



Northern Ireland  
Assembly

Committee for Enterprise, Trade and  
Investment

# OFFICIAL REPORT (Hansard)

Horizon 2020: DETI and InterTradeIreland

27 February 2014

# NORTHERN IRELAND ASSEMBLY

## Committee for Enterprise, Trade and Investment

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**Members present for all or part of the proceedings:**

Mr Patsy McGlone (Chairperson)  
Mr Phil Flanagan (Deputy Chairperson)  
Mr Steven Agnew  
Mr Sydney Anderson  
Mr Sammy Douglas  
Mr Gordon Dunne  
Ms Megan Fearon  
Mr Paul Frew  
Mr Fearghal McKinney  
Mrs Sandra Overend

**Witnesses:**

Mr Ciaran McGarrity	Department of Enterprise, Trade and Investment
Mr Aidan Gough	InterTradelreland
Dr Simon Grattan	InterTradelreland

**The Chairperson:** With us today are Aidan Gough from InterTradelreland and Mr Ciaran McGarrity and Simon Grattan from the Department of Enterprise, Trade and investment (DETI). You are all welcome to the meeting. We have, of course, encountered some of you before and looked at some of your work very closely, to good effect. You will know that the Committee has focused quite a bit on this issue and has been to Dublin to see how things are done there. Some issues have come up on comparative drawdown and how, up to now, things may have been done more efficiently in one jurisdiction on the island than in the other. There are challenges and opportunities, and we are looking at the opportunities.

You have been apprised of the format of the Committee. You have up to 10 minutes to make a presentation, after which members will ask questions. We may or may not get through our extensive list of questions and expect that any other questions that we have will be answered in writing.

Let me say publicly that my experience with InterTradelreland has been very good. Aidan, I have met you and your colleagues on a number of occasions and been to your presentations. I wish you well in your endeavours.

**Mr Aidan Gough (InterTradelreland):** Thank you, Chairman and members. I will talk briefly about progress in North/South collaboration; participation in framework programme 7 (FP7); and the structures now in place to avail of the opportunities provided by Horizon 2020. My presentation will focus specifically on the North/South element, that being our role.

InterTradelreland's involvement in FP7, going forward into Horizon 2020, began with a meeting of the two Ministers at the North/South Ministerial Council (NSMC) that was also attended by European Commissioner Máire Geoghegan-Quinn. As a result of the meeting, InterTradelreland was asked to take steps to try to increase the extent of North/South collaboration in order to avail of more opportunities. We convened and still chair an all-island steering group for Horizon 2020, which comprises members from Departments, North and South, agencies from both jurisdictions that run the support networks, Invest Northern Ireland, Enterprise Ireland and representatives from the NSMC and the European Commission.

The steering group, which meets approximately three times a year, has facilitated close interaction. As you can see from the slide, there has been a step change in performance and in the number of North/South applications. The steering group has also served as a great focus for knowledge exchange. In particular, Northern Ireland has benefited from the learning and experience of the South. There is also evidence that their investment in the structures has helped the North to make its case and develop the structures now in place. Apart from the practical delivery of the schemes and programmes that we run, the steering group has been a good forum for knowledge exchange and knowledge transfer.

One of the all-island steering group's first actions was to organise a conference on the opportunities to participate in FP7, which was held under the banner of Collaborate to Innovate. Since 2011, InterTradelreland has hosted an annual conference, and the 2013 event focused on new opportunities from Horizon 2020. Access Horizon 2020 attracted over 270 delegates from across the island, North and South, and was held in Croke Park. It was a fantastic networking opportunity attended by a great mix of researchers and businesses from Northern Ireland and Ireland. The 2014 conference is being planned and is the topic of the next meeting of the all-island steering group. Details and invitations will be provided to the Committee when they are finalised. The events provide a real opportunity for researchers to find new partners and learn more about the programmes and support structures available to them.

We also run a series of 'Focus on' events, all of which focus on bringing Northern Ireland and Irish researchers together. The 'Focus on' series was devised to examine in more detail a specific area of a wider call: each event is focused on a call from the European Commission. The first event concentrated on the cancer elements of the health calls in FP7. By doing this, more information can be targeted at researchers, and the networking opportunities are made all the more valuable through key experts from Northern Ireland and Ireland coming together to attend.

We have already run three 'Focus on' events on Horizon 2020: the first was on societal challenges, specifically in the agrifood sector; the second was on health; and, quite recently, we ran one on ICT security. Another event was run on the Marie Curie programme. We try to have 50 or 60 people at each event. All events were oversubscribed, and the feedback has been overwhelmingly positive. The most recent event, which was on the Marie Curie initiative, was held in Belfast. About 40% of the participants were from Ireland, which shows the level of engagement and the extent of the attraction

**The Chairperson:** Do you mean from North and South?

**Mr Gough:** No, from the Republic of Ireland.

There is a real willingness to engage with opportunities in Horizon 2020, and we are confident that we can avail ourselves of some of them. We are in a different place now from when FP7 began. There is a much closer level of engagement.

InterTradelreland makes available travel support to encourage North/South researchers to meet. Not only do we make the links; we then facilitate the links. There is also support through an EU travel voucher, which can assist an existing North/South partnership or one that has come together to travel and meet other European partners. Demand for both schemes has been high and shows that potential participants in FP7, and moving forward into Horizon 2020, are responding to the new opportunities presented to them. In 2013, for example, we issued about 60 such vouchers.

Awareness raising is, obviously, a critical element of the InterTradelreland role, and we have focused most of this work on a recently launched app. It is supported by a website, and there are periodic newsletters and an advisory service. The Horizon 2020 app can be accessed via our website or downloaded to any Apple or Android device. Users register their research profile on the app and can, therefore, find partners, make connections and identify new opportunities. The app keeps you up to

date with any calls coming from Europe. Generally, it keeps people informed and enables them to access all the support that they need. All support services available on the island, North and South, can also be found on the app, which was launched just before Christmas. Already, we have more than 350 registered users, and, interestingly enough, 51% of those are from industry. There is a real interest from industry in Horizon 2020, an interest that probably did not exist at the beginning of FP7. However, despite the interest, there is some lack of knowledge of how to go about it, so that is what we are trying to facilitate. The launch of the app has been very successful.

Our newsletter is produced periodically to inform and update potential applicants on activity in the area and of any upcoming events. All of this is done through the all-island steering group so that there is no duplication of either jurisdiction's work.

Our advisory service offers help in identifying partners and gives advice related to project ideas. We also have a service that signposts people to the Northern Ireland network of contact points or the European advisers network in the South.

Up to 1 July 2013, the total drawdown under FP7 for collaborative North/South applications was €80.5 million distributed across 89 successful North/South projects. The top five areas for North/South collaboration are health, ICT, agrifood, security and the Marie Curie actions programme.

Between 2007 and 2013, there were 360 North/South applications, and 89 of them were successful. That success rate of nearly 25% is above the EU average. Of that funding, €20 million was achieved between July 2012 and July 2013, which is evidence that having the structures in place and generating more interest has led to much greater willingness from the research communities, North and South, to engage with each other. We feel that we are on a very firm footing to achieve higher drawdown in Horizon 2020.

The statistics demonstrate the significant positive impact achieved on North/South activity since 2010, which is when the two Ministers asked us to get involved at a North/South Ministerial Council meeting. In the three-year period from 2007 to 2010, 116 applications were received or made. In the 2010-13 period, that figure more than doubled to 244. Between July 2012 and July 2013, some 100 applications were received.

We are continuing the good work of the all-island steering group to develop and promote this significant area for collaborative research, development and innovation. We seek to continue the Collaborate to Innovate events and are working on a more strategic approach to Horizon 2020 by bringing all of our initiatives together and setting targets for North/South drawdown. That is on the agenda of the next meeting of the all-island steering group, and the resulting action will set out all the supports that we intend to employ to assist applicants. I cannot see the support being that different from what we offer now. In many respects, it is not difficult: we identify partners, facilitate their engagement and help them to make the applications. I cannot see there being much change in the support structures that we have available, given the success that there has been.

This plan will set the tone for our future events and the information that we will provide. We will also look at the area of social sciences, which is by nature cross-cutting. That has been given greater importance in Horizon 2020, and we will continue to offer support in that area.

We have a social science researcher guide, which is an ideal way for those not familiar with social sciences to see how they can add value to their projects. The guide can also help them to find a partner in areas relevant to them.

The statistics show that we have made a positive contribution to this important area in a relatively short time, and that could not have been done without the support of the various agencies and Departments through the North/South steering group. I will leave it there.

**The Chairperson:** Thanks very much for that, Aidan. We will pick up what you said, and then we will move to the strategic stuff. First, you mentioned €80.5 million from FP7 for collaborative projects in both parts of Ireland. How much money has been drawn down through FP7 in collaboration with other regions of the EU? Secondly, as elected representatives, we tend to regard the steering group as something happening away off somewhere else, and we hear about it only periodically. Where are the strategic outcomes, objectives and products from its meetings shared? I am not saying that that is not happening — the steering group has recently added somewhat more of a focus than was there up until that point — but where are they shared? It would be helpful to the Committee if they were shared with us, given the work that we have put in, including previous reports and inquiries, visits to Brussels

and the like, so that we might know exactly what is happening. We are elected representatives who bump into businesspeople and people with projects, so we should be in the position of being best placed to do that. Coincidentally, I have downloaded the app, which I find very useful.

My next question is probably not for you, Aidan, but the Department. The Horizon 2020 Northern Ireland action plan contains a number of specific actions. It would be helpful if we as a Committee were to hear about progress on those actions. Timetables have been set, and one or two actions are ongoing. Can we have an update on their progress — surely a number of them are completed by now — including an analysis of the success, or lack of success, of the FP7 project over the past number of years? That would be helpful.

Part of the problem has been a lack of communication, information and detail on what is happening out there. We pick up on events. I attended the one on procurement — great event — in the Ramada Plaza. However, I happened to pick up on that, as opposed to finding out any other way. First, there is the strategic stuff, which you are involved in, and also updates on the product and strategic push coming from the all-island steering group. Secondly, there is the departmental action plan to benchmark the progress being made.

**Mr Gough:** I will take the question on how we report the work of the all-island steering group.

We report to the North/South Ministerial Council. We regularly update the two Ministers when we are asked about the steering group's progress. We monitor that, and we have given the Committee the statistics, so you can see the value of the cooperation through the increase in the number of applications and the quite substantial increase in drawdown. That is how we report. Of course, we have had close engagement with the Committee. We are willing to continue that and, when requested, brief the Committee.

**The Chairperson:** There is a void, but it does not have anything to do with you. If the work is reported back to the Department, the Department will, we hope, want to share progress with the rest of us and, indeed, the wider world. The situation needs to be rectified between the Department and the Committee.

**Mr Gough:** As for making sure that you are aware of all the events, I know that the steering group is looking at establishing some sort of calendar of events. That would be done on a North/South basis, because there is close engagement between the two networks now. If we can get the calendar sorted out, we can make sure that it is available to everybody on the Committee.

Your other question was on funding from other regions and total drawdown. Simon might want to answer that.

**Dr Simon Grattan (InterTradeIreland):** It depends on exactly what you are asking.

**The Chairperson:** I will tell you what I am asking, so that we are very clear on it. We have heard about €80.5 million drawdown in association with the rest of the island, it being another member state. I am trying to establish what the parallel is. What drawdown has there been between us — firms or projects associated with the North — and other member states?

**Dr Grattan:** The issue is whether you are talking about the total project amount that has been drawn down. Those projects will be more than North/South projects. They may have five, six, seven, eight or nine partners, so they will be wider than just being North/South projects.

**The Chairperson:** That is what I am trying to get at. What element —

**Dr Grattan:** I do not have the figure at the minute for the total project value of each project and what it relates to, but I can certainly get you it.

**Mr Gough:** What we do know — Simon can correct me here — is that the total drawdown for Northern Ireland is around €63 million.

**Dr Grattan:** As of July, which is the equivalent period, the total value was €63.5 million. We recently got the November stat, which is just shy of €80 million — it was €79.9 million as of November 2013. The figures that Aidan is referring to are for July 2013, so they are like for like.

**Mr Gough:** Of that €63 million, North/South collaborative initiatives account for roughly 30%, so it is an important factor.

**The Chairperson:** To be very specific, Dr Grattan, because we want to get specific, what amount of the collaborative stuff in other parts of the EU was of actual, tangible, financial benefit to the North? There could be a collaborative project. I appreciate what you are saying entirely, and thank you for that.

The other issue is the update on the action plan. I appreciate that that is not your bailiwick.

**Mr Ciaran McGarrity (Department of Enterprise, Trade and Investment):** If the Committee is happy, we can provide it with a written report on progress against each action. We are happy to go through the actions now —

**The Chairperson:** That would be more helpful. We would then have the precise detail. Thank you.

**Mr Dunne:** Thanks very much, gentlemen, for coming in and making your presentation. The Chairman has already mentioned the various actions in the action plan. Action 5 refers to small and medium-sized enterprises (SMEs) and how we are going to roll out the whole structure of Horizon 2020 for them. How do you propose to do that? That may be one for Simon. We welcome Simon to the Committee. Over the past year or so, we have heard a lot about him, his work and the role that he now has. I understand that you are under DETI now for Horizon 2020. Is that the case?

**Dr Grattan:** On Horizon 2020, yes.

**Mr Dunne:** Perhaps you can elaborate on that as well.

How are we going to ensure that SMEs are aware of the programmes, and how are we going to engage with them and develop their applications? From being out and about, we know that people were extremely concerned about the details for setting up partnering, and so on. A lot did not go there because they are too busy doing their day job: keeping the lights on, getting on with work and trying to develop markets. To go down the road of having to engage with partners was a big issue. Is that still going to be the case? I would appreciate your feedback on those issues.

Finally, we had a businessman in here just a few weeks ago who has a considerable renewables business. He employs around 50 people, and his business is progressing. I was talking to him afterwards and learned that the first time that he had heard about the Horizon 2020 programme was here. There is a big message, and we need to make sure that it gets out there.

**Dr Grattan:** On the comment that you made on the action plan, the reference was to appointing a contact point specifically for SMEs. That is a role that Invest NI has taken on under the contact point network. Therefore, there are two or three folks working specifically for SMEs and the SME programmes under Horizon 2020, given the prominence that the Commission continues to give to SMEs, not only in ring-fencing elements of the budget — it is talking about ring-fencing 20% of the budget for the second two pillars, which are industrial leadership and societal challenges — but in introducing the SME instrument, which is a new concept for people. It is a shift that initially sounded as though it was going to be a replacement for a programme under FP7, but is quite different. There is a lot for people to catch up on in order for them to work out how Horizon 2020 might fit for them and their business. On top of that, from the Northern Ireland perspective, we have the added benefit that one of the people from Invest NI is now a national contact point (NCP) for the UK as well. Joanne Coyle has taken on that role, which gives us greater access, not only to the support mechanisms but to the Commission and its SME activities. That is a real positive.

The key point from the action plan is that all the contact points across all the areas are tasked with engaging with SMEs, so it is not left solely to Invest NI to take on that role. It is a collaborative effort to make sure that people get the information that they need. The specific Northern Ireland contact points (NICPs) are able to give SMEs advice on their particular area, so they can advise them on whether their project aligns with what the Commission is looking for under a certain call, or where the project might fit. Invest is then able to help when it comes to the specific SME-related elements.

You mentioned partners. For a number of companies, and even for a number of academics, there are always concerns about collaborating, intellectual property and ownership of the wider project. That is a continuous problem for all R&D programmes, but Europe has witnessed collaborative R&D having

such a benefit above and beyond that derived from people working on their own. The cross-disciplinary action, which is what Horizon 2020 is really looking to push towards, is very much about making sure that ICT researchers are working with health researchers, who are working with energy researchers. Everyone is then able to share the expertise. There is a weighing-up to do and a balance to strike. People have a choice to make about whether they are willing to collaborate, and that will fundamentally come down to how much they really want to engage in a particular project and how much of a blockage they have encountered that they cannot address without support.

You also mentioned information. We had more than 25 sessions, workshops or events in 2013, and we have had four or five already this year. Those highlight specific areas of Horizon 2020. Our NICPs are taking the lead on those. They are able to share with people information on what is coming down the track in their specific areas, advise them on where they might be able to apply and tell them what might be relevant to them. Again, those events are open to SMEs. Our contact points are also working with and meeting SMEs to guide them to where the best-fit solution for them in the programme might be. Moreover, through the links with Invest NI, we might find that, on some occasions, Horizon 2020 might not be the ideal solution for SMEs to take forward. The collaborative R&D team is then able to advise SMEs on from where else they might find the solution to their R&D or innovation problem.

**Mr Dunne:** We felt that a lot of businesses had gone to Invest and drawn down money because that was probably a lot easier to do than jumping through all the hoops and over all the hurdles to obtain European funding. Is that an issue that needs to be looked at?

**Dr Grattan:** Historically, the issues of bureaucracy and dealing with Europe are well acknowledged across all the member states. Even in going from FP7 to Horizon 2020, that was the case. The member states are all very aware that there was a need for simplification and to make things more attractive for SMEs to engage right across the piece. That really is a big concern that all the member states have had, not just Northern Ireland. Unfortunately, as the Commission will keep telling us, when you have 20-something member states coming together to fund into a central pot, the money from which will then be distributed, it will never be a very simple and easy process. There will be bureaucracy, and the challenge is to try to ensure that the process is as easy and as simple as possible. We on the ground do not have control over that, but we do have control over trying to ensure that the people whom we send into that programme are as well educated, well informed and well supported as possible if issues occur, as they most likely will, during a normal project. That is our challenge, and we address it through our contact points. They are now on the ground and can support people in a much larger number and help them whenever issues might arise.

That is an issue and a problem. The Commission is very well aware of it and is doing things such as reducing the number of audits. It is also doing simple things such as reducing the number of people working full-time who are required to keep time sheets. Those are bureaucratic issues that cause difficulties for companies and academics alike. I guess that we will see the success of our work as Horizon develops, as projects start to come through, as well as the audits of the first funded projects. Until then, we will not know by how much the bureaucracy has been reduced. We would be very fortunate if we were ever to get to the stage at which Horizon 2020 was as simple as a national funding programme to administer.

**The Chairperson:** If you strip everything else away, the fact is that we are looking for opportunities here. The Irish Government document has a list of the names and responsibilities of all the national contact points. If I were to bump into a businessman on the street with a good idea, where would I even start if I were to say who the person to get in touch with is? At this point, I do not have contact details.

**Dr Grattan:** The details of all contact points are on our website at [www.detini.gov.uk/horizon2020](http://www.detini.gov.uk/horizon2020). The areas that those contact points cover, email addresses and phone numbers are also listed.

**The Chairperson:** OK. How are you making sure that businesses get that information?

**Dr Grattan:** Well, as I said —

**The Chairperson:** Sorry. There is already a database for Invest NI businesses. How are you promoting it to those people? How are you saying, "Look, here are the opportunities"? I am not hearing it, and if I am not, others most certainly are not. It may be partially my fault that I am not

hearing it, but I guarantee that others who should be hearing it are not. Believe it or not, every elected representative in the room comes into contact with a number of people in the course of a day or week.

**Dr Grattan:** We have done basic and simple things, such as the information on the link to the website and what contact points are available being on the Executive's Twitter. People can follow the link if they want to find out more. As we mentioned, events have taken place, a number of which were attended by the contact points, plus the sites have been up. InterTradelreland events have taken place, and, again, the contact points took part in those. Our collaborative R&D team meets companies it has assessed, through prior interactions, as being R&D active or companies that it feels may be R&D active. When our team members go out and talk to companies, they flag —

**The Chairperson:** Who are they? I do not know who the members of the collaborative R&D team are.

**Dr Grattan:** The collaborative R&D team is made up of Joanne Coyle, whom I mentioned earlier, who is the —

**The Chairperson:** Sorry, I do not need the names, but it would be helpful of you to provide us with them.

**Dr Grattan:** Certainly. Their names and details are also on the website.

**The Chairperson:** That is grand.

**Mrs Overend:** Thanks very much for your information. I want to refer to a couple of actions in the Northern Ireland action plan. Action 7 is to:

*"Increase the number of Horizon 2020 evaluators from NI."*

Action 9 is to:

*"Increase NI representation on EU groups/committees."*

What progress has been made on those?

**Dr Grattan:** We decided to try and house a central database of evaluators who are registered as being from Northern Ireland. We are pulling together their details, including their specific candidate number that they have with the Commission, which is a reference number associated with them, their contact details and a little information on who they are. We are doing that because, if the Northern Ireland contact points have those details, they can distribute those to the relevant project officers, national delegates or NCPs who are looking for people to evaluate programmes further down the line.

We do that to try to stimulate things a little further and to encourage people to look to Northern Ireland as a viable option for finding evaluators. However, we continue at all the events that we run, whether it be an InterTradelreland or NICEP event, to push the advantages of people registering as evaluators. To try to ease the process for them, there is a link on the InterTradelreland website that explains who should be registering and the process for registering. There is also a little bit on the website about what is required of them when they do that. It is of enormous value for people to become evaluators for the Commission, because those who go through the process learn so much. We try to encourage as many as possible to register and do it.

There have not yet been any submissions under Horizon 2020, so nothing has been evaluated. We will not be able to tell how that is working out until the process has been gone through a few times. However, along with looking at the numbers that we have drawn down, we will be keeping track of how many people from Northern Ireland are called as evaluators. If we feel that there are not enough, we will raise that through Barroso groups and various others to see whether we can encourage them to increase the number.

The groups and committees come down to the contact points, and they are currently getting involved in a number of groups, be they European or UK-wide, to try to see where they can best facilitate in their area, be it energy, health or whatever. It is about trying to identify the key groups, be they national or EU, that are feeding in information to the Commission, which then stimulates the work on the future work programme. We have the work programmes for 2014 and 2015 at the minute, but we



are trying to see who is feeding in the information to the Commission that will go into the 2016 and 2017 work programme. We want information from Northern Ireland companies and academics to go into projects that are relevant to them, that they can apply for and that we can best take advantage of. The contact points are working on that at the minute, and they have already joined a number of discussion and networking groups across Europe that are trying to help feed in that kind of information.

**Mrs Overend:** Thank you. I want to touch on the measure of the drawdown. Enterprise Ireland stated that there had been a notable increase in North/South applications at the end of framework programme 7 and that collaboration was likely to remain a feature during Horizon 2020. Have you a realistic target for drawdown of Horizon 2020 funding for Northern Ireland at this stage?

**Mr Gough:** It will be up to the Department to set targets for Northern Ireland. We will be looking at the targets for North/South applications. When the two targets are confirmed, North and South, we will look at them. However, I can say that the South has almost doubled its target. It is looking to draw down €1.2 billion in Horizon 2020. That is a substantial increase, but the structures are in place and it is a realistic target. Based on what we know, the fact that North/South drawdown amounted to around €80 million, a figure that we are looking to double, although I cannot say that for sure, because it is the subject of the next steering group meeting, we expect a substantial increase in the Northern Ireland target for the Horizon 2020 period.

**Mrs Overend:** Has Northern Ireland got —

**Mr McGarrity:** For Northern Ireland, we will present the target for consideration by the Executive subcommittee on the economy at the end of this month. Again, setting the context —

**Mrs Overend:** At the end of February?

**Mr McGarrity:** I am sorry. I mean the end of March.

**Mrs Overend:** You would have to be quick off the mark for that.

**Mr McGarrity:** It is our plan to present the target that we propose to set for Northern Ireland for agreement at that subcommittee meeting. It is all along the same lines as Aidan has said. We will raise the level of our ambition and move forward. We would like to see a significant increase on what we have drawn down to date.

**Mrs Overend:** Have you an idea of the proportion of the target that will be achieved through collaboration with the Republic of Ireland, as against that through collaboration with other member states?

**Mr McGarrity:** I think that Aidan mentioned earlier that roughly 30% of our success to date has been as a result of North/South collaboration.

**Mrs Overend:** Yes. I have written that down, but do you expect it to continue at that rate, or do you want that rate to change?

**Mr McGarrity:** We think that there is a huge potential for increased North/South trade. We can increase its scope. The latest figure is that 8% of the success on the island has been achieved through North/South collaboration. There are many more institutions in the Republic of Ireland that are engaging in Europe, and we see an opportunity for more of our companies and research organisations to collaborate with them.

**Mr Gough:** There is a real opportunity here. The Republic of Ireland's target for drawdown has increased from €600 million to €1.2 billion. Structures are now in place, North and South, that were not there at the beginning of FP7, and we are already seeing evidence of much more engagement happening at the events. Therefore, we are hopeful. Moreover, we have two member states on the one island speaking the same language. It is an hour down the road or an hour up the road. It makes sense to take advantage of those opportunities, and, with all the structures in place, we are confident that the successful drawdown will increase substantially.

**Mrs Overend:** I have a question for the Department. Is there potential for increased trade with other member states? I appreciate what you say about the Republic of Ireland, and I have nothing against that whatsoever, but do you see potential elsewhere for increased collaboration? Where are you targeting?

**Mr McGarrity:** Absolutely. It depends very much on the subject matter and the areas. I am sure that you are already aware, from your engagement with them, that the universities already have well-established collaborations in Europe and, indeed, further afield. Look at the US-Ireland R&D partnership, for example. The collaboration is there. You now know that Horizon 2020 funding can be stretched across to the US. There are existing collaborations in place, and the key is to build on those for Horizon 2020. That will depend very much on the subject matter.

We are not just looking at North/South collaboration. It is much wider, and that is where the Enterprise Europe Network comes in. That is funded through Make the Connection for companies. You will be aware of our success in Regions of Knowledge, which is a tripartite collaboration with a number of EU regions. It has been successful in the ICT field. Wider collaboration is something that we have been working on and will continue to work on and build on.

**Mrs Overend:** Do you aim to provide that level of detail in the targets that you say will be presented at the end of March?

**Mr McGarrity:** At the end of March, we propose to present an overall target that we think that Northern Ireland can, realistically but ambitiously, achieve. The areas will depend on the detail of the work programmes coming through and on how they pan out. We will be looking at areas. We have identified areas where we think the greatest opportunities exist. One of those might be the Marie Curie process, where we think we have a great success. There will also be areas in which we think we have an opportunity to grow more, perhaps in the energy field, and there may be other areas that we look at.

We do not yet have the detail of the regions that we will partner. That is something that we would encourage. Funding is available from Invest NI and from other organisations to make those connections and collaborations. That is what we do.

**Dr Grattan:** It is who you choose to partner. Horizon 2020 follows on from FP7 in focusing on the excellence piece. Therefore you have to believe that those whom you partner are of sufficient excellence so that, when you are working with them, the Commission will see you as viable and that it is a project that will deliver what it wants from its call.

It is hard to pick regions, but we are talking to our Scottish and Welsh counterparts. We believe that there is more that we could do in collaboration with them to bring ourselves into projects, and even inter-UK projects, to take to Europe, as there is nothing to stop you working with more than one partner from the UK. We are trying to see how we can engage better with those who are on our doorstep as well as working with the South and others across Europe who have the excellence that we need to fulfil the roles in our projects.

**Mrs Overend:** How do you balance out your work? There are a lot of "maybes" in what you say. You have also spoken about your experience of what is already going on. How do you balance out what is going on already with reaching out to new potential businesses?

**Dr Grattan:** When you say what is going on already, do you mean the projects that are already running?

**Mrs Overend:** I mean the ones that you have in the pipeline. You spoke about Marie Curie and maybe this and maybe that. How do you balance your work between finalising those details and reaching out for new potential?

**Mr Gough:** From InterTrade's point of view, our events are new and will bring researchers together on a cross-border basis for the first time. We are very careful that everybody in a particular area that we know of and through the all-Ireland steering group with the other agencies collaborate to make sure that anybody who has an interest in that field receives an invitation. We target particular sectors when we run events. However, I can only talk about what InterTrade is doing.

**The Chairperson:** Thanks for that. You mentioned the website. We had a cursory glance through it to find the contacts and, unfortunately, we have been unable to turn them up; they seem to be buried deep. One suggestion might be to have a link to InterTradelreland. We checked the Invest NI website too, and the Horizon 2020 link there takes you to the European Commission website; it does not take you to anything specific that you or InterTradelreland might be doing. That was just a cursory glance through it. It will not readily spring up to any potential investor or businessperson. I think that there is probably a bit of work to be done on the communication front.

**Mr Gough:** If any businesses ask you about Horizon 2020, you should tell them about the app and to download it, as the contacts should be on it. We will take your point to the next meeting of the steering group and propose that we do a cross-border initiative that outlines all the contact points and the supports that are available.

**The Chairperson:** It does not readily spring up. If it is in there, it is buried deep. We have spoken to the developers of the website about its shortcomings. If somebody is looking for information about this, I am not sure that they will get it through DETI or Invest NI. However, we will certainly signpost them in your direction, Aidan.

**Mr Douglas:** Sorry that I had to nip out. Will you expand on Pure Marine and the support that you offer to small and medium-sized enterprises?

**Mr McGarrity:** Sorry, I am not aware of the Pure Marine example or of what level of support is required.

**Mr Douglas:** It is the issue that we spoke about earlier.

**The Chairperson:** The witnesses will not be aware of the situation or the company, Sammy, but you could outline some of the detail of its experiences.

**Mr Douglas:** About Pure Marine? Is that what you are saying?

**The Chairperson:** Well, you can outline its circumstances and the situation that it found itself in.

**Mr Douglas:** We will keep it simple. Ciaran, what help and support do you give to small and medium-sized enterprises?

**The Chairperson:** Excuse me, Sammy. You could outline what is at point 2 to the officials.

**Mr Douglas:** OK. Do you want me to go back to that one?

**The Chairperson:** Yes. That will give them a grasp of the sort of things that we are dealing with.

**Mr Douglas:** Are you aware of Pure Marine?

**Mr McGarrity:** Is it based in the Science Park?

**Mr Douglas:** Yes. Its direct experiences are shared. It highlighted that it approached Queen's University, which had no resources to commit to bidding, compared to University College Cork, which has resources and funds. Pure Marine suggested that it needs to put a bid team in place to prepare a strong bid. Basically, what representatives from that company have told us is that they went to Queen's and the money was not there. Would that also be your experience of other universities, Ciaran?

**Mr McGarrity:** If a company is considering making an application to Horizon 2020, funding is available from Invest NI through project definition to scope out that project. That is the source of revenue that a company can avail of in Invest NI.

I am not aware whether Pure Marine approached Invest NI. You said that it approached Queen's University, but the funding models that we have in Northern Ireland are different from those in the Republic of Ireland. That is probably the key point. Universities here do not fund companies to support their Horizon 2020 applications. They will work with them, but if a company wants to get

access to funding to scope out what a project might be it can go to Invest NI. If it is a North/South collaboration, for example, it could also go to InterTradeIreland to avail of its support. However, if companies in Northern Ireland are interested in Horizon 2020, the facility exists in the grant for R&D called project definition up to a scale. That is how they would do it.

If I am right, you are asking about what support universities can give in the Republic of Ireland. That is a different level of support. They have a mechanism and a substantial scheme, if we want to call it that, that they can avail of, but we do not have that in Northern Ireland.

**Mr Douglas:** Maybe this point has been made, but am I right to say that, outside Horizon 2020, there are other European programmes that small and medium-sized enterprises can tap into?

**Mr McGarrity:** Yes, absolutely.

**Mr McKinney:** Gentlemen, thank you very much for presenting to us today. Given the emphasis on collaboration in general and North/South collaboration specifically, why does the action plan not refer to the North/South steering group?

**Mr McGarrity:** The action plan was produced from a Northern Ireland perspective and was a series of actions in Northern Ireland that identified what we thought needed to happen to improve the infrastructure and to get companies and organisations ready. There was no specific action around North/South collaboration at that time, but there will be one produced for 2014 and 2015. We are doing that now. If we believe that there is an action around the North/South steering groups that links into it, we will certainly include it. However, at the time that it was produced we did not see a specific need for an action.

**Mr McKinney:** Given the admission today that we missed the boat a lot on FP7, would it not have been of value to have put that in to alert people to the foundations of what the action plan is about?

**Mr McGarrity:** Yes. I think, what we can see —

**Mr McKinney:** Will you explain its absence?

**Dr Grattan:** The vast bulk of the action plan was concerned with the formation of the Northern Ireland contact point network. Their key role is to engage with the UK and Irish national contact points (NCPs) to get as much information out of them as they can and to work with them and with InterTradeIreland as part of that. The vast bulk of what they do is trying to draw down information from their counterparts in the UK and the South. I appreciate that it is not specifically written into the action plan, but that is their role. A fundamental part of what we ask them to do in the action plan is to work on a North/South basis.

**Mr McKinney:** Do you accept that if it is writ large people will understand the concept more? It is underscored by your response to Mr Douglas that the universities here do not have access to a process that is available in the South. The South is getting more money. It goes beyond the universities; the regional colleges are also involved, although we do not have the same model of regional colleges in the same way as they have in the South. Did you want to come in, Patsy?

**The Chairperson:** Particularly on that point, that throws a challenge down to you. If the money is not there, why not? If it is not there, are there other sources of funding that you can tap into to draw down moneys for those universities or FE colleges? Has anybody done a scoping exercise on that?

**Mr Gough:** All I can talk about is the North/South all-Ireland steering group. There has been a quantum change in the support structure in Northern Ireland, which we have been looking at for some time. The problem with availing ourselves of the North/South opportunities that we always thought were there was that the structures were mismatched and unbalanced. In the South there is a network of NCPs of more than 30 people. The universities have big teams working in that area to draw down money. There was a substantial network there that was not replicated in Northern Ireland, so it was difficult to get that level of engagement. Now we have the two structures with all the supports behind them. That is why we are confident that —

**The Chairperson:** To go back to that specific point, is there any project under way anywhere by the Department, in conjunction with the Department or cross-departmentally? You have identified the

failing, fault or opportunity that there may be to draw down new sources of funding and say, "There is an issue there. Let us deal with it".

**Mr McGarrity:** At the present time, no, there is not.

**The Chairperson:** Is it on the radar?

**Mr McGarrity:** Yes, it has been on the radar. Our focus has been on putting in place the network to see how that can better support applicants to engage in Horizon 2020. The Republic of Ireland invested some €10 million in FP7 in the support that it gives directly to the universities. We will look at applicability and how that will read across here. That is something that perhaps, given budgets, we should look at introducing to the two universities and, indeed, the colleges in Northern Ireland. Would a similar type of fund be effective in Northern Ireland to encourage more applications?

**The Chairperson:** What actions are being taken on that?

**Mr McGarrity:** We are preparing an action plan for 2014-15; that is one of the actions that we will look at.

**The Chairperson:** That is grand.

**Mr McKinney:** Thank you, Chair, for developing the point. What you referred to in the action plan is building capacity on contact points and replicating the structures. Is there a strategy in the North consistent with the one in the South?

**Mr McGarrity:** The document that we are working to now is the action plan.

**Mr McKinney:** Where is the strategy on which it is based?

**Mr McGarrity:** The strategy is followed through from the economic strategy and the innovation strategy in the sense that there will be a strong commitment to increase Northern Ireland's success.

**Mr McKinney:** We have a document that outlines, in great detail, the Republic of Ireland's strategy. Do we have one in the North?

**Mr McGarrity:** No, we do not. We have been operating on the basis of an action plan for getting a network in place. Again, we will look at the strategy to see whether that is something that we should drive forward in this period.

**Mr McKinney:** But should you not start with a strategy and follow through? Is that not what happened in the Republic, where they have achieved success out of the way that they proceeded? We are jumping on board now, if you like, on structure, but we are still lack a strategy. Can we be guaranteed that the structure approach that we are taking is going to work to the same extent in the absence of a strategy? Can you guarantee that? Would it be helpful?

**Mr McGarrity:** I agree that it would be helpful. There is no doubt about that.

**Mr McKinney:** Is there work ongoing towards establishing a strategy?

**Mr McGarrity:** From a Northern Ireland perspective, our focus will be on seeing how we can maximise our opportunities for Horizon 2020. There is no doubt about that.

**Mr McKinney:** But you appreciate that that is different.

**Mr Gough:** From my point of view, we see the Northern Ireland regional innovation strategy as the framework for it.

**Mr McKinney:** Let us rewind. We have now identified a hole through Mr Douglas's question. How are you going to plug the holes if you are just going to replicate down-river structures and have not foreseen, in a strategic way, all the issues that need to be developed? We have identified one specific

hole here and, overall, we have identified that we fell short in the last round and that our next round is less ambitious than that of the South, even given the disparity in size. Do we need a strategy?

**Mr McGarrity:** I think that we do, yes. As we move forward, we will look at how we develop that, and our greatest focus is on building on what we have learned from our action plan this year on the implementation of the infrastructure, identifying opportunities for growth, identifying the areas that we think have greatest potential to exploit and deciding who the partners might be.

**Mr McKinney:** That would be better as part of a strategic approach as opposed to just following down-river processes.

**Mr McGarrity:** I think that it is unfair to say that we are just following a down-river process; we are putting in place the structures that we think best fit Northern Ireland.

**Mr McKinney:** Against what?

**Mr McGarrity:** We did some comparative analysis in our review of the support structures in 2011, and that led to the formation of the contact point. We looked at what they have in other places. We looked at where the opportunities lay and the strengths of the Northern Ireland research base and saw how we can best move forward. We also looked, in an analysis of our company size, at what is realistic for Northern Ireland participation, and that formed the basis of how we identified the areas in which the contact points will work. We do not match like for like.

**Mr McKinney:** Other evidence that the Committee has gathered — you will be aware of it — shows that we lack vast amounts of data, particularly on small companies. So we do not know about some issues, and we could do with more information. A strategic approach would turn up some of those issues and perhaps resolve them. Is that fair?

**Mr McGarrity:** I agree.

**The Chairperson:** What is being done about it? If you agree, what is the next stage?

**Mr McGarrity:** The immediate next stage is to set the target for Northern Ireland and find out what actions are required to deliver on it. The point has been made about putting the action plan that we were planning for 2014-15 into the context of a wider strategy, and we will concentrate on that.

**The Chairperson:** When will the action plan be available?

**Mr McGarrity:** I think that our target is to have it ready by the end of June to follow through for 2014-15.

**Mr Anderson:** Thank you, gentlemen, for presenting to the Committee today. Can I continue with and expand on the theme raised by Mr McKinney on strategy? The Republic of Ireland's strategy includes separate strategies for individual elements of Horizon 2020, namely excellent science, industrial leadership and societal challenges. Has a similar approach been taken for Northern Ireland or is there nothing there?

**Dr Grattan:** You mentioned the excellent science element, the bulk of which goes to the European Research Council (ERC) and Marie Curie. Given that it is fundamentally aimed at universities, both universities were tasked, under the action plan, with putting together a strategy for how they would approach the European Research Council and Marie Curie. Therefore there are strategies on how they are interacting with those bodies. We are mainly addressing the industrial leadership and societal challenges through, as Ciaran mentioned, the contact point network, through the events and through focusing on sharing the information with people and getting them the details of how they can apply. That has been our approach, but the universities have strategies on the two areas that are most fundamental to them.

**Mr Anderson:** Are you happy enough that what is in place at the moment for Northern Ireland compares with that in the Republic?

**Mr McGarrity:** We are not saying that we are happy enough. We are saying that it is clear that there is an opportunity for us, and we have to work continually to improve and to see how we strengthen the structures that we have in place to avail ourselves of those opportunities. As we said earlier, our action plan was completed, and we will put that in the context of a wider strategy. Work is already under way, as Simon said, on addressing specific issues in the three elements of Horizon 2020. That will be an ongoing process.

**Mr Anderson:** When do you see that kicking in here and getting us up to a level? Are we lagging behind the Republic of Ireland in some way? If we are, why can we not get to that position?

**Mr McGarrity:** With regard to our lagging behind, the Republic of Ireland has performed extremely well in its drawdown from FP7. There is no doubt about that. It set an ambitious target for 2020. We believe that we are now putting in place the structures that will help us to increase our performance significantly. I think that it is unfair sometimes to compare directly our capacity in Northern Ireland against that of the Republic of Ireland. The biggest issue is capacity and the number of institutions: they have 20 research institutions that are recognised under Horizon 2020; at present, we have the two universities. That is not to say that we cannot do more — we certainly will do more. Our focus is definitely on improving Northern Ireland's performance, as indeed the Republic has. Our actions for how we will do that will be set out in our action plan, again in the context of, and taking on board, the Committee's views on the wider strategic approach and where opportunities are.

**Mr Anderson:** That is a big challenge for you. Is there anything that the Republic of Ireland is doing better than Northern Ireland? Is there something that we could benefit from to move to a level that will improve results?

**Mr McGarrity:** The Committee is aware that research institutions in Northern Ireland have access to other sources of funding on a national level that the Republic of Ireland does not have access to. It is a choice for researchers. Three quarters of our funding comes to research institutions. The Department cannot force research institutions to go for Horizon 2020; that is just not something that we should do. We have to encourage and support them to do that. They have access to other significant opportunities elsewhere in the UK, whether it be the Engineering and Physical Sciences Research Council (EPSRC) or other European Research Council funding. It is not a direct comparison. What we are learning from the Republic of Ireland is about networking communication and how that strengthens and enhances the support available to companies. We also have a small company base; however, we have to work harder with SMEs to encourage them to participate. I come back to the point that I have made previously to the Committee: there are opportunities for SMEs. We need to build capacity for our SMEs to engage. As Simon said, Horizon 2020 is about excellence. It has a 20%, 21% or 22% success rate, so that can be quite off-putting. That is not to say that we should not support it, but we should be realistic for companies with regard to how they move forward.

**Mr Anderson:** There is a big challenge.

**Mr Gough:** An interesting statistic came up at the all-Ireland steering group where there is excellent knowledge exchange. Northern Ireland is learning a lot from the investment that has been made in the South. The interesting statistic was that the overall success rate for North/South is about 25%; the EU average for an application is about 22%. However, a business or a researcher who avails themselves of the national support structure in the South increases their chances of success by 10% to 32% or 33%. The support structure is critical. Northern Ireland now has that support structure in place.

**Mr Anderson:** I take it that you see that as a great benefit. Aidan, you touched on knowledge exchange and transfer. How much of that takes place?

**Mr Gough:** The steering group meets three times a year. I have gone through some examples and given evidence of the success there since the steering group was convened and the big increase that there has been in North/South applications. As I said, information exchange goes beyond that and includes all the actions that we have now in place to deliver North/South cooperation. The group meets three times a year for discussion. The Northern Ireland contact points are now encouraged to work closely with the European advisers in the South. That exchange network is broadening all the time, and there is learning through the contacts being made.

**Dr Grattan:** I will echo what Aidan said: the Northern Ireland contact points have also been invited by Imelda, who chairs the NCP network in the South, to join them at their network meetings as well. I was there on Monday with other NICPs. You referred to what we can learn and how we can benefit from what is happening very well in the South. The NCP network in the South is almost the envy of the rest of the Europe. It is made up of very strong and very skilled people who know what they are doing. Our contact points, by being very well linked in with them, are getting a lot of that information and getting a lot of expertise off them. As I said, through simple things such as us having the opportunity to go to its network meetings and being able to share in the meetings, where it discusses all manner of things, it is a fantastic opportunity for us. We are taking those opportunities when they are presented to us.

**The Chairperson:** Earlier, you said that there are two research institutes in the North. Where do you factor in the likes of the Open University, which has a lot of research facilities, or AFBI, which is in a different direction in a different area? If you are just focusing on the two that you mentioned, it is good enough for them but you are missing a trick with the others.

**Dr Grattan:** DARD has funded a role in AFBI with one of the Northern Ireland contact points, so it is very aware of the opportunities that are coming down the track, and David is working very hard to see where the opportunities are in AFBI and beyond. He also has a regional remit, so he is working with companies. He is working with Queen's and with UU to see where the opportunities are in that specific area. I have met the Open University a couple of times. I have a meeting with it lined up in a couple of weeks to see how that can work with the OU. Part of the issue for it is the centralised nature of OU and where its funding goes. If it comes centrally, it will, effectively, not come under Northern Ireland's drawdown. That is not to say that we would not encourage it or support it. It is to be aware of how its set up works when it comes to engaging.

**The Chairperson:** It operates on the rest of the island, too. Are you aware of that?

**Dr Grattan:** Yes. We are trying to work out how it fits, and we have a meeting in a couple of weeks to discuss that.

**Mr Frew:** You outlined, and I think that we can all take it for granted, that Northern Ireland has a very good and a unique opportunity and is in a good place to collaborate with the Republic of Ireland, our nearest neighbours. It ticks all the boxes regarding collaboration for Europe, so we should make best use of that. I go back to Fearghal McKinney's point about strategy. The Republic of Ireland's strategy document has a whole section, section 8, that outlines linkages with Northern Ireland. Is there a similar document for Northern Ireland that replicates or mirrors that approach?

**Mr McGarrity:** No, and we accept that point in moving forward. The North/South element is missing directly from the action plan, but that strategic context will be incorporated into a strategy for Northern Ireland for Horizon 2020.

**Mr Gough:** There is a very close degree of cooperation, and our two sponsor Departments, DETI and DJEI in the South, presented to the two Ministers at their most recent meeting at the North/South Ministerial Council.

**Mr Frew:** Yes, but both countries have action plans, and we seem to be blinded by the fact that we have no strategy. The Republic of Ireland seems to have a strategy. It has a whole section on linkages with Northern Ireland, so it seems that the Republic of Ireland values Northern Ireland greatly, whereas we are not seeing that replicated. Section 8 of the strategy paper goes into the nitty-gritty. It goes into the specific areas that we should be looking at for research. It states that there may be:

*"Significant opportunities for electricity grid and marine technology collaborations, especially concerning all-island market opportunities".*

It goes on to state:

*"FP7 Security has been a North-South success story. Already there are multiple joint North-South proposals under consideration for H2020."*

So, it has outlined specific areas for growth, whereas we have nothing. How do you counter that?



**Mr McGarrity:** I can only counter it by saying that, in moving forward, we will ensure that, in developing a strategy for Northern Ireland for Horizon 2020, the North/South element of cooperation and opportunities for growth will be identified. As Simon said, on a practical level, our contact points are engaging with their counterparts in the Republic of Ireland to scope out where the opportunities exist now. There are existing collaborations between our universities and, indeed, our companies and various institutes, so it is happening. I take your point fully that you do not see the visibility of that in a document. In moving forward, we will ensure that that visibility is there.

**Mr Frew:** How long have we been working on Horizon 2020?

**Mr McGarrity:** We have been preparing for Horizon 2020 since about 2011-12.

**Mr Frew:** Yet, we do not have that detail in a document, nor do we have a strategy in place that will move it forward.

**Mr McGarrity:** We were moving forward on the basis of getting our infrastructure in place through an action plan. Our focus was on getting the network up and running, getting the funding for the network in place and putting the right support around that network to ensure that we do that.

**Mr Frew:** In order to enhance engagement in the Republic of Ireland, higher education institutions have been invited to develop strategies for Horizon 2020, and research centres are being encouraged to adopt a more strategic approach to international engagement. Is a similar approach being taken in Northern Ireland or, again, is that something that we are going to be doing in the future?

**Mr McGarrity:** No, there is an approach for universities, as we mentioned.

**Mr Frew:** Is it similar to the engagement, advice and the encouragement that the Republic of Ireland is putting into its education institutions?

**Dr Grattan:** Yes, they have a strategy set out for how they are going to target it. They are working with their heads of school, their deans or whatever in getting information sessions out there. They are working through the other structures that they have within the universities to make sure that, from the top down, that information is going through to the researchers. They have ideas on how many workshops they are going to have, how they are going to interact with the contact points and all the things that you would expect them to have for how they are going to better engage with those programmes. They have that in Queens and UU, and I believe that AFBI is working on it.

**Mr Frew:** How many pages are there in our action plan?

**Dr Grattan:** Seven or eight.

**Mr Frew:** How many pages are there in the Republic of Ireland's action plan?

**Dr Grattan:** I do not have it in front of me.

**Mr Frew:** Would there be about seven or eight or would there be more?

**Dr Grattan:** I do not have it in front of me, I am afraid.

**Mr Frew:** OK. What is the timeline for the strategy? When will we have it in place?

**Mr McGarrity:** I cannot commit to timescales now. What I can say is that it will be taken forward, but it will need to be done as soon as possible in full engagement with those who are involved in delivering, ie those companies and our universities, to make sure that the actions are consistent with what they can deliver.

**Mr Frew:** So how will our strategy, when we have one, line up with our action plan and how do we get that information to our businesses and education facilities?

**Mr McGarrity:** The action plan is there. It was produced in consultation and full engagement with our universities and the other participants in FP7. In moving forward, we will go through the same process, and that will outline clearly what our actions will be. We have a commitment to do the 2014-15 action plan, which will be out by the end of June, and that will refer to the need for a strategy. That strategy will be taken forward within the timescale in which we think that we can deliver. The issue is about whether we go for full public consultation will need to be considered with the delivery in mind.

**Mr Agnew:** I welcome the fact that we have DETI and InterTrade here together. It suggests collaboration. I hope that that is the reality; it certainly appears that way on the face of it. Joined-up working throughout Northern Ireland and Ireland as a whole is something that we need moving forward.

I hope it is OK if I go a bit broader than Horizon 2020. During our evidence from the Northern Ireland Chamber of Commerce, it was suggested, regarding funding for R&D in innovation, that there was too much of too little: there were a lot of funds but they were scattered, and to negotiate all those funds is a minefield. There was not one place that people could go to and be told what all the funds were and where they were. What work is being done to try to bring some of that together to make it easier for businesses to negotiate?

**Mr McGarrity:** From a Northern Ireland perspective, it is wider than Horizon 2020. We briefed the Committee before on one of the key actions coming out of the innovation strategy, which was the idea of an open innovation resource that would act as a satnav for companies. It would tell them where to go, who to go to and what the best method of support is to help them to take forward whatever ideas they have.

**Mr Agnew:** From the point of view of InterTrade or the Department, or possibly both, what potential is there to collaborate with those other funding organisations to pool resources so that bigger funds can be created and simplification can be achieved?

**Mr Gough:** It is not our role. InterTradeIreland is an implementation body. We survey businesses across the island. We previously surveyed 1,000 businesses — it is now 750 — every quarter. We are aware from those surveys that there is sometimes a lack of awareness in the business community of the support that is out there. This goes beyond just R&D support. We just completed a study into access to finance for growth, and it was very clear that there was a lack of quality, relevant information reaching the business community about the range of support and funding options that are available. That is a much wider issue.

**Mr Agnew:** I saw a research paper from about two years ago that highlighted the various funds. We have BIS, DARD, DEL, Invest NI, DETI, InterTrade and various other organisations. We asked this question of Invest NI. Are you confident that the R&D funds of InterTrade provide added value and not overlap? There was certainly a suggestion across the field that there is an overlap with R&D. That claim was made by the Northern Ireland Chamber of Commerce. Are you content that your funds provide added value, rather than replicating something that exists elsewhere?

**Mr Gough:** There are two issues. We can show that they add value, because we evaluate every intervention that we make with a company. We know that every intervention delivers value and that every scheme or programme delivers it, because we go to all the businesses two to three years after they have received funding and ask them specifically what value they can attribute just to the money or support that we gave them. We ask about business generated, savings made, investments leveraged or jobs created. Those figures are there. Also, before the event, if you like, we work very closely with our sister agencies, particularly Enterprise Ireland and Invest Northern Ireland, to ensure that there is no duplication. In fact, their representatives sit on most of the committees that oversee the programmes that we run in order to make sure that there is no duplication. We are very mindful of that.

**Mr Agnew:** I would like to better understand the relationship between DETI and InterTrade. Obviously, the Department part-funds InterTrade, but you are in a unique position in that you work North and South. The line of questioning is clear. We heard from the Chamber of Commerce that there is a lot going on in the South that we can learn from. I know that DETI is essentially your employer and directs you, but is there a two-way conversation? Does DETI listen to you about what it needs to do better or about where things need to be going in Northern Ireland? Is it a two-way conversation?

**Mr Gough:** The remit of InterTradeIreland is very clear: to exchange information and coordinate work on trade and business development. We provide that information through the research reports that we publish. We just published one on access to finance for growth across the island. We also published one on the export capability of SMEs across the island. They are then presented to the Ministers through the Departments, and to the Ministers who meet in sectoral format three times a year.

**Mr Flanagan:** I am sorry that you have been here so long, but I think that we are being fairly nice to you, so if you can, please manage to stay on a little bit. What would happen if the British Government took us out of the European Union? What impact would that have on the work that you do?

**Mr Gough:** Do you mean on the work that InterTrade does?

**Mr Flanagan:** The North/South steering group on Horizon 2020.

**The Chairperson:** Horizon 2020 would be gone.

**Dr Grattan:** In a similar way to other regions, we would have to negotiate about whether the UK would want to continue to be part of Horizon 2020. Switzerland has recently become regarded as a third entity outside of it; it used to buy into it. Countries have the option to buy into it. It would depend on whether BIS, as the Department that would take the lead on that, saw value in Horizon and wanted to buy into it.

**Mr Flanagan:** Are you aware whether that is something that the Department here has considered?

**Mr Gough:** We have not. As I said, InterTradeIreland is an implementation body. The Ministers have told us to increase North/South applications and drawdown. That is what we are trying to do. If the UK were to take that decision, the potential would go across all spheres of business and social activity.

**Mr Flanagan:** What about the possibility that Scotland votes to become an independent country and becomes an EU member state?

**The Chairperson:** To advise you: we do not advise that you get into the realm of "what-if? politics".

**Mr Flanagan:** No, no; I am talking about business, Patsy.

**The Chairperson:** The practical outworkings, yes.

**Mr Flanagan:** Have you looked at that or considered what work could be done involving businesses in Scotland, the North and the South to make three participants from three member states? Is that a possibility that DETI has considered yet?

**Dr Grattan:** We have not looked at it with that specific mindset, but we have, as I mentioned earlier, been talking to Scottish and Welsh representatives to see whether we can increase current intra-UK collaboration. Scottish universities have performed very well and dominated Scottish performance; 80-something per cent of Scottish drawdown has come from the university sector. That is very high, and the sector is very strong. So, from our standpoint, we are keen to see how we can engage with Scottish universities to take that on, not only from an academic standpoint but through our companies. From our point of view, if it were to go in that direction, it would, as you say, provide us with another member state. However, at this stage, it is more of an opportunity, because regardless of whether it is inside or outside the UK or the EU, it will still be a viable opportunity for —

**Mr Flanagan:** So, if that political change happens, it is something that you could adapt to and maximise for the benefit of businesses here.

**Dr Grattan:** Certainly, if that was the case, we would look to do that.

**Mr Flanagan:** Have any applications been submitted to Horizon 2020 yet?

**Dr Grattan:** Not as yet.

**Mr Flanagan:** There is an increasing focus on Horizon 2020 and North/South collaboration. You can see that even at a political level around this table. InterTradelreland has a vital role to play in making it a success. How will the reducing InterTradelreland budget impact on your ability to deliver on Horizon 2020?

**Mr Gough:** As you said, it is a priority area, and we have been directed that it is a priority area. That is very clear from the discussions that have been had by the two Ministers. We are protecting the resources that are devoted to this area.

**Mr Flanagan:** So, is there something in the InterTradelreland budget that the two Ministers have set aside specifically for this type of work?

**Mr Gough:** Our budgets are set through our annual business plans and, initially, the corporate plan. This work has been prioritised within the business plan and there is a budget stream there. The actual amount of money required for the schemes that we offer and run is very small. So, it does not take up a great deal of our resource in that regard. It is more the skill and work involved from people like Simon and Carrie, who is behind me.

**Mr Flanagan:** Does the North/South steering group itself have any resources or staff or is it just people from different agencies?

**Mr Gough:** The North/South steering group is composed of the key representatives with the relevant responsibilities in the Departments and agencies. It is serviced by our secretariat. We chair it and provide secretariat support.

**Mr Flanagan:** So, there is no dedicated staff for it.

**Mr Gough:** We are dedicated to it.

**Mr Flanagan:** I know that you are dedicated and committed, but it is not a full-time role.

**Mr Gough:** No.

**Mr Flanagan:** What are the comparable staff numbers in DETI in the North and the Department of Jobs, Enterprise and Innovation in the South that are set aside to deal with Horizon 2020? Is that something that you have information on?

**Mr Gough:** No, I do not have the precise figures. We could easily get them, but remember that you are dealing with a region and a national Government.

**Mr Flanagan:** Has any actual work been done to analyse why there is such a difference in the success of the two regions in drawing down European funding historically?

**Mr Gough:** There are no direct comparisons, although it has obviously been discussed in the steering group. There is no doubt that it was clear from the initial discussions that investment was made in the South for FP7 to put the structures in place and get the people on the ground to work in specific areas to address specific funds, and that is fundamental.

**Mr Flanagan:** With regard to that investment, has a business case or any other piece of work been done to look at what the payback would be to the local economy if, for example, both Departments were going to put in €1 million over the next six years? I just plucked that figure out of the air.

**Mr Gough:** If you look at the South, you can see the payback. The South invested approximately €10 million in FP7, and it will hit its target, which will be close to €600 million. In fairly crude terms, that is the payback.

**Mr Flanagan:** But looking forward, has any work been done?

**Mr Gough:** We do not do that; it is up to the Government. There have been references to their strategy. They have obviously seen the benefits of that. They have made reappointments and all the structures are in place again for Horizon 2020, and they have doubled their targets.

**Mr Flanagan:** That is in the South. What is happening in the North?

**Mr McGarrity:** The investment made through DETI and DEL in the higher education EU support fund is £1.8 million. AFBI has also identified a resource to fund the contact point. That brings us up towards £2 million. The wider issue is then wider investment to direct support to researchers in the universities where they can draw down funds. In the Republic of Ireland, it is €11,000 or €12,000 to support any application. That facility does not exist in Northern Ireland. That is the €10 million. The other investment that the Republic of Ireland has made has been in its contact point network, and there is thirty five or thirty six in that. Again, that covers member state duties. By the same token, we have mirrored that to a degree.

**Mr Flanagan:** Has DETI given any consideration to establishing a fund for microbusinesses to enable them and help them to make bids for applications?

**Mr McGarrity:** The funding is there for businesses. The key funding in the Republic of Ireland goes towards the universities. I am not sure what equivalent funding is available for Enterprise Ireland, but I do not think that it is significant. We have a fund in place to support companies that wish to engage in Horizon 2020.

**Mr Flanagan:** We have an example from Pure Marine Gen, which is based in the Science Park. It said that it approached Queen's and that there was no money. However, it was able to go to the University College Cork and get funding. So, there is obviously a problem there. What are you doing to help microbusinesses that are in that situation?

**Mr McGarrity:** I am not aware of Pure Marine Gen, but I would have thought that, in that instance, there would have been scope for it to go to Invest NI for funding. I am not sure whether it did; I do not know the details. That is a company —

**Mr Flanagan:** But you are telling me that the funding is made available through universities.

**Mr McGarrity:** No, in the Republic of Ireland, the funding is made available to university employees.

**Mr Flanagan:** How does DETI support microbusiness to apply for Horizon 2020?

**Mr McGarrity:** Through Invest NI's project definition fund.

**Mr Flanagan:** We will go back to Pure Marine Gen to see whether it went to Invest NI. We are getting an awful lot of evidence from microbusinesses that shows that there is a huge differential in the level of support that is on offer between the North and the South, and that needs to be addressed.

I am on record a number of times criticising the neglect of both Governments of the border corridor. Is there a significant opportunity within funding programmes such as Horizon 2020 to rectify that? Cross-border collaboration could be much easier for organisations and businesses based in the border region.

**Mr Gough:** As you are aware, there is a range of funds for the border corridor. There is the INTERREG funding and the Peace funding, but there is obviously nothing to stop companies in the border corridor applying for Horizon 2020 funding. It is a different type of procedure that you go through, and it is incredibly competitive. However, there are examples of companies in the border counties that, you would expect, could be in a position to avail themselves of those opportunities. The way in which we target them is through running specific events. We target companies that we think are suitable to —

**Mr Flanagan:** So, you proactively go after organisations.

**Mr Gough:** Yes, we invite the people and popularise the events.

**Mr Flanagan:** Are you getting the feedback that there is not enough support for microbusinesses to benefit from such funding streams?

**Mr Gough:** No, I would not have that evidence, and that would not entirely be our view. What we can see is that there are very good support structures in place for businesses that wish to avail themselves of them. There may be problems with making businesses aware of those support structures, but there is certainly an increased level of interest in Horizon 2020 among the business community, particularly SMEs. It is really about increasing awareness of the support that is available and then bringing the appropriate businesses through the support structures, but they have to take the business decision that they want to avail themselves of it.

**Mr Flanagan:** Is the North going to hit its target for R&D spending of 3% of GDP, even though we do not know what our GDP is? Are we going to hit that target?

**Mr McGarrity:** I am not aware of the 3% target.

**Mr Flanagan:** That is the European target.

**Mr McGarrity:** Sorry, yes, the European target. We are currently at about 1.8% or 1.9% of GVA. The target for R&D spend is set out in the Programme for Government. I think that Invest NI and the Department are reporting back. I am not aware, but I think they are on target for the spend and the leverage in that spend. As you know, on R&D expenditure, we are now above the UK average. It has increased by 150% since 2009. The 3%, you are absolutely right, is an EU 2020 target that is set Europe-wide. Our target is more on the leverage and the spend from business.

**The Chairperson:** On that issue of Pure Marine Gen, it stated in its correspondence that the lack of support available from Invest NI meant that it could not advance the project, so clearly there is an issue there.

I have one final point. The Republic's strategy refers to the national support network for Horizon 2020 and states that it is going to work on an all-island basis. What does that mean in practice?

**Dr Grattan:** It effectively means that they open up and share their information through the contact point network, so they now have a route to do that. If it is on energy, for example, they can share details with their energy contact point. Due to the fact that it is a member state, it has access to the Commission that we do not have, although we can get it through the UK, obviously. They are happy to share what they bring in on an all-island basis. They will also support events or provide information to us about events and things like that.

**The Chairperson:** That is grand, thanks for that. We will probably keep a close watch on the manifestation of the action plan and how it works. We may well have to speak to the Minister and the chief executive of Invest NI about that.

In the meantime, thanks for your time. You are getting the thrust of where the Committee has been. It is something that the Committee has focused and spent a lot of time on. It is back to the original point: we are looking at opportunities and how it can best be done.

Aidan, I think you mentioned figures of employees dedicated to Horizon 2020 in both jurisdictions, North and South. We will write to you about that matter.

**Mr Gough:** No problem.

**The Chairperson:** Thank you.