

56/13-2004
5/10
S372/94Mrs Cullinane
Mr Bury
Mr Muller
Mr Templeton
12/10
19/12/00
12/10Your peace/escape
proposal didn't set in, which
(or wholly)
largely because I sent it
found too late
12/10

Secretary
Dept Board Members
Mrs Brown, DOE
Mr McNeill, DANI
Mr Quinn, DFP
Mr McCormick, DENI
Mr Hamilton, DED
Mr Hewitt, DFP
Mr Gamble
Mr Briant
Mr Haire
Mr McIlldoon

Mr Watkins

EU ASSISTANCE TO NORTHERN IRELAND

When the EU Working Group met last Wednesday, I promised to provide you with proposals for any new EU initiative. Since then I have canvassed people within DED and suggested that our three criteria should be:-

that the proposals should address issues which would not have arisen but for the ceasefire;

that the proposals should tackle underlying social, economic and community divisions in ways which have not been considered previously or which contain an element of building on the peace process; and

where possible, proposals should seek to create jobs in local communities almost immediately and thereby provide very visible evidence of a growing pattern of change.

I think it is important that we do have criteria which clearly differentiate the proposed initiative although, having set them in this way, we in DED then found it difficult to meet the criteria. Nevertheless, we have some proposals and I will try to group them.

DED and CBI peace dividend papers have emphasised the growth in jobs from



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greater inward investment and trade which should follow the ceasefire. To encourage this, and to direct the jobs where they are most needed, we could build an **additional two advance factories in West Belfast**. To encourage trade, we could develop a programme to encourage buyers from major retail outlets in countries previously reluctant to visit Northern Ireland because of the troubles to see what is available from Northern Ireland companies. We could also extend our existing trade advisor programme to place personnel in key trading markets outside the EU, eg China, Singapore, Middle East, US, etc.

The CBI and DED papers also noted that tourism is a potential growth area with significant numbers of new jobs. This requires two things, advertising and accommodation. Taking the first, the ceasefire has enabled NITB to agree a series of joint marketing initiatives with Bord Failte which are both wide ranging and far reaching and were never before possible. At the same time NITB intends to **raise the promotional tempo in the Republic to encourage the 80% of ROI citizens who have never been to Northern Ireland to do so**. This should be exceedingly beneficial to North/South relationships. NITB is drafting a **major promotions campaign telling key markets what Northern Ireland has to offer and it should be possible to flesh out these ideas**. When the **additional visitors come to Northern Ireland there will be a substantial need for new, expensive accommodation and the ability to soak up EU assistance is almost unlimited**.

A third area which should now be possible and will help to focus our attention outside Northern Ireland rather than inside on our problems, is linkages with other areas. For instance, each Member State could be asked to identify an industrial sector in Northern Ireland in which they had comparative advantages and which they could help to develop. Assistance could be in the form of secondment of professional/managerial/technical staff, training Northern Ireland personnel in their countries, sub contracting, fostering, piggyback marketing, help with product design, franchising, joint ventures, etc. Some of the funding under the new initiative could thus be spent directly in the Member State concerned and not passed through the UK's PE system.

A variant could be the setting up of **substantial training opportunities in Northern Ireland for young people from other Member States**. Northern Ireland could be the pioneer for structured multi national youth training. The benefits, apart from the cash injection into the local economy, would be long term in enabling more and more Europeans to establish links with Northern



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Ireland, some of which might contribute the downstream economic activity. A third element of this could be training on a much larger scale than at present of Northern Ireland young people in continental training schemes. The aim of the measure would be to ensure that within 10 years we have a network of junior managers in our industry ^{which is} the most skilled in the British Isles and operating in the European marketplace because of their knowledge of its structures and organisation, their contacts and their language skills and whose efforts would be complemented by significant numbers of people from Northern Ireland acquiring the expertise to make their careers in management in companies in Europe.

Finally, a fourth part of this theme might be to twin research and development centres in Northern Ireland with their equivalents in the EU (or elsewhere) in areas of special interest to Northern Ireland such as the environment. The Questor Centre at QUB could be linked into any broadly similar centres with a view to joint activity on commercially based projects.

My fourth area is the long term unemployment initiative. I think we agreed that this should at least be tabled pending the outcome of negotiations with HMT.

That leaves a rag bag of proposals which are not particularly peace related nor do they fit into any generalised heading. One is the location of an EU organisation in Northern Ireland. Another is enhanced child care facilities so that all people in Northern Ireland can share in the benefits of the peace process. A third is an international apprenticeship programme building on the pilot currently running in Germany. (This could fit in with the twinning arrangements referred to above.)

I hope you find this helpful.

D GIBSON
✓ October 1994

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CHIEF EXEC OFF LEDU

5798904 JF 26.08.94
PAGE 02Correspondence From
Chief Executive's Office**MEMORANDUM****TO:** D Gibson
DED**OUR REF:** CJB/BAC/DED**cc:** EMGcc W Hamilton
Gamble**FROM:** C J Buckland**DATE:** 4 October 1994**EU ASSISTANCE TO NORTHERN IRELAND**

I am sorry that this is late but I wanted to give my executive staff sometime to consider the options and then draw the points together. In addition we have had discussions with our Board and with Managers on the more general issue of a peace dividend.

1. OUTREACH INTO THE ECONOMICALLY DEPRIVED AREAS

While this may be the most important short term need it is also one of the most difficult from the point of view of economic development.

There are several approaches.

(a) Regionalisation of MBW Programmes

Some of these have been very successful and offer important boosts to existing businesses. Specifically we would want to run Products Into Practice, Cost Reduction Programme and our Communication/Selling Programme (cost ca £900K over 4 years).

(b) New Focus of Economic Development

We need to give new impetus to the enterprise culture in these areas and we could envisage a targetted set of programmes for specific areas. We would want to find an "area champion" (a successful business person from the area - not necessarily residing there now) and build a network of local business

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- Community Business Initiative based on an expansion of our existing model - cost £4-5M over 3 years.
- Special startup support for Managers who would startup business in the designated area (skills training, finance, etc).
- Access to product ideas (maybe via Novatech).
- Special access to venture capital funds.
- Appropriate use of programmes from (a) above.

There may be various forms of "gap analysis" which could be carried out quickly to identify the type of businesses which should be operating from these areas. We could of course also seek ideas from Councils/LEAs - some of these are in active development at the moment.

2. SUPPORT FOR TRADE/EXPORTS

Export support services could be enhanced to allow for

- Funding Export Sales Managers.
- Funding Trade Support Officers in key export markets destinations (RoI, Scotland, US?).
- "Meet the Buyers" forums could be expanded both within NI and possibly using external locations (i.e. taking interested businesses owners to the buyers).
- A series of external events, mirroring our Ultimate Network Initiative may be a useful vehicle for this.

We are currently working on new export support mechanisms and these could be brought forward more rapidly.

3. INWARDS INVESTMENT/TOURISM

These will I am sure have been covered elsewhere but a number of points came up at our various discussions.

- An "Engineering Excellence" training centre to help ensure a source of qualified trained engineers (a lack of such skills is frequently raised by our engineering companies).
- If the IDB were to get large number of fresh enquiries with regards to inwards investment could LEDU handle "small" case on their behalf.

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There maybe significant opportunities to relaunch our "Make It Back Home" Initiative aiming this at those with established business proprietors but currently located in US, etc.

4. SPECIAL INITIATIVES

Working with those currently employed in the security services. We would consider a scheme of "bridging placements" to help those with appropriate skills learn more about business.

We would look at special schemes for ex-offendees/those leaving prison - specific Business Start Training, etc.

5. OTHER IDEAS

Tax incentives and breaks were mentioned by our Board. To encourage the rate of business starts consideration should be given to a tax back system. Such a system to allow for the repayment of tax paid in the last three years for those unemployed who wish to set up.

Get MacDonalds to locate four special stores in deprived areas employing local long term unemployed!

Some of these may not seem sufficiently different but they could have quite fact and focussed impact and certainly would not happen without extra money.