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Peace Divident

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Mr. P. J. 16/5
Mr. 16/5/95

- cc
- Mr Mallon
 - Mr Briant
 - Mr McConnell
 - Mr Walters
 - Mr MacCabe
 - Mr Ross
 - Mr Alexander
 - Mr Hamilton, DOE
 - Mr Buckland
 - Mr Gamble

Mr Maxwell

US SUPPORT FOR PEACE IN NORTHERN IRELAND

The present position on the separate elements of this package is as follows:-

- (a) White House Conference for Trade and Investment. No comment necessary.
- (b) Belfast Investment Conference. Mr Mallon's minute of 30 March sets out the most recent position on follow up of potential investment opportunities. An update will be ready later this week.
- (c) Increased Funding for IFI. The US now provides funding of \$19.6m (1995 financial year). In November 1994, President Clinton announced that he would ask Congress to increase this to \$30m for fiscal 1996 and 1997. The request for 1996 is with Congress but a decision is not expected before the Conference. The Fund believes that, in light of current pressure on the foreign aid budget, the increase is unlikely to be approved.



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- (d) Science and Technology. A US/NI joint working group has drawn up a programme of technological co-operation to be announced in Washington. It is made up of (i) the establishment in Northern Ireland of a Manufacturing Technology Partnership, modelled on, and linked to, the US Manufacturing Extension Programme, which will promote and support the adoption of appropriate technologies by local SMEs; (ii) the facilitation of interaction between the US National Science Foundation's Industry University Co-operative Research Centres and equivalent centres in Northern Ireland; and (iii) the establishment of a Technology Internship programme under which NI engineers and technicians from local companies will be offered 3/6 month internships in US companies. Efforts are being made to formalise DED's relationship with the US Department of Commerce and the instrument to be used is being considered.

While not part of the US package, there is considerable support in the US for a US/Ireland R&D fund on the US/Israel BIRD model (Bi-national Industrial Research and Development Foundation). The proposal is for a \$20m fund contributed to equally by the UK and Irish Governments and the EU and the US Government through IFI. The proposal is being pressed by John Cullinane, a prominent Boston based businessman who made his money in computer software products, and is supported by Frank Costello, a Boston based consultant who is Chairman of Boston Ireland Ventures and Congressman Joe Kennedy. It is being considered by the Department and separate briefing is being submitted to Ministers by IRTU.

- (e) Business Information Centre for Trade and Investment. See US Trade and Development Agency below.
- (f) Business Intern Training Programme. Now known as the American Management Business Internship Training programme (AMBIT), this aims to



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place managers and technicians from SMEs with growth potential in US companies for 3/6 month periods. Funding will come from the US Department of Commerce when approved (IFI in the meantime). Arrangements for the first 5 internships are well advanced and they will attend the Conference. There will be an AMBIT display there. Commerce Secretary Brown will acknowledge their presence and separate briefing is being prepared for Ministers.

- (g) National Endowment for Democracy and US Agency for International Development Programmes. *The first NED programme run by its operational arm, the National Democratic Institute (NDI), for Northern Ireland's main political parties was held in The Hague in October. It involved representatives of the UUP, DUP, SDLP and Alliance Party and its principal purpose was to strengthen the organisational capabilities of these parties. The main issue now for the NDI is how best to draw in Sinn Fein and the PUP and UDP. In furtherance of this objective it is considering organising a series of focus groups for each of the local parties (separately), followed by (if the market will bear it) an all-party gathering similar to that in The Hague.*

USIA has also been active. Ian Paisley Junior has just returned from an Agency-sponsored political study visit to the US and Mr MacCabe (NIO) will be participating in a month-long project in America called "Decision-making in US Foreign Policy" later this year as the Agency's guest. Further such visits by people involved in the local political scene are planned. The University of Ulster is prepared to take the lead in organising the conference for women in politics.

- (h) US Trade and Development Agency. *The Agency has contracted a firm of consultants to identify projects which might be supported, principally in transport and the environment but also in trade and export promotion.*



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The consultants have visited Northern Ireland to consult interested parties (including DOE) and are preparing a report which will be presented to the Conference.

- (i) US Agency for International Development. Mr Buckland (LEDU) has visited USAID to look at models of best practice for very small enterprise support programmes in the USA. Some interesting ideas on "peer group lending" emerged from this visit and are being examined to see if they can be adopted in Northern Ireland.

I hope this is adequate for briefing Ministers for Washington. If there is anything else you need, please let me know. I will let you have separate briefing on the Hevesi fund.

D GIBSON

9 May 1995



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