



Northern Ireland  
Assembly

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

# OFFICIAL REPORT (Hansard)

European Union Priorities 2013-14:  
Departmental Briefing

29 January 2014

# NORTHERN IRELAND ASSEMBLY

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

European Union Priorities 2013-14: Departmental Briefing

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

Mr Mike Nesbitt (Chairperson)  
Mr Chris Lyttle (Deputy Chairperson)  
Mr Alex Attwood  
Ms Megan Fearon  
Mr Alex Maskey  
Ms Bronwyn McGahan  
Mr Stephen Moutray  
Mr George Robinson

**Witnesses:**

Dr Paul Geddis Office of the First Minister and deputy First Minister  
Dr Gerry Mulligan Office of the First Minister and deputy First Minister

**The Chairperson:** We welcome back Dr Gerry Mulligan and Dr Paul Geddis. You are both very welcome. Gerry, are you making the opening statement?

**Dr Gerry Mulligan (Office of the First Minister and deputy First Minister):** I will, with your permission, Chair.

**The Chairperson:** 100 per cent.

**Dr Mulligan:** I welcome the opportunity to make a few opening remarks and, in particular, to give a brief overview of some of the key developments that there have been since I appeared before the Committee previously. I will also give an equally brief forward look at some of the things that will be of particular interest to us over the coming months.

Significant among the developments was the publication of the Commission's work programme in October, which outlined the Commission's priorities for the coming year. Some of those are a continuation from previous work programmes, and some will carry into the next work programme. Significantly, they were structured around the need to deal with the financial crisis, measures to complete the single market, justice measures, and external actions, particularly on accession and dealing with neighbourhood countries.

On the funding side, there have been some significant developments. The structural funding for Northern Ireland over the next seven years has now been agreed. Around €600 million has been allocated for that period, and the Department of Finance and Personnel is taking the lead on that. The

common agricultural policy (CAP) allocations for Northern Ireland will be over €2 billion over the next seven years, and the Department of Agriculture and Rural Development is obviously leading on that.

For competitive funds, now that the Budget has been agreed for the 2014-2020 period, calls are beginning to appear. Significant among those are Horizon 2020 on research and development and innovation, Erasmus+, which focuses on training, employment and mobility issues, and Creative Europe, which is of particular interest to those in our creative industries.

On the policy side, the public procurement directive was completed earlier this month. It has particular implications for public sector procurement, in that it very much departs from the principle of the lowest tender winning and allows for other issues such as social and environmental considerations to feature in public sector procurement. It also simplifies the procurement system, in that only those who bid now need to present detailed documents. So, from the Commission's perspective, that was an important simplification.

The Commission released climate and energy package proposals last week after much debate and negotiation, and those are moving from binding targets at national levels on the use of renewables to targets at a European level. State aid guidelines that are significant to government support to industry and foreign direct investment are well advanced, as are regulations on the banking union, which are intended to avoid the sorts of banking crises that have been a feature of the recession in recent years.

The Office of the Northern Ireland Executive in Brussels has been busy with ministerial programmes, visits and events. We welcomed Ministers Bell and McCann from our Department in December, and they were involved in a wide-ranging programme. Of particular interest were some of the meetings that they held with DG Connect on children's Internet security.

Minister Hamilton visited for the first time as Finance Minister in December also. Minister O'Neill visited about the CAP negotiations, and we welcomed Minister Ford to the Justice and Home Affairs Council in December as well. We welcomed Assembly Committees, namely the Committee for Employment and Learning and the Committee for Regional Development, and we also welcomed the Assembly and Business Trust. So, we have been quite busy with a number of those programmes.

I will not go into details of events, but significant was our participation in the open days week. The Commission once again allocated us the status of official venue, and the office hosted a major event on innovation that featured innovation in agrifood sector. There have been other partnership seminars throughout the period. Our culture programme, sponsored by the Northern Ireland Arts Council, continues to strengthen our image and reputation in Brussels.

It is worth mentioning in passing a couple of awards that are important to us. DHSSPS steered Northern Ireland towards achieving recognition from the European Commission as a three-star reference region for innovation in the area of healthy and active ageing. That will be of particular significance when it comes to applications for funding, as other regions will want to join the region that has the status of three-star reference region.

**The Chairperson:** Is three stars at the top? Can you get more?

**Dr Mulligan:** It is the most prestigious award. The Minister, permanent secretary and other officials came over to Brussels to receive the awards. It was quite an achievement.

It is also worth mentioning that Belfast City Council steered Belfast towards being recognised as one of the most accessible cities in Europe, and, on 3 December, it received that recognition from the commissioner. Our Ministers attended the awards ceremony along with the delegation from Belfast City Council and the previous Lord Mayor, who had a significant input into that. It was shortlisted and was in the top seven of over 100 applicants. It really was quite an achievement for Belfast City Council.

On the Belfast side, there has been considerable focus on getting agreement on the Executive's European priorities for 2013-14. The report that you have before you, which the Executive agreed in December, is the mid-year progress report on actions against those priorities, 98% of which have been met or are likely to be met. That was the position on 30 September, as reported in that document.

Looking forward, we are currently in the Greek presidency. It is said that presidencies do not necessarily change the direction of policy, but it is a bit like taking something that is on a rail, in that

you keep it moving like a train and the challenge is how far you move it. However, the direction of policy is not expected to change significantly. The Greeks have set their four priorities as growth, jobs and cohesion; further EU euro zone integration; the migration borders and mobility; and maritime policy.

The Committee will be interested to note that the Commission intends to carry out a mid-term review of its 2020 strategy. You will recall that the 2020 strategy was anchored around five key targets dealing with: education, namely reducing dropouts in education across Europe; environment, namely reducing emissions, increased use of renewables and increased energy efficiency; innovation; employment; and poverty reduction. Those are the five key areas for targets. They will consult widely across Europe starting in spring 2014, and the exercise will last for one year. At this point, the statistics show that positive progress has been made in three of the five areas. Education, environment and innovation have all moved positively in the direction of the targets, but unfortunately that is not the case with employment and poverty reduction. In considering the policy horizon over the next few months, we will continue to take a close interest in state aid, in particular how the guidelines on state aid are finalised, interpreted and applied by the Commission. There is obviously a need to transpose the public procurement directive in the months ahead.

The current framework of priorities for justice is called the Stockholm programme. It is coming to an end and will be replaced. There will be discussions and negotiations on what will be the priorities in the justice area, and we will need to keep a close eye on those.

Politically, as you know, there will be a change in the Commission. It is likely that a number of new commissioners will be appointed. The Commission is reaching the end of its mandate, as indeed is the Parliament, and the office will have as its priority renewing our relations with the new group of commissioners as the year progresses.

Finally, Chairperson, you will be aware that we were very pleased that the president of the economic and social committee, Mr Malosse, has indicated his intention to bring his entire presidential team — his board, if you like — to Belfast to do business in April. I understand that you will meet him, as indeed will our Ministers.

Those are some of the things that we are looking to in the months ahead. I am happy to take questions.

**The Chairperson:** OK, Gerry, thank you very much. You are busy as always. In your report, you refer to 113 individual targets, which constitute the European priorities 2013-14 implementation plan. When you were with us back in October 2013, you were not in a position to give us the implementation plan, but we still do not have it. Is there a reason that the Committee should not have sight of the implementation plan?

**Dr Mulligan:** This is not the progress report. My understanding is that the implementation plan would have been with you at this stage.

**Dr Paul Geddis (Office of the First Minister and deputy First Minister):** The European priorities are normally agreed by the Executive, so, effectively, what you have is the top-level strategic orientation. The second part of the process is that the departments that constitute the Barroso task force working group begin to build a series of targets from the bottom up. That becomes a working implementation plan, which is, in fact, the mid-year report. As we move through the year, we simply input the material into the red, amber and green (RAG) rating scores. The implementation plan becomes the mid-year report and, eventually, the end-of-year report.

The Executive had agreed their priorities in September, so the first part of the process was to report back to the Executive on those priorities, and that was done on 16 December. The implementation plan was collapsed to become the mid-year report at that point.

**The Chairperson:** What is on the left-hand side —

**Dr Geddis:** If there is a longer period between agreement on the priorities — if, for example, they are agreed in June, as they were last time around — the implementation plan is normally provided to the Committee well in advance of any mid-year report. However, because the decision-making process was eclipsed this time around, what you have is both the implementation plan and the mid-year report.

There will also be an end-of-year report, which the Committee will receive after March once the Executive have agreed it. That explains why no formal document was presented to the Committee.

**The Chairperson:** What are we looking at in this document? Target SC4.1, on the left-hand side, for example, is to:

*"Organise at least two events throughout the year".*

That is the implementation plan, and what is on the right-hand side, with the RAG indicator and the commentary, is —

**Dr Geddis:** Yes. If we look at page 6 of the mid-year report, the other things in the overall progress summary would not be within the implementation plan, because there would not be anything to report against it at that point. Similarly, at the front end of the mid-year report, the section on successes would not be there, because there would be nothing to report at that point in the process.

**The Chairperson:** To be crystal clear, we should have had sight of the document previously without the mid-term report?

**Dr Geddis:** If the normal timeline had prevailed, the answer would have been yes, but because the timeline was eclipsed, as it were, the two documents became one over an extremely short period. The Committee is not lacking any information on the implementation plan, because it is all included here, plus the mid-year reporting position, which is correct to 30 September.

**The Chairperson:** As we stand today we are not missing any information, but, if I understand what you said previously, if the process had been implemented to time and as planned, we would previously have had the left-hand side of the document.

**Dr Geddis:** Yes, which was the Committee's position in the last financial year.

**The Chairperson:** Target 1.2 takes us to the question of benchmarking in drawing down competitive EU funds. That is an issue that has been around for a while. I think that the latest target was March 2014. It is marked as amber. It was to be discussed at the October Barroso task force working group meeting. Will you tell us the outcome of that please, Gerry?

**Dr Mulligan:** Indeed, Chair. At the meeting, it was decided that, as the report indicates, we needed to facilitate the exercise to ensure a coordinated approach to benchmarking. We held a meeting of those Departments that have a particular interest in particular programmes. At that meeting, it was decided that the best approach would be to allocate a particular programme, such as Horizon 2020 or lifelong learning, to a lead Department for it to carry out the benchmarking on the particular programme, indicating the comparator regions, the parameters and statistics that it was going to use to compare, and produce the outcome of that in due course. A number of Departments have been taking that forward. We are due to review progress at the next meeting of the interdepartmental group, which is on 12 February.

**The Chairperson:** If I have understood that correctly, you are suggesting that we are moving away from the original objective of identifying a single European region against which we would benchmark ourselves on a continuum to now saying that a decision is being made that the benchmarking will be specific to the programme and, therefore, the region will vary depending on the programme.

**Dr Mulligan:** The region could vary depending on the programme.

**The Chairperson:** Why did you change tack?

**Dr Mulligan:** To enable us to have regions where there was evidence of involvement and interest in particular programmes, because, if we had taken a region that had not been particularly involved, it might not have provided as much information. The purpose of the benchmarking was to identify best in class, so, in a sense, we are looking for those regions that have been involved in particular programmes.

**The Chairperson:** Why did it take two goes to identify the best way forward?

**Dr Mulligan:** I think that we needed to have a detailed discussion about what we wanted to get from the exercise, which would be useful for the purpose of setting targets and learning from best practice. We have information on our absolute drawdown, but we were anxious to ensure that we had comparative information to see how our absolute performance compared with relative performance.

**The Chairperson:** We got information from the Assembly researchers last week, I think, on the seventh framework programme, and it suggested that the drawdown per head of population in Northern Ireland was €35 plus a few cents. That is comparable to Wales, in fairness, but, for our €35 per head, the Republic of Ireland draws down €590 per head.

**Dr Mulligan:** I think that, in looking at the figures, that might well disguise the differences of approach between the two jurisdictions.

**The Chairperson:** Which one do you think is doing better?

**Dr Mulligan:** The funding of research and development in universities here is done on a very different basis from how it is done in the Republic of Ireland. As I understand it, the Republic of Ireland has indicated that research and development will be largely funded ex-exchequer, which means that there is a strong pressure on academics to participate in and be successful in getting research funding. Academics and universities here are funded from the research excellence framework, which accounts for around 80% of funding. If that were factored in — in other words, if you were to look at the entire amount spent on research and development as a proportion of GDP, which is one of the targets for 2020 referred to earlier — you might find that the figures are more comparable. Those are the sorts of issues that the Department that leads on the 2020 strategy will look at to ensure that we make like-with-like comparisons.

**The Chairperson:** If we leave aside the €590 per person that the Republic gets for every €35 that we get in that specific programme, the drawdown target of €12 million of competitive funds by Northern Ireland Departments between 1 April 2013 and 31 March 2014 has a green light. Departments continue to draw down competitive EU funding on target. Were we lacking in ambition?

**Dr Mulligan:** We will always want to set challenging, stretching targets. We keep targets continually under review. I have no doubt that the work, effort and resources that go into achieving those targets are significant. There will be an opportunity to review targets. If it is felt that they will be reviewed, Ministers may well indicate that. On the basis of my working with Departments and knowing what they are doing, I would say that significant effort is being made to draw down funds and step up to that challenge.

**The Chairperson:** Let me ask you about the effort. Can you tell me how many drawdown opportunities have been identified by your desk officers and how many applications were subsequently submitted?

**Dr Mulligan:** I do not have the detail on which I could reliably advise the Committee. I know that there has been significant raising of awareness of opportunities in general. Desk officers have contributed to that. Departments have also been working locally to increase awareness and their support of applications. It is important to take account of the fact that Departments do not normally, under European rules, directly draw down programmes. They will do so through third-party organisations, non-departmental public bodies (NDPBs), universities and voluntary organisations. Departments are pressing, helping and raising awareness among those groups to increase their drawdown with departmental assistance.

**The Chairperson:** Yes. I get that. Surely you would then want to monitor the output and outcome of all that effort by your desk officers and others in identifying opportunities and encouraging third parties to apply.

**Dr Mulligan:** We try to track successful applications. However, sometimes the organisations involved may not necessarily let us know when they have been successful.

**The Chairperson:** Why not?

**Dr Mulligan:** If it is a voluntary and community sector organisation, it may not recognise our particular interest. That information would have to come through to us via Departments.

**The Chairperson:** Would organisations not necessarily let you know whether they had been successful or had even applied?

**Dr Mulligan:** We would certainly like to be kept informed both of applications and their outcome. However, we cannot guarantee that everyone —

**The Chairperson:** Do you ask them to let you know?

**Dr Mulligan:** Not directly, because there are so many different organisations.

**The Chairperson:** Why not? My goodness.

**Dr Mulligan:** Departments —

**The Chairperson:** This is taxpayers' money that you are putting into researching and encouraging. Why would you not tell those organisations that you would like to know a. whether they apply and b. what the outcome is?

**Dr Mulligan:** It is something that Departments would do as a matter of course in their formal engagement with the organisations that they assist. Therefore, if a Department is involved with the Youth Council for Northern Ireland, for example, or those organisations that are involved in drawing down money, I would be surprised if it was not kept informed about success and applications.

**The Chairperson:** Including OFMDFM?

**Dr Mulligan:** OFMDFM does not receive direct applications to particular programmes at the moment. It certainly —

**The Chairperson:** No, but it will encourage third parties.

**Dr Mulligan:** It will encourage third parties, including through its participation in the Northern Ireland European Regional Forum (NIERF) —

**The Chairperson:** Therefore, OFMDFM would know how many organisations were encouraged to apply, how many applied and what the success rate was.

**Dr Mulligan:** I expect that the monitoring systems that the Department has in place could generate that sort of information.

**Dr Geddis:** The role of OFMDFM under the Programme for Government commitment is to facilitate delivery of the target. Therefore, our first approach in all of this is to request information from Departments as the point of contact. However, the ownership that Departments take for delivering against the target, which is a collective responsibility, is corralled through the four thematic groups. That is where a lot of that information is shared.

The Committee is probably aware from previous evidence sessions that the Department also co-chairs the Northern Ireland European Regional Forum. That takes place through the equality command. At present, the forum has a basic website. That will be expanded in the near future as part of the EU capacity-building fund that the Department runs. We will enhance the NIERF database of contacts. We are also developing a database to gather relevant information about the funding applications that have been made by members of the forum. That will be extended to capture applications made in association with the EU capacity fund.

Therefore, it is not strictly true to say that that information is not being captured. We are not aware of it centrally, because our locus and interface is the hard tangibles around how much drawdown was secured for the region. At the point of implementation, through Departments, thematic groups and the Northern Ireland European Regional Forum, that information is being captured to some extent and shared.

**The Chairperson:** OK. So the data is captured. You may even know where it is being held. Is anybody interrogating it to make sure that we get good value for money, learn lessons and do better next time?

**Dr Geddis:** Yes. I assume that people are doing that, but I have no direct evidence of it.

**The Chairperson:** Sorry, Paul. I hate the words "I assume". Who do you assume is doing it?

**Dr Geddis:** I assume that the policy leads, who have the policy competence and responsibility to deliver against the target, are aware, through working with their arm's-length bodies (ALBs) and their third parties, of where the applications are coming from and what they need to do to succeed in a competitive environment.

**The Chairperson:** Can I take it that, as you "assume", you have never asked?

**Dr Geddis:** I personally have never asked. What I ask is what the hard drawdown against the 20% target is. That is the Department's primary role under the Programme for Government commitment. That is the question that I ask. Allied to that, we are asking questions about benchmarking. The fact that we are working through nine EU funding sources does not imply that, over the course of this financial perspective — that is, from 2014 to 2020 — we will not build a picture of the most successful regions when it comes to competitive funding by various policy priority areas. Therefore, it is not mutually exclusive. What we hope to do through the benchmarking exercise is target the most productive areas for this region to engage with and draw down moneys from.

**The Chairperson:** I want to go away and reflect on the fact that there has been a change to the benchmarking, because it is news to me. It was my understanding that the genesis of this was that it was felt that the benchmark against the Republic of Ireland was not fair, in that we are a region of the United Kingdom comparing ourselves with a nation state. To an extent, I get that. However, I thought that the move was going to be to find a comparable region. The debate was then to be on what is a comparable region. We would then constantly compare ourselves with that rather than with who has done best on any particular programme. As I said, I need to go away and reflect on that, but I do not understand the change and why we needed two goes. Will there be a third go at establishing a benchmarking process?

**Dr Geddis:** I think that what drives benchmarking is the availability of good-quality data that facilitates comparisons.

**The Chairperson:** Are you saying that that does not exist?

**Dr Geddis:** It may exist in certain cases, and it may not exist in others. If you are benchmarking by European Union competitive funding sources, the likelihood is that, within a funding source, the quality of the data will be better. If you wish to move to the other end of the scale, where there are broad-based regional comparisons primarily driven by socio-economic indicators, your capacity to drill down and ask the most relevant funding questions is likely to be compromised because the comparison base is different. Therefore, it is evolution. It is not a case of having two goes at a particular problem. It is a matter of evolving your thinking and policy response to meet the challenges that you encounter as you move forward.

**The Chairperson:** You could also argue that there is a difference between having a benchmark that you might consider to be compromised — I accept that — and not having a benchmark at all.

**Dr Geddis:** We are absolutely clear that, against the Programme for Government target, we currently have absolute success in the area of absolute drawdown. We are also very clear that we need to make that assessment of performance on a relative as well as an absolute basis, so there must be benchmarking, and that has been broadly accepted by Ministers and Departments. That is foreseen in the Programme for Government delivery plan, but the completion period for that in the delivery plan is through to March 2015, in recognition of the fact that this is a particularly difficult area, which is driven primarily by the availability of reliable data that will facilitate meaningful comparisons so that the right questions can be asked. That is where Departments currently are.

**Dr Mulligan:** Chair, I will supplement some of what Paul is saying and give you a flavour of some of the questions that Departments will be asking as they take this work forward. These are questions



that we posed to them in our discussions on benchmarking. Obviously, questions about the drawdown figures are central. Another question is this: how competitive is the fund? For example, are there national allocations or other mitigating factors? Some of those will be allocated on a quota basis, so that has to be considered in benchmarking. Are there particular structural differences in how the fund is managed in Northern Ireland compared with other regions? What are the critical factors and obstacles to successful drawdown of funds? Are there any known changes in new programmes that are likely to affect us differently from other areas?

Those are just some of the questions that Departments will need to address in choosing the comparators and in discussing the implications of differences that they may find. That is not to say that those questions cannot be answered, but those are some of the methodological issues that Departments are dealing with.

**The Chairperson:** For the moment, let us move off the idea of benchmarking back to the 113 individual targets in your plan. I am looking at, for example, objective/target 3.3, which states:

*"Participate in at least 3 EU themed weeks in Brussels by the end of March 2014."*

I am not disputing that there is a value in participating in EU-themed weeks in Brussels, but, as a target, do you accept that that is an input, and how do you measure the output and the outcome of attending that? Given that you are using taxpayers' money to run the operation and that improving the economy is at the heart of everything that we do, how does that target, which is actually an input, have a measurable outcome at the end of it?

**Dr Mulligan:** A lot of this is qualitative, in that you cannot readily identify the increase in partnerships, consortia, and so on, that results from participation in events such as themed weeks, but undoubtedly it happens. Conversely, if we were not present in Brussels, it is unlikely that we would make contact with potential partners for such projects. Our reputation would not get the enhancement that it has received through our participation in those events. Bear in mind that they are opportunities for us to show off our innovation, our industry and our competitiveness. In a qualitative sense, it is important that we have that opportunity.

**The Chairperson:** I hope that I am being clear, because I do not dispute the value of the Office of the Northern Ireland Executive in Brussels or the value of its desk workers. I am just wondering how many of the 113 targets have specific outputs and outcomes, such as objective/target 1.1, which is for £12 million drawdown of competitive funds, and how many of them are these kinds of qualitative inputs, such as attending EU weeks. Can you split the 113 between the two?

**Dr Mulligan:** There is a quantitative element to participation, in that the relevant Department has committed to a minimum engagement. The output from that will be that the staff participate in the number of themed weeks that they have committed to, but beyond that the outcome is very difficult, as I have explained, to measure.

**The Chairperson:** How many of the 113 are solid outcomes of the like of the £12 million of competitive drawdown?

**Dr Mulligan:** I have not made the calculation, but it would be relatively straightforward to categorise the targets in that way.

**The Chairperson:** Do you have a preference for the softer, qualitative ones or the harder we-will-achieve-these ones when you are drawing up your targets?

**Dr Mulligan:** From the point of view of monitoring, the harder targets are more straightforward. Qualitative targets should nonetheless not be downgraded, particularly if they are important to achieving the longer-term objectives of increasing our drawdown or increasing our influence in policy. There is no hard and fast answer to the question of whether one is better than the other. It depends on how much the target and the achievement of it contributes to the interests of the region.

**The Chairperson:** You mentioned the natural churn of commissioners. We are coming to one of those points, because President Barroso's term runs out in October of this year, and he has indicated that he is unlikely to go for a third term.

**Dr Mulligan:** That is correct.

**The Chairperson:** Where does that leave the task force?

**Dr Mulligan:** The task force is a relationship with the Commission and the head of the Commission. We will work with the Commission to maintain a structured relationship, and the importance of the task force and that structure should not be underestimated. Whether it is called the "Barroso task force" or is referred to as the "Northern Ireland support group" is not that significant, but we need recognition from the Commission that that unique initiative — in that it does not apply to any other region across the EU — needs to continue. We will work very hard on that.

**The Chairperson:** That will ultimately be a decision for the next president, whoever that it, will it not?

**Dr Mulligan:** It will be. The question is whether the next president will accept the need for a continued relationship.

**The Chairperson:** Presumably, one of the measures of the success of the Barroso task force working group will be the number of other regions that lobby the new president for a task force. If the number is nil, we will be thinking, "Oh dear", and if the number is 100, we will be thinking, "What a fantastic job you have done".

**Dr Mulligan:** To go back to the origins of the task force, it was part of a recognition from President Barroso that we were at a particularly important stage in our social, economic and political development that deserved such a unique initiative.

The need for a continuation of the work is generally recognised among those in the Commission with whom we work. Economically, we have suffered very badly as a result of the recession, so the progress that we were making up to that point was, to some extent, stymied. The argument is still strong economically, socially and politically. I hope to present that case to the Commission and hope that it would be responsive to it. I also suggest that the Commission see advantages in the type of structured arrangement that we have because it is a model of inter-services co-operation that the Commission appreciates. Therefore, I think that there may be an interest in continuation as well.

**The Chairperson:** That is a theme that we discussed in our previous presentation. Presumably, when you make your case and do your lobbying, one of the things you will say is "The Barroso task force has done wonderful things, and the top five are...".

**Dr Mulligan:** If you look at what we expected of the —

**The Chairperson:** The top five achievements, not expectations.

**Dr Mulligan:** The top five achievements include a significant improvement in our engagement, as recommended by the task force report. I am confident that we have met a significant number, if not all, of the recommendations in the task force report, including having more people seconded to European institutions and gaining protected geographical indicator status for some of our fine food produce. Those are the sort of practical things that came out of the Commission task force report. Top of the list would be the benefit of following the recommendations in the task force report.

The other thing that we asked of the Commission was its participation in events, and we have been very successful in attracting senior Europeans to the region to participate. Indeed, tomorrow we have an example of such an event. We have a seminar jointly hosted by the Commission — the relevant task force representatives are involved as well — looking at innovation in the connected health area. That takes place in the Titanic centre tomorrow. That is an example of the Commission's willingness to pay attention to us.

Another area is in the timescales for the Commission's consideration of issues. Without having broken the rules, the Commission will give priority to considering issues that are of importance to us. One example that comes to mind is that of state aid in the funding of Bombardier. We managed to get a Commission decision on that relatively quickly, and I am confident that the task force was important in that regard and it continues to be so in getting us access to meetings and officials and decisions on a shorter timescale than might normally apply. Those are some of the benefits of the task force.

**Mr Attwood:** I would like to pursue a bit further, and widen a wee bit, some of the stuff that the Chair was speaking about. The last time that you attended the Committee, you confirmed that the ambition of Northern Ireland in the Horizon 2020 drawdown was about €100 million, twice the amount of FP7. Is that not correct?

**Dr Mulligan:** That is correct.

**Mr Attwood:** Since that time, the Republic of Ireland has confirmed what its notional drawdown from Horizon 2020 will be. Is that not right?

**Dr Mulligan:** I understand that there is a figure.

**Mr Attwood:** And the figure is?

**Dr Mulligan:** It is close to €1 billion.

**Mr Attwood:** No, it is not.

**Dr Mulligan:** It depends on whose figure you use.

**Mr Attwood:** I am talking about the figure that the Irish Government announced.

**Dr Mulligan:** I am not familiar with the exact figure that they came up with, but I understood that they were looking to about €1 billion in drawdown, although that may be an underestimate.

**Mr Attwood:** It worries me, Gerry, when we compare places and places, it is not apples and eggs. The drawdown is €1.4 billion; that is what they confirmed. It is not very impressive that you did not know that it was €1.4 billion. Even more important is the fact that you know and I know that the Irish Government's drawdown of FP7 was notionally €600 million and that their actual drawdown will be closer to €900 million. When the Irish Government say that their notional drawdown of Horizon 2020 funding is €1.4 billion, you and I know that the actual drawdown that they hope to get, in their minds, will be closer to €2 billion. The point is that the differential between here and there seems to get bigger not less. You are not comparing similar regions; there are differentiations between here and the South. However, even the differentiations do not explain that gap, that our drawdown might be 100 million — is it euro or pounds?

**Dr Mulligan:** It is pounds.

**Mr Attwood:** The South is €1.4 billion officially, and probably much more operationally when the period is over. That is worrying. However you cut and paste it, we should be way beyond £100 million and moving in the same direction as the South.

The second point is that no region in Europe is comparable to this region. There may be regions in Europe that are more comparable to here than we are to the South, but there is no region that is comparable. You seem to be chasing the holy grail when it comes to our drawdown of discretionary funds in Europe in comparison with parts of Europe. There is no other part of Europe that is like us, given the scale of our public sector, its limitations, the scale and limits of our IT sector, being part of the United Kingdom and so on and so forth. There is no comparison. What I worry about in this analysis that you are undertaking that compares the North with somewhere else is that it will end up being a guesstimate at best, because, objectively, no part of Europe is like here, even though there may be parts of Europe that are more like here than the rest of Ireland. Is that not the reality of the exercise that you are undertaking?

**Dr Mulligan:** I will invite Paul to comment on that as well. The purpose of the benchmarking exercise, as I think I have said, was to learn from others, which we have done; we have learned from the Republic of Ireland through its sectoral approach. They had specialists whose job it was to bring together academics and business people and to stimulate the application for shares in development. Therefore we have learnt by benchmarking ourselves against the Republic of Ireland, even though we accept the differences in the numbers of universities and how research is funded. DETI and DEL have appointed seven specialists, which is an example of learning from others.

I would not rule out the possibility of learning more from other regions as well. I agree that we do not have regions that are identical in every respect, but we will have regions that are strongly reliant on small and medium-sized enterprises, and we will look at what they do; and we will have regions that have only two universities, and we will look at what they do. Those are the ways in which, qualitatively, we are trying to find a way in which we can look at the activities and the relationships that they have built up, including the number of assessors that they have on the committees in Europe. That is another example of what is important.

The relevant organisations are learning all the time; the universities are learning, and business is more acutely aware of the opportunities now than previously. I would not for a minute suggest that DETI, along with Invest NI and DEL, is not making a significant effort to increase the drawdown. Look at what they have done with developing an application that is available on tablets. That is another example of increasing awareness and so on.

**Mr Attwood:** Let us deal with that. Why was this work not undertaken long before now?

**Dr Mulligan:** Unfortunately, that is a question that I cannot answer, because the Department is not responsible for research and development. I would —

**Mr Attwood:** It is not just research and development; there is a discretionary fund for benchmarking.

**Dr Mulligan:** There is a variety of programmes, but the Department, again, as a —

**Mr Attwood:** Then why has this work not been undertaken before now?

**Dr Mulligan:** The Department had not had direct responsibility for co-ordinating European programmes until the Executive agreed its target in the Programme for Government. The Department legitimately took on its coordinating role from the point that the programme for Government set specifically the target of a 20% increase in drawdown and better engagement in Europe. Until then it did not have the mandate from the Executive.

**Mr Attwood:** That was in 2011.

**Dr Mulligan:** That was 2011.

**Mr Attwood:** It seems to me that although the benchmarking work is ongoing it has not advanced much.

**Dr Geddis:** There were a number of reasons. The first thing to do was to initiate all the structures to support delivery of the target in the absolute sense, to agree definitions to ensure that Departments, arm's-length bodies, other stakeholders and third parties were engaged. As that emerged, we went through teething problems that resulted in a mid-term revalidation exercise that consumed a great deal of time and resource. However, from the very early days of delivery plan writing, benchmarking has always been foreseen in relation to the target, and it is still there. It has now come more into focus and is being driven forward as energetically as we can.

You are right that there will never be a perfect regional comparator or even, potentially, a group of perfect regional comparators, but that is not the purpose of benchmarking. The comparators will be imperfect. The power of benchmarking is to be able to ask relevant questions that elucidate why the best-performing regions draw money down. To follow that through, that is precisely why we have reoriented to move from the top down to the bottom up, and why we are now targeting the funding sources in the first instance. It is because the Commission report of 2007 or 2008 included five comparator regions based on socio-economic data. However, that will not tell you a great deal about our performance in competitive funds drawdown. So I agree with that. Effectively, what the 20% target has done today —

**Mr Attwood:** Sorry, are you replicating the work that —

**Dr Geddis:** No, we are not replicating work. We are —

**Mr Attwood:** Are you replicating part of the work?

**Dr Geddis:** No, we are targeting EU funding sources and determining, within those funding sources and the policy areas that they are designed to enhance, that we are moving towards comparing our performance with the best in Europe, wherever they may be located. The initial focus on that has to be through networking and then partnership building. That is part of what the Executive foresaw in this process. That cannot be done overnight; it must be done over time, and it is being done very seriously. At the end of the day, it is about best principles and best practice, and, to enhance our performance, we must secure those, no matter where they may be located.

**Mr Attwood:** No one would disagree with your aspiration. The question is what is happening operationally and how far and how fast it is being advanced. I think that Paul said earlier that what is drawn down by Northern Ireland is captured and shared "somewhat" — that was the language that you used. Given that OFMDFM has a strategic role in respect of Europe and that you are at the coalface in Europe, is it the case that you and OFMDFM do not know all that is coming into Europe through all the sources and all the Departments? If we do not know, is that not a yawning gap in our intelligence and data? If there is a yawning gap, why has it not been corrected before now?

**Dr Geddis:** The fundamental issue is that European engagement is decentralised in this region; targeting is not clustered into the centre.

**Mr Attwood:** I appreciate that. Given that the Government are the Government and have a particular authority and responsibility in engaging with Europe, are you saying that there are no communications that cover all bases of all income coming into the North from European funds? Do we not know how much comes in or in what manner it comes from Europe, whether public or private, local councils, central government, voluntary and community, discretionary and other funds? Are you saying that we do not know what the total figure is?

**Dr Mulligan:** On pre-allocated funding, we clearly know; on competitive funding, however, it is difficult to capture every success with confidence. We try to do so, and Departments will provide us with information, although not necessarily the detail of who is being successful; that is something of which Departments would be aware. For example, DEL will undoubtedly know what each and every further education establishment is achieving. We will not know that as a central Department. What we will know is the sum total of the funds that resulted from that process.

At the centre, we have tended to concentrate not on the detail of who is being successful but on what the aggregate of the process looks like. We have come through a careful and detailed iterative process of getting that information and making it available to the Committee, our Ministers and the Executive.

**Mr Attwood:** Of all moneys being drawn down by central Government?

**Dr Mulligan:** Of all moneys being drawn down by central Government and by third parties, arm's-length bodies, non-departmental public bodies (NDPBs) and councils.

**Mr Attwood:** So you do know the total figure.

**Dr Mulligan:** We have a figure for the total competitive drawdown across all the competitive programmes.

**Mr Attwood:** I am getting a wee bit confused. You do not have to do it now, but could you provide information on what the total drawdown is? I am confused. If you know what the total drawdown is, why did Paul say that it is captured and shared "somewhat"?

**Dr Mulligan:** We were talking about the detail of who is being successful and who is not. We certainly know the aggregate of the outcome of that.

**Dr Geddis:** The earlier conversation, as I understand it, in relation to questions from the Chair, related to activity in making applications to a variety of competitive funding sources throughout Europe from within the region. That is the activity that drives the drawdown.

The Department's role in relation to the Programme for Government target is to count the hard money: how much have you drawn down in conjunction with arm's-length bodies or third parties? The Department has those figures. They have been reported publicly and through ministerial questions.

In 2011-12, year 1, we drew down £23 million, and in 2012-13, year 2, we drew down £18.3 million. Therefore at the halfway point in the Budget period, £41.3 million worth of competitive EU funds were drawn down, representing 64% of the target. That is the drawdown position against the 20% target.

**Mr Attwood:** Do you expect the target to be met in the drawdown period?

**Dr Geddis:** Departments are on track to meet the target. The overall target of 20% over four years is £64.4 million of competitive EU funds.

**Mr Attwood:** Are we on target to draw that down?

**Dr Geddis:** Yes, we are.

**Mr Attwood:** By 2014?

**Dr Geddis:** By March 2015.

**Mr Attwood:** To be fair to the officials, and I am speaking against myself in some ways now, the European issue has not been cracked. That is the truth of it. In the past few days, I have spoken to senior people who argue that the issue of discretionary funds, especially Horizon 2020, will not be cracked until corporation tax has been dealt with. That is rather simplistic, but it is one of their arguments. If appointing seven staff in DETI and DEL is the scale of our response to the opportunities available in the €80 billion Horizon 2020 fund, we will stumble and fall rather than grasp the opportunity. The same argument applies to other Departments, including DOE, because when I was in DOE I did not fully crack it either. I have some sympathy with you, because there is an issue on the political side that we still have not cracked. My sense is that, as things stand, we are not going to crack it.

**The Chairperson:** Thank you, Alex. To go back to where I was, Paul is telling us how much money has been drawn down, and that is very useful information. It would be equally useful to me to know what effort was put into achieving that. That is why I asked whether we know how many organisations or people were encouraged, how many bids went in and what the success rate was, but we have moved on.

**Mr Lyttle:** Since it is late in the day, I am just going to ask you to provide the Committee with some information, when convenient. To build on what Mr Attwood said, would it be possible to get a table with a breakdown of the competitive funds per Department for the years that you mentioned, Paul?

**The Chairperson:** Chris, can I come in there? We wrote to the Department asking for that on 24 October, and we made another request on 4 December. Perhaps you could take that away for us —

**Dr Mulligan:** I will update you on that.

**Mr Lyttle:** OK, no problem. Perhaps we could get more information on the European capacity-building fund that has been agreed as well. Can you give the Committee an update on plans for the staff complement of four desk officers at the Northern Ireland Executive office?

**Dr Mulligan:** Yes, I can provide that now. The current arrangement involves four desk officers in each of the four themed areas: technology and innovation, employment, social cohesion, and climate and energy. After a review of how the initiative was working, the view of Departments was that we should move to three priority themes to take account of all the policy and funding programming work in the environment, economy and social themes. So there are three themes that we will support in the office, and those will be mirrored in groups of Departments. For the social theme you will have a number of Departments that will be involved in identifying their needs and what support they need from the Brussels end. In the social theme, for example, you would have the Department for Social Development, DEL and our own Department.

The idea of themed groups will continue, although with a reduced number of themes. Our proposal is that, because research and development cuts across all the themes, one of the officers should have a cross-cutting responsibility for coordinating the work that the Brussels office does in supporting research and development, particularly Horizon 2020, across the three pillars, as it were. We will have

three members of support staff and one with a cross-cutting responsibility for Horizon 2020. They will be mirrored in arrangements of brigaded Departments here in those three areas: social, economic and environment. Those are the plans.

**Mr Lyttle:** When will the adjustment to that set-up be made?

**Dr Mulligan:** When the present post-holders come to the end of their contracts, they will be replaced with staff on secondment who will move to Brussels. We will try to make sure that there is as much continuity as possible in the arrangements.

**The Chairperson:** Therefore the current four desk officers will go.

**Dr Mulligan:** There are three who intend to move back to their Departments here.

**Mr Lyttle:** Are they on secondment?

**Dr Mulligan:** Yes. Secondments are generally seen as career opportunities, so they will take their experience back to their Departments.

**Mr G Robinson:** I thank the officials for their presentation. My question is more parochial and is about the Coleraine to Londonderry track-relay project, which was awarded £1.6 million. Was an upgrade of the Bellarena halt included in that? I had a meeting with Translink officials a few months ago, and everything was coming to fruition. Things were ready to rock and roll, but, all of a sudden, everything was pulled and we were told that it could be a couple of years before the Bellarena halt project would come on stream. If you do not have an answer for me now, you can send it to me in writing.

**Dr Mulligan:** I will talk to the officials responsible, and we will discuss the best way of getting that information to you as quickly as possible.

**Mr G Robinson:** I would appreciate that. My other question is about the installation of rapid-charging points for electric vehicles. How much were we in Northern Ireland allocated for the installation of those points? One point nine million pounds was set aside for the whole island of Ireland. How much of that was allocated to Northern Ireland. We have had one installed in Limavady, but it is in a parking bay, which you can only park in for one or two hours, so it is not much good to us.

**Dr Geddis:** According to the Department for Regional Development, approximately €130,000 has been allocated to Northern Ireland for the installation of five rapid-charging points. That is all the information that I have: I have had no indication of the location of those points.

**Mr G Robinson:** One of them was put in Limavady, but in the wrong location.

**Dr Mulligan:** We will discuss with the relevant colleagues how we can get that information to you as expeditiously as possible.

**Mr G Robinson:** I would appreciate that. Thank you.

**The Chairperson:** That brings us to the end. Paul and Gerry, thank you very much. In the two previous requests dated 24 October 2013 and 4 December 2013, there is quite a long list of questions to the Department. Would you mind putting them to the Department on our behalf?

**Dr Mulligan:** They are under consideration. We will follow up on them and try to expedite them.

**The Chairperson:** On your priorities for 2014-15, when will we have something to look at?

**Dr Geddis:** I have to be careful here. We were hoping to have a working draft before the end of March. We are altering the methodology for arriving at the 2014-15 priorities in that we are aiming for better synchronisation with Departments' internal planning processes through the balanced scorecard process. As this is a change mechanism, I anticipate a delay on it. However, we want the Committee's input as soon as we can get material to you in first draft form.

**The Chairperson:** From that, I take it that that will be at the cost of synchronising the priorities with the start of the year to which the priorities refer.

**Dr Geddis:** I am determined to work to ensure that we do not lose synchronisation with the start of the new financial year.

**The Chairperson:** I wish you well.

**Dr Geddis:** I am dependent on the goodwill of others.

**The Chairperson:** I understand. Paul and Gerry, thank you very much.

**Dr Mulligan:** Thank you.

**Dr Geddis:** Thank you.