



Northern Ireland  
Assembly

Committee for the Office of the First Minister  
and deputy First Minister

# OFFICIAL REPORT (Hansard)

European Issues: MEP Briefing

14 November 2012

# NORTHERN IRELAND ASSEMBLY

## Committee for the Office of the First Minister and deputy First Minister

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

Mr Mike Nesbitt (Chairperson)  
Mr Chris Lyttle (Deputy Chairperson)  
Mr Colum Eastwood  
Ms Megan Fearon  
Mr Paul Givan  
Mrs Brenda Hale  
Mr John McCallister  
Ms Bronwyn McGahan  
Mr Stephen Moutray  
Mr George Robinson

**Witnesses:**

Ms Martina Anderson	Member of the European Parliament
Mrs Diane Dodds	Member of the European Parliament

**The Chairperson:** I welcome our two Members of the European Parliament (MEP) and ask whether they would like to make some opening comments.

**Mrs Diane Dodds (Member of the European Parliament):** I do not know how this happened but I have a meeting that I must attend in Lisburn at 3.30 pm. So, I apologise if my contribution has to be a little shorter than I expected but I am happy to take questions on it.

**The Chairperson:** You said that it would be better to hear from you and to ask questions, and then we can hear from Martina. Are both your presentations short?

**Mrs Dodds:** I am happy to talk for five minutes, but I think that we will gain more if we have an interactive session rather than have me talking at you.

**The Chairperson:** OK, we will take the two presentations together.

**Mrs Dodds:** I want to headline some issues that I think are quite important and that will come up. I will then take questions on any of the detail that anybody wants to ask about. The big issue is the budget that we had yesterday in the Parliament. Two budget processes are ongoing: the 2013 budget process, which is part of our yearly budget process; and, just to confuse the whole issue, a seven-yearly budget process.

I understand that yesterday there was to be dialogue between the Council of Ministers and the European Parliament on the 2013 budget. The MEPs did not turn up to that because they were insisting that an additional €9 billion be added to the budget for 2013. Obviously, the Council of Ministers is not agreeing to that, and, surprisingly, even France and Germany are digging their heels in on this. So, at this moment in time, the Parliament has no budget, and it has to pass the budget for 2013.

If you think of the parliamentary timetable, you would find that we would normally vote on the 2013 budget at the end of year. So, we would be expecting to vote on that in the November plenary in Strasbourg next week, which, obviously, will not happen, or in the December plenary. You may ask about what happens if no formal budget process is agreed for 2013. The answer is that we will get our money monthly on the basis of the 2012 budget. You can imagine that the Council of Ministers is not exactly rushing to agree the increase that MEPs want. I hasten to add that I have voted against all increases.

The 2014-2020 issue is the multi-annual financial framework, or the MFF in Europeak. Of course, we have the situation where the United Kingdom is demanding a real-terms freeze. I suspect that there will be a stand-off between the two.

So, we have budgetary difficulties. The proposals for 2014-2020 would see billions added yearly to the United Kingdom contribution without a clear indication of how any of it comes back. I think that there will be long and hard negotiations. I read reports this week that said that if a budget is not agreed at the Council of Ministers next week, it may be March before another look at the multi-annual financial framework can be scheduled. That would be very difficult because it would have a roll-on effect for all the other processes that are going on. Those include the processes with the common agricultural policy (CAP) and the common fisheries policy, as well as with the cohesion funds and all the big funds that we were planning for 2014-2020. So, the budget is key, and nothing but that will be talked about in Europe over the next number of weeks.

Having said that, a very important issue is coming up for Northern Ireland under the new cohesion policy framework. That is about whether Northern Ireland gets to be a transition region, which makes a significant difference in match funding, etc. We have other issues coming up on the social fund, how it is actually directed and how we want to progress with it. I have made submissions on a number of those issues. We have issues coming up on Peace IV and INTERREG V, which are very important to Northern Ireland.

We also have the common agricultural policy. Currently, the vote from the Parliament side is scheduled for 22 or 23 January or 23 or 24 January 2013. That depends on progress being made on the compromise amendments to the 7,000 amendments that MEPs tabled to the original text. We are in the same position with the common fisheries policy. This morning, I received the consolidated text on all the compromise amendments to that. There may be a vote in committee on that text on 18 December, but it may be put back to January 2013; it depends how quickly the translation services can get ahead.

So, an enormous amount is going on in Europe, and I am happy to take specific questions on that.

**Ms Martina Anderson (Member of the European Parliament):** I will avoid repeating any of Diane's presentation, so I will just try to add to and complement what she said.

Obviously, I preface all my remarks by letting everyone know what they are already aware of, which is that I am the new kid in town. I have been a functioning MEP for 12 weeks, if you take out the recess. That said, I have a lot to learn and I have learned a lot. I feel up for this challenge, and particularly as I am a former member of this Committee, I feel that I have learned a lot from my experience.

There have been a few shocks along the way, I have to say. Diane will know about this, but one such shock was to do with the new code of conduct. I received it only when I came in as an MEP, and I was somewhat appalled to discover that, in the system in Europe, you can be lobbied by a lot of big organisations and groups. As a consequence, if you support them through the legislative process and vote as they want you to, they can pay you back by awarding you with a holiday or a break at €300 a night. However, they tell you not to be too alarmed about it, because you cannot travel first class; you must travel second class. You do not have to declare that as an MEP. I am saying that to you so that you can compare that with some of the bad press that this place gets about what can happen here. I was gobsmacked when I heard that. That said, it is being challenged, and, believe it or not, that has made the situation better than it was previously. So, there you go.

There are somewhere in the region of 400 funding streams. Thankfully, we are not going to have an opportunity to talk about them all today. The budget and CAP have already been covered. However, I know that this Committee has looked at research and development. There is a consultation out at the moment from the Special EU Programmes Body (SEUPB), and I am sure that if they have not done so already, all the political parties will make submissions to that. Sinn Féin has already done that. There is an element on strengthening the urban dimension, which I think is crucial.

I know, through the forum, about the meeting that you convened, and, hopefully, we will be able to go back to having another of those meetings so that we can pick up on this matter. Consider that the South has been able to accrue £700 million thus far from research and development funding. By the way, I have spoken to officials in the South; they are not particularly happy with what they have secured, and they think that they should have secured more.

The Department of Enterprise, Trade and Investment (DETI) has told me that by the time that the process is over, we will have secured somewhere in the region of £50 million, which is not really good enough. The South has not been able to secure that money because of the situation where Enda Kenny, for example, is almost like the playboy of Europe, given that he is implementing austerity very well. He was given the title of European of the Year. That is because the Departments in the South have applied themselves in a way that Departments up here are only starting to.

On Tuesday, when we are over in Strasbourg, I have a meeting with Commissioner Máire Geoghegan-Quinn's adviser. We will be talking about research and development. Notwithstanding all that has been said here on the budget, something like £9 billion is yet to be secured in the seventh framework programme (FP7).

I want to see how we in the North — the universities, the small and medium-sized enterprises (SMEs) and others — can get access to that. Obviously, some good work has been done on that already. I am also going to be the shadow rapporteur on the innovation and sustainable growth report that will be coming up. I know that that relates to a lot of the work that may be going on in this Committee, particularly on jobs, opportunity and growth.

The Department of Agriculture and Rural Development (DARD) engages with us very well by briefing us on some of the difficulties that are going to come at farmers, particularly with the common agricultural policy, if we do not have the multi-financial framework agreed. The Department of Health, Social Services and Public Safety is also doing some very good work at the moment on an EU reference site and on trying to get that designation for the North. So, we got the briefings that we wanted from those officials, and they were very good. After this meeting, I am going to be engaging with Office of the First Minister and deputy First Minister (OFMDFM) officials, particularly on the Barroso task force. We have the two junior Ministers coming out to engage with us at the end of the month. We will get an understanding of the four thematics that the Executive have prioritised. I am very keen to hear about child poverty in particular and poverty in general by looking at how the work that is being done on the Delivering Social Change model and the outcomes model is being taken forward.

We need to look at whether we are going to get Peace IV funding through the current consultation on the Special EU Programmes Body. Hopefully, people will be encouraged to respond to that consultation. I know that the First Minister and the deputy First Minister have been engaging on that and that there seems to be an uptake of it. There is actually an uptake in that the Irish Ministers are pressing for Peace IV, but there are difficulties with the British Government because of their position on wanting a cut in the budget. If we do not get Peace IV here, what will that mean? At the moment, Peace III, along with INTERREG, has secured something in the region of £589 million for the North, so it will be a great loss if we do not get Peace IV. There is a lot of work to be done on that.

As well as what Diane mentioned, particularly as we could be located as a transition region and given what that would secure for you, the British Government have also not agreed to those categories being designated in that way, with a less-developed region in transition or a developed region. They would rather have just the two. If we were allocated as a region in transition, you would accrue additional funding for that and the rules would be relaxed. This Committee will probably be interested in probing that somewhat. I know that you have already started that because I have read through some of the material that has been presented, particularly from SEUPB and Pat Colgan. A particular situation exists here in the North, which I also came across when I was junior Minister. Everywhere else in Europe you have a management authority, a joint technical secretariat, monitoring committees and steering committees. Within that structure some accountancy is going on. Governance is also

accounted for in that structure, and Departments all over Europe are playing their role in it. That is where decisions are made. I know that I have been lobbied, and I assume that you have, too, by groups and organisations that are trying to secure money from the SEUPB or the Departments. Sometimes it is about where it falls, so people ask, for example, whether there is a delay in the Department or whether the SEUPB is stalling it.

When I was in OFMDFM, I discovered that we have an additional layer of unnecessary bureaucracy that appears nowhere else in Europe. I probed that further when I was out in Europe. Through that process, applications are assessed and the monitoring committee makes all the relevant assessments that need to be done on a project. In Europe, what would happen is that once the project is approved, the steering committee would issue a letter of offer covering the implementation of the project. Over here, once the steering committee decides that it is approved, it then goes back into Departments, which start a whole audit of the project again. That then leads to weeks — months, actually — of delay. Many of you are being lobbied by a lot of groups and organisations, and I know that the women's sector is very vocal in trying to secure money.

Tourism is another area that I think is worth looking at because it is a major priority in INTERREG IV. However, when we look at the 11 categories, we will see that there is no home for culture. There is a new opportunity for urban community development for areas in cities such as Belfast, Newry and Derry. I think that there are opportunities to secure money for that, and we need those cities to engage with the relevant officials in the Department of Finance and Personnel. The Department for Innovation, Business and Skills will identify the cities perhaps in England, Scotland and Wales, but maybe not those here if we are not pushing at their door. So, there are opportunities for a funding measure and funding stream for urban community development that would be worth those cities pursuing.

**The Chairperson:** Thank you both. This is such a broad area, and there are so many programmes and funding schemes. I know that Europe is not about just money, but it is very difficult not to begin there. I assure you that an outside agency has sponsored none of the questions from this panel.  
*[Laughter.]*

**Ms M Anderson:** You are not getting any holidays.

**The Chairperson:** No members will be sending apologies next week from the Seychelles.

**Mrs Dodds:** I should say that that is the first time that I heard of what Martina was talking about.

**Ms M Anderson:** I got that new code of conduct because I was the new kid, and I was absolutely appalled.

**The Chairperson:** Both comments are noted. Let us start with finances and the budgets. To keep it real and to have a baseline, given that we have 1.8 million people in Northern Ireland, how much per capita do we pay into Europe and how much per capita do we get out?

**Mrs Dodds:** I am happy to deal with the budget issues because, believe it or not, we prepared that sum earlier. The structural funds in Europe are worth roughly 37%, which is almost the same as the CAP budget, so the structural funds are very significant. Open Europe did a study on the structural funds and the different regions; in other words, on what each region gets in from the structural funds and what they pay out. It concluded that, for every £1.58 — I have not got a clue how you get £1.58 out of it — that we contribute to structural funds in our taxes, we get back £1.

**The Chairperson:** Right.

**Mrs Dodds:** It is not a good bargain, and I do not think that we would run the family finances on that basis.

**Ms M Anderson:** That said, we have been able to go after money, particularly for competitive programmes. If you were, for instance, to compare the €700 million for the South with the €30 million to €50 million that we get here, you will see that we are not at the reaches with structural fund money. Indeed, you can compare our situation with that anywhere.

**Mrs Dodds:** However, we cannot compare apples and oranges. We are a region of the United Kingdom. Therefore, we have to compare what we, as United Kingdom taxpaying citizens, pay in with what we get back out. All the studies show that we do not get back out what we pay in. That is not new. The United Kingdom is a net contributor, it continues to be a net contributor, and even under a real-terms freeze, its budget will go up by billions every year during the next multi-annual financial framework.

**The Chairperson:** The structural funds, as you both say, are not the whole picture; they are 37% of them.

**Mrs Dodds:** Yes.

**The Chairperson:** Is that £1.58 a UK figure?

**Mrs Dodds:** No, it is a Northern Ireland figure.

**The Chairperson:** Does anybody know the actual global figure for the citizens of Northern Ireland per capita — x goes in and y comes back out?

**Mrs Dodds:** That is a much more difficult figure to calculate. As you say, it is all because there are so many different funding streams. So, you cannot say, "We give this. We get that." It depends on how you get it and how it works. I do not have that figure.

We know absolutely that we are net contributors. Our economic performance is not as well developed as that in London, for example. People will say to us, "Surely you must actually be better off than other regions." We are better off than other regions of the United Kingdom but we are still a net contributor. That is a very significant issue.

**The Chairperson:** Some parties would like to see an in/out referendum. Surely one of the key facts that you would have to present to voters is that if you put x pounds in, you get y pounds out. I do not know the figure, and you do not know the figure. So, does anybody know the figure?

**Ms M Anderson:** If such a figure exists, it could be ascertained by our putting in a question. A number of examples could be used — Diane gave one on structural funds — but let us take farming. Every year, £375 million goes directly to farmers, and they get £60 million from the rural development programme. Therefore, the total income for farming is somewhere between £350 million and £380 million. If you were to make the calculations, you would find that farmers receive £375 million and £60 million from the rural development programme on top of that. What does that tell you about what would happen to farming without CAP?

**The Chairperson:** I understand that, Martina, but you are not calculating what we give to Europe to give back to us.

**Ms M Anderson:** Without doubt.

**The Chairperson:** We get £350 million, but the farmers may have given £400 million.

**Ms M Anderson:** Would that money go to farmers if they were not securing it from Europe? You might say that it would, but I have my doubts. I do not think that it would come to the North at all.

As you say, the conversation sometimes comes down to what we put in and what we get out. Where trying to access funding is concerned, we are not going after the opportunities that are there. This Committee worked on an inquiry into Europe. In the North, it is not about comparing apples and oranges. The universities are not going after the opportunities that are there, nor are we providing opportunities for our SMEs. We could get a lot more out. We are not at the races, so let us not blame the fact that we are not backing the horse and, therefore, not getting the return. We could get much more than we are.

**The Chairperson:** I am not saying that there is blame here. All I am saying is that whether you are running a family budget, a country or a union, it is fairly basic to ask, "What money is coming in? What money is going out?" There might be a green-light reaction to that or there might be —

**Ms M Anderson:** If you were not getting enough in, you would go after it. You would do our job and secure more money for the North.

**Mr Moutray:** Thank you both for presenting this afternoon. Diane, in passing, you made remarks about CAP reform. It will have a major impact on the economy, particularly when you consider the vast sum that is paid to farmers here in single farm payments. Do you believe that the reform will be carried out within the proposed timetable? If it is not, what will happen to farmers here?

**Mrs Dodds:** I think that it is becoming increasingly difficult. The Commission published its text, and the Parliament has spent the best part of a year responding to it. We had tabled over 7,000 amendments to that text by July, and we are working on the compromise amendments. We want to whittle those down a bit and get compromises that create more workable solutions. We had hoped to vote on those compromise amendments before Christmas. However, it was announced in the committee last week that we will now not vote on those amendments until the committee on 23 or 24 January. It will then take at least four or five weeks. Once we get all the votes done, the text is solidified and consolidated. It will be translated into 23 different languages. It will then have to be voted on in plenary before it is a finished piece of work. You might not be voting on it in plenary until March.

Having said that, a parallel process will work with that. That is the process from the point of view of the Council of Ministers. In the next six months, the Irish Republic will take over the presidency of the Council of Ministers. There is an opportunity there for some solid negotiation between the Parliament, the Commission and the Council of Ministers. CAP is the subject of the new co-decision process under the Lisbon treaty. Therefore, anything that is agreed will have to be agreed with the Council of Ministers and the European Parliament. The Commission can propose, but it cannot legislate. So, the legislation will be the result of a compromise between those two. In that compromise, the bartering, negotiation and work that the Irish Republic does during its presidency will be quite significant. Those six months represent a short window of opportunity. The presidency of the Council of Ministers will then go to Lithuania. It is a very new state that, compared with what we want, wants a very radical outcome from CAP reform. Therefore, I think that there is a short window of opportunity to try to get a good negotiation. That is very compacted, and there will certainly be a lot of pressure in the first six months of next year.

I think that we will get headline agreements on CAP reform but not all the text. We will not get the actual legislation in place for 2014. If that is the case, there will be a rollover of the current one, probably for a year.

**Ms M Anderson:** There is a rollover for pillar 1. At the moment, there is no legal basis for a rollover for pillar 2.

**Mrs Dodds:** Although we have tabled the amendments that will allow the legal basis for a rollover for pillar 2.

**Ms M Anderson:** So, there is, hopefully, at least some comfort for farmers, but it is a worrying time.

**Mrs Hale:** My question concerns EU funding. Diane, I know that in our area, you hold a lot of workshops and meetings about this. However, EU funding is still a great unknown to many groups. Many deem it beyond their scope to seek out funding opportunities and be successful in obtaining funding. What more do you, as MEPs, think could be done across government to highlight the funds and see that more EU money is drawn down to local groups?

**Mrs Dodds:** I do a lot of work on funding. I have spoken to literally hundreds of groups across Northern Ireland over the past three years. There is such a demand for that. European funding is difficult and complex; no one is pretending otherwise. However, there are certainly huge opportunities. For example, I have a staff member who is training women's groups in how to access the Grundtvig funding, which comes directly from Europe. We are running some training programmes for women's groups that want to access funding in that way.

It is not impossible for ordinary community groups to access funding. One of the best examples of a regular, ordinary set of people who access European funding on a regular basis is Ballybeen Women's Centre. They are now so expert at it that they lead a funding consortium. They are excellent at it, and

they are a real leader in doing it. Groups from Greece apply to Ballybeen to be part of its consortium. So, it is not impossible, and it is entirely feasible.

What do we do across government? We have to move away from the idea that says, "Oh, goodness. My Department has a hole in its budget. Maybe Europe has money that would plug that hole." It does not work like that. We have to engage with the European programmes. We have to be in there at the start of the programmes. One of the things that I have been really heartened to see is that the Department for Regional Development, for example, has been very active in engaging with the new concept of Connecting Europe through the transport policy. The outcomes of that remain to be seen, but it has been engaging with the programme. That is the programme that is going to be instituted when the budget for 2014-2020 comes out. There is no point worrying about 2007-2013; it is taking its last gasps and is on the way out. We need to look at the 2014-2020 budget, and there are Departments that are doing that. I am in the process of setting up a meeting between DETI and the Competition Commissioner to look at the regional aid guidelines. Again, that is massively important for Northern Ireland. We in Northern Ireland could be caught in a bit of a trap. If we do not get corporation tax devolved and we get regional aid guidelines from Europe that do not suit us, we will be prevented from giving foreign direct investment incentives to companies that employ over 250 employees. If that were the case, Citigroup would never have been in Belfast. We could fall into that trap.

I am heartened by the fact that some very ordinary and great community groups, working at a grass roots level in areas that you might not even think would be drawing down European funding, can do that. I think, as well, that Stormont — and I think that this is progressive and good, and we need to see more and more of this — is engaging very early to try to set the parameters before the legislation is in place. That is what we are doing on the regional aid guidelines, and we will meet on that in December. That is what has been happening on the transport stuff as well. I think that that is encouraging.

**Ms M Anderson:** I have met officials from DETI. Of the 700,000 business base, only in the region of 450 — less than 500 — are chasing funding for research and development. DETI is working with the University of Ulster and Queen's to bring together a working group — I think this was mentioned at the forum meeting that you convened — to help SMEs and even the universities to secure money. Seventy-five per cent of the £36 million or £39 million that was secured went to the two universities, and out of that, 75% went to Queen's. They realise that the universities are not applying themselves. The universities are coming together with DETI officials and others such as InterTradelreland to form a working group in order to see how they can build up that kind of capacity. There is as much grey matter in the North as there is in the South or anywhere else where that money is being drawn down. We really are at the bottom of the ladder when it comes to securing EU money.

**Mrs Dodds:** May I add one wee tiny thing about Horizon 2020 that, I think, is really important? We have had Commissioner Máire Geoghegan-Quinn here, and she is very open to anybody ringing up her adviser Dave Harmon and saying, "I have people coming over. Can you help us to sort this out?". She is very good. One really important thing is that too much money is going to academia. One of the questions that the Parliament and committee has put down is what is the actual output of that research for the economy? A lot more research under the Horizon 2020 programme will have to be focused on the output for the economy and how that can help with the key growth strategy, Europe 2020. I think that that will help to focus the research into the economy.

The other key aspect is that she has not met her targets under the seventh framework programme for the inclusion of SMEs in drawdown for the research and development programme. Those targets have not been met, and it is unlikely that they will. There are aspects of that that they are trying to make simpler in order to encourage SMEs to come together collectively to try to engage with the programme.

**The Chairperson:** Just before you go, Diane, if you do not mind, to follow on from Brenda's point about community groups, you very easily identified Ballybeen Women's Group as an exemplar. In my time at the Victims Commission, I came across maybe 100-plus groups. You very quickly identify the range of capacity. You are able to say that these groups are the premierships; those are the first division; and those are the ones with an existential threat because they just do not know how or have the capacity to do it. The difficulty is getting them to share best practice because, ultimately, they all compete for the same pot of money. Have you any thoughts on how the likes of Ballybeen can roll out their expertise?

**Mrs Dodds:** Ballybeen Women's Group is superb. I have brought Tanya Hughes with me to other groups. At the end of the day, if you are applying for Grundtvig or some of the big European funds, it is such a big pot that no one else in Northern Ireland is a particular threat to you. What you need is the confidence to engage with the system.

I will give you an example. We often wonder what on earth we should do for young people. How do young people get involved in European programmes? There are two interesting issues around that. There is a huge pot of money. In the 2007-2013 financial framework, there is about £800 million for young people. However, it took me about 18 months after I became an MEP to discover that the European Union and the British Council sponsor an office at Forestside in Belfast that is supposed to be going out, giving to groups, meeting people like you and talking about the work that that funding stream from Europe could do. They have a full-time employee at Forestside who should be out there in the community doing that sort of work. So, a lot of it is about the information that you can give.

I just want to make one point about the budget. One of the things that I do in the Parliament is that I sit on a steering group of MEPs who are campaigning for a single seat. In other words, we are tired and fed up with the waste of money, time and energy of running between Brussels and Strasbourg every month. That currently costs taxpayers around £200 million per year. That is two-and-a-quarter times more than the total annual budget of the Erasmus for All programme for young people in the European Union. That is what we throw away.

And on that happy note — *[Laughter.]*

**The Chairperson:** Thank you very much.

**Mrs Dodds:** Thank you. I apologise to everyone but I have to go.

**The Chairperson:** We appreciate you giving your time. I wish you a safe onward journey to Lisburn.

**Mrs Dodds:** Oh yes, the hub of the world.

**Mrs Hale:** It is indeed.

**Mr Lyttle:** A suburb of it.

**The Chairperson:** It is one of the hubs of the world.

**Mr Eastwood:** I am someone who believes that the EU is more than just about what we can get out of it. However, what we can get out of it is very important. If you ask a lot of communities and community groups and projects across the North, we have done very well in peace funding. However, it is clear that we have not done anywhere near as well as we should have done with respect to other funds. All you have to do is cross the border in a car to notice the infrastructural development down there, as compared to the infrastructural development here — and especially in our part of the world, Martina. Europe was a big part of providing a lot of that funding.

You said that there is £9 billion left unallocated in FP7, but there is €80 billion available in the Horizon 2020 fund. Where are we with respect to getting anywhere near that? Aside from that, in other programmes, I do not think that our Departments are anywhere near where they need to be. I think that you have already said that.

However, we have a very near neighbour that is absolutely fantastic at getting its civil servants involved in and at the heart of Europe, and finding out, at the start of all these programmes, what is happening and how it can avail itself of them. Is there no way that we can piggyback on the Irish Government and the Irish Civil Service, learn lessons from them and let them open doors for our Civil Service? For whatever reason, we just have not been anywhere near where we need to be. We have probably missed a massive number of opportunities.

**Ms M Anderson:** I agree with you, Colum, that we have missed the opportunities. However, we are where we are, and there are other opportunities still there, staring at us. We could lament over what we have not got or we can try to say, right, let us build, like we are doing, and how we can go forward. This Committee has been quite instrumental in helping to put a focus on European priorities through its previous inquiry. The Barroso task force is now being headed up by the two junior Ministers, and

when I was junior Minister with Jonathan Bell, there were 57 meetings over three days with about 30 civil servants who had been taken out, to give people an understanding of the opportunities.

As a result of the work done by OFMDFM and others, you now have four desk officers — you may have met them — located in Europe. Each is relating to the European priority that the Executive set; the thematic bit has been set. As well as that, you have the work that the universities are doing. The universities can generate research and business if it is done in a collaborative and co-operative way. It is, therefore, important in our universities, including Magee — I am somebody who represents the North but also lives in the city of Derry. There are opportunities there that both Magee and other places need to be chasing after and have not.

I have been to every meeting over the past 12 weeks where you had Government Ministers from the South — almost a team Ireland because you have the Irish presidency coming in, as Diane said, and there are opportunities, particularly to get CAP reform and other issues resolved. There really is a team Ireland MEP approach over there, with MEPs working together in helping each other. You used the term "piggyback". There are no secrets in Europe. Europe is very open around accessibility, but Europe is not going to come to us, Colum. We need to go over there and make those connections, establish those relationships and build on the work that you rightly point out that others have done. Others are there, saying, "Look, we will come on board and help you through this process." They are not going to come here and bring it to us, so we need to go out there. We are in a better place than we were a few years ago. We have more personnel working in this area than before. We have an Executive priority paper and the two junior Ministers driving the Barroso task force. You have personnel coming in from each Department to try to draw down funds. The Executive have set a target of a 20% drawdown, so it is up to the Departments to secure that.

You have that kind of activity going on and, hopefully, the outcomes and outworkings of that will be that we will secure additional money here as a result of that engagement. I am a little bit more hopeful now than when I first came in here as an MLA a few years ago.

**Mr Eastwood:** I would like to see more than four desk officers. We need to see each Department embedded within Europe. How that works out is for another day, but I just think —

**Ms M Anderson:** I am sorry; I probably did not explain myself very well. Through the Barroso task force, you have all the grade threes from all the Departments coming together, and the two junior Ministers are heading that up. That is being broken up into the divisions of the four thematics, and the departmental officials are coming together to work. So, it is already happening. You probably need to get a sense of how well that is working. There are four desk officers now in Europe, but —

**Mr Eastwood:** Your point was that we need to go to Europe; it will not come to us. One lesson from the South is that it has sent people out and kept them there for six months at a time or whatever. They have people there learning the lessons. Anyway, I think the point is made.

**Ms M Anderson:** You are right. I think we are on the same page on that.

**The Chairperson:** In your working week, Martina, there are so many different parts of Europe to engage with. How often would you meet, for example, formally with the task force, the four desk officers, with OFMDFM?

**Ms M Anderson:** The NI Executive office, as it is called, over there is available on a day-to-day basis if I need it.

**The Chairperson:** So you are in and out every day?

**Ms M Anderson:** Regularly, very regularly. Gerry Mulligan, who heads up that operation there, will engage with the three MEPs at the drop of a hat. We can phone over if there is any information that we need. The desk officers will come to us. For instance, when NILGA was over with us having a discussion, they accompanied them. There is that kind of engagement. At times, they have an event over there in their office. If they have an event, they will invite the MEPs to attend or to speak. So there is regular communication, and that works very well. We need to acknowledge that there has been an improvement.

**Ms Fearon:** Have you had any dealings with officials and Ministers in the South about the forthcoming Irish presidency? Can you see any benefits for the North?

**Ms M Anderson:** Without a doubt. They are aware that the presidency needs to represent the entire island, across the Thirty-two Counties, and not just focus on the needs of the South. They are aware of the issue of CAP, for instance. Farmers, the UFU and others will look to the Irish presidency as an opportunity to try to resolve that issue in relation to the MFF, because that will be within its bailiwick when it is in charge.

They engage with me and the other MEPs. Each time that a Minister from the Irish Government is over, we, along with the other MEPs, are sent an invite to meet them. Any time their junior Minister, who is also the Europe Minister, is over, she engages with us. They have put in a lot of work in preparation for what will land in their laps in January. The Executive have seconded a number of people to help them so that we can garner some benefits here. So they have been engaging with us as MEPs. They have an open door, and I have found that very helpful as I have been learning my way into this brief.

**Ms Fearon:** Earlier, Diane — it is a pity that she is not here now — mentioned Erasmus and young people. Is the youth guarantee on the work programme for next year?

**Ms M Anderson:** Despite the rhetoric about the youth guarantee, there are concerns that the social model in Europe is going to come under a bit of pressure, particularly if the multi-annual financial framework is agreed, and if some of the member states have their way in a cut in the budget and where that cut is going to be — for instance, Colum mentioned the €80 billion for Horizon 2020. People are saying that it could be £60 billion, which is still a hell of a lot of money. So if the budget is cut, it may not get that £80 billion.

At the moment, there is a concern that there is a bit of a flight from democracy. On the one hand, you make co-decisions, which Diane mentioned — and apparently this is a better time to be an MEP because you have co-decision-making powers — and on the other hand, you can see a Europe that is very much driven by the financial markets. As a result of austerity, 25 million people across Europe are unemployed, and 25 million-plus children are in child poverty. Given all that pressure, be it in Portugal, Greece, Ireland or wherever else, I think there is a danger that the social model in Europe will be accused of not delivering. We are getting a lot of fine words about what the youth guarantee will be, but we have not had anything that we can really measure that against at the moment.

**Mr Lyttle:** It is good to see you, Martina. Am I right in saying that you mentioned that the UK is against the creation of the region in transition?

**Ms M Anderson:** That is our understanding. It only supports two regions — a less-developed region and a developed region — and it wants whatever resources are going for the less-developed one. That being the case, if you look at the 2007-09 Euro stats, you see that we fall in between. A number of other regions that are in the same place as us are looking to establish a transitional region. It is bad news for us that we have fallen behind, but it allows us to accrue some benefits from additional funding and a relaxation of rules. Our understanding is that the British Government, just as they want to cut the budget, do not want a region in transition and do not want money skewed towards that. That will have a massive detrimental impact on the North.

**Mr Lyttle:** I was about to say that. That will have significant implications for the amount of funds we as a region can access.

**Ms M Anderson:** There is that, and there is Peace IV. The particular circumstances in the North, around emerging from conflict and Peace IV, need to be addressed by the British Government. They are not making that case because of the contradictions in terms. On the one hand, they have cut nearly £4 billion from the Budget here; and on the other, they are looking for a cut in the European budget. Then you have the pressure on CAP, Peace money and on transition. There are the levels of poverty and the pressures that exist in the North. That has not been reflected at all by the British Government.

**Mr Lyttle:** As chair of the Assembly Business Trust, I have a fair amount of interaction with businesses in relation to European funding. Some of the key feedback is that there is concern about whether we, as a region, are forming close working contact with the key people at national level who

are engaged in those types of negotiations on our behalf. My next question, which is related to my first, is: who exactly is representing our interests in the negotiation on the categorisation of regions? It would be quite concerning if those who represent us actually disagree with our position.

**Ms M Anderson:** Therein lies the difficulty and the disagreement and the political reality of this place and all our views with regard to where we are and where we should be. As a member state, the British Government represent the North in a lot of those big negotiations. We have the Committee of the Regions, the Barroso task force, and MEPs who raise the needs of the North. MEPs have access, in a way that I did not realise we would have, to commissioners and elsewhere. I had a meeting with the President of the European Parliament. We can express the needs of the North and its particular circumstances. If we were to rely upon the British Government to do that for us, we would be in a worse state than we are at the moment. Unfortunately, the British Government are among the key players around those tables where some of those decisions are taken.

**Mr Lyttle:** In the past, the Committee visited Scotland to see how the Scottish Parliament's European and External Relations Committee interacts. Certainly, feedback and advice seems to be that we should try to improve connections and, if possible, get our people at the front negotiating tables rather than always relying on other people to do that negotiating on our behalf. Have you any idea where we are positioned in those talks?

**Ms M Anderson:** I understood that the Committee was going to review the inquiry that it carried out into Europe. At that time, there was a very long discussion among us, the members, if I can put on that hat again, as to whether we need to establish here a committee for Europe, or whether the Committee for the Office of the First Minister and deputy First Minister would be the relevant Committee and would address the situation on a monthly basis.

We went to Scotland and engaged with representatives there, and they very much argued the case that unless you have a dedicated focus on that, using your best efforts and applying yourselves, it is going to be very difficult to be able to have that as a constant.

You may review that inquiry further down the road. I know that people are talking about the political structure, and another Committee is something that people may not want. However, when this place is being reviewed and discussions are taking place, members may have a contribution to make as to whether the Committee itself feels that the time allocated to Europe is sufficient to be effective and efficient or whether there needs to be something more dedicated.

**The Chairperson:** Let us turn to Peace IV as, potentially, a fresh pot of money, Martina. Dublin wants it to be additional; London does not. Are the three MEPs also split?

**Ms M Anderson:** You may have a better understanding of Jim's position than I do. However, Diane and I are on the same page. I say that because our two parties have been arguing that there needs to be a stand-alone Peace IV and that it should not be taken out of the territorial co-operation because if it is taken out of that, it is taken out of another fund of money, INTERREG.

**The Chairperson:** It is additional money.

**Ms M Anderson:** Peace I, Peace II and Peace III have been additional, although it has come out of the territorial co-operation pot, but it has not come out of the INTERREG money that has been allocated to here.

The British Government say that Peace IV money should come from whatever allocation that you get here from territorial co-operation. Both the First Minister and the deputy First Minister have argued that with the British Government. The Irish Government are on board with the idea that this needs to be stand-alone Peace money, given the particular circumstances that we have here in the North. We need a Peace IV and all the elements of Peace IV. There will be different opinions as to what the focus of Peace IV should be, but Peace IV has not yet been secured.

**Ms McGahan:** Thank you for that. I want to flag up research and development. I read somewhere that it is an area that is totally underutilised here in the North. I happened to have a meeting with representatives of a company this morning, and we were talking about research and development. They said that you have to embrace a particular type of process to do research and development to bring your product through. Sometimes a lot of companies start that and realise that it is not for them

because it is actually taking them down this road or that road. That tells me that there is clearly a gap in knowledge and expertise in the delivery of that, which means that companies cannot draw down the fund money and they end up having to stop. That is actually very important. I do not know whether the problem lies with the company, perhaps because of the lack of a planning process, but that company has been there for 25 or 30 years, so I do not think it has anything to do with its planning. It is just that lack of expertise in the delivery of it. Maybe that is why it is not being fully utilised.

**Ms M Anderson:** Again, the kind of help and assistance that SMEs and companies get elsewhere may be worth exploring. For instance, of those SMEs and other companies that have secured money for research and development from different funding streams in the South — I know that I referred to that, but I have been engaging a lot with Irish Ministers and MEPs and getting a handle on what is happening there — some 88% say that they would do it again because they benefited from it and it was well worth doing.

Here in the North, because of the legacy that all of us have inherited around how Departments have operated before with regard to Europe, perhaps there was not that kind of support there. DETI has recognised that it needs to do more. InterTradeIreland deals with bringing key researchers together. I am picking up on what Diane said about an organisation that has been receiving funding and that, in theory at least, should be going out and engaging at this stage with voluntary and community sector groups. There is a process now in place that, hopefully, will help organisations and groups like the company you met today, so that they do not find themselves embarking on a process that they realise that they cannot complete. That support and capacity is there for them. The DETI officials have looked at that and other officials have examined other areas. It is not because the companies have not been capable, but the quality of the advice, the quality of the support and the lack of co-ordination that had perhaps been there before have all contributed to a lot of pain and a lot of loss here in the North that was not necessary. However, we are where we are, and, hopefully, all of that will now be improved, if not corrected.

**Mr G Robinson:** Martina, the City of Culture is a big event. Can it tap into the European funding, which would be such a big boost and benefit for the whole north-west?

**Ms M Anderson:** I refer you back to my earlier comment, when I said what my concerns are with the 11 themes. Whereas tourism, for instance, is a big priority in INTERREG, it does not appear to be in the proposals that are coming at us. We have to look at the funding streams that are there. I am working with people in the city and in Europe to try to ascertain how those funding streams can be secured. However, as Diane said, that programme has been developed up to 2013. It is about what we do from 2014 on, and the impact of that is going to be far-reaching, not just for the City of Culture and what is going to happen in Derry but elsewhere.

**Mr Givan:** Some of the issues about the CAP reform that I hear, even in the city of Lisburn — a third of the constituency is rural — are around the regulations that are being imposed. Farmers will always say that they are custodians of the countryside, they know how to manage the countryside and they do not need to be constantly regulated to make sure that they are environmentally friendly. In that respect, is there any scope, through the CAP reform, to give farmers a break, so to speak?

**Ms M Anderson:** There have been calls, for instance, on the Agriculture Commissioner over there to prepare transitional rules. "Simplification", "flexibility" and "well-funded" are terms that you hear when you engage with the farming community. They say they want a more simplified process, they want it to be more flexible to be able to adapt to needs, and it has to be well-funded. We cannot be taking on laws because if we did not have CAP, there would, in effect, be almost no farming community in the North.

I do not say that you have to embrace the greening issue in its totality, but we have been saying to farmers that rather than resisting what is coming down the track, they would be wise to take cognisance of the whole greening issue and see how they can make it complementary, whether through diversification or whatever farming will be required. I think that they can do that, and some farmers have demonstrated that that can be the case.

Whether it is on research and development or single farm payments, all European Commissioners are being lobbied by a number of sectors that are saying to them that the process needs to be simplified. We are jumping through so many hoops to secure this money and the bureaucracy around it is shocking. It is preventing and hampering us from making progress. As well as them saying that it needs to be flexible, the environmental issue is important. Whereas some people have been saying to

farmers, "Now, let us go into battle about this", my advice, and I have been talking to many farmers, is to try to work with what is going to happen and the reality that is coming down the track, and let us see how they can use that to benefit the area that they are working in, as opposed to believing that they will overturn that. I do not believe that that will be possible.

**Mr Givan:** My concern is that there are some who will take a very purist view, in their view, of what is best for the environment, and it could put farmers out of business. It is important that our MEPs are fighting for farmers and not just saying, "Well, if it coming down the track, get ready for it." Farmers want their MEPs to be going out and saying, "We are going to represent you to make sure that whatever is coming, you will be a viable organisation or business going forward." It worries me that some MEPs take a very purist approach that is detrimental to business.

**Ms M Anderson:** You do not find that purism that you are talking about. The Parliament is very mixed as regards where the MEPs would be. Your three MEPs here in the North are representing the farming community very well. If there is ever one area where you get collaboration and co-operation between MEPs, it is on this issue. However, we would be very foolish if we did not tell the farmers exactly what is going to be possible for us to do and what is not and try to assist them to make sure that their business is well represented. We can go out there and try to argue against it or we can work and try to help farmers ensure that they benefit from what is coming down the track, as opposed to it being something that is working at variance with what they are doing.

**The Chairperson:** Maybe it is not a question of just either/or. Maybe you do both.

**Ms M Anderson:** Without doubt.

**The Chairperson:** As you say, it is a very mixed set-up there. You have countries, nations and regions that would be well behind Northern Ireland in their green credentials. We need different support from other nations and regions, and that, I guess, is what you are there to fight for.

**Ms M Anderson:** Even if we go back to Chris's suggestion about how we would be represented, the British Government are not arguing in favour of the farming community or CAP in the way that the three MEPs who are sitting round this table are at different times.

**The Chairperson:** OFMDFM, I think, wanted to identify not a nation but a region of Europe that we could use as a comparator for Northern Ireland. Are we any closer to doing that?

**Ms M Anderson:** I simply do not know. I will ask where we are with that but I do not know whether that is the case.

**The Chairperson:** You mentioned the 11 criteria that SEUPB is consulting on with regard to the new INTERREG and the possible Peace IV, and you identified one flaw with regard to tourism. Would it be the case that those criteria are not negotiable and that it is too late to change them?

**Ms M Anderson:** The SEUPB has a consultation around Peace III. There is scope for negotiation right up until the last minute. The two junior Ministers, who will be going out on, I think, 16 December, could be tasked to engage with the relevant commissioner, whether through research and development or with the regional Directorate-General that will represent the Commission, around trying to ensure that that measure is in there. For instance, if you want a stand-alone PEACE IV programme, you may decide that that will be a strong priority. If you do not get it, you are beat.

**The Chairperson:** I may have misunderstood but I thought that the criteria were fixed, and then negotiation was how you fashioned something that fits.

**Ms M Anderson:** Given that we have not even secured PEACE IV, for instance, or we do not know what shape the INTERREG will take —

**The Chairperson:** Finally, if you do not mind, you highlighted what you considered to be a failure of DETI in the £50 million, and you mentioned DARD and the Health Department. Those are only three of the 12 Departments. Are the other nine not engaged?

**Ms M Anderson:** OFMDFM is very engaged around social cohesion. The lead official in that Department has been working very closely with the other representatives in Europe around that issue to see, for instance, even how the element in Horizon 2020 will relate to social cohesion as well as the other funding streams. I am having a meeting after this with OFMDFM officials to get an update from them.

The other Departments, I believe, are engaging, but their activity has not yet been profiled to ourselves, as MEPs, in the way that those three Departments have been profiled.

**The Chairperson:** On behalf of the Committee, thank you very much.