

Peace Div. File
Central Secretariat
Stormont Castle
Belfast BT4 3ST
• Tel. Belfast (0232) 520700 Ext
Direct Line 52 8151
Fax: (0232) 528135



RESTRICTED - POLICY

DJW/40/9

Mr Mark Lyall-Grant
Cabinet Office
70 Whitehall
LONDON

23 September 1994

Dear Mark,

NORTHERN IRELAND : EUROPEAN UNION ASSISTANCE PACKAGE

1. I attach a revised note to the Commission, taking account of comments from UKREP, which you and DTI supported. I understand that the Treasury will not object, particularly if references to quantum are excluded, on the basis that, at official level, their position is that non-additionality should apply, although the matter has now been raised at Ministerial level by my Secretary of State.
2. Particularly as we have taken Sir John Kerr's advice to omit the section in brackets (plus a little of the preceding sentence) about quantum in the previous draft, I see much merit in the note being passed to M Delors with the endorsement of the Prime Minister. For the sake of good order, however, perhaps I might suggest that you seek to ensure that the Prime Minister has seen Sir Patrick Mayhew's letter of earlier today to the Chief Secretary on the additionality point, before authorising a note to Delors.
3. Lastly, we need to give some thought to how to handle the Irish. They may feel slightly aggrieved that we did not concert with them in making this approach, not least because they think that the Commission and HMG may be rushing our fences. I am not suggesting that we should be too queasy about this. The Irish have not so far asked to concert other than our general approach, and we are not suggesting any move which would freeze out the Irish from enabling their border counties to qualify (with this in mind I have slightly loosened the reference to the specificity of a new Community Initiative in paragraph 3). One avenue of approach would be for Sir John Kerr to pass a copy of our note to his Irish

RESTRICTED - POLICY

DJW/RJ/26817

2 cc Mr Gibson 96/62K/11
Mr Campbell
Loy in R (2)
NORTHERN IRELAND OFFICE
CASTLE

3/4
11/04
1
3:00

Central Secretariat
Stormont Castle
Belfast BT4 3ST
• Tel. Belfast (0232) 520700 Ext
Direct Line 528151
Fax: (0232) 528135



RESTRICTED - POLICY

counterpart, presenting it as a personal note from the Prime Minister and making clear that it is in no sense intended to preclude Irish participation in the benefits of an EU package. At the same time a copy of the note could be passed to the Irish through the Anglo-Irish Secretariat in Belfast (once it has issued from No 10). The twin-track approach is recommended.

4. Copies go to Brian Bender (DTI), Stephen Kelly (HMT), Peter Bell (NIO), Graham Archer (RID/FCO) and Nigel Sheinwald and Chris Capella (UKREP).

Yours Sincerely,

David Watkins

D J WATKINS

RESTRICTED - POLICY

DJW/RJ/26817

DJW/RJ/26770

DRAFT 23.9.94

INFORMAL NOTE TO THE COMMISSION

NORTHERN IRELAND : EUROPEAN UNION ASSISTANCE PACKAGE

1. Recent developments in Northern Ireland, notably the Joint Declaration made by the UK and Irish Governments on 15 December 1993 followed by the Provisional IRA's ceasefire announced on 31 August, offer a unique opportunity. This opens up, for the first time in 25 years, the prospect of restoring stability and promoting reconciliation in a society whose experience over those years has been unique in the European Union. In order to convert this prospect into enduring and genuine peace and stability, we need to move quickly to tackle underlying social, economic and community divisions in Northern Ireland, and to maximise the unprecedented opportunity for major structural change now emerging. With the agreement of both Governments, the European Union should make a contribution to ensuring that this opportunity to heal underlying divisions between the two main communities and to anchor peace in fairly-distributed economic development is fully seized.
2. This can best be achieved by stimulating economic growth and by promoting jobs. Unemployment as a whole, and within that long-term unemployment, is particularly heavy in Northern Ireland (101,000 unemployed: of whom 54,000 for more than 1 year; 18,000 for more than 5 years). Measures to stimulate the economy and to reduce unemployment would make a crucial contribution to the objectives of healing community division and anchoring peace. It is through the provision of jobs, and with them the hope, self-esteem and social inclusion they promote, together with measures to break down inter-communal distrust, that the greatest prospect of embedding peace in Northern Ireland lies. Now is a unique opportunity, in which the European Union can play a vital role, to involve communities which have hitherto felt themselves excluded from the normal processes of economic and social development.

DJW/RJ/26770

Northern Ireland's existing agreed Structural Fund plans are already addressing the issue of reconciliation while providing an essential stimulus for the development of the economy as a whole. Community support for the International Fund for Ireland is building bridges across the border and within Northern Ireland. What is needed now is a new Community Initiative for Northern Ireland to accelerate progress to the objectives described above in the critical early years of the emerging peace. It might consist of measures designed to:

- accelerate inner urban regeneration, especially in Belfast and Londonderry. These areas have experienced a notable decline in employment over 25 years but also a marked degree of separation and distrust between the two communities. Measures to promote community development, and especially development between the two main communities, will be essential in building bridges, not walls, between them in order to promote reconciliation and confidence. These measures will vitally complement the promotion of jobs through economic growth, and economic growth in turn will provide a favourable base for reducing inter-communal separation, distrust and antipathy. A key objective would be to facilitate greater mutual understanding between the two main communities and more tranquil, harmonious relations between them;
- support inward investment and increased trade in manufacturing and service sectors, to which investment in economic infrastructure (eg, in roads, including in the west of Northern Ireland which is furthest removed from ports; and in ports) would contribute;
- promote tourism. The major impediment to growth in tourism has been the image of Northern Ireland as a dangerous and violent location: with this removed,

DJW/RJ/26770

2 CC MR GIB
ME CAMPBELL 9/6/82
3 L... in T...
NORTHERN IRELAND OFFICE
CASTLE

3/4
4:0

tourism opportunities are great in areas of high unemployment. Growth should be accelerated, not least in rural and border communities, where early investment in tourism amenities would play an important part in exploiting tourism potential and in promoting rural regeneration through development of this labour-intensive industry;

- promote training and employment measures. In order to underpin inward investment and tourism programmes, training and working experience will be essential. It will be particularly important to enable those who have felt marginalised and excluded to compete on a level basis with others in a growing labour market.

4. Measures on these lines will need to be carefully targeted:

- at both main communities, and particularly on the various boundaries between them, to promote the growth of harmony;
- at both urban and rural communities, where similar problems of alienation and unemployment persist;
- at communities disadvantaged by the border and the special difficulties and tensions which border communities have experienced; and
- at measures, such as capital projects, which will create jobs quickly in local communities, and provide visible evidence to them of a growing pattern of change, thus creating a virtuous circle of hope and improvement.

5. It is not yet possible to be definitive about the scale of a special new Community Initiative, which might be funded from the Reserve line. UK officials are considering this urgently.

DJW/RJ/26770