
Measure 2.5: Investing in Childcare	ESF	10.60		10.60
Measure 2.6: Promoting Active Citizenship	ERDF	2.00	0.50	2.50
Measure 2.7: Developing Weak Community Infrastructure	ERDF	7.24	5.00	12.24
Measure 2.8: Accompanying Infrastructure and Equipment Support	ERDF	5.74	1.00	6.74

Measure 2.9: Renovation and Development of Villages and Protection and Conservation of the Rural Heritage	EAGGF	2.80		2.80
Measure 2.10: Encouragement for Tourist and Craft Activities	EAGGF	1.20		1.20
Measure 2.11: Area-based Urban Regeneration	ERDF	19.64		19.64
TOTAL		107.04	24.46	131.50

6.5. MONITORING AND EVALUATION INDICATORS

The specific outputs, results and impacts of the Priority will be monitored using the following indicators:

Northern Ireland

Indicators		
Output	Result	Impact
Four Social and Economic Urban Regeneration Schemes	41,000 visitors per annum £13 million private sector leverage	230 new jobs
Develop 10 neighbourhood renewal schemes	Number of level 2 and above NVQs attained Number of community groups assisted Amount of derelict land/buildings enhanced and brought back into use Number of gross jobs created	Net jobs created
Implement 26 town centre revitalisation schemes	Amount of land/buildings enhanced and brought back into use Private sector leverage	Visitor numbers Resident satisfaction Increased use of town centre

Border Region

Indicators		
Output	Result	Impact
Target groups assisted by category = 200	Number of participants in community-led projects = 18,000 Numbers involved in decision making (men/women) = 1,800 (target 50/50 gender breakdown)	Methodology to be developed
Number of target individuals in prevocational training/ development projects 1,200	Number progressing to vocational training 800	Progression to employment = 150
Number of cross-border linkages established 25	Number of groups participating 150	Methodology to be developed
Number involved in reconciliation/conflict resolution and mediation training 2,000	Participants responding with positive outcomes 1,500	Participants responding with positive outcomes 1,500

In order to put the impacts and results of this Priority and its component Measures in context, it is proposed in Northern Ireland:

- to establish a community relations index measuring prejudice, social distance and integration;
- to monitor the number of deaths and injuries arising from the security situation;
- to monitor attitudes towards segregation in housing, education and the workplace;
- to monitor the proportion of school pupils attending integrated schools; and
- to monitor labour market community balance by SOC and Standard Industrial Classification; to monitor the proportion of employees in organisations with a balanced workforce.

A baseline analysis will be undertaken in the Border Region that will assist in monitoring progress on this Priority.

6.6. MEASURE 2.1: RECONCILIATION FOR SUSTAINABLE PEACE (ERDF)

Rationale and Background

A sustainable peace requires more than an end to violence. Considerable strides have been made towards establishing new political institutions which command public support (see Chapter 1) but this needs to be underpinned by a genuine reconciliation between the divided communities. Innovative strategies are required which promote reconciliation and sustain the peace, drawing on both successful initiatives and the experience of other divided societies. These strategies must look to the future, taking account of changes within society (e.g. demography, increased numbers of minority ethnic people and the changing role of women) and promoting greater awareness of equality and diversity. Essential to development of reconciliation and peace building strategies is a thorough understanding of the dynamics of conflict gained through research, including a transfer of learning within Northern Ireland and the Border Region and between other societies in conflict.

Measure Aims and Objectives

- To provide opportunities for civil society to promote reconciliation and peace-building efforts; and
- to encourage communities in areas which had previously experienced violence or the consequences of violence and polarisation to develop strategies and activities which promote reconciliation as a means to sustaining peace.

Indicative Activities

- Financial support for local reconciliation and peace-building networks in the region, particularly in areas which have previously experienced violence and polarisation;

- enabling employers and employee interest groups to introduce Programmes aimed at reducing sectarianism and strategies to promote equality and diversity within the workplace;
- encouraging activities of an innovative nature aimed at promoting reconciliation and appreciation of cultural diversity among young people;
- research, learn from and promote, positive and innovative reconciliation efforts within Northern Ireland;
- financial support for provision of cross-community facilities, particularly in areas which have previously experienced violence and polarisation;
- financial support for reconciliation activity targeted on disadvantaged areas, socially excluded groups, women and young people;
- financial support for peace building projects, particularly within the workplace, which concentrate on reducing sectarian tensions and promoting harmonious relationships; and
- financial support for research focused on promoting innovative practice.

Targeting

Within the framework of areas, groups and sectors most affected by the conflict as set out in Section 3.7, this Measure will target community and voluntary groups working in the field of community reconciliation, minority ethnic groups, employers and employer organisations, trade unions, schools and youth organisations, women's groups, people living in disadvantaged areas and the socially excluded.

Indicative Financial Weighting

This Measure will account for € 16.61 million (NI 13.61, BR 3.00) which represents:

- 29% of the ERDF resource committed to this Priority; and
- 6% of the ERDF resource committed to this Programme.

Implementing Bodies

For implementation purposes the lead Department in Northern Ireland will be OFMDFM. Implementation in the Border Region will be through an IFB (ADM-CPA).

6.7. MEASURE 2.2: DEVELOPING CHILDREN AND YOUNG PEOPLE (ESF)

Rationale and Background

Both in Northern Ireland and the Border Region, community identities are the basis for significant social segregation in the school system. In Northern Ireland, young people from the Protestant tradition mainly attend non-denominational controlled (*i.e.* "state" schools) while those from a Catholic tradition mainly attend Catholic maintained schools. There are also a significant number of voluntary schools which are either non-denominational or Catholic, and there are small but growing

integrated and Irish medium sectors. Attendance at integrated schools in Northern Ireland accounts for approximately 3% of the school population.

Under such conditions, schools and the youth sector (both statutory and voluntary) have a crucial role to play in promoting the social inclusion of young people in Northern Ireland. Interventions commence with pre-school children and continue throughout the formative years to young adulthood in both the formal school system and through the Youth Service.

While the number of pupils leaving school with few or no formal qualifications has been reducing in recent years, there remains a significant proportion of pupils who are low or underachievers. The employment prospects of these pupils are significantly poorer than for pupils leaving grammar schools; this is particularly the case in relation to the newer and developing high-tech industries. They are also more likely to be unemployed, or to take up poorly paid or low quality jobs which are often of short duration.

These issues must be addressed to ensure that all pupils have the opportunities to achieve their potential and develop the skills necessary to enhance their employability. This will also enable young people concerned to contribute to economic development and participate more effectively in society as mature and responsible citizens and parents.

Addressing early educational needs, providing special support Programmes for groups of pupils and their schools, and other Measures aimed at improving the educational performance of young people reduce the risk of social exclusion and are critical interventions in the education sector. Particular interventions are required to support and develop those children with special educational needs and thus enable them to achieve their potential.

Throughout the "Troubles" schools have held an important position in the promotion of community relations among young people. Children of all ages in many schools across Northern Ireland have been engaged in confidence building and cross-community activities, and in projects and Programmes, in many cases with a sound curriculum basis, involving their peers in many other European countries.

Beyond the classroom, the informal processes of the Youth Service make an important contribution to the personal, social, cultural and economic development of young people. In addition, the youth sector plays a significant part in fostering community understanding and acknowledging diversity not just within Northern Ireland, but also in terms of relationships between young within the European Union and wider afield. The work of the Youth Service also includes important interventions with vulnerable and disaffected young people.

Measure Aims and Objectives

The aim of this Measure is to build on the successful interventions commenced under PEACE I and further target those groups of children and young people who are at greatest risk of social exclusion and marginalisation both in schools and the youth sector. This will underpin the ESF Policy Field of Lifelong Learning and objectives of the European Employment Strategy, in particular Employment Guideline 4.

Indicative Activities

- Support for actions aimed at improving essential skills of disadvantaged young people and to prepare them for an active role in the labour market;
- support for innovative approaches which will encourage young people to remain in or return to education, to realise their full potential and prepare them for the world of work;
- support for innovative approaches for young people with special educational needs;
- support for innovative approaches for young people from minority ethnic backgrounds;
- support for projects which develop partnerships between schools and industry/commerce and which help young people better prepare for the world of work;
- support to promote new initiatives for integrated education;
- support for projects which provide access to information, particularly through new technologies;
- support for initiatives which encourage the development and implementation of inter-departmental strategies and inter-professional partnerships which help meet the needs of vulnerable young people; and
- support for research and dissemination of good practice.

The potential for new employment opportunities offered by the Information Society should be recognised by integrating ICT skills into the context and delivery of projects. Where appropriate, steps should be taken to highlight the need to protect and improve the environment.

Targeting

Within the framework of areas, groups and sectors most affected by the conflict as set out in Section 3.7, this Measure will target schools and youth organisations, children in formal education (mainly aged +/- 15) and young people in the youth sector and organisations in the community and voluntary sectors with relevant specialised knowledge and experience.

Indicative Financial Weighting

The Measure will account for € 29.37 million (NI 23.41, BR 5.96) which represents:

- 42% of the ESF resources committed to this Priority; and
- 15% of the ESF resources committed to this Programme.

Implementing Bodies

For implementation purposes the lead Department in Northern Ireland will be the Department of Education. In the Border Region implementation will be through an IFB (ADM-CPA).

6.8. MEASURE 2.3: SKILLING AND BUILDING THE SOCIAL ECONOMY MEASURE (ESF) (NORTHERN IRELAND)

Rationale and Background

The Centre for Voluntary Action Studies in the University of Ulster reports that there is much unrealised potential on the part of the community and voluntary sector to be entrepreneurial in the social economy area. The potential to develop micro-enterprise projects was specifically highlighted.

It is recognised that the ability of people to find or create employment is constrained by the limited absorption capacity of the traditional labour market. Furthermore, the socio-economic review has shown that community conflict has also fostered a general labour market inflexibility and made it more difficult to match job opportunities and job seekers, a factor which contributes to higher rates of unemployment in particular communities.

There is therefore a need to develop new employment opportunities outside the traditional labour market.

Measure Aims and Objectives

The aim of this Measure is to promote the emergence and the consolidation of the social economy within and across communities and to maximise the role of such enterprises within areas and communities of interest experiencing post conflict disadvantage. The Measure is linked to the ESF Policy Field Entrepreneurship and Adaptability and will underpin the objectives of the European Employment Strategy, in particular Employment Guideline 12.

Activities carried out under this Measure will be complementary – notably by reasons of their scale – to the ones in favour of social economy at local level described in Priority 3.

Indicative Activities

- Maximisation of the potential of the social economy in Northern Ireland to generate employment that is sustainable and of high quality;
- regeneration of the conflict affected communities by providing local services, employment opportunities and experience for people who have been distanced from the labour market;

- creation of new mechanisms for partnership between the wider social economy, and the public and the private sector in Northern Ireland;
- support for new information and communication technologies that meet the needs of local communities and communities of interest; and
- support for the development of enterprises which meet the needs of local communities *e.g.* recycling schemes, energy savings schemes, market stalls and bulk buying schemes.

The potential for new employment opportunities offered by the Information Society should be recognised by integrating ICT skills into the context and delivery of projects. Where appropriate, steps should be taken to highlight the need to protect and improve the environment.

Targeting

Within the framework of areas, groups and sectors most affected by the conflict as set out in Section 3.7, this Measure will target Community Development Agencies, Women's Centres, Family Centres, Social Economy Initiatives developed by marginalised groups including women, people with disabilities, young unemployed people and the long-term unemployed.

Indicative Financial Weighting

The Measure will account for € 6.00 million (NI 6.0, BR 0.0) which represents:

- 9% of the ESF resource committed to this Priority; and
- 3% of the ESF resource committed to this Programme.

Implementing Bodies

For implementation purposes the lead Department will be the Department of Social Development.

6.9. MEASURE 2.4: PATHWAYS TO INCLUSION, INTEGRATION AND RECONCILIATION OF VICTIMS (ESF)

Rationale and Background

This Measure consists of 2 Sub-Measures, one on pathways work and the other covering victims. For many people, conflict has meant time lost for education and training. Many others now face a post-conflict situation that requires different skills. Northern Ireland has low workforce qualifications, 20% of the regions economically active population are without formal qualifications and almost one-quarter of the region's adult population (16-65) is at the lowest levels of literacy. A somewhat similar situation has been identified in the Border Region.

This Sub-Measure will promote life skills among people to build their personal and community capacity to adjust to peace and reconcile tensions and differences. The International Labour Organisation's *Action Programme for Countries Emerging from Armed Conflict* testifies that in societies emerging from armed conflict, life skills training enhances creativity and the capacity of people to deal with the difficult transition to a peaceful society. The absence of life skills impedes transition to peace and reconciliation.

The “Pathways” Sub-Measure differs from other adult training Programmes in its specific focus on peace-building and on the holistic approach it takes towards building learning communities. Training under this Measure is linked to employment through providing life-skills and preparation for employment. As regards the other Sub-measure, the destructive consequences of conflict on victims, survivors and those associated with them pose a major challenge to development and to the goals of social and economic renewal in Northern Ireland and the Border Region. The opportunities for renewal are, however, considerable. The victims of violence and those who are related to, or care for them, are a diverse group with diverse needs. They are, however, often characterised by marginalisation and exclusion from formal training and education opportunities. This Sub-Measure offers an opportunity to pilot and develop innovative approaches and mechanisms aimed at helping this vulnerable group. Particular emphasis will be placed on providing life skills and trauma training for those who work with victims, their relatives and those who care for them, and work with those affected by grief and trauma.

Measure Aims and Objectives

- To build the capacity of individuals and communities to deal with the transition to peace by identifying and providing for skills gaps which may impede the transition; and
- to promote a labour market open to all by continuing the work started under the PEACE I Programme, promoting the integration and inclusion of victims and survivors.

This will underpin the objectives of the European Employment Strategy, in particular Employment Guideline 8 and the second ESF Policy Field of promoting Equal Opportunities for all in accessing the labour market.

Indicative Activities

- Support for assessment of local needs and skills audits;
- support for implementation of training arising out of skills audits;
- support for mentor and placement opportunities;
- support for training trainers activities, building where possible on the practical experience that already exists within communities;
- support for the development of new training opportunities in conflict resolution, confidence building, assertiveness training and influencing skills, equality and human rights training and leadership skills;
- advice, counselling and support services for victims, their relatives and those who care for them;
- training for counsellors, trainers and other personnel on the needs of the target groups, including the development of special skills required;
- providing trauma training for those who work with victims and survivors;
- training and reskilling for victims, their relatives and those who care for them;
- work with those affected by grief and trauma caused by the conflict;
- support for organisations responsible for the needs of victims and survivors; and

- increased access by victims, their relatives and carers, to practical skills, training and education designed to enhance their economic reintegration.

The potential for new employment opportunities offered by the Information Society should be recognised by integrating ICT skills into the context and delivery of projects. Where appropriate, steps should be taken to highlight the need to protect and improve the environment.

Targeting

Within the framework of areas, groups and sectors most affected by the conflict as set out in Section 3.7, this Measure will target the wider social economy in communities (neighbourhoods, estates, townlands) affected by conflict, those excluded from the traditional labour market, victims and survivors, including relatives and carers; providers of services to victims and survivors, including relatives and carers; voluntary and community organisations which represent the needs of victims, survivors, their relatives and carers.

Indicative Financial Weighting

This Measure will account for € 23.80 million (NI 14.80, BR 9.00) which represents:

- 34% of the ESF resource committed to this Priority; and
- 13% of the ESF resource committed to this Programme.

Implementing Bodies

For implementation purposes the lead Department in Northern Ireland will be Department of Social Development for the Pathways Sub-measure and OFMDFM for the Victims Sub-measure. In the Border Region implementation will be through an IFB (ADM-CPA).

6.10. MEASURE 2.5: INVESTING IN CHILDCARE (ESF) (NORTHERN IRELAND)

Rationale and Background

Many young people, particularly in the neighbourhoods most damaged by the conflict, emerge from the education system poorly motivated, unqualified and unskilled, and drift into long-term unemployment. This failure at school invariably breeds social failure, resulting in a life of uncertainty, exclusion, marginalisation and dependence on structures of social assistance.

Research findings also confirm that education (and training) is a powerful means of social integration when properly implemented. There is a clear correlation between the level of educational qualifications and employment. A sustained effort will be needed to break into this cycle of exclusion. Research⁸ shows convincingly that the most effective point at which to intervene is with pre-school children and children at the early stages of education and their parents. Preventative action at this early stage on the pathway towards the

⁸ “Changed Lives: The effects of the Perry Pre-school programme on youths through age 19” published in 1984; and

“Significant benefits – The highscope Perry pre-school study through age 27” published in 1993.

labour market is a critical first step towards the longer-term aim of a better-equipped, more strongly motivated workforce.

Childcare provision in Northern Ireland continues to lag well behind the rest of the United Kingdom. Including pre-school playgroups providing sessional care, there are less than 40,000 registered childcare places for 310,000 children aged under twelve. Local childcare provision is patchy and there are particular problems in rural areas. In addition, because of lower average incomes, childcare costs represent a larger proportion of families' disposable income. Only half of all early years workers have any relevant early years qualifications. In recognition of these problems, the Government last year published the Northern Ireland Childcare Strategy *Children First* which outlines a range of Measures aimed at raising the quality of childcare and making it more affordable and accessible.

For many years, people have seen children as pivotal to building a more stable society in Northern Ireland. To achieve a stable society, a new generation of adults must be created who are confident, at ease with themselves and their fellow citizens.

Measure Aims and Objectives

To prevent future social and labour market exclusion of children and young people. This Measure is linked to the ESF Policy Field of Lifelong Learning and will underpin the objectives of the European Employment Strategy, in particular Employment Guideline 8.

Indicative Activities

The following types of action could be funded:

- Pre-school and after-school projects in areas of greatest disadvantage;
- projects aimed at supporting families with young children;
- projects aimed at families with children with special needs and ethnic minority families;
- capacity building within the sector;
- support projects that take an integrated approach to childcare; and
- training, assessment and accreditation facilities related to early years services.

The potential for new employment opportunities offered by the Information Society should be recognised by integrating ICT skills into the context and delivery of projects. Where appropriate, steps should be taken to highlight the need to protect and improve the environment.

Targeting

Within the framework of areas, groups and sectors most affected by the conflict as set out in Section 3.7, this Measure will target young children and their families living in disadvantaged areas, in particular those most damaged by the conflict. Families with young children with special needs, and ethnic minority families. Childcare projects promoting community reconciliation.

Indicative Financial Weighting

This Measure will account for € 10.60 million (NI 10.6, BR 0.0) which represents:

- 15% of the ESF resource committed to this Priority; and

- 6% of the ESF resource committed to this Programme.

Implementing Bodies

For implementation purposes the lead Department will be the Department of Health, Social Services and Public Safety.

6.11. MEASURE 2.6: PROMOTING ACTIVE CITIZENSHIP (ERDF)

Rationale and Background

Communities North and South are only emerging from conflict slowly and with great difficulty. This Measure will generate the greatest possible involvement of citizens in the governance of their communities, based on values of equality, inclusion and respect for human rights. It will build on the lessons learnt from PEACE I which confirm that the concept of active citizenship is fundamental to building equality and inclusiveness.

This Measure is fully consistent with the NI Assembly's new Programme for Government. It seeks to sustain and consolidate the Community Infrastructure gains of the PEACE I Programme.

Measure Aims and Objectives

To generate the greatest possible involvement of citizens in Northern Ireland in the governance of their communities, based on values of equality, inclusion and respect for human rights.

Indicative Activities

- Support for interventions designed to secure the active and enduring engagement of local communities in planning, policy development and decision making;
- support for organisations to develop the skills within Committees and membership structures and reduce dependency on paid staff; and
- support for new technological approaches to building active communities (e.g. "communities in line") and for community-led volunteering.

Targeting

Within the framework of areas, groups and sectors most affected by the conflict as set out in Section 3.7, this Measure will target those groups whose members are socially excluded or likely to be at risk of social exclusion.

Indicative Financial Weighting

This Measure will receive € 2.50 million (NI 2.00, BR 0.50) which represents:

- 4% of the ERDF resource committed to this Priority; and
- 1% of the ERDF resource committed to this Programme.

Implementing Bodies

For implementation purposes the lead Department in Northern Ireland will be Department Social Development. In the Border Region implementation will be through an IFB (ADM-CPA).

6.12. MEASURE 2.7: DEVELOPING WEAK COMMUNITY INFRASTRUCTURE (ERDF)

Rationale and Background

Weak community infrastructure exists for a multiplicity of reasons in both communities and on both sides of the Border. It is experienced most keenly in areas of high social need.

In areas of weak infrastructure, communities remain alienated from community development and other development processes. Research confirms that they fall noticeably behind on a range of indicators including the capacity to attract in additional support, the self confidence of the community to effect positive change and the strength of locally based community organisations and social networks.

Lessons emerging from the PEACE I Programme confirm the need for special, long-term and carefully targeted programmes of support in these areas.

Measure Aims and Objectives

To provide appropriate and sustained interventions in target areas with the intention of stimulating and supporting community involvement and building community confidence.

Activities carried out under this Measure will be complementary – notably by reasons of their scale – to the ones implemented at local level described in Priority 3.

Indicative Activities

- Assistance with needs assessment in target areas, support for benchmarking and evaluation;
- targeted support for capital projects in areas where there are gaps in existing provision;
- grants and other support for new and emerging community initiatives; and
- support for advice and information provision in areas of weak infrastructure.

Targeting

Within the framework of areas, groups and sectors most affected by the conflict as set out in Section 3.7, this Measure will target geographical areas – (neighbourhoods, estates, townlands) in areas of high social need characterised by the absence of formal and informal community activity, sectoral groupings (women, young people, people with disabilities, minority groups), new and emerging community projects.

Indicative Financial Weighting

The Measure will account for € 12.24 million (NI 7.24, BR 5.00) which represents:

- 21% of the ERDF resources committed to this Priority; and
- 4% of the ERDF resources committed to this Programme.

Implementing Bodies

For implementation purposes the lead Department in Northern Ireland will be the Department of Social Development. In the Border Region implementation will be through an IFB (ADM-CPA).

6.13. MEASURE 2.8: ACCOMPANYING INFRASTRUCTURE AND EQUIPMENT SUPPORT (ERDF)

Rationale and Background

In order to ensure the successful implementation of some of the actions, assistance to provide infrastructure projects is required to support the objectives of other ESF Measures in this Priority. These could include the upgrading or adaptation of premises or the purchase of equipment to meet the specific needs of target groups. Such facilities will enhance the development of cross-community activity and the inclusion or reintegration of vulnerable groups. They will provide facilities where there can be new opportunities for early years services.

Measure Aims and Objectives

To ensure that the necessary infrastructure support is available to complement the actions included under the appropriate Measure of this Priority.

Indicative Activities

The projects which could be included:

- the development or improvement of community early years facilities, including nursery schools, playgroup and family resource centre premises;
- premises and equipment for IT-based learning projects;
- adaptation of existing facilities to improve access for people with disabilities;
- provision of neighbourhood or area facilities; and
- purchase of essential equipment.

Targeting

Within the framework of areas, groups and sectors most affected by the conflict as set out in Section 3.7, this Measure will target those groups awarded ESF funding in this Priority.

Indicative Financial Weighting

This Measure will account for € 6.74 million (NI 5.74, BR 1.00) which represents:

- 12% of the ERDF resource committed to this Priority; and
- 2% of the ERDF resource committed to this Programme.

Implementing Bodies

For implementation purposes the lead Department in Northern Ireland will be Department of Social Development. In the Border Region implementation will be through an IFB (ADM-CPA).

6.14. MEASURE 2.9: RENOVATION AND DEVELOPMENT OF VILLAGES AND PROTECTION AND CONSERVATION OF THE RURAL HERITAGE (EAGGF) (NORTHERN IRELAND)

Legislative Base

Council Regulation (EC) No 1257/1999, Article 33, 6th indent.

Rationale and Background

Rural areas in Northern Ireland are, for the most part, single identity and work on capacity and confidence building has, of necessity, been restricted to activities within individual communities. While this has made a major contribution to building both capacity and confidence within these communities, for a growing number of community groups, the challenge lies in encouraging them to take the next step towards a more inclusive society.

However, the level of social exclusion within some rural communities remains high and for many, the concepts of social inclusion, representation and civic democracy remain unrealised. By increasing participation in the community development process, all rural dwellers will feel they have a real stake in the future of Northern Ireland.

After decades of conflict the rural community is increasingly segregated and polarised. At the local level, village centres and rural roads are often “marked out” with flags, emblems and graffiti with the purpose of defining territory and making members of the other community feel unwelcome. As well as increasing social division and tension, these activities inhibit local economic development. By supporting environmental projects which involve the entire community, especially socially excluded groups, this Measure will contribute towards creating rural areas that are welcoming for residents and visitors and which contribute to peace building at a local level. The local sense of pride and sense of belonging would be reinforced in a positive, inclusive manner.

The use of mediation as a means of resolving conflict is a relatively new concept in Northern Ireland. To date, its use has tended to be concentrated in the larger urban areas mainly dealing with the parades issue. There is a shortage of trained mediators outside urban areas.

Community safety has become a major issue for many rural communities. Given the nature of civil and community unrest over the past 30 years, the issues of crime and vandalism and their negative impact on the lives of those in rural communities has not been fully

addressed. Within certain communities, there is a reluctance to engage with the police service to develop strategies to address the problems in a peaceful manner.

Northern Ireland is fortunate to have a significant number of village/community halls in rural areas. However, many of these are owned/managed by single identity organisations and the halls are often perceived as for use by one element of the community only. Promotion of the concept of inclusive venues will make an important contribution towards building and maintaining sustainable communities and provide meeting space for isolated and disadvantaged communities.

Measure Aims and Objectives

- To encourage single identity communities to actively participate in and make a positive contribution to cross-community activities;
- to increase participation and representation by excluded, disadvantaged, alienated or minority communities, particularly people with disabilities;
- to promote the involvement of local people in environmental initiatives and the physical regeneration of villages, to promote the development of common ground and promote community links;
- to enable conflict within and between rural communities to be resolved through the use of mediation techniques;
- to promote the concept of community safety which will directly contribute to the quality of life of those living in rural communities; and
- to promote and encourage the effective management and use of village/community halls contributing towards building peaceful and sustainable rural communities.

Indicative Activities

This Measure will provide support for:

- Community groups to undertake single identity work that are interested in working within other communities on rural development activities;
- a pilot programme to increase significantly the involvement of excluded, disadvantaged, alienated or minority communities, particularly people with disabilities in rural areas in community and public life and rural development activities;
- projects and activities developed by rural communities to: develop a renewed sense of pride in the community; agree on the use of contested spaces and develop common ground for use by all the community; and promote village twinning to provide new opportunities for social and economic opportunities;
- a programme to enable conflict within and between rural communities to be resolved through the use of mediation techniques and the development of a *Rural Mediation Brokerage Service*. The Programme will offer training on two levels: initial training in

mediation techniques and more in-depth training and mentoring to enable individuals to lead a mediation session. Trained individuals will be available to rural communities through a brokerage service;

- the development of a number of community safety programmes to act as models of good practice for wider dissemination. This scheme will be run in association with the Northern Ireland Association for the Care and Resettlement of Offenders; and
- the provision of support, advice and training for voluntary managers of village/community halls to enable them to manage, maintain and provide a service to local communities.

Targeting

Within the framework of areas, groups and sectors most affected by the conflict as set out in Section 3.7, this Measure will target rural community groups, particularly groups that were previously funded to undertake single identity work, that are in conflict or that are managing village/community halls; people with disabilities in rural areas and rural communities.

Indicative Financial Weighting

This Measure will account for € 2.8 million (NI 2.8, BR 0.0) which represents:

- 70% of the EAGGF resource committed to this Priority; and
- 6% of the EAGGF resource committed to this Programme.

Implementing Bodies

For implementation purposes the lead Department will be the Department of Agriculture and Rural Development.

6.15. MEASURE 2.10: ENCOURAGEMENT FOR TOURIST AND CRAFT ACTIVITIES (EAGGF) (NORTHERN IRELAND)

Legislative Base

Council Regulation (EC) No 1257/1999, Article 33, 10th indent.

Rationale and Background

The rich mosaic of cultures in rural Northern Ireland has often been a source of tension and conflict, with culture often being seen as a constraint to local development rather than a positive asset which can be used and developed. This is contrary to rural areas elsewhere in Europe which have successfully used culture as a catalyst for local development. This Measure will exploit the opportunities open to rural Northern Ireland as a direct result of the peace process. Support for community activities which promote local distinctiveness whilst encouraging respect for diversity can make a positive contribution towards reconciliation and provide new economic opportunities for rural communities.

Measure Aims and Objectives

- To assist rural communities promote their local identity, culture and heritage as an economic asset;
- to encourage communities to develop new and innovative approaches to traditional rural events which maximise their potential for reconciliation and economic development; and
- to promote the adoption of best practice and implement projects which encourage the use of local produce.

Indicative Activities

Support will be provided for:

- financial assistance for rural communities towards the costs of small-scale events and festivals which promote local identity, culture and heritage as a vehicle for socio-economic development. Examples of projects might include new approaches to traditional rural events; promotion of local produce/food, drinks and crafts festivals; community arts, drama and sport;
- financial assistance for rural communities towards the costs of cultural businesses as alternative enterprises which promote local identity, culture and heritage. Examples of projects might include development of language as a local economic asset; development of indigenous craft co-operatives and enterprises; commercialisation of local craft and food products; and
- delivery of training, technical assistance, information and sharing of best practice to help rural communities develop projects that promote local culture as an economic asset.

This Measure will provide support which is not otherwise available through ERDF or mainstream Government programmes in rural areas in particular, it will complement Measure 1.2 on “Sustainable Tourism Development Based on Shared Natural and Cultural Resources” (ERDF) by targeting small-scale local activities which specifically address reconciliation issues in rural areas. It will also complement Measure 4.2 by helping to develop the region’s ability to attract visitors by enhancing its cultural and creative expression. Finally, activities carried out under this Measure will be complementary to the ones implemented at local level described in Priority 3.

Targeting

Within the framework of areas, groups and sectors most affected by the conflict as set out in Section 3.7, this Measure will target rural community groups, rural collectives.

Indicative Financial Weighting

This Measure will account for € 1.2 million (NI 1.20, BR 0.00) which represents:

- 30% of the EAGGF resource committed to this Priority; and

- 3% of the EAGGF resource committed to this Programme.

Implementing Bodies

For the implementation purposes the lead Department will be the Department of Agriculture and Rural Development.

6.16. MEASURE 2.11: AREA-BASED URBAN REGENERATION – BELFAST, LONDONDERRY AND REGIONAL TOWNS (ERDF) (NORTHERN IRELAND)

Rationale and Background

This Measure presents a focused approach to the distinctive problems presented by Belfast, Londonderry and regional towns. Effective regeneration is about tackling deprivation, particularly by giving disadvantaged communities the opportunity to participate in and sustain the regeneration process. The Northern Ireland conflict has stunted the growth of sustainable development, and by developing models of regeneration which can become self-sustaining, this Measure can empower local urban communities to shape their own destiny.

Much good work has already been achieved under the URBAN Community Initiative and through the “Urban Regeneration” Measures of PEACE I. The “Area-based Regeneration” Measure will focus regeneration at the neighbourhood level, using a Neighbourhood Partnership approach and will also develop and enhance town and city centres in social and economic terms.

A Neighbourhood Partnerships Approach is characterised by a focus on those individual neighbourhoods and estates that had the highest degrees of deprivation. Working within the local strategic partnerships in Priority 3 a more focused and co-ordinated approach to addressing the problems of these neighbourhoods is proposed. Joint working, building up local capacity to address deprivation and the legacy of the conflict is proposed.”

This Measure will be implemented by way of three geographical Sub-measures as follows:

1. District Council area of Belfast (which includes a specific and separate allocation for Laganside);
2. Londonderry; and
3. Other Regional Towns.

Measure Aims and Objectives

To promote the integration and inclusion of marginalised and disadvantaged groups, to achieve higher and more meaningful levels of cross-community participation in the regeneration of urban neutral spaces, community interface areas and neighbourhoods affected by the conflict in Northern Ireland.

Indicative Activities

- Support for partnership of the public, private community and voluntary sectors in deprived neighbourhoods, which will address the barriers to inclusion and investment in their areas.
- Enhancement of streetscape and linkages within the Cathedral Quarter of Belfast to improve access and encourage the provision of neutral spaces.
- Development and improvement of facilities and services to support economic, political and social stability particularly in local interface areas in Belfast and Londonderry.
- Development of environmental project with cross-community involvement and employment potential.
- Development of town centre management strategies and reinvigoration plans.

This Measure will provide support which is not otherwise available through other Measures within this Programme, other EU Programmes or mainstream Government Programmes in favour of urban areas. In particular, it will be distinct from but complementary to and closely co-ordinated with:

- the URBAN II Community Initiatives in Inner North Belfast; and
- the activities implemented by District Partnerships at local level as described in Priority 3.

Targeting

Within the framework of areas, groups and sectors most affected by the conflict as set out in Section 3.7, this Measure will target members of disadvantaged social groups in deprived neighbourhoods, working in partnership; voluntary and community sector organisations; statutory and non-statutory providers of services to disadvantaged groups; district councils Town Centres Managers.

Indicative Financial Weighting

This Measure will account for € 19.64 million (NI 19.64, BR 0.0) which represents:

- 34% of the ERDF resource committed to this Priority; and
- 7% of the ERDF resource committed to this Programme.

Implementing Bodies

For implementation purposes the lead Department will be Department of Social Development.

CHAPTER 7: Priority 3 - Locally-based Regeneration and Development Strategies

7.1. RATIONALE

This Priority develops and consolidates the distinctive approaches to address grass-root needs and ensure local implementation through locally-based delivery mechanisms (Local Strategy Partnerships in Northern Ireland and County Council-led Task Forces in the Border Region). This is one of the key features illustrating the “bottom-up” nature of this Programme.

The Priority directly builds upon the experiences and learning of those involved in Sub-programme 6 (“Partnerships”) of the PEACE I Programme (1995-1999). It also draws lessons from Measures and actions carried out at local level in managing previous rounds of other European Structural Funds support, such as the Northern Ireland Single Programme (“Economic Development Sub-programme”); the Irish Urban and Rural Development Programmes; and the Community Initiatives Programmes.

For this programming period, it mainly addresses the Northern Ireland CSF Priority “Balanced Regional Urban and Rural Development” and the “Balanced Regional and Rural Development” Priority in the CSF for Ireland.

More widely, it focuses on achieving local development in line with local needs and priorities, but in a way which is also consistent with and balanced by European and regional policies.

7.2. LOCAL AREA STRATEGIES AND ACTION PLANS (NORTHERN IRELAND)

In Northern Ireland this Priority will build upon the unique District Partnership structures put in place for PEACE I by developing the new Local Strategy Partnership arrangements described in Section [3.8].

Beyond this Priority’s aim and objectives, the aim is to enhance the capacity of District Councils, the voluntary and community sectors, trades unions, business and statutory agencies delivering services at a local level, to work more closely together to produce integrated **local area strategies** which will become a framework for the sustainable regeneration and development of district areas beyond the life-time of this Programme. These strategies will be integrated insofar as they will seek to improve economic, social and environmental conditions in local areas and contribute to sustainable development. For the sake of this Programme, local area strategies will notably provide the framework

within which Measures 1 and 2 of this Priority will be implemented by the new Local Strategy Partnerships in each district council area.

While acknowledging that each district council area will differ in terms of the precise combination of needs identified, effective local area strategies will encompass the following common elements:

- the identification of what different public, private, voluntary and community bodies are doing in the area, in view to integrate them in the Partnership structure or to use their input in a transparent consultation process;
- the development of a long-term vision for the area focusing on outcomes;
- the identification of European, national and regional policy priorities and the availability of resources attached to them;
- on this basis, an analysis highlighting gaps in provision and defining opportunities to realign activities in the area, in particular in the pursuit of the objectives of peace and reconciliation of this Programme;
- the identification of the groups/communities, areas and sectors most affected by the conflict in line with Sections 3.6 and 3.7;
- the development of an agreed *action plan* identifying short-term priorities and activities that will contribute to the achievement of long-term outcomes; the priorities and actions implementing the Measures of this Priority should be clearly identified as separate items;
- the establishment of a shared commitment to implementing the local area strategy and action plan by those best placed to deliver them; in conformity with the publicity requirements of this Programme (see Section 13.4.4); and
- agreement of arrangements for monitoring the implementation of the local area strategy and its action plan by the Local Strategy Partnership structure and through the reporting system of the Programme.

As well as the involvement of locally-based statutory, community and voluntary organisations, the process of drawing up and implementing local area strategies will also involve ongoing participation and consultation with the local community. The purpose of this local consultation and participation will be to raise awareness among local communities and to allow local people to make positive contributions towards the content of the local area strategies and to hear and provide feedback on the implementation of strategies.

7.3. COUNTY DEVELOPMENT STRATEGIES (BORDER REGION)

There has been considerable growth in recent years in the range and complexity of public services provided locally in Ireland. Some of these are provided by local authorities, others by local development agencies operating parallel to the local government system and others provided by central Government and its agencies.

A significant development has been the establishment of County Development Boards (CDBs) which have been given the role of bringing together all of these players with a view to engaging in long term planning for their counties. This process allows for counties to plan in an integrated cross-sectoral way the various public services that are delivered locally. The process involves the development of consensus in the spirit of partnership with extensive consultation with individual stakeholders taking place. The CDB model provides an important new dimension to overseeing the implementation of the Programme in each of the Border Counties.

The CDBs are responsible for drawing up and overseeing the implementation of county-based strategies for economic, social and cultural development. These development strategies will provide a locally oriented framework for the integrated delivery of services at local level and ensure that gaps in community needs are identified and met. There will be an emphasis on counteracting social exclusion as well as providing a clear focus on economic, social and cultural development.

This Priority will implement such strategies through improvements to the social, cultural and physical environment of the most disadvantaged towns, villages and rural areas in the Border Region in line with the framework of areas, groups and sectors most affected by the conflict. This framework is set out in detail in Section 3.3.6.

The locally-based delivery mechanisms that were developed for PEACE I – County Council-led Task Forces – will be continued as described in Section 3.8 in the form of Sub-committees of the CDBs.

The above structures will ensure complementarity across the Border Region and ensure that funding is additional to, but within the framework of the NDP and the county based plans being drawn up at CDB level.

7.4. PRIORITY AIMS AND OBJECTIVES

The aim of this Priority is to consolidate the distinctive approaches to local needs developed under PEACE I through locally-based regeneration strategies led by Local Strategy Partnerships and County Council-led Task Forces which are sensitive to local needs and which will support new working relationships which cut across traditional sectarian and social divides thereby contributing to a process of trust building and prejudice reduction.

This aim will be implemented by locally-based delivery mechanisms – Local Strategy Partnerships in Northern Ireland and County Council-led Task Forces in the Border Region - in a manner consistent with:

1. the objectives of the Measures set out in this Priority;
2. the criteria specified for the selection of projects and other actions under Section 3.7;
3. the horizontal principles set out in Chapter 4; and

4. the agreed integrated local strategy referred to above.

7.5. IMPLEMENTATION

Through complementary and distinct actions, the Priority will be implemented by two Measures in Northern Ireland and by two Measures in the Border Region.

Northern Ireland

- Local Economic Initiatives for Developing the Social Economy;
- Locally-based HRD, Training and Development Strategies;

Border Region

- Building Better Communities; and
- Improving Our Rural Communities.

In Northern Ireland as in the Border Region the implementation of these Measure will be part of an agreed integrated local strategy namely:

- “Local Area Strategies” and “Action Plans” in Northern Ireland;
- “County Development Strategies” in the Border Region.

7.6. INDICATIVE FINANCIAL WEIGHTING

Priority/Measure	Fund	NI € million	Border Region € million	Total € million
Priority 3: Locally-based Regeneration and Development Strategies				
Measure 3.1: NI Local Economic Initiatives for Developing the Social Economy	ERDF	44.81		44.81
Measure 3.2: NI Locally-based Human Resource, Training and Development Strategies	ESF	41.24		41.24
Measure 3.3: Building Better Communities	ERDF		7.50	7.50
Measure 3.4: Improving our Rural Communities	EAGGF		9.45	9.45
TOTAL		86.05	16.95	103.00

7.7. MONITORING AND EVALUATION INDICATORS

The specific outputs, results and impacts of the Priority will be monitored using the following indicators:

Northern Ireland

Indicators		
Output	Result	Impact
Cross community involvement of 600 people in strategy development	26 District Strategies produced 1,700 projects assisted 3,500 projects assisted	1,700 full time jobs 1,100 part time jobs 930 jobs safeguarded 1000 training places

Border Region

Indicators		
Output	Result	Impact
Towns/villages assisted	Improvement of aspect and accessibility of 30 towns and villages 100% completion of supported projects	Population maintained Improvement in Tidy-Towns Competition rankings - 100% of towns/villages supported show higher ranking after completion of project
Number of community based projects supported -	Enhancement of 60 community infrastructure – 100% completion of supported projects - community leadership training for each project supported	Increase in community recreational, leisure and social resources - 60 locations with new/enhanced facilities
Number of public housing estates with high level of displaced persons improved – 25 Number of isolated rural areas improved – 25	Enhancement of estates and rural areas - 100% completion of supported projects	Number of community groups participating in the decision making process – 50

Further monitoring, management and activity indicators will be specified at the Programme Complement stage. Other indicators and targets may also be specified by the Local Strategic Partnerships and by the County Council-led Task Forces in line with their regeneration and development strategies.

7.8. MEASURE 3.1: LOCAL ECONOMIC INITIATIVES FOR DEVELOPING THE SOCIAL ECONOMY (NORTHERN IRELAND) (ERDF)

Rationale and Background

In Northern Ireland Local Regeneration and Development Strategies will be prepared and agreed by the Local Strategy Partnerships described in Section 3.8. These Partnerships will include representatives of District Councils, business, trade unions, the community and voluntary sectors, agriculture and rural development, as well as statutory agencies operating at the local level.

Consistent with the greater economic focus of the PEACE II Programme, a key concern is to promote local regeneration and sustainability. There is a particular need to build on much of the community development work undertaken during the PEACE I Programme and the social inclusion priority of this Programme in pursuit of social and financial benefits and greater sustainability. This need is recognised in policy statements at European, national and regional levels – often under the title of the social economy – and the draft Northern Ireland Programme for Government contains the following target – “by April 2001, working in conjunction with the voluntary and community sectors, agree an integrated approach to the development of the social economy in order to maximise its contribution”.

This Measure, which provides the ERDF support, will focus on social economy actions and particularly in securing the local benefits to be identified in this new strategy. The aim is that Local Strategy partnerships operating at district council level will act in concert to prioritise actions and projects.

Measure Aims and Objectives

To co-ordinate the Structural Funds at local level through an integrated approach which will provide a clear interface between local actions and those supported under other EU funding priorities and government programmes and provide an opportunity for the setting of local requirements. It will specifically promote the development of the social economy and address the issue of equality for opportunity across the 'main traditions' in Northern Ireland, ensuring that all communities have equal opportunity to benefit from such actions. This Measure will also seek to ensure the participation of women in those groups addressing local economic regeneration and will take into account the protection and improvement of the environment.

Indicative Activities

There is no single, precise definition to cover the social economy. It is a broad concept covering a wide range of social economy enterprises ranging from environmental clean-up under contract to significant, sustainable professional businesses in a not for profit company format. The precise types of action to be funded will be specified in the local strategies but will be consistent with the targets identified in the emerging strategy document. This document will be prepared on a partnership basis involving key community sector interests. The types of actions are likely to include:

- actions to enhance the social economy;
- local economic development initiatives;
- local employment schemes;
- urban and rural regeneration projects which address the needs of rundown areas and environmental considerations;
- local infrastructure projects;
- actions to promote self-help;
- actions to promote economic and social cohesion; and
- new technology applications.

Targeting

Within the framework of areas, groups and sectors most affected by the conflict as set out in Section 3.7, district councils, local community enterprises and businesses, local co-operatives, local community sector organisations (including women's organisations and support groups) and local businesses, including tourism businesses.

Indicative Financial Weighting

This Measure will account for €44.81million (NI 44.81, BR 0.0) which represents:

- 86% of the ERDF resource committed to this Priority; and
- 15% of the ERDF resource committed to this Programme.

Implementing Bodies

Implementation of this Measure will be led by Local Strategy Partnerships in the context of their local regeneration and development strategies.

7.9. MEASURE 3.2: LOCALLY-BASED HUMAN RESOURCE, TRAINING AND DEVELOPMENT STRATEGIES (ESF) (NORTHERN IRELAND)

Rationale and Background

By involving key stakeholders in shaping, developing and implementing appropriate strategies to solve local problems, local regeneration and development strategies can support the development of active and dynamic communities capable not only of assessing their own needs, but also of developing the capacity to deal with those needs through the delivery of a range of interventions designed to break the cycle of state dependency and exclusion.

This Measure will provide the ESF support to locally-based regeneration and development strategies. This directly reflects the findings of the labour market analysis which illustrated a considerable degree of local variation in labour market conditions throughout the region.

The Measure will cover the ESF Policy Fields 'equal opportunities for all in accessing the labour market' and 'adaptability and entrepreneurship'. Notwithstanding the special character of this Measure, all activities will be carried out within the general ESF monitoring and evaluation framework.

Measure Aims and Objectives

To develop a range of actions at local level which will ensure that the training and development needs of the local community are met. This will specifically include the development of training interventions tailored to meet the needs of the most socially excluded who through lack of qualifications and competencies have been unable to access the labour market. It will also ensure that the training needs of local businesses, the enterprise and social economy sectors are catered for. An associated objective of this Priority is to significantly increase women's participation, in training, employment and social development activities. This will underpin the objectives of the European Employment Strategy, in particular Employment Guidelines 8, 12 and 18.

Indicative Activities

As this Measure will be delivered on a local basis, emphasis will be given to those actions which address in an integrated way the human resource development needs of communities. The Measure will support a wide range of eligible actions which cover two ESF policy fields, 'Equal Opportunities for all in accessing the labour market' and 'Adaptability and Entrepreneurship'. It will also support specific training and development initiatives relevant to sectors that are significant to the economy and labour market of local areas. Other actions could include for example: capacity building and community leadership programmes; training for SMEs and entrepreneurs; and support for women, especially those returning to the labour market.

The Measure should contain provision for the establishment of integrated human resource development plans for local areas, especially for those areas covered by combinations of local authorities or community development associations or other Local Strategy Partnerships. Recognition should be given to the fact that disadvantaged areas are at various stages of the economic regeneration process and as a consequence will demand different responses.

The types of actions undertaken will be decided upon by the Local Strategy Partnerships in their locally-based regeneration and development strategies but it is envisaged that examples of actions which might be taken include:

- local human resource development strategies;
- specific training and development initiatives relevant to locally important sectors including the long-term unemployed and people with disabilities;
- measures to address gender inequalities;
- local vocational guidance;
- capacity building and community leadership Programmes;
- training for small businesses and entrepreneurs;
- support for human resource development within the social economy;
- support for women entering into the labour market and the promotion of Programmes which enable the development of women; and
- addressing local needs in the youth sector.

The potential for new employment opportunities offered by the Information Society should be recognised by integrating ICT skills into the context and delivery of projects. Where appropriate, steps should be taken to highlight the need to protect and improve the environment.

Targeting

Within the framework of areas, groups and sectors most affected by the conflict as set out in Section 3.7, district councils, locally and regionally based intermediary funding organisations, operating at local level, local community and voluntary organisations including women's community and support groups, and local businesses.

Indicative Financial Weighting

This Measure will account for €41.24 million (NI 41.24, BR 0.0) which represents:

- 100% of the ESF resource committed to this Priority;
- 22% of ESF resource committed to this Programme.

Implementing Bodies

Implementation of this Measure will be led by Local Strategy Partnerships in the context of their local regeneration and development strategies.

7.10. MEASURE 3.3: BUILDING BETTER COMMUNITIES (ERDF) (BORDER REGION)

Rationale and Background

The conflict has had the effect of isolating many communities in the Border Region from their natural economic and social hinterlands. PEACE I was successful in providing revitalising opportunities for many border towns and villages. In order to deepen the impact of that Programme, this Measure will target the areas identified in Section 3.7 and in particular those with concentrations of displaced communities.

This Measure will focus on community regeneration particularly on urban housing estates which are home to high number of displaced people. The Measure will be implemented in a manner which works with and through local communities and partnerships with other established community structures and State agencies and public utilities. The Measure will ensure complementarity with actions supported under the BMW Operational Programme and other inter-regional Operational Programmes in order to enhance peace building and social inclusion by encouraging and supporting locally-based social, economic and cultural activity.

This Measure will support investment by local authorities on infrastructural developments in supporting community initiatives targeted at areas displaying greatest need related to the conflict. The experience of many communities indicates that complementary action is required from local authorities and other agencies in order to realise the full potential of locally-based initiatives. Such action is not always possible because of resource restrictions and differing priorities by the Agencies involved. In response this Measure will provide support for small-scale investment by local authorities and other agencies for access, environmental and related works.

County Council-led Task Forces will lead in securing local agreement and community participation in devising local regeneration strategies and plans.

Measure Aims and Objectives

To encourage revitalisation in areas with displaced communities and other areas targeted by this Operational Programme by encouraging the adoption of integrated approaches that provide partnership-based strategic solutions.

Indicative Activities

- Local economic development initiatives and local employment initiatives;
- support for local transport initiatives where a particular local need exists and where they lead to greater mobility and improved equality of access for women, people with disabilities and others less likely to have access to transport;
- local infrastructural projects in communities most affected by displacement resulting from the conflict in Northern Ireland;
- support for the involvement of local communities in devising and delivering economic, social and environmental regeneration strategies;
- encouraging the adoption of integrated approaches that provide partnership based strategic solutions at local level;
- revitalisation of public housing estates through improvement to the built environment, provision of recreational supports, including play areas for children and landscaping of open spaces; and
- cultural and arts-based initiatives, particularly those promoted by young people.

Targeting

Within the framework of areas, groups and sectors most affected by the conflict as set out in Section 3.7, local authorities, community and voluntary organisations, including women's and disabled persons support groups.

Indicative Financial Weighting

This Measure will account for €7.50 million (NI 0.0, BR 7.5), which represents:

- 14% of the ERDF resource committed to this Priority; and
- 3% of the ERDF resource committed to this Programme.

Implementing Bodies

This Measure will be delivered by County Council-led Task Forces.

7.11. MEASURE 3.4: IMPROVING OUR RURAL COMMUNITIES (EAGGF) (BORDER REGION)

Legislative Base

This Measure will grant support for the renovation and development of villages and protection and conservation of the rural heritage in accordance with Council Regulation (EC) No 1257/1999, Article 33, 6th indent.

Information will be provided in the Programming Complement for this Measure which clearly demonstrates at the level of the organisational structure, the procedures for approval which will be taken in order to avoid any risk of overlap or double funding between this Measure and others funded by this Programme or other Measures funded under the Irish National Development Plan.

Rationale and Background

The Measure will support local communities take effective action to harness economic opportunities and overcome isolations. Support provided under this Measure will be consistent with Council Regulation 1257/1999. The Measure will assist the maintenance and reinforcement of a viable social fabric in rural areas. In particular, areas that have been isolated because of border road closures and the conflict in Northern Ireland will be targeted for action.

This Measure will support village and rural regeneration initiatives that integrate social, economic and environmental strategies. Many villages lack the infrastructure needed for the creation of employment opportunities on the scale needed to address rural poverty and depopulation. In addition, by tackling local environmental issues and promoting tourism-related initiatives, opportunities for economic, social and physical regeneration will be realised. By improving the attractiveness of the built environment and communities, rural areas will be made better places to live.

Measure Aims and Objectives

To support the regeneration, development and enhancement of village and rural community facilities to aid economic regeneration.

Indicative Activities

This Measure is to support activities not covered by ERDF, ie restoration of the soft environment or protection and conservation of the rural heritage and manmade features to safeguard their historical value for future generations or activities particularly designed to fit under the PEACE II OP in accordance with the distinctiveness of the PEACE II OP as described under Chapter 3. These activities may include:

- Development of open spaces and derelict sites which enhance the environment and tourist potential;
- support for the improvement of shop-fronts where streetscapes are being upgraded;
- improvements which enhance the commercial and residential attractiveness;
- improving local provision of community and other infrastructure in rural areas.

Targeting

Within the framework of areas, groups and sectors most affected by the conflict as set out in Section 3.7, local authorities, community and voluntary organisations, including Women's Community and Support Groups, tourism organisations and rural businesses and their representative bodies.

Indicative Financial Weighting

This Measure will account for €9.45 million (NI 0.0, BR 9.45), which represents:

- 100% of the EAGGF resource committed to this Priority; and
- 21% of the EAGGF resource committed to this Programme.

Implementing Bodies

This Measure will be delivered by County Council-led Task Forces.

CHAPTER 8: Priority 4 - Outward and Forward Looking Region

8.1. RATIONALE

The Ex-ante Evaluation of the Northern Ireland Structural Funds Plan found that the negative images created by the conflict abroad have deterred inward investment and tourism from the region, thus in turn reinforcing the “threat” identified in the ex-ante SWOT analysis of the region’s relatively peripheral position within the EU.

Yet, the Ex-ante Evaluation also highlighted the upsurge in the number of tourists to Northern Ireland after the initial cease-fires, demonstrating the potential of this sector.

The Ex-ante Evaluation reported that another effect of the conflict in Northern Ireland was the creation of a business environment that is insufficiently dynamic and outward-looking. In a wider context, the region needs to be linked into European and wider international networks so that best international practice can be applied. This can also provide the basis for improved process to communicate the distinctive aspects of the regions’ economic and social development process to other regions. By these means Northern Ireland and the Border Region can become more outward and forward looking.

To tackle these problems the Northern Ireland CSF established a “North/South and Wider Co-operation” Priority with the overall aim of contributing to the wider framework of co-operation (known as the “Common Chapter” of the Northern Ireland Structural Funds Plan and the National Development Plan for Ireland) on an East/West as well as North/South basis through the promotion of co-operation, co-ordination in specific actions and exchange of and exposure to ideas and expertise across existing boundaries. This is being echoed to a similar degree in Section 3.8 of the CSF for Ireland.

The funding provided under this Priority within PEACE II should enable Northern Ireland and the Border Region to participate in European networks to disseminate the lessons learned in areas such as conflict resolution and peace building whilst learning from international best practice.

The forthcoming marketing of Ireland as a destination under the All Ireland Tourism Marketing Company is also in line with the CSFs, North and South need to avail of the opportunity for North/South Co-operation in a joint programme to market the whole island as a tourism destination. This will be valuable to the tourist industries in both economies. It should address the major challenge of creating a global image of a peaceful, attractive and unspoilt Northern Ireland. This will also ensure the consistency of complementarity of the All Ireland Brand.

8.2. PRIORITY AIM AND OBJECTIVES

This Priority aim is to make Northern Ireland and the Border Region a more forward and outward looking region by:

- encouraging a more constructive dialogue with other EU regions on economic, social and environmental matters; and
- promoting abroad the positive image of a more peaceful society.

8.3. IMPLEMENTATION

This Priority will be implemented by the following measures:

- Networking in Europe and beyond; and
- Marketing the region as a tourism destination.

8.4. INDICATIVE FINANCIAL WEIGHTING

Priority/Measure	Fund	NI € million	Border Region € million	Total € million
Priority 4: Outward and Forward Looking Region				
Measure 1: Networking in Europe and Beyond	ERDF	7.54	0.50	8.04
Measure 2: Marketing the Region as a Tourism Destination	ERDF	17.49	2.00	19.49
TOTAL		25.03	2.50	27.53

8.5. MONITORING AND EVALUATION INDICATORS

The specific outputs, results and impacts of the Priority will be monitored using the following indicators:

Indicators		
Output	Result	Impact
10 new/existing NI networks to be supported	75% of new/ existing NI networks participate in international networks 75% satisfaction rate of participant networking organisations in: a) local networks b) international networks	50% of participant organisations obtaining positive outcomes from participation in NI and international networks 50% of new networks still in operation by 2006

Border Region

Indicators

Output	Result	Impact
Wider linkages	Participation rates	Recognition and support for issues
Delivery support	Rate of expenditure	Effective completion of projects
Publicity	Recognition of OP's worth	Dissemination of best practice, mainstreaming

Further monitoring, management and activity indicators will be specified at the Programme Complement stage and other indicators may be specified at that stage to supplement these indicators.

8.6. MEASURE 4.1: NETWORKING IN EUROPE AND BEYOND (ERDF)

Rationale and Background

The particular problems faced by Northern Ireland over recent years have hindered the development of the region and the Border Region of Ireland in its relationship with the outside world. Peace now brings an opportunity to encourage more open, informed and constructive dialogue on economic, social and environmental matters with key actors outside the region. As well as improving our links with and learning from other regions, the experiences of the region may also benefit other regions in transition, including those in Eastern Europe.

This Measure would hence assist in building up the region's continuing capacity to participate in developing European networks, for example, by reflecting best practice in trans-national co-operation and by building up the region's technical expertise in managing dialogue and implementation processes essential to the programme. In tandem with Northern Ireland, this Priority will assist in developing the capacity of the Border Region to participate in developing European networks. The current Peace and Reconciliation Programme (PEACE I) has been important in developing expertise in the delivery of a complex Structural Fund Initiative as well as managing aspects of regional development and best practice in cross-border co-operation. This Priority must build upon this experience and exploit the expertise gathered in managing dialogue and implementation processes essential to the programme. The wider lessons and implications of the programme for other regions undergoing transitions similar to those faced by Northern Ireland and the Border Region will be disseminated.

Northern Ireland would also benefit from further enhancement of its existing capability to analyse rural, economic and social issues and, in particular, from collaboration with leaders in these fields in Europe and further afield. There is potential for consider North/South and East/West collaboration in these areas. Expertise developed in Northern Ireland would also be made available to other parts of the European Union and to applicant countries from Eastern Europe.

Finally, the Measure could provide the opportunity for Northern Ireland and the Border Region to learn of the best international experience in conflict resolution and peace-building techniques and to build the lessons of such international experience more fully into the social and economic development processes supported under the Programme, in support of the wider peace processes. Conversely, positive lessons drawn from the Northern Ireland in conflict resolution and peace-building, disseminated through European networks may benefit other regions in transition, including those in Eastern Europe.

This Measure would provide support to the actions described above to make Northern Ireland and the Border Region progressively a more outward and forward looking region.

Measure Aims and Objectives

To contribute to making Northern Ireland and the Border Region a more outward and forward looking region by developing networks of co-operation on a cross-sectoral basis and encouraging a structured approach to participation in wider European and international networks.

Indicative Activities

Examples of the types of actions which might be supported under this Measure include:

- development of cross-sectoral approaches to address the interdependent economic, social, cultural and environmental issues faced by Northern Ireland and the Border Region;
- a structured approach to the participation of Northern Ireland and the Border Region of Ireland in wider European and international networks, including the identification and communication of best practices through networking between sectors in Northern Ireland to support and develop the international and inter-regional linkages;
- participation in international conflict resolution and peace-building networks to enable international best practice in these fields to be applied to the peace processes in Northern Ireland and the Border Region;
- identification of European networks and observatories focusing on issues of importance to Northern Ireland and the Border Region;
- regional and inter-regional events to develop an awareness of best practice and identify potential partners outside the region;
- building on existing expertise in the modelling of agricultural policy change, to improve modelling of the CAP at EU level and to further develop the capability to assist other countries and regions in transition to analyse policy options; and
- actions to promote linkages with other European regions including opportunities to learn from their experience and to share good practice in economic, social and environmental matters.

Targeting

Within the framework of areas, groups and sectors most affected by the conflict as set out in Section 3.7, this Measure will target providers of expert advice, internal and external networks, particularly those involving the social partners and district councils, implementing bodies.

Indicative Financial Weighting

This Measure will account for €8.04 million (NI 7.54, BR 0.5), which represents:

- 17% of the ERDF resources committed to the Priority; and
- 3% of the ERDF resources committed to the Programme.

Implementing Bodies

For implementation purposes the lead Department in Northern Ireland will be the Department of Finance and Personnel. In the Border Region implementation will be through the Special European Union Programmes Body.

8.7. MEASURE 4.2: MARKETING THE REGION AS A TOURISM DESTINATION (ERDF)

Rationale and Background

While the support of the EU has made possible much of the development of the infrastructure for tourism over the past decade, the key to the future success of the sector will lie in its ability to nurture its potential to enable it to compete on a global stage.

The Northern Ireland Executive's Programme for Government acknowledged this situation by stating that '*our history has left the international image of Northern Ireland generally tarnished.*' The ongoing global media preoccupation with Northern Ireland's problems over the past three decades has had a profoundly negative impact on tourism on both sides of the border.

A major challenge is therefore the creation of a global image of a peaceful, attractive and unspoilt Northern Ireland and Border Region of Ireland. With a changed political environment, it will be possible to address this challenge through an all-island strategy that is market rather than product driven. This strategy will be taken forward by the new North/South Tourism Company which will own and manage Tourism Brand Ireland. This is in line with the CSFs need to avail of the opportunity for North/South Co-operation in a joint Programme to market the whole island, which would be valuable to the tourist industries in both economies.

The new company will carry out strategic all-Ireland destination marketing in all markets outside the island of Ireland, as well as marketing and promotion activity for the Northern Ireland Tourist Board and Bord Failte, including implementing promotional proposals for

regions and products ensuring the consistency and complementarity of the content with Tourism Brand Ireland.

Another challenge is to ensure that the messages conveyed to visitors are based on a thorough understanding of the Northern Ireland and Border Region offer and remain true to their unique values and attributes. This is particularly relevant in light of the forthcoming marketing of Northern Ireland within an all island context, which will be undertaken by the All-Ireland Tourism Marketing Company. The Programme provides an opportunity to complement this strategic marketing with a regional and local, including cross-border, response by ensuring support for the development of the physical, operational and technical support requirements of a sustainable tourism product.

This is the task of the special funding of the necessary tourism investment as outlined in the Measure on “Sustainable Tourism based on natural and cultural resources” in Priority 1 “Economic Renewal”

Measure Aims and Objectives

The aim of this Measure is to maximise opportunities arising from the emerging peace by repositioning Northern Ireland and the Border Region in the international market place as an environment attractive to the visitor. In support of the CSFs objectives to assist in the development and exploitation of wider markets the key specific objectives of most relevance to this Measure are:

- facilitating the positive projection to redress the negative global image;
- stimulating collaborative approaches to the international projection of Northern Ireland;

Indicative Activities

Support will be provided for the development and marketing of those aspects of the tourism product designed to reposition the area as a competitive tourism destination in the international market place through:

- contributions to Tourism Ireland Ltd, NITB and the Regions’ Regional Tourist organisations to profile and project resource products in the international market place;
- marketing of cultural tourism and the environment of the region abroad through proactive relationships with the cultural sector and other departments and agencies; and
- regional and local product development in line with growth in the tourism sector.

Targeting

Within the framework of areas, groups and sectors most affected by the conflict as set out in Section 3.7, funds associated with this measure may be used by, public bodies, including Government departments and

their agencies, local authorities, private sector and locally targeted disadvantaged communities.

Indicative Financial Weighting

This Measure will account for €19.49 million (NI 17.49, BR 2.00) which represents:

- 71% of the ERDF resource committed to the Priority; and
- 7% of the ERDF resource committed to the Programme.

Implementing Bodies

For implementation purposes the lead Department in Northern Ireland will be the Department of Enterprise, Trade and Investment. In the Border Region implementation will be through the County Council-led Task Forces.

CHAPTER 9: Priority 5 - Cross-border Co-operation

9.1. RATIONALE

Years of conflict in Northern Ireland have led to mutual distrust and suspicion not only between communities within Northern Ireland but between communities separated by the border. This has effectively limited the development of cross border networks and linkages in areas where mutual benefits would occur naturally. The new institutions and bodies established under the provisions of the Belfast (Good Friday) agreement create a dynamic and innovative framework within which North-South Co-operation can take place (see Chapter 1). The PEACE II Programme will seek to support and facilitate the work of these new structures and this priority will be of particular importance in this regard.

Cross-border co-operation in a work, education and youth, culture or business context and at a personal level has the potential to develop better understanding across communities leading to peace and reconciliation. Consequently, this priority, in common with all of the other priorities in the Programme, contributes to the Northern Ireland and Irish CSFs but in a specific cross-border context: North-South Co-operation is indeed a strategic priority of both the Northern Ireland and Irish CSFs.

This Priority has also a strong focus on partnership not only in social and economic contexts but also between public bodies on both sides of the border since it is through inclusive, bottom-up and joint structures that the process paving the way towards reconciliation can best be achieved. The delivery of this priority will thus build on the initiatives for business, public bodies and voluntary and community sector cross-border co-operation for social inclusion and reconciliation that were started under the first PEACE Programme and thereby consolidate and the achievements already made in the previous programming period.

This Priority will, in pursuing the Programme's specific objectives to seize the opportunities arising from peace and tackle the legacy of the conflict, address the cross-border dimension of the weaknesses highlighted in the CSFs *i.e.*:

- small regional businesses with low tendency to innovate;
- relatively low business formation rates and investment in human resources or RTDI;
- the unqualified or poorly qualified regional workforce and limited labour mobility;
- relatively high long-term unemployment and economic inactivity;
- a lack of internal social and economic cohesion and sub-regional disparities in terms of relative deprivation;

- infrastructural deficits, especially in transport, environmental services and housing; and
- growth imbalance between and within regions.

The importance attached to cross-border co-operation by the two member states is reflected not only in the financial allocation made to this Priority, - 15% of total Programme's funds are committed to Cross-Border Co-operation, *i.e.* almost 80 million but also by the indicative allocation of a minimum of - 400 million committed to North-South and Wider Co-operation under the respective CSFs for Northern Ireland and Ireland.

9.2. PRIORITY AIMS AND OBJECTIVES

The overall aim of this priority is to promote economic, social and cultural cross-border co-operation, and to provide a strategic framework for support to cross-border initiatives and projects across a variety of sectors and organisations - public, voluntary and private that will make a positive contribution to peace building, reconciliation and greater mutual understanding.

9.3. IMPLEMENTATION

The Special EU Programmes Body, in addition to its role as Managing Authority for the whole Programme will have a particular responsibility regarding the delivery of this Priority as part of its overall mission to promote and monitor the implementation of the "Common Chapter" of the National Development Plan for Ireland and Structural Funds Plan for Northern Ireland.

The Priority will be implemented by seven Measures:

- Increasing Cross-border Economic Development Opportunities (ERDF);
- Improving Cross-border Public Sector Co-operation (ERDF);
- Developing Cross-border Reconciliation and Cultural Understanding (ERDF);
- Promoting joint approaches to Social, Education, Training and Human Resource Development (ESF);
- Cross-border School and Youth Co-operation (ESF);
- Cross-border Agricultural and Rural Development Co-operation (EAGGF); and
- Cross-border Fishing and Aquacultural Co-operation (FIFG).

9.4. INDICATIVE FINANCIAL WEIGHTING

Priority/Measure	Fund	NI € million	Border Region € million	Total € million
Measure 5.1: Increasing Cross-border Economic Development Opportunities	ERDF	8.97	7.13	16.10
Measure 5.2: Improving Cross-	ERDF	9.00	9.00	18.00

border Public Sector Co-operation				
Measure 5.3: Developing Cross-border Reconciliation and Cultural Understanding	ERDF	6.00	5.00	11.00
Measure 5.4: Promoting Joint Approaches to Social, Education, Training and Human Resource Development	ESF	10.74	10.74	21.48
Measure 5.5: Cross-border School and Youth Co-operation	ESF	2.00	2.00	4.00
Measure 5.6: Agricultural and Rural Development Co-operation	EAGGF	2.25	3.15	5.40
Measure 5.7: Cross-border Fishing and Aquacultural Co-operation	FIFG	0.76	2.66	3.42
TOTAL		39.72	39.72	79.44

9.5. COMPLEMENTARY ACTION

INTERREG III will provide an additional and complementary source of funding for co-operative projects. The three strands of INTERREG III focus on cross-border, inter-regional and trans-national co-operation. In its roles as Managing Authority for PEACE II and for INTERREG III, the Special EU Programmes Body will ensure complementarity between and synergy resulting from the implementation of these Programmes. The primary criterion for funding projects from the PEACE Programme will be the assessment of the contribution they will make to peace and reconciliation as regards the selection criteria presented in Section 3.5.

LEADER+ and EQUAL Community Initiatives Programmes in Northern Ireland and Ireland will also include provision for transnational co-operation and networking. Co-ordination with those elements and the PEACE Programme will also be established.

Actions under the “Common Chapter” will also be complementary to the actions under this Priority. The Common Chapter provides a strategic framework for North-South Co-operation on issues of mutual benefit across all EU Programmes and beyond. It sets such co-operation in the wider framework of co-operation on the East-West as well as North-South basis which underlies the Belfast Agreement and of the wider concern of the CSF for Northern Ireland to develop inter-regional and international linkages on an East-West, North-South and multi-lateral basis. While most actions under the Common Chapter will be focussed on North-South Co-operation, where possible opportunities will be taken to build East-West as well as North-South linkages into supported projects.

9.6. MONITORING AND EVALUATION INDICATORS

The specific outputs, results and impacts of the Priority will be monitored using the following indicators:

Indicators

Output	Result	Impact
50 new/ existing cross-border linkages/ networks to be supported	70% of new/ existing cross-border linkages/ networks to participate in cross- border/ cross-community projects Additional finance (20%) to be levered/ attracted to border region 250 jobs created directly or indirectly	Positive increase in participants respect and appreciation for the 'other' community and the 'other' side of the border 50% of new linkages or networks still in operation by 2005.

9.7. MEASURE 5.1: INCREASING CROSS-BORDER ECONOMIC DEVELOPMENT OPPORTUNITIES (ERDF)

Rationale and Background

Closely integrated coherent and co-ordinated approaches to common economic and business issues in eligible areas, across communities on a North/South and East/West basis, will secure mutual economic, social, infrastructural and environmental benefits on a cross border and all-island basis and will increase understanding between communities on both sides of the border and thereby make a positive contribution to peace building and reconciliation.

Actions under this Measure will impact directly on the infrastructural constraints resulting from the legacy of violence and will encourage new initiatives to promote interaction between businesses and communities that have been physically socially and economically isolated from each other. The Measure will address the overall objectives of this priority.

Measure Aims and Objectives

To provide a strategic framework for supporting cross-border initiatives and projects which will make a positive contribution to peace building and reconciliation in developing economic opportunities for increased cross-border activities. This Measure will provide support to projects and actions aimed at building confidence in the private and public sectors.

Activities under this Priority will be similar to activities identified under ERDF Measures under: Priority 1, Priority 2, and Priority 3 but will be applied in a specific cross-border context.

Indicative Activities

Examples of the type of activity, which might be undertaken include:

- support to business, trading, and social partner organisations and voluntary and community sector co-operation initiatives and projects, especially those linked to the economic renewal and social, economic themes of the Programme;
- private support for joint planning and the development of joint initiatives, policies and actions for sectoral service development in

areas such as health and social services, education and youth, transport and the private sector; and

- support for the development of projects which include significant East-West as well as North-South linkages.

Targeting

Within the framework of areas, groups and sectors most affected by the conflict as set out in Section 3.7, the beneficiaries of the Measures in this priority will include private businesses, SMEs, business and employer representative bodies, trade unions and other social partner organisations, voluntary and community organisations, cross-border groups and networks, rural development practitioners, education and youth organisations, the unemployed.

Indicative Financial Weighting

This Measure will account for €16.10 million (NI 8.97, BR 7.13) which represents:

- 36% of the ERDF resource committed to this Priority; and
- 5% of the ERDF resource committed to this Programme.

Implementing Bodies

This Measure will be implemented by an Intermediary Funding Body.

9.8. MEASURE 5.2: IMPROVING CROSS-BORDER PUBLIC SECTOR CO-OPERATION (ERDF)

Rationale and Background

Synergies developed between public bodies on both sides of the border in the approach to common concerns and the sharing of resources and professional techniques will assist in providing effective and impacting solutions to the specific problems faced in the eligible area.

This Measure will provide ERDF support to cross-border co-operation initiatives and projects between public bodies. Implementation of this Measure will ensure that, where appropriate, public bodies on both sides of the border adopt co-ordinated approaches to common problems in the eligible areas thereby securing mutual economic, social, and environmental benefits on a cross border and all-island basis which will make a positive contribution to peace building and reconciliation.

Measure Aims and Objectives

To provide a strategic framework for supporting Public Sector initiatives and projects which have suffered from an absence of contacts and which will make a positive contribution in developing opportunities for increased cross-border activities.

Activities under this Priority will be similar to activities identified under ERDF Measures under: Priority 1, Priority 2, and Priority 3 but will be applied in a specific cross-border context.

Indicative Activities

This Measure will cover joint initiatives between public sector organisations which will benefit communities in Northern Ireland and the Border Region. These include:

- support for public bodies involved in the design and delivery of services to co-ordinate and develop impacting strategies addressing recognised need; and
- public bodies support for joint planning of services and the development of joint initiatives, policies and actions for service development in areas such as health and social services, equality, education and youth, transport, waste management, environment, roads.

Targeting

Within the framework of areas, groups and sectors most affected by the conflict as set out in Section 3.7, the beneficiaries of this Measure in this Priority will include Government Departments, Public Bodies and local authorities.

Indicative Financial Weighting

This Measure will account for €18.00 million (NI 9.00, BR 9.00) which represents:

- 40% of the ERDF resource committed to this Priority: and
- 6% of the ERDF resource committed to this Programme.

Implementing Bodies

This Measure will be implemented by the SEUPB.

9.9. MEASURE 5.3: DEVELOPING CROSS-BORDER RECONCILIATION AND CULTURAL UNDERSTANDING (ERDF)

Rationale and Background

Cross community and cross-border social and cultural activities and exchanges can be important catalyst in the promotion of peace and reconciliation. This Measure will provide support for cross border social and cultural regeneration within the eligible area, particularly targeting those communities and areas, which had suffered most from 30 years of conflict. Partnerships may be formed outside the eligible region but there must be tangible benefits such as employment, recognition of cultural diversity, cultural exchanges or wealth creation within the eligible area as a consequence of the project. Support will be available for projects actively promoting greater understanding of different heritage

and cultural traditions thereby providing a framework for future co-operation and development. In particular this Measure will provide ERDF support to cross-border co-operation initiatives and projects focused on building confidence, breaking down divisions, that are inclusive and bottom up in nature.

Measure Aims and Objectives

To provide a strategic framework for supporting cross-border initiatives and projects which will make a positive contribution to peace building and reconciliation by promoting mutual respect and understanding a cross cultural heritage and traditions in the region.

Activities under this Priority will be similar to activities identified under: ERDF Measures under Priority 1, Priority 2 and Priority 3 but will be applied in a specific cross-border context.

Indicative Activities

Examples of the type of activity, which might be undertaken include:

- support for projects which promote understanding of differing language, cultures and traditions and which build respect;
- support for social partner organisations and voluntary and community sector co-operation initiatives and projects, especially those linked to the economic renewal and social, economic and potential transition themes of the Programme; and
- support for actions - reintegrating socially excluded groupings and targeted actions for young people, disabled and the elderly.

Targeting

Within the framework of areas, groups and sectors most affected by the conflict as set out in Section 3.7 the beneficiaries of this Measure will include voluntary and community organisations, cross-border groups and networks, rural development practitioners, and the unemployed.

Indicative Financial Weighting

This Measure will account for €11.00 million (NI 6.00, BR 5.00) which represents:

- 24% of the ERDF resource committed to this Priority; and
- 4% of the ERDF resource committed to this Programme.

Implementing Bodies

This Measure will be implemented by an Intermediary Funding Body.

9.10. MEASURE 5.4: PROMOTING JOINT APPROACHES TO SOCIAL, EDUCATION, TRAINING AND HUMAN RESOURCE DEVELOPMENT (ESF)

Rationale and Background

The Labour Market Assessment has clearly identified a spatial dimension to the distribution of unemployment rates, skills levels, and start-up rates. The Border Regions shares many of the disadvantages in economic terms identified in Northern Ireland. This Measures will support closely integrated coherent and co-ordinated approaches to common labour market and human resource issues across communities on a North/South and East/West basis that will secure mutual economic and social benefit on a cross-border and all-island basis and will make a positive contribution to peace building and reconciliation.

This Measure will promote cross-border co-operation and provide a strategic framework for support to cross-border initiatives and projects, consistent with the objectives of the European Employment Strategy, across a wide variety of sectors and organisations.

Measure Aims and Objectives

To provide a strategic framework for supporting initiatives and projects which will make a positive contribution to peace building and reconciliation and will assist in developing opportunities for increased cross-border activities and provide opportunities for those who have been prevented from fulfilling their potential. This will underpin the objectives of the European Employment Strategy, in particular Employment Guidelines 4, 8 and 18.

Activities under this Priority will be similar to activities identified under: ESF Measures under Priority 1, Priority 2 and Priority 3 but will be applied in a specific cross-border context.

Indicative Activities

This Measure will provide ESF support to cross-border co-operation initiatives and projects with particular focus on the ESF policy fields aimed at promoting equal opportunities for all and accessing the labour market and promoting lifelong learning in the workforce. Examples of the types of activity to be undertaken will include:

- support to business, public bodies and social partner organisations including those in the voluntary and community sector concentrating in particular on the need to increase basic skills, improve the participation of women, promote the transition to a knowledge based economy and developing pathways for and integrating those most affected by the conflict;
- support for joint initiatives on training and skills development as well as the development of new initiatives such as graduate and other placement Programmes;
- support for co-operation initiatives and projects, especially those linked to the economic renewal and social, economic and political transition themes of the Programme;

- support for joint planning of services and the development of joint strategies, policies and actions for sectoral service development in areas such as social services, equality and education; and
- support for initiatives and projects focused on community action aimed at improving employability, building confidence and promoting networks.

The potential for new employment opportunities offered by the Information Society should be recognised by integrating ICT skills into the context and delivery of projects. Where appropriate, steps should be taken to highlight the need to protect and improve the environment.

Targeting

Within the framework of areas, groups and sectors most affected by the conflict as set out in Section 3.7, the beneficiaries of this Measure will include private businesses, SMEs, business and employer representative bodies, trade unions and other social partner organisations, voluntary and community organisations, cross-border groups and networks, rural development practitioners, educational organisations, the unemployed.

Indicative Financial Weighting

This Measure accounts for €21.48 million (NI 10.74, BR 10.74) which represents:

- 84% of the ESF resource committed to this Priority; and
- 11% of the ESF resource committed to this Programme.

Implementing Bodies

This Measure will be implemented by an Intermediary Funding Body.

9.11. MEASURE 5.5: EDUCATION, CROSS-BORDER SCHOOL AND YOUTH CO-OPERATION (ESF)

Rationale and Background

Co-operation, involving both schools and the youth sector, provided for the promotion of reconciliation through a significant level of quality cross-border interaction between young people on both parts of the island under the PEACE I Programme. There is a clear need to build on those successful interventions, giving priority to school and youth sector activities that will target those children and young people who are at greatest risk of social exclusion and marginalisation. Interventions would include actions aimed at enabling these target groups to participate fully in today's knowledge-base society and reducing the possibility of a digital divide.

School and youth activities have a vital role to play in promoting mutual understanding and facilitating the social inclusion of young people on a cross-border basis. Interventions commence with pre-school children

and continue throughout the formative years to young adulthood in both the formal school system and through the youth sector.

Schools have a central role to play in the promotion of cross-border co-operation between young people and adults who work with them. Children and teachers in many schools, both North and South, have been involved in meaningful and beneficial cross-border and cross-community activities. In many cases, these projects and initiatives provide for clear linkages with the curriculum and involve the acquisition of essential skills.

In the non-formal education sector, the youth sector makes an important contribution to the personal, social, cultural and economic development of young people. In addition, the youth sector plays a significant role in promoting reconciliation and building relationships between young people across the border. It also provides for important interventions with vulnerable and disaffected young people.

This Measure will promote cross-border activity through education and youth services aimed at improving the quality of education provision, including in the areas of special needs, attendance/retention, literacy and numeracy, exchange opportunities, and joint teacher and leader activities.

Measure Aims and Objectives

To develop innovative projects and programmes for children, young people, teachers and youth workers which aim to address a range of issues of common concern in local communities. Actions aimed at promoting the social inclusion of, and reconciliation and mutual understanding between, children and young people in disadvantaged communities and groups will be particularly targeted. Interventions will focus on co-operative projects between schools, and the communities they serve, and among youth organisations, and between the responsible public authorities. This will underpin the objectives of the European Employment Strategy, in particular Employment Guideline 4 and support the ESF Policy Field of Lifelong Learning.

Indicative Activities

- Support for actions which focus on equipping young people with key life skills, including ICT skills, especially young people at greatest risk of marginalisation in society, including those with Special Educational Needs;
- support for novel approaches to encourage young people to remain in education, including education provided through non-conventional processes;
- support for innovative projects and programmes of exchanges among young people, teachers and youth leaders which will contribute to their development of life skills, and to reconciliation and mutual respect and understanding; and

- support for relevant research and the dissemination of best practice.

The potential for new employment opportunities offered by the Information Society should be recognised by integrating ICT skills into the context and delivery of projects. Where appropriate, steps should be taken to highlight the need to protect and improve the environment.

Targeting

Within the framework of areas, groups and sectors most affected by the conflict as set out in Section 3.7, beneficiaries will include schools and youth organisations, children in formal and informal education (normally +/- 15 years old), teachers and youth leaders, public authorities and organisations in the community and voluntary sectors with the relevant specialised knowledge and experience.

Indicative Financial Weighting

This Measure will account for € 4 million (NI 2.00, BR 2.00) which represents:

- 16% of the ESF resource committed to this Priority; and
- 2% of the ESF resource committed to this Programme.

Implementing Bodies

For implementation purposes this Measure will be implemented jointly by the Department of Education and Science and the Department of Education.

9.12. MEASURE 5.6: AGRICULTURE AND RURAL DEVELOPMENT CO-OPERATION (EAGGF)

Legislative Base

This Measure will grant support in accordance with Council Regulations (EC) No 1257/1999, Article 33, 6th and 7th indents.

This Measure will contain actions under two EAGGF Measures funded under Article 33 of Regulation (EC) No 1257/1999:

- Renovation and development of villages and protection and conservation of the rural heritage; and
- Diversification of Agricultural Activities and Activities close to Agriculture to provide Multiple Activities or Alternative Incomes.

Rationale and Background

The rural areas of Northern Ireland and the rural areas of the Republic of Ireland experienced many of the same issues, needs and opportunities and there has been a significant amount of co-operation between the two jurisdictions on agriculture and rural development issues. Valuable cross-border links were developed in the agriculture and rural development sectors under the 1994-1999 Structural Funds round and

agriculture/rural development is one of the areas identified under the Belfast Agreement for enhanced cross-border co-operation.

However, below the institutional level cross-border contacts and networks involving farmers and rural communities are less well developed. One reason for this is the effect of the closure of border roads for security reasons in physically separating rural areas on either side of the border that are geographically close to one another. This physical separation has interrupted the pattern of cross-border activity that might have continued in the absence of the conflict. This effect has been particularly felt by the farming community and the young. Therefore, initiatives and projects that bring together farmers, particularly young farmers, from either side of the border will be particularly important in fostering reconciliation through renewed cross-border contacts while enabling participants to make full use of opportunities offered by a more peaceful society.

During the conflict a significant number of families left the border region due to a range of “push factors” such as feelings of vulnerability and isolation due to the conflict. As a result, there are pockets of isolated minority communities that are in decline along both sides of the border. These communities have little or no history of community-based activity and have, therefore, played no part in rural regeneration activities. These communities must be provided with help to become established and strengthen their capabilities so that they can take the lead in developing projects to regenerate their own areas and to engage in cross-border and cross-community activity.

Measure Aims and Objectives

To provide a strategic framework for support to sectors and organisations involved in the development of agriculture and rural development initiatives and projects which have a clearly defined cross-border focus and which have been particularly disadvantaged as a consequence of the conflict or which can take advantage of the opportunities presented by a more peaceful society.

Indicative Activities

The following areas will be targeted under this Measure:

Renovation and development of villages and protection and conservation of the rural heritage (Article 33, 6th indent);

- support for the development of cross-border initiatives to address the problems of weak community infrastructure and social isolation in border communities. This will involve: the development of a joint Cross-border programme of work by the Rural Community Network (Northern Ireland) and the Irish Rural Link (Ireland) to strengthen communities and support the structures and services required to assist community based development in the border areas; a dedicated focus

on small minority communities that straddle the border; and the development of co-operation projects involving groups in Northern Ireland and groups in Ireland;

By targeting cross-border activities this support will complement assistance given under Measure 2.9 of this Programme and Measure 4.7 of the Transitional Objective 1 Programme which target NI – based projects only.

The eligible activities under this joint Cross-border programme of work will be described in the Programme Complement.

Diversification of Agricultural Activities and Activities close to Agriculture to provide multiple Activities or Alternative Incomes (Article 33, 7th indent)

- Support for the development of non-traditional farm based diversification enterprises on a collaborative cross-border basis – cross-border groups of young farmers will be the main target but support will also be given to the cross-border development of non-food crops such as hemp as sources of alternative income. This support will not cover products covered by Annex 1 to the EC Treaty.

By targeting cross-border activities, this support will compliment assistance given under Measure 1.7 of this Programme and Measure 4.8 of the Transitional Objective 1 Programme which target NI – based projects only.

In accordance with Article 35(3) of Regulation (EC) 1257/1999, the authorities of Ireland confirm that the activities under this Measure for the ‘Diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative incomes’ in the Border Region, will be funded out of EAGGF.

Targeting

Within the framework of areas, groups and sectors most affected by the conflict as set out in Section 3.7, the beneficiaries of this Measure will include private businesses, SMEs, farmers, Government Departments, voluntary and community organisations, cross-border groups and networks, rural development practitioners.

Indicative Financial Weighting

This Measure will account for €5.40 million (NI 2.25, BR 3.15) which represents:

- 100% of the EAGGF resource committed to this Priority; and
- 12% of the EAGGF resource committed to this Programme.

Implementing Bodies

For implementation purposes this Measure will be implemented by the relevant Government Departments, public bodies, private businesses,

voluntary and community organisations, cross-border groups and networks.

9.13. MEASURE 5.7: CROSS-BORDER FISHING AND AQUACULTURAL CO-OPERATION (FIFG)

Rationale and Background

This Measure will provide FIFG derived financial assistance to Cross-border Co-operative Initiatives and Projects in the field of aquaculture and fisheries while pursuing the overall objectives as the main Programme. It is not foreseen that fleet measures would be eligible for assistance.

These activities are based on natural resources hitherto untapped because of the detrimental effect of the conflict on all forms of development in the region. Aquaculture enterprises will attract long-term inward investment in those areas of the cross-border region most disadvantaged by long-term economic deprivation and social exclusion.

Experience and data gathered under the 1995 to 1999 PEACE Programme incontrovertibly demonstrates the considerable potential of aquaculture and fisheries to generate wealth and long-term employment, particularly in the SME sector in the cross-border area. The creation of appropriate jobs and economic activity will serve to lessen community tensions, encourage the momentum towards peace and consolidate progress made so far.

The peripheral coastal areas of the eligible counties currently suffering from the highest levels of social deprivation will be the natural beneficiaries of development in this sector as aquaculture has a unique ability to inject economic regeneration into areas where few if any alternative sources of wealth creation exist.

There are significant shared natural resources with development potential in the Foyle and Carlingford catchments and the North/South Implementation Body dealing with aquaculture and fisheries matters (see Chapter 1) for these areas is being put in place.

Projects funded under the previous tranche of cross-border funding over the past 5 years have been extremely successful in involving groups across the traditional division of the communities. In particular the *Schools Cookery Competition* has brought together a wide range of people at all levels. These range from politicians associated with events, officials from both the Department of Agriculture and Rural Development and Department of the Marine and Natural Resources, their respective agencies Northern Ireland Seafood Limited and Bord Iascaigh Mhara (BIM) (Irish Sea Fisheries Board) and of course school children of different backgrounds and processors from both sides of the Border.

Other examples of these projects would include the Cross-border Aquaculture Initiative which provides a range of support services for the sustainable development of the aquaculture sector in the target region; the Cross-border Marketing Initiative which seeks to develop cross border community relationships through the marketing of fish and fishery products and the Sectoral Development Programme. The latter has developed commercial relationships between a wide range of fish processors.

All projects funded under the Cross-border Co-operation Measure will continue to have to satisfy the general requirements of the FIG Regulation 2792/99. In the main the projects would fall under Axes 3 and 4 and the specific Fisheries Measures will be set out in the Programme Complement.

Measure Aims and Objectives

To provide a strategic framework for support to organisations involved in the development of fisheries and aquaculture initiatives and projects which have a clearly defined cross-border focus and which will assist in maximising opportunities available within a peaceful and stable environment.

Indicative Activities

Examples of the type of activity, which will be undertaken, include:

- support, by way of the provision of technical, environmental, financial and marketing assistance to proposed and existing aquaculture and fisheries enterprises in the cross-border and Northern Ireland region so as to ensure balanced sustainable development;
- support to business, public bodies, social partner organisations and voluntary and community sector co-operation initiatives and projects, especially those linked to the economic renewal and the social, economic and political transition themes of the Programme where these are relevant to the development of the aquaculture and fisheries sector;
- it is envisaged that many of the existing projects which are judged to be highly successful in meeting the overall objectives of the PEACE Programme will be extended and improved by better focused Programmes. These will include the Sectoral Development Programme (SDP), Cross-border or Sectoral Marketing Initiative (SMI), Cross-border Aquaculture Initiative Team (CBAIT) and the All-Ireland Schools Cookery Challenge;
- the majority of the fishery related projects are already located in areas which are seen as deprived and suffering from the effects of long-term disruption. In Northern Ireland the South Down area is heavily dependent upon the fishing industry and the proposed type of projects will foster increased contact at both personal and commercial levels in these communities; and
- projects relating to maintaining and enhancing quality in fish and fishery products as well as demonstration and pilot projects.

Targeting

Within the framework of areas, groups and sectors most affected by the conflict as set out in Section 3.7, the beneficiaries of this Measure will include the private businesses, SMEs, voluntary and co-operative community organisations, cross-border groups and networks.

Indicative Financial Weighting

This Measure will account for €3.42 million (NI 0.76, BR 2.66) which represents:

- 100% of the FIFG resource committed to this Priority; and
- 100% of the FIFG resource committed to this Programme.

Implementing Bodies

The Priority will be implemented in Northern Ireland by the Department of Agriculture and Rural Development and their agents, Northern Ireland Seafood Limited and in Ireland by the Department of Marine and Natural Resources and their agents BIM.

CHAPTER 10: Technical Assistance

10.1. RATIONALE

Under the Structural Funds Regulations, the impact of Operational Programmes must be regularly monitored, evaluated, publicised effectively and studies undertaken into specific aspects of the Programmes. Technical Assistance resources to enable these requirements to be met for the PEACE Programme will be provided under 2 separate Measures. Measure TA.1 will address the information and publicity requirements of the Programme and Measure TA.2 will address the management, monitoring and effective evaluation needs. Expenditure for Technical Assistance will adequately reflect the relative contributions of each of the Structural Funds to the co-financed priorities set out in the OP.

The Ireland and Northern Ireland Authorities recognise the emphasis which the European Commission places upon information and publicity for EU funded activities. The Northern Ireland CSF has identified the need for overall strategy on information and publicity activities to be presented in a structured form and this must be implemented at Programme level (communication plan). Communication plans are also required by Regulation No. 1159/2000 on information and publicity measures on assistance from the Structural Funds.

Previous experience of information and publicity activities under PEACE I supports the need for the early development of a multi-fold publicity policy with a specific funding allocation and this objective can best be met through a separate Measure. It will be a task for the Monitoring Committee at Programming Complement stage to agree upon the details of the Communication Plan and the specific funding allocation to the Measure.

PEACE II will be implemented through a number of devolved delivery mechanisms similar to that used under PEACE I. The use of these devolved delivery mechanisms provides a very helpful focus for local decision-making and respects the Programme's horizontal principles of bringing this process as close to the citizen as possible. However, almost inevitably, the involvement of a large number of bodies in Programme delivery will give rise to a higher level of Programme management costs than would otherwise be the case under a more simplified Programme structure.

Under the PEACE I Operational Programme the final allocation for Technical Assistance amounted to 3.5% of the total funding available and therefore €18.79 million, 3.5% approximately, of the Programme allocation has been set aside for this purpose under PEACE II.

10.2. INDICATIVE FINANCIAL WEIGHTING

Priority/Measure	Fund	NI € million	Border Region € million	Total € million
Priority 6: Technical Assistance				
Measure TA1: Programme Information and Publicity	ERDF	0.50	0.20	0.70
Measure TA2: Management, Monitoring and Evaluation	ERDF	12.99	5.10	18.09
TOTAL		13.49	5.30	18.79

10.3. MONITORING AND EVALUATION INDICATORS

Actions undertaken under Technical Assistance will be assessed using the following indicators:

Indicators		
Output	Result	Impact
100 technical assistance projects funded.	75% of recommendations in technical assistance studies to be accepted.	50% of technical assistance studies resulting in improved performance of CSF and OP.

10.4. MEASURE TA.1: PROGRAMME INFORMATION AND PUBLICITY (ERDF)

Rationale and Background

The Structural Funds Regulations require that publicity is given to EU funded activities particularly for informing potential final beneficiaries about the opportunities afforded by the assistance and the general public about the role played by the European Union through the assistance concerned.

Given the significant role of the PEACE II Operational Programme in addressing specific problems related to the unique context of the region there is an even greater need for the Programme to be given a high level of visibility and openness in full application of the horizontal principle of publicity/transparency.

Measure Aims and Objectives

In application of the horizontal principle of publicity/transparency, the aim of the Measure is to publicise the contribution of the PEACE II 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 distinctiveness and its results;

- regularly reporting to the Monitoring Committee on the achievements of the communication action plan.

Indicative Activities

- Information and publicity in relation to the Programme, its impacts, including the dissemination of “flagship projects” (examples of best practice, of projects particularly valuable for media attention, etc.)
- Central archiving and access provided to all studies carried out on the Programme;
- Design, maintenance and promotion of the PEACE Programme’s website (<http://www.eu-peace.org/index.htm>);
- Verification and assistance in the correct use of the Programme’s logo (see cover page) and other references to the programme by implementing bodies, funded projects and media relays;
- Targeted potential beneficiaries under this Programme, in particular those belonging to the groups, areas and sectors most affected by the conflict as defined in Chapter 3 and project operators and promoters having received funding under PEACE I;
- Key intermediaries potentially interested in the distinctive objectives and delivery of the programme, such as news media and experts, regional and local authorities and other competent public authorities, religious authorities, trade organisations and business circles, university circles and research centres, the economic and social partners, non-governmental organisations, in particular those involved in equality issues and/or the implementation of aspects of the Belfast Agreement; and
- General public in Northern Ireland and the Border Region of Ireland and elsewhere in Europe.

Indicative Financial Weighting

This Measure will account for between €0.7 million (NI 0.5, BR 0.2) which represents:

- 4% of the ERDF resource committed to the Technical Assistance: and
- 0.2% of the ERDF resource committed to the Programme.

Implementing Bodies

An information and publicity [organisation/officer] designated by the Special EU Programmes Body in accordance with point 3.1.3 of the Regulation on information and publicity on Structural Funds⁹.

10.5. MEASURE TA.2: MANAGEMENT, MONITORING, EVALUATION AND CO-ORDINATION (ERDF)

Rationale and Background

⁹ Commission Regulation (EC) No.1159/2000 of 30 May 2000 on information and publicity to be carried out by the Member States concerning assistance from the Structural Funds; L.130/30 of 31.05.2000.

The Northern Ireland and Irish CSFs state that each Operational Programme will provide for Technical Assistance to cover costs of management and monitoring and control as well as the mid-term evaluation of the Programme. This Measure will provide the resources to enable these requirements to be met and in application of the horizontal principles of transparency/publicity and of accountability, it will ensure that optimum use is made of EU assistance throughout the life of the Programme. With the same aim, but through a separate sub-measure, this Measure will also contribute to establish and maintain formal co-ordination procedures with all relevant EU Programmes and with the International Fund for Ireland or other bodies offering similar forms of assistance in the same areas covered by PEACE II.

Measure Aims and Objectives

In application of the horizontal principles of accountability and co-ordination, this Measure will ensure that optimum use is made by all implementing bodies of EU assistance throughout the life of the programme, in particular by:

- providing for effective monitoring, evaluation and control of the PEACE II Programme implementing bodies
- ensuring effective co-ordination amongst implementing bodies and with all other relevant programmes, such as EU Programmes the International Fund for Ireland or other bodies offering similar forms of assistance in the same eligible areas.

Indicative Activities

Examples of the types of actions which will be supported under this Measure include:

Sub-Measure “management, implementation, monitoring and control”:

- 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 meetings of the Programme Monitoring Committee and its sub-committees/working groups;
- expenditure relating to controls, audits and on-the-spot checks of individual operations.

Sub-Measure “internal co-ordination and co-ordination with other Programmes, evaluation and studies”:

- studies to develop appropriate monitoring and internal co-ordination procedures amongst implementing bodies involved in the Programme, including the establishment of a centralised computerised system for management, monitoring and evaluation purposes;
- studies to develop appropriate co-ordination between the Programme structures and other relevant EU Programmes, the International Fund

for Ireland or other bodies offering similar forms of assistance in the same areas covered by PEACE II;

- costs associated with the establishment and maintenance of co-ordination procedures within the Programme's structures and with other relevant Programmes, including where appropriate joint "one-stop-shops" and the installation of a centralised computerised system for management, monitoring and evaluation purposes;
- mid-term and other evaluation of individual Measures, Priorities and the Programme;
- cross-cutting studies, to ensure that the cross-cutting themes of the Programme (see Chapter [10]) are properly implemented by the Programme; and
- assessments of international best practices directly relevant to the implementation of the Programme.

Targeting

All implementing bodies and other Programme's structures.

Indicative Financial Weighting

This Measure will account for €18.09 million (NI 12.99, BR 5.10) which represents-

- 97% of the ERDF resource committed to Technical Assistance;
- 6% of the ERDF resource committed to the Programme; and
- 4% of the total structural funds contribution to the Programme.

The allocation provided for the Sub-Measure on "management, implementation, monitoring and control" is therefore within the 5% limit set by Article 2(5) of Rule 11 of Commission Regulation (EC) No.1685/2000 on eligible costs incurred in managing and implementing the Structural Funds.

Implementing Bodies

The Special EU Programmes Body acting as the Programme's Managing Authority.

CHAPTER 11: Cross-cutting Themes : Equal Opportunities and the Environment

11.1. EQUAL OPPORTUNITIES

Through the Balanced Intervention / Equal Opportunities horizontal principle and in accordance with Community legislation, this Programme aims to contribute towards the EU objective of affording equal opportunities particularly between men and women and, in Northern Ireland, between the two main communities and traditions. This is consistent with government policy and legislation within Northern Ireland and Ireland, specifically with Section 75 of the Northern Ireland Act 1998. In addition to promoting equal opportunities between men and women and between the two main communities in Northern Ireland, the Programme shall indeed seek to encourage equal opportunities between all those other categories identified within Section 75 and outlined below.

The ex-ante evaluation included an assessment of gender equality within Northern Ireland. Among its conclusions were that women in Northern Ireland have lower economic activity rates and are underrepresented in key employment areas (self employment, manufacturing, management and administration). They have lower average hourly earnings and a higher proportion work part-time. On the other hand, men have higher rates of unemployment and are obtaining a smaller share of new employment being created, being underrepresented in many growth sectors.

Some of the key differences between men and women are updated here. In Spring 2000¹⁰ the economic activity rate for women of working age was 61% compared with 78% for men of working age. Within employment, women are under-represented in a number of key areas: approximately 84% of the self-employed are men, only 16% are women; 8% of women in employment are managers or administrators, compared with 20% of men; and in 1999, women's average hourly earnings were just under 87% of men's.

Conversely, unemployment rates are higher for men than for women. In Spring 2000, the ILO¹¹ unemployment rate for men was 8.1% compared with 5.4% for women. 58% of unemployed men had been unemployed for more than six months compared with 40% of unemployed women. Within the formal educational system, 42% of girls left school in 1998/99 with two or more A-levels compared with 28% of boys. After leaving

¹⁰ Spring 2000 NI Labour Force Survey

¹¹ International Labour Organisation

school, 71% of girls went on to further or higher education compared with 52% of boys.

As regards equal opportunities between the two main traditions in Northern Ireland, a report¹² of the Equality Commission shows that there has been an improvement in Catholic participation to the workforce between 1990 and 1999. However, a gap remains between the Catholic economic activity rate and the employment rate.

Promoting equality of opportunity will be addressed where appropriate throughout the Programme *via* the horizontal principle of Balanced Intervention / Equal Opportunities which will have a Programme wide remit. Data will be collected and monitored throughout to develop and enhance existing strategies. This will be based on an impact assessment.

This Programme will mainstream these elements through three key mechanisms.

Impact Assessments

In accordance with the Horizontal Principle of “balanced intervention”, the implementation of the Programme will fully take into account its potential for differential impacts between men and women as well as in terms of the other Section 75 categories.

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.

Monitoring

Relevant equal opportunity data will be regularly collected by the Managing Authority and monitored throughout the Programme. This will embed the inclusion of gender mainstreaming and other equal opportunity aspects throughout the Measures and will allow the Monitoring Committee to identify activities to be developed and strengthened for equal opportunity purposes.

Promotion

Equality of participation in the Programme Monitoring Committee, working groups or selection panels shall be encouraged at all time by the Managing Authority.

Similarly, all Programme’s Implementing Bodies will make every effort and give every assistance to ensure (within the parameters of the Programme) that all sectors of the population participate fully in the

¹² Equality Commission for Northern Ireland: A profile of Northern Ireland Workforce – Summary of Monitoring Returns 1999, Monitoring Report No.10.

Programme, both in their own internal structures and in applying for assistance. Where community infrastructure is weak, action will be taken to address this and reported to the Managing Authority.

Based on the matrix in Annex 10 and on the Impact Assessment the Management Authority will propose to the Monitoring Committee a wide-reaching *Equal Opportunity Mainstreaming strategy* explaining the steps and the approach to be taken as well as the goals to be achieved. This strategy will be regularly reviewed by the Monitoring Committee.

11.2. ENVIRONMENT

The objective of the horizontal principle of environmental sustainability is to ensure that the Transitional Programme supports only economic activity which is at least environmentally neutral and includes much that seeks to protect and enhance the environment. This is consistent with the UK government's strategy for sustainable development, which includes the following principles:

- high and sustainable levels of growth and employment;
- social progress which meets the needs of everyone;
- effective protection of the environment; and
- prudent use of natural resources.

The objective of this horizontal principle will be met:

- by favouring projects under all priorities which have a positive effect on the environment, for example by supporting:
 - research establishments and businesses developing environmental monitoring equipment and 'clean' technologies;
 - the provision of improved 'green' public transport;
 - actions to conserve and enhance existing environmental assets; and
 - projects to rehabilitate areas where the environment is damaged
- by supporting actions which seek to raise environmental awareness and compliance both within the commercial and administrative sector and among the general public, including acknowledgement that a high level of environmental performance can provide a long-term competitive advantage; and
- by requiring 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;
 - a 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;

- a requirement of proof that all necessary environmental approvals have been obtained prior to the final offer of funds; and
- through the scrutiny of the Monitoring Committee.

The mainstreaming of environmental sustainability will be monitored throughout the life of the Programme using the Development Path Analysis technique produced by ECOTEC on behalf of the Commission. The table at Annex 4 provides a summary of the likely impact of each Measure on the horizontal principle of environmental sustainability.

CHAPTER 12: Monitoring and Evaluation Indicators

This Chapter presents the indicators and quantified targets which will be used by the Monitoring Committee for monitoring and evaluating purposes.

This will be done through three main sets of indicators:

- Indicators applicable across the Programme;
- Indicators specific to each Priority; and
- Context (macro) indicators

12.1. PROGRAMME LEVEL INDICATORS

The following table of indicators is based on a similar one agreed in the Northern Ireland CSF. Its aim is to reflect the Programmes specific objectives and inclusive process in favour of Peace and Reconciliation as described in Chapter 3.

Indicators			Specific Objective and Process
Output	Result	Impact	
Number and value of projects with a principal focus on targeted groups/sectors/areas as defined in Section 3.6 (with North/South breakdown)	Number of participants in cross-community projects (with North/South breakdown)	One impact indicator per targeted group/sector/area (baseline to be determined at the Programme Complement level)	“Addressing the legacy of the conflict” “Taking the opportunities arising from peace”
Number and value of projects under local Partnerships/IFB/Government Management as defined in Section [3.8] (with North/South breakdown)	Number of project promoters from single community projects involved in cross-community networks (with North/South breakdown)		
Number and value of cross-community/single identify projects (with North/South breakdown)	Number of final recipient by Community (with North/South breakdown)		
Number and value of cross-border projects Number and value of other North/South co-operation projects	Number of new/continuing cross-community and cross-border resources or facilities resulting from the Programme	Attitudinal change amongst participants over time Attitudinal differences amongst project participants compared with the NI population	“Paving the way to reconciliation”
	Numbers involved in local partnership management (District Partnerships and County Council – led Task Forces)		

12.2. PRIORITY LEVEL INDICATORS

The following indicators reproduce the tables which have been presented in the relevant Chapters in the Programme's Priorities and Technical Assistance (Chapter 5 to 10).

Additional monitoring, management and activity indicators will be specified at the Programme Complement stage and other indicators may be specified at that stage to supplement these indicators.

Priority 1: Economic Renewal

The aims of this Priority are the creation of a growth orientated and knowledge based regional economy and a population equipped to grasp the opportunities it presents. The objectives of this Priority include improving existing business competitiveness and stimulating business start-ups and promoting equality of access to both employment and educational.

The specific outputs, results and impacts of the Priority will be monitored and evaluated using the indicators and targets set out below:

Northern Ireland

Indicators		
Output	Result	Impact
3,000 SMEs supported (ERDF) 9,000 people participating in Programme (EAGGF)	8,000 gross jobs created 8,000 people achieving positive outcomes	2,800 net jobs created by new start-up (10% within new sectors) 1,200 net jobs created by existing business 6,000 people securing additional income
19,500 unemployed trained 15,500 employed trained (40% women)	16,750 gaining qualifications (48%) 12,150 unemployed entering employment (62%) 21,600 achieving positive outcomes (62%)	Numbers in work (net of deadweight) 6 months after ESF support – mid-term
16,860 unemployed trained 5,340 employed trained (50% women)	12,850 gaining qualifications (58%) 10,550 unemployed entering employment (63%) 17,160 achieving positive outcomes (77%)	50% net increase in participation in lifelong learning
10,400 unemployed trained 7,100 employed trained (38% women)	9,100 gaining qualifications (52%) 5,940 unemployed entering employment (57%) 10,500 achieving positive outcomes (60%)	75% of new businesses still running after 18 months
3,800 unemployed trained 200 employed trained (100% women)	2,700 gaining qualifications (68%) 1,700 unemployed entering employment (45%) 2,800 achieving positive outcomes (70%)	9% net increase in female labour market participation amongst ESF beneficiaries.

Border Region

Because the amount of funding in this Priority is small relative to overall funding for economic development in the Region it is difficult to measure the impacts. At a more measurable level it is proposed to monitor the following key indicators:

Indicators		
Output	Result	Impact
Numbers trained for employment = 500	Numbers achieving employment = 400	Numbers achieving employment = 400
Numbers trained for self-employment = 250	Numbers of SME's created = 150	Employment created = 300
Numbers trained for enhanced employment = 1,200	Numbers achieving enhanced business skills = 1,000	Number achieving results = 1,000
Number of SME's assisted 300	Number of jobs created and maintained = 600	Target 500 jobs safeguarded and 100 new jobs created
Number of businesses enhanced by provision of ICT = 150	Number of business with improved technology = 150	Indicator to be developed

Priority 2: Social Integration, Inclusion and Reconciliation

The overall objective of the Priority is to support transition and strengthen the climate for economic and social investment in Northern Ireland and in the Border Region through:

- fostering the process of peace building;
- supporting reconciliation in people, places and policies;
- building a new climate of equality and respect for diversity;
- assisting the reintegration of conflict affected people particularly victims and ex-prisoners;
- assisting the revitalisation of conflict affected places, including interface areas;
- strengthening community participation; and
- targeted actions to identify and eliminate social deprivation.

The specific outputs, results and impacts of the Priority will be monitored using the following indicators:

Northern Ireland

Indicators		
Output	Result	Impact
Four Social and Economic Urban Regeneration Schemes	41,000 visitors per annum £13 million private sector leverage	230 new jobs
Develop 10 neighbourhood renewal schemes	Number of level 2 and above NVQs attained Number of community groups assisted Amount of derelict land/buildings enhanced and brought back into use Number of gross jobs created	Net jobs created
Implement 26 town centre revitalisation schemes	Amount of land/buildings enhanced and brought back into use Private sector leverage	Visitor numbers Resident satisfaction Increased use of town centre

Border Region

Indicators		
Output	Result	Impact
Target groups assisted by category = 200	Number of participants in community-led projects = 18,000 Numbers involved in decision making (men/women) = 1,800 (target 50/50 gender breakdown)	Methodology to be developed
Number of target individuals in prevocational training/development projects 1,200	Number progressing to vocational training 800	Progression to employment = 150
Number of cross-border linkages established 25	Number of groups participating 150	Methodology to be developed
Number involved in reconciliation/conflict resolution and mediation training 2,000	Participants responding with positive outcomes 1,500	Participants responding with positive outcomes 1,500

Priority 3: Locally-based Regeneration and Development Strategies

The objective of this Priority is to focus the Structural Funds at a local level through an integrated approach providing both a clear interface between local actions and other actions supported under the Structural Funds Plan and an opportunity for local priorities to be set through an inclusive process. Inclusive decision-making is thus a key feature of this Priority.

The specific outputs, results and impacts of the Priority will be monitored using the following indicators:

Northern Ireland

Indicators		
Output	Result	Impact
Cross community involvement of 600 people in strategy development	26 District Strategies produced 1,700 projects assisted 3,500 projects assisted	1,700 full time jobs 1,100 part time jobs 930 jobs safeguarded 1000 training places

Border Region

Indicators		
Output	Result	Impact
Towns/villages assisted	Improvement of aspect and accessibility of 30 towns and villages 100% completion of supported projects	Population maintained Improvement in Tidy-Towns Competition rankings - 100% of towns/villages supported show higher ranking after completion of project
Number of community based projects supported -	Enhancement of 60 community infrastructure – 100% completion of supported projects	Increase in community recreational, leisure and social resources - 60 locations with new/enhanced facilities

	- community leadership training for each project supported	
Number of public housing estates with high level of displaced persons improved – 25 Number of isolated rural areas improved – 25	Enhancement of estates and rural areas - 100% completion of supported projects	Number of community groups participating in the decision making process – 50

Priority 4: Outward and Forward Looking Region

The principal objective of this Priority is to improve the image of the region abroad and to increase its participation in inter-regional and international networks thereby enabling exchanges of best practice in areas such as economic development and conflict resolution.

The specific outputs, results and impacts of the Priority will be monitored using the following indicators:

Northern Ireland

Indicators		
Output	Result	Impact
10 new/existing NI networks to be supported	75% of new/ existing NI networks participate in international networks 75% satisfaction rate of participant networking organisations in: c) local networks d) international networks	50% of participant organisations obtaining positive outcomes from participation in NI and international networks 50% of new networks still in operation by 2006

Border Region

Indicators		
Output	Result	Impact
Wider linkages	Participation rates	Recognition and support for issues
Delivery support	Rate of expenditure	Effective completion of projects
Publicity	Recognition of OP's worth	Dissemination of best practice, mainstreaming

Priority 5: Cross-border Co-operation

The overall objective of this Priority is to provide support to cross-border co-operation initiatives and projects to a variety of sectors and organisations.

The specific outputs, results and impacts of the Priority will be monitored using the following indicators:

Indicators		
Output	Result	Impact
50 new/ existing cross-border linkages/ networks to be supported	70% of new/ existing cross-border linkages/ networks to participate in cross- border/ cross-community	Positive increase in participants respect and appreciation for the 'other' community and the 'other' side of the

	projects Additional finance (20%) to be levered/ attracted to border region 250 jobs created directly or indirectly	border 50% of new linkages or networks still in operation by 2005.
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Technical Assistance

The distinctive aspects of the PEACE II Operational Programme, notably its decentralised delivery mechanisms, create the need for technical assistance to facilitate management and monitoring in a co-ordinated way. Actions undertaken under this Priority will be assessed using the following indicators:

Indicators		
Output	Result	Impact
100 technical assistance projects funded	75% of recommendations in technical assistance studies to be accepted	50% of technical assistance studies resulting in improved performance of CSF and OP.

12.3. CONTEXT INDICATORS

The following table summarises the context indicators for the Programme. Nevertheless, it is fully recognised that the impact of the PEACE II Programme will not directly influence the indicators presented below. By nature changes in macro indicators are influenced by a complex range of extraneous factors which are outside the scope of a Structural Funds Programme. However, contextual indicators of the nature of those in the following tables will provide the CSF and Programme Monitoring Committees with useful background information and enable the monitoring of progress within the region to a more peaceful and prosperous society.

Northern Ireland

Theme	Context Indicators
Levels of Violence	Numbers of deaths and injuries connected with the security situation Indicator on sectarian incidents Numbers of criminal damage claims connected with the security situation
Social Distance and Prejudice	Community relations index measuring prejudice, social distance and integration
Segregation/Mobility (“chill factor”)	Extent of and attitudes towards segregation and integration in housing, education and the workplace Percentage of pupils attending integrated schools Labour market community balance by SOC and SIC Number of employers with a balanced workforce
Public Expenditure	Law and order spend (net of the cost of reform) as a proportion of total public spending, compared with the UK proportion
Business Confidence	Inward Investment Tourist numbers (including breakdown of those coming from inside and outside the region)

	Employment in the tradeable services sector Business starts; new VAT starts per 10,000 adult population
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Border Region

Theme	Context Indicators
Effects of Violence in Northern Ireland	Displaced persons from Northern Ireland
Social Distance and Prejudice	Social distance and integration survey
Mobility (“chill factor”)	Transfrontier workers
Public Expenditure	Law and order spend (net of the cost of reform) as a proportion of total public spending compared with the UK proportion
Business Confidence	Inward Investment Tourist numbers (including breakdown of those coming from inside and outside the region) Business confidence survey Business starts

CHAPTER 13: Managing and Implementing Provisions

13.1. GENERAL

In accordance with the requirement of Article 18(2)(d) of Council Regulation (EC) No 1260/99 of 21 June 1999, this Chapter sets out the implementing provisions for the PEACE II Programme for Northern Ireland and Border Region of Ireland. This has been developed taking into account the requirements of the Council Regulation referred to above and of those of the enabling Commission regulations on the €, information and publicity, eligibility of expenditure and financial corrections.

Financial management and control will involve a series of interlocking certification and verification operations across different tiers of management. The specific roles and responsibilities of these different tiers are outlined in the paragraphs below. Management and financial provisions may require adjustment in order to comply with any future rules enacted under Article 53.

13.2. THE PROGRAMME COMPLEMENT

Within 3 months of the Commission Decision approving the Operational Programme, the related Programme Complement will be forwarded to the Commission for information by the Member States.

Adoption of the Programme Complement

As defined in Article 9(m), the Programme Complement is the document implementing the Programmes strategy and Priorities and containing detailed elements at Measure level. It is drawn up by the Managing Authority after the agreement of the Monitoring Committee and contains the information requested by Article 18(3). These are the following:

- Measures implementing the corresponding priorities;
- Ex-ante evaluation, in accordance with Article 41(3), of quantified Measures where they lend themselves to quantification in order to demonstrate consistency with the aims of the corresponding priorities, quantifying their specific targets where the priorities lend themselves thereto and subsequently verifying the relevance of the selection criteria, which have to be approved within six months of the Commission's decision;
- Relevant monitoring indicators in accordance with Article 36;
- Definition of the types of final beneficiary of Measures;
- The financing plan at Measure level. The financing plan will be accompanied by a description of the arrangements for providing the co-financing for Measures taking account of the Member States' institutional, legal and financial systems;

- Measures intended to publicise the Programme and in particular the communication plan required by the enabling Commission Regulation on information and publicity;
- Description of arrangements agreed between the Commission and the Member States for the computerised exchange, where possible, of the data required to fulfil the management, monitoring and evaluation requirements of the regulation; and
- Communication Plan.

The presentation to the Commission of the Programme Complement containing the required information is one of the conditions subject to which interim payments will be made by the Commission.

Amendments of the Programme Complement

Subject to Article 34(3), the management authority may, at the request of the Monitoring Committee or on its own initiative, adjust the Programme Complement, without changing the total amount of the contribution from the Funds granted to the priority concerned nor its specific targets.

After approval of this adjustment by the Monitoring Committee, the management authority shall inform the Commission of the adjustment within one month.

13.3. MANAGEMENT

This section deals with the arrangements for managing the PEACE II Programme and details the role of the Managing Authority involved in the management and implementation of the Programme.

Managing Authority

The Managing Authority in accordance with Article 34 is responsible for the efficiency and correctness of management and implementation.

The Special European Union Programmes Body (SEUPB) will be the Managing Authority for the PEACE II Programme. In carrying out the functions laid down in Article 34 of Council Regulation (EC) No 1260/99, the Managing Authority will work in close liaison with the relevant Government Departments, which are accountable for the relevant expenditure.

The Managing Authority seeks the advice of the Programme Monitoring Committee on what sort of management arrangements should be used in managing and implementing the Programme. The Managing Authority will also consult the Programme Monitoring Committee on changes to those arrangements, which become necessary during the course of the Programme.

It is the Managing Authority who will 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.

In managing the Programme, the Managing Authority, will seek, *inter alia*, to ensure the following, putting in place monitoring and adapting arrangements as necessary to achieve:

- the effective delivery of priorities and Measures, and their outputs and targets;
- encouragement to and support for the development of projects, particularly amongst those who have little experience of obtaining assistance from the Structural Funds. Capacity building where necessary;
- the effective implementation of cross-cutting themes;
- conversion of the strategic focus into good quality projects;
- effective, fair and timely appraisal of project proposals; and
- the effective dissemination of good practice

Details of the management arrangements in place at any one time will be held by the Managing Authority and be available on request.

In respect of management arrangements, the Programme Monitoring Committee will also:

- Advise the Managing Authority on whether there is any need for any Working Groups (see section 13.3.7).

Paying Authority

According to Art 9(o), the Paying Authority is responsible for drawing up and submitting certified payment applications and receiving payments from the Commission.

The Paying Authorities for the PEACE II Programme are the following:

Northern Ireland

ERDF :	The Department of Finance and Personnel
ESF :	The Department of Higher and Further Education, Training and Employment
EAGGF / FIFG :	The Department of Agriculture and Rural Development

Ireland

ERDF :	The Department of Finance
ESF :	The Department of Enterprise, Trade and Employment
EAGGF:	The Department of Agriculture, Food and Rural Development
FIFG :	The Department of the Marine and Natural Resources

The Paying Authorities will fulfil their functions in accordance with Article 32 of Council Regulation (EC) No 1260/99.

13.4. MONITORING

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 defined in the respective CSFs. 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.

Monitoring Committee

In accordance with Article 35 of Council Regulation (EC) No 1260/99, the Programme will be supervised by a Programme Monitoring Committee which will be set up no more than three months after the Programme has been approved.

The Monitoring Committee will be chaired by Managing Authority and will include representation from Departments of Finance, North and South, the Paying Authorities, Business, Trade Unions, the Agriculture/Rural Development/Fisheries sector, the Community and Voluntary sector, and those representing environmental and equal opportunities interests. The participation of these different sectors shall be balanced. Particular effort will also be made to promote the balanced participation of women and men. The Commission shall participate in an advisory capacity. A table detailing the membership of the Monitoring Committee is attached at Annex 8.

The Managing Authority will be responsible for the preparation of documentation relating to monitoring committee meetings: reports, agendas and summary records of meetings.

Duties of the Monitoring Committee

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. The Committee's duties are defined below.

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. These provisions shall include particularly:

- arrangements to review progress towards achieving the specific objectives of the Programme; and
- the Programme Monitoring Committee shall satisfy itself as to the effectiveness and the quality of the implementation of the Programme.

To this end:

- it shall confirm or adjust the Programme Complement, including the physical and financial indicators to be used to monitor the assistance. Its approval must be obtained before any further adjustments are made and implemented by the Managing Authority;
- not later than six months from the approval of the Operational Programme, it shall consider and approve the criteria for selecting the projects financed under each Measure;
- it shall periodically review progress made towards achieving the specific objective of the Programme;
- it shall examine the results of implementation, particularly the achievement of the targets set for the different measures and the mid-term evaluation referred to in section 13.14.2;
- it shall consider and approve the annual and final implementation reports before they are sent to the Commission;
- it shall consider and approve proposals to amend the contents of the approved Programme;
- it may propose to the Managing Authority adjustments or review of the Programme and Programme Complement in order to help attain the Programme objectives, or to improve the management of the Programme, including financial management.
- It shall ensure that computer systems will be set up to gather reliable financial and statistical information on implementation. They will keep records and provide common information for all projects.

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.

Working Groups

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 the Technical Assistance Measure TA.2 of the Operational Programme.

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.

In Northern Ireland the managing authority will be assisted by a *Co-ordination Steering Group* which will take an overview of the progress on full co-ordination of the different interventions in the region between the CSF and its Operational Programmes and recommend any necessary change and development. The Co-ordination Steering Group will be co-chaired by Department of Finance and Personnel and the Special EU Programmes Body in their roles as managing authorities and will include the European Commission Representation in Northern Ireland and the Northern Ireland Centre in Europe as advisors. The Group will report on this periodically to the Monitoring Committees and maintain strong liaison arrangements with the paying authorities and the delivery

mechanisms. The Department of Finance (Dublin) will be consulted about any proposed recommendations regarding the PEACE II Programme which may have an impact on the Border Regions.

Information and Publicity

Information and Publicity Measures to be carried out by the Member States concerning assistance from the Structural Funds shall conform to the provisions of Article 46 of Council Regulation (EC) No 1260/99 and the Commission Regulation on information and publicity Measures to be carried out by the Member States concerning assistance from the Structural Funds.

The enabling Commission Regulation puts forward a common methodology and approach for persons responsible for carrying out information and publicity measures which takes account of the specific situation of each Member State. The Managing Authority is responsible for implementing the programme and will be responsible for publicity. Publicity will be carried out in co-operation with the European Commission and the Member States, which will be informed of Measures taken for this purpose.

The information and publicity measures put in place will be presented in a structured form ("communication plan"), clearly setting out the aims and target groups, the content and strategy of the Measures and an indicative budget. The communication plan will be set out in the programming complement in accordance with Article 18(3)(d).

The amounts set aside for information and publicity are specified in the Technical Assistance Measures.

13.5. FINANCIAL MANAGEMENT

13.5.1. Border Region – (Ireland)

Transparency of financial flows

Without prejudice to the Commission's responsibility for implementing the general budget of the European Communities, Ireland shall take responsibility in the first instance for the financial control of assistance on its territory.

Role of Implementing Bodies

The Implementing Bodies for each Measure are specified in the Programme and in the Programme Complement in such cases, the Managing Authority shall delegate part of its functions in relation to management of EU co-financed expenditure to these Implementing Bodies providing it is assured that sound financial management systems are in place. In that event, the delegated function of Implementing Body and normal functions of a given organisation will be carried out by separate Sections/Units within

this organisation. The Implementing Bodies will be responsible for submitting eligible expenditure in the format (both electronic and hard copy) required by the Paying Authority to the Managing Authority in order for payment claims to be prepared for submission to the Paying Authority.

The Implementing Bodies will be responsible for ensuring that all payment claims for Structural Fund expenditure submitted by the final beneficiary are supported with receipted invoices, audit documents and that a clear audit trail exists. They will also be responsible to ensure that only eligible expenditure actually incurred, in respect of co-financed measures/projects, is submitted to the Managing Authority. The Implementing Body is responsible for certification of all expenditure incurred by final beneficiaries.

Verification checks

It will be the responsibility of the Managing Authority or Implementing body which may be delegated this function on its behalf to ensure that control checks are carried out on at least 5% of expenditure transactions in accordance with Commission Regulation 438/2001). These controls will be carried out by units that are independent of the management function.

Reporting of irregularities

The nominated Implementing Bodies are responsible for investigating and drawing up reports on any alleged irregularities. These are then forwarded to the SEUPB, which as the Managing Authority is responsible for notifying without delay, any alleged irregularities, in application of Article 38(1)(e) of the General Regulation on Structural Funds, to the Department of Finance who is responsible for submitting the quarterly returns to the Commission together with details of follow-up actions in accordance with Regulation 1681/94.

Independent Audit Requirements

The system-based audits of EU co-financed expenditure required under Article 10(1)(a) Commission Regulation 438/2001 will be performed by an Internal Audit Unit at each level in the cascade of bodies - Implementing Body, Managing Authority and Paying Authority - which will be independent of the Sections/Units within those bodies responsible for the management and payment of the Structural Funds Assistance.

Financial Control Units established for each Structural Fund team will be responsible for random audit checks of Fund related expenditure. These Control Units may also examine financial management, control and system procedures within Departments, Implementing Agencies and final beneficiaries.

When the Structural Funds Assistance is wound up the Head of the appropriate Internal Audit Unit of the relevant Paying Authority will be responsible for presenting to the Commission a declaration summarising the conclusions of the checks carried out during previous years and shall assess the validity of the application for payment of the final balance and the legality and regularity of the transactions covered by the final certificate of expenditure (Article 38(1)(f) of the regulation).

13.5.2.Northern Ireland (UK)

Transparency of Financial Flows

In the UK, 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 the UK's own public expenditure. The basic principles of the UK 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 his or her control; and
- a statutory basis for all expenditure, whether from National or EC source.

Detailed provisions for handling transactions are contained in the procedural guide "Government Accounting in Northern Ireland (GANI)".

A feature of the UK public sector financial management and control is the obligatory requirement to submit all public expenditure operations to periodic audits. This covers both the financial systems in operation and an annual audit of specific payments made by the Member State. Financial control is further maintained through the separation of duties between those responsible for the certifying and authorising of payment claims, to safeguard against the possibility of personal involvement in a project, or of fraud.

Payments from the Commission in respect of operations part-financed by the Structural Funds will be received in a Treasury Account at the Bank of England, where they are converted into sterling and subsequently transferred via the Northern Ireland Office to DFP's PMG Account, where each fund is separately identified, in specific sub-accounts.

This is consistent with the standards of financial control applied to national expenditure.

In accordance with Article 32(1), the Paying 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.

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.

Section 13.3.3 highlights the Government Departments who will act as Paying Authorities. Each Department is responsible for the following financial management and control arrangements for respective funding.

All monies from the European Union are treated in the same way as domestic funding for the purposes of financial management and control, as well as being subject to EU Regulations. In line with the Handbook on Government Accounting NI (GANI), DFP will produce a Structural Funds Manual which will set out the main aspects of UK Structural Funds administration so there is a consistency of treatment both within and between Departments, and other Implementing Bodies. This manual will be made available to all bodies involved in the Implementation of the two Operational Programmes.

Each Paying Authority accesses relevant funding held in specific sub-accounts, within the PMG Account, which have been sent from the Commission in the form of advances, interim and final payments.

Role of Implementing Bodies

The nominated Implementing Bodies issue offers of grants and receive payment claims from the final recipients to which they have issued offers. All payment claims are backed up by invoices or other accounting documents.

For this Programme, the Implementing Bodies are also defined as final beneficiaries.

The nominated Implementing Bodies check the payment claims against the offer of grant and the project papers, and ensure consistency with the performance targets set and eligibility. If acceptable, they authorise and pay out grants on the basis of eligible expenditure incurred. Wherever they are executed by the same organisation the functions of checking, authorisation and payments are separated within the Implementing Bodies.

The Paying Authorities draw up and certify the payment applications for the Structural Funds to the Commission based on the approved payment claims received from the final beneficiaries. These payment applications will be in €, the conversion from sterling being in accordance with the regulatory requirement.

Verification Checks

The nominated Managing Authority is responsible for overseeing the establishment of appropriate arrangements to ensure that the 5% verification checks are undertaken on total eligible expenditure across the Programme in accordance with EC Regulation 2064/97 and further regulations that will come into force during the period of the structural funds assistance. In determining these arrangements, it will be ensured that appropriate separation of tasks is in place to demonstrate the independence of these checks, *i.e.* those carrying out the checks will be clearly independent from those implementing the actions under the Programme and from those involved in payment procedures.

The actions of the bodies carrying out the verification checks are subject to scrutiny by independent Internal Audit Units.

Details of the arrangements for management information and financial flows are set out in flowcharts at Annex 9.

Reporting of irregularities

The nominated Implementing Bodies are responsible for investigating and drawing up reports on any alleged irregularities. These are then forwarded to the SEUPB, which as the Managing Authority is responsible for notifying without delay, any alleged irregularities, in application of Article 38(1)(3) of the General Regulation on Structural Funds, to Department of Trade and Industry, via the NI Department of finance and Personnel, who is responsible for submitting the quarterly returns to the Commission together with details of follow-up actions in accordance with Regulation 1681/94.

Independent Audit Requirements

The Internal Audit Units of Departments with responsibility for ERDF, ESF, EAGGF and FIFG expenditure, undertake audits of the management and control systems implemented by their Department and provide a declaration with regard to their Department's expenditure at final payment application stage. The Internal Audit Units of DFP, DHFETE and DARD also act as co-ordinators for the declarations from other Departments with regard to the provision of the assurance for ERDF, ESF and FIFG/EAGGF respectively. This assurance will relate to the extent to which Departments have provided for and implemented the

regulatory financial management and control requirements as determined during audit visits. The various Internal Audit Units act in a joint way to maximise effectiveness and consistency, and eliminate duplication.

13.6. USE OF EURO AND CONVERSION RATES

In accordance with Article 33, all commitments and payments are made in €. Statements of expenditure have also to be made in €. Since the UK does not have the € as its national currency, amounts of expenditure incurred, will be converted into € by applying the rate in force on the last but one working day at the Commission in the month preceding the month during which the expenditure was recorded in the accounts of the Paying Authority.

13.7. FINANCIAL IMPLEMENTATION (UK AND IRELAND)

Financial Contributions by the Funds

In accordance with Article 28(1), 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 or Community Initiative. An operation financed by a Fund under the Programme or a Community Initiative may not be simultaneously financed under the EAGGF Guarantee Section.

In accordance with Article 28(2), the contribution of the Funds must be consistent with the financial plan laid down in the decision approving the respective CSF for Ireland and Northern Ireland.

In accordance with Article 28(2), the contribution of the Funds shall principally take the form of non-repayable direct assistance (hereafter referred to as 'direct assistance'), as well as other forms, such as Article 28(3) repayable assistance, an interest-rate subsidy, a guarantee, an equity holding, a venture capital holding or another form of assistance.

Assistance repaid to the managing authority shall be reallocated to the same purpose.

Differentiation of Rates of Contribution

In accordance with Articles 29(3) and 29(4), the contribution of the Funds shall be subject to the following ceilings:

- a maximum of 75% of the total eligible cost, and at least 50% of the eligible public expenditure;
- in the case of investments in infrastructure generating substantial net revenue, 40% of the total eligible cost;
- in the case of investments in firms, 35% of the total eligible cost. This rate may be increased, in the case of investments in small and medium-sized undertakings for forms of finance other than direct

assistance, provided that this increase does not exceed 10% of the total eligible cost.

In the case of investments in firms, the contribution of the funds shall comply with the ceilings on the rate of aid and on contributions of aid set in the field of State Aids.

13.8. COMMUNITY BUDGET COMMITMENTS

General

In accordance with Article 31(1) and 31(2), the Community budget commitments are made on the basis of the decision approving the OP for Ireland and Northern Ireland. 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.

Decommitments

In accordance with Article 31(2), 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. The contribution from the Funds will be reduced by that amount.

In other terms, at the end of 2003 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. Similarly, at the end of 2003, the Commission will decommit any part of the second year commitment, less any payment on account if this is split over two years, for which it has not received an acceptable payment application. For subsequent years there can be no payment on account, and therefore the Commission will decommit any part of a commitment which has not been the subject of an acceptable payment claim. 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 deadline for the transmission of the final report referred to in Section [13.11.2] (end of June 2007).

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, 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 paying authority whenever there is a risk of application of an automatic decommitment as referred to above.

13.9. PAYMENTS

Payments at EU Level

Following provisions of Article 32, payments by the Commission of the contribution from the Funds shall be made, in accordance with the corresponding budget commitments, to the paying authority (defined in Section 13.3.3).

Payment may take the form of: payments on account; interim payments; payments of the final balance.

1. **Payments on Account**

In accordance with Article 32(2), the Commission will pay to the paying authority 7% of the total contribution from the Funds to the present Programme. In principle, the payment on account may be subdivided over two budget years at most, depending on the availability of budget funds.

In accordance with Article 32(2), 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 18 months of the decision approving the OP.

2. **Interim Payments**

In accordance with Article 32(2) and 32(3), 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 Paying Authority, to reimburse expenditure paid to end beneficiaries. These further payments are subject to the following conditions:

- Programme Complement, containing the information specified, submitted on time to the Commission;
- Latest annual implementation report, containing the information specified, forwarded to the Commission;
- Mid-term evaluation of the Programme, when due, submitted to the Commission.

The Member State will, as far as possible, present applications for interim payments to the Commission in batches three times a year. The last application should be presented no later than 31 October. As required by Article 32(7), the Member State 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.

3. **Payments of the Final Balance**

The final balance of the assistance will be paid if:

- within six months of the deadline laid down by the decision approving the OP, the paying authority submits to the Commission a certified statement of expenditure actually paid out;

- the final report, containing the information specified, has been forwarded to and approved by the Commission; and
- in accordance with Article 38(1)(f), the Member State has presented to the Commission a declaration drawn up by an independent person or Department, the content of which is specified in Regulation 438/2001.

As set out in Article 32(5), the final payment may no longer be corrected at the request of the Member State if the paying authority has not forwarded an application to the Commission within 9 months from the date of transfer of the final balance.

Payments by the Member State

In accordance with Article 32(1), the paying 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.

Payments on Account

In accordance with Article 32(2), throughout the lifetime of assistance, the paying authority shall use the payment on account to pay the Community contribution to expenditure relating to the assistance.

Declaration of Expenditure

In accordance with Article 32(2) and 32(3), interim payments and payment of the final balance must correspond to payments effected by the final beneficiaries, supported by receipted invoices or accounting documents of equivalent probative value. This constitutes the declaration of expenditure.

Payments will be calculated at the level of Measures contained in the financing plan of the Programme Complement. In order to demonstrate the link between the financing plan and expenditure actually paid out, the declaration of expenditure should present financial information in the following manner:

- broken down by year;
- broken down by Priority and Measure;
- distinguishing for each priority between expenditure made in areas receiving full and transitional support.

13.10. MAJOR PROJECTS

As part of the programme, the Structural Funds may finance expenditure in respect of major projects, as defined in Article 25, *i.e.* those:

- which comprise an economically indivisible series of works fulfilling a precise technical function and which have clearly identified aims; and

- whose total cost taken into account in determining the contribution of the Funds exceeds € 50 million.

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 26. To this end a standard application form to assist Managing Authority in the submission of the necessary information for major projects has been prepared by the Commission.

The Managing Authority will ensure that a cost-benefit analysis, referred to in Article 26, 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, in the light of the following factors:

- the type of investment planned and, where applicable, the revenue expected;
- the results of the cost-benefit analysis;
- the results of the evaluation of the impact on the environment;
- consistency with the priorities of the Programme;
- compliance with other community policies;
- the expected economic and social benefits particularly in terms of employment, having regard to the financial resources deployed;
- the co-ordination of the financial instruments and the combination of grants and loans;

Within two months of receipt of the information referred to above (or three months where consultation of the EIB proves necessary), 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.

Separate notification pursuant to Article 88 of the EC Treaty is required for large investment projects meeting the criteria of the multi-sectoral framework on regional aid for large investment projects.

13.11. GLOBAL GRANTS

In accordance with Article 27 of the Structural Funds General Regulation (EC) No 1260/99 and section 12.4 of the Northern Ireland CSF, the Managing Authority, in agreement with the Northern Ireland and Irish authorities, shall entrust to the non-government implementing bodies of the Programme (*i.e.* IFBs, Local Strategy Partnerships and County Council-led Task Forces) the implementation and management of part of

the Programme. This part is referred to as “global grant” as defined in Article 9(i) of the Structural Funds General Regulation.

Detailed requirements shall be part of the procedures agreed between the Managing Authority and each Implementing Body, in agreement with the relevant Accountable Departments representing the Member State. These arrangements shall include:

- the Measures or activities to be financed with their aims and objectives, quantified as far as possible, consistent with the Programmes specific objectives and process;
- the criteria for choosing projects (within the framework of Section 3.6);
- the managing, paying and control procedures to be applied;
- the conditions and rates of assistance from the Funds, including the use of any interest accruing;
- the arrangements for monitoring and evaluating the global grant, consistent with the Programmes arrangements on these matters;
- any use where applicable, of a bank guarantee (in which case the Commission will be informed by the Managing Authority);
- the financial plan; and
- time-table for implementation.

13.12. IMPLEMENTATION REPORTS

Annual report

In accordance with Article 37, the Managing Authority submits to the Commission within six months of the end of each full calendar year of implementation an annual implementation report. The first report will be due by 30 June 2002.

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 two months if the report is considered unsatisfactory, giving its reasons; otherwise, the report shall be deemed to be accepted.

The Annual Report shall include the following information:

- Any change in general conditions which is of relevance to the implementation of the programmes, in particular the main socio-economic trends, changes in national, regional or sectoral policies or in the frame of reference (*i.e.* the document which sets the context for assistance concerning employment and human resource development throughout the Member States’ territories), and, where applicable, their implications for the mutual consistency of assistance from the different Funds and consistency between Fund assistance and that from other financial instruments;
- The progress in implementation of priorities and measures for each of the Funds in relation to their specific targets, with a

quantification, wherever and whenever they lend themselves to quantification, of the physical indicators and indicators of results and of impact referred to in Article 36 at the appropriate level (priority or measure);

- The financial implementation of the programme summarising for each measure the total expenditure actually paid out by the paying authority and a record of the total payments received from the Commission and quantifying the financial indicators referred to in Article 36(2)(c).
- The steps taken by the managing authority to ensure the quality and effectiveness of implementation, in particular:
 - monitoring, financial control and evaluation measures, including data collection arrangements;
 - a summary of any significant problems encountered in managing the programme and any measures taken, including action on recommendations for adjustments made following the review between the Commission and the Member State or requests for corrective Measures;
 - the use made of Technical Assistance; and
 - the Measures taken to ensure publicity for the Programme.
- The steps taken to ensure compatibility with Community policies and to ensure co-ordination of all the Community Structural Assistance, having regard to the frame of reference and rural development and fishery structures.
- A separate section, where appropriate, on the progress and financing of major projects and global grants.

Final Report

A final report will be submitted to the Commission at the latest six 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 five months from receipt of the report.

13.13. ANNUAL IMPLEMENTATION REVIEW

In accordance with Article 34(2), every year, when the annual implementation report is submitted, the Commission and the Managing Authority shall review the main outcomes of the previous year, in accordance with the following arrangements agreed between the Commission and the Member States within six months of the approval of the programme:

After this review, the Commission may make comments to the Member States and the managing authority. The Member States shall inform the Commission of the action taken on these comments. Where in duly

substantiated cases the Commission considers that the measures taken are inadequate, it may make recommendations to the Member States and the managing authority for adjustments aimed at improving the effectiveness of the monitoring or management arrangements for the programme, together with the reasons for any such recommendations. If it receives any such recommendations, the managing authority shall subsequently demonstrate the steps taken to improve the monitoring or management arrangements or it shall explain why such steps have not been taken.

According to Article 32(3), the acting upon the Commission recommendations within the specified time period (or the communications by Member States of the reasons why no measures have been taken), where those recommendations are intended to remedy serious shortcomings in the monitoring or management system which undermine proper financial management of the Programme, is one of the conditions subject to which interim payments shall be made by the Commission.

13.14. MONITORING INDICATORS

According to Article 36, the Managing Authority and the Monitoring Committee will carry out the monitoring by reference to the physical and financial indicators specified in the Operational Programme and in the Programme Complement. These are developed taking into account the indicative methodology and the list of examples of indicators published by the Commission in its Working Paper 3 "Indicators for Monitoring and Evaluation: an Indicative Methodology". The Programme is expected to use the following indicators for monitoring:

- the indicators relate to the specific character of the Programme, its objectives and the socio-economic, structural and environmental situation of Northern Ireland;
- the indicators will show the specific targets, quantified where they lend themselves to quantification, for the measures and priorities and their mutual consistency;
- the stage reached in the Programme in terms of physical implementation, results and, as soon as practicable, its impact at the appropriate level (priority or measure).

Categorisation of Fields of Intervention

In accordance with Article 36, the Commission has drawn up a proposed list of categories of fields of intervention of the Structural Funds in order to assist with the tasks relating to the reporting on the activities of the Structural Funds.

The list will also facilitate follow-up and monitoring and provide solid foundations on which to base the evaluations. The Programme Complement will show the link between each measure in the Programme and the corresponding category in the list. The annual implementation reports should also show the link.

Annual Monitoring Business Plan

As well as the review mechanism to be operated under Article 37, it is agreed that there will be supplementary arrangements made to enable the Programme Monitoring Committee to satisfy itself that projects are coming forward as quickly as anticipated; and if they are actually producing the projected outputs.

The supplementary review will therefore be based upon estimates of commitment and payment each year against each measure, and subsequent reporting of actual outturn in terms of commitments, payments and outputs against targets.

Within 3 months of the end of 2001, the Programme Monitoring Committee will receive and consider a report:

- on actual progress during the first period of implementation. This will be accompanied by a list of the estimated projects/targets for the year 2002; and
- the process will be repeated at the end of each calendar year of the Programme's implementation.

In this way, the Programme Monitoring Committee will be able to assess the extent to which projects are coming forward to the Programme as expected, and if they are on course to achieve the Programme objectives.

13.15. EVALUATION

General Provisions

In order to gauge its effectiveness, Community Structural Assistance will be subject to an ex-ante, mid-term and ex-post evaluation.

An evaluation steering group for all ESF in the UK has been established for the 2000-2006 programming period. This group will agree a common framework for the evaluation of ESF, which will seek to ensure that comparable information is gathered to assess the impact of ESF with reference to the NAP; the group will also commission research so that lessons can be learnt and good practice identified, with a particular focus on the horizontal issues. The evaluation of ESF activity in the Programme will be carried out in line with the common framework. Evaluations will be consistent with the principles and institutional arrangements set out in the CSF for Northern Ireland 2000-2006 and the National Development Plan for Ireland 2000-2006.

Mid-term Evaluation

In accordance with Article 42, the mid-term evaluation will be carried out under responsibility of the Managing Authority in co-operation with the Commission.

This mid-term evaluation will examine, in the light of the ex-ante evaluation, the initial results of the Programme.

It will be carried out by an independent assessor, be submitted to the Programme Monitoring Committee and sent to the Commission no later than 31 December 2003, with a view to re-examining the Programme and if necessary adapting it at the initiative of the Managing Authority and the Member States. The Commission will examine the relevance and quality of the evaluation on the basis of criteria established beforehand by the Commission and the Member States in partnership, with a view to review the assistance and allocate the performance reserve.

Independent assessors will be required to observe confidentiality when dealing with the Monitoring Committee's data to which they have access.

Ex-post Evaluation

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 and 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 three years after the end of the Programming period.

13.16. ELECTRONIC DATA EXCHANGE

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. Information will be collected and codified at project level for the Operational Programme.

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 Paying Authorities, as appropriate. The frequency of electronic transmission will conform to the management requirements as agreed between the Commission, the Finance Departments and the Managing Authority.

In respect to Northern Ireland, the system is expected to be operational by December 2001, however, interim arrangements as agreed between the UK authorities and the Commission will be implemented in the interval.

Financial information will be collected at project level by Measure leading bodies and aggregated to the upper operational levels for the Operational Programme and at the level of the CSF.

13.17. REPORTING

The standardised financial tables as presented in the CSF and the OPs are cores of the information to be delivered to the Commission.

The Managing and Paying Authorities will forward reports to the Commission using electronic means. The reports will take the form of structured files according to detailed specifications provided by the Commission. The plan drawn up by the Managing Authority will include the time-scale for the software development and the target dates for the operational data exchange (including the testing phases).

The frequency for the delivery of the financial reports shall be 3 times per year. For practical purposes, payment requests should be grouped as far as possible 3 times per year with the last request being submitted no later than 31 October each year. Payment applications shall relate to expenditure incurred within the same period for all the funds.

13.18. RULES AND CONVENTIONS

Numbering conventions will be respected in order to assure compatibility with the electronic data exchange requirements and the structure of the financial plans has to be designed according to a hierarchical tree structure composed of several operational levels. Full details will be set out at the Programme Complement stage.

13.19. TECHNICAL ASSISTANCE

An enabling Commission regulation lays down detailed rules for the implementation of Council Regulation 1260/1999 as regards eligibility of expenditure of operations co-financed by the Structural Funds.

According to Rule 11 on "Costs incurred in managing and implementing the Structural Funds", Technical Assistance can be used under point 2 of this Rule to co-finance expenditure incurred for management, implementation and control expenditure under certain conditions. The implementation of this point has to be agreed between the Commission and the Member States and is laid down in the Chapter on Technical Assistance. For the purposes of monitoring, the costs made available under point 2 are the subject of a specific measure within Technical Assistance.

Each of the Operational Programmes will provide for Technical Assistance to cover costs of management and monitoring, control, information and publicity as well as Mid-term Evaluation of the Operational Programme. Technical Assistance can also be used to co-finance other actions, for example studies, seminars, information and evaluation.

In Northern Ireland, on a pro-rata basis Technical Assistance measures of the two Northern Ireland Operational Programmes will also separately provide for:

- the administration costs of the NI CSF and its working groups;
- all evaluations commissioned by the NI CSF; and
- information and publicity for the NI CSF.

13.20. COMPLIANCE WITH COMMUNITY POLICIES

Under Article 12 of Commission Regulation No 1260/99, Measures financed by the Structural Funds must comply with the provision of the Treaties, with the instruments adopted pursuant thereto and with community policies. This compliance is verified in the examination of requests for funding as well as during the implementation of Measures.

The PEACE II Programme will be delivered in full compliance with Community policies.

The main policies relevant to the Programme are:

- Competition Policy, in relation to the provisions of Articles 92 and 93 of the EC Treaty, the rules on State Aids and on the provision of aids to certain industrial sectors (steel, shipbuilding and repair, synthetic fibres and motor vehicles), on the provision of aid to employment, aid to enterprises and SMEs;
- Public Procurement, in relation to publication in the Official Journal of notices of contracts in respect of which Community assistance has been applied for or granted;
- Protection of the Environment, by abiding by the principles and objectives of sustainable development, by complying with Commission legislation and by giving weight to environmental costs and benefits in selecting projects for support under the programme. Where required by Community legislation or where appropriate for other reasons, environmental impact assessments will be made;
- Equal Opportunities for Men and Women, in accordance with the Structural Funds Regulations and wider Commission policies, priority will be given to projects which advance equal opportunities for men and women in areas such as access to employment, the terms and conditions of employment, access to business services and facilities and the reconciliation of professional and family life for women and men. Monitoring and evaluation indicators include,

where appropriate, provision for separate data in relation to men and women; and

- Other Community Policies, the Programme will also advance other important community policies, including the effective implementation of the Single European Market, the Common Agricultural and Fisheries Policies, policies on social exclusion, policies on equality of opportunity (including equal opportunities for disabled persons), industrial policy, policies in favour of SMEs and the craft sector and policies concerned with energy, transport, telecommunications, information technologies, trans-European networks and research and development. Action will be taken to put in place an effective communications strategy under the Programme.

13.20.1. Treatment of Aid Schemes

In accordance with Articles 9(m), 18.2(b) and 19.3(b) the Operational Programmes will contain a summary description of the measures planned to implement the priorities, including the information needed to check compliance with state aid pursuant to Article 87 of the Treaty.

No State Aids will be used to implement any of the Measures contained in the Operational Programme. In the unlikely event of any State Aids being included in the future, in order to fulfil the requirements of the above regulation, the Managing Authority will provide a list of state aids by measure, according to the format requested by the Commission.

As a general rule, the list referred to above will cover all state aids already notified and approved by the Commission and which shall be co-financed by the various measures of the programmes.

Besides state aid already notified and approved, state aids or ad hoc aid granted under the measures will be either compatible with the de minimis rule or will be applied, when adopted, under an exemption regulation in accordance with Council Regulation No 994/98 of 07.05.1998 (O.J.E.C. L 142 of 14.05.1998).

Any new aid schemes and new notifiable ad hoc grants not foreseen in the initial decision approving the Operational Programme, will be notified to the Commission.

Priority	Title of the State Aid Scheme or Ad Hoc State Aid		State Aid Number	Approval Letter Reference	Scheme Duration
	Northern Ireland	Border Region			
Priority 1					
All Measures	N/A	N/A			
Priority 2	N/A	N/A			

All Measures					
Priority 3					
All Measures	N/A	N/A			
Priority 4					
All Measures	N/A	N/A			
Priority 5					
All Measures	N/A	N/A			
Technical Assistance					
All Measures	N/A	N/A			

De minimis

Aid which complies with the conditions as defined in the Commission Communication 96/C68/06 on "de minimis" rules need not be notified and does not require prior approval. The ceiling for aid covered by the "de minimis" rule is € 100,000 over a three-year period beginning when the first "de minimis" aid is granted. The method of calculating the cash grant equivalent of aid received in forms other than grant is explained in the letter sent to Member States on 23 March 1993 by the Commission. The ceiling applies to the total of all public assistance considered to be "de minimis" aid and will not affect the possibility of the recipient obtaining other aid under schemes approved by the Commission. This ceiling applies to all kinds, irrespective of the form it takes or the objective pursued, with the exception of export aid, which is excluded from the benefit of the "de minimis" rule. The public assistance which is allowed up to the € 100,000 ceiling comprises all aid granted by the national, regional or local authorities, regardless whether the resources are provided from domestic sources or are part-financed by the European Union. The Managing Authority must establish an adequate machinery to ensure that for the same recipient of aid under separate measures, all of which are covered by the "de minimis" rule, the total amount of aid does not exceed € 100,000 over a period of three years.

The "de minimis" rule does not apply to state aid relating to agricultural products listed in Annex I of the EC Treaty.

Block Exemptions

By Council Regulation No 994/98 of 7 May 1998, the Commission has been enabled for the first time to adopt regulations declaring certain categories of State Aid compatible with the common market and exempting them from the notification requirements laid down in Article 88(3) of the EC Treaty. At the same time, this regulation has provided a legal basis for the "de minimis" rule.

Guidelines and frameworks from the Commission have during recent years governed the categories covered by the future block exemption regulations. These will be abolished once the block exemption regulations will have been adopted.

Three draft block exemptions are being prepared. These are the following:

- “*De minimis*” (see above);
- Small and Medium-Sized Enterprises (SMEs); and
- Training Aid.

Until block exemptions on SMEs and training aid are adopted, notification will be required.

Specific Sectors

Specific obligations as regards notification apply to aid granted in certain industrial sectors:

- Steel
- Coal
- Shipbuilding and repair
- Synthetic fibres
- Motor vehicle Industry
- Transport
- Agriculture
- Fisheries and Aquaculture

Employment Aid

In the field of employment aids the guidelines on aid to employment 95/C 334/04 which specify the scope of Articles 87 and 88 of the Treaty and clarify the concept of State aid to employment and the notification obligations are applicable.

Regional Aid

As regards maximum aid intensity ceilings, the total amount of public aid, independently of its origin in State resources (central, regional, local authorities) Community funding or combination of both, should not exceed the aid intensity ceiling determined by the map of assisted areas for the UK and Ireland.

Large Investment Projects

As regards large investment projects, pursuant to Article 88(3) of the EC Treaty, any proposal to award regional investment aid within the scope of an approved scheme or ad hoc aid where either of the following criteria are met has to be notified to the Commission:

- the total project cost is at least € 50 million (15 million in the case of projects carried out in the textile and clothing sector), and the

cumulative aid intensity expressed as a percentage of the eligible costs is at least 50% of the regional aid ceiling for large companies in the area concerned and aid per job created or safeguarded amounts to at least € 40,000 (€ 30,000 in the case of projects carried out in the textile and clothing sector); and

- the total aid is at least € 50 million.

13.20.2. Award of Contracts

Implementation of measures part-financed by the Structural Funds must comply with Community requirements as set out in the EC Treaty (Article 12, 28, 43 and 49) and in the Public Procurement Directives (Directives 92/50 - services, 93/36 public supplies, 93/37 - public works as modified by Directive 97/52 implementing the WTO agreement on public procurement within EC law; Directive 93/38 - public procurement contracts in the telecommunications, water, energy and transport sector as modified by Directive 98/4, implementing the WTO public procurement agreement.

In accordance with Article 34(1)(g), notices sent for publications in the Official Journal of the European Communities will specify those projects in respect of which a contribution from the Structural Funds has been applied for or granted.

13.20.3. Fisheries

Structural measures implemented under this CSF in the fisheries sector, in aquaculture and the processing and marketing of fishery and aquaculture products must comply with the common fisheries policy. In particular they are subject to the specific provisions laid down in Council Regulations (EC) N° 1263/99 and N° 2792/99 even if, exceptionally, another Structural Fund other than FIG is asked to contribute.

Measures concerning the development and protection of aquatic resources, aquaculture, fishing port facilities, processing and marketing and inland fishing will contribute to lasting economic benefits from the structural improvement in question, offer an adequate guarantee of technical and economic viability, and in particular will not create surplus production capacity.

Measures for the renewal of the fleet and the modernisation of fishing vessels must comply with the Council's decisions pursuant to Articles 11 of Council Regulation (EEC) No 3760/92 and with the multi-annual guidance programmes for the fishing fleets referred to in Article 4 of Regulation (EC) No 2792/1999 and finally with the provisions of Title II of the latter regulation. To this end, priority will be given to the implementation of measures to adjust fishing effort, particularly those involving the permanent withdrawal of fishing capacity, which constitutes a priority measure in the sector.

13.20.4. Rural Development

The actions and measures co-financed by the Structural funds and other State aid provided must be compatible with the Common Agricultural Policy in all its elements. In this sense there is a need to ensure the consistency of the measures under the present OP with the measures applied under the CAP.

The authorities of the United Kingdom and Ireland do not request an exception as referred to under Article 37(3) of Regulation (EC) No 1257/1999. Accordingly, no support under this Operational Programme will be granted for:

- Measures falling within the scope of support schemes under common market organisations; and
- Measures to support research projects, to promote agricultural products or to eradicate animal diseases.

The levels of grant assistance offered under EAGGF co-funded measures in this Operational Programme will respect the maximum aid intensities and/or amounts as defined in Council Regulation (EC) No 1257/1999, and in particular those laid down in Articles 28 and 32(2) and the Annex to the Regulation. Detailed information on levels of grant assistance will be provided in the Programming Complement.

The Measures will comply with the Community's Guidelines for State Aid in the agricultural sector. Any support for activities which do not fall within the scope of those Guidelines, and which does not respect the de minimis rule will be notified to the Commission through the normal procedures under Articles 87 to 89 of the Treaty.

Where relevant, and in accordance with Council Regulation (EC) No 1257/1999, measures will respect the minimum standards regarding the environment, hygiene and animal welfare. The Programming Complement will contain further detail, as necessary.

As regards the measures for promoting the adaptation and development of rural areas of Article 33 of Regulation No (EC) 1257/1999, the project selection criteria for these Measures will prohibit the Measures from supporting any project which falls within the scope of any other Measure within Title II of Regulation No (EC) 1257/1999. Full details will be provided in the Programming Complement.

A detailed description, including a financial plan, of the Measures proposed under Article 33 of Council Regulation (EC) 1257/1999 will be provided in the Programme Complement.

The exceptions described in Article 51(2), (3) and (4) and Article 52 of Regulation (EC) No 1257/1999 are not relevant to the Measures proposed under Article 33 of Council Regulation (EC) 1257/1999 and no additional Member State finance beyond the limits of match funding will be provided to 'top up' the Measure.

13.20.5. Environment

In the interests of proper programming of structural spending and at a later stage, proper implementation of Programmes, Member States fulfil their obligations under the Community policies and schemes for protecting and improving the environment, in particular the "Natura 2000" network.

Where this is not the case, the Commission considers that Member States should submit their list of sites to be protected under "Natura 2000", together with the related scientific information, as soon as possible.

The programming documents for these countries (CSFs, SPDs and OPs) must contain clear and irrevocable commitments to guarantee consistency of their programmes with the protection of sites as provided for under "Natura 2000".

An explicit part of such a commitment should be to send in proposed lists under the "Habitats" Directive (Article 4(1)) together with the related scientific information. These lists were due for the end of January 2001.

In line with their commitments and pending presentation of their complete lists, the Member States concerned must also give a formal guarantee that they will not allow sites to be protected under "Natura 2000" to deteriorate during operations part-financed by the Structural Funds. They should also commit themselves to providing the Commission, in their programming documents or at least when presenting their programming complement for each Operational Programme, with information about the steps they have taken to prevent the deterioration of sites to be protected under "Natura 2000".

The Commission will be formally notifying Member States concerned when it is about to take immediate and appropriate action in the event of irregularities concerning the conditions of implementation, in accordance with the General Regulation on the Structural Funds (Regulation (EC) No 1260/99) or the Regulation on the Cohesion Fund (Regulation (EC) No 1164/94), *i.e.* in this case specifically a failure to comply with the commitment to present lists of sites to be protected.

Such appropriate action will include recourse by the Commission to Article 39(2) of the General Regulation on the Structural Funds

or Article D.(2) in Annex II to the Cohesion Fund Regulation (as amended by Regulation (EC) No 1265/1999) regarding the suspension of payments, except where the individual circumstances warrant otherwise and consistent with the principle of proportionality.

As regards actual operations, it is important to note that the Commission will apply Article 12 of the General Regulation on the Structural Funds or Article 8(1) of the Cohesion Fund Regulation on the compatibility of operations with the provisions of the EC Treaty and with Community schemes and the policies.

Infringements of Community legislation will be acted upon under Article 226 of the EC Treaty. The fact that a Member State has committed itself to submitting a list within a stated deadline will have no effect on current infringement proceedings.

Finally, the Commission may introduce individual monitoring of measures taken or envisaged by Member States which are likely to affect sites to be protected under "Natura 2000". The Commission may in particular, in co-operation with the Member State concerned, have recourse to Article 38(2) of the General Regulation on the Structural Funds or Article 12 of the Cohesion Fund Regulation (as amended by Regulation (EC) No 1264/1999) concerning controls on the ground. At meetings of the Monitoring Committee responsible for an assistance package, the Commission representative will pay close attention to any measure or project likely to affect sites to be protected under "Natura 2000" and will make any necessary recommendations to the management authority concerned. The Commission will also consider carefully all complaints that may be notified to it.

Polluter Pays Principle

The application of the Polluter Pays Principle will have regard to the Commission Technical Paper 1 on the same subject. In relation to the disposal of waste, waste charges will apply in accordance with the polluter pays principle as set out in Article 15 of the Waste Framework Directive 75/442/EEC.

Environmental Impact Assessment

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 26, applications for assistance concerning major projects must include information allowing an

evaluation to be made of 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 compliance with the Community rules on the environment.

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.

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);
- 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)

Waste

In relation to waste project Community funding may be used to finance waste infrastructure which is in conformity with up-to-date waste plans prepared for the regions and local authorities concerned in accordance with the requirements of these directives.

Urban Waste Water Treatment Directive

The programming documents for these countries (CSFs, SPDs and OPs) must contain clear and irrevocable commitments to guarantee consistency of their programmes with the protection of sites as provided for under "Natura 2000".

An explicit part of such a commitment should be to send in proposed lists under the "Habitats" Directive (Article 4(1) together with the related scientific information. The UK and the Irish Authorities presented these lists respectively in January 2001 and December 2000. It should be noted that this commitment relates solely to presentation by the Member States of lists at the right geographical level.

In line with their commitments and pending presentation of their lists, the Member States concerned must also give a formal guarantee that they will not allow sites to be protected under "Natura 2000" to deteriorate during operations part-financed by the Structural Funds. They should also commit themselves to providing the Commission, in their programming documents or at least when presenting their programming complement for each Operational Programme, with information about the steps they have taken to prevent the deterioration of sites to be protected under "Natura 2000"

The Commission will be formally notifying Member States concerned when it is about to take immediate and appropriate action in the event of irregularities concerning the conditions of implementation, in accordance with the General Regulation on the Structural Funds (Regulation (EC) No 1260/99) or the Regulation on the Cohesion Fund (Regulation (EC) No 1164/94), *i.e.* in this case specifically a failure to comply with the commitment to present lists of sites to be protected.

Such appropriate action will include recourse by the Commission to Article 39(2) of the General Regulation on the Structural Funds or Article D.2 in Annex II to the Cohesion Fund Regulation (as amended by Regulation (EC) No 1265/1999) regarding the suspension of payments, except where the individual circumstances warrant otherwise and consistent with the principle of proportionality.

As regards actual operations, it is important to note that the Commission will apply Article 12 of the General Regulation on the Structural Funds or Article 8(1) of the Cohesion Fund Regulation on the compatibility of operations with the provisions of the EC Treaty and with Community schemes and the policies.

Infringements of Community legislation will be acted upon under Article 226 of the EC Treaty. The fact that a Member State has committed itself to submitting a list within a stated deadline will have no effect on current infringement proceedings.

In proposing Community funded interventions in urban wastewater treatment, project promoters should make provision for the probability that additional water bodies will be designated as sensitive areas under Article 5 and Annex IIA of Directive 91/271/EEC on Urban Waste Water Treatment.

Small and Medium-Sized Enterprises

The provisions of Commission Recommendation of 3 April 1996 (OJ L 107 of 30.04.1996) concerning the definition of an SME shall apply to the SMEs which benefit from Structural Fund assistance under this programme, without affecting the continuation of aid

schemes approved by the Commission before entry into force of this recommendation.

For the purpose of this programme, SMEs are defined as enterprises which:

- have fewer than 250 employees;
- have either an annual turnover not exceeding € 40 million, or an annual balance-sheet not exceeding € 27 million;
- conform to the criterion of independence (as defined in paragraph 3 of OJ L 107 of 30.04.1996, page 8). Independent enterprises are those, which are not owned as to 25% or more of the capital or the voting rights by one enterprises, or jointly by several enterprises, falling outside the definition of an SME or a small enterprise, whichever may apply. This threshold may be exceeded in the following two cases:
 - if the enterprise is held by public investment corporations, venture capital companies or institutional investors, provided no control is exercised either individually or jointly;
 - if the capital is spread in such a way that it is not possible to determine by whom it is held and if the enterprise declares that it can legitimately presume that it is not owned as to 25% or more by one enterprise, or jointly by several enterprises, falling outside the definition of an SME or a small enterprise, whichever may apply.
- Where it is necessary to distinguish between small and medium-sized enterprises, the "small enterprise" is defined as an enterprise which:
 - has fewer than 50 employees;
 - has either an annual turnover not exceeding € 7 million, or an annual balance-sheet not exceeding € 5 million; and
 - conform to the criterion of independence as defined above

13.20.6. Equal Opportunities

Operations part-financed by the Structural Funds must comply with, and where appropriate contribute to, Community policy and legislation on equal opportunities for men and women. In particular, consideration should be given to opportunities concerning investments and training which facilitate the return to the labour market of people with children.

The appraisal of operations seeking co-financing from Structural Funds and which are not specifically oriented towards the improvements of equal opportunities, should include an assessment as regards their impact of equal opportunities. This should be taken into account for the purposes of modulating the grant rate in accordance with Article 29.

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 in general measures and to the implementation, 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. The Northern Ireland Authorities will therefore need to ensure that consistent data on gender equality and the mainstreaming of gender equal opportunities is gathered.

The annual and final implementation reports will contain a specific chapter describing the actions taken in the framework of the programme in order 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.

Equality of participation in Programme Monitoring Committees, working groups or selection panels shall be encouraged in accordance with the provisions of the Structural Funds Regulation EC 1260/1999.

13.21. AMENDMENTS OF THE OPERATIONAL PROGRAMME

As a general rule, modifications of the Operational Programme must be approved by the Monitoring Committee.

However, any amendments to the decision approving the Operational Programme which does not alter the total Community contribution, can be approved by the Commission in agreement with the Member States, if the modification of the total cost or Community financing to any priority is up to a maximum of 25% of the total Community Contribution to the Operational Programme throughout the programme period or up to € 60 million, whichever is the greater.

Any modification is subject to the availability of funds and must remain compatible with the Commission's budgetary rules. It may entail transfers of resources between the Community Structural Funds and a change in the rate of assistance.

Whenever the amounts of finance are altered, the notification shall be accompanied by the revised financing plan of the Operation Programme.

The Monitoring Committee may in any event propose to the management authority any adjustment or review of the programme likely to make possible the attainment of the Objective set out in Article 1, or to improve the management of programme, including financial management.

Any financial adjustment shall be accompanied by the revised financing plan. Any amendment of the Operational Programme shall be decided by the Commission, in agreement with the Member States, within four months of delivery of the Monitoring Committee's approval.

13.22. ADDITIONALITY

In accordance with the conclusions of the European Council in Berlin and the Structural Funds Regulations, this 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.

ANNEXES

- ANNEX 1: MINISTERIAL FUNCTIONS IN THE NORTHERN IRELAND EXECUTIVE
- ANNEX 2: SOCIO-ECONOMIC REVIEW
- ANNEX 3: LABOUR MARKET ASSESSMENT : RELATIONSHIPS WITH THE CSFs OF NORTHERN IRELAND AND IRELAND
- ANNEX 4 : ENVIRONMENT APPRAISAL
- ANNEX 5: EX-ANTE ASSESSMENT
- ANNEX 6: PRINCIPLES DISTINGUISHING PEACE II FROM THE TRANSITIONAL OBJECTIVE 1 PROGRAMME
- ANNEX 7: TRANSITIONAL ARRANGEMENTS FOR THE ESTABLISHMENT OF NEW LOCAL STRATEGY PARTNERSHIP IN NORTHERN IRELAND
- ANNEX 8: THE PEACE II MONITORING COMMITTEE
- ANNEX 9 : FLOWCHARTS
- ANNEX 10: GENDER MATRIX

OFFICE OF THE FIRST MINISTER AND DEPUTY FIRST MINISTER

Responsible for:

<p>Economic Policy;</p> <p>Liaison with the North/South Ministerial Council;</p> <p>British-Irish Council, British-Irish Intergovernmental Conference, Civic Forum and the Secretary of State for Northern Ireland;</p> <p>International Matters;</p> <p>Community Relations;</p> <p>Honours;</p> <p>Victims;</p> <p>Women's Issues;</p> <p>Public Service Improvement.</p>	<p>Equality;</p> <p>European Affairs;</p> <p>Liaison with the International Fund for Ireland;</p> <p>The Information Service;</p> <p>Public Appointments Policy;</p> <p>Freedom of Information;</p> <p>Nolan Standards;</p> <p>Policy Innovation.</p>
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NORTHERN IRELAND DEPARTMENTS

Enterprise, Trade & Investment	Finance and Personnel	Regional Development	Education	Culture, Arts and Leisure
Responsible for:	Responsible for:	Responsible for:	Responsible for:	Responsible for:
Economic development policy; Industry; IDB and LEDU; Research and development, IRTU; Tourism; Health and Safety Executive; Employment Medical Advisory Service; company regulation; consumer affairs, energy policy; Minerals and Petroleum Unit; NICO; Company training grant schemes, Company Development Programme and Explorers	Finance; European Structural Funds; Personnel; IT and common services; accommodation; Legal services; NI Statistics and Research Agency; Land Registry; Rates Collection Agency; Valuation and Lands Agency; Construction Service; NI Construction Industry Advisory Council; Government Purchasing Agency; Office of Law Reform.	Transport planning; Public transport; Roads; Rail; Ports and Airports; City Visioning; Water; Strategic Planning.	Schools Funding and Administration; Special Education; School Effectiveness; School Planning and Provision; Schools Inspectorate; Pre-school Education; Youth Service; Teachers (numbers and remuneration); Education and Library Boards Appointments.	Arts and Culture; Sport and Leisure; Libraries and Museums; Armagh Planetarium; Ulster Historical Foundation; Inland Waterways; Inland Fisheries; Ordnance Survey; Public Records Office; Language Policy; Lottery Matters; Millennium Events and Companies; Visitor Amenities.

NORTHERN IRELAND DEPARTMENTS

Higher and Further Education, Training and Employment	Social Development	Health, Social Services and Public Safety	Environment	Agriculture and Rural Development
Responsible for:	Responsible for:	Responsible for:	Responsible for:	Responsible for:
<p>Higher Education;</p> <p>Further Education;</p> <p>Vocational Training;</p> <p>Employment Services;</p> <p>Employment Law and Labour Relations;</p> <p>Teacher Training and Teacher Education;</p> <p>Student Support and Post-graduate Awards;</p> <p>Training Grants.</p>	<p>Housing Policy;</p> <p>Northern Ireland Housing Executive;</p> <p>Voluntary Activity;</p> <p>Urban Renewal;</p> <p>Community Sector;</p> <p>Laganside Corporation;</p> <p>Rent Assessment Panel;</p> <p>Housing Benefit Review Boards;</p> <p>Social Security Agency;</p> <p>Child Support Agency;</p> <p>Lands Division;</p> <p>Independent Tribunal Service;</p> <p>Office of the Social Fund Commissioner;</p> <p>Social Legislation.</p>	<p>Health;</p> <p>Social Services;</p> <p>Public Health and Safety;</p> <p>Health Promotion;</p> <p>Fire Authority;</p>	<p>Planning Control;</p> <p>Environmental Heritage;</p> <p>Protection of the Countryside;</p> <p>Waste Management;</p> <p>Pollution Control;</p> <p>Wildlife Protection;</p> <p>Local Government;</p> <p>Sustainable Development;</p> <p>Mineral Resources (Planning Aspects);</p> <p>Driver and Vehicle Testing Agency;</p> <p>Road Safety;</p> <p>Driver and Vehicle Licensing;</p> <p>Transport Licensing and Enforcement.</p>	<p>Food;</p> <p>Farming and Environmental Policy;</p> <p>Agri-food Development;</p> <p>Veterinary Matters;</p> <p>Science Service; Rural Development;</p> <p>Forestry;</p> <p>Sea Fisheries;</p> <p>Rivers.</p>

SOCIO-ECONOMIC REVIEW¹³

Executive Summary

The Northern Ireland economy has performed relatively well over recent years. Compared to the national economy, and also to the European Union (Eur 15), it has experienced higher rates of growth in Gross Domestic Product (GDP) and in industrial output. Unemployment has also declined at a greater rate than for the United Kingdom as a whole.

However Northern Ireland has traditionally lagged behind the United Kingdom economy across a spectrum of economic and social indicators. There is only limited evidence, despite the relatively positive recent performance of the local economy, to indicate that Northern Ireland has been able significantly to reduce its disparities with the national economy.

Consequently, Northern Ireland continues to lag behind the United Kingdom and relative to the UK average experiences:

- a lower level of GDP per head of population;
- a lower level of Gross Value Added per employee in manufacturing industry;
- a lower rate of employment;
- a higher rate of unemployment and in particular long term unemployment;
- lower rates of economic activity;
- lower levels of average earnings and of household income ; and
- a higher dependency on social security benefits as a source of income

In addition, it should be noted that Northern Ireland's GDP per head is still only 81% of the Eur 15 average and that four of the five NUTS 3 level sub-regions of Northern Ireland experience GDP per head at, or below, the Objective 1 threshold of 75% of the Eur 15.

The most distinguishing characteristic of Northern Ireland as a European region does not lie in the economic and social statistics but in the fact that, uniquely, Northern Ireland has experienced 30 years of community conflict. This conflict has had impacts across all levels of society and acted as an additional barrier to the attainment of economic and social cohesion in relation to the rest of the European Union.

Introduction

1. Northern Ireland (NI) is a small, regional economy whose economic cycle and growth path is closely linked to that of the United Kingdom (UK) as a whole. The key economic indices of economic output, employment and unemployment tend to move in synchronisation with those of the UK though, as will be explained below, NI economic trends have tended to parallel rather than to converge upon UK levels.

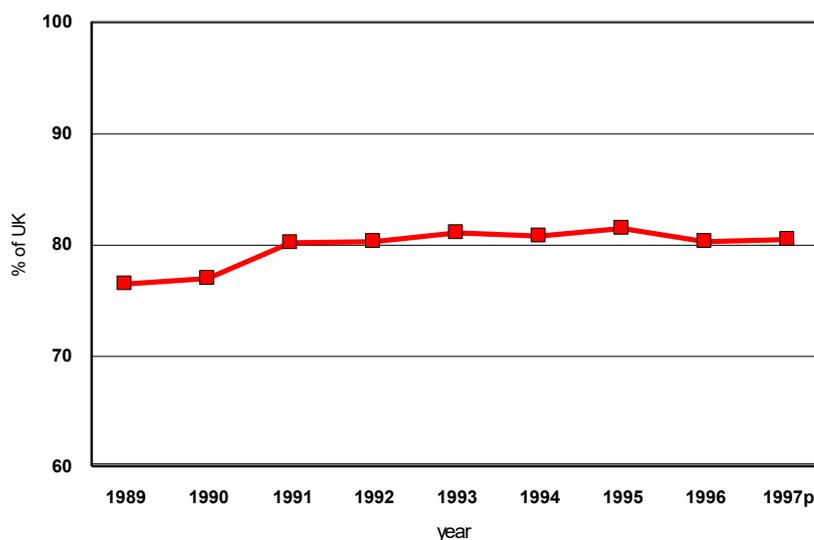
¹³ as reproduced in the Northern Ireland Ex-ante Evaluation. In order to cover the socio-economic review of the Border Region of Ireland, the INTERREG and BMW Programmes' socio-economic reviews will serve, once adopted, as a basis to complete this annex.

2. This close relationship in the trends of the two economies reflects two main factors. Firstly, there are close trading links between NI and the rest of the UK - in terms of manufacturing alone, just over half of NI's external sales are destined for the Great Britain (GB) market. Secondly, as an integral part of the UK economy, NI shares common fiscal, monetary and exchange rate policies. However, there is a significant gap between levels of prosperity in NI and those in the UK so that there are significant exchequer transfers to NI in order to ensure parity of public service provision with the rest of GB.
3. The corollary of the tendency of the NI economy to "track" the overall UK economy in terms of growth is a continued failure to close the gap with or converge with the national economy in terms of most social and economic indicators.

Gross Domestic Production (GDP)

4. Between 1989 and 1997, there was some degree of convergence between the NI and the national economies as NI GDP grew by 67% (in nominal terms) compared to a UK growth rate of 54%. It is generally recognised that the higher growth rate in NI over this period reflects the fact that the region was less severely affected by the recession of the early 1990s. Over the more recent period from 1994-97, UK GDP grew by 17% while NI total GDP growth was 18%, indicating a resumption of the "normal" long-term pattern in the performance of the two economies.
5. Despite the higher nominal growth since 1989, NI's GDP per head remains below that of the rest of the UK and has converged only to a limited extent with the national economy. In 1989, NI GDP per head was 76.4% of the UK. By 1997, NI GDP per head was 80.4% of the UK average (in comparison, Scotland was 95.5%, Wales 82.2% and England 102.2% of the UK average).

Figure 2.1: NI GDP per head as % of UK 1989-1997

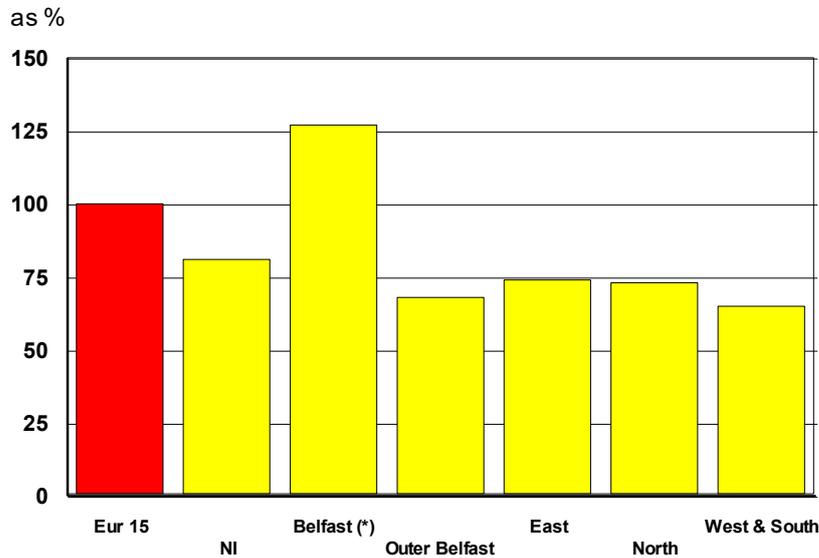


source : ONS

6. NI GDP also lags behind that of the European Union (Eur 15). In 1996, NI GDP per head was 81% of the Eur 15 average. Moreover, 4 of the 5 NUTS III level regions in NI (covering over 80% of the NI population) had levels of GDP

per head at or below the 75% threshold determining eligibility for Objective 1 support from the Structural Funds.

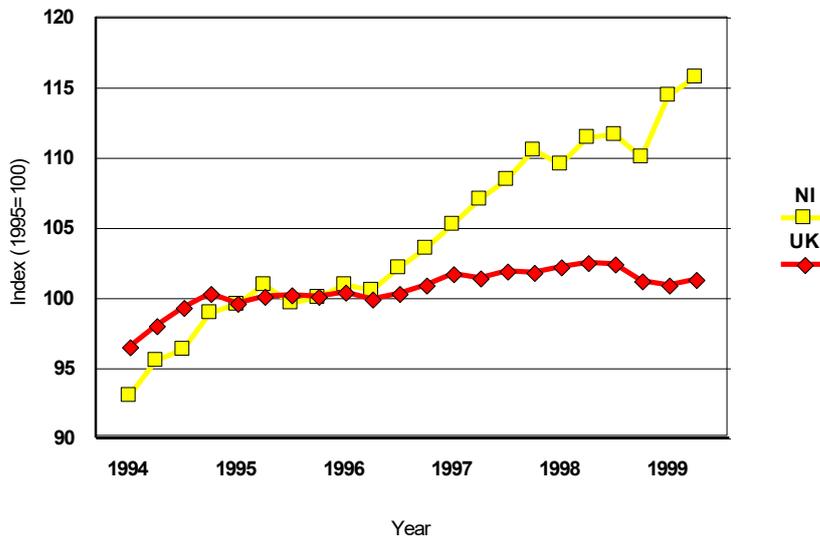
Figure 2.2 : GDP per head as % of Eur 15
Eur 15 = 100



Output

- Output of production and manufacturing industries in NI has held up well relative to the UK over recent years. NI manufacturing output was 21.2% higher in the second quarter of 1999 compared with the same period in 1994. By contrast, UK manufacturing output only increased by 3.4% over the same period

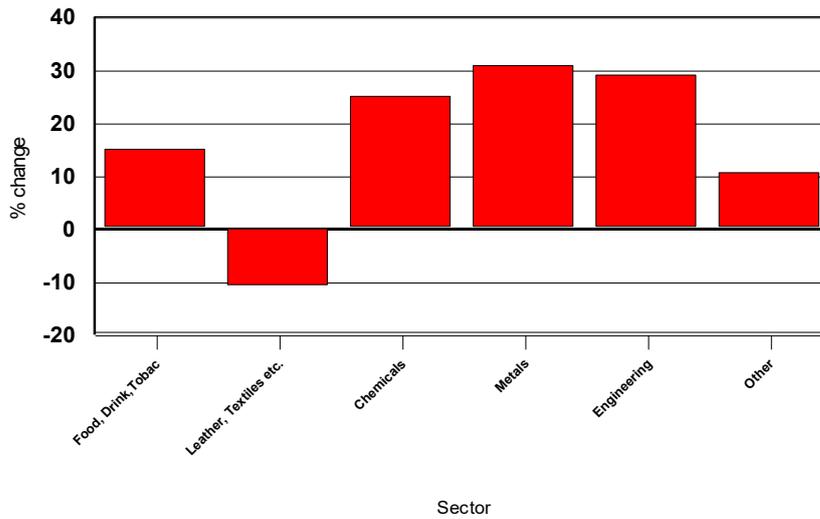
Figure 2.3 : Index of Manufacturing Output, NI and UK



source: ONS, DED

- The overall increase in manufacturing output however masks different performances within the sector. In particular, the leather, textiles and clothing industries have been adversely affected over recent years and output of this sector is now some 11% below its average 1995 level.

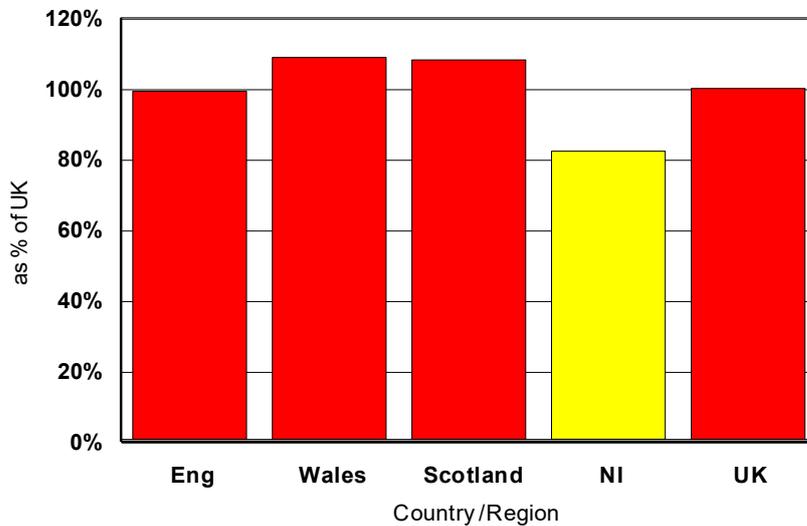
**Figure 2.4 : Manufacturing Output
% change from 1995 to Q2 1999**



source : DED

- Furthermore, despite the recent growth in total manufacturing output, the level of output per head in NI has tended to remain substantially lower than for the UK as a whole. Gross value added per person employed in manufacturing in 1996 was 82% of the UK average and also substantially lower than that of England, Scotland and Wales.

Figure 2.5 : Gross Value Added per person employed, 1996

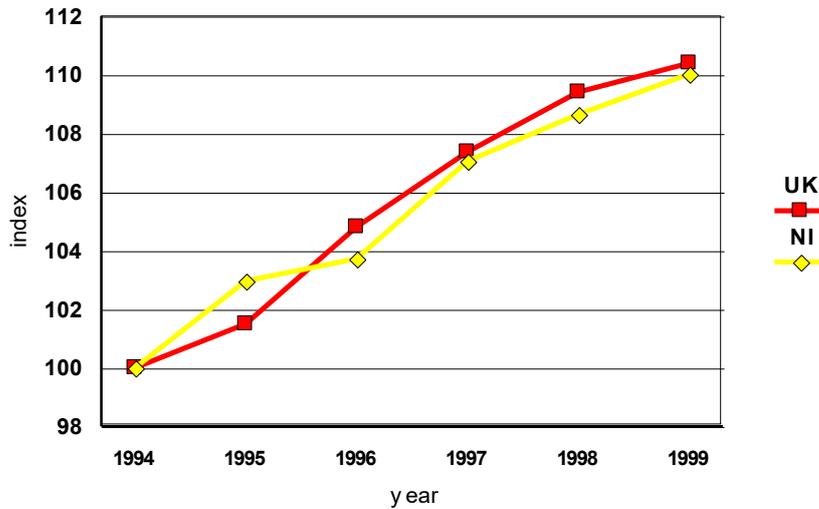


Source: ONS

Employee Jobs

- NI has experienced a sustained period of growth in terms of employee jobs. From 1994-99, the total number of employee jobs has increased by approximately 56,000 - an increase of about 10% over the period. This is broadly similar to the rate of increase in the UK as a whole.

Figure 2.6 : Employee Jobs 1993-1998 : NI and UK
(indexed to 1993 = 100)



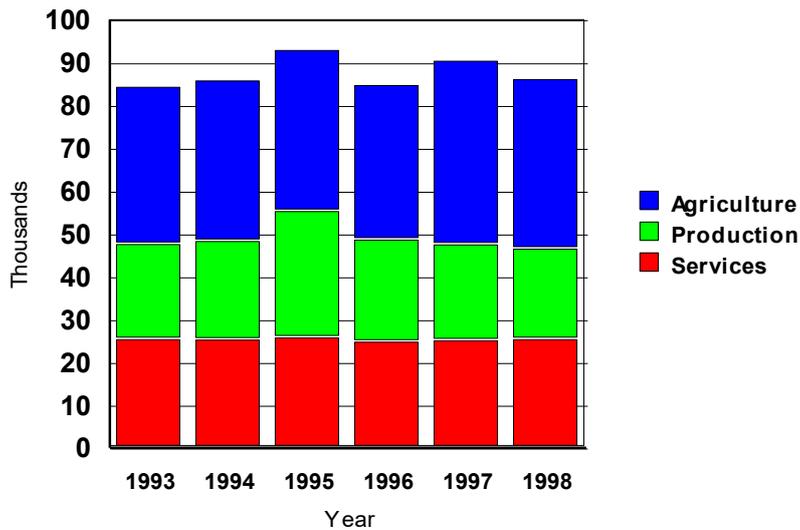
Source: DED, ONS

11. The composition of the overall increase in the level of employment is, however, important. The overall pattern is dominated by an increase in part-time, lower value added jobs, largely in the non-tradeable services. Of the total increase in employee jobs over this period:
- some 85% was in the service sector;
 - over a quarter of the increase was in the wholesale and retail sectors of the economy and a further 15% in hotels and catering; and
 - part-time employment accounted for almost two thirds of the total increase in employee jobs.

Self Employment

12. Over the last decade, there has been a considerable degree of fluctuation in the level of self-employment. This is possibly due to the 1990s recession having a proportionately greater impact on self-employment relative to employee jobs. In 1989, self employment jobs totalled 89,000. By 1994, this figure had declined to 85,700. It has subsequently remained relatively static and now stands at 86,000 (approximately 3.4% below its 1989 level). This compares with a situation for the UK as a whole where the level of UK self-employment has fallen by 7.5% from 1989 to 1998 but increased by 1.1% from 1994-98.

Figure 2.7 : Self Employment NI, 1993-1998



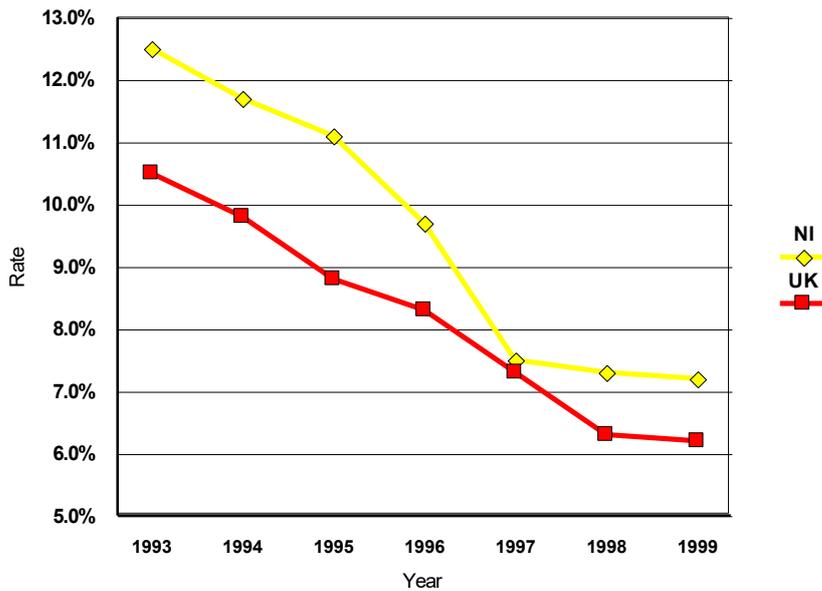
Source: DED

13. Self employment accounts for a slightly greater proportion of workforce jobs in NI (12.2% against 11.8% for the UK). However this figure is somewhat distorted by the relative size of the agriculture sector in NI and the fact that a much larger proportion of the agricultural labour force is self employed. The latter reflects the large number of small, owner-occupied farms on which there are relatively few employees.

Unemployment

14. NI suffers from a rate of unemployment that has been persistently higher than the UK average. One of the underlying causes of this differential has been the higher rate of natural increase in population (births minus deaths) which has created the need for proportionately greater employment creation in the region. Currently (Spring 1999), there are approximately 53,000 unemployed persons (ILO definition) - 7.2% of the economically active - in NI. This compares with a current UK unemployment rate of 6.2%.
15. Over recent years, the rate of unemployment in NI has fallen more sharply than in the UK as a whole. From 1993-99 the NI unemployment rate fell by 5.3 percentage points (from 12.5% to 7.2%). In the UK, the rate has fallen by 4.3 percentage points from 10.5% to 6.2%.

Figure 2.8 : ILO Unemployment rates : NI and UK



16. Nevertheless, unemployment, especially long term unemployment, remains a problem for the local economy. Although the long-term unemployment rate has declined, it still remains (at 54% of the total unemployed) the highest of any of the UK regional economies. This differential persists for longer durations of unemployment. For example, those unemployed for 2 years or more account for 28% of NI's total unemployed but about 17% in the UK as a whole.
17. In addition, unemployment in NI impacts disproportionately on certain groups and geographical areas.
 - the long-term unemployment rate of persons aged 35 and over is much higher than average;
 - a fifth of the unemployed are aged from 18-24 years old; and
 - there are significant spatial variations in the unemployment rate which ranges (1997 figures) from 4.4% for the Outer Belfast Nuts III area to 11.3% for the West and South of NI. The rate for Belfast is 10.4% which itself masks considerable variance within the city - the rate for West Belfast is approximately 16% while for the other areas of Belfast it is of the order of 4 to 5%.

Income

18. Income per head in NI is substantially lower than the UK average. Among other things, this reflects the fact that: there is a lower rate of economic activity and employment in NI; and NI has a greater proportion of its population aged under 16 and over 65, consequently its dependency rate is higher than for the UK.
19. As a result, the composition of household income is substantially different between NI and the rest of the UK. In particular, there is a greater proportion of NI household income derived from social security benefits - in 1997/98, 73% of NI's household income was derived from wages and salaries or from self-employment income. In the UK, the comparable figure was 75%. Conversely,

20% of household income in NI was in the form of social security benefits compared to 13% for the UK as a whole.

20. Correspondingly, the proportion of people in receipt of social security benefits in NI is much higher than for the rest of the UK. The proportions of people on attendance allowance, disability living allowance and incapacity benefits in NI are more than two times higher than in GB. Almost 43 % of households in NI receive child benefit compared to 32% in GB. And almost one person in five over the age of 18 is on income support in NI compared with one in eight in GB.
21. Average earnings of those in work are also lower in NI. In 1999, average gross weekly earnings were 85% of the UK average for men and 90% of the UK average for women. Over the longer term, the earnings gap between NI and the UK has tended to widen for both men and women particularly in non-manual occupations.

The Impact of the “Troubles”

22. The development of the economy of NI has been profoundly affected by the inter-community conflict and associated violence and public disorder which has continued, at varying levels, over most of the last thirty years. This factor is almost without parallel in any other EU region and has been more potent in NI than in any other region.
23. The effects of the conflict have been complex and involve:
 - impacts on the level and structure of public spending;
 - effects on economic re-structuring;
 - labour market impacts.

Public Expenditure Impacts

24. It has been argued that one consequence of the community conflict has been that public expenditure in NI has been higher than would have been the case without the conflict. This is true insofar the conflict has resulted in very high spending on security and prison services as well on measures in health, education and housing intended to deal with and ameliorate problems caused by community division. This “additional” public spending will have helped to sustain incomes in NI and will have created employment directly and through the multiplier. However, this spending, with the exception of education, will have done nothing to strengthen the supply side of the economy and the economy’s capacity for self-sustaining growth. Moreover, to the extent that NI and the rest of the UK have had to maintain high levels of spending on security, fewer resources will have been available for public investment in other areas such as economic infrastructure.

Effects on Re-structuring

25. The ex-ante appraisal sets out evidence of the comparative failure of the NI economy to develop growth sectors and to move away from declining activities. The conflict has been a major factor in preventing structural adjustment though its inhibiting effect on inward investment. Inward investment is a major influence on economic re-structuring both directly and indirectly. The direct effects of inward investment involve the creation of employment and the introduction of new activities. The indirect effects, which can be very potent, involve technology transfer, creation of a new skills base and the development

of supplier companies. These effects have been much more muted in NI than would have been the case had there been no conflict - NI has been notably less successful than other UK regions in attracting such investment while the considerable success of the Republic of Ireland in this respect demonstrates both that the **island** of Ireland is a highly viable location for international businesses and illustrates the powerful effect of such investment on economic development in a small economy.

26. The tourism sector, which has expanded rapidly in international terms, has been very adversely affected by the conflict and is barely one third the size that would be expected given the experience of physically comparable areas such as Scotland and the Republic of Ireland.
27. Less tangibly, it seems likely that the conflict has contributed to a business environment which is insufficiently dynamic and forward looking. The slow pace of structural change has already been commented on while it is also the case that the rate of new business formation is lower in NI than elsewhere in the UK. Division between communities, degraded physical environments and instability - the consequences of conflict - have created a context inimical to economic development.

Conclusions

28. The community conflict in NI has resulted in high levels of public spending and high net transfers of resources from the rest to the UK. However, the income and employment benefits of this expenditure have been of much less economic significance than the seriously adverse effects of the conflict on the restructuring and modernisation of the NI economy.

Most of the preceding analysis has examined NI within the context of its national economy. This reflects the difficulties in obtaining comparable, consistent and timely data on a Eur 15 basis. It is nevertheless useful to review specifically the position of NI as a European region. The European Commission's Sixth Periodic Report on *The Social and Economic Situation and Development of the Regions of the European Union* provides the most recent and comprehensive data across all the regions of the Eur 15. Box 1 below summarises the key trends.

Box 1 - NI as a European Region

Among the key facts to emerge from the comparative data analysis are the following:

- NI GDP per head has increased from 75% of the EU average in 1989 to 81% of the EU average by 1996. Although above the 75% qualifying threshold for Objective 1 funding, a significant gap nevertheless still remains. Moreover, 4 of the 5 NUTS III level regions have a GDP per head which is equal to or less than the 75% threshold for Objective 1 support;
- NI's unemployment rate has fallen considerably over the period since 1989. In 1989 NI's rate was 17.1% compared to a European average of 9.0%. By 1997, NI's unemployment rate (10.3%) was actually below the European average of 10.7%. It should be noted that the UK and Ireland situation differs from the rest of the EU. Only these two countries' Objective 1 regions experienced a fall in unemployment over the period. All other countries' Objective 1 areas experienced increasing unemployment.
- Similarly, NI experienced an increase in its employment rate (from 59.3% in 1988 to 64.0% in 1997) at a time when the Eur 15 as a whole experienced a period of little change (Eur 15 employment rate was 61.0% in 1988 against 60.9% in 1997)
- Notwithstanding the generally relatively positive labour market position, NI continues to suffer from a deep-rooted problem of low labour productivity. GDP per person employed (a proxy for labour productivity) had in fact declined from 83% of the Eur 15 average in 1988 to 81% in 1996.
- Furthermore, NI continues to experience particular difficulties in terms of the duration of unemployment. In 1997, 58.7% of NI's unemployed had been unemployed for more than 1 year compared to a Eur 15 average of 49%.
- NI has a lower base of educational attainment within its working age population than the Eur 15 average. 44% of the NI working age population is categorised as having 'low' educational attainment compared to 41% of the EU as a whole.
- NI has a relatively greater share of employment in agriculture and in services relative to the Eur 15 and a lower share in industry.

LABOUR MARKET ASSESSMENT : RELATIONSHIPS WITH THE CSFs OF NORTHERN IRELAND AND IRELAND

Labour Market Assessment

The Labour Market Assessment is produced in full as an Annex to the Ex-ante Evaluation. The following paragraphs summarise the key elements.

Overall Economic Context

Whilst overall economic trends are closely linked to the UK economy, its NI economy has, in recent years, grown faster than that of the UK and the EU as a whole. During the 90's GDF grew by 19%, compared with a UK figure of 12%, and the number of employees has risen by 12%, compared with an increase of only 2% across the UK. Manufacturing output has performed particularly well, and the employment rate has dropped significantly (7% at Spring 2000, 2.8% below the EU average).

While these are very positive trends, there are still a number of weaknesses, which need to be addressed with EU support over the next 6 years. These are set out below, in the context of the four pillars of the European Employment Strategy.

Employability

The total number of persons in employment in Spring 2000 was 680,000. Of these, 65% were full-time, 19% were part-time and 13% were self-employed. Significantly more females are in part-time employment (38%) compared with men (5%).

In terms of economic activity, a total of 731,000 people were in employment or seeking employment. This gives an overall activity rate of 57.8%.

The overall unemployment – rate was 7%, the rate for males (8.1%) continuing to be higher than that of females (5.4%). The under 25 age group represents 37% of the total.

In spite of the overall improvement in economic performance, long-term unemployment, particularly for males, continues to be a serious problem, with 65% unemployed being out of work for one year or more. Of these, 44% have been unemployed for more than three years

An analysis of the LTU cohort has shown that they are by no means a homogeneous group. There are variations in terms of qualifications and skills, age (although the majority are over 25), educational attachments, gender and religion. While many LTU have low skill levels and poor educational attachments, there is still a significant number who are proficient in both.

In addition to the stock of long term unemployed, consideration has to be given to that group of unemployed people who have the potential to become LTU. Research indicates that the longer people are unemployed, the more likely they are to remain unemployed. There is therefore scope for interventions before the 12-month threshold has been reached.

There is another important group of young people (“status 0”) who are not involved in employment, education or training. To all intents and purposes they are virtually long-term unemployed, and represent around 4%-6% of all sixteen-year-olds. They are more highly concentrated in inner-city areas of multiple deprivation, where up to 15% of young people fall into this category. It is important therefore to develop

mechanisms which will encourage such young people to participate in the labour market and avoid the risk of further social exclusion.

From a spatial perspective there is work variation in unemployment patterns throughout Northern Ireland. The broad pattern is one of higher rates in the western and northern regions, the east tending to be much lower. Further variations exist in areas which have been most affected by the “Troubles”, and rural areas in general tend to have higher unemployment levels and lower skill levels. In overall terms labour market inflexibility, often provoked by community conflict, can make it difficult to match jobseekers and job opportunities. A combination of all the above factors has led to the evolution of a number of small, discrete labour markets, each with its own characteristics.

Equal Opportunities

Though the last decade has witnessed an overall increase in female participation in the labour market, the overall activity rate remains considerably lower than that for men. In addition, virtually 75% of part-time jobs are taken up by females.

Research has shown that female activity rates decline as the number of children increases. It has also identified a range of obstacles, which inhibit women from entering or returning to the labour market; these include a lack of confidence and a lack of awareness of training and educational opportunities. The availability of quality childcare is also a restricting factor. While the new Northern Ireland Childcare Strategy will improve the situation in due course, there is a need for further interventions now to ease the problems.

There are striking differentials as regards the participation of women in higher paid jobs. Only 9% of working women are managers or administrators compared with 20% of men. As regards self-employment, only 4% of female employment is engaged in this activity, compared with 20% of male jobs. In overall terms female earnings were only 75% of male earnings.

Looking beyond the gender issue, Northern Ireland has a higher percentage of disabled people than the rest of the UK. This is directly attributable to the conflict situation, which has exacerbated not just physical disabilities, but also mental health problems. There are currently some 150,000 disabled people, of whom 30% are economically active (25% in employment and 5% unemployed). They account for 15% of the working population.

Adaptability

In comparative terms NI has very low qualifications levels; 20% of the region’s economically active have no formal qualifications, compared with 13% in England and Scotland. In addition, one third of the unemployed have no qualifications, compared with 19% of those in employment. A further negative factor is the fact that the results of the International Adult Literacy survey revealed that almost one quarter of the adult population was at the lowest level of literacy.

NI has the lowest portion of its economically active population in management, professional and associated professional and technical occupations of any region of the UK. A further comparison shows that a far lower proportion of NI employees have received off-the-job training and NI employers record lower levels of involvement with the Investors in People (IIP) standard, and with NVQ’s.

If there is to be improved economic growth and competitiveness, then there must be a move away from a dependence on declining sectors, and a move towards the potential growth areas (electronics, telecommunications, Information Society etc). This requires the development of a qualified, flexible workforce which can adjust to the needs of a knowledge-based economy. It is dependent upon the extent to which the

concept of lifelong learning can be assimilated into the culture of both new entrants to the labour market, and with those already in employment.

Entrepreneurship

Though Northern Ireland has a higher percentage of self-employment than the UK average, this is accounted for by the greater importance of agriculture in the region. Northern Ireland is relatively underdeveloped in terms of the proportion of VAT registered businesses operating within the Business Sector, and there is evidence of a widening gap between NI and the UK average in terms of the number of business seminars companies per 10,000 of the working population.

While self-employment accounts for about 17% of the total number of male jobs in the region, it only constitutes around 5% of female employment.

The analysis of Northern Ireland's Labour Market has highlighted a series of persistent weaknesses despite the growth experienced in the regional economy over the last few years. It is important to understand the commonality of these weaknesses before differentiating between actions which are best delivered via the Transitional Objective 1 Programme, and those which are best delivered via PEACE II. The broad common issues are set out below, and are debated further in subsequent paragraphs. The region is still characterised by relatively high levels of unemployment, in particular long-term unemployment, and low economic activity rates. Social exclusion and exclusion from the labour market is an enduring problem in many parts of Northern Ireland, aggravated in pockets of deprivation and amongst a number of excluded groups.

Literacy and basic skills levels as well as ICT skills remain low for a large proportion of the unemployed and employed population. Lifelong learning is only slowly expanding in the training and education sectors; the latter is also hit by under achievement and early school leaving. Investment in human resource development in companies remains low, as are the levels of self-employment. Levels of self-employment and the development of the social economy are lagging behind UK averages.

Finally, the labour market is characterised by a significant gender gap in employment - especially full-time and self-employment - economic activity, progression and pay. Obstacles like restricted access to training or the lack of childcare facilities are perpetuating these gender gaps.

The ESF Rationale

Human Resource Development interventions in both Programmes will underpin the European Employment Strategy and will be consistent with the UK National Action Plan for Employment. Action will be undertaken in five key areas which correspond with the five ESF Policy Fields.

The Community Support Framework has identified two strategic aims under the Employment, Human Resource Development and Social Inclusion Priority. These are:

- to bring about high levels of employment, and develop a skilled, adaptable and entrepreneurial workforce; and
- to promote access to the labour market for all and foster social inclusion.

ESF responses to these aims, under each of the five Policy Fields, are described below.

Promoting Active Labour Market Policies

These are three broad areas where intervention is required:

- stemming the flow into long-term unemployment while simultaneously reducing the current stock of long-term unemployed;
- ensuring high levels of skills among new entrants to the labour force, particularly in future growth sectors, especially in the area of Information and Communication Technology; and
- increasing the economic activity rate, including actions to encourage the integration of young people within the labour market (particularly the ‘Status O’ group) and reducing the differences between male and female economic activity rates.

Promoting Equal Opportunity for all in Accessing the Labour Market

Interventions are required which are aimed at building bridges for those at the margins of society and developing pathways to employment for those at risk of becoming socially excluded. It is recognised that as well as assisting those who have low educational attainments and those who are disabled, there are groups of low achievers concentrated in certain geographical areas.

Interventions will focus on two priorities:

- strengthening community participation and capacity building, particularly in those geographical areas most heavily affected by the “Troubles”; and
- building pathways for and integrating those most affected by the conflict, particularly victims, ex-prisoners, young people and women.

Lifelong Learning

Within this Policy Field, the ESF will contribute towards the creation of a learning and knowledge-based society and a culture of lifelong learning in Northern Ireland.

Key areas for intervention are:

- improving low levels of adult literacy and numeracy, both for the employed and unemployed;
- raising basic skills levels (particularly ICT skills) and providing re-skilling mechanisms, especially to improve the pool of qualifications/skills in deprived areas;
- widening the access to continuing education, higher education and training; and
- working in the schools and youth sectors to address the problems of educational underachievement, improving school attendance and preventing early school leaving.

Promoting Adaptability and Entrepreneurship

There is a continuing need to develop an entrepreneurial culture in Northern Ireland. In addition all employers, whether large or small, need to be able to recruit from an adaptable and flexible pool of labour, while at the same time enhancing the adaptability – and therefore the competitiveness – of their own workforces. There are two main areas for support:

- setting aside the agricultural sector, which, compared with other UK regions, provides a high level of self-employment, the overall self-employment rate remains comparatively low. Northern Ireland has the lowest rate of business

registrations in the UK. In addition there remains an issue with the operation of market forces in deprived areas, namely the fact that the local economic base is weak, service provision is limited due to low population levels and local unemployment is generally high. As a consequence there is a powerful rationale for supporting initiatives that target economic development and employment opportunities at disadvantaged communities and excluded labour markets;

- there needs to be ongoing encouragement to consider the self-employment option, looking in particular at opportunities within the community business sector and within the social economy; and
- adaptability within the workforce, particularly within SMEs, will be encouraged, both at management and operative levels. Social Partner organisations will also be encouraged to develop capacity building and to modernise the organisation of work.

Improving Women's Access to and Participation in the Labour Market

While the improvement of women's participation is a horizontal theme transcending all ESF priorities, there are three particular areas where actions will be focused:

- reducing barriers which prevent women from returning to the labour market and tackling horizontal and vertical segregation which prohibits advancement for those already within the workforce;
- developing access to education, training and employment as well as promoting the self-employment option for women; and
- developing progression routes for women.

It is recognised that one of the key barriers to any type of labour market activity is the provision of good quality childcare facilities commensurate with the level of demand, and complementary to the current Northern Ireland Childcare Strategy. This childcare issue will be a cross-cutting theme straddling all Measures in both Programmes. As well as facilitating access, it will also ease the gender pay gap by facilitating more full-time female employment.

The Horizontal ESF Themes

There are three horizontal themes or priorities:

- gender mainstreaming;
- the Information Society; and
- local development.

The equal opportunities theme will be integrated across all ESF Policy Fields in each Programme, and a Gender Matrix at Annex 9 illustrates the ways in which women might be targeted. At the operational level, equality will be mainstreamed by including it as a selection criterion for all Measures. It will also feature as a topic in all evaluations.

In recognising the important significance of the Information Society in terms of employment potential, the development and application of information and communication technologies will be encouraged in the context of each policy field. This is in keeping with the European Council's recently stated ambitious objective that Europe should become "the most competitive and dynamic knowledge based

economy in the world". As with equality, evaluations will measure the extent to which ICT themes have been addressed during implementation.

As regards the local development dimension, which will continue to develop local solutions to local problems, the ESF will encourage initiatives which recognise the lessons gained from experience of the Newry and Mourne Territorial Employment Pact, LEDU's local enterprise agency network, and the District Partnership mechanism which has developed under PEACE I. Insofar as is possible, ESF support will be directed towards locally based economic initiatives across all policy fields.

Needs more appropriately met by the PEACE II Programme

While there has been significant improvement on the overall Northern Ireland economy over the past few years, reflecting at least in part the diminution of violence since the 1994 ceasefire by the main paramilitary groups, nevertheless a number of labour market weaknesses remain. These include:

- high long-term unemployment;
- low levels of female employment activity;
- 'Status O' young people – 16-17 year olds who are not involved in employment, education or training;
- lower levels of pay for women relative to men;
- lower levels of economics activity experienced by disabled people;
- relatively high dependence on state benefits, such as incapacity benefit and income support;
- lower levels of formal qualifications compared with other parts of the UK;
 - low levels of adult literacy, often accompanied by numeracy problems;
- within companies, especially SMEs, a lower level of commitment to training leading to a significantly lower level of involvement with NVQs, Investors in People, etc; and
- lower levels of self-employment compared with other UK regions.

All of these factors have to some extent been influenced by the "Troubles". Thirty years of conflict have undermined business confidence, deterred inward investment and crippled in particular the Tourism Industry. As a consequence it has been necessary, in the absence of other options, to continue to rely on traditional but declining, industries where low wages predominate.

The CSF has identified two specific objectives which will contribute towards the overall aim of "reinforcing progress towards a peaceful and stable society, and promoting reconciliation". These are:

- addressing the legacy of the conflict; and
- taking the opportunities arising from peace.

Both are discussed below.

Spatial Diversity

The Labour Market Assessment, in looking at various economic activity indicators – levels of working age economic activity and occupational and social class groupings; unemployment rates; benefit dependency; business start-up activity, including employment survival rates – has identified a clear spatial dimension to the variations therein. Many of these variations are directly attributable to the legacy of the conflict. For example, many of the businesses lost during the bombing campaigns in many conurbations were never replaced simply because there was no confidence that reinvestment in an unstable environment would lead to a reasonable prospect of a return on that investment. Sectarianism, bigotry and prejudice has, over the years, led

to increased community segregation and displacement of the workforce, causing recruitment and retention problems and consequent business failure in many parts of Northern Ireland. The culture of unemployment has been enforced in those areas where, over time, the number of job opportunities has reduced rather than increased. In recognising these spatial variations there is a strong argument that responses should be locally based in order to ensure that the most appropriate actions are decided at the local level; this is in keeping with one of the three horizontal themes.

Community Based

Having determined that local responses are often the most appropriate, experience has shown that the partnership approach, involving local community/voluntary sector organisations as well as public and private sector players, can bring about the most effective solutions. Community involvement is particularly important in the very sensitive area of dealing with the legacy of victims and ex-prisoners.

There is also a spatial element to the involvement of local communities. Some will already be quite advanced in terms of their capacity to contribute; others will be at an early stage of the capacity building spectrum. Such variations will require different responses in terms of the menu of actions available under the ESF policy fields.

These responses would form part of the integrated renewal actions focused in areas most affected by the conflict, including interface areas.

Peace and Reconciliation

The “Troubles” have had a profound economic impact in Northern Ireland, inhibiting economic growth and development throughout the region. In a climate of considerable economic uncertainty business confidence and investment (both indigenous and external) fell substantially, with resulting direct effects on the labour market. Between 1973 and 1990 for example, the percentage of manufacturing employment in Northern Ireland in externally owned plants fell from 53% to 39%. As a result of these uncertainties Northern Ireland lost out on many economic development opportunities and is now overdependent on low value added and declining sectors.

The need to deal with and respond to the conflict has, in the past, created employment in the security sector as well as in the justice system and in other areas of public sector employment. However many of these jobs may not be sustainable in the long term and it must also be recognised that the employment of human resources in non-market output activities had reduced the economy’s potential in other areas. Special initiatives are therefore needed to help re-train and re-skill those whose existing employment is threatened by the transition to a more peaceful society.

This would include people whose employment has been dependent upon the special conditions arising from the conflict, for example those employed in the security sector. In addition actions could be supported to assist those so far who have become unemployed because of community divisions or workforce or occupational segregation. For many, it will be a case of helping them to re-skill or up-skill so that they can compete favourably for the new opportunities arising from a progressive economy in which fewer barriers exist.

Victims of violence and ex-prisoners face particularly difficult obstacles to inclusion into the labour market. The former often have both physical and psychological hurdles to overcome as well as skill gaps, and there is therefore a demand, for example for trauma training for those who work with victims. The latter, many having been out of the economy for several years, will also lack skills relevant to today’s market and will need to be reintegrated in an environment which does not pose a real threat to their survival. As mentioned earlier, the involvement of local

communities in such actions will not only achieve the most positive results, but will also help reduce inter-community tensions through the recognition of the fact that both Catholic and Protestant communities each have their victims and each have their ex-prisoners to rehabilitate. Many such groups from both sides of the divide already work together to share their experience of best practice, and this interaction will be encouraged.

The Need for Investment in Basic Skills and in the Knowledge Based Industries

One of the primary opportunities arising from peace is the growth in the economy and the consequential reduction of the level of unemployment through an increased demand for skilled labour. However the Labour Market Assessment has highlighted the fact that almost one quarter of the adult population (16-65 years old) is at the lowest level of literacy, and the highest levels of such a deficiency frequently occur in those areas most disadvantaged by the “Troubles”. The PEACE II Programme therefore has a key role to assist in promoting an inclusive labour market which takes full account of the records of various disadvantaged groups who have basic skills needs including basic literacy and numeracy. This can be best achieved by developing a programme which encourages participation in the learning process and supports pre-vocational and early vocational education and training activity.

At the other end of the skills spectrum, the opportunities facing the region as a result of regeneration will lead to a growth in higher value-added jobs requiring knowledge-based skills at the expense of some of the existing lower added-value jobs. In order to give effect to the change of the structure of the labour market, a major programme of upskilling and re-skilling of the existing workforce, together with ensuring that new entrants to the labour market are provided with the skills appropriate to a knowledge-based economy, is needed. The use of the ESF in the PEACE II Programme, in tandem with its mainstream application in the Transitional Programme, will accelerate the process of skills development particularly in those areas of greatest social need.

A further growth area arising from an economy which will need a significantly higher level of female participation is the provision of good quality childcare. The ESF, in complementing the Northern Ireland Childcare Strategy, has a role to play in ensuring that, in terms of both quality and volume, such needs are met.

ENVIRONMENT APPRAISAL

PART 1 : DESCRIPTION OF THE ENVIRONMENT

Northern Ireland

BACKGROUND

Northern Ireland's environment is one of the region's key assets and has the potential to contribute further to the development of the region, securing economic, social and environmental benefits for Northern Ireland.

The environment provides an important basis for economic development, both directly through growth in those sectors already involved in and providing for the management of the environment, and indirectly through the contribution of a healthy and high quality environment across the region, making it a place where people want to live and work.

The link between the environment and economic development is a key theme running through *Shaping our Future*, the Regional Strategic Framework for Northern Ireland. Within this assessment, the consideration of the strategy for the environment focuses on the protection and management of environmental resources and aims to promote within the wider community a greater awareness of environmental issues and to create environments that will contribute to health and well-being. The strategy should promote the protection of the Region's strategic environmental assets which it recognises need to be managed to benefit the whole community and as a means of enhancing tourism and economic development opportunities. The importance of reducing environmental costs by reducing natural resources consumption will form another major theme of the strategy.

The Environment Programme is presented in three parts: built heritage, natural environment and environmental protection.

The overall aim is to encourage shared responsibility for the environment and to provide opportunities for citizens to play a part in protecting and enhancing the environment of Northern Ireland.

- **community development:** some issues are best dealt with at the local level as local communities are best placed to understand local needs and to increase local involvement to bring about positive changes. Maintenance, conservation and enhancement of the environment can provide a means of enhancing local community identity and serve to bring divided communities together with a common non-controversial goal;
- **raising awareness:** despite significant progress in terms of raising awareness of environmental issues, there is a continuing need for environmental education within the wider regional community, including the commercial sector, to draw attention to specific issues in order to bring about changes in behaviour (e.g. resource conservation through re-use, recycling, energy efficiency and energy conservation, promotion of more active lifestyles, wider participation in conservation work, etc); and

- **all Ireland environment:** many of Ireland's environmental assets such as areas of outstanding natural beauty, loughs, coastlines, flora and fauna are common to Northern Ireland and the Republic of Ireland. Overall, the island of Ireland has a "clean and green" image, although the image of Northern Ireland is somewhat affected by the violence of the past 30 years. In view of these factors, there will be an emphasis on co-operation between both parts of the island in relation to maintenance, conservation, enhancement, and promotion of the environment of all Ireland.

Built Heritage

For many people Northern Ireland's green image has the region's landscapes and natural environment as its point of reference. The region's rich resource of monuments, buildings, archaeological sites and other built heritage resources are less well known.

The built heritage is a valuable source of heritage information and provides a physical link with the past. It has an important regenerative role to play in terms of the creation of partnerships and bridge building arising from its educational and community development impact.

The built heritage can also contribute to community regeneration in a very practical way through the re-use of redundant buildings as social locations or shared small business/workshop space.

There is also significant tourism potential. With improved information, accessibility and signage the region's buildings, monuments and archaeological sites can greatly enhance the tourism experience of visitors to Northern Ireland. Many historic monuments and buildings, parks and gardens in private hands are in urgent need of conservation work if they are to survive as part of the Region's heritage and contribute to its future prosperity.

Natural Heritage

Northern Ireland is rich in environmental resources notably its unspoilt countryside and its rich diversity of wildlife and it remains imperative that effective strategies and structures are in place to manage these assets. There is a wide variety and quality of landscapes and diversity of plant and animal species. Some 20 percent of the region and 70 percent of the coastline is designated as an Area of Outstanding Natural Beauty. The Giant's Causeway is designated a World Heritage Site. At the same time, some of the region's most important environmental assets are located in the more remote and economically disadvantaged areas.

The Regional Strategic Framework for Northern Ireland sets out proposals to assist the development of a strong and vibrant rural community complementing the continued growth of the main urban areas in line with the UK Government's commitments at the Rio Summit and under various Community Directives, the key themes underlying rural economic activity and growth are sustainability and biodiversity.

For the most part action on the ground to deliver biodiversity through both site designation and management and wider countryside measures in Northern Ireland lags substantially behind activity elsewhere in the UK. For example the designation programme for ASSIs is incomplete whereas in GB an equivalent network of SSSIs has been established for many years. There is also a far greater reliance in Northern Ireland on compensation-based management agreements rather than the positive style of agreements adopted by GB conservation agencies which bring greater benefits to biodiversity.

Many of the habitats and species requiring the most urgent conservation action in Northern Ireland are dependent on traditional land-use and/or restricted to special sites. These are often found in the more remote and disadvantaged rural areas of Northern Ireland. Economic support for disadvantaged rural areas that encourages sustainable traditional land-use practices is likely to produce substantial benefits to biodiversity. Furthermore the funding of projects which enhance biodiversity will provide economic support to disadvantaged rural communities. Secondary benefits will also result from an increase in landscape value, as many habitats important for biodiversity are important components of the Northern Ireland landscape. This in turn could enhance green tourism.

The recently-published Northern Ireland Biodiversity Strategy has made 76 recommendations for action and identified 40 priority habitats, 72 UK priority species and a further 36 NI priority species for which conservation action is urgently required. There has been a serious decline in the area of species-rich grassland, and the woodland cover is extremely low.

The green tourism potential of Northern Ireland remains largely untapped. The situation in Northern Ireland during the “Troubles” and the negative impact which this has had on tourism (in particular the number of visitors attracted) has prevented the development of eco-tourism in the region. Northern Ireland now finds itself lagging behind other countries (notably the Republic of Ireland) in terms of the development of this key asset.

The Northern Ireland Landscape Character Survey has identified many threats to the 130 landscape character areas into which the Region has been classified. These include loss of features such as hedges, stone walls and vernacular buildings as well as the impacts of quarrying and inappropriate development. There is an urgent requirement to address the conservation of the outstanding landscapes of the Region and the rehabilitation of settings of some of the main settlements.

The growing importance of the sustainable use of special landscape or scenic areas as the basis for social and economic regeneration is now internationally recognised. In Northern Ireland, the special landscapes are or will be designated as Areas of Outstanding Natural Beauty (AONB). The role of AONBs in sustaining the region’s natural and cultural heritage, maintaining local communities and providing educational and recreational experiences is becoming increasingly obvious.

Steps have been taken through the establishment of formalised ‘co-ordinating committees’ and a Northern Ireland Countryside Access and Activities Network to manage such matters on a strategic basis and base-line research is now being commissioned into many of the issues pertaining to the sustainable use of the rural environment.

Historically, Northern Ireland has lagged behind other parts of the EU in the designation and practical management of ‘protected areas’ whether such designation is for landscape reasons or because of habitats, species or special scientific reasons. In the area of protected landscapes, for example, enabling legislation dates from 1985 whereas that in England and Wales dates from 1949. Moreover, the unique nature and history of land ownership in Northern Ireland also means that physical access to such areas is also much more problematical than in other parts of Europe and that a greater degree of intervention is necessary to create any infrastructure to support recreation and tourism.

Measures are now in place to proceed on a planned basis with the designation of all protected areas. The diversification of the rural economy and the longer-term

economic benefits flowing from this should ultimately justify the extra resources involved and examples from elsewhere readily highlight the net value of green tourism. It is likely that in any case the structure of the rural economy will change with ongoing reforms to the CAP and that husbandry by individual landowners will become a significant economic activity.

Environmental Protection

The island of Ireland has a "clean and green" image which is a major asset and selling point in seeking to attract inward investment and in developing the tourism sector.

The economic and social importance of Northern Ireland's built and natural environment is outlined above and is a key driver within the draft Regional Strategic Framework for Northern Ireland. Environmental Protection provides the mechanisms both to prevent damage to the Region's key asset and also to enhance it further through the attainment of higher standards of environmental quality and healthier living environments.

The role of environmental protection is to safeguard and improve the environment for the benefit of those who live, work or visit the region. This widespread responsibility means that the actions of each resident, industrial player and tourist have an impact on environmental protection activities.

In order to attract inward investment Northern Ireland needs to maintain its "clean and green" image. Businesses will expect high standards in terms of air quality, water supply, status of land to be occupied (uncontaminated) and waste management.

Similarly, the realisation of the region's tourism potential relies on the maintenance of Northern Ireland's high quality environment. Northern Ireland must compete with other more experienced tourism destinations, in a European and world wide context. Set against a background of the "Troubles", in order to first attract tourists and then to achieve repeat visits, the environmental infrastructure, as well as the product itself, must be of the highest quality.

Despite the unquestionable value to the region of environmental protection practices Northern Ireland, in many cases, is severely inhibited from adopting UK and European practices as a result of its peripherality and lack of critical mass. In terms of waste management for example, the region is struggling to move towards more sustainable waste handling and treatment techniques as a result of its peripherality due largely to lack of cost effectiveness and limited access to materials reprocessing. Landfill remains the least expensive and most accessible waste management option. The Waste Management Strategy sets out a programme to address the overwhelming reliance on landfill for the disposal of domestic and commercial waste and to promote reuse, recovery and recycling. There is also a need for the further rehabilitation of lands contaminated by industrial processes and waste disposal.

There is a widespread problem of nutrient enrichment of water bodies, particularly of Lough Neagh and Lough Erne. Several rivers have been identified for urgent action to improve their chemical and biological quality. Action is required both to reduce eutrophication from diffuse agricultural sources and to improve effluent quality from certain sewage treatment works. There have also been problems with the quality of certain drinking water supplies that must be addressed.

Border Region

Environment – Border Region

A detailed evaluation of the environmental situation and Ireland's commitment to the protection of the environment in line with Community policies is set out in the Community Support Framework. These commitments will be reflected in the procedures relating to the implementation of the Measures under this Programme in respect of the Border Region. An evaluation of the Border Region's environment has been undertaken in the context of the preparation of the Regional Programmes under the National Development Plan and the Community Support Framework for Ireland.

Overview Border Midland and Western Region (BMW)

The environment of the BMW Region is generally of a high quality in most respects. This is to be expected given the relatively low population density, the absence of major population centres and industrial concentration, and the comparatively low vehicle ownership. The Region has a rich mixture of natural heritage in the form of flora and fauna, and mountains, bogs, rivers, lakes and beaches. There are also 55,000 protected archaeological sites and monuments in the Region, or 45% of the national total. However, the environment in the Region has been coming under increasing pressure in recent years both from the growth in population and the general acceleration of economic development and from specific factors such as changed agricultural practices and the development of industry, particularly the agri-food business.

With its growing population, smaller household sizes and rising living standards, there is increasing demand in the BMW region for housing and economic and other social infrastructure, particularly energy, roads, and water, sewage and waste services. These demands and the life-style which accompanies them are particularly evident in the larger towns and urban areas and have inevitable implications for the built and natural environment e.g. vehicle ownership continues to grow strongly which is increasing congestion, and noise and air pollution, in these larger centres. Moreover, the growth in visitor numbers, the number of second or holiday homes and large scale developments in seaside resorts are imposing further demands on the environment in many coastal locations in the Region

In agriculture, the main pressures on the environment stem from intensive fertiliser use, agricultural wastes, acidifying and greenhouse gas emissions. Indeed, agriculture is the most significant contributor to such emissions in the Region. On a more localised basis, there are problems arising from intensive pig and poultry production, and from over-grazing in ecologically-sensitive upland and coastal areas. As regards industry, industrial production in the Region has increased over the last decade and this is putting its own pressures on the environment through effluent and emissions.

In general, however, the pressures on the environment in the Region, while increasing over the last two or three decades, have not reached -nor are they likely to reach- the intensity they achieved during the last century in many other European countries. Therefore, the main requirement for many facets of

the Region's environment is the maintenance of the existing high quality conditions or the alleviation of the relatively minor degree of deterioration that has occurred.

Evaluation of Specific Aspects of the Environment

Water Quality: Over the last decade, the length of river classified as unpolluted in the Region fell to 75%. This is a continuation of a trend which emerged with the general economic development of the 1960s, and which strengthened with the changed agricultural practices in the 1970s and 1980s and with the unprecedented economic growth of more recent years. The pressures on inland waters are not evenly spread across the Region, as is evident from the fact that the proportion of river channel in Class A (unpolluted) varies from almost 90% in Donegal/Sligo to 60% in Cavan/Monaghan. As regards the condition of lakes, the Environmental Protection Agency estimates that there has been little change in the extent of water pollution since 1991-94, adding that, in general, the overall water quality in the lakes remains high.

The main present threat to the water quality inland waters in the BMW Region is excessive enrichment (eutrophication) by nutrients such as phosphorous and nitrogen, especially the former. The principal sources of these nutrients in the Region are agricultural activities and the discharge of domestic and industrial waste. Intensive fertiliser use generally has contributed to eutrophication of surface waters and affected the quality of groundwater. Moreover, indirect discharges and spillages of farm effluent into watercourses, which are not uncommon, add to the problems caused by fertiliser use. The growth of industry, especially agri-business and intensive pig and poultry production, has also contributed to pollution on a localised basis. Municipal discharges were once a major source of pollution but that is a problem which is being addressed through the provision of sewage treatment plants.

A national strategy to tackle all sources of phosphorous inputs to rivers and lakes (*'Managing Ireland's Rivers and Lakes - A Catchment Strategy against Eutrophication'*) was launched by the Department of Environment and Local Government in May, 1997. As part of the strategy, 3 major catchment-based projects are under way. Of these, one is located in the BMW Region - the Lough Derg/Lough Ree catchment. In addition, there will be major investment elsewhere in the Region in Water and Waste Water infrastructure and Rural Water. The catchment-based strategy is underpinned by Phosphorous Regulations laid down in July 1998, the main provisions of which are that:-

- there should be no further deterioration in the quality of rivers and lakes; and
- improvements must be achieved by end-2007 in the condition of rivers and lakes found to be polluted in the 1995-1997 period.

Groundwater: Monitoring in the period 1995-97 suggests that there was no widespread pollution of aquifers in the region but there was evidence of a significant presence of total and faecal coliform bacteria in drinking water

supplies drawn from ground waters. In addition recent evidence also suggests localised pollution of groundwater by nitrates in some areas. A 1997 report on drinking water quality in the Region showed that, while over 90% of public supplies were of an acceptable standard, almost 40% of private group water supplies were not. Indeed, more recent data suggest that the non-compliance level may be significantly higher than 40%.

In relation to the *marine environment*, over half of the population of Ireland is now living within 10 km of the coast. Although this proportion is significantly less in the BMW Region, many of the major urban centres in the Region are situated on or near estuaries and bays. The coastal zone in the Region also supports industry, trade, fisheries, aquaculture and tourism. Nevertheless, given the absence of major ports and heavy concentrations of population and industry on the west coast of the Region, the sea waters there are generally very clean. In this context, the quality of *bathing waters* remains high, with most major beaches in the Region bearing Blue Flags.

The main source of discharge into open waters on the west coast (i.e. excluding that coming via rivers and estuaries) is the marine aquaculture industry which accounts for about 60% of the organic matter load being discharged in this fashion in the Region. Leaching of soil from overgrazed coastal districts is also a factor, albeit a minor one. On the east coast of the Region, there is low-level radioactive contamination and a problem of organic discharges into a tidal river near Dundalk.

Waste: One of the most significant environmental issues facing the Region over the programme period is the effective management of the increasing levels of waste being generated through growing output, population and affluence. This is underlined by the fact that, on a national basis, municipal waste rose by almost 12% in volume between 1995 and 1998 with over 0.5 tonnes of waste generated per capita. The total municipal waste arising in the BMW Region in 1998 was estimated at 480,000 tonnes with an estimated 425,000 tonnes being disposed of directly to landfill.

Although landfill is regarded in environmental terms as the least desirable option, the Region is heavily reliant on this practice. The challenge now is to implement the proposals detailed in the regional and local Waste Management Plans currently being adopted by local authorities to deal with the Region's waste problem. These proposals provide for a modern, integrated waste management infrastructure to ensure the maximum diversion from landfill to reuse, recovery and recycling processes consistent with national objectives and targets.

Air: The air quality in the BMW Region is also of a generally high standard. However, as indicated above, there is the problem of acidifying and greenhouse gas emissions, particularly from agriculture, although industry and the household sector also contribute to the problem through the burning of fossil fuels. Ambient levels of sulphur dioxide are well within existing EU limits as are concentrations of lead in the air and ground-level ozone. While emissions from the transport sector are continuing to rise in the country as a

whole and may be a factor in the largest urban centres of the Region, given the relatively low level of car ownership and the general absence of major conurbations in the Region, emissions from road traffic do not, of themselves, pose an immediate general threat to air quality.

Ireland is a signatory of the Kyoto and Gothenberg Protocols which commit it to legally binding targets in relation to Ireland's emissions of greenhouse gases and certain other pollutants. The National Climate Change Strategy which is expected to go to Government shortly will provide the framework for policy development to ensure Ireland achieves its Kyoto target: "to limit growth in emissions of greenhouse gases to 13% above 1990 levels by 2008-2012". Meeting the targets of both Protocols will require a broad range of cross-sectoral and sector specific Measures, including specific Measures to improve energy efficiency and reduce emissions from the agricultural sector. As regards industry, activities with major polluting potential are regulated by the operation of IPC licensing, phased in since 1994. Moreover, smoke control legislation applies to three urban areas in the Region (Galway, Dundalk and Drogheda).

Built Environment: The built environment of the Region is of varied quality but the situation has, for the most part, improved in recent years as a result of the Village and Urban Renewal Measure under the last Plan and of tax incentives for the rehabilitation of designated areas. Nevertheless, as a result of continuing economic growth, the built heritage remains under pressure of redevelopment because older buildings do not offer the same economic opportunities and facilities as modern, purpose-built ones. Against this background, it is important that the intrinsic value of the architectural heritage be recognised and continue to be protected in an appropriate manner and that redevelopment in architectural heritage areas is sensitive to the local environment.

Archaeological Heritage: As stated above, there are 55,000 protected archaeological sites and monuments in the Region, or 45% of the national total. Although those sites of national significance are well protected, they do face the threat posed by increasing numbers of visitors, both Irish and overseas. Sites of lesser significance remain under threat, mainly from two domestic sources, namely, the intensification of agricultural production and the infrastructural and other needs of an expanding economy and population.

Natural Heritage: The natural heritage of the BMW Region is rich and varied. Habitats of European importance present include raised and blanket bog, sand dunes, machair, turloughs and limestone pavement amongst other important habitats. Species of importance present in the region include seals, bat species and otters, as well as certain bascular plants and bryophytes (mosses). In the BMW Region, 219 sites comprising some 450,000 hectares receive statutory protection under the European Communities (Natural Habitats) Regulations, 1997. 196 of these sites have been formally transmitted to the European Commission as *candidate Special Areas of Conservation*. The remaining 23 sites are subject to domestic appeal processes. Additionally, under the European Birds Directive, Ireland has

designated 64 Special Protection Areas in the Region totalling over 157,000 hectares. However outside of designated areas, the natural heritage is coming under pressure from the forces outlined above.

A National Heritage Plan is being developed to produce, for the first time, an integrated plan for the protection of Ireland's national heritage. The aim of this Plan will be to provide for the protection, conservation, management and preservation of the State's natural, archaeological, architectural, artistic and historic heritage, and of landscapes, waterways and archives. As already noted, the CSF (para 2.5.4) contains certain commitments in relation to Natura 2000, specifically, to submit proposed lists under the Habitats Directive (Article 4(1)) together with related scientific information within six months of the adoption of the CSF, and, in the interim, to guarantee not to allow sites which are to be protected under Natura 2000 to deteriorate during operations part-financed by the Structural Funds. These commitments will be respected in the implementation of this Operational Programme.

Compliance with EU policies and Environmental Integration: Among the main principles underlying Ireland's strategy are the precautionary principle and the principle of integration. The precautionary principle requires that emphasis should be placed on dealing with the causes, rather than the results, of environmental damage and that where significant evidence of environmental risk exists, appropriate precautionary action should be taken. Among the Measures in place to give effect to this principle is Environmental Impact Assessment (EIA), which will be used as part of the development consent process for all major projects that are likely to have a significant effect on the environment, e.g. roads and environmental services, being undertaken as part of this Programme. In addition, the requirements of Directive 79/409/EEC on the conservation of wild birds and Directive 92/43/EEC on the conservation of natural habitats will be complied with.

The principle of integration involves embedding environmental considerations in a range of policies, plans and programmes to enable them to be addressed in an effective and comprehensive manner and to ensure that such policies, plans and programmes support the objective of sustainability

Integration has been given effect in this Programme as follows :

- the use of environmental criteria in project selection;
- the use of appropriate environmental indicators and the inclusion of the environmental dimension in Programme evaluations;
- Environmental indicators will be incorporated, where appropriate and feasible, in the programme complement in order to qualify, as far as possible, the environmental impact of the measures contained in the Programme (see below);
- inclusion of environmental representation on the Monitoring Committee;
- implementation of project level EIA's, where appropriate;
- provision of additional information on environmental matters for all bodies involved in project selection and in programme management; and

- The implementation, monitoring and review mechanisms for the National Greenhouse Gas Abatement Strategy and the arrangements for ongoing review of the Operational Programmes will be co-ordinated so as to maximise mutual complementarity.

Conclusion :

Overview : An evaluation of the Border Region's environment has been undertaken in the context of the preparation of the Regional Programmes under the National Development Plan and the Community Support Framework for Ireland. The environment of the BMW Region is generally of a high quality in most respects. This is to be expected given the relatively low population density, the absence of major population centres and industrial concentration, and the comparatively low vehicle ownership. The Region has a rich mixture of natural heritage in the form of flora and fauna, and mountains, bogs, rivers, lakes and beaches. However, the environment in the Region has been coming under increasing pressure in recent years both from the growth in population and the general acceleration of economic development and from specific factors such as changed agricultural practices and the development of industry, particularly the agri-food business.

In general, however, the pressures on the environment in the Region, while increasing over the last two or three decades, have not reached -nor are they likely to reach- the intensity they achieved during the last century in many other European countries. Therefore, the main requirement for many facets of the Region's environment is the maintenance of the existing high quality conditions or the alleviation of the relatively minor degree of deterioration that has occurred. In this regard, the CSF sets out certain commitments in relation to Natura 2000 obligations and habitat protection and these will be adhered to in the implementation of this Programme.

As indicated in the CSF for Ireland, the pilot eco-audit element of the process will involve implementing agencies reporting on :

- the significant positive or negative environmental impacts, whether direct or indirect. In identifying these impacts, the eco-audit will, in particular, quantify as far as possible the environmental effects and their significance on the state of the environment;
- the means by which the programmes shall contribute to the protection and improvement of the environment and a description of measures to eliminate/mitigate any harmful environmental impacts likely to arise; and
- identification of environmental policies, standards and licensing requirements with which the programme and/or projects will comply and provision for assessment of impact following implementation.

Challenges: The main challenges the BMW Region now faces in terms of protecting the environment and supporting biodiversity are (a) arresting and reversing the deterioration in the quality of rivers and lakes due to excessive inputs of nutrients; (b) better management of and reducing solid waste; (c) protecting the urban environment from degradation due to population, transport and other factors; (d) protecting the countryside, coastal and marine

areas, and their flora and fauna; (e) protecting and maintaining environmentally sensitive areas; (f) supporting the achievement of national commitments in respect of greenhouse gasses and other emissions; and (g) managing land use strategically.

To address these challenges, the protection and improvement of the environment, incorporating both EU policies and National policies in relation to sustainable development, will be integrated into the implementation of the Operational Programme for the BMW Region, in particular through institutional arrangements, the use of environmental criteria in project selection criteria and the implementation of project level EIA's, where appropriate.

In accordance with Articles 18.2(a) and 41(2), the expected impacts on the environment of the Priorities of the Programme are set out in the Programme for each Priority.

PART 2 : IMPACT ASSESSMENT

		Expected impact on the Environment			Commentary	Strategy for Environmental Integration	Necessary Migration Measures for negative effects	Monitoring Indicators ¹⁴
ECONOMIC RENEWAL								
Measure	Name	Positive	Negative	Neutral				
Measure 1	Business Competitiveness and Development (ERDF)				<p>Environmental sustainability is a priority for modern businesses.</p> <p>The competitive advantage of businesses is enhanced by being environmentally sustainable.</p> <p>Technology transfer will also involve the transfer of environmentally friendly know-how, including for pollution abatement.</p> <p>Collaboration to be established with centres of excellence in pollution research and environmental sustainability in the province and beyond.</p> <p>New environmentally friendly processes will reduce resource use (eg energy and pollution).</p> <p>While all forms of transport are damaging to the environment, public transport causes less damage per passenger kilometre than private transport.</p> <p>Investing in the more environmental friendly public transport can therefore provide benefits in the form of reduced</p>	<p>Actions will be taken in particular (a) to help support SMEs meet higher environmental and quality standards; (b) encouraging the role of EMAS by businesses; (c) assessment against BEM re: environmental friendliness.</p> <p>Improve the environmental performance of products and processes. Awareness raising and educational measures, working towards increased electronic interface with businesses, reducing paper flow.</p> <p>Enhance public transport and change travel culture, encouraging people to adopt more sustainable and healthier travel habits.</p> <p>Integrated transport system in which public transport would be a more</p>	<p>The impact of a modal shift to more sustainable healthier travel is expected to be positive. Infrastructure support will be subject to environmental assessment in conformity with EC and national legislation.</p>	<p>Number of EMAS (as a % of total businesses and of SMEs).</p> <p>Number of awareness raising actions (by sector/by year).</p> <p>Number of educational actions (by sector/by year).</p> <p>Types of new processes by environmental impact.</p> <p>Number of hi-tech companies</p> <p>Reduced journey times and improved reliability.</p> <p>More efficient</p>

¹⁴ to be refined for the PC also based on the Commission's Vade Mecum on indicators

		Expected impact on the Environment			Commentary	Strategy for Environmental Integration	Necessary Migration Measures for negative effects	Monitoring Indicators ¹⁴
ECONOMIC RENEWAL								
Measure	Name	Positive	Negative	Neutral				
					pollution, improved air quality and reduced visual intrusion as well as reducing the exploitation of non-renewable natural resources.	<p>attractive option.</p> <p>Promote the health benefits of a more environmentally friendly form of transport. Increase intergration between different modes of transport.</p> <p>Alternative modes of transport to the car.</p> <p>Experimental transport systems considered and possibly introduced.</p>		<p>movement of people and improved the urban public transport system.</p> <p>Bus stations.</p>
Measure 2	Sustainable Tourism Development (ERDF)				The measure will support the development of natural resource rural tourism to redress the effect of the conflict on the tourism industry in rural areas.	<p>Project and programme appraisals will take environmental impacts into account in accordance with EC and national legislation.</p> <p>Projects and programmes that would have an overall negative environmental impact will not be supported.</p>	<p>Adopting the precautionary principle for any new development, due respect will be paid to EC and national legislation as appropriate and the following environmental objectives will be aspired to:</p> <p>Minimise pedestrian and vehicular congestion</p> <p>Minimise water</p>	As the impacts are expected to be neutral, none are envisaged as necessary.

		Expected impact on the Environment			Commentary	Strategy for Environmental Integration	Necessary Migration Measures for negative effects	Monitoring Indicators ¹⁴
ECONOMIC RENEWAL								
Measure	Name	Positive	Negative	Neutral				
							<p>pollution caused by water based sports</p> <p>New visitor centres built in a sustainable fashion (materials energy use etc.)</p> <p>Protect the local buuilt and natural environment.</p> <p>Support develop and promte the use of "green" transport in relation to tourism.</p> <p>Respect, conserve and enhance local culture and tradition.</p> <p>Engender positive attitudes towards tourism by local people.</p>	
Measure 3	New skills and new opportunities (ESF)				<p>ICT is likely to be positive as working from home will imply less transport.</p> <p>Environmental skills can be acquired.</p>	People related service	As the impact is expected to be positive, none are envisaged as necessary.	Not applicable
Measure 4	Promoting Entrepreneurship				Mainly neutral environmental impact but some environmental businesses will	People related service	New entrepreneurial	Not applicable

		Expected impact on the Environment			Commentary	Strategy for Environmental Integration	Necessary Migration Measures for negative effects	Monitoring Indicators ¹⁴
ECONOMIC RENEWAL								
Measure	Name	Positive	Negative	Neutral				
	(ESF)				emerge.		activities must respect the principles of environmental sustainability and EC and national legislation.	
Measure 5	Positive Action for Women (ESF)				Neutral Environmental Impact	People related service	Not applicable	Not applicable
Measure 6	Training for farmers (EAGGF) (Northern Ireland)				A number of "model units" will demonstrate good environmental practice. All others will be assessed to ensure no negative environmental impacts. All unit owners and mentors will be trained in good farming practice for the environment. ICT could assist in nutrient management planning and farm waste audits on-farm.	Specific model units demonstrating good farming practice for the environment. Training of model unit owners and mentors in good farming practice for the environment. Environmentally friendly practices will be promoted during training.	As the impacts are expected to be positive, none are envisaged as necessary.	Number of model units. Number of farmers visiting model units demonstrating good farming practice for the environment. Number of farmers visiting other model units where environmentally friendly farming will be promoted.
Measure 7	Diversification of Agricultural Activities and Activities close to Agriculture to provide Multiple Activities or Alternative Incomes (EAGGF)				The measure will enhance personal skills and assist on-farm diversification projects. It will also address labour market inflexibility, fostered by community conflict. A means to achieve this will be support for a Jobs Net and Skills Net programme to stimulate awareness among farmers and farm families of part-time job opportunities in rural areas, and to match those seeking such employment with suitable	Project and programme appraisals will take environmental impact into account. Projects that would have an overall negative environmental impact will not be supported.	As the impacts are expected to be neutral, none are envisaged as necessary.	

		Expected impact on the Environment			Commentary	Strategy for Environmental Integration	Necessary Migration Measures for negative effects	Monitoring Indicators ¹⁴
ECONOMIC RENEWAL								
Measure	Name	Positive	Negative	Neutral				
					vacancies.			
Measure 8	Technology Support for the knowledge-based Economy (ERDF)				<p>Technology transfer will also involve the transfer of environmentally friendly know-how, including for pollution abatement.</p> <p>Collaboration to be established with centres of excellence in pollution research and environmental sustainability in the Province and beyond.</p> <p>New environmentally friendly processes will reduce resource use (e.g: energy) and pollution.</p>	<p>Improve the environmental performance of products and processes.</p> <p>Stimulate industry to investigate and improve its overall environmental performance e.g: through environmental auditing.</p>	As impacts are expected to be positive, none are envisaged as necessary.	<p>Types of new processes by environmental impact.</p> <p>Number of hi-tech companies.</p>
Measure 9	Investment in Agricultural Holdings (EAGGF)				Improvements in farm waste collection, storage and disposal will have a positive impact and will reduce the risk of farm source pollution. Improvements in quality of farm produce will have a neutral environmental impact.	<p>Farm businesses with land adjacent to riverbanks will be encouraged to include environmental work.</p> <p>Group identification of local potential pollution problems on farm.</p> <p>Audits of farm waste facilities and riverside enhancement needs to identify priorities.</p>	As the impacts are expected to be positive, none are envisaged as necessary.	<p>Number of farm waste storage, collection and disposal systems improved.</p> <p>Length of river bank with environmental enhancement work.</p>
Measure 10	Basic services for the rural economy and population (EAGGF)				Neutral environmental impact.			

		Expected impact on the Environment			Commentary	Strategy for Environmental Integration	Necessary Migration Measures for negative effects	Monitoring Indicators (to be refined for the PC also based on the Commission's Vade Mecum on indicators)
SOCIAL INTEGRATION, INCLUSION AND RECONCILIATION								
Measure	Name	Positive	Negative	Neutral				
Measure 1	Reconciliation for sustainable Peace (ERDF)			✓	The majority of actions will have no effect. Capital projects will have a neutral effect.	Project appraisals will consider the environmental impact of capital projects, in accordance with EC and national legislation - Projects that would have an overall negative impact on the environment will not be supported.	As the impacts are expected to be neutral, none are envisaged as necessary.	As the impacts are expected to be neutral, none are envisaged as necessary
Measure 2	Developing Children and Young People (ESF)			✓			As the impacts are expected to be neutral, none are envisaged as necessary	As the impacts are expected to be neutral, none are envisaged as necessary
Measure 3	Skilling and Building the Social Economy (ESF)	✓		✓	People related services. Recycling and other measures will be introduced (6.8).		As the impacts are expected to be neutral or positive, none are envisaged as necessary	As the impacts are expected to be neutral or positive, none are envisaged as necessary
Measure 4	Pathways to Inclusion, Integration and Reconciliation of Victims (ESF)			✓	People related services.		As the impacts are expected to be neutral, none are envisaged as necessary	As the impacts are expected to be neutral, none are envisaged as necessary
Measure 5	Investing in Childcare (ESF)			✓	People related services.		As the impacts are expected to be neutral, none are envisaged as necessary	As the impacts are expected to be neutral, none are envisaged as necessary
Measure 6	Promoting Active Citizenship (ERDF)			✓	People related services.		As the impacts are expected to be neutral, none are envisaged as necessary	As the impacts are expected to be neutral, none are envisaged as necessary
Measure 7	Developing Weak Community Infrastructure (ERDF)			✓	People related services.		As the impacts are expected to be neutral, none are envisaged as necessary	As the impacts are expected to be neutral, none are envisaged as necessary

		Expected impact on the Environment			Commentary	Strategy for Environmental Integration	Necessary Migration Measures for negative effects	Monitoring Indicators (to be refined for the PC also based on the Commission's Vade Mecum on indicators)
SOCIAL INTEGRATION, INCLUSION AND RECONCILIATION								
Measure	Name	Positive	Negative	Neutral				
Measure 8	Accompanying Infrastructure and Equipment Support (ERDF)			✓	Initiatives supported will include adaptation of existing premises and provision of equipment.	Project appraisals will take environmental impact into account in accordance with EC and national legislation. Projects that would have an overall negative environmental impact will not be supported.	As the impacts are expected to be neutral, none are envisaged as necessary	As the impacts are expected to be neutral, none are envisaged as necessary
Measure 9	Renovation and Development of Villages and Protection and Conservation of the Rural Heritage (EAGGF)	✓			The sub-measure will challenge rural communities to develop and implement environmental projects as a vehicle for peace and reconciliation. The building of cross-community relationships in rural areas, the development of civic society and promotion of safe communities will have neutral impact.	The measure will, <i>inter alia</i> , support environmental initiatives and clean-ups and small-scale environmental improvements. Project appraisals will take environmental impact into account in accordance with EC and national legislation. Projects that would have a negative impact on the environment will not be supported.	As the impacts are expected to be positive, none are envisaged as necessary.	Following environmental projects there will be a measurement of the average change of perception of rural communities of the attractiveness of their areas.
Measure 10	Encouragement for Tourist and Craft Activities (EAGGF)			✓	The measure will challenge rural communities to develop and implement arts, heritage and cultural projects and programmes as a vehicle for peace and reconciliation.	Project appraisals will take environmental impact into account in accordance with EC and national legislation. Projects that would have an overall negative environmental impact will not be supported in exceptional	As the impacts are expected to be neutral, none are envisaged as necessary.	

		Expected impact on the Environment			Commentary	Strategy for Environmental Integration	Necessary Migration Measures for negative effects	Monitoring Indicators (to be refined for the PC also based on the Commission's Vade Mecum on indicators)
SOCIAL INTEGRATION, INCLUSION AND RECONCILIATION								
Measure	Name	Positive	Negative	Neutral				
						circumstances, <i>i.e.</i> where the reconciliation benefits are so great as to justify the support.		
Measure 11	Area-based regeneration – Belfast, Londonderry and Regional Towns (Northern Ireland)	✓			This measure will encourage urban renewal, which will improve the quality of urban life.	Project and programme appraisals will take environmental impact into account in accordance with EC and national legislation. Projects and programmes that would have a negative environmental impact will not be supported.	As the impacts are expected to be neutral, none are envisaged as necessary.	

		Expected impact on the Environment			Commentary	Strategy for Environmental Integration	Necessary Migration Measures for negative effects	Monitoring Indicators (to be refined for the PC also based on the Commission's Vade Mecum on indicators)
LOCALLY-BASED REGENERATION AND DEVELOPMENT STRATEGIES								
Measure	Name	Positive	Negative	Neutral				
Measure 1	NI Local Economic Initiatives (ERDF)	✓			Local economic regeneration seeks to protect and improve the environment. Environmental sustainability is also a priority for all modern businesses.	Many of the initiatives will seek to clean up and rejuvenate currently run-down areas and replace them with new environmentally friendly businesses/facilities. All new businesses and projects undertaken within this measure should demonstrate how they will impact positively on the environment. SMEs will be encouraged to implement environmental and quality systems.	As the impacts are expected to be positive, none are envisaged as necessary.	Number of regeneration projects. New business adopting environmental standards. No of SMEs adopting EMAS (as % of total businesses and SMEs).
Measure 2	Locally Based Human Resource Development, Training and Development Strategies (ESF)			✓	Neutral Environmental Impact	Not applicable	Not applicable	Not applicable
Measure 3	Building Better Communities (ERDF)	✓			The measure will assist communities to, <i>inter alia</i> , develop and implement environmental projects as a vehicle for peace and reconciliation and the development of civic society and promotion of safe communities and improved community environments.	The measure will support environmental initiatives aimed at improvement to the natural and build environment and environmental improvements. Project appraisals will take environmental impact	As the impacts are expected to be neutral, none are envisaged as necessary	

		Expected impact on the Environment			Commentary	Strategy for Environmental Integration	Necessary Migration Measures for negative effects	Monitoring Indicators (to be refined for the PC also based on the Commission's Vade Mecum on indicators)
LOCALLY-BASED REGENERATION AND DEVELOPMENT STRATEGIES								
Measure	Name	Positive	Negative	Neutral				
						into account in accordance with EC and national legislation - Projects that would have an overall negative impact on the environment will not be supported.		
Measure 4	Improving our Rural Communities (EAGGF)	✓			The measure will assist rural communities to develop and implement environmental projects as a vehicle for peace and reconciliation and the development of civic society and promotion of safe communities will have neutral impact.	The measure will support environmental initiatives aimed at improvement to the natural and build environment and small-scale environmental improvements. Project appraisals will take environmental impact into account in accordance with EC and national legislation. Projects that would have an overall negative impact on the environment will not be supported.	As the impacts are expected to be positive none are envisaged as necessary	Following environmental projects there will be a measurement of the average change of perception of rural communities of the attractiveness of their areas.

		Expected impact on the Environment			Commentary	Strategy for Environmental Integration	Necessary Migration Measures for negative effects	Monitoring Indicators (to be refined for the PC also based on the Commission's Vade Mecum on indicators)
OUTWARD AND FORWARD LOOKING REGION								
Measure	Name	Positive	Negative	Neutral				
Measure 1	Networking in Europe and beyond (ERDF)	✓		✓	The measure will support activities which could lead to positive environmental benefits (8.6).	As the impacts are expected to be mainly neutral, none are envisaged as necessary.	The environmental impact of all projects will be examined at project selection stage in accordance with EC and national legislation.	No. of environmental networking activities.
Measure 2	Market the region as a tourism destination (ERDF)	✓		✓	<p>Underpinning all tourism activities is the commitment to ensure the sustainability of the tourism offer; an integral part of which is its natural environment.</p> <p>The focus of this OP is on responsible strategic marketing business enhancement and product development based on the attributes, assets and values which are core to both regions appeal to visitors.</p>	Strategic, regional and local visitor and environmental management strategies and initiatives have been and will continue to be developed and implemented in collaboration with relevant government Departments, agencies and players North and South.	<p>The environmental impact of all projects /actions will be examined at project selection stage. Where new developments are envisaged due regard will be paid to EU and national legislation as appropriate and the following environmental objectives will be aspired to:</p> <ul style="list-style-type: none"> • Reduce pollution. • Reduce pedestrian and vehicular congestion. • Protect the local built and natural environment. • Support, develop and promote the use of "green" transport. • Respect, conserve and enhance local 	No. of new "green" transport initiatives. Capacity of sites to withstand visitor pressure.

		Expected impact on the Environment			Commentary	Strategy for Environmental Integration	Necessary Migration Measures for negative effects	Monitoring Indicators (to be refined for the PC also based on the Commission's Vade Mecum on indicators)
OUTWARD AND FORWARD LOOKING REGION								
Measure	Name	Positive	Negative	Neutral				
							culture and tradition. <ul style="list-style-type: none"> • Engender positive attitudes towards tourism by local people. 	

		Expected impact on the Environment			Commentary	Strategy for Environmental Integration	Necessary Migration Measures for negative effects	Monitoring Indicators (to be refined for the PC also based on the Commission's Vade Mecum on indicators)
CROSS-BORDER CO-OPERATION								
Measure	Name	Positive	Negative	Neutral				
Measure 1	Increasing Cross-border Development Opportunities (ERDF)	✓	✓		Environmental sustainability is a priority for modern businesses. The competitiveness advantage of businesses is enhanced by being environmentally sustainable.	<p>Actions will be taken in particular to help support SMEs meet higher environmental and quality standards.</p> <p>Encouraging the role of EMAS by businesses.</p> <p>Awareness raising and educational measures, working towards increased electronic interface with businesses, reducing paper flow. Process assessed against BEM re: environmental friendliness. Improve the environmental performance of products and processes. Stimulate business/industry to investigate and improve its overall environmental performance e.g. through environmental auditing. Support SMEs in understanding the many difference in the application of legislation North and South.</p>	The developments are expected to be positive. EC and national legislation on the environment will be respected.	<p>No. of SMEs adopting EMAS (as a % of total businesses and of SMEs)</p> <p>No. of awareness raising actions (by sector/by year).</p> <p>No. of educational actions (by sector/by year).</p> <p>Types of new processes by environmental impact.</p>
Measure 2	Cross-border Public Sector Co-operation	✓			This measure will seek to <i>inter alia</i> , address environmental	Public sector bodies North and South will be	As the impacts are expected to be	Cross-border environmental projects.

		Expected impact on the Environment			Commentary	Strategy for Environmental Integration	Necessary Migration Measures for negative effects	Monitoring Indicators (to be refined for the PC also based on the Commission's Vade Mecum on indicators)
CROSS-BORDER CO-OPERATION								
Measure	Name	Positive	Negative	Neutral				
	(ERDF)				issues with the provision of high quality interaction between central and local government agencies North and South. Projects may also be promoted in the areas of heritage service, including the protection and conservation of sites on or close to the border. Networks which encourage the exchange of information and best practice may also be supported. To support public bodies involved in the design and delivery of services and the joint planning of services and development of joint strategies, policies.	encouraged to take a cross-border and all-island approach to issue concerning the environment. This may have particular relevance at local/district authority level.	positive, none are envisaged as necessary	
Measure 3	Developing Cross-border Reconciliation and Cultural Understanding (ERDF)			✓	The Measure will support and develop actions aimed at promoting peace and reconciliation on a cross-border basis. Supported activities are expected to have a neutral impact on the environment.	Project appraisals will take environmental impact into account. Projects that would have an overall negative environmental impact will not be supported.	As the impacts are neutral to be positive none are envisaged as necessary.	As the impacts are expected to be neutral none are envisaged as necessary.
Measure 4	Promoting Joint Approaches to Social, Education, Training and Human Resource Development (ESF)			✓	People related service	Project appraisals will take environmental impact into account.	As the impacts are expected to be neutral, none are envisaged as necessary.	As the impacts are expected to be neutral, none are envisaged as necessary.

		Expected impact on the Environment			Commentary	Strategy for Environmental Integration	Necessary Migration Measures for negative effects	Monitoring Indicators (to be refined for the PC also based on the Commission's Vade Mecum on indicators)
CROSS-BORDER CO-OPERATION								
Measure	Name	Positive	Negative	Neutral				
Measure 5	Cross-border School and Youth Co-operation (ESF)	✓		✓	People related service	Project appraisals will take environmental impact into account. Some environmental co-operation might be envisaged.	As the impacts are expected to be mainly neutral, none are envisaged as necessary.	
Measure 6	Agricultural and Rural Development Co-operation (EAGGF)			✓	The measure will support the development of a cross-border rural development strategies to address issue of mutual concern North and South. It will also support collaborative cross-border farm-based diversification projects which have no negative environmental impacts.	Project appraisals will take environmental impact into account. Projects that would have an overall negative environmental impact will not be supported.	As the impacts are expected to be neutral, none are envisaged as necessary.	As the impacts are expected to be neutral, none are envisaged as necessary.
Measure 7	Cross-border Fishing and Aquacultural Co-operation (FIFG)	✓			The measure will support the development of cross-border strategies in the areas of aquaculture and marine matters. It will also support collaborative cross-border projects which promote the protection of the marine environment and other which have no negative environmental impacts.	Project appraisals will take environmental impact into account. Projects that would have a negative environmental impact will not be supported.	As the impacts are expected to be positive none are envisaged as necessary. Special attention will be paid to ensure that agriculture respects environmental legislation (especially the Birds Directive 79/409/EEC).	As the impacts are expected to be positive, none are envisaged as necessary.

EX-ANTE ASSESSMENT

This ex-ante evaluation is supplementary to that produced for the overall CSF and relates specifically to the PEACE II Operational Programme. It comprises:

- A. an assessment of the Programme rationale;
- B. an assessment of the strength of the relationship between the Programme Priorities and Measures; and
- C. an assessment of the Priority level indicators and targets.

Assessment of the rationale

The PEACE II Operational Programme contains an introductory rationale section relating the Strategic Themes developed for the Northern Ireland Structural Funds Plan to identify CSF Priorities which overarch the individual Priorities within each Operational Programme. The Programme also includes detailed information on Priority level indicators and targets for the Priorities within this Operational Programme.

Relationship between the Transitional Programme and the PEACE II Programme

The rationale identified that these two Programmes contribute to the same overall strategic objectives. This is apparent in that both Programmes make complementary contributions to the key CSF Priorities listed in the rationale. The distinctiveness of the contribution of the PEACE II Operational Programme is set out below.

- ☒ ***Economic Growth and Renewal***
The Economic Renewal priority within the PEACE II Programme will build upon opportunities offered by peace, address the economic legacy of the “Troubles” and help anchor peace in sustainable economic growth. Tourism, SME development, ICT and R&D, areas clearly and adversely affected by political unrest, will be addressed.
The Outward and Forward Looking Region Priority within the PEACE II Programme will encourage a greater awareness of international markets and economic development practice within Northern Ireland.
- ☒ ***Employment, Human Resource Development and Social Inclusion***
The Economic Renewal Priority will address employment creation and human resource development through actions targeted on groups and areas disadvantaged by factors arising from political instability. The Social Integration, Inclusion and Reconciliation Priority will provide support for people and places most affected by the “Troubles”, and will invest in the future of the voluntary and community sector.
- ☒ ***Balanced Urban and Rural Development***
Under the Locally Based Regeneration Strategies Priority, locally-based partnerships will develop integrated regeneration and development strategies for their areas. These will include urban and rural regeneration schemes and town centre revitalisation schemes.
- ☒ ***North, South and Wider***
This CSF Priority will be addressed under the Outward and Forward Looking Region and Cross-border Co-operation Priorities.

The CSF Priorities identified and the findings of the ex-ante SWOT analysis

Within a number of the CSF Priorities the rationale had failed to specify the exact nature of the problems which gave rise to those particular Priorities. Although each of the Priorities can be seen to have a clear and direct link to the Socio-Economic review and the SWOT analysis of the original ex-ante, this needed to be drawn out more clearly within the rationale section.

B. Assessment of the Priorities and Measures

The Ex-ante Evaluation of the Structural Funds Plan 2000-2006 contained an assessment of the Plan overall. That assessment examined the relationship between the Priorities contained within the two Operational Programmes, specifically considering:

- the *relevance* of the Priorities to the overall aims and objectives of the Plan;
- *internal consistency* between the objectives and the Priorities; and
- *external consistency* between the Plan and other Government and EU policies.

This section extends a similar type of ex-ante evaluation to the more specific level of the relationship between the individual Measures and the Priorities within the PEACE II Programme. The issues which are addressed here are:

- Are the measures and illustrative activities consistent with redressing the specific problems which the Priority has identified (and as supported by the SWOT analysis of the ex-ante)?; and
- Will the proposed measures and activities contribute to the objectives established for the Priority?

This framework of analysis is now applied to each of the Priority areas in turn.

Priority 1: Economic Renewal

Specific problems identified by the Priority:

- Conflict leading to distortion in expenditure priorities;
- Undermined business confidence;
- Deterred inward investment;
- Missed business development opportunities;
- Under-developed tourism sector;
- Over-representation of traditional, declining industries.

Objectives identified by the Priority:

- Building up the tourism sector;
- Encouraging new inward investment;
- Developing a strong modern indigenous industrial base;
- Stimulating and supporting more business start-ups;
- Developing those businesses into international markets;
- Developing linkages/collaboration between large and small businesses;
- Promoting the objectives of the European Employment Strategy;

- Reskilling those threatened with unemployment in the transition process;
- Developing an Information Age strategy to take advantage of the opportunities offered by the Information Society;
- Diversifying the rural economy.

Consistency between Measures and Priority

Evaluated against ↻ OP Priority & Measures ⤵	Consistency with specific problems identified by the Priority	Contribution to the objectives identified by the Priority
Economic Renewal		
Business Competitiveness and Development (ERDF)	✓	✓ ✓
Sustainable Tourism Development based on shared, natural and cultural resources (ERDF) (Northern Ireland)	✓	✓ ✓
New Skills and New Opportunities (ESF)	✓ ✓	✓ ✓
Promoting Entrepreneurship (ESF)	✓ ✓	✓ ✓
Positive Action for Women (ESF)	✓ ✓	✓ ✓
Training for Farmers (EAGGF) (Northern Ireland)	✓	✓
Diversification of Agricultural Activities (EAGGF) (Northern Ireland)	✓	✓
Technology Support for the Knowledge-based Economy (ERDF)	✓	✓ ✓
Investment in Agricultural Holdings (EAGGF) (Northern Ireland)	✓	✓
Basic Services for the Rural Economy and Population (EAGGF) (Northern Ireland)	✓	✓

✓ = consistent with / contribute to some

✓✓ = consistent with / contribute to most or all

The ERDF Measure within this Priority is wide-ranging and should contribute to many of the Priority's objectives. The distorting effects of the conflict should be addressed through actions designed to retrain those threatened with unemployment, developing a strategy for the Information Society, developing appropriate public transport structures to reduce peripherality and increase access to the labour market and basic services, and involving local communities in the development of a tourism 'product' for the region.

The ESF Measure has been drawn up to address four of the five ESF policy fields, including gender specific actions. This Measure has a very localised dimension and awareness has been indicated of the need to maintain an overall strategic direction. It will be important to ensure that this strategic direction, and responsibility for its implementation, is clearly defined.

The EAGGF Measure should contribute to diversifying the rural economy and developing new on-farm enterprises. It is designed to encourage greater collaboration within the rural economy and it encompasses the crosscutting theme of the environment.

Priority 2: Social Integration, Inclusion & Reconciliation

Specific problems identified by the Priority:

- Disadvantage and division;

- Displaced violence resulting in increases in each of the following: workplace sectarianism; parade disputes; intimidation; residential segregation; attacks on ethnic minorities; and domestic violence.

Objectives identified by the Priority:

- Support for victims of violence and for ex-prisoners;
- Investment in the voluntary and community sector;
- Investing in young people and in community infrastructure;
- Developing new learning opportunities for the marginalised and excluded;
- Targeting opportunity and need particularly amongst vulnerable groups, areas most affected by conflict and interface areas;
- Reinforcing the work of the current PEACE Programme and the Framework for Human Rights and Equality (NI Act, 1998).

Consistency between Measures and Priority

Evaluated against 	Consistency with specific problems identified by the Priority	Contribution to the objectives identified by the Priority
OP Priority & Measures 		
Social Integration, Inclusion & Reconciliation		
Reconciliation for Sustainable Peace (ERDF)	✓✓	✓✓
Developing Children and Young People (ESF)	✓✓	✓✓
Skilling and Building the Social Economy (ESF) (Northern Ireland)	✓✓	✓✓
Pathways to Inclusion, Integration and Reconciliation of Victims (ESF)	✓✓	✓✓
Investing in Child Care (ESF) (Northern Ireland)	✓✓	✓✓
Promoting Active Citizenship (ERDF)	✓✓	✓✓
Developing Weak Community Infrastructure (ERDF)	✓✓	✓✓
Accompanying Infrastructure and Equipment Support (ERDF)	✓✓	✓✓
Renovation and Development of Villages and Protection and Conservation of the Rural Heritage (EAGGF)	✓✓	✓✓
Encouragement for Tourist and Craft Activities (EAGGF) (Northern Ireland)	✓✓	✓✓
Area-based Urban Regeneration (ERDF) (Northern Ireland)	✓✓	✓✓

✓ = consistent with / contribute to some

✓✓ = consistent with / contribute to most or all

The ex-ante evaluation found that the two Measures within this Priority should contribute strongly and directly to achieving the objectives of the Priority and also to the overall objectives of the Plan.

Within this Priority there has been significant acknowledgement of the need to build on experience of the current PEACE Programme. The main obstacle to promoting integration and reconciliation has been identified (*from previous experience*) as social exclusion. The ex-ante evaluation recognises that these

Measures and indicative actions are specifically targeted to overcoming this problem.

The ESF Measure will have a significant bottom-up thrust in its approach. However, the potential for overlap amongst other ESF activities has been recognised and the need for a central role identified, although it is not specified which body will take on this coordinating role.

Priority 3: Locally based Regeneration & Development Strategies

Specific problems identified by the Priority:

- Previous Programmes, including the Northern Ireland Single Programme; the PEACE Programme and the Community Initiatives, focused on developing particular areas. Administration of these similar or common actions through separate Programme structures led to overlap, confusion and duplication of administrative structures.

Objectives identified by the Priority:

- To integrate activities previously administered under various Programme structures;
- To widen the role of locally based strategies;
- Addressing the needs of local areas through collaboration at local authority level and at sub-regional level to address needs that cross local authority boundaries;
- Encouraging District Councils to take the lead in producing Regeneration and Development Strategies for their areas.

Consistency between Measures and Priority

Evaluated against 	Consistency with specific problems identified by the Priority	Contribution to the objectives identified by the Priority
OP Priority & Measures 		
Locally based Regeneration & Development Strategies		
NI Local Economic for developing the social economy (ERDF)	✓✓	✓✓
NI Locally based Human Resource, Training and Development Strategies (ESF) (Northern Ireland)	✓✓	✓✓
Building Better Communities (ERDF) (Border Region)	✓✓	✓✓
Improving Our Rural Communities (EAGGF) Border Region	✓✓	✓✓

✓ = consistent with / contribute to some

✓✓ = consistent with / contribute to most or all

The rationale for this Priority is based on previous experience which highlighted the need to integrate activities carried out under a range of structures, including the Northern Ireland Single Programme, the PEACE I Programme and the Community Initiatives.

The Priority pools together problems and objectives identified by a number of other Priorities, ensuring that these problems and objectives are addressed at the local level. Managed tightly, the two Measures should contribute strongly to overcoming previous inefficiencies. They should also improve administrative structures, increase local ‘ownership’ of problems and strategies, and increase the publicity of the Structural Funds at a local level.

Priority 4: Outward & Forward Looking Region

Specific problems identified by the Priority:

- A sustained lack of dialogue on Northern Ireland's economic and social matters;
- Thirty years of conflict leading to an insular region, not adequately developing outward and forward looking policies.

Objectives identified by the Priority;

- Building participation in European networks;
- Enhancing the capacity to analyse rural economic and social issues;
- Applying modern and forward-looking policy processes and networks for Northern Ireland;
- Learning about best international experience in conflict resolution and peace building;
- Providing technical assistance for the Operational Programme.

Consistency between Measures and Priority

Evaluated against   OP Priorities & Measures	Consistency with specific problems identified by the Priority	Contribution to the objectives identified by the Priority
Outward & Forward Looking Region		
Networking in Europe and Beyond (ERDF)	✓	✓
Marketing the Region as a Tourism destination (ERDF)	✓	✓

✓ = consistent with / contribute to some

✓✓ = consistent with / contribute to most or all

This Priority is crosscutting in nature and is designed to address a global need of the region – that of developing into a more modern and forward-looking economy. To this end, the Measures within this Priority should contribute to the Plan’s strategic theme of creating a modern, self-sustaining regional economy.

Priority 5: Cross-border Co-operation

Specific problems identified by the Priority

The nature of this Priority does not lend itself to identification of specific problems, rather it is a crosscutting Priority with objectives as outlined below.

Objectives identified by the Priority:

- Provide a strategic framework for North-South, and where possible East-West, co-operation on issues of mutual benefit across a variety of sectors and organisations;
- Complement the co-operative actions undertaken within INTERREG III;
- Taking into account equality, equity and non-discrimination considerations.

Consistency between Measures and Priority

Evaluated against   OP Priorities & Measures	Consistency with specific problems identified by the Priority	Contribution to the objectives identified by the Priority
Cross-border Co-operation		
Increasing Cross-border Economic Development Opportunities (ERDF)	n/a	✓
Improving Cross-border Public Sector Co-operation (ERDF)	n/a	✓
Developing Cross-border Reconciliation and Cultural Understanding (ERDF)	n/a	✓
Promoting Joint Approaches to Social, Education, Training and Human Resource Development (ESF)	n/a	✓✓
Cross-border School and Youth Co-operation (ESF)	n/a	✓✓
Agricultural and Rural Development Co-operation (EAGGF)	n/a	✓✓
Cross-border Fishing and Aquacultural Co-operation (FIFG)	n/a	✓

✓ = consistent with / contribute to some

✓✓ = consistent with / contribute to most or all

Similarly to the previous Priority this Priority is largely crosscutting in nature. Measures and indicative actions outlined should contribute to the broad aims of peace building and reconciliation. Actions described, particularly under the ESF and EAGGF Measures, should ensure that cross-border areas which have suffered economically and socially in the past, will develop joint strategies and make use of relevant economies of scale and infrastructure. Co-operation on economic development strategies, agricultural, forestry and rural development activities should build and develop strong linkages to encourage growth within the region itself and within the island overall.

Priority 6: Technical Assistance

Specific Problems Identified by the Priority

The additional administrative costs, including the costs of monitoring and evaluation, incurred by an Operational Programme based on decentralised delivery mechanisms.

The costs of publicising an Operational Programme with a distinctive remit.

Objectives Identified by the Priority

To publicise the Programme's contribution to promoting peace and reconciliation.

To provide for the effective monitoring, evaluation and implementation of the Programme and the achievement of its aims and objectives.

Evaluated against   OP Priorities & Measures	Consistency with specific problems identified by the Priority	Contribution to the objectives identified by the Priority
Programme Information and Publicity (ERDF)	✓	✓
Management, Monitoring and Evaluation (ERDF)	✓	✓

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✓ = consistent with / contribute to some

✓✓ = consistent with / contribute to most or all

Summary

Overall, the Measures outlined relate directly to specific problems identified by the ex-ante evaluation, the PEACE II Operational Programme and each Priority within this OP. The problems and objectives addressed by the final two Priorities however (*Outward and Forward-looking Region and Cross-border Co-operation*) are more general and crosscutting in nature. The Measures and actions outlined should, in general, contribute significantly to the Plan’s strategic themes, through an increased focus on economic development. The creation of a peaceful and prosperous society will be highly dependent upon the creation of a strong, modern, self-sustaining economy.

C. Assessment of the Priority level indicators

This section of the ex-ante evaluation provides an assessment of the Priority level indicators contained within the PEACE II Programme. In order to undertake this assessment, the ex-ante tests each of the indicators against the ‘SMART’ criteria as suggested by the Green Book Guidance on Economic Appraisal.

The assessment considers whether each indicator is **Specific, Measurable, Agreed, Realistic, and Time-dependent.**

In practice, fully ‘SMART’ indicators may not always be practicable, especially for strategic indicators. However, indicators should be as ‘SMART’ as possible.

Specific

It is important that indicators and targets are defined in specific detail in order to provide a suitable basis for their assessment. The ex-ante evaluation found that on the whole, the indicators and targets were reasonably specified. Some indicators in particular, were expressed in a very precise and unambiguous manner. An example is the social distance indicator (Social Integration, Inclusion & Reconciliation Priority) which quantifies the impact of Structural Funds assistance using a survey index.

Other indicators were not so highly specified. For example:

A number of the targets are expressed non-specifically in terms of benefits or improvements resulting from Structural Funds assistance (Economic Renewal & Transition Priority; Social Integration, Inclusion & Reconciliation Priority; Outward & Forward Looking Region Priority; and the Cross-border Co-operation Priority).

The productivity target under the Economic Renewal & Transition Priority is not specified and no indication is given as to how it is to be quantified

The networks supported indicator (Outward & Forward Looking Region Priority) does not differentiate between new networks supported and existing networks supported.

Measurable

It is particularly important that the indicators and targets are expressed in measurable terms, with emphasis on the outputs, results, and the end impact of the assistance. The majority of the indicators are measurable and many of the

targets are quantified. Most of the remaining indicators should be quantifiable once the targets (e.g. productivity) are specified in greater detail. However, it could prove difficult to quantify the Social Integration, Inclusion & Reconciliation Priority impact target. This would necessitate establishing that jobs diverted to areas of disadvantage would have located elsewhere in the absence of Structural Funds intervention. Similarly, due to the very nature of the Outward & Forward Looking Region, and Cross-border Co-operation Priorities, targets which capture their impact may be difficult to quantify. The output target measuring the number of schemes funded (Social Integration, Inclusion & Reconciliation Priority) was not quantified prior to consultation with departments. This has since been rectified.

Agreed

The actual agreement of the indicators is outside the remit of the ex-ante evaluation. That is a matter for the European Commission and the UK Government. However, it was deemed appropriate to suggest the possible inclusion of a 'private finance levered' indicator under the Social Integration, Inclusion & Reconciliation Priority. Following consultation with the departments, this indicator has subsequently been included within the revised list.

Realistic

Targets should be both challenging and realistically achievable. The process of formulating these targets has drawn on the experience of previous Programmes and evaluation evidence, and this should ensure that the targets are appropriate. The 'SME support' (Economic Growth & Competitiveness Priority) target which initially seemed low, was revised on the basis of the ex-ante evaluation.

Time-dependent

The Structural Funds interventions are assumed to be time-dependent in that they must be implemented during the course of the Programming period.

PRINCIPLES DISTINGUISHING PEACE II FROM THE TRANSITIONAL OBJECTIVE 1 PROGRAMME¹⁵

Aim: To provide a clear set of guiding principles which will ensure the distinctiveness of projects selected for inclusion in the PEACE Programme *i.e.* that they will contribute to addressing specific problems related to the unique context of the region.

The Programme supports the process of transition of the social and economic conditions of the region from conflict to peace. To be considered for inclusion in the PEACE II Programme, proposals for projects must demonstrate at least one of the following:

1. Unique Economic and Social Conditions
 - (a) A remedial effect in sectors of society and/or the economy which have had their development impeded by the consequences of the conflict for the social and economic environment; or
 - (b) interventions to take opportunities which are only becoming available or viable with the prospect of a stable environment for the long-term; or
 - (c) opportunities in sectors, or for people, disadvantaged by the consequences of the conflict for the social and economic environment.
2. Targeted Actions
 - (a) Benefits for groups or areas which have been particularly disadvantaged in the context of the region's difficulties as consequences of the conflict; or
 - (b) actions designed to contribute to long-term sustainable developments with emphasis on innovative and community-led activity.
3. Reconciliation and Co-operation
Impact through promoting reconciliation, co-operation or joint action between different parts of the community or building confidence in identity which would contribute to breaking down community divisions.

Process

All funding bodies will comply with the application of at least one of the above criteria 1 to 3 in respect of anything they wish to consider for funding, including North/South and wider co-operation, under the PEACE II Programme. In addition, the Programme will also feature a strong and inclusive approach to local economic or community development, building on local regeneration and development strategies which have been developed on an inclusive basis by local authorities and Local Strategy Partnership structures working in collaboration and taking into account the needs of potential beneficiaries.

¹⁵ PROPOSAL FROM THE NI AUTHORITIES – JUNE 2000. THIS PROPOSAL FORMED THE BASIS FOR THE AGREED GUIDELINES IN SECTION 4.4 OF THE NI CSF

TRANSITIONAL ARRANGEMENTS FOR THE ESTABLISHMENT OF NEW LOCAL STRATEGY PARTNERSHIP IN NORTHERN IRELAND

A phased transition from PEACE I District Partnership arrangements to the new Local Strategy Partnerships under this Programme will be organised as follows:

- Where agreement exists or can be reached quickly between the existing District Partnership and the District Council in an area, then the new Local Strategy Partnership arrangement can be brought into operation and PEACE II funds allocated to it as the Implementing Body for Priority 3 in the district. Where confirmation of this agreement is received and endorsed by the Managing Authority and the PEACE II Monitoring Committee within 2 months of the date of the agreement of the PEACE II Programme Complement by the Monitoring Committee, then 100% of the assistance allocated to the district under this Priority will be made available to the new Local Strategy Partnership in the form of a Global Grant in a manner consistent with:
 1. the aims and objectives of the Measures set out in Priority 3;
 2. the criteria specified for the selection of projects and other actions under PEACE II (as set out in Section 3.7);
 3. the horizontal principles set out in Chapter 4.
- Where it is not possible for the existing District Partnership and the District Council to reach agreement on new Local Strategy Partnership arrangements within two months of the date of the agreement of the PEACE II Programme Complement by the Monitoring Committee, then the Managing Authority will allocate 25% of the assistance available to the district under this Priority to the existing District Partnership (as operated under PEACE I) for allocation to projects and other actions. This assistance will be allocated by the Managing Authority to the District Partnership in the form of a Global Grant in a manner consistent with:
 1. the aims and objectives of the Measures set out in Priority 3;
 2. the criteria specified for the selection of projects and other actions under PEACE II (as set out in Section 3.7); and
 3. the horizontal principles set out in Chapter 4.The new Regional Partnership Board will assist the Managing Authority in securing early agreement on new Local Strategy Partnership structures within such districts and progress will be reviewed by the PEACE II Monitoring Committee. The objective will be to ensure that agreement is reached and the new Local Strategy Partnership structures put in place no later than 31 December 2001.
- If by the end of 2001 agreement has not been reached within a district between the PEACE I District Partnership and the District Council on new Local Strategy Partnership arrangements, the Managing Authority in consultation with the Regional Partnership Board will review the position and identify how best to ensure that new Local Strategy Partnership arrangements consistent with the principles set out in the Northern Ireland CSF and the PEACE II Operational

Programme can be brought into operation. The Managing Authority, taking into account advice from the Regional Partnership Board, will bring forward recommendations to achieve this to the Minister of Finance and Personnel in the Executive Committee of the Northern Ireland Assembly. The Minister will consider these recommendations and decide, in consultation with other Ministers in the Executive, how best to ensure the establishment of new partnership arrangements in the district council areas concerned by the end of February 2002.

- Once the new Local Strategy Partnership arrangements have been established in the district, then the balance of funding due to the district will be allocated, in the form of a revised Global Grant, to the new Local Strategy Partnership as the Implementing Body for spending under Priority 3. These funds will then be allocated to projects and actions in a manner consistent with:
 1. the aims and objectives of the Measures set out in Priority 3;
 2. the criteria specified for the selection of projects and other actions under PEACE II (as set out in Section 3.7); and
 3. the horizontal principles set out in Chapter 4.

THE PEACE II MONITORING COMMITTEE

The membership of the PEACE II Monitoring Committee will be made up of equal representation from both jurisdictions. The PEACE II Monitoring Committee will also have permanent advisors from the European Commission and from Government Departments, North and South. The International Fund for Ireland and the Department of Trade and Industry (UK) and the Implementing Bodies will have observer status on the Committee.

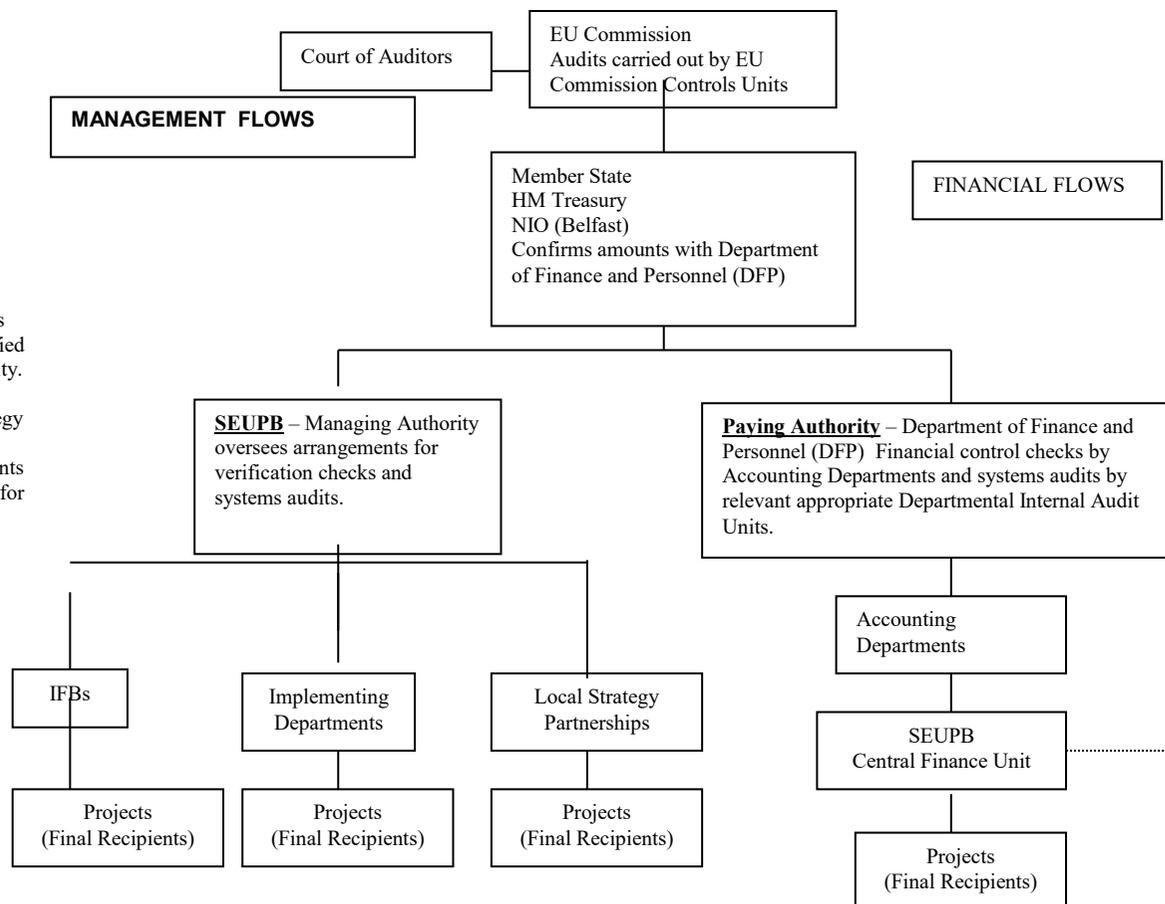
The membership will be as follows:

1.	<u>Chair</u>	Special European Union Programmes Body	1
2.	<u>Regional / Sub-Regional / Local Government interests</u> ¹⁶	Northern Ireland : OFM/DFM, Local Government Border Region : BMW Regional Assembly, Regional Authorities	5 4
3.	<u>Cross-cutting interests</u> (equal numbers North and South)	Equality organisations Environmental organisations	2 2
4.	<u>Social and Economic Partners</u> (equal numbers North and South)	Voluntary and Community Sectors Business Trade Unions Agriculture, rural Development and Fisheries	2 2 2 2
5.	<u>Paying Authorities</u>	Northern Ireland : DFP (ERDF), DHFETE (ESF), DARD (EAGGF & FIFG) ; Ireland : DoF (ERDF), DETE (ESF), DAFRD (EAGGF), DMNR (FIFG).	4 5
TOTAL			<u>31</u>

¹⁶ Members will also act as representatives of the co-ordinating structures at regional level described in Section 3.8.2.

ANNEX 9

ERDF (Northern Ireland)



SEUPB
Coordinates and examines expenditure reports from Implementing Bodies and submits certified expenditure declarations to the paying authority. Carries out 5% verification checks on expenditure returns for IFBs and Local Strategy Partnerships and liaises with Implementing Departments to ensure appropriate arrangements are in place. Co-ordinates irregularity reports for transmission to the paying authority.

Implementing Bodies
Implementing Bodies are defined as final beneficiaries of the Programme. They certify payment claims from final recipients. Reports on expenditure to Managing Authority and Accounting Departments. Retains back-up documentation for payment claims.

Carries out work and submits claims for payment to the implementing body. Ensures all payment claims are supported by receipted invoices and accounting documents.

Pays ERDF Funds to HM Treasury, Paymaster General's Account (NI Consolidated Fund) Bank of England, London for the purpose of reimbursing ERDF expenditure actually incurred.

Notifies NIO (Belfast) that monies are being held for NI.

Arranges transfer to Paymaster General's Account, Northern Bank, Belfast.

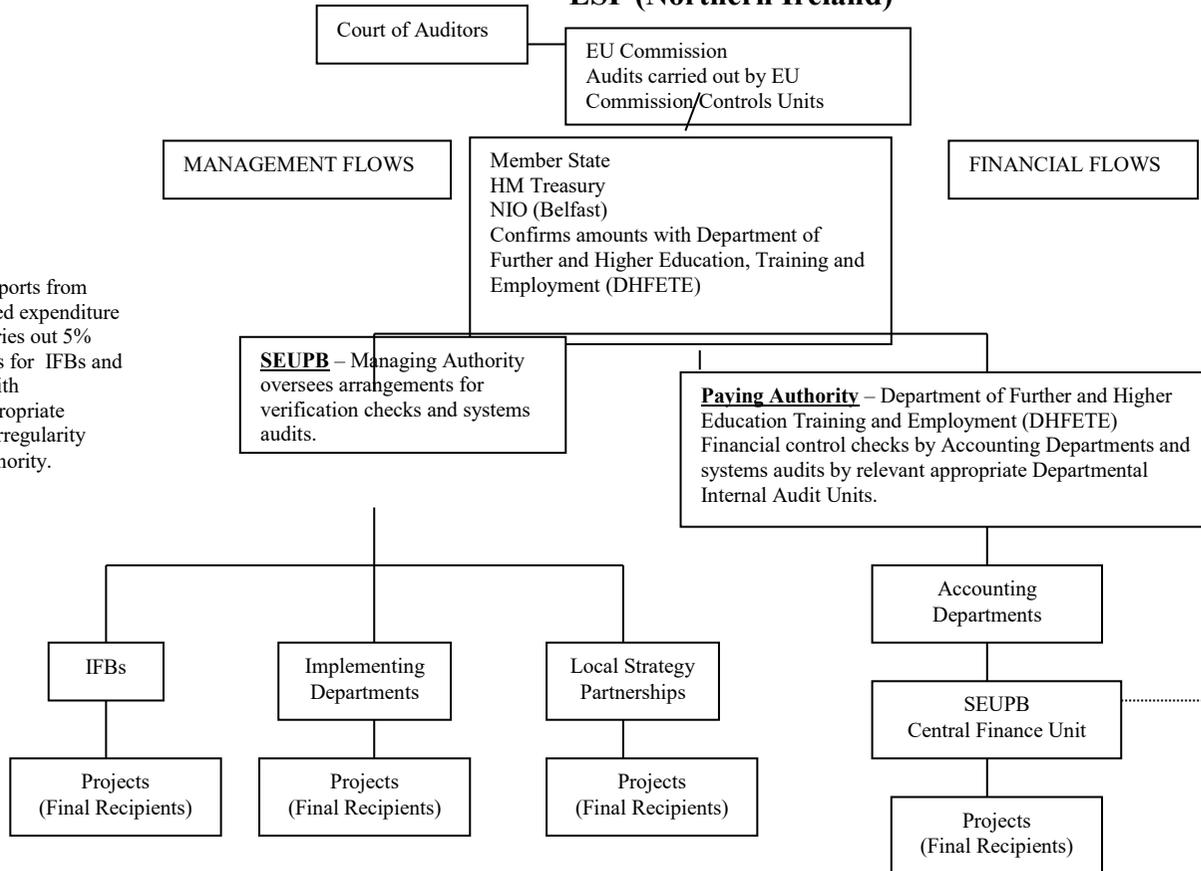
Examines ERDF expenditure declaration from Managing Authority and certifies payment claim to EU Commission for drawdown of ERDF funds. Disbursement of ERDF receipts.

Arrangements for system checks by Internal Audit Units. Disburses EU and match funding to Central Finance Unit.

Disburses EU and match funding to projects on instruction from implementing bodies. Collates financial expenditure information for the OP.

Carries out work and makes payments on the ground eligible for ERDF claim.

ESF (Northern Ireland)



SEUPB

Coordinates and examines expenditure reports from Implementing Bodies and submits certified expenditure declarations to the paying authority. Carries out 5% verification checks on expenditure returns for IFBs and Local Strategy Partnerships and liaises with Implementing Departments to ensure appropriate arrangements are in place. Co-ordinates irregularity reports for transmission to the paying authority.

Implementing Bodies
Implementing Bodies are defined as final beneficiaries of the Programme. They certify payment claims from final recipients. Reports on expenditure to Managing Authority and Accounting Departments. Retains back-up documentation for payment claims.

Carries out work and submits claims for payment to the implementing body. Ensures all payment claims are supported by receipted invoices and accounting documents.

Pays ESF Funds to HM Treasury, Paymaster General's Account (NI Consolidated Fund) Bank of England, London for the purpose of reimbursing ESF expenditure actually incurred.

Notifies NIO (Belfast) that monies are being held for NI.

Arranges transfer to Paymaster General's Account, Northern Bank, Belfast.

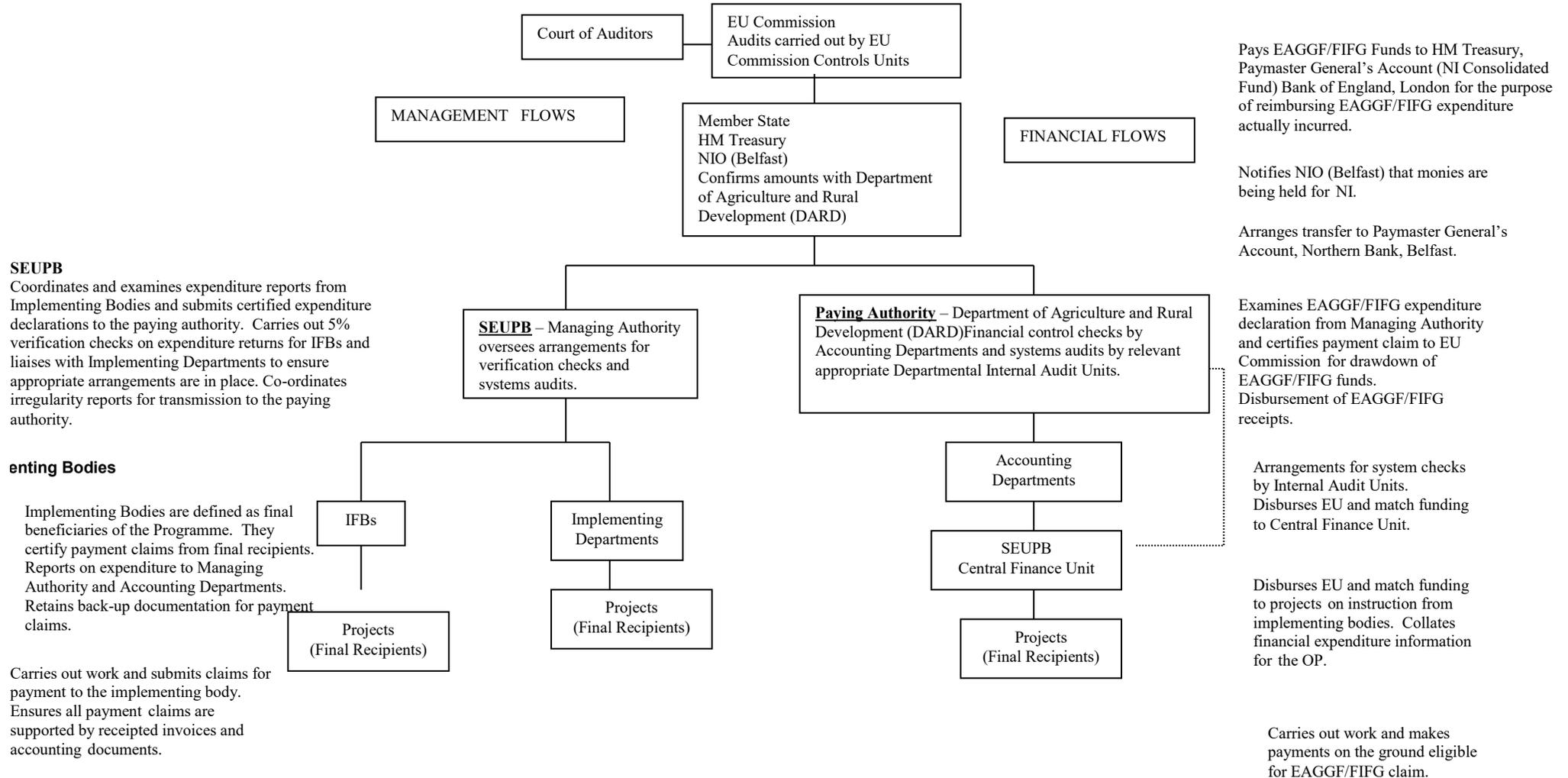
Examines ESF expenditure declaration from Managing Authority and certifies payment claim to EU Commission for drawdown of ESF funds. Disbursement of ESF receipts.

Arrangements for system checks by Internal Audit Units. Disburses EU and match funding to Central Finance Unit.

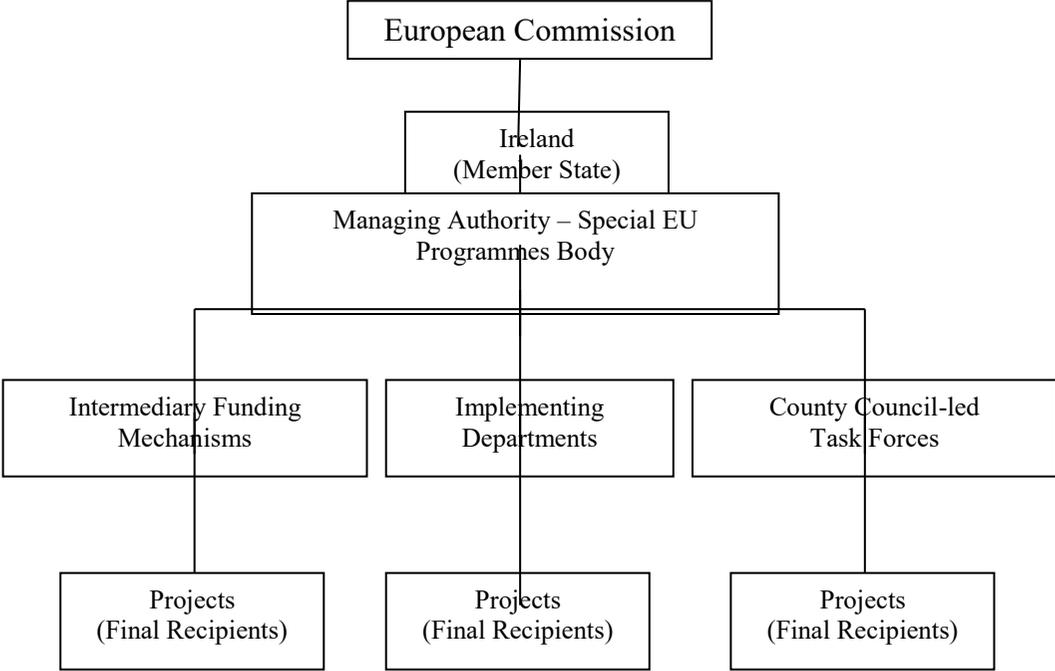
Disburses EU and match funding to projects on instruction from implementing bodies. Collates financial expenditure information for the OP.

Carries out work and makes payments on the ground eligible for ESF claim.

EAGGF/FIFG (Northern Ireland)



(All Funds - Border Region)



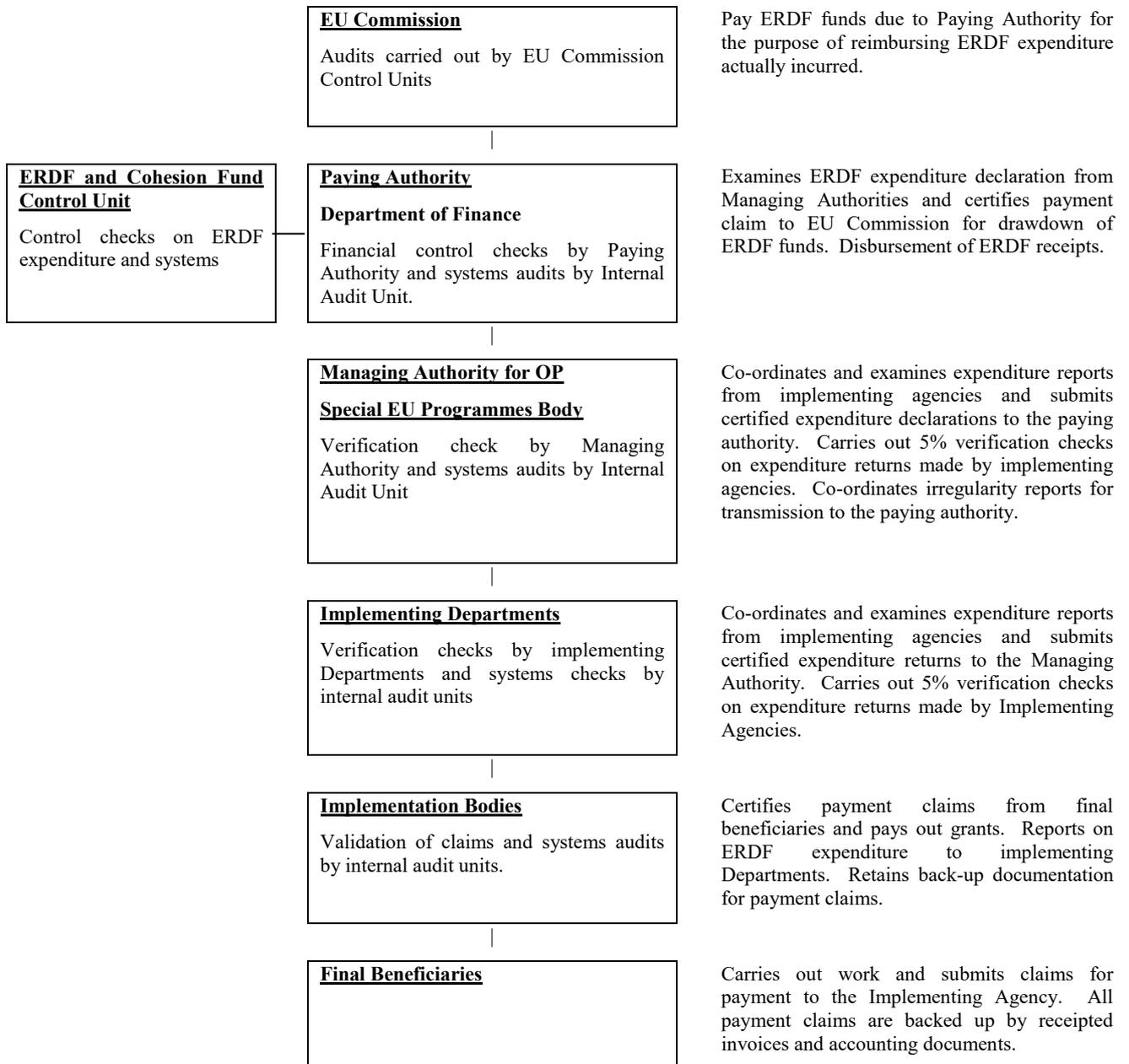
Management Flows

Coordinates and examines expenditure reports from implementing Bodies and submits certified expenditure declarations to the paying authority. Liaises with departments and delegated authorities to ensure appropriate arrangements for 5% checks on expenditure returns are in place. Coordinates irregularity reports for

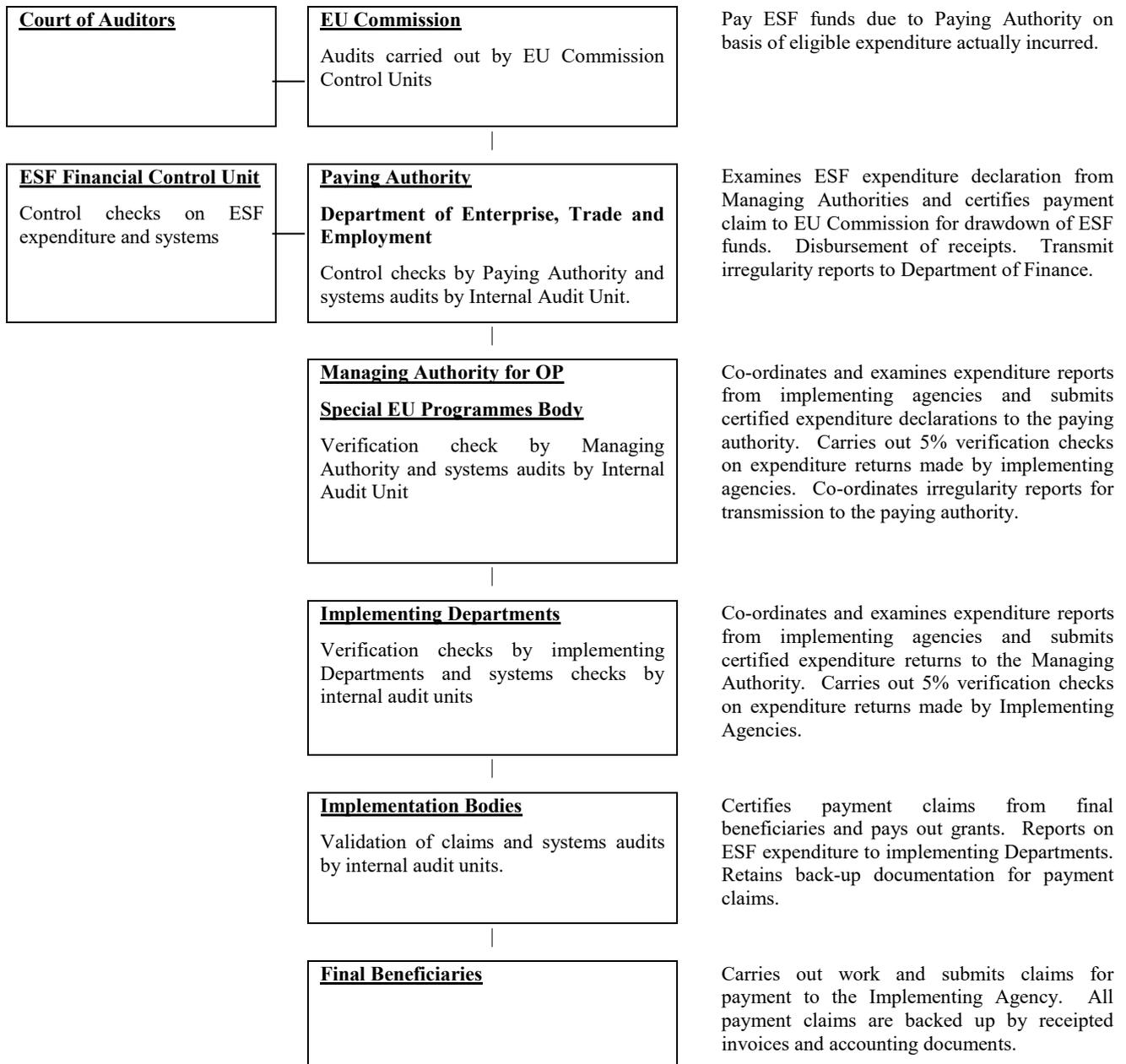
Implementing Bodies certifies payment claims from final beneficiaries. Reports on expenditure to Managing Authority and Accounting Departments. Retains back-up documentation for payment claims.

Executes actions and submits claims for payment to the implementing body. Ensures all payment claims are supported by receipted invoices and accounting documents.

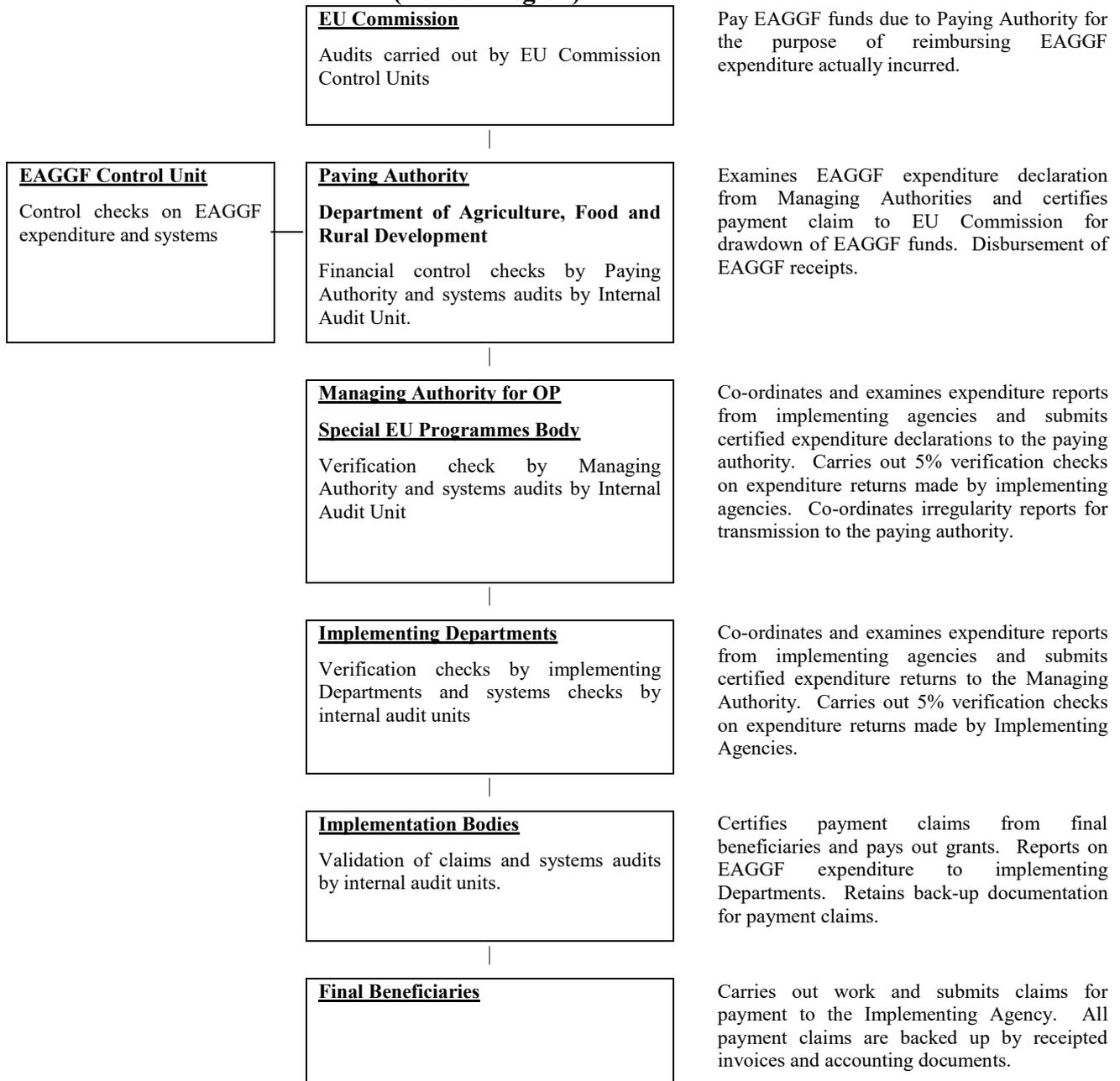
Financial Management and Control Arrangement for Drawdown of ERDF Funds (Border Region)



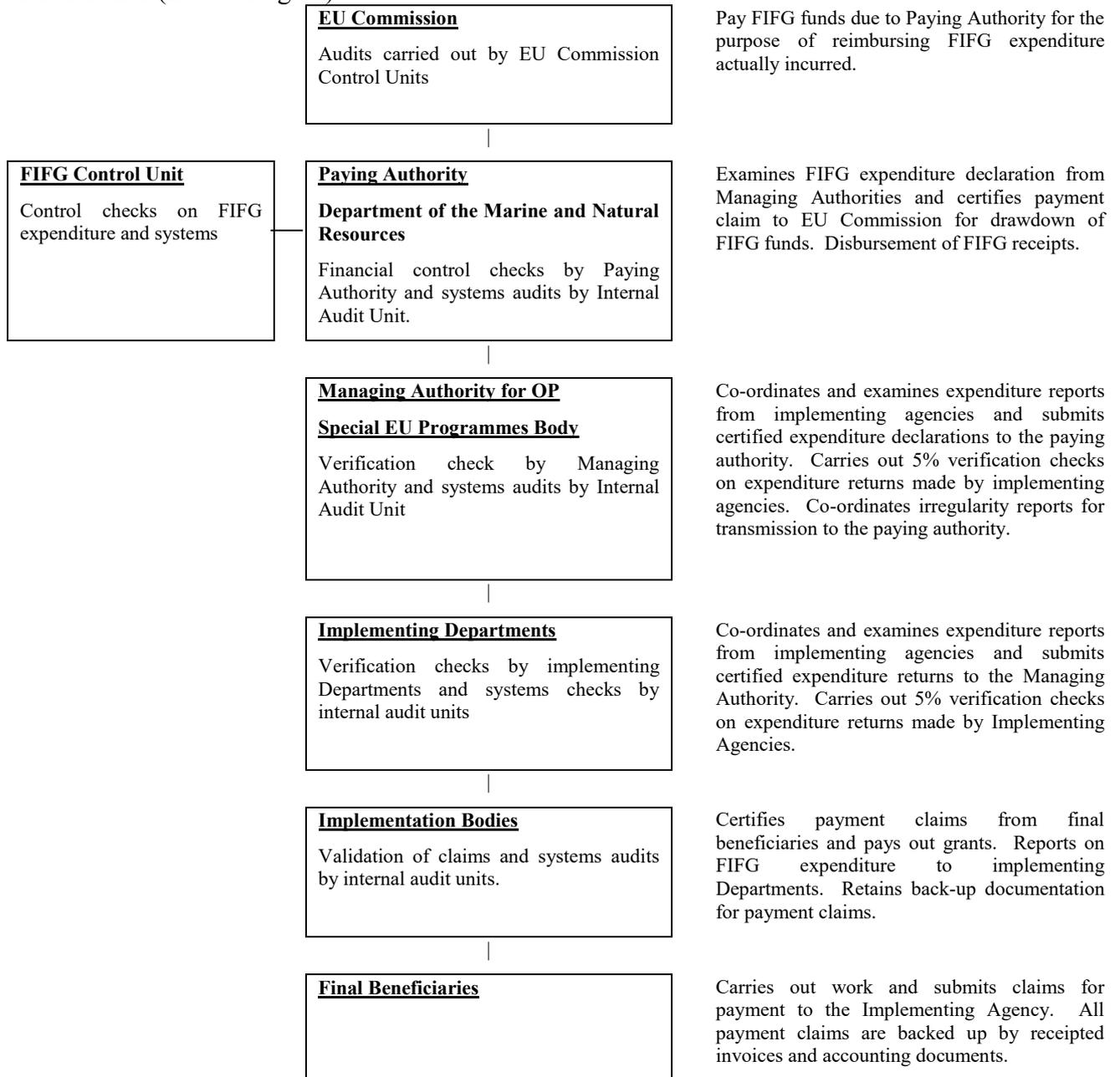
Flowchart on Financial Management and Control Arrangement for Drawdown of ESF Funds (Border Region)



Flowchart on Financial Management and Control Arrangement for Drawdown of EAGGF Funds (Border Region)



Flowchart on Financial Management and Control Arrangement for Drawdown of FIFG Funds (Border Region)



GENDER MATRIX

THIS MATRIX ILLUSTRATES THE WAYS IN WHICH GENDER ISSUES COULD BE ADDRESSED THROUGH THE ESF POLICY FIELDS

NORTHERN IRELAND COMMUNITY SUPPORT FRAMEWORK 2000-2006

ESF Policy Fields	Labour Market Issues	Actions which will Benefit Women	Relevant Operational Programme Measures	Anticipated Results for both Ops
Active Labour Market Policies	ILO unemployment rate of 5.6% for women compared to 8.5% for men. For single or separated women, the rate is 9.80%. Significant differences between men and women with 69% of men and 51% of women economically active. Significant numbers of potential women returners.	<ul style="list-style-type: none"> • Actions to increase female economic activity rates. • Actions to support women returners; • Actions to support the provision of childcare 	Transitional OP: Tackling LTU Education and Skills Development PEACE II: Employability and New Opportunities	It is anticipated that at least 5% of the funds allocated to this policy field will be directed towards women returnees. Approximately 5% of ESF support used within this policy field will be directed towards childcare issues.
Equal Opportunities	75% of part-time jobs taken by females Low activity rates for single women with dependent children In NI, female activity rates decline as the number of children increases. Lone mothers are on average younger than married mothers and have less work experience and lower levels of qualifications. Approximately 40,000 lone parents were in receipt of income support in 1998 representing 3.4% of population aged 16 and over.	<ul style="list-style-type: none"> • Actions needed to improve female activity rates. • Actions required to create additional childcare places and to improve quality of childcare. • Actions also needed to improve training in the childcare sector. • Actions to support lone parents. 	Transitional OP: Promoting a labour market open to all PEACE II: Pathways to inclusion and employment	It is anticipated that at least 10% of the funds allocated to this policy field will be spent on lone parents or targeted at specific groups of women. Note: Childcare costs will be an eligible cost for all projects in this policy field. It is anticipated that 10% of ESF support used within this policy field will be spent on childcare.
Lifelong Learning	Part-time workers are likely to have reduced	<ul style="list-style-type: none"> • Actions to improve training for part- 	Transitional OP:	

ESF Policy Fields	Labour Market Issues	Actions which will Benefit Women	Relevant Operational Programme Measures	Anticipated Results for both Ops
	access to training. In NI 33% of all females are part-time employees compared with just 6% of males.	<ul style="list-style-type: none"> time workers. Actions to support the childcare sector. 	Improving opportunities for lifelong learning.	
Lifelong Learning (contd)	<p>Lack of information on training and educational opportunities for women</p> <p>Transport and childcare costs and time as constraints on women accessing the labour market and training opportunities.</p>	<ul style="list-style-type: none"> Improved access to education and vocational training through flexible delivery methods. 	PEACE II: Integration through education (possibly revise title)	It is likely that the gender split for funds spent on returners and part-time workers will reflect the labour market situation. Childcare costs will be an eligible cost for all projects in this policy field. It is anticipated that 5% of ESF in this field will be spent on childcare.
Adaptability and Entrepreneurship	<p>NI employers lag behind the rest of the UK in terms of the provision of "off-the-job" training and the existence of HR plans. Female employees will be disadvantaged by this. High level of females working part-time reduces their access to training.</p> <p>Parents and carers face particular problems in balancing work and other responsibilities. A need exists to promote and support Work Home Balance. In NI, 40% of employers in 1998 did not have a written equal opportunities policy.</p> <p>Considerable disparity exists in terms of self-employment rates between males (19.8%) and females (4.4%).</p>	<ul style="list-style-type: none"> Support to companies and organisations promoting equal opportunities and HRD plans and policies. Support for women's entrepreneurship. Childcare provision. Support for actions to promote and highlight the benefits of more flexible patterns of work, allowing businesses to become more competitive and at the same time will help women employees. Encouragement of awareness raising and training measures on equality including provision for pilot initiatives and the development of best practice. 	<p>Transitional OP: Developing entrepreneurship.</p> <p>PEACE II: Promoting Enterprise Pathways to local development Cross-border actions.</p>	<p>It is anticipated that women will particularly benefit from those activities promoting and supporting more flexible patterns of work.</p> <p>It is anticipated that at least 5% of funds allocated to this policy field will be spent on part-timers.</p> <p>Childcare costs will be an eligible cost for all projects in this field. It is anticipated that 5% of ESF support used under this field will be spent on childcare. Women will be the subject of a more targeted promotion effort in terms of self-employment as an option.</p>
Improving the Participation of Women in the Labour Market	<p>Only 9% of working women are managers or administrators compared with 20% of men.</p> <p>Range of obstacles facing women entering the labour market.</p>	<ul style="list-style-type: none"> Actions to support the childcare sector. Actions supporting the work home balance. 	<p>Transitional OP: The advancement of women</p> <p>PEACE II: Pathways for women</p>	Women will be the beneficiaries of both measures within this policy field.

LIST OF ABBREVIATIONS

ADM	Area Development Management
BIM	Bord Iascaigh Mhera
BMW	Border Midland and Western
BR	Border Region
BSE	Bovine Spongiform Encephalopathy
CAP	Common Agricultural Policy
CBAIT	Cross-border Aquaculture Initiative Team
CDB	County and City Development Boards
CPA	Combat Poverty Agency
CSF	Community Support Framework
CSO	Central Statistical Office
DARD	Department of Agriculture and Rural Development (from 1999)
DED	Department of Economic Development (until 1999)
DENI	Department of Education for Northern Ireland
DETI	Department for Enterprise, Trade and Industry (from 1999)
DFP	Department of Finance and Personnel
DHFETE	Department for Higher & Further Education, Training & Employment
DHSSPS	Department of Health, Social Services and Public Safety
DSD	Department for Social Development
DTI	Department of Trade and Industry
EAGGF	European Agricultural Guidance and Guarantee Fund
EC	European Community
EHS	Environment and Heritage Service
ERDF	European Regional Development Fund
EU	European Union
EUD	European Union Division (of the Department of Finance and Personnel)
Eur 15	The 15 member states of the European Union
EURES	European Employment Service
ESF	European Social Fund
FAS	Foras Aiseanna Saothair
FE	Further Education
FIFG	Financial Instrument for Fisheries Guidance
GB	Great Britain
GCSE	General Certificate of Secondary Education
GDP	Gross Domestic Product
HE	Higher Education
HM	Her Majesty
HQ	Headquarters
HRD	Human Resource Development
ICSFMC	Interim Community Support Framework Monitoring Committee
ICT	Information & Communication Technology

ILA	Individual Learning Accounts
ILO	International Labour Organisation
IRTU	Industrial Research and Technology Unit
ISDN	Integrated Services Digital Network
LEDU	Local Enterprise Development Unit
LTU	Long-term Unemployed/Unemployment
MP	Member of Parliament
NDP	National Development Plan
NEAP	National Employment Action Plan
NI	Northern Ireland
NIERC	Northern Ireland Economic Research Centre
NIO	Northern Ireland Office
NITB	Northern Ireland Tourist Board
NSMC	North/South Ministerial Council
NUTS 3/ NUTS III	Nomenclature for Unified Territorial Statistics, level 3 classification
NVQ	National Vocational Qualification
OFMDFM	Office of the First Minister and Deputy First Minister
R&D	Research and Development
R&TD	Research and Technology Development
OP	Operational Programme
ONS	Office for National Statistics
ROI	Republic of Ireland
RTDI	Research, Technology Development and Innovation
PMG	Paymaster General
SDP	Strategic Development Plans
SEUPB	Special European Union Programmes Body
S&E	Southern and Eastern
SIC	Standard Industrial Classification
SMART	Specific, Measurable, Agreed, Realistic and Time-bound
SMEs	Small or Medium-sized Enterprises
SMI	Sectoral Marketing Initiatives
SWOT	Strengths, Weaknesses, Opportunities and Threats
TSN	Targeting Social Need
UFI	University for Industry
UK	United Kingdom
VAT	Value Added Tax