



**Northern Ireland
Assembly**

**Committee for Agriculture, Environment and Rural
Affairs**

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Parliament Buildings
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From: Stella McArdle
To: Kathy O'Hanlon
Date: 12 January 2017
Subject: CAERA response on Committee EU Priorities 2017

At its meeting of 12 January 2017, the Committee for Agriculture, Environment and Rural Affairs agreed its Draft Report on Committee EU Priorities 2017. Please find attached for your consideration.

Yours sincerely,

Stella McArdle

Stella McArdle
Clerk, Committee for Agriculture, Environment and Rural Affairs

EUROPEAN COMMISSION WORK PROGRAMME 2017 – COMMITTEE PRIORITIES

Committee: Agriculture, Environment and Rural Affairs

Background

At its meeting on the 24 November 2016 the Committee for Agriculture, Environment and Rural Affairs considered correspondence from the Committee for the Executive Office with regard to the European Commission Work Programme 2017 and the Committee's EU Priorities for 2017. Following consideration, the Committee agreed to write to the Department to request a written briefing on the second new initiative of the European Commission's Work Programme 2017 which is titled, 'Implementation of the Action Plan on the Circular Economy'.

Agreed Priorities from the 2017 European Commission Work Programme

Implementation of the Action Plan on the Circular Economy

Summary of Proposal

The European Commission's Work Programme for 2017 focuses on the delivery of 10 key priorities to address the biggest challenges which Europe faces today. One such key priority is 'A New Boost for Jobs, Growth and Investment' and, in part, this priority will be addressed through the 'Implementation of the Action Plan on the Circular Economy'.

In 2017 the European Commission will continue to work to deliver on its sustainable development goals through the promotion of a circular economy and specifically the Commission Work Programme 2017 states that:

"The circular economy offers great innovative, growth and jobs potential. The Commission will take forward the implementation of the Circular Economy Action Plan by improving the economics, quality and uptake of plastic recycling and reuse in the EU and reducing plastic leakage into the environment. We will also come forward with a legislative proposal on minimum quality requirements for reused water and a revision of the Directive on drinking water following up on the REFIT evaluation and the European Citizens' Initiative "Right2Water". We will develop a monitoring framework to ensure that progress towards our circular economy ambitions is on track and delivering the mutually-reinforcing benefits both for the environment and our economic growth."¹

¹ <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52016DC0710>

Planned committee action

The Committee has identified the topic of Waste Management as a key priority for the mandate. From this perspective, it has expressed an interest in aspects of the circular economy and associated EU policy drivers. The Committee will monitor the Department's progress towards meeting these aims as set out in the Action Plan on the Circular Economy².

The Committee agreed to write to the Department to request a written briefing on the 'Implementation of the Action Plan on the Circular Economy'. The Committee considered this written briefing at its meeting on 12 January 2017 and noted that the Action Plan identifies the following: a plastics strategy; measures on water; practical issues surrounding the interface between chemicals; product and waste legislation; and a monitoring framework as deliverables during 2017. The Committee will consider how the Department is preparing to implement the Action Plan throughout 2017 as part of its wider focus on Waste Management.

Other EU activity planned for 2017

The UK's exit from the EU

The Committee recognises that many aspects of the withdrawal from the EU and the associated process require clarity. The Committee therefore is mindful of the fact that, as a result, definitive information will in the immediate future be in short supply. Within this context, the Committee will be keen to explore the work that the Department is undertaking both within Northern Ireland and in its engagement with the UK Government around 'Brexit'.

In June 2016 the Committee commissioned a series of papers from Assembly Research on the issue of the United Kingdom's withdrawal from the European Union as follows:-

- *Possible models for the UK-EU relationship post 'Brexit'*
- *Northern Ireland's environment - background and potential 'Brexit' considerations*
- *Northern Ireland's agri-food sector – background and possible 'Brexit' considerations*
- *Northern Ireland's fisheries sectors – background and possible 'Brexit' considerations*
- *Examples of UK environmental legislation which pre-date EU legislation*
- *Rural Development funding for the rural community (Priority 6 Schemes) – background and possible 'Brexit' considerations*

² <http://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX%3A52015DC0614>

The Committee agreed to forward the various papers to the Department, to NI MEPs, to EU Commissioner Hogan and to counterpart committees in the Republic of Ireland, Scotland, Wales and Westminster, and to Minister Creed in the Republic of Ireland.

In the week following the referendum result, the Committee held a special meeting to hear from its key stakeholders in the farming & agricultural, environmental and rural sectors on their immediate reaction to the vote. In December 2016 it considered and took evidence on the report on Brexit from the NI Food and Drink Association. It will continue to engage with key stakeholders in 2017 (such as Dairy UK NI and Northern Ireland Meat Exporters Association).

The Committee will also seek to be informed of the Minister's ongoing work with stakeholders as work continues on the UK's withdrawal from the EU. At its meeting on 27 October 2016 the Committee agreed to request information on Ministerial meetings with the Secretary of State and UK Ministers regarding the UK's withdrawal from the EU and the Committee requested that the Department provide notice of future such meetings and, subsequently an update of what was discussed. The Committee is aware that it is possible for other persons to attend such meetings with the Minister and the Committee has requested that in future it may be appropriate for the Chairperson / deputy Chairperson or other Members of the Committee to attend such meetings.

At its meeting on 08 Dec 2016 the Committee noted copy correspondence between the British-Irish Parliamentary Assembly and the Minister. It was further noted that the Minister has been invited to make a written submission to the Economic Affairs Sub-Committee in relation to its inquiry into the implications of the UK's decision to leave the EU for the agri-food sectors across the UK and Ireland and the Committee has requested sight of this submission when available.

The Committee has noted that the Departmental Business Plan has the following target "Successfully complete the scoping stage of the Brexit Programme by 31 December 2016", and has requested that the Minister attend the Committee and provide an update as soon as possible in 2017.

The Committee has noted that the Scottish Government has commissioned research on economic modelling on the potential impact of different trade and farm payment scenarios on Scottish Agriculture. It has requested that DAERA confirm if it is also going to commission similar research for Northern Ireland.

In March 2017 the Committee plans to meet with its counterpart committees in the Republic of Ireland to discuss, amongst other issues, the impacts of the UK decision to leave the EU. It will also meet with Bord Bia to discuss the potential impact on cross border trade.

These initiatives will provide the Committee with the opportunity to work closely with the Minister throughout 2017 on the issue of the UK's withdrawal from the EU.

Common Agriculture Policy

Pillar II – Rural Development Programme and Areas of Natural Constraint scheme

In June 2016 the Committee considered the outcome to the consultations on Designated Areas of Natural Constraint (ANCs) including an announcement by the Minister that Pillar 1 funds (Basic Payment Schemes) for farmers would not be reduced to fund future support to ANCs by either funding ANC through a Pillar 1 scheme or by transferring Pillar 1 monies to Pillar 2 for an ANC scheme.

The Committee considered correspondence from the Ulster Farmers' Union (UFU) on this issue and expressed concerns regarding: the potential for farm incomes in ANCs to decline in the future if funding is not forthcoming; the impact of the delays to the new agri-environment schemes; and the lack of a clear decision was impacting on farm management and decisions. Subsequently, the Committee took oral evidence from the UFU, the Northern Ireland Agricultural Producers' Association and the Belfast Hills Partnership on options for future support to ANCs and agreed to raise stakeholders' concerns directly with the Minister.

At its meeting on the 08 December the Committee noted correspondence from the Department indicating its intention to operate a transitional ANC Scheme with payments of £8m being made in 2018 and the Committee agreed to receive oral evidence from the Department on this decision at its meeting on 15 December. Following this evidence session, the Committee agreed to write to the Minister to express concern that there will still be a significant deficit in income for affected farmers in 2019. The Committee requested that the scheme be extended to 2019 whilst the transition to a flat rate Basic Payment Scheme payment continues. The Committee also expressed concern over the Department's intention to cease re-designation of ANC noting some stakeholders' concerns that this may preclude opportunities to extend the ANC scheme in the future.

In 2017, the Committee will await the response from the Minister on the possibility of extending the ANC scheme by at least one additional year and, throughout 2017, the Committee will continue to monitor support provided to farmers in Areas of Natural Constraint.

Pillar 1 Oral and Written briefings on the Basic Payment Scheme, Young Farmers Scheme and the 2017 Single Application Form (SAF)

The Basic Payment Scheme is the biggest of the European Union's rural grants and payments to help the farming industry. Farmers apply once a year, normally in May, and payments begin in December. Throughout 2017 the Committee will continue to seek departmental briefings on Basic Payment Scheme payments including payments that are outstanding from previous years and the roll out of the Basic Payment Scheme for 2017.

Pillar II - The Rural Development Programme and the Farm Business Improvement Scheme

The Farm Business Improvement Scheme (FBIS) is funded under Measure 4 (Business Investment Scheme) of the Rural Development Programme 2014 to 2020 and is being rolled out in a phased way. The Committee considered the development and opening of the programme in 2016. Throughout 2017 the Committee will monitor applications and payments to both tranches of Tier 1 and Tier 2 of the Scheme.

The deadline for applications to Tier 1 (Tranche 1) has passed and, in 2017, the Committee will wish to explore the extent of the uptake and any problems which may have been identified. The Committee had requested that several aspects of Tier 1 be amended when the time comes to launch Tranche 2 in the Autumn of 2017, for example the Committee requested that:

- the list of eligible items for Tranche 2 of Tier 1 should be extended; and
- consideration is given to reducing the Tier 1 Lower Limit of £5,000 (Tier 1 of the Scheme is for projects costing from £5,000 - £30,000).

Throughout 2017 the Committee will evaluate the success of FBIS Tier 1 (Tranche 1) and it will monitor the roll out of FBIS Tier 1 (Tranche 2) in light of the above requests.

The Committee will also monitor the application process for FBIS Tier 2 and it will consider potential issues around planning applications and how these applications might affect the success of Tier 2 projects.

Other

As well as various statutory rules and legislation arising out of EU laws / directives, the Committee will receive briefings on the following in 2017:-

- EU Exceptional Adjustment Aid Package
- New EU Plant Health Regulations
- Ex-post Evaluation of 2007 -2013 Rural Development Programme
- EU defined periods for Slurry Spreading

COMMITTEE ACTIVITY ON 2016 EUROPEAN PRIORITIES

The Committee for Agriculture, Environment and Rural Affairs was established on the 25 May 2016 to reflect the new nine departmental Executive model following the passing of the Departments Bill in February 2016. Therefore, in January 2016, the Committee was not in a position to set EU priorities for 2016.

The new Committee for Agriculture, Environment and Rural Affairs has responsibility to scrutinise the following functions from former Departments:

- All of the functions the former Department of Agriculture and Rural Development, with the exception of the Rivers Agency;
- Environmental responsibilities from the former Department of the Environment;
- Inland Fisheries from the former Department of Culture, Arts and Leisure.

At its first meeting on 02 June 2016 the Committee noted the Legacy Reports from the three relevant Committees and subsequently, throughout the rest of the year, work was conducted on the following EU related issues.

UK Withdrawal from the EU - Consideration of RAISE briefing papers.

The Committee has made consideration of the impact of the decision by the UK to withdraw from the EU one of its top three priorities for the Mandate. It commissioned a series of papers from Assembly Research on the issue and has provided these papers to the Department, to NI MEPs, to the EU Commissioner Hogan and to counterpart committees in the Republic of Ireland, Scotland, Wales and Westminster, and to Minister Creed in the Republic of Ireland. The papers can be found at the following link:-

<http://www.niassembly.gov.uk/assembly-business/committees/agriculture-environment-and-rural-affairs/research-papers-2016/>

The Committee has also received papers from the Scottish Parliament's Information Service and in particular the Committee noted correspondence from the Rural Economy and Connectivity Committee which highlighted research on the options for the United Kingdom's future trading relationship with the European Union and the Economic Implications of Brexit.

Areas of Natural Constraint

At its meeting on 09 June 2016 departmental officials provided the Committee with an outcome to the consultations on Designated Areas of Natural Constraint (ANCs) and, later that month on the 22 June, the Minister announced that Pillar 1 funds (Basic Payment Schemes) for

farmers would not be reduced to fund future support to ANC by either funding ANC through a Pillar 1 scheme or by transferring Pillar 1 monies to Pillar 2 for an ANC scheme.

The Committee considered correspondence from the Ulster Farmers' Union (UFU) at its meeting 27th October and concern was noted regarding: the potential for farm incomes in ANCs to decline in the future if funding is not forthcoming; the impact of the delays to the new agri-environment schemes; and the lack of a clear decision was impacting on farm management and decisions.

Subsequently, at its meeting on 10 November the Committee took oral evidence from the UFU, the Northern Ireland Agricultural Producers' Association and the Belfast Hills Partnership on options for future support to ANCs and following consideration the Committee agreed to raise stakeholders' concerns directly in correspondence to the Minister.

At its meeting on the 08 December the Committee noted correspondence from the Department indicating its intention to operate a transitional ANC Scheme with payments of £8m being made in 2018 and the Committee agreed to receive oral evidence from the Department on this decision at its meeting on 15 December. Following this evidence session, the Committee agreed to write to the Minister to express concern that there will still be a significant deficit in income for affected farmers in 2019. The Committee requested that the scheme be extended to 2019 whilst the transition to a flat rate Basic Payment Scheme payment continues. The Committee also expressed concern over the Department's intention to cease re-designation of ANC noting some stakeholders' concerns that this may preclude opportunities to extend the ANC scheme in the future.

Area Based Schemes

At its meeting on 15 September 2016 the Committee considered a written briefing from the Department to update the Committee on Area Based Schemes for 2016 and 2015. The Committee noted key data on the applications received for area based schemes in 2016 and noted the number of outstanding cases from the 2015 Scheme year. Following consideration, the Committee agreed to schedule an oral briefing, following the deadline of advance payments.

At its meeting on 17 November 2016 the Committee received oral evidence from the Department on the 2016 Single Applications/Area Based Schemes. The Committee noted that the Single Application Form is designed to encourage online applications and meet future EU requirements for 100% of applications to be made online. The Department launched its online Single Application Form (SAF) in early March 2016 and the Committee noted that the new online SAF was well received by farmers and agents with over 4,000 farmers making the switch to online. 62% of farmers applied online which was the highest increase in online uptake in a single year.

The Committee noted however, with concern, the high level of rejected applications and it requested that, in order to reduce rejection rates, the Department reviews the process and assesses the problems which applicants may be facing.

Furthermore, the Committee requested statistical information on the number of rejected applications that have been completed by the NI Agricultural Consultants Association and additionally statistical data on the catchment areas where there have been the highest numbers of non-online applications was also requested from the Department.

Farm Business Improvement Scheme

At its meeting on 10 November 2016 the Committee received oral evidence from the Department on the Farm Business Improvement Scheme (FBIS) which is a package of measures aimed at improving the competitiveness and sustainability of the farming sector. FBIS is funded under Measure 4 (Business Investment Scheme) of the Rural Development Programme 2014 to 2020 and is being rolled out in a phased way. The Committee noted the purposes of both Tier 1 and Tier 2 of the Scheme. Tier 1 of the Scheme is to improve the sustainability of farms and is for projects costing from £5,000 - £30,000 (eligible costs) and it provides grants for capital investment. Tier 2 is for larger scale investment to encourage a step change in the agriculture and horticulture sectors, and to drive transformational investment in future proofed, fit for purpose, modern infrastructure and equipment.

As noted above the Committee agreed to write to the Department to request that Tier 1 be amended for the launch of Tranche 2 in the Autumn of 2017. The Committee also raised concerns around planning applications and how these applications might affect the success of Tier 2 projects.

Quiet Areas

At its meeting on 06 October 2016 the Committee noted Policy Guidance on the Identification, Designation and Management of Quiet Areas. The Environmental Noise Directive (END) (Directive 2002/49/EC relating to the assessment and management of environmental noise) requires Member States to create noise maps showing a graphical representation of the noise generated by four sources: roads, railway, airport and industry in agglomerations (urban areas with a minimum population density). Based on these noise maps Member States are required to 'preserve environmental noise quality where it is good' through a range of appropriate measures, including the identification and protection of designated Quiet Areas within agglomerations. The Committee noted that the Greater Belfast area is the only urban area in Northern Ireland which qualifies as an agglomeration at the present time and the Committee did not raise any issue with the Policy Guidance.

Waste Packaging

At its meeting on 17 November the Committee noted a UK wide consultation on changes to packaging recycling business targets for 2018-20. The Consultation proposed options for recycling targets for paper, steel, aluminium, wood and overall recovery and recycling targets to ensure that the UK (including NI) continues to meet recovery and recycling targets contained in the Packaging and Packaging Waste Directive (94/62/EC, as amended).

Air Pollution

At its meeting on 08 December the Committee noted the Air Pollution in Northern Ireland 2015 report which was published by the Department on 22 November 2016. This summary report details the air quality monitoring that has been carried out across Northern Ireland during 2015 and gives information on the levels of air pollutants recorded as well as compliance with UK and EU air quality objectives. The Committee noted that the EU/Air Quality Strategy limit value was not met at two sites, one in the Belfast City Council area and one in the Derry City and Strabane Council area.

Fishing Opportunities

At its meeting on 08 December 2016 The Committee noted a summary of European Commission proposals for the main fishing stocks of interest to the Northern Ireland fleet and the Committee agreed to request a written update from the Department on the outcome of the EU Fisheries Council when available.

Statutory Rules

Since May 2016, the Committee considered six Statutory Rules which arose out of EU legislation.



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Communities Committee Clerk
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Our ref: GM-1367-2016

Your ref: CC/002/2016/SK

14 December 2016

Dear Kevin,

EUROPEAN PRIORITIES

The Department has considered your letter of 2 December enclosing correspondence from the Committee for the Executive Office regarding the annual European Commission Work Programme for 2017.

Whilst we have no specific comments to make in relation to the 21 key initiatives outlined in the programme, officials have completed the template provided to detail the main EU activities planned within the Department for Communities throughout the next year.

I hope this is helpful.

Yours sincerely

Billy Crawford
Departmental Assembly Liaison Officer
Minister and Permanent Secretary's Office



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EUROPEAN COMMISSION WORK PROGRAMME 2017 – COMMITTEE PRIORITIES

Department for Communities EU activity planned for 2017

Response:

- Ongoing work to be continued through 2017

The European Unit within the Department's Urban Community Policy and Housing Regulation Directorate are the Accountable Department for the Peace IV Programme; Shared Spaces (Capital Element) with a combined ERDF and Match spend of €52.9m for the period 2014-2020. The Shared Spaces (Capital Element) is an open call for applications that commenced on 3 November with a closing date of 25 January 2017. It is anticipated that approximately 8-10 projects will be chosen and the earliest date for funding decisions is October 2017.

- UK Exit from the EU

The Department will continue to engage with Whitehall Departments and contribute to Ministerial briefings for the Joint Ministerial Council and North South Ministerial Council.

The Department has a particular interest in matters relating to Market Access, potential impact on Welfare Benefits and future availability of EU funding.

It has been in regular communication with the Department for Finance and the Special EU Programmes around the potential impact of the UK's withdrawal on delivery of EU funded projects.

- Scheduled updates on EU matters from the ONIEB liaison officers or departmental

The department has contributed to the development of the Urban Agenda and the Urban Innovative Action Fund. Regular updates on the implementation of the fund are provided by ONIEB.

Other comments

EUROPEAN COMMISSION WORK PROGRAMME 2017 – COMMITTEE PRIORITIES

Committee: **Communities**

Background

The Committee for Communities considered the Committee for the Executive Office correspondence at its meeting on 24 November 2016. It was agreed at its meeting on 2 December 2016, that the Committee would write to the Department seeking an update on planned EU activities. The Department for Communities responded to this correspondence and this response is attached for your information.

However, as you are aware as of 26th January 2017, the Northern Ireland Assembly will be dissolved, it is therefore this Committee's recommendation that any incoming Committee consider the priorities identified in this paper as part of its work programme.

Agreed Priorities from the 2017 European Commission Work Programme

Proposal

European Regional Development Funding and Match Funding

Summary of Proposal

Shared Spaces (Capital Element). Call for applications ends on 25 January 2017. 8-10 projects are expected to be chosen and the earliest date for funding decisions is October 2017.

Planned Committee Action

It is recommended that the incoming Committee receive written updates on funding decisions and details of projects selected for funding.

Proposal

UK exit from EU

Summary of Proposal

There are 3 key elements related to the exiting from the EU that are relevant to the department and therefore the incoming Committee.

- Market Access
- Impact on Welfare Benefits e.g. reciprocal arrangements for social security and pensions
- Future availability of EU funding – impact on delivery of EU-funded programmes.

Planned Committee Action

It is recommended that the incoming Committee receive updates from the Department as the position becomes clearer.

Proposal

Urban Innovation Action Fund

Summary of Proposal

EU funding of innovative solutions to urban problems (populations over 50,000).

Planned Committee Action

It is recommended that the incoming Committee receive updates on participation by urban areas in NI by the Department.

Other EU activity planned for 2017

Possible options though not confirmed:

- Scheduled updates from RalSe
- Sessions with the Minister on EU matters
- Visits to Brussels/other EU visits or engagement
- Inclusion of EU dimension in other inquiries/reviews etc. □ Own initiative engagement □ Press follow up etc.

COMMITTEE ACTIVITY ON 2016 EUROPEAN PRIORITIES

Priority 1: Work related to the UK's exit from the EU

Summary of priority

Activity undertaken

Priority 2

Summary of priority

Activity undertaken

Priority 3

Summary of priority

Activity undertaken

The Committee for Communities has engaged with the Department in relation to the impact of Brexit. The Committee is satisfied that there are no considerable short term impacts following the referendum result however the Committee will wish to recommend that any in-coming Committee engage with the Department regarding this issue, as set out above.



**Northern Ireland
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Committee for the Economy

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**From: Peter Hall
Clerk to the Committee for the Economy**

**To: Kathy O'Hanlon
Clerk to the Executive Office Committee**

Date: 1st December 2016

Subject: European Commission Work Programme 2017

Kathy,

At its meeting on 30th November 2016, the Committee for the Economy considered the enclosed response to the Committee for the Executive Office, detailing Economy Priorities within the European Commission's Work Programme.

The Committee agreed to forward the attached response to the Executive Committee.

Regards,

**Peter Hall
Clerk to the Economy Committee**

EUROPEAN COMMISSION WORK PROGRAMME 2017 – COMMITTEE PRIORITIES

Committee: **Committee for the Economy**

Background

The Committee considered correspondence from the Committee for the Executive Office at its meeting on 23rd November 2016 on the European Commission Work programme 2017. The Committee agreed to review the Work Programme's 21 key initiatives and provide a response on the European priorities for the Committee for the year ahead. The Committee took account of the fact that the United Kingdom voted in June to leave the European Union. As this is a newly formed Committee, established in May 2016, this is the first report on European Priorities by the Committee.

Agreed Priorities from the 2017 European Commission Work Programme

Implementation of the Digital Single Market Strategy

Mid-term review of the implementation of the Digital Single Market Strategy.

The Committee notes that the Government has indicated that it will trigger Article 50 in the New Year and therefore begin negotiations with the EU on a UK exit from the EU. The Committee will therefore await further information from the Executive and the Department on how this will effect a Digital Market strategy.

Implementation of the Single Market Strategy

Deliverables will include a REFIT revision of the legislation on goods, a company law initiative to facilitate the use of digital technologies throughout a company's lifecycle and cross-border mergers and divisions, an initiative on coordinated health technology assessments, and measures for better enforcement of single market rules within a wider enforcement package, including proposals for a Single Digital Gateway and for a Single Market information Tool, upgrade of SOLVIT and empowering national competition authorities to be more effective enforcers.

The Committee notes that the Government has indicated that it will trigger Article 50 in the New Year and therefore begin negotiations with the EU on a UK exit from the EU. The Committee will therefore await further information from the Executive and the Department on how this will affect the implementation of the Single Market Strategy.

Fairer Taxation of Companies

The initiative includes implementation of the V.A.T action plan through REFIT proposals for a definitive VAT system and on VAT rates, better administrative cooperation and a simplification package to reduce burden for businesses and tax administrations; a proposal for an EU list of third country jurisdictions that do not respect tax good governance standards; and implementation in EU legislation of the international agreement on Base Erosion and Profit Shifting (BEPS).

The Committee notes that the Government has indicated that it will trigger Article 50 in the New Year and therefore begin negotiations with the EU on a UK exit from the EU. The Committee will therefore await further information from the Executive and the Department on how this will affect the Fairer Taxation of Companies Initiative.

Implementation of the Capital Markets Union Action Plan

A mid-term review will take stock of progress on the implementation of the Capital Markets Union and identify potential additional measures required to improve the financing of the economy. New measures will include a framework for an EU personal pension product; a REFIT revision of the European Market Infrastructure Regulation (EMIR); an Action Plan on retail financial services; and additional delegated legislation to facilitate funding of infrastructure corporates by institutional investors.

The Committee notes that the Government has indicated that it will trigger Article 50 in the New Year and therefore begin negotiations with the EU on a UK exit from the EU. The Committee will therefore await further information from the Executive and the Department on how this will affect the implementation of the Capital Markets Union Action Plan.

Implementation of the Trade for All Strategy

In parallel to pursuing and completing bilateral negotiations (e.g. with Japan) and to opening new negotiations with Australia, Chile and New Zealand for free trade agreements, this initiative includes a further reinforcement of the EU's Trade Defence Instruments with a proposal to amend the EU's antidumping legislation, in line with the Commission Communication of 18 October 2016.

The Committee notes that the Government has indicated that it will trigger Article 50 in the New Year and therefore begin negotiations with the EU on a UK exit from the EU. The Committee will therefore await further information from the Executive and the Department on how this will affect the implementation of the Trade for All Strategy.

Other EU activity planned for 2017

The committee will wish to:

- Schedule updates from RaISe
- Schedule updates on EU matters from the ONIEB liaison officers or departmental officials
- Hold evidence sessions with the Minister on EU matters
- Consider visits to Brussels/other EU visits or engagement where appropriate
- Include EU dimension in other inquiries/reviews etc.
- Continue engagement with stakeholders on EU matters

EU Activity undertaken in 2016

Integrated Single Electricity Market (I-SEM)

The Committee held an evidence session with the Northern Ireland Authority for Utility Regulation on 16th November 2016. The Utility Regulator Chief Executive stated to the Committee that Northern Ireland needs ISEM to make the market work and believes that there is no reason it will not work post the UK leaving the EU. The Committee will ensure it is kept updated on the matter.



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To: Kathy O'Hanlon
Clerk to the Committee for the Executive Office

From: Peter McCallion
Clerk to the Committee for Education

Date: 2 December 2016

Subject: Committee for Education European priorities for 2016-17

Kathy,

At its meeting on 30 November 2016, the Committee agreed its response to the Committee for the Executive Office on its European priorities for 2016-17.

The relevant response is appended.

Peter McCallion
Committee Clerk

EUROPEAN COMMISSION WORK PROGRAMME 2017 – COMMITTEE PRIORITIES

Committee: **Committee for Education**

Background

The Committee for Education considered correspondence from the Committee for the Executive Office regarding the European Commission Work Programme on 23 November 2016.

As in previous years, the Commission's Work Programme makes very limited reference to education-related issues. Members noted however that Key Initiative 1 refers to "modernising school education". This appears to be linked to the new skills agenda. Further details of the Commission's Work programme, in this regard, have not yet been available. It is likely that the Committee will seek to pursue this issue in the present Assembly session.

The Committee has not yet agreed to undertake any other activities relating to the Commission Work Programme in 2017.

The Committee's other EU-related work carried out in 2015-16 is summarised below.

Agreed Priorities from the 2017 European Commission Work Programme

None

Other EU activity planned for 2017

In previous years, the Committee has scrutinised DE's International Education Programme and the Department's progress in drawing down EU funding for Erasmus+. The Committee will likely seek further information on the DE International Education Programme and education-related projects funded under Peace IV including particularly Shared Education programmes.

The Committee is also likely to seek clarity, as appropriate, in respect of the impact (if any) of Brexit on student mobility and the portability of qualifications obtained in Northern Ireland schools.

Other comments

None

COMMITTEE ACTIVITY ON 2016 EUROPEAN PRIORITIES

None

Other EU activity undertaken in 2016

The current Committee has sought clarity from the Department of the impact (if any) of Brexit on student mobility and the portability of qualifications obtained in Northern Ireland schools.

The predecessor Committee considered an Assembly Research paper entitled 'European Cooperation in Education and Training (ET 2020) Strategy' at its meeting on 11 November 2015.

Other comments

None

EUROPEAN COMMISSION WORK PROGRAMME 2017 – COMMITTEE PRIORITIES

Committee for Finance

Agreed Priorities from the 2017 European Commission Work Programme

Proposal 1: Data Protection Package

Summary of Proposal:

In 2012 the European Commission put forward the EU Data Protection Reform. The European Council adopted the Regulations and the Directive in 2016 and EU Member States have to transpose it into their national law by 6 May 2018.

The Department for Finance is leading on preparatory measures and has a programme of work for the adoption of the EU General Data Protection Regulations to ensure the NICS is ready for implementation. The activities will include developing and sharing best practice, assessing the data handling process and amending contracts to reflect the new rules as required.

Planned Committee Action:

The Committee will review the programme of work being carried out by the Department at appropriate stages including scrutinising the development and sharing of best practice and monitoring the timescale for implementation.

Proposal 2: Implementation of the EU Global Strategy

Summary of Proposal:

The Department's Central Procurement Directorate has been working with the Human Rights Commission to develop a policy to ensure contractor compliance with human rights obligations. The policy will also provide a risk based mechanism to examine a contractor's supply chain if goods and services are sourced from countries outside the EU.

Planned Committee Action

The Committee will scrutinise the policy when drafted to ensure it meets compliance requirements for the relevant legislation.

Proposal 3: Implementation of Energy Union Strategy: low-emission travel and mobility

Summary of Proposal:

Central Procurement Directorate (CPD) will work with Departments to revise specifications for the procurement of relevant vehicles and transport services to take account of the revisions to the legislation.

Planned Committee Action

The Committee will monitor revisions to specifications to ensure they meet compliance.

Proposal 4: Fairer Taxation of Companies

Summary of Proposal:

The Department highlights that this not a devolved matter but officials would expect to liaise with Treasury officials regarding the British Government's strategy in the process of the Mid Term Review of the Multiannual Financial Framework (MFF) which is the review of the EU's seven-year budget for the period (2014-2020).

The Department would expect to be asked for any local view on proposed changes to the Financial Regulation.

With regards to devolution of the Corporation Tax rate the Department will need to provide the powers to the Assembly, liaise with the European Commission, Executive officials and support Treasury officials in their engagement with Commission counterparts regarding the compliance of the local Corporation Tax Regime with European Regulations.

Planned Committee Actions

The Committee will receive regular updates from the Department of Finance officials on support to and engagement with the Treasury and the EU Commission regarding compliance of NI Corporation Tax regime with European regulations.

Proposal 5: A Strong Union built on a strong Economic and Monetary Union

Summary of Proposal:

The Structural Reform Support Programme will be led by the Westminster Department for Business, Energy and Industrial Strategy (BEIS) to canvas views on the Commission's proposal.

Planned Committee Actions

The Committee will receive progress reports on Department's engagement with BEIS as appropriate.

OTHER EU ACTIVITY PLANNED FOR 2017 BY THE COMMITTEE FOR FINANCE

The major activities for the Committee for Finance for the next year is contained in its strategic plan. Some of the priorities identified have been shaped by the UK exit from the EU. At key stages throughout the current mandate the Committee will be in a position to put forward informed proposals and to advise and scrutinise the Department of Finance on the impacts on financing of the Executive budget resulting from the UK exit from the European Union. This area of work has been developed with the Committee's remit very much in mind and to avoid overlapping with other statutory committees which intend to undertake work on Brexit.

While considerable uncertainty remains on the detail of the process for leaving the EU and on the impact on the Executive's Budget, the Committee for Finance will develop a more substantive work on this issue in the future. This will include commissioning research from the Research and Information Services. The Committee plans to work to maximise the opportunities and minimised the threats to the Executive budget resulting from Brexit, to the extent permitted within the confines of its remit.

COMMITTEE ACTIVITY ON 2016 EUROPEAN PRIORITIES

Other EU Priorities undertaken in 2016

The following have been undertaken by the Committee for Finance in 2016.

Impact on EU Projects

The Department of Finance, European Division is responsible for maximising receipts from European Structural Funds programmes to Northern Ireland. The Committee for Finance invited the Special European Union Programme Board to give evidence in June on the impact of the UK exit on EU projects. The Committee further agreed to write to the Department seeking clarification in relation to the extent of Treasury guarantees over EU projects following the outcome of the EU Referendum.

While the Department cannot confirm funding arrangements after the date of any departure and this has created uncertainty for projects the Committee for Finance will continue to monitor the impact on projects in Northern Ireland including a follow up with the Minister on his statement in September to the North South Ministerial Council on in Special EU Programmes Sectorial Format.

EU Exit and Implications for NICS Departments

The Committee asked the Department for the contingency briefings provided by officials to the Minister in relation to the Referendum on EU membership, and the issues under consideration following the outcome of that. The information received included a consideration of the potential Public Expenditure implications of the EU Referendum, EU Funding and stakeholder engagement.



**Northern Ireland
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Committee for Health

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To: Kathy O'Hanlon, Clerk to the Committee for the Executive Office

From: Éilis Haughey, Clerk to the Committee for Health

Date: 25 November 2016

Subject: European Commission Work Programme

Kathy

At the meeting on 24 November 2016 the Committee for Health considered your correspondence of 17 November 2016 regarding the European Commission Work Programme.

Please find attached the pro-forma detailing the Health Committee's priorities for the European Commission Work Programme 2017.

Regards

**Éilis Haughey
Clerk
Committee for Health**

Enc.

EUROPEAN COMMISSION WORK PROGRAMME 2017 – COMMITTEE PRIORITIES

Committee: Committee for Health

Background

E.g. when the Committee considered the Committee for the Executive Office correspondence, any discussions thereon etc.

Agreed Priorities from the 2017 European Commission Work Programme

Proposal Name 1

Summary of Proposal from the RaSe paper

Planned committee action

Nil

Proposal Name 2

Summary of Proposal from the RaSe paper

Planned committee action

Nil

Proposal Name 3

Summary of Proposal from the RaSe paper

Planned committee action

Nil

Other EU activity planned for 2017

You may wish to note any non-Commission Work Programme related EU activity here – some possible examples are below.

- Ongoing work to be continued through 2017
- UK Exit from the EU
- Scheduled updates from RaISe
- Scheduled updates on EU matters from the ONIEB liaison officers or departmental officials
- Sessions with the Minister on EU matters
- Visits to Brussels/other EU visits or engagement
- Inclusion of EU dimension in other inquiries/reviews etc.
- Own initiative engagement
- Press follow up etc.

Other comments

COMMITTEE ACTIVITY ON 2016 EUROPEAN PRIORITIES

Priority 1: Work related to the UK's exit from the EU

Summary of priority

Activity undertaken

Nil

Priority 2

Summary of priority

Activity undertaken

Nil

Priority 3

Summary of priority

Activity undertaken

Nil

Other EU activity undertaken in 2016

You may wish to note EU activity undertaken by the committee in 2016 which is not related to the selected 2016 priorities e.g. visits to Brussels/other EU visits or engagement; inclusion of EU dimension in other inquiries/reviews etc.; own initiative engagement; updates from RaISe/department officials/Ministers on EU matters.

Other comments



Committee for Infrastructure
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cathie.white@niassembly.gov.uk

Northern Ireland Assembly

From: Cathie White, Clerk to the Committee for Infrastructure
Date: 12 January 2017
To: Kathy O'Hanlon
Clerk to the Committee for the Executive Office
Subject: European Commission Work Programme 2017 – Committee
Priorities

Dear Kathy,

At its meeting yesterday the Committee for Infrastructure considered its response regarding the Annual European Commission Work Programme for 2017.

Attached is a copy of the Committee's response and I should be grateful if you would bring this to the attention of your Committee.

Regards

Cathie White

EUROPEAN COMMISSION WORK PROGRAMME 2017 – COMMITTEE PRIORITIES

Committee: Committee for Infrastructure

Background

The Committee for Infrastructure is a new Committee from the start of the current Mandate. Since its inception the Committee consideration of EU issues and priorities has been limited by the Brexit vote and the subsequent hiatus while the Westminster Government brings forward plans for what Brexit means for Northern Ireland and for its Infrastructure.

At its meeting on 30 November 2016, the Committee considered the European Commission Work Programme. The Committee noted the programme initiatives and although none of the 21 initiatives were specifically relevant to the Department for Infrastructure a number of the Refit Actions at Annex II of the Programme are of relevance. Of relevance to the Committee are the following actions:

- **4 Combined Transport:** the establishment of common rules for certain types of combined transport of goods between Member States.
- **5 General Block Exemption Regulation (GBER) 2015:** introducing exemption provisions for ports and airports in the Commission Regulation declaring certain categories of aid compatible with the internal market.
- **8 Training, Qualification, Licensing in Road Transport:** initial qualification and periodic training of drivers of certain vehicles for the carriage of goods and passengers.
- **9 Better functioning of the market for bus and coach transport:** common rules for access to the International market for coach and bus services in order to improve competition on domestic coach markets, ensure non-discriminatory access to terminals and other infrastructure.
- **10 Access to the EU road haulage market:** to simplify, facilitate implementation and strengthen the level playing field.
- **11 Enhancement of the social legislation in road transport:** to ensure a genuine level playing field for the road transport industry and adequate working conditions.
- **13 Leasing of Vehicles:** on the use of hired vehicles without drivers for the carriage of goods by road in order to optimise the allocation of resources, increase the flexibility in organising freight transport operations and hence companies' productivity.

- **14 Road Infrastructure and tunnels safety:** on road infrastructure safety management and on minimum safety requirements for road tunnels in the trans-European road network in order to improve road safety, tunnels infrastructure safety management practices on TEN-T roads, allow for a level playing field in safety management and reduce administrative burdens.

Although the Committee did not agree to prioritise any of these Refit Actions it will consider and scrutinise them all as they come forward from the Department.

Agreed Priorities from the 2017 European Commission Work Programme

None

Other EU activity planned for 2017

In light of the as yet unknown impact of the Brexit Negotiations the Committee will continue to keep a watching eye on this matter and in particular what money will remain available from EU funds for the Department's major infrastructure projects.

Other comments

None

COMMITTEE ACTIVITY ON 2016 EUROPEAN PRIORITIES

None

Other EU activity undertaken in 2016

The Committee for Infrastructure has been active on the day to day issues relating to the EU.

At its strategic planning meeting on 7 September 2016, the Committee received a briefing from the Research and Information Service on the Possible Implications of Brexit for Transport and Water policy. In that briefing Research outlined that significant areas of the Committee's remit (broadly speaking transport and water) are subject to substantial input from the EU in the form of policy and regulation, financial support and knowledge exchange. In addition, transport and water body policy/management are also areas that require a significant amount of cross-border co-operation. Therefore, Northern Ireland has a unique position among the UK regions in that it shares a land border with another EU Member State; this will require special consideration.

However, the briefing outlined that the consequences of Brexit were still unknown and therefore at its formal meeting on 14 September 2016, the Committee agreed to seek clarification from the Department on what is the foreseeable impact of Brexit on the Department's current and future structural projects that are in receipt of EU funding. The Committee considered and noted the Department's response on 12 October 2016 in which it pointed out that:

Until such times as Article 50 of the Lisbon Treaty is formally triggered, we remain a full member of the EU and, as such, we remain on a 'business as usual' footing in terms of securing and drawing down EU funds to co-finance key projects.

The Department is in the process of delivering two major rail projects; the Knockmore to Lurgan track improvement project and the Coleraine to Derry line upgrade project. These are already in receipt of EU co-financing through the TENT/CEF programme, and both are due for completion in 2017 and 2018 respectively. It is therefore expected that these will be fully funded in accordance with the original Letter of Offer.

A further project – the multimodal transport hub in Derry – is seeking co-financing through the INTERREG V Programme. This funding is through the structural funds route and, as such, offers a higher degree of predictability in terms of future drawdown than that relating to competitively funded programmes. Plans for the hub are well advanced, and EU co-financing is being sought in this regard; it is not however a prerequisite for delivery, nor would be accurate to describe this project as being reliant on EU funding. EU co-financing forms part of the overall funding mix in

many such projects and the Department continues to actively consider other options and means by which our key projects can be delivered in the future.

I should add that looking beyond transport projects, the Department also has an interest, through Northern Ireland Water and in partnership with DAERA, in progressing water quality related projects under the INTERREG V Programme.

During the meeting on 14 September 2016 the Committee also considered a range of other documents relating to the EU and were content to note.

- The Northern Ireland Executive Brussels Office, Brussels Report for April to July 2016.
- Research and Information Service briefing paper; EU Referendum Update.

On 28 September 2016, the Committee also noted

- Northern Ireland Assembly EU Affairs Manager, EU Matters Newsletter – Issue 04/2016
- Professor David Phinnemore, Queens University Belfast briefing paper; After the EU Referendum: Establishing the Best Outcome for Northern Ireland.

On 12 October 2016 the Committee also considered and noted correspondence from the Department for Infrastructure providing notification of its intent to consult on the amendment of regulations in order to allow an increase in the maximum authorised length limits and weight limits for certain vehicles. The Department outlined that on 6 May 2015, the European Commission published EU Directive 2015/719 (the EU Directive) which amends Directive 96/53/EC setting out for certain road vehicles circulating within the Community the maximum authorised dimensions in national and international traffic and the maximum authorised weights in international traffic. The EU Directive takes effect from 7 May 2017.

Also on 12 October 2016, the Committee considered and noted correspondence from the Committee for the Executive Office providing an Assembly Research and Information Service on non-EU binding treaty obligations which will pertain to the UK post-Brexit.

On 16 November 2016 the Committee considered and noted the Northern Ireland Executive Brussels Office, Brussels Report for August to October 2016 and correspondence from the Committee for the Executive Office providing:

- A diagrammatic breakdown of the structures within the NICS and between relevant departments and structures in other jurisdictions.
- The expected allocations of EU Funding (including Farm Payments) to Northern Ireland 2014-2020.

Other comments

None