

Information note on special report no 7/00 of the European Court of Auditors concerning the International Fund for Ireland and the special programme of support for peace and reconciliation in Northern Ireland and the border counties of Ireland [\(1\)](#)

The International Fund for Ireland (IFI) was set up in 1986 in the context of the Anglo-Irish agreement; its primary objective was to promote reconciliation between the divided communities in Northern Ireland. In 1995, the European Commission introduced a Community initiative in the form of a special programme of support for Northern Ireland and the border counties of Ireland (P&R) with a view not only to consolidating the progress made towards a stable society but also to promoting reconciliation by means of economic development and employment.

This report examines European Union support for the IFI's activities until December 1997 and the implementation of P&R over the 1995-1997 period.

The Court's audit

The audit concentrated on the legality and regularity of the Community financing and examined, on the basis of a broad sample of measures and projects, the efficiency and effectiveness of the measures to disburse the funds in the context of the two measures.

As regards the IFI, the Court points out that the payment of aid by the Commission before it was needed did not ensure the most efficient use of EU funding (12). IFI procedures for recruitment and for the delegation of power were not formalised in writing (14). The evaluation of project applications and the post-grant monitoring of projects did not enable sound financial management to be guaranteed in all cases (17-21). The Commission failed to carry out verification and spot checks as required under Article 3 of the funding agreement with the IFI (28).

As regards P&R, the Court notes its positive role but also points out that the structure of the programme was complicated by the diversity of the management bodies and by the differing needs of the two regions (41). The decision to place many of the management and decision-making functions in the hands of non-government bodies led to difficulties in the selection of the implementing bodies (42-43). In some cases, inadequate consideration was given by these bodies to the development of an effective methodology for targeting community projects and social groups (52-53). The selection and appraisal procedures were not based on common criteria and some appraisals were not adequately documented or contained inconsistencies of treatment between projects (45-48).

The initial allocation of three years' funding to a five-year programme caused difficulties with the planning and management of the measures (34) and delays in the implementation of the programme were noted (34-35). Up to December 1997, inadequacies in financial management reporting-systems (49) and a lack of quantified targets hampered the effectiveness of the programme's control mechanisms and the measurement of its impact (50).

Lastly, there was significant overlap between the P&R, the IFI and Structural Funds, which led to inefficiencies and delays in the implementation of other programmes (56-58).

The Court's main recommendations

The Court's audit revealed that inspection and assessment procedures needed to be improved so as to make funding more effective (17-21, 47-48).

In the case of the IFI, the Court made the following recommendations (70):

- before payments are made to the Fund, the Commission should carry out an assessment of the IFI's immediate financial needs;
- delegations of authority by the Board of the IFI should be formalised and staff responsibilities should be clarified;
- the Commission should ensure that the criteria for evaluating project applications are appropriate, consistently applied and adhered to;
- the Commission should routinely assess the merits of funded projects and present its findings to the IFI Board.

Specific recommendations relating to the P&R programme are as follows (71):

- as regards the partnership principle, the programme's Monitoring Committee should provide assistance so as to ensure the consistency of

selection criteria in the choice of projects and to ensure that projects and social groups are closely involved in the programme's decision-making and implementation;

- the Commission should ensure that the financial needs of the programme are accurately assessed;
- as a significant part of the management and decision making associated with the programme is performed by non-government bodies, it is essential for the Monitoring Committee to review the work carried out by these bodies so as to ensure that their involvement is as fully envisaged under the programme;
- projects should be appraised according to established criteria so as to ensure consistency of treatment between the various projects;
- given the complexity of the programme and the large number of implementing bodies, the Monitoring Committee should ensure that appropriate control mechanisms are in place so as to safeguard Community funds;
- in the context of multi-funded measures, the Commission departments responsible for the management of Community support measures in Northern Ireland should regularly assess proposed activities so as to ensure synergy and co-ordination;
- the Commission should ensure that sufficient publicity is given to the measures implemented under the P&R programme so as to maximise their impact.

The sole purpose of this Information Note is to provide a brief summary. For further details please refer to the report adopted by the Court of Auditors, which will be published in the Official Journal (C146, 25.05.2000).

European Court of Auditors - External Relations Department
12, rue Alcide De Gasperi, L - 1615 Luxembourg
Tel.: (352) 4398 45410 Fax : (352) 4398 46430
E-mail: euraud@eca.europa.eu

(1) The figures in brackets refer to the relevant paragraph numbers in the Special Report.