

STRAND TWO - NATURE, FORM AND EXTENT OF NEW ARRANGEMENTS

Paper presented by the Irish Government

1. In its paper, "Strand Two - Principles and Requirements", the Irish Government outlined the main elements it envisaged in terms of the "nature, form and extent of new arrangements" under Strand Two. These main elements were set out as follows:
 - *institutions and structures must be created which, while recognising the diversity of the people of Ireland, will enable them to work together in all areas of common interest;*
 - *these institutions should include a North/South Body as described in paragraphs 24-38 of "A New Framework for Agreement";*
 - *there should be a Parliamentary Forum, with representatives from agreed political institutions in Northern Ireland and members of the Oireachtas, to consider a wide range of matters of mutual interest.*

This paper elaborates further on the Irish Government's position in this regard.

Overview

2. The Government is of the view that the creation of strong North/South institutions is an essential element of an overall, balanced settlement. The goal of these institutions would be to cater adequately for present and future political, social and economic inter-connections on the island of Ireland, enabling representatives of the main traditions, North and South, to enter agreed dynamic, co-operative and constructive relationships to their mutual advantage. As outlined in paragraph 38 of the Joint Framework Document, both Governments envisage that this new framework would provide a forum for healing divisions, for mutually acknowledging the respective identities and requirements of the two major traditions and for promoting understanding and agreement between the people and institutions in both parts of the island.
3. The case for North/South institutional arrangements as an expression of the political and cultural links with the South felt and desired by Northern nationalists has already been made in a number of papers submitted to these negotiations. The Irish Government recognise that this critical objective will have been achieved as part of an overall, balanced accommodation which would enable both traditions to find expression of their identity, ideals and aspirations across all three strands. Moreover, as made clear in the Joint Framework Document, North/South arrangements should promote the goal of bridging

divisions and promoting agreement among the communities on the island of Ireland in an institutional framework for dialogue and for mutual interaction and enrichment. We would hope that this would enable both traditions to develop and foster common interests and so to lay the foundation of closer understanding, respect and co-operation between them.

4. The case for North/South arrangements as a means of realising the potential for the mutual economic and social advancement of both parts of the island, including in the European context, is developed further in this paper.

General Criteria

5. The Irish Government believes that, if they are to fulfil the functions required of them, Strand Two arrangements should meet a number of general organisational criteria, including the following:

- any new arrangements should have a clear remit and purpose, satisfactorily addressing the overall objectives outlined above;
- they should have a clear institutional identity and autonomy;
- they should have a firm legislative foundation on both sides;
- they should be durable;
- their remit should be dynamic, on the basis of agreement between the two sides;
- they should have a capacity to innovate;
- there should be arrangements for political, legal, administrative and financial accountability;
- significant responsibilities, including meaningful functions at executive level, should be a feature of such arrangements;
- they should include a specific remit in developing on a continuing basis an agreed approach for the whole island in respect of the challenges and opportunities of the European Union;
- they should operate on the basis of agreement between the two sides.

It will, of course, be necessary to consider how such arrangements could also reflect the "totality of relationships" and how they might best be integrated into patterns of co-operation between the two sovereign Governments and into the interlocking and mutually supportive institutions required across the three strands.

Joint Framework Document

6. Against that background, paragraphs 13 and 24-38 of the Joint Framework Document set out the shared understanding of the two Governments on the shape of Strand Two arrangements, which would include a North/South Body, as part of a comprehensive accommodation, the implementation of which would include interlocking and mutually supportive institutions across the three strands.

Parliamentary Forum

7. As indicated in paragraph 36 of the Joint Framework Document, both Governments envisage that Strand Two arrangements would include a Parliamentary Forum, with representatives from agreed political institutions in Northern Ireland and members of the Oireachtas, to consider a wide range of matters of mutual interest. Apart from facilitating greater co-operation in practical terms between the two parts of the island on issues covered in its remit, and contributing to democratic accountability, the Parliamentary Forum would also serve to promote greater mutual understanding and trust, and the healing of divisions, between the two main traditions on the island.

North/South Economic and Social Co-operation - A Practical Framework

8. The Government believes that there is a strong practical case for the establishment of a North/South Body. Such a Body would be in a position to pursue policies which were suited to, and complemented, the needs and potential of both parts of Ireland. It would offer economies of scale and provide for an integrated, common approach to economic development and social planning, which in turn would lead to better use of resources and to the avoidance of duplication.
9. It is the private sector which has been to the forefront of moves to establish an all-island economy. The two main business organisations, IBEC and the CBI, have established a Joint Council to encourage trade and investment. All studies on the creation of a true single market on the island of Ireland have found that there would be significant economic gains from its creation, both in terms of employment and living standards. Cross-border business investments, takeovers and mergers have increased significantly in recent years, while North/South trade and tourism have also grown appreciably. Some companies have established a single operation to cover the entire island. The new situation also calls for changes in the public sector. With business operating increasingly on an all-island basis, there is a growing logic in having all-island institutions to cater for this situation.
10. The lesson of our recent experience of economic growth in the South, and indeed of wider international experience, is that a key factor for success is a positive, pro-active role for Government and its agencies. This has been shown in a whole range of areas, including education, training, technology, innovation and investment promotion. Even in a global economy, every country and region have to maximise their advantages and to make the best of factors within their own control or influence. These supports and policies cannot be delivered solely by the market. The intervention of public agencies, deploying executive powers is required.

11. Experience has also shown that a strong home market is a major advantage in facilitating the creation and development of vibrant indigenous companies which can compete successfully at an international level. Moreover, in overseas markets, there is clearly a need to avoid duplication in the area of product promotion by our State-sponsored bodies. The island of Ireland is often seen abroad as a single unit. There are already cross-border marketing initiatives in this regard. A North/South Body could be in the forefront of developing and consolidating all-island strategies in areas such as the promotion of exports (from both North and South) and in the marketing of the island as a single tourist destination.
12. There are also areas where there is a natural all-island dimension. There is a strong case that matters such as animal health and research should be viewed in an all-island context. The island of Ireland is a natural unit for these matters. It is simply not possible to stop the spread of disease by drawing a political line on the map. Enforcement of disease control measures can be carried out more effectively on an all-island basis.
13. The Government also believes that a North/South Body would be effective in coordinating the development of increased cooperation and coordination in scientific and technological research throughout the island of Ireland and in the transfer of new technologies to indigenous industry.
14. The illustrative examples outlined above point to the benefits of an island economy in Ireland, facilitated and supported by hands-on policies applied on an island-wide basis. Other examples are cited in the Joint Framework Document.

The European Union Dimension

15. The fullest possible coordination of policies would be of particular benefit in relation to the European Union. In view of the central importance of the EU, in economic and social terms, for both parts of Ireland, the Government believes that there is a strong case for a North/South Body having a major role in the implementation of Union policies, initiatives and programmes, throughout the island. In the areas of Agriculture and Fisheries, for example, the two Governments act as agents for the implementation of the Common Agricultural Policy and the Common Fisheries Policy. There is clearly scope for administering such common policies (where the Governments have already delegated their authority) on an all-island basis, for the benefit of North and South. In addition, a single implementation authority for initiatives and programmes such as LEADER, INTERREG 11 and the Special Support Programme for Peace and Reconciliation would avoid duplication and facilitate a common approach throughout the island.
16. The Government believes that a North/South Body should have an important role, in conjunction with the two Governments, in the preparation of joint submissions in the context of EU policies and under EU Programmes and Initiatives, and in their joint monitoring and implementation. A North/South Body would also provide an instrument to promote the common interests of both parts of the island in the European context.

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