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FROM: DAVID FERGUSON  
CENTRAL SECRETARIAT  
18 MARCH 1998

cc PS/Mr Semple  
NI Permanent Secretaries  
Mr Thomas  
Mr Jeffrey  
Mr Watkins  
Mr Stephens  
Mr Bell  
Mr McCusker  
Mr Hill  
Mr Brooker  
Mr Fergusson, RID  
Mr Smyth

Mr Howard

**INTENSIFYING NEGOTIATIONS: AREAS FOR NORTH-SOUTH CO-OPERATION**

1. I attach another shot at a draft paper following a helpful conversation which I had with Quentin Thomas just before lunch-time.
2. I hope this meets the concerns of David Hill (his minute to me yesterday) and possibly of others. It is intended to ensure at least that the full range of potential activity is covered and that nothing slips between the cracks in further discussion between the parties.
3. At the risk of unnecessarily labouring the point, however, I still take the view that, subject to clarification of the role, remit and functions of the North South Council and of lines of accountability, the drop-dead issue is whether implementation bodies should be specified in advance and what areas they should cover; and the sooner we get to it the better. If the Unionists can be satisfied that the Council will not have an executive role (in the sense of implementing some of its own decisions) or worse still, from their point of view, an independent life of its own, then I believe, reading between some of the lines of some of what has been said, that they could be brought along the spectrum of

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activity up to but short of the setting up of new bodies. If they can be persuaded to take the further step, the key issue is whether on the other side, in return for an understanding on the role of the Council and on accountability, the SDLP would be satisfied that the areas to be covered by an initial set of bodies were sufficiently weighty.

4. On this point, I have my doubts about the list in Annex C to the paper, which is my own stab based on returns from Departments. But I should welcome **urgent** views from you and colleagues, including those in Departments, on whether it is a reasonable list to go in to bat with with the Irish before final clearance with Ministers and release to the parties.
5. On reflection, it would also be helpful if Permanent Secretary colleagues could have my classification in Annexes A and B double checked **urgently** against earlier returns to ensure that it remains accurate. (This need not hold up initial clearance of the paper through Mr Murphy tonight or tomorrow. It can be referred to in the covering submission.) Since the material is particularly sensitive, I should be most grateful if it could be handled strictly on a "need to know" basis and not copied more than is absolutely necessary.
6. In all cases, a phone call in reply will do.

[Signed DGF]

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**STRAND 2: KEY OUTSTANDING ISSUES**

**Areas for consideration by a North/South Council**

Issues:

Whether, recognising that there will be changes to the list over time, particular matters should be designated as part of the overall agreement as matters on which a Northern Ireland Assembly and the Dail would be committed to co-operate;

Whether, within this set of matters, there should be 2 further, designated sets:

- (a) those matters where North and South would be committed to joint action at a cross-border or an all island level working through existing democratically accountable machinery;
- (b) those matters where North and South would be committed to setting up specific implementation bodies with a view to action at a cross-border or an all island level.

Analysis:

There appears to be broad agreement among the parties that the North South Council could discuss all matters of mutual interest within the competence of a Northern Ireland Assembly and the Dail and could exchange information and consult on such matters. Discussion of the range of activity described above will clearly be affected by the outcome of discussion on the related issue of the role, functions and accountability of the North South Council and its relations with other institutions covered by

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the inter-Governmental machinery, on which a separate paper has been prepared.

Subject to that outcome, the analysis of parties' contributions suggests that there is a straight choice:

- (a) specify, as part of the overall agreement, a list of matters for co-operation and joint action, including in the latter case an initial set of implementation bodies in designated areas to be operational in particular areas at a cross border or an all island level by a specified date or dates;
- (b) do not specify at this stage but perhaps set out in the overall agreement a programme of work with timescales which would lead to such a list, which would include suitable implementation bodies, being identified and subsequently approved by the Dail and a Northern Ireland Assembly.

### Lead Option:

The 2 Governments have already provided a paper summarising current and potential areas of co-operation North and South. These range considerably in size and significance.

Parties will have their own views on how the various topics might be allocated to the categories described above, if after discussion that is the agreed choice. The attached Annexes A to C provide a suggested categorisation for consideration.

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**POTENTIAL AREAS FOR CO-OPERATION**

**Agriculture**

- research, training and advisory services
- development of the bloodstock industry
- animal and plant health
- rural development
- Common Agricultural Policy

**Education and Training**

- education for students with special needs
- education for mutual understanding
- teacher qualifications
- school competitions
- exchanges of teaching staff

**Health**

- general hospital services
- medical accident/emergency planning
- clinical waste disposal
- food safety

**Industrial and Trade Matters**

- development and support of indigenous industries and the small business sector
- management development services to industry
- trading standards
- industrial and commercially based research
- university and industry-based centres of research excellence
- public purchasing
- university and industry-based centres of research excellence
- public purchasing

**Marine and Waterways**

- Common Fisheries Policy
- fish health
- fisheries education research and training

**Social Welfare**

- action against welfare fraud

**Energy**

- energy projects

**POTENTIAL AREAS FOR JOINT ACTION (EXISTING MACHINERY)**

**The Environment**

- environmental protection
- waste management
- pollution control
- mapping
- wildlife conservation

**Culture, Heritage and the Arts**

- heritage protection and restoration
- cultural promotion abroad
- the Irish language

**Health**

- disease registries
- medical teaching and training
- public health and health promotion
- clinical trials

## Industrial and Trade Matters

- North/South trade
- inward investment
- promotion and marketing of food, manufactured goods and services

There are already 3 implementation bodies dealing with cross-border or all island issues.

## Marine and Waterways

- the Foyle Fisheries Commission
- aquaculture
- marine matters

Subject to the separate discussion on the role and remit of the North/South Ministerial Council and in particular lines of accountability, the following might be added:

- An EU Funds Agency covering work on the North/South INTERREG programme, the Special Programme for Peace and Reconciliation and LEADER II (or its successor).
- a Regional Development Board, covering the co-ordination and development of regional development strategies.
- a Transport Planning Agency covering the co-ordination and development of major transport services in Ireland, including the planning of road networks.
- a Watercourses Management and Development Agency covering the development and management of inland waterways.
- a Tourism Board covering promotion, marketing and research for the island as a whole.
- a Sports Council covering promotion and support throughout the island.

**POTENTIAL AREAS FOR JOINT ACTION (POSSIBLE NEW BODIES)**

There are already 3 implementation bodies dealing with cross-border or all island issues:

- the Foyle Fisheries Commission
- the Carlingford Lough Commission
- The Commissioners of Irish Lights

Subject to the separate discussion on the role and remit of the North/South Ministerial Council and in particular lines of accountability, the following might be added:

- an **EU Funds Agency** covering work on the North/South INTERREG programme, the Special Programme for Peace and Reconciliation and LEADER II (or its successor).
- a **Regional Development Board**, covering the co-ordination and development of regional development strategies.
- a **Transport Planning Agency** covering the co-ordination and development of the major transport services in Ireland, including the planning of road networks.
- a **Watercourse Management and Development Agency** covering the joint development and management of inland waterways.
- a **Tourism Board** covering promotion, marketing and research for the island as a whole.
- a **Sports Council** covering promotion and support throughout the island.