

C O N F I D E N T I A L

IM/50/11

FROM: M T H MAXWELL
AS CENT SEC
DATE: 17 NOVEMBER 1993

cc PS/Mr Atkins (DED, DOE & L) - B
PS/Sir John Wheeler (DFP, B & L) - B
PS/Lord Arran (DHSS, DANI & L) - B
PS/Michael Ancram (DENI, B & L) - B
PS/PUS (B & L) - B
PS/Mr Fell - B
Mr Thomas - B
Mr Watkins - B
Mr Williams - B
Mr Bell - B
Mr Wood (B & L) - B
Mr Brooker - B
Mr Dodds - B
Mr Cooke - B
Mr Maccabe - B
Miss Steele - B
Mrs Kenny
Mr May - B
Mr Wolseley, Press Office - B
HMA Dublin - B
Mr Archer, RID - B
Supt Irvine

*in Kayell m Kenny.
given my realisation that L'vady
& Strahan Councils are involved,
cd. in say now about
positive developments from -
Adria (ND) was the NISAA
award) in Strahan, Huseo (?) in
L'vady (check out)? Anything
else? The Jerry vs L'vady/Strahan
syndrome is show.
12.11*

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PS/SECRETARY OF STATE (B & L) - B

NORTH WEST REGION CROSS BORDER GROUP CONFERENCE - FRIDAY,
19 NOVEMBER 1993

1. The Secretary of State has agreed to address, the "Highlight North West Conference" organised by the North West Region Cross Border Group on Friday, 19 November 1993 in the Guildhall, Londonderry on the subject of cross border co-operation - a Government perspective. The Taoiseach has agreed to give an address on a similar theme.
2. Briefing for the event is provided as follows

Annex A : Logistics
Annex B : Conference Programme*

* Not copied to all

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- Annex C : Draft speech
- Annex D : Key personalities
- Annex E : Background Note on North West Region Cross-Border Group
- Annex F : Background note on North West Study, including progress on implementation of recommendations
- Annex G : Supplementary briefing on local issues.

3. The draft speech concentrates on a cross-border co-operation theme. However, colleagues in CPL and PAB may wish to give some thought to whether a "political" message might be inserted in the light of the Prime Minister's recent speech at the Guildhall. Any comments from Mr Williams, Mr Archer or Mr Cooke on the cross-border aspects of the speech would also be welcome; these would need to be received in the course of today.
4. The Secretary of State will wish to be aware that Mr Mitchell McLaughlin, a prominent Sinn Fein Councillor on Derry City Council, is a member of the North West Region Cross Border Group. While Mr McLaughlin will be attending the Conference, it is unlikely that there will be any direct contact between him and the Secretary of State or the Taoiseach.
5. A draft press release, cleared by Press Office, will be forwarded separately.
6. Mr Dodds (ESL), Mr May (PAB) and I will be attending the Conference.

[Signed: MTHM]
M T H MAXWELL
CENTRAL SECRETARIAT

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ANNEX A

"HIGHLIGHT NORTH WEST" CONFERENCE : 19 NOVEMBER 1993 : LOGISTICS

1. The purpose of this note is to outline the logistics for the "Highlight North West" Conference on 19 November 1993 which is being attended by both the Secretary of State and the Taoiseach. It takes account of the need to avoid a joint doorstepping at the Conference, and a stated request from the organisers of the Conference that they would like, if possible, both principals to meet them before the Conference proceedings begin.
2. The Secretary of State is expected to arrive at Eglinton Airport at 9.25 am; the Taoiseach is expected to arrive there at 9.30 am. The official greeting party will be the Mayor (Mrs Courtney), Mr Devine, Chief Executive Eglinton Airport, and Mr John Hume MP. Miss Steele (Central Secretariat) and Mr Collinge (Taoiseach's Department) will also be present.
3. Both principals will depart Eglinton Airport by helicopter at 9.40 am to arrive at Fort George at 9.45 am. Both will then travel by car to the Guildhall. The Secretary of State's car will be the first to arrive at 9.50 am at the Guildhall. On arrival the Secretary of State should proceed immediately to the Mayor's parlour: it is imperative that he does not stop to answer questions from the media at this stage. The Taoiseach will subsequently join the Secretary of State in the Mayor's parlour.
4. In the Mayor's parlour the Secretary of State will be introduced to representatives of the four Councils which form the North Community Centre. The press will at this stage be gathered outside the Guildhall to cover the Secretary of State's departure. There will be no joint doorstepping.

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West Region Cross Border Group. These include:

Councillor Arthur Doherty (SDLP)	Mayor, Limavady DC
Councillor Annie Courtney (SDLP)	Mayor, Derry City Council
Senator Paddy Magowan (FF)	Ex Chairman, Donegal County Council
Councillor Edward Turner (OUP)	Chairman, Strabane DC
Mr John Stevenson	Chief Executive, Limavady DC
Mr John Keanie	Chief Executive, Derry City Council
Mr Victor Aiken	Chief Executive, Strabane DC
Mr Willie Maloney	Acting County Manager, Donegal County Council.

Councillor Doherty is also the Chairman of the North West Region Cross Border Group; Senator Magowan is the Vice-Chairman.

- At 10.00 am approximately the principals will emerge from the Mayor's parlour and shake hands for a brief photocall: no interviews will be permitted at this stage. They will then ascend the stairs to the Conference Hall entering at about 10.02 am. After a brief introduction by the Chairman, Councillor Doherty, the Secretary of State will be invited to speak. At the conclusion of the Secretary of State's speech the Chairman will invite the Taoiseach to speak. At the close of this presentation the Chairman will thank both principals and announce their departure.
- Both principals will leave the Conference Hall at 10.35 am. They will descend together; the Secretary of State will take his leave while the Taoiseach returns to the Mayor's parlour for refreshments and to hand over the cheque to the Pilots Row Community Centre. The press will at this stage be gathered outside the Guildhall to cover the Secretary of State's departure. There will be no joint doorstepping.

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DRAFT SPEECH TO "HIGHLIGHT NORTH WEST" CONFERENCE : FRIDAY,
19 NOVEMBER 1993

An Taoiseach, Ladies and Gentlemen

1. I very much welcome the opportunity to participate in this Conference this morning, [and to share the platform with An Taoiseach, Mr Reynolds].
2. We have been asked to speak on the subject of cross-border co-operation from a Government perspective. It would be naive to suggest that cross-border co-operation was a new concept. Traditionally, people from both sides of the border have supported the economies of the Irish Republic and Northern Ireland, be it through working in the other area, shopping or holidaying there. Indeed, there is probably nowhere along the border where such activity is more prevalent than here in the North West itself.
3. The importance of today's Conference is, however, that it will afford an opportunity for the four Councils, and for the other agencies working in the area to combine strengths and resources for the purpose of increasing their potential within Europe. For this the North West Region Cross Border Group is to be congratulated. This Group is a welcome and important new resource for promoting economic development in this part of Ireland. I am sure that it will become a vibrant force for

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promoting opportunities which are mutually beneficial and desirable for the development of the region.

[Possible Political input in the wake of the Prime Minister's Guildhall speech]

4. We meet, of course, at a time of great sadness for the Derry area in the wake of the recent massacre at nearby Greysteel. It is particularly tragic that such events should blemish the many economic and social successes which have been achieved in this city in recent years. Many here today will be familiar with the remarkable progress which Derry has made in recent years in developing its economy. Its regeneration owes much to the effective partnership between the public, the private and the community sectors in the city. Working in harmony, the people of Derry have delivered a wide range of development projects which have made major contributions to economic activity, social and community development and the promotion of the city as a regional tourist centre. Developments such as the Foyleside, the Quayside Centre, the upgrading of Eglinton Airport and the recent opening of Londonderry Port, now arguably one of the most modern seaports in Europe, will do much to enhance yet further the economic fortunes of this region.

5. The purpose of today's Conference is, of course, to focus on an integrated approach to economic development in the North West.

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This is an important issue. Economic development issues in the North West are the responsibility of a wide range of central and local Government organisations, and an even wider range of community, voluntary and private sector bodies. While such organisations, in their own independent ways, undoubtedly carry out excellent work, one could argue that the services of these different organisations might be better delivered by a single unit. On the other hand, one can clearly see that the structures and the modus operandi of the various groupings provide a wide range of expertise and local involvement in the area. The establishment of the North West Group will, however, serve to encourage greater co-operation, not by taking over the excellent work of these organisations, but by helping them to re-double their efforts in promoting the region's development.

6. To some extent, of course, the process of developing a more integrated approach to development in the North West has already begun. Today's Conference, for example, was initially prompted by the North West Study commissioned jointly in July 1990 by the two Governments, with generous financial assistance from the EC Commission, and launched in Redcastle, Donegal in 1992. As the Conference programme points out this Study has helped to identify shared economic problems and strengths, and has formed a basis from which multilateral policies could be developed and implemented for economic growth and stability in the region.

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We live in a world of increasing competition across all sectors of industry. Nonetheless, it is most encouraging to witness the spirit of co-operation which is developing on both sides of the border. None more so than here in the North West itself. I am thinking, for example, of the decision by the US textiles and clothing company, Fruit of the Loom, to establish a cross-border presence in the region. Its two plants at Bunrana and Londonderry exemplify cross-border activity/action at its best, and make a significant contribution to the economic well-being of the area.

8. I would also commend in this context the work of North West International. This organisation, better known to many as Derry Boston Ventures, has been highly active in promoting business links with Boston and with other parts of the United States with a view to securing investment for the region. I am pleased to see that the organisation has now widened its remit to promote the whole of the North West region, and that it is proving itself to be an able and influential voice in promoting the North West of Ireland overseas.

9. There is also ERNACT (the European Regions Network for the Application of Communication Technology) a joint project between the Derry and Donegal Councils. Based in Lifford and Londonderry this project provides access to valuable network information for the support of local businesses.

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10. In the private sector the Derry and Letterkenny Chambers of Commerce are working on an initiative - ECOM - which will support Special Interest Groupings on both sides of the border, and which will eventually lead to joint marketing, training and business support. The Strabane-Lifford Development Commission is also bringing a focus for development to what is clearly perceived as one of Europe's most difficult unemployment areas.
11. There are many other examples of co-operation which I could mention, some of them formalised, others a reflection of people in the area simply getting together on a common platform to improve the quality of life in this area. Whether they are formalised, such as in a European Economic Interest Grouping, or whether they simply exist because people wanted them to, they all demonstrate more than adequately a high level of structured co-operation towards development activity in the area.
12. Developing co-operation in the North West region is, of course, part of the wider process of growing economic co-operation between the two parts of Ireland. In the new European context there is growing appreciation that co-operation between the two economies, North and South, can bring significant and worthwhile economic benefits. Both the British and Irish Governments wish to see the momentum of mutually beneficial co-operation in the island of Ireland maintained. Thus, for example, our Structural Funds Plan, which we recently submitted

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to the European Commission, contains a common chapter with the Republic of Ireland which highlights the mutual benefits to be gained from closer economic co-operation. The challenge which confronts us in both parts of Ireland, from the Single Market and the new European Union, is to ensure that we maximise the benefits which are being made available to us.

13. There are many specific examples of excellent cross-border co-operation which I could mention. In the industrial field the two major industrial development agencies - the Industrial Development Board and the Irish Trade Board - are working closely on a number of cross-border initiatives designed to increase cross-border trade. A number of joint exhibitions to promote the sourcing of goods from local companies both North and South, have been held throughout Ireland. I know that one of those exhibitions was held here in Derry in May 1992, and that a further one is planned for March of next year. I would like to see this excellent work continued, and indeed extended to other areas of trade, wherever possible.

14. In the tourism area I know that the Northern Ireland Tourist Board already works closely with Bord Failte on a number of projects which involve the marketing of the island of Ireland as a holiday destination. Some of these joint ventures have drawn particular attention to the North West region. In September 1992, for example, the Irish Homecoming Festival, aimed at bringing visitors to Ireland, culminated here in Derry

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during the city's Impact 1992 celebrations. And I was pleased to see that this co-operation in tourism has been successfully developed through the creation of the North West Passage, the tourist route running from Dublin, through Northern Ireland, to Donegal. This is an excellent example of co-operation between Councils and the regional tourism organisations in both the North and the South.

15. In the education sphere there is excellent co-operation between the North West Institute and Magee College, which has led to the sharing of facilities and staff expertise in several courses. Links between business and further and higher education institutions on both sides of the Border have already shown the economic advantages which these relationships can bring. Judging by the interest in today's Conference I know that these links will continue and strengthen.

16. Training is also of vital importance in providing the industrial and business skills for the workforce of the future, and in offering opportunities for cross-border co-operation. Under the International Fund for Ireland's Wider Horizons programme the Inner Trust from Derry and Ramelton Georgian Port have combined to give unemployed people training and work experience in construction skills in Florida. The Churches Voluntary Bureau in Derry and the Ireland's Training Authority - FAS - in Letterkenny have several unemployed young people in placement in Louisiana training in crafts, care of the elderly

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and outdoor pursuits. I welcome such schemes. They bring people together and increase mutual understanding of our shared aims for the prosperity of the region.

17. On the wider European front the European Commission's Interreg initiative, with its emphasis on cross-border co-operation and economic development, is particularly relevant to border areas. To date this programme, which both the British and Irish Governments administer, has assisted some 270 projects throughout Ireland. Interreg is, of course, particularly relevant to the North West Region Border Group who are our hosts today. The Interreg programme has provided support to facilitate the establishment of the Secretariat, and will be of assistance to the region in funding suitable projects under Interreg 2.

18. Interreg is, of course, only one means by which the European Commission has assisted the North West. The new port at Lisahally, which was opened recently by Commissioner Bruce Millan, and which I had the pleasure of visiting, is a major example of European assistance working to the benefit of the region. President Delors, on his visit to Northern Ireland last year, flew into Eglinton airport which has also benefited substantially from Community aid. In addition, some 100 other projects have been assisted in the area.

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19. This spirit of co-operation will continue to be fostered by the two Governments. All of us, on both sides of the border, are concerned to address the special needs of the North West, and we will continue to look at methods for harmonising our efforts on a cross-border basis. We will look to work with the key players - business, local Authorities and the local communities - to help build a stronger economy in this part of Ireland.

20. Today's Conference, and the examples of partnership which I have mentioned, illustrate the increasing realisation of the importance of cross-border co-operation to the future economic well-being of the region. In many important ways this region is at the leading edge of cross-border economic development. I can assure you that the Government is committed to playing its part in supporting the efforts of the local community to promote the economic betterment of the region. I wish this Conference, you its delegates and the North West region well.

PERSONALITY NOTES

ARTHUR DOHERTY - CHAIRMAN OF CROSS BORDER GROUP

SDLP Mayor of Limavady Borough Council 1993/94

Mr Doherty is a retired school teacher who previously served two terms as the Deputy Mayor in Limavady and was elected Mayor 1993/94. He speaks intelligently in a balanced fashion on both national and local politics and has a wide variety of interests.

PADDY MCGOWAN - VICE CHAIRMAN OF CROSS BORDER GROUP

Senator, Member of Fianna Fail

Born in Ballybofey, Co Donegal 1926. He is a farmer and businessman. He has been a senator since 1987 when he was elected to the Agricultural Panel; he also previously served as a Senator for the period 1965-1981.

MRS ANNIE COURTNEY

SDLP Mayor of Derry City Council 1993/94

Mrs Courtney was first elected to the Council in 1985. She was Deputy Mayor in 1992/93 and was elected Mayor for 1993/94. She has taken a career break from her position as a Nursing Sister in Altnagelvin Hospital due to the heavy workload attached to the post of Mayor. She is married with a grown-up family.

JOHN HUME MP MEP

SDLP Leader, MP for Foyle and MEP

BACKGROUND NOTE ON NORTH WEST REGION CROSS BORDER GROUP

1. The North West Region Cross Border Group is a four Council grouping comprising Derry City Council, Donegal County Council, Limavady Borough Council and Strabane District Council. It is supported by INTERREG.
2. The aim of the Group is "to implement the recommendations of the North West Study". (More detailed briefing on this study is attached at Annex F).
3. The Derry, Donegal, Limavady and Strabane Cross Border Group is receiving assistance under the Interreg Programme towards the establishment of a Cross Border Secretariat to assist in co-ordinating and implementing the promotion of economic development in the North West. A Development Officer has been appointed and premises rented from Derry City Council. A North West Economic Development Directory is being prepared for publication. Lord Arran and the Taoiseach, Mr Albert Reynolds, TD, jointly opened the North West Region Cross Border Group Office on 16 April 1993.
4. The Group submitted 13 applications under the Interreg Programme but these have been unsuccessful. In some cases it was considered that projects would have duplicated work already underway or in the planning process, while others could not be accommodated in the programme due to the limited amount of EC funding available under the Interreg Initiative. If asked about the Group's 13 unsuccessful Interreg applications the Secretary of State is advised to take the following line:

"Cannot comment on individual applications. North West Region Cross Border Group is assisted by Interreg: it should assist in the identification of projects for support from EC Funds".

BACKGROUND NOTE ON THE NORTH WEST STUDY

1. This Study into the main economic and social problems of the North West Region of Ireland was commissioned by the Irish and British Governments in October 1987. The Study focused on the Donegal, Derry and Strabane areas, with particular reference to border areas. Its terms of reference were, inter alia, to recommend a development strategy for the region; to examine the scope for closer co-operation on regional development between the appropriate public and private sector agencies on both sides of the border; and to make recommendations to achieve a better use of existing resources in the area.
2. The Report was published in April 1990 and launched jointly by the then Secretary of State, Mr Brooke and the then Taoiseach, Mr Haughey at Redcastle, Co Donegal in July 1990. It made 116 recommendations.
3. While the Study was commissioned jointly by the Irish and British Governments, the recommendations are those of the consultants who prepared the Report, and have not necessarily been accepted as Government policy. The public line has thus been that the results of the Study have informed Departments' perceptions of the requirements for the area, and are taken into account, as appropriate, in Departmental expenditure programmes.

Progress on recommendations

4. Progress on the study's key recommendations are set out below:
 - a. Joint Marketing and Promotional Strategy for Tourism in the North West

NI Tourist Board and Bord Failte officials meet regularly

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to discuss a wide range of joint marketing initiatives designed to promote the whole of Ireland as a holiday destination. The Irish Homecoming Festival in September 1992 culminated in Londonderry. A brochure on the North West Passage tourism route from Dublin, through Northern Ireland, to Donegal was jointly launched by Mr Atkins and Mr McCreevy (Southern Minister for Tourism and Trade) in May 1993;

b. **Increase in IDB/IDA/LEDU Co-operation in North West**

The development agencies have supported the formation in 1992 of a Londonderry/Letterkenny ECOM European Economic Interest Group. This body has set up a number of special interest groups to develop the competitiveness of local companies and increase their share of export markets. These interest groups are currently working in the food and drink, clothing and textiles, information technology and crafts/giftware sectors;

c. **Pilot North West Rural Development Agency to establish a programme for integrated rural development**

DANI's Rural Development Programme, which was launched some months after the publication of the North West Study, addresses this recommendation. The Rural Development Council was established in 1991 as an advice and resource centre aimed at strengthening and supporting local community groups in identifying needs and opportunities in their area. Although the Rural Development Council has no direct role in the implementation of recommendations flowing from the North West Study local community organisations are encouraged to use the study as a quarry for ideas;

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d. Improving access to infrastructure

Recommendations of the North West Study have been taken into account in preparing Departmental expenditure programmes, and some have already been implemented or are in current DOE programmes. Substantial development has taken place at Eglinton Airport with ERDF grant assistance. EC assistance has been provided for road and bridge schemes to improve the standard of the Dublin to Letterkenny Road. Finally, DOE (Roads Service) is currently considering the draft strategy jointly drawn up by Coleraine and Omagh Roads Service Divisions, following strong representations from Derry City Council to the Minister on 9 March 1993 about the need to improve the main road network in the West of the Province.

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SUPPLEMENTARY BRIEFING ON LOCAL ISSUES

CLOSURE OF IDB'S REGIONAL OFFICE IN LONDONDERRY

IDB is proposing to close its Regional Offices (Antrim, Craigavon and Londonderry) over the next 18 months. The Londonderry Office should close at the end of March 1994. These changes are necessary for reasons of efficiency and DRC cost. The closure of these offices is likely to be criticised locally, particularly in Londonderry, where it will be seen as leading to job loss. DED/IDB are looking at ways in which closure might be compensated by strengthening the links between IDB and local development agencies.

Line to Take

- Main activity of the Office was property management. Work in this area is declining as a result of IDB's policy of selling factories and developed land.
- Does not present any weakening of IDB's commitment to improving the economy of the North West.
- Inward investment and the servicing of client companies in the area will continue undiminished.
- Far from representing any form of withdrawal, the closure should result in much closer contact and co-operation with those in Belfast directly responsible for these activities.
- LEDU now has the liaison role, on behalf of all DED businesses, with local councils and groups interested in economic development.

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TERREG EC INITIATIVE

EC funding available to the joint NI/ROI Interreg programme is 82 m ecu. 266 projects have so far been assisted, 44 of which will specifically assist the North West area.

CROSS-BORDER PROJECTS ASSISTED UNDER INTERREG IN THE NORTH WEST

North West Passage Promotional Brochure

The North West Passage is a tourist highway which links Dublin to Donegal via Northern Ireland. A promotional brochure covering the area has been produced under Interreg by Bord Failte, the North West and Midlands East Regional Tourism Organisations and 4 District Councils, namely Strabane, Dungannon, Omagh and Armagh.

Cross Border Chambers

The Londonderry and Letterkenny Chambers of Commerce aim to establish a private sector European Economic Interest Grouping to promote and increase the volume of trade and commerce between North West Ireland and Europe. Interreg has provided assistance towards the establishment and launch of the European Economic Interest Grouping "Cross Border Chambers", the establishment of sectoral Special Interest Groups and follow-up action.

Promotion of Information Technology (IT) for Economic Regeneration and Regional Development in the North West

Interreg funding assisted the establishment of a public sector European Economic Interest Group "the North West Consortium" to promote a total of 9 IT projects in the area. The project covers Counties Londonderry, Donegal and Tyrone and

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2 Development Officers have been appointed (one based in Letterkenny and the other in Londonderry) to manage and co-ordinate IT projects on their respective sides of the border and to develop more cross border IT linkages.

EC STRUCTURAL FUNDS (1994-1999) - NORTHERN IRELAND'S ALLOCATION

Background

- a. On 20 July 1993 the Foreign Affairs Council of Ministers agreed on the amounts each Member State should get under Objective 1 of the Funds.
- b. On 21 October, the United Kingdom was allocated 2,360 million ECU at 1994 prices. This does not include Initiatives money.
- c. Government allocated 1,233 million ECU or about £1 billion to Northern Ireland, which represents 52.3% of the UK allocation, even though we only have 46.6% of the total eligible population. On the basis of regulations Northern Ireland could expect to get another 100 m ecu approx for Initiatives.

Line to Take

- Northern Ireland has done well to retain its Objective 1 status, and its share of over half the UK allocation reflects the Government's view of the very special needs of the region.
- By any standards this is a large sum of money which will enable us to build on the progress achieved under the existing EC funded programmes.

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(f Raised)

- The Republic of Ireland's allocation comes from a separate part of the EC Structural Fund's budget and so does not impact on the Northern Ireland allocation.
- It is not correct simply to compare how much the Republic of Ireland and Northern Ireland are to get from the Structural Funds for the next six years. Northern Ireland, as part of the United Kingdom, receives a considerable subvention from the Exchequer each year - some £3.2 billion for the current financial year - which overshadows the projected £150m annual Structural Funds receipts to Northern Ireland. The Republic of Ireland receives no equivalent subvention, and the Commission clearly takes this into account in the allocation of Structural Funds to Member States.

ELECTRICITY ISSUES

a. 110 KV Stand-by Linkages with ROI

- NIE and ESB are currently constructing 2 x 110 kv stand-by electricity links in the Donegal/Londonderry area (as well as the Fermanagh/Cavan area) as a means of improving reliability of electricity supply in the North-West of Ireland.
- NIE advise that both links will be completed by December 1993, providing a number of wayleaves can be agreed with local landowners.
- Some concerns have been raised by environmentalists about the impact of the Donegal/Londonderry link where it crosses the River Foyle. NIE, in

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consultation with the DOE, are taking steps to minimise any adverse impact.

b. **Coolkeeragh Power Station (Coolkeeragh Power Ltd)**

- Coolkeeragh Power Station, situated on the shore of Lough Foyle about 5 miles north-east of Londonderry is now in private ownership.
- The sale of the station to a Management Employee Buy-out Group was on the basis of power purchase contracts between NIE and the new owners. The term of the contracts run for the remaining economic life of the station (ie up 2004).
- It will be a commercial decision for the station owners whether they can economically extend the life of the station beyond 2004.
- The station currently employs around 230 people.
- The accounts for the station's first 9 months trading in the private sector (to December 1992) revealed an operating profit of almost £1 million.

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