
Presidential Documents

Title 3—**Presidential Determination No. 95-26 of June 8, 1995****The President****Certification To Permit U.S. Contributions to the International Fund for Ireland for Fiscal Years 1994 and 1995****Memorandum for the Secretary of State**

Pursuant to section 5(c) of the Anglo-Irish Agreement Support Act of 1986 (Public Law 99-415), I hereby certify that I am satisfied that: (1) the Board of the International Fund for Ireland as established pursuant to the Anglo-Irish Agreement of November 15, 1985, is, as a whole, broadly representative of the interests of the communities in Ireland and Northern Ireland; and (2) disbursements from the International Fund (a) will be distributed in accordance with the principle of equality of opportunity and nondiscrimination in employment, without regard to religious affiliation, and (b) will address the needs of both communities in Northern Ireland.

You are authorized and directed to transmit this determination and certification to the Congress, together with the Memorandum of Explanation, and to publish it in the **Federal Register**.



THE WHITE HOUSE,
Washington, June 8, 1995.

MEMORANDUM OF EXPLANATION FOR CERTIFICATION OF THE FISCAL YEARS 1994 AND 1995 U.S. CONTRIBUTION TO THE INTERNATIONAL FUND FOR IRELAND**I. INTRODUCTION**

This memorandum has been prepared to comply with legislative requirements associated with the Anglo-Irish Agreement Support Act of 1986, Public Law 99-415 (the "Act").

Section 5(c) of the Act requires that each fiscal year, prior to contributions to the International Fund for Ireland ("IFI" or the "Fund"), the President certify to the Congress that he is satisfied the following conditions have been met:

A. The Board of the International Fund for Ireland, as a whole, is broadly representative of the interests of the communities of the Republic of Ireland and Northern Ireland; and

B. Disbursements from the IFI:

1. will be distributed in accordance with the principle of equality of opportunity and nondiscrimination in employment, without regard to religious affiliation; and

2. will address the needs of both communities in Northern Ireland.

II. BACKGROUND

A. *Establishment and Operation of the Fund*

The International Fund for Ireland was formally established as an independent entity on December 12, 1986, in keeping with the provisions of the Anglo-Irish Agreement of November 15, 1985. The overall objectives of the Fund are to promote economic and social advancement and to encourage contact, dialogue, and reconciliation between nationalists and unionists throughout Ireland and Northern Ireland. The Anglo-Irish Agreement states that the Fund shall accomplish these objectives by stimulating private investment and encouraging voluntary efforts with special emphasis on projects promoting communal reconciliation. The Agreement also stipulated the establishment of two investment companies under the Fund.

The Fund is an independent entity which is administered by a Board of Directors appointed jointly by the British and Irish governments. The Board is guided by a Joint Advisory Committee consisting of senior civil servants drawn equally from Northern Ireland and the Republic of Ireland. The Advisory Committee's principal role is to advise the Board on the economic and social policies and priorities of the two governments and to maximize the impact of assistance by avoiding duplication of activity. The Board is supported by a Secretariat composed of administrators from the two jurisdictions. The Secretariat is headed by two Joint Directors General, one from each jurisdiction. The Fund's operating expenses are paid by the British and Irish governments.

The Fund's activities are developed primarily through program teams in the following areas: Business Enterprise, Tourism, Urban Development, Agriculture and Rural Development, Science and Technology, the Wider Horizons Program, and the Disadvantaged Areas Initiative. These program teams are composed of an equal number of representatives from Northern Ireland and the Republic of Ireland. The teams are administered by joint chairmen who keep the Board of Directors apprised of their respective program teams' activities.

In an effort to focus on the more disadvantaged areas, the Fund directs 70–80 percent of the resources available in the program sectors to disadvantaged areas in Northern Ireland. The Fund has also created two additional program schemes: Community Economic Regeneration, which focuses on community driven regeneration of economic activity in urban areas; and Community Regeneration and Improvement Special Program (CRISP), which is designated for disadvantaged areas in Northern Ireland and focuses the Fund's resources on smaller towns and villages by linking a series of projects from the various program areas together.

B. *Fund Contributions*

The Fund receives contributions directly from bilateral and multilateral donors. U.S. obligations to date total \$209.1 million. Under the appropriate Foreign Operations, Export Financing, and Related Programs Appropriations Acts, Congress appropriated an additional \$39.2 million for FY 1994 and FY 1995 funds. Since 1989, the European Community has disbursed 15 million European Currency Units (approximately US\$20 million) per year to the Fund, totaling \$108 million to date, and will contribute \$60 million in FY 1995. New Zealand contributed about \$0.6 million in FY 1995 and Canada has provided approximately \$7.5 million.

Each donor is entitled to appoint a representative to attend all Board meetings as a non-voting observer. Observers receive all Board papers and provide guidance to the Fund on behalf of their respective donor countries.

C. *Program Implementation*

Since its establishment in 1986, the Fund has approved a total of 3,500 projects and budgeted over \$399 million to its various program areas. Some \$358 million has been committed to approved projects within the various programs. The Fund has disbursed approximately \$279 million to ongoing and completed projects, including \$21.7 million to the two investment companies.

Individual project applications continue to represent a majority of the projects for funding. However, the program teams are assisting various communities in identifying and preparing proposals through regular contact and consultation with a number of area Economic Development Consultants. The Consultants serve as a point of contact for local communities, provide technical assistance and advice, and help to speed program implementation.

The Fund has put into place a computerized system of recording key data for the projects. Information, such as employment generation, leveraging, and geographical distribution of funds, is collected and logged into the new system. The information system has assisted the IFI in developing its capacity to analyze and report on the economic and social indicators of the Fund's achievements.

Disbursement procedures have also been established for the U.S. contribution to the Fund. In October 1992, USAID established a Letter of Credit mechanism to meet the legislative requirement to disburse funds at the minimum rate necessary to make timely payments for projects and activities. The Letter of Credit has allowed the U.S. Government to exercise greater control over money distributed to the Fund by transferring resources only when needed, and thereby minimizing interest costs to the U.S. Treasury.

D. Job Creation and Additional Investment

Two elements identified as priorities of the U.S. Government in its contribution to the Fund are job creation and the leveraging of additional investment into the economy. Both elements have been adopted by the Fund in the implementation of its program.

The Fund agrees that job creation is an essential factor in determining the allocation of Fund resources and clearly places an emphasis on the job creation potential of each project considered for funding. The Fund estimates that its activities directly resulted in the creation of about 20,500 new jobs and indirectly resulted in the creation of an additional 8,500 jobs. Construction activities have also resulted in 25,500 person-years of temporary employment.

The Fund has also been successful in leveraging new investment. Of the \$397 million of Fund resources committed to approved projects, another \$353 million and \$264 million of private and government resources, respectively, have been invested. Thus every dollar that the Fund has committed has resulted in an additional \$1.70 committed from other sources.

III. PRESIDENTIAL CERTIFICATION ELEMENTS

Each fiscal year, prior to the United States making a contribution to the Fund, the President must certify to Congress that he is satisfied that the Fund has complied with the legislative requirements in the Act. This Certification covers both the FY 1994 and FY 1995 contributions to the Fund. The following discusses the required elements.

A. Board Representation

The Board of Directors consists of seven members; three nominated by the British government, three nominated by the Irish government, and the Chairman. Board members are approved by both sides through consultations between the two governments. The Board, by design and agreement, is representative of the communities in both Northern Ireland and Ireland. The Board meets once every two months, primarily to review policy and procedural issues and to approve or reject proposals forwarded by the program teams for consideration. In addition, each Board member is responsible for coordinating with specific program teams and is consulted on a regular basis.

The Board members are as follows:

Mr. William T. McCarter (Chairman) is a prominent businessman in the textile industry. He is the Managing Director of Fruit of the Loom, International Ltd. with plants in Northern Ireland and the border County Donegal in the Republic of Ireland. Mr. McCarter was born in Londonderry, graduated

from Trinity College, Dublin and from the Massachusetts Institute of Technology. He now lives in Bucranna, County Donegal.

Mr. John E. Craig, OBE is a retired merchant banker with extensive experience in London. He is Chairman of Powerscreen International a very successful exporting firm based in County Tyrone. Mr. Craig was born in Dublin.

Mr. Paddy Duffy is a prominent lawyer with offices in a number of rural towns in Northern Ireland. He is active in the local credit union movement and Chairman of Dungannon and District Cooperative Society. Mr. Duffy is a former Social Democratic Labor Party councillor and Senator in the Northern Ireland Assembly.

Mr. Pat Kenny is an accountant by profession and a partner in the firm Deloitte, Touche in Dublin.

Ms. Joan McCrum until recently was the Chief Executive of the Housing Rights Association, a voluntary housing advice organization. Ms. McCrum now works for the Simon Community, a voluntary charity body, and acts as an independent consultant.

Ms. Caitriona Murphy is a former senior public official in government service in Dublin and is now a managing director for the Allied Irish Bank in Dublin.

Mr. Brian A. Slowey was, until his recent retirement, a managing director of Guinness Ireland, and the Chairman of Aer Lingus.

As in the past, the present Board is noted for its professionalism and integrity in setting policy and approving projects. The Board has taken an active role in promoting the Fund throughout Northern Ireland and Republic of Ireland as well as internationally.

B. Disbursements From the International Fund

The Fund's structure and policy framework ensure that resources are distributed in accordance with the principle of equality of opportunity and non-discrimination in employment, without regard to religious affiliation, and that these resources address the needs of both communities in Northern Ireland and the six border counties of the Republic of Ireland.

The Board has developed its policies for disbursement of resources taking into account the terms of the Agreement under which it was established, the wishes of the donor countries, and the need to supplement the economic and social policies of the two governments. The Board structure and policy framework is manifested in the internal checks and balances in the Fund's appraisal, approval, and management systems. Also, the wide geographical distribution of approved projects enhances the Fund's efforts to meet the needs of both communities. The Fund's programs have created jobs, leveraged private investments, and fostered reconciliation. In addition, the Fund has made concerted efforts to target the most disadvantaged areas through CRISP and other special programs as well as the through the work of development consultants.

1. *Distribution of disbursements in accordance with the principle of equality of opportunity and nondiscrimination in employment, without regard to religious affiliation.*

a. *Structure of the Fund.* The Republic of Ireland and Northern Ireland are equally represented by members of the Fund's Board of Directors, Advisory Committee, Secretariat, and Program Teams. These individuals are highly respected for their professional competence, integrity, and commitment to the Fund's objectives. The Advisory Committee, as mentioned above, is composed of senior officials of both the British and Irish governments and provides guidance and support for the Board. The Secretariat staff maintains the day-to-day operations of the Fund and has been carefully selected for their administrative skills and judgement. The Program Teams are staffed with technical and administrative professionals who are committed to the Fund's operating principles of non-discrimination. Review of the IFI portfolio of projects and visits to selected sites by Agency for Inter-

national Development (USAID) personnel have confirmed that the Fund has assembled a competent and professional staff who have cultivated and exercised sound project approval and management procedures.

b. *Policy Framework.* All Fund publications and solicitations for proposals clearly spell out the Fund's commitment to equality of opportunity and nondiscrimination. All successful applicants are required by the Board to agree to the following prior to receiving an award:

Acceptance of a grant or loan under this scheme will be deemed to signify the applicant's acceptance of the principle of equality of opportunity and non-discrimination in employment, without regard to religious affiliation and that the applicant will be expected to use the money in accordance with this principle.

Letters of offer clearly state that any violation of this agreement will require immediate repayment of resources. To date, the Fund has not had to request repayment.

Equality of opportunity requirements are also enforced in Northern Ireland under the Fair Employment (Northern Ireland) Act of 1989. This act makes employment discrimination on the grounds of religious belief or public opinion illegal. The Act is designed to eradicate job discrimination and ensure the active practice of fair employment opportunity throughout Northern Ireland.

c. *Project Appraisal and Approval.* The Fund has instituted a clear and systematic appraisal and approval system. Each Program Team has signed agreements with the Fund Secretariat that spell out the criteria upon which all applications are made. As mentioned above, the Program Teams consist of officials from various government agencies, both North and South, which, in close cooperation with the Secretariat, help to bring the programs to fruition. The Team members, chosen for their expertise in their particular sector, review each project based on its merit using standard economic and financial analysis tools, as well as criteria relevant to their technical field.

Projects must also be consistent with the economic and social policies and priorities of the British and Irish governments. Each government reserves the right to veto support for activities proposed which violate their stated policies. No resources are to be used, for example, to improve the standing of or to further the goals of any paramilitary organization, either directly or indirectly. The Fund, the British government, and the Irish government are, however, committed to supporting activities which contribute to viable, self-sustaining growth, prosperity, and stability. In addition, it is hoped that the projects will have a positive impact on increasing respect for human rights and fundamental freedoms for citizens of both traditions from Northern Ireland and the Republic.

Thus, within the Fund's policy guidelines and the established criteria for the evaluation and approval process, projects are accepted for funding, rejected, or forwarded to an appropriate government agency for possible support from existing government programs. Applications are processed in a timely and efficient manner, consistent with a proper and prudent review of projects. In addition, of course, a considerable responsibility rests with the individual promoters of projects who must take the lead in completing their share of the financial package and implementing the project to a stage where payment can be made.

Each decision to approve, disapprove, or forward a project to a government agency requires the recommendation of the relevant program team, the endorsement of the two Board members supervising the team, and the approval of the Fund Secretariat. Any projects which are controversial, raise policy issues, or exceed the program team's delegation of authority, are forwarded to the Board for consideration.

Equality of opportunity and nondiscrimination are the guiding principles under which the Fund operates. Projects are reviewed on merit alone, without

regard to political or religious affiliations of the applicants. The cross-community composition of the Fund Board, the Secretariat, and the program teams ensures the realization of these principles.

2. Addressing the needs of both communities in Northern Ireland.

In order to comply with British law, the principles under which the Fund was established, and the U.S. Government priorities under which our contributions are made, religious affiliation is not a factor in the approval process. It is generally known, however, which religious majority is predominant within a specific geographical area.

Past program review visits have confirmed that through Fund activities, members of both communities have been able to experience for the first time a working or recreational experience with people of the opposite tradition. Such liaisons have produced cross-community boards of directors (under such organizations as the enterprise centers), cross-community enterprise matchmaking, cross-border joint ventures (such as the Derry-Galway-Boston Trade Fair), and genuine friendships. Other projects, (such as the Shannon-Erne Waterway) have been able to bring people of various communities together to promote their areas and to provide facilities to attract visitors and holiday markets. Because of these improvements, The Waterway Area was awarded a Tourism Award from the British Guild of Travel Writers. The civil servants of both governments in laboring together on the Fund have also developed excellent working, as well as personal, relationships with their counterparts. Such interaction contributes to reconciliation through dialogue and cooperation.

During a program review visit in November of 1994, USAID officials observed that the Fund is highly regarded by moderates from both the Catholic and Protestant communities for the work they have done and the attitudinal changes they have been able to stimulate. The Springboard-training and reconciliation program helps to promote these changes in younger people. This curriculum teaches courses in order to develop vocational training and mixes students from the West Belfast's Catholic and Protestant communities, allowing them to work together. There has been a concerted effort to reach out to those who were skeptical of the Fund activities, specifically in the Protestant communities, and this effort continues.

The Fund has made a concerted effort to direct assistance to the more economically disadvantaged areas. Special programs, such as CRISP, have been developed toward this end. The work of the development consultants is important in assisting the disadvantaged communities to develop ideas and proposals to help themselves through the Fund. The consultants participate in establishing local groups, ensure cross-community participation whenever possible, and assist groups in creating viable projects. In many cases, however, the IFI merely serves as a catalyst for community initiatives that have been developing independently of the Fund. The consultants are also instrumental in contributing to a greater overall understanding and positive perception of the Fund among the people of both communities.

IV. CONCLUSION

A review of Fund activities and a visit to Republic of Ireland and Northern Ireland by a senior USAID officer confirmed that the Board of Directors has maintained policies and procedures designed to ensure that both traditions benefit from Fund activities. The Board's operating principles ensure that project decisions are made on the basis of merit. In addition, it has been concluded that Fund resources are being distributed in a manner consistent with its mandate as stated above. All grantees are made aware of the principles of equality of opportunity and nondiscrimination in employment, stipulated by acceptance of any grant monies.

This report therefore concludes that:

- The Board of Directors of the International Fund for Ireland, as a whole, is broadly representative of the interests of the communities in the Republic of Ireland and Northern Ireland.
- Monies from the Fund are distributed in accordance with the principles of equality of opportunity and nondiscrimination in employment, without regard to religious affiliation, and address the needs of both communities in Northern Ireland.

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