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FROM: C D KYLE
27 OCTOBER 1994

CDK/29396/94/AC

- cc Mr Williams
- Mr Bell
- Mr Stephens
- Mr Dodds
- Mrs Kenny

Mr Watkins

IRISH PAPER FOR EU TASK FORCE ON NORTHERN IRELAND

The Irish side have handed over a copy of the paper which they are planning to give to the EU Task Force on Northern Ireland later today. A copy of the paper is attached for information.

C D KYLE
OCTOBER 1994

~~cc Mr Gamble~~

cc Members of EU/US

One thing about the Irish -
they set their sights high!

Working group for information

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FINAL

OPTIONS FOR EU AID PACKAGE TO REINFORCE PEACE PROCESS IN NI AND BORDER AREAS

Introduction

1. On 6 October the Irish Government presented an informal paper to the Commission in respect of the envisaged EU aid package to support the peace process in Northern Ireland and the six border counties of the Republic.
2. The following is a more detailed development of the Irish Government's suggestions for the possible content of such a package.
3. We trust that the ideas which are put forward in this paper will be of assistance to the Commission's Task Force in its further work on this subject. We look forward to the opportunity of discussing these ideas with Mr Trojan during the latter's visit to Dublin on 2 November.
4. It is, of course, the case that much valuable work in the areas outlined in this paper is already being facilitated by existing Community programmes and instruments, in particular the Structural Funds 1994-99 (including INTERREG and other Community Initiatives), as well as by the International Fund for Ireland and other agencies.
5. The approach of this paper is to highlight a number of areas which merit special and additional attention in the context created by the emerging peace process. These are areas for which the provision made within the existing EU programmes should be augmented in the light of the changed circumstances and new needs which these have generated. Action in the areas indicated, if supported now with additional resources (in conjunction with those previously, or in the course of being, allocated), would make an important contribution to the consolidation of the peace process in the areas which have suffered most from the violence of the past twenty-five years.
6. The ideas are grouped under the following headings:

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- (A) Employment creation in Northern Ireland and the six Southern border counties
- (B) Training +29/3
- (C) Urban regeneration
- (D) Inward investment and North/South trade and business cooperation
- (E) Infrastructure (NI and cross-border)
- (F) Tourism
- (G) Rural development
- (H) Education
- (I) Community relations
- (J) Further initiatives

7. It will, of course, be necessary to agree in respect of projects supported within these areas appropriate levels of matching expenditure on the part of the two member States concerned.

Suggested areas for attention

8. The detailed treatment of these areas appears in paragraphs 11-53 below.

9. The following is a summary of key priorities for the Irish Government.

EMPLOYMENT CREATION

- Additional resources for community-based partnership companies in Northern Ireland and border counties to tackle the problem of long-term unemployment in designated disadvantaged areas.

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TRAINING

- Support for expanded training courses and facilities in Northern Ireland and border counties.

URBAN REGENERATION

- Rehabilitation of a major derelict site in Belfast for conversion to industrial space (the site of the former gasworks at Lower Ormeau Road is one possibility)
- Regeneration of Creggan and Fountain areas of Derry
- Upgrading of Royal Victoria Hospital (Belfast).

INWARD INVESTMENT AND NORTH/SOUTH TRADE/BUSINESS COOPERATION

- Funding to assist acquisition of additional, purpose-built industrial space in disadvantaged areas of Northern Ireland and border counties
- Financial support to facilitate the expansion of North/South trade and business cooperation
- Increased funding (through STAR, STRIDE and other relevant EU initiatives) to assist cross-border cooperation on research and development
- Assistance towards a possible new North/South business innovation centre located near the border

INFRASTRUCTURE

(1) ROADS

- Reinstatement of selected cross-border roads/bridges which are now to be reopened (the Aghalane bridge in Co. Cavan would be a priority)
- Continuing priority for the development of Larne/Cork Euroroute 01

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- Prioritization of Derry/Strabane/Monaghan route for improvement

(2) RAIL

- Development of Derry/Dublin high-speed link

(3) ENERGY

- North/South electricity interconnector
- Natural gas interconnection (development of a possible Belfast/Dublin gas pipeline)

TOURISM

- Support for development of a major new tourism project (e.g., in the Armagh area);
- Support for tourism infrastructural development in Northern Ireland and the border counties.

EDUCATION

- Development of the proposed new University of Ulster campus at Springvale in West Belfast;
- Support for the development of links between third-level institutions North and South;
- Enhanced funding for exchanges of teachers/students through ERASMUS.

11. The following paragraphs situate these priorities within a range of further options which are advanced on an illustrative basis under each heading.

(A) Employment creation in Northern Ireland and border counties

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12. We suggest the establishment of a special programme for community regeneration, employment and social inclusion in severely disadvantaged areas.
13. The principal objective of the programme would be to counter disadvantage through support for communities which make a collective effort to plan and promote the integrated development of their areas. Funding would be made available to a range of designated areas of high unemployment and severe economic disadvantage in Northern Ireland and the border counties.
14. Significant additional resources over and above the existing EU supports under the Structural Funds and the Community Initiatives are required if the major and long-standing structural problems of the areas concerned are to be effectively tackled.
15. The programme would have a particular focus on the problems of the long-term unemployed.

It would sponsor the creation of integrated, area-based partnership companies to address this problem in the designated areas.

As the Commission is aware, this approach is already envisaged for the Southern counties under the Local Urban and Rural Development Programme for the Community Support Framework 1994-99.

Each partnership would have a strong local emphasis and would involve the statutory agencies, local voluntary and community groups, social partners and the private sector. It would prepare an integrated local development plan for its area. Funding would be provided on foot of those plans for special measures designed to complement mainstream provision in the areas concerned.
16. The funding would be made available over an agreed period in the form of a global grant for integrated local development which would include the following broad headings:
 - support services for small and medium-sized enterprises (including grant-aid and a revolving loan fund); expert assistance and staff to assist individuals starting their own businesses, marketing support, one-to-one "mentoring" etc;
 - community-based guidance services for the long-term unemployed;
 - special training, education, work experience and employment opportunities;

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- initiatives to develop community capacity.

17. Funds would also be provided to expand the provision of community employment for long-term unemployed adults (which would have the added benefit of assisting in the development of local services and infrastructure).

18. The programme might also sponsor financial incentives (e.g., offsetting of social insurance costs) to SME employers in the areas concerned to encourage them to employ the long-term unemployed on a part-time or full-time basis.

(B) Training

19. We suggest that additional resources should be allocated to the expansion of vocational training facilities in Northern Ireland and border counties.

20. Special emphasis should be placed on the needs of persons entering (or re-entering) the labour market as a consequence of the ending of paramilitary violence. In particular, resources should be allocated to training programmes designed for:

- young people (and early school-leavers)
- the long-term unemployed
- former prisoners and paramilitaries
- former prison officers, police officers and security industry personnel
- the disabled

Consideration might be given to adapting the KONVER initiative for Northern Ireland.

21. A feasibility study of the potential for the coordinated pooling of training facilities between the various training institutions North and South would merit attention.

22. Other needs which might be addressed with additional resources would include:

- the provision of new training centres and the

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purchase of training equipment;

- the expansion of counselling services and special training/educational initiatives for children and unemployed youth in disadvantaged areas.

(C) Urban regeneration

23. We suggest the allocation of additional resources to facilitate urban regeneration and reconstruction projects in Belfast, Derry and elsewhere.

24. The assistance available under existing EU programmes would need to be augmented if the major tasks of reconstruction in the inner-city areas of Belfast and Derry and other damaged urban centres are to be tackled effectively.

Additional resources would help with the rehabilitation of derelict sites and their conversion to productive socio-economic purposes.

In Belfast, the rehabilitation/development of e.g. the site occupied by the former gasworks near the Lower Ormeau Road would make an important contribution to urban renewal (on the lines of the Lagan side project).

In Derry, the regeneration of the Creggan and Fountain areas would also merit priority attention.

25. A project which would have a direct bearing both on urban renewal and on employment provision in Belfast would be the upgrading of facilities at the Royal Victoria Hospital (West Belfast's largest employer).

26. Measures might also be undertaken to improve the physical environment of the worst-affected urban areas in Northern Ireland (e.g., the pedestrianisation of selected areas or the building of additional parks and children's playgrounds).

(D) Inward investment and North/South trade and business cooperation

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27. We suggest the allocation of additional resources to:

(a) assistance with the acquisition of additional, purpose-built industrial space in Northern Ireland and the border counties;

(b) the provision of additional financial support for both indigenous and inward investment in Northern Ireland and the border counties, over and above what is currently available from the respective statutory authorities in each jurisdiction and from other sources;

(c) the sponsoring of activities designed to further North/South trade and business cooperation.

28. Under (b), grants would be provided to prospective domestic and foreign investors for the purpose of helping them to establish viable new enterprises (or developments of existing enterprises) with a well-defined employment potential.

Funding would also be provided for market research to assist the development of new products and for other activity designed to improve marketing, exporting, design and quality standards.

Priority would be given to companies willing to invest in designated disadvantaged areas.

29. Northern Ireland recipients of funding would be required to give explicit guarantees of their commitment to fair employment practices (and to furnish within a stated time period the data needed to demonstrate that that commitment was being honoured in practice). Premiums would be paid to investors who achieved a balanced workforce either immediately or within a very short period.

30. In relation to (c), seed or venture capital would be provided for business projects with a specific cross-border dimension (such as joint ventures by companies North and South, joint tendering in overseas markets, joint marketing and promotional programmes overseas, etc).

In addition, funding would be provided for market research to facilitate companies in either jurisdiction who were interested in trading with the other.

31. A further area meriting attention would be the enhancement of EU support for North/South collaboration in the field of research and development, the promotion

(2) Continued prioritisation of North/South projects

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of joint research activity conducive to the development of new technologies and the expansion of the technological "know-how" of the island as a whole.

32. Another project which might be supported would be the creation of a possible North/South business innovation centre, to be located in a border area (e.g., Newry or Dundalk) and with close links to third-level educational institutions North and South.

33. Other actions which might be contemplated would include:

- the commissioning of a special Task Force to draw up, for consideration by the two Governments, a detailed action plan for the implementation of the Belfast/Dublin "economic corridor" concept;

- grant-aid for the regional cross-border bodies established by the local Councils to promote North/South economic cooperation.

WATER SUPPLY

(E) Restoration and development of infrastructure (NI and cross-border)

ENERGY

34. We suggest the allocation of additional resources with a view to (a) the restoration and improvement of decayed infrastructure in Northern Ireland and in border counties; and (b) the development of cross-border transportation, energy and telecommunications networks.

35. The following are a number of specific suggestions under these headings:

ROADS

(1) The reinstatement of selected cross-border roads/bridges which have been closed since the early seventies and which are now to be reopened.

The reconstruction of the Aghalane bridge at the border in Co. Cavan would merit particular attention in this context;

(2) Continued prioritization of Larne/Cork Euroroute 01;

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- (3) Prioritization of the Derry/Strabane/Monaghan route for improvement.

The Irish Government attach considerable importance to the development of strategic cross-border routes in order to improve cross-border access and to enhance links between border areas and the main economic centres on the island (including ports and airports).

RAIL

Prioritization of Derry/Dublin rail link

HARBOURS

Development of selected fishing harbours in Northern Ireland and in Southern border counties

WATER SUPPLY

Increased investment in water supply North and South and development of integrated system on the island as a whole

ENERGY

Reconstruction of the electricity interconnector between North and South

A possible feasibility study on the development of natural gas interconnection on the island as a whole (in particular, the construction of a possible pipeline from Belfast to Dublin)

Funding of joint research into alternative energy sources

TELECOMMUNICATIONS

Increased funding to expand/accelerate implementation of STAR on cross-border basis

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(F) Development of tourism industry in NI and border areas

- 36. We suggest the allocation of additional resources to expand and develop the tourism industry in Northern Ireland and the border counties.
- 37. The development of tourism is of vital importance to the economic regeneration of disadvantaged rural areas on either side of the border. The resources available through the current Structural Funds and INTERREG would need to be augmented in order to develop the full tourism potential of these areas, bearing in mind the lack of even the most basic tourist infrastructure in some of them.
- 38. Additional resources would be desirable in order to improve local tourism infrastructure in the most disadvantaged areas. Areas for attention in this respect would include:
 - (i) the development of major new tourism projects (the Armagh area deserves particular attention);
 - (ii) the upgrading/development of existing accommodation to international standards;
 - (iii) the development of local amenities (existing or new);
 - (iv) market research and feasibility studies to assess the viability of new tourism products (e.g., activity or heritage centres);
 - (v) the conservation of local buildings/sites of historic or cultural interest.
- 39. Funding might also be provided for a feasibility study into the scope for a pooling of hotel training facilities between North and South.
- 40. Additional funding would also assist the development of the tourism industry on a cross-border basis, e.g. under the following headings:
 - the marketing of tourism projects developed on a cross-border basis;
 - joint marketing and promotional activities by Northern and Southern tourism interests in key

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overseas markets;

- the development of new or improved cross-border projects, e.g. waterways development, tourism angling, walking routes, heritage trails etc.
41. A project which might be supported under this heading would be the construction of a waterway link from the recently opened Shannon-Erne Waterway to Lough Oughter.
42. Other projects which deserve attention would include:
- the development of the offshore islands along the Donegal and Northern Ireland coasts (including improved ferry services);
 - the regeneration of a number of seaside resorts (North and South) which have been under-resourced for many years.

(G) Rural development

43. We suggest the allocation of increased resources to support the economic regeneration of disadvantaged rural areas both within Northern Ireland and in border areas.
44. It is, of course, recognized that EU resources, particularly under the LEADER and INTERREG initiatives, are already making a major contribution to the alleviation of these problems. In the light of the changed situation, however, it is important to ensure that the needs of disadvantaged rural areas do not receive less attention than those of the inner urban areas and that enhanced efforts are made to address the many structural weaknesses of these areas.
45. Resources might be targeted towards the following needs:
- support schemes for small and medium-sized businesses in the areas concerned;
 - provision of resettlement incentives to attract people back into their native areas (in order to combat problems of emigration and resulting depopulation of rural areas);
 - measures to enhance the physical environment of selected villages on or near the border (North and South).

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- the development of the forestry industry in Northern Ireland and in border counties;
- the development of fisheries in Northern Ireland and in border counties.

(H) Education

46. We suggest the allocation of additional resources to:

- (a) the enhancement of educational facilities for young and long-term unemployed people in Northern Ireland and border areas;
- (b) the expansion of links between third-level education institutions North and South.

47. Under (a), the following needs should be addressed:

- improving the range of "second chance" educational opportunities for early school leavers and the long-term unemployed;
- providing financial support to those who wish to avail of these opportunities on either a part-time or full-time basis;
- providing educational programmes aimed specifically at former prisoners;
- alternative educational and youth projects in disadvantaged areas.

48. A project meriting particular attention is the proposed new University of Ulster campus on the Springvale site along the "peace line" in West/North Belfast.

It is envisaged that this campus would have a strong focus on the imparting of business skills and a series of outreach programmes linking into the local community.

EU support for this project (which is at present the subject of a feasibility study) would enable the Union to make a direct contribution not only to the enhancement of Northern Ireland's third-level facilities but also to the alleviation of the severe socio-economic problems of a divided community in an area of Belfast which has been at the interface of sectarian violence over the past twenty-

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five years.

49. Educational projects of a cross-border nature which deserve attention would include the following:

- A possible all-Ireland management school (drawing on third-level institutions North and South and also the IMI);
- A possible all-Ireland community development institution (for the training of people involved in community development work);
- A possible all-Ireland education/research foundation to support postgraduate research (including joint projects) at third-level institutions North and South.

50. Funding might also support the expansion of cooperation between third-level institutions North and South, including the provision of high-speed, broad-band computer network facilities both between these institutions and with European counterparts.

51. Of particular value would be enhanced funding for implementation of the ERASMUS scheme for intra-EU exchanges of third-level students and academic staff.

(I) Community relations

52. We suggest the allocation of additional resources to support the provision in inner-city areas of Belfast and Derry of community resource centres, accessible to the whole community, whose objective would be to strengthen social, cultural and artistic interaction across the community divide.

(J) Further initiatives

53. The possible siting of a EU institution in Belfast or Derry would also merit consideration.

25 October 1994

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