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DIRECTORATE-GENERAL
REGIONAL AND URBAN POLICY

The Director-General

Brussels,
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Subject: Assembly Inquiry into the Northern Ireland Task Force

Dear Mr. Nesbitt

Thank you for your letter of 20 February 2014 requesting a written submission on the work of the Northern Ireland Task Force (NITF) established by President Barroso in May 2007. I wish to thank you also for the extension of the original deadline for forwarding the submission, of 2 April 2014, which was necessary for us to have the time to coordinate responses across the 18 services of the Commission which are, today, members of the NITF.

Please note that while your request was originally addressed to two of my colleagues in the Commission, Colette Fitzgerald, Head of our Belfast Office and Ronnie Hall, my Principal Advisor and day-to-day Chairman of the NITF, the attached submission represents a single response on behalf of the whole of the services of the institution.

On a personal note, I would like to say that it has been a pleasure to cooperate with the authorities in Northern Ireland and the attached submission leads me to conclude that there has been a renewed engagement on the part of the region with European policies and programmes which appears to have yielded many benefits.

I feel sure that, as we enter the EU's new planning period, 2014-2020, Northern Ireland will be more strongly placed than ever to participate in the new programmes and projects.

Yours sincerely

signé

Walter Deffaa

Cc: Ms C. DAY, Secretary General of the European Commission
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**Written submission to the Northern Ireland Assembly Committee for the
Office of the First Minister and deputy First Minister
on its Inquiry into the work of the
European Commission's Northern Ireland Task Force
established by President Barroso**

Contents

I. Preliminary remarks

II. Introduction: remit of the Northern Ireland Task Force (NITF)

Aims

Composition within the European Commission

Methods

III. Outcomes

Preliminary considerations

- (a) The EU's Research and Innovation Policy**
- (b) The EU's Innovation Union and the Digital Agenda policies (including IT-enabled Transformation of Healthcare)**
- (c) Enterprise Policy**
- (d) The EU's Regional and Urban Policy**
- (e) The EU's Education & Training policy**
- (f) The EU's Employment and Social Policy**
- (g) The EU's environment policy**
- (h) The EU's Energy Policy**
- (i) The EU's Transport and Mobility Policy**
- (j) The EU's Climate Change Policy**
- (k) The EU's Agriculture and Rural Development Policy**
- (l) The EU Fisheries and Maritime Affairs Policy**
- (m) Other EU policies in the NITF**

I. Preliminary remarks

This written submission is a response from the European Commission to the request of 20 February 2014 from Mr Mike Nesbitt MLA, Chairman of the Northern Ireland Assembly Committee for the Office of the First Minister and Deputy First Minister, "seeking views of representatives of the EU institutions and from key stakeholders on the work of the Barroso Taskforce and views on future engagement on European issues".

The Committee set as its terms of reference:

- "Consider the work and structures of the Taskforce including the Barroso Taskforce Working Group since its inception in 2007;
- Identify the outcomes from the Taskforce and assess against the objectives;
- Identify and consider lessons learned from the functioning of the Taskforce in order to inform recommendations for future engagement in EU affairs post Barroso".

This document represents a single submission for the European Commission as a whole.

II. Introduction: remit of the Northern Ireland Task Force (NITF)

Aims

The origins of the Northern Ireland Task Force lie in the agreement to re-establish power sharing arrangements in Northern Ireland in May 2007 involving the two largest political parties, the Democratic Unionist Party (DUP) and the Republican party, Sinn Fein (SF). Commission President Barroso was the first senior international political figure to visit the then incoming First Minister, Dr Ian Paisley (DUP), and his Deputy First Minister, Martin McGuinness (SF). He offered to set up a Task Force within the Commission in order to examine how Northern Ireland could benefit more from EU policies, and how it could participate more actively in the EU policy process in order to generate greater prosperity.

In April 2008, the Commission published a report (hereafter "the 2008 report") on its work under the NITF¹. It said, "The specific remit of the NITF is to support efforts in Northern Ireland to improve competitiveness and create sustainable employment, mobilising the services of the Commission most concerned with the competitiveness and sustainable employment agenda. Particular importance is attached to reducing dependence on the public sector and to creating a more dynamic private sector. In taking this remit forward, and in preparing this report, the NITF symbolises a new partnership between the administration in the region and the Commission as well as being an attempt to stimulate a qualitative change in the region's fortunes."

In his foreword to the 2008 report, President Barroso said "*In a Union that is founded on preserving and promoting the principles of peace and prosperity in Europe, I feel that the Commission is performing its natural role*".

The existence of the Task Force represents a first for the Commission in terms of the formation of a close partnership specifically with one region covering several key EU policy fields.

¹ European Commission (2008): "COMMUNICATION FROM THE COMMISSION TO THE COUNCIL AND TO THE EUROPEAN PARLIAMENT on the Report of the Northern Ireland Task Force". COM(2008)186

Composition within the European Commission

In accordance with the remit of promoting competitiveness and sustainable employment, and after close consultation with the devolved institutions, the policy fields, and founding Directorates General, involved in the NITF at the outset were: Agriculture, Education and Culture, Transport and Energy, Employment and Social Affairs, Enterprise, Environment, Research and Innovation, Maritime Affairs and Fisheries, Regional and Urban Policy, the Secretariat General and, outside the Commission, the European Investment Bank also participated in early meetings. However, one of the positive aspects of the NITF has been its flexibility and the initial group of 10 Commission services subsequently expanded, largely at the request of Northern Ireland, to 18 (counting Transport and Energy as two, following their separation administratively in 2010) to include Climate Action, Competition Policy, Communications Networks and Communications Technologies, Health and Consumers, Home Affairs, Justice and Taxation and Customs Union.

Methods

The NITF has operated within the Commission under the authority of the Commissioner for Regional Policy and, as indicated, in close cooperation with NI authorities. It is managed on a day-to-day basis by the DG for Regional and Urban Policy (DG REGIO).

For the Commission, a key moment was the publication of the report in April 2008, which set out a number of ideas and leads to be explored by Northern Ireland in the different policy fields. It also drew attention to the region's past record in participating in actions under these policy fields. The information received by the Commission suggested that the report was received very favourably in Northern Ireland. Importantly, the region reacted by setting up an inter-departmental Task Force Working Group drawing up its own action plan to implement the Commission's suggestions and recommendations.

The latter is consistent with the intentions of the Commission's report whereby the devolved institutions of the region would implement, as appropriate, the Commission's suggestions and recommendations, drawing on the NITF's network of contact points within the Commission for information and advice as required. After the publication of the report, the initiative therefore shifted to Northern Ireland itself, although the Commission continued to bring to the attention of the region new developments in European policies and programmes of potential interest. In facilitating the latter process, the Office of the Northern Ireland Executive in Brussels (ONIEB) has been a very important, and pro-active, point of contact. Equally, the presence in the devolved institutions of a seconded official from DG REGIO, as NITF advisor successively in the Department of Finance and Personnel (2007-08), the Department of Enterprise, Trade and Investment (2008-09) and the Office of the First Minister and Deputy Minister (2010-2012), helped considerably in facilitating contacts, developing ideas and moving the policy agenda forward. The Commission thus followed up on the 2008 report proposal to engage in an exchange of officials and this has resulted in a significant increase in the number of seconded officials from NI within the Commission on an ongoing basis as well as dedicated NI Task Force officials in the ONIEB

In order to establish and consolidate relations with senior officials in Northern Ireland, the NITF members participated in two visits to the region as a group (respectively, December 2007 and March 2010). The visits were regarded as beneficial on both sides in terms of promoting the exchange of information and a better understanding of the challenges faced in the region. Members were also able to see projects supported by the EU on the ground and to brief their Northern Ireland counterparts on opportunities under EU policies, present and future.

The NITF has also maintained close links with the European Parliament, notably with the three MEPs representing Northern Ireland, providing information on EU policy, speakers for events organized by the MEPs, etc.

Over the years, the NITF has worked steadily, often informally in the light of the broader political process unfolding in the region as the new institutions, and the political leaders and representatives involved, bedded down and established the necessary working relationships. Although after the publication of the report of the Commission the initiative shifted to Northern Ireland, the Commission has always sought to maintain momentum in the partnership. Thus for example, when President Barroso met the new First Minister, Peter Robinson, and the Deputy First Minister, Martin McGuinness, in Brussels on 9 December 2010, he re-affirmed the European Commission's commitment to Northern Ireland calling for action "to renew and reinvigorate our collective effort".

III. Outcomes

Preliminary considerations

Measuring the impact of the NITF, for the Commission, is essentially about assessing *the results of its new and closer partnership* with the region. The NITF has provided a dense network of contacts across the Commission available to Northern Ireland in pursuit of the suggestions and recommendations contained in the original 2008 report, which have multiplied in the subsequent period, not least because of the almost doubling in the size of the member Directorates General. From the Commission's point of view, a successful outcome of the existence of the NITF would therefore come in the form of a positive, hopefully very positive, response to the following two questions:

- for the devolved institutions, has the existence of the NITF improved the accessibility of Commission staff, and of policy information and advice?
- has the quality of this information and advice been such as to enable Northern Ireland to participate more effectively, or to a greater extent than before (compared, for example, to the planning period 2000-2006), in EU policies and projects?

As such, the impacts tend in general to be somewhat qualitative and intangible (for example, advice), and, *above all*, information on these impacts is accessible principally within the region itself. This is especially the case since many contacts have been bilateral between Northern Ireland Departments and individual Commission Directorates General, and have not passed through the NITF chairmanship, which is consistent with the desire to maintain the NITF as a flexible, open and non-bureaucratic framework.

That being said, from the Commission's point of view, through the different, usually informal, contacts, exchanges of information and joint meetings, a renewed relationship of confidence between the Commission services and the NI administration has been established. Moreover, **this new relationship appears on the evidence to have led, directly or indirectly, to a number of important outcomes for the region even if direct cause and effect is not always easy to establish.**

(a) EU Research and Innovation Policy

A key European policy field for Northern Ireland is that of research and technological development (RTD) which is essential to retain and develop the region's position in the international value chain.

The bases for European interventions to raise levels of RTD are the succession of so-called Research Framework Programmes. The bulk of projects that have been implemented during the life of the NITF have been financed under the Seventh Framework Programme (FP7) covering the period 2007-2013. For the new planning period, the next Framework Programme has been agreed under the new title of Horizon 2020.

The Commission has always underlined that, unlike EU regional, employment and rural development policies, under the RTD Framework Programmes there are no fixed national or regional allocations. Funds are disbursed through competitive calls for proposals under the various individual programmes and actions in a given FP. This reflects the aim of encouraging excellence, independently of geographical location. The task for any region is therefore to compete effectively, and for Northern Ireland, to use the NITF network as a source of information and advice on RTD programmes and projects as they emerge.

In recent years, increasingly close relations have been developed between the relevant Commission services and the Northern Ireland administration, through meetings with visiting senior officials and, notably, contacts with the ONIEB. In this regard, an important development has been the appointment to the ONIEB of staff dealing specifically with FP7. The NITF contact point in DG RTD has undertaken three visits to the region: first in January 2008 shortly before the adoption of the NITF report; again in March 2011 for a visit of the NITF and finally in October 2013 for the UK national Smart Specialisation event mentioned below.

Northern Ireland and the Seventh Framework Programme

In terms of the headline figures, the results for Northern Ireland comparing FP7 with FP6 are encouraging². **Thus, in current prices, the region has a draw-down of € 83.8 million under FP7 whereas in FP6 it was € 34.2 million, an increase of 145%.**

In examining in more detail the significance of this result under FP7 in an international comparative context, the data for the following indicators have been examined, comparing FP7 performance against that of FP6: the number of assisted projects involved; the number of grant holders and the level of EU contribution. The international comparative context is that of Northern Ireland in relation to the five regions of equivalent population used in the 2008 report: Poitou-Charentes (FR); Sardinia (IT); Middlefranken (DE); Västsverige (SE) and Jiovýchod (CZ).

The results in relation to the three indicators show that Northern Ireland between FP6 and FP7 advanced to second place in terms of number of assisted projects (248), from third last time, retaining both second place on the number of grant holders (273) and third place on level of EU contribution (the € 83.8 million referred to above). As under FP6, Västsverige remains in first place on all three indicators while Poitou-Charente remains in last position. There has thus been a slight improvement in the international comparison.

² The data available for FP7 are not directly comparable to the FP6 data in the 2008 report due to a longer period of implementation and a different structure and level of funding in FP7

Comparing these results with (the eleven) other UK regions (the national comparative context) or with Ireland, is not seen as pertinent in view of the fact that results tend to vary according to the size of the region. Northern Ireland is the smallest UK region, with an average population of 1.8 million just under one-third of the average of 5.2 million for the UK as a whole, and two-fifths of the population of Ireland of 4.6 million.

Concerning participation in the leadership of projects, 46 Northern Ireland FP7 participants, out of 273 in the region, take the role of project coordinator (16.8 %); an increase from 15.1 % under FP6. The international comparison reveals that this places Northern Ireland in first place in terms of the number of FP7 coordinators (as a percentage of grant holders) compared to the 5 other EU regions, but below the UK rate (28 %) or the other UK regions (ranging from 36 % in the West Midlands to 22.2 % in the North West) while Ireland is at 22.4 %. Finally, Northern Ireland scores somewhat below the EU average rate of 18.7 %.

For the national comparison, perhaps, a more pertinent indicator, not mentioned in the 2008 report, relates to the success rate in relation to project proposals, presented in a comparative context regarding the national success rate and internal national ranking. These indicators provide hints as to the *quality* of the proposals submitted. Within the UK, Northern Ireland with a success rate of 15.3 % is somewhat below the national success rate of 19.6 % and is ranked last of the 12 NUTS 1 regions, with London in first place at 24 %. The success rate for Ireland is 17.2 % while the overall EU rate is 19.1 %. These data measure the success rate in terms of the funding drawn down as a percentage of the level of requested funding in the proposals. If the data are expressed in terms of the number of successful applications as a percentage of total projects then the Northern Ireland success rate rises to 20.4% close to the overall UK success rate of 22.7% and equal to the EU-28 success rate (20.5%). As indicated this would tend to suggest that the quality of the proposals has been comparatively high, and could reflect favourably on the remit given to the NITF of providing information and advice (see also below).

In the international comparison regarding success rates, Northern Ireland ranked 5th of the six regions, with a success rate of 15.3 % considerably inferior to 28.6 % for Västsverige and Mittlefranken at 25.1 % but considerably superior to Sardinia (9 %).

A further issue which is worth highlighting is that of the level of **participation of SMEs** in FP7. On the international comparison, Northern Ireland trails the other EU regions examined, occupying last place with an SME share of 13.2 %, compared to 27 % for Jiovýchod, closely followed by Mittlefranken at 26.8 %. On the national comparison, the UK average share of SME participation is 17.9 %, Northern Ireland occupies 11th place, just ahead of the South-West (11.7 %) and considerably behind the leading share of the East Midlands (27.1 %). In Ireland, the SME participation rate is 25 % while the EU average is 19.6 %. These figures probably reflect the relatively small size of the private sector in the Northern Ireland economy.

Some examples of innovative projects involving Northern Ireland are described in the annex, which draw attention to the region's role in acting as coordinator for international collaborative projects, as well as to the all-island dimension which can be important for achieving critical mass.

Northern Ireland's research capacity

For the purpose of this report, on the basis of data provided by the relevant Commission services, it appears that Research, Technology and Development (RTD) is a leading factor explaining involvement in EU RTD programmes, now and in the future.

The data concerned describe Northern Ireland's research intensity (regional RTD expenditure as % of GDP); share of researchers in total employment; share of the wider measure known as Human Resources in Science and Technology (HRSTC) in total employment.

Research Intensity: The international comparison reveals that compared to the five other small regions, NI ranks 4th, at 1.53 % of GDP, some distance behind Västsverige, the highest (4.27 %), although well ahead of the lowest figure for Sardinia (0.68 %). Under the national comparison, Northern Ireland is in 7th position with East of England highest (3.66 %) and London lowest (1 %) and an overall UK average of 1.78 %. The rate for Ireland is somewhat above that of Northern Ireland at 1.66 % while the overall EU rate is 2.03 %.

Share of researchers (full-time equivalent): NI is again in 4th place (0.37 % %) with Västsverige highest (1.31 %) and Sardinia and Poitou-Charentes lowest (0.32 %). In the UK, NI is in 9th place with London highest (0.87 %) and West Midlands lowest (0.36 %) and an overall UK rate of 0.86 %. The rate for Ireland is 0.82 % and the EU rate is 0.73 %.

HRSTC: This time NI is in 3rd place (21.2 %) with Västsverige and Sardinia retaining their positions as highest and lowest at 23.5 % and 11.5 % respectively. In the UK, NI is in 4th place with London highest (31.7 %) and Wales lowest (18 %) and an overall UK rate of 22.3 %. The rate for Ireland is 22.3 % and the EU rate is 18.4 %.

Northern Ireland's favoured sectors

Comparing the FP6 participation data under the previous research framework programme applied until 2006 - FP6 with the latest information under FP7 until 2013 is difficult due to the difference in composition, and the existence of new sectors covered under FP7 such as the European Research Council³. The data suggest, however, that ICT is still the largest sector. It is followed by Health and with Food & Agriculture in third position, a reversal of their respective rankings under FP6. This probably reflects the emphasis that NI has placed on research in the domain of health (see next section). Human resource development is still important with a strong participation in the EU's "Maria Skłodowska-Curie" actions⁴ representing nearly 19 % of total funding. The latter can be expected to contribute to building capacities in Northern Ireland, longer-term.

³ The European Research Council is a major innovation of FP7 and deals with frontier research (the only criterion is scientific excellence). With a budget of € 7.5 billion under FP, to be almost doubled for Horizon 2020, the ERC has now become a major European success and the reference to high-quality scientific research (basic and fundamental). See <http://erc.europa.eu>

⁴ Actions to support the career development and training of researchers, with a focus on innovation skills covering all scientific disciplines and promoting worldwide and cross-discipline mobility

As indicated below, there are important interrelationships between the actions supported by the EU under the heading of regional policy, and the Framework Programmes in RTD. In this respect it was found necessary to transfer some funding away from RTD activities under the regional programmes (mainly in regard to support for firms) due to technical difficulties with aid schemes but also low absorption, probably linked to the impact of the economic crisis.

Outlook

Horizon 2020 represents a renewed opportunity for involvement in the EU's research framework programmes. In this context, the ONIEB and the NITF organized a visit in January 2014 for key Commission staff to Northern Ireland to help the region prepare for the Horizon 2020 programmes and projects, giving presentations on: "*Setting the Scene – Horizon 2020, Service Innovation, EIP Policy Tool (DG RTD); Supporting Innovations: EIP on Active and Healthy Ageing (DG SANCO); From Service Innovation to Emerging Industries (DG ENTR)*". A further Horizon 2020 event (DG RTD) will take place in May 2014 to present the opportunities for regional involvement in Horizon 2020 to an audience of the major stakeholders in research and innovation, with a particular focus on awareness raising among SMEs.

What is important for a successful involvement in Horizon 2020 is first and foremost a strong national commitment to sustained investment on R&D and innovation, combined with increased exposure to international networks (and an open mind to listen to their expertise), better links between academia and the business communities and more sophisticated support to the research and innovation communities through new financial instruments.

For the new generation of programmes for 2014-2020, a positive development has been the active participation of NI in the preparation of the smart specialisation process through its participation in the work of the Smart Specialisation Platform in Seville. Through the auspices of the NITF, Northern Ireland was the host for the UK Smart Specialisation conference in October 2013 which brought outside expertise to bear on Northern Ireland's plans for research and innovation for the next period.

In moving forward, attention is drawn to the relatively low level of participation of NI SMEs in the Framework Programmes, as indicated above, both nationally and internationally. This underrepresentation of a significant economic sector constitutes a weakness for the region and for future participation in Horizon 2020 where the SME is expected to be an important player. In this context, the Horizon 2020 event in May 2014 is seen as of particular interest.

(b) The EU's Innovation Union and the Digital Agenda policies (including IT-enabled Transformation of Healthcare)

As indicated in the previous section, the health sector has been identified within Northern Ireland as a regional asset with potential for innovative development and for export earnings. As such, it is a field consistent with the aims of key EU policies and working through the NITF, Northern Ireland has been able to access, and contribute to, the EU policies concerned: the "Innovation Union" and the "Digital Agenda". Northern Ireland's involvement is therefore of particular interest because it has enabled the region not only to benefit from the opportunities derived from the policy, it has also

meant that the region has contributed in an important way to advancing the EU agenda, as illustrated below.

Northern Ireland and Innovation Union policy

Under the "**Innovation Union**" policy, part of the broader Europe 2020 strategy, Northern Ireland has been actively involved in the pilot "European Innovation Partnership on Active and Healthy Ageing" (EIP on AHA). The EIP is already in its implementation stage with more than 3000 partners involved who have put forward EIP action plans spanning the areas of prevention and early diagnosis, care and cure and independent living and active ageing. In an ageing society, with falling number of working age and rising health care needs, the project is seen as highly important.

Organisations from Northern Ireland, from the public, private and academia sectors, including the Department of Health, Social Services and Public Safety have actively contributed to the Partnership. They have pooled their resources and professional expertise to identify and support the scaling up of good practices in a number of areas such as seeking to promote adherence to treatment, prevention of falls and integrating different aspects of care.

In fact, under the EIP on AHA, Northern Ireland was awarded a "Reference Site" status for the rest of Europe. Through a peer review exercise, Northern Ireland was awarded the maximum accolade of three stars in appreciation of its innovative solutions especially in the following fields through the reform strategy (Integrated Care Partnerships) of Integrated Citizen Centred Health and Social Care for Older People, Medicines Management for Older Citizens and Integrated Long Term Conditions for Older Citizens.

The 2008 report drew attention to the need for Northern Ireland to intensify its networking activities and under the EIP on AHA, the region has developed valuable links with the Basque Region, Catalonia, Finland and Scotland, and has found some potential investors for its initiatives.

Northern Ireland and the Digital Agenda policy

Under the "**Digital Agenda for Europe**"⁵ (DAE) a major aim is the development and implementation of ICT-enabled benefits for society including the promotion and uptake of "eHealth"⁶. ICT can contribute by providing European citizens with better and cheaper services for health contributing to a better ageing process. The policy is implemented according to an eHealth Action Plan, 2012-2020⁷ (eHAP). It focuses on supporting research, development and innovation; promoting international cooperation; achieving wider interoperability of eHealth services; ensuring wider deployment & facilitating uptake.

The vision behind eHAP is to utilise and develop eHealth (Health IT) in order to address many of the most pressing health system challenges of the first half of the 21st Century. This includes improvement of chronic disease and multi-morbidity management, increasing the sustainability and efficiency of health systems by unlocking innovation, enhancement of patient/citizen-centric care and citizen empowerment and encouragement of organisational changes, the fostering of cross-

⁵ <http://ec.europa.eu/digital-agenda/en>

⁶ <http://ec.europa.eu/digital-agenda/en/ehealth-and-ageing>

⁷ <https://ec.europa.eu/digital-agenda/en/eu-policy-ehealth>

border health-care and health security and the improvement of legal and market conditions for developing eHealth products and services.

With the help of the information and advice of the NITF (Directorates General for Communications Networks and Communications Technologies (CNECT) and for Health and Consumers (SANCO), Northern Ireland has been a significant player in the EU health policy areas indicated above. The Northern Ireland Healthcare Policy document 'Transforming Your Care' highlights the need to place the individual at the centre of a transformative healthcare model through promoting a better outcome for the user, carer and their family, and the importance of integrated care and maximising the use of technology. This is very much in line with the eHAP which emphasises the role that eHealth can play in the delivery of personalised 'citizen-centric' healthcare, for example, using telemedicine for managing chronic conditions, mental health and health promotion.

Indeed, within the European Commission, Northern Ireland is considered to be a strong advocate for connected health, covering digital health, eHealth, mHealth, telecare, telehealth and telemedicine, which places it at the forefront of using eHealth as a 'transformative tool' in the delivery of more efficient and cost-effective healthcare. It has led to the signing of a MoU between the Department of Health, Social Services and Public Safety and the development agency, Invest NI, in order to exploit the potential of eHealth to improve patient outcomes and promote local economic opportunities. The MoU follows the eHAP priority of supporting actions to improve the market conditions for entrepreneurs developing products and services in the fields of eHealth and ICT for well-being, and also the EIP's partnership approach for facilitating the deployment of innovative solutions for active and healthy ageing.

The result of the cooperation among the providers of eHealth solutions and the 'users' in the healthcare system, in addition to the research and innovation in the universities, has been the creation of what is considered to be a vibrant healthcare innovation ecosystem in Northern Ireland. Under the auspices of the European Connected Health Alliance, work is ongoing to inter-connect similar ecosystems with other ecosystems in several other European regions.

EU-US MoU on eHealth/Health IT

The work has taken on an important extra-EU international dimension and the EU and the US are cooperating to promote better individual and community health standards while fostering innovation and economic growth. The two sides have agreed an eHealth Memorandum of Understanding (under the auspices of the Transatlantic Economic Council) and an associated Roadmap of concrete actions. Both the US and the EU wish to facilitate more effective use of health-related ICT to support the health of the population, and to strengthen their relationship and support global cooperation in this area.

Based on the objectives of the MoU, DG CNECT and the US Department of Health and Human services HHS have decided to implement the following specific cooperative action plans:

- **Advancing eHealth/health IT Interoperability** – collaboration to accelerate progress towards the widespread deployment and routine use of internationally recognized standards that would support transnational interoperability of electronic health information and communication technology; and
- **eHealth/health IT Workforce Development** – collaboration to identify approaches in reaching common goals for achieving a robust supply of highly proficient eHealth/health IT professionals and assuring health care, public health, and allied professional workforces have the eSkills needed to make optimum use of their available eHealth/Health IT.

These collaborative efforts are very much in line with the eHealth Action Plan 2012-20 which calls on the European Commission to promote policy discussions on eHealth internationally to foster interoperability, the use of international standards and the development of ICT skills (in the healthcare workforce).

Working closely with the NITF, and given the region's historic ties with the US, Northern Ireland has been able to play a very active role in the implementation of the EU-US MoU Roadmap. The eCHALLIANCE⁸ and partners, including NIMAC⁹ have helped to organise a series of EU-US eHealth/Health IT events¹⁰ in both Europe (during the EU Presidency) and in the US, bringing together stakeholders (politicians, policy makers, medical practitioners and businesses) to discuss the implementation of the MoU Roadmap. The eCHALLIANCE has been leading eHealth MarketPlace¹¹ events to promote transatlantic business-to-business opportunities. The general framework of the EU-US cooperation has led to the signing of a MoU between New York and Northern Ireland on "Connected Health" which is expected to generate business opportunities presented by the collaboration.

As indicated, from the point of view of the EU's policies under the Innovation Union and the Digital Agenda and IT-enabled Transformation of Healthcare, Northern Ireland is considered a success story. The region has not only been able to access, but also to contribute to, the implementation and development of the EU's policy framework in these areas. DG CNECT and DG SANCO have engaged throughout with the Department of Health, Social Services and Public Safety and the Northern Ireland Horizon 2020 Contact Point Network, working closely with ONIEB.

The region has also been visited by the European Commissioner for Health and Consumer Policy, Mr Tonio Borg on 13-14 May 2013 where he met the FM and DFM as well as Mr Edwin Poots, Minister for Health, Social Services and Public Safety.

Outlook

As indicated above, in January 2014 in Belfast, the representative of the relevant Commission services presented the new policy framework for 2014-2020 under the heading of "*Supporting Innovations: EIP on Active and Healthy Ageing*". It is expected that Northern Ireland will continue to innovate in this important field, and to contribute to overall progress at EU level..

(c) The EU's Enterprise policy

Northern Ireland in EU Enterprise Policy

Northern Ireland has been one of six demonstrator regions in the field of service innovation. Service innovation is held to play an instrumental role in the transformation and upgrading of traditional economic sectors and industries into more productive, competitive and high value-adding businesses. Service innovation comprises innovation in services, service sectors or service industries

⁸ <http://www.echalliance.com/>

⁹ <http://www.nimaonline.com/NIMAC/Home.html>

¹⁰ <https://joinup.ec.europa.eu/event/eu-us-ehealth/health-it-cooperation-assembly>

¹¹ <http://www.b2match.eu/eu-us-ehealth-marketplace-boston2013>

that are provided by service entrepreneurs and service firms. This activity can also take place within manufacturing enterprises. In an effort to develop policy in this field, including at the regional level, the European Service Innovation Centre (ESIC) was created as a two-year initiative commissioned by the Directorate-General for Enterprise and Industry (DG ENTR).

As indicated, Northern Ireland participated as one of six model demonstrator regions (along with the Canary Islands, Emilia-Romagna, Limburg, Luxembourg, and Upper Austria) selected by DG ENTR to receive customised advisory support services from ESIC. The lessons learned are intended to provide policy information also to other EU regions to help them to make better use of service innovation, for example, in developing their smart specialisation strategies or cluster strategies.

In Northern Ireland, ESIC looked at the agri-food industry where service innovation could be used across the value chain, in terms of developing innovative design, marketing, logistics, packaging and retail. For example, in the region's meat sector, efforts are being made to improve quality based on developing research on genetics and selection. This is entirely a new area for the sector where software and data analytics could be used as tools for changing processes. Within "agri-tech", ESIC also looked at the region's expertise relating to data analysis, including on disease resistance which has potential spill-overs into other sectors.

Outlook

Particular attention is drawn to the new developments in EU SME policy. SMEs have been for some time at the centre of the EU's policies for the promotion of growth and jobs and the development of the SME sector is a known priority in Northern Ireland. The decisions regarding the European Small Business Act (SBA) are only the most recent manifestation of this priority.

The SBA as recently revised foresees a slimmed-down governance structure comprising two elements: a network of SME Envoys and a yearly conference to check the status of implementation of the SBA and to create new impetus for future actions.

Member States have each nominated an SME Envoy who are scheduled to meet four times a year, the most recent having taken place in Munich, Germany in April 2014. The Envoys are the focal point for the Commission and for the representation of their own constituents - such as SME owners, business organisations or other stakeholders - for all issues relating to the implementation of the SBA (and on related issues beyond). The creation of a single focal point is seen as beneficial for all involved for the purpose of information-sharing and coordination.

Certain regions in the larger Member States have also appointed Envoys for their regions, mostly within their existing administrative structures to avoid duplication. The NITF sees this as a positive development for the implementation of European SME policy, as the Director General of DG ENTR confirmed on his visit in March 2014 to Northern Ireland.

Nominating an Envoy for Northern Ireland as the single individual responsible for the implementation of the SBA in the region could bring positive benefits, given the desire within the region to strengthen its economic fabric and promote a greater density of SMEs. It should be understood that each member state is represented by a single SME Envoy, who is responsible for coordination within his or her own country¹². It would be practically impossible for the Commission to extend this network to the regional level. That being said, taking account of the major differences in size of the 28 member states, the Commission will happily cooperate directly with the regional SME coordinator wherever the role exists and where their existence has been made known to the Commission.

¹²For the UK, the Envoy is based in the Department of Business, Innovation and Skills

Attention is also drawn to EU policies in the field of social innovation. Social innovation seeks to develop new ideas (concerning products, services and socioeconomic models) to meet societal challenges (health, mobility) against a background of financial pressures on public service alternatives. It also represents a potential source of growth and jobs.

In this context, under the Framework Programmes for Research the Commission has organized European Social Innovation Competitions in 2013 and 2014 which attracted, respectively, 605 and 1,254 entries. The competitions act as a networking opportunity and source of information and inspiration in the field. The winners are provided with financial support to develop their ideas (3 prizes, expected to be of the order of EUR 50,000 in 2015), while for the best 30 projects mentoring and networking opportunities are provided which could be helpful in finding investors. The competitions are foreseen annually until 2017.

In addition, a European platform and on-line community, Social Innovation Europe, managed by the Directorate General for Enterprise, has been established to connect innovators in Europe and share information and good practice. The platform as such will continue until mid-2016.

A further policy area of interest is that in the field of raising the quality of public administration especially with regard to its relationship with the private sector. Successful market economies require an efficient, effective and transparent public administration environment. In Europe, there appears to be room for improvement in this regard, and the private sector can be confronted by an unhelpful operating environment characterized by features such as lengthy and uncertain legal procedures, corruption, excessive bureaucracy in the administration and lost time and higher costs in setting up a new venture.

In this context the Commission is undertaking a number of actions including a benchmarking exercise, the public administration scoreboard, looking at key performance indicators across countries and over time and a data base of good policy practices.

(d) The EU's Regional and Urban Policies

Northern Ireland and the EU's regional development programme 2007-13

The general aim of EU regional and urban policy is to strengthen cohesion by reducing economic, social and territorial disparities among regions and Member States. The emphasis in the EU's regional aid programmes is to ensure that all regions can compete *internally* in Europe in order to benefit from the opportunities for trade created by the single market and *externally* with the rest of the world in the face of the challenges of globalization. In political terms, EU regional policy is an expression of European Union solidarity, and of the drive for increased competitiveness throughout the Union.

For the period 2007-2013, the programmes took as their point of reference the EU's Growth and Jobs Strategy. To this end, they were based on the Community Strategic Guidelines agreed by all Member States in October 2006, the document on which the UK, like the other Member States, drew up its own the national strategy ("National Strategic Reference Framework"). The national strategy served therefore as the basis for each regional programme, including that for Northern Ireland.

This means that the programmes are intended to act as delivery mechanism, and the EU's principal source of investment finance, for the EU's policy priorities. There is therefore considerable overlap between what has been achieved under the regional programme and the policy initiatives discussed in other sections which have been at least partly delivered through the regional programme.

Moreover, it is not just a question of finance (although the contribution from the European Regional Development Fund (ERDF) to the programme was substantial at €282M) and the programmes have had to be implemented in accordance with EU law, rules and policy in fields such as the environment or equal opportunities.

In this light the role of the European regional programme in Northern Ireland, known as the Sustainable Competitiveness Programme (hereafter the "regional programme"), supported by the ERDF, was to support the Lisbon strategy objectives in the region of promoting investment in research and technological development and encouraging enterprise and entrepreneurship in an overall context of sustainable development. In that sense also, the regional programme was the EU's main source of investment in the delivery of the remit of the NITF in terms of the emphasis on competitiveness and sustainable employment, and this helped to focus minds on both sides during the negotiations of the programme that were completed in 2007, and in the subsequent implementation phase. Indeed, the Northern Ireland regional programme was considered a best-practice example of a competitiveness-orientated approach, allocating 85% of resources to "Lisbon-compatible" investments.

The regional programme initially focused on providing the environment for businesses to flourish and establishing the links between research bodies and companies with a view to encouraging innovation in products and services. Residual investment targets the tourism sector and extension/modernisation of broadband in rural and peripheral areas. Not least due to the global financial and economic crisis after 2008, and its effect on the business sector, a number of difficulties in programme implementation were encountered. These resulted in a series of programme modifications reducing the extent of funding for business support measures and providing for a greater extent of investment in transport infrastructure than initially foreseen. € 24m in ERDF funding was also transferred to the Northern Ireland European Social Fund programme in order to bolster the response to Northern Ireland's chronic unemployment and inactivity rates (see below).

It is of course too early to provide an impact evaluation of the programme which is still being implemented. The NITF considers that the programme, after the adjustments described, was able to keep implementation in financial terms on track, so that by end-2013 high levels of programme funds had been committed, satisfactory levels of investment spending achieved and modified programme targets well on the way to being reached. The programme can lay claim to some notable successes including:

- The completion of a number of flagship infrastructure projects in Northern Ireland, including the Giant's Causeway Visitor Centre and the proposed extension of business conference facilities on the Belfast Waterfront;
- An ICT Demonstration Centre project which exceeded the target of 9,500 action plans for participating SMEs with 10,191 action plans in place and a 16% increase in "e-sophistication" amongst target companies;
- A substantial return on investment from Northern Ireland Tourist Board promotional activities was achieved with a leverage of £12 for every £1 spent, against a target ratio of 4:1 with Northern Ireland benefitting from such as the Titanic centenary (and the opening of the Signature Museum Building) and the Irish Open Golf tournament. These activities and associated marketing campaigns have resulted in the higher return reported;
- Invest Northern Ireland investment in RTD exceeded the target by over 23% while the number of research jobs supported has exceeded the target by over 18%.

- The number of jobs promoted to date through Selective Financial Assistance (SFA) is 1,800 against a target of 1,500. These include substantial numbers in the creative/media sectors with Northern Ireland benefiting from the location in Belfast and the Northern Ireland countryside of a number of blockbuster film and television productions.

Outlook

In terms of the 2014-2020 regional programme, Northern Ireland has been quick to grasp the implications stemming from a significantly modified delivery system, as described in the regulations adopted by the European Parliament and the member states at the end of 2013 on the EU's Structural and Investment Funds. In particular, compliance with requirements for reinforced targeting is expected to lead to a concentration of funding in a more limited number of investment areas than previously, taking particular account of development needs based on the EU's 2020 strategy. There has been substantial progress in refining the strategic thrust of the future ERDF programme for which the devolved institutions, in close cooperation with Commission services, have identified the following priority areas:

- Strengthening/adaptation of electricity infrastructure in Northern Ireland in order to support increased use of renewable (primarily wind) energy sources and thus increasing the share of renewables in final energy consumption to (beyond) 20% in a Northern Ireland context.
- Concentrating research and innovation funding on five key export-led growth sectors in the Northern Ireland economy, namely: stratified medicine and connected health, advanced engineering, electrical and electronic engineering products, agri-food technology and computer software and services;
- Supporting the capacity of SMEs to engage in growth in regional, national and international markets, and in innovation processes.
- Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators.

Northern Ireland was also an early adherent to the new ideas for supporting innovation under the heading of smart specialisation strategies (known as "S3"). Such strategies are a pre-condition to be met by regions *before* they can be granted European investment in research, technological development and innovation. The devolved institutions, on the one hand, and the Commission and the NITF on the other, have jointly sought to create optimal conditions for the conception and implementation of the regional programme, 2014-2020, working closely with the Commission's Joint Research Centre (JRC) in Seville. The JRC runs an S3 support "platform" to lend practical help to the regions. Northern Ireland was one of its first partner regions, and has had a "peer review" of its future S3 plans in Seville in Spring 2012. More recently, and as already mentioned, the NITF was instrumental in ensuring that the UK's high-level technical conference on smart specialisation was held in Belfast (October 2013), an international event where the welcome address was given by Arlene Foster, Minister for Enterprise, Trade and Investment.

Northern Ireland and the PEACE III programme, 2007-13

Since 1995, the EU has been providing substantial financial contributions amounting to € 1.3 billion in support of the peace and reconciliation process in Northern Ireland and the Border Region of Ireland through three PEACE programmes representing a package of measures that complement the work of regional and national policies (such as the Northern Ireland policy for "A shared future") with a very strong emphasis on partnership and local involvement.

The overarching strategic aim of the three PEACE programmes has been to reinforce progress towards reconciliation and a peaceful and stable society by promoting economic development and employment, promoting urban and rural regeneration, developing cross-border cooperation and extending social inclusion.

One of the key features of the PEACE programmes is that they applied a strategic approach to address the legacy of the conflict. This means that the programmes were not supporting a series of isolated projects but rather embedded them in an integrated, medium-term (seven-year) strategy which took into account local and regional needs as well as the given institutional context in which they had to operate. The programmes represent a package of measures that complement the work of regional and national policies (such as the Northern Ireland policy for "A shared future").

Secondly, there has always been very strong emphasis on partnership and local involvement. One of the main outcomes of the PEACE Programmes has been to encourage the development of new ways of working together among different stakeholders. While some partnership models were not without their difficulties, they established a genuine bottom-up involvement in the delivery of the Programmes. Involving key stakeholders in partnership governance facilitates the participation at the local level and provides a forum for working together and resolving common issues. In PEACE III part of the funding is, for instance, allocated to clusters of councils and local authorities across Northern Ireland and the Border Region of Ireland. It is incumbent upon these clusters to develop local Peace & Reconciliation Actions Plans and to allocate funding to localised peace and reconciliation projects that target the specific needs of local communities across the region.

The unique features of the PEACE programme were brought to European, and indeed global, attention, when the Commissioner for Regional Policy, Johannes Hahn, organized a major conference under the heading of "Bringing Divided Communities Together – Sharing the experience of the EU PEACE programme" in Brussels in January 2013, where keynote addresses were given by the First Minister and Deputy First Minister of Northern Ireland and the Irish Minister for Public Expenditure and Reform.

The programmes are managed by the Special European Union Programmes Body (SEUPB), a cross-border authority established under the 1998 Agreement.

In terms of implementation, the PEACE III programme is considered to have proceeded well, and was already largely exceeding some of its targets in terms of outputs by the end of 2012. These include over 1,800 events supporting victims and survivors, over 2,000 workshops on conflict resolution and over 5,000 people receiving trauma counselling.

Again, it is too early to provide an impact evaluation of the programme which is still being implemented, but there have been some notable successes including:

- The construction of the 'Peace Bridge' in Derry-Londonderry which attracted over € 11 million in EU funding from the ERDF. The foot and cycle bridge physically and symbolically unites both sides of the River Foyle and has become one of the flagship projects under PEACE III. Commissioner Hahn formally opened the new bridge in June 2011 in the presence of the Irish Taoiseach and the First Minister and Deputy First Minister of Northern Ireland.
- The 'Reconciling Communities Through Regeneration (RCTR)' programme, which began a process of community engagement in 2009 with a view to building relationships at the local level within fractured communities and facilitating the regeneration of community interfaces. Groundwork NI was awarded € 800,000 in EU funding for this. September 2011 marked a milestone in the progress towards peace and reconciliation in North Belfast and

the peace wall which has divided the Alexandra Park in the north of the city is no longer an impassable barrier since a new “peace gate” was opened in the wall.

- Through 'Teaching Divided Histories', the Nerve Centre developed a pilot programme that demonstrates how teachers can use creative approaches and digital pedagogies to engage pupils in the study of international conflict and offer them stimulating ways of interrogating myths and challenging sectarian stereotypes. The project is working with the CCEA in NI and CDU in Dublin and received € 380,000.

Northern Ireland and the EU's international conflict resolution and mediation policy

The 2008 report particularly highlighted the work which had started in the area of networking and sharing experience on peace-building with other regions, in particular with a PEACE workshop which was held in Brussels during the annual Open Days of Regions and Cities of October 2007. The NITF has encouraged Northern Ireland to continue this work, which has been reflected in the allocation of speaking opportunities and workshops during successive Open Days, a major annual EU policy discussion and networking event for cities and regions, such as "Building PEACE Across Borders" (2008), "The PEACE network" (2009) and "Reaching the Margins – Building Inclusiveness within Hard-to-reach Communities (2011).

The strategic aim of the PEACE Network is to communicate the experience of managing, implementing and evaluating EU PEACE programmes in Northern Ireland and thereby enabling participants to learn, exchange and transfer knowledge relevant to their various policy needs. The "PEACE network" has remained operational, and its activities have included study visits by interested groups to Northern Ireland and Ireland, including from Albania, the Western Balkans, South Africa and others. In November 2009, the Peace Network held a seminar and a workshop in Cyprus which provided examples of best practice and highlighted some of the innovative ways the EU PEACE programmes in the region have supported young people.

The unique and symbolic nature of the PEACE programmes within EU policy was highlighted when, in January 2013, the Commissioner for Regional and Urban Policy hosted an international conference under the heading of: "*Sharing the experience of the PEACE programmes - Bringing Divided Communities together*" which provided an international platform to disseminate the experiences of the EU PEACE programme and stimulate a debate on whether these experiences could be adapted to other relevant situations throughout Europe and beyond. The event specifically helped to promote Northern Ireland's expertise in peace-building to an international audience and to those within and without the EU institutions.

As indicated, the Commission has been supportive of Northern Ireland's idea to develop a facility to provide research and advice on the theme of conflict resolution and peace-building. The project, which became known as the Peace Building and Conflict Resolution Centre (PBCRC) was awarded over € 14.6 million for capital works under the PEACE III programme. In 2012, Commission President Barroso, High Representative Ashton and Commissioner Hahn personally sent their congratulations to Northern Ireland's political leaders on their decision to establish the PBCRC at the Maze-Long Kesh site. Several meetings were organized by the NITF between Northern Ireland officials, Commission services and the European External Action Service with a view to securing the PBCRC as one of the EU's main facilities for the implementation of international conflict resolution and mediation services. The facility had the potential to ensure that Northern Ireland had a major role in the delivery of an important area of EU external policy, sharing its unique experience of peace-building on a global scale.

However, political conditions on the ground in Northern Ireland have meant that the project could not go ahead in the short-term at least, and it was removed by the managing authority from the PEACE III programme towards the end of 2013. This has also had the effect of adding pressure on the programme to make full use of the EU resources available within the deadlines (still ongoing) and the Commission and the NITF are liaising with managing authority in an effort to ensure that the resources are transferred to projects that contribute to the overall aims of the PEACE programme.

Outlook

Under the EU's budget agreement for 2014-2020 (the Multi-annual Financial Framework (MFF)) some € 150 million was allocated to a fourth PEACE programme. At no stage could the support for a further PEACE programme been taken as a given, but the existence of the NITF helped to highlight the importance of the work of the EU in Northern Ireland and provide a context for the decisions taken by the Parliament and Council. In addition to the new programme, and in the context of its new economic pact for Northern Ireland launched in June 2013, the UK government decided to contribute an additional € 50 million from its European Territorial Cooperation (ETC) allocation from the EU budget to PEACE IV, which is indicative of the national importance attached to continuing this important work led by the EU.

The new ETC regulation, adopted at the end of 2013, explicitly foresees that under the thematic objective of promoting social inclusion and combating poverty, the PEACE cross-border programme should contribute to promoting social and economic stability in the programme area, in particular through actions to promote cohesion between communities. The programme will continue to cover Northern Ireland and the Border region of Ireland and will be implemented as a stand-alone cross-border co-operation programme.

A series of public consultations with a wide range of stakeholders have taken place, including with the local government sector, community and voluntary organisations, political parties and business. A summary of the first round of consultations was published in 2013 by the managing authority, the SEUPB, and brought forward several themes which will inform the development and structure of the new programme. Themes that emerged very strongly during the consultation focused on shared education of children and assistance to young people who are economically excluded as well as on civil society actions and the regeneration and creation of shared spaces. A second round of consultations on the draft programme is foreseen during summer 2014.

The deadline for the official submission of the new programme to the Commission is 22 September 2014. The Commission services have invited the programme developers to examine in particular the possibilities given in the new regulation for greater simplification of programme delivery procedures.

Northern Ireland and transnational cooperation programmes

In Northern Ireland, the Department of Finance and Personnel (DFP) is responsible for the transnational cooperation programmes, one of which is the Atlantic Area Programme. In the period, 2007-2013, DFP has aimed, with the encouragement of the Commission, to increase the region's participation in the Atlantic Area programme and took the decision to publicize more widely the opportunities under the programme for project development. In this sense, several initiatives can be recalled: developing a close relationship with the SEUPB to foster North/South partnerships; disseminating advice and guidance to prospective local applicants; organising events to promote the programme and facilitate applications.

SEUPB produces and distributes a monthly "Interregional Newsletter". Furthermore, in 2012, the SEUPB organised, as part of European Territorial Co-Operation Day 'Sharing Borders, Growing Closer' a major conference highlighting the positive impact that European funded projects are having across the region. This renewed interest in transnational cooperation has resulted a notable success including the project "*Batterie*" in the field of transport with an EU contribution of € 2.2 million. The project addresses the priority of the Atlantic Area transnational cooperation programme (2007-2013) aiming to *Improve accessibility and internal links - Promote interoperability and continuity of existing transport networks, and sea/road/rail/air inter-modality.*

When completed at the end of 2014, *Batterie* will establish the impact of applied smart technologies (such as e-journey planning) and alternative fuels and design scenarios and models of changes to policy, behaviour and transnational strategies in order to help optimise transnational trips for passengers. *Batterie* will involve tangible transnational cooperation with all of the partners in all of the Atlantic Area Regions.

In the light of the EU goal to reduce Green House Gas (GHG) emissions to at least 20% below 1990 levels by 2020, and *Batterie* will deliver against all of these shared common themes. This project intends to make a contribution towards delivering this target in an innovative way, by providing fact based information and guidance for local, regional and national policy advisors.

There are two key innovative aspects to *Batterie*: the web based journey planning tool and the pilot journeys. The innovation of this web based journey planning tool is that it will for the first time enable, for example, a journey to be planned using an electric car, from Northern Ireland to Portugal. So the tool will be regional and inter-regional / cross border. No other web based journey planning tool is cross border.

The *Batterie* project will establish highly innovative pilot networks to demonstrate and test best practice models of inter-modality. The aim of the pilot journeys will be to identify and design scenarios and models of changes to policy, behaviour and transnational strategies which will improve information about public transport services and help to optimise international trips for passengers and better complementarity between services provided by various operators.

In December 2012, SEUPB attended the launch of the *Batterie* project, which is led by Action Renewables in Northern Ireland. NB: The Minister for Enterprise in Northern Ireland, Arlene Foster MLA and the Minister for Regional Development, Danny Kennedy MLA were in attendance.

With regard to the interregional cooperation actions (for networking on common themes between regions and cities) during 2007-2013 under the heading of the "Interreg IV C" programme, the Commission considers "B-TEAM" project (Brownfield policy Improvement Task Force) to be of particular interest¹³. Team aimed to influence existing and future policies on Brownfields through examples derived from successes and experiences of the partners. In this project (where the lead partner was Belfast City Council), 14 partners (which include a variety of cities and academic institutions from across Europe) drawn from 11 different countries, aimed to improve and transfer Brownfield policies in partner regions and beyond.

Among the activities developed in the context of this project, it is worth underscoring the impact of the Brownfield days (the 7th edition was held in Dublin, in May 2012). The focus of this event was on the role of urban spaces in the regeneration process. Sub-themes discussed the role of urban design, connectivity, diversity and vitality, and heritage and natural environment.

¹³ <http://bteaminitiative.eu/programme/>

Northern Ireland also participated in the North West Europe transnational programme with partners from Belgium, France, Germany, Ireland, Luxembourg, Netherlands, Switzerland and the rest of the United Kingdom. The region has participated in six projects under the programme, most which involve at least 8 partners, with a strong focus on those relating to the environment such as in waste management or renewable energies.

Northern Periphery Programme 2007-2013

Northern Ireland's renewed engagement with Europe was reflected in the decision to join, for the first time in 2007, the Northern Periphery Programme (NPP) 2007-2013, increasing this vast and important area of the EU. The NPP now encompasses the EU member states of Finland, Ireland, United Kingdom (Northern Ireland and Scotland as programme partner countries) and Sweden and Non-EU programme partner countries Faroe Islands, Greenland, Iceland and Norway. The Programme Secretariat is located in Copenhagen, Denmark with an international staff of 4 people. The role of the Programme Secretariat includes many aspects of programme administration and is responsible for the coordination of the 9 NPP Regional Contact Points.

One specific action designed to ensure that projects are being developed to meet the objectives of the programme is "partenariats" (partnership meetings), in which a hands-on development of project ideas is carried out, normally via intensive, two-day sessions between idea holders and representatives of the programme. The NPP's first partenariat was held in Derry/Londonderry, Northern Ireland in April 2007, where approximately a total of 140 participants attended. The event was also combined with an awareness-raising action which was principally designed to attract participants from Northern Ireland and Ireland, while acting for the other programme areas participants as a first opportunity to meet partners from the island and to learn about their organisational structures and exchange information and eir knowledge.

The event turned out to be strategically important demonstrating the opportunities under NPP. Over the period since then, several joint Northern Ireland-Ireland awareness events have been held by the Regional Contact Points for the NPP 2007 – 2013.

Under the NPP, the "Recruit and Retain" project was singled out for praise by the Northern Ireland Minister of Enterprise, Trade and Investment, Arlene Foster, as a good model for recruiting and retaining professionals in rural areas. The Recruit and Retain project addresses the difficulties in recruiting and retaining high quality people to work in the public sector in remote and rural areas. It does so by providing training and professional development geared towards rural areas, ways of combatting isolation, and ways of securing social and family stability.

Outlook

With regard to the cross-border, transnational and interregional programmes (in which Northern Ireland will be involved) for the period, 2014-2020, the Commission is emphasising, on the one hand, the need to improve programme management to achieve better delivery of results against objectives, and on the other hand, to reduce the number of, and achieve more focus within, the priorities identified for support under cooperation programmes.

While discussions on the new cooperation programmes is ongoing, it is expected that the cross-border cooperation involving Ireland, Northern Ireland and Scotland would focus on issues concerning: strengthening research, technological development and innovation; protecting the environment and promoting resource efficiency and promoting social inclusion and combating poverty.

With regard to the transnational programme, the "Atlantic Area" programme, this will be managed in conformity with the overall Atlantic sea-basin Strategy and would aim: to promote innovation and competitiveness in the Atlantic Area; to increase resource efficiency in the Atlantic Area (through actions mainly concerning renewable energies and energy efficiency); to promote "green growth", eco-innovation and environmental efficiency would also be considered; to strengthen risk management systems.

With regard to the new interregional programme ("Interreg Europe") priorities would concern the promotion of: research, technological development and innovation; competitiveness of small and medium-sized enterprises; the low carbon economy; environment and resource efficiency.

For the programming period 2014-2020, cooperation projects developed in the framework of the "Interreg Europe" programme would be detailed in regional action plans where the aim is to ensure that the projects supported have practical relevance, for example, by informing future policy. Furthermore, under this programme a Policy Learning Platform will be established to act as the collective memory of the projects and to create sources for continuous learning where regional and urban development actors can seek information on best practices and in that way improve the implementation of public policies in this field.

(e) The EU's Education & Training policy

The Commission, and the NITF, have worked extensively with the Northern Ireland's Departments of Education (DE) and Employment and Learning (DEL) which are responsible for the education of young people and the promotion of learning and skills.

The data suggest that seeking improvements in these fields is a priority area for the region. For example, using the figures drawn from the Programme for International Student Assessment (PISA), in mathematics, unlike England and Scotland, Northern Ireland's score dropped from 492 points in 2009 to 487 in 2012, which is below UK average of 494. The score for reading in 2012 was 498 points and therefore comparable to that of 2009, and slightly lower than England and Scotland. With 507 points, the score for science was also lower than in England (516) and Scotland (513) and little changed on 2009 (511).¹⁴

An ongoing feature in Northern Ireland is that of the relatively high share of people of working age with no qualifications. Rates are almost twice the UK average and the highest of all UK regions. Compared to the UK average of 10.9%, Northern Ireland had the highest proportion of the population with no qualifications (10.8 percentage points above the UK average). The increasing demand for higher level skills suggested by skills forecasting will place additional demands on this area of activity.

Against this background, Northern Ireland, working with the NITF, has been an active player in the many education and training policies and programmes at EU level that specifically address the region's weaknesses, while building on its strengths.

Northern Ireland in the Erasmus, Comenius and Leonardo da Vinci programmes

¹⁴The OECD Programme for International Student Assessment (PISA) is an international standardised assessment that is administered to 15-year-olds in schools in the areas of reading, mathematical and scientific literacy.

With regard to the main programmes, Northern Ireland participated in all the main EU education and training programmes: Erasmus (Higher Education); Comenius (Schools); Leonardo da Vinci (Vocational Education and Training) and also in Gruntvig (Adult Learning). It will continue to participate in the new Erasmus+ programme uniting all previous programmes under several "Key Actions" (see below).

Under the ERASMUS mobility scheme, all four eligible higher education institutions participated in the period 2007 and 2013 (Queen's University, University of Ulster, St Mary's University College and Stranmillis University College). Altogether, 1,936 students and staff participated, obtaining experience outside the UK.

Under the Comenius programme, 252 multilateral and bilateral international school partnerships and 4 regional partnerships were established among schools from Northern Ireland. Equally successful were the in-service training possibilities that benefited 677 teachers. Northern Ireland's schools also hosted 84 visiting assistants from schools abroad.

The Leonardo da Vinci programme has seen 184 Vocational Education Training (VET) students take part in international exchanges, as well as 44 employed professionals being trained in a company abroad and 91 VET teachers doing shorter study visits in organisations abroad to share best practice examples.

Northern Ireland in EU education and training policies

With regard to policies, Northern Ireland has also contributed to EU policy cooperation in education. While in general Northern Ireland is represented at EU level by the UK national authorities, representatives from the Northern Ireland's devolved institutions, government agencies and independent experts have nevertheless participated in the EU's Thematic Working Groups (convened by national governments under the "Open Method of Coordination"). Northern Ireland was active in the working groups covering the themes of Entrepreneurship Education, ICT in Education, Quality Assurance in Adult Learning, Key Competences and Maths, Science and Technology.

Northern Ireland has also taken on board the key policy priorities of EU education and training policy in its own policies in this field.

The importance of skills is clearly recognised in the Northern Ireland Executive's Programme for Government (2011-2015) and it is reinforced in the Northern Ireland Economic Strategy (NIES).¹⁵ It is embedded in the 2011 skills strategy for Northern Ireland: "*Success through Skills: Transforming Futures*". It is also reflected in the targets set for increasing uptake in STEM subjects (science, technology, engineering and maths) in order to upgrade the qualifications of the working-age population while combating economic inactivity and supporting employment through skills development. The Commission considers DEL's initiative in measuring and benchmarking the quality of provision to be a best practice example, and an essential step towards improving standards. DEL monitors and reports progress in this regard, along with a range of other relevant data, to the NI Assembly and publishes annual analyses of the quality and performance of its programmes and provision.

At a provider level, DEL's quality improvement strategy, "*Success through Excellence*", sets out steps towards improving quality and quality assurance for its programmes, and is the over-arching strategy for VET quality assurance in Northern Ireland.

¹⁵ UK Partnership Agreement for the European Social Fund (2014-2020)

In April 2012, DEL published "*Graduating to Success*", the higher education strategy for Northern Ireland, which outlines the policy direction until 2020. The strategy's four guiding principles are responsiveness, quality, accessibility and flexibility. Key strands of the strategy include making higher education more responsive to the needs of the economy, ensuring a high quality learning experience and making the higher education sector more accessible.

In September 2012, the Northern Ireland Executive published "*Access to Success*"¹⁶, a new integrated regional strategy for widening participation in higher education, which includes the development of non-traditional routes into higher education through Adult Access Courses and increased part-time opportunities. Northern Ireland has also instituted a range of measures to help engage employers, particularly those from small and medium-sized enterprises, in the field of skills development.¹⁷

A particular focus of EU policy in the light of the impact of the global financial and economic crises is that of youth inactivity and specifically the issue of young people not in education, employment or training (NEET). The "*Pathways to Success*" strategy agreed by the Northern Ireland Executive in 2012 seeks to tackle this issue and includes the following measures:

- The Apprenticeships NI programme offers training and qualifications across a diverse range. It has been supported financially by the EU under the European Social Fund. As of 31 January 2013, there were some 10,000 young people on the scheme. The programme has been radically revamped in early 2014 to improve the skills landscape for learners and employers and to ensure there is a pipeline of appropriately skilled people so the Northern Ireland economy can achieve greater efficiency. The apprenticeships are held to be central to efforts to help Northern Ireland transform its economy and have the potential to radically reform and improve the local skills and training landscape. The enhanced apprenticeships form a major plank of the 2014-20 Northern Ireland ESF programme.
- The Department for Employment and Learning (DEL) offers a guarantee of a training place through its *Training for Success* (TfS) programme for all unemployed 16-17 year old school leavers who do not wish to remain in, or are not able to benefit from, mainstream education or further education. This guarantee is extended for young people with a disability or from an in-care background up to the ages of 22 and 24 respectively.
- Part of the *Training for Success* programme is the *Learner Access and Engagement* (LAE) programme focused on young people who are NEET. It has been launched in September 2013 and it aims to provide support to disengaged or disaffected learners, aged 16 to 18, to get back into mainstream further education and training.

Outlook

¹⁶ <http://www.delni.gov.uk/access-to-success.pdf>

¹⁷ These include: Skills Solutions Service which provides a single point of contact for employers on skills matters providing advice, brokering training and helping employers access appropriate funding streams; a diagnostic service (the Management Analysis and Planning programme) to assist companies to identify and meet their management and leadership needs; an on-online diagnostic and signposting questionnaire for individual managers which will direct individual managers to appropriate programmes including; a range of 27 supported management and leadership programmes to develop managers at all levels within a business.

Consistent with its importance in the European Union's 2020 strategy, education and training is a priority among EU policies for the new planning period, 2014-2020. New opportunities for Northern Ireland arise in this context.

First, a continuation of the existing cooperation under the Education and Training 2020 strategic framework, involving the newly established Working Groups, could contribute to the design of policy instruments in Northern Ireland. Under the framework, the aim is to help Member States and their regions to implement effective reforms of their education and training systems and to learn from other countries by exchanging good practice examples on a range of educational matters.

Second, Northern Ireland has the possibility to draw on new EU programmes. The Structural and Investment family of programmes (discussed in other sections) remain the largest source of financial support but they are not alone. The "Creative Europe" and "Marie Skłodowska-Curie" actions (mentioned in other sections) are also open to a broad range of potential beneficiaries.

In general, a more active participation in the Erasmus+ programme¹⁸ is to be encouraged as an inspiration for innovative solutions and transnational cooperation. In order to achieve the goals of recent EU policies as well as to address some of the challenges in the education sector, a range of instruments can be put forward for funding within the Erasmus+ programme. These include the setting up of Sector Skills Alliances with the funding of Erasmus+ in order to identify sector skills needs and required competence standards which in turn can inform school curriculum design and align education to labour market needs. Setting up Knowledge Alliances under Erasmus+ would help to foster innovation in higher education, enterprises and the socio-economic environment. These Alliances seek to bring together 6 organisations from 3 different countries to exchange good practice on stimulating of cooperation between higher education and business.

Third, under the heading of Strategic Partnerships the opportunity is offered for organisations active in the fields of education as well as enterprises, public authorities and civil society organisations to cooperate in order to implement innovative practices leading to high quality teaching, training, learning, youth work, institutional modernisation, societal innovation.

¹⁸ http://ec.europa.eu/education/opportunities/index_en.htm

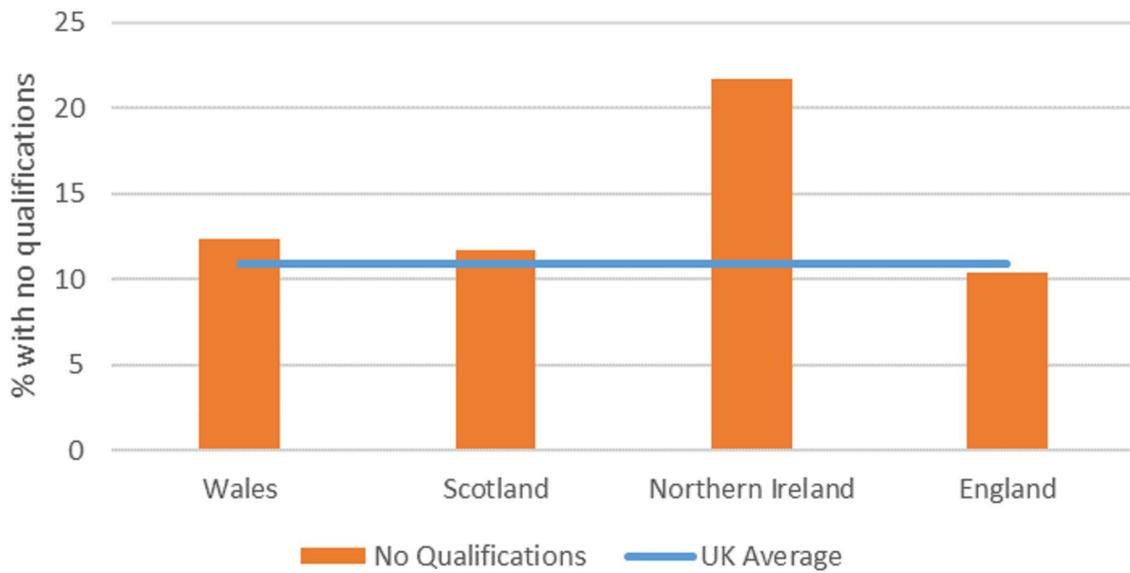


Figure 1: Proportion of 16-64 year olds with no qualifications, 2011

Source: NOMIS, Office for National Statistics

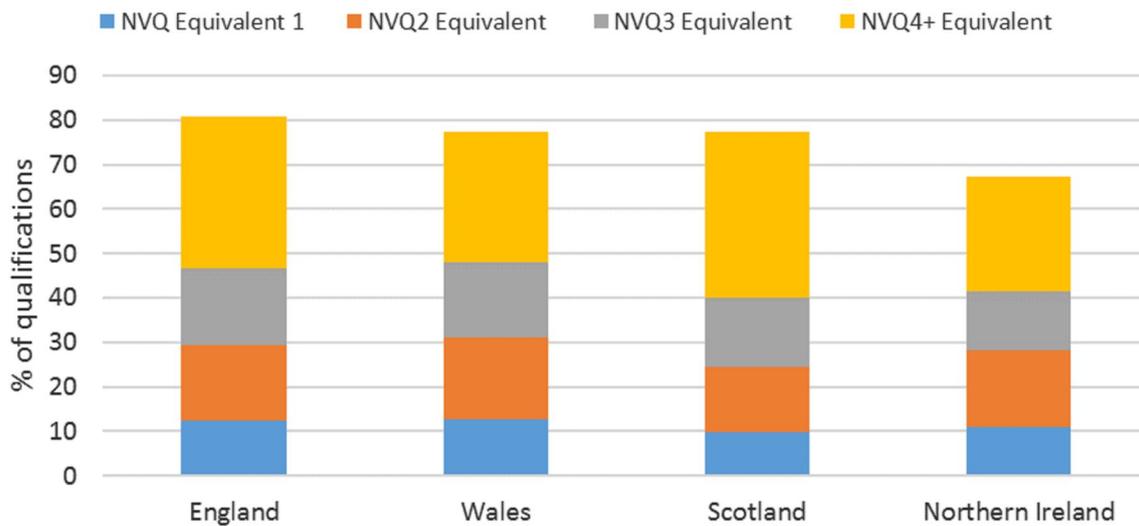


Figure 24: % of 16-64 year olds with NVQ level 1-4+

Source: Annual population survey (Jan 2012-Dec 2012),

Office for National Statistics

(f) The EU's Employment and Social Policy

Northern Ireland and the EU employment and social policy programmes

Much of the intervention under the heading of employment and social policy is supported ("co-financed") by the EU budget using the European Social Fund (ESF), along with the ERDF, a "structural fund" of the EU (and now one of the family of European Structural and Investment Funds (ESI Funds)).

For the period, 2007-2013, the resources were delivered in Northern Ireland under a programme of the EU's Regional Competitiveness and Employment objective of the structural funds. Of the total structural funds allocation for the programme of € 472 million, the ESF accounted for € 189 million or 40% of the total. The rest was accounted for by the ERDF with 282M€ or 60% of the total (see section below). In Northern Ireland, ESF resources were managed by the Department of Employment and Learning (DEL).

For the PEACE programme for the period 2007-2013, the ESF was no longer mobilised as such, becoming entirely co-financed by a single source of EU resources, the ERDF.

Over the period of the programme, the role of the ESF became more important, and in May 2013 the decision was taken to transfer € 24 million from the ERDF to the ESF for use in the latter's employment and skills projects. The ESF for 2007-2013 (which is still operational) is judged to have been performing well, reaching the overwhelming majority of the targets set, overshooting in some.

The Northern Ireland ESF overall target has been to have 100,200 people drawn from the working-age population participating in employment schemes and work-related skills trainings. The overall aim is to promote the transition of the unemployed into jobs and to upgrade the skills levels of those having jobs. This overall target population is composed of 28,870 unemployed, 19,850 economically inactive and 4,500 not in education, employment or training (NEET). The skills target is to have 46,980 employed participants, of which 19,220 with basic skills needs.

The programme overshot its targets in several fields, for example, in the number of unemployed participants (33,540 against set target of 28,870), the number of participants gaining basic skills (10,935 against a set target of 8,540) and the number of participants gaining full qualifications at level 2 or above (17,347 against a set target of 11,470).

Northern Ireland in EU employment and social policy

There have been intensive contacts over the period since the 2008 report between the NITF representatives of the Directorates General for Employment and Social affairs (DG EMPL) and representatives of the devolved institutions.

Through the NITF, Northern Ireland was selected as the venue for two European conferences: Employment and Social Policy seminar, Belfast (April 2008) and the Fifth Annual Anti-Discrimination Conference, Waterfront Hall, Belfast (June 2008).

There has also been close contact throughout between the Ministers and senior officials responsible for the Department of Employment and Learning and the NITF on Northern Ireland's long-term plans in the field of employment and broader employment-related policies. DG EMPL participated in a Learning Network Co-ordination Meeting in Belfast in May 2012 where the formal launch took place of the ESF projects exhibition.

Outlook

For the next programming period, Northern Ireland will qualify under the "More Developed Regions" strand of EU cohesion policy. The ESF programme will only be subject to a slight reduction of funding: the yet to be fully agreed UK-level "Partnership Agreement" mentions a total of € 456 M for both ESF and ERDF in the region, which is only slightly below the actual figure of € 472 M. The final shares of the ERDF and ESF, respectively, remain to be decided.

As regards the preparation of the next programme, this is well underway, both in DFP, which has the role of co-ordinating EU funding streams, and by the DEL, which manages the ESF. The future ESF will focus on employment, skills and on social inclusion. Specific attention will be dedicated to youth unemployment.

In the preparations for the next period, the Deputy Director General of DG EMPL addressed the "Not in Employment, Education or Training (NEET)" Conference in Belfast in November 2013, which also drew attention to the best practice examples emanating from the region. Indeed, based on the analysis of the Directorate General for Education and Culture, it appears that Northern Ireland will need to tackle high numbers of people without qualifications and the problem of businesses engaging in relatively little job-related training compared, for example, with other UK regions. The objectives of Northern Ireland for the investment in education in the 2014-2020 period of the European Social Fund are the likely to have a strong focus on the following:

- Increasing the proportion of people in employment skilled at levels 2, 3 and 4-8.
- Supporting higher-level skills for priority economic sectors.
- Delivering training and support knowledge transfer in agriculture.
- Increasing level of training for agro-environment and forestry schemes.

There is a particular focus on responding to the skills needs of priority economic sectors including support for higher level skills in line with the Northern Ireland Economic Strategy the Northern Ireland Skills Strategy and the EU Skills Panorama²⁹⁷ (as part of the Agenda for New Skills and Jobs).

As a result of evaluations, it was felt that there was potential to re-focus the effort to target NEETs in the light of the increasing number in this category in Northern Ireland and the apparent difficulties in achieving the Northern Ireland ESF target for dealing with NEETs. It was felt that a more strategic approach to targeting this group may be of value with the help of the ESF.

Meanwhile in the agricultural sector, which is an important feature of the Northern Ireland economy, a 2008 survey, "Educational Attainment of Farm Operators in Northern Ireland", survey carried out by Agri-Food and Bio-Sciences Institute indicated that 78% of those surveyed had no formal agricultural qualification. Farm operators of working age in Northern Ireland, in general, have lower levels of educational attainment compared to males in the wider population. Furthermore farm operators with off farm employment also have lower average hourly wages compared with non-farming males. Tailoring the learning style to the correct audience is vital to ensure maximum impact from the intervention. In farming, peer learning and business benchmarking has been shown to increase business performance in the lowest performers within a group. Therefore, Northern Ireland plans to focus on raising farmers' qualification levels in the period, 2014-2020.

(g) The EU's environment policy

EU Environment programmes

The 2008 report called on Northern Ireland to deepen its relationship with the Directorate General for the Environment (DG ENV) and there is evidence that, with the information and advice channelled through the NITF contact point, this has been the case. In particular, Northern Ireland appears to have become more active in the LIFE programme, through which the EU financially supports environmental and nature conservation projects throughout its territory. In total since its introduction in 1992, LIFE has co-financed some 3954 projects, contributing approximately €3.1 billion to the protection of the environment. In the period, 2007-2012, LIFE has co-financed 8 projects either targeting Northern Ireland as a region or as an important component of a project covering the UK as a whole.

In the following, examples are provided where Northern Ireland's involvement has been considered to represent best practice.

Under the heading of "*Promoting the importance of the EU Birds Directive in conservation management on farmland*" (with a total budget € 1.7 million)¹⁹, a project was led by the Royal Society for the Protection of Birds (RSPB) which worked closely with farmers across the UK, including in Northern Ireland, to make farms more hospitable to birds, so as to help reverse their decline. As a result, 105,000 hectares entered into agro-environment schemes, while 10,000 hectares of wildlife habitat were created. Some 65 farms offered to act as demonstration farms and in this context were visited by some 2500 other farmers. An annual contest was run to choose the most nature-friendly farm, with 750 entries over 3 years. In 2010, it was won by John and James Davison from Northern Ireland. An on-line "toolkit" to help farmers apply conservation management was developed. In its final year, the project focused on just 11 selected areas of particular importance to farmland birds, one of which was in the eastern part of County Down.

Under the heading of "*LIFE REBus - Developing Resource Efficient Business Models*" (budget € 3.1million)²⁰, the Waste and Resources Action Programme, which is supported by the Department of Environment for Northern Ireland, sought to demonstrate how businesses and their suppliers can implement resource efficient business models (REBMS), focusing on four key markets: electrical and electronic products; clothing; furniture; and construction products.

The aim is to implement 10 pilot REBMs in major organisations and 20 in SMEs, in order to achieve resource savings equivalent to 15% on current resource consumption over the project lifetime. The project is expected to deliver annually 5,000 tonnes direct material savings, 20,000 tonnes of GHG emissions savings; and financial benefits of €12 million.

¹⁹http://ec.europa.eu/environment/life/project/Projects/index.cfm?fuseaction=search.dspPage&n_proj_id=3504 and <http://www.rspb.org.uk/ourwork/projects/details/286806-eu-life-farmland-bird-project>

²⁰http://ec.europa.eu/environment/life/project/Projects/index.cfm?fuseaction=search.dspPage&n_proj_id=4751 and <http://www.wrap.org.uk/content/rebus>

Under the heading of "*Futurescapes: promoting the development of green infrastructure in 34 priority areas throughout the UK*" (budget € 3.9 million)²¹, a further project led by the RSPB sought to encourage the development and implementation of landscape-scale conservation initiatives, involving many partners, in 34 priority areas across the UK. The 'Futurescapes' cover a total area of 2.18 million hectares with population of 3.83 million people. Of the 34 sites, two were selected in Northern Ireland (Lough Neagh Basin, and Lough Erne Basin). The expected results include the establishment of active, interdisciplinary partnerships in each of the project areas involving 10-40 organisations within each area, with the aim of working to an agreed conservation plan specifying some 3-5 practical tasks to be carried out per area. The plans should cover some 10% of the total area of the site and should ensure the engagement of up to 10,000 members of the public in each Futurescape.

Under the heading of "*Celtic Seas Partnership (CSP) – a stakeholder driven integrated management of the Celtic Seas Marine Region*" (budget € 4M)²², the World Wildlife Fund (WWF-UK) seeks to develop stakeholder engagement in the management of the Celtic Seas Marine Region. It seeks to reduce conflicts and to improve enforcement, developing and disseminating best practises, sectoral action plans and ecosystem based management, and in general supporting the implementation of the MSFD in this region and improving governance.

Under the heading of "*LIFE ObservaTREE - an integrated early warning system for tree pests and diseases using citizen science*" (budget € 2.2 million)²³, the UK Forestry Commission Research Agency, aims to develop an effective Tree Health Early Warning System, and thereby contribute to reducing the losses to nature and to the economy from tree pests and pathogens. This will mobilise landowners, industry, academia and government agencies from throughout the UK, as well as the general public.

In addition, a number of projects financed under the LIFE III programme were still active during the period 2007-2012. One example is "*NITRABAR - Remediation of agricultural diffuse nitrate polluted waters through the implementation of a permeable reactive barrier*" (budget € 1.5 million)²⁴. The project, (which was mentioned in the 2008 report and) which ended in 2009), while led by the University of Oxford included Queen's University Belfast as an associate beneficiary) ended in 2009. The project demonstrated a new technology to promote recovery from the legacy of past farming practices in terms of the increase in nitrate levels in ground water. Although there are technologies to prevent further pollution, this project was unique in that it tackled the build-up of existing nitrate pollution. The Nitrabar system is a permeable reactive barrier technology and consists of a trench with a mixture of natural materials (gravel, sand and organic matter), which have the conditions for denitrifying bacteria to thrive. Gabion technology holds the components in place. As groundwater flows through the system, the nitrate present is converted into harmless nitrogen gas. The

²¹http://ec.europa.eu/environment/life/project/Projects/index.cfm?fuseaction=search.dspPage&n_proj_id=4028 and <http://www.rspb.org.uk/futurescapes/index.aspx>

²²http://ec.europa.eu/environment/life/project/Projects/index.cfm?fuseaction=search.dspPage&n_proj_id=4218 and <http://celticseaspartnership.eu/>

²³http://ec.europa.eu/environment/life/project/Projects/index.cfm?fuseaction=search.dspPage&n_proj_id=4754

²⁴http://ec.europa.eu/environment/life/project/Projects/index.cfm?fuseaction=search.dspPage&n_proj_id=2838

technology itself was installed and trialled in Northern Ireland beside a river at the Ecos Millennium environmental centre.

Performance was monitored over a 12 month period and the full results of the trials are now known. They show that Nitrabar is capable of supporting a near 100% de-nitrification of groundwater concentrates between 40mg/litre and 100mg/litre while remaining 85% effective at groundwater concentrations at or above 500 mg/litre nitrate. It provides a unique solution for removing existing diffuse nitrate pollution from groundwater, hence reducing incidence of nutrient enrichment of rivers and lakes, eutrophication and minimising the need for end of pipe high cost drinking water treatment. It uses organic widely available materials that may otherwise be regarded as waste, and that are not harmful.

The use of this technology would enable the continuation of good farming practice, quality food production and strong agricultural communities. It does not require an energy input once installed.

Outlook

The Commission was pleased that Northern Ireland targeted the environment as an integral component of the work of the NITF in the overall effort to improve sustainable competitiveness and employment opportunities in the region. A growth model that seeks to preserve and improve the environment is the only one that is sustainable over the longer-term. The NITF therefore recommends that efforts in the region in this field should be redoubled.

First, and as illustrated above, Northern Ireland has already been increasingly involved in environmental projects supported under LIFE, it is felt that there is scope for the devolved institutions to raise participation in the future. The budget for the new LIFE programme, 2014–2020, is significant, at €3.4 billion. It will be used as an integral part of the EU's efforts to promote a more sustainable model of development in accordance with the Europe 2020 Strategy and the 7th Union Environmental Action Programme. The new LIFE Programme offers Northern Ireland renewed possibilities to tackle regional as well as all-island problems relating to the environment.

Second, improving Northern Ireland's waste management systems could contribute to achieving key objectives and targets of the Europe 2020 Strategy. A better application of the "waste hierarchy" not only brings environmental benefits but also creates opportunities for new economic activities and job creation that – in many cases – are captive to the region because they cannot be carried out economically elsewhere. The 7th Environmental Action Programme identifies the transformation of the EU into a resource efficient and low carbon economy by, among others, turning waste into a resource as one of its nine priority fields. Reducing landfill remains one of the main challenges related to waste in the UK and Northern Ireland. Full implementation of the existing waste legislation could reduce direct and indirect GHG emissions by an amount equal to 4 % of total 2004 emissions.

Third, "nature-based solutions" could substantially improve resource efficiency as regards ecosystem services such as the management and prevention of floods. The increasing costs of flooding is having a negative impact on regional economies and job growth in many parts of Europe. A recent study shows that on average, investment in flood protection typically return benefits 6-8 times their initial costs. Between 2002 and 2013, 48 floods were recorded in UK 10 of which were in Northern Ireland with an average financial cost per flood estimated at € 480 million²⁵. The latest climate change projections indicate rising sea levels and increasingly severe and frequent rainstorms which would mean that the risk of floods will increase.

²⁵

http://ec.europa.eu/environment/integration/green_semester/studies_en.htm

Fourth, Northern Ireland has already submitted a 'prioritised action framework' (PAF) setting out its strategic priorities for investment in Natura 2000 for 2014-2020. This is regarded as a positive step and should provide a more solid basis for the effective use of future EU financial support. The NITF considers that actions need to begin immediately, including proposals relating to the all-island context to promote cross-border co-operation in shared spaces of high-value biodiversity. In general, connecting rural development policy under the CAP with EU environment policies/strategies such as air, soil, Natura 2000, biodiversity, water, nitrates, resource efficiency and pesticides is considered important, ensuring that all the implementation mechanisms available are used to improve environmental objectives.

(h) The EU's Energy Policy

With regard to energy, the Commission notes the important devolution of powers to Northern Ireland from the national level, including legislative powers, and the existence of separate electricity and gas regulation arrangements, including its own Regulator. Energy policy comes under the Northern Ireland Department of Enterprise, Trade and Investment (DETI).

The energy mix is split evenly between oil, gas and coal. Three major *power stations* provide 97% of power supplies: gas-fired Ballylumford power station, Coolkeeragh, (a new CCGT plant replaced the old oil-powered plant in 2005), and coal/oil-fired Kilroot power station (with some biomass co-firing). There are plans to add a gas-powered extension at Kilroot.

There is an important all-island dimension, and the electricity grid is connected to that of the Republic of Ireland by three cross-border interconnectors. The main interconnector, between Tandragee (Northern Ireland) and Louth (Ireland) has a capacity of 1,200 MW. Two back-up interconnectors have a combined capacity of 240 MW. This combined all-island grid is connected to the National Grid of Great Britain by the 500 MW Moyle interconnector. In practice, the region imports power from the rest of the UK, and exports power to the Republic of Ireland. Finalised in 2002, the Moyle Interconnector represented a project of European interest and was supported through the regional programme with an EU contribution of € 81 million. There is no nuclear production in the region, nor on the island more generally.

Northern Ireland is developing an all-island energy market with the Republic of Ireland. Priority is given to North-South cooperation and, in this framework, the EU has provided substantial support. Northern Ireland is not part of the British Energy Transmission and Trading Arrangements (BETTA), which covers the rest of the UK. Northern Ireland Electricity (NIE, part of the Viridian Group, the major Irish energy company) is the former monopoly supplier and remains the major electricity producer and supplier, owning and operating the electricity network in NI.

With regard to natural gas and oil, Northern Ireland, as well as the Republic of Ireland, is supplied through the UK and mainland Europe. Gas comes via a pipeline, oil via the sea. Phoenix Natural Gas is the principal gas supplier. Northern Ireland Energy Holdings owns and manages the Moyle Interconnector and SNIP. The potential for natural gas storage in the Permian and Triassic salt strata in County Antrim is being studied.

The region no longer produces coal. Lignite reserves are available but no agreement over their exploitation has been reached due to environmental concerns. There are currently no known plans to develop a "clean" coal industry (using Carbon Capture and Sequestration technologies).

Renewable energies are a European priority. In Northern Ireland, wind is currently the predominant renewable energy source. Nevertheless, non-wind sources of renewable energy for electricity generation are emerging. The major biomass CHP plant, operated by Balcas in Enniskillen since November 2005 produces both electricity and heat as well as wood pellets for energy production. Tidal power pilot projects are under development. There are two small hydropower plants.

There is a strong commitment to increasing the use of renewable energies and to reducing CO2 emissions. The aim is to promote the development of indigenous renewable energy generation to the extent that it will be capable of providing 12% of the electricity consumed by 2012 and requiring that from 2007 overall consumption of electricity is reduced by 1% per year until 2015. In April 2005, DETI introduced the "Northern Ireland Renewables Obligation" (NIRO) as the main mechanism for stimulating renewable energy deployment. The NIRO places a legal requirement on electricity suppliers to provide evidence that a specified and annually increasing proportion of their electricity supplied to final customers has been generated from renewable sources, or to pay a buy-out fee that is proportionate to any shortfall. For 2006-2008, a funding package of € 77.3 million (£ 59.2 million) has been allocated for renewable energy programmes in research and demonstration, building market capacity through infrastructure and supply chain development, commercial deployment of renewable energy and raising awareness activities. A Renewable Transport Fuel Obligation (RTFO) is being developed on a UK-wide basis by the national administration in liaison with the NI Executive.

With regard to the social dimension of the energy supply, there is an important issue of fuel poverty, which is an issue across the UK. It is estimated that 170,000 households (25% of the region's total households) experience fuel poverty owing to low incomes, high fuel prices, limited fuel options and an inability to afford energy efficiency measures such as insulation.

Regarding energy efficiency more generally, the UK has included one policy specific to Northern Ireland in its notification to the Commission on how it plans to implement Article 7 of the Energy Efficiency Directive (the "EED"): the Northern Ireland Sustainable Energy Programme. The Commission looks forward to receiving information from the UK authorities on the specific measures taken in Northern Ireland to implement the EED which is due by the transposition deadline of 5 June 2014.

Outlook

The NITF believes that an interesting opportunity exists for Northern Ireland to encourage its centres of excellence to participate in setting up consortia to bid to become Knowledge and Innovation Communities under the EIT. Areas such as climate change and renewable energy will be early contenders. Also, it considers that there may be scope for different levels of participation including close association with other key players. Above all, centres of excellence will need to network with other key players across the EU and to be prepared to integrate with them in joint activity.

In addition under the Horizon 2020 work programme technologies that are of active interest for Northern Ireland are included. Renewable energies, in particular wind and ocean, as well issues on grid interconnections and management, and smart cities, are topics in which local players that could invest and participate. The possibility exists to combine Horizon 2020 with structural fund projects in areas of strategic interest that can match local smart specialisation strategies.

(i) The EU's Transport and Mobility Policy

The relevant Commission service, the Directorate General for Transport and Mobility, has maintained regular contact with the Northern Ireland authorities, principally through the ONIEB. Most recently, the implementing agency for the policy, renamed in 2014 "the Innovation and Networks Executive Agency" (the "INEA", formerly the Trans-European Networks Transport Agency or "TEN-T EA") visited Belfast in February 2014 to meet the beneficiaries of on-going transport projects and monitor project implementation.

Northern Ireland and TEN-T, 2007-13

During this period, the TEN-T programme financed some 7 projects concerning Northern Ireland for a total EU budgetary contribution of € 28.4 million. One of the projects is regarded as of particular importance in European policy terms since it concerns a TEN-T priority: the development of the A8 road, managed by the Northern Ireland Department for Regional Development, creating a dual carriageway between Ballyrickard Roundabout and Coleman's Corner. The total project cost is some € 91.8 million with an EU contribution of €18.3 million. The start-date was in July 2012 and the project is scheduled to be completed in December 2015.

Outlook

For the new planning period, the EU has established a source of funding known as the Connecting Europe Facility (CEF) which will represent the main funding instrument for investment in trans-European infrastructure. The transport part of the CEF has a budget of € 26.2 billion (€ 14.9 billion for projects in all 28 EU Member States and € 11.3 billion reserved specifically for the 15 member states that are eligible for investment support from the EU's Cohesion Fund (the group of the poorest member states which does not include either the UK or Ireland). The CEF will finance the TEN-T through grants, but also through innovative financial instruments such as the issue of project bonds.

In January 2014, the Commission set out the transport funding priorities for the CEF. Most of the finance available is intended for major cross-border projects and to alleviate bottlenecks on nine TEN-T core network corridors. The CEF will also support innovation and traffic management systems, with aim of promoting the best use of the existing infrastructure (for example, the European Rail Traffic Management System, or "ERTMS", for railways or the Single European Sky ATM Research, or "SESAR", for aviation). The CEF will support primarily projects listed in Part I of the Annex of the CEF Regulation, which have been pre-identified by the Commission in consultation with the Member States²⁶.

For the UK, of particular importance is the "North Sea-Mediterranean core network corridor". One pre-identified project within this corridor concerns Northern Ireland. In fact, the decision was taken to explicitly include, in the list of CEF financing priorities, the upgrading of port and multimodal connections in Belfast, which are regarded as particularly important for the connectivity and competitiveness of the region as a whole.

The NITF considers that it is important for the devolved institutions to note that Implementation is now beginning. On 5 March 2014, the CEF Coordination Committee, which brings together representatives of the member states, gave a unanimously positive opinion on the first CEF annual and multiannual work programmes. These foresee initial investment of € 12 billion to be allocated to transport projects through grants and including a number of support actions aiming *inter alia* at

²⁶ <http://register.consilium.europa.eu/doc/srv?l=EN&f=PE%2076%202013%20INIT>

improving the capacity of Member States and project promoters to prepare the project pipelines, in particular in the 15 poorer member states. The € 12bn will be implemented through calls for proposals to be issued by INEA in September 2014, and the list of projects selected for support under the CEF will be published in Summer 2015.

(j) The EU's Climate Change Policy

Northern Ireland and Climate Change Policy

The Directorate General for Climate Change (CLIMA) joined the NITF only recently in 2011. CLIMA has facilitated contacts between the devolved institutions and the NITF on for various areas of interest such as available funding opportunities for demonstration projects to help influence future key EU policies in the area of climate change and energy or find out more on developing appropriate mitigation and adaptation actions at regional level.

In the period since 2011, there have been a number of meetings, organized informally, between Northern Ireland and CLIMA officials. DG CLIMA participated in the Cross Border Partnership Seminar for Northern Ireland and Ireland in October 2011 to present and advise on the importance of the integration of climate change mitigation and adaptation into the programming of EU Structural and Investment Funds for the period 2014-2020.

Northern Ireland and the NER 300 programme

Other subjects covered in the course of these contacts have included, notably, those dealing with climate change adaptation and transport. While EU climate change policies also draw on financial support from the LIFE programme referred to in a previous section, attention is also drawn to the relatively new "NER 300" initiative, which is managed by the Commission (CLIMA) with the European Investment Bank acting as an agent for the Commission in certain tasks. It is one of the largest financing programmes in Europe for the promotion of innovative, low-carbon energy demonstration projects, in particular, carbon capture and storage (CCS) and innovative renewable energy (RES). NER300 is funded from the sale of 300 million emission allowances from the new entrants' reserve (NER) set up for the third phase of the EU emissions trading system (EU ETS). The funds from the sales are to be distributed to projects selected through two rounds of calls for proposals, covering 200 and 100 million allowances respectively. In response to the second call for proposals in 2013, covering 100 million of the 300 million allowances, the 33 project applications were submitted, of which two are from (other parts of) the UK. The competition process is still ongoing and the Award Decision regarding successful projects is envisaged for mid- 2014.

Under the previous call for proposals under NER 300, covering 200 million of the 300 million allowances, published in November 2010, the Commission awarded in December 2012 €1.2 billion to 22 RES projects, where the UK had two successful bids, both of which were located in Scotland: the Sound of Islay ocean energy project, which was awarded € 20.65 million, the largest EU award to an ocean energy project and the Kyle Rhea tidal wave energy project which was awarded € 16.77 million²⁷.

Outlook

²⁷ http://ec.europa.eu/clima/news/docs/c_2012_9432_en.pdf

In its recent publication on future policy for climate and energy²⁸, the Commission has indicated that the concept of an expanded NER300 system will be explored as a means to directing revenues from ETS towards the demonstration of innovative low carbon technologies in the industry and power generation sector.

The NITF, through the CLIMA representative, has sought in general to keep the devolved institutions aware of support given to RES technologies such as bioenergy, concentrated solar power, photovoltaic, geothermal, wind, ocean, hydropower, and smart energy grids.

(k) The EU's Agriculture and Rural Development Policy

The Directorate General for Agriculture and Rural Development (DG AGR) has been active in NITF meetings throughout its existence, including participating in the meetings in the region mentioned above.

Northern Ireland and the Common Agricultural Policy

According to the Northern Ireland authorities²⁹, the Common Agricultural Policy (CAP) and the support it provides are critically important for the viability of the agricultural industry, for the health of the environment and for the wellbeing of rural communities in the region. The CAP has an important impact across a broad spectrum of rural life in the region. The nature of the land and the climate means that its agriculture is mainly grass-based with 90% of agricultural land being permanent grassland, and a further 4% in temporary grass. The main farming activities are beef and sheep production and dairy farming. This partly explains why there have been close contacts historically between the Northern Ireland authorities and the DG AGRI, which have been especially intensive over recent years with dedicated staff in the ONIEB. This has addressed a number of specific issues such as the dioxin crisis of 2008 on the island where EU support was granted to assist in the cull of the animals involved, together with the approval of a pigmeat processors hardship scheme. Both decisions were given priority by the Commission. The Commission has also worked closely and constructively with the region in building new auditing systems adapted to the EU policy move towards the "single farm payment" system after 2005. This help has been particularly welcome in view of the complex nature of the changes required.

In terms of general policy, in the course of the implementation of the CAP reform for 2007-13, the European Commission introduced changes to the Common Agricultural Policy under the heading of a "health check"³⁰. The health check produced a number of changes in orientation including: a revision of the "Single Payment Scheme" to farmers to make it fairer and more responsive to new priorities such as environmental protection; adaptations to the cereal and dairy product regimes as strong international demand reduced the need for EU intervention; using the CAP to address issues such as climate change, bio-energy and water management, biodiversity.

²⁸European Commission (2014): A policy framework for climate and energy in the period from 2020 to 2030. (COM (2014) 15 final),

²⁹ Department of Agriculture and Rural Development for Northern Ireland, submission on the CAP Communication March 2011

³⁰ See European Commission (2009): Communication from the Commission to the European Parliament and the Council of 20 November 2007 on preparing for the "Health Check" of the CAP reform. COM(2007) 722 final.

Northern Ireland and the Rural Development programme 2007-2013

Climate change was recognized as a pivotal issue for European agriculture. The sector already contributes to reducing greenhouse gas emissions, but it is still exposed to some of the issues introduced by climate change, including bio-energy, water management and biodiversity. Accordingly, it was proposed to address these issues through rural development programmes, vigorous careful implementation of cross compliance requirements, and increasing research and innovation.

In Northern Ireland, the European rural development programme described in the 2008 report was revised (December 2009) in a partnership between the region's authorities and the Commission in the light of the health check to address the challenges, focusing on biodiversity, climate change, water management and restructuring in dairy farming. It is considered that the Rural Development Programme is being implemented satisfactorily.

Among the tangible examples of the direct impact that EU support has had on the ground in Northern Ireland, includes the European Economic Recovery Plan, under which € 1.38 million was allocated to the next generation broadband internet services for rural businesses. Another example of the direct impact of the CAP is on quality labels. Northern Ireland quality labelling applications were successful for Armagh Bramley Apples, Lough Neagh Eels and New Season Comber potato, thus giving recognition to products that can only be produced under these headings on Northern Ireland soil. The applications relating to "Northern Ireland Beef" and "Northern Ireland Lamb" did not meet the conditions for registration and have been withdrawn by the United Kingdom authorities. The Commission notes that a new all-island submission has been made for recognition for Irish salmon.

Outlook

In its prospective analysis of December 2013, "Prospects for agricultural markets and income in the EU, 2013-2023"³¹, the Commission set out its expectations for agriculture and agricultural producers. It drew attention to possible future pressure on producer margins arising from external factors such as energy prices (not just as a sector input, but as determinant of biofuel prices and margins), volatile weather conditions, due to climate change, and changing consumer tastes. It said that there was therefore a need for pursuing efficiency gains, possibly impacting negatively on numbers in the agricultural labour force. The analysis foresaw a likelihood of more extreme price movements year-on-year leading to sharp swings in annual farm income.

The analysis described in detail the risks by sector. EU meat production is expected to be supported by strong demand on the world market driven by favourable economic conditions. Due mainly to developments in the dairy herd following the abolition of the milk quota, beef production is projected to decline by around 7% from the 2010-12 average to a low 7.6 million tonnes in 2023. Pig meat production should be boosted to 23.4 million tonnes by 2023, coming from more productive farms, while poultry production should expand at a rate of 0.8% per year in 2012-23.

The analysis concluded that while the increase in milk production should continue in 2015 (+1.6%), after 2015 milk deliveries are expected to increase further, but at a slower pace, to reach 150 million tonnes in 2023. Prospects for this important sector in Northern Ireland agriculture, are favourable, given the strong world demand for dairy commodities and feed price projections 15 % below 2010-12 levels, which should keep the nominal EU price quite stable, but steady increases in other operating costs (especially for energy) are likely to squeeze margins.

31 http://ec.europa.eu/agriculture/markets-and-prices/medium-term-outlook/2013/fullrep_en.pdf

By 2023, the production of fresh dairy products is expected to have increased by 3% compared to 2012, and reach 48.3 million tonnes. Cheese production is expected to absorb most of the additional milk delivered to dairies, with production projected at 10.7 million tonnes by 2023, with exports close to 1 million tonnes and imports remaining very low, at around 75 000 tonnes. By 2023, the production of fresh dairy products is expected to have increased by 3% as compared with 2012 to reach 48.3 million tonnes. Butter production should stabilise from 2015 onwards, at 2.3 million tonnes, as operators prefer to use dairy fat for cheese. Skimmed milk powder production is expected to rebound from the 2013 decrease thanks to the higher milk availability. Continued growth is projected after 2015, albeit at a slower pace, with production of 1.25 million tonnes by 2023, driven mainly by export demand – from 2016 onwards, half of the production will be exported. Increased milk availabilities should result in whole milk powder production declining more slowly than in the past decade, down to 604 000 tonnes by 2023. By 2023 EU dairy producers should be able to export an additional 850 000 tonnes of cheese, more than 650 000 tonnes of skimmed milk powder and 600 000 tonnes of whole milk powder and close to 250 000 tonnes of butter.

CAP 2014-2020

An information session specifically on post-2014 Common Agricultural Policy was organised in Brussels with the participation of DARD/AFBI on 28 March 2012. The new direct payments system, market support mechanisms, the European Investment Partnership and Rural Development policy, were the themes covered during this session.

In the framework of the Common Agricultural Policy, 2014-2020, Northern Ireland will receive direct payments ("Pillar 1") of some € 2.3 billion and a rural development ("Pillar 2") allocation of some € 227 million. The allocation for the various regions in the UK is agreed internally within UK. These compare favourably with the overall UK allocations, equivalent to around 9% of each of the UK's Pillar 1 and Pillar 2 budget allocations. The maintenance of a strong CAP budget was among Northern Ireland's top priorities during the negotiations on CAP reform and the new MFF.

In relation to Pillar 1, Northern Ireland supported the main thrust of the Commission's proposals to introduce a fairer more equitable payments distribution system and to increase the environmental performance of the CAP. The region has operated a static hybrid regional model since 2005 and there were some concerns that the move to area payments could pose redistribution problems for beef and sheep producers.

Northern Ireland achieved considerable regional flexibility in how it can implement the reform, which will allow it to shape the new support arrangements to meet its own particular circumstances and needs. One of the main issues which was of concern to Northern Ireland and where the region obtained a satisfactory outcome in the negotiations was that of "greening". Permanent grassland may be monitored at regional level and extra flexibility was gained on crop diversification and Ecological Focus Areas for mainly livestock farms. Other key issues for Northern Ireland included the possibility to allocate entitlements under the new regime to new producers if they can provide verifiable evidence of production activity in 2013; dual claims; the definition of active farmer.

In relation to Pillar 2 of the CAP, Northern Ireland supports the Commission's objective to improve the competitiveness of the food chain and to promote investment in research and development and the focus on job creation and business support. The Commission welcomes the move by DARD to have a Horizon 2020 contact point for AFBI, in an effort to ensure maximum participation in research activity. As an agricultural region, Northern Ireland has much potential to contribute to EU policy: one example was the veterinary research on disease in 2008 which demonstrated that "Bluetongue" could be transmitted across the placental barrier, and led to the adaptation of European Animal Health trade legislation.

The 2014-20 rural development programmes for Northern Ireland, as well as all programmes financed by the Structural and Investment Funds family of Funds, should contribute to achieving the EU 2020 Strategy. The UK Partnership agreement was officially submitted on 17 April 2014 and will form the strategic basis for delivering interventions under all ESI Funds in Northern Ireland. The Commission is currently assessing the document and preparing comments that will be sent to the coordinating authority of the UK, responsible for drafting the Partnership Agreement.

Preparations for the 2014-2020 rural development programme in Northern Ireland are well advanced. Informal discussions are ongoing and are expected to intensify in the coming months. In general, in the new rural development programmes in the European Union the Commission will be seeking a rigorous, results-based approach, targeting outcomes and the delivery of improvements. This will have an impact in terms of the selection of indicators, project selection criteria and effective targeting of beneficiaries.

(I) The EU Fisheries and Maritime Affairs Policy

Northern Ireland and the fisheries structural programme

In the light of the fact that the 2000-2006 regional development programme was much broader in scope than the fisheries dimension and given that the fisheries programme for 2007-2013 is organized on a national, UK-wide basis, this has tended to limit opportunities for direct bilateral contact between the Directorate General for Fisheries and Maritime Affairs (DG MARE) and the Northern Ireland authorities. However, Northern Ireland representatives do participate in the regular monitoring committee meetings regarding the fisheries programme's implementation.

For the period 2000-2006, the Northern Ireland fishing sector received a total aid of around € 32.5 million under the FIFG (€ 29 million) and PEACE II (around EUR 3.5 million) programmes. Both 2000-2006 FIFG programme for Northern Ireland and PEACE II are now formally closed, allowing balances to be paid, so that total payments amounted to € 31.6 million, a high success rate.

Around 200 projects, including adjustment of fishing efforts measures, aquaculture projects, marketing and processing initiatives or fishing ports development have received financial support. The achievements in the implementation of the priorities and measures in relation to their specific objective and targets were generally perceived as positive. However, due to the more difficult economic climate towards the end of the programme, it was more challenging to achieve expenditure targets under measures requiring a private sector contribution, a sector hard hit by economic downturn, compared to those that did not require a private contribution.

Northern Ireland and the programme supported under the European Fisheries Fund (EFF)

The UK EFF Programme is managed at a national, UK-wide level, with Northern Ireland being part of the single national UK programme. Inevitably, Northern Ireland represents a relatively small part of the programme due to the small size of the Northern Ireland fleet, and of the fishing industry as a whole. The total EU financial contribution for this programme is € 138 million, of which € 43 million are for the least developed UK regions covered by the "Convergence objective" (West Wales and the Valleys and Cornwall) under the structural funds, and € 95 million for the rest of the country, including Northern Ireland. The UK decided to allocate some € 18.1 million for the 2007-2013 period from its national allocation, resources that were then available for decentralised management, as a form of sub-programme. Through the NITF, the Commission (DG MARE) has maintained close contact with Northern Ireland providing information and advice relating to programme implementation.

The main measures on which Northern Ireland has been focusing under the programme concern investments in the on-board improvement of fishing vessels (with an emphasis on enhancing safety for fishermen), aquaculture and processing sectors, measures of common interest ("collective actions") including training courses or investments in fishing ports facilities.

As a national programme, progress is by definition monitored essentially at that level and payment claims, which indicate investments undertaken, are submitted to the Commission for the UK as a whole. At the end of 2013 the Commission was informed that there had been a below expectations level of take-up of the sub-programme in Northern Ireland. In consequence, according to the information received from the UK, some € 2.2 million had to be removed, or "de-committed", from the Northern Ireland sub-programme (the rules require a budget commitment to be converted into payment requests by end of the second year following the year of the budget commitment).

Outlook

The objective of the financial support from the European Maritime and Fisheries Fund (EMFF) for 2014-2020 is to support the implementation of the reformed Common Fisheries Policy (CFP). The transition to environmentally sustainable fishing and aquaculture is the main, immediate priority. This means moving towards fishing practices that achieve maximum sustainable yield and enabling the gradual elimination of currently unacceptable levels of discarded fish.

At the time of writing, the regulations governing the EMFF are being finalized, and it is only after that (expected date: before summer 2014) that Northern Ireland's financial allocation under the EMFF, within the UK national allocation, will be known.

There are on-going consultations at national level within the UK concerning both the Partnership Agreement and the priorities for the new EMFF programme. Northern Ireland seems to be in agreement with the Commission in the sense of orientating the new programme toward a limited number of measures, which should maximize the added-value of the limited EU funds available. Based on a preliminary SWOT analysis and needs assessment, the main priorities in Northern Ireland are likely to concern measures to achieve an appropriate balance between fishing capacity and available fishing opportunities (accessible stocks); to reduce the impact of fishing on the marine environment; to protect the marine biodiversity; to strengthen technological development and innovation. Measures for fostering the aquaculture, marketing and processing sector are also envisaged for the new programme.

(m) Other EU policies in the NITF

Other areas where the NITF was involved include EU Taxation and Customs Union and Competition Policies. In both cases, the help of the Directorates General concerned (TAXUD and COMP, respectively) took the form of information or advice on particular issues. In relation to Taxation and Customs Union, the Directorate General (TAXUD) was able to report that the issues discussed with Northern Ireland were limited to those concerning EU aspects of direct taxation, notably corporate tax rates.

Through the NITF there have been intensive contacts on the part of the devolved institutions seeking information and advice with regard to competition case law (particularly so-called "state aid" cases). Approval under EU competition law is often necessary to ensure that any proposed public aid to an investment project is compatible with rules governing the European single market. There have been a number of important cases over the years, where the Directorate General for Competition has provided explanations to the devolved institutions, for example, on how to interpret the technical

provisions of EU state aid law. The most recent case of this nature was in the context of the Commission approval of £110 million aid for investment in a major upgrading of three sports stadiums in Belfast.³²

After its expansion, the NITF also includes the Directorates General for Home Affairs and for Justice, which have had occasional bilateral contacts with representatives from Northern Ireland.

³² http://europa.eu/rapid/press-release_IP-14-406_en.htm. 9 April 2014.

ANNEX I: Leadership in innovation in Northern Ireland under the Seventh Framework Programme: some examples

I. Northern Ireland leading an international innovation Consortium: Innovative inspection system to make buildings safer

Concrete is used everywhere and particularly in critical areas such as high-rise buildings, bridges and industrial facilities. As a construction material concrete offers strength and versatility and its production materials – gravel, sand, cement, water and steel rods – are readily available. But the strength of concrete, particularly the foundation piles, can be damaged during or after installation or indeed over time if subjected to unforeseen stress.

Under the European Union (EU)-funded Pile-mon project, a consortium led by the Northern Ireland company, Bullivant Taranto Ltd, has developed an innovative monitoring system which can test the integrity of newly made pre-cast concrete foundation piles and monitor performance over their lifetime. The Pile-mon approach involves embedding special electrical circuits or 'wire tags' in the concrete pile during manufacturing. A remote monitoring device can subsequently be attached to the pile and electronically signal any changes in critical areas due to cracks or stress.

"The foundations of most buildings and bridges on poor ground are made from pre-cast concrete piles which are hammered into the ground as a series of segments. With our inbuilt sensing technology at the top and bottom of each segment, we can check the internal integrity at any moment," says project leader Simon Bullivant.

The Pile-mon consortium, composed of engineering and research organisations in Ireland, Germany, France, Spain, Iceland and the UK, set out in 2008 to develop an innovative quality assurance system which could provide a cost-effective and reliable means of monitoring the integrity of pre-cast concrete piles throughout the supply chain from manufacturing right through to installation and beyond. The consortium has developed low cost wire tags which can be embedded in the concrete sections where they provide data on the history of the pile (batch number, periodic integrity checks, etc) and help verify if a segmented pile composed of several concrete sections has been successfully driven into the ground and will support the design load.

"The key focus of this technology is detecting potential cracks in buildings, bridges and other critical infrastructures – even nuclear facilities - via these embedded wires," Bullivant explains. "The technology is also very useful to test concrete piles which are being re-used on other projects to ensure they are safe", adds the project leader. According to Bullivant, other traditional approaches such as ultrasonic testing exist, but have limitations. "The Pile-mon sensing technology is cost-effective and can be used on segmental concrete piles deep underground. The energy source for monitoring is provided by the external inspection device," he adds.

The European Commission identified possible synergy of the Pile-mon technology with another EU-funded project, 'Performance of Innovative Mechanical Connections in Precast Building Structures Under Seismic Conditions' (SAFECAST), which focused on safe concrete construction in earthquake zones, and put the two groups in contact.

The SAFECAST project brings together pre-cast concrete manufacturers and building research bodies in Italy, Turkey, Portugal, Greece, Germany and Slovenia. They have jointly developed common design procedures to improve the seismic resistance of pre-cast concrete buildings in vulnerable areas.

SAFECAST has been working with the Pile-mon team on the application of the 'wire tags' technology to these critical concrete joining sections. This is expected to permit the integrity of the sections to be checked at any time and particularly after seismic activity. The potential benefits of this are great in terms of time-saving and the efficient use of resources. Following a tremor or serious seismic activity, engineers will be able to remotely check the safety of the joining sections of Pile-mon equipped buildings and make quick decisions about building safety. The new design standards developed by SAFECAST combined with the Pile-mon inspection system are expected to bring enhanced building safety in seismic zones. The Pile-mon technology is now being taken to the production stage and partners are being sought to make it available worldwide. The SAFECAST project was completed in February 2012 and the recommended design procedures are expected to improve the standards for construction in seismically threatened areas of Europe. Its aim is to develop new universal procedures for the correct design of pre-cast concrete building joints and structures potentially exposed to earthquakes.

Project details

Project acronym: SAFECAST

Participants: Slovenia (Coordinator), Germany, Italy, Belgium, Spain, Greece, Portugal, Turkey

FP7 Proj. N° 218417

Total costs: € 3 962 776

EU contribution: € 3 040 906

Duration: March 2009 - February 2012

Project acronym: PILE-MON

Participants: United Kingdom (Coordinator), Germany, Island, France, Spain

FP7 Proj. N° 222121

Total costs: € 1 404 485

EU contribution: € 1 058 039

Duration: September 2008 - February 2011

II. Northern Ireland leading an international innovation Consortium: Ultravisc – Separating the plastic from the chaff

Impurities in waste plastics, as well as the wide variety of materials they contain, limit the amount that can be retrieved through recycling. An innovative EU-funded project has come up with an ultrasonic technique that enables recyclers to recover more plastic, at lower cost ...and it is fully automated. A commercial solution could lead to savings worth millions of euros.

To the untrained eye, recycling almost appears to be like some kind of alchemy, that medieval art which sought to transform base metals into gold. For instance, you may put soft drink bottles in at one end of the process and produce plastic chairs and tables at the other end.

Recycling plastics has many environmental and economic advantages. With dwindling global supplies of oil, recycling offers a powerful means of reducing the amount of petroleum (currently standing at around 8% of global production) required to manufacture plastics, the production of which is growing steadily. In fact, the amount of plastic produced in the first decade of this century is believed to have exceeded all that was produced in the previous one.

Plastic waste, which has a tendency to spread to even the remotest environments, can take centuries to decompose, and is potentially harmful to the environment, human health and wildlife. Although reducing the amount of disposable plastic products manufactured offers the most sustainable way forward, recycling is also a powerful tool. But recycling faces many challenges. The complex structure of plastic polymers makes the mixing of different plastics difficult or can result in weaker materials, and requires greater amounts of energy in the production process. The upshot of this is that a lower proportion of plastic waste is recycled compared with other materials: 21.3% in the EU against 80% of newspapers. However, it should be pointed out that Europe also uses plastic waste as an energy source, and so, together, energy recovery and recycling use up more than half of the Union's plastic waste.

Going with the flow

The variability in the quality of inputs also leads to major fluctuations in the viscosity, i.e. the 'thickness' of the melted raw materials as they flow through the production process, requiring constant adjustment to the temperature and other variables if a consistent quality is to be maintained. This presents a major challenge for extrusion, i.e. the process of pushing the melted plastic through a special die which cuts or shapes it into the desired form, resulting in significant waste.

The EU-funded project 'Sensor-base ultrasonic viscosity control for the extrusion of recycled plastics' (Ultravisc) has broken the mould when it comes to extruding products from recycled plastic. The two-year project sought to improve the recycling of post-consumer plastic waste by compensating for impurities and variations in the physical properties of recycled feedstock. The way Ultravisc does this is through the use of sensors to regulate the flow and viscosity of the feedstock during the extrusion process. It employs a closed-loop system to monitor the conditions of the recycled polymers and applies ultrasonic energy to the melt as and when required.

"The ultrasonic technology is used to control the flow of the plastic through the production line and to control the properties of the plastics, resulting in the production of a more consistent product," explains Dr Paul Beaney, the technical manager at Cherry Plastics Group which coordinated the project. "Ultrasonic technology had never been integrated into recycling technology before, so building the ultrasonic modulator was a big challenge," he adds. But the consortium of eight partners from six EU countries – drawn from industry and academia – managed to pull it off successfully to create an automatic system that does not require human interference.

Recycling for all

Ultravisc is an intelligent and fully automated process. "Because the knowledge is built into the system, it does not need operators who are highly skilled or experienced," notes Dr Beaney. This advance has the potential to open up plastic recycling to a wider group of actors, and not just highly specialised companies.

Another benefit of this fully automated melt-flow system is that it has halved the response time compared with traditional temperature-control methods. And, it can regulate the flow and viscosity at far lower temperatures, thereby boosting the overall efficiency of the recycling process.

"Ultravisc also allows you to use recycled products in places where it was not previously possible, and enables you to use more waste plastics in the process, thereby improving the environmental friendliness of the recycling process," Dr Beaney adds. The project participants are exploring how best to commercialise the technology – whether to do it themselves or seek out partners. A working lab prototype has been built which has been fully tested, and the team is now in the process of building a full-scale unit which can be used on the large extruders at Cherry Pipes, based in Dungannon, Northern Ireland (UK). When implemented fully, and depending on how it is commercialised, Ultravisc is expected to reduce waste by about 2%, down time by around 5%, and lower energy consumption by 5% when used on extruders. This could amount to millions of euros in savings if the technology is taken up by enough recyclers.

Project details

Participants: United Kingdom (coordinator), Spain, Belgium, Estonia, Denmark, Ireland

FP7 Proj. N° 232176

Total costs: € 1 273 827

EU contribution: € 969 970

Duration: October 2009 to September 2011

III. All-island cooperation: Laying down markers for future cancer treatments

Targeting existing proteins in the human body which contribute to the growth of cancerous cells can help researchers develop tailor-made treatments. A team of EU researchers is working on ways to trick the proteins which ordinarily aid cancer growth into delivering therapeutic treatments directly to the cancerous cells.

The Insulin-like Growth Factor 1 Receptor (IGF-1R) is a protein found on the surface of human cells which plays a crucial role in our bodies. It aids growth, increases muscle mass and boosts cell survival and proliferation. However, it struggles to discern between good and bad effects on cells. IGF-1R has also been shown to promote the growth and invasiveness of cancer cells. While this unwanted secondary function is an obvious risk to health, it also provides cancer researchers with an opportunity. Researchers in the field believe that understanding the characteristics of IGF-1R activity could help them develop important therapeutic treatments which use these attributes to target cancerous cells in the breast, lung and colon.

The potential for using these versatile proteins as targets in cancer cells has attracted major interest from pharmaceutical companies and clinicians alike. At least 70 clinical trials are under way worldwide to test several different drugs that inhibit the IGF-1R and the IGF-I signalling pathway at different points. One of the major challenges to targeting the IGF-1 pathway in cancer is the lack of suitable biomarkers, the measurable substances that reflect the severity or presence of a disease. These could be used to assess IGF-1R activity in tumours, facilitate the selection of patients and subsets of tumours that are most likely to respond to inhibitors, and monitor responses to IGF-1R inhibition.

Marking out the route

The BioMarker IGF project, supported by Marie Curie Actions – an EU research fund managed by the Research Executive Agency (REA), aims to address this problem by identifying and validating biomarkers for the IGF-I signalling pathway in cancer – in other words, what prompts the cancer to grow.

“The IGF-1 signalling pathway is active in a majority of cancers and contributes not only to the growth of tumours and the ability of cancer to spread, but also to a lack of responses to many existing therapies, including chemotherapy and radiation,” says Professor Rosemary O’Connor, the project coordinator. “To successfully combine the right drugs to attack a particular cancer or subset of cancers, biomarkers of activity, which means being able to assess the status of the IGF-1 pathway in patients’ cells, are required,” she adds.

These biomarkers will ultimately determine which kinds of cancer may benefit from which drug combinations. The research is being carried out by experts in IGF-1 signalling at University College Cork in collaboration with experts in pharmacogenomic (the influence of genetic variation on drug response) approaches to biomarker discovery in cancer at Almac Diagnostics, a Northern Irish Biomarker Discovery, Development and Delivery company. The collaborative aspect, which includes extensive transfer of knowledge and experience, as well as exchanges of researchers, is integral to the project’s success. The co-operation is also expected to lead to the development of commercial applications.

“Our industry partner Almac is currently engaged in developing diagnostic tools for the treatment of cancer,” Prof. O’Connor says. “Other companies and clinical investigators are

also testing inhibitors of the IGF-1 pathway.” Prof. O’Connor says that the ultimate objective of the project is to select a clinically validated signature or biomarker for IGF-1 pathway activity in one or more cancers. “This would ideally be used to select patients or subsets of cancers suitable for inhibitors of this pathway in combination with other therapies,” she concludes. “The biomarkers could also be used to monitor therapy responses.” The project team is currently in the process of analysing data from genomic screens to identify good matches. These will then be validated using patient databases, and tested in clinical trials.

Project details

Project acronym: BioMarker IGF

Participants: Ireland (Coordinator), United Kingdom

Project FP7 251480

Total costs: €799 470

EU contribution: €799 470

Duration: September 2010 - August 2014