

Opinion of the European Economic and Social Committee on The role of the EU in the Northern Ireland peace process (Own-initiative opinion)

(2009/C 100/16)

At its plenary session of 12 and 13 December 2007, in application of article 19(1) of the Rules, the EESC set up a subcommittee with the task of drawing up an own-initiative opinion on

The role of the EU in the Northern Ireland Peace process.

The Subcommittee on The role of the EU in the Northern Ireland peace process, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 23 September 2008. The rapporteur was Ms Jane MORRICE.

At its 448th plenary session held on 22 and 23 October 2008, the European Economic and Social Committee adopted the following opinion by 151 votes to one with two abstentions.

1. Conclusions

1.1 Much can be learnt from the EU involvement in the Northern Ireland (NI) peace process. The progress made since the darkest days of the region's troubled past, in social, economic and particularly political terms, has been exceptional. The security situation is improved, reorganisation of public administration is well underway, the arrival of newcomers from abroad, both migrants and tourists, not only boosts the economy but also helps challenge traditional sectarian thinking, cross-border cooperation is exceeding expectations and power sharing between former adversaries is becoming accepted as 'politically correct'.

1.2 Complacency however would be totally inappropriate at this juncture. The shocking sight of 'peace walls' dividing Catholic and Protestant communities in Belfast is a sad but realistic reminder of the serious difficulties still facing the peace process, particularly in terms of cross-community reconciliation, and of how much remains to be done. Decades of violence, hatred, suspicion, ignorance and intolerance have led to an unprecedented separation of the communities in Northern Ireland. While people may live in an 'acceptable level' of peace behind their walls, in their homes, villages, churches, schools or sports stadiums, these 'parallel lives' can only represent a transitional stage in a process towards mutual respect, understanding and harmony which may take generations to realise.

1.3 The role played by the EU in the Northern Ireland peace process was, and remains, without precedent in its history. The fact that the story of EU support for this process is relatively 'unsung' is a measure of the appropriateness of its approach. This was no vain attempt to interfere in a situation beyond its grasp or to paper over cracks. The EU peace-building method in Northern Ireland has been a unique, long-term commitment of substantial resources, strategically planned and executed, based on the principles of social partnership and subsidiarity and guided every step of the way by inclusive local consultation.

1.4 Through a combination of indirect and direct intervention, the EU has helped the peace process create the environment for a successful settlement, once the political conditions prevailed, and acted as a catalyst for a genuine peace building impact, the full extent of which is still to be realised.

1.5 The EU has made no obvious attempt to stake a claim for the success of the peace process. Yet it would be a failing if history did not place on record the value and the importance of the EU role. This is not only because EU support for reconciliation in particular should continue for years to come but also because the lessons learned from the EU PEACE Programmes could contribute to efforts to promote peace and reconciliation in other parts of the world. The EU will never have all the answers but, as proved in Northern Ireland, it does have the means and a track record to help others find them.

1.6 As the world's greatest 'role model' for peace-building, the EU, together with its Member States, have the expertise, the experience, the diversity, the resources and the reputation to support conflict resolution and peace-building wherever it is required in the world. But it has more than this. It has a duty to do so and an obligation to place peace-building at the very core of its future strategic direction.

2. Recommendations

2.1 The recommendations are divided into two distinct sections. The first covers those areas of work within Northern Ireland and the border counties on which EU support should be focussed in order to further the reconciliation process. The second covers the wider context of EU support for peace-building and reconciliation in other areas of conflict using the lessons learned from Northern Ireland outlined in the conflict resolution tool kit below.

2.2 *The Northern Ireland context*

2.2.1 The lessons learned from the Northern Ireland experience demonstrate that peace-building is a strategic and long term process. It begins with an end to violent conflict and moves through stages towards political stability, peaceful coexistence, reconciliation and ultimately social harmony, economic prosperity and a 'shared society'. EU support for this process must therefore be long-term in recognition of the fragile nature of the initial stages and of the time it takes to achieve genuine reconciliation. While the volume of EU financial assistance may diminish and become more focussed as the region emerges from conflict, the significance of the EU role as a partner in the process and its ability to develop its relations with the region in other creative ways should continue to grow.

2.3 **Recommendation 1:** The EU should retain its **long term support** for peace-building in Northern Ireland, in doing so it should place greater focus on:

- **cross-community reconciliation** in areas such as culture, the arts, sport, leisure, housing and education and the creation of employment and delivery of public services;
- **marginalised groups** working in a cross-community capacity as the main beneficiaries, providing support for **single identity work** only in exceptional circumstances where it is an essential prerequisite for building cross-community capacity;
- **victims** of the 'Troubles' to help re-build their lives, cope with trauma and share their experience with similar groups from other communities and in other conflict zones;
- supporting initiatives leading to a '**shared society**' to help reduce the need to duplicate services in housing, health, education, leisure and sporting facilities;
- the inclusion of **voluntary and community organisations, trade unions and business** at all levels of decision-making regarding EU PEACE funds;
- the restoration of those **local partnership structures** which served to bring social partners and politicians together in the initial stages of the PEACE programme;

- reducing **bureaucracy**, particularly for small-scale projects in rural and urban communities with project evaluation measured in social as well as economic terms;

2.4 **Recommendation 2:** The **European Commission Task force on Northern Ireland** should continue to focus on guiding, facilitating and supporting creative and innovative ways for the region to develop outside of those which depend on PEACE funding, such as research, knowledge transfer, education and the facilitation of international networking on conflict resolution.

2.5 *The wider global context*

2.6 The EU has a duty not only to learn the lessons from its experience in Northern Ireland but to pass on this learning to others experiencing different levels of conflict whether they are within its borders, on its borders or in the wider world. This will serve to maximise the positive role the EU can play in global conflict resolution.

2.7 **Recommendation 3:** there should be **sharing of key lessons** among EU institutions, Member State authorities and in the international arena. This should be facilitated by:

- a comprehensive data-base of best practice in conflict resolution (EP proposal);
- a compendium of PEACE programme evaluations and successful projects;
- further research into the EU role in a range of areas (internal, cross-border, and external conflict situations).

2.8 **Recommendation 4:** this could be facilitated by the establishment of a European **institutional facility for Conflict Resolution** in Northern Ireland, drawing on existing work in the area of conflict resolution both locally and internationally. The detail of this should be the subject of an EU-wide debate with social partners initiated by the EESC exploring how best to develop a conflict resolution facility with a European dimension.

2.9 **Recommendation 5:** the **toolkit** below should be adopted and further developed to help analyse conflict situations and inform the required EU intervention if, and as, appropriate. The toolkit draws together an array of instruments used by the EU that could serve as a reference point and a

resource for work involving minority protection, equality, capacity building, cross-community and cross-border cooperation and socio-economic development in other areas within the EU, on its borders and in conflict zones beyond its territorial boundary.

EU Conflict Resolution toolkit

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|-----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Diagnostic kit: Socio-economic and political analysis | Reference Manuals: Experience from elsewhere (e.g. from conflict resolution facilities) Compendium/database of programmes/projects Consideration of conflict settlement theories | Strategic visioning: Objective (supra-national) long-term view lenses combined with risk-taking approach Lessons learned applied Knowledge gained and developed Assessment of stage of conflict Determination of intervention path, depending on the stage of the conflict and the location (within EU, on its borders or beyond) |
| FINANCIAL TOOLS | | NON-FINANCIAL TOOLS |
| Big tools (macro level) | EU financed networks focussing on conflict transformation EU institutions, policies, opportunities EU ethos, methodology, example | Europeanisation (at national level) EU norms, values, institutions, procedures (including social partner involvement) Neutral Space to facilitate dialogue/build consensus. Even-handed approach to generate trust. EU peace-making model - leading by example Close partnership with major donors |
| Levers and spanners (meso level) | Bespoke EU PEACE Programmes Structural funds Skewed to target conflict resolution (defined with appropriate 'distinctiveness' criteria) Bi-lateral/cross-border cooperation Agreements and initiatives Social partnership model Programme level evaluation | Task Force (gathering local information, identifying opportunities and areas for co-operation, encouraging participation in EU-wide programmes) Partnership approach working with local political and social partners Local consultation leading to local ownership of programme design and development. Engagement of local institutions Removal of barriers using EU policies |
| Fine tuning devices (micro level) | Local delivery agents to get to grass roots Global grants to ensure local sensitivity and reach to right target Conditional funding to promote best practice Monitoring for continual learning Support for capacity building and collaboration/cooperation 'Bottom up' , cross-border cooperation – economic, social and cultural Self evaluation | Europeanisation (at local level) Social partner involvement, Citizens engagement, Community participation, Deployment of European Commission Officials Celebration of success Awareness raising using press and publicity |

3. Introduction

3.1 This Opinion seeks to tell the relatively 'unsung' story of the success of EU support for the Northern Ireland peace process, to increase understanding of the Northern Ireland experience among European civil society, and to draw up a 'tool-kit' of the methods used by the EU to promote peace and reconciliation for use in other areas of conflict, as appropriate.

3.2 The Opinion focuses mainly on EU support through the EU PEACE Programmes, the International Fund for Ireland (IFI)

and INTERREG. It examines how the funds were designed and the impact they had on the social, economic and political life of the region, focussing on support for civil society (business, trade unions, voluntary sector).

3.3 It also examines the wider opportunities provided by the EU for British-Irish political, diplomatic, and administrative cooperation and how far the 'European peace-making model' was used as a beacon for positive movement in Northern Ireland.

4. Method

4.1 Four working meetings were held, one of which was a Consultation Conference in April 2008 in Northern Ireland. The Conference gathered information from stakeholders and experts, through questionnaires and an e-consultation, enabling conclusions to be drawn based on direct experience of EU programmes and policies. In addition the Subcommittee members conducted a study tour and visited EU funded projects in Belfast.

4.2 The Conference coincided with events marking significant political progress in Northern Ireland and was attended by the First and Deputy First Minister, the Irish Minister of State and senior EU representatives involved in setting up the PEACE Programme.

4.3 A key element of this Opinion has been valuable co-operation involving the three EESC Groups, their experts and the members of the Sub-Committee from France, Spain, Italy, Ireland and the UK, the European Parliament (de Brún report) and the European Commission.

5. Background

5.1 Geography/economy

5.1.1 Northern Ireland is situated on the North Eastern corner of the island of Ireland. Covering an area of 5 500 square miles, its population, according to the last census (2001) stands at 1 685 000 of whom 53,1 % are Protestant, 43,8 % Catholic, 0,4 % 'Other' and 2,7 % no religion. This population is among the youngest in Europe with over 40 % under 29 years old. Static until recently due to net outward migration, the population is forecast to exceed 1,8 million by 2011.

5.1.2 The economy is evolving from traditional manufacturing (shipbuilding and textiles) to being more service-led and outward-looking. From 2004/05, Gross Value Added (GVA) grew by 3,5 % in real terms, just below the UK average but well below the Irish GDP growth of up to 10 % per year during its 'Celtic Tiger' years. GVA per capita is around 80 % of the UK average and unemployment has fallen to 3,6 %, down from a peak of 17,2 % in 1986. However, these statistics mask a number of serious challenges, such as the high level of economic inactivity, standing at 26,9 %, highest of all UK regions and a high dependency on public funds to support both public and private sectors, which has stymied entrepreneurial spirit (public funds represent 62 % of GVA).

5.2 Recent historical/political background

5.2.1 As a region of the United Kingdom, Northern Ireland emerged following the 'Government of Ireland Act' which brought about the partition of Ireland North and South in 1921. This created a border region on the island and marked the beginning of a process of 'back to back' living in social, economic and political terms. This division has been a source of contention between Northern Ireland nationalists (mainly Catholic) and unionists (mainly Protestant) ever since. In general, the former aspire to a united Ireland, while the latter want Northern Ireland to remain part of the UK.

5.2.2 In 1921, 60 % of the population was Protestant and 40 % Catholic. The majority Unionist community held power for almost half a century. In the late 1960s, civil rights marchers took to the streets demanding an end to discrimination. Violent confrontations and riots followed which many see as the start of Northern Ireland's recent 'Troubles'. At the height of the 'Troubles' in 1972, the Northern Ireland Parliament was dissolved and 'Direct Rule' was established from London.

5.2.3 The following decades saw numerous attempts to stabilise the situation, including reconciliation initiatives prompted mainly by civil society organisations, including trade unions. But the same period witnessed terrible violence which, after 35 years, had claimed the lives of more than 3 500 people and left many thousands more physically and mentally maimed for life.

5.2.4 The paramilitary ceasefires of 1994 paved the way for talks between the political parties. In 1998, the Good Friday/Belfast Agreement was concluded and endorsed by an overwhelming majority in separate referenda North and South of the border. The following year a Northern Ireland Executive and Assembly were set up, together with a number of North/South Bodies and devolution was restored in the closing weeks of the millennium.

5.2.5 In 2002, the Assembly was suspended and it was not until May 2007, that a devolved power-sharing Executive was restored, led by the DUP (Unionist) and Sinn Fein (Republican). The region is now experiencing its longest period of political stability for almost four decades.

5.3 EU involvement in the peace process

5.3.1 The UK and Ireland joined the European Union in 1973 at the height of the 'Troubles' and Northern Ireland was given 'special status' by being granted '**Objective One**' status although not always 'fitting the bill' in economic terms. This meant extra funding for economic and social development. This was intended as additional to UK Government funding though many claimed it was used to offset public funding requirements.

5.3.2 In the first direct elections to the **European Parliament (1979)**, three MEPs were elected from Northern Ireland (Ian Paisley, John Hume and John Taylor). In 1984, the EP published the '**Haagerup Report**' on Northern Ireland and EC Vice-President, Lorenzo Natali, promised to '*examine sympathetically the suggestion of an integrated plan for Northern Ireland and the border areas*'. He stressed, however, that he needed the go-ahead from the UK and Irish Governments.

5.3.3 In 1986, the UK and Irish Governments set up the **International Fund for Ireland** to '*promote social and economic advance and to encourage reconciliation between nationalists and unionists on the island of Ireland*'. The EU is one of the main donors, alongside the US, Canada, Australia and New Zealand, of the EUR 849 million that has supported over 5 700 projects in Northern Ireland and the border counties of Ireland for over 20 years. By 2013, EU funding to the IFI will have totalled EUR 349 million.

5.3.4 The visit of the **European Commission President Jacques Delors** to Northern Ireland in 1992 for consultations with local representatives strengthened his engagement with the cause of peace in the region. That year, the economic barriers to North-South trade on the island came down with the completion of the Single Market which, in time, opened up valuable opportunities for cross-border commerce and business.

5.3.5 In 1994, just after the paramilitary ceasefires, Delors met the three Northern Ireland MEPs (then Ian Paisley, John Hume and Jim Nicholson) and agreed plans for a major new EU package. He set up a Task Force and, following extensive local consultation, the proposal of a EUR 300 million three year PEACE Programme was agreed by the EU Summit in 1994, just weeks before the end of Delors' Presidential term. This was extended for a further two years with additional EU funding of EUR 204 million.

5.3.6 This became the first **Special Support Programme for Peace and Reconciliation in Northern Ireland and the Border Counties of Ireland**, or **PEACE I**. The wide-ranging consultation on the Programme included an Opinion drawn up by the **European Economic and Social Committee** ⁽¹⁾ in 1995 which welcomed the Initiative and stressed the need for a long-term approach as well as flexibility in funding allocation.

5.3.7 In 2000, **PEACE I** was followed by **PEACE II**, negotiated by the parties to the new Northern Ireland Executive with EU funding of EUR 531 million. This was extended in 2005/06 with EU funding of EUR 78 million. The EESC drew up a second Opinion (Rapporteur Mr Simpson) calling for PEACE II funding to be more focussed on projects promoting reconciliation and on the problems facing migrant workers. In 2007, **PEACE III** came into operation for the period 2007-2013 with EU funding of EUR 225 million. In total the EU has contributed EUR 1,338 billion to these Programmes.

5.3.8 Following devolution in 2007, **European Commission President Jose Manuel Barroso** set up a new **Task Force** led by **Regional Affairs Commissioner Danuta Hübner** to look into future EU/Northern Ireland cooperation. Published in April 2008, the Report proposes numerous ways for the region to become more involved in EU policies and notes the interest expressed by the Northern Ireland authorities in promoting the development of a **European institutional facility for conflict resolution** to provide research, advice and sharing of experience.

6. The impact of EU involvement

6.1 EU involvement in the peace process has taken many different forms, ranging from high level political support to grass-roots financial intervention. This activity was at its most intense in the 1990s in support of the political progress made as a result of the ceasefires and the conclusion of Good Friday/Belfast Agreement and continues today with the European Commission Task Force focussing on new areas of cooperation, PEACE III, the IFI and INTERREG.

6.2 **EU funding** for peace-building has been an essential element of EU support for the peace process. However, **non-financial** factors, which are inherited automatically with EU membership, have had a profound effect on the promotion of positive change. The EU 'sphere of influence' can therefore be divided into two distinct, yet overlapping **financial** and **non-financial** factors.

⁽¹⁾ Opinions of the EESC on the Draft Notice to Member States laying down guidelines for an Initiative in the framework of the special support programme for peace and reconciliation in Northern Ireland and the border counties of Ireland, COM(1995) 279 final; OJ C 155 du 21.6.1995 and OJ C 236 du 11.9.1995.

6.3 Non-Financial Factors

6.3.1 The EU provided a **'neutral space' for the facilitation of dialogue** between British and Irish politicians after accession, offering new opportunities for regular meetings on neutral ground. This was also valuable for Northern Ireland MEPs, the best example of which was the meeting between **Paisley, Hume, Nicholson and Delors** in 1994 which brought about the first PEACE Programme which Paisley described as one of the most productive meetings of his career. Also, **cross-border cooperation** between UK and Irish officials on everyday issues brought a 'coming together' of administrations that undoubtedly had a positive impact on the peace process.

6.3.2 This **'neutral space'** was even more valuable when it came to EU support for the peace process on the ground. Engagement, involvement, and empowerment of civil society was facilitated by the institutions and the deployment of personnel who worked to ensure an **'even-handed'** and inclusive approach.

6.3.3 Another important **non-financial** element was the opportunity provided for UK and Irish decision makers to experience the **consensus-building style** of EU law-making. In Council negotiations, Member States used a new style of multi-lateral dialogue, trade off and compromise which was a valuable tool in local political talks.

6.3.4 The arrival of the **Single European Market** in 1992 had a significant **non-financial** impact on the peace process. The removal of administrative barriers to cross-border trade encouraged greater cooperation between business organisations on either side of the border and boosted the long standing activities of the trade union movement on cross-border cooperation. However, cross-border security controls continued to inhibit major advances in economic and social cooperation.

6.3.5 A **non-financial factor** of limited impact in the early days was the **European peace making model** as an example for the region to follow. When Northern Ireland joined the EU, many hoped the stabilising effect of accession would be almost immediate. However, because community divisions were so entrenched it took time for the European model to have impact on the process.

6.3.6 Even today, after 35 years of EU membership, so called 'peace walls' separating Catholic and Protestant communities

still exist in Belfast. The majority of children attend 'separate' schools and 90 % of people live in 'separate' communities.

6.4 Financial impact

6.4.1 The financial impact of PEACE I on the peace process was significant because it was **unique and innovative** - nothing like it had ever been tried by the EU before. With EUR 500 million (1995-1999) to support peace and reconciliation, it was also the largest injection of aid to be earmarked for this specific purpose. This represented 73 % of the total investment, the remainder being met by the authorities in both countries and the non-governmental sector.

6.4.2 A key factor contributing to the positive impact of PEACE I was the **wide-ranging consultation process** which went into its formulation. Organised civil society, including NGOs, trade unions and business, felt an ownership because their input was recognised. The NI MEPs were also directly involved in the detail. PEACE I was widely publicised and therefore well-known throughout its target area. This 'recognition' remains valid today. Statistics show almost half the population have benefited from the PEACE Programmes.

6.4.3 The originality of the PEACE **funding mechanisms** was also crucial to its success. **Intermediary Funding Bodies** were an ingenious means of devolving responsibility to the grass roots and building capacity at the same time. **District Partnerships**, made up of representatives of business, farming, voluntary and community sectors as well as trade unions and elected members of local government, were a 'first' for Northern Ireland. This **partnership approach** to decision-making was as much a part of the peace-building process as the funding itself.

6.4.4 It is widely recognised that this **'bottom-up'** approach meant funding was more accessible to *'those in the margins of local economic and social life'*. In particular, it targeted groups which had hitherto received little or no support, such as **victims and ex-prisoners** and stepped up funding for others, including **cross-community** and **cross-border organisations, women's and youth groups**.

6.4.5 The financial impact of these programmes was greater than previous EU funding because it was guaranteed as **'additional'**. This made it more valuable and more visible because it was **'over and above'** Government funding for the region. It is often argued that this was not the case for other EU structural fund programmes.

6.4.6 The shift in focus between the Programmes has also had an impact. '**Social inclusion**' had the largest share of PEACE I and '**economic renewal**', received most under PEACE II. Under PEACE III, the focus has changed to "**reconciliation**" which is recognised as the best means to tackle the problems of sectarian division which remain.

6.4.7 Also, responsibility for PEACE II/III shifted to the newly created cross-border **Special EU Programmes Body (SEUPB)**. Aspects of its work are supported by Monitoring Committees comprising public, trade union and private sector interests from Northern Ireland and the Border counties. While some argue that the impact of this change has been to reduce the level of grass-roots involvement, others see it as a valuable 'one-stop-shop' for all aspects of EU PEACE and cross-border funding.

6.4.8 The impact of the **IFI** on the peace process has also been highly significant, both in terms of its projects and in its make-up. The IFI brings together representatives from its donor countries and this unique form of cooperation, particularly between the EU and the US, could be a valuable example of good practice in other conflict zones.

6.4.9 While **INTERREG** operates throughout the EU, its specific impact on the island of Ireland has also been extremely valuable in terms of the peace process. Working alongside the cross-border elements of the PEACE Programmes, INTERREG, has invested in cross-border infrastructure and socio-economic programmes, helping encourage communities living back-to-back to work together.

6.4.10 Other EU Initiatives, such as **URBAN, EQUAL** and **LEADER** have had a less direct, but nonetheless important influence on the Northern Ireland peace process and continue to do so.

6.5 *Impact on cross-border cooperation*

6.5.1 Following the partition of the island in 1921, both jurisdictions evolved separately and apart. The impact of this 'back to back' stance was evident before the 'Troubles' and was exacerbated by 35 years of violence. Cross-border interaction was limited because of the dangers and difficulties and cross-border trade was the lowest of any EU internal frontier.

6.5.2 EU policies stimulated and facilitated a paradigm shift in cross-border cooperation. This was accelerated by the fact that both Ireland and the UK were members of the European Community. In the economic sphere, the 'top down' impact of the **Single Market** was particularly valuable, while in the social and cultural sphere the 'bottom up' impact of the PEACE Programmes incorporating the six Southern border counties was a catalyst for previously unimagined cross-border interaction.

6.5.3 The mutual goals included increased business, social interaction and closer cooperation between the respective governments. A cornerstone of the Good Friday/Belfast Agreement was the creation of a **North/South Ministerial Council** and **Cross-Border Bodies**. These jointly funded institutions are unprecedented in the EU. Also, the idea of an 'island economy' has moved from being a radical concept to being accepted by most as mainstream, useful and beneficial.

6.5.4 This increase in cross-border cooperation was often led by the **Social Partners**. Their pioneering work ensured that decision-makers North and South cooperated to improve cross-border understanding, appreciation and trust. The resulting 'shoulder to shoulder' cooperation works in many arenas but is most evident in the economic sphere and in health and education.

6.5.5 The many positive results of this work include a seven-year Trade and Business Development Programme between two business groupings North and South (**CBI-IBEC**) funded by IFI, PEACE and INTERREG and involving over 300 buyer/supplier meetings. Trade doubled over the period (1991-1997) to over £ 2 billion.

6.5.6 The work of the trade union movement to encourage cross-border and cross-community links is also extremely valuable. The **Irish Congress of Trade Unions (ICTU)** is an all-Ireland body, which during the 'Troubles' worked tirelessly to promote better community relations. Congress did not seek funding for its work, but some bodies associated with the trade unions did receive EU support.

6.5.7 In terms of the cross-border reach of the PEACE Programme, the fact that only the six border counties of the South could directly benefit from PEACE funds meant the reach was limited, especially for business development at a time when the most potential lay beyond the Southern qualifying area.

6.5.8 Cross-border cooperation was lifted onto an entirely new and significantly broader and deeper level. With most physical, fiscal, technical and security barriers removed, enabling and encouraging unprecedented volumes of cross-border trade, interaction and co-operation, the challenge was to continue to address the long-standing cultural and social barriers that remained.

6.5.9 Crucially, the methods used by the EU to support peace and reconciliation at the economic and social level and across the communities provides a unique, well developed and increasingly proven regional model for implementing the EU's own distinctive philosophy, expertise and methodology.

6.6 *Impact on Economic Development*

6.6.1 By assisting in the process of peace-building, the EU has contributed to the acceleration of economic development in Northern Ireland and the Border counties. The direct impact of PEACE I and II on economic development has been acknowledged in a number of ex post evaluations as being significant. The main indirect effect has been that the role of the EU in supporting political progress and peace-building enabled much more rapid social and economic development to take place.

6.6.2 The PEACE Programmes, IFI and INTERREG collectively have created sustainable employment, environmental and infrastructural improvements, particularly in areas affected by conflict; they have brought development and entrepreneurial capacity within marginalised groups and communities and contributed significantly to the rapid growth in cross-border trade over the past decade.

6.6.3 In terms of quality of impact, the consensus view is that the programmes have made a substantial contribution to the building of a peaceful and stable society. To a large extent this has been achieved by building the capacity within the community and voluntary sectors to sustain the process of reconciliation.

6.6.4 'Social Partnership' is a core pillar of how the EU does business and these distinctive elements in the EU approach to peace and reconciliation help stimulate and encourage new ways for economic and political interests to interact with each other for the mutual benefit of the whole society.

6.6.5 EU input has helped to develop a strategic vision for the economy in a post conflict environment. Going forward,

there are many new and exciting opportunities for the region, including through closer cooperation within the EU in those areas such as research, innovation and knowledge transfer recommended by the new European Commission Task Force, and further developing its business relationships with the Euro Zone.

6.7 *Impact on Social Inclusion*

6.7.1 Social inclusion remains a fundamental and overarching ethos of the EU approach to peace-building and research confirms that the PEACE Programme assisted groups either not previously considered, or only receiving minimal support. It has supported the integration of minority ethnic groups, confidence and capacity-building, local empowerment among civil society and engaged those previously excluded.

6.7.2 Touching more than half of the population as project participants, the PEACE Programme brought the EU to the level of the citizen in what is described as 'unprecedented grass-roots involvement'. Those working in a voluntary capacity within their communities for change were targeted, empowered and supported. This recognition was a valuable confidence-building mechanism.

6.7.3 It used innovative funding methods, such as Intermediary Funding Bodies and District Partnerships which became Local Strategy Partnerships (LSPs) to target the grass roots and reach places many other initiatives did not. Devolving financial decision-making to these local organisations helped to build capacity and ensured grass roots involvement in both the design and the delivery of the Programmes.

6.7.4 The distinctiveness of the EU approach was also in its use of the European Social Partnership Model in the PEACE Programmes. Representatives from business, the trade unions and the voluntary sector, and 'other interests' were consulted and included. While this principle remains central, many of the original partnership structures have not been sustained. This is a cause for concern, because bringing the social partners together with politicians to make decisions was an integral part of the peace process.

6.7.5 It is recognised that many people in the most divided and deprived areas have benefited from EU PEACE, INTERREG and IFI funding and consultations show a high degree of appreciation for the role played by the EU in this regard.

6.8 *Impact on peace and reconciliation*

6.8.1 In terms of **peace building**, EU intervention has helped to keep the peace process alive and sustain the momentum towards political stability. It also gave communities a sense of local ownership during times of political uncertainty. The evidence gathered in the EESC consultations with stakeholders overwhelmingly supports the conclusion that the EU and its funding programmes has helped to create that peace which now prevails.

6.8.2 In terms of the longer process of **community reconciliation**, there are many examples of the positive impact "bottom up" contact and cooperation has at local level on a cross-community and cross-border basis. The PEACE Programmes and IFI made significant inroads into facilitating various sections of the community to reach out to each-other. While these contacts have led to growing mutual understanding and trust in certain areas, the impact is not yet enough to prevent suspicion and mistrust continuing to exist in others.

6.8.3 There is general support therefore for the decision to adjust EU funding programmes to increase the focus on community reconciliation. This should help bring communities to a level where those living behind walls are sufficiently confident within themselves, comfortable in their relations with others and, above all, secure in their situation to live

without the walls that separate them. But this must be their decision. Support for confidence-building in 'single identity' areas has been seen as a means to this end. However, this can have disadvantages in that it may contribute to separation by helping groups to look after their 'own'. Because some are better prepared than others to make use of funding, this can also lead to a sense of unequal treatment between different sections of society.

6.8.4 Progress towards a 'shared society' has however also been limited. A recent report highlights the high cost of segregation which is due mainly to the duplication services to accommodate Catholic and Protestant communities living separately. Segregation of public services solely to accommodate community fears and insecurity adds to the drain on public funds in areas including housing, health, leisure and sport facilities. In education, only 6 % of children attend schools with a genuinely integrated Catholic/Protestant ethos.

6.8.5 Stability and prosperity are mutually reinforcing and EU funding programmes helped to address the social and economic conditions which were a consequence of, but also fuelled, the conflict. But the EU was never in a position to address the deep-seated political or constitutional causes of the conflict. It could only act as a facilitator for that purpose and an example to follow.

Brussels, 23 October 2008.

The President
of the European Economic and Social Committee
Mario SEPI
