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Concerns: EU support for the peace process

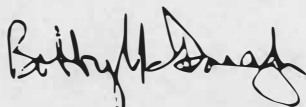
Please find attached a further note on continued EU support for the peace process in the light of the conclusions of the Cardiff European Council.

My conclusion in the note is that it is important to continue to develop our internal thinking in the matter and to consider the possibility of a high level discussion with the British authorities at an early stage, perhaps before the summer break. I also suggest that a discussion with the British might take place on the basis of an interim position rather than a definitive Irish approach.

In order to carry the matter forward it would be important to decide (a) how to process the suggested approach domestically and (b) the nature of the meeting to be sought with the British authorities.

As far as processing matter domestically is concerned, the matter was previously substantively discussed at the ad hoc meeting of Secretaries General convened by Mr. Teahon and also more briefly at the Ministers and Secretaries General Group on EU policy. I would suggest that, if something along the lines of the attached approach were considered appropriate by the Department, we should send it in the first instance to the Department of the Taoiseach. If they consider that further inter-departmental discussion is required, either Secretary General Teahon might consider convening a further ad hoc meeting or alternatively such an ad-hoc meeting might be convened by this Department. One way or another, the Department of Finance would have to be given another opportunity to comment.

As far as an approach to the British authorities is concerned, the views of Anglo-Irish Division will be the deciding factor. It would seem to me that a high level official delegation to London led by Anglo-Irish Division (accompanied by a representative of this Division) might be considered an appropriate approach. The meeting might be sought with the Foreign Office (to be accompanied by others as appropriate - e.g. the Cabinet Office and the Northern Ireland Office). My suggestion on the manner of a possible approach to the British authorities is entirely tentative pending the views of Anglo-Irish Division.



Bobby McDonagh  
22 June 1998

c.c. PSSG  
Mr. Tim O'Connor, Anglo-Irish  
Mr. Paul Murray, Anglo-Irish  
Mr. Oliver Grogan

EU Support for the Peace Process

In the light of the helpful conclusions of the Cardiff European Council in relation to continued EU support for the peace process, it is important to carry forward our thinking in the matter. It seems to me appropriate, as explained below, to consider in the first instance an early discussion with the British, perhaps before the summer break.

The Options

I do not intend to recall in detail in this paper all of the implications of the various options for continued EU support for the peace process. Briefly the principal options remain:

- (1) Continued Objective 1 status for Northern Ireland (which would require us to seek similar status at least for our own border counties and probably also for the other less prosperous sub-regions in the South).

Especially if account is taken of the implications for the period beyond 2006, continued Objective 1 status during the next period would appear in purely financial terms the most attractive option.

- (2) Continued support for the Peace Programme.

The financial significance of continued support for the Peace Programme is, of course, difficult to predict. Support could be continued at the present level of 100 mecu a year. On the other hand, while it cannot be excluded that higher levels of support might be forthcoming, it is also quite possible that the level of funding on offer would be lower than at present. The advantages of this option are essentially (i) that the Peace Programme addresses parts of society and types of problems which the general structural funds do not access and (ii) that a spill-over effect for the southern border countries is likely to follow automatically.



It should be noted that, in his comments to the press after the Cardiff European Council, the Taoiseach signalled that a continuation of the Peace Programme was the most likely way forward. (A question for down the line is whether continued EU support would be presented as continuation of the *present* Peace Programme or rather as the establishment of a Peace Programme "Mark 2". It would be important for us to ensure that there is at least continuity as regards the benefits which accrue to our own border counties.)

- (3) A special allocation under the Community Initiatives (INTERREG etc.). However, this is likely to be seen as a fall back position in relation to the two options above.
- (4) Continued EU support for the International Fund for Ireland (IFI). Recent indications that the US may be willing to consider further contributions to the IFI heighten the importance of securing continued EU support.

The above options are not necessarily mutually exclusive. It would be possible to seek continued support through a combination of options. At the same time it would be important to avoid an unrealistic scatter-gun approach.

The options listed above are also not necessarily exhaustive. The reference in the Cardiff conclusions to the Commission continuing to find "new creative ways" to support the peace process could also embrace an entirely new approach.

It remains, of course, to be seen which option or options the British authorities will support. On the one hand it is quite possible that they will see continued Objective 1 status for Northern Ireland as the most attractive approach. On the other hand some officials in London have appeared to underestimate the prospects of retaining such status. Another consideration - given the likelihood that a new North/South body will have responsibility for the Peace Programme and the Community Initiatives - will be whether certain elements might wish to minimise the funding available in that context.

The importance of developing, insofar as possible, "all Ireland" programmes should be borne in mind both as regards the Community Support Frameworks and the Community Initiatives. Such joint programmes would have merit for their own sake. Moreover, if they were in the offing, such programmes could provide useful background colour for the general case we will be making for EU support including for generous transitional arrangements under the structural funds. However, it is unlikely that a delivery mechanism for "additional" funding will be found other than those listed above. (The "programming" phase follows *after* the adoption of the Community Support Frameworks and *after* the overall allocation of funding.)

### **Timing Considerations**

A number of significant considerations arise as regards timing.

It strikes me that if agreement were to be reached *at an early stage* on continued Objective 1 status for Northern Ireland (hopefully with some spill-over for the South) as the EU's response to the continued peace process, it would be very difficult to obtain agreement *later* additionally to a continuation of the Peace Programme. If, on the other hand, there were agreement at a relatively early stage to a *continuation of the Peace Programme*, it would still, it seems to me, be within the bounds of possibility at a relatively late stage of the Agenda 2000 negotiations to seek continued Objective 1 status for Northern Ireland also.

However, if continued Objective 1 status were conceded to the North *as a last minute concession* in the Agenda 2000 negotiations, it might - whatever about the border counties - come too late for Ireland to pursue a full regionalisation approach in the South.

(Incidentally it seems to me that if the UK authorities seek Objective 1 status for Northern Ireland now or at any time we could not raise objections and indeed would be obliged to provide some level of support. The question which arises for us in relation to Objective 1 status for Northern Ireland is not so much whether we would accept it as whether we are prepared to nudge the British authorities to seek it themselves.)



### Interim Position

It seems to me important that we should move soon towards establishing an interim position in relation to continued EU support for the peace process and that we should consider a first discussion with the British authorities on the basis of that interim position at an early stage, perhaps before the summer break.

If we were to content ourselves until the autumn with internal reflection on the various options, there is a risk that we would be overtaken by events. The Commission's own thinking may begin to take significant shape. Indeed, something could be cooked up by the British with the Commission before we make an in-put into the matter. Moreover, it should be noted that David Wright of President Santer's cabinet has strongly urged that an early approach in Brussels is desirable given the level of goodwill in the aftermath of the Good Friday agreement.

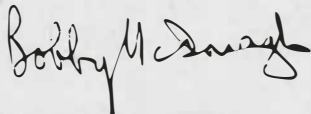
At the same time, given the complexity of the options involved - which are not unrelated to the issue of regionalisation in the South - it might be difficult to establish a definitive Irish negotiating position before the autumn.

I would therefore suggest the establishment of an interim position broadly along the following lines which might be discussed with the British authorities:

1. We see the particular benefits of the Peace Programme in the context of the peace process. It impacts on people and parts of society which do not benefit from mainstream structural funding. Its bottom-up approach is particularly effective in this context. Our present thinking would favour, as a first priority, that the Peace Programme should continue in one form or another with the highest possible level of funding. We would assume that it would continue to benefit also the border counties of the South.
2. We can see also, of course, the benefits of continued Objective 1 status for Northern Ireland. For us it would be essential that, if Objective 1 status were granted to

Northern Ireland, it should be granted also to the border counties of the South. Moreover, in those circumstances we would almost certainly press for it to apply also in the other less prosperous sub-regions of Ireland.

3. We would be hoping for a reasonably generous allocation under the various Community initiatives including INTERREG.
4. Given the recent indications of possible continued US support for the International Fund for Ireland, continued EU support would be important.



Bobby McDonagh

22 June 1998