

URGENT

H35 Pined 18/12/98

C94.



from the Permanent Secretary  
G Loughran

PSDED 0670/98

To: Departmental Board Members

From: G Loughran

cc Mr Bunt

Mr Cooper

Mr Gille

Mr Hill

Mr G 7s

Mr Ray

18.12

ARM.

18.12.98

### NEW DEPARTMENTAL STRUCTURES

1. You are already aware of the good news which broke overnight that agreement has been achieved on Departments and matters for North/South implementation and co-operation. I attach relevant details.
2. Clearly there are implications for T&EA, Energy Division, and IR and Equality Division. We shall be addressing these as a matter of urgency but it should be noted that further discussion will be necessary on some functional issues, and, subsequently the legislation to give effect to Departmental changes. In the meantime (and in the future), it is business as usual.
3. I would be grateful if Mr McDonnell would draw NITB's attention to the new Tourism body. This is not described as one of the six implementation bodies but is broadly similar to the initial model discussed with Department of Tourism and Sport.
4. It should be noted that the "Economic Policy Unit" has significant implications for DFP.
5. This information should be circulated to Heads of Divisions as a matter of urgency, and as widely thereafter as you may wish.

*L. Fleming*  
GERRY LOUGHRAN

18 December 1998

*J.H.*



OFFICE OF THE FIRST MINISTER (DESIGNATE) AND  
DEPUTY FIRST MINISTER (DESIGNATE)

STATEMENT - 18 DECEMBER 1998

1. On 1 July 1998, the New Northern Ireland Assembly asked us to report on progress towards implementing the Belfast Agreement reached on Good Friday this year.
2. Since our election, most of the parties in the Assembly have been working with us on detailed questions. Papers on Strands One, Two and Three have been considered in a series of round tables and other meetings.
3. Following intensive negotiations and consultations involving other Assembly parties, and as appropriate the Irish and British Governments, we have reached agreement tonight on matters for North/South co-operation and implementation, and on Departments.
4. We wish to express our satisfaction with the outcome, which represents a major step in the implementation of the Agreement.
5. As regards Departments (Annex 1), the Office of the First Minister and Deputy First Minister will have an Economic Policy Unit and special responsibility for equality. There will be ten Departments:
  - Agriculture and Rural Development
  - Environment
  - Regional Development
  - Social Development
  - Education
  - Higher and Further Education, Training and Employment
  - Enterprise, Trade and Investment
  - Culture, Arts and Leisure
  - Health, Social Services and Public Safety
  - Finance and Personnel



6. The Agreement required a 'work programme' on at least 12 matters, six being new implementation bodies, and six being matters for co-operation. The six implementation bodies (Annex 2) are:

- Inland Waterways
- Food Safety
- Trade and Business Development
- Special EU Programmes
- Language (Irish and Ulster Scots)
- Aquaculture and Marine Matters

7. The six areas for co-operation (Annex 3) include some aspects of:

- Transport
- Agriculture
- Education
- Health
- Environment
- Tourism

8. We will be making a detailed report to the Assembly early in January, and will bring forward proposals on the British-Irish Council and the Civic Forum.



DEPARTMENTS0. Office of the First Minister and Deputy First Minister

Economic Policy Unit  
Equality

Other Central Functions (within The Secretariat of the  
Executive Committee)

Liaison with NSMC  
Liaison with BIC  
Liaison with Civic Forum  
Liaison with SOS on reserved and excepted matters  
European affairs and international matters  
Policy Innovation Unit  
Liaison with IFI  
Information Services  
Community Relations

1. Agriculture and Rural Development

Food, Farming and Environmental Policy  
Agri-Food Development  
Science  
Veterinary  
Rural Development  
Forestry  
Sea Fisheries

2. Environment

Planning Control  
Environment and Heritage  
Protection of the Countryside  
Waste Management  
Pollution Control  
Wildlife Protection  
Local Government  
Sustainable Development  
Mineral Resources  
Driver & Vehicle Testing Agency



Driver & Vehicle Licensing Agency

3. Regional Development

Transport Planning

Roads Service

Rail

Ports and Airports

Energy

Water

Strategic Planning

4. Social Development

Housing Policy

NI Housing Executive

Urban Renewal

Community Sector

Laganside Corporation

NI Construction Industry Advisory Council

Rent Assessment Panel

NI Building Regulations Advisory Committee

Housing Benefit Review Boards

Social Security Agency

5. Education

Schools Funding and Administration

Teachers and Special Education

School Effectiveness

School Planning and Provision

Schools Inspectorate

Nursery Education

Youth Service

6. Higher and Further Education, Training and Employment

Higher Education

Further Education

Vocational Training

Employment Services

Employment Law and Labour Relations



7. Enterprise, Trade and Investment

Economic Development Policy ✓  
Industry (IDB, LEDU) ✓  
Research and Development (IRTU) ✓  
Tourism ✓  
Health and Safety Executive ✓  
Company Regulation ✓  
Consumer Affairs ✓

8. Culture, Arts and Leisure

Arts and Culture  
Sport and Leisure  
Libraries  
Museums  
Visitor Amenities and Services  
Ulster Historical Foundation  
Inland Waterways  
Inland Fisheries  
Ordnance Survey  
Public Record Office  
Language Policy

9. Health, Social Services and Public Safety

Health  
Social Services  
Public Health and Safety  
Health Promotion  
Fire Authority

10. Finance and Personnel

Finance  
Personnel  
IT and Common Services  
Accommodation  
Legal Services  
NI Statistics and Research Agency  
Land Registry of NI  
Rates Collection Agency



## ECONOMIC POLICY UNIT

To support the FM/DFM, and through them the Executive Committee as a whole, in their strategic role and responsibilities for the formulation, co-ordination and management of the policies of the new Administration.

The Unit will assist the FM/DFM in

- undertaking, together with the responsible NI Minister and the Secretary of State, negotiations with HM Treasury on the size of the NI Block grant and on EU and IFI funding;
- determining, within the Executive Committee, the Administration's detailed strategic goals and inputting them to the Programme of Government and the allocation of financial resources;\*
- arbitrating on competing funding demands and making final determinations thereon;
- co-ordinating the Executive's economic policies and monitoring the effectiveness of public spending in achieving the Administration's economic goals, including responsibility for the Economic and Social Steering Groups;
- co-ordinating EU policy and reviewing the progress and effectiveness of EU and IFI funds;
- overseeing the development of joint financing of public expenditure, including the Private Finance Initiative;\*
- monitoring the financial implications of legislation passed in the NI Assembly, at Westminster and by the EU.

Under the authority of the FM/DFM, the Unit will be responsible for:

- providing central initiatives, eg, the analogue to the PM's new Performance and Innovation Unit in the Cabinet Office;
- improving the effectiveness of management within Government through overseeing and co-ordinating the Administration's financial management information and regulatory policies; by developing and applying performance measures and co-ordinating mechanisms; promoting the organisational and cultural change required to deliver the new Administration's strategic agenda; and including responsibility for the Public Service Office, and for the Continuous Improvement Programme;\*
- evaluating the effectiveness of programmes, policies and procedures of Departments, Boards and Agencies.\*

[\* In these cases the Unit will work in conjunction with the Minister for Finance and Personnel]



(final text 18 December, 02.10)

### IMPLEMENTATION BODIES

#### **Inland Waterways**

A body with the following functions:

- Management, maintenance, development and restoration of the inland navigable waterway system throughout the island, principally for recreational purposes:

**immediately** in respect of the Shannon-Erne Waterway and of the possible restoration and development of the Ulster Canal;

**progressively thereafter**, in respect of the wider Shannon-Erne system and the island's other waterways (principally the Royal Canal, Grand Canal, Barrow and Lagan).

The Body would take on the functions, together with the appropriate support functions, exercised in that regard by the Waterways Service of the Department of Arts, Heritage, Gaeltacht and the Islands and the Rivers Agency of the Department of Agriculture in Northern Ireland, and would also take over the functions of Shannon-Erne Waterway Promotions Ltd.



## Food Safety

A body with the following functions:

- promotion of food safety
- research into food safety
- communication of food alerts
- surveillance of food-borne diseases
- promotion of scientific co-operation and linkages between laboratories
- development of cost-effective facilities for specialised laboratory testing
- supporting business by making recommendations to increase enterprise competitiveness in a north-south context in areas such as skills availability, telecoms, IT and electronic commerce
- promotion of north-south trade and supply chains, including through business linkages and partnerships
- promoting cross-border trade events and marketing initiatives
- identifying new areas of trade between North and South
- promoting market awareness and trade development in a north-south context
- undertaking specific projects and events in relation to trade promotion, when tasked jointly on a project by project basis
- providing advice on specific aspects of trade promotion, when tasked jointly to do so.

Existing economic agencies North and South would continue to be funded by and operate under the direction of their respective administrations.



## Trade and Business Development

A body to exchange information and co-ordinate work on trade, business development and related matters, in areas where the two administrations specifically agree it would be in their mutual interest.

The specific areas of implementation would include:

- co-operation on business development opportunities, North and South;
- devising new approaches to business development in a cross-border context, in such areas as research, training, marketing and quality improvement;
- supporting business by making recommendations to increase enterprise competitiveness in a north-south context in areas such as skills availability, telecoms, IT and electronic commerce;
- promotion of north-south trade and supply chains, including through business linkages and partnerships;
- promoting cross-border trade events and marketing initiatives;
- identifying new areas of trade between North and South;
- promoting market awareness and trade development in a north-south context;
- undertaking specific projects and events in relation to trade promotion, when tasked jointly on a project by project basis;
- providing advice on specific aspects of trade promotion, when tasked jointly to do so.

Existing economic agencies North and South would continue to be funded by and operate under the direction of their respective administrations.



## **Special EU Programmes**

A body with the following functions:

### **Until the conclusion of the current Community Initiatives**

- the central secretariat, monitoring, research, evaluation, technical assistance and development roles currently exercised jointly in respect of INTERREG and PEACE by the Department of Finance and the Department of Finance and Personnel;
- administration of certain sectoral sub-programmes under INTERREG and PEACE (interest rate subsidy and cross border co-operation between public bodies).

### **In relation to post-1999 Structural Funds**

- advising North/South Ministerial Council and two Departments of Finance on negotiation with the EU Commission of post-1999 Community Initiatives and of Common Chapter;
- preparing, for the approval of the two administrations in the Council and in close consultation with the two Departments of Finance and other relevant Departments, detailed programme proposals under the new Community Initiatives (likely to be INTERREG III, LEADER III and EQUAL, and possibly a successor to PEACE);
- central secretariat, monitoring, research, evaluation, technical assistance and development roles in respect of these Initiatives;
- grant-making and other managerial functions in respect of INTERREG III and of north-south elements of programmes under other Initiatives, within the framework of the relevant overall policies of North and South respectively, and subject to the expenditure allocations and specific programme parameters agreed between the two administrations and with the EU Commission;
- monitoring and promoting implementation of the Common Chapter, which would have a specific budgetary allocation.



## Language

One body, with two separate parts, with the following functions:

### Irish Language

- promotion of the Irish language;
- facilitating and encouraging its use in speech and writing in public and private life in the South and, in the context of Part III of the European Charter for Regional or Minority Languages, in Northern Ireland where there is appropriate demand;
- advising both administrations, public bodies and other groups in the private and voluntary sectors;
- undertaking supportive projects, and grant-aiding bodies and groups as considered necessary;
- undertaking research, promotional campaigns, and public and media relations;
- developing terminology and dictionaries;
- supporting Irish-medium education and the teaching of Irish.

### Ulster Scots

- promotion of greater awareness and use of Ullans and of Ulster Scots cultural issues, both within Northern Ireland and throughout the island.



## Aquaculture and Marine Matters

A body with the following functions:

### Lough Foyle and Carlingford Lough

- Promotion of development of Lough Foyle and Carlingford Lough, for commercial and recreational purposes;
- Existing functions of Foyle Fisheries Commission in regard to inland fisheries conservation, protection, management and development, and equivalent functions in respect of Carlingford Lough;
- Development and licensing of aquaculture;
- Development of marine tourism.

### Lighthouses

- Existing functions of the Commissioners of Irish Lights in respect of providing and maintaining aids to navigation along the coast of the whole island of Ireland and its adjacent seas and islands.

Given that the CIL functions in an East-West context, arrangements to maintain linkage with the relevant British authorities.

### (iii) Education

Education for Children with Special Needs (eg autism, hearing impairment); Educational Underachievement; Teacher Qualifications; School, Youth and Teacher Exchanges.

### (iv) Health

Accident and emergency planning; co-operation on high technology equipment; cancer research; health promotion.

### (v) Environment

Research into environmental problems; water quality management and waste management in cross-border context.

### (vi) Tourism

Establishment of publicly-owned limited company as set out below.



## MATTERS FOR COOPERATION

in accordance with paragraphs 8 and 9 (i) of Strand Two of the Agreement, at least six matters are to be identified and agreed for co-operation through the mechanism of existing bodies in each separate jurisdiction.

The matters below have been identified as suitable for initial consideration by the NSMC in this regard. It would be open to the NSMC, by agreement between the two sides, to consider other matters.

### (i) Transport

Strategic planning and development of cross-border co-operation in transport: while co-operation would primarily arise in respect of road and rail planning, it would take account of issues arising in the port and airport sectors; road and rail safety.

### (ii) Agriculture

Discussion of CAP issues; Animal and Plant Health Policy and Research; Rural Development.

### (iii) Education

Education for Children with Special Needs (eg autism, hearing impairment); Educational Underachievement; Teacher Qualifications; School, Youth and Teacher Exchanges.

### (iv) Health

Accident and emergency planning; co-operation on high technology equipment; cancer research; health promotion.

### (v) Environment

Research into environmental protection; water quality management and waste management in cross-border context.

### (vi) Tourism

Establishment of publicly-owned limited company as set out below.



## TOURISM

A publicly owned limited company will be established by Bord Failte and the Northern Ireland Tourist Board to provide the following services:

- planning and delivering international tourism marketing programmes, including programmes in partnership with the industry North and South;
- publication and dissemination in overseas markets of information of a balanced and comprehensive nature on the island of Ireland as a tourist destination, which must reflect the diverse traditions, forms of cultural expression, and identities within the island;
- market research, provision of information and other appropriate assistance to help the industry develop international marketing expertise;
- co-operation with, consulting, and assisting other bodies or associations in carrying out such activities;
- carrying out surveys and collecting relevant statistics and information.

The new company would subsume the existing Overseas Tourism Marketing Initiative. It would carry out overseas marketing and promotion activity for Bord Failte and the Northern Ireland Tourist Board, and would establish overseas offices for that purpose.

The company's Articles of Association and Memorandum, which would establish its overall strategic objectives, would be agreed by the two administrations.



The board of the new company would be appointed by the two administrations after consultation with the existing tourist boards and relevant industry interests and with their involvement.

The operations of the new company would be monitored by the existing tourist boards, and by the relevant Northern Ireland and Irish Government Ministers meeting as appropriate under the auspices of the NSMC.

The Northern Ireland Tourist Board would continue to have access to the services of the British Tourist Authority. There would be clear guidance to the company that its promotional efforts should take account of the need to develop tourism in Northern Ireland against the background of the particular problems faced by the industry there over the past thirty years.