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MINISTER'S SPEECH

Good morning ladies and gentlemen. I am delighted to be here to welcome you all to this important event. I am particularly pleased that Commissioner Dr Wulf-Mathies is able to be with us again today; I should also like to welcome Mr Hugh Coveney TD, Minister of State at the Irish Department of Finance and Mr Michel Deleau, Director General of Directorate 2 within the European Investment Bank. [I am also extremely pleased that several of those Members of the European Parliament, who have been closely involved from the outset with the Special Support Programme initiative, could join us.]

The Special Support Programme for Peace and Reconciliation in Northern Ireland and the Border Counties of Ireland is intended to reinforce progress towards a peaceful and stable society and to promote reconciliation. It contains within it not only a cross community but also a cross border dimension, with the overall objective of directly benefiting those who have suffered most from the violence over the past twenty-five years. It underlines in a very tangible way the European Union's commitment to helping secure peace in the Province. When account is taken of the matching

funding which is being provided by the two national Governments the Programme is expected to deliver over £330 million of valuable extra assistance to Northern Ireland and the border counties of the Republic of Ireland over the next three years. By any standard the Programme represents a very significant investment in the future of this region.

I know that in agreeing the Programme the Commission was keen that every effort should be made to get the funds onto the ground quickly, so that those most directly affected by "the Troubles" could see early physical evidence of the benefits of peace. The Government of the United Kingdom very much shares in that goal and I regret that progress to date has not been as dramatic as we would have wished. However considerable groundwork was necessary following the announcement of the Programme. I am pleased to say that this has largely been completed and increasingly we are seeing the Programme being translated into positive action on the ground. One notable milestone was the appointment of six Intermediary Funding Bodies last December; an event which, I am pleased to say, was also attended by the Commissioner. More recently the first Monitoring Committee meeting has just been held and it was clear from this that the Programme is now getting fully into its stride. Today's event provides further evidence that the pace is quickening and we anticipate a series of other significant announcements in the weeks ahead.

As has been repeatedly made clear, the vast majority of the people of Ireland, North and South, yearn for lasting peace. The declaration of the ceasefires by two of the terrorist organisations gave rise to cautious optimism in the Summer of 1994. As the weeks turned to months this optimism grew and we began to see new investment and job opportunities and a revival of our local tourism industry. However the hopes of ordinary decent people in Northern Ireland and elsewhere were dealt a severe blow by the Canary Wharf bomb explosion last month and the various other incidents which followed, marking the resumption of IRA violence. All right thinking people deplore this completely unwarranted turn of events.

Despite this recent setback, the British Government refuses to be deflected from continuing the search for lasting peace in consultation with the Government of the Irish Republic and the other parties. In that context, we very much appreciate the continued support of the European Union both in terms of our quest for Peace and through its continued commitment to the Peace and Reconciliation Programme.

As I mentioned, the launch today of this Interest Subsidy Scheme under the Programme marks another important step forward. As Minister for the Economy in Northern Ireland it is one which I particularly welcome. Not only does it represent a considerable

increase in the level of the European Investment Bank's investment in Northern Ireland, at what is a difficult time in our history; it should also lever additional local private sector investment. My hope is that it will lead to new and accelerated investment in industry, related business and tourism and thereby provide new opportunities and hope - especially in our most deprived areas. The Scheme is specifically targeted at small and medium sized enterprises; businesses which employ less than 50 people. These form the backbone of local industry and commerce and I trust that Northern Ireland firms will take full advantage of the scheme.

When I tell you that it provides for an interest relief subsidy of 4% per annum over five years on approved loans, I am sure you will agree that the Scheme does give a real spur to potential investors. In Northern Ireland, the European Union and the Government, will jointly be making some £24 million available under the Programme for the interest relief subsidy, and I estimate that the scheme as a whole will result in a total investment of over £250 million over the next two or three years.

To derive the maximum benefit from the scheme under the terms of the Peace Programme it has been necessary to establish some priorities. Priority for subsidy approval will therefore be given to; smaller

companies and to projects which benefit deprived areas, create or safeguard employment, which further industrial competitiveness and innovation and develop new markets, or which promote tourism opportunities. While the scheme will be open to projects dating from 28 July last year, I must make it clear that it is not simply a matter of re-opening existing loan arrangements. We will be looking for a clear and tangible link with the scheme's objective of encouraging new investment which, in turn, will contribute to economic development, growth and employment and so facilitate peace and reconciliation. The monies allocated to the scheme are limited and so it will not simply be a question of entitlement or first come first served. The Department will be keen to see the subsidy used where it is necessary to ensure the investment and, in a situation where the scheme may be over-subscribed, the EIB reserves the right to prioritise applications.

The scheme will close for applications on 28 February 1997, provided the available funds are not previously committed. Thus the scheme will be open for one year reflecting the intent that it should create a short positive climate of accelerated investment. If, during the year ahead, we can also regain the peace which is so precious to people in Northern Ireland, then our future economic prospects will be further immeasurably improved.

I know that today's announcement of the introduction of the scheme has been eagerly anticipated in many quarters. I would encourage prospective investors, particularly in small and medium sized enterprises, to consider the scheme and explore the opportunities which it affords with the participating bank of their choice.

This is a scheme which is unique in Northern Ireland and I look forward to securing the benefits which I am sure will flow from it.

Now, I should like to hand over to Commissioner Dr Wulf Mathies, who we are delighted to have with us today.

Thank you.