

UK Government Denies Cutting Peace Fund to Support New NI-GB Scheme

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The UK government has denied claims that it redirected £1 million from a cross-border peace fund to finance a new initiative aimed at strengthening ties between Northern Ireland and Great Britain.

The row follows confirmation that the government would not proceed with a planned £1 million payment to the International Fund for Ireland

(IFI) for 2024–25. The IFI, established in 1986 by the UK and Irish governments, funds peace and reconciliation projects in Northern Ireland and counties along the Irish border.

A government spokesperson cited financial pressures as the reason for withdrawing the payment. “This government inherited a very challenging fiscal position and needed to take difficult but necessary decisions to place public finances on a sustainable footing,” they said.

Soon after the decision, the government announced the Connect Fund, offering up to £1 million for groups working to strengthen links between Northern Ireland and Great Britain. The fund followed a meeting of the East-West Council, created under a previous Conservative-Democratic Unionist Party (DUP) agreement that restored Stormont’s power-sharing after a two-year suspension over post-Brexit trade arrangements.

The timing prompted criticism from opposition politicians. Matthew O’Toole, leader of the opposition in the Northern Ireland Assembly, said the developments were “deeply concerning”. He accused the government of moving away from funding with cross-community and north-south priorities. O’Toole also claimed the Connect Fund emerged from a clandestine, bilateral deal between the previous Conservative government and the DUP.

The UK government firmly rejected the claims. “The UK government did not reallocate money from the IFI to the East-West Council,” a spokesperson said. “These are two entirely separate entities. The government remains supportive of the IFI’s aims of promoting peace and reconciliation.”

A DUP spokesperson welcomed the launch of the Connect Fund, calling the recent funding announcements “positive”.

The Irish government, which contributed €4 million to the IFI in 2025, acknowledged the UK’s reduced support. A spokesperson said they hoped the UK would resume funding when the IFI sets out its new strategy for 2026–2030.

The IFI expressed gratitude for the UK’s previous financial contributions and said it looked forward to continuing its work with British and international partners to deliver peacebuilding initiatives across Northern Ireland and the border counties.