

Joseph Rowntree

Review of the Peace II programme

Summary of the report by Brian Harvey
for the Joseph Rowntree Charitable Trust

What's happening to European funding for Peace in Ireland?

The European Union Programme for Peace and Reconciliation, known as Peace II, funds economic and social development projects which make a contribution to peace and reconciliation in Northern Ireland and the Border Region of Ireland. In contrast to Peace I, which ran from 1995 to 1999, it gives greater priority to economic development than social inclusion. Peace II runs from 2000-2004, though in effect it only started properly in 2002. It is now technically past its halfway stage. Accordingly, the Joseph Rowntree Charitable Trust asked Brian Harvey, a Dublin-based consultant, to review the progress of Peace II so far, taking account of the experience of Peace I. He found that:

- Over a thousand projects have now been approved for funding.
- Intermediary Funding Bodies have been significantly faster at getting funding out than government (which has the bulk of funding to distribute).
- Governance arrangements for Peace II have not involved civil society to the same extent as was achieved by the arrangements under Peace I.
- The administrative arrangements are onerous and burdensome. There is an urgent need to simplify the administrative requirements for voluntary bodies seeking funding under the programme.
- There is a need for schemes which allow small grants to be approved, and fund work which is needed at short notice.
- Some funding bodies handling Peace II money won't provide information on how they are spending it, despite a requirement for transparency. This may bring the programme into disrepute.
- Most funding bodies can't or won't explain how they are ensuring that their grants meet the EU requirement that funding should be distinctively linked to the Troubles and their legacy, and should actively promote reconciliation.
- Around £56 million – approx 16% of the Programme funding – may be under-spent owing to the failure to meet the requirement that money be spent within two years of the period when it was allocated.

Peace I and Peace II

There are similarities between the two programmes – and differences. These arise in part from lessons learned from Peace I.

Peace I:

- **Involved** a wide range of civil society organisations.
- **Funded** the development of work with former combatants and victims.
- **Helped** to normalise cross-community and cross-border work.
- **Generated** fresh learning points in distinct areas e.g. education, and the need to strengthen community infrastructure where this is weak.
- **Developed** a variety of successful delivery systems - district partnerships, intermediary funding bodies, and a consultative forum.
- **Supported** and reinforced the peace process.

But:

- The European Court of Auditors found that there were significant problems with Peace I, almost universally on the government side.

Similarities between Peace I and II

- Both programmes are on the same scale (approx. £350 million over 5 years).
- As in Peace I, 80% of the available funds in Peace II are allocated to Northern Ireland.
- Peace II contains a number of priorities directly descended from Peace I, though with slightly different titles. These cover cross border cooperation; social inclusion and local partnerships.
- Peace II keeps the same successful basic structure for implementing the programme, via government departments and agencies; intermediary funding bodies; and local partnerships.
- Both programmes are complex. Peace II has 48 main implementing bodies, 50 'measures' and 'sub-measures' operating in two currencies drawing down four structural funds in two jurisdictions with 260 'indicators' and 11 'horizontal principles'.
- Peace II recognises the value of an involving, socially inclusive programme that contributes to the building of civil society. This is reflected in the new measure *2.6 Active citizenship*.

Key Changes in Peace II

In some key respects – especially matters of governance – Peace II is different from Peace I. The battle for the design of Peace II was fought out behind closed doors. The contested areas were:

- i) economic focus **v** social focus,
 - ii) role of elected representatives and officials **v** role of the voluntary and community sector,
 - iii) rigorous focus on peace and reconciliation **v** regional investment.
- **Elected representatives and local authorities** gained a greater role.
 - A new overarching **Special EU Programmes Body (SEUPB)** has been introduced for Peace II. This is a one-stop-shop whose role is to administer this and other European programmes. The SEUPB has faced considerable difficulties in establishing its role.
 - A much less powerful **Regional Partnership Board (RPB)** has replaced the Northern Ireland Partnership Board, which oversaw the delivery of Peace I by District Partnership Boards in each local Authority area. The RPB will have to work hard to make a significant impact.
 - The **Consultative Forum**, set up as part of Peace I, included representatives drawn from a wide range of local bodies and organisations. It served as a mechanism for continuing consultation with local interests. For Peace II, it **has been abolished** without replacement, debate or explanation.
 - The **European Commission plays a hands-off role in Peace II**: it was more closely involved in Peace I. People welcomed the affirming visits of locally based European officials. As a result, Peace I was a means whereby the European Union became a practical reality to ordinary people.
 - **Local Strategy Partnerships (LSPs)** have replaced District Partnerships in Northern Ireland. LSPs have been established in all the 26 district council areas and 1,650 people have been recruited to their boards. In Peace I, District Partnerships had a broad remit for social inclusion. The LSPs focus on the social economy and human resource development. Voluntary and community organisations play a diminished role in them. But statutory bodies and elected representatives play a bigger role.
 - **Funding for social inclusion is down** from 30% to 25%. Economic development is given a higher priority.
 - For the majority of measures in Peace II **indicators of success**, expressed in terms of outputs, **have become more precise**.

- Peace II includes several **significant new measures**. One of these is designed to ensure that there is an exchange of international experience in conflict resolution and peace-building techniques, so that others may learn from what is achieved in Northern Ireland, and vice versa. The others focus on strengthening weak community infrastructure, active citizenship and the social economy.

Getting the money spent

- So far (May 2003), there have been 4,612 applications, and of these, 1,237 have been funded (27%).
- The intermediary funding bodies have been the fastest to deliver funding, and some have already sent out their second calls for proposals. Government, which has the bulk of the funding to distribute, has been slowest to spend: by April 2003, there had been no commitments under eight measures. Inexplicably, 18 months from the close of the programme, the Southern coordinating body for priority 3 (urban and social revitalisation) has still to meet and no date has yet been set.
- At present, about £56m of the programme may be underspent owing to the failure to meet the requirement that money be spent within two years of the period when it was allocated (known as the N+2 rule).
- Programme managers have their hands tied by European rules preventing movement between the five priorities or between the individual structural funds themselves.
- The Special EU Programmes Body is considering a return to the idea that funds should be used to build up endowments, and thus contribute to long term sustainability, instead of being spent 'in one go', with consequent difficulties when the programme finishes. JRCT was involved in promoting this idea as a 'flagship' project in 1999. However, it has been noted that *'such proposals would meet with considerable administrative and legal hurdles'*.

Administrative requirements

- Voluntary and community organisations consider the level of administrative requirements - the application form, the process of filing applications, reporting, accounting and auditing requirements - to be many magnitudes beyond anything that has ever been expected of them before. While they accept the need for accountability and transparency, they feel that the current demands on them are disproportionate and destructive of their energies and time.

- Steps have been taken to address some of these issues, such as reducing the size of the application form. But they do not go nearly far enough. The level of frustration remains high and there seems to be a strong case for further efforts to reduce the administrative burden.
- These difficulties have been compounded by the inflexible application of the requirements of the European Social Fund, apparently at the expense of relevant peace-building and appropriate training activities.

Peace-building and reconciliation

- Much larger grants have been allocated in the *Reconciliation for a sustainable peace* programme than for the comparable programme in Peace I. Grants to voluntary sector organisations have typically been in the £80,000 to £100,000 range, averaging ten times more than in Peace I. There is the prospect of exciting and valuable work developing in this field, but it is not clear whether this will be sustainable beyond 2005.
- The programme has suffered from the absence of small grants schemes and ways of enabling short term and spontaneous work to be undertaken.
- The Commission insisted that Peace II should demonstrate a) that it was distinctively linked to the Troubles and their legacy, and b) that it actively promoted reconciliation. Peace I had been criticised for being too broad and so generous in what it could fund as to be indistinguishable from mainstream structural fund programmes.
- Despite the commitment in Peace II to transparency, several funding bodies refused, or were unable, to give an account of how they put the distinctiveness and reconciliation principles into practice. A minority has gone to considerable effort to implement the requirements.

The importance of the methods

- Key ideas and concepts of the programme, like cross-cutting themes, strategy partnerships, the delivery of programmes through intermediary funding bodies, may work their way into future Programmes for Government in Northern Ireland, the Republic, Great Britain and other parts of the European Union. The Local Strategy Partnerships may be key determinants in shaping the future of local government in Northern Ireland, far outliving the programme itself.

Criticisms of Peace II

- Many of the changes from Peace I to Peace II were implemented without any public consideration of options. The process of change was characterised by a lack of transparency.
- The programme makes excessive demands of intermediary bodies in terms of administration and financial accountability. The applications process has been time consuming, inconsistent and at times chaotic; the on-line application process did not work properly; reporting requirements are extraordinarily demanding and liable to be changed with retrospective effect; and accounting and auditing requirements are unnecessarily complex and confusing.
- The European Social Fund supports the programme, and as a consequence, there is pressure to work in the labour market field and to demonstrate outputs in terms of headcounts. This is in conflict with what many groups feel to be the essence of peace-building work which is, after all, what Peace II is supposed to be about.
- Many of the personnel on the European and governmental side changed between the two programmes. As a result the institutional memory of Peace I was not captured for Peace II. Many of the positive lessons from Peace I were not documented or recorded and as a result may be lost.
- There was a long, confused period between the end of Peace I in 1999 and the effective commencement of Peace II in 2002. Although some funding was provided for some voluntary organisations during this period, it was not a smooth process.
- Compared to the peace programmes in Ireland, the rehabilitation and reconstruction programmes run by the European Union elsewhere have a much stronger emphasis on civil society, social inclusion, democratisation and support for the capacity of the NGO sector. Those who designed Peace II could have learnt from these programmes.
- With some limited exceptions, there does not appear to be scope for small grants or funding for short-term spontaneous work. Where small grants programmes have been run, they have been successful.
- Many funding bodies are unable or unwilling to explain how they apply the twin principles of *reconciliation* and *distinctiveness* in practice.

Recommendations

- The Special EU Programmes Body should establish a task force, bringing together the implementing bodies, expert departments, user bodies and Commission officials to ascertain exactly what *minimum* level of information, auditing, accounting and reporting is necessary. Its task would be to ensure, quickly, a significant reduction in the volume of paperwork.
- Implementing bodies should reconsider their funding strategies and examine whether there are possibilities, in their remaining calls for proposals, to make room for a number of schemes that facilitate small grants, and work at short notice.
- There should be a permanent ongoing system to test how the twin criteria of distinctiveness and reconciliation are being applied in practice.
- Where implementing bodies refuse to provide information on how they are spending European money, the Special EU Programmes Body should remind them of their obligations under the operational programme. Where necessary, the European Court of Auditors should be asked to investigate.
- The mid-term review should reallocate resources from under-spent programmes to oversubscribed core peace and reconciliation measures.
- A Consultative Panel to examine the strategic issues arising from the programme should be convened.
- Now is the time for thought to be given to what should follow Peace II – to the possible shape of a Peace III programme, described in some detail in the full report.

This review of the Peace II programme was carried out for the Joseph Rowntree Charitable Trust in the course of January-May 2003, through the collection and analysis of documents, personal interviews and survey. The Report shadows and contributes to the official mid-term review, which is due to conclude in autumn 2003.

**The full 126 page report (£10.00) is available from The Joseph Rowntree Charitable Trust, The Garden House, Water End, York YO30 6WQ
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The report may also be downloaded as a PDF file from www.jrct.org.uk

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