

CONFIDENTIAL

From: J Wright
Community Development Branch

cc Secretary
Dr Harbison
Mr Hunter
Mr Small
Mr Conliffe

Date: 2 February 1995

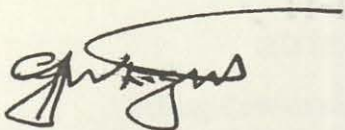
Mr Kearney

EU ASSISTANCE PACKAGE

1. I attended a meeting of the Inter-Departmental Working Group on 1 February when the main item for discussion were the Draft Guidelines for the Assistance Package (copy attached). These were "smuggled" out of the Commission; we will not be formally presented with them until next week and therefore our acquisition of them should not be revealed.
2. As the Draft Guidelines were only made available immediately before the meeting they were not discussed in detail. In relation to the Eligible Measures, Victor Hewitt asked Members to consider whether they were capable of accommodating the Measures drawn up in the draft Departmental Programmes. It was, generally felt that the Eligible Measures were too inclusive and that some reduction in the numbers listed would be appropriate (this could be achieved by combining a number of measures). He asked for comments by Friday, 3 February at the latest. I requested and was granted an extension to **Monday 7 February**, as there would be no time for cross-Departmental co-operation. It was agreed that each member would feed in comments in respect of their own Departmental interests.
3. The Departmental Papers were not considered but Victor Hewitt thanked Members for their contributions produced at very short notice.
4. There was a short and inconclusive discussion on Implementation in relation to the Guidelines. While Victor Hewitt expressed concern about the reference to Global Grants, I suggested that the model of Area Development Management which was delivering the Local Development Measure of the ROI's Community Support Framework was worthy of serious consideration.
5. Another suggestion was that the funds should be top sliced to allow a small number of flagship projects to proceed with the remainder being allocated to area based partnerships.
6. On consultation, some Members including myself argued strongly in support of a major conference along the lines of the December 1992 Funding Conference for the Structural Funds. Victor Hewitt reported that no decision had been taken on this and referred to the problems associated with ~~Sinn Féin~~ ^{Sinn Féin} representation. He also suggested that Departments might be asked to undertake another consultative

exercise with their key partners. This suggestion was not well received especially if the Conference was also to be held. Victor Hewitt promised to consider the consultation arrangements as a matter of urgency and report back to Members.

7. The next meeting of the Working Group will be arranged as business dictates.



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NOTICE TO THE MEMBER STATES

laying down guidelines for an initiative in the framework of
the special support programme for peace and reconciliation in Northern Ireland

(PEACE)

1. At its meeting on _____, the Commission of the European Communities decided to establish a Community initiative in the framework of the special support programme for peace and reconciliation in Northern Ireland, within the meaning of Article 11 of Council Regulation (EEC) No 4253/88, as amended by Regulation (EEC) No 2082/93(1), and Article 3 of Regulation (EEC) No 4254/88, as amended by Council Regulation (EEC) No 2083/93(2).

2. This initiative (to be known as Peace) applies to Northern Ireland and the border counties of the Republic of Ireland.

I BACKGROUND AND OBJECTIVES

3. Arising from the cessation of violence and the developing peace process in Northern Ireland, a special Commission Task Force was established in September 1994 for the purpose of looking into further ways of giving practical assistance to Northern Ireland and the border counties of the Republic of Ireland in consultation with the two Member States directly concerned. In particular, the Task Force was requested to consider ways to develop and reinforce the policies of the European Union to help those who have been most affected by the conflict in Northern Ireland to live together in mutual respect and economic prosperity.

4. The Task Force adopted a broad and open consultative approach. The MEPs for Northern Ireland and the border counties of the Republic of Ireland were in close touch with the Task Force. Extensive consultations took place and valuable input was received from many different quarters, including local authorities, business, trade unions, voluntary and other groups. The input from this consultative process was of great interest and indispensable for the work of the Task Force.

5. The report of the Task Force, which was submitted to the Commission in December 1994, considered the new opportunities and additional needs arising from the cessation of violence and the developing peace process and noted that the improved climate on the ground and renewed prospects for peace and reconciliation should provide new opportunities, especially for the vulnerable sections of the population. The report noted nonetheless that, while providing new opportunities for employment and job creation, the peace process will also create additional needs, such as the redirection of redundant skills. However, the new momentum for peace provides above all the potential for a lasting and meaningful reconciliation between the divided communities.

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6. The Task Force concluded that the European Union has a clear interest and vital role to play in maintaining the momentum for peace by means of a special support programme for Northern Ireland and the border counties of the Republic of Ireland. The central objective of the programme should be reconciliation; it should benefit all communities in an equitable and balanced way, while focusing more particularly on those areas and sections of the population suffering most acute deprivation, and it must have an immediate and visible impact on the ground. The positive effect of the European Union's involvement in promoting lasting peace and reconciliation between its citizens should ultimately benefit not only the region most affected, but the European Union as a whole.

7. The Task Force recommended that the main element of a special support programme should be a new, integrated and distinct Community Initiative for Northern Ireland and the border counties of the Republic of Ireland.

8. The report of the Task Force formed the basis of a subsequent Communication from the Commission to the Council and the European Parliament, in which the Commission supported its recommendations. The principle of a special programme for Northern Ireland and the allocation of financial resources of 300 million ecus for the period 1995-1997 were subsequently endorsed by the European Council of Heads of Government at Essen on 9 & 10 December 1994.

9. A key element of the report of the Task Force and the subsequent Communication to the Commission was the need to promote social inclusion. Community conflict and divisions have been a major element of social and labour market exclusion in Northern Ireland. They have tended to divide the labour market and have thus impeded its effective functioning and have limited opportunities for employment growth. In order to combat this exclusion and promote integration of the labour market, it is therefore necessary to take action to address the underlying problems caused by the reading of Northern Ireland's social [and economic] fabric. The fundamental problem of understanding and communication should be approached by the development of a reconciliation process which builds on the existing solidarity within communities in the most deprived areas of Northern Ireland, both urban and rural.

The severity of the exclusion problem in Northern Ireland, combined with the unique opportunities for change and improvement offered by the cessation of violence, call for radical solutions. Tackling the root cause of these problems will require a flexible combination of economic and social measures across a broad range of fields, including early childhood education, health, housing and cross-community cooperation.

II. PRIORITIES FOR ACTION

10. On the basis of its consultations and subsequent deliberations, the Task Force identified five priority areas which should be addressed in the context of the consolidation of the peace process:

- employment,
- urban and rural regeneration,
- cross-border development,
- social inclusion,
- productive investment and industrial development.

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11. In its Communication to the Council and the European Parliament, the Commission indicated the key issues to be addressed in the framework of these priorities :

(i) Employment

This would include measures to boost economic growth and employment [in the short and long term] and would support and enhance the expected growth in sectors such as tourism (including agri-tourism). It should also reinforce efforts for the long-term unemployed, and the young, provide for the greater participation by women in the labour force, and support the redirection of redundant skills.

(ii) Urban and rural regeneration

This would involve the promotion of wide-ranging local development and of social and economic regeneration, in particular through the improvement of the social and physical environment in the worst-affected urban areas, towns, villages and rural areas.

(iii) Cross-border development

This would involve a wide range of measures to exploit the opportunities for increased cross-border development arising from the new situation.

(iv) Social inclusion

This would aim to promote pathways to reconciliation by encouraging grassroots, cross-community and, where appropriate, cross-border cooperation, especially in the most deprived areas in Northern Ireland and the border counties of the Republic of Ireland as well as action to address the specific difficulties faced by vulnerable groups and others at a disadvantage such as those experienced by victims, children, young people, and those previously caught up with violence including prisoners and ex-prisoners. It would combine economic and social measures including contacts and exchanges following models which have been successful in other Community programmes. It should be flexible and responsive to change and constitute a framework of support for relevant actors (neighbourhoods, communities, youth services, NGOs, grassroots organisations, women's groups, local authorities, etc) to build their reconciliation package.

(v) Productive investment and industrial development

This would aim to enhance existing facilities to promote competitiveness through productive investment, industrial development and services, particularly the development of SMEs.

III. ELIGIBLE MEASURES

12. In this section an indicative list of eligible measures is proposed in the framework of the five priority areas mentioned above. Further measures related to the priority areas but not included in the list may also be considered for support :

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(i) Employment

- development of mechanisms to anticipate industrial change, including skill and labour market observatories;
- improvement and development of training delivery for employed persons including management development;
- setting up of specialised placement centres with links to employers, drawing on up-to-date information on job, skill and qualification needs and provision of career and training information and guidance, counselling, retraining, support for self-employment with a view to redirecting the redundant skills of staff, e.g. in the security and related sectors;
- strengthening of innovation and RTD, especially among SMEs;
- promotion of SME development, especially in disadvantaged areas;
- promotion of tourism, including agri-tourism;
- improvement of guidance and counselling services;
- innovative training schemes;
- community employment schemes combining good quality training and work experience;
- local employment initiatives, especially those which tap new sources of employment (e.g. environment, care services);
- provision of care services for dependants with a view to increasing access to training, education and employment opportunities.

(ii) Urban and rural regeneration

- development, training and capacity building related to urban and rural regeneration;
- investments to remedy the physical problems of the 15 peace lines;
- pedestrianisation of selected areas;
- provision of parks and children's playgrounds;
- village renewal, landscaping, the clearing and development of derelict sites;
- measures to meet the needs of rural dwellers, including small rural infrastructures;
- community development, including the creation of local partnerships to develop and manage integrated development plans;
- provision of facilities for small businesses;
- establishment and development of social, cultural and artistic activities.

(iii) Cross-border development

- enhanced trade, economic and agricultural cooperation;
- upgrading of infrastructures through reinstating closed cross-border roads & bridges and energy links;
- joint animal health, food & forestry actions;
- cooperation between local authorities, business (in particular SMEs), education and training providers, voluntary organisations and other groups.

(iv) Social inclusion

- establishment and implementation of cross-community partnerships on the basis of local area action plans (e.g. in the fields of culture and the arts, leisure, sport, the environment, care and informal education, equal opportunities). Such partnerships should be locally driven and offer a practical opportunity for both communities to get together and build reconciliation as well as be designed and managed in partnerships on a cross-community basis. Action under this heading may also require support, for example, for:

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- the study of problems and opportunities at neighbourhood and cross-community level;
- the development of capacities and skills of local neighbourhoods in the field of community development;
- the establishment of common interest plans in the social and economic fields involving cross-border areas;
- support for women's groups and activities, both at individual neighbourhood and cross-community level, including the promotion of activities which bridge the generation barrier;
- dialogue and exchange between local authorities, local communities and NGOs;
- economic and employment activities (including local employment initiatives, support for self-employment and co-operatives, especially those bringing together the communities);
- measures to promote the full inclusion of children and young people (including the provision of pre-school education and child care, especially on an integrated basis and incentives to develop integrated schools especially at secondary level, family support services and the building of home/school/community links, more remedial support and effort to raise awareness of common cultural aspects and to promote tolerance);
- measures to improve the accessibility and quality of services for vulnerable groups and people at a disadvantage (including training of trainers, improved research and diagnosis of exclusion problems, the promotion of self-help activity and outreach services);
- measures to promote the full inclusion of vulnerable groups and those at a disadvantage (including specialised guidance and counselling, psychological support, accommodation, social advice and assistance, second chance education);
- developing innovative model actions for reconciliation, including support for international activity aimed at enabling community, cross-community and cross-border initiatives to exchange views and learn from other conflict resolution situations and enabling communities to break out of their isolation.

(v) Productive investment and industrial development

- Marketing support (particularly to SMEs);
- Measures to strengthen innovation and R&D (especially in SMEs)
- Access to Seed and Venture Capital Funds
- Interest subsidies to SMEs through the EIB
- Management training (particularly for SMEs)
- Measures to improve linkages between large firms and SMEs and to promote local supplier networks.

IV. COMMUNITY CONTRIBUTION TO THE FINANCING OF THE INITIATIVE

13. The operational programme under the initiative will be financed jointly by the Community and the Member States concerned. The Community contribution to the financing of the initiative amounts to 300 million euros for the first three years, from 1995 to 1997. Further financing for the last two years will be subject to a review on the basis of a Commission report. Loans may also be made available by the European Investment Bank. The Community will finance up to 75 % of the cost of measures under the initiative.

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The Commission considers that in order to maximise the benefit from this initiative, there should be an appropriate balance of the assistance envisaged between the affected areas: Northern Ireland, on the one hand and the border counties of the Republic of Ireland on the other. In the Commission's view, and as an indicative target, this balance would mean that [%] of assistance should benefit Northern Ireland and [%] the border counties of the Republic of Ireland.

7. IMPLEMENTATION

14. The Member States concerned must submit detailed proposals for an integrated operational programme, which could include one or more global grants, within four months of the date of this notice.

The proposals must include an appreciation of the situation indicating the objectives to be attained and should include a timetable, criteria and procedures for implementation, monitoring and assessment. During and at the end of the planning period the Commission shall evaluate the results of the programme, in partnership with the Member States concerned. The European Parliament, the Management Committee on the Community initiatives and the appropriate monitoring committees shall be informed of the results of such evaluations and the action taken in response to them.

15. In the preparation stage, the Commission will offer the necessary technical assistance for the definition of measures in relation to the priorities, and in relation to the definition of mechanisms of implementation. Also, information and publicity on access to the funding will be made widely available.

16. Community assistance may be granted either to a central government administration or, for example, in the form of global grants, directly to decentralised organisations responsible for implementation and designated by the Member State concerned, including local authorities, voluntary bodies, community groups and organisations responsible for managing transnational actions which involve expenditure in both Member States.

17. An integrated approach to the management structure of this initiative is considered both desirable and necessary. In particular, mechanisms should be put in place to ensure the consistency and complementarity of the initiative with existing supports (notably the SPD for Northern Ireland, the CSF for the Republic of Ireland and existing Community initiatives) but also with other organisations such as the International Fund for Ireland.

The aim should be to ensure that any management structure will facilitate genuine bottom-up development by empowering local agencies and groups to determine priorities and have some control of spending and thereby providing a real input for local interests. In addition to representatives from both governments local authorities, business, trade unions and voluntary organisations will also be involved.

Whilst this initiative will have a separate and distinct identity it will report on a regular basis to both the SPD Monitoring Committee (Northern Ireland) and the CSF Monitoring Committee (Republic of Ireland).

18. Both Governments will have to demonstrate the truly additional nature of this aid package (including the requisite matching funds), over and above the additionality situation as already set out for Northern Ireland and Ireland in the SPD and CSF respectively.

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The Commission and the Member States concerned will agree, in establishing this Community Initiative, the exact arrangements (including the frequency of additional assessments) for verifying additionality.

19. The programme jointly submitted by both Member States should include a provision to cover Technical Assistance during the implementation of the programme. Technical assistance may include:

- dissemination of information and other awareness activities;
- provision of consultancy and expert services: interim assessment of the programme, including the initial review of its operation which is foreseen during the third year of its implementation;
- funding for seminars, conferences etc., which will facilitate the promotion of the aims of this initiative, namely peace and reconciliation;
- the establishment of a coordination mechanism to develop existing potential in the voluntary sector, especially amongst women's groups, and to assist local groups to develop proposals and evaluation processes and to act as an animator and general project development resource.