



Northern Ireland Office
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Belfast BT4 3SG

Mr Terry Wynn MEP
Chairman
Committee on Budgets
European Parliament
BRUSSELS

31 May 2000

Dear Terry,

PEACE II PROGRAMME FOR NORTHERN IRELAND

I understand that you have written to Michaela Schreyer expressing concerns about the new Peace Programme for Northern Ireland. I have discussed the proposals for the new Peace and Reconciliation Programme with Michel Barnier. I can assure you that he and I are both committed to ensuring that it is distinctive and effective in continuing the special contribution that the EU has made to the peace process. I have also assured the Commissioner that the particular approach in the UK public expenditure system, which has applied to the 1995-99 PEACE Programme (i.e. full additionality of the programme to Northern Ireland), will apply to PEACE II.

The proposals do reflect a change from the first Peace and Reconciliation Programme, to give some greater emphasis to economic actions, remembering, of course, that Peace I included a major economic component – over a third of the funding was devoted to actions such as productive investment or employment related activities.

In February 1999, David Trimble and Seamus Mallon set out their vision of how they could achieve a unique political, social and economic transition – this was the core of their case for further special funding, and was supported strongly by the two Governments. They made clear to the Commission the need for this shift of emphasis, and it was also explained to all the Member States before the Berlin Summit. They stressed to the Commission the importance of dealing with the economic legacy of conflict, which is in addition to the problems of any lagging economy. The conflict has



left Northern Ireland over-dependent on the public sector and drawn resources into maintenance of traditional industries rather than development of more forward looking aspects. In particular, they feel special assistance to assist with tourism, business development and the information society is crucial.

However, this is not to the detriment of the focus on peace and reconciliation: on the contrary, the kinds of carefully targeted actions which are proposed for the new Programme will have both economic and social benefits which will help to secure the peace. There will also be a continued emphasis on inclusive and innovative delivery mechanisms, building on and developing the approach taken in the first round, given that the context of devolution is expected to create new possibilities for partnership.

The position which is guiding the current discussions with the Commission was developed after lengthy debate in the Executive Committee in January and February. They were discussed at 4 of the 8 meetings of the Executive Committee of the Northern Ireland Assembly, and endorsed by them shortly before suspension. The outcome includes elements which are essential from the point of view of all the main parties, and represents one of the most significant achievements of the Executive so far in consensus decision making.

The rationale and priorities have also been discussed fully and agreed with the Irish Government and the new Special EU Programmes Body.

All concerned have been clear from the beginning that there would be a need to differentiate between proposals to be funded under the 'mainstream' economic Transitional Objective 1 programme and the 'normalisation' of the economy element of PEACE II. We are still refining this with the Commission. While the draft attached is being amended further in the negotiations, it gives a flavour of the thinking on this.



I hope this gives you firm assurances on the nature of what is being proposed. We all hope that the Executive Committee will be back in place to consider the way ahead on this, and I know they were very concerned to consult widely, and listen to views from all sectors. This should reinforce the consensus behind a clear strategic approach to the new Peace Programme.

John Birt,

Peter Mandelson

PETER MANDELSON