

Funding change  
External reviews 1986-2010



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# 1. Background to the Fund

## 1.1. Introduction

Deloitte was commissioned by the International Fund for Ireland (the Fund) to assist in recording outputs and outcomes identified in previous external reviews from its establishment in 1986.

This section of the report considers the background to the formation of the Fund, its overall objectives, an overview of the programmes it supports and the development of its strategy over its lifetime.

## 1.2. Establishing the Fund

The Fund was established under an international agreement between the Irish and British Governments in 1986 as an independent international organisation. Since its establishment, total resources committed to the Fund have exceeded £668 million. Whilst the United States of America and the European Union have been the major contributors over the period, Canada, New Zealand and Australia have also provided contributions.

*"When the International Fund for Ireland was established in 1986, following the historic Hillsborough Agreement of the previous year, no-one was quite sure how long the Fund would last."<sup>1</sup>*

By 1986 the island of Ireland had been living through almost two decades of conflict. The conflict brought significant levels of conflict related death (estimated at 3,568 between 1969 and 2010),<sup>2</sup> injury and destruction specifically across Northern Ireland and the southern border counties of Louth, Monaghan, Cavan, Leitrim, Sligo and Donegal. In this context, social segregation intensified as did social disadvantage and economic decline. At a wider level the region was also *"burdened with political deadlock and an unfavourable international image"*<sup>3</sup>

## 1.3. "Tilting the strategy"

When the Fund was established its primary objectives fell into three main priorities:

- Creating economic opportunities;
- Focusing on disadvantage and need; and
- Promoting contact, dialogue and reconciliation.

Section 3 shows the Fund has achieved considerable impacts against each objective.

Since 1986, while remaining true to these objectives, the emphasis of the Fund has been refined. In particular it is possible to observe the tilting from activity with an economic dimension to activity more centred upon contact, dialogue and reconciliation. As this report will show, this emphasis change reflects the bigger picture as the region moves from economic difficulties and bloody conflict, through fragile political agreement, towards stronger economic conditions, more robust political governance and much reduced violence.

1. McCreary, Alf (2008)  
*A Fund of Goodwill –  
The Story of the  
International Fund for  
Ireland*

2. <http://cain.ulst.ac.uk/sutton>

3. McCreary, Alf (2008)  
*A Fund of Goodwill –  
The Story of the  
International Fund for  
Ireland*

#### 1.4. The strategy story

During the first phase of its operations, the Fund established six key programmes to meet its three priorities:

1. A Business Enterprise Programme to stimulate job creation.
2. A Tourism Programme to develop one of the region's principal growth industries.
3. The Urban Development Programme with the objective of revitalising town centres.
4. An Agriculture and Fisheries Programme to stimulate new enterprises.
5. A Science and Technology Programme to emphasise practical research likely to lead to early economic benefits.
6. The Wider Horizons Programme to encourage new skills through practical work experience, training and education overseas.

Over time these programmes were adapted and developed to reflect opportunities in the changing political and economic environment and help embed progress made.

The second objective of the Fund was to target disadvantage and need. By 1995 over 70 per cent of the Fund's disbursements were invested in areas designated as disadvantaged. This proportion has been close to 90 per cent since 2000.

In 2000, the Fund structured and delivered a comprehensive range of programmes framed around three priority areas:

- Community Capacity Building.
- Regeneration of Deprived Areas.
- Economic Development.

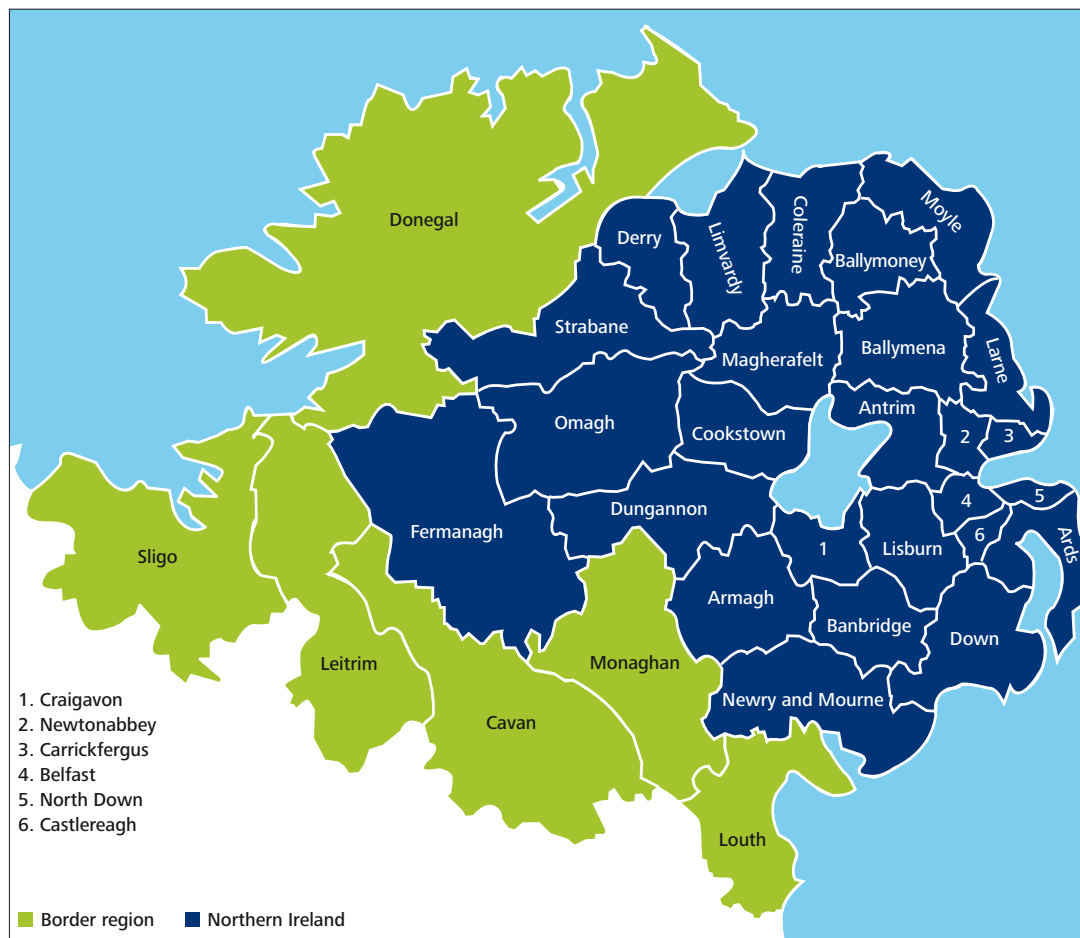
In total, 16 programmes were developed within these priority areas. Seven under Community Capacity Building, four programmes under Regeneration of Deprived Areas and five under Economic Development.

At this time, there was also a slight change in the emphasis of the work of the Fund. The Community Capacity Building priority took the lead as the focus shifted from economic development towards reconciliation. Independent reviews of the Fund recorded that progress made in the early years of the Fund relating to economic development, provided the platform for reconciliation to be embedded within communities. This in turn created further opportunities for peace building and community relations work as the wider economic, political and social environment across Northern Ireland and the southern border counties continued to progress.

In January 2006, a new strategy entitled “Sharing this space – a strategic framework for action 2006-2010” was outlined by the Fund. The new strategy has provided a greater emphasis on reconciliation while continuing to deepen the foundations of political and economic progress across the region. In moving its emphasis further towards reconciliation the Fund has sought to “capitalise on its independence from the two governments and its consequent acceptability in the most disadvantaged communities across the political spectrum”.<sup>4</sup> It is recognised that issues relating to marginalisation and disadvantage within certain communities create conditions which will favour those elements intent on fuelling conflict. The Fund’s independence and acceptance has allowed it to play a positive role in supporting such communities.

The “Sharing this Space” strategy extended the existing community programmes, with a view to building a sustainable infrastructure for reconciliation operating beyond the Fund’s lifetime. Much of the Fund’s traditional economic-based activities ceased, with resources diverted towards grassroots community development.

**Figure 1.1. Map outlining the target areas of the Fund**



<sup>4</sup> Sharing this Space – A Strategic Framework for Action 2006 – 2010

# 2. Context – Coming out of conflict

## 2.1. Introduction

To understand the role and impact of the Fund, it is critical to understand the political and economic context in which the Fund has been operating.

## 2.2. The Peace Process – an ongoing process

Conflict in this part of the island of Ireland stretches back for centuries, however the period of violence following 1969 greatly increased the levels of division between the two main communities in Northern Ireland and the southern border counties. The Fund was established in 1986, in connection with initial political efforts to resolve the conflict, which remained violent.

Since the establishment of the Fund in 1986, society in Northern Ireland and the southern border counties has changed significantly. Notably, the political landscape has fundamentally altered following the signing of the Belfast or 'Good Friday' Agreement ('the Agreement') in April 1998. This Agreement, which was preceded by the first paramilitary cease-fires in 1994, has resulted in the establishment of new institutions of government including the Northern Ireland Assembly, a power sharing Executive and the creation of a number of cross-border implementation bodies.

It is important to remember that although levels of violence remain comparatively low, the peace process has not been without difficulties. Both communities across the region have struggled with adapting to changes envisaged under the Agreement. This is demonstrated by the fact that the Northern Ireland Assembly was suspended a number of times between 1999 and 2002 and then for a prolonged period of between October 2002 and May 2007. While there is political progress in the Agreement between the leading parties, it is also well documented that there is not a perfect peace and significant levels of sectarianism, division and segregation remain.

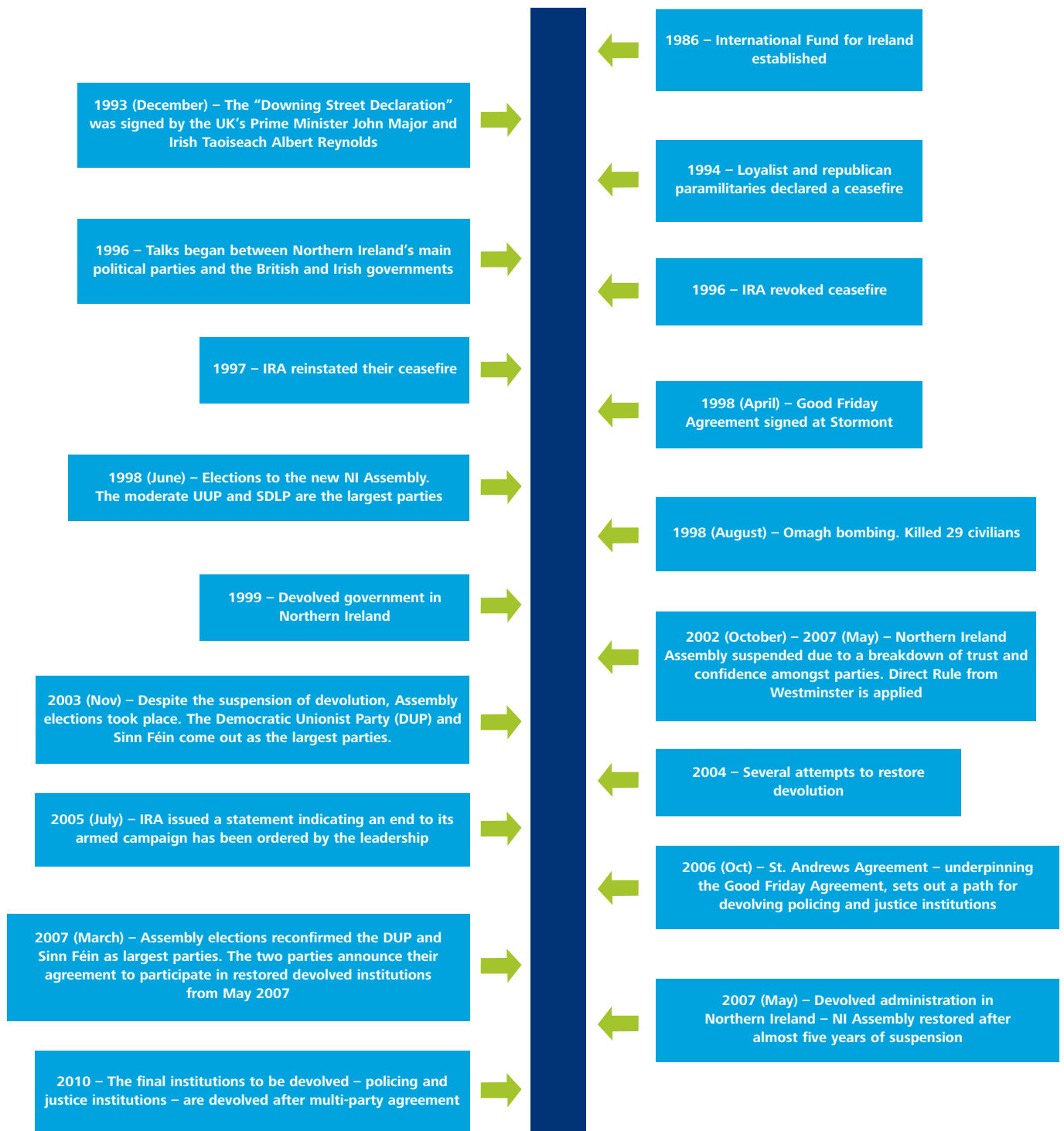
This reflects international experience which highlights that while a peace agreement is a key step, the post-agreement period is a critical period for building a strong, yet flexible system that can hold up against challenges. Hence the need for an ongoing process to build and sustain peace

## 2.3. The journey through key political events from 1986-2010

The island of Ireland has been on a considerable journey since 1986. Politically the island has seen a peace process take hold, bringing an historic political Agreement in 1998, with North-South and East-West dimensions, and devolved government in Northern Ireland in 1999. Figure 2.1 presents key political events in the lifetime of the Fund.



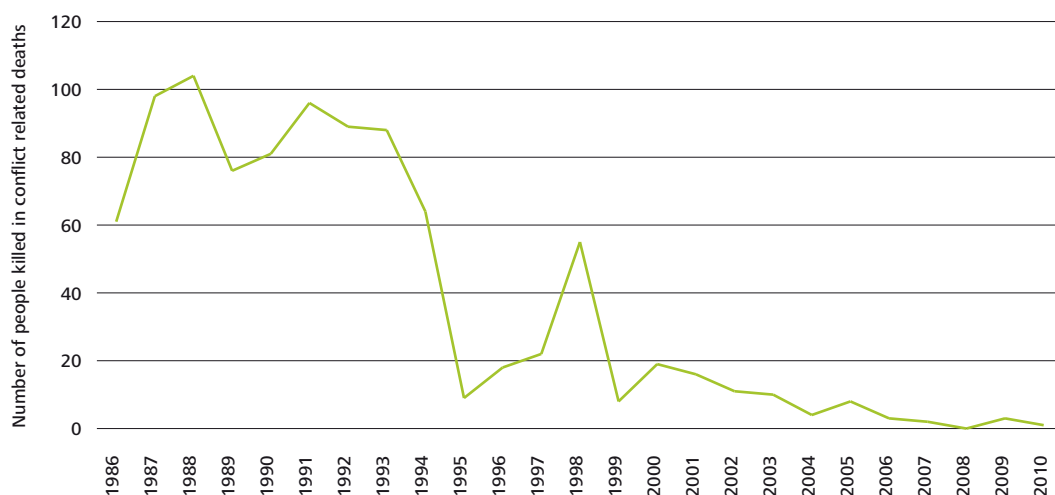
Figure 2.1. Key political events in the lifetime of the Fund



#### 2.4. Decreasing levels of conflict related death

Before 1986, there were high levels of conflict and unemployment. When the Fund was established it aimed to promote economic and social advance in Ireland. Figure 2.2 shows the total conflict related deaths in Ireland between 1986 and 2010 and key political events at the time. In the year the Fund was established, 1986, there were 61 deaths that were related to the conflict. The level of conflict related deaths has fluctuated over the last four decades, however the trend is a decreasing one. The timing of key historical events has been mapped onto Figure 2.2 to show the link between progress on the political environment and reducing conflict related deaths.

Figure 2.2. Conflict related deaths in Ireland between 1986-2010



Source: CAIN (Conflict Archive on the Internet) figures before 2002 taken from the Sutton Index. 2002-2008 from CAIN's draft list (Cases in which it was uncertain if the death was conflict-related have not been included), 2009 from press cuttings  
Datalink: <http://cain.ulst.ac.uk/sutton>

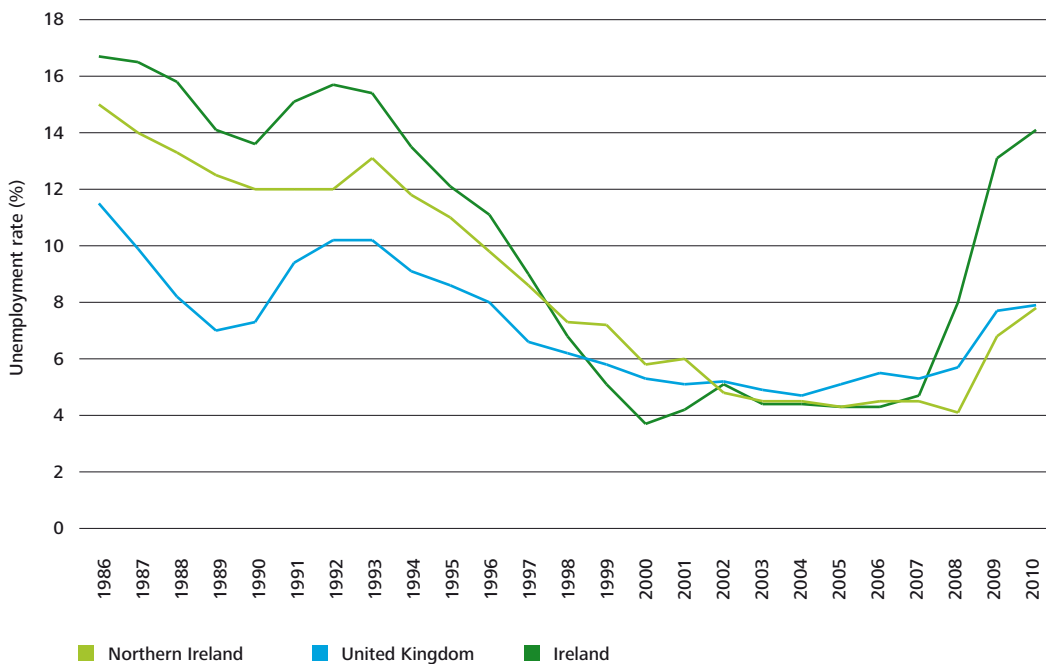
The level of conflict related deaths has fluctuated over the last four decades, however the trend is a decreasing one.



## 2.5. Fluctuating unemployment levels

Figure 2.3 illustrates the unemployment levels between 1986 and 2010 in Northern Ireland, UK and Ireland.

Figure 2.3. Unemployment levels in Northern Ireland, UK and Ireland 1986-2010



Source: [http://www.detini.gov.uk/january\\_2011\\_lmr.pdf](http://www.detini.gov.uk/january_2011_lmr.pdf)  
[http://epp.eurostat.ec.europa.eu/portal/page/portal/employment\\_unemployment\\_ifs/introduction](http://epp.eurostat.ec.europa.eu/portal/page/portal/employment_unemployment_ifs/introduction)

Not unsurprisingly the unemployment rate in Northern Ireland was much greater than the rest of the UK in 1986, when the Fund came into being. It was clear the conflict was having substantial impact on the economic development of the region. It is also notable that the unemployment rate in Ireland was higher again than Northern Ireland until the late 1990s. The southern border counties in which the Fund operated would traditionally have also had higher rates of unemployment than the national figure. Hence the region the Fund has focused on has faced significant unemployment.

The movement from conflict to peace has brought with it an economic dividend (see Section 2.7). For example in Northern Ireland, from around the time of the ceasefire in the mid-1990s, employment grew and unemployment fell. By 2002 unemployment was less than the UK average for the first time in decades, and by the end of 2007, people claiming unemployment benefits was less than a quarter of its mid-1990s peak. Since then Northern Ireland, along with most of the developed world, has slipped into recession, with sharp falls in employment and rises in unemployment.<sup>5</sup>

<sup>5</sup> <http://www.detini.gov.uk/index/deti-home-economic-overview1.htm>

Even with economic growth, there are still some areas, groups and individuals who have not engaged with the process of economic growth and development. In remote and rural areas, run down inner city areas, both in Northern Ireland and the southern border counties, there are marginalised groups and individuals who have not experienced the benefits of economic growth. These communities often say they have not enjoyed any part of the economic dividend peace has brought, and several still experience paramilitary influence. This reinforces the Fund's commitment to investing in projects in designated disadvantaged areas.

### 2.6. Changing hearts and minds

While it is clear violence has reduced substantially and the region has enjoyed a period of economic development, the challenge of changing hearts and minds is more difficult. The Northern Ireland Life and Times survey<sup>6</sup> and its predecessor, the Northern Ireland Social Attitude survey, provide a record of the attitudes, values and beliefs of the people in Northern Ireland to a wide range of social policy issues. Table 2.1 shows results to three questions which have been asked since 1989.

Respondents were asked about relations between Protestants and Catholics. The overall trend is that relations between Protestants and Catholics are better today, than they were twenty years ago. Sixty per cent of respondents in 2009 agreed that relations are better now than they were five years ago, compared with 21 per cent in 1989.

Respondents were asked whether they would prefer to live in a neighbourhood which was exclusively populated with people of their own religion or in an area with residents of mixed religions. The survey results show an increase in the percentage of people who would prefer to live in a mixed-religion neighbourhood (80 per cent in 2009) and a slight decrease in preference to live in an area populated with people of their own religion (17 per cent in 2009).

The third question highlighted the percentage of people preferring mixed-religion schools increased from 53% in 1989 to 62% in 2009. This is consistent with a drop in preference for own religion only schools, which in 1989 was 39% and decreased to 32% in 2009.

It should be noted that these are attitudinal questions. Behaviours relating to choosing where to live, or what school to send your child to, remain more conservative than the attitudinal survey results.

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<sup>6</sup> Northern Ireland Life and Times (NILT) website  
<http://www.ark.ac.uk/nilt/>

**Table 2.1. Changes in attitude over time**

<b>Are relations between Protestants and Catholics better now than 5 years ago?</b>					
	<b>1989</b>	<b>1996</b>	<b>2000</b>	<b>2004</b>	<b>2009</b>
Better	21%	46%	42%	56%	60%
Worse	28%	11%	12%	7%	4%
About the same	47%	42%	41%	35%	35%
Don't know	2%	–	3%	2%	1%
<b>Would you prefer to live in a neighbourhood with people of only your own religion?</b>					
	<b>1989</b>	<b>1996</b>	<b>2000</b>	<b>2004</b>	<b>2009</b>
Own religion only	23%	15%	22%	19%	17%
Mixed-religion neighbourhood	70%	82%	70%	80%	80%
Other	1%	–	3%	1%	1%
No preference, would not mind	–	–	–	–	2%
Don't know	5%	4%	5%	1%	0%
<b>Would you prefer a school with children of only your own religion?</b>					
	<b>1989</b>	<b>1996</b>	<b>2000</b>	<b>2004</b>	<b>2009</b>
Own religion only	39%	34%	35%	34%	32%
Mixed-religion school	53%	62%	55%	61%	62%
Other	1%	–	2%	1%	5%
Don't know	8%	5%	8%	3%	1%

Source: 1989 and 1996 results – The Northern Ireland Social Attitudes Survey, 2000, 2004 and 2009 results – The Northern Ireland Life and Times Survey

## 2.7. The Fund has worked alongside other interventions

The Fund has been one of several efforts to improve the economic and social environment in Northern Ireland and the southern border counties including donations from philanthropy, investment from the public and private sector, voluntary efforts from communities and individuals and efforts from politicians. Attempts were made to end or minimise conflict through the promotion of cross-community and cross-border co-operation as well as addressing contentious issues such as high unemployment levels.

The European Union Peace and Reconciliation Programme comprised of three PEACE Programmes. PEACE I ran from 1995-1999, PEACE II ran from 2000-2006, and currently the PEACE III programme is underway, running from 2007-2013. The main aim of the EU PEACE Programmes has been to reinforce progress towards a peaceful and stable society and to promote reconciliation. Notably the iterations of the PEACE Programme have taken a similar course to the International Fund for Ireland, in that successive PEACE Programmes have reduced emphasis on economic development and increased emphasis on reconciliation outcomes. Overall the EU PEACE Programme will provide approximately £980 million<sup>7</sup> for peace building activities in Northern Ireland and the southern border counties between 1995 and 2013.

Additionally the US based Atlantic Philanthropies has been active in Ireland, north and south, with a specific programme focused on reconciliation.

<sup>7</sup> This is the proportion from EU funding and does not include match funding by domestic Government. Source: Special European Union Programmes Body

# 3. What has the Fund achieved?

## 3.1. Introduction

This section describes the outputs and outcomes of the Fund, highlighting the impact the Fund has made over its lifetime. It also provides details on a range of programmes and projects through the use of case studies to illustrate the achievement of their overall objectives.

## 3.2. Impact of the Fund over the last 25 years

Key findings from external reviews since 1986 include:

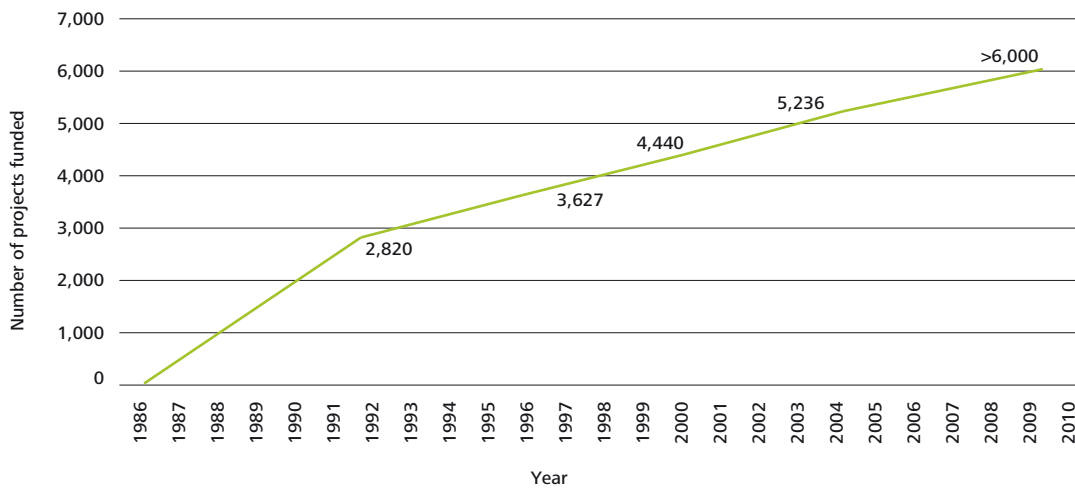
- From 1986 to 2010, a large number of individuals and communities have participated in cross-community and cross-border programmes and projects as a result of Fund interventions. The following provide a sense of the scale:
  - Number of young people on youth interventions – approximately 30,000 across a range of programmes, including:<sup>8</sup>
    - Wider Horizons – c. 16,500 since 1986
    - LET – c. 4,500 since 2003
    - KEY – c. 8,000 since 1999
    - GRIT – c. 250+ since 2007
  - Since 2006, the Sharing in Education Programme has involved more than 60 schools, 100 teachers and 2,500 students through 12 partnerships.
  - The Respecting Difference Programme alone will have engaged with more than 5,000 pre-school children and parents and 240 pre-school teachers between 2009 and 2012.
- In terms of impact on employment, Fund records indicate 41,772 direct jobs and 16,537 indirect jobs have been created.
- Since 2000, almost 90 per cent of projects are identified as being within areas formally designated as disadvantaged.
- Between 1986 and 2000 when the focus of the Fund was on Economic Development:
  - cumulatively to the end of September 1997 more than 8,000 individuals had been engaged in the Boards and Management Committees of Fund supported cross-community and cross-border business development programmes;
  - by 2000, 1,494 companies had participated in cross-border business development programmes;
  - more than 2.65 million square feet of small business workspace had been provided; and
  - 121 strategic alliances have been formed between businesses in Northern Ireland and the border counties of Ireland and their counterparts elsewhere in Europe, in North America, Australia and New Zealand.

<sup>8</sup> Note: Other interventions such as the Shared Education Programme, Communities in Transition, CBESR etc have also had a significant impact on young people as part of the wider activities of the projects on the ground

In this section, case studies have been included to illustrate how the Fund's activities target breaking the cycle of disadvantage and division by investing in projects in disadvantaged areas, aiming to increase dialogue and reconciliation by promoting cross-community and cross-border participation and by creating direct and indirect employment associated with these projects.

### 3.3. A large number of projects

Figure 3.1. Total projects funded by Fund

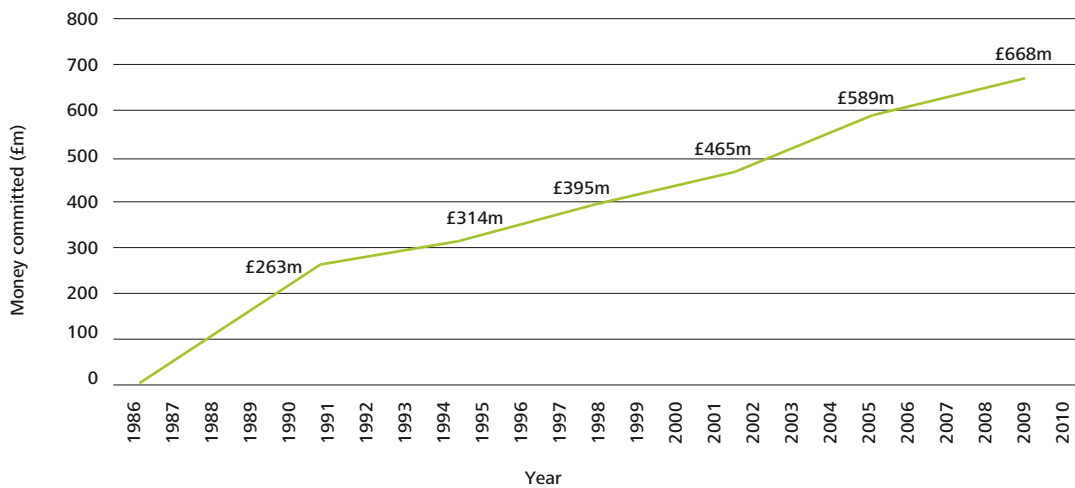


Source: International Fund for Ireland

Between 1986 and 2010 the resources committed by the Fund have funded programmes developed to create economic opportunities, focus on disadvantage and need, and promote contact, dialogue and reconciliation. These programmes in turn have supported over 6,000 projects since 1986 to the present day.

### 3.4. Total spend by the Fund

Figure 3.2. Total funding contributed by the Fund



Source: International Fund for Ireland

Since 1986 the Fund has contributed over £668m to over 6000 projects in Northern Ireland and the southern border counties. The Fund has been successful in building its reputation and awareness of its efforts. This has led to its continued success in leveraging funds<sup>9</sup> (see Section 3.10) from a range of sources, and increasing the total effort put into achieving its core aims.

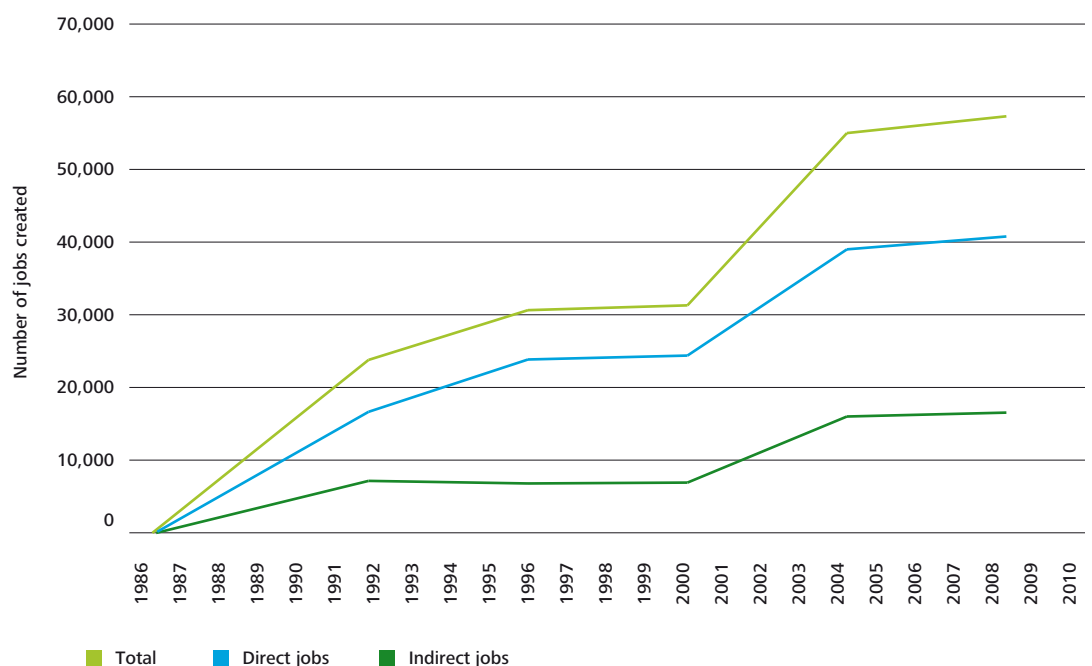
### 3.5. Helping create employment

Another output measure of Fund activities is the potential employment impact as a result of Fund commitments. One of the strategic objectives of the Fund is to deal with the problems of the economically inactive and long-term unemployed. It is clear from Figure 3.3 that there has been significant employment impacts as a result of interventions over the Fund's lifetime.

As Section 2 highlighted, during the height of the conflict there were exceptionally high levels of unemployment in Northern Ireland and the southern border counties. It was a difficult time to attract investment and create jobs, not least because of the conflict and the threat of violence. Unemployment and lack of opportunity also led to conditions in which certain people were more vulnerable to becoming active participants in the conflict.

Therefore in its early phase, the Fund's contribution to the creation of jobs was critical. Based on Fund records, and Fund assumptions relating to indirect jobs, over 55,000 direct and indirect jobs have been created that would not have been possible without the support from the Fund.

Figure 3.3. Creation of direct and indirect jobs



Source: International Fund for Ireland

<sup>9</sup> Estimated to be £441m based on an average financial leverage over the lifetime of the Fund of £1.68 for every £1 committed by the Fund

### 3.6. High levels of community participation

A key objective of the Fund is to promote contact, dialogue and reconciliation between communities. Contact, dialogue and reconciliation can help develop relationships, understanding and trust which contribute to stronger community relations. The communities targeted include those who have had limited experience in accessing funding and are very largely located in designated disadvantaged areas.

There are two case studies below which describe two programmes which engage communities on the ground.

#### Case study 1 – The Community Leadership Programme (2000)

The Community Leadership Programme (CLP) provides an illustration of the Fund introducing innovative and effective programmes in response to identified needs. The rationale for the Programme was the observed failure of some communities, particularly in Protestant areas, to take advantage of the opportunities for community-led economic regeneration, despite the availability of significant funds for such purposes.

The CLP is a cross-community and cross-border programme which focuses particularly on community based organisations in areas usually designated as disadvantaged. Within one of its phases between 1997 and 2000 CLP supported 108 projects and over 500 individuals. An example of a community which benefitted during this phase of CLP is Beragh, a remote rural village in County Tyrone. As a result of the local community association's involvement in the CLP it established cross-border links with a counterpart organisation in County Monaghan. The organisation in County Monaghan had previously organised a literary trail similar to one which the Beragh community association wished to establish. The initiative helped develop links for the first time with the nearby largely Protestant village of Sixmilecross. As a result of those links, the annual Community Festival now alternates between Beragh and Sixmilecross on a cross-community basis.

#### Case study 2 – The Shared Neighbourhood Programme (2010)

From the Shared Neighbourhood Programme (SNP) case study in the Annadale area of inner-city Belfast there is evidence of not only cross-community working but cross-community living. The area is a community of mixed religion and ethnicity as well as being identified as an 'Area at Risk' because there was a high level of segregation. Through the SNP, discussions were undertaken with a number of community representatives from a wide range of organisations such as Ballynafeigh Community Development Association, the Annadale Residents Association, Engage with Age, the Chinese Welfare Association, Churches and the Orange Order. A number of cross-community activities took place to improve community relations and a Good Relations Strategy has been put together. While there is still work to do, one indicator of the impact the SNP has had to date in the area is that the Orange Order has been keen to engage and are supportive of the funding application (from a range of groups) to a programme which could de-militarise the facade of the Annadale flats. This application has been approved.



### 3.7. The challenge of removing sectarianism

Removing sectarianism is perhaps the most challenging outcome to evidence with regards to Fund activities. However, the promotion of cross-community (including cross-border) contact, dialogue and reconciliation and resultant cultural learning and understanding, creates the conditions within which sectarianism is less likely to occur.

#### Case study 3 – Community-based Economic and Social Regeneration (2010)

The Community-based Economic and Social Regeneration project in Kilkeel provides evidence of the potential of Fund activity to support the removal of sectarianism. Kilkeel, a small fishing town in County Down, has suffered underlying sectarian issues for many years. Parades are often viewed as a demonstration of 'ownership of the town' and the source of tension. The Loyal Order and Hibernian parades often see protests whilst local residents indicate that sectarian fighting and attacks are commonplace.

Since it began in 2010 the project has targeted over 150 young people (aged 12-18 years) from both communities via a range of residentials, trips, workshops and activities. While the young people have not experienced the full extent of the conflict themselves, they are influenced by their communities' experiences and especially the fears, mistrust and prejudices of their families and their friends. These activities have provided opportunities to learn about each other, develop friendships and break the cycle of sectarian thinking.

The project has built upon a previously successful Fund project which provided Kilkeel with a new youth centre. This centre has been used as a shared space to house a number of the current project activities and as a result has supported sustained peace-building and reconciliation impact in the Kilkeel area.

The Wider Horizons Programme which was developed to encourage new skills through practical work experience, training and education overseas has helped to improve relations between communities. The Programme focused on bringing young people from different backgrounds, in particular disadvantaged areas, together. This was to have dual impact. Firstly that of encouraging those involved to widen their outlook, and secondly, to provide an opportunity to understand and appreciate the similarities that they share with their peers from different communities.





#### **Case study 4 – Wider Horizons Programme**

The Wider Horizons Programme (WHP) has been designed to empower locally unemployed 18-28 year olds, living within Northern Ireland and the southern border counties, who are disadvantaged either socially or economically or through limited academic achievement or unemployment. The programme aims to provide them with new skills, direction and enhanced employment opportunities while embracing the spirit of cross-border, cross-community multiculturalism.

Since it began in 1986, approximately 16,500 young people have completed the Wider Horizons Programme in destinations such as Canada, America, Europe and South Africa. Evaluations are completed with participants on a regular basis and throughout the three stage approach to ensure their progress in terms of attitudinal change/behaviour are effectively captured and the later stages of the projects provide an opportunity for participants to put what they have learnt into practice. Independent evaluations repeatedly identify WHP as a successful intervention which *“provides an excellent package of support and personal development, delivering mutual understanding”*.

### **3.8. Capital projects connecting communities**

The Fund has supported the delivery of a number of ambitious and iconic capital projects within the region. These have provided symbolic and tangible spaces for connecting individuals and communities. Two very different examples, one from the Fund’s early days and one currently being supported are highlighted below.

#### **Case study 5 – Shannon-Erne Waterway (1989)**

The Shannon-Erne Waterway was one of the first Flagship projects which the Fund supported. This project proved to be of considerable practical, economic and symbolic importance. The project involved redevelopment of the disused 19th Century Ballyconnell and Ballinamore Canal and opened up a link between the Lough Erne and Shannon Waterways. This project brought regeneration to an area that has suffered from long-term economic neglect.

This initiative by the Fund, which was taken well before the paramilitary ceasefires or political breakthrough seemed possible, provided a tangible link across the border and demonstrated that economic progress and greater understanding between all communities go hand in hand.

Funding for the project came from the Fund, and a variety of other stakeholders including the EC, the Electricity Supply Board, the Northern Ireland authorities and the Irish Soldiers’ and Sailors’ Fund. The official opening of the canal took place on 23rd May 1994. This flagship project helped not only individual families but entire communities, while also developing cross-border co-operation in tourism.

### Case study 6 – The Skainos Project (Ongoing in 2011)

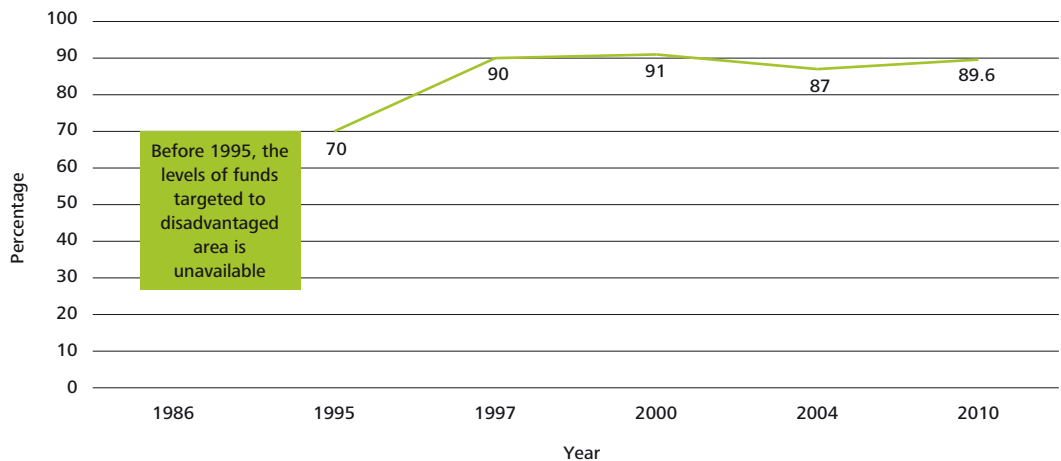
The Skainos Project is an urban regeneration project in inner East Belfast which will provide shared space for community transformation and renewal.

The Fund provided the Skainos Project with funding towards the development of a two acre site on the Lower Newtownards Road in Belfast. The development will regenerate the area, build confidence, improve community relations, and help provide a ‘bridge’ from the city centre to the Odyssey/Titanic developments. The Fund is supporting the community and cross-community facilities and the development will also include social housing and a homeless hostel which are being funded by others.

The development will also allow expansion of cross-community education and training programmes with the relocation of part of the Belfast Institute into the Skainos complex. The development is helping to provide a stronger link between different religious communities in east Belfast, assisting people from both sides of the community to access the labour market.

### 3.9. A focus on disadvantaged areas

Figure 3.4. Funds targeted to disadvantaged areas



Source: International Fund for Ireland

Early in the Fund’s lifetime, the Board identified that Fund activity should focus on areas formally designated as disadvantaged. This was a result of evidence that disadvantaged areas, both protestant and catholic, suffered the worst impact of the violence and often have not enjoyed a proportionate peace dividend. Characteristics of these areas include inter-generational unemployment, low educational achievement, low levels of skills and qualifications and poor health. There is often a history of paramilitarism in these areas, and where the two communities co-exist, physical barriers dividing the communities can still dominate.

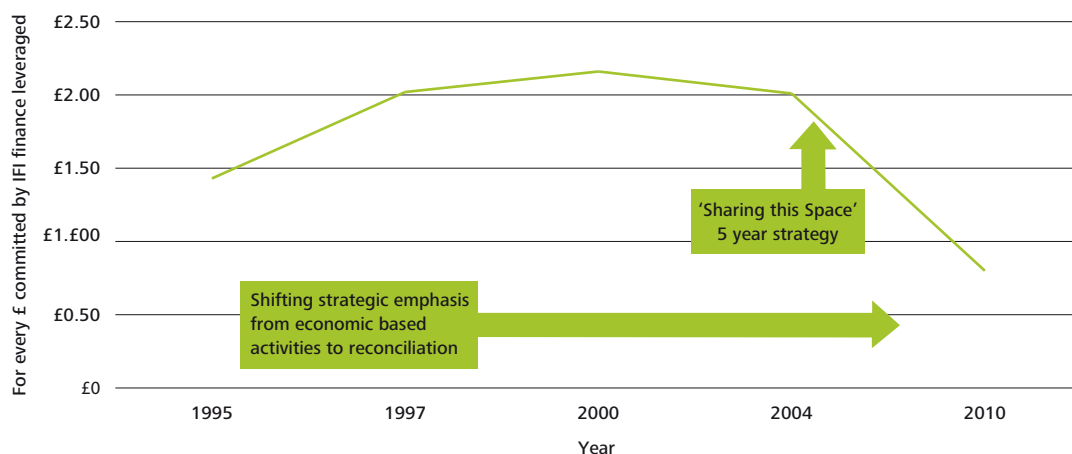
The Board recognised that unless the economic and social profile of these communities is positively transformed, the reality of a fully peaceful and healthy society will not be complete. Figure 3.4 illustrates how the Fund has developed and maintained a significant focus on these disadvantaged areas.

### 3.10. The ability of the Fund to lever other funds in support of its activities

The Fund has been successful in leveraging funds from both public and private sources, nationally and internationally. The ability of the Fund to lever funds in support of its activities varied between programmes, reflecting the ability of the recipients of Fund support to gain access to other funding. In general, leveraged ratios were lower in community based programmes in which there was a limited incentive for the attraction of private finance. In 1995, for each £1 committed by the Fund, £1.43 funds were attracted on average. In 2000, for every £1 of donor funds committed, projects assisted by the Fund levered in a further £2.16 of public, community and private funds. Financial leverage has more markedly fallen since 2005, however this is to be expected with the shift in strategic emphasis from economic development to reconciliation.



Figure 3.5. The financial leverage of the Fund



Source: International Fund for Ireland

It is worth noting that the Fund has historically been viewed as “the first money on the table” – however increasingly in the period since 2004 as other funding has reduced the Fund has been “the only money on the table”.

Early in the Fund’s lifetime, the Board identified that Fund activity should focus on areas formally designated as disadvantaged.

### 3.11. Space to work

By 2000, 2.65 million square feet of small business workspace accommodation had been provided in Fund-supported projects. In more recent years the Fund has moved away from supporting the development of workspace units.

In the Fund's earlier years, the focus on economic development, especially in areas where conflict was a barrier to private sector investment, gave individuals and communities the opportunity to gain new skills and employment. Research and commentators have highlighted the interconnection between efforts to transform hearts and minds and the need to offer people opportunities, including economic opportunities.

In supporting business development and employment the Fund has facilitated people to work alongside and engage with people from different communities. Hence economic and community relations outcomes were achieved.

#### **Case study 7 – Business development – 2000**

Merenda is a private company established in 1984 in Manorhamilton, County Leitrim, a remote rural area offering few alternative employment opportunities. Merenda produces wood, veneer and plastic edgings for use in furniture and related industries.

In 1990 Enterprise Equity Ireland Ltd., one of the Fund's two venture capital companies, provided substantial seed capital to acquire modern equipment enabling Merenda to enter international as well as domestic markets. Enterprise Equity subsequently undertook another substantial round of funding subsequent to which Merenda was able to move to a new production facility in Manorhamilton and further widen its product range.

Merenda has participated in other Fund Programmes, including its North American Partnership Programme and the RADIANE Programme which respectively enabled the company to enter North American markets and to develop new products.

Today Merenda employs 50 staff and exports its products to the United States and Canada, Great Britain and the Middle East in addition to its domestic sales in Ireland. Merenda views the Fund as a highly supportive organisation which is distinctive in its flexibility and supportiveness to companies in disadvantaged and remote rural areas.

# 4. Conclusions

## 4.1. Introduction

This section presents overall conclusions as to what can be learned from the Fund's achievements, where we are now and what challenges remain in Northern Ireland and the southern border counties in looking forward.

## 4.2. The Fund's journey in context

The findings within this report need to be put into the context of the Fund's journey. Upon its establishment in 1986 there was no certainty that it would last for more than a few years. A quarter of a century later the Fund is still very active.

From its initiation it followed a multi-faceted approach in its pursuit of dual goals of (i) contact, dialogue and reconciliation and (ii) economic and social advance. Previous independent reviews have consistently been positive on many issues, commending the Fund on its positive impact on economic development, regenerating deprived areas, building community capacity and developing trust and understanding between protestant and catholic individuals and communities. These have been identified and articulated as the Fund's traditional strengths. The independent reviews highlight that significant proportions of these outcomes would not have been achieved in the absence of the Fund.

The Fund has not operated in a vacuum. The island of Ireland has also been on a considerable journey since 1986. On the political dimension the island has seen a peace process take hold, bringing a political agreement in 1998, with North-South and East-West dimensions, and devolved government in Northern Ireland. There have often been struggles and failures, and there continues to be some degree of fragility. It is also well documented that there is not a perfect peace and there remain those who wish to set the process back.

The context of the Fund has also been influenced by considerable economic change. During the early years of the Fund, the region suffered from poor economic conditions, including chronic unemployment. The Fund provided jobs, often in disadvantaged communities, often where the option of joining a paramilitary organisation was a viable one.

Since the 1990s the Irish economy has enjoyed several years on a crest of a 'Celtic Tiger' wave only to come back to earth with a bump with the recent global recession. The southern border counties, while not experiencing the absolute highs of the Celtic Tiger did benefit, and have also suffered in the recession. These counties continue to struggle with high levels of unemployment, including long-term unemployment and varying degrees of out-migration. Northern Ireland has continued to be well known for the size of its public sector, with many calling for an increased private sector. The private sector will become even more important as Northern Ireland and the Irish Government face several years of significant public funding cuts. During the period of economic growth, the Fund increased its focus on hearts and minds, leaving the market to provide employment and economic development. This has seen work with hard to reach and low capacity communities, children and young people often in environments where stories can be shared and relationships built with those from other communities. In many cases relationships have been developed between communities that previously never engaged with each other, and likely would not have in the absence of Fund intervention.



The voluntary and community infrastructure, particularly in Northern Ireland, has developed substantially over the past few decades. The Fund has played an important role in this development. In turn the voluntary and community sector has played a distinctive role in supporting and serving communities during the years of conflict and helping move communities out of conflict. While the community capacity amongst the Catholic communities was often stronger and better prepared to access funding, many Protestant communities faced similar problems but didn't possess the community capacity to access support. This was recognised (e.g. by the EU PEACE programme) and the Haase report for the Fund showed that between 2001-2007 the Protestant community share of funding was almost 48.1 per cent. This was higher than other funding programmes including the EU PEACE II, indicating the Fund had successfully accessed lower capacity Protestant communities.

### **4.3. Sharing the load**

A key aspect of the Fund involves its track record of being "the first money on the table", with a track record of leveraging other (often financial) support in meeting its aims. This has included government and other funding programmes. With more limited Government funding currently available, it is more and more "the only money on the table".

On a number of occasions the Fund has also been able to "keep money on the table", levering in other funding, enabling projects to be completed which were reported by project promoters as very likely to have been abandoned without the support of the Fund. This is evidenced across several of the external reviews and highlights the additionality associated with Fund intervention. At a project level, surveys undertaken in the most recent reviews highlight that in the significant majority of cases, project impacts were additional as many projects would not have been able to proceed without Fund intervention.

The Fund however shares similar goals and values to other funding programmes in Northern Ireland and Ireland. For example The Atlantic Philanthropies through its Rights and Reconciliation Programme is active in both jurisdictions on this island while the EU PEACE III Programme is focused on Northern Ireland and the six southern border counties. The Fund has often worked in tandem with these and other funders (e.g. a major programme entitled Sharing Education Programme with The Atlantic Philanthropies). Notably both the PEACE III Programme (allocation by 2013, spend complete by 2015) and The Atlantic Philanthropies (allocation by 2016, spend complete by 2020) are considering their respective exits and legacies.

The Fund is in the process of winding down its current programmes under the Sharing This Space strategy, and this should be complete by the end of 2013. The Fund has indicated that there are still areas of work required, and if additional funding is obtained in the future then there is the potential for further peace-building work to continue.

An important aspect of the Fund has been its independence and international dimension. Over the 25 years funds have been committed from a range of sources including USA, EU, Australia, Canada and New Zealand. This money was received with relatively few restrictions and as a result the Fund's Board has been able to act with flexibility outside of the restrictions of both the British and Irish Governments and political parties. This independence mixed with the international dimension of funding has undoubtedly been a key success factor for the Fund.

Overall the Fund can be proud of the outcomes it has delivered in Northern Ireland and the southern border counties. Working with others, the Fund has been an integral part of the peacebuilding process.

#### 4.4. The end of the road?

Just as peace processes in other regions of the world need to be continually worked at, there is evidence of an ongoing need to provide support to sustain and develop peace in Northern Ireland and the southern border counties.

In recent times while less frequent than previous decades, the region has observed and endured the bitter consequences of sectarianism and violence, including rioting, shootings and bombings.

In addition, there remains structural division in society. It is reasonable to question how continued high levels of segregation education and housing support conditions for a long-term shared future.

Many local communities still suffer a legacy of economic and social deprivation, with several still experiencing paramilitary influence. Some have had limited engagement with wider peace building processes.

Looking forward, the impact of government spending cuts, uncertainty of budgets to implement future policies (including policies underpinning community relations in the region) and the reduced employment opportunities for the wider public all create a risk of increased community unrest leading in turn to an increased risk of a return to violence. Those communities who are currently most disengaged and deprived appear at most risk of such instability.

These factors all highlight the rationale for a determined, creative and ongoing process that sustains and builds upon the peace this region in Ireland has achieved.



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Designed and produced by The Creative Studio at Deloitte, London. 12604A

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