



The White House Conference for Trade and Investment in Ireland

Northern Ireland and the border counties of Ireland

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BCIU

VI. PUBLIC SECTOR PROGRAMS TO BUILD JOBS AND HOW TO USE THEM

- o Financial Assistance Programs*
- o Information Enhancement Services*
- o Technical and Other Training Programs*
- o Economic Development Programs*
- o Infrastructure Development Programs*
- o Community Development Programs*
- o Trade Development Programs*

PUBLIC SECTOR PROGRAMS EXECUTIVE SUMMARY:

Given the determination to support the peace process in Northern Ireland, the relevant governmental bodies have developed an impressive range of financial and other support programs to aid in the stabilization and economic health of Northern Ireland and the border counties of the Republic of Ireland.

Officials recognize the need for public sector involvement at the community level to plan, provide, and coordinate development programs, urban renewal efforts, enterprise support, and job creation activities. These and other community development programs deliver and develop grassroots support that is critical for long-term peace and stability, the re-skilling of the unemployed, and provide all companies with additional resources to help create jobs.

- o The European Union has established recovery of Northern Ireland as a key priority and has allocated over \$2 billion (at the current \$1.32/ECU exchange rate) to be spent for programs over the next 3-5 years.*
- o The UK government is making available over \$5 billion annually (at the current \$1.55/sterling exchange rate) for grants and other assistance to Northern Ireland.*
- o The Republic of Ireland has earmarked \$484 million for grant-aid and training and community employment programs.*
- o The International Fund for Ireland has received 60 million ECUs for community, economic development, and other projects over the next three years. Its 1995 budget is \$50 million. The United States is a major contributor to the Fund.*

This funding supports a wide variety of programs that advance the economic needs of the region. These include information services and enhancement, vocational and technical training, financial support for research and development, investment support, and other programs all designed to create jobs and to help industries be competitive, efficient, and productive.

U.S. companies operating in Northern Ireland or the border counties can participate in most of these programs and utilize them to help finance qualifying activities.

FINANCIAL AND OTHER ASSISTANCE

European Union-funded Programs

The European Commission has established several programs which provide grants to fund projects within the European Union (EU). These initiatives are designed to strengthen social and economic cohesion by eliminating regional imbalances within the EU, such as in the case of Northern Ireland. They create significant trade and investment opportunities for American as well as European firms of American parentage.

Funds Available for Northern Ireland

The main EU program to stimulate regional growth is the Structural Funds, operating since 1975. The Structural Funds represent a budget of 157 billion ECU over 6 years (1994-1999), of which 1.233 billion ECU is allocated to Northern Ireland. About 90 percent of the funding is channelled through the Community Support Framework (CSF), a plan based on member states' input for regional development. The CSF is established after consultation by member states with local and regional authorities, local industry and business, and environmental, consumer, and educational bodies. The remaining 10 percent goes to so-called Community Initiatives, which are projects initiated by the Commission with input from member states to identify specific problems of significance to the EU as a whole, such as employment and fisheries.

The Structural Funds are actually comprised of four specific "funds": the European Social Fund (ESF); the European Regional Development Fund (ERDF); the European Agricultural Guidance and Guarantee Fund (EAGGF); and the Financial Instrument for Fisheries (FIFG). Each fund has a specific purpose:

ERDF -- to reduce regional imbalances in the European Union;

ESF -- to promote job opportunities for workers;

EAGGF -- to accelerate the adaptation of agricultural structures and contributions to the development of rural areas; and

FIFG -- to restructure the fisheries sector.

Northern Ireland is classified by the Commission and the EU member states as an Objective 1 Region, i.e., a region whose economic development is generally lagging behind. As such it qualifies for 1.233 billion ECU in grants from the Structural Funds for the period 1994-1999 which are broken down as follows:

ERDF:	677.0 million ECU
ESF:	354.0 million ECU
EAGGF:	186.9 million ECU
FIFG:	15.1 million ECU
Total:	1,233.0 billion ECU

The 1993 single programming document constitutes the basis on which assistance to Northern Ireland will be implemented for the period 1994-1999. Projects are generally controlled by national, regional, or local authorities. Member states are expected to match EU funding from the Structural Funds.

Community Initiatives

The Community Initiatives for Northern Ireland are:

Urban -- 16.9 million ECU to support schemes to revitalize inner city areas.

SME -- 6.2 million ECU for grants for external expertise to help small and medium-sized enterprises (SMEs) identify the implications of change in the industrial environment and prepare a business strategy plan to meet the challenges of a competitive single European market.

INTERREG -- 158.2 million ECU to develop cross-border cooperation and establish links in trans-European networks.

RETEX -- 4.6 million ECU to assist areas in decline in the textile and clothing industry.

Employment -- 12.6 million ECU to improve employment prospects, foster equal opportunity employment and help young people integrate into the labor market.

ADAPT -- 3.1 million ECU to help workers to adapt to industrial change.

LEADER -- 11.2 million ECU aimed at stimulating local authorities, local action groups, Chambers of Commerce, etc. into proposing innovative initiatives to revitalize rural areas.

PESCA -- 1.7 million ECU for grant for public and private organizations for various fisheries related projects, such as developing fishing ports or finding new markets.

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EU Peace Initiative

In addition to the Structural Funds, Northern Ireland and the border counties of the Republic of Ireland will be receiving 300 million ECU over the next three years as part of the Peace Initiative recently launched by the Commission. Guidelines for allocation of the funds have been proposed by the Commission. Northern Irish and Irish border county authorities also separately have discussed programs to spend the money. The proposed programs will be submitted to the Commission for approval. Details may be available by July 1995. Much like the Structural Funds, the Peace Initiative Funds will be spent on urban and rural renewal, employment projects, trans-frontier development, social integration, and investment promotion. About 80 percent of the funds are marked for Northern Ireland and 20 percent for the border counties of the Republic of Ireland with special emphasis on community reconciliation. The European Union will finance up to 75 percent of the cost of programs.

EU Contribution to the International Fund for Ireland (IFI)

The EU will contribute 60 million ECU to the International Fund for Ireland (IFI) over the next three years. The IFI was established as a result of the 1985 Anglo-Irish Agreement to "promote economic and social development of those areas of both parts of Ireland which have suffered most from the consequences of instability of recent years." The IFI programs encourage cross-border and cross-community cooperation and have to date provided support to 3,000 projects in Northern Ireland and the Republic. Additional details about the IFI follow below.

Projects funded by the EU are open to U.S. companies. The procedure is quite simple: local/regional authorities obtain grants for their development projects and publish bid notices in the EU's "Official Journal", or electronically, in the TED (Tenders Electronic Daily Database), provided that the amount of the project is above or equal to the threshold set by the Commission (EU public procurement legislation). For example, the Ministry of Infrastructure/Transport, known as the contracting authority, will receive a Cohesion Fund grant for a road development project in region X. The contracting authority is in charge of bid announcement, evaluation, and payment. The EU monitors the procurement procedure.

Contacts:

Directorate General XVI (Regional Policies)

Northern Ireland: Esben Poulsen

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UK Government-funded Programs

According to the latest available figures, identifiable UK government general expenditure per head in Northern Ireland was 4,594 pounds sterling in 1992-93 (approximately \$7,350) . This was 35 percent higher than the UK average, and reflects mainly the particular needs of the local economy.

The expenditures are referred to as "subvention" and consist mainly of grant-in-aid under the Northern Ireland Constitution Act of 1973. The grant-in-aid represents broadly the difference between that part of government expenditure that falls under the Northern Ireland Consolidated Fund and the tax revenues raised in Northern Ireland. Other items in the subvention are expenditures by the Northern Ireland Office and the Northern Ireland Court Service, and contributions to the Northern Ireland Insurance Fund. In 1993-94, the subvention was an estimated 3.4 billion pounds. This is a measure of the UK government's determination to secure for the people of Northern Ireland the same standards that are enjoyed by rest of the United Kingdom.

There is nothing unique in transfers of resources within the United Kingdom to the more deprived areas. Accounting conventions make the process transparent for Northern Ireland: the same process occurs less visibly for other parts of the United Kingdom.

The Community Work Program (CWP) is a new initiative designed to empower local communities to break the cycle of long-term unemployment in their areas. CWP started in April 1995 on a pilot basis in the Fermanagh and Strabane District Council Areas and in West Belfast. A total of 1,000 places will be available in the pilot phases for long-term unemployed adults who will be able to use and develop their skills through work activity and associated training on projects of benefit to the community. If the pilot proves to be successful, the intention is to expand it throughout Northern Ireland with a substantial increase in the number of places available.

The program will be delivered through regional partnerships which will provide local management and administration. It is expected that these partnerships will draw on a broad base with representation from district councils, statutory bodies, community and voluntary groups and the private sector. The partnerships will contract with organizations which can offer suitable projects providing stimulating work activities of community benefit.

The main elements of the scheme are as follows:-

- Jobs will be provided for the long-term unemployed for up to 3 years doing work which is satisfying to them and useful to the community.

- The main target will be persons aged 25-60 years who have been unemployed for more than a year. However, 18-24 year olds will also be eligible if, in addition to being 12 months or more unemployed, they have completed a Training & Employment Agency program or already have a higher level educational qualification.
- While actively engaged in the program, participants will receive training for their assignments, and to enhance their prospects of securing employment when they leave the program.
- Participants will be paid a weekly training allowance plus premiums which together will significantly exceed what they currently receive in benefits. There also will be the opportunity to receive lump sum bonuses.

As discussed above, the Industrial Development Board provides a program of grants and financial assistance which includes employment grants, interest relief grants, factory rent grants, company development program grants, product and process development grants, marketing development grants and strategic development planning grants. IDB also awards up to 50 percent cash grants for buildings, machinery and equipment to businesses that set up internationally mobile projects in high unemployment areas. Government loans and a favorable tax regime also are available for investors in Northern Ireland .

Further information on these programs can be obtained from the following offices:

Community Work Program Director
Training and Employment Agency
Clarendon House
9-21 Adelaide Street
Belfast BT2 8DJ
Telephone: 011-44-1232-541-541

Industrial Development Board for Northern Ireland
IDB House
64 Chichester House
Belfast, BT1 4JX
Telephone: 011-44-1232-233-233
Fax: 011-44-1232-231-328

IDB also has representatives in the United States at these locations:

IDB

2201 Waukeegan Road

Suite South 150

Bannockburn, IL 60015

Telephone: (708) 945-2908

Fax: (708) 945-2988

550 North Brand Boulevard, Suite 990

Glendale, CA 91203

Telephone: (818) 547-3716

Fax: (818) 547-4053

181 Metro Drive, Suite 780

San Jose, CA 95110

Telephone: (408) 441-0544

Fax: (408) 441-0547

Irish Government-funded Programs

The Irish Government, through its individual government departments and state agencies, including IDA Ireland, Forbairt, the Irish Trade Board, and FAS, offers a wide range of funding and assistance to firms based in Ireland.

As outlined above, the Irish Government welcomes inward investment. To support its commitment to inward investment, the government, through IDA Ireland, offers a number of investment incentives and reliefs to international investors. These incentives include an attractive 10 percent corporate tax rate for qualifying industries guaranteed through the year 2010, cash grant aid, customs duty reliefs, patent income exemption, and tax-exempt securities. The types of cash grant aid available include capital, training, rent subsidy, research & development, employment, and technology acquisition grants. Each grant package is tailored to the needs and requirements of each project. In 1995, IDA Ireland has a budget of about \$130 million for grant-aid to industry.

Forbairt is the Irish agency that facilitates the development of indigenous Irish industry by encouraging both technological and managerial development in local firms. The organization aims to foster research and development, and innovation in Irish industry by providing R&D grants, technical assistance, and administering scientific programs funded by the EU. Forbairt also offers employment, and management development grants to indigenous firms. In addition, the organization may take a preferential shareholding in firms with good growth potential to enable further expansion. This preferential shareholding may, in certain instances, be transferred into an equity shareholding at a later date. During 1995, Forbairt has a budget of about \$68 million for grant-aid to industry.

The Irish Trade Board provides assistance to Irish firms in developing sustainable markets both in Ireland and internationally. It organizes and coordinates the participation of Irish companies at international trade shows and trade missions and provides financial assistance to firms participating in international events. The organization also undertakes in-depth market research investigations of international markets to identify opportunities for Irish exporters. The Irish Trade Board has an administration and general expenses (grant-in-aid) budget of \$56 million in 1995.

FAS, the training and employment authority, is responsible for the operation of training and employment programs, and the provision of an employment/recruitment service. In addition, the agency provides an advisory service on employment issues to industry and it offers support for cooperative and community-based enterprise. FAS has a budget of over \$230 million for training and community employment in 1995.

Further information on the incentives, assistance, and services of these four organizations is available from:

IDA Ireland

2 Grand Central Towers

140 East 45th Street

New York, NY 10017

Phone: (212) 972-1000

Fax: (212) 687-9839

Contact: Mr. Eamonn Ryan, Director - North America

Forbairt

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Contact: Mr. Joe Breslin, Director - North America

Irish Trade Board

Ireland House

345 Park Avenue, 17th Floor

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Phone: (212) 371-3600

Fax: (212) 371-6398

Contact: Mr. Gerry Morrissey, Regional Director - North America

FAS

27-33 Upper Baggot Street

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Contact: Mr. Pat O'Shea, Information Services

The International Fund for Ireland

The International Fund for Ireland (IFI) is an international organization established by the Irish and British governments in 1986. Its objectives, as set out in Article 2 of 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 South. The Fund's outline budget for 1995 is 50 million pounds sterling (approximately \$80 million), of which nearly 13 million pounds sterling (\$21 million) will be spent in the six border counties in the South.

Donor countries are represented by observers who participate in Board meetings. The members of the Board act independently of the two governments. The Board is assisted by an Advisory Committee composed of senior officials of the two Governments. The day-to-day work of the Fund is administered by a joint Secretariat based in Dublin and Belfast. The seven member Board is appointed jointly by the two governments and is composed of a Chairman, Mr. William T. McCarter, and six other members.

Funding

The Fund is financed by international contributions from the United States, the European Union, Canada, New Zealand, and, most recently, Australia. These contributions represent a major international recognition of the joint efforts of the Irish and British governments to seek a peaceful solution to the conflict in Northern Ireland.

U.S. Contribution

The initial U.S. contribution for the IFI was \$120 million which covered U.S. fiscal years 1986-1988. Each year since then the U.S. Congress has appropriated annual subventions to the Fund, though until 1993 no allocation had been provided in the U.S. Administration's budget. To date, the United States has committed a cumulative figure of some \$229 million to the Fund. In recent years the annual U.S. contribution to the Fund has been \$20 million. This amount was again agreed by Congress for 1995. As part of the recently-announced U.S. package of economic initiatives in support of the peace process in Northern Ireland, President Clinton proposed to increase the contribution to the Fund in 1996 and 1997 from the current \$20 million to \$30 million per annum. This increase will require Congressional concurrence.

EU Contribution

The EU contributed 90 million ECU to the Fund between 1989 and 1994, i.e. 15 million ECU per annum. In the aftermath of the Joint Declaration and the subsequent ceasefires, the Commission brought forward a draft regulation which provided a legal basis for the EU contribution and proposed that the Union's contribution be extended for a further three years (1995, 1996, and 1997). Moreover, the level of contribution was increased from 15 to 20 million ECU per annum. The regulation was formally adopted by the Council of Ministers on October 31, 1994.

Other Member State Contributions

In September 1994, New Zealand pledged a further contribution of \$NZ 3,000,000 million to the Fund while Australia -- for the first time -- committed \$A 7 million to the Fund over the next five years.

Work of the Fund

The Fund's most recent Annual Report, covering the period October 1993 - September 1994, shows that the Fund approved assistance for some 300 projects during the period. This brings to 3,000 the total number of projects which the Fund has assisted. This input stimulated investment of around 800 million pounds sterling (nearly \$1.3 billion), of which the Fund's contribution alone was around 230 million pounds sterling (\$370 million). The projects offered support during the past year are expected to help produce in excess of 1,700 direct full-time jobs plus substantial numbers of part-time and construction jobs. Cumulatively, the Fund has assisted in the creation of some 25,000 full-time jobs since its establishment in 1986. While the Fund's geographical remit covers the six counties of Northern Ireland and the six southern border counties of Cavan, Donegal, Leitrim, Louth, Monaghan and Sligo, it gives top priority to the areas of particular disadvantage and on average has committed more than 70 percent of its resources to these areas.

Special emphasis is placed on cross-community projects and cross-border cooperation, including projects of an All-Ireland nature. Reconciliation and the improvement of community relations are central to the Fund's work and are promoted through all of its activities. For example, under its Disadvantaged Areas Initiative and Rural Development Program, the Fund assists cross-community groups to develop regeneration projects for their areas.

Under the Business Enterprise Program, cross-community groups are helped to develop enterprise centers to act as a focus for the promotion of local enterprise. The Wider Horizons and Community Relations Programs promote contact, dialogue, and reconciliation between cross-community and cross-border groups.

The Fund has to date supported three major flagship projects which will provide great benefits to the areas in which they are located and which are also of immense symbolic importance. One of these is the 30 million pounds sterling (\$48 million) restoration of the Shannon/Erne Waterway. This project, which has received 5.1 million pounds sterling (\$8.2 million) from the Fund to date, is the largest single project approved by the Fund. The other flagship projects are development of Navan Fort/Eamhain Macha, County Armagh (which was formally opened in October 1993) and the economic regeneration of Strabane/Lifford.

The Fund has initiated and financed a significant number of cross-border cooperative initiatives. Among these are the Acumen business development program, which aims at stimulating economic development on both sides of the border by fostering stronger ties between business and economic interests North and South, and a joint IBEC/CBI project to promote North/South job creation through the removal of obstacles to increased trade between both parts of the island.

In the field of marketing, assistance has been given to the Ireland Tourist Board (Bord Failte) and the Northern Ireland Tourist Board to cooperate internationally in promoting the whole of Ireland as a tourist destination. Other recent North/South initiatives supported by the Fund include the "Look is Ireland" Trade Fairs which were held (under the joint auspices of the ABT and the IDB) in Chicago and Washington in 1993 and 1994, respectively. Around 100 Irish firms participated in each of these fairs and a third fair was held in Boston in May 1995.

On the southern side, the main initiative currently is the Border Towns and Villages (BTV) Scheme, which is focusing Fund assistance on those towns and villages closest to the border and most affected by the troubles of the past two decades. To date, 13 such schemes have been assisted; they include such villages as Carlingford, County Louth; Inniskeen and Clones in County Monaghan; Ballinamore, Manorhamilton, and Kiltyclogher in County Leitrim; Blacklion and Swanlinbar in County Cavan; and Ballyshannon, Castlefinn, Newtowncunningham, and Raphoe in County Donegal.

The core of any BTV scheme is a community-based economic project which is supplemented by environmental improvements in public areas and private sector urban development assistance focused on key derelict sites/properties in the village. The overall purpose is to give the village an initial lift which will in turn stimulate further development from the private, public, and community sectors.

Recent Initiatives

While maintaining an even-handed approach to all communities, the Board of the Fund is very anxious to play its part in helping to consolidate the peace process --

particularly in the most deprived areas which have suffered the most from the violence of the last 25 years.

It is hoped that two recent Fund initiatives will be helpful in this respect:

- o The Fund's commitment of \$7.5 million in pump-priming support to assist in the development of the new University Campus in the Springvale area of North/West Belfast. The Fund's support will be particularly targeted on those aspects of the project which will directly benefit the local community; and
- o The Fund's recently announced "Communities in Action Program" which is aimed at encouraging social and community development across the 12 northern counties. The program will last three years and is equipped with a budget of 2.5 million pounds sterling per annum.

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INFORMATION ENHANCEMENT SERVICES

Northern Ireland

The Industrial Research and Technology Unit (IRTU) of the Department of Economic Development provides a comprehensive support service to local industry on science and technology matters. That service includes not only the provision of financial support for R&D activity but also the delivery of highly professional technological and environmental services, advice and information. These include:

Measurement, Testing and Analysis - IRTU's Industrial Science Center is equipped to test most materials and products used or produced by NI companies and the Unit has one of the widest ranges of accreditation of UK laboratories under NAMAS (National Measurement Accreditation Service). This accreditation has worldwide acceptance under ILAC (International Laboratory Accreditation Conference). In addition, all of the Center's operations are certified to ISO 9001, further guaranteeing the quality and international reputation of locally manufactured products.

Information - IRTU provides on-line access to worldwide search and information retrieval systems on a wide range of science and technology topics. These include information on scientific research, intellectual property and patents, UK and European legislation and international quality standards. The Center, as a participant in both the Euro Information Center and Value Relay Center networks, offers access to up-to-date information on European technical requirements and on R&D projects. It also operates a mobile information unit enabling data searches to be made from any geographical location in Northern Ireland.

Environmental Service - Information and advice is available on a wide range of environmental issues affecting business. These cover technical and legal requirements, pollution abatement, waste minimization and disposal and energy conservation.

IRTU's strategy is to continue to channel appropriate resources to the provision of scientific information and other related services and to ensure that these services are kept relevant and responsive to the changing needs of industry. Particular attention is paid to assisting companies meet the challenges and opportunities of the Single European Market and to comply with the exacting environmental demands made on industry.

Linking Business and Education Through Research & Development - The Northern Ireland (NI) Universities (Queen's University Belfast and University of Ulster) have formed R&D links with industry through university-based technology centers,

the UK-wide teaching company scheme, and a private company set up to exploit commercially university-based R&D.

In the UK, Northern Ireland's two universities, in collaboration with the NI Industrial Research and Technology Unit (IRTU) and the NI Higher Education Council (NIHEC), have taken steps to promote a strong R&D capability and to establish links with industry.

Border Counties

The Irish government regards science and technology as central to national economic and social development. Creating sufficient new jobs is the most vital economic and social task facing Ireland today. Responsibility for science and technology affairs in Ireland is structured on sectoral lines. Each government department is responsible for science and technology in its respective portfolios. The Department of Enterprise and Employment, through its Office of Science and Technology, has responsibility for coordinating Ireland's input on science and technology issues under consideration by the European Union and other international fora. A number of government departments have one or more agencies with responsibility for functions in relation to the funding, co-ordination or implementation of science and technology programs.

State Research Organizations

The state research institutes play a major role in providing advice and consultancy in support of economic and social development. Teagasc is the national body providing advisory, research, education and training services for agriculture and the food industry. It is the largest research institute in the country and undertakes research in a wide spectrum of agricultural disciplines.

Forbairt, the state agency responsible for the development of indigenous industry, stimulates the Irish economy through programs of investment in science and technology carried out in industry, third-level education colleges and other specialized centers. It also provides a wide range of laboratory-based and technical consultancy services to Irish industry. In addition, Forbairt administers part of the science and technology development program funded by the Office of Science and Technology.

Ireland's Environmental Protection Agency provides essential environmental and related services necessary to support the environmental infrastructure programs of the Department of the Environment and the local authorities in Ireland. The program of work is largely comprised of water resources and environmental services.

Forfas is the policy and advisory board for industrial development in Ireland. Forfas is also the body with statutory responsibility in relation to science and technology co-ordination and policy advice. As part of its responsibilities in the area of science and technology, Forfas promotes science and technology and its application in both the public and private sectors.

Total government allocation to science and technology amounted to 498 million Irish pounds (\$ 796.8 million) in 1993. Ireland's total expenditure on R&D amounted to 318 million Irish pounds (\$508.8 million) in 1992, or 1.1 Per cent of GDP. Expenditure in the business sector accounted for 63 per cent of the total. When measured as a proportion of GDP, Ireland ranks 8th in the European Union in terms of R&D expenditure.

The Regional Technical Colleges (RTC) in Dundalk (County Louth), Sligo, and Letterkenny (County Donegal) have developed business innovation centers. Sligo RTC is the national center for both environmental science and precision toolmaking and tool design. The College's business innovation center was established in 1988 with the assistance of International Fund for Ireland funding for the construction of a purpose-built building. The center provides workshop space and office space immediately adjacent to the RTC. It enables people interested in promoting new businesses or engaged in the development of products or services to have access to the resources and facilities of the College. Planned developments for the business innovation center include the provision of an enlarged building which will facilitate both research and incubator units.

The campus innovation center at Letterkenny RTC is comprised of six incubator units where high-tech products are developed with input from College personnel, the state sector, and private enterprises utilizing their combined R&D skills. The Regional Telecommunications and Information Technology Center in Letterkenny provides expertise in software development, multimedia, and video conferencing to private industry and state organizations. Another facility support industry in Donegal is the "qual" quality control laboratory at Killybegs. This facility serves the needs of the local fish processing industry in testing and certification of consignments.

The Regional Development Center (RDC) in Dundalk was established in 1989 by Dundalk RTC. The Center acts as a commercially-oriented interface between the RTC and the industrial, commercial, and business community of the region. The Center offers incubation facilities and services for the development of technology and knowledge-based enterprises and projects, industrial technology and business support units in electronic and electro-mechanical product development, and international and European Union business development and marketing support. The Center currently has ten technology-based businesses and a number of industrial R&D groups.

The Dundalk RDC has established a number of cross border and international linkages and is seeking to promote a range of new initiatives aimed at creating new technology-based activities in the east border region and the Newry/Dundalk border area, in particular. The initiatives include expanding technology and business incubator and research facilities at Dundalk and Newry, and developing a cluster of high-tech business activities in the form of a border technology park.

TECHNICAL AND OTHER TRAINING PROGRAMS

Northern Ireland

The lead government entity responsible for vocational training is the Training and Employment Agency (T&EA). It provides and operates training and employment services designed to assist NI firms become more competitive, and to enable individuals to acquire the skills and competencies required to secure employment. The T&EA was established in 1990 as an Executive Agency within the Northern Ireland Department of Economic Development. It maintains twelve training centers throughout the Province, as well as 31 local offices. It provides training to approximately 20,000 persons per year, and found jobs for 30,000 persons during 1994.

The T&EA's Company Development Program supports training and development through the start-up, growth and consolidation phases of inward investment companies. The Client Advisory Service offers specialist assistance on training matters. The T&EA's Overseas Export Marketing Program provides training and practical experience in export marketing on a worldwide basis. The program aims to help indigenous businesses with export potential by matching them with a program participant who will carry out a market research assignment in a chosen country. Primary target markets are Europe, North America and the Asia Pacific Region.

The program provides intensive training in export marketing, based both in Northern Ireland and the chosen target market. Theoretical training is complemented by research assignments, supplemented with a series of practical export marketing and development workshops. An assignment specification is negotiated between each host company, the participant and the training provider. In this way, the training program is tailored to meet the requirements of the agreed specification.

The T&EA's Business Education Initiative provides young people from Northern Ireland with an external perspective through a year-long placement at a college or university in the United States. The program allows students to undertake a year's training in business studies or business administration. Students may also spend an internship with an American firm.

Border Counties

FAS, the training and employment authority, has responsibility for technical training and employment programs in Ireland. In addition, FAS provides an employment/recruitment service, an advisory service for industry, and support for cooperative and community-based enterprise. Priority is given to those persons

with the most difficulties in the labor market, including the long-term unemployed and the early school-leavers. FAS has a staff of approximately 2,000 and a network of more than 49 employment services offices and 20 training centers throughout the country. Two training centers are located in the border counties. In 1993, FAS had a budget of 277 million Irish pounds (\$443.2 million) and operated training and employment programs for an estimated 56,600 unemployed persons.

The Irish Business and Employers Confederation (IBEC), with the combined support of Forbairt, IDA Ireland, the Irish Trade Board, Udaras na Gaeltachta, the Irish Tourist Board and the Shannon Free Airport Development Company, operates the European Orientation Program (EOP) as another human resource model.

The EOP was established with the objective of building up a corps of young business executives capable of communicating effectively with their European counterparts. Its overall goal is to develop the skills and expertise needed to strengthen Irish industry's international marketing capacity. The current program has a target of 120 placements by the end of 1995. Each trainee is sponsored by an Irish exporting firm where he or she spends the first three months learning the basic threshold of company's business. The second three-month phase is spent in a language laboratory in the appropriate EU country. The final phase, a minimum period of six months, is spent in the same EU country and in a business related to that of the sponsor company. The structure of the Program is flexible and can be altered to suit the needs of the company.

The results of the EOP to date, together with the continuing demand for European experience in industry, tourism and the service sector, indicate that graduates of the Program are likely to find employment either in their sponsoring companies or others in the same sector; 85% of previous Program participants are already working in industry in Ireland, or with their European distribution branches. For manufacturing, service and tourism companies, half of the Program costs are financed by the participating state agencies; the balance is paid by the Irish company.

Companies participating in the EOP must have a manufacturing base in the Republic of Ireland, but may be multinational (i.e., need not be indigenous). IBEC recruits graduates from colleges located in the Republic of Ireland and Northern Ireland for this program.

The Marketing Institute of Ireland operates "Graduateship" programs through the Regional Technical Colleges in the Republic of Ireland. Three of these colleges are located in the border counties of Cavan, Louth (Dundalk) and Donegal (Letterkenny). The Marketing Institute's courses lead to the following professional qualifications:

The Foundation Certificate in Marketing
The Certificate in Selling
The Diploma in Marketing
The Graduateship of the Institute

The "Graduateship" program is a four-year course of study and can be completed on a daytime or evening class basis. Upon successful completion of the first two stages (or years) students are awarded the Foundation Certificate in Marketing or the Certificate in Selling. The Diploma is awarded at the end of Stage 3, and the Graduateship upon successful completion of Stage 4.

Higher Education, Training, Retraining Programs

Northern Ireland

Adult Education - Retraining

All industry sector analyses consistently identify the need for vocational and management training as a prerequisite for consolidating the achievements of the peace process through assuring economic growth and providing sustainable employment opportunities. Government agencies have responded to the need for training by providing a wide range of programs. They have displayed a high degree of receptivity to the involvement of private sector providers of training services. Funds also are available from the International Fund for Ireland for specific training needs.

The UK government's 1994 White Paper on Competitiveness identified the need for additional training, particularly vocational training, as the single most important constraint to national competitiveness. As a consequence of this report, the UK government has earmarked over \$500 million in additional funds to provide vocational training throughout the United Kingdom over the next few years. Particularly targeted for training or retraining are the long-term unemployed and unemployed youth. Since significant private sector participation can be expected in the provision of training services and training material, there are significant opportunities for competitive American suppliers.

In addition to government expenditures, the Confederation of British Industry (CBI) estimates that the private sector in the United Kingdom spends roughly \$4.4 billion per year on training, approximately 8 percent of which is on supervisory training. No separate figures are available for Northern Ireland. The CBI also estimates that about ten percent of the expenditure on training materials is for imports, half of which are of American origin.

Health Care/Nursing

With the emergence of financially autonomous "trust hospitals" and budget-wielding general practitioners (GPs), the traditional boundaries between the United Kingdom's state-run National Health Service (NHS) and the private health care sector are being eroded. Through the NHS trusts, the government is decentralizing decision-making and encouraging hospital managers to devise their own initiatives to generate income. Similarly the fund-holding GPs, with control over their own budgets, are now able to purchase services from any provider, including the private sector. The NHS is seeking innovative ways to use limited resources more efficiently and effectively through closer links with the private sector.

These reforms present opportunities for American providers of training services and materials for a wide range of health and medical fields. The fast pace of growth in the medical equipment sector in Northern Ireland has created a short-term local shortage of technicians. In addition, there is a growing demand for trained nurses and health-care professionals from within the public and private sectors, and from the domestic Northern Ireland and UK markets. The high quality of available labor in Northern Ireland is well placed to help meet this demand, given training. Perhaps because of the historically more competitive health care markets of the United States, American firms have developed training services and materials which are very well suited to new health care environment of the United Kingdom. Receptivity to American methods is high.

Border Counties

FAS, the Irish training and employment authority, operates a variety of retraining and employment programs. FAS is divided into ten regions within Ireland - two of these are in the border counties. The FAS North-West region includes the counties of Donegal, Sligo, and Leitrim. The FAS North-East region covers Louth, Monaghan, and Cavan. There are four FAS training centers in the two regions located in Letterkenny, Sligo, Gweedore, and Dundalk.

FAS Involvement in Cross-border Projects

FAS has supported a variety of cross-border projects over the last few years, drawing on the facilities and/or staff of organizations from both sides of the border and utilizing, in some cases, special EU or U.S. funds. Current projects include:

- The Sligo training center which has recently completed a cross border training program which incorporated part of the training to be delivered in

Pittsburgh, Pennsylvania under the aegis of the wider horizons program of the International Fund for Ireland;

- A training program involving the construction of homes for the aged on behalf of habitat in conjunction with the Inner City Trust, Derry;
- The construction of a two-seater aircraft in conjunction with the Northern Ireland training and employment agency, Newtownards, County Down;
- The renovation of an old Church of Ireland church in Rossinver, County Leitrim, in conjunction with the Garrison Community Group, County Fermanagh;
- The construction of a waterbus for pleasure cruising on the River Foyle with Strabane Training Services, County Tyrone;
- The design, construction and fixing of tourist signs for the Ballinamore Canal with a local partner in Northern Ireland;
- The training of scuba diving instructors with F.A.D.I. in Ireland at Glencolmbille, County Donegal;
- Training in still photography and introductory video techniques in Denmark in cooperation with a partner from Northern Ireland (to be identified);
- Skills development with practical in-company experience in the United States in cooperation with Workspace, Northern Ireland;
- Training in sports and grassland management with practical training in Provence, France, in cooperation with Joblink, Derry under the Youthstart Program;
- the FAS Letterkenny and Gweedore training centers will be developing a cross-border marketing program with North West Marketing, Derry, which will incorporate some level of overseas training with the objective of increasing market penetration;
- FAS is currently coordinating a cross border development program for fish and other food processing companies as well as a new technology applications program for clothing sector companies;
- Omeath Church - refurbishing a church as a north/south reconciliation center. Work is being under by FAS and Clanrye Development under the action for community employment (ACE) scheme; and

- IFI's Wider Horizons program -- Trainees from north/south (8 Dundalk, 8 Newry and 8 Belfast) participating in an overseas project.

Vocational Training -- Value-added, Nursing, Health Care

FAS provides a full range of training and apprenticeship courses in both the north-east and north-west regions. A significant level of cooperation also exists on a cross-border basis in the area of tourism education and training. There is a long established and on-going arrangement whereby CERT (the state tourism training agency) meets with the Northern Ireland Tourism and Hospitality Training Council and the Hotel and Catering Training Company (UK) on a biannual basis.

The population of the border area of the Republic of Ireland is highly dispersed and primarily rural. There is a certain amount of manufacturing in the traditional areas and a number of very successful high-tech companies. Several socio-economic research projects have provided strong empirical evidence to confirm the region as the most deprived in Ireland, both north and south. These studies are in agreement that the region shows a small number of sub-regional characteristics. The East Donegal area exhibits a network of stable towns dependent on traditional, declining economic sectors. West Donegal is largely underdeveloped and dependent on fishing and agriculture. Sligo town is a commercial center which is surrounded by an impoverished rural periphery which includes the remainder of County Sligo and all of County Leitrim. Studies agree that the greatest development potential lies in tourism and new technology industries.

FAS has identified the following list of opportunities as a requirement for the human resource development of the region where the United States could provide expertise and assistance:

- The provision of U.S. consultants on product development relating to the existing business sectors as well as others which may be deemed to have relevant growth potential;
- Technology transfer in the food, clothing and engineering sectors;
- Specific assistance to develop pelagic/ocean fish processing in Donegal, particularly under the headings of product development, market research, technology transfer, equity sourcing, and joint ventures;
- Provision of study placement visits to U.S. companies, assistance in the development of marketing and production skills, training in use and finishing of U.S. timbers in furniture manufacturing and exchange of graduates.

Higher education "profit centers"

The commitment to the provision of expert research and development and consultancy services to industry is embodied both in the three FORBAIRT-funded innovation centers, which have evolved out of the Dublin Institute of Technology's (DIT) direct involvement with industry partners, and in the vast number of R&D projects and initiatives which it undertakes. The DIT releases some 1 million Irish pounds (\$1.6 Million) per annum to fund its research activities.

One such initiative, the Strategic Research and Development program (SRD), is designed to initiate research of particular relevance to Irish industry within the DIT. A fund of some 300,000 Irish pounds (\$480,000) has been made available by the EU and the Department of Education to launch the initiative, and this is expected to increase to 450,000 Irish pounds (\$720,000) next year.

The chief objectives of the SRD program are to provide graduates with research and development training in strategic technological areas for the specific purpose of promoting development capabilities in Ireland and of strengthening college/industry collaboration. The program is qualification-motivated with all projects leading to master of science degree status for those taking part in the research.

Eleven key areas for strategic R&D work under the SRD covering a wide range of industries have been identified by the DIT. These are applied communications, construction, business and finance, information technology, biotechnology and food, advanced technology for engineering and materials, tourism and development, chemicals and pharmaceuticals, energy, environment, and marketing.

ECONOMIC DEVELOPMENT PROGRAMS

The Anglo-Irish Agreement of November 1985 reinforced the determination to seek greater cross-border cooperation on economic, social and cultural matters. Article 10 of the Agreement determined to promote economic and social development in disadvantaged areas, to promote cooperation on economic, social and cultural matters, and to establish machinery for practical cooperation in these areas.

Interest in cross-border trade has grown in recent years, stimulated by the advent of the Single European Market, the end of customs delay and greater awareness of the potential benefits. Both Governments have sought to promote increased trade by a variety of means. Northern Ireland and Republic of Ireland Ministers have highlighted it in speeches to business audiences, and addressed a conference on the subject in Dublin in December 1993. The private sector also has made a major contribution. The Confederation of British Industry (NI) and the Irish Business and Employers' Confederation (IBEC) now hold regular joint Council meetings and their Business Development Programs brings companies, North and South, together on a sectoral basis with a view to trade, cooperation and joint ventures.

There is a very wide range of examples of practical economic cooperation between North and South. These have evolved in a variety of ways, and for different reasons, but may be categorized as follows:

●**Physical Linkages:** There are a number of joint cross-border transportation projects and initiatives in hand, e.g., upgrading the Belfast/Dublin railway link, improvement of cross-border roads, the opening of the Shannon-Erne Waterway in Spring 1994, at a cost of 30 million Irish pounds (\$48 million), linking the two major navigation systems for tourism and leisure use, and environmental improvements to Lough Erne water system. Northern Ireland Electricity and the Electricity Supply Board (ESB) in the Republic also have agreed the first phase of a planned interconnection proposal involving the development of standby linkages in the Londonderry/Donegal and Fermanagh/ Roscommon areas; this hopefully will be the first step to closer integration of the two electricity systems. The potential also exists for mutually beneficial cooperation on a cross-border basis in respect of renewable energy projects. Finally, there is agreement that the Republic of Ireland's proposed gas pipeline in Scotland can be used in part to deliver a gas supply to Northern Ireland.

●**Economic Activities:** In the period up to the 1970s, there was a slow, but gradual expansion of North-South economic contacts. These included, for example, allocation of road haulage permits allowing access of road transport to ports in both Ireland and the Republic; the installation of an electricity

interconnector; discussions about animal and plant health, particularly the containment and eradication of certain diseases. The entry of both the United Kingdom and Ireland to the then-European Economic Community intensified this process which has accelerated to the point where now responses to EU initiatives such as INTERREG (a program to encourage joint marketing, R&D, etc., between complementary small firms in border areas) are presented in Brussels on a joint basis. In the tourism area, the two Tourist Boards (North and South), with funding from the International Fund for Ireland, have been developing joint marketing activities in a number of markets, including the United States, Europe, and Japan. An all-Ireland computerized information and booking system - "Gulliver" - was launched in 1992.

●**Business Links:** The Industrial Development Board and the Irish Trade Board have jointly organized trade seminars, sourcing exhibitions and promotions of Irish goods in Great Britain, the United States, and Europe; the Local Enterprise Development Unit cooperates with counterpart organizations in the South to encourage small business development in the border counties; and work is under way to open up public procurement throughout the island to greater competition and particularly to give small firms better access.

The Confederation of British Industry (CBI) and the Irish Business and Employers' Confederation (IBEC) also are joint sponsors of a study, now near completion, on the feasibility of a North-South economic corridor. The Northern Ireland Chamber of Commerce and Industry and the Irish Chamber movement have continued to develop their relationship and have initiated a series of "Business without Border" exhibitions.

●**University Research, R&D:** There is a considerable amount of activity between the universities north and south in the area of joint research. The International Fund for Ireland has, for example, supported to date 16 joint North/South research projects with a total cost approaching 6.38 million pounds sterling (nearly \$10 million). The two largest projects are the Institute for Advanced Microelectronics in Ireland and the Center of Excellence in Ceramics Technology. There also is growing collaboration between Research Centers north and south, again through IFI projects, across a spectrum of interest areas, including telecommunications, environment and energy. The Inaugural Innovation Lecture, a joint Republic of Ireland/Northern Ireland initiative, was held recently in Belfast. This annual event will foster closer cooperation between the business and academic communities in both parts of the island.

●**Education and Cultural Links:** There are several ongoing cooperative initiatives on the education front, including the European Studies project. This was initially a six-year project devised and funded jointly by the Departments of Education in Northern Ireland, Dublin and London, which has evolved into a major European awareness program. The number of educational institutions participating will rise to approximately 350 schools in at least 14 countries across Europe. There also is

a North/South teacher exchange scheme, North/South youth exchanges, continuing cooperation in the Museums/Arts fields and between Education and Library Boards in the provision of training courses.

●**Agriculture:** There are, and have been over many years, excellent working relations between officials and Ministers in the Department of Agriculture and their counterparts in the respective Departments in the Republic. This cooperation has been well-developed on a wide range of the Department's activities including forestry, inland fisheries, animal health and drainage issues. In the last few years there has been significant contact in relation to the rural development initiative which is gaining an ever increasing profile.

●**Health:** Regular meetings have been established between the respective Health Departments, North and South. Specific meetings have been held under the auspices of the Anglo-Irish Conference to discuss issues such as health promotion, women's health, cooperation between Border Health Boards, the proposed establishment of a bilateral Institute of Public Health and payment for treatment.

●**Government Contacts:** There are numerous contacts between social and economic Departments North and South. The frequency and level of contacts varies between Departments, although they are concentrated primarily in the economic, agricultural and physical infrastructure subject areas. To these formal contacts can be added the strengthening of relations which has taken place at the Permanent Secretary level, and the very good working relations between, and regular visits to the North and South by, the respective Ministerial teams.

Economic Growth Through Economic Cooperation

A more rapid expansion of North/South business development, particularly in areas close to the border, will make a significant contribution to accelerating the momentum of the peace process in a variety of ways, including:

- *Improving the potential firms within specific regions to expand more rapidly than would otherwise be possible;*
- *Creating job opportunities through targeted Business Development Programs;*
- *Utilizing local expertise and talent for which opportunities did not exist in the past; and*
- *Using the business links being developed between large and small enterprises.*

Northern Ireland

Joint Business Council

In 1991, the Irish Business and Employers Confederation (IBEC) of the Republic of Ireland and the Confederation of British Industry of Northern Ireland (CBI/NI), each the premier business forum in its respective political entity, established the Joint Business Council to support the peace process in Northern Ireland. The Joint Business Council has outlined proposals for a cross-border program which will enhance trade, business linkages, tourism and increase the level of interaction between the communities. The key areas proposed for support include accelerated expansion of business on the island and with third markets, training for business, and the development of the proposed Belfast/Dublin Economic Corridor (see below).

The IBEC/CBI Joint Business Council's Business Development Programs have over the last two years created a foundation of business development now involving over 1,000 firms. Expansion of this activity is planned over the next five years. The IBEC/CBI Business Development Program will be expanded to:

- Provide stronger and more linkages between large and smaller firms so as to generate new business with direct benefit to targeted sectors;
- Provide support to encourage specific joint ventures between firms to target third markets. While this is possible with direct assistance, it is extremely difficult to get a critical mass within a short time;
- Identify and take action on barriers to development through research to be carried out and information already available within IBEC/CBI; and
- Extend existing orientation programs to provide marketing expertise.

As more firms become involved in the Business Development Program, whether on a North/South basis or in exploring markets off the island, the greater the need for support from more outside sources. For example, smaller firms need active support in areas such as research for product development and marketing. Support in areas such as this from the United States could help to provide the necessary skills and strengths at the earliest possible stage of development and so accelerate growth and job opportunities.

Chamberlink

Chamberlink is a European Economic Interest Grouping recognized by the European Union as a mechanism for promoting economic regeneration in border regions of the Union. It was established in 1994 as a joint venture between the

Chambers of Commerce of Ireland and the Northern Ireland Chamber of Commerce. Chamberlink encompasses 59 chambers of commerce in the Republic (including 13 in the border counties) and 30 in Northern Ireland. Chamberlink seeks to promote economic cooperation between businesses in the border regions of the Republic and Northern Ireland in areas such as trade development, product and component sourcing tourism.

Chamberlink also provides a framework to encourage and enable business people to play a greater leadership role in the economic and social development of their local communities. The initiative brings business people from the Republic and Northern Ireland together on a regular basis to discuss actions which will promote business and other exchanges and encourage greater understanding in regions most directly affected by the 25 years of conflict.

The Northern Ireland Growth Challenge

Even before the cease-fire commitments of the late summer and Autumn of 1994, the business leadership in Northern Ireland clearly recognized that economic growth and development were seriously threatened by pervasive, and intractable problems.

The Northern Ireland Growth Challenge (NIGC) was created in late 1993 under the chairmanship of Mr. Roy McNulty (President, Short Brothers plc - Northern Ireland's largest private sector and manufacturing employer). The NIGC has harnessed the energy and the talent of more than 200 of the region's top business performers who act on a volunteer basis.

The Confederation of British Industry (CBI) in Northern Ireland, the premier organization representing the views of business, proposed "a review of industrial and other public policy in Northern Ireland". Responding to a new perception of economic realities, it set out to identify ways of accelerating economic growth and creating wealth. The group will publish a report in the spring of 1995. The group has no government affiliation, and bases its credibility on private sector credentials. The NIGC has set its own independent agenda and produces its own independent findings and recommendations.

The NIGC has observed that Northern Ireland's per capita GDP is almost a fifth below that of Great Britain and ranks 129th out of 174 European Union regions. With 13 percent unemployment, Northern Ireland ranks 158th out of 174 EU regions. The region has the highest birth rate in the EU and the forecasted increase in the labor force from 1985 to 2015 is 25 percent - the 12th highest of the EU regions. Further, Northern Ireland's disproportionately large public sector creates artificially favorable averages in certain economic indicators.

Given that GDP in the Province is only 81 percent of the British average, the Growth Challenge is identifying the necessary actions to advance to 90 percent within the next 10 years. This would require, for example, manufacturing output to grow at an average of 7 percent per annum, leisure and tourism at 4 percent and manufacturing jobs at 3.5 percent. If this projected increase in GDP is achieved, 40,000 new jobs will be created in the Province.

INFRASTRUCTURE DEVELOPMENT PROGRAMS

The development of the economic corridor can accelerate the formation of North/South business links which will increase the prosperity of the whole island. Proponents of the corridor emphasize existing special features including: high population density; excellent educational institutions and universities; and established business links to other parts of the island and international markets. Most importantly, they point to the already developed clusters of industry around the axis, mainly in computers and software, chemicals and pharmaceuticals, automotive and engineering, electronics, food and drink, and financial services. Other developing clusters include clothing and textiles, medical services, and tourism.

Development of an economic corridor is expected to reinforce sectoral clusters and linkages with key ports and other infrastructure, thus supporting synergistic cross-border interaction between businesses and with academia, setting the scene for industrial expansion and job creation, and creating a magnet for additional inward investment. The anticipated acceleration in economic growth in the entire region depends on overcoming current weaknesses, primarily infrastructure. Some transportation links, especially the Belfast-Dublin road and its feeder links, need improvement, as do direct access lines to air and sea ports.

Dublin-Belfast Corridor

Centers of high population density, containing clusters of similar industries and services, when linked by efficient transport linkages, often develop into economic corridors. Firms often locate in peripheral areas along the corridor hoping to access and benefit from both major markets in the spin-off opportunities in sub-sector manufacturing, operations, and services. The economic corridor acts as a magnet attracting new industry and development along its path until the two anchoring markets virtually integrate to the overall economic benefit of both ends of the corridor.

Dublin is the economic hub of Ireland. The metropolitan area contains one million people, about one-third of the Republic's population. Belfast is the economic hub of Northern Ireland. Its metropolitan area contains about 500,000 people, about one-third of the North's population. The Belfast-Dublin corridor contains most of the island's deep-water port and ferry facilities: Larne, Belfast, Drogheda, Dublin, and Dun Laoghaire.

The two cities also contain the largest third-level educational institutions on the island. They are both centers for computers and computer software, chemicals and pharmaceuticals, electrical and electronic goods, food processing and beverage production and bottling, information technology, and financial services.

Both cities also have rapidly developing textile, medical service, and tourism sectors.

Dublin-Belfast economic links had been hampered because of customs restrictions before to the creation of the Single European Market; lack of investor confidence during the period of civil conflict in the North; and marginal infrastructure. Both road and rail linkages between Belfast-Dublin have been slow and inefficient. However, the overall situation should improve greatly in 1996. The Dublin-Belfast route will be a major focus of investment in the period to the end of the decade. An essential upgrade of the railroad between the two cities is currently underway and will lead to significantly reduced journey time and increased frequency when the upgrading of the Dublin-Belfast rail line is completed. The Irish and Northern Irish railroads will then offer nine trains a day connecting the two hubs in one hour and 35 minutes.

Another temporary hurdle to overcome is the remarkably low level of business contact currently between the two cities and along the existing corridor, but a major investment program is underway to overcome this situation. Finally, the problem of exchange rate fluctuations between the two countries' currencies presents an obstacle not typically encountered in other economic corridors.

Corridor advocates stress three points: (1) that existing programs are adequate to fund the project; (2) that current cross-border initiatives will be complemented rather than replaced; and (3) that investment need not be diverted from other parts of the island. The Joint Business Council has established a Corridor Task Force to steer the process, enlist the support of businesses and public and private sector organizations, and encourage cooperation.

The development of the Belfast-Dublin corridor should enhance inward investment in the Dundalk-Newry border region without crowding out investment in other parts of the island. The corridor should stimulate university-industry research and development opportunities. The development of specialized services for sectors locating along the link will enhance investment attractiveness and improve competitiveness throughout the island. Indigenous producers can, in some cases, treble their potential market by satisfying the demand of end-users along the full length of the corridor.

A major upgrading of the Dublin-Belfast road would greatly increase the attractiveness of the corridor. However, even without any improvements beyond those contemplated for the rail and seaport services over the next year, the Dublin-Belfast corridor presents unparalleled potential as an economic development area by linking the fullest capabilities of the northern and southern economies with the economies of scale and market size offered by the whole island.

The IBEC/CBI Joint Business Council, as noted, works to promote cross-border trade, business cooperation and development. Its intentions are focused on maximizing commercial and economic opportunities deriving from the free movement of people, goods and money presented by the European Single Market.

A study commissioned by the Council in 1994 confirmed the feasibility of developing an economic corridor along an axis joining Dublin and Belfast, which holds half of the entire island's population. The study proposed that this existing geo-economic phenomenon could form the basis of a dynamic high-growth area, given the added stimuli of infrastructure development and inward investment likely to flow from the peace process.

Border County Transportation - Northern Ireland

Public Transport: In recent years there has been a substantial investment in bus and rail services, from both the private and public sectors and with financial support from the EU's European Regional Development Fund. This recent investment in public transport totalling 110 million pounds sterling, has resulted in increased patronage on both bus and rail in 1993/1994 for the first time in a number of years, a trend which is being repeated in 1994/1995. Public transport in rural areas is particularly reliant on bus services. There has been investment to upgrade the bus fleet and build new bus stations in Belfast (Europa), Omagh, Enniskillen, and Donegal Quay (Europa). Rail infrastructure investment includes the Belfast-Dublin rail upgrade, the Cross-Harbor rail link, the re-opening of Great Victoria Street station in Belfast and the Antrim-Bleach Green line.

The management of government-owned public transport within Northern Ireland is being restructured, to produce a more coordinated approach to the delivery of bus and rail services within a commercial framework. The existing boards for Northern Ireland Railways (NIR) and Ulsterbus/Citybus are to be merged under the new Northern Ireland Transport Holding Company. This will create a streamlined senior management structure with one Managing Director, and should result in improved integration of services. The plan seeks to provide coordinated timetabling of services, through ticketing, intermodal marketing and, where appropriate, shared use of facilities.

Highway Infrastructure: As the peace process stabilizes, the volume of traffic on cross-border routes is projected to grow substantially, putting pressure on the existing highway infrastructure in these areas. Identified for upgrading are the Belfast-Dublin road and rail routes, the Belfast-Derry road route, and all other cross-border roads. There may well be opportunities for partial private-sector financing of some transport infrastructure development projects.

Northern Ireland has a well developed road network which was extensively reconstructed in the 1960s and 1970s. A strategic commercial road network which

links major towns, ports and airports, including the main cross border routes, was identified and improvement schemes given priority. By-passes and through-passes of towns and villages on these routes have been constructed in recent years and many sections of road have been upgraded to dual divided highway standard.

Major Highway Improvement Projects:

1. Cross-Border Roads - Since the ceasefire was announced, over 68 of the 113 cross-border roads which had been closed have been reopened and the majority of the remainder should be opened by the summer of 1995. Cross-border roads were discussed at the February meeting of the Intergovernmental Conference when it was agreed that measures to improve the safety and capacity of the existing Newry-Dundalk road would be considered in the short term with a joint study to be undertaken in due course to identify longer term solutions for both the Belfast-Dublin and Londonderry-Dublin routes.

2. The Belfast-Newry-Border Road - During the past 20 years, 19 million pounds has been spent on by-passes of towns such as Hillsborough, Dromore, Ranbridge and Loughbrickland. There is now a continuous dual-divided highway from Belfast to a point south of Loughbrickland. Other schemes to complete the dualling of the Belfast-Newry road are planned for the future. Construction of a road by-pass for the town of Newry is in its final stage.

3. Londonderry-Strabane-Omagh-Augnacloy-Border Road (A5) - This route, which links Donegal and the western counties of Northern Ireland to Dublin, is the second strategic commercial route after Belfast-Newry-Dublin. Inter-urban sections of the route are being upgraded to improve traffic flow. A through-pass for the town of Omagh and a by-pass for Strabane are both currently in their second phases of construction.

Airports

Northern Ireland is served by three airports: Belfast International (the main airport), Belfast City, and City of Derry.

Belfast International Airport operates 14 flights daily between Belfast and London and regular weekly flights to other UK regional airports, as well as 21 flights per week to Amsterdam. Business packages also are available to a number of European destinations, including Dusseldorf, Frankfurt and Hamburg, Germany via Manchester Airport. Road access and parking facilities at Belfast International recently have been improved.

Belfast City Airport, only a few minutes from the City Center, is the United Kingdom's fastest growing airport and currently ranks 14th in the UK airports listings for passengers. It offers short haul flights to 19 UK destinations and seasonal flights to the Channel Islands. Major improvements recently have been

made to the airport facilities including a terminal extension, a new air traffic control tower and increased car-parking facilities.

City of Derry Airport serves the North West of the Province with services to London, Manchester, and Glasgow. Derry also is a stop on services from Donegal in the Republic to Birmingham and Edinburgh. New routes have been announced between Derry, Belfast City and Dublin.

Ports

Northern Ireland has four modern and fully equipped seaports at Belfast, Londonderry, Larne, and Warrenpoint. Belfast is the principal freight port handling over half of all cargo through its modern roll-on/roll-off facilities. Three new terminals have been built in the last five years, the latest being the Victoria lift-on/lift-off Terminal 3 completed in 1994 at a cost of 31 million pounds. The introduction, in June 1992, of a Seacat Catamaran service from Belfast to Stranraer in Scotland has reduced the journey time to ninety minutes. A large high speed cargo-carrying catamaran service from Belfast to Stranraer will become operational in 1996.

Larne Harbor offers four roll-on/roll-off berths, three of which have twin level ramps capable of handling wide and heavy loads up to 180 tons. Passengers and car drivers also are well serviced with multiple daily crossings from Larne to Stranraer or Cairnryan in Scotland. Almost 1.9 million passengers passed through the port of Larne in 1994.

The port of Londonderry has been extensively developed with a modern new facility at Lisahally, completed in February 1993 at a cost of 17 million pounds sterling, or nearly \$25 million.

European Regional Development Funds (ERDF) were made available to ports in Northern Ireland and the Republic of Ireland through the Transportation Program and the Peripherality Program, respectively, between 1989 and 1993. In the 1994-99 period, Community Structural Funds, in the form of ERDF, will be available to ports in Northern Ireland, while Republic of Ireland ports will be eligible to receive ERDF and Cohesion Fund monies.

Rail Infrastructure

Work on a major upgrade of the rail link between Belfast and Dublin is currently underway at a cost of 80 million pounds sterling (\$132.5 million). The upgraded line will be in operation before the end of 1996 and will provide the fastest transport link between the two cities. The current journey time will be reduced by 20 minutes to 1 hour 35 minutes, and the frequency of service increased.

The rail line from Antrim to Bleach Green on the Londonderry to Belfast route will be upgraded. Journey times between Antrim and Belfast will be cut in half to 24 minutes. Combined with the upgrading of the Belfast-Dublin route, the journey time between Londonderry and Dublin will be reduced by 45 minutes to 3 hours 45 minutes.

Belfast's Cross Harbor Road and Rail Network Link, which is scheduled for completion in 1998, will result in the integration of the rail network and the linking of all major traffic routes into and out of the city. The European Regional Development Fund funded 75 percent of the rail link's cost of 30 million pounds sterling. Overall project costs are estimated at 90 million pounds sterling.

Border County Transportation - Ireland

Ireland has close connections to international markets. No part of the country is more than 70 miles from a harbor or airport from which frequent shipping and air services connect with the United Kingdom, continental Europe and other international destinations. An extensive road and rail network provides internal transportation, supplemented by domestic air services between Dublin and Ireland's three other international airports at Shannon (County Clare), and Cork and Knock (County Mayo).

Ireland has 58,000 miles of paved roads of which 9,875 are classified as main roads. While the country has more paved roads on a per capita basis than any other country in the EU, an efficient network of highways, especially multilane highways to the major ports, is still being developed. Road transportation is the preferred means of travel and transport of goods with 96 percent of all inland passenger transport and over 90 percent of inland freight transport conveyed by road. The balance is carried by rail. The 1,330 mile rail system provides passenger and freight services to most cities and main towns, including those in Northern Ireland. It primarily links Dublin with the other major urban centers. The national network of buses is far more extensive than the rail system.

Road Transport

The European Commission, Irish and United Kingdom Governments, all recognize the importance of improved transport infrastructure linkages to support the now evolving integration of the economies of Ireland and Northern Ireland. There already has been substantial investment in arterial roads in both parts of Northern Ireland. A major goal of planned transport investment in the republic for the remainder of the decade will be to provide a coherent strategic road network for the island as an economic entity. This effort will concentrate on the Irish segment of the Trans-European road network proposed by the European Union, which foresees a number of cross-border routes, Larne/Belfast/Dublin/

Rosslare (A1/NI/N11), Sligo/Belfast (N16/A4) and Derry/Dublin (A5/N2/N1). A common approach was adopted by both the Irish and United Kingdom administrations when proposing the road links to be included in the Trans-European network.

The Dublin to the border segment of the Dublin-to-Belfast route (N1/A1) already is a major focus for investment with two sections (the airport highway and Dunleer bypass) already completed to highway standard. Almost 130 million Irish pounds (\$208 million) will have been invested in major projects on this route through the end of the decade. Major projects underway or commencing in 1995 include the Balbriggan bypass (11.5km - 36 million Irish pounds - \$57.6 million) and the Dunleer-Dundalk highway including a link to the N2 at Ardee (16km - 64 million Irish pounds - \$102.4 million). Planning is underway on the remaining sections, with the aim of bringing the entire route in the republic up to highway standard.

The Dundalk-to-Newry section, which actually crosses the border, has been the subject of consultations involving both administrations who have agreed jointly to adopt a two-stage approach:

- In the short term, measures will be considered to improve the safety and capacity of the road, taking account of the completion of the new Dundalk inner relief road in 1996 and the final section of the Newry bypass during the next few years;
- For the longer term, a joint study is being considered to identify options for the route, taking account of environmental factors, and the proposed Dunleer-Dundalk highway and the expenditure priorities of both jurisdictions.

Rail Transport

In 1992, the Dublin/Belfast railway line linking the two most important centers in both jurisdictions was approved for upgrading with EU grant assistance. The total cost of the project is estimated at 100 million Irish pounds (\$162 million) and the investment, when completed, will represent a major upgrading of the rail services on the Dublin/Belfast line, which is included in the European high speed rail network. The project commenced in 1992 and will be completed in 1996. The track is being upgraded so as to improve passenger train speeds on the line to 145 kilometers/hour (kh) and will result in a journey time saving of 20 minutes on the present journey from 1 hour and 55 minutes to 1 hour and 35 minutes. A new centralized traffic control signaling system also is being installed on the line. Irish Rail and Northern Ireland Railways also have entered into a contract to buy four locomotives and 28 carriages for the new services on the line, which will be jointly operated and marketed by the two rail companies.

West County Access

Under the National Development Plan 1994-99, the upgrading of the East-West corridor from Dublin to the Border counties will reduce journey times from the capital. The Trans-European Network cross-border route (N2, N3, N16 and N15) will be integrated into the East-West corridor, linking all the border counties to Northern Ireland, providing improved access to the port of Larne, Northern Ireland's major port. The East-West corridor also will improve road links to Galway, Limerick, Shannon, Waterford and Wexford.

At present, all border counties in the Republic of Ireland have direct road links with Northern Ireland. The longest driving time from border counties to the port of Larne is a little more than 3 hours. Mileage to Larne is as follows: Cavan - 109.5 miles; Monaghan - 80 miles; Donegal 113 miles; Sligo - 148 miles; Leitrim - 146 miles. Also, County Louth has two sea ports, Dundalk and Drogheda, which reinforce the multimodal advantages.

The Republic of Ireland has international airports located in Dublin, Shannon (County Clare), Cork, and Knock (County Mayo). However, the island of Ireland is served by only two scheduled transatlantic carriers, Aer Lingus and Delta Air Lines. Aer Lingus' recently announced a Belfast-Shannon-New York and Boston service. New Jersey European Airlines offers services between Dublin, Belfast, and Derry. The border counties in the Republic offer two regional airports, Sligo, with a single 1,200 meter runway, and Donegal, which has a regional airport at Carrickfin.

COMMUNITY DEVELOPMENT PROGRAMS

Northern Ireland

The Local Enterprise Development Unit (LEDU), Northern Ireland's small business agency, is responsible for assisting the establishment, development and growth of businesses with less than 50 employees. Its goal is to strengthen the economy by helping to create long-term, sustainable employment. Work includes developing enterprise infrastructure, supporting new business start-ups, and helping established businesses grow. It has 7,119 companies as clients, and handles 15,000 inquiries.

LEDU has created 34 Local Enterprise Agencies (in association with local community groups and municipalities) which, together with satellite agencies in rural areas, provide approximately 125,000 square meters of workspace and a range of enterprise support services at 41 sites across Northern Ireland.

Under a recently announced "Making Belfast Work" action plan, LEDU seeks to coordinate the activities of community groups, the business community, the Local Enterprise Agency and local government in the city. Another classic example of a community development program in action is LEDU's "Londonderry Regeneration Initiative." This program seeks to attract private sector investment in the city, help people to secure jobs and improve their employability, refurbish the physical environment and promote the image of the city.

The International Fund for Ireland (IFI) works with a range of local public and private sector groups on funding community development projects. IFRI has programs specific to both urban and rural renewal.

The Northern Ireland Tourist Board works with local communities, particularly in rural areas, to promote Northern Ireland as an international tourist destination.

Border Counties

The Commission of the European Union established a community initiative in the framework of the special support program for peace and reconciliation in Northern Ireland and the border counties of Ireland. A task force was established in September 1994 that identified the priority areas that should be addressed in the context of the consolidation of the peace process. Cross-border development and Social Inclusion are two of the main areas.

Cross Border Development

Cross-border development encompasses a multitude of objectives including:

- enhanced trade, economic and agricultural cooperation;
- upgrading of infrastructures through reinstating closed cross-border roads and bridges and improving energy links;
- joint animal health, food and forestry actions;
- cooperation between local authorities, health boards, business (in particular small- and medium-sized enterprises), education and training providers, health establishments, voluntary organizations and other groups; and
- support for joint-venture companies (marketing, R&D) on a cross-border basis.

Social Inclusion

Social Inclusion aims to promote pathways to reconciliation by encouraging grassroots, cross-community and, where appropriate, cross-border cooperation, especially in the most deprived areas in the border counties and Northern Ireland as well as action to address the specific difficulties faced by vulnerable groups and others at a disadvantage such as victims, children, young people, and those previously caught up with violence, including prisoners and ex-prisoners. Social Inclusion would combine economic and social measures including contacts and exchanges following models that have been successful in other community programs. It should be flexible and responsive to change and constitute a framework of support for relevant actors (neighborhoods, communities, youth services, non-government organizations, grassroots organizations, women's groups, local authorities, etc.) to build their reconciliation package.

Interreg II

Interreg II is the second phase of a community development program for Ireland/Northern Ireland with funding from the EU, the state, and the private sector. A total of \$210 million is being allocated by the EU to the program and will be spread over the following five programs:

1. Regional Development
2. Human Resources
3. Infrastructure
4. Agriculture, Fisheries/forestry
5. Environmental Protection

The total investment package will amount to \$351 million and includes state and private investment. An important provision in the proposal is that areas adjacent

to the border counties may receive funding provided they have a high degree of cross-border cooperation and "do not, as a general rule, account for more than 10 percent of the total expenditure of the program concerned."

Community Economic Development

Community involvement in local economic development is seen as an important and worthwhile contribution to the overall development of the region and funding has been substantially increased. This measure is therefore designed to assist a wide range of actions in support of the socio-economic development of border areas through the involvement of local communities.

Assistance will be targeted at the development of local cross-border area strategies flowing from national and regional strategies. These area development plans would ensure the complementarity of bottom-up and top-down approaches through a partnership of community groups, local authorities and public sector agencies addressing the identified needs of both rural and urban border areas. The objectives are to develop local area action plans, particularly for joint cross-border co-operative economic action, and to support community-based initiatives for the regeneration of the local economy.

There are several selection criteria. Priority will be given to proposals which are cross-border in nature or contribute to the economic development of the eligible area and to plans, projects, and studies which involve local communities. Projects must demonstrate economic viability/self-sustainability. Proposals must include local investment. Where the proposed work requires planning and other statutory approvals, such permission must be obtained before beginning the work. Evidence of same should be available to the administering agencies.

Technical Assistance

Technical assistance is designed to assist the implementation of the program by funding specific actions relating to evaluation, monitoring information and publicity requirements such as the prior appraisal, interim and ex-post evaluation of the program, conferences, seminars and promotional literature.

TRADE DEVELOPMENT PROGRAMS

Northern Ireland

The Industrial Development Board's (IDB) trade mission program is designed to help companies operating in Northern Ireland to compete successfully in today's global markets. Participation by companies in the trade mission program has grown steadily over the past five years.

The IDB cooperates closely with the Irish Trade Board (ITB) in a number of areas including trade exhibitions in the United States. In 1993 and 1994, IDB and the ITB sponsored participation by a cross section of Northern Ireland and Republic of Ireland companies in "The Look Is Ireland" Exhibitions. Another exhibition with 12 Northern Ireland companies visited Boston from April 30 - May 2, 1995.

Since September 1992, IDB has sponsored nine trade missions to locations in the United States and Canada. In March 1995, 12 Northern Ireland companies visited Vancouver, Seattle and San Francisco. The 1995/96 Trade Mission Program includes a mission to Miami, Dallas and Mexico City that will take place in October 1995. IDB trade missions are open to all Northern Ireland companies engaged in manufacturing or providing internationally tradeable services, regardless of size.

An attractive package of financial support to participating companies is available. The support services provided by IDB access the UK Department of Trade and Industry's Overseas Trade Services, which include identification of potential overseas representatives and market information.

In addition, IDB has its own Trade Advisor program in several markets worldwide, including the United States. Services offered under this program include market research, identification of customers, and agents and distributors. Between April 1995 and April 1996 there will be 15 missions from Northern Ireland visiting 23 countries on five continents.

Border Counties

The Irish Trade Board organizes and coordinates the participation of Irish companies at international trade shows and trade missions. It also organizes inward buyer visits by international buyers. The Irish Trade Board offers financial assistance to Irish companies traveling to trade shows in the United States and elsewhere.

In its promotional program for 1995, the Irish Trade Board is coordinating companies' participation in over 130 events including trade fairs, retail promotions, inward buyer visits, outward missions, seminars, and buyers'

conferences. These events are being organized for a wide range of sectors including clothing, multimedia, software, giftware, construction, publishing, engineering, telecommunications, environment, direct marketing, international services, and pharmaceuticals and healthcare.

All the major European trade fairs, including CeBIT (Hanover), Sehm (Paris), Envitec (Duesseldorf), Telecom '95 (Geneva), and Medica (Duesseldorf), will have extensive Irish participation organized by the Trade Board. In addition, Irish participation is being organized at the following four trade fairs in the United States:

- Comdex Spring, Atlanta (April 1995)
- International Gift Fair, New York (August 1995)
- Direct Marketing (October 1995)
- Comdex Fall, Las Vegas (November 1995)

Further, three outward trade missions are being undertaken to the United States in the following sectors: Direct Marketing (March 1995), Industrial Products (May 1995), and Computer Software (September 1995).

Twenty-two inward buyer visits are being organized during 1995. The visiting groups consist of both buyers of retail/consumer products and industrial products. All but one of the 22 groups scheduled to visit in 1995 are European, principally because industrial products are manufactured to European standards. The principal industrial product sectors served by this program are automotive components, computer software, and general metal fabrication. The only inward buyer visit from the United States is centered around the Irish craft fair, "Showcase Dublin," held every January. Three European inward buyer missions have been planned for the border counties of Sligo and Donegal in 1995.

In terms of inward trade and investment missions from the United States, the Ireland Chamber of Commerce in the United States (ICCUSA) included Northern Ireland as well as the Republic of Ireland in its itinerary for its annual business matchmaker conference in 1993 and 1994. ICCUSA plans to visit both Dublin and Northern Ireland in its June 1995 event.