

Chairperson, Ministers, Ladies and Gentlemen

It is clear from the Programme for this Conference and from the large attendance here today that Northern Ireland is engaged in a comprehensive strategic planning process. Nothing could demonstrate better your faith in the future, despite the difficulties of the past.

I am very pleased to participate in this significant conference. I also feel on 'familiar ground', not only because since becoming Commissioner responsible for Regional Policy, I have tried to assist you in making PEACE irreversible in this violence stricken region and in laying the foundation for a peaceful future; but also because planning and strategic programming is part and parcel of the way in which the Structural Funds operate. Planning is invariably a laborious process, because it forces one to think thoroughly about strengths and weaknesses, opportunities and risks and about setting priorities. A few years ago, it was sometimes given an unfavourable connotation as a practice reminiscent of the bad old days of communism in the East. Yet, everyone plans ahead, individuals and firms alike, and intelligent regional policy has got to be based on a clear view of **what a region** wants to achieve and how

In my short address of this morning I would like to deal essentially with two themes, which both have a clear bearing on the shaping of the future of Northern Ireland. Firstly, with the contribution of the structural funds to the society and economy of Northern Ireland in the near and more distant future; secondly, with the role of spatial planning as a tool for enabling an integrated framework for articulating development strategies, be it for a region, like Northern Ireland or for Europe as a whole.

Ladies and gentlemen,

An absolute precondition for a lasting growth of prosperity and well-being in Northern Ireland, is peace. Without peace, there will be no stability, and without stability no framework encouraging decisions with a longer term perspective, such as direct investment, especially from abroad. Peace has to be forged at the political negotiation table, but for it to be durable, it has to be embedded in a much wider process of reconciliation based on a firmly rooted mutual understanding. Mindful of this simple but powerful truth, the Commission has launched the EU Peace and Reconciliation programme in 1995. Since over 14 000 applications have been made to the bodies in Northern Ireland administering the Peace Programme, I can safely assume that the Programme and its scope are well known to all of you. I wish to use this occasion to pay tribute to all those involved in administering the Programme and in carrying-out projects and especially to the huge voluntary contribution made by so many people.

The Peace programme has been rated by a recent evaluation as a clear success in that it has encouraged in a non-partisan and neutral way, attitudes and activities which are characteristic of the Union's own evolution - social inclusion, partnership and dialogue, finding common interests and working together with a common purpose in order to establish peace and prosperity. In particular, two significant developments have occurred. The Programme has greatly expanded the role of civil society, by its inclusiveness and by giving non-governmental bodies the opportunity to be active agents of change and development. In addition, the District Partnerships constitute a working model of local cooperation, which involves political representatives across the spectrum who put aside their differences on other matters for the sake of their communities.

At the time of the renewal of the IRA cease-fire, in July 1997, President Santer underlined the EU's continuing political and financial commitment to achieving peace and reconciliation. The Commission has proposed that a further allocation of 100 MECU be made to the programme and it looks like a foregone conclusion that the Council of Ministers and the European Parliament will include this amount when they adopt the budget for 1998 next month. You know that this has not been an easy going decision. Therefore let me thank all who have helped us prepare the ground. As announced in the Communication on the continuation of the Peace programme, adopted yesterday, the Commission intends to propose a further amount for 1999, the final year that the programme will run.

The Peace programme is the Union's most distinctive support instrument in Northern Ireland, and it has rightly caught a lot of public attention. However, in financial terms it is not even half of the transfers of the Union to Northern Ireland through the Objective 1 programme and various other Community Initiatives. It is therefore appropriate to pause briefly at what the achievements of this support have been so far and what regional policy priorities we should pursue with the aid of the structural funds until the end of the century.

The Single Programme assists a variety of economic sectors in Northern Ireland, from large infrastructure development to human resources, passing by agriculture, fisheries and rural development. It also assists District Councils to form their own economic development strategies, and is adding substantially to Northern Ireland's pool of research and technology capacity.

As is normal EU practice, this programme recently underwent a Mid-Term Review. This confirmed that the programme was well on the way to achieving its targets, with half the available 1.2 billion ecu assistance having already been spent.

It was however decided that some changes should be made. The most visible change was that some money which had been intended for new roads would be transferred to improving public transport, most notably on improving the railway system, not only between Dublin and Belfast, but also onwards to Derry City. This can be said to reflect a concern for improving the environment, which underlay several other smaller changes.

Another important aspect of the review has been a renewed emphasis on assistance to the long-term unemployed and other disadvantaged people and areas in Northern Ireland. In particular, I refer to a new scheme to remove barriers to job access for the most vulnerable groups and increased funding for childcare facilities and training infrastructure in disadvantaged areas.

What I have reviewed until now is the assistance the Union is giving at present and in the near future to strengthen the Northern Ireland potential for stability, durable economic growth and employment. Like you today, the Commission has engaged this year in a wide-ranging reflection to shape the Union's future in the new millennium, resulting in the Agenda 2000' document publicised in July. In Agenda 2000, we have formulated our views on the future of Union policies on enlargement and on the contents of a new financial framework to govern the period 2000-2006.

Economic and social cohesion will remain one of the pillars of the process of European integration, because, despite the unmistakable successes of Community structural policy, particularly in the cohesion countries Ireland, Portugal, Spain and

Greece, there are still major differences in levels of prosperity and unemployment between the regions of the Union.

I have no doubt that the effect of enlargement will be positive for the Union. First and foremost, enlargement is an investment in the maintenance of peace, democracy, stability and prosperity for the people of Europe. In economic terms, the full participation of more countries in the European single market will provide a new dynamic, promoting economic growth for the benefit of both new and existing Member States. Finally, I am confident that the future Member States will provide valuable inputs and contributions to the ongoing debates in a wide range of European policy areas.

Ladies and Gentlemen,

The part of Agenda 2000 concerned with policies to promote economic and social cohesion is one of its four central components, and the second most important after the Common Agricultural policy in terms of its implications for the Community's budget. The next generation of cohesion policies will be a key factor shaping the Union's overall development in the early years of the new millennium. This is not only because improved cohesion is itself a core ambition of the Union, as enshrined in the Treaty, but also because of the scale of the challenge presented by enlargement due to the marked widening of income differentials which will occur compared to the situation in the EU today.

In the face of the challenges ahead, Agenda 2000 presents the Commission's views on the necessary volume and distribution of the cohesion policy budget for the period 2000 - 2006. We have, however, wished to go beyond these purely financial questions in order to use Agenda 2000 as an opportunity to make proposals for the reorganisation and streamlining of the delivery system for the Structural Funds. The Commission proposes a renewed drive in order to concentrate resources on the most serious problems and problem areas and to improve efficiency in the use of the funds in pursuit of their priority objectives.

In a nutshell, to achieve a better cohesion outcome, we believe that Structural Fund interventions in the future should be geared towards:

- job-intensive growth;
 - building innovation capacities and improving the adaptability of regions to economic and technological change;
- raising the quality of human resources.

In defining its strategy on future cohesion policies for the forthcoming period, the challenge before the Commission has been to obtain a politically acceptable balance in its efforts to achieve three major, and potentially conflicting, objectives simultaneously:

- first, the maintenance of a strong cohesion policy for the present 15 Member States;
- secondly, the establishment of a solid financial basis **for pre-accession aid to** applicant countries and, upon accession, a gradual integration of new Member States, and,
- thirdly, the respect for budgetary discipline by maintaining the total volume of resources at the level it will reach in 1999, i.e. 0,46 % of EU GNP.

As a result of ongoing economic growth, the budget for cohesion policies will expand from BECU 200 in the current period to BECU 275 in the next period, with BECU 45 of the latter set aside for structural policies in future Member States.

Under these budgetary conditions, as well as to enhance the effectiveness of European regional policy, a key element of the structural funds' future needs to be thematic and geographical concentration, meaning the reduction of the number of objectives and Community initiatives and lowering the share of eligible population, to end up with a population coverage of 35-40% by the end of the next programming period in 2006, down from today's level of 51%

While under Objective 1 regions with lagging development will continue to be supported, Objective 2 will concentrate on regions which face the consequences of structural change. This objective will combine support for old industrial areas, rural areas and urban crisis districts. Apart from these regional objectives, the Commission proposes a horizontal one (Objective 3) to be applied outside Objective 1 and 2 areas to support the labour market and employment policies of Member States and to adapt and modernise the systems of education and training.

Regions will lose their Objective 1 status if they have crossed the threshold of a per capita GDP of 75% of the average of the present Union of 15. There is widespread agreement that in the future eligibility criteria - as for instance the 75% of GDP threshold for Objective 1 - should be applied strictly.

For regions that have caught up economically and thus lose eligibility, generous transitional arrangements are foreseen over several years in order to ensure that progress in terms of cohesion can be consolidated.

I know that there is much concern all over Europe how to avoid phasing out and I can very well understand that Member States, regions interest groups, engage in lobbying to maintain future funding. I am equally well aware of the discussions in Northern Ireland.

Let me however ask you to face reality Even for regions who lose eligibility the Structural Funds ensure continuity for more than half a decade from now. I do not know any national government that gives similar longterm guarantees on future assistance.

I therefore would like to encourage you to work out a regional development programme oriented towards the strategic development priorities of Northern Ireland.

Ladies and Gentlemen,

A spatial planning perspective can be a useful tool to ensure an integrated approach for the development of the whole territory. I am therefore very pleased to see the similarities between the Regional Strategic Framework for Northern Ireland as presented in the Shaping our Future. pamphlet for this Conference, and the European Spatial Development Perspective drafted in Noordwijk in June 1997. Being based on a concerted, consensus seeking process, both have the ambition to provide a common framework outlining a development that guarantees sustainability, quality of life and competitiveness while reducing socio-economic disparities.

Given this strong parallelism between the approach to spatial planning taken at European level and that pursued in your Regional Strategic Framework, further European cooperation on spatial planning can provide Northern Ireland with a chance to tackle spatial issues with a geographical dimension going beyond its own boundaries.

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Some of these issues may merely require cross border co-operation such as development of cross-border inter-city co-operation or development of joint facilities for transport, energy, universities or research centres.

Others issues pertaining to joint management of a common sea would require cooperation within a wider macro-region as would development of combined transport corridors and compatible facilities to promote shipping, or the development of 'gateway cities' such as Belfast en route to North America. It should be noted that both of the two Interreg 11 C programmes in which Northern Ireland will take part, namely the Atlantic Space and the North West Metropolitan Area are expected to include such issues.

More generally, co-operating on spatial issues in a European context would help Northern Ireland to:

- turn unnecessary competition with neighbouring regions, which can prove to be economically and socially damaging, into mutually beneficial **co-operation** exploiting common interests, synergies, complementarities and economies of scale
- join forces with other regions showing similar geographical or economic features to make Community policies and interventions more targeted towards specific needs

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I have no doubt that the people in this room, by reflecting on the economic, social and environmental prospects Of the region, will ensure a better future for all in Northern Ireland I wish to assure you that European solidarity and encouragement, and willingness to cooperate will accompany you. The Republic of Ireland has demonstrated that lying at the western fringe of the Union is not an obstacle to fast economic growth and catching up with the rest of the Union. Once peace and stability will be restored, and a sound policy framework is in place, I am confident that the future of Northern Ireland will be bright.