

International Support for Economic Development and Reconstruction

1. As requested by the Co-ordinating Committee at its meeting on 2 December, the Secretariat has prepared the following information note on international support for economic development and reconstruction in Ireland, both North and South. For completeness, the note refers to existing programmes and institutions as well as to new initiatives.

EXISTING PROGRAMMES

EU Structural Funds - Community Support Frameworks

2. The South's Community Support Framework (CSF) will receive approximately £1bn annually from the structural funds of the European Union in the period 1994-9). The Community Support Framework is to be implemented through nine Operational Programmes (Tourism, Environmental Services, Economic Infrastructure, Transport, Industry, Agriculture and Rural Development, Human Resources and Fisheries). Specific projects to be funded under each Operational Programme are selected by the relevant Government Department or Departments, in conjunction with other appropriate agencies.
3. There is an overall national CSF monitoring committee, involving representatives of Government Departments, the EU Commission and the European Investment Bank. Each of the operational programmes in turn has its own monitoring committee, comprising the relevant implementing Departments and state agencies. There are in addition eight consultative and advisory sub-regional operational committees, which are composed of representatives of the social partners, local authorities, and other major interests.
4. Northern Ireland is to receive approximately Stg£160m per annum under the Structural Funds in the 1994-9 period. In the case of Northern Ireland, there is a single Operational Programme, which is divided into a number of sub-programmes. The Programme is in the first instance administered by the Department of Finance and Personnel; the sub-programmes are the responsibility of designated Departments or agencies. The Programme is monitored by a committee with 17 members, including representatives of Departments, the EU Commission, and five independent members appointed by the British Government.

EU Structural Funds - Community Initiatives

5. In addition to the funds allocated under the Community Support Frameworks, the Commission reserves some 8.5% of the total Structural Funds budget for allocation under the Community Initiatives, which are programmes designed by the Commission and relating to matters of particular Community interest. In July 1994, the Commission adopted 13 Initiatives (some of which, such as LEADER - rural development - build on previous programmes). Approximately £300m has so far been allocated to Ireland (the South) under the Community Initiatives for the period up to 1999.
6. The Community Initiative of most financial significance to both parts of Ireland, and of

most direct relevance to the work of the Forum, is INTERREG II, which aims to promote the development of border regions and the promotion of cross-border co-operation across the EU. Following on the 1991-3 INTERREG I programme, to which a total of £66m was allocated from EC funds for the eligible areas of the island of Ireland, the Commission has given an indicative EU aid allocation to Ireland (the South) under the North/South INTERREG Programme for the six years 1994 -9 of c£72m. (An allocation of £56m has been made in respect of a maritime programme with Wales). The Northern Ireland allocation under INTERREG II is STG£48m. Five sub-programmes are envisaged, covering peripherality, environmental protection, natural resources, human resources and economic development, and will cover the six Southern border counties and all of Northern Ireland apart from the Belfast region.

7. Overall responsibility for the administration of INTERREG lies with the Departments of Finance (South) and Finance and Personnel (North). For the preceding programme there was a single North-South monitoring committee, which met twice annually, and included representatives of the EU Commission, the relevant implementing Departments North and South, as well as of the International Fund for Ireland and Co-operation North. Monitoring and management arrangements for the 1994-9 period, including secretariat arrangements and the degree and form of participation by and/or consultation with local interests, are currently under review.

EU Cohesion Fund

8. Ireland will also, in the period to 1999, receive c£1.2bn in assistance under the Cohesion Fund, which is reserved for those Member States with a GNP less than 90% of the EU average and is aimed specifically at projects in the transport, communications and environmental services sectors. Northern Ireland is not a beneficiary of this fund.

International Fund for Ireland

9. The International Fund for Ireland (IFI) is an international organisation established in 1986 by the Irish and British Governments. Its objectives, as set out in the founding Agreement, are to promote economic and social advance and to encourage contact, dialogue and reconciliation between nationalists and unionists throughout Ireland. The Agreement requires the Fund to spend about three quarters of its resources in Northern Ireland and about one quarter in the border counties of the South.
10. The Fund is financed by international contributions from the United States, European Union, Canada, New Zealand and - most recently, in September 1994 - Australia. Its outline budget for 1994 is £41m.
11. The Fund has a seven member Board appointed jointly by the two Governments. Its current Chairman is William T. McCarter. Observers nominated by the donors attend Board meetings. The Board, which is independent of the two Governments, is assisted by an Advisory Committee composed of senior officials of the Irish and British Governments. The day-to-day work of the Fund is administered by a joint Secretariat based in Dublin and Belfast.

INITIATIVES IN SUPPORT OF THE PEACE PROCESS

United States Economic Package

12. On 1 November, President Clinton announced a package of measures aimed at increasing US support for the political and economic revitalisation of Northern Ireland and the border counties. The package, prepared by an inter-agency committee, has the following principal features:
- enhanced Department of Commerce programmes, including a Business Information Center for Trade and Investment and a business intern training programme;
 - expanded United States Information Agency programmes
 - National Endowment for Democracy to seek to expand and strengthen its programmes
 - US Agency for International Development to work with IFI to increase the impact of its business enterprises programme on small and micro-enterprises
 - US Trade and Development Agency to lead a technical delegation to Northern Ireland to identify mutually beneficial infrastructure and industrial projects
 - the President is in April 1995 to hold a White House Conference for Trade and Investment in Ireland. The recently-appointed Economic Coordinator, former Sen. George Mitchell, is to work with the Secretary of Commerce, the IFI, the two Governments, the private sector and political groups to organise and support the conference.
 - Commerce Secretary Brown is leading a delegation to the British Government's forthcoming Investment Conference for Northern Ireland (12-13 December)
 - the President has proposed that the US contribution to the International Fund be increased from \$20m in Fiscal Year 1995 to \$30m in FYs 1996 and 1997. This will require Congressional approval.
13. Responsibility for implementation of the package will thus lie with the Economic Coordinator, the several agencies involved, and, to the extent that increased funding is involved, the IFI.

European Union Aid for the Peace Process

14. On 31 October, the Council of Ministers adopted the Commission's proposal that the annual EU contribution to the International Fund for Ireland be increased from 15 MECU to 20 MECU from 1995.
15. In the wake of President Delors' welcome for the IRA cessation and his promise to consider "how best the EU's continued support and assistance....could be shown through additional financial and other measures", a Commission Task Force chaired by Carlo

Trojan, its Deputy Secretary-General, was established to develop concrete proposals for assistance. It consulted widely with representatives of the Irish and British Governments, with political representatives, and members of business, trade union, professional and voluntary groups.

16. The Task Force's proposals were ratified by the Commission at its meeting on 7 December and will be presented to heads of state and government at the Essen European Council (9-10 December).
17. The Commission has proposed an aid package to benefit Northern Ireland and the border counties, funding programmes in the areas of
 - urban and rural regeneration
 - employment creation
 - cross-border development
 - social inclusion.
18. The proposed programme would run for five years. Funding remains to be settled, but the Commission's proposal is for support of the order of c£240m over an initial three-year period. This would be additional to and separate from monies allocated under the Community Support Framework, existing Community Initiatives and the Cohesion Fund. The two Governments would be required to provide matching finance. Before the end of the three-year period, there would be a review of the need for further resources for the balance of the five-year period.
19. If the package is endorsed in broad outline by the European Council, the Commission will bring forward proposals for appropriate institutional mechanisms and the Governments will be invited to submit proposals for detailed programmes.
20. There will be a single North/South monitoring structure for the package, involving the two Governments and the Commission, which will have oversight of the detailed implementation of programmes by Government Departments and agencies.
21. It is expected that appropriate arrangements would be made to allow for structured local and community input into the implementation of the package through a consultative "platform", and that these arrangements would be established after consultation between the two Governments and the Commission in the wake of a positive decision by the Essen European Council. They might involve representatives of local authorities, voluntary and community groups, employers, trade unions etc. The Commission attaches particular importance to facilitating the widest possible consultation with "grass-roots" opinion.