

*SPEAKING NOTE FOR SIR STEPHEN WALL*

*Need for new money*

- We attach a high priority to the continuation of the Programme, but all those involved would expect the funding for the second tranche to be new money;
- a significant reduction in new money would be regarded as indicating a lack of commitment by Europe to the political process.

*Repackaging of existing funds*

- We would resist strongly the reallocation of Objective 1 and Community Initiative funding which was negotiated and agreed some time before the Peace Programme was proposed;
- it would be politically unacceptable to Northern Ireland and the UK to repackage existing Objective 1 money; Northern Ireland lobbied hard in 1994 for the lion's share of the UK Objective 1 Structural Funds allocation and this money is needed to address the priorities established in the Northern Ireland Single Programming Document (SPD);
- presentationally, the repackaging of existing funds would provoke widespread criticism on the ground in Northern Ireland and would result in a loss of credibility for the Commission. It would be seen as a three card trick;

- specifically in relation to the IFI, its programmes are already complementary to the Peace Programme and it would be inappropriate, and possibly unacceptable to the other donors, for the Commission to seek to dictate its policy in this way.

[- legally, the reallocation of funds committed to a Member State for one particular purpose (ie Objective 1 or Community Initiatives) to something else would create an unwelcome precedent.]

Only if raised

*Integration of Peace Programme structures into SPD*

- We would oppose any suggestion that Peace Programme structures should be integrated into the existing SPD;
- the SPD is the key European Programme in Northern Ireland. It was carefully structured and targeted (following extensive consultation within Northern Ireland) and has clear priorities and objectives which are currently being examined as part of the mid-term evaluation;
- the Peace Programme structures are novel and experimental. They would need to be fully evaluated, in terms of the full range of costs and benefits, before they could even be considered for extension into other programmes; and
- we would resist strongly the distortion to this vital Programme which would result from the inclusion of the type of experimental and unproven structures which are being tried in the Peace Programme.