

From: Tony McCusker cc See below

Date: 16 December 1999

To: PS/First Minister
PS/Deputy First Minister



BRITISH IRISH INTERGOVERNMENTAL COUNCIL: FIRST SUMMIT LEVEL MEETING

1. In preparation for the first summit meeting of the British Irish Intergovernmental Council, the following papers are attached:-
 - (i) Programme
 - (ii) Agenda
 - (iii) Draft Memorandum of Understanding on Supplementary Procedural Arrangements
 - (iv) Paper on Programme of Work and Future Meetings

2. The formal meeting will last 25 minutes and, in addition to the opening statements, will deal with the 2 papers enclosed. Items 4-6 will be discussed less formally over lunch, following the Press Conference. Mr Kerr and Mr Logue should provide short introductory statements for the First Minister and Deputy First Minister.

TONY McCUSKER
Ext 28102/28103

*cc Dep Sec
Mr Craig P17
P12*

Mr McCusker

for New File (if not already opened)

*Requested.
PB
Please file*

*J.
20/12.*

IA

DANN

cc PS/Ms Rodgers
PS/Mr McGimpsey
PS/Mr McGuinness
PS/Sir R Empey
PS/Mr Foster
PS/Mr Durkan
PS/Ms de Brún
PS/Mr Farren
PS/Mr Robinson
PS/Mr Dodds
PS/Mr Nesbitt
PS/Mr Haughey
PS/Mr Semple
NI Permanent Secretaries
Mr Lavery
Mr May
Mrs Flanagan
Mr Campbell
Mr Kerr
Dr Gudgin
Mr Barrington
Mr Larkin
Mr Logue

BRITISH-IRISH INTERGOVERNMENTAL CONFERENCE

ON 17 DECEMBER 1999

10 DOWNING STREET

Programme

12.00 Following BIC "Family Photo", those participating in BIIGC depart Lancaster House for Downing Street.

12.15 - 12.40 Formal BIIGC meeting

Participants:-
(14 at the table)

Prime Minister
Secretary of State for Northern Ireland
Jonathan Stephens
Jonathan Powell
John Sawers

Taoiseach
Tanaiste
David Andrews
John O'Donoghue
Paddy Teahon

First Minister
Deputy First Minister
plus two NI officials

(behind the table)

Peter Bell

Dermot Gallagher

Ivor Roberts

Tim Dalton

Susan Scholefield

Donal Hamill

Denis Brennan

Michael Manser

John Fisher/Tom Kelly

Ted Barrington

+ 2 NI officials

12.45 – 13.15

Press calls – No 10 arranging

13.15 – 13.45

Lunch for 14 Ministers and officials who are at table for meeting. Separate lunch for 12 officials from behind the table.

BIIGC (99) 1st MEETING

BRITISH-IRISH INTERGOVERNMENTAL CONFERENCE

AGENDA

Summit Meeting to be held in No 10 on 17 December (items 4-6 to be taken during lunch).

1. **Inaugural Statements**
 - Statements by Prime Minister, Taoiseach, First Minister and Deputy First Minister

2. **Memorandum of Understanding on Supplementary Procedural Arrangements**
 - Memorandum - for approval

3. **Programme of Work and Future Meetings**
 - Note by the Joint Secretaries - for approval

4. **Current Situation in Northern Ireland**
 - oral discussion

5. **Bilateral Co-operation**
 - oral discussion

6. **Draft Communiqué**
 - to be circulated by Joint Secretaries

British-Irish Intergovernmental Secretariat
15 December 1999

13 DECEMBER 1999

BRITISH-IRISH INTERGOVERNMENTAL CONFERENCE
MEMORANDUM OF UNDERSTANDING ON SUPPLEMENTARY
PROCEDURAL ARRANGEMENTS

1. Introduction

- 1.1 This Memorandum is made between the British and Irish Governments and constitutes a shared understanding regarding supplementary procedural arrangements relating to the operation of the British-Irish Intergovernmental Conference.
- 1.2 The Memorandum is an informal understanding and does not constitute a legally binding agreement. Nothing in it overrides the Multi-Party Agreement; nor does it have a bearing on those provisions of that Agreement concerning internal arrangements (constitutional, legislative or otherwise), in either jurisdiction, relating to democratic authority, accountability and the discharge and co-ordination of executive functions. Subject to that understanding, both sides will act in accordance with the procedures set out in the Memorandum.

2. Purpose of the Conference and Membership

- 2.1 The purpose and membership of the British-Irish Intergovernmental Conference will be as set out in the Multi-Party Agreement. It will remain

open to both Governments to conduct bilateral business outside the Conference.

3. Meetings of the Conference

- 3.1 The two Governments will decide on an initial schedule of meetings of the Conference including regular and frequent meetings relating to non-devolved Northern Ireland matters. Additional meetings of the Conference may be convened at the request of either Government.
- 3.2 The Conference will normally meet at Summit level at least twice a year.
- 3.3 The Conference may remit to be considered by appropriate Ministers or officials, including the Secretariat, any matter coming before it.
- 3.4 The Conference may convene at any location within the United Kingdom or Ireland as jointly determined by the two Governments.
- 3.5 The agenda for each Conference meeting will be jointly decided in advance by the two Governments through the Secretariat.

4. Northern Ireland Administration

- 4.1 Where non-devolved matters relating to Northern Ireland are to be discussed at a meeting of the Conference, the Northern Ireland First Minister and the Northern Ireland Deputy First Minister acting jointly will ensure that there is relevant cross-

community attendance at the meeting by Northern Ireland Ministers and junior Ministers ('Northern Ireland administration representatives'). The failure to attend or non-participation of Northern Ireland administration representatives will not, however, prevent the holding of a meeting of the Conference or otherwise affect its proceedings.

- 4.2 In accordance with the Multi-Party Agreement, the Conference will keep under review the workings of the British-Irish Agreement and the machinery and institutions established under it, including a formal published review three years after the Agreement comes into effect. Northern Ireland administration representatives will be invited to express views to the Conference in this context.
- 4.3 The Joint Secretariat will normally notify the First and Deputy First Minister no less than ten working days in advance of any Conference meetings and circulate an agenda no less than five working days in advance. The First Minister, the Deputy First Minister, and other members of the Northern Ireland Executive may make proposals concerning the agenda. However, it will be for the two Governments jointly to determine the content, order and format of Conference agenda.
- 4.4 Meetings of the Conference will normally begin with a bilateral session between the appropriate Ministers of the two Governments and their officials and advisers. When security-related matters are under discussion, such meetings may include police and security advisers and may be in restricted format. Where appropriate, the two Governments will subsequently give the Northern Ireland administration representatives, at the outset

of the plenary sessions, a short oral report on discussions in the bilateral session.

- 4.5 Northern Ireland administration representatives may participate in discussion of all issues considered in the sessions which they attend. Officials of and advisers to Northern Ireland administration representatives may also attend.

5. **Statements of the Conference**

- 5.1 Any statements issued at the close of Conference meetings will be jointly decided by the two Governments. The two Governments will, where appropriate, take account of the views of the Northern Ireland administration representatives.

6. **Secretariat and Support**

- 6.1 The standing Joint Secretariat will be constituted and will, under the Multi-Party Agreement, operate in accordance with arrangements to be determined from time to time by the two Governments.
- 6.2 The Secretariat will provide support for the Conference, as appropriate, across its full remit to enable the Conference to carry out its functions. It may liaise as necessary with officials employed by or seconded to, or acting as support for the North-South Ministerial Council, the British-Irish Council, the Implementation Bodies, those of any other bilateral arrangements between the two Governments concerning matters of particular relevance to Northern Ireland as well as with the relevant Departments of the British and Irish Governments.

6.3 The Secretariat will be based in Northern Ireland. The two Governments will also designate officials in London and Dublin to support the work of the Secretariat, co-ordinate arrangements for Summit level meetings of the Conference and promote bilateral co-operation at all levels on matters of mutual interest.

7. **Funding**

7.1 The costs of each Conference meeting will be borne by the host Government with the travel and associated costs of Ministers, advisers and officials being borne by their respective Governments. The exception to this latter provision is the associated costs of Ministers, advisors and officials of the Northern Ireland Administration. These should be met directly from the funds of the Northern Ireland administration.

7.2 The two Governments will share the other costs arising from the operation of the Conference as well as the costs of the Joint Secretariat on an equitable basis to be determined by them.

8. **Review and entry into operation**

8.1 The arrangements in this Memorandum may be reviewed and varied by joint decision of the two Governments who will, where appropriate, take account of the views of the First Minister, Deputy First Minister, and of other members of the Northern Ireland Executive.

8.2 It will also be open to the First Minister, Deputy First Minister, and other members of the Northern Ireland Executive, to make

proposals for changes in these arrangements in relation to the discussion of non-devolved Northern Ireland matters.

- 8.3 It is proposed to submit this Memorandum for adoption at the first meeting of the Conference.

British Irish Intergovernmental Secretariat

15 December 1999

BRITISH-IRISH INTERGOVERNMENTAL CONFERENCE

PROGRAMME OF WORK AND FUTURE MEETINGS

Note by the Secretariat

1. The Conference is invited to consider a programme of work and decide initial issues for further work and discussion at future meetings.
2. The Strand Three section of the Multi-Party Agreement of 10 April 1998 provides for the Conference to bring together the British and Irish Governments to promote bi-lateral co-operation at all levels on all matters of mutual interest within the competence of both Governments. The Agreement also makes provisions for regular and frequent meetings concerned with non-devolved Northern Ireland matters. These meetings will also deal with all-island and cross-border co-operation on non-devolved matters. The Conference will also keep under review the workings of the new British-Irish Agreement and the machinery and institutions established under it.
3. In addition, the Strand Three section dealing with the Conference provides that co-operation within the framework of the Conference will include facilitation of co-operation in security matters. The Conference also will address, in particular, the areas of rights, justice, prisons and policing in Northern Ireland (unless and until responsibility is devolved to a Northern Ireland administration) and will intensify co-operation between the two Governments on the all-Ireland or cross-border aspects of these matters.
4. Issues for consideration by the Conference will be jointly decided by the two Governments. In addition, the Memorandum of Understanding on

Supplementary Procedural Arrangements provides that the First Minister and the Deputy First Minister and other members of the Northern Ireland Executive may make proposals concerning the agenda in respect of non-devolved Northern Ireland matters. As an aid to discussion, the Secretariat has prepared an initial list of issues which might form part of a programme of work.

5. In respect of **bilateral co-operation** issues include:

- asylum and immigration including Common Travel Area issues
- European Union and international issues
- social security including methods of fraud detection
- education
- policy on misuse of drugs; combatting organised crime and associated money laundering

6. In respect of **non devolved Northern Ireland matters**, including any all-island or cross-border aspects, issues include:

- rights
- policing, including implementation of the Patten Report
- criminal justice
- normalisation of security arrangements and practices
- cross-border security co-operation
- victims of violence
- prison issues
- drugs and drug trafficking
- broadcasting

7. The Conference is invited to endorse the initial work programme outlined above. This does not preclude either Government proposing other subjects for further study or discussion.

Future Meetings

8. It is envisaged that the next meeting of the Conference at Summit level will be held during the first half of 2000 and that the first meeting of the Conference on non-devolved Northern Ireland matters will take place in January. Meetings to address other issues, including those arising from the work programme, will be arranged as necessary

British-Irish Intergovernmental Secretariat

15 December, 1999

BRITISH IRISH INTERGOVERNMENTAL CONFERENCE

STEERING BRIEF

1. INAUGURAL STATEMENTS

Separate introductory statements are being provided by Mr Kerr and Mr Logue.

2. MEMORANDUM OF UNDERSTANDING ON SUPPLEMENTARY PROCEDURES

The draft Memorandum has been agreed by the UK and Irish Governments.

LINE TO TAKE

The First Minister and Deputy First Minister should note the Memorandum.

3. PROGRAMME OF WORK AND FUTURE MEETINGS

The paper suggest issues which might be taken forward in respect of bilateral co-operation between the British and Irish Governments (paragraph 5). It also proposes issues relating to non-devolved Northern Ireland matters (paragraph 6). It further proposes that the next BIIGC Summit will be held in the first half of 2000 and that the first meeting of the BIIGC on non-devolved NI matters will take place in January.

LINE TO TAKE

- **The lists of issues for consideration in the paper as drafted can be agreed.**
- **However the First Minister and Deputy First Minister should suggest that “Fuel duty and its impact on the economy of NI” should be added at paragraph 5 of the paper as an additional area for bilateral co-operation between the 2 Governments.**

MR TRIMBLE

There is a significant fuel price differential between Northern Ireland and the South of Ireland.

As at 22 November unleaded petrol prices in the UK were the highest in the EU (73.37 pence per litre) while those in the South were the fourth lowest (51.13 pence per litre).

Diesel in the UK is the most expensive in the EU (75.27 pence per litre) while in the South it is much cheaper (46.68 pence per litre).

This differential is caused by excise duties and the exchange rates:

- **Excise Duties:** the duty per litre on unleaded petrol in the UK is currently 47.21 pence, whereas it is 29.44 Irish pence in the South. **Duties on unleaded fuel rose by 142% in the UK over the period 1990-99 compared to 7% in the South.** The duty on diesel in the UK is 47.21 pence per litre while that in the South is 25.61 Irish pence per litre. **UK diesel duty rate has**

risen by 164% between 1990-99 while in the South it rose by just 17%.

- Exchange rate: Sterling continues to gain strength against the punt (euro).

MR MALLON

The main effects of this price differential are:

- Increased legal cross-border fuel sales. Figures issued by the Institute of Petroleum show that in 1998 total imports of petrol in Northern Ireland decreased by 10.7%. Diesel imports decreased by 19%.
- Estimates suggest that petrol retailers on the North of the border have lost between 25-50% of their trade. The Petrol Retailers Association estimates that over 48 border service stations have closed in the last two years and a significant number of others are facing closure as the situation continues to get worse.

- Unlawful smuggling of fuel from the South to Northern Ireland is a significant problem. **In 1998, Treasury estimated the loss of revenue at £100 million, and this may well have increased.** This continues to cause severe hardship to legitimate traders.
- A contribution to loss of competitiveness for road hauliers located in the North due to higher fuel prices – fuel is 25-40% of total operating costs - along with vehicle excise duties. **The Road Haulage Association estimates that over 85% of all operators in Northern Ireland are purchasing their fuel in the South.** In the last budget the Chancellor increased certain vehicle excise duties on 40 tonne lorries which has contributed to hauliers relocating operations to the RoI to take advantage of perceived lower operating costs.

- In relation to the proposed timetable, the First Minister and Deputy First Minister may wish to say that January is expected to be a very busy month for NI Ministers.

At this point the meeting will break (12.45) for the Press Conference.

4. The remainder of the Agenda will be dealt with more informally over lunch (1.15 – 1.45)