

Northern Ireland Structural Funds Plan  
2000 - 2006



*'Northern Ireland: - a Region achieving Transition'*

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## NORTHERN IRELAND STRUCTURAL FUNDS PLAN 2000 - 2006

## FOREWORD

The Structural Funds Plan was drawn up following an extensive process of consultation within the region. This involved the social partners and the district councils as well as a wide range of local interest organisations. Central to the process was consultation with the members and parties of the new Northern Ireland Assembly and with the then First Minister (Designate) and Deputy First Minister (Designate). These latter consultations were particularly important because responsibility for administration of the Structural Funds was about to be devolved to the Northern Ireland Assembly.

The Plan, which was submitted to Brussels in November 1999, could not therefore reflect the Executive's own Programme for Government. However, it took into account the outcomes of the consultation with the New Northern Ireland Assembly and was designed to retain a high degree of flexibility so as to avoid prejudging the views of the new administration.

Following devolution, 10 new Departments were created each with its own Minister. These 10 Ministers, along with the First and Deputy First Ministers, formed the Executive Committee. Six new cross-border implementation bodies, including the Special EU Programmes Body, were set up, as well as the North/South Ministerial Council.

The Executive Committee recognised the importance of pressing forward with the agreement of the new EU Programmes as quickly as possible. It therefore paid particular attention to the post - 1999 Structural Funds proposals and the two new Operational Programmes: the Peace II Programme and the Transitional Objective 1 Programme.

The Committee focussed over several meetings on a number of major themes, which build strongly on the views expressed in consultation by the economic and social partners, the district councils and other interested bodies, and the discussions with Commission officials and the Irish Government during the course of 1999. At its meeting on Wednesday 9 February 2000, the Committee took a final view of the proposals and agreed a strategic approach for the Structural Funds Plan and associated Operational Programmes.

The Committee confirmed the broad priorities and proposals in the Structural Funds Plan as a starting point for negotiation of the Community Support Framework. It confirmed the financial allocations for the Transitional Objective 1 Programme and the Peace II Programme as a basis on which to open the negotiations of the Plan. The Executive Committee's view of the starting point for the negotiation was also confirmed to Commissioner Michel Barnier by the First and Deputy First Ministers in a letter of 11 February 2000.

The Committee recognised that Northern Ireland faces a unique combination of economic, political and social opportunities. The EU's assistance in the evolution of the peace process has been very important and the Executive Committee want to use the opportunity offered by EU assistance in novel ways. Certain aspects of economic development are very important for this new round of funding, in order to overcome Northern Ireland's over-dependence on the public sector and other direct consequences of a conflict situation. Conflict has led to resources being drawn into the maintenance of traditional aspects of the economy, which meant that it has not been possible to develop the more forward looking aspects of industrial and business development which are so essential. Special assistance therefore to assist with tourism, business development and the information society is now

crucial. This calls for a greater economic focus to the new Peace II Programme than was the case in Peace I, although social inclusion also remains a theme which cuts across all aspects of the proposed new Programme.

The new proposals respond very directly to the decision by the European Council that European Social Fund expenditure should have a new focus on social inclusion into the labour market, and this will be implemented strongly in the range of training and education measures which the Executive Committee are proposing for the new round. In addition, the Committee wishes to sustain and build on the direct focus on reaching out to the most marginalised which was a strong characteristic of the first Peace Programme. There are unique opportunities also to promote community reconciliation in the Programme and address the particular needs of victims and ex-prisoners.

Equality and addressing the needs of the most disadvantaged will be a theme running through the entire Programme. Every effort will be made to look for further ways to ensure that the proposals take every opportunity to target the needs of children, young people and women.

There is also an opportunity in the new Peace Programme to develop partnerships in new ways even beyond the major progress made under the original Peace Programme. At local level, it is planned to build even more strongly on the drawing together of local interests including district councils, private, voluntary and public sector players to ensure that the new Programme is truly effective in reaching the needs and aspirations of local communities. There is also scope for building on the local partnership ideas at a more regional level, recognising that partnership is at the heart of the new government structures.

There is a very strong commitment to develop this aspect of the new Programme and continue to ensure that the Peace Programme is effective in terms of building processes for aspects of community development in Northern Ireland that will be both unique and long lasting. It is important to ensure that, when the Programme has been completed, the consequences and benefits will be enduring, and that it is possible to point back to and celebrate the substantial contribution made by the European Union.

Finally, the proposals include a cross-border priority which will provide opportunities for funding of cross-border co-operative actions across the full range of economic and social areas. They recognise that the political context has changed and that the new arrangements, including the Special EU Programmes Body, should ensure a higher level of total expenditure on cross-border actions.

The Executive Committee has confirmed the broad priorities and proposals in the Structural Funds Plan as a starting point for negotiation of the Community Support Framework and agreed the revised financial allocations accordingly. NIO Ministers have agreed that the negotiations should proceed on this basis.

## Introduction

- 1.1 Northern Ireland faces unique opportunities and challenges over the period 2000 - 2006. The European Union has shown its commitment to helping Northern Ireland to meet those challenges which involve making significant transitions in the economic, social and political fields.
- 1.2 The European Council, meeting in Berlin in March 1999, decided that for the period 2000 - 2005 Northern Ireland would receive support as an Objective 1 in Transition Region and, further, that the Peace Programme for Northern Ireland and the Border Counties would be continued over the period 2000 - 2004. The Northern Ireland Objective 1 Transitional Programme and the new Peace Programme will operate together under the authority of the Northern Ireland Community Support Framework.
- 1.3 This Structural Funds Plan sets out proposals for the Northern Ireland Community Support Framework (CSF) and for the Transitional Objective 1 and Peace II Programmes which will operate under the CSF. The Structural Funds Plan ('the Plan') has been prepared after careful analysis of Northern Ireland's needs based on an independent *ex ante* evaluation, a widespread consultation process and consideration of the possible responses to the needs of the region.
- 1.4 The Plan has been prepared in accordance with the revised Structural Funds Regulations, which were published in the Official Journal of the European Communities on 26 June 1999 and also takes into account the guidelines for programming and various more detailed working papers prepared by the Commission for the guidance of Member States.
- 1.5 The Plan includes a Chapter on Co-operation with the Republic of Ireland which was agreed jointly and which follows up the 'Common Chapter' which appeared in the Northern Ireland Structural Funds Plan 1994 - 99 and the comparable document prepared by the Irish Government. Taken together with a new emphasis on East - West co-operation reflecting the terms of the Belfast Agreement of April 1998, the Plan places a strong emphasis on the much greater involvement of Northern Ireland in European and international networks.
- 1.6 In addition to the Transitional Objective 1 Programme and the Peace II Programme, which will be implemented under the authority of the Northern Ireland CSF, further Structural Funds support will also be provided to Northern Ireland under the separate Community Initiatives; i.e., the Interreg III, Leader III, Urban II and Equal Programmes.

### EX ANTE EVALUATION

- 1.7 A full and independent *ex ante* evaluation has been carried out to identify the strengths and weaknesses of Northern Ireland as a region and its sources of potential growth and development. This *ex ante* evaluation has included a careful analysis of the environmental position of the region, of equality between men and women and of the regional labour market. The *ex ante* evaluation has also drawn upon experience of the operation and evaluation of the current round of Structural Funds support to Northern Ireland, including the experience of introducing and implementing the Special Support Programme for Peace and Reconciliation, which introduced new approaches and delivery mechanisms to the Structural Funds in Northern Ireland.
- 1.8 The recommended actions set out in this Plan follow logically from the *ex ante* assessment, as later Chapters of this Plan demonstrate.

## THE BELFAST AGREEMENT

- 1.9 A key factor shaping this Plan has been a careful and extensive process of consultation within the region. Central to this process has been consultation with the members and parties in the New Northern Ireland Assembly and with the First Minister (Designate) and the former Deputy First Minister (Designate).
- 1.10 One of the key transitions which Northern Ireland has to make during the period of this Plan is a transition to a more peaceful and stable society based on new institutions of devolved government established on a cross-community basis. Achievement of this transition has proved elusive. While the Belfast Agreement of April 1998 set out a framework for the future government of Northern Ireland which commanded widespread support in both parts of Ireland, implementation of the agreed framework has been more difficult. At the time of the finalisation of this Plan, however, a formal review is underway as regards the implementation of specific aspects of the Agreement, and negotiations on these points are continuing.
- 1.11 Notwithstanding the current uncertainty about the rate of progress towards the implementation of arrangements for a devolved Northern Ireland Executive, the consultation processes with the New Northern Ireland Assembly and with the First Minister (Designate) and the former Deputy First Minister (Designate) are particularly important because it is hoped that early in the period of this Plan responsibility for administration of most of the matters which it covers will be devolved to the Northern Ireland Assembly.
- 1.12 In that situation:
  - the new Executive will wish to develop its own Programme for Government, and
  - administration of a number of areas and issues will pass to a number of Implementation Bodies which will be established on a North - South basis under the terms of the Belfast Agreement.
- 1.13 In this context, the Structural Funds Plan for Northern Ireland must retain a high degree of flexibility so that it does not inadvertently preclude new priorities and policies which may be developed by a devolved Northern Ireland Executive and which are suitable for support under the Structural Funds. It is for this reason that a number of the strategies and policies in the Plan must remain in an emergent, rather than fully featured form. This will enable a new Northern Ireland Executive to flex and adopt the strategies in the Structural Funds Plan to reflect the priorities which it adopts in its Programme for Government. This need for flexibility and to keep open the possibility of a review of the Structural Funds Plan is a reflection of the exceptional political situation in Northern Ireland where new arrangements for governing Northern Ireland are being negotiated as the Structural Funds Plan is completed.
- 1.14 Until such time as devolution to a Northern Ireland Assembly does occur, the policies set out in this Plan will continue to be implemented by Northern Ireland Departments working under the direction of the Secretary of State for Northern Ireland and his Ministerial team.
- 1.15 The Structural Funds Plan's proposals reflect the outcomes of the consultation with the New Northern Ireland Assembly and with the First Minister (Designate) and the former Deputy First Minister (Designate) but within the context of the priorities for expenditure and policies established by Ministers acting under the authority of the Secretary of State for Northern Ireland. When responsibility is transferred to the New Northern Ireland Assembly it may well wish to review its policy and expenditure priorities and to reflect any changes in those priorities in a revised Structural Funds Plan.

## WIDE CONSULTATION

- 1.16 Building on the experience of the consultation processes which contributed to the development of the Northern Ireland Single Programme and the Peace Programme, an extensive programme of consultation has been undertaken over a period of 14 months, becoming progressively more intensive as proposals have evolved and developed.
- 1.17 This wide consultation process has included a written consultative process which commenced in August 1998; a series of inputs from sectoral and other groups which were based on extended and focused consultation processes involving all Northern Ireland Departments; two consultative conferences, in May and September 1999 (each of which was attended by over 300 representatives of a wide range of economic and social interests); two seminars with the New Northern Ireland Assembly Members in May and September 1999; a series of meetings with the Assembly parties; consultation with District Councils facilitated by the Northern Ireland Centre in Europe and establishment of a Core Consultative Group, comprised primarily of representatives of social partner organisations but also including representatives of local government and the political sector.
- 1.18 The Plan has been developed and revised in the light of the views received in the consultation process and, in particular, the views of members of the New Northern Ireland Assembly who were consulted by the Minister of State with special responsibility for European Affairs.

## OTHER IMPORTANT CONSIDERATIONS

- 1.19 The Plan also reflects a variety of other important influences. These include the revised Structural Funds Regulations, the Guidelines on Programmes 2000 - 2006 issued by the European Commission, the various Working Papers issued by the Commission to help national authorities to develop Structural Funds Plans and a wide range of Government policies and priorities, including a range of issues which formed part of the Belfast Agreement of April 1998. In addition, the Plan takes into account the experience of Community Initiatives such as LEADER, INTERREG, URBAN, RETEX etc., and, where appropriate, the lessons and experiences of those Community Initiatives have been built into the mainstream CSF. For all these reasons, the Structural Funds Plan sets out an approach to the implementation of the Structural Funds in Northern Ireland which is carefully tailored to the specific needs of the region.
- 1.20 Equality between men and women is not only a principle underlying the Structural Funds but is also part of the wider principle of equality provided for by the distinctive and highly developed Northern Ireland employment equality legislation. The principle of equality will be respected in all actions and a particular emphasis will be given to mainstreaming gender equality issues in the operation of the Northern Ireland Structural Funds Programmes. Gender mainstreaming was defined in a recent Council of Europe report by a group of specialists as “the (re)organisation, improvement, development and evaluation of policy processes, so that a gender equality perspective is incorporated in all policies at all levels and at all stages, by the actors normally involved in policy-making.”<sup>1</sup>
- 1.21 In addition (under both the Transitional and the Peace II Programmes) other aspects of labour market inequality will be targeted. This includes not only inequality on a gender basis but also inequality affecting people of different religio-political or ethnic community backgrounds and people with disabilities.

<sup>1</sup> Final Report of Activities of the Group of Specialists on Mainstreaming (EG-S-MS), Strasbourg, February 1999.

- 1.22 This Plan addresses each of these issues on a structured basis through the proposed structure of an overall Northern Ireland CSF 2000 - 2006.

## OVERALL AIM

- 1.23 The overall aim of the Plan is

*‘to contribute to the creation of a more peaceful, prosperous and stable society in Northern Ireland, through processes of economic renewal and social, economic and political transition’.*

This overall aim will be pursued through two Operational Programmes:

- the Northern Ireland Objective 1 Transitional Programme 2000 - 2005, and
- the Northern Ireland components of the Peace II Programme 2000 - 2004.

The financial allocations of European Structural Funds to these Programmes are:

- |                                      |                          |
|--------------------------------------|--------------------------|
| - Transitional Objective 1 Programme | 890.5 MEURO <sup>2</sup> |
| - Peace II Programme                 | 425.0 MEURO              |
| - Total                              | 1315.5 MEURO.            |

## STRATEGIC CHALLENGES

- 1.24 Northern Ireland must meet a series of important challenges over the period 2000 - 2006.

*A Sustainable Region*

- 1.25 During the period of the CSF Northern Ireland must move from having the status of an Objective 1 Region (which it has held since UK accession to the European Union in 1973) to a region which will not be likely to command major transfers of Structural Funds in the future. A major priority, therefore, is for Northern Ireland to become a more sustainable region, both in terms of a more sustainable economic development process and in terms of sustainable impacts on the environment. This requires that Northern Ireland builds a modern self-sustaining regional economy, ensuring both men and women and all sections of the community are stakeholders, supported by necessary improvements in regional economic infrastructure, so that the economic progress which it has already made can be sustained and developed further. In doing so, Northern Ireland will make effective and appropriate use of the 2000 - 2006 round of the Structural Funds. Sustainability also requires that the development processes and policies which Northern Ireland uses respect its natural, built and cultural environment as a vital asset which must not be degraded by the processes of economic growth.
- 1.26 Both the economy and the environment are major themes of this Plan.
- Building on Peace & Addressing the Legacy of the Troubles*
- 1.27 A key transition which Northern Ireland has to make during the period of this Plan is to a more peaceful and stable society based on new institutions of devolved government established on a cross-community basis. The Belfast Agreement of April 1998 set out a framework for the future government of Northern Ireland which commanded widespread support in both parts of Ireland. At the time of the

<sup>2</sup> The abbreviation MEURO refers to millions of Euros. At the time of preparation of this Plan, 1 EURO was equivalent to approximately £0.65 sterling.

finalisation of this Plan, the workings of the Belfast Agreement were undergoing a formal review process.

- 1.28 It is essential that the legacy of the troubles and violence of the past 3 decades is addressed so that the particular structural problems of the economy are tackled, community divisions and tensions are reduced, cross-community and North-South and East-West structures are developed and the problems of disadvantaged urban and rural areas are tackled on an effective and equitable basis. The experience of developing new policies and new delivery mechanisms under the Special Support Programme for Peace and Reconciliation (the 'Peace Programme') provides a sound foundation for the further development of this work. In particular, the development of decentralised delivery mechanisms under the current Peace Programme has enhanced the capacity of Northern Ireland as a region to address these difficult and often intractable issues.
- 1.29 Tackling disadvantage and division in Northern Ireland are major themes of this plan which are of direct relevance to the needs of the region in their own right and which have important contributions to make to the wider development process.

#### AN OUTWARD-& FORWARD-LOOKING REGION

- 1.30 A major theme of the Plan is to build and extend co-operation between Northern Ireland, other regions of the United Kingdom on an East - West basis, the rest of Ireland and other European regions. The Plan includes specific proposals to make Northern Ireland a more outward-looking region by developing co-operation with other regions, including, in particular, by extending and deepening co-operation across a range of fields with the Republic of Ireland and East-West.
- 1.31 In addition to specific proposals for making Northern Ireland a more outward-looking region which more actively participates in key European networks, the Plan includes a detailed Chapter on Co-operation with the Republic of Ireland. This Chapter was developed jointly. It builds on the 'Common Chapter' of the previous Northern Ireland Single Programme and will develop the themes of inter-governmental and non-governmental North - South co-operation within a European context. The actions implemented under the 'Common Chapter' will be rigorously monitored with the involvement of the relevant governmental, sectoral, social partner, local government and other interests.

#### Management of the Structural Funds

- 1.32 The absence of regional devolved structures of government for over 25 years has meant that structures for decision-making and the development of structures and a consensus at the regional level have been limited in Northern Ireland. The new CSF provides the opportunity to develop a broad European partnership for the management of the Structural Funds, involving the devolved administration in Northern Ireland, local government, the social partners, and other interests. The development of such a partnership approach will draw on the varied experience of different European regions to determine which elements of best practice are most appropriate to the particular circumstances of Northern Ireland. This process will be an important component in equipping Northern Ireland to make the economic, social and political transitions which it faces over the period to 2006.
- 1.33 Taken together these actions will contribute to making Northern Ireland an outward- and forward-looking region based on developed East - West and North - South linkages and fuller participation in European and other international networks.

#### STRUCTURE OF PLAN

- 1.34 The structure of the plan is as follows:-

Chapters 2 - 4 set out key inputs to the Plan and the process of consultation and Plan development;

Chapter 5 sets out the proposed overall structure of the Plan and the respective roles of the Transitional Objective I and Peace II Programmes;

Chapter 6 sets out the proposed structure of the Transitional Objective 1 Programme for Northern Ireland 2000 - 2005;

Chapter 7 sets out the proposed structure of the Peace II Programme for Northern Ireland 2000 - 2004;

Chapter 8 sets out the proposed arrangement for the management of the Structural Funds in Northern Ireland in the period 2000 - 2006, the arrangements for the involvement of the devolved administration, local government, social partners and other interests in the oversight of the management of the Structural Funds, together with the financial projections underlying the Plan, the verification of additionality and the arrangements for monitoring, evaluation and publicity for the Programmes and the overall CSF;

Chapter 9 is the 'Common Chapter' on co-operation with the Republic of Ireland;

Annex 1 is the Equality Impact Assessment; and

Annex 2 contains the Ex-ante Evaluation and associated Appendices.

## The Ex Ante Evaluation

This Chapter provides a synopsis of the *ex ante* evaluation which was prepared on an independent basis as a key input to the development of the Plan.

- 2.0 The *ex ante* evaluation is a vital input to the development of the Structural Funds Plan. The full *ex ante* evaluation, together with its various Appendices, is reproduced as Annex 2 of the Plan.

### THE REQUIREMENTS

- 2.1 Article 141 of Council Regulation (EC) No. 1260/1999 sets out the framework of requirements for the *ex ante* evaluation. The Article requires the *ex ante* evaluation to provide:-
- an analysis of the strengths, weaknesses and potential of the region;
  - an assessment of the consistency of the strategy and the targets with the specific features of the region, including demographic trends; and
  - the expected impacts of the planned priorities for action, quantified where possible.
- 2.2 The Regulation also requires that the *ex ante* evaluation shall take into account, *inter alia*:-
- competitiveness and innovation;
  - small and medium-sized enterprises;
  - employment and the labour market, having regard to the European Employment Strategy;
  - the environment; and
  - equality between men and women.
- 2.3 The evaluation also has to draw on the experience of previous Structural Funds support for the region and to comment on the implementation and monitoring mechanisms proposed in the Plan. The *ex ante* evaluation is, therefore, both a vital input to the development of the Plan and a commentary on the appropriateness of the Plan.

### THE NORTHERN IRELAND EX ANTE EVALUATION

- 2.4 The *ex ante* evaluation for the Northern Ireland Structural Funds Plan is reproduced in full, with its associated Appendices, as Annex 2 of the Plan. This Chapter provides a brief synopsis of its key points.
- 2.5 The major Chapters of the *ex ante* evaluation are:-
- an analysis of evaluation results from the 1994 - 1999 Structural Funds Programming Period in Northern Ireland;
  - an economic and social overview of Northern Ireland;
  - an assessment of strengths, weaknesses and potential;

- an assessment of regional development needs;
- an assessment of this Plan; and
- a recommended approach to the development of macro-indicators for the Northern Ireland Structural Funds Plan.

- 2.6 The *ex ante* evaluation is supported by and draws upon:-
- a detailed assessment of the Northern Ireland environment and of the effect of the Plan on the environment;
  - an assessment of the Northern Ireland labour market, set in the context of the European Employment Strategy; and
  - an assessment of equality between men and women.
- 2.7 This Chapter follows the same structure and provides a brief synopsis of each element of the *ex ante* evaluation. However, the full evaluation is provided in Annex 2, to which reference should be made for further information.

### RESULTS OF THE 1994 - 1999 PROGRAMMING ROUND

- 2.8 The *ex ante* evaluation contains a detailed review of the results of the current Structural Funds programming round.
- 2.9 The total allocation of EU Structural Funds to Northern Ireland during the 1994 - 1999 programming period was 1814 MEURO. This was complemented by national co-financing of 796 MEURO to provide total funding of 2610 MEURO.
- 2.10 The Northern Ireland Single Programme accounted for 1278 MEURO of the allocations of Structural Funds - 70% of the total. The Peace Programme accounted for 402 MEURO - 22% of the total. The balance was allocated to 9 Community Initiatives, of which Interreg II was the largest with an allocation of 69 MEURO - 4% of total Structural Funds allocations.
- 2.11 The evaluation considers results relating to both the Northern Ireland Single Programme 1994 - 1999 (NISP) and the Peace Programme (Peace). Most of the evaluation material is based on the Mid Term Reviews of the Programmes, which were completed in 1997, and in a number of cases insufficient information was available at that time to make a judgement of the final impact of the Programmes. The evaluation also notes that previous work by the Northern Ireland Economic Research Centre on the Northern Ireland Community Support Framework 1988 - 1993 showed that the supply-side benefits of Structural Funds actions only became fully apparent some time after the end of the Programming period.

#### The Northern Ireland Single Programme

- 2.12 Subject to these qualifications, the review of previous evaluations notes in relation to the Northern Ireland Single Programme 1994 - 1999 that the analysis of impacts can be thought of in terms of 5 major strategic themes.

#### Economic Development and Competitiveness

- 2.13 Under this theme, evaluators found evidence of effectiveness in the Measures relating to marketing and venture capital, leading to employment and export benefits, stimulation of industrial research and development and the stimulation of local economic development strategies. However, the Measure in support of training for local economic development had, up to the time of the mid-term review been

ineffective. The Tourism Sub-programme had been effective in achieving a high degree of private sector leverage. However, the effectiveness of the Sub-programme depended on attracting a large number of additional visitors and there was a need for greater integration of training activities within the Sub-programme.

#### *Investment in Communities and People*

- 2.14 In the Investment in the Development of People Sub-programme, the evaluators found poor flexibility, barriers to access and to progression, a low level of integration and procedural weaknesses. These problems tended to reduce the impact of the Sub-programme and of the linkages between the Sub-programme and the rest of the Single Programme. In the case of the Physical and Social Environment Sub-programme, the evaluators found the Sub-programme to be effectively targeted at creating the pre-conditions for economic growth. However, progress under the Sub-programme had to be viewed in the context of wider political developments.

#### *Reducing the Effect of Peripherality*

- 2.15 Relatively few of the large infrastructure projects supported under the Transportation Sub-programme had been completed at the time of the Mid Term Review and as a result the Sub-programme had, at that time, made little impact on indicators such as reduction of journey times on key routes. However, projects which were underway at that time were expected to lead to such benefits. Under the Energy Sub-programme too, many major projects were not completed at the time of the Mid Term Review but the evaluators pointed to the impact of the gas inter-connection with Great Britain in reducing Northern Ireland's dependence on oil for electricity generation from 60% to 20% and its impact on reducing the cost of energy as well as the favourable impact which the energy efficiency activities had made.

#### *Agriculture, Fisheries and Rural Development*

- 2.16 Under this theme, the evaluators commented favourably on the effect of the Sub-programme for Agriculture and Rural Development in contributing to the income of 17,000 hill-farm families and its impacts on the competitiveness of producers. However, the initial analysis of the food processing investments suggested that they might create between 155 and 185 jobs compared to the targeted increase of 1,000 additional jobs in the sector. The Fisheries Sub-programme had made good progress at decommissioning vessels.

#### *Protection and Enhancement of the Environment*

- 2.17 The Environmental Services Sub-programme had substantially committed its funds by the time of the Mid Term Review. While, projects were not complete and the environmental benefits were yet to be realised, initial indications were that the objectives of the Sub-programme would be met and that the Water Supply and Waste Water Treatment projects should lead to 2270 job years of direct and first round indirect employment.

#### THE SPECIAL SUPPORT PROGRAMME FOR PEACE AND RECONCILIATION

- 2.18 The Special Support Programme for Peace and Reconciliation was approved in July 1995 and its unique nature with distinctive delivery mechanisms meant that the Programme had only been operational for a short period at the time of the Mid Term Review. As a result, relatively few tangible effects were observable at the time of the Mid Term Review.
- 2.19 However, some of the issues raised by the evaluators include the following:-
- a bringing forward of investment activity (typically by 6 to 18 months) under the Productive Investment Sub-programme;
  - creation of 245 new posts under the Employment Sub-programme;
  - a need to address the issue of sustainability under the Social Inclusion Sub-programme;
  - an overlap and possible displacement of projects between the Cross Border Development Sub-programme and the Interreg II Programme;
  - relatively limited social inclusion and process benefits under the Urban and Rural Regeneration Sub-programme and little evidence of complementarity and integration between the elements of the Sub-programme; and
  - in relation to the District Partnerships Sub-programme, the evaluators noted the continuing evolution of the Sub-programme at the time of their work and concluded that the Partnerships were as effective in committing funds as Government Departments but that the cost of achieving such commitments is greater for decentralised delivery mechanisms than for Government Departments.

#### DELIVERY MECHANISMS

- 2.20 In relation to delivery mechanisms, the *ex ante* assessment of previous evaluation results notes:-
- the difficulty of making an assessment of the longer term value of decentralised delivery mechanisms at a relatively early stage of their development;
  - the relatively higher costs of decentralised delivery mechanisms;
  - that insufficient consideration was given to the constraints on development capacity at local level before new mechanisms were introduced and, initially, there was poor co-ordination between the funding bodies involved;
  - the role of District Councils in relation to local administration of the Structural Funds has been well established but different Departmentally-based (DED, DANI, DOE, DHSS) local delivery mechanisms financed by the Structural Funds had limited the effectiveness of local delivery mechanisms in some cases; and
  - that the distribution of funds under the Peace Programme reflects a moderate degree of targeting consistent with the Programme's intention.

#### Overall Conclusions

- 2.21 The *ex ante* evaluation concludes its review of previous evaluation results as follows:-

- on the whole the Structural Funds have made a significant contribution to promoting economic and social cohesion in Northern Ireland;
- in some cases projects funded by the ERDF have had a greater impact and have been more effective than projects funded by the ESF, which suffered from a low rate of progression into employment and a high degree of deadweight and substitution;
- further improvements in the administrative arrangements for the Structural Funds in Northern Ireland are possible, reducing cumbersome management systems and more fully developing linkages and synergies. These procedural weaknesses and low levels of integration, between and within Programmes, have tended to reduce the impact of the Structural Funds.

2.22 However, the *ex ante* evaluation also includes more up to date indications of the impact of the Single Programme. These are provided, in particular, by Appendices to the *ex ante* evaluation which show the latest indicators relating to the progress of the Programme and an initial assessment of the supply-side impact which the Single Programme is likely to have on Northern Ireland.

#### ECONOMIC AND SOCIAL OVERVIEW OF NORTHERN IRELAND

2.23 The *ex ante* evaluation provides a detailed economic and social review of Northern Ireland.

2.24 The evaluation characterises Northern Ireland as a small regional economy whose economic performance is chiefly determined by changes in the pattern and direction of economic activity in the United Kingdom as a whole. It notes that, relative to the UK average, Northern Ireland experiences:-

- a lower level of economic output per head of population and per person employed;
- higher rates of unemployment and in particular long term unemployment;
- lower rates of economic activity, especially for males;
- a lower rate of employment;
- lower levels of earnings and of household income; and
- a higher dependence on social security benefits as a source of income.

2.25 The evaluation also notes that 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. The evaluation concludes that 'the Troubles' have had impacts across all levels of society in Northern Ireland - a fact which creates additional barriers to the attainment of economic and social cohesion in relation to the rest of the European Union. Quite apart from the massive human and social costs involved, the *ex ante* evaluation identifies the following main symptoms and impacts of a divided society:-

- effects on the level and structure of public spending - the effect of 'the Troubles' being both to result in additional expenditure demands and to distort expenditure patterns away from productive public investment in economic infrastructure;
- effects on economic restructuring - particularly through the inhibiting effect on inward investment and including secondary impacts in inhibiting technology transfer, development of new skills and SME supplier networks. Other effects include the tourism industry, which has been very adversely affected by the

conflict and a broader and less easily quantified effect on the business environment across Northern Ireland;

- in the labour market, the effect of the conflict has been to increase employment in the police, security and criminal justice sectors. However, this employment is not all sustainable in the longer term and it results in a diversion of skilled labour into the public sector. The transition to a sustained peace will reduce the requirement for staff in these sectors and will release onto the labour market many people who lack immediate access to the skills required by employers; and
- community conflict has also fostered labour market inflexibility and prevented the easy matching of job opportunities and job seekers. This is one factor in the very high levels of unemployment found within particular communities.

In addition:-

- there remain significant differences between the two communities across a range of economic and social indicators and serious barriers to reconciliation between the two communities; and
- polarisation and mutual mistrust leads to residential and workplace segregation and creates rigidities within local labour markets, loss of productive output due to sectarianism 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 Northern Ireland, particularly in interface areas.

2.26 Progression towards a sustained peace and a lasting political settlement therefore represents a key opportunity for Northern Ireland, both to address the legacy of the 'Troubles' and to exploit the prospective benefits of peace. However, there are threats to that progression. These arise from particular tensions, for example relating to parades, the need to embed the political process and the particular problems of interface areas. These issues need to be addressed by the Plan.

#### ASSESSMENT OF STRENGTHS, WEAKNESSES AND POTENTIAL

2.27 The evaluation builds upon the economic and social overview by providing an assessment of the strengths, weaknesses and potential of Northern Ireland. The main identified factors under each heading are summarised below.

2.28 **Strengths:-**

- inflow to the labour force of a young and well-educated cadre of young people;
- a growing labour force at a time when the ageing of population elsewhere in the EU is likely to cause reductions in economic activity;
- a relatively low cost production environment which is further enhanced by the quality of life in Northern Ireland;
- recent investments, in large part financed by the EU, have further developed the infrastructure of the region; and
- attractive and rich environmental heritage (both natural and built).

2.29 **Weaknesses:-**

- weak industrial structure with a greater dependence on low value-added and declining sectors and a lower share of high technology dynamic growth sectors;
- a small firm economy, with a low propensity to innovate, a relatively low



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formation rate and a higher rate of grant dependency;

- high energy costs in both the industrial and domestic sectors;
- a relatively large agriculture sector which faces problems across a number of fronts - small farm size, declining incomes, CAP and WTO reforms and the BSE crisis;
- low levels of R&D and innovation and slow take up to date of e-commerce opportunities;
- a pool of persons of working age who are unqualified or have lower levels of qualifications;
- a disproportionately high rate of long term unemployment; and
- a lack of internal social and economic cohesion with certain sub-regions and pockets of Northern Ireland suffering a greater degree of economic disadvantage and social deprivation.

### 2.30 Opportunities:-

- exploit the opportunities arising from peace and address the legacy of the 'Troubles';
- tap into the growth opportunities arising from IT developments and the move towards the information age in order to overcome Northern Ireland's traditional barriers to trade (peripherality, transport costs, distance from markets etc);
- develop a more externally-focused private sector by increasing the propensity to export to markets outside the traditional Northern Ireland and GB market places;
- tap into the projected continuing economic growth of the Republic of Ireland economy to develop export opportunities and exploit opportunities to develop economies of scale (e.g., in energy market); and
- application of the recently developed strong infrastructure and capacity in terms of 'bottom up' economic and community development.

### 2.31 Threats:-

- the risk of a return to a period of political instability and the difficulties inherent in embedding the peace process. The need to address the structural adjustments arising from it (e.g., security industry, victims, prisoners);
- the need to create sufficient numbers of jobs and to have a labour force with the appropriate skills in order to absorb the increased numbers coming onto the job market;
- increased low cost competition from the opening up of Eastern Europe (both in product markets and in market for inward investment) and the future reduction of EU receipts (Structural Funds and CAP) arising from Agenda 2000;
- the need to address the barriers created by Northern Ireland's peripherality, its small scale and its relative sparsity of population; and
- the risks to environmental sustainability created by increasing population and economic growth.

## ASSESSMENT OF REGIONAL DEVELOPMENT NEEDS

- 2.32 Deriving from its previous analyses, the following indicative list of priority actions would be expected to feature in a Structural Funds Plan for Northern Ireland.

### 2.33 The key priorities would include:-

#### Business Competitiveness

- diversification of the industrial base (by inward investment and SME development) to create a larger and more sustainable private sector;
- reducing the grant dependency of Northern Ireland industry and increase its self-sufficiency (e.g., by financial engineering and non-capital financial support);
- raising industry R&D to promote innovation and encourage greater links between indigenous SMEs and inward investors while developing linkages between the business and education sectors;
- promoting a greater degree of export orientation among indigenous industry and especially SMEs; and
- 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.

#### Economic Infrastructure

- provision of the requisite infrastructure investments to contribute to competitiveness, reduce costs and meet the needs of a growing economy.

#### Human Resources

- ensure high levels of qualifications among the large number of new entrants to the labour force, particularly in the light of the knowledge based economy;
- address low skills and qualification levels of the existing employed workforce and the re-skilling of persons affected by the need for structural adjustment and industrial change; and
- active labour market policies to promote the reintegration into employment of the economically inactive and unemployed young persons in particular.

#### Build on Peace & Address the Legacy

- redress problems of physical environment - scarred urban areas, town centres and interface neighbourhoods - particularly in the more economically and socially deprived areas of Northern Ireland;
- exploit peace opportunities, e.g., inward investment, tourism;
- adapt to fallout from security industry downsizing; and
- community relations etc., actions to embed peace.

#### Social Cohesion

- redress the extant weaknesses created by the community conflict - such as poor community relations, poor physical infrastructure in certain cities, towns and villages and tackle community differentials;
- embed the peace process to counter any potential threats - for example by focusing on specific groups which have been disproportionately affected by community conflict or by focusing resources on disadvantaged communities and areas to generate tangible benefits from the peace process for such communities; and
- exploit emerging opportunities - such as inward investment, tourism and the restructuring of industry in the light of the knowledge-driven economy.



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### Infrastructure

- ensure requisite infrastructure in place to contribute to competitiveness, to offset peripherality etc., - transport, energy and environmental.

### Horizontal Themes

- equal opportunities - the *ex ante* assessment has identified important differences in the positions of men and women in the Northern Ireland labour market. The Plan needs to develop and implement mechanisms which ensure equality of opportunity and which address the causes of the identified inequalities; and
- environment - in addressing economic development needs the Plan must put into place arrangements to take explicit cognisance of the environmental risks of growth and development, where possible build environmentally positive features into policies and address specific threats and exploit key strengths of the Northern Ireland environment.

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## EVALUATION OF THE PLAN

- 2.34 One of the key roles of the *ex ante* evaluation is to challenge the Structural Funds Plan to ensure that it provides an appropriate response to the identified needs of the region. That challenge is made by an evaluation of the Plan and of its key themes.

### Role of Ex Ante Evaluation in relation to the Plan

- 2.35 At the level of the overall Plan, the *ex ante* evaluation of the Plan as a whole checks that the Plan meets the following criteria:-
- there is a clear justification of the proposed priorities;
  - the Plan is internally consistent;
  - the Plan is consistent with various external criteria, such as key Government and EU policies;
  - delivery mechanisms are appropriate to their tasks;
  - impact on equal opportunities between men and women; and
  - environmental impacts, benefits and risks, and integration of the environment throughout the Plan.
- 2.36 At the level of the key themes of the Plan, the *ex ante* evaluation also considers each theme in terms of:-
- its rationale;
  - the evidence of need for the theme;
  - its equal opportunities implications;
  - its environmental implications; and
  - for ESF actions, their consistency with the National Action Plan for Employment and, through that, with the European Employment Strategy.

### Assessment of the Plan

- 2.37 The *ex ante* evaluation provides an assessment of this Plan.
- 2.38 It establishes that there is a clear and direct link between the three themes of the Plan (which are set out in Chapter 5) and the needs of the region. On this basis, the *ex*

*ante* evaluation concludes that the Plan is relevant to Northern Ireland's needs.

- 2.39 On the basis of an examination of the Priorities proposed under the two Operational Programmes (again, see Chapter 5), the *ex ante* evaluation establishes that these Priorities are directly relevant to Northern Ireland's needs, as identified in the SWOT analysis carried out by the *ex ante* evaluation and that they should contribute positively to economic and social cohesion both external (relative to the EU average and to other EU regions) and internal (within Northern Ireland).
- 2.40 The *ex ante* evaluation also finds that there is an internal consistency within the Plan, leading to complementarity and linkages between the various Operational Programmes and Priorities.
- 2.41 The Plan is also found to be externally consistent and to fit well with a number of key policy and planning documents such as 'Shaping Our Future', 'Strategy 2010', 'New TSN' and the equality aspects of the Northern Ireland Act 1998.

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## EXPECTED IMPACT OF CSF & DEVELOPMENT OF MACRO-INDICATORS

- 2.42 The *ex ante* evaluation provides an initial view on the likely impact of the Structural Funds Plan. It does so by assessing in broad terms the likely direct and indirect effects under the following headings:-
- impacts on the creation of a modern, self-sustaining regional economy;
  - impacts on economic regeneration, the environment and rural society;
  - impacts on employment, social inclusion and reconciliation;
  - impacts on equal opportunities for men and women; and
  - environmental impacts.
- 2.43 The *ex ante* evaluation also proposes a structured approach to the use of indicators in the Northern Ireland Structural Funds Plan.
- 2.44 The focus of the evaluation is on macro-indicators and the evaluation proposes an approach which is based on indicators which are directly affected by the actions in the Plan - although it recognises that such indicators will also be affected by a range of factors in addition to the actions in the Plan.

## THE NORTHERN IRELAND ENVIRONMENT

- 2.45 The *ex ante* evaluation is required to make:-
- an assessment of the environment in the region; and
  - an assessment of the environmental impact of the strategy and operations provided for in the Plan.
- 2.46 Annex 5 of the *ex ante* evaluation provides the required assessment of the current position of the environment in Northern Ireland and the assessment of the environmental impact of the Plan.
- 2.47 The initial environmental assessment of the Plan has been carried out at a high level. More detailed articulation of Priorities in Operational Programmes and in the Programme Complements will enable a more detailed assessment to be made in due course. The assessment was carried out using the following criteria:-
- minimisation of use of non-renewable resources;

- use of renewable resources within the limits of the capacity for the regeneration of those resources;
  - environmentally sound use and management of hazardous or polluting substances or wastes;
  - conservation and enhancement of the status of wildlife, habitats and landscapes;
  - maintenance and improvement of soil and water resources;
  - maintenance and improvement of historic and cultural resources;
  - maintenance and improvement of local environmental quality;
  - protection of the global and regional atmosphere;
  - development of environmental awareness, education and training; and
  - promoting public participation in decisions about development.
- 2.48 The Plan was assessed against each of these ten criteria and the evaluation makes a judgement on the likely environmental impacts of each Priority.
- 2.49 The evaluation notes that the degree of integration of environmental considerations varies greatly between the Priorities. Some Priorities have explicit links to the environment; however, even in those cases it is not possible to make meaningful assessment until further Programming detail is developed.
- 2.50 Other Priorities are likely to have environmental impacts but such impacts are less explicitly integrated into the Priorities. In such cases, for example, economic development Priorities, the nature and significance of the environmental impacts will depend on the types of economic development which are generated, their location, concentration and the standards of environmental management adopted by individual businesses. Some of the impacts of the Priorities may only be capable of being identified at the stage of project selection.
- 2.51 The evaluation also finds that there are a number of important remaining uncertainties about the environmental impact of the Plan and recommends that those remaining uncertainties and their possible negative impacts should be addressed by selection and implementation criteria and by the use of selected monitoring indicators.

#### ASSESSMENT OF THE NORTHERN IRELAND LABOUR MARKET

- 2.52 The *ex ante* evaluation includes a detailed assessment of the Northern Ireland labour market. The evaluation summarises its findings under the 5 pillars of the European Employment Strategy and draws out the following policy implications and requirements for action under the CSF:-

##### Active Labour Market Policies

- reducing the problem of long term unemployment and the flows into short-term unemployment;
- addressing the problems of young people who are not involved in employment, education or training;
- increasing the economic activity rate, including actions to reduce the differences between male and female economic activity; and

- supporting initiatives to address sub-regional variations in local economic activity rates, including the particular problems of rural areas.

##### Social Inclusion and Equality of Opportunity

- addressing the needs of disadvantaged groups;
- developing fully integrated area based human resource development initiatives; and
- strengthening community participation and capacity building.

##### Lifelong Learning

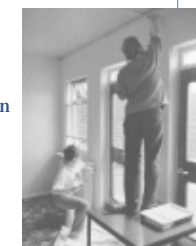
- improving levels of adult literacy;
- raising levels of basic skills, numeracy and IT;
- up-skilling and re-skilling the existing workforce; and
- increasing participation in and widening access to higher education.

##### Adaptability & Entrepreneurship

- promoting and developing new enterprises;
- developing and providing management development programmes;
- developing human resource development initiatives for companies, especially SMEs; and
- assisting the development of community entrepreneurship, including actions to promote the social economy.

##### Improving the Participation of Women in the Labour Market

- promoting the self employment option for women;
- reducing the barriers that prevent women from returning to the labour market;
- developing active progression routes;
- increasing access to training for women; and
- promoting active citizenship through initiatives to assist area based human resource development initiatives.



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## ASSESSMENT OF EQUALITY BETWEEN MEN AND WOMEN.

- 2.53 The *ex ante* evaluation includes an assessment of equality between men and women. That assessment finds that:-
- women have lower economic activity rates and these rates are lowest for women with dependent children, the greater the number of dependent children and the younger the age of dependents;
  - women are under-represented in a number of key employment areas such as in self-employment and within the manufacturing sector;
  - women continue to be under-represented in certain occupational groupings such as Managers and Administrators, Craft and Related, and Machine Operatives;
  - women's hourly earnings remain below those of male employees;
  - women are under-represented in areas such as politics and public life and in science disciplines in education;
  - a significant proportion of female employment is part time;
  - men have higher rates of unemployment and, particularly, long term unemployment;
  - men are obtaining a smaller share of new employment being created;
  - males attain lower educational qualifications and have a lower participation in higher education;
  - men are less likely than women to have flexible working arrangements and are more likely to work unsociable hours; and
  - men are under-represented in many of the employment growth sectors.

## The Consultation Process

*The development of this Plan has been strongly influenced by an extensive and inclusive consultation process. This Chapter describes the consultation process and the insights which arose from it.*

- 3.0 The experience of the Northern Ireland Single Programme 1994 - 1999 and of the Peace Programme has shown the value of careful and inclusive consultation in the preparation of programming documents.
- 3.1 Such consultation:-
- spreads understanding of the purposes of Structural Funds interventions;
  - provides valuable insights from a variety of perspectives;
  - assists with the integration of actions under the Programme;
  - contributes to the setting of priorities;
  - challenges and tests initial proposals, ensuring their relevance and appropriateness; and
  - provides an initial mobilisation of the resources which will be needed for programme implementation.
- 3.2 This Plan has been informed by a sophisticated consultation process which has operated over a period of 14 months and involved several hundred organisations and individuals in various phases of the process.

## INITIATION OF CONSULTATION PROCESS

- 3.3 The consultation process began in August 1998 when the Department of Finance and Personnel launched a widespread consultation exercise by way of a public advertisement placed in local papers, 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.
- 3.4 At the same time the Minister for European Affairs wrote to all Northern Ireland MPs and to the leaders of all the Northern Ireland political parties involved in the political talks process seeking their views. In addition, the Department wrote directly to over 200 sectoral interest organisations to seek their views on the spending priorities to be included in the Plan.
- 3.5 A total of over 140 written submissions had been received by the end of September 1999, many of them in response to the conferences and other consultation events which were held. These written submissions provided an important input to the consultation process at an early stage in the development of the Plan.

## SECTORAL AND CROSS-SECTORAL INPUTS

- 3.6 In addition to the consultation process which the Department of Finance and Personnel initiated, it was also able to draw upon initiatives by other Departments and by independent bodies. Examples of this form of contribution are provided by:-
- the in-depth consultation process carried out by the Northern Ireland Council for Voluntary Action leading to the publication of its 'Shaping the Third Round' report in October 1998;

- the 'Bringing Agenda 2000 into Focus' conference of April 1998, which was coordinated by the Northern Ireland Centre in Europe and the Chief Executives' Forum. The Conference was addressed by the Secretary General to the Commission. Following the Conference, the Concordia group of social partner organisations produced a report in June 1999 on the use of collaborative structures to address, for example, the intractable problems of long term unemployment;
- the detailed consultation process undertaken by the Department of Agriculture to determine future priorities for the Rural Development Programme which was informed by a conference held in April 1999.

#### MORE FOCUSED CONSULTATION

- 3.7 The Conclusions of the Berlin Summit, which was held at the end of March 1999, included decisions on the budget for the Commission's Structural Operations for the period to 2006. With the announcement of the broad outline of the overall package for Northern Ireland, it was then possible to begin more substantive and carefully targeted consultation.

#### MAY CONSULTATIVE CONFERENCE

- 3.8 To that end, the Department of Finance and Personnel hosted a Consultation Conference in Belfast on 18 May 1999 which brought together over 300 delegates from a wide range of local interests and also included participants from the Republic of Ireland.
- 3.9 The Conference was intended to help identify funding priorities and the types of activities which should be addressed in the Plan, and to provide a starting point for consultation on the new Peace II Programme.

##### Discussion Paper

- 3.10 A discussion paper was prepared for the Conference by the Department of Finance and Personnel and it formed the main reference point for the Conference.
- 3.11 The discussion paper suggested the following themes:-
- creating a modern self-sustaining European regional economy to take advantage of the new political and economic opportunities created by peace;
  - creating a flexible and skilled workforce for the 21st Century, with special emphasis on the needs of those facing job-change;
  - regenerating run-down urban and rural areas, promoting social inclusion and creating new and sustainable employment opportunities;
  - building on existing investment to plug the gaps in rural, environmental and pan-European infrastructure;
  - continuing the action to develop the fabric of urban and rural communities, local democracy and local structures to provide sustainable funding mechanisms for social inclusion; and
  - maximising the economic and social potential of cross-border links as part of a wider approach to co-operation with other European regions.
- 3.12 That paper saw the Transitional Objective 1 Programme, the new Peace II Programme and the new Community Initiatives (INTERREG, LEADER, URBAN

and EQUAL) contributing in an integrated way to an overall strategy for the use of European funding. In particular:-

- the Transitional Objective 1 Programme would focus on developing the economic regeneration of Northern Ireland through an integrated Programme building on the successes and lessons of the current Programme. The emphasis was to be on:
  - diversification of the economy, and
  - creating the conditions for the economy to meet the very major challenges ahead; and
- the focus of the Peace II Programme was to be on renewal of the economy in the context of peace and stability and transition to a more peaceful, prosperous and stable society. Proposed actions under the themes of renewal and transition would include:
  - focusing on economic renewal to answer the unique difficulties faced by the region,
  - development of specific strategies to provide sustainable funding mechanisms for social inclusion and peace, with priority attention being given to the most disadvantaged areas, to ensure the continuation of the work of the voluntary and community sector to bring the most excluded more fully into economic activity, and
  - resourcing urban and rural regeneration and local development strategies.

#### Feedback from the Conference

- 3.13 After formal inputs from the Minister of State, and First Minister (designate), the former Deputy First Minister (designate), the Minister of State at the Department of Finance in Dublin and by a senior Department of Finance and Personnel official, the Conference broke into a series of workshops. Some of the key points arising from the feedback sessions (other than those relating to specific priorities and projects) included:-
- the need to tie funding priorities into the emerging policy priorities as expressed, for example, in the Shaping Our Future and Strategy 2010 documents;
  - the importance of paying attention to both environmental and economic sustainability;
  - the importance of integrating both economic and social dimensions in the new Structural Funds priorities;
  - the need to encompass new forms of service sector employment, such as the social economy, in the priorities;
  - the possible addition of references to sustainability and to equality to the proposed mission statement and of incorporating elements of the Belfast Agreement by referring to social, cultural and economic renewal based on principles of equality, partnership and mutual respect;
  - the need to recognise the depth of division which exists in Northern Ireland;
  - the need to address economic development in a way that also addresses poverty and promotes inclusion;

- the importance of local participation and ownership of Structural Funds operations and of the integration of actions, both within and between particular Programmes so that economic development has a social dimension and peace building has an economic dimension;
- the importance of recognising the particular needs of rural communities and farmers;
- the importance of the concept of social partnership as an aid to transparency of EU funding in its planning, monitoring and implementation phases;
- the need to develop an outward-looking region;
- the importance of infrastructure for social inclusion, by creating mobility and developing access to employment;
- the need for real capacity building and sustainability as this is likely to be the last major EU funding phase for Northern Ireland; and
- the importance of an effective Common Chapter on North South Co-operation, which should be practical and specific, rather than aspirational in its nature.

#### CONSULTATION WITH NEW NORTHERN IRELAND ASSEMBLY PARTIES & MEMBERS

- 3.14 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. On 25 May 1999 and again on 29 September the Department of Finance and Personnel organised briefing seminars for Assembly Members on the new Structural Funds Programmes in the post-1999 period. These seminars were chaired by the Minister of State with special responsibility for European Affairs.
- 3.15 Among the issues which were raised by Members of the Assembly in response to the September presentation were the importance of:-
- locating support for infrastructure projects and for local economic development in the Transitional Objective 1 Programme;
  - giving appropriate weight to the views of elected representatives, both those in local government and the Assembly;
  - including provision for victims, for integrated education and for women in the Peace II Programme and of providing transparent funding and allocation mechanisms;
  - not representing the absence of comment on a particular issue as assent to the proposals presented;
  - placing a sufficient emphasis on the economic dimension of the Plan to provide the jobs which will be needed at the end of the current funding round, yet maintaining a proper balance of economic and social impacts;
  - taking the *ex ante* evaluation fully into account - and the difficulty of commenting on the appropriateness of the Plan in the absence of a draft of the *ex ante* evaluation; and
  - ensuring that funding allocations are equitable, both geographically and between the communities.

- 3.16 Consultation with the Assembly was also continued by a series of bi-lateral meetings between the Assembly Parties and Department of Finance and Personnel officials, as well as through other continuing contacts.

#### ESTABLISHMENT OF CORE CONSULTATIVE GROUP

- 3.17 At the May Conference, there was considerable interest expressed in the prospect of regular consultation on a cross-sectoral basis in the intervening period between the May Conference and submission of the Plan to the Commission at the end of October. To that end, the Department of Finance and Personnel established a Core Consultative Group of key economic and social partner bodies. The Core Group consisted of representatives from the Confederation of British Industry for Northern Ireland, the Northern Ireland Committee of the Irish Congress of Trade Unions, the Northern Ireland division of the Institute of Directors, the Northern Ireland Council for Voluntary Action, the Construction Employers' Federation, Ulster Farmers' Union, the Northern Ireland Agricultural Producers Association, the Rural Development Council for Northern Ireland and the Society of Local Authority Chief Executives. The views of the First Minister (Designate) and the former Deputy First Minister (Designate) were also represented on the Group by the participation of their advisers.
- 3.18 The Core Group has met several times over the Summer and Autumn period and has played a considerable part in the final shaping of this Plan dealing particularly with those aspects of the Plan which crossed traditional sectoral boundaries and required an overview approach.
- 3.19 The work of the Core Group was complemented by a series of bi-lateral discussions, for example with social partner organisations and with local government representatives.

#### SEPTEMBER CONSULTATIVE CONFERENCE

- 3.20 On 22 September the Department of Finance and Personnel organised a second Consultation Conference which was held in Enniskillen, County Fermanagh. That conference again attracted over 300 delegates from a wide range of local interests.
- 3.21 A detailed working paper prepared for the conference set out more detailed proposals for the CSF and the Transitional and Peace II Programmes and suggested a structure of Priorities.
- 3.22 After initial inputs explaining the rationale behind the proposals set out in the working paper and a report on aspects of the delivery mechanisms used under the Peace Programme, inputs were made on behalf of local authority and social partner organisations. The conference then broke into a series of workshops, each concentrating on one of the proposed Priorities in the CSF.
- Feedback from the Conference**
- 3.23 Feedback was provided from each workshop to a final plenary session of the Conference. Points arising from the feedback sessions at the September conference included:-

3.24 *Economic Development & Competitiveness Workshop*

- it is important to make the best possible use of this, possibly the last, major Structural Funds support for Northern Ireland, and to deliver economic regeneration to allow self-sufficiency in 5 - 6 years time;
- clear guidelines and complementarity between the Transitional and the Peace II Programme are essential. The Programmes must also be integrated in their delivery;
- the Peace II Programme proposals required a strengthened emphasis on training to achieve employability;
- if large infrastructure projects are included in the proposals for the Peace II Programme they must show appropriate special characteristics to qualify for support;
- the positioning of local economic development within Peace II required further consideration;
- proposed financial engineering measures were not wide enough - they should be extended beyond seed and venture capital provision to allow innovative approaches to help SMEs beyond early stage growth and to financing community-led development;
- there is a need for clear objectives and quantification for each Priority and for integrated delivery on the ground;
- economic development objectives need to be balanced with other objectives such as community cohesion - for example by recognising the social economy;
- internal spatial equity - for example addressing sub-regional differences in infrastructure endowments should also be addressed;
- as well as IT skills development in education, practical training in SMES should be supported;
- implementation should be based on using the mechanism best suited to the particular task involved; and
- the Peace Programme has an important role in improving social and community cohesion and in addressing sectarianism.

3.25 *Employment Workshop*

- it was important to mainstream lessons from the existing Programmes, to develop community-led employment issues focused on the needs of the most disadvantaged groups and to give greater weight to the issue of gender;
- there is a need for a clear labour market strategy for Northern Ireland based on the 5 ESF policy fields with precise and quantified targets;
- a range of possible actions were identified under each of the 5 ESF policy fields - across each field it would be important to draw upon best European practice;
- a preventative approach to the problems of 16 - 24 year olds was required combined with targeted education programmes in deprived areas, linking schools, parents and the wider community in tackling the problems they face; and
- it was also necessary to take into account the needs of economically in-active persons, which may need a different policy response.

3.26 *Urban & Social Revitalisation Workshop*

- existing measures were effective in targeting community need and the development of community infrastructure through capacity building;
- there was a need to continue and develop support for peace-line and deprived areas and to combat racism and the exclusion of ethnic minorities;
- a wide range of physical and social revitalisation issues require addressing, but interventions would need to be focused to make a difference on particular issues, rather than spread widely;
- it was important to provide assistance to both small and large-scale projects, but these should be anchored in the needs of local communities; and
- the voluntary and community sector has an important role to play in revitalisation through their stabilising influence and their contributions to economic development.

3.27 *Agriculture, Rural Development, Forestry & Fisheries Workshop*

- the 'special' nature of the Peace II Programme is as relevant in rural as in urban areas;
- the Peace II Programme can draw on and develop the assets created under current Programmes;
- capacity building in rural areas has to be genuinely inclusive and encompass all of rural society;
- innovative new proposals such as the proposed Natural Resource Tourism initiative may need to be delivered in innovative ways;
- the proposed Priorities could be augmented by a new Priority to provide access to international expertise and to disseminate expertise already developed in Northern Ireland;
- working in rural areas provides unique challenges and other Priorities need to take this into account; and
- unlike Northern Ireland as a whole, the position of the agri-rural economy had worsened between 1994 and 1999 and this called for further resources and for overall Structural Funds policies for Northern Ireland to be 'rural proofed'.

3.28 *The Environment Workshop*

- environmental sustainability should be a cross-cutting theme, integral to and addressed by all Priorities;
- all Priorities and projects should be subject to an environmental audit process;
- it was important to address the urban as well as the rural environment;
- environmental enhancement and conservation for bio-diversity deserve support under the Environment Priority whereas the justification for projects such as sewage treatment works more often comes from their economic benefit, rather than their environmental benefit;
- the absence of references to environmental education and Local Agenda 21 were important omissions in the papers for the conference;
- environmental projects undertaken at local level provide an excellent opportunity for cross-community involvement - such schemes and projects were appropriate to the Peace II Programme; and

- funds under the Environment Priority should be allocated to schemes which secure the existing environmental assets of attractive landscapes, geological features, natural and semi-natural habitats, native species, archaeological, built and industrial heritage.

### 3.29 *Social Integration, Inclusion & Reconciliation Workshop*

- the Peace II Programme needed to be further distinguished from the Transitional Programme and made more 'special' in nature;
- the proposed role of infrastructure projects in the Peace II Programme was queried - it was felt that all Peace II projects should have their rationale in addressing the legacy of the troubles;
- reconciliation needed to have a more central role in the Peace II Programme - it needs to address institutionalised sectarianism;
- the Peace II Programme should develop a list of specific excluded groups, to ensure the needs of particular groups are not overlooked;
- equal weight needs to be given to the needs of rural areas;
- there was an opportunity to draw on international best practice both in defining strategies and in their implementation;
- there is a need to consolidate existing projects as well as to develop new projects;
- ESF policies have developed and now emphasis social inclusion into the labour market, to define the labour market broadly, to take account of the social economy and to address gender issues seriously; and
- there was a need for rationalisation and standardisation of monitoring procedures.

### 3.30 *Locally-Based Regeneration & Development Strategies Workshop*

- in overall terms, Northern Ireland is seeking to pursue regeneration while tackling reconciliation in a divided society;
- locally-based, inclusive and integrated strategies are central to the Peace II Programme;
- it is important that such strategies are effectively linked to the wider regional strategies;
- producing locally-based strategies requires an inclusive approach to bringing together key local stakeholders leading to a plan which commands wide support and can be block-funded; and
- once the strategy is agreed the issue of how it is delivered can be addressed - the emphasis should be on *how* the strategy is delivered, rather than on *who* delivers it.

### 3.31 *Cross Border Co-operation Workshop*

- the Peace II Programme should have a greater economic emphasis than the previous Programme but should include support for projects making the transition from a social to an economic basis;
- cross-border co-operation should extend beyond the Border Counties and provide the flexibility to fund projects on a wider North - South basis. There was also scope for developing an East - West dimension;

- the arrangements for cross-border co-operation funding should be flexible and should support actions taken under the other Priorities and Programmes; and
- a variety of ideas for cross-border project development were proposed. It was suggested that the variety of projects could be delivered by a variety of funding bodies, reflecting the respective roles and successes of funding bodies in the current Programmes.

## CONCLUSION

- 3.32 The consultative process has formed a major input to the form of this Structural Funds Plan. It has widened the range of issues being addressed and sharpened up aspects of the Plan, for example those relating to integration across Priorities and delivery mechanisms. The consultative process 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. It is intended that the process will be continued over the coming months through the interim EU Programmes' Development Committee which has been established and which brings together the Assembly parties, the District Councils and the economic and social partners.

## Key European Union and Government Policies

*The Structural Funds Plan is also informed by a number of key EU and Government policies. This Chapter describes the implications of some key policies for the Plan.*

- 4.0 While the Structural Funds Plan reflects a new and distinct approach to the opportunities and challenges facing Northern Ireland, it does not exist in a vacuum and has to take account of a range of existing EU and Government policies.

### REVISED STRUCTURAL FUNDS REGULATIONS

- 4.1 The new CSF will operate under the revised Structural Funds Regulations which were approved in June 1999.
- 4.2 The new Regulations provide a thorough reform of the Structural Funds with a number of significant procedural and administrative reforms aimed at simplification of the administration of the Funds and at achieving greater transparency. In overall terms, however, the broad division of functions between the Structural Funds has not been greatly changed, nor has the central focus on promoting economic and social cohesion.
- 4.3 Among the new and enhanced emphases in the Regulations governing the next round of the Structural Funds are:-
- an emphasis on the synergies between policies for economic growth, social cohesion and protection of the environment, building towards a long term approach to sustainable development;
  - a renewed emphasis on equality between men and women, requiring the principle of equality between men and women to be given a sharpened emphasis both by efforts to promote equality and specific measures to help women and by actively and openly taking into account at the planning stage the possible effects on the respective situation of women and men of proposed Programmes;
  - an emphasis on integrated strategies based on the three main priorities specified by the Commission;
  - increasing the competitiveness of regional economies, to create sustainable jobs;
  - increasing employment and social cohesion, mainly through the upgrading of human resources;
  - urban and rural development in the context of a balanced approach to regional development; and
  - creation of decentralised and broad partnerships which are effective in relation to the deployment of the Structural Funds.

### European Employment Strategy

- 4.4 In addition, the new Regulations require close integration between Structural Funds Plans, National Action Plans for Employment and the European Employment Strategy. The Amsterdam Treaty provided for the implementation of the European Employment Strategy through a series of annual employment guidelines which are reflected in National Employment Action Plans prepared by each Member State.

- 4.5 In this way the European Employment Strategy provides a framework for increasing the emphasis on employment across the EU, for intensified co-operation between Member States in fighting unemployment and for the exchange of best practice between Member States.
- 4.6 The UK Employment Action Plan (which includes Northern Ireland) sets out the UK response to the current employment guidelines. It also sets out key domestic policy measures and initiatives used to tackle the problems and challenges in the UK labour market. Overall, the UK's employment strategy is shifting the focus of policies towards preventing social exclusion rather than dealing with its consequences. The policy priorities, therefore, fit closely with the five main policy fields of the ESF:-
- Active labour market policies;
  - Social inclusion & equality of opportunity;
  - Lifelong learning;
  - Adaptability and entrepreneurship; and
  - Improving the participation of women in the labour market.
- 4.7 The use of the ESF - and also strands of the other Structural Funds actions - to implement the UK National Employment Action Plan and, through it, the European Employment Strategy therefore supports many of the other objectives and priorities of the Structural Funds. It is for this reason that the Structural Funds Regulations require the close integration of proposed ESF actions in all regions with the National Action Plans and the European Employment Strategy. This Plan must, therefore, be compatible with the policies in the National Employment Action Plan.
- 4.8 An assessment of the needs of the Northern Ireland labour market formed an integral part of the *ex ante* evaluation and is set out in Annex 2.

### EQUALITY OF OPPORTUNITY

- 4.9 Equality of opportunity is a major concern of both UK Government policies for Northern Ireland and of the Belfast Agreement. These policies provide a sound basis for pursuing greater equality of opportunity through the application of the Structural Funds in Northern Ireland over the period of the next CSE.
- 4.10 In March 1998 the Secretary of State for Northern Ireland published a White Paper entitled 'Partnership for Equality'. The White Paper set out proposals for legislation and policy on employment equality in Northern Ireland. It proposed strengthened fair employment legislation for Northern Ireland, enhanced action to tackle unemployment and to target disadvantage and the provision of a new statutory framework requiring the public sector to promote equality of opportunity and to promote good relations between people of different religious groups and political opinions and people of different racial groups. A new Equality Commission was also to be formed to enforce the new statutory framework and the fair employment and anti-discrimination legislation.
- 4.11 The Belfast Agreement of April 1998 included an affirmation by the parties to the agreement to the mutual respect, the civil rights and religious liberties of everyone in the community. The affirmation included specific reference to the right to equal opportunity in all social and economic activity, regardless of class, creed, disability, gender or ethnicity.

## NORTHERN IRELAND ACT 1998

- 4.12 Section 75 of the Northern Ireland Act 1998 provides a duty on public authorities to:-
- '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;*
  - *men and women generally;*
  - *persons with a disability and persons without; and*
  - *persons with dependants and persons without.'*
- 4.13 Section 75 also requires public authorities to have regard to the desirability of promoting good relations between persons of different religious belief, political opinion or racial group, while Section 76 of the Act makes it unlawful for a public authority to discriminate against a person or class of person on the ground of religious belief or political opinion.
- 4.14 These provisions will apply fully to any public authority in relation to their actions in implementing the Structural Funds in Northern Ireland. Other provisions of employment equality legislation apply also to any private or voluntary body in receipt of Structural Funds assistance. In addition, the Government in Northern Ireland is bound by the United Kingdom's international commitments on gender equality, notably EU law, the UN Convention on the elimination of all forms of Discrimination against Women and the 1995 Global Platform for Action.

## NEW TSN

- 4.15 Government has also implemented active policies to identify people and areas in greatest need and to ensure that Government programmes are effective in helping.
- 4.16 These 'New TSN' policies provide a more focused form of the long-standing Targeting Social Need policies. New TSN operates in 3 linked ways:-
- a special focus on the problems of unemployed people and on increasing their chances of finding a job - for example by working with local communities to create employment opportunities or working with the education system to help those who are at risk of becoming the next generation of the unemployed;
  - targeting other forms of social need - for example in health, housing and education and working with disadvantaged urban and rural areas; and
  - a special initiative called Promoting Social Inclusion which will help those who are disadvantaged along a number of dimensions to such an extent that they cannot fully participate in society and the opportunities which it offers.
- 4.17 The policies, practices and structures underlying the 'Partnership for Equality' White Paper, Section 75 of the Northern Ireland Act 1998 and New TSN together provide the agenda for tackling inequality, and social disadvantage in Northern Ireland.

## PAFT/Equality Impact Analysis

- 4.18 As part of the overall policies for equality of opportunity, Government requires that major policy initiatives and projects should be subject to a Policy Analysis for Fair Treatment (PAFT) Analysis. From 2000, impact assessments will be required for all policies and especially for those likely to have a significant impact on equality of opportunity.

- 4.19 A PAFT/equality impact analysis was carried out on earlier drafts of this Plan to ensure that it does not, directly or indirectly, discriminate against or disadvantage particular groups and to identify scope for enhancing equality of opportunity. This includes equality of opportunity between men and women and specifically addresses issues of women's participation in the workforce. As a result of that analysis a number of proposals were re-cast or reconsidered to avoid possible discriminatory effects or to enhance equality of opportunity.
- 4.20 A report on the PAFT/equality impact analysis is provided in Annex 1.

## ENVIRONMENTAL POLICIES

- 4.21 The environment and balanced and sustainable development are important concerns of both UK Government policy and the Structural Funds.
- 4.22 The Government is committed to putting environmental considerations at the heart of all its decision-making. Action in Northern Ireland to achieve this aim is co-ordinated by the Department of the Environment which:-
- supports and promotes the principles of bio-diversity and sustainability across government and society;
  - protects and improves the quality of air, land and water;
  - conserves nature and the countryside and protects species;
  - protects, records and conserves historic monuments and buildings; and
  - promotes awareness and appreciation of the environment and of heritage.

## Key elements of this approach are:-

- promotion of the concept of sustainable development through the creation of a sustainable development strategy for Northern Ireland and the promotion of the concept of sustainable development within central government and across all sectors of Northern Ireland society; and
  - policy development and legislation to meet EU and international commitments in relation to environmental protection, sustainable development, bio-diversity, conservation and protection of the natural and built heritage.
- 4.23 These actions are undertaken in association with a number of local and regional partner organisations. For example, District Councils across Northern Ireland have been developing their Local Agenda 21 Strategies for sustainable development while organisations such as Business in the Community and the Northern Ireland Environmental Link are able to pursue strategies at sectoral and regional levels.
- 4.24 Current actions include:-
- developing Northern Ireland strategies on sustainable development and biodiversity;
  - policy and legislation development in relation to air quality, water pollution control, waste management, climate change, biotechnology, radioactivity, noise, litter, access to the countryside and protection of wildlife and habitats;
  - declaring new Areas of Special Scientific Interest and preparing statements of conservation for a number of existing Areas;
  - scheduling further historic monuments; and
  - reducing the number of water pollution incidents.

## EMERGING POLICIES FOR PHYSICAL &amp; ECONOMIC DEVELOPMENT

- 4.25 Extensive consultation has taken place on future physical and economic development strategies for Northern Ireland. The consultation exercises have resulted in the publication of two key policy documents:-
- 'Shaping Our Future' - a draft regional strategic framework for Northern Ireland, which was published by the Department of the Environment in December 1998; and
  - 'Strategy 2010' - Report by the Economic Development Steering Group, which was published by the Department of Economic Development in March 1999.
- 4.26 Both documents remain under consideration, in particular the Northern Ireland Assembly has yet to consider them. Shaping Our Future is currently undergoing a formal consultation process and an active debate continues about Strategy 2010. Neither document can, therefore, be taken as a formal indication of government policies - however, taken together, they provide a valuable perspective on issues of direct relevance to this Plan.
- 4.27 Both documents are built on the perception that Northern Ireland is a region which has considerable strengths along a number of dimensions but which also faces considerable challenges both internally and in the form of competition from other regions.
- 4.28 Valuable strengths are seen as including:-
- the youthful and growing population;
  - high educational attainment, particularly among high achievers, which is important for knowledge based industries;
  - an attractive business environment;
  - strong telecommunications infrastructure;
  - the two universities which offer some world class strengths which can help local companies to innovate and which can lead to the formation of spin-off businesses; and
  - high quality environment and quality of life.
- 4.29 On the other hand, weaknesses are seen as including:-
- increasing competition from other regions (including other UK regions which are benefiting from devolution or the establishment of Regional Development Agencies);
  - the absence of a tax incentive to compete with that offered by the Republic of Ireland;
  - a high proportion of manufacturing employment in traditional industries or those which are very vulnerable to change (e.g., food processing and textiles and clothing);
  - low average gross value added in industry, compared even to other UK regions - pointing to a need to shift to high growth, high value added sectors;
  - low educational standards in much of the workforce and those who are unemployed;
  - high long term unemployment, and under-employment in the agricultural sector;

- the need to transform Northern Ireland into an outward looking region, rather than an inwardly focused region; and
- the fact that Northern Ireland is a divided and polarised society.

4.30 The proposed approach recommended by the strategy reviews also has strong common elements. In the case of the draft Regional Strategic Framework these are expressed as a set of guiding principles based on:-

- a people and community focused approach;
- a sustainable approach to development;
- achieving a more cohesive society, based on factors such as equality of opportunity and treatment, spatial equality and complementarity and a partnership approach;
- achieving competitiveness based on investing in intelligence, improving accessibility and communications and reconciling growth with quality of life;
- an integrated approach based on strengthening the integration of government policies to deliver cross-sectoral solutions to complex and inter-related social, economic and environmental issues; and
- developing a shared vision of the future.

4.31 Overall, both Shaping Our Future and Strategy 2010 provide a clearer association between physical, economic and social priorities and seeing appropriate policies under these headings as being mutually supportive, rather than as competing priorities. These documents, together with the other policies discussed in this Chapter form important inputs to the Structural Funds Plan and will also be important considerations for a Northern Ireland Assembly when it formulates its programme for Government.

## Structuring the Community Support Framework and the Operational Programmes

Based on the *ex ante* evaluation of the strengths, weaknesses, potential and needs of Northern Ireland, on the outcomes of the wider consultation process and on the review of EU and Government policies, this Chapter proposes an overall structure for the Community Support Framework and complementary but distinctive roles for the Transitional Objective 1 and Peace II Programmes.

- 5.0 There is a very strong consistency between the various inputs which were considered in Chapters 2 - 4.

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### THE NEEDS OF THE REGION

- 5.1 The starting point is an agreed analysis of the needs of the region.

#### *Ex Ante Evaluation*

- 5.2 The *ex ante* evaluation identified the following as the region's main needs:-

#### *Productive Investment*

- diversifying the industrial base and creating a viable sustainable private sector, reducing grant dependency of Northern Ireland industry, raising industry R&D to promote innovation, promoting a greater degree of export orientation, focusing on ICT and knowledge based economy, increasing the formation rate of new businesses and promoting an inclusive economy;

#### *Human Resources*

- ensuring high levels of qualifications and the ability to apply relevant skills in entrants to the labour force, addressing low skills and qualification levels of the existing employed workforce and the re-skilling of persons affected by the need for structural adjustment and industrial change and pursuing active labour market policies to promote the reintegration into employment of the economically inactive and unemployed young persons in particular;

#### *Build on Peace & Address the Legacy*

- redressing problems of the physical environment, exploiting peace opportunities, adapting to fallout from security industry downsizing and actions to embed peace;

#### *Social Cohesion*

- redressing the economic and social disparities evident internally to Northern Ireland, focusing on specific areas, addressing particular target groups and individuals - benefit dependents, LTU, economically inactive etc.;

#### *Infrastructure*

- ensuring the requisite infrastructure is in place to contribute to competitiveness and to offset peripherality; and

#### *Horizontal Themes*

- environment and equal opportunities.

### Learning from Previous Evaluations

- 5.3 A further important contribution by the *ex ante* evaluation to the development of the proposals in this Plan is the distillation of the results of evaluations of the current Structural Funds round in Northern Ireland. This emphasises the importance of learning from previous experience and of preparing proposals which take account of that experience.
- 5.4 This is particularly important because Northern Ireland has had unique experience as a result of the implementation of the current Peace Programme. However, the current Peace Programme was, intentionally, overlaid on the pre-existing Structural Funds Programmes for Northern Ireland.
- 5.5 The opportunity now exists to build on the best of the experience of the implementation of the Structural Funds in Northern Ireland on a coherent basis addressing the issues which relate to the Northern Ireland Objective 1 Transitional Programme and to the Peace II Programme at the same time.

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### MAY STRUCTURAL FUNDS CONFERENCE PAPER

- 5.6 The discussion paper for the May Conference provided an analysis derived from the discussions at strategic level prior to the Berlin Council.
- 5.7 That paper suggested the following main themes:-
- creating a modern self-sustaining European regional economy to take advantage of the new political and economic opportunities created by peace;
  - creating a flexible and skilled workforce for the 21st Century, with special emphasis on the needs of those facing job-change;
  - regenerating run-down urban and rural areas, promoting social inclusion and creating new and sustainable employment opportunities;
  - building on existing investment to plug the gaps in rural, environmental and pan-European infrastructure;
  - continuing the action to develop the fabric of urban and rural communities, local democracy and local structures to provide sustainable funding mechanisms for social inclusion; and
  - maximising the economic and social potential of cross-border links as part of a wider approach to co-operation with other European regions.

### ANALYSIS OF NEEDS

- 5.8 These perspectives can be grouped around three main themes:-
- creation of a modern, competitive, self-sustaining European regional economy to take advantage of the new political and economic opportunities created by peace, by developing innovation, networking and collaboration between businesses, extending the range of financial engineering products, supporting SMEs and the social economy;
  - employment, social inclusion and reconciliation, by tackling the problems of division and segregation within Northern Ireland, providing a special emphasis on the needs of those facing job change, the low-skilled young, those in low-wage employment, those suffering under-employment, for example, in agriculture and the long term unemployed, broadening the base of women's employment,



Courtesy of T&amp;EA

developing lifelong learning, the information society and a knowledge driven economy; and

- economic regeneration, the environment and rural society by developing the fabric of urban and rural communities, protecting and improving both the natural and the built environment, fostering bottom-up regeneration and development strategies for local areas and providing opportunities for community and voluntary sector organisations to become financially self-sustaining.

5.9 However, there is also a need to take into account a number of important cross cutting themes which are also common to the various papers and statements and include the emphases on:-

- a new economic focus;
- renewal and transition in the social, economic and political contexts;
- targeting disadvantage and disadvantaged areas;
- equitable development between urban and rural areas;
- development of partnership structures;
- equality and inclusiveness, building in to the Structural Funds strategy for Northern Ireland elements of the Belfast Agreement agenda and of New TSN and other government policies;
- sustainability, in relation to both its environmental and economic meanings;
- turning Northern Ireland into a Outward- and Forward-Looking region by deepening and extending co-operation with other regions, within the UK and beyond including the Republic of Ireland and by developing forward-looking structures in Northern Ireland; and
- achieving a greater complementarity of actions.

5.10 These needs and the proposed overall aim of the CSF will be subject to elaboration and development in the light of the Assembly and its Programme for Government.

#### OVERALL AIM OF CSF

5.11 This suggests that the desired outcomes of the overall CSF could be stated as:-

- economic renewal; and
- social, economic and political transition;

both of which in turn lead to a more peaceful, prosperous and stable society.

5.12 The aims of the CSF, therefore, are both economic and social in nature. In the particular conditions of Northern Ireland, in addition, there is a need to promote a political transition as well as to improve economic and social cohesion - as the tasks of the Structural Funds are usually stated.

5.13 In addition, legislation, Government's policies, the Belfast Agreement and a broad consensus on a range of issues requires that the means and processes by which these transitions and objectives are achieved must be equitable and inclusive, be built on a partnership approach to the Structural Funds, favour the creation of an outward-looking and forward-looking region, be environmentally and economically sustainable and implement new policy perspectives which command wide support.

This approach is summarised in the following diagram.

#### ROLES OF TRANSITIONAL OBJECTIVE 1 & PEACE II PROGRAMMES

##### Proposed Logical Structure



5.14 The CSF will encompass both the Transitional Objective 1 Programme and the Peace II Programme. Within this overall logical structure, the CSF has, as far as possible, to identify a logical and clear division of Priorities between the two Programmes while ensuring that the two work together to create the overall impact required and operate in an integrated and accountable framework.

5.15 The Transitional Programme will account for approximately 2/3 of the funding in the new CSF. That Programme will, therefore, carry the main weight of Northern Ireland's transition process. As such it will need to address the key issues of:-

- creation of a modern self-sustaining regional economy;
- employment, social inclusion and reconciliation; and
- regeneration, the environment and rural society.

5.16 In addition, it will need to address the cross-cutting issues of targeting disadvantage, promoting inclusion, partnership, economic and environmental sustainability and balanced development.

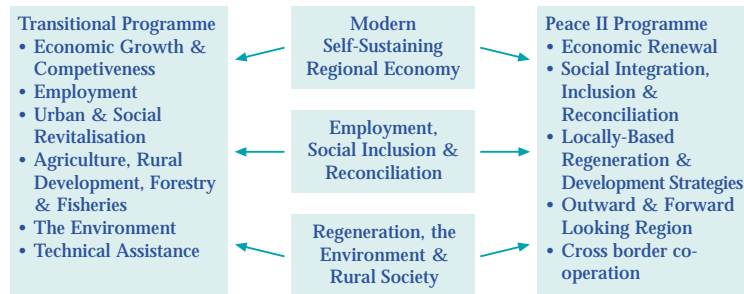
5.17 The Peace II Programme will also tackle these three key priorities but in a more focused way. The rationale of the Peace II Programme will continue to derive from that of the Peace Programme - transition and renewal in the context of peace. The paper presented at the Structural Funds Conference in May suggested that the role of the Peace II Programme would be to provide a tight focus on the particular transition and renewal issues which Northern Ireland faces. The Peace II Programme would, therefore, address each of the three key priorities of:-

- economic renewal;
- social inclusion and reconciliation; and
- urban and rural regeneration and local development - focusing on the most disadvantaged areas and groups and developing the work of intermediary funding mechanisms, but with a more economic focus.

5.18 In addition, the proposed Peace II Programme has a particular role in relation to cross-border development and addressing the theme of turning Northern Ireland into a more Outward- and Forward-Looking region.

- 5.19 By contrast, the Transitional Programme's rationale would derive from a wider analysis of the development issues facing Northern Ireland and would more closely resemble Structural Funds operations in other regions, while respecting the particular needs of Northern Ireland and the distinctive institutions which are being developed in the region.
- 5.20 This proposed relationship is illustrated in the following diagram which lists the proposed Priorities of the Transitional and Peace II Programmes.
- 5.21 Under this approach the Peace II Programme would deal with economic renewal and

#### Proposed Programme Priorities



with continuation of the social inclusion and reconciliation work, the locally based actions and the cross-border co-operation actions commenced under the Peace Programme. The Transitional Programme would deal with the remaining elements of the proposed actions.

- 5.23 The implementation of the decisions of the meeting of the European Council at Berlin in March 1999 (as set out in Chapter 1) suggests that it is appropriate for the Northern Ireland CSF 2000 - 2006 to be made up of two Operational Programmes, the Northern Ireland Objective 1 Transitional Programme and the Peace II Programme for Northern Ireland and the Border Counties.
- 5.24 This and previous Chapters of the Plan have set out the context and proposed overall strategy for the CSF. Chapters 6 and 7 provide the information in relation to the two Operational Programmes which will make up the CSF, the Transitional Objective 1 Programme and the Peace II Programme.

#### THE REQUIREMENTS OF THE STRUCTURAL FUNDS REGULATIONS

- 5.22 Under the revised Regulations which apply to the Northern Ireland CSF 2000 - 2006, the Commission requires 3 distinct documents:-
- a Structural Funds Plan, which - following negotiation and input from the Commission's Services - will form the basis of the CSF and which, incorporates the results of the *ex ante* evaluation, describes the development problems in the region and the strategies and Priorities to be used to address those development problems, with appropriate indicators and targets, quantified where possible, an indicative financial plan (by Priority and by year) and a description of the overall management, control, partnership and monitoring and evaluation arrangements;
  - a set of Operational Programmes, showing the relevant Priorities, their quantified targets and expected impacts, an outline of the individual Measures (title, description, overall aims and objectives, intended beneficiaries, approximate financial weighting and implementing bodies) and a financial plan for each Priority; and
  - a Programme Complement for each Operational Programme providing detailed information on each of the proposed Measures. The Programme Complement is agreed with the Monitoring Committee within the broad strategic framework provided by the agreement of the CSF and Operational Programmes between the Member State and the European Commission.

## The Transitional Objective 1 Programme for Northern Ireland 2000 - 2005

*This Chapter sets out the proposed structure of Priorities for the Transitional Objective 1 Programme for Northern Ireland 2000 - 2005, describes the broad strategy to be pursued under each Priority and provides illustrative examples of proposed actions.*

### INTRODUCTION

- 6.0 This Chapter sets out the proposed strategy relating to the Transitional Objective 1 Programme.
- 6.1 This Chapter will be supported by a more detailed Operational Programme for the Transitional Objective 1 Programme which will be forwarded to the European Commission as soon as possible after the submission of this Plan.
- 6.2 In this Chapter each Priority is introduced by a statement of the rationale for its inclusion in the Plan, drawing on evidence derived from the *ex ante* evaluation. Each Priority is then briefly described using the main categories of material that the Commission specifies for an Operational Programme:-
- Title;
  - Description;
  - Overall aims and objectives;
  - Intended beneficiaries; and
  - Implementing bodies.
- 6.3 As the description provided is at the level of Priorities rather than Measures, the material in this Chapter is more strategic in nature than in the case of the Operational Programme which will, in due course, be submitted to the European Commission.
- 6.4 Chapter 7 sets out comparable details of the proposals for the Peace II Programme.

### PROPOSED STRUCTURE OF TRANSITIONAL PROGRAMME

- 6.5 The proposed overall structure of the Programme consists of 6 Priorities, as follows:-
1. Economic Growth & Competitiveness;
  2. Employment;
  3. Urban & Social Revitalisation;
  4. Agriculture, Rural Development, Forestry & Fisheries;
  5. The Environment; and
  6. Technical Assistance.
- 6.6 Each of these Priorities is considered in turn.

## Priority 1: Economic Growth & Competitiveness

- 6.7 The Northern Ireland economy has performed relatively well over recent years. As the *ex ante* evaluation shows, Northern Ireland has experienced faster average rates of growth of GDP than the UK or EU 15 average and unemployment has also declined faster in Northern Ireland than in the UK as a whole.
- 6.8 However, Northern Ireland starts from a lower base than the UK average and faces particular structural economic problems. It is the UK region with the lowest per capita GDP and faces particular problems of long term unemployment. Among the indicators of Northern Ireland's disadvantage relative to the UK identified in the *ex ante* evaluation are lower levels of:-
- per capita GDP;
  - Gross Value Added in manufacturing industry;
  - employment;
  - economic activity; and
  - average earnings and household income.
- 6.9 On the basis of the latest available statistics, Northern Ireland's GDP per capita is 81% of the EU 15 average, demonstrating a need for substantial convergence over the period of the CSF.
- 6.10 In addition, a considerable volume of existing employment is vulnerable to economic change. Employment in the agricultural, food, drink, tobacco, textiles and clothing sectors account for a significant proportion of existing employment and in all three sectors there are significant challenges.
- 6.11 The *ex ante* evaluation shows that Northern Ireland's industrial structure is marked by relatively low value added per hour worked and has a marked absence of high technology industries. The manufacturing sector is dominated by branch plants and by SMEs. Both categories of firms have a relatively low propensity to undertake research and development activities and research and development expenditure as a % of GDP stands at 0.5% in Northern Ireland compared to 1% in the Republic of Ireland and 1.3% in the UK as a whole.
- 6.12 All of these factors point to the need for the Structural Funds to continue to support business development in Northern Ireland by a variety of measures addressed to identified distinct issues, including the necessary infrastructure for successful regional development.
- 6.13 This Priority will focus on creating lasting supply-side benefits for Northern Ireland by supporting essential infrastructure investment and the development of growing businesses capable of competing in international markets.
- 6.14 This Priority will be assessed by its impact on the supply-side of the Northern Ireland economy, arising from:-
- removing constraints on economic development;
  - creating the conditions for effective and competitive enterprises; and
  - stimulating and supporting business growth, development and diversification of markets and products.
- 6.15 There is a strong linkage between this Priority and the Employment Priority in the Transitional Programme (under which the themes of the European Employment Strategy will be implemented - in particular the themes of promoting employability,

skills and mobility through life-long learning and developing adaptability and entrepreneurship). There are also strong linkages with the Economic Renewal Priority of the Peace II Programme, which proposes a set of specially targeted and innovative measures to ensure that Northern Ireland makes a particular economic transition.

- 6.16 Under this and other Priorities, opportunities will be taken to build up Northern Ireland's linkages with other EU regions and its wider international linkages. This will be done by means of developing opportunities for further East - West and North - South co-operation and by developing appropriate multi-lateral business co-operation and trade projects.
- 6.17 This Priority has two main components; a number of Measures addressing business competitiveness and a Measure aimed at meeting regional infrastructure needs.

#### Business Competitiveness Measures

- 6.18 Northern Ireland suffers from having a relatively weak private sector made up in part of externally owned businesses and in part of locally owned, often small and family businesses. Women are traditionally under-represented in the management of the indigenous business sector. With a small number of very important exceptions, Northern Ireland does not have strong indigenously owned businesses which have the size and muscle necessary to compete successfully on world markets against larger, better resourced competitors able to take advantage of economies of scale and, therefore, able to invest in best practice manufacturing processes and in product innovation.
- 6.19 However, experience under the Northern Ireland Single Programme 1994 - 1999 has shown that with targeted support to key business areas (such as best practice manufacturing, technology transfer, collaborative innovation etc.) Northern Ireland based firms can prosper and develop in international markets and can often encounter a virtuous cycle of growth and development.
- 6.20 The Business Competitiveness Measures would build upon some of the most successful elements of the support to SMEs introduced under the Single Programme and would also introduce targeted new areas of non-capital support to businesses.
- 6.21 Examples of the type of activity which might be supported include:-
- support for regional business support infrastructure (such as advisory services), start-ups, sector initiatives, e-business, functional programme support and export activities;
  - support for research and development relevant to the purposes of the CSF, for business innovation by providing advice and guidance and encouraging firms to undertake R&D and technology transfer;
  - support for SMEs to meet higher environmental and quality standards which are now often demanded by international purchasers and to improve energy efficiency in SMEs;
  - development of business/school/university linkages and networks;
  - development of tourism businesses by support to the promotion and marketing of Northern Ireland and to the development of tourism amenities and accommodation; and
  - locally-based regeneration and development strategies developed by local structures.

#### Overall Objective

- 6.22 The business competitiveness measures will have an objective to increase:-
- the size and competitiveness of Northern Ireland's internationally competitive business sector by means of targeted support to key business sectors and processes and development of regional business support networks;
  - Northern Ireland's export trade;
  - Northern Ireland's GDP;
  - the number of Northern Ireland companies undertaking research and development;
  - the share of R&TD in Northern Ireland GDP;
  - the number of Northern Ireland SME managers (particularly women) undertaking strategic business training; and
  - the number of tourist visitors to Northern Ireland and their contribution to Northern Ireland GDP.

#### Intended Beneficiaries

- 6.23 Intended beneficiaries will include businesses, particularly SMEs, managers of business (particularly women) and providers of services to businesses, including training organisations, universities etc.

#### Implementing Bodies

- 6.24 Implementation of the business competitiveness measures will involve a mix of government departments and public bodies, District Councils, universities and colleges, sectorally based bodies and private companies.

#### Regional Infrastructure

- 6.25 As a relatively peripheral EU region, Northern Ireland has particular infrastructure needs to:-
- address the competitiveness of the regional economy, particularly in the more economically and socially deprived areas;
  - encourage labour market mobility and access; and
  - promote equality of opportunity across Northern Ireland.
- 6.26 Many of Northern Ireland's key infrastructure requirements are now largely met by private sector investment, for example in relation to telecommunications and airports. However, the small size of Northern Ireland, its small and highly dispersed population and its distance from major markets can all mean that private sector investors find it impossible to make the necessary returns on particular investments which in other regions would support business development, quality of life and the provision of opportunities for employment, education and training on an equitable basis.
- 6.27 In such cases, carefully screened, there is a rationale for support from the Structural Funds.
- 6.28 The Regional Infrastructure Measure would operate as a single source of support for infrastructure projects from all sectors. To be considered for support applicants would have to demonstrate the favourable impact which their project would have on the overall achievement of the aims of the CSF.



Courtesy of DANI

6.29 While transport and energy projects have emerged particularly from the consultation process to date, the Measure would be able to support any suitable infrastructure which could contribute to the achievement of overall CSF aims.

6.30 Examples of actions which might be undertaken include:-

- Strategic investments in the energy sector, for example in the development of energy sources or in support of energy conservation and the development of renewable energy sources;
- Improving internal labour mobility in Northern Ireland to provide more equal access to employment opportunities, for example by improving transport infrastructure, public transport initiatives and the road network, particularly along TENs corridors and on strategic routes; and
- Improving Northern Ireland's regional gateways and the means of access to those gateways.

#### Overall Objectives

6.31 To support economic growth and sustainable development, equality of access to employment and educational opportunity and sustainable urban and social development by investments in infrastructure projects which contribute to the achievement of the overall aims of the CSF.

#### Intended Beneficiaries

6.32 Public and private providers of regional transport, energy, water and other infrastructure services and identified users of those services.

#### Implementation

6.33 This Measure will be implemented on a cross-sectoral and inter-departmental basis by government departments.

## Priority 2: Employment

6.34 The principal task of the Employment Priority would be to implement the European Employment Strategy in Northern Ireland through actions identified in the UK National Action Plan for Employment.

6.35 There are strong linkages between this Priority and the Economic Growth and Competitiveness Priority. In particular, action to promote employability - taken in schools, colleges, formal training and in-firm - will support the development of successful growing businesses in Northern Ireland.

6.36 There are also strong linkages with the Urban and Social Revitalisation Priority of the Transitional Programme and with the Economic Renewal, Social Inclusion and Reconciliation and Locally-Based Regeneration and Development Strategies Priorities in the Peace II Programme.

6.37 The Employment Priority provides a horizontal emphasis on human resource development issues which complements a number of other elements of the Transitional and Peace II Programmes. For example, the emphasis on development of the social economy will create new employment opportunities which fall between the traditional definitions of the public and private sector.

6.38 The Employment Priority will have an important role in equipping women and men who are currently not in employment or at risk of becoming unemployed or entrants to the labour market to take advantage of those opportunities. Equally, many people working in agriculture are at risk of losing their employment because of change in the sector and this Priority will reinforce the emphasis on rural development in both the Transitional and Peace II Programmes.

6.39 The *ex ante* evaluation demonstrates the need for concerted action to tackle a series of human resource issues in Northern Ireland. These include the high rate of growth of the labour force, the relatively low skills endowment of the existing labour force and the need to improve adaptability of workers to enable them to adapt to industrial change both within and between sectors.

6.40 The *ex ante* evaluation identifies the following as key elements of the required actions in the human resource field:-

- ensuring high levels of qualifications among the large number of new entrants to the labour force, particularly in the light of the knowledge based economy;
- addressing low skills and qualification levels of the existing employed workforce and the reskilling of persons affected by the need for structural adjustment and industrial change; and
- using active labour market policies to promote the reintegration into employment of the economically inactive and unemployed young persons in particular.

6.41 The new Regulations which govern the application of the ESF<sup>3</sup> locate its functions firmly in the context of the European Employment Strategy. The ESF is a primary mechanism for implementing the European Employment Strategy under guidance and priorities set by the Annual Employment Guidelines, the UK National Action Plan for Employment and the UK Policy Frame of Reference for Structural Funds expenditure on human resources. As a result this Priority's principal task is to implement the European Employment Strategy in Northern Ireland, in particular by putting in place targeted interventions to support the 5 ESF policy fields. This brings the ESF contributions to the Northern Ireland CSF into much sharper focus than was the case under the current round of the Structural Funds and should assist in addressing the relative weaknesses in ESF delivery which were noted in evaluations of current Programmes.

- 6.42 The priority will ensure gender mainstreaming across all Measures in keeping with the requirements of the European Employment Strategy, the ESF Regulations and in line with national and local labour market policies. It will seek to improve employment prospects for women by promoting their participation within the workforce and the quality of jobs they hold.
- 6.43 Under this Priority and in association with other Priorities in both the Transitional and Peace II Programmes, action will be taken to support and develop employment opportunities in the Social Economy.
- 6.44 In addition to targeting long-term unemployment account needs to be taken of those who are at risk of unemployment because of sectoral change and those who are under-employed, or who are in low-wage employment, for example in the agricultural sector.
- 6.45 In the particular circumstances of Northern Ireland it is also necessary to take action to counter workforce segregation and the impact on access to employment of Northern Ireland's community divisions.
- 6.46 Examples of the types of action which might be taken under this Priority include:-
- Developing and promoting active labour market policies to combat and prevent unemployment;
  - Addressing the needs of disadvantaged areas and groups;
  - Addressing the needs of the long-term unemployed, in particular by efforts to re-integrate them into the labour market;
  - Supporting the occupational integration of young people and of returners to the labour market;
  - Promoting access to the labour market for all, especially those at risk of social exclusion;
  - Addressing the issues of workforce and occupational segregation;
  - Improving the employment prospects of women, promoting their participation in employment and addressing their distinctive needs;
  - Human resource development in companies;
  - Improving the ability of individuals to apply relevant skills through basic education and training systems linked to improvements in labour market mechanisms and/or the individual's employability and in particular to promote the participation of women in training and to addressing their particular needs;
  - Raising standards of literacy and numeracy among young people at school, targeting schools in the most disadvantaged areas in order to prepare young people better for their entry to the world of work;
  - Developing a strategy for education technology targeted at young people leaving school and entering the labour market;
  - Promotion of social inclusion among young people, for example by means of careers and other guidance;
  - Support for pre-school provision, to enable parents - and, in particular, women - who wish to return to education, training or employment;
  - Enhancing the contribution of the Further Education sector to personal development in disadvantaged areas;

- Capacity-building for community-based actions promoting pathways to employment, training and integration; and
- Contributing to the effectiveness of other actions aimed at tackling deprivation by enhancing the capabilities of disadvantaged communities by the provision of skills and innovative solutions to fit local circumstances.

#### *Overall Objectives*

- 6.47 To promote the objectives of the European Employment Strategy in Northern Ireland by targeted interventions aimed at promoting:-
- Active Labour Market Policies;
  - Social Inclusion And Equality Of Opportunity;
  - Lifelong Learning;
  - Adaptability and Entrepreneurship; and
  - Improving The Participation Of Women In The Labour Market.
- 6.48 In addition to these broad objectives, the Priority would also reinforce other Priorities in the CSF, for example by helping to address the opportunities arising from the information society and the social economy.

#### *Intended Beneficiaries*

- 6.49 Persons in, or entering, education, training and employment with a particular emphasis on persons in disadvantaged or under-represented groups or resident in disadvantaged areas, businesses and community and voluntary organisations.

#### *Implementing Bodies*

- 6.50 It is envisaged that implementation of the Priority will be overseen by the Training and Employment Agency but delivery of the Priority will use a mix of public and private bodies, by community and voluntary sector bodies including organisations representing the interests of women, universities, colleges and private firms.



### Priority 3: Urban & Social Revitalisation

- 6.51 This Priority builds on the work of the Physical and Social Environment Sub-programme of the Northern Ireland Single Programme by combining elements of urban regeneration with a focus on community development, community infrastructure and community reconciliation.
- 6.52 The *ex ante* evaluation demonstrates the need for these actions by reference to the effects of the Troubles:- including their impacts on the physical conditions of cities, towns and villages across Northern Ireland; the barriers to access to employment created by workforce, occupational and residential segregation; the need to create more places where the communities can meet together; and the need to address disadvantage and exclusion, including such disadvantage and exclusion in ethnic minority communities in Northern Ireland.
- 6.53 The *ex ante* evaluation concludes that a key opportunity for Northern Ireland is to address the legacy of the Troubles and to exploit the prospective benefits of peace. This will include addressing the threats to that progression which arise from particular tensions, for example relating to parades, the need to embed the political process and the particular problems of inter-face areas.
- 6.54 Previous investment in Northern Ireland's towns and cities has produced a more satisfactory urban environment for both local residents and visitors. Greater private sector confidence is stimulating substantial further investment. However, there remain towns which offer little reward for private investment and, in particular, many areas of towns and cities in which private investment is not likely to provide a stimulus to development. It is in those areas that the twin processes of urban regeneration and community development has a particular role to play.
- 6.55 In addition, there remain opportunities to put in place some infrastructure projects which can make important regional contributions to employment and opportunities for training, education and leisure. By providing such facilities in areas of need, the Priority can contribute to contact between the communities, to equality of access to employment and other opportunities and to community involvement in planning.
- 6.56 This priority will also draw upon and, where appropriate, mainstream the experience of the Northern Ireland URBAN Programme 1994 - 1999. However, the most disadvantaged communities and individuals in both urban and rural areas will not have access to the resulting opportunities unless attention is paid to their specific needs by targeted actions to address the particular problems experienced by these communities, drawing on examples of good practice, innovative ideas and international expertise.
- 6.57 Examples of the type of project which might be funded under this Priority, while recognising the principle of sustainability, include:-
- Physical and infrastructure projects linked to the creation of conditions which encourage investment in commercial and retail activities;
  - Improved links between employment generating sites (such as those in Laganside) and surrounding disadvantaged communities;
  - Actions to address the issue of social exclusion and to encourage local regeneration;
  - Developing the capacity of individuals and communities to engage in inclusive development processes, for example by investment in Social Capital, capacity building related to effecting change and regeneration and developing community financing mechanisms;

- Promoting greater participation in community life, training in relating to democracy, rights and justice, developing structures which will facilitate decision-making at community level;
- Development of local enterprise to promote social inclusion, for example by promoting diversification of local economies, enabling District Councils to develop socio-economic initiatives at local and neighbourhood levels and providing support for integrated planning;
- Addressing disadvantage and encouraging individuals towards greater productivity and participation, for example by developing flexible approaches to meeting the needs of those excluded from the labour market, overcoming practical and motivational barriers to access to employment and training, broadening the base of employment of women and training and support for the social economy and for the development of local and neighbourhood services;
- Raising standards of literacy and numeracy and correcting the symptoms of social distress in schools in the most disadvantaged areas;
- Action to counter social and physical segregation, sectarianism and racism; and
- Learning from other regions which have successfully used community-based and inclusive approaches to renewal and the resolution of conflict, including cross-border co-operation.

#### Overall Objectives

- 6.58 To create the physical and social environment conducive to encouraging additional employment, education, training and other opportunities in Northern Ireland towns and cities and to encourage the participation of the most disadvantaged communities in those opportunities by addressing the particular needs of those disadvantaged communities in a targeted manner;

To develop policies and structures which counter sectarianism and racism and encourage the creation of a more diverse, pluralist and inter-dependent society in Northern Ireland; and

To promote the social inclusion of marginalised and excluded individuals.

#### Intended Beneficiaries

- 6.59 Public and private developers, local authorities, community and voluntary organisations, people in disadvantaged communities and members of disadvantaged social groups, people living in divided communities and interface areas, researchers and research organisations.

#### Implementing Bodies

- 6.60 Government Departments, public bodies, District Councils, community and voluntary bodies and private companies.

## Priority 4: Agriculture, Rural Development, Forestry & Fisheries

- 6.61 This Priority brings together a series of measures to address the distinctive problems of rural areas.
- 6.62 There are links between this Priority and several others such as the Employment Priority, the Environment Priority and the Urban & Social Revitalisation Priority - which to some degree it parallels - and with the Locally-Based Regeneration and Development Strategies Priority of the Peace II Programme. In addition, some elements of the Priority are suitable for being taken forward on a cross-border basis. There are, therefore, links with the Cross Border Priority of the Peace II Programme.
- 6.63 The *ex ante* evaluation shows that within a UK context Northern Ireland has an unusually high degree of dependence on employment in agriculture, which accounts for 6% of civil employment compared to a UK average of 1.8%. The agriculture sector is facing long term and immediate problems of a scale unprecedented in recent years. The problems arising from CAP reform and WTO pressures have been exacerbated by the BSE crisis and the strength of sterling which has limited the ability of Northern Ireland farmers and food-producers to export while encouraging a greater import penetration of local markets. Employment in agriculture is declining and increasingly employment is marked by part-time, casual and seasonal workers. Almost 9 out of 10 farms are classified as small or very small and 7 out of 10 are categorised as being in Less Favoured Areas. Women living in disadvantaged rural areas have lower rates of economic activity than average, reflecting more limited access to childcare, fewer job opportunities and difficulties in accessing training.
- 6.64 These conditions provide an urgent rationale for diversification and development of the Northern Ireland agri-food, forestry and fisheries sectors within the framework of EU sectoral and other policies and for rural development actions to provide alternative employment and incomes for the rural population of Northern Ireland.
- 6.65 Northern Ireland is one of the most rural parts of the UK and its rural economy faces particular challenges as agricultural income and employment have declined sharply. Many sectors of agriculture are in deep crisis and existing farm based employment and self-employment may not be sustainable. There is a need to find new structures and approaches to countryside management and to generate alternative employment for both men and women in rural areas. Forestry and fisheries development can contribute to this process of sustainable development.
- 6.66 The balanced development of Northern Ireland's territory requires a sustainable and equitable approach to rural areas involving integrated strategies addressing the needs of agriculture and other important rural sectors (such as forestry and fisheries), and to find ways to sustain the rural population.
- 6.67 Examples of actions which might be undertaken under this Priority include:-

- Measures to improve competitiveness in the rural economy such as improving business management skills and encouraging innovation and investment in the agri-food industry; the up-take of new or improved technologies and the greater integration and collaboration between producers, processors and others in the food chain;
- Afforestation of non-agricultural land and the sustainable development of the forestry sector by promoting greater realisation of the socio-economic and ecological value of woodland;

- Rural development capacity building, local regeneration projects and programmes (including community businesses) and sectoral projects and programmes; and
- Adjustment of the fishing effort and fleet renewal and modernisation, to ensure that the remaining fleet can remain economically viable, development of aquaculture and the improvement of the market supply of fishery and aquaculture products, improvements of facilities at fishing ports and collective and other actions for the revitalisation of areas dependent on fisheries and aquaculture.



Courtesy of DANI

### Overall Objectives

- 6.68 To contribute to sustaining the rural population and environment of Northern Ireland by supporting viable rural enterprises, encouraging diversification of rural economic activity, realising opportunities arising in the forestry and fisheries sector and protecting the rural environment;

To focus resources on the sustainable and equitable development of disadvantaged rural areas and, by so doing, to contribute to the economic, environmental, social and cultural well being of the rural community; and

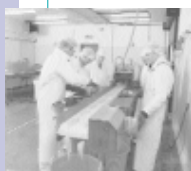
To assist rural areas of Northern Ireland to contribute fully to the overall development of the region.

### Intended Beneficiaries

- 6.69 Men and women involved in agriculture and their families, businesses and workers in the agri-food and related industries and in the forestry and fisheries sector, community and voluntary organisations, including women's organisations and other collective and co-operative organisations.

### Implementation Bodies

- 6.70 Implementation will be by the Department of Agriculture for Northern Ireland, colleges and universities, sectorally-based, area-based, regional and community and voluntary organisations and private firms.



Courtesy of DANI

## Priority 5: Environment

- 6.71 Respect for the environment is a key emphasis of the Structural Funds. This emphasis is reflected in other Priorities under the CSF which seek to promote balanced and equitable development approaches to urban and rural development and, for example, encourage the adoption of environmentally sensitive approaches in SMEs. As Chapter 4 has demonstrated, the environment is also central to UK Government policies - which seek to place environmental considerations at the heart of all decision-making.
- 6.72 The *ex ante* evaluation shows that overall Northern Ireland's environment is good and that many indicators are improving. However, there are areas in which Northern Ireland's environment falls below accepted levels and there are very major pressures on the environment. Action is needed to correct existing problems and to manage the growing pressure on the environment in ways which will allow all sectors of society, regardless of their economic and social situation, to enjoy a healthy and diverse environment. In addition, it is important to develop a proper awareness and understanding of the environment in the population at large and amongst those sectors which principally contribute to pollution and environmental degradation.
- 6.73 The draft Regional Strategic Framework set out in 'Shaping Our Future' provides a structured set of proposals for sustainable development. That document identifies significant challenges to current patterns of settlement, travel and economic development and identifies necessary actions to protect and manage environmental resources and to create healthy living environments.
- 6.74 Examples of the type of project which might be undertaken are:-
- Actions to sustain and enhance biodiversity, for example by the development and implementation of a Northern Ireland Biodiversity Strategy, by management and enhancement of significant wildlife and earth science sites and protection of distinctive features of the Northern Ireland natural heritage, such as peat bogs;
  - Management and enhancement of the distinctive landscapes of Northern Ireland, for example by completing the designation and management of Areas of Outstanding Natural Beauty, conserving the settings of cities, towns and villages, developing the regional value of the Lagan Valley Regional Park and, more generally, promoting sustainable access to the countryside;
  - Managing and enhancing the coastline, lakes and rivers, for example by dealing with the intense pressure for tourism development along the coastline and mitigating the harmful effects of existing developments, conserving distinctive coastal, river and lake habitats and protecting the World Heritage Site of the Giant's Causeway by conserving its physical features and controlling access in a sensitive manner;
  - Improving the quality and accessibility of green spaces and wildlife habitats within or close to residential areas;
  - Safeguarding the Northern Ireland archaeological resource, buildings and areas of special architectural and historic interest, industrial archaeology sites and other built environment assets;
  - Developing and implementing waste management and/or recycling strategies at local, sub-regional and regional levels, including cross-border components where appropriate;
  - Support to Local Agenda 21 actions to implement at local level internationally agreed sustainable development objectives;

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- Improving air quality by reducing combustion gases and planting more trees to absorb carbon dioxide;
- Providing resources for education about the environment;
- Combating water pollution by improving the quality of discharges, upgrading sewerage infrastructure and sewage treatment facilities, developing strategies to control eutrophication and implementing water quality management plans; and
- Creating healthy living environments, for example improvements to water treatment works, by tackling air pollution, dealing with polluted land and noise pollution and provide opportunities for healthy and active lifestyles, taking account of the particular needs of women, children, old people and people with disabilities.

### Overall Objective

- 6.75 To achieve proper awareness, understanding and stewardship of Northern Ireland's natural, built and cultural environmental resources in a manner supportive of tourism, economic development and the creation of a healthy living environment.

### Intended Beneficiaries

- 6.76 Public and private developers, local authorities, individuals and families, voluntary and community organisations.

### Implementing Bodies

- 6.77 The Department of the Environment for Northern Ireland, District Councils, universities and colleges, community and voluntary organisations and private businesses.

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Courtesy of DANI



Courtesy of Environmental Heritage Service

## Priority 6: Technical Assistance

- 6.78 The Technical Assistance Priority provides resources for the effective management and implementation of the Programme.
- 6.79 This Priority has a close linkage with the Outward- and Forward-Looking Region Priority in the Peace II Programme, which will support actions under the Peace II Programme to promote the Outward - and Forward-Looking region theme in the CSF and provides the Technical Assistance required for the implementation of the Peace II Programme.
- 6.80 An important function of the Technical Assistance Priority is to provide the essential resources to enable some of the CSF's cross-cutting themes to be addressed in a meaningful manner. These themes will be supported by the detailed selection criteria within each Measure and by specific actions taken under the Technical Assistance Priority. Other actions will ensure that the necessary resources are available to enable research to be undertaken to ensure that the development of monitoring and evaluation indicators and procedures reflect the themes of sustainability (in environmental and in economic terms) and of partnership and equity of opportunity.
- 6.81 The Priority will also fund both studies and implementation of actions to support the cross cutting themes of the CSF, including making Northern Ireland an outward and forward-looking region, ensuring opportunities for East - West and North - South co-operation are identified and implemented (within the broad framework provided in Chapter 9, which deals with Co-operation with the Republic of Ireland) achieving environmental and economic sustainability and implementing across the Programmes an effective emphasis on targeting of disadvantage, on the promotion of inclusive processes, on equality of opportunity and on the principle of partnership at strategic, operational and local levels.
- 6.82 Finally, the Priority will provide the necessary resources for the management and implementation of Programme structures and will provide for the monitoring and evaluation of the Programme and for publicity about the Programme and its impacts.

### Overall Objectives

- 6.83 To support the effective management and implementation of Programme structures and achievement of Programme aims.

### Intended Beneficiaries

- 6.84 Providers of expert advice, internal and external networks and implementing bodies.

### Implementation Bodies

- 6.85 Government Departments acting in conjunction with social partners and local authority organisations, universities, community and voluntary organisations and private firms.

## The Peace II Programme for Northern Ireland 2000 - 2004

*This Chapter sets out the proposed structure of Priorities for the Peace II Programme for Northern Ireland 2000 - 2004, describes the broad strategy to be pursued under each Priority and provides illustrative examples of proposed actions.*

### INTRODUCTION

- 7.0 The Peace II Programme 2000 - 2004 applies in Northern Ireland and the Border Counties of Ireland.
- 7.1 This Chapter sets out a proposed structure for the Northern Ireland components of the Programme together with a description of the strategy to be pursued under each Priority and illustrative examples of proposed actions under each Priority. It will be supported by a more detailed Operational Programme which will be forwarded to the European Commission as soon as possible after the submission of this Plan.
- 7.2 Consultation is underway with the Irish authorities to produce proposals for the overall Programme and it is proposed to submit a detailed Operational Programme for the Programme as soon as possible after those consultations are completed.
- 7.3 In this Chapter each Priority is introduced by a statement of the rationale for its inclusion in the Plan, drawing on evidence derived from the *ex ante* evaluation. Each Priority is then briefly described using the main categories of material that the Commission specifies for an Operational Programme:-
- Title;
  - Description;
  - Overall aims and objectives;
  - Intended beneficiaries; and
  - Implementing bodies.
- 7.4 As the description provided is at the level of Priorities rather than Measures, the material in this Chapter is more strategic in nature than in the case of the Operational Programme which is now under preparation in consultation with the Irish authorities.

### PROPOSED STRUCTURE OF PEACE II PROGRAMME

- 7.5 The proposed structure of the Northern Ireland components of the Peace II Programme is made up of 5 Priorities which draw upon the themes of:-
- the economic renewal and transition which Northern Ireland has to make to realise the opportunities of peace and to handle the legacy of the conflict;
  - continuing the work of social integration, social inclusion and reconciliation and peace-building commenced under the current Peace Programme;
  - addressing local dimensions of development, specifically by supporting inclusively developed local regeneration and development strategies;
  - contributing to making Northern Ireland a more outward- and forward-looking region; and
  - continuing the work of cross-border co-operation commenced under the current Peace Programme.

- 7.6 The resulting 5 Priorities are:-
1. Economic Renewal;
  2. Social Integration, Inclusion and Reconciliation;
  3. Locally Based Regeneration and Development Strategies;
  4. Outward-and Forward-Looking Region; and
  5. Cross Border Co-operation.
- 7.7 Provision for Technical Assistance for the Programme is made under Priority 4, the Outward-and Forward-Looking Region Priority.

#### RELATIONSHIP BETWEEN TRANSITIONAL AND PEACE II PROGRAMMES

- 7.8 The Transitional and Peace II Programmes have distinctive but complementary roles under the CSF.
- 7.9 The Peace II Programme is a 'special' Programme shaped to meet the unique needs of Northern Ireland and the Border Counties in the context of peace. In functional terms, the role of the Peace II Programme is to:-
- assist in the process of economic renewal and transition in Northern Ireland; and
  - build on the work of social inclusion, reconciliation, local development based on a partnership model and cross-border co-operation which were commenced under the Peace Programme which is now coming to an end.
- 7.10 In addition, the distinctive focuses and processes that were developed and implemented under the current Peace Programme will be taken into account under the Peace II Programme, these include the:-
- focus on groups and areas which are most disadvantaged, marginalized and at risk of social exclusion;
  - use of specialist intermediary funding mechanisms;
  - emphasis on the importance of partnership in action; and
  - distinctive management arrangements, reflecting the special nature and ethos of the Programme.
- 7.11 However, the Transitional Programme and the Northern Ireland elements of the Peace II Programme will operate on the basis of the same overall Structural Funds strategy for Northern Ireland which, in turn, is derived from the Northern Ireland *ex ante* evaluation.
- 7.12 It is, therefore, important to have a set of clear principles to determine which issues and Priorities within the overall Structural Funds strategy should be allocated to the Peace II Programme and which to the Transitional Programme.

- 7.13 The following principles have been developed to provide guidance on this issue:-
- 'To be considered for inclusion in the Peace II Programme, a Priority or project should demonstrate a strong linkage to the aims of the Programme. It could do so by:*

*1. showing a strong economic renewal effect linked to the opportunities arising from peace or to the transition to a more peaceful and stable society;*

OR

*2. showing a strong impact on*

*- defined disadvantaged groups or areas, or*

*- reconciliation between the communities in Northern Ireland, or*

*- a strong and inclusive approach to local economic, social or community development building on local regeneration and development strategies which have been developed on an inclusive basis by local authorities and local partnership structures working in collaboration, or*

*- contributing to making Northern Ireland an outward- and forward-looking region;*

OR

*3. showing a strong impact on cross-border co-operation by addressing on a cross-border basis issues relevant to the special focus of the Peace II Programme;*

OR


*4. showing a strong impact which may not be sufficient to merit support under any one of points 1. - 3. but which nevertheless merits support because it addresses two or more criteria set out in points 1 - 3.'*

- 7.14 These broad principles could apply at the level of an overall Priority and at the level of a project. For example, an economic development project might be considered under either Programme but to justify support under the Economic Renewal Priority of Peace II it would have to demonstrate the special characteristics set out above.

## Priority 1: Economic Renewal

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- 7.15 The *ex ante* evaluation provides the rationale for this Priority through its identification of the distorting, deterring and undermining effects which the conflict has had on business and economic development. Expenditure priorities have been distorted, business confidence has been undermined, inward investment has been deterred and business development opportunities have been lost.
- 7.16 Economic development in Northern Ireland has been held back by 30 years of violence. The tourism industry has been most damaged and this industry is, perhaps, only one-third to one-half as large as might be expected for a region with Northern Ireland's natural attractions. Other sectors have also been affected. In manufacturing industry declining low-wage sectors are over-represented as a result of violence. It has been difficult to attract the most sought after inward investment companies and, for many years, political necessity has led to strong support for declining industries. Difficulties in attracting or retaining highly educated young people may have contributed to the very low level of tradable service companies, particularly in financial and business services.
- 7.17 The imperative now is to restructure and renew the economy, reversing the emphasis on older declining industries and moving towards attracting and supporting those sectors with real growth potential in the 21st Century. This has, of course, been a long-standing ambition of government policies, but the current stage of the peace process provides special opportunities to make real progress.
- 7.18 As a result, peace offers both opportunities and challenges to the business and economic sectors in Northern Ireland - opportunities to realise gains which have not previously been available and the challenge of replacing employment which will be lost in sectors often employing women which are no longer sustainable at the same scale and of assisting the individuals in employment in those sectors to make the transition to other, sustainable, employment.
- 7.19 This Priority has strong linkages to the Economic Growth and Competitiveness Priority of the Transitional Programme. However, the rationale for the Priority is grounded in the special business and economic (as well as social and political) transition which Northern Ireland has to make during the period of the Peace II Programme, rather than in the continuation of effective elements of the previous Economic Development Sub-programme of the Northern Ireland Single Programme.
- 7.20 The Priority also reflects the requirement to reinforce the priorities for action identified under the European Employment Strategy, which calls on Member States to co-ordinate their employment policies around four common pillars:-
- improving employability;
  - developing entrepreneurship;
  - encouraging adaptability in businesses and their employees; and
  - strengthening the policies for equal opportunities for men and women.
- 7.21 These pillars are centred around Employment Guidelines for Member States' employment policies and the National Action Plans which show their implementation. In common with all ESF Measures across all Priorities in the Peace II Programme, the Measures in this Priority will mainstream opportunities for women and men.
- 7.22 The Peace II Programme reinforces efforts to combat unemployment, complementing those efforts that will be pursued by the Employment Priority of the Transitional Programme. In addition, the Priority will include retraining and skills

initiatives and actions to tackle long-term unemployment which, again, are grounded in the need for Northern Ireland to make a significant economic transition during the period of the Programme.

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- 7.23 The Priority also recognises the value of support to the Social Economy ('the Third Sector') which offers prospects of sustainable employment and of employment which provides for the provision of wider social benefits (such as addressing unemployment, poverty and social exclusion). The Social Economy has distinctive business support and development needs. It forms a bridge between the traditional private and public sectors and, therefore has an important role to play in helping to integrate the social and economic emphases of the Peace II Programme as well as of the wider CSF. For this reason, appropriate and distinct actions to support the social economy are also included in the Locally-Based Regeneration and Development Strategies Priority and in appropriate parts of the Transitional Programme.
- 7.24 Economic growth and development requires competitive and entrepreneurial businesses as well as mechanisms to address gender inequality. This will enable the economy to take advantage of opportunities which infrastructural development will open up and of generating real and sustainable growth. The Competitiveness White Paper published by the Department of Trade and Industry in 1998 identified the key support requirements to be:-
- investment in capabilities to promote enterprise and stimulate innovation; and
  - catalysing collaboration to help business win competitive advantage.
- This Priority therefore, proposes a series of Measures to develop capabilities, to encourage collaboration between businesses and to provide individual businesses with the tools required for them to compete effectively on world markets.
- 7.25 The Priority will also address the particular need to diversify the rural economy by re-training and re-skilling agricultural and other rural workers, by building their capacity to respond to changing circumstances through collaborative enterprise and by encouraging the introduction of new technologies in and the development of new markets and products for agri-food businesses.
- 7.26 The Priority will also directly address the Information Society as a strategic opportunity for a region with strong telecommunications infrastructure, high educational standards and a focal location between European and North American markets. These elements of the Priority will together constitute the Special Initiative for Business Renewal, providing an integrated, cross-sectoral approach to developing a modern business structure in Northern Ireland in which traditional patterns of activities (e.g. under-representation of women) are not replicated.
- 7.27 This Priority will also make provision for actions to promote employability, particularly in areas vulnerable to structural adjustment, and to develop the region's human resources. These actions will be informed by the framework provided by the European Employment Strategy. ESF actions funded within this Priority will be selected from within the five ESF policy fields .
- 7.28 Taking account of the emphasis on economic renewal and the need to complement the various strands within the Priority, ESF funded actions will be undertaken on an integrated basis covering the business, education, training and higher education fields. In order to ensure consistency with the National Employment Action Plan and the European Employment Strategy, and recognising the ESF's role as the main financial instrument at Community level, the ESF interventions under Peace II will be combined together, as far as possible, in this Economic Renewal Priority. This will ensure maximum integration of actions. This Priority will concentrate on four of the five ESF policy fields: lifelong learning, adaptability and entrepreneurship and
- 
- Courtesy of T&EA

gender specific actions in favour of the participation of women. The policy field of social inclusion falls naturally within the Social Integration, Inclusion and Reconciliation Priority.

7.29 The main support for infrastructure projects under the CSF is under the Economic Growth and Competitiveness Priority of the Transitional Programme. This Priority, however, makes provision for support to special infrastructure projects which have a close relationship to the special ethos of the Programme and which would not otherwise be likely to proceed. To be considered for support under this Measure, infrastructure projects would be required to demonstrate that they can make a significant contribution to economic and social cohesion in Northern Ireland by providing benefits which are both economic and social in character (for example by improving equality of access to employment opportunities), have significant environmental benefits, are compatible with the principles of New TSN and, where possible, contribute to cross-border development.

7.30 This Priority presents an opportunity to strengthen Northern Ireland's inter-regional and international linkages by co-operation on appropriate projects on a East - West, North - South or multi-lateral basis.

7.31 Examples of the type of project which might be supported include:-

- Under the Special Initiative for Business Renewal, support for strategic business advisory, mentoring and support services, for sectoral and cross-sectoral business and economic development, for export market development and exchange of best practices between businesses in Northern Ireland and between Northern Ireland and other European regions. These actions will allow Northern Ireland to avail of the new and increased opportunities arising from peace and stability;
- A second focus of the Special Initiative for Business Renewal would be Technological Support for the Knowledge Based Economy which would provide the necessary infrastructure, technology transfer and economic stimulation measures that cannot be supported within the existing R&D programmes. These could include:
  - Technology transfer, targeted actions such as trans-national networking, best practice demonstration, innovative technology identification and implementation,
  - Technology infrastructure, targeted actions such as new centres of excellence, high technology incubators and science park development to deliver the knowledge-based infrastructure, and
  - Innovation best practice, targeted actions such as the information society and environmental showcases and demonstrators and promoting entrepreneurship;
- To address the opportunities and challenges of the Information Society, support could also be provided for the development and implementation of an Information Age strategy resulting in greater access to and utilisation of e-commerce by SMEs;
- A further focus of the Initiative would be financial engineering for business competitiveness by encouraging the creation of a full range of sophisticated financial products provided by commercially based organisations which offer expertise and advice as well as funds for local businesses. 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;
- In addition, there are important opportunities to apply the benefits of innovative financial engineering techniques to the community economic development sector

- and more widely to the social economy - which provide important employment opportunities in disadvantaged areas across Northern Ireland and are organised on the basis of cross-community, not for profit companies;

- Coupled with this, there are opportunities for the promotion of the social economy through integrated plans and actions to stimulate economic activity and promote employment in both urban and rural areas of Northern Ireland, for the Community Development Programme and for innovative financial engineering techniques to support and sustain the social economy and community economic development organisations more generally;
- Northern Ireland's infrastructure will need to be reinforced substantially to realise the opportunities for faster economic growth. Strategic infrastructure projects which might be considered for support under the criteria set out above could include support for appropriate energy projects, development of strategic public transport initiatives (to increase public transport carrying capacity, to reduce congestion and pollution and to improve the functioning of the labour market) and key transport linkages and infrastructure investments required to support identified inward investment projects;
- Realisation of opportunities for growth in the tourism sector by support for marketing Northern Ireland and Ireland as a whole, support for the development of cultural tourism and natural resource (including water based) initiatives, as well as support for visitor management. These opportunities will be realised at a strategic (NI wide), regional and local level;
- Key areas for ESF support might include the following:
  - actions to improve the level of basic skills among men and women across the working population, given the findings of the International Adult Literacy Survey,
  - actions to promote transition to the knowledge based economy through a focus on re-skilling, up-skilling and developing additional provision in certain key areas such as information and communications technology, software engineering and multimedia applications,
  - promotion of entrepreneurship, especially amongst women,
  - actions to support local economic development as well as support for innovative solutions to fit local circumstances,
  - secondary/tertiary education and training links with SMEs,
  - special initiatives to keep young people engaged in worthwhile education and training,
  - a range of initiatives within the education sector to develop, for example, new and innovative approaches to tackling the root cause of the problems in schools with a particularly high level of deprivation,
  - a range of initiatives to promote lifelong learning, and
  - special initiatives to retrain and re-skill those whose existing employment is threatened by Northern Ireland's transition process, this would include not only people whose employment has been dependant on the special conditions arising from conflict but also, for example, those currently employed in sectors facing increased competition from external competitors; and
- Actions supported by the EAGGF would recognise the particular need to diversify the rural economy by re-skilling those currently engaged within agriculture or declining rural businesses, by building rural development capacity (particularly



Courtesy of Tourism



Courtesy of DED

among women) and by encouraging the introduction of new technologies, the development of new products and new collaborative approaches to take advantage of market opportunities.

#### Overall Objective

7.32 To support the economic transition of Northern Ireland to a more stable, peaceful and prosperous society by:-

- enabling the new opportunities to be realised by investments in strategic regional infrastructure, innovative business development;
- providing a range of education, training and related initiatives across the agriculture sector and under the five policy fields of the ESF which will reinforce other actions to achieve economic renewal and equity of opportunity and will re-equip those whose current employment is threatened by the transition process; and
- promoting equality in business, education and training.

#### Intended Beneficiaries

7.33 Businesses and the providers of strategic business services, providers of key infrastructure facilities, education and training providers, sectoral and multi-sectoral groupings, community and voluntary sector organisations including those representing the interests of women, women entrepreneurs, individuals facing employment change and providers of training in new skills.

#### Implementing Bodies

7.34 Implementation will be achieved by the Departments of Economic Development, Agriculture and Education and their agencies, by District Councils, community and voluntary sector bodies, universities and colleges and by private companies.

## Priority 2: Social Integration, Inclusion & Reconciliation

7.35 This Priority picks up and develops some of the innovative components of the current Peace Programme, in particular, those which target disadvantage and division in Northern Ireland. The Priority directly addresses the legacy of the conflict in Northern Ireland and some of the key threats to the transition to a more stable and peaceful society.

7.36 There is evidence that the violence which in Northern Ireland was previously expressed through the conflict has been displaced and finds a number of other expressions such as sectarianism in the workplace, increasing number of disputes about parades, increasing intimidation, increasing residential segregation, increasing attacks on members of ethnic minorities and increasing domestic violence.

7.37 These symptoms show the difficulty of adapting to a more stable and peaceful society and are among the factors which led the *ex ante* evaluation to identify the need to address the threats to peace and to the transition by providing for actions to address both social integration and inclusion and for reconciliation between the communities in Northern Ireland.

7.38 This Priority links with the Employment and Urban and Social Revitalisation Priorities of the Transitional Programme, with the Rural Development elements of the Agriculture Priority and with the Locally-Based Regeneration and Development Strategies Priority of the Peace II Programme. Promoting a labour market open to all is one of the employment guidelines within the Employability pillar of the European Employment Strategy and this is reflected in the ESF actions under this Priority.

7.39 A particular emphasis will be placed on sustainable development, encompassing both sustainable funding mechanisms and putting in place structures which will be sustainable after the end of the Programme. This will be achieved in part by building linkages between those involved in the Programme and wider decision-making mechanisms across Northern Ireland. The Priority will target opportunity and need in both urban and rural areas across Northern Ireland.

7.40 This Priority builds on the innovative approaches to social integration and inclusion and to reconciliation which were developed under the Peace Programme.

7.41 A variety of different approaches will be employed to tackle these issues. This will include continuation of funding for the work of the voluntary and community sector which was provided under the Peace Programme, coupled with a developing emphasis on sustainable funding for appropriate voluntary and community sector organisations.

7.42 The Social Economy ("Third Sector") will be supported in a more structured and strategic manner than before. In addition focused approaches to the distinctive problems presented by Belfast, Londonderry and other towns will be developed and a special focus will be placed on preventing the exclusion and promoting inclusion of young people. Action in areas which are neutral in terms of the main community divide offers opportunities to promote community integration.

7.43 The work of promoting reconciliation and supporting diversity which commenced under the Peace and Reconciliation Programme will be reinforced.

7.44 Examples of the type of activity which might be supported include:-

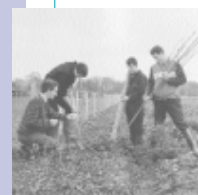
- Work in the education sector, as well as in the fields of public health and social care, to give children from the most disadvantaged areas or groups a good start in life, for example by preventing truancy, addressing the problems of under-achieving schools, providing 'catch up' courses for those who have fallen behind, support for parents in disadvantaged areas etc.;



Courtesy of Speedwell Trust

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- Work with the youth sector to promote the participation of marginalised and excluded young people in community based activities and wider civic life, to promote the integration of vulnerable groups of young people and to promote the capacity of community-based youth groups to sustain local development activities;
- Focused approaches to the particular physical and social development difficulties presented in Belfast, Londonderry, other towns and in rural areas, building on the work started under the Peace Programme and, in Belfast and Londonderry, under the URBAN Programme. These would involve both physical regeneration approaches and initiatives in the health, education and other sectors;
- Support for the social economy, including training and advice, as well as start up and development support for social economy enterprises. Particular attention will be paid to growth sectors, such as those identified by the European Commission in its recent work on Local Development and Employment Initiatives;
- Action to support the transition from violence to economic, political and social stability through activity to promote reconciliation processes which will reduce inter-community tensions both generally and in local interface areas;
- The promotion of integrated education;
- Action to develop cross-community programmes to promote arts, cultural traditions and sports in schools and elsewhere;
- Action to promote understanding of common cultural aspects and acknowledgement of diversity;
- Strategic funding for the voluntary and community sector to enable it to continue to promote social inclusion and equal opportunities - for example by supporting women's infrastructure - and to focus on the needs of the most marginalised, combined with innovative financial engineering techniques to provide financial sustainability in the work of the sector after the end of the Programme;
- Support for innovative, community-based finance, credit and trading schemes;
- Promotion of greater participation in community life by training in relation to democracy, rights and justice and development of structures which will facilitate decision-making at community level;
- Environmental projects which have the potential to involve members of both communities in achieving a mutual goal and establishing a mutual interest; and
- ESF funded actions might include:
  - promotion of community learning to help self-improvement, active citizenship, economic regeneration and individual prosperity and democracy,
  - provision of opportunities for individuals and communities to engage in learning activities, particularly for those who are least represented at present,
  - support for the social economy, and for special training programmes, additional pre-school provision and support for the community based youth sector addressing educational disadvantage and skills gaps and encouraging the integration of young people into the labour market, and
  - support for the voluntary and community sector to promote social inclusion and equal opportunities for all in addressing the labour market and focusing on the most marginalised.



Courtesy of DANI

### Overall Objectives

- 7.45 To continue the work started under the Peace and Reconciliation Programme to promote the integration and inclusion of marginalised and disadvantaged groups and communities and to promote reconciliation between the communities through support to the voluntary and community sector, the statutory sector and the social economy.

### Intended Beneficiaries

- 7.46 Voluntary and community organisations including women's organisations, statutory and non-statutory providers of services to disadvantaged groups and communities, local authorities, members of disadvantaged social groups and people living in divided communities, particularly local interface areas.

### Implementing Bodies

- 7.47 This Priority will be implemented by Government Departments, District Councils, public bodies, universities and colleges, community and voluntary organisations and private companies.

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### Priority 3: Locally-Based Regeneration & Development Strategies

- 7.48 This Priority builds on the development of local strategies by local partnership structures under the current Peace Programme. However, the Priority takes that approach further by also integrating with the local strategies other Structural Funds actions which are locally driven and sensitive and which address local needs.
- 7.49 The Priority therefore:-
- is a practical expression of the principle of subsidiarity;
  - integrates local actions on a cross-sectoral and multi-annual basis on the basis of inclusive strategies developed on a collaborative basis by a range of locally based organisations;
  - provides for widespread participation in determining priorities for local use of the Structural Funds and for a high degree of visibility of local Structural Funds actions; and
  - ensures that local strategies and regional strategies are mutually complementary.
- 7.50 The *ex ante* evaluation points to the need to redress the economic and social disparities evident within Northern Ireland and to focus on specific areas and address particular target groups. To some degree these ends can be achieved by actions at the regional level but the degree of effective targeting will be very substantially improved by the development of inclusive strategies which are sensitive to local need and which can, therefore, complement the actions taken at regional level.
- 7.51 This Priority has important linkages with the Employment and Urban and Social Revitalisation Priorities of the Transitional Programme and with the Rural Development elements of the Agriculture Priority of that Programme as well as with the Social Integration, Inclusion and Reconciliation Priority of the Peace II Programme. Within this Priority the ESF will make an important contribution to addressing the needs of the areas of greatest disadvantage, in which it can have a direct impact on improving employability and on the promotion of local and community based economic and social regeneration.
- 7.52 This Priority brings together a number of elements which were previously found in the Northern Ireland Single Programme, the Peace and Reconciliation Programme and the Community Initiatives. Separately those Programmes have all, to varying degrees, focused on the development of particular areas in a way which has sought to be sensitive to the particular characteristics and needs of those areas. However, the administration of the existing Measures through a number of separate Programme structures has led to overlap and confusion and to the duplication of administrative requirements.
- 7.53 This Priority takes an integrated approach to focusing the Structural Funds on the particular needs and characteristics of local areas. It takes account of the work of the District Partnerships and of the Local Economic Development Measure of the Economic Development Sub-programme but it widens the role of the locally based strategies providing a much fuller repertoire of responses to local needs and opportunities than was provided under the relatively narrow Local Economic Development Measure.
- 7.54 Local authority areas would appear to provide the most appropriate spatial frame for the Priority - as these represent the level of elected representation which is closest to the day to day life of the citizen. Councils offer democratic accountability, local

civic leadership, are often seen as the first stop for local queries, ideas and proposals and are close to the needs of their communities and ratepayers. In addition, Councils can play an important role in tackling fragmentation of approaches at local levels.

- 7.55 However, mechanisms need to be found also to address those issues which require action at a sub-regional level, crossing local authority boundaries. To meet this requirement Councils have increasingly been collaborating in sub-regional groupings of varying degrees of formality. Many of Northern Ireland's Councils, especially those near the border, are members of cross-border groupings of councils and social partners and they have an important role in sponsoring local cross-border co-operation.
- 7.56 The opportunity exists for local authorities to establish and facilitate locally-based partnerships that would take the lead in developing an integrated regeneration and development strategy for their areas. Such strategies should integrate social and economic development, be assessed for equality of opportunity impact, and provide for the development of structures of collaborative working at local levels, for example by putting in place local structures in which joint and common approaches to distinctive local problems could be developed and implemented. The regeneration and development strategies would be implemented in partnership between local authorities, the sectoral and locally focused bodies and Government Department and agencies.
- 7.57 One possibility is that such approaches could be facilitated by the creation of a 'menu' of possible activities to be provided by sectoral bodies and Departments and public bodies. Local strategies could select the most appropriate combination of those activities to meet local needs and, where appropriate, could seek to develop new approaches to meet special local needs. This approach would respect the need to set agendas at local levels while avoiding some of the confusing interfaces which are present in the existing arrangements.

#### Delivery Mechanisms in the Peace II Locally Based Regeneration and Development Strategies Priority

The current round of Structural Fund Programmes has seen great diversity in the range of delivery mechanisms used in Northern Ireland. Some were introduced within the Single Programming Document, but the major development occurred in the EU Special Support Programme for Peace and Reconciliation (the Peace Programme). The objectives driving change were to broaden the administrative base, to give local actors a stake in the decision-making process and to harness an acknowledged range of expertise outside central government. All of the mechanisms used made an important contribution to the Programme, but the speed and extent of change raised some questions about overall efficiency and effectiveness of the arrangements. The challenge now is how to build on past experience to produce an even more efficient model for the future.

It has been widely acknowledged by all the key players, including external evaluators, that greater coherence and integration is necessary to optimise efficiency, effectiveness and economy. That is not intended as a challenge to individual delivery mechanisms or agents, but as a response to the need to build a model which is coherent and where all the actors - central or local - play complementary parts and use their particular expertise to produce the best results on the ground. This is more attainable now both because of our experience gained in the current Programmes and because our two major programmes - Transitional and Peace - are on the drawing board at the same time.

Greater coherence and complementarity will not only increase the effectiveness of the Programme but should also make life more straightforward for applicants and

address the much discussed problem, which has been described as the 'over-crowded market place'.

In seeking to build on the best of the past and achieve greater effectiveness in delivery mechanisms, consideration has been given to three broad areas: central government actions, local actions and intermediary funding mechanisms.

On the one hand, certain sub-programmes and measures would be best delivered at regional level by a government department or central agency. However, if we are to achieve effective partnership and complementarity, it will be essential that these bodies communicate effectively and provide appropriate guidance to other funders at the sub-regional level.

Equally, there are undoubtedly many interventions and priorities which can best be addressed locally. However, the challenge in seeking coherence and complementarity will be to establish a planning framework, which will bring the various providers in the economic, social and rural sectors together and establish a common action plan against which they can work to deliver agreed outputs.

Intermediary funding mechanisms exist because they offer specific functional expertise and can work at either the regional level (on a contract basis with a government department) and/or sub-regional level (providing specific services for local partnerships).

The important point is not the number or name of such bodies, but whether there are priorities or outputs which can best be delivered by such means. Form should follow function and, as with all delivery mechanisms, the maxim should be that implementation should be undertaken by the organisation best fitted to deliver the required outcome. Of course, close dialogue between intermediary funding mechanisms and the other providers will be essential to effective implementation.

The proposed model for the implementation of the Locally-Based Regeneration and Development Strategies Priority is still the subject of further discussion and consultation. The resulting model will be required to build on the best features of each of the components of the current mechanisms and to provide a more coherent framework for consultation, strategy development, implementation and monitoring and evaluation. Structures will need to be representative of women, all sections of the community and traditionally under-represented groups.

7.58 Examples of the type of activity which might be supported under the Locally-Based Regeneration and Development Strategies Priority, provided they are found relevant to local needs and are prioritised in local regeneration and development strategies, include:-

- Local economic development activities;
- Local community development, social inclusion and cross-community reconciliation initiatives, strategies and projects;
- Urban and rural regeneration strategies and projects, such as regeneration of urban and village centres, of the worst urban and rural housing estates and of brown-field sites at community interfaces;
- Support for the involvement of local communities in the planning process and involving the local community and voluntary sector in tackling local issues in partnership with other sectors;
- Social economy support at the local level;

- Local human resource development strategies, for example by specific training and development initiative relevant to locally important sectors including the long-term unemployed and people with disabilities, measures to address gender inequalities and by local vocational guidance;
- Local infrastructure projects, such as the construction of cycle and walking tracks in the context of wider healthy lifestyle initiatives;
- Tackling local environmental issues, improving local provision of community and other facilities and providing neighbourhood services to create new jobs;
- Visitor management strategies at environmentally sensitive sites; and
- Support for local level transport initiatives where a particular local need exists. This could assist in local labour mobility and improved equality of access to opportunities for women, people with disabilities and others less likely to have access to public transport.

#### *Overall Objective*

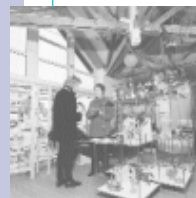
7.59 To focus the Structural Funds at local level through an integrated approach which will provide a clear interface between local actions and other actions supported under the CSF & provide opportunity for setting of local priorities. An associated objective of this priority is to significantly increase women's participation and decision making in those groups addressing issues of local economic and social regeneration.

#### *Intended Beneficiaries*

7.60 Local authorities, locally and regionally based intermediary funding organisations, local community and voluntary organisations including women's community and support groups, and local businesses (including tourism and farm businesses).

#### *Implementing Bodies*

7.61 Implementation of this Priority would be led by locally-based organisations implementing strategies agreed in collaboration between local authorities and local partnership structures. Delivery of projects would be achieved by District Councils, local partnership structures, Government Departments and their agencies, and public bodies, universities and colleges, voluntary and community sector organisations, other non-governmental organisations and private businesses.



## Priority 4: Outward-and Forward-Looking Region

- 7.62 In the absence of devolved institutions of government Northern Ireland has had a very centralised form of government for 25 years. Direct Rule - under which Northern Ireland Departments work under the direction of the Secretary of State for Northern Ireland and his Ministers - has hindered constructive dialogue on economic and social matters in Northern Ireland.
- 7.63 The Belfast Agreement of April 1998 opens up the prospect of a devolved Northern Ireland Executive. In addition, the Belfast Agreement provides for the establishment of a consultative Civic Forum comprising representatives of the business, trade union and voluntary sectors and others as agreed by the First Minister and the Deputy First Minister. The Civic Forum will act as a consultative mechanism on social, economic and cultural issues. However, a formal review is underway as regards the implementation of specific aspects of the Agreement, and negotiation on these points is continuing.
- 7.64 Northern Ireland needs to develop new approaches to creating a open and informed dialogue about its future development. This involves internal processes to develop Northern Ireland's ability to develop strategies for future development, linkage of Northern Ireland more fully into European and wider international networks so that best international practice can be applied in Northern Ireland and a process of communicating the distinctive aspects of Northern Ireland's economic and social development processes to other regions.
- 7.65 Such arrangements are directly relevant to the competitiveness and economic success of the region. The Northern Ireland Economic Council has taken an interest in the applicability of such models to Northern Ireland conditions. Its Report<sup>4</sup> which surveys arrangements for governance in a number of successful European regions concludes that:-
- 'Successful regions tend to be characterised by distinctive forms of local regulation and governance. These embrace supportive local state forms and local government policies. Successful regions have systems of governance which also embrace enabling and facilitating institutions . . . Such local institutions play a decisive role in ensuring local competitiveness.'*
- 7.66 To the extent to which Northern Ireland can put in place arrangements for a continuing dialogue it will be better placed to sustain its economic and social development without continuing major support from the Structural Funds. This is particularly important because of the complex inter-actions between actions in the economic, social, cultural and environmental fields and the consequent need for an informed cross-sectoral approach at a working level to support the economic, social and political transitions which Northern Ireland has to make over the period of the Programme. In addition, by sharing expertise on a cross-sectoral basis, the lessons of Programme implementation can be disseminated more effectively than can be achieved by traditional means.
- 7.67 In addition to their direct inputs to the structures for the oversight of the management of the CSF, the findings and conclusions arising from actions taken under this Priority could, along with other inputs, be fed into the consultative Civic Forum by its business, trade union and voluntary sector representatives and, thereby, form part of an open and informed dialogue between civic society and the devolved Northern Ireland administration.
- 7.68 The Concordia process provides a partial precedent. Under the umbrella of the Concordia process (which was supported by the European Commission) the Confederation of British Industry, the Irish Congress of Trade Unions, the Ulster

Farmers Union, the Northern Ireland Association of Agricultural Producers and the Northern Ireland Council for Voluntary Action came together - facilitated by the Northern Ireland Centre in Europe - to develop approaches to working collaboratively to resolve complex issues.

- 7.69 This experience can be drawn upon in the implementation of this Priority under which a wide ranging partnership involving social partners, local authorities and representatives of the political sector would develop and apply modern and forward-looking policy processes and networks for Northern Ireland. Such networks, together with a structured approach to participation in wider European and international networks, should provide the basis for more effective governance structures in Northern Ireland - such as those employed by the most successful European regions.
- 7.70 This Priority would also assist in building Northern Ireland'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. This could also provide for drawing out the wider lessons and implications of the Programme for other regions undergoing transitions similar to those faced by Northern Ireland.
- 7.71 The Priority could provide the opportunity for Northern Ireland to learn of the best international experience in conflict resolution and peace building techniques and to build the lessons of such international experience into the social and economic development processes supported under the Programme, in support of the wider peace processes in Northern Ireland. Conversely, positive lessons drawn from the Northern Ireland experience in conflict resolution and peace-building, disseminated through European networks, may benefit other regions in transition, including those in Eastern Europe.
- 7.72 This would be compatible with the proposal that the devolved Northern Ireland administration, once established, should enhance Northern Ireland's representation in Brussels. Such enhanced representation could work with the established Northern Ireland Centre in Europe as a focal point for Northern Ireland's participation in wider European networks. This could take account of international experience in equality of opportunity issues.
- 7.73 Chapter 9 provides a strategic framework for North - South co-operation on issues of mutual benefit. That Chapter sets such co-operation in the wider framework of co-operation on an East - West as well as North - South basis which underlies the Belfast Agreement and of the wider concern of this Plan to develop Northern Ireland's inter-regional and international linkages on a East - West, North - South and multi-lateral basis. The Cross-Border Co-operation Priority, therefore, has an important contribution to make to making Northern Ireland a more outward- and forward-looking region, but set in the wider context of the commitment of the Belfast Agreement to promoting the harmonious and mutually beneficial development of the totality of relationships among the people of these islands.
- 7.74 The Priority also provides the technical assistance necessary to support the implementation of the Programme, to publicise the Programme and its impacts and to monitor and evaluate those impacts.
- 7.75 Examples of actions which might be taken include:-
- development of cross-sectoral approaches to address the interdependent economic, social, cultural and environmental issues faced by Northern Ireland, which could subsequently be fed into the consultative Civic Forum to be established under the Belfast Agreement;



Courtesy of NIPB

<sup>4</sup> 'Successful European Regions: Northern Ireland Learning from Others' prepared by Michael Dunford and Ray Hudson, NIEC November 1996

- a structured approach to the participation of Northern 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
- technical assistance to support the monitoring and evaluation and implementation of the Programme and to publicise the Programme and its impacts.

#### 7.76 Overall Objectives

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

To provide for the effective planning, monitoring, evaluation and implementation of the Peace II Programme and to publicise the Programme and its impacts.

#### Intended Beneficiaries

- 7.77 Providers of expert advice, internal and external networks, particularly those involving the social partners and local authorities, implementing bodies.

#### Implementation Bodies

- 7.78 The Managing Authority and other Government Departments in conjunction with social partners and local authority organisations, universities, community and voluntary organisations and private firms.

## Priority 5: Cross-Border Co-operation

- 7.79 Chapter 9 provides a strategic framework for North - South co-operation on issues of mutual benefit. That Chapter sets such co-operation in the wider framework of co-operation on an East - West as well as North - South basis which underlies the Belfast Agreement and of the wider concern of this Plan to develop Northern Ireland's inter-regional and international linkages on a East - West, North - South and multi-lateral basis. Where possible, opportunities will be taken to build East - West as well as North - South linkages into supported projects.
- 7.80 Cross-border trade has usually taken around 7% of industrial sales from Northern Ireland, and less from the South, reflecting the small size of both markets. The intensity of trade is quite high. Throughout the current decade sales by Northern Ireland companies into the South have been three times greater, in proportion to the size of the market, than into Great Britain.
- 7.81 The Republic of Ireland (RoI) has continued to be a significant source of export growth for Northern Ireland (NI) manufacturers. Over the year 1997/98, sales to this destination grew by almost 8% to £729m.
- 7.82 The RoI is, therefore, one of the largest single markets for NI's total sales. For example, in 1997/98, the RoI accounted for 9% of NI manufacturing industry's total sales and approximately a quarter of its export sales. By comparison, the rest of the EU combined only accounted for some 12% of NI manufacturing industry's total sales.
- 7.83 Nevertheless, NI has in recent years experienced an increasing trade deficit with the RoI. In 1995, NI's trade deficit with the RoI was (Ire) £134.1m and by 1997 this had risen to (Ire) £317.9m.
- 7.84 The Peace II Programme is, by its nature, a cross-border Programme. Of the total funding 80% has been allocated to Northern Ireland and the balance to the Border Counties. However, in addition, to the parallel application of the Programme, a specific Priority is cross-border co-operation.
- 7.85 In the current Peace Programme some 15% of total funds are to be committed to cross border co-operation.
- 7.86 The Peace II Programme will be implemented by an Operational Programme which will be agreed between the authorities in Belfast and in Dublin and submitted jointly to the European Commission. The particular importance of cross-border co-operation across the CSF and in the Peace II Programme is marked by the inclusion of a 'Common Chapter' in both the Northern Ireland and Irish Structural Funds Plans. The proposals set out in relation to this Priority have not yet benefited from an input from the Irish authorities and may be subject to change in the light of such an input.
- 7.87 Interreg III will provide an additional source of funding for co-operative projects. The 3 strands of Interreg III will focus on cross-border, inter-regional and trans-national co-operation. It is expected that the financial allocations will be strongly weighted in favour of the cross-border co-operation strand. (Interreg IIIA). LEADER III is also likely to include provision for trans-national networking.
- 7.88 As a successor to the current Peace Programme, the Peace II Programme must continue to take into account the important considerations of equality, equity and non-discrimination and may also build on the initiatives for business, public bodies and voluntary and community sector co-operation for social inclusion and reconciliation that were started under the current Peace Programme.
- 7.89 Opportunities also exist for the education sector to develop strategies using the ESF to promote educational development and reconciliation on a cross-border basis,

building on the networks, exchanges and joint projects which have developed in recent years. The use of Information and Communications Technologies has proved to be a valuable tool in developing cross-border links between networks of schools and youth clubs and this area offers potential for further development.

7.90 Examples of the type of activity which might be undertaken include:-

- Support to business, public bodies, social partner organisations and voluntary and community sector co-operation strategies 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 infrastructure and the development of joint strategies, policies and actions for sectoral service development in areas such as health and social services, transport, waste management etc.;
- Support for the development of projects which include significant East - West as well as North - South linkages;
- Support to agricultural, rural development, forestry and fisheries co-operation projects;
- Joint cross-border management of cross-border sites of particular value in terms of nature conservation and/or natural landscapes; and
- Support to co-operation projects which fall outside the Interreg IIIA area (for example Dublin - Belfast projects).

#### *Overall Objective*

7.91 To provide a strategic framework for support to cross-border co-operation strategies and projects to a variety of sectors and organisations.

#### *Intended Beneficiaries*

7.92 Government Departments, public bodies, local authorities, private businesses, employers' trade unions and other social partner organisations, voluntary and community organisations.

#### *Implementing Bodies*

7.93 Government Departments, public bodies, voluntary and community organisations, universities and colleges and private companies.

## Management of the CSF and of the Operational Programmes

*This Chapter sets out the proposed arrangements for the management of the Structural Funds in Northern Ireland in the period 2000-2006. It outlines proposals for the involvement of the devolved administration, local government, social partners and other interests in the management of the Funds and describes the financial projections underlying the Plan, the procedures for verification of additionality and the arrangements for monitoring and evaluation.*

### MANAGING AUTHORITY

8.0 The Department of Finance and Personnel will be the managing authority for the Community Support Framework (CSF), including the Transitional Objective 1 Operational Programme and the new Peace Programme. In carrying out the functions laid down in Article 34 of Council Regulation (EC) No 1260/1999, the Department will work in close collaboration with the other Northern Ireland Departments, which are accountable for the relevant expenditure. Following devolution, the Special EU Programmes Implementation Body will be responsible for the functions as prescribed in Part 4 of the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999.

### PARTNERSHIP

8.1 The Structural Funds Regulations which will govern the Northern Ireland CSF make specific provision for the development of a 'partnership' approach to the oversight of the management of the Structural Funds.

8.2 Article 8 of Council Regulation No 1260/1999 provides that Structural Funds Plans and the Community actions which they cover 'shall be drawn up in close consultation ... between the Commission and the Member State, together with the authorities and bodies designated by the Member State ... namely:-

- the regional and local authorities and other competent public authorities;
- the economic and social partners; and
- any other relevant competent bodies.'

8.3 Article 8 also requires the Member State to 'create a wide and effective association' of all the relevant bodies, according to national rules and practices, taking account of the need to promote men and women and sustainable development through the integration of environmental protection and improvement requirements. Partnership is to cover the preparation, financing, monitoring and evaluation of the assistance provided by the EU; and Member States are required to 'ensure the association of the relevant partners at the different stages of programming'.

8.4 The Commission's recently published 6th Periodic Report on the Social and Economic Situation and the Development of the Regions of the European Union provides a wide survey of the application and impact of the Structural Funds on Europe's regions. Section 2.2.5 of the Report discusses the role of partnership in the Structural Funds on the basis of a wide ranging study of arrangements in a number of Member States. That Section concludes:-

*'Partnership is one of the key aspects of the delivery of the Structural Funds. It seeks to build consensus and institutionalise dialogue between the Commission, national Governments, regional and local authorities, private business and the voluntary sector. Partnership occurs at different stages of the delivery process,*

*from consultation during the planning phase to co-operation in implementation.*

*Partnerships are evolving over time. Before 1989 few bodies ... existed to give substance to partnership. Today, elected regional and local bodies have an integral role in the Structural Funds procedures in many Member States, particularly the larger ones. Private and voluntary sector involvement is, however, still more variable, being strongest at the plan making and programming stages (albeit often informally), most varied at the project funding stage and weakest in terms of monitoring and evaluation.*

*The advantages of partnership include:*

- *access to the strengths of the different partners, including their local and specialist knowledge...;*
- *high levels of co-operation and ownership ... Those involved at local level have a very positive overall impression of the Structural Funds and their results, even if there is some frustration with procedures; and*
- *creation of local networks [which have been shown to be important for regional development] ... to improve co-ordination and communication between all the parties involved.*

*It should, however, be noted that there can be a trade-off between efficiency and the scale of participation, particularly when the number involved exceeds a certain level. In addition, local partners tend to have less Structural Funds expertise, so there is a strong need for Commission and national authorities to provide technical assistance.'*

- 8.5 The Structural Funds Regulations require the Member State to ensure the association of the relevant partners at the different stages of programming. This includes the preparation, financing, monitoring and evaluation of assistance. It is intended that these requirements will be met in full by continuing and building on the partnership structures and experience which have been developed during the preparation of the new Northern Ireland Structural Funds Plan.

#### MONITORING COMMITTEES

- 8.6 In accordance with Article 35 of the General Provisions Regulation, 3 Monitoring Committees will be established. An overarching Monitoring Committee will be set up to oversee the work of the CSF. In addition, a Monitoring Committee will be established for each of the 2 Operational Programmes, the Transitional Objective 1 Programme and PEACE II. The Monitoring Committee for the PEACE II Programme will be established under the chairmanship of the Special EU Programmes Implementation Body and will be managed jointly with the Republic of Ireland. Pending the establishment of the Body, the Department of Finance and Personnel and the Department of Finance will jointly chair the Monitoring Committee.
- 8.7 Government proposes that the Northern Ireland CSF Monitoring Committee (CSFMC) and other associated Monitoring Committees should be based on a partnership between the Member State and local interests including regional and local authorities, the economic and social partners and other relevant competent bodies. The precise structure and composition of the Monitoring Committees will be decided by Northern Ireland Executive administration following devolution. At this stage, therefore, the question of political representation and overall composition of the Monitoring Committees cannot be described in detail, but will be considered in the light of political developments once the Programmes have been agreed.

#### ROLE AND STRUCTURE

- 8.8 The CSFMC will take an overview of all EU Structural Funds assistance in Northern Ireland, including the Transitional Objective 1 Operational Programme, the new PEACE Programme and the Community Initiative Programmes. It should meet, as a general rule, at least twice every year. The Committee will be chaired by a representative of central government from the Department of Finance and Personnel or by a Minister if the Committee includes political representation. Permanent Members might include Northern Ireland Departments, District Council members and local interest members drawn from business, trade unions, community and voluntary groups, the agriculture sector and the environment sector. It is intended that the participation of these different sectors should be balanced. Particular effort will also be made to promote the balanced participation of women and men. The Chairpersons of the Transitional Objective 1 Operational Programme and the PEACE Programme will be represented on the CSFMC. The European Commission and the Department of Trade and Industry will have observer status. The Secretariat to the CSFMC will be provided by the Department of Finance and Personnel.
- 8.9 A Monitoring Committee for the Transitional Objective 1 Programme will also be established. It will be chaired by a representative of central government from the Department of Finance and Personnel or by a Minister if the Committee includes political representation. It is proposed that Permanent Members might include Northern Ireland Departments, District Council members and local interest members drawn from sectors which have an operational interest in the Northern Ireland Transitional Objective 1 Programme. This might include representatives of business, trade unions, community and voluntary groups, etc. The European Commission and the Department of Trade and Industry will also have observer status.
- 8.10 A Monitoring Committee will also be required for the new PEACE Programme. Following devolution, this will be established under the chairmanship of the Special EU Programmes Implementation Body. This Body, which will be set up under the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Ireland establishing Implementation Bodies, will provide the Secretariat to the Peace Programme Monitoring Committee and will operate on a North/South basis.
- 8.11 Until this body is established, the responsibilities will lie with the Department of Finance and Personnel in the North and the Department of Finance in the South, which will continue to chair the Monitoring Committee on a joint basis and to provide the Secretariat. It is proposed that the Permanent Membership might be broadly similar to that proposed for the Transitional Objective 1 Programme, and should be drawn from both jurisdictions. The responsibility for reporting to the Monitoring Committee in respect of the management of financial allocations, including those made to intermediary funding mechanisms, exclusive to a Member State shall fall to the competent authorities of the Member State. The Committee will also respect the principle of exclusive competence of the Member State in respect of decisions on issues relating solely to that Member State.
- 8.12 In the case of all Committees, non-Permanent Members from the Member State or other relevant organisations may be invited by the Chairperson(s) to attend Monitoring Committee meetings in response to specific agenda items. The main duties of the Monitoring Committees will be those set out in Article 35 of the General Provisions Regulation.

## INTERIM ARRANGEMENTS

- 8.13 Consultation with a diverse range of local interests has been fundamental to the development and preparation of the Structural Funds Plan and the Operational Programmes. This has involved in particular Northern Ireland Assembly Members, District Councils, social partners and other local interests. In order to continue the consultation process in as comprehensive and co-ordinated a manner as possible and to prepare fully for the negotiation, implementation and management of the CSF, it is proposed to set up an interim EU Programmes Development Committee, which will be established forthwith.
- 8.14 This Committee will enable regional and local interests to be kept informed of the negotiations on the new CSF and the 2 Operational Programmes. In the case of the Peace Programme, the Committee will have oversight only of Northern Ireland elements of the Programme, but will be available to liaise with Republic of Ireland interests if appropriate. The membership of the Committee will include the Departments involved in the spending proposals, the Northern Ireland Assembly, District Councils, social and economic partners and other relevant local interests. The format of the Committee will be reviewed in the light of political developments.
- 8.15 The Committee will be taking a broad view of both the Transitional Objective 1 Programme and the Northern Ireland elements of the Peace Programme during the development and negotiation phase of both Programmes. Once the CSF and the Operational Programmes are agreed, the Committee's work will end and it will be replaced by the 3 new proposed Monitoring Committees as described earlier.

## PUBLICITY

- 8.16 Article 46 of Council Regulation (EC) No 1260/99 requires that publicity is given to the Structural Funds Plan. This will be done through the publication of the Plan which will be made widely available to all interested bodies. The managing authority will ensure that appropriate publicity is given to the proposals within the Plan with a view to informing the potential final beneficiaries about the opportunities afforded by the assistance and also with a view to informing the general public of the role being played by the Community in the assistance concerned and its results. In order to ensure that this task is properly carried out, the Monitoring Committees of both Operational Programmes will be asked to develop a strategy for consideration by the CSFMC to ensure that appropriate information and publicity are made available in a co-ordinated fashion.

## FINANCIAL MANAGEMENT

- 8.17 Departments are legally required to comply with Community policies, as stipulated in Article 12 of the above Regulation, namely the rules on competition, the award of public contracts, environmental protection and improvement and the elimination of inequalities and the promotion of equality between men and women.
- 8.18 The Departments maintain accounting systems which have the facility to monitor and record all financial transactions relating to Departmental expenditure under the Structural Funds Programmes. In addition, management controls ensure that Community funds are being used efficiently and correctly. Departments remain accountable for expenditure by Intermediary Funding Bodies and are responsible for ensuring that they have effective control and reporting systems.
- 8.19 The interim declarations of expenditure will be certified by various Departments as follows:- for the ESF, the Department of Economic Development; for the ERDF, the Department of Finance and Personnel; and for the EAGGF/FIFG, the Department of

Agriculture. Financial reporting to the Monitoring Committees of the CSF and the Transitional Objective 1 Programme will be the responsibility of the Department of Finance and Personnel. In the case of the Peace II Programme, this will be undertaken by the Department of Finance and Personnel in the first instance. Following devolution, responsibility will transfer to the Special EU Programmes Implementation Body. It is not possible to define the detailed accounting and management systems for the Special EU Programmes Body as these have not yet been established.

- 8.20 Departments' control systems and accounts are subject to audit by the independent Northern Ireland Audit Office which reports its findings to Parliament. Departments' Internal Audit Branches have signed a financial protocol with the European Commission's Financial Controller, who will have access to their reports on control systems affecting the Structural Funds. The Heads of Internal Audit will be responsible for the declaration, presented to the Commission at the end of each form of assistance, summarising the conclusions of the checks carried out during previous years and giving an assessment of 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. The necessary control systems for the Special EU Programmes Body will be set up as appropriate at the same time as the Body is established.

## MONITORING AND EVALUATION

- 8.21 Appropriate arrangements will be put in place to ensure proper monitoring and evaluation of the Programmes. All projects will be subject to rigorous evaluation and economic appraisal.
- 8.22 In relation to indicators, Section 6 of the ex-ante evaluation proposes a list of contextual indicators that will be monitored at the level of the Plan. These indicators will not be exclusively affected by Structural Funds support (since they will also be subject to the effects of extraneous factors). Nevertheless they are directly relevant to the objectives of the Plan and they therefore represent an important means of tracking the performance of Northern Ireland and its attainment of social and economic cohesion over the period of future Structural Funds support.
- 8.23 The proposed contextual indicators are essentially 'top down' in nature. More detailed 'bottom up' indicators will be developed at the Programme Complement stage. These 'bottom up' indicators will relate to the specific outputs, results and impacts of the activities supported under each individual Priority.
- 8.24 This approach broadly follows and develops the monitoring and evaluation framework developed over the course of the Northern Ireland Single Programme 1994-1999, when the core or contextual indicators were tracked for the Single Programme Monitoring Committee through the NIQUID database, whereas more detailed and programme-specific indicators were established and presented to Sub-programme Working Committees.
- 8.25 It has not been possible to set quantified targets for the Plan because definitive financial allocations have not yet been established for the priorities within the two Operational Programmes. A detailed assessment of the potential impact will however be provided when the financial allocations are firmed up. Targets will then be established at priority level for a number of key indicators. In addition, more detailed targets will also be established within the Programme Complements at measure level for the proposed 'bottom up' indicators.
- 8.26 However, the importance of the Structural Funds 2000-06 to the Northern Ireland economy can be illustrated by consideration of the impact of previous EU

Programmes. The 1989-93 package of assistance is estimated to have increased GDP in the region by 3.6% in 1993. Further benefits/enhancements to GDP will have accrued over the following years as supply-side effects filter through the productive processes of the economy. This increase in GDP is considerable particularly when the Structural Funds package over this period totalled only £500m in aggregate terms (smoothed over the 89-93 period this is equivalent to just 1% of annual GDP). The 2000-06 Structural Funds package will generate some £1.98bn spend over the period. If assumed that this spend is equalised over the programme period the ratio to GDP will be greater than 2%. It would be logical to assume therefore that Northern Ireland's GDP will be enhanced by more than the 3.5% recorded in 1993.

## FINANCIAL TABLES

8.27 Financial Tables are attached as follows:

- Transitional Objective 1 Programme - Table 1; and
- Peace II Programme - Table 2.

## ADDITIONALITY TABLE

8.28 The Department of Trade and Industry will be forwarding the Additivity Table for Northern Ireland as part of the UK Objective 1 Additivity Submission.

Table 1: Transitional Objective 1 Programme

Priority/Year 2000 to 2006	Total Cost (1)	Total Public (2)	Total EU (3)	ERDF (4)	ESF (5)	EAGGF (6)	FIFG (7)	Total National (8)	Central (9)	Local (10)	Other (11)	Private Eligible (12)
	1=2+12	2=3+8	3=4+7					7=9-11				
<b>PRIORITY 1</b>												
Economic Growth & Competitiveness	535.30	492.40	348.00	348.00	0.00	0.00	0.00	144.40	80.20	10.70	53.50	42.90
<b>PRIORITY 2</b>												
Employment	560.50	553.00	341.00	61.00	280.00	0.00	0.00	212.00	196.40	6.30	9.30	7.50
<b>PRIORITY 3</b>												
Urban & Social Revitalisation	93.70	86.20	61.00	61.00	0.00	0.00	0.00	25.20	14.00	1.80	9.40	7.50
<b>PRIORITY 4</b>												
Agriculture, Rural Development, Forestry & Fisheries	273.60	158.10	107.00	0.00	0.00	78.00	29.00	51.10	51.10	0.00	0.00	115.50
<b>PRIORITY 5</b>												
The Environment	50.70	46.70	33.00	33.00	0.00	0.00	0.00	13.70	7.70	1.00	5.00	4.00
Technical Assistance	0.75	0.75	0.50	0.50	0.00	0.00	0.00	0.25	0.25	0.00	0.00	0.00
ERDF RELATED	774.15	712.25	503.50	503.50				208.75	116.25	15.30	77.20	61.90
ESF RELATED	466.80	466.80	280.00		280.00			186.80	182.50	4.50	0.00	0.00
EAGGF RELATED	222.60	122.50	78.00			78.00		44.50	44.50	0.00	0.00	100.10
FIFG RELATED	51.00	35.60	29.00				29.00	6.60	6.60	0.00	0.00	15.40
<b>VALUE OF OPERATIONAL PROGRAMME</b>	1514.55	1337.15	890.50	503.50	280.00	78.00	29.00	446.65	349.65	19.80	77.20	177.40
<b>YEAR</b>												
2000	265.15	242.25	163.40	116.30	40.10	6.30	0.70	78.85	56.75	4.20	17.90	22.90
2001	261.34	233.84	157.40	106.10	39.00	10.60	1.70	76.44	56.34	3.90	16.20	27.50
2002	255.14	225.94	152.20	96.60	39.00	11.40	5.20	73.74	55.34	3.60	14.80	29.20
2003	245.14	216.44	145.60	89.70	39.00	11.60	5.30	70.84	53.84	3.30	13.70	28.70
2004	203.44	176.94	117.40	60.40	39.00	12.70	5.30	59.54	47.84	2.40	9.30	26.50
2005	164.84	141.34	92.10	34.40	39.50	12.80	5.40	49.24	42.24	1.70	5.30	23.50
2006	119.30	100.40	62.40	0.00	44.40	12.60	5.40	38.00	37.30	0.70	0.00	19.10
<b>TOTAL</b>	1514.55	1337.15	890.50	503.50	280.00	78.00	29.00	446.65	349.65	19.80	77.20	177.40

\* National and Private Eligible figures are estimates and will be revised depending on the actual nature of the agreed expenditure

Table 2: Peace II Programme

Priority 2000 to 2004	Total Cost (1)	Total PUBLIC (2)	Total EU (3)	ERDF (4)	ESF (5)	EAGGF (6)	FIFG (7)	Total National* (8)	Private Eligible (9)
	1=2+9	2=3+8	3=4+7						
PRIORITY 1									
Economic Renewal	229.95	229.95	172.47	101.68	40.81	29.98	0.00	57.48	0.00
PRIORITY 2									
Social Integration,									
Inclusion &									
Reconciliation	140.99	140.99	105.74	50.93	54.81	0.00	0.00	35.25	0.00
PRIORITY 3									
Locally-based									
Regeneration &	114.73	114.73	86.05	44.81	41.24	0.00	0.00	28.68	0.00
Development									
PRIORITY 4									
Outward-and									
Forward-Looking									
Region	28.03	28.03	21.02	21.02	0.00	0.00	0.00	7.01	0.00
PRIORITY 5									
Cross-Border									
Co-operation	52.96	52.96	39.72	23.97	12.74	2.25	0.76	13.24	0.00
ERDF RELATED	323.22	323.22	242.41	242.41				80.81	0.00
ESF RELATED	199.46	199.46	149.60		149.60			49.86	0.00
EAGGF RELATED	42.97	42.97	32.23			32.23		10.74	0.00
FIFG RELATED	1.01	1.01	0.76				0.76	0.25	0.00
VALUE OF									
OPERATIONAL									
PROGRAMME	566.66	566.66	425.00	242.41	149.60	32.23	0.76	141.66	0.00
YEAR									
2000	109.33	109.33	82.00	46.78	28.86	6.21	0.15	27.33	0.00
2001	110.68	110.68	83.00	47.35	29.21	6.29	0.15	27.68	0.00
2002	113.33	113.33	85.00	48.48	29.92	6.45	0.15	28.33	0.00
2003	115.99	115.99	87.00	49.62	30.63	6.60	0.15	28.99	0.00
2004	117.33	117.33	88.00	50.18	30.98	6.68	0.16	29.33	0.00
TOTAL	566.66	566.66	425.00	242.41	149.60	32.23	0.76	141.66	0.00

\* Includes regional/local authority/Other

## Co-operation with the Republic of Ireland

## BACKGROUND

- 9.0 The respective development Plans for Northern Ireland and Ireland for the 1994-1999 round of EU Structural Funds recognised the benefits which could be achieved for the whole of the island through closer economic co-operation. The importance of developing an agreed strategy for co-operation continues to be recognised by both administrations, which have again included a Common Chapter in their respective Plans covering the period 2000-2006 to develop the approach set out in the previous Plans, particularly in light of the extensive co-operation which has framed the 1994-1999 Programme period.
- 9.1 The creation of the Single European Market in 1992 removed many of the barriers to cross-border trade and business development in Europe. However, there is still considerable scope throughout Europe for further and enhanced co-operation to the mutual benefit of border economies. For the island of Ireland, cross-border co-operation has 3 key dimensions:-
- co-operation along the Border Corridor and between Northern Ireland and the Border Counties of Ireland;
  - co-operation North-South within the island of Ireland; and
  - co-operation East-West between the island of Ireland and Great Britain, Europe and internationally.
- 9.2 This Chapter, which is common to the Structural Funds Plans North and South, seeks to set out a strategic framework for building on and developing co-operation in all its forms. This framework must be sufficiently flexible to take account of all dimensions of co-operation and be able to adjust to changing circumstances both in the short-term and long-term. This will include both economic and social change and, in particular, at this important time for the island of Ireland, the advent of political change.
- 9.3 There is clearly scope for co-operation within the context of the European Structural Funds and this Chapter lays the foundation for that co-operation. Arrangements will be made to implement this Chapter over the period of the Plan.

## Political Context

- 9.4 North-South co-operation is to be placed on a new basis under the provisions of the Multi-party Agreement reached in Belfast on 10 April 1998. The 18 December 1998 Statement by the Office of the First Minister (Designate) and Deputy First Minister (Designate) sets out 6 agreed areas for Implementation Bodies and 6 areas for co-operation.
- 9.5 The Report on the 18 December 1998 Statement to the new Northern Ireland Assembly from the First Minister (Designate) and the Deputy First Minister (Designate) on 15 February 1999 was debated by the Northern Ireland Assembly on 15 and 16 February 1999. The Agreement subsequently done between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Ireland establishing Implementation Bodies, at Dublin on 8 March 1999 ('the Implementation Bodies Agreement') will come into effect on the same date as the British-Irish Agreement. The North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999, made on 10 March 1999, and the British-Irish Agreement Act 1999 enacted on 22 March 1999, will come into

effect on the 'appointed day' (vis the date of devolution) as defined in section 3(1) of the Northern Ireland Act 1998.

- 9.6 The North-South provisions of the Agreement provided for the setting up of a North-South Ministerial Council (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 provides a strategic focus for North-South co-operation and a foundation for this Common Chapter in the 2000-2006 Development Plans North and South.
- 9.7 The role of the NSMC will be 'to use best endeavours to reach agreement on the adoption of common policies, in areas where there is a mutual cross-border and all-island benefit, and which are within the competence of both Administrations, North and South, making determined efforts to overcome any disagreements.' 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.'
- 9.8 The Agreement required a work programme on at least 12 matters, 6 being new Implementation Bodies and 6 being matters for co-operation.
- The 6 Bodies are as follows:-
- Trade and Business Development;
  - Inland Waterways;
  - Aquaculture and Marine Matters;
  - Special EU Programmes;
  - Food Safety; and
  - Language (Irish and Ulster Scots).
- 9.9 The Implementation Bodies, when operational, will have an important, new role to play in economic development, particularly those with responsibility for the promotion and development of North-South co-operation on Trade and Business, Inland Waterways, Aquaculture and Marine Matters and Special EU Programmes.
- 9.10 The Trade and Business Development Body will exchange information and co-ordinate work on trade, business development and related matters. In close collaboration with existing agencies, it will develop co-operation on business development opportunities, North and South, devise new approaches to business development in a cross-border context and make recommendations to increase enterprise competitiveness in a North-South context in areas such as skills availability, telecoms, information technology and electronic commerce.
- 9.11 Waterways Ireland will be empowered to engage immediately in the promotion, including marketing and development, of the tourism and commercial potential of the Shannon Erne Waterway and, from 1 April 2000, of all of the island's currently navigable waterways. This work will include appropriate studies and appraisals on the possible restoration and development of the Ulster Canal.
- 9.12 The Loughs Agency of the Foyle, Carlingford and Irish Lights Commission will have, among its responsibilities, the development of marine tourism and aquaculture, including the preparation of strategic plans in these areas, with obvious benefit to the local economies.

- 9.13 The Special EU Programmes Body will be responsible for the administration of the new Peace Programme, INTERREG III, and the cross-border elements of the other Initiatives (LEADER III, EQUAL, URBAN). It will also be responsible for monitoring and promoting the implementation of the Common Chapter, which will have a specific budgetary allocation.
- 9.14 The other areas agreed for co-operation through existing bodies in each jurisdiction are: Agriculture; Tourism; Transport; Environment; Education and Health.
- 9.15 Whilst this Chapter deals mainly with North-South co-operation, the Belfast Agreement also makes provision for a British-Irish Council, which will be established to promote the harmonious and mutually beneficial development of the totality of relationships among the people of these islands. It is intended that enhanced North-South co-operation should be complemented by enhanced East-West co-operation on areas of mutual benefit and interest and that Northern Ireland should progressively develop and increase its degree of involvement in wider European and international networks of co-operation.

#### AIMS AND OBJECTIVES OF COMMON CHAPTER

- 9.16 In setting out the opportunities and rationale for closer economic co-operation North and South, this Chapter puts in place a framework for increased co-operation between both economies and across all sectors over the period of this Plan from 2000-2006, where it is appropriate and mutually beneficial to do so. It identifies:-
- the common challenges which face both economies;
  - areas where co-operation has made a positive contribution to peace building and can do so in future; and
  - areas in which common challenges can be more effectively addressed through co-operation within the island of Ireland, having due regard to the wider East-West and European context.
- 9.17 The Chapter highlights areas where co-operation already exists and identifies real examples of successful co-operation and the reasons for success. It considers in particular the potential for building on past experience to create new opportunities for co-operation in the future.

#### ECONOMIC AND SOCIAL CONTEXT

- 9.18 The economies North and South have changed dramatically over the last decade. In particular, their improved economic performance is reflected in many of the headline labour market indicators. Unemployment has fallen rapidly with both economies now registering unemployment rates below the EU15 average. In turn, employment has increased rapidly in both regions, although in different ways.
- 9.19 Convergence to EU standards has been such that under the 2000-2006 round of Structural Funds, Northern Ireland and the Southern and Eastern Region of Ireland no longer qualify for full Objective 1 status, but instead move to transitional status. The Border, Midlands and West Region of Ireland will retain Objective 1 status for 2000-2006. This region includes the Border Counties of Ireland which, together with Northern Ireland, have been the special focus of the INTERREG II and Peace Programmes. It is recognised that while the main economic indicators for the two economies have improved considerably in recent years, they mask sub-regional disparities within the two economies.

9.20 Within the overall context of North-South co-operation, it is generally recognised that the areas immediately adjacent to the border are some of the most disadvantaged areas of the North and South. Existing policies, such as new Targeting Social Need (TSN) in Northern Ireland and National Anti-Poverty Strategy (NAPs) in Ireland, allow for appropriate priority to be given to such disadvantaged areas and there is commitment to strengthen these policies. In addition, the immediate border areas suffer more directly from the effect which the border has had in limiting development opportunities. For both these reasons, a particular focus needs to be given to the needs of the areas immediately contiguous to the border and this will be provided mainly, but not exclusively, through the new INTERREG and Peace Programmes.

#### OPPORTUNITIES FOR FUTURE CO-OPERATION

9.21 During the current round of Structural Funds, progress in cross-border co-operation has been significant and points up the potential for inter-action between the two economies in the future. Significant developments have been effected at the level of local authorities, non-governmental organisations, the voluntary, community and business sectors and by central government and, in many cases, these sectors have been directly involved in implementing EU Programmes.

9.22 Noteworthy examples include the establishment of the Centre for Cross-border Studies, based in Armagh, which has been set up using Peace Programme funding to research and develop co-operation across the border in education, business, public administration, communications and a range of other practical areas; and the development work carried out by the 3 cross-border networks, involving 18 local authorities, which have come together to propose a development strategy for the border region as a whole. The main employer and trade union organisations North and South also have produced joint papers on developing North-South and East-West co-operation within a European context.

9.23 Other areas relevant to cross-border co-operation include:-

#### *Energy*

9.24 There has been considerable progress by the European Union towards the achievement of the Internal Market for the energy sector and this will facilitate cross-border inter-action. Significant opening up of the respective energy markets will occur in the Plan period. It is recognised that there could be scope for considerable efficiencies through co-operation in the energy sector, where there is potential mutual benefit. Energy supply policies are under review in both parts of the island, pending, inter alia, full evaluation of the potential of the Corrib offshore gas field off the Mayo coast. In this context, the authorities in both jurisdictions will maintain close contact with a view to co-ordinating their approaches so as to exploit synergies in energy policies and in co-operative projects.

#### *Communications and Electronic Commerce*

9.25 The communications/electronic commerce sector is a key element for future economic development. It provides the basic infrastructure for the crucially important new information, communication and digital industries. Increasingly, inter-action between businesses and between consumers and businesses are taking place on the Internet. Thus North-South co-operation must be underpinned by the most advanced communications infrastructure. This is essential for the networking of key development and marketing agencies, industry, groups and community development actions North and South.

9.26 With a view to accelerating the necessary developments in this area:-

- the relevant Departments in both jurisdictions have established a North-South Digital Corridor Working Group to examine all the elements necessary for the operation of such a corridor, including the necessary telecoms infrastructure;
- the North-West Region Cross-border Group has commissioned a study, with a view to developing an integrated, multi-sectoral cross-border information society; and
- a study is being undertaken of a proposed Digital Technology Corridor in the Armagh/Monaghan area.

#### *Human Resource Development*

9.27 Significant cross-border co-operation exists between the Training and Employment Agency (T&EA) in Northern Ireland and FAS, the training and employment authority in Ireland. At present, the two bodies are working together on a number of specific issues including the EURES cross-border partnerships and the Wider Horizons Programme. It is anticipated that this co-operation can and will be developed as the needs of trainees on both sides of the border evolve and opportunities for further joint working emerge.

9.28 These, together with a range of other sectoral areas have laid the foundation for co-operation and underpin the potential for expansion in the future.

9.29 In addition, in accordance with the Belfast Agreement, the statement of 18 December 1998 highlights such potential by identifying 6 such areas as suitable for initial consideration by the NSMC for co-operation through the mechanism of existing bodies in each separate jurisdiction. It will be open to the NSMC, by agreement between the two sides, to consider other matters. The 6 matters identified are considered in more detail in the following sections.

#### *Agriculture*

9.30 Agriculture and rural development continue to play a major role in the economies of both parts of the island, and make an essential contribution to maintaining the viability of rural communities. The two administrations remain committed to helping the sector adapt to the changes brought about by the further reform of the Common Agricultural Policy and changes in market conditions. Close co-operation already exists in a wide range of agriculture, fisheries, forestry and related activities. Under the direction of the NSMC, both administrations intend to seek ways to strengthen and enhance this co-operation in the future, particularly in areas such as CAP related issues, animal and plant health policy and research, rural development and agri-food research, education and technology transfer.

9.31 As indicated in the relevant chapters of the respective development plans, the two regions attach major importance to promoting and reinforcing vigorous measures to advance rural development. There is considerable scope for synergy and mutual learning across the border. This was recognised in 1991 when a cross-border steering committee on Rural Development was established to encourage and oversee progress on cross-border rural development and to co-ordinate official responses to joint plans developed by cross-border community groups. This steering committee has worked well and will continue to operate, henceforth in conjunction, as appropriate and under the direction of the NSMC, with the Special EU Programmes Body, which will be responsible for cross-border aspects of LEADER.

*Tourism*

- 9.32 Given the real social and economic benefits of tourism, particularly in terms of employment creation, foreign earnings and regional development, there are clear benefits to be derived from enhanced North-South co-operation in attracting visitors to the island of Ireland. The Departments of Economic Development in Belfast and Tourism, Sport and Recreation in Dublin are agreed that the continuation of all-island overseas co-operative marketing activities are essential to the continued success of the tourism industry in an increasingly competitive global marketplace. Under the direction of the NSMC, it is intended that the experience gained through North-South public-private partnership initiatives, such as the Overseas Tourism Marketing Initiative (OTMI), will be developed over the period 2000-2006 for the mutual benefit of all sectors of the industry in all parts of the island of Ireland.
- 9.33 In the context of the Belfast Agreement and building on the success of the OTMI, it has been agreed that a single company will be established to carry out overseas marketing and promotion activity for the respective tourist boards and that it will establish overseas offices for that purpose. The new company, which is to subsume the activities of OTMI, is also to plan and deliver international tourism marketing programmes; publish and disseminate, in overseas markets, information on the island of Ireland as a tourist destination; and provide market research and other support services for the tourism industry.
- 9.34 Other industry-led initiatives in North-South co-operation in tourism include the Hospitality Ireland Group, which has developed networks between those involved in tourism and hospitality education and training and promoted a tourism leadership development programme. There has also been significant co-operation in this area between local authorities, regional authorities and the private sector.

*Transport*

- 9.35 Efficient and competitive integrated public and private transport services are critical to the development of trade, inward investment and tourism and the provision of equality of access to employment opportunities through improved labour market mobility. They are particularly important in sustaining rural communities. Enhanced cross-border transport infrastructure offers the potential for major economic and social gains for the whole of the island, and for that reason, there is already very close cross-border co-operation in roads, rail and bus services. In the public transport sector, for example, Translink and Iarnród Éireann have worked closely on the up-grading of the Belfast to Dublin railway line and jointly operate the successful cross-border Enterprise service. On that line, passenger numbers have increased by over a third in recent years to 900,000 following the upgrade and reflect the success of co-operation. There is a recognition that the value of proposed investments in roads infrastructure on either side of the Border can be enhanced significantly through co-ordination of planning and construction.
- 9.36 Consequently, a key aim of transport development policy during the period of this Plan will be to improve infrastructure and integration within and between road and public transport networks, in both jurisdictions, so as to provide a more coherent and sustainable strategic transport network for the island as a whole. The objective will be the generation of a co-ordinated transport and logistics plan for the island in the context of East-West linkages to Britain and Europe, including strategic cross-border roads and Trans European Networks (TENS) routes. To that end, under the direction of the NSMC, the authorities in both jurisdictions will be working together to identify and promote joint projects within this important area.

*Environment*

- 9.37 Both parts of the island of Ireland have inherited a shared heritage of a relatively unpolluted environment endowed with a diversity of natural and cultural assets. Many of these assets are a common resource, and co-operation to manage them sustainably is clearly in the interests of all. Research and monitoring are major requirements in managing the physical and biological environments. Joint strategies and planning are also beneficial where resources such as rivers, fish or migratory birds move across the border.
- 9.38 Under the direction of the NSMC, it is intended that Authorities North and South will work together to review and co-ordinate activities across a range of environmental areas including:-
- the establishment of a data base of environmental information;
  - research into environmental protection and mutually beneficial ways to address this issue;
  - identification of strategies and activities which would contribute to a coherent all-island approach to the achievement of sustainable development;
  - the development of catchment-based strategies in relation to water quality;
  - the environmental impact of agricultural activities and related issues;
  - the scope for improved waste management in a cross-border context, taking account of waste policy in the EU, the UK and the Republic of Ireland; and
  - the management of shared bio-diversity resources.

*Education*

- 9.39 Considerable co-operation exists across all aspects of the education sectors North and South, ranging from primary to higher education and embracing libraries, youth, arts and sports. The valuable linkages which have been developed provide the basis to establish more closely integrated, coherent approaches in the future with clearer policy objectives and outcomes. The type of activities which will be promoted include:-
- inter-active approaches at university and further education level, in areas such as R&D support for SMEs;
  - the development of lifelong learning, adult guidance and counselling programmes;
  - Information and Communications Technology in schools; and
  - educational under-achievement.
- 9.40 Under the direction of the NSMC, both administrations intend to take forward and enhance co-operation in these and other agreed areas in the future.

*Health*

- 9.41 The Department of Health and Social Services (DHSS) and the Departments for Social Community and Family Affairs (DSCFA) and Health and Children have a close working relationship and have co-operated successfully in areas such as:-
- the management of the “Achieving Better Community Development” initiative; and
  - cross-border community development within the Peace Programme Cross-border Sub-programme.
- 9.42 Against the background of the peripheral nature of parts of the regions, there is considerable scope to co-operate in the provision of required services on a partnership basis, and these Departments are working together to identify the scope for enhancing co-operation across a range of areas. These will include extension and development of the existing mechanism (known as Co-operation and Working Together) for co-operation between the Western and Southern Health Boards in Northern Ireland and the North Western and North Eastern Health Boards in Ireland to improve co-ordination and co-operation in relation to ambulance cover and joint training; and the sharing of emergency admissions where hospitals are under pressure.
- 9.43 Other issues which, under the direction of the NSMC, may be taken forward in the future include planning for major emergencies; the procurement, funding and use of high technology equipment; collaboration on cancer and other research; participation in multi-centre trials; health promotion; and public information/education in the areas of heart disease, cancer and smoking.

## EUROPEAN SUPPORT

- 9.44 The European dimension of cross-border co-operation within the island of Ireland has been of particular significance. The EU has provided valuable resources through the medium of INTERREG and the Special Support Programme for Peace and Reconciliation (the Peace Programme), which are targeted primarily at Northern Ireland and the Border Counties of Ireland. Co-operation developed under these Programmes will be further enhanced following the decision of the European Council at Berlin to continue the Peace Programme and to renew the INTERREG Community Initiative. These Programmes, which are managed jointly by the Department of Finance and the Department of Finance and Personnel, will have contributed in excess of 1.5 billion euro in public funding to the eligible areas over the 10 years 1995-2004 across a wide range of socio-economic sectors.

*INTERREG*

- 9.45 The INTERREG Initiative was the first European Programme specifically to promote cross-border co-operation. The underlying ethos of the Programme is that national borders should not be a barrier to the balanced development and integration of the European territory. The Single Market has been a strong catalyst for advancing cross-border co-operation, but the scope for strengthening it further remains enormous.
- 9.46 The 1994-1999 INTERREG II Programme developed co-operation through supporting a diverse range of activities across all sectors. The Programme saw a number of interesting developments, including the establishment of 3 cross-border networks of local authorities in the border region, representing 18 local authorities, which have developed strategic sub-regional Integrated Area Plans together with a

Border Corridor strategy. Another notable initiative was the appointment of an INTERREG Development Officer (IDO) and the setting up of INTERREG Development offices in Armagh and Monaghan to actively promote and publicise the Programme.

- 9.47 The priority of cross-border, transnational and inter-regional co-operation proposed for INTERREG III, as reflected in the three separate strands of the new Programme, is a clear demonstration of the Commission's desire to concentrate its efforts on ensuring that regions on both internal and external Union borders build on cross-border and international co-operation to address their isolation. The Commission's proposals for INTERREG III should be particularly beneficial in terms of providing a framework for an integrated approach to common problems, which should create opportunities for genuine and practical benefits. The administrations North and South will seek to use the new Programme to build on the positive experiences of INTERREG II and to complement other cross-border proposals under other Programmes.

*Peace Programme*

- 9.48 Under the current Peace Programme, the cross-border dimension was specifically addressed through the Cross-border Development Sub-programme, to which some 15% of the available funding was allocated. The Sub-programme aimed to promote cross-border reconciliation and to exploit the opportunities for increased cross-border development arising from the ceasefire. Areas assisted included business and cultural links, infrastructure development, co-operation between public bodies and community reconciliation with particular reference to women, young people and the socially excluded.
- 9.49 More generally, the Peace Programme provided funding for a wide range of Measures in support of the peace process on both sides of the border. The Programme laid particular emphasis on the need to respond to the wishes of local interests and grassroots opinion throughout the eligible areas. A joint Consultative Forum, consisting of representatives drawn from the local government, social partners and community/voluntary sectors was set up to liaise directly with the Monitoring Committee.
- 9.50 The Peace Programme also involved the use of devolved delivery mechanisms, some of which played a part in the Cross-border Development Sub-programme. Co-operation Ireland, for example, in conjunction with the Joint Business Council of IBEC/CBI, was responsible for supporting cross-border linkages in business and cultural sectors. A unique cross-border partnership was also established by Area Development Management Limited and the Combat Poverty Agency in Ireland, in conjunction with the Northern Ireland Voluntary Trust. This intermediary funding arrangement brought in a range of other agencies such as the International Fund for Ireland, the Northern Ireland Community Relations Council, the Northern Ireland Rural Community Network as well as various local community organisations.
- 9.51 In March 1999, the Berlin Council '*in recognition of the special efforts for the peace process in Northern Ireland*' decided that '*the Peace Programme will be continued for five years with an amount of 500 million euros of which 100 million will be allocated to Ireland.*' The new Peace Programme will build on the work which was started under the first Programme, taking into account equality, equity and non-discrimination and developing initiatives for business, public bodies and voluntary and community sector co-operation. The overall objective will be to provide a strategic framework for support to cross-border co-operation strategies and projects for a variety of sectors and organisations.

*International Fund for Ireland*

- 9.52 The work of the International Fund for Ireland, to which the EU has been a significant contributor, is also of particular relevance to cross-border co-operation. The Fund has been very active since 1987 in promoting a wide range of collaborative ventures across a broad band of cross-border activities. Its work is of course entirely complementary to the overall objectives of the Structural Funds in promoting economic and social cohesion. In particular, however, its earlier success in creating cross-border networks and linkages has been helpful in shaping the implementation of Structural Funds operations North and South and in ensuring the maximum scope for the development of strategic partnerships between the Fund and specific EU Initiatives, including the Peace Programme.
- 9.53 For the future, the Fund has refocused its programmes under the three broad headings of Regeneration of Deprived Areas, Community Capacity Building and Economic Development. Within this framework, and in close co-ordination with EU Programmes, the Fund will continue to foster a distinctive range of community and economic interventions on a cross-border basis designed to build on earlier achievements in areas of real need.

## IMPLEMENTATION OF COMMON CHAPTER

- 9.54 Promotion and implementation of the Common Chapter will be fundamental to the impact of cross-border development in the European context over the period 2000-2006. The Special EU Programmes Body will be responsible for monitoring and promoting the implementation of the Common Chapter. It will have a specific budgetary allocation to enable it to identify and alleviate constraints which affect cross-border co-operation.
- 9.55 The Body will report to the NSMC and will have secretariat, monitoring, research, evaluation, technical assistance and development roles in respect of the new Peace Programme and the new Community Initiatives. It will also have grant-making and other managerial functions in respect of INTERREG III and of North-South elements of other Initiatives.
- 9.56 The Monitoring Committee for the new Peace Programme will be established under the chairmanship of the Implementation Body and will be managed jointly. The Body's operations will be overseen by the relevant Monitoring Committees established according to the EU Structural Funds Regulations.
- 9.57 The establishment of the Special EU Programmes Body is a significant development in the context of cross-border co-operation. It will, for the first time, ensure that the Common Chapter, and the potential identified within it for enhanced cross-border and wider co-operation, will receive structured, focused and on-going attention, and will be actively promoted within the CSF Monitoring Committees North and South, on which the Body will be represented. In this context, the strategic framework must be sufficiently flexible to enable it to adjust to changing circumstances, including developments in the political field. Pending the setting up of the Special EU Programmes Body, both Governments are committed to making arrangements to ensure that there will be a specific focus on the implementation of the Common Chapter during the next round of the Structural Funds.

## Annex 1: Equality Impact Assessment

## Northern Ireland Community Support Framework 2000 - 2006

This assessment is intended to be more extensive than the PAFT appraisal required under the 1993 PAFT guidelines. It adopts the approach which will be required under Schedule 9 of the Northern Ireland Act 1998 for the preparation of equality impact assessments. The methodology used is not intended to preempt any future guidance from the Equality Commission on equality schemes and equality impact assessments, nor any future internal guidance for Northern Ireland Departments on equality impact assessments. The assessment is based on the paper presented to the Core Consultative Group on 21 October 1999. The assessment will be developed further in line with the evolution of the draft Transitional and Peace II Programmes. In particular, the allocation of resources within the Programmes and arrangements for programme delivery will require further consideration in the assessment.

In the following assessment, the quantum of allocations made by the Commission for the Transitional and Peace II Programmes, together with the parameters of the Commission Regulations, are accepted as given.

## SECTION 75 OBLIGATIONS

Section 75 of the Northern Ireland Act requires public authorities, in carrying out their functions relating to Northern Ireland, to 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.

Without prejudice to the above obligation, public authorities should also, in carrying out their functions relating to Northern Ireland, have regard to the desirability of promoting good relations between persons of different religious belief, political opinion or racial group.

Schedule 9 of the Act requires public authorities to prepare equality schemes, which shall state, inter alia, arrangements for assessing the likely impact of policies adopted or proposed to be adopted by the authority on the promotion of equality of opportunity. Schedule 9 also requires that a public authority, in publishing the results of an assessment, should give details of any consideration given to measures which might mitigate the adverse impact of that policy on the promotion of equality of opportunity and alternative policies which might better achieve the promotion of equality of opportunity.

## EQUALITY OF OPPORTUNITY AND THE STRUCTURAL FUNDS

The revised Structural Funds Regulations include emphasis on equality for men and women, which is to be mainstreamed in all Structural Funds Programmes. Promoting participation of women in the labour market is a particular objective of the European Social Fund.

At the May 1999 Belfast Conference on Structural Funds, participants highlighted equality of opportunity as a key feature of the Plan, as well as the need to recognise the divisions existing in Northern Ireland.

#### PARTICULAR NORTHERN IRELAND ISSUES

In considering the proposals for the Transitional and Peace II Programmes, a number of equality of opportunity issues will be particularly relevant:-

- the need to increase female participation in the labour force and the quality of the jobs held by women - though women now make up half of employees in employment, virtually 75% of part time jobs are held by women with 34% of females in employment working part time, compared with 6% of males; the economic activity rate for women in Spring 1998 was 63.1%, compared with 80.6% for men, with the greatest differential in the 25/49 age category;
- the persistent levels of socio-economic disadvantage in parts of the Catholic community, particularly the continuing differential in unemployment rates, which the Government regards as unacceptable - in 1997 16% of economically active Catholic males and 5.5% of Protestant males were unemployed, while the equivalent rates for females were 6.9% and 4.9% respectively;
- employment opportunities and conditions for people with disabilities who account for 15% of the working age population, but have low levels of participation in the labour market with only an estimated 30% of people with disabilities economically active;
- the position of minority ethnic people, particularly Travellers who experience the worst levels of socio-economic disadvantage;
- the role of a well developed community and voluntary sector in representing the needs of many social groups which should benefit from improved equality of opportunity under the Section 75 obligation; and
- the impact of physical and social segregation on labour market mobility.

#### METHODOLOGY FOR ASSESSMENT

The assessment aims to assess for each of the proposed priorities in the two Programmes, set out in the draft Plan, whether groups within any of the nine categories in Section 75 will be affected, directly or indirectly. For each priority it will attempt to identify both differential impacts and the potential for increasing equality of opportunity, particularly in terms of:-

- rights;
- resources;
- participation; and
- values and norms (ie traditional roles, stereotypes, division of labour, attitudes and behaviour).

The key questions to be addressed for each priority are:-

- i. is there illegal \*direct discrimination under the terms of Northern Ireland legislation? If so the proposals must be reconsidered;

\* Direct discrimination occurs where a proposal refers separately to a particular group or groups and may result in less favourable treatment between these and others. For example if a member of one religion was given access to services or facilities which would not be available to someone of a different religion in identical circumstances.

ii. is there direct discrimination which is not illegal under current Northern Ireland law ie on grounds of age, marital status (nb discrimination in employment on this ground is illegal), dependants or sexual orientation? If so see question (iv);

iii. is there \*indirect discrimination in terms of any of the nine target categories? If so see question (iv);

\* Indirect discrimination arises where a condition or requirement, although applied equally to all, has the effect of excluding, penalising or treating less favourably any group, whether intentionally or not; cannot be shown to be justifiable; and will be to the detriment of those who cannot comply with it.

iv. can the discrimination noted in (ii) and (iii) above be justified by wider policy objectives? If not, the proposals must be reconsidered. If it is justifiable, see question (v);

v. is the justification case based on affirmative action (see below)? If not, see question (vi);

vi. can the desired policy outcome be achieved by other means? Are there alternatives? and

vii. can any differential impact be mitigated in any way?

These questions relate to the avoidance of discriminatory or differential impacts. In addition, the assessment should ask:-

viii. is there scope to enhance equality of opportunity and would any alternatives have a greater positive impact in terms of rights, resources, participation and possible changes to societal values and norms?

Affirmative action may be an appropriate response to redressing inequalities and a valid means of enhancing equality of opportunity. It is an important method of combating inequality. When affirmative action is proposed as a recommendation of an impact assessment there should be a clear rationale for its application, drawing on objective evidence of disadvantage and inequality.

## Transitional Programme

### PRIORITY 1: ECONOMIC GROWTH AND COMPETITIVENESS

#### Business Support Measures

These measures are designed to give targeted support to key business areas so that SMEs (including tourism businesses) can develop productively.

The measures do not involve any direct discrimination in terms of any Section 75 categories.

There is no indirect discrimination in terms of any of the 9 target categories.

There is scope for enhancing equality of opportunity. Women are traditionally under-represented in the management of SMEs. Historically, Catholics have also been under-represented in the NI indigenous private sector. Minority ethnic groups are well represented among SMEs, but not necessarily in those sectors targeted by these measures.

Information about the measures should be disseminated to all sections of the community, with outreach actions targeted at women and minority ethnic entrepreneurs. SME managers undertaking strategic business training should be monitored by gender, religion and ethnic group. Regional business support networks should ensure that they do not reinforce traditional patterns of business participation.

#### Regional Infrastructure Measures

The aim of these measures is to support public and private sector infrastructure projects, particularly transport and energy.

The measures do not discriminate directly in terms of any Section 75 categories.

There is no evidence, on the information available to date, that they would have an indirectly discriminatory impact.

However, future decisions on projects to be supported may have adverse impacts. Strategic investments in the energy sector and in specific ports and airports may make some parts of Northern Ireland more attractive for industrial investment. The implications of such investments will need to be considered and the operation of these measures should be monitored to assess their impact on patterns of industrial location.

The measures offer scope for increasing equality of opportunity:-

- improving internal labour mobility will help break down disincentives to employment among under-represented groups in the workforce (particularly women and people with disabilities). It will also counter the effects of physical and social segregation among the main religious communities after 25 years of conflict and polarisation; and
- investment in public transport will benefit social groups less likely to have access to private transport, including women, people with disabilities, people with dependants, young people and old people.

### PRIORITY 2: EMPLOYMENT

This Priority seeks to implement the European Employment Strategy, in particular

through targeted interventions to support the 5 ESF policy fields. It will seek to address long term unemployment and the development of employment opportunities in the Social Economy.

The Priority will involve an element of direct discrimination in favour of young people at school and entering the labour market. This is justifiable in terms of the need to equip the future workforce with the skills needed to find jobs. It will also seek to improve the employment prospects of women by promoting their participation in employment. This is justifiable affirmative action.

The Priority also involves justifiable differential impact:-

- by addressing the needs of the long term unemployed, among whom male Catholics are disproportionately represented; and
- by addressing the needs of disadvantaged areas and groups, with the probability that Catholics, Travellers, people with disabilities etc, will particularly benefit from this aspect of the measure.

These aspects of the Priority discriminate indirectly against groups which are less likely to be disadvantaged or to live in disadvantaged areas. This is justifiable in terms of affirmative action.

The Priority offers scope for enhancing equality of opportunity:-

- it should ensure that actions are not confined to the registered unemployed, among whom women are under-represented; and
- actions aimed at disadvantaged areas and groups, and at developing employment opportunities in the social economy, should include outreach to Protestant areas of disadvantage, as the Protestant community has traditionally been less ready to avail of opportunities in these fields.

### PRIORITY 3: URBAN AND SOCIAL REVITALISATION

This Priority encompasses a broad range of actions to encourage physical and community infrastructure in urban areas and to address social problems within communities.

Several of the proposed actions relate to schools and hence discriminate on the basis of age. However, this is justifiable in terms of particular problems faced by children in disadvantaged urban areas and the need to equip the future workforce with appropriate skills to compete in the labour market.

Actions aimed at countering social and labour market exclusion may benefit particular groups (e.g. women and Travellers) but any indirectly discriminatory impact is justifiable as affirmative action.

The intended beneficiaries should highlight women's and minority ethnic organisations.

This Priority offers considerable scope for enhancing equality of opportunity:-

- it underlines the need for linkages between physical regeneration of urban areas and surrounding disadvantaged communities. This could be monitored to confirm that jobs created in physical infrastructure are benefiting disadvantaged communities in the surrounding area. The location of supported physical infrastructure will need to be carefully assessed to ensure that it is accessible to all sections of the community;

- outreach actions should seek to ensure that women participate fully in supported community development activities;
- actions to counter segregation, sectarianism and racism will enhance equality between people of different religions and racial groups, and will also improve labour mobility; and
- special outreach actions should target the Protestant community to ensure that they avail of opportunities in community development where they have traditionally been less likely to seek support.

#### PRIORITY 4: AGRICULTURE, RURAL DEVELOPMENT, FORESTRY AND FISHERIES

This Priority contains a range of measures addressing the economic and social problems of rural areas, including new approaches to countryside management and alternative rural employment. It includes forestry and fisheries development.

The Priority does not discriminate directly in terms of any Section 75 category.

There are no indirectly discriminatory impacts. However, women are generally under-represented in agriculture, forestry and fisheries. Women living in disadvantaged rural areas have lower rates of economic activity (40.1%) than the NI average for women (45.2%) reflecting more limited access to childcare, fewer job opportunities and difficulties in accessing training courses.

Particular agricultural and fisheries sectors in Northern Ireland may have a disproportionate representation from the Protestant or Catholic communities. This is often explicable by geographic factors.

This Priority offers scope for enhancing equality of opportunity:-

- by encouraging the greater involvement of women (e.g. through capacity building) in the rural economy, agriculture, forestry and fisheries;
- by ensuring that traditional communal patterns of employment are not reinforced by actions under the Priority; and
- through outreach measures to increase Protestant community participation in rural development, where traditionally that community has been less ready to organise and seek support.

#### PRIORITY 5: ENVIRONMENT

This Priority seeks to protect and manage environmental resources, and to create healthy living environments.

There is no direct discrimination in terms of any Section 75 category.

There is no apparent indirectly discriminatory impact under this Priority.

Actions will be, to a large extent, determined by geographic and biological factors. There is some limited opportunity to enhance equality of opportunity:-

- actions to create healthy living environments should take particular account of the needs of women, children, old people and people with disabilities; and

- actions to safeguard archaeological resources, buildings and areas of special architectural and historic interest etc., should ensure that the cultural heritage of all sections of the community and the historic role of women are recognised in their selection and presentation to the public.

#### PRIORITY 6: TECHNICAL ASSISTANCE

This Priority will provide for programme management, monitoring, evaluation and studies.

This Priority has no discriminatory impacts in terms of any Section 75 category.

On the information available to date, there should be no indirectly discriminatory impacts.

This Priority offers considerable opportunity for enhancing equality of opportunity:-

- by ensuring that monitoring arrangements are sufficient to assess the equality of opportunity impact of the Programme;
- by ensuring that evaluations and studies include equality of opportunity; and
- by ensuring that the targeting of disadvantage embraces justifiable affirmative action and that appropriate outreach actions encourage disadvantaged people and groups throughout the community to participate, to be reflected in publicity about the Programme and its impacts.

## Peace II Programme

### PRIORITY 1: ECONOMIC RENEWAL

This Priority proposes measures to develop capabilities, encourage collaboration between businesses, and provide individual businesses with tools required for international competitiveness. It would also respond to the opportunities and challenges of the Information Society; promote the Social Economy; develop infrastructure; develop tourism; and retrain those whose current employment is threatened by transition.

The Priority does not involve any direct discrimination in terms of any Section 75 categories.

There is potential differential impact in a measure aimed at promoting the social economy through support for neighbourhood based groups and voluntary organisations. Such community organisation is more developed in Catholic areas and outreach efforts would be advisable to ensure that the Protestant community availed of opportunities in this field.

Future decisions on infrastructure projects to be supported may have differential impacts. Strategic investments in the energy and transport sector may make some parts of Northern Ireland more attractive for industrial investment. The operation of the measure should be monitored to assess its impact on patterns of industrial location.

This measure offers considerable opportunities for enhancing equality of opportunity through:-

- the promotion of business and employment opportunities in the Information Society to ensure that traditional patterns of economic activity are not replicated, e.g. under-representation of women;
- the provision of support for business competitiveness should take account of the traditional under-representation of women in the management of SMEs, of Catholics in the NI indigenous private sector, and of minority ethnic people outside a limited range of business activities; and
- economic transition offers the prospect of enhanced labour market mobility which will break down gender-segregated patterns of employment and enhance opportunities for women, particularly as declining low-wage manufacturing sectors (e.g. textiles) often employ large numbers of women.

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### PRIORITY 2: SOCIAL INTEGRATION, INCLUSION AND RECONCILIATION

This Priority seeks to promote the integration and inclusion of marginalised and disadvantaged groups and communities and to promote reconciliation through support to the voluntary and community sector, the statutory sector and the Social Economy.

Elements within the Priority will directly discriminate in favour of children and young people. This is justifiable in terms of the particular problems faced by children in disadvantaged areas and the need to equip the future workforce with appropriate skills to compete in the labour market.

There may also be an indirect differential impact in favour of the Catholic community through actions to support the voluntary and community sector. To the extent that such differential impact reflects the pattern of social disadvantage this may be justifiable. However, there is also evidence of less developed community infrastructure in Protestant areas. Special outreach actions should encourage applications for funding from community development groups in Protestant areas.

Opportunities for enhancing equality of opportunity include:-

- peace building and reconciliation measures to reduce physical and social segregation, thus enhancing labour market mobility; and
- outreach measures should seek to ensure that women participate fully in supported community development activities.

### PRIORITY 3: LOCALLY-BASED REGENERATION AND DEVELOPMENT STRATEGIES

This Priority takes an integrated approach to the particular needs and characteristics of local areas. It brings together elements previously found in a range of EU interventions. Though the focus is at local level, the proposed measures reflect many aspects of other priorities in the Peace II Programme. The Priority also discusses options for locally based delivery mechanisms.

Based on the broad lines set out in the proposals, there does not appear to be any directly discriminatory impact.

In relation to economic development and community development/social economy interventions, the potential for certain indirect differential impacts previously noted would also apply (ie traditional under-representation of women and Catholics at management levels in the indigenous private sector and less developed community infrastructure in Protestant areas).

These differential impacts can be mitigated by outreach measures, particularly:-

- aimed at enhancing participation by women in all aspects of this Priority; and
- aimed at encouraging applications from disadvantaged Protestant areas for local community development projects.

In addition, there is further scope for enhancing equality of opportunity:-

- through local human resource development strategies which should take account of the special training needs of women, the disproportionate representation of Catholics among the long term unemployed, the training needs of people with disabilities, and the particular problems faced by Travellers; and
- local level transport initiatives which should benefit social groups less likely to

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have access to private transport, including women, people with disabilities, people with dependants, young people and old people.

In developing models for locally based delivery mechanisms it will be necessary to ensure that structures are representative of women, all sections of the community and traditionally under-represented groups.

#### PRIORITY 4: OUTWARD-AND FORWARD-LOOKING REGION

This Priority seeks to develop new approaches to creating an open and informed dialogue about the future development of Northern Ireland; to develop participation in European networks; to learn from international experience in peace building; and to provide for technical assistance to support the implementation of the Programme, publicise it, and monitor/evaluate its impacts.

This Priority has no directly discriminatory impacts in terms of any Section 75 categories. There should be no indirectly discriminatory impacts.

This Priority has the potential to enhance equality of opportunity:-

- by ensuring that monitoring arrangements are sufficient to assess the equality of opportunity impacts of the Programme;
- by ensuring that evaluations and studies include equality of opportunity; and
- by ensuring that participation in international networks (including experience of peace building) takes account of equality of opportunity issues, particularly the role of women.

#### PRIORITY 5: CROSS-BORDER CO-OPERATION

This Priority aims to provide a strategic framework for support of cross-border co-operation strategies and projects to a variety of sectors and organisations. These may include projects with significant East/West as well as North/South linkages.

There is no evidence of directly discriminatory impact in the types of activity indicated.

Measures to support business, the community and voluntary sector and agricultural/fisheries projects should take account of the potential for indirect differential impact in these fields arising from:-

- traditional under-representation of women and Catholics in business management in Northern Ireland;
- lower levels of community development activity in disadvantaged Protestant areas; and
- traditional under-representation of women in agriculture/fisheries.

There is potential for enhancing equality of opportunity through the Priority by using outreach actions to mitigate the potential indirect adverse impacts noted above, particularly:-

- aimed at women in business and agriculture/fisheries; and
- aimed at increasing uptake by community development organisations in disadvantaged Protestant areas.

Notes