

# Speech: Secretary of State's speech to 2017 British Irish Association Conference

It's a great pleasure to address my second British-Irish Association Conference since being appointed Secretary of State for Northern Ireland in July last year and I'd like to thank Hugo MacNeill and his team for their kind invitation.

I would also like to pay a special tribute to Francesca Kay who once again has done such a brilliant job in organising the conference and putting together the programme.

As I discovered last year, the BIA Conference really is one of the must-attend events of the year for anyone interested in the affairs of Northern Ireland and relationships between the United Kingdom and Ireland more broadly.

It really is a unique opportunity for politicians, civil servants, journalists, academics, church leaders and people from the business world to come together under the relative safeguard of the Chatham House Rule to exchange views, share ideas and to help shape the political, economic and security agendas.

And in doing that I believe that the BIA is as relevant today as it was when you were formed in what was, in terms of loss of life, the darkest year of the troubles, 1972, when over 470 people were killed.

At that time, Northern Ireland was in the grip of terrorist campaigns that were to last for around another quarter of a century.

In that year devolved government was suspended and it was to take some 35 years for it to be re-established on anything like a sustainable basis.

As I was reminded the other day there was no irony intended that the legislation providing for the long years of Westminster control was actually called the Northern Ireland Temporary Provisions Act.

Also at that time relations between the UK and Ireland were frequently strained, beset by crises over issues like security and extradition, and often characterised by what was described as megaphone diplomacy across the Irish Sea.

We have, of course, come a tremendously long way since then.

Today, Northern Ireland is a vastly different place from when the BIA was founded.

The post Belfast Agreement generation has grown up without the daily threat

of large scale terrorism and the security apparatus that was necessary to counter it.

Until the beginning of this year Northern Ireland had enjoyed ten years of power sharing, the longest period of unbroken devolved government since the 1960s.

Events that years ago would have been unthinkable now take place in Northern Ireland, including this year the final stages of the hugely successful Womens' Rugby Union World Cup.

Relations between Northern Ireland and Ireland, and between the United Kingdom and Ireland, are at their strongest ever.

And on that note I would like to extend the warmest welcome to the Irish Foreign Minister, Simon Coveney, to Cambridge this evening and to recognise Charlie Flanagan for his outstanding contribution previously in that role. Economically, too, Northern Ireland continues to move forward with solid growth, unemployment significantly down on seven years ago and in the past year levels of employment hitting record levels.

Northern Ireland, which for years against a backdrop of terrorism and instability struggled to attract investment and jobs, is now one of the most popular locations in the UK outside of London for foreign direct investment.

We have some world-beating businesses exporting right across the globe.

And just think how much better we could do if we had an Executive in place and could devolve Corporation Tax powers to enable them to lower it to the same levels south of the border.

All of this paints a picture of a Northern Ireland that would have been unrecognisable a generation or so ago.

And I'm convinced that we have the potential to do even better.

But to achieve that we have to get right what I believe are the three great political challenges we face today.

The need to see a fully functioning, power sharing devolved government at Stormont as set out in the Belfast Agreement and its successors, our support for which remains steadfast.

The need to address legacy issues by implementing in full the proposals in the Stormont House Agreement and reforming the inquest system.

And of course the necessity of making a success of Brexit, to which the UK Government is fully committed.

It's those these issues that I want largely to speak about this evening.

## Getting Stormont back to work

First let me deal with devolution and let me be very clear.

As our manifesto set out at the General Election this year, this Government believes firmly in devolution and the associated political institutions so carefully negotiated in the Belfast Agreement.

Decisions over local services are best taken by local politicians democratically accountable to a local Assembly. And we believe in the closest co-operation between both parts of the island of Ireland and between the United Kingdom and Ireland.

These are the so-called three strands of the Belfast Agreement.

Yet after a ten year uninterrupted run of devolved government from 2007, Northern Ireland has now been without a properly functioning Executive and Assembly for the past nine months.

Throughout that period government has effectively been in the hands of civil servants rather than politicians who are rightly accountable to the public for the decisions they make.

Under the Northern Ireland Act 1998 in the absence of devolved government passing a Budget, civil servants can only spend up to 75 per cent of the previous year's financial allocations rising to 95 per cent after three months.

I have sought to relieve immediate pressures by intervening to publish 'indicative' budget statements in April and July.

But this is only a short term fix.

The longer-term problem is that the fundamental challenges of reform and transformation of critical public services, such as health, education, transport and justice are not taken forward.

Civil servants cannot provide the political direction to tackle these issues.

As a result, public services such as health, education and transport are coming under increasing strain with the people of Northern Ireland suffering as a consequence.

Without devolution other aspects of the Belfast Agreement also cease to function, including North-South bodies and those covering broader relationships such as the British-Irish Council.

And of course without devolution, there is no Northern Ireland Executive to put its views directly on Brexit.

The situation simply is not sustainable and if it is not resolved within a relatively short number of weeks will require greater political decision making from Westminster.

This would have to begin with legislation to give Northern Ireland a Budget.

That is profoundly not where the UK Government, the Irish Government and I believe the Northern Ireland parties want to go.

I cannot overstate this point.

It would be a hugely retrograde step, a massive setback after so many years of progress and hope.

But in the continuing absence of devolution the UK Government retains ultimate responsibility for good governance and political stability in Northern Ireland as part of the United Kingdom and we will not shirk from the necessary measures to deliver that.

At the same time we will need to consider carefully a range of other issues reflecting public concern, including whether it can continue to be justified to pay Assembly members who have not met for several months now.

If things don't change we are on a glide path to greater and greater UK government intervention.

But we can still change course.

And I have been keen to support the exchanges that have taken place in recent days and which will continue next week.

On Monday I will be holding further bilaterals with the parties.

And for the rest of the week further intensive dialogue between the DUP and Sinn Fein will continue.

You will understand that I am not in a position this evening to give a running commentary on the details of the current discussions.

But the issues remain relatively small in number and are clearly defined.

Both the Irish Foreign Minister Simon Coveney and I believe that a resolution is possible and that with political leadership it can be achieved.

But there is still work to do.

For our part the UK and Irish Governments can support and work with the parties towards that end, in accordance with and fully respecting the three stranded approach.

But ultimately we cannot force an agreement.

That has to come from the parties themselves.

So it's vital that they continue to work together to find a solution to their differences.

And it is my belief that they are committed to doing so in the interests of

everyone in Northern Ireland. And the time to make progress is now.

## **Legacy of the past**

I also know that we need to make progress on addressing the legacy of Northern Ireland's divided past.

The current mechanisms for addressing the past and helping victims and survivors simply are not working as they should.

Not least for the victims and survivors of the troubles, whose pain and suffering today is often every bit as raw as it was decades ago.

That is why, at the election, the UK Government restated its support for the full implementation legacy bodies set out in the 2014 Stormont House Agreement.

They will operate in ways that are fair, balanced, transparent and crucially proportionate and will be fully consistent with the rule of law.

We also reiterated our backing of reforms to the legacy inquest system to ensure that the UK Government complies with its international obligations.

These are clear manifesto commitments and we fully intend to deliver them.

And as the Stormont House Agreement set out we will provide up to £150 million to help fund them.

I'm fully aware that it's a year since I told this conference that the Government said that the process would benefit from a public phase.

And I deeply regret the fact that it has yet to happen.

Over the past year we have continued detailed work with the parties and with the Irish Government.

And much genuine progress has been made.

Discussions with the parties have been constructive and changes have been made to the detailed structure of the mechanisms.

The structure has been improved as a result of these discussions.

Again, we cannot continue this process indefinitely.

We have also had extensive discussions with victims and survivors. In these meetings, we increasingly hear that victims want us to get on with it – to move debate out from behind closed doors and into a public discussion with the people who will be most affected by how we address the past.

So I intend to be in a position to bring forward a formal consultation as soon as possible.

## **Making a success of Brexit**

The third great political challenge and a key theme of this conference is of course Brexit, and in that context UK-Irish relations.

As a Government our goal is to secure a deal that works for the whole of the United Kingdom, including Northern Ireland, as we leave the European Union.

But let me be clear on this point.

Just as we joined the Common Market in 1973 as one United Kingdom, we will leave the EU in 2019 as one United Kingdom.

And as the Prime Minister has made clear the United Kingdom will be leaving both the single market and the customs union, enabling us to strike new trade deals with the rest of the world.

Throughout, however, we have also been clear that we need to recognise and address the particular circumstances of both Northern Ireland and Ireland.

We might be leaving the EU but we are not turning our backs on our friends and partners in Europe and nowhere is that clearer than with our closest neighbour, Ireland.

The Article 50 letter itself sets out the absolute priority we give to preserving the unique relationship between the UK and Ireland and protecting the peace process in Northern Ireland.

This was reiterated in our manifesto at the General Election and in August, as part of a series of position papers, the Government published its paper on Northern Ireland and Ireland setting out in more detail how we might achieve our objectives.

It makes a series of concrete UK proposals for provisions that should be enshrined in the Withdrawal Agreement.

Specifically it proposes that we; affirm the ongoing support of the UK Government and Irish Government, and the European Union, for the peace process; formally recognise that the citizenship rights set out in the Belfast Agreement will continue to be upheld; agree to the continuation of PEACE funding to Northern Ireland and border counties of Ireland; agree text for the Withdrawal Agreement that recognises the ongoing status of the Common Travel Area and associated reciprocal arrangements following the UK's exit from the EU; agree nine key principles and criteria that could be used to test future models for border arrangements, including the need to avoid a hard border between Northern Ireland and Ireland and any physical border infrastructure and agree a common understanding of the principles of North-South and East-West cooperation including key principles for the new energy framework in Northern Ireland and Ireland that highlight the need for the continuation of a single electricity market .

In the Government's view the publication of this paper marks a real and

positive step forward in our negotiations with the EU.

And it outlines serious proposals for tackling one of the most challenging parts of our future relationship.

So far as the negotiations themselves are concerned, the Brexit Secretary, David Davis, updated the House of Commons on Tuesday on the two rounds that took place in July and August.

He was able to report significant and concrete progress the issue of Northern Ireland and Ireland

In August, there were detailed discussions on the basis of the UK position paper.

We agreed to work up shared principles on the common travel area, which in the Government's view is concrete and welcome progress.

In addition we agreed to carry out important further technical work on cross-border co-operation under the Belfast Agreement.

As both David Davis and Michel Barnier said at last week there has been real progress.

The UK also welcomes the publication of the EU Commission position paper yesterday.

It shows the close alignment between the UK, the Irish Government and the EU on our objectives.

In particular the clear commitment to avoiding physical infrastructure at the border is very welcome.

Of course many commentators are still focused on the detail of how we address the critical issue of avoiding a hard border for the movement of goods.

The UK and EU position papers show that there is alignment on the objectives.

The UK's overarching approach to this challenge is clear.

We are considering first the nature of the border, its history, and the wishes of people in Northern Ireland and living in border communities.

As the Irish Government have said, technical solutions need to follow from the right political objectives.

The wrong approach is to focus first on existing customs and other regulations and then try to work out the technical solution within those extremely narrow parameters.

That would absolutely not represent the flexible and imaginative approach that the UK, Ireland and the EU all agree is required.

Of course any imaginative approach requires painstaking creative work.

And I make no apology that the initial proposals the UK has put forward are creative and go beyond existing precedents.

For example, as we set out in our paper small traders operating across the invisible border that exists now are often engaged in local trade in local markets.

So the right approach is not to work out how existing template customs rules for 'third countries' should apply to those traders, but to protect their trade and livelihoods on both sides of the border.

The technically easier but entirely wrong approach is to say it's all too difficult and to get to work applying template regulations and customs laws.

Or to say that the UK should simply accept all EU customs and single market laws permanently as the solution.

Or to say that the answer to this issue is to simply create a new border between Northern Ireland and Great Britain.

None of those approaches would be acceptable to the UK, and none of them is the 'flexible and imaginative' approach that the European Council has mandated.

But with the right overall approach to this issue, and the clear commitment that we all have to work on flexible and imaginative solutions to avoid a hard border, then I believe that the technical solutions can and should be agreed in a way that can work for the UK, Ireland and the European Union as a whole.

Of course there is a long way to go and nobody pretends this was ever going to be easy but nobody should be in any doubt about the UK Government's determination to secure a successful outcome.

## **Conclusion**

Next year we will mark the 20th anniversary of the Belfast or Good Friday Agreement, an Agreement intended to herald a new beginning for relationships in these islands, within Northern Ireland, between Northern Ireland and Ireland and between the United Kingdom and Ireland.

And there is no doubt in my mind that as a consequence of that historic Agreement and its successor's life for so many people has changed considerably for the better.

The Agreement is the bedrock of the political settlement in Northern Ireland and the political progress we have seen over the past twenty years, which is why it is so vital that through our collective efforts we get it back on track.

For this Government, as our manifesto stated, our commitment to the Belfast Agreement and its successors remains steadfast.

That includes the constitutional provisions they set out the full range of political institutions they establish and those matters relating to rights, culture and identity.

So, in coming days we must grasp the opportunity to make progress.

To re-establish devolved government.

To continue the positive progress which has been made over nearly two decades.

And to build a stronger and more prosperous future for everyone.