

THE NORTHERN IRELAND TASKFORCE REPORT

BACKGROUND

This briefing paper was requested by the Committee for the Office of the First Minister and Deputy First Minister. The aim of the paper is to summarise the main points of the Final Report of the Northern Ireland Task Force.

1 BACKGROUND

On 7 April 2008, the European Commission adopted a report from its Northern Ireland Task Force (NIFT) that identifies key EU policy initiatives and programmes which can be mobilised in support of the region's economy. The Task Force was set up by the Commission's President, José Manuel Barroso and led by Commissioner Danuta Hübner. It takes stock of Northern Ireland's economic development and points out ways that Northern Ireland can take advantage of its EU membership and can boost its modernisation. The aim of the report is to make suggestions on how Northern Ireland can reap the maximum benefit from the EU support they can receive from now until 2013.

The Task Force was put in place following President Barroso's visit to Belfast on 1 May 2007, just before the devolved institutions were re-established. Its mandate was to look at how to improve Northern Ireland's access to, and participation in, EU policies and programmes. The core members of the Task Force represent the services of the Commission with a role to play in Northern Ireland's economic modernisation (agriculture, education and culture, employment, regional policy, enterprise and industry, environment, maritime affairs and fisheries, research and development, transport and energy), together with the European Investment Bank.

The main role of the NIFT is to facilitate the change in relationship between Northern Ireland and the EU. The historic and current relationship is that Northern Ireland has been a major recipient of European regional aid. However this is now entering a period of transition and Northern Ireland must develop strategies for relying on its own resources.

2 FINDINGS OF THE TASK FORCE

The report states that Northern Ireland's economy has been improving in recent years and has performed very well compared to the rest of the UK and to Europe as a whole. However it acknowledges that the past has left its mark in a number of ways:

- the high numbers that have withdrawn from the labour force,
- the relatively wide educational gap between high performing students and those emerging with poor or no qualifications,
- a past of underinvestment in infrastructure,
- a dependence on the public sector,
- a small private sector, and
- low levels of investment in new technologies.

3 BENEFITING FROM EUROPE

The NIFT identifies a number of ways that Northern Ireland can benefit from EU programmes and policies. The report's central point is that Northern Ireland needs to develop closer relationships with neighbours and other regions throughout Europe. The authors of the report point out that:

It is today very difficult for a small region, on the periphery of Europe, to make the qualitative leap necessary to become a leading economic region on its own.

The report provides a number of “leads” for Northern Ireland authorities to follow up, for example;

- increasing the region’s participation in research and development projects under the EU's Seventh Framework Programme;
- engaging more in student exchange programmes and exchanges of staff between the Commission and the Northern Ireland administration,
- promoting more quality labelling in the agrifood sector,
- using the expertise of the European Investment Fund to develop the risk capital sector and encourage small business to flourish.

Overall, the report confirms that Northern Ireland faces many challenges of a socio-economic nature. Due to its history of conflict, Northern Ireland has: a high dependence on the public sector, an inclination against risk-taking and a low level of entrepreneurship, a negative image to international investors, and a high proportion of the population not engaged in economic activity.

The aim of the NITF is to support efforts in Northern Ireland to improve competitiveness and create sustainable employment, through utilising what the EU has to offer. Of particular importance is reducing its dependence on the public sector and to create a more dynamic private sector.

4 BUILDING ON THE PAST

The Task Force points out that Northern Ireland has a good track record in utilising the support of the EU. It cites four examples of this record:

1. **EU cohesion policy:** Northern Ireland has been able to draw down considerable financial support for investment under EU cohesion policy.

For the period 2000-2006, six programmes in Northern Ireland received EU investment of some €2.2 billion. For the current planning period 2007-2013, six EU programmes will provide a total investment of €1.2 billion

2. **Enterprise policy:** Northern Ireland has been active in supporting business and innovation through its INVEST-NI agency, the Euro Info centres and the Innovation Relay Centres.
3. **Research policy:** Under the Sixth Framework programme¹, Northern Ireland was able to participate along with 161 partners in 146 research contracts, drawing down €33.4 million from the EU budget.

¹ The **Sixth Framework Programme** (abbreviated **FP6**) was the Framework Programme for Research and Technological Development from 2002 till 2006 set up by the European Union (EU) in order to fund and promote European research and technological development. The research projects funded and supported in this framework had to be transnational, in other words managed by consortia of partners from different countries, and interdisciplinary : gathering research centers, innovative companies, in particular small or medium-sized enterprises (SMEs), and public administrations.

4. **Employment and equal opportunities:** Given Northern Ireland's unique experience, it participates in the steering committee overseeing the Commission's study of multiple discrimination, and some Northern Ireland NGOs participate actively in anti-discrimination networks.

5 KEY CHALLENGES

The Task Force has identified a number of goals for Northern Ireland in making improvements for the future. The main aim is to address its socio-economic weaknesses and to do this the private sector has to become more dynamic and new businesses must be developed. The report points to a number of actions which together will bring this end:

1. The need to develop closer links between business and the main sources of innovation; the universities and research institutes, not just in the Northern Ireland but in the wider European context.
2. The need to increase competitiveness by creating a skilled and qualified work force, including the linguistic and other skills needed to for better relations with the rest of Europe, and beyond.
3. The need to bring a greater proportion of the population into economic activity, by up-grading skill levels, promoting risk-taking and creating new small businesses.
4. The need to continue the modernisation of the agri-food sector which remains an important activity for the future of the region.
5. The need for increased investment in certain infrastructures.

6 AVAILABLE PROGRAMMES

One of the major functions of the NITF was to obtain rapid decisions on the new generation of socio-economic development programmes for 2007-2013. By the end of 2007, five of the six programmes had been agreed:

1. PEACE III,
2. the ERDF Competitiveness and Employment programme,
3. the Northern Ireland European Social Fund programme,
4. the territorial cooperation programme with Western Scotland and Ireland and
5. the Rural Development programme.

The decision on the fisheries programme, which is organised nationally for the whole of the UK, is expected to be taken in the coming months, assuming the programme is submitted according to the agreed timetable.

The total financial allocation from the EU for the six programmes is over 1 billion euros. The new Competitiveness and Employment programme (€473 million) and the European Social Fund programme (€165 million), have been set to ensure that that more than 85% of the resources have been earmarked for investments directly targeting competitiveness.

In addition and in an effort to increase the level of resources available for investment, the Commission encourages authorities to explore the possibilities for loan-based financial support.

7 OPPORTUNITIES WITHIN THE COMMISSION

As a product of the Task Force's work there are better, more systematic, contacts with the Commission's departments and this has improved the awareness in Northern Ireland of the different possibilities and opportunities. A number of avenues are being considered or are already being actioned:

- The call for tenders under the EU's **Trans-European transport Networks (TEN)** policy. In the past, Northern Ireland expressed relatively limited interest but by bidding as part of the UK proposal for 2007-2013, it secured support for a road project with an EU grant of €10.64m.
- There are possibilities offered by the **Seventh Framework Programme** for the universities, research centres and the private sector represent a particular priority for Northern Ireland especially in areas where it has strengths such as: aeronautics, nanotechnologies, information society, food quality and services.
- For small businesses there are possibilities offered under the **Competitiveness and Innovation Programme**, in particular, under the **eco-innovation initiative** and in the field of **financial engineering**.
- In parallel, attention has been drawn to increasing Northern Ireland's participation in the different EU education, training and youth-related initiatives. The record suggests that more could be done to prepare Northern Ireland's students for involvement in the **ERASMUS** programme.
- In the field of the **environment and energy**, contacts with the Commission have revealed potential interest in EU transport and energy programmes such as **Concerto, Intelligent Energy, Civitas**. There is also scope for involvement in the sustainable development strategy through projects supported financially under **Life+**.
- In addition, in **agricultural policy**, the promotion of quality food has been identified as a priority using geographical denominations.

8 BUILDING NETWORKS

There are also opportunities for participation in **EU network programmes**. In particular, Northern Ireland has expressed interest in taking the lead role in a network supported under the *Regions for Economic Change* initiative. This is the first time NI has put itself forward as a leading player. Other possibilities are also being explored:

Peace Building

Northern Ireland is in a unique position in the field of conflict resolution. There is much interest in Northern Ireland in developing this area of activity into some form of **European institutional facility for conflict resolution**. The Commission have responded positively to a request to examine the ways forward. One outcome is that cooperation with third countries could be created specifically on peace and reconciliation issues.

Combining forces with other regions

As part of its integration into the less formal networks that characterise the EU economy, Northern Ireland has begun to engage with other regions on its own initiative. To start this process off, the NITF organised contacts with the successful Helsinki Innovation Strategy.

9 WHAT HAPPENS NEXT?

The NITF will remain in operation to help Northern Ireland further some of the work. It will seek to raise awareness in Northern Ireland regarding new European programmes, events and fora that could be of interest to the region. The Northern Ireland Office in Brussels will also have an important role to play in this regard. The Northern Ireland authorities have indicated that they will pursue the suggestions of the Task Force and look for others in the same vain by developing an action plan. In response to a Question of the Commission², the Commission pointed out that they had been informed that the action plan was being finalised.

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<http://www.europarl.europa.eu/sides/getDoc.do?type=CRE&reference=20080925&secondRef=ANN-01&language=FR&detail=H-2008-0661&query=QUESTION>