



**Northern Ireland
Assembly**

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

**OFFICIAL REPORT
(Hansard)**

**Office of the Northern Ireland Executive
in Brussels**

20 October 2010

NORTHERN IRELAND ASSEMBLY

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DEPUTY FIRST MINISTER**

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Members present for all or part of the proceedings:

Mr Danny Kennedy (Chairperson)
Dr Stephen Farry (Deputy Chairperson)
Ms Martina Anderson
Mr Allan Bresland
Mr Tom Elliott
Mr William Humphrey
Mr Barry McElduff
Mr Francie Molloy
Mr George Robinson

Witnesses:

Mr Alan Boyd) Office of the First Minister and deputy First Minister
Dr Gerry Mulligan)

The Chairperson (Mr Kennedy):

We now move to the evidence session on the Office of the Northern Ireland Executive in Brussels (ONIEB). We shall receive a briefing from the director of the office in Brussels, Dr Gerry Mulligan, who is no stranger to this Committee. He will brief us on the work of the office and on his view of the Department's European division. Accompanying him today is Alan Boyd. There is some relevant information in Committee members' packs. The session will take the usual format, Dr Mulligan, so you may make an opening statement and then leave yourself available for questions. Everything that is said will be recorded by Hansard.

Mr Gerry Mulligan (Office of the First Minister and deputy First Minister):

Thank you for the opportunity to address the Committee on the work of the Executive's office in Brussels. In advance of today's meeting, I circulated a short paper to the Committee. The purpose of the paper was threefold: to provide a brief overview of the core business of the Executive's office in Brussels; to alert the Committee to the date of the official opening of the office; and to invite comments from the Committee on the terms of reference, which were forwarded to the Committee separately, for the proposed review that stemmed from the Committee's recommendations from its review of European engagement.

I will say something briefly about each of those three points before I take questions. The paper outlines the importance of the relationship that the office has with a whole range of organisations, governmental and non-governmental. We spend a great deal of time working with non-governmental organisations from the community sector as well as employers' representatives and trade unions, so we do not work only with the governmental side. The office is a resource for all those sectors when they are in Brussels doing business. Since the new offices opened in December 2009, there has been a significant increase in what the retail sector calls footfall, which is the number of people visiting the office. We have had more than 1,000 visitors in the first eight or nine months of operation.

I will highlight the number of events by way of example, not only because I am in front of the Committee but because the Committee's visit in June 2010 was particularly significant, not least because it coincided with —

The Chairperson:

It gave you particular pleasure.

Dr Mulligan:

It did, particularly as it coincided with my starting the new job. However, seriously, I hope that it showed the Committee the sort of work that we can do in the new offices.

A few weeks ago, we were designated as a formal venue for the open-days week by the European Commission. That event provided an opportunity for the regional offices to take pride of place in Europe. We hosted a number of events, which are described in our paper. An urban

network came along to talk about urban policy in light of the 2020 strategy, and cross-border partnerships came to talk about the importance of their work and the funding that they receive. We also had a reception. Furthermore, the head of the Civil Service, Bruce Robinson, talked about public sector reform. Therefore, it was quite a busy week.

I will give an example of a first for the office. I was invited recently by Madame Hübner's Committee on Regional Development in the European Parliament to give evidence on the importance of structural funds in Belfast, drawing particularly on the example of Laganside. Therefore, with the permission of the Department for Social Development (DSD), I gave a presentation to Madame Hübner's Committee, and I suspect that we may be asked to give that sort of evidence again. That Committee was looking at the future of structural funds in particular, and it was an important opportunity to point out the importance of those structural funds to us.

The second point is about the official opening. The official opening will take place on 9 December. Invitations will be extended to the Committee soon, and we hope that as many people as possible will join us on that date.

Finally, the review does not only deal with the office in Brussels. Ministers decided to extend the scope of the review to cover the European division, because we operate in Belfast and in Brussels. The role of the Belfast office is more to liaise with the institutions here, such as this Committee and the Assembly. Therefore, it is slightly broader review. It takes account of the changing environment since the previous review, which took place around eight years ago. We now have a new Executive and a new treaty, the Lisbon Treaty, which confers more significant powers on the European Parliament. The review is also in the context of increased pressure on European funding, given the increased number of member states. The ongoing review of the future of structural funds means that it is more important than ever that we compete effectively for available funds, particularly in the present economic climate. I am happy to take questions.

The Chairperson:

Thank you very much; that is very helpful. On behalf of the entire Committee, I reflect our sorrow at the passing of Jim Dougal, who was the former head of the European Commission in Belfast and, subsequently, in London. He certainly made a huge contribution to European affairs in Northern Ireland.

During our visit, it was clear that networking in Europe is a very important aspect. In the light of the review and the office's future operation, how will that network extend to other regions of the United Kingdom and to other sovereign states, such as the Irish Republic, and, indeed, to the regional Assemblies and Parliaments in other parts of Europe?

Dr Mulligan:

Our existing network brings us into contact with all those organisations, including the English regions, the Irish representation and the Welsh and the Scottish representations. There will be issues of common purpose. When we identify a common purpose, we will, when we deal with the Commission, try to derive as much leverage as possible from consensus.

We will continue to develop those networks. They can be formal, such as the structures that are in place that bring the heads of representation together under the umbrella of UK representation (UKRep). I have had an opportunity to work very closely with Scottish and Welsh heads of representation, obviously in an informal capacity. The European quarter in Brussels is a place where one invariably meets people from different organisations at receptions, and those are opportunities to promote issues that are of common interest to us. That is a key element of what we do, and we continue to develop and improve it.

The Chairperson:

A large number of members wish to speak, so I encourage them to be brief in asking their questions, as I was.

Ms M Anderson:

Do as I say, not as I do.

I welcome the fact that you accepted the Committee's recommendation to review the Brussels office and the scope of the EU dimension. You have extended that review. Will it address the uptake of EU funding? I am thinking specifically of the seventh framework programme for research and technological development (FP7). If the office has terms of reference to do such a thing, will there be a target set? As opposed to agreeing to address the uptake issue, we need to set a target so that we can monitor and measure it. How do we maximise the access? That is another issue that it should address, and I refer specifically to the JESSICA and PROGRESS programmes.

I invited Colette Fitzgerald from the Office of the First Minister and deputy First Minister (OFMDFM) to Derry city, and we are working on a regeneration plan at present. Her knowledge and assistance to the city has been absolutely exceptional. I recommend securing her assistance. Apparently, I was the first MLA to invite her. She has information that will be of benefit to all MLAs, particularly in helping them to understand the JESSICA and PROGRESS programmes, and how to access them. She has helped us build up our knowledge base as a city to gain the kind of structural funds that, for example, Belfast has secured. During our inquiry, we were very impressed at the amount of money that was drawn down by Belfast City Council.

Dr Mulligan:

I appreciate your positive comments about Colette. I will ensure that she is informed of those comments. I agree that someone from the European Commission, such as Colette, with her knowledge, experience and contacts is invaluable. On the subject of the review and addressing uptake, in our terms of reference there is mention of the need to optimise the uptake of funding and the role of that the office can play. There is always more that can be done. Awareness of the programmes and how eligible we are for them is key to increasing uptake, as is being able to influence the criteria that are used to set those programmes at the outset. Without pre-empting the conclusions of our review, which would be very wrong, I anticipate that we will want to look at the timing of our input into the developmental programmes, such as the eighth framework programme for research and development (FP8), to ensure that, when they are drawn up, we know that the criteria will resonate with skills and advantages that we have locally. That is very much in our minds.

There are formal ways in which we influence funding, and we do that through our representation to the Westminster Government on our position on structural funds. The office will have a role in facilitating our Ministers when they engage with Ministers in Whitehall. That is a very formal mechanism, and how well we engage with officials and Ministers is part of the scope.

As to the target for research and development, there is in the 2020 strategy a target set, and it is 3% of GDP. I may be wrong about the figure, but there is a target. Alan may be able to advise me on that.

That is the context in which to look at how much funding there is for research and development here. That provides our benchmark. This Administration will have an input into the national reform programmes on how we are doing. The national reform programmes state progress annually against the 2020 targets. There is monitoring at present, and that will be ongoing.

Ms M Anderson:

Will there be an action plan? Surely we need an action plan to assist us in achieving a target, as opposed to an aspiration for a target or something that is set elsewhere. We must monitor whether we achieve the target.

Dr Mulligan:

I cannot speak for the Department of Enterprise, Trade and Investment (DETI) and its partner organisation Invest Northern Ireland, which are responsible for research and development. I am conscious that it is very high up on their list of priorities. Indeed, a programme has been arranged with the Commissioner for Research, Innovation and Science, Máire Geoghegan-Quinn, who will visit Northern Ireland very soon. That reflects how seriously DETI and Invest NI take it, but I cannot comment on whether there will be a specific action plan.

Mr Elliott:

Thanks for that, Gerry and Alan. Your submission states that the review:

“will not consider the DARD or Invest NI presence in Brussels.”

I thought that it might have been useful to incorporate those as a means of working together, but I am sure that you have an explanation for that, Gerry.

It is stated that the review will:

“Consider the resources necessary to fulfil European Division’s role over the next 5 years.”

However, the review will also “Be cognisant of budget constraints.” That is a double-edged sword, given the current fiscal difficulties. Perhaps it is unfair to ask this question at this stage of the review, but how do you anticipate getting around that?

Dr Mulligan:

I make a distinction between the resources that are located in the office and those that need to be

applied more generally, whether in Departments or elsewhere. We engage with Departments. Our partnership-working with them is essential, and we could not do business without it. The budget constraints will be on me to deal with as the budget holder. I, like other budget holders, am expected to look very critically to determine to what extent we can deliver efficiencies, as we always do. However, I agree with you. It is a very difficult climate in which to, on the one hand, look at what is inevitably increasing demand and, on the other, be cognisant of budget constraints.

The Chairperson:

What about the Department of Agriculture and Rural Development (DARD) and Invest NI?

Dr Mulligan:

The office has a different role towards DARD and Invest NI, because we provide accommodation for the officers that they pay for. In that sense, the review will inevitably focus on Departments' areas of responsibility as opposed to DARD and Invest Northern Ireland. That is not to say that we do not acknowledge the importance of covering those policy areas and the advantages of proximity to the rest of us. Indeed, there are examples of Departments having invested significantly and are seeing the benefits. However, I do not think that it is for us to come to any assessment of the value. That is for the relevant Departments to determine.

Mr Elliott:

I would have thought that, in inclusive, joined-up government, it would be useful to have an Executive review as opposed to just an OFMDFM review.

Dr Mulligan:

It is an Executive review in as much as it is a review of an office that is a resource for the whole Executive. The review will be considered by the Executive, as opposed to just OFMDFM, in consultation with the Committee. There will be an opportunity for all Departments to comment on their stake in the office.

The Chairperson:

They are on your lawn, but they are not your tanks.

Mr Molloy:

Thank you for your presentation. I appreciate the work that was done with the cross-border

groups at the office's open days. I attended some of those open days myself. In my view, the role of the office is in Brussels. However, could the office hold a seminar at Stormont for the various Committees to look at, for example, the Barroso report so that Committees might see how each Department could benefit more from that report and from other European funders that may not have been considered to date? Would it be beneficial for your office to present that sort of programme here?

Dr Mulligan:

Would the audience for that be the various departmental Committees, Francie?

Mr Molloy:

Yes, and Departments.

Dr Mulligan:

The Departments are catered for by the interdepartmental group that brings together key officials who are members of the Barroso Task Force. Those officials have a direct link to equivalent policy officers on the Commission. That process was initiated by the president and is continuing. My office would have no objection to a briefing, if it was at an appropriate time. I am not sure whether that would be done in Committee format or in a more general format.

Mr Molloy:

What I am thinking about is more along the lines of a seminar for members of this Committee and other Committees so that they can then scrutinise each Department's proposals on drawing down European funding. The Barroso report clearly indicated that funding should come not just from the Peace and rural funding programmes but from various European funding streams that could be taken on by each Department. The indications are that that is not happening. MLAs need to be made aware of other funds that are not being tapped into at the moment so that they can start to raise those issues with departmental officials through the scrutiny Committees.

Dr Mulligan:

We anticipate that we will be engaging again with Departments and members of the task force in the coming months, a process that will involve Commission officials. We also anticipate working on departmental action plans linked to the Barroso report, following on from the publication of the Commission's current work and legislative programme, which is due to be published on 27

October. That will clearly be an important reference document for us all, because we need to align departmental and Executive priorities with the Commission's priorities for the coming year. I see that developing work as an opportunity for departmental Committees to link into the different Departments' contributions to the process. However, that process is ongoing and will, we expect, begin to take shape in the coming months.

The Chairperson:

The Assembly's director of engagement is looking at something similar to that which Mr Molloy raised. That may involve direct engagement with your office through an event or events. It may be useful to make contact with him to see whether something appropriate can be arranged.

Dr Mulligan:

Obviously, we are more than happy to contribute to specific events and have discussions with the Committee about what format those events should take. I am conscious of protocol around my engagement with other Committees. However, I will be guided by you on that.

Mr Humphrey:

Thank you for your presentation, Gerry, and congratulations on your new post. Last autumn, we had the first Belfast and Brussels event in the new Executive office. Having invited the three MEPs, that event centred largely on tourism and inward investment, and included Belfast City Council, the Northern Ireland Tourist Board, Tourism Ireland, the tourism convention bureaux, and the movers and shakers and the opinion formers from within the European Union.

It was a tremendous event. One thing that I took away from it was that one key organisation in establishing linkages and sharing practices and information across Europe is Eurocities. Can you advise the Committee as to what work you have done and what linkages you have with Eurocities? Is there a collaborative approach between your office in Brussels and the Belfast City Council European unit?

Dr Mulligan:

Yes, we have a very close working relationship with the council. I have a meeting with Laura Leonard later in the week to take stock of what Belfast City Council is doing and how we can help.

The fact that Belfast City Council, as an example, has a dedicated European officer means that it probably draws less on our expertise than other councils may need to. That is because a particular European officer will be fairly clued up on European programmes and will be active in that area. We tend to liaise with and provide facilities for all local government. The Northern Ireland Local Government Association (NILGA) has a very active presence in Brussels, and we facilitate it through meetings and resources.

I will have to come back to you about Eurocities. I am not familiar with specific work that has been done with it. I have heard of the organisation, but it is not one with which I have had been at any formal events. However, I will get back to the Committee if there are examples of recent or future work that we have done or will do with Eurocities.

Mr Humphrey:

I would like to know not just about recent work but about how you can work with that organisation more collaboratively in future for the benefit of Northern Ireland as well as Belfast.

Dr Mulligan:

If it is OK, Chairperson, I will come back to the Committee on that point.

Mr G Robinson:

My question concerns the new office. Do you see it as having a role for our three MEPs in complementing and enhancing their work in Europe?

Dr Mulligan:

The office has always had a close relationship with the three MEPs. They are invited as a matter of course to every reception that the office holds. In addition, I have informal meetings with each MEP, at which I provide briefing, as far as I am able to, and receive from them a heads-up on some things that are coming up in Parliament. A recent example of that was the free trade agreement with South Korea. I was talking to Mr Nicholson, who reminded me that it was potentially very important for Northern Ireland, given that it opened up the possibility of a larger beef market here. Those are the sorts of things that we would not normally be aware of, but because of Mr Nicholson's particular role in relation to South Korea, we were made aware of it. Those kinds of conversations happen regularly.

Moreover, given that the European Parliament has additional powers since the Lisbon Treaty, most decisions are co-decisions. It is extremely important that we work with the MEPs, as far as is possible, for the purposes of influencing the Parliament in decisions that are in our interest.

Mr G Robinson:

Therefore, you see an advantage in that?

Dr Mulligan:

Yes; very much so. We have a relationship that we will continue to maintain.

Mr McElduff:

Is there a case to be made to other Departments about increasing the presence of senior officials in Brussels? My understanding is that DARD is the only Department here that has a permanent representative in Brussels. There are 11 other Departments — 10 beyond OFMDFM. Is there a case to be made to Departments to increase the amount of physically present Civil Service representation for all the networking that needs to happen in order to maximise opportunities?

Secondly, can you tell us a wee bit about the European Economic and Social Committee (EESC)? My understanding is that Mike Smith assumed a senior role on that recently.

Dr Mulligan:

That is correct.

Mr McElduff:

What potential may that contain for us?

Dr Mulligan:

On your first question, there is a case to be made, but the question is whether it is a strong enough case to justify the additional expenditure that would be needed, as opposed to having alternative arrangements, whereby the Departments would draw on our expertise, as DSD did for the purposes of my Committee appearance.

I will address that in the context of the review, because that is one of the issues that we will be looking at, Barry. I am due to talk to Departments about that in the coming months, and I will be

interested to hear their responses. As I said, there is a case to be made, but the question is whether it is a strong enough case.

The Chairperson:

Of course, Invest NI is in your office, representing DETI here.

Dr Mulligan:

That is right. Invest NI has two members of staff in Brussels: one is involved in financial inward investment, and the other in research and development projects.

Mike Smith is in a very prestigious position on the EESC. He chairs the Committee's economic subgroup. We have regular meetings with Mike, and Jane Morrice, who is the other representative. That gives us an opportunity to brief. Although respecting their independence, we can at least make them aware of the Executive's position on certain policy areas. That is a very useful relationship as well. However, Mike's appointment and elevation was extremely good for us.

Dr Farry:

Welcome, Gerry and Alan. I want to pick up on the point about governmental architecture, and how we are represented. There are key economic issues that would be slightly broader than Invest NI, so, again, there would be an issue about the interaction with other Departments on some of those issues. For example, we hear about the potential change to European Union state-aid rules, which, I think, are to happen by 2013. There may be people beyond just Invest NI who need to make representations on our behalf; for example, Department of Finance and Personnel (DFP) officials. In some respects, it is Invest NI that then works in that context.

The other point that I want to make concerns the review. To what extent are we as a region benchmarking our presence in Brussels? We hear about some very successful regions in Europe. How does the nature of our presence in Brussels compare with other regions when it comes to resourcing and the manner in which we represent ourselves? Are we regarded as being very good, or are there areas in which others are setting examples that we need to follow?

Dr Mulligan:

For benchmarking, we can look at those representations closest to us, such as Wales and

Scotland. We compare favourably with them in the cost per person employed. We have moved into new offices, which —

Dr Farry:

I know. I am a bit ruthless on money at times, but it is probably a wee bit more than that, Gerry. What are we doing and engaging in, rather than just the cold facts?

Dr Mulligan:

I appreciate that. Those metrics are invariably used as well. I use the cliché that we punch above our weight. That is borne out by our ability to get people through the door to attend events, and to get senior commissioners and Commission officials to engage with our Ministers and officials when they are out there in a way in which other representations are not always able to do. We get a sense that we continue to have the ear of the Commission.

It is recognised in general terms that, ever since President Barroso came here and committed significantly to that whole process, we continue to have the ear of the Commission and access to senior decision-makers on the Commission.

Dr Farry:

It is important that we formalise that through a review to ensure that we are doing what we need to do. However, in some respects, much of the success has been linked to the goodwill that people want to show towards Northern Ireland, because of the view that our peace process has been a success. Over time, as we become more stable, the relevance of that will decline, and other situations may catch the eye of the Commission. As the context changes in Northern Ireland, how do we plan to maintain that level of access?

Dr Mulligan:

That will happen through my work and that of my colleagues in the office. We will continue to network, bring Ministers out and ensure that we continue to make the case that we can contribute to the wider international community through our expertise on conflict resolution. The Commission sees Northern Ireland as a particularly good example of that. Moreover, our aviation and aeronautics industry can contribute a lot as well. Therefore, we have a great opportunity to use and showcase what we do as an economy and as a society through the offices in Brussels, and I certainly want to take that opportunity to keep us in the frame with the Commission. However,

it is a competitive business, and we are competing with 240 other regional representations.

The Chairperson:

That concludes our questions. Thank you very much, Gerry and Alan. You have managed to survive. I also thank you for the invitation to attend the official opening of the office. You are due to provide some additional information to us based on our discussion today, and we await that with interest. If we need any more information, we will let you know.

Mr Molloy:

Before Gerry leaves, I have one point to make. Do we have more information on Máire Geoghegan-Quinn's visit? That would allow the Committee or the representation to look at that situation.

Dr Mulligan:

The programme has now been agreed with the cabinet of Commissioner Máire Geoghegan-Quinn. I am not responsible for the programme, but, as far as I know, it will involve a meeting with the North/South Ministerial Council sectoral group InterTradeIreland, followed by a reception at the European Commission's office. Moreover, a number of visits are planned before the commissioner returns. That is a broad outline of the programme.

The Chairperson:

Thank you very much.