



Northern Ireland
Assembly

**COMMITTEE
FOR THE OFFICE OF THE
FIRST MINISTER AND DEPUTY
FIRST MINISTER**

**OFFICIAL REPORT
(Hansard)**

European Issues

12 April 2010

NORTHERN IRELAND ASSEMBLY

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DEPUTY FIRST MINISTER**

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Members present for all or part of the proceedings:

Mr Danny Kennedy (Chairperson)
Mrs Naomi Long (Deputy Chairperson)
Ms Martina Anderson
Mr Alex Attwood
Mr Tom Elliott
Mr Barry McElduff
Mr Jimmy Spratt

Witnesses:

Ms Bairbre de Brún MEP

The Chairperson (Mr Kennedy):

Good morning and welcome. Mr Nicholson MEP is not available this morning and has sent an apology. These sessions are an opportunity for MEPs to brief the Committee on current European issues and to exchange views. It would be helpful if you would make an opening statement, after which we will have a question-and-answer session. The session will be recorded by Hansard for future reference.

Ms Bairbre de Brún MEP:

Thank you for the invitation to talk to the Committee. These sessions and exchanges of views are

extremely useful, and I hope that, as your report recommends, this will be a regular feature of the Committee's business.

One of the major issues at the moment is the question of EU 2020 — the strategy for growth and jobs that will replace the Lisbon strategy. The European Commission is proposing five measurable EU targets for 2020, which will be translated into national targets. The targets are for full employment, research and innovation, climate change and energy, education, and combating poverty.

The European Council, at its meeting of 25 and 26 March, looked at the strategy and agreed on the following headline targets: to bring the employment rate for men and women aged 20 to 64 to 75%; to improve the conditions for research and development, in particular the aim of bringing combined public and private investment levels in the sector to 3% of GDP; and actions to put in place the 20:20:20 targets on climate change, which are to reduce greenhouse gas emissions by 20% compared with 1990 levels, to increase the share of renewables in overall energy consumption to 20%, and to move towards a 20% increase in energy efficiency.

The headline targets on improving education levels focus, in particular, on aiming to reduce school drop-out rates, increasing the share of the population that has completed tertiary — third-level or equivalent — education, and promoting social inclusion, in particular through the reduction of poverty. More detail on the last two targets will be provided at the European Council meeting of member states in June.

The EU 2020 document did not mention agriculture and the common agricultural policy. The European Council heads of state said in their conclusion that all common policies, including the common agricultural and cohesion policies, will need to support the strategy, and that a sustainable, productive and competitive agriculture sector would make an important contribution to the new strategy. That has to be seen against the background of the discussions that are ongoing on the EU budget and the speculation that the sector may well face cuts in the amount that will be made available in that budget.

Further work will be done on this by the member states coming back to the Council on 17 and 18 June, when the Council will adopt further details of the strategy, including country-specific targets. In the autumn, member states will have to submit stability and convergence programmes

as well as national reform programmes. Of course, all of this is against a background of coming out of a period of economic crisis. I will deal later with the question of Greece and the ongoing discussions about that.

The EU 2020 strategy contains a number of flagship initiatives. They are non-legislative but will set out communications that the Commission will bring forward on: a digital agenda for Europe that will set out priorities to speed up the roll-out of high-speed Internet and tap the potential of digital technologies; an industrialised policy for a globalised era, which is around setting priorities to improve the business environment, especially for small and medium-sized enterprises (SMEs); and the European plan for research and innovation, which includes eco-innovation and will be the subject of a very specific thematic discussion at the European Council in the autumn.

There are two strategies specifically regarding youth, young people and employment and education. The ‘Youth on the Move’ initiative will set out priorities to enhance the performance of education systems, specifically around the higher education system, and open more mobility programmes to young people, and there is a youth employment strategy in recognition of the fact that younger people have been particularly badly hit by the financial crisis. Its stated intention is to increase job opportunities, promote apprenticeships and training and improve the transition from education to work.

There is an agenda for new skills and jobs and the question of the European platform to combat poverty. Unfortunately in my view, the specific initiatives that deal with the social inclusion aspect of combating poverty are quite vague at this stage and have much less detail than some of the others. I hope that, given that those initiatives will be revisited in the June Council, much more detail will come forward on those.

There will also be work on the resource-efficient Europe flagship initiative. The aim is to decouple growth from resource use, because on the one hand we want to grow the economy, but on the other hand we want to reduce emissions in regards to climate change. We want to reduce the overuse of resources, particularly energy resources, but also other aspects such as water and soil in the agriculture sector. We are trying to decouple that so that we can have the growth without necessarily having an increase in the use of resources along with an increase in production.

The Commission will work on a plan specifically about energy efficiency, which will define the key actions necessary to achieve the energy saving potential of 20% in the building and transport sectors in particular. The Commission will then work on developing initiatives for Europe's transition to a low-carbon, resource-efficient and climate-resilient economy by 2050 and on the actions that will be needed for that by 2030. The Commission has introduced a work programme which lays out the timetable and the headline actions for those major initiatives and for the actions that will be needed for common agricultural policy reform, for common fisheries policy reform and for the fact that structural problems are coming to the fore.

Some of these things will cause us difficult discussions and decisions. The three MEPs will need to work together, and we will need to work with other MEPs and with our Ministers. Recently, the MEPs met the Agriculture Minister, Michelle Gildernew, on the common agricultural policy and the common fisheries policy. Last week, we had a joint meeting with the Commissioner for Maritime Affairs and Fisheries, Maria Damanaki. As I said, there is a backdrop of pressure on budgets, specifically in the areas of agriculture and cohesion. That has a specific impact on the constituency here in terms of developing the economy, because agriculture is a large part of our economy.

Other proposals that are coming forward may be useful to us. There is a proposal for regulation on the European globalisation adjustment fund. When that was first proposed, we tabled amendments and made criticisms of its restricted nature. We argued that the fund should be available to redundant workers at a lower threshold of jobs lost and that the criteria should include the knock-on effect on a region of the relocation of one major industry and the effect of the relocation of jobs to other member states, not just to countries outside the EU. Those things appear to be coming forward now.

One of the major things is that the leaders of the 16 euro zone nations have agreed to fund up to €30 billion in emergency loans for Greece, if Greece wishes to have it. The Commission, in liaison with the European Central Bank, will start working on that from today with the International Monetary Fund and the Greek authorities.

The Chairperson:

Thank you for that very helpful overview. You said that the legislative work programme has

been published and that it will contain difficult issues requiring difficult decisions. As a Northern Ireland MEP, what priorities do you see in the legislative work programme?

Ms de Brún:

Clearly, the discussions around the common agricultural policy and the common fisheries policy are a priority for us. As I said, the MEPs have already started to undertake work on that. We need to ensure that some of the more positive messages in the EU 2020 programme come through into action. There is talk there about greening the economy, and members will know from my previous appearances at this and other Committees that I believe that we could benefit a lot from that. A strategic decision and an overall integrated strategy from the Executive on a green economy and green jobs would well suit our needs to build the economy here and put us at the forefront of developments.

In relation to the knowledge economy and some of the work that we have done and could do here, we could usefully look at how some of the non-legislative initiatives, such as the communication on the European digital agenda, could be rolled out and how that could provide an impulse for the rolling out of high-speed Internet. It could be done on a cross-border basis.

We need to ensure that we get the most possible for the things that we need in the budget discussions. As far as EU 2020 is concerned, it is very clear that Westminster is pushing for cuts in the agriculture budget in order to fund some other things. That is not something that we should support. We need to be aware of that and we should put forward our voice in that regard.

In the reform of the common fisheries policy, there is some discussion of more regionalisation and looking more closely at ways in which one can have a better understanding of the specifics of a particular region in respect of how that is brought forward. That is important. Generally, the importance for us will be in relation to the steps that are taken to move out of the economic crisis to provide growth and jobs. The Lisbon strategy was difficult because it became more narrow. It was to be a strategy for growth, jobs and sustainable development, but the sustainable development bit got lost along the way. The words are there again in the EU 2020, and it is important for us to ensure that the reality is there also.

Ms Anderson:

The Hansard report of this meeting should be sent to the other Committees, because the

Enterprise, Trade and Investment, Employment and Learning and Agriculture Committees would benefit from getting that rundown. I will ask about three issues, and you can decide whether you can deal with all three. I am quite keen for you to speak a bit more about the green economy and the integrated strategy for green jobs. With your experience as a previous Executive Minister, how could that be taken forward?

My second issue is about the European digital agenda. We have a telehouse in Derry, and Project Kelvin benefits the entire North. How can we tap into that? A small data centre is being built as we speak in Derry. It will produce almost three times the speed at a reduced price for SMEs. Hopefully, others will come on board. My third issue is about 75% of the population aged 20-64 being in employment. Are there any specific gender equality targets for women, or any discussions around that?

Ms de Brún:

Look through the Commission work programme and the more general targets. Areas that come specifically under the Department of Enterprise, Trade and Investment; areas in transport, because there is a White Paper on transport and planning transport infrastructures for the next decade; the energy infrastructure package that is coming forward; and the preparation blueprint for offshore grids in the northern seas of Europe — across virtually every area, including agriculture, there is a discussion about a green economy or a greener economy in relation to the way forward for the EU. Therefore, it is important for us to be aware of that and to be aware of the detail of what is coming forward.

When I spoke to the Committee previously, I spoke specifically about the Commission's work programme, which comes out each year. That is a useful reference document that people can use to find out what is coming forward. Matching that to the kind of discussion that has happened in the Assembly already, and through the green new deal, people need to look at the proposals and at the opportunities for discussion.

When speaking to people from other countries who are looking at the restructuring of the EU economy, I always talk about Harland and Wolff, and the fact that for many years it was characterised by job losses and by retraction in the industry. However, that company saw opportunities and moved in the right direction, and that trend has been halted. For example, it has worked on the wave energy project at Strangford Lough. Representatives of the company came

to Brussels recently to talk to us about the possibilities of working on ship dismantling.

In moving to a low-carbon, knowledge-based, competitive economy, the European digital agenda brings forward that specific communication. Some parts of it will be legislative and some will be non-legislative. It is aimed at achieving a borderless online market for goods, services and content, upgrading skills and delivering services of the future. Given what we have put in place already, we could be well placed for that, and we need to keep an eye on how that develops.

Finally, in respect of gender equality, the Commission's work programme is very specific in that it wants that figure to be there for women as well as for men. That will result in a considerable increase in the percentage of women in work. The Spanish presidency of the EU has also made the tackling of gender violence a priority. It is looking at the kind of experience that it has had in respect of some of its laws, and it is also developing EU-wide information gathering and monitoring. The aim is to have an EU centre for monitoring gender violence, gathering EU-wide information and diagnosing the problem at a European level to allow for comprehensive solutions to be found.

Mr Spratt:

Thank you for the presentation. Research, innovation and development have been important aspects of our universities for many years, but other universities may have been doing it better, particularly in respect of networking in Europe. How do you see the research and development agenda in Europe now, and how can it be improved north, south, east and west?

Ms de Brún:

People want to develop the North/South aspect at the moment, because the Commissioner for innovation is Máire Geoghegan-Quinn, so that is useful. It is crucial that we — north, south, east, west and further afield — step up our game in the EU. Some good work has already been done, and we can showcase certain areas of our use of ICT, such as telemedicine. I know that representatives of the universities here have been in Brussels to do just that. It is clear that the use of ICT across a whole range of policy areas will be an extremely important part of the agenda for the future.

We must consider the amount of money that we invest in research and development. There is the figure of 3% for the EU, but it is not enough for us to simply look at the percentage of

investment. As you say, it is about us and the universities coming together to consider the best-placed areas in which expertise can be developed to ensure that we are at the front of the pack in the future. Our universities must build on what we have done well to date. That kind of network is essential for the future.

Mr Spratt:

How do you suggest that they build on that?

Ms de Brún:

There are fora in which that can happen. The universities can consider the questions that exist at the moment. As I said, one of the headline initiatives is research and innovation. However, another target headline initiative is around improving education, particularly third-level education among young people. The universities can draw on both of those in discussions.

Universities can use open days, which is a point that I have mentioned in the past. In the autumn, the various regions come together in Brussels to showcase what they do and to hold discussions on how they can move forward. The universities can use existing networks and work with the Committee of the Regions and the European Economic and Social Committee to keep up to date with the discussions that are taking place at EU level.

Mr McElduff:

You are welcome to the Committee, Bairbre. How does this region's high-speed broadband and Internet access compare with other regions? DETI often says that there is 100% broadband access in this region. However, people in rural areas — although they acknowledge that DETI has done quite well — resent that claim. Do you have any sense of the access that is available throughout Europe? Also, in your time as MEP, has the Assembly stepped up its engagement with the EU generally?

Ms de Brún:

The high-speed Internet access that is available here is certainly not among the worst in Europe. However, it is recognised throughout the EU that determining how good broadband access is must be done through practical application. Only after the aims and target are set and the methods are put in place can people really see whether good broadband access exists.

The uptake of broadband ties in with the issue of having high-speed Internet access as opposed to having normal access and with the issue of education and young people and the use of ICT in the future. It also ties in with one of the other headlines relating to the Spanish presidency's beliefs about higher education and high-skilled jobs, which brings us back to Jimmy Spratt's question about research and development. The Spanish presidency believes that high-skilled jobs will make up 35% of jobs in the future as opposed to 29% now, and that low-skilled jobs throughout the EU will be reduced from 20% to 15%.

Your final question was whether the Assembly has stepped up its engagement. The answer is yes, absolutely. When I was here last year we talked about some of the steps that we might wish to take. At that time, I said that unless the Assembly decided on what level of engagement it wants with the EU, there was no point in taking some of the other steps yet. I have seen a big change in that regard. Certainly, during the early months of the current parliamentary session, there has been a significant increase in the Assembly's engagement as well as in that which already existed in cross-border groups, local government and with social partners, for example.

Mr Attwood:

You are welcome to the Committee, Bairbre. It is useful to get your sense and perspective of the issues because you are at the coalface in Brussels as well as here. I hope that this sort of engagement takes place on a rolling basis.

I want to make a point rather than ask a question, although you may want to comment on it. The point that I have been making, which Jimmy Spratt has also touched upon, is simply that we want to maximise the return that the North gets from Europe.

You will be aware that at present, there is a £5 billion European innovation fund for R&D, the details of which are currently going ahead under, I believe, the seventh framework programme. In order to access that fund, you must make an inter-jurisdictional application. Although the Assembly may have stepped up its relationship with Europe, when judged against that particular programme, the government have not stepped up to maximise the North's return.

Three weeks ago, the Minister of Finance and Personnel confirmed on the Assembly Floor that under that funding stream, £16 million of a £5 billion fund had been drawn down from Europe. The Republic of Ireland has a target to draw down £600 million from the fund during its

lifetime. On a per capita basis, the target for the North should be £200 million. However, here we are — a couple of years into the programme's lifetime — and, based upon the application of the indicative target for the South to the North, the Assembly has drawn down less than 10% of what it might have aimed to draw down.

In the South, each Department has a dedicated person to work on applications, so that the North and the South, the South and France, or the South and another European country can work up joint bids. So far, the South has had 80 successful applications and the North has had a dozen.

A big fund is available, which could be up to £200 million. Much of the North's failure to obtain funding is due to universities and business not getting their act together with institutions in other European states to make joint applications. However, the fact that the North has drawn down just £12 million tells a tale. We do not have a target or dedicated officers in each Department making applications.

Time is running out with regard to the programme. Given that the North will have to compete in R&D and innovation not only with China and the East, but with the emerging economies of Latin America and South America, where one billion people and their various Governments are beginning to position themselves in the global market, we must ask how we can turn that situation around so that by this time next year, and by the end of the funding programme's lifetime, the North will have obtained funding that is closer to the indicative target of £200 million, rather than less than £20 million.

Ms de Brún:

I agree that it is one of the key funds. In fact, during the previous mandate, I was most pleased that I was able to work with the Agri-Food and Biosciences Institute, because, at one stage, there was a threat to its access to that fund, which it had used in the past. We were able to overcome the problems and sort that out, and the institute is continuing to work on that. Therefore, I can talk to others about how to successfully access such funds.

There are two aspects to the question. The first aspect relates to the point that you made about the dedicated person working up applications on headline targets, which is an important one. Unfortunately, another problem is the economic crisis: at precisely the time when organisations need to access funds, the resources for some of the targets are being hit. In that respect, we face a

dichotomy, and it comes back to a point that I made previously about how to overcome that.

We have had the EU task force report for several years now, and it laid out areas for every Department in recognition of the fact that there is money over and above what would come naturally from the programmes. The report looked at a number of areas in each Department for which the Department could go out and bid for EU programmes. Assembly Committees and Departments need to be more proactive in looking at that. They must also take on board the findings of inquiries into how we are performing in respect of reaching out for those programmes. For example, they should consider the experiences of civil servants, what they went out after and what difficulties they encountered, or, if they did not go after certain programmes, they should examine why they did not go after them and what the discussion process was.

Civil servants and the Business Trust have made some useful visits to Brussels, and we have had interesting discussions with them. Although the Assembly is stepping up its engagement with the EU, it has not stepped up to the extent that it needs to its engagement with civil society; that is, with other stakeholders in the economy here who have a history of engaging with some of those programmes. It is important that the Assembly does that and discusses it with us, with local government, and with the Department. Some Assembly Committees have done that more than others. A recent example is the Environment Committee coming out to Brussels jointly with stakeholders. However, other Committees could step up their engagement, not just with the EU but with stakeholders in the North who have already engaged with the EU and have some experience in it.

The Chairperson:

Thank you very much for your responses to members' questions.

On a final point, what implications, if any, will the tragic death of the Polish President and his senior Administration at the weekend have for Poland and the EU, and for stabilisation?

Ms de Brún:

First, it is a huge loss. I have sent my condolences to the Polish members of the European Parliament on that loss. The loss of President Lech Kaczynski, the first lady Maria Kaczynski and, as you say, senior members of the Polish Government and Parliament and other senior figures from Polish society is a huge blow. The loss of any one of those people would have been

a blow to Poland, but the loss of so many at one time is incredible. It will be very difficult for Poland in the time ahead.

However, at the forefront of many people's minds is that fact that Poland is a very resilient country. It has come through a lot, and it will need all its resilience. We will have to see what kind of solidarity we can offer them.

The Chairperson:

Thank you very much for your presentation and for the exchange that we have had. It is part of an ongoing programme that includes all our MEPs.