

DÁIL ÉIREANN

AN COMHCHOISTE UM EALAÍONA, OIDHREACTH, GNÓTHAÍ RÉIGIÚNACHA,
TUAITHE AGUS GAELTACHTA

JOINT COMMITTEE ON ARTS, HERITAGE, REGIONAL, RURAL AND GAEL-
TACHT AFFAIRS

Déardaoin, 6 Aibreán 2017

Thursday, 6 April 2017

The Joint Committee met at 2.25 p.m.

MEMBERS PRESENT:

Deputy Ciarán Cannon,	Senator Marie-Louise O'Donnell,
Deputy Michael Collins,	Senator Fintan Warfield.
Deputy Éamon Ó Cuív,	
Deputy Niamh Smyth,	

In attendance: Deputy Declan Breathnach and Senator Frank Feighan.

DEPUTY PEADAR TÓIBÍN IN THE CHAIR.

The joint committee met in private session until 2.53 p.m.

Development and Co-operation in Border Counties: Discussion

Chairman: We will now consider the future of community, social and economic development and co-operation in Border counties with representatives of Derry City and Strabane District Council and Louth County Council. Later in the meeting we will discuss the same topic with officials from the special EU programmes body. I welcome the following witnesses: Mr. John Kelpie, chief executive officer and Mr. Michael Gallagher, strategy manager, representing Derry City and Strabane District Council; and from Louth County Council, Councillor Paul Bell, cathaoirleach, Ms Joan Martin, chief executive officer, Mr. Frank Pentony, director of service and Mr. Joe McGuinness, director of service. I wish to note for the record that we did invite Alderman Hilary McClintock, mayor of Derry City and Strabane District Council, and very much regret that she decided not to participate in today's discussion of an issue which is of such importance to Donegal, Derry and Strabane.

I draw the attention of witnesses to the fact that by virtue of section 17(2)(l) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of their evidence to the committee. However, if they are directed by the committee to cease giving evidence on a particular matter and they continue to do so, they are entitled thereafter only to a qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matter of these proceedings is to be given and they are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person, persons or entity by name or in such a way as to make him, her or it identifiable.

Members are reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the House or an official either by name or in such a way as to make him or her identifiable. The witnesses' opening statements and any other documents they have submitted to the committee may be published on the committee website after this meeting.

I invite Councillor Bell to make his presentation first as I am aware he is under time pressure.

Mr. Paul Bell: Louth County Council greatly welcomes this opportunity to address the committee on the future of community, social and economic development and co-operation in the Border counties. Communities throughout Ireland have faced difficult times over the past decade or so due to the prolonged economic crisis. Reductions in both central and local government support and funding, coupled with large gaps between vital programmes such as INTERREG, Leader and PEACE, have meant that it has been very difficult to either maintain or develop community infrastructure or facilities. The recent commencement of these programmes has been a tremendous boost for the people of County Louth.

People in border areas which are, by their nature, so often on the periphery and far from centres of government and power, have always considered that they suffer additional difficulty and disadvantage. The long recession has certainly exacerbated this problem and towns like Dundalk continue to suffer unemployment rates above the national average. The retail and hospitality sectors have been badly hit and our proximity to the Border, coupled with the ever-present challenge of fluctuating currency exchange rates, makes recovery that bit harder.

The decision of Britain to leave the European Union is an added challenge and at the present time, when so little is known with any certainty about what the final Brexit package might look like, there is widespread concern throughout the county in all sectors about the future. Cross-Border co-operation and cross-Border programmes have been an integral part of community, social and economic development in this area for many decades, including right throughout the Troubles. Most of the key programmes, such as INTERREG and PEACE, on which we rely so much, are at least partly funded by the European Union. While a reasonable degree of certainty has been brought to the current round of funding, a future without these programmes is almost unthinkable. If they cannot continue in their present form, similar replacement programmes must be developed and put in place by both Governments. Our own council's close relationship with councils in Northern Ireland dates back to the early 1970s and we would not like to see this valuable co-operation damaged or diminished, especially as a result of Brexit.

Chairman: Thank you. Is there anybody else to speak from Louth County Council?

Ms Joan Martin: To touch on some of what is covered in the document, we appreciate the fact that communities throughout Ireland have faced a difficult recession and are facing into a difficult future. I have tried to set out what differentiates the likes of Louth as a Border county. What I have said also applies to those areas of Donegal that lie close to Derry.

All of our community, economic and social development is now predicated on the Local Government Act 2014, which requires local economic and community plans to be in place. That is the statutory plan which is our bible, as it were, for action and development, not just for the county councils but for many of the agencies also. The likes of the education and training boards, the HSE, the IDA, Enterprise Ireland, and all of the other agencies are part of that local plan, which is common throughout Ireland. The statement we submitted sets out some of the goals we are talking about. They include strong, safe and flourishing communities; access to education; prosperous, inclusive communities and places; health and well-being; nurturing children; and an age-friendly society. Louth was the first age-friendly county in Ireland and every county in the Republic is now part of the age-friendly communities programme. That is an important part of the culture and ethos in Louth.

We also talked about our economic goals. Before this new statutory plan, Louth had an economic forum with a multi-stakeholder approach for many years. Building on the work of the Louth economic forum, the economic goals of our new statutory plan deal with areas such as foreign direct investment, sustainable development, education and training, future-focused innovation, indigenous tourism and heritage. Last week, I was at two tourism conferences and in both cases we were very conscious of the fact that Louth is not recognised as a major tourism destination. Tourism is one of the greatest hopes for economic development in our county. However, with Brexit there is the danger of a hard border turning us into a cul-de-sac instead of part of the Dublin-Belfast corridor. In addition, in Ireland's Ancient East, which is the counter-balance to the Wild Atlantic Way, Louth and Carlingford at the Border are at the extreme end of the Ireland's Ancient East map. We are always conscious that we are, in a way, hanging on the edge and in danger of falling off. These are the issues we face.

Following the end of the recession there has been a welcome return of a number of programmes that support community and economic development, such as the town and village renewal scheme and the recent renewal of the CLÁR. Such schemes from the Government are welcome. After ten hard years the smallest amount of funding can have a huge impact, particularly in smaller communities. What differentiates the Border area is the fact that for the past 20 years it has had considerable access to European funding. The INTERREG and PEACE

programmes have been very important at every level, be it individual tiny communities, new businesses or soft support to try to build capacity or to deal with some of the challenges left from the Troubles. Those programmes have been at the heart of all our work. I have provided the committee with some figures relating to INTERREG. Under INTERREG IIIA, the cross-Border group we are part of supported programmes to the value of €25 million, and under the INTERREG IVA programme, which is the last programme that finished, our group, the east Border region, was the lead partner on €24 million worth of programmes. With the uncertainty with Brexit and the impact on the Border, not to mind matters such as the milk industry, agri-food and all the issues people mention, the loss of these programmes could devastate communities and opportunities for education, such as the universities working together, business and business support.

An all-island competition that has a huge impact, but little money behind it, is the Pride of Place competition. I have such a soft spot for it I felt I had to mention it. That competition encourages the smallest communities to step forward and showcase what their communities are doing and achieving and all the work that is taking place in those communities. Again, I worry about Brexit and the impact it will have on the Border and cross-Border co-operation, as well as what will happen to such programmes.

I will not detail everything because we have mentioned a number of matters. However, I am anxious to mention one project that has been funded recently under the new INTERREG programme, the Carlingford Lough greenway. One hears a great deal about the famous Mulranny greenway in County Mayo, but there are many greenways in Ireland now. We have one along Carlingford Lough. Louth County Council had a project between Carlingford and Omeath on the southern shores of Carlingford Lough and our new project is a €3.5 million one under INTERREG VA, which will bring that greenway across to Newry. That is the true example of the value of programmes such as INTERREG and the type of value that comes from councils working together since 1974. Newry and Dundalk and Newry and Louth have been working together since 1974, throughout the Troubles and since then, both when there was no money and when there was money. We are very concerned that all of that good work and co-operation could be threatened by Brexit, its outcome and the loss of programmes such as INTERREG. INTERREG always had a section of the programme to deal with peripheral countries in order that countries at the edge of the EU always had access to funding. However, it is not the same.

We are delighted that the British Government in its letter triggering Article 50 specifically referred to the Northern Ireland issue, the importance of the cross-Border relationship and the many facets it encompasses. I have been referring to certain aspects of it and to programmes such as INTERREG. Ultimately, however, that greenway will allow somebody to walk or cycle from Carlingford in County Louth to Lough Neagh, between travelling on the greenway and accessing the towpath which runs from Newry. It is a phenomenal project that would never have happened without many decades of cross-Border work on building relationships and learning to work together. The INTERREG programme allows us the funding to take on significant programmes that can act as major catalysts to kick-start tourism in the Border area and in Northern Ireland.

In summary, successful communities in the Border area depend on a range of factors, including building capacity for self-help and development. They depend on a range of supports from local government, central government, other agencies and the EU to create wealth and opportunities for jobs, tourism and so forth. They also need a predictable future within which they can plan and hope. Many of the ingredients are in place and there has been the welcome return

of the programmes I mentioned. We have great cross-Border relationships and co-operation. In our case that is not just through the east Border region that has been in place since 1974 but, in more recent years, through the formal international memorandum of understanding with Newry, Mourne and Down District Council. We need all of these ingredients to remain at our disposal into the future.

The looming shadow and uncertainty of Brexit is probably the greatest area of concern. Everywhere one turns Brexit is on everybody's lips. As long as the uncertainty remains, and there was much talk about whether it would or would not happen, we will have no idea how it will look. We cannot be certain about anything. The 11 councils in the Border area, North and South, will hold a conference for our members in Enniskillen in a few weeks but, again, we will be talking about whether it will look like this or that. If I were to seek anything from the committee members and the Oireachtas, it would be continued pressure and a watching eye on what is happening in respect of the position of the Border area and Northern Ireland as the Brexit divorce proceedings, as people like to call them, go ahead. We must maintain pressure on those who are negotiating either on behalf of Ireland as part of the EU or on behalf of the British Government to ensure they remember these communities and businesses that are so worried and concerned and which could be devastated if the outcome is not the right one.

Chairman: Go raibh maith agat. Bhí an cur i láthair iontach suimiúil. I invite the representatives of Derry City and Strabane District Council to make their presentation.

Mr. John Kelpie: I thank the committee for its invitation to address it this afternoon. We are delighted to be here. Derry is the fourth largest city on the island, with an urban population of more than 100,000 people. It is situated in a unique cross-Border context. The wider Derry north-west city region comprises Derry, Strabane, parts of neighbouring councils in Northern Ireland and much of north-east Donegal, which is in the Republic. This wider city region, comprising between 350,000 and 400,000 people, is the only city region in these islands and one of the few across the whole of Europe which, post Brexit, will potentially straddle a border between the EU and a country outside the EU. At present the city physically straddles the Border, with between 5% and 10% of the urban population of the city of Derry currently living in the small towns and villages which surround the city, tight against the Border on the Donegal side. These Donegal towns have expanded to become actual suburbs of the city of Derry.

The city and wider regions have made huge progress in recent years, economically, physically and socially, but there is a very long way to go. In common with other Border areas we have the highest unemployment levels of anywhere in Northern Ireland and the UK and huge areas of social deprivation. Much of the progress in recent years in Derry, Strabane and Donegal, like other Border areas, has been with the assistance of EU programmes or the collaborative benefit of North-South co-operation. To build on this progress, Derry City and Strabane District Council and Donegal County Council have embarked on a new strategic partnership, a place-based leadership model to drive the region forward and to positively address its key challenges in partnership with the Northern Ireland Executive and the Irish Government. These arrangements have seen the establishment of the north west regional development group, a cross-Border joint committee of both councils comprising senior council officers and elected representatives with delegated authority to take decisions on a cross-Border basis. This involves joint cross-Border working at local level with a focus on economic development, physical regeneration and social well-being, the first, we believe, of its kind in Europe. The new partnership arrangements also include the north west strategic growth partnership, in which senior civil servants from all Departments on both sides of the Border work with the two local

councils to deliver on the key strategic objectives.

These new arrangements are up and running, endorsed and supported by the 2015 Fresh Start agreement by both Governments, a unique model of integrated, local, regional and national cross-Border collaboration established under the mechanisms of the North-South Ministerial Council and endorsed by both Governments and all of our partners. We believe this is the future of cross-Border development and collaboration, the crux of the question posed to us by the committee today. The partnership seeks to finally unlock the potential of Derry and the north-west city region and to enable the region to eventually move to positively contribute to the economies on both sides of the Border. It respects the politics of the Border as it currently stands, but disrespects the Border economically.

Among the many risks in developing this collaboration the most recent, and largest, is Brexit. In recognition of this, Derry and Donegal have moved fast and together to quantify and articulate this risk and to suggest potential mitigation that is bespoke to the region. My colleague will take members through some of the highlights of this work to date.

Mr. Michael Gallagher: We began the report in August and I will go through the main conclusions, why we did it, who was involved and what we believe it tells us. It is a very early look at what the implications might be for the cross-Border region. We put together a team from Queen's University Belfast, Ulster University, Trinity College Dublin and ourselves, with two research teams from Derry City and Strabane District Council and Donegal County Council, and we began to gather all the information. One might think there is a lot of information out there but when one goes looking for that information it is not always available in a useful form. We wanted to determine how interconnected is the region and to this end, we looked at the region at a subregional level within Northern Ireland and the Republic of Ireland.

The Northern Ireland Statistics and Research Agency, NISRA, in the North and the Central Statistics Office, CSO, in the Republic have two different reporting structures but we think the population is approximately 350,000, of whom very many move across the Border on a regular basis for work, leisure, health care, education and many other things. Electronic data from counters on three roads between Derry and Donegal give an indication of the magnitude of this interconnectedness, with 50,000 journeys. There are approximately 12 crossings in total, not all of which are as big as those three, but it gives some idea. Over the course of a week there are some 300,000 crossings. If there was a delay to that it would be significant.

We also began to engage with key stakeholders, the chambers of commerce and those involved in manufacturing and agrifood on both sides of the Border and we got two different perspectives from these. The initial reaction in Northern Ireland was that the weakening of sterling was a good thing. The weakening of sterling is not about Brexit - it is about a number of different things in the world of currencies. Sterling may remain at its current level or it may not but the problem is there is a sense of contentment among people in Northern Ireland involved in retail and tourism in that, having been told they would go off a cliff edge, it does not actually look too bad. On the Southern side there was an immediate impact on tourism after some six weeks, solely as a result of the exchange rate.

We asked people what the impacts might be and we found a great many of them, which I will take members through. Labour market impacts for people in Northern Ireland were stark and the health sector, in particular, sources a lot of labour from the Republic of Ireland. In particular, many staff members of Altnagelvin hospital commute from Donegal and are worried about the future. The hospital worries about how non-EU staff will be affected and whether

they will want to be in the National Health Service. There is evidence already, across Britain and Ireland, that health service professionals are making plans to leave Britain. There are worries about both access and more specialist staff as well. On the southern side, Letterkenny hospital has similar worries about locums travelling North and South, especially about the recognition of their qualifications. People are quite quickly coming up with answers to questions of how Brexit will affect them. People who live in the Republic of Ireland and send their children to the North for education in its large urban centres are wondering whether they will be able to continue to do this. In Donegal, they are worried about large-scale emigration to Northern Ireland and what that might do to the population and the housing market in Donegal. We estimate that between 2,000 and 5,000 people live in Border settlements in the Republic that have grown up since 2001. These are only a couple of miles from Derry and most of their populations are former Northern Ireland residents. The interconnectedness can be seen in traffic and in people moving for health and education.

It also can be seen in terms of trade. We have a large number of food manufacturers located within Derry who export throughout the Republic and *vice versa*, with bread makers in Donegal who export to Britain and Northern Ireland. They are wondering what the future relationship will look like and how it might impact on them. We also spoke to the port authorities in Derry to get some indication of the frequency of vehicles leaving the port. One business told us it had 40 lorries crossing the Border at Bridgend per day. We are beginning to get a picture of what the difficulties might be.

An area of interest for Donegal, though less so for Derry, is fisheries. We had long discussions around the fisheries sector and there are real worries in Killybegs about how it will be affected in terms of access to fishing grounds. I am sure the committee has heard representations from fishermen there on this issue. Those involved in fishing in Northern Ireland cannot wait for this to happen because they think they will have unfettered access to their own fishing grounds. There is a real issue around food processing. We have already heard about milk processing and we have a very large processing plant just over the Border beside Strabane, the LacPatrick Dairy in Artigarvan, which has just invested €40 million and is worried about how it will be affected. The vast majority of milk producers in the Republic have their plants in Northern Ireland and this company has plants in Coleraine and Monaghan. While they are not in as difficult a position as others, it demonstrates the complexities involved. When we spoke to them, they gave us the example of milk which can cross the Border five times in terms of the beginning of one process to the end of another. What will that look like if we end up with WTO tariffs which might be 30% to 40%? It would make things very difficult for those businesses.

Obviously, the overall context relating to Derry and Strabane is that the area is just coming out of recession. We had been in the position of having a plan whereby we thought that if we did certain things we could improve the economic proposition and competitiveness of the region but out of the blue has come Brexit. Quantifying the overall impact for Donegal, there will probably be 7,000 fewer jobs in 2030 than there would have been on the basis of the projected growth rates. There will probably be approximately 2,600 fewer jobs in Derry. It is much worse overall in Derry because the job growth potential was much lower to begin with. We will have approximately the same number of jobs in 2030 as we had at the peak in 2007. Mr. Kelpie will conclude by setting out what we think we can do. We have a plan.

Mr. John Kelpie: I thank Mr. Gallagher for that and I thank members for bearing with us. We believe the implications of Brexit are very significant for the north-west city region. Weak subregional economies will become even weaker with Brexit. It is very likely that the great

progress that has been made in the north west in recent years will stall or, indeed, go backwards. This cannot be allowed to happen. To mitigate, we must come out the other end of this with free movement of people, trade and services. We must continue to function as a cohesive, integrated, cross-Border and thriving city region in common with the requirements of the other Border corridor counties. Uniquely for Derry and the north west, there must be renewed impetus to address our infrastructure gaps and skills deficits. I refer to the long-awaited A5 and A6, rail and airport connectivity and, very importantly and key to the development of the north-west city region, the expansion of the University of Ulster at Magee College, which is now almost 55 years overdue. If these projects are not delivered, Derry city and the wider north west, including northern Donegal, will most definitely regress in a post-Brexit situation as the evidence we have shows. The region's potential will be greatly impeded and the benefits to the region and country as a whole will be lost.

The time to act is now. We know in the region what needs to be done to propel Derry and the north west on a positive future trajectory, providing economic prosperity and social and community cohesion and well being. We have the partnerships in place at local level and the impetus is there from both Governments through the new strategic growth arrangements and cross-Border working arrangements. We are on that positive, integrated trajectory as the fourth-largest city region on the island and today we ask the committee for its assistance in delivering this positive future in a post-Brexit era.

Chairman: I thank the witnesses for that insightful information. I open the floor to members for questions.

Deputy Niamh Smyth: What I wish to say is more of an observation than a question. I represent the Border constituency of Cavan-Monaghan. The wonderful relationship we have built up over the years is of huge concern to anyone who lives in the Border area. We do not even think about the Border, which is completely invisible and intangible in comparison with what it was historically. I can empathise hugely with the witnesses in that regard. It is wonderful to see the relationships and projects happening where that cross-Border connection exists in preparation for the complete unknown. That is the situation in which we find ourselves. It is totally unknown territory. Louth County Council is represented here and I know we will be talking about INTERREG and PEACE funding again. Cavan and Monaghan County Councils have depended hugely on those specific projects and funding avenues to rebuild communities and the coalface of the Border area where, for the most part, we had ghost towns during the Troubles. The funding has contributed hugely to our local authorities. I can certainly empathise albeit I really do not have a question. It is wonderful to hear the stories set out here today. Please God, the future will be bright.

Chairman: I might pose some questions. Peripheries do not tend to do well economically. Peripheries are usually damaging. What we have here, however, is a man-made periphery to a certain extent. It was created and it should not be there. People in the South tend not to understand that the highest levels of deprivation, unemployment and depopulation are to be found along the Border. In the recent census figures, for example, Donegal was one of the few counties in the State that actually experienced a population decrease since 2011. It is very frustrating that, in the context of the Good Friday Agreement, 1 million Irish and, therefore, EU, citizens will potentially be left isolated outside the EU against their will. Consent has been one of the bedrocks of political developments in the North in recent years. If we do not have a customs union with Britain, if Britain does not have access to the Single Market and if there are changes in regulation, there will have to be checks of materials and people crossing the Border. There

have been discussions and a number of areas have been selected for Border posts. Do the witnesses have that information? No. That is a good thing. We can mitigate against many of the difficulties that exist. One of the ways in which we can mitigate is through better planning and integration. There is currently a large project in the South called the national planning framework. What level of input and engagement have the local authorities had with that? We might go to the representatives from Derry City and Strabane District Council first.

Mr. John Kelpie: We have had a very strong engagement on the Ireland 2040 national planning framework consultation document as a city council but also - and probably more importantly - through a joint submission by Derry City and Strabane District Council and Donegal County Council as part of the north-west city region approach. A consultation event was held in the city a number of weeks ago with representatives from Government Departments here and in the North. We have had a very positive engagement in that regard and have been placing ourselves strategically in terms of the consultation response, reinforcing much of the contribution we have made today. Derry and the north-west region is the second largest city in the North, the fourth largest city on the island and, actually, the third largest city within the jurisdiction of the national planning framework after Dublin and Cork in that it is truly a cross-Border region and not solely a city located in one jurisdiction or the other. That gives it a unique context and provides it with the greatest ever challenge it has faced.

Chairman: What about Louth County Council?

Ms Joan Martin: We have made a joint submission from the executive and membership of the local authority in Louth.

Chairman: It is not a Newry-Mourne one.

Ms Joan Martin: Not Newry, albeit our biggest concern about the discussion documents that came out in the national planning framework was probably the huge concentration on a number of cities which are either in the west or the south. We are talking about Galway down to Cork. We are not anywhere close to any of those. Our concern was that our peripherality was increasing greatly if that was the trend carrying through to the draft plan. The main thrust of our submission was that if Dublin is under pressure, towns such as Dundalk, Drogheda and, up the corridor, Newry are well placed with good infrastructure to provide sustainable development centres or nodes which can support Dublin. It is very much about the Dublin-Belfast corridor and the ability of towns such as Drogheda, Dundalk and so on to help sustain Dublin into the future.

Chairman: The Louth-Newry memorandum of understanding is the best-practice template of any of the local authorities having regard to integration. There is joint planning and even joint employment. There is quite a bit of joint work. Is that the same relationship that Derry City and Strabane District Council has with Donegal County Council? Has it happened as much in the west of the Border region?

Mr. John Kelpie: We have embarked on engaging in a completely new set of relationships in the north west, as the Chairman knows. As I said, they are endorsed in the Fresh Start agreement. My colleagues have mentioned the local community and economic planning process in southern counties. We have a similar process in the northern counties, the community plan. Both counties have developed a strategic plan to drive forward the economy, physical regeneration and social well-being. We have set up a new strategic partnership model to work on the key strategic issues that affect both councils. The memorandum of understanding we have goes

much deeper than that. We actually have a joint committee of the councillors of both councils. They meet regularly and have the delegated authority of both councils to take decisions on economic matters. They tie into a wider strategic partnership that comprises senior government officials from all Departments from both Governments, in both Belfast and Dublin. It is truly a unique place-based partnership model. It is one that we believe does not exist anywhere else in Europe and which is increasing its maturity. A key risk facing it is Brexit.

Ms Joan Martin: There may be differences but they are not as great as all that. Likewise, we have a joint committee of council. Our management teams also meet. There may not be government officials; that is one of the key differences. There are no delegated functions but there is a joint agreed action plan. Many of the same ingredients exist. I suppose the language is a little different. The biggest difference I noted when Mr. Kelpie was speaking relates to delegated authority. Ultimately, the decisions still come back to the individual councils. It is a very good model. Even though we have had ours for considerably longer, we have yet to exploit its potential fully. We are still at an early stage of reaping the benefits or the potential benefits. One of the fears I have about Brexit is that just when we are putting in place good models like this to develop our areas, obstacles will arise. The relationship may not be completely blocked off but it will not be as easy to work together. Doing so is very important.

Chairman: Investment is obviously one of the other mitigating factors involved. I had a look at the figures released yesterday by the Construction Federation of Ireland on the level investment in each county in the South in 2017. Cavan came last. It got no funding at all in 2017 for infrastructural projects. County Louth was second from the bottom in the funding process, and Donegal was in the bottom half. It is clear, therefore, that current infrastructure expenditure is very low in the Border region. The region is the one quadrant of the island that has really poor transport infrastructure. Anybody who tips up to Derry or Donegal will realise there is no rail connection or dual-carriageway connection. This puts the whole region at a severe disadvantage. The southern Government did promise approximately €400 million for the A5 and for access to Donegal. That has been reduced to €70 million. I understand the A5 project would proceed if the investment figure were the original €400 million.

I would also like the delegates to talk about the dropping of the Derry-Dublin Bus Éireann bus route.

Mr. John Kelpie: I will first respond to the last point Ms Martin made. The various models that exist along the Border are at different stages of maturity. We each learn from the other through each iteration. It is certainly something on which we are partnering, and we are trying to learn from one another on how to take forward best practice.

As the Chairman rightly pointed out, the A5 is probably the single biggest infrastructure project in respect of which we require mitigation not only for the future, but also the present. The journey time for us this morning, of just over 150 miles, took almost four hours. That was not contending with rush-hour traffic. It meant leaving Derry city for Dublin this morning at 9.05 a.m. and pulling in here at 1.20 p.m. That is simply not an attractive proposition in terms of foreign direct investment or supporting and growing our SME base.

The rail route, as members know, goes through Belfast. If connections work, the journey takes in the region of five hours. The bus service has been substantially reduced in recent days. The journey takes, at best, three and three quarter hours to four hours, with a half hour stop in Monaghan. For a long number of years, we had twice-daily connections from City of Derry Airport to Dublin Airport. This was extremely efficient for business and helped to mitigate

some of the land-based infrastructure link issues. However, as members probably know, that service no longer exists and it remains paramount to us to try to re-establish that twice-daily air link, at least until the road link is put in place. The Chairman is correct that this remains the single biggest infrastructural project we believe to be required to finally unlock the potential of the north west and bring it closer to the markets of Dublin. Dublin Airport is increasingly becoming a key economic link to the rest of the world, with close to 200 flights per week to North America. The vast majority of the foreign direct investors in the north west are US based. They are finding it increasingly hard to do business there because of the infrastructural deficit. It remains one of the key priorities for us.

Chairman: With regard to special designation, the idea of pushing the Border to the sea, to a certain extent, so there would be free movement of people, products and services on the island of Ireland, a special designation measure has been passed in the Oireachtas as an objective. Even the European Parliament has a version of special designation within its Brexit negotiation guidelines. What is the perspective of the two councils? Perhaps we will start with Louth County Council.

Ms Joan Martin: As I said at the close of my statement, many studies on Brexit have considered various scenarios, as Mr. Kelpie mentioned. The worst-case scenarios are like Armageddon considering the impact they could have on the economy. Any mechanism that can help to retain the *status quo* or a set of circumstances as close to the *status quo* as possible in terms of movement is desirable. Close to 20% of my staff live in Northern Ireland. All of these things are so important. Anything that will keep in place the *status quo* is beneficial. I do not care whether there is a mechanism or whether those concerned are innovative and come up with some new mechanism. Anything that can maintain the *status quo*, or circumstances as close to the *status quo* as allow goods and people to move back and forth, as they have been doing, is vital. We will certainly be pushing for people to lobby and keep the pressure on in this regard.

Chairman: Does Derry City and Strabane District Council have an opinion on that?

Mr. John Kelpie: The opinion is broadly in line with that of Louth County Council, which is that the free movement of people and unimpeded access across the Border, as currently exist, are the prize at the end of this. That, at least, maintains the *status quo*. Again, our opinion, given our very peripheral part of the country, is that others measures are needed in addition. The measures that were urgent prior to Brexit are more urgent during the Brexit process and will be so thereafter. That, of course, has now become one of the red risks in the risk register in terms of driving forward the economic prosperity project of the north west of the island.

Chairman: I will now pass on the baton.

Senator Marie-Louise O'Donnell: The Chairman's questions were fantastic.

Chairman: I thank the Senator.

Senator Marie-Louise O'Donnell: We learned so much. The Chairman might tell us what was meant by Border posts. What does he know that we do not know?

Chairman: There have been reports that individuals from the Department of Finance or Revenue Commissioners have done preparatory work to cater for the fact that it may be necessary to have some locations along the Border at which vehicles travelling up and down, be they goods vehicles or citizens' cars, will be checked for the contents. There has not been a crystallisation of that information in any way but it is understood that a preliminary process has started

within the Revenue Commissioners on the selection of sites.

Senator Marie-Louise O'Donnell: I thank the Chairman.

What I heard was very pessimistic. I know the witnesses come here with a tremendous sense of pessimism and foreboding. However, I also heard much creativity and ways out of the problems which they said have been exacerbated and which they are trying to get through. Now they have been halted. I also know and love the area, since my mother is from Omeath near Newry. I know what the witnesses are talking about in that area. I have spent much time in Derry. This raises a question for me. Have the witnesses sat down and thought about a major communications strategy? I do not mean within their committees or different elements of Europe or this project and that. I mean a communications strategy for southerners. Many people who live in Dublin or in Kerry do not really get it where the Border is concerned, unless they have reason to go there or have business there. The average person went to Newry to shop, left Newry and came home. Those people perhaps do not get the problem. Do the witnesses have a communications strategy to communicate to the island, including the southerners, exactly what these problems are so that we understand it? I do not mean on specific specialised Seanad matters. We had the former Taoiseach, Mr. Bertie Ahern, in the Seanad Special Committee on the Withdrawal of the United Kingdom from the European Union, which was brought about by Independent Senators. I do not mean that. That will happen anyway. I do not mean it even at a Government level. I mean it at a people level, at our level, and at the level of people in public service. Maybe the witnesses could answer that point.

The first of Ms Joan Martin's community goals, which I think are excellent, is for flourishing communities and access to education, well-being in children and friendly society. Which one of these is Ms Martin most concerned about? The second question is on economic goals. Which one of these is completely flourishing? Would Ms Martin also tell me why she feels that Carlingford - one of the most beautiful, extraordinary places near Omeath, which looks like parts of Switzerland - is not on a par with Omeath for tourism?

The other question arises from the communications matter. How do the witnesses intend to get their voices heard outside here - this is a wonderful platform - in places where they need to be heard? Can they also talk to me about Magee College? Most of us come to this politically. We come from different backgrounds, whether cultural, touristic or education, and bring that knowledge with us. I bring a huge knowledge of cross-Border education and health, because there have been many of those committees through the cross-Border association. I take on board what the witnesses said about specialists in health care and also what they said about housing and migration. Perhaps they could refer back to education and the expansion of Magee College.

There is much to ask the witnesses. It is really about trying to create a new world, or at least trying to hold on to the world that we had been creating before somebody came in with a big foot and said that is going to stop here. I understand that. I want the witnesses to look at and talk to me about their communications strategy for the public outside their own areas. Look at what happened with water. I am not suggesting that should be a parallel or that it is right or wrong. I mention this regardless of whether I agree, because I have my own personal opinions, but an energy came with that where the people asked what they were going to get. It is an energy one needs to hold onto things, not just specificity around a political morass. Maybe the witnesses could address those points.

Ms Joan Martin: I suspect that one of the things that will come up at the upcoming con-

ference with councillors in Enniskillen will be issues like the communications strategy. The difficulty with Brexit, as we alluded to ourselves, is that much of what we talked about and our pessimism is possibly the worst-case scenario. The problem is that we do not know what it is going to look like. A strategy on how we will go forward will come out of next month with the councillors and the conference, either as individual parts of the Border area or as a united Border area. That is something that will come up at that conference.

On the goals that we have in Louth, nothing can happen for communities and people if wealth is not created. Things like entrepreneurship, innovation and enterprise are probably at the heart of the community goals. People constantly get excited about foreign direct investment, FDI, and its importance, and ask why IDA Ireland is not bringing jobs. FDI is quite a small percentage of jobs. The greatest number of jobs are indigenous and small businesses created by people with entrepreneurial skills. That whole issue of developing entrepreneurship in communities and the whole enterprise area is very important. On the economic goals side, we would claim successes everywhere, and we would claim challenges everywhere as well. On broadband connectivity and on transport, when I listened to Mr. John Kelpie talking about the A5, we would always have infrastructural requirements in Louth. I was here not long ago with my colleague from Newry, Mourne and Down District Council, Mr. Liam Hannaway, talking about the Narrow Water Bridge project. We are blessed in Louth with general infrastructure like motorways and so on, and we have railway lines and so on. We also have very good broadband connectivity already. Broadband is already quite good for about 85% of our population. Our county is quite organised. Dundalk and Drogheda take up quite a large part of the population. We have had much success with our own broadband action plan, working with providers and having a committee that includes all the providers.

I was also asked about Omeath versus Carlingford. Carlingford has many medieval castles, gates, towers, bits of wall and so on that give it a level of tourist attraction that Omeath may not have as a natural blessing. It also has an incredibly active community, with groups and individuals in the community who have driven the tourism project. That included people developing leprechaun hunts on one side - we have many leprechauns living on the mountain, apparently - or whether it was people who invested in bed and breakfast, in high quality restaurants and so on. We would say it is like a mini-Kinsale. People have made that happen. Omeath is probably the most peripheral part of County Louth. It is sitting on the Border. It has been very deprived. It needs more investment. It has had some but needs more. We intend to work more with the community there to see what more we can do. I do not know if it would ever be as successful with tourists as Carlingford. It does not have the same infrastructure or product range available. I remember when I was young, it was always packed on a Sunday. I do not know how much spending the visitors were doing.

Senator Marie-Louise O'Donnell: I was not picking it out. I was just saying that Ms Martin made a comment on it.

Ms Joan Martin: The greenway will now go from Carlingford. It already goes to Omeath. Omeath will now become the centre of the greenway, because the greenway will continue. We had 80,000 visitors on that greenway last year. Some 80,000 people either walked or cycled it. That is a phenomenal number of people for something that has barely opened. It is the most incredibly beautiful greenway, sitting right on the shores of the lough. It is things like that and those cross-Border projects that have the ability to be catalysts for enormous leaps forward in tourism numbers and economic development for the area. We might have created a pessimistic picture, but by nature and on a day-to-day basis, I am very optimistic. I am optimistic about the

potential for the growth of tourism in Louth, because we are starting from a very low base. I am not as pessimistic as I might sound.

Senator Marie-Louise O'Donnell: I do not think Ms Martin was listening. I did not say that. I said it was pessimistic, but that it was also full of creativity and imagination. Please do not misquote me.

Mr. Paul Bell: There has been much conversation about the economics of the region. I think everyone on this side of the room remembers what it was like when there was a hard Border. What happened was that poverty and deprivation were locked in on both sides of the Border. Our big issue is the uncertainty about what Europe wants to do with the special situation that we face. Colleagues from Derry spoke about health services. I fear that a lot of health professionals, people giving care to people in Northern Ireland will start to move to Southern Ireland because of its connections with Europe. That will cause a social issue and will not be good for the health services and public services of the regions in particular.

On the communication issue, many people, especially further south of the country and perhaps even in Dublin, do not understand what a hard border looks like. That needs to be discussed. When we move around Europe, we are in a borderless zone and many of us have no experience of such a border. Denying free movement of citizens, goods and so on will cause poverty. It will set us back.

I would like the Government to immediately call on the European Commission or the European Union to state what it sees as the solution to these problems because the uncertainty is causing great concern among citizens, especially those who are seeking jobs or those who are in poverty.

Mr. John Kelpie: On a communications strategy, my colleague, Ms Joan Martin, alluded to the work taking place across the Border corridor. Ten councils are collaborating to produce information that we will share with the public and with whosoever will listen to promote a joined-up message about the implications for the Border corridor. We are meeting on 4 May to finalise that work. Specifically along the Border corridor, there are unique differences. As I outlined in my opening statement, we in the Derry city and Donegal area feel there is a unique integration that is slightly different from some other parts of the Border region. As Mr. Michael Gallagher said, we have produced this initial report which we are happy to share with all members and which has been our communication piece. On the morning of 24 June, both councils immediately came together, gathered all stakeholders together - the chambers of commerce and all the partners - and commenced this piece of work, the result of which is one voice for that north-west city region that has been communicated widely throughout that region. Regardless of whether one is having conversation with or seeking evidence from a member of a council on either side of the Border or a member of the chamber of commerce or the business community, we would hope that message is now clear and robust, particularly in terms of the potential mitigation we suggest is required. That is the hope piece that was referred to.

We have a plan in the north west for economic prosperity. We are well down the path in this regard, we have the roadmap and we know how many jobs we can create through the initiatives we have in place. Brexit is simply a risk in developing that and we have put that into some perspective. We require the mitigation to ameliorate that risk. On the positive piece that was mentioned, the atmosphere in the north west is extremely positive because we can see the strategic future ahead. We need to deal with this matter along the way, among a number of others. The resilience of the institutions and partnerships and the people of the north west will see us

through this period with the support of both Governments and the European Union.

Specifically in respect of Magee, the college is part of Ulster University and currently has approximately 3,500 full-time students in Derry city. For some considerable time, more than 50 years, Derry has campaigned strongly for that campus to grow. There has been a major breakthrough in that in recent years, Ulster University itself has strategically committed to the growth of the Magee campus within the city to 10,000 full-time equivalent students. That number of students is still considerably less than most other equivalent cities across the island but that is now a joined-up key project for the city region and will potentially significantly address the issues of peripherality to which the Chairman alluded. That project is in jeopardy, both with the political situation in the North and with the potential diversion of activities to deal with Brexit issues where there would have been more of a focus on regional development and other important significant issues.

Senator Fintan Warfield: I thank Councillor Bell, Ms Joan Martin, Mr. John Kelpie, Mr. Michael Gallagher, Mr. Frank Pentony and Mr. Joe McGuinness for their attendance. I apologise for the small turnout but the witnesses will appreciate that the comments, statements and remarks will all be fed into our work and we appreciate the journey they have all made.

With respect and dignity, my belief in Irish reunification has always been based on the amazing diversity we have on this island and on sharing that in a positive way but being from Dublin, this probably has been to the neglect of the Border regions, both in the argument for reunification and in the national narrative around Brexit. Regional parity is something that should flow from reunification but also is something we should prioritise as a matter of urgency. I will return the diversity issue later.

I wish Louth well in its bid for a UNESCO heritage site in Monasterboice to the north of Drogheda. I would be interested to learn more about that process, such as the length of time the process takes and whether there was engagement with other local authorities that also sought to have designated UNESCO world heritage sites. I also commend the work on the greenway. I am a huge fan and advocate. While the greenway obviously was built for both pedestrians and cyclists, was cyclist usage of 25% as expected or is that percentage low compared with the expectation? I would be interested to know whether it was built on the track.

On arts, culture, food and festivals, do the councils, including Derry and Strabane, have an arts officer?

I mentioned diversity. It is something that makes the North a remarkable place. Marriage equality is obviously in the narrative in the North. There is not a corporation in Dublin that does not have an LGBT group or place a huge amount of value in diversity. As far as FDI is concerned, are there obstacles to attracting business to the North amidst a backdrop of resistance to marriage equality and full LGBT equality?

To add to earlier comments, I have only made the journey to Derry by car twice. It is completely scandalous that it takes so long. Returning to regional parity, I hope the first thing that follows Irish reunification is a high-speed rail network across this island to link our cities.

Chairman: Would the witnesses like to address these points?

Ms Joan Martin: Most of the Louth-specific questions related to page five of our statement on the tourism and heritage action plan. Louth County Council's bid for Monasterboice might be gilding the lily a little bit. Monasterboice is one of a number of Christian heritage sites that

have been put forward as tentative world heritage sites by the Government, which is the first stage of going for UNESCO world heritage site status. There are clusters of such sites around the country. Monasterboice, with its significant tower and high cross, is part of that cluster. That is really as far as it has gone. The running on that is to be done by the Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs.

As for the greenway, the fact is that at the moment we are finding that 25% of users are cyclists. The expansion of the greenway under the INTERREG V programme to Newry was carried out under the sustainable transport priority of that programme. It is very much about modal shift. That particular greenway and the business case that was made for the INTERREG money was about trying to encourage people who perhaps worked in Newry and lived in Omeath or Carlingford to take to the bicycle instead of the car. Cycling in terms of modal shift, to get people out of cars, is something that we will work on further as the new part develops. Construction on that has not commenced yet. At the moment it is used for leisure cycling, where people are either there for the weekend and hire or borrow a bicycle, or come with their bicycle on the back of their car. Some of the schools in the area are using it to take kids on a cycle. The cyclists are all kinds of people, but there is that attempt with the greenway, as with other greenways, to achieve that modal shift, particularly now when we are trying to move into the sustainable transport end of things.

Mr. John Kelpie: On the Senator's question on diversity, it is fair to say that Northern Ireland has its challenges on this issue and has had challenges historically. It has made considerable improvement on that in recent years. There is still a long way to go. Sub-regionally, Derry city has been at the forefront of seeing the opportunities of embracing diversity, and the out-workings of that have been apparent to all who have seen the progress in the city, particularly in recent years. The equality issues that the city of Derry face are mostly in the area of balanced regional development, namely, the infrastructure deficit, the skills gap that exists and the jobs deficiency. Those are the key equality issues that we currently struggle with in that part of the world and that we have expressed today.

We have an arts officer within the council, a cultural officer and an events officer. It may be recalled that Derry was the UK city of culture in 2013, which was a marvellous year for the city, which built on all that positivity. There were more than 1 million visitors to a city of 100,000 people within 12 months. We are about to embark on a joint bid with Belfast for European city of culture in 2023, which, as we understand it, is a geographical designation, not necessarily a designation that depends on membership of the EU.

Chairman: Go raibh míle maith agaibh as na cur i láthair go léir. You have given us serious food for thought. The witnesses have taken long journeys to be with us today and we really do appreciate that. The contents of both the presentations and the questions will make their way into a report we will complete in the next couple of weeks and hopefully add to other committees that are focussing on this issue as well. We hope that some time in the future we will be in contact with you again as this issue develops.

I will suspend the sitting. We have another group appearing before us. I hope the members present will stay with us as it is necessary to have a decent group with us for the next session.

Sitting suspended at 4.05 p.m. and resumed at 4.17 p.m.

Chairman: I welcome the following to the meeting, Ms Gina McIntyre, chief executive office, Mr. Shaun Henry, director of the managing authority, and Mr. John Greer, head of unit

joint secretariat, from the Special EU Programmes Body, Foras um Chláir Speisialta an tAontas Eorpach. I thank the witnesses for their attendance today. We appreciate it. I apologise to them that there are not more Deputies and Senators present. As I said earlier, the content that the witnesses give us will form a good chunk of our report on this area. I assure them that their engagement is equally important today.

Before we begin I would like to draw the witnesses attention to the fact that by virtue of section 17(2)(l) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of their evidence to this committee. However, if they are directed by it to cease giving evidence on a particular matter and continue to do so, they are entitled thereafter only to qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matter of these proceedings is to be given and they are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person, persons or entity by name or in such a way as to make him, her or it identifiable. I wish to advise witnesses that the opening statement and other documents submitted to the committee will be published on the committee website after the meeting.

Members are reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the Houses or an official, either by name or in such a way as to make him or her identifiable.

I call on the witnesses to make their presentations, which will be followed by questions.

Ms Gina McIntyre: I am delighted to have the opportunity to be involved in this discussion on the common themes for the future development of the Border area. We always welcome the opportunity to report on the progress of our programmes. The impact of the cross-Border EU funding programmes, for which we have responsibility, are PEACE IV and INTERREG VA. Together, the programmes total over €0.5 billion and will run with activity until 2022. I am sure many committee members are familiar with the programmes, and in line with the topic to be addressed today my comments will be in the context of those EU funding programmes. Through the PEACE and INTERREG programmes we have managed funding for projects which have enhanced cross-Border co-operation in a wide range of sectors over 18 years, including enterprise, health and social care, public sector collaboration, renewable energy, and roads and transport. In the past we also funded programmes in telecommunications, tourism, cultural activity and rural development.

The Special EU Programmes Body, SEUPB, champions peace and reconciliation with an enduring legacy through local action plans, regional development initiatives and the key institutional capacity projects funded in the PEACE programme. There are also projects which have built positive relations. We also had quite a number of infrastructural projects in the area of shared spaces and dealing with the past. The reach of our programmes cannot be underestimated. When we speak about future development, for the next five years until 2022 we will fund many of the sectors mentioned. Funding for these programmes has been Brexit-proved in so far as possible, and we will continue to monitor developments in the negotiations with regard to the impact on our programmes. I have provided a progress report, but I would like to touch briefly on the most relevant aspects of the report relating to our programmes.

INTERREG is one of 61 programmes in Europe designed specifically to address issues relating to living in a border region. As the committee is aware, border areas are economically weaker, have underdeveloped infrastructure and have higher levels of unemployment. However, the people living in these regions are very mobile, crossing borders daily for work and day

to day life. Therefore, partnership approaches in border areas are essential to overcome issues of peripherality and changing demographics.

The INTERREG programme, which is worth €283 million, was implemented first, and I am very pleased to report that more than 95% of its funding has been allocated and reserved for projects. The key areas in the programme include €70 million allocated to research and innovation to increase the capacity for cross-Border research in the region, with two specific target areas, namely, health and life sciences and renewable energy. Within this, a further €18 million is allocated to increase the capacity of SMEs in the region to make them more innovative in their research and innovation activity.

The environmental theme in the programme has been allocated €85 million, and we are looking at protecting and restoring biodiversity and common approaches to management of the marine environment. We also have an aspect of the programme, with almost €50 million allocated, dealing with sustainable transport projects. This is about support for greater connectivity between the regions. It will provide greenways and a multimodal transport hub based in the north west. A total of €63 million has been allocated to health and social care, and we expect this to target 50,000 people in Border areas and contribute to more efficient delivery of health services.

The PEACE programme aims to enhance social and economic stability, in particular through actions to promote cohesion between communities and on a cross-Border basis. Sectarianism, intolerance, marginalisation and a lack of community cohesion are long-term underlying problems in Northern Ireland and the Border region of Ireland. Unfortunately, the issues continue to prevail even in the absence of violence. Following extensive public consultation, the PEACE V programme, which is worth €270 million, will invest in future generations, in particular children and young people, with an allocation for shared education, which is about direct and sustained curriculum-based contact between pupils and teachers on a cross-Border basis to promote good relations, and improving the capacity of children and young people to form positive and effective relationships with others from a different background, targeting young people who are most disadvantaged.

With regard to infrastructure projects, we hope to fund at least eight capital projects and we have €53 million for shared spaces and services. This is about increased provision for civic shared spaces, which bring together people from both communities and mainly target derelict areas.

Victims and survivors have been allocated €17 million in recognition of the need and demand of those who have suffered in the trauma of the conflict. We are looking specifically at cross-Border health and well-being services to develop proven expertise in the region and increase the capacity and quality of care in the sector for victims, survivors and their families.

Almost one third of the PEACE programme is being delivered through local councils in every council area in Northern Ireland and the Border region. They have specific allocations and they will look at shared spaces and services, children and young people and building positive relations. The regional development measure is about supporting projects on a regional level, which will result in meaningful, purposeful and sustained contact between persons from different communities.

All of the projects in INTERREG and PEACE will involve co-operation between a wide range of many organisations. Over the coming year in particular, we will see activity from these

projects coming to life. We are at the very early stages of project delivery, and I appreciate it may be difficult to get a feel for the programmes and what their outputs are at this time. Over the past two decades, EU programmes have improved cross-Border public sector collaboration, developed cross-Border reconciliation and understanding, and promoted joint approaches to social education, training and human resource development. Some examples are the cross-Border approaches to tackling contaminated water flows, cross-Border GP out of hours service, cross-Border council initiatives, and improved roads and transport links. The programmes have given a structure to building and maintaining a network of relationships between organisations and beneficiaries, which are now becoming second nature to these organisations. More importantly, they have opened mind borders on a cross-community and cross-Border basis. Working together, neighbours have built trust and mutual respect and an understanding of finding joint innovative solutions to alleviate issues in their areas. They have made common decisions about funding and structures and these have made a significant impact on the region, much more than the value of the funding we have spoken about.

Recently, the EU Commission undertook a research project across all European borders to gather evidence on funding for cross-border programmes such as these. It identified 37 common obstacles which seem to hinder growth and development in border regions. The report summarised into four specific areas those obstacles relevant to EU cross-border funding programmes. These include socioeconomic obstacles, physical obstacles and terrain. The obstacles highlighted as the most important to overcome, because they were seen as having the best potential to make a positive impact on economic, social and territorial cohesion, were institutional obstacles such as legal and administrative obstacles, including labour mobility, transport, social security, health care and cultural obstacles. Throughout Europe language is a cultural obstacle. On the island of Ireland, trust and culture were the specific areas identified.

The research also identified areas viewed as potential untapped resources, which would assist growth and development in border areas. These include human and social capital, building trust and education, market integration with employment and competitiveness potential, shared management of national resources and integrated services. The research also provided recommendations on the best way of overcoming these obstacles, which was through investment in competitiveness, product innovation, the development of cultural and industrial activities, and investment in social and human capital through education and training activities. Our programmes, which we will run with activities until 2022, focus on exactly these areas.

Border regions have difficulties and this is well known but those in the Border region here will be greatly exacerbated by any impact of Brexit. No one knows the terms of Brexit or how sectors will be affected, but what we do know is that existing programmes throughout Europe include non-EU countries and, therefore, an opportunity exists to have continued access to EU cross-border programmes. The Irish Government has clearly signalled its intent to engage in seeking these opportunities, and the British Prime Minister has also mentioned retaining access to certain EU funding programmes. The EU Commission knows our programmes very well and use them as examples of good practice.

We will embark on a series of evaluations in each theme as activity gets under way with our projects this year. Part of this work will be to seek early indications of any implications of Brexit on these sectors. These are likely to be significant in the areas about which everyone is concerned, including free movement, the Border, common travel areas, recognition of qualifications and employment rights. We believe we are in a unique position. We are enshrined in the Good Friday Agreement and we have significant experience of working at intergovernmental

level with established networks in Government Departments in Northern Ireland, Ireland and Scotland and with the EU Commission. We work at a regional and sub-regional level with institutions, down to the local community organisations. We have a bird's eye view of the region and experience in encouraging cross-Border co-operation and in developing funding programmes in line with national priorities, regional and local needs. We hope to continue that work.

We have experience of identifying obstacles and finding innovative solutions to those problems. We do not underestimate the impact of Brexit, but if we get an opportunity to implement future cross-Border programmes I believe those programmes could start building a Brexit bridge on this island by finding ways to maintain the relationships that have already been established.

Chairman: Go raibh maith agat. I thank Ms McIntyre for her presentation. I will start with a few questions on it. The witness mentioned the potential for a funding stream to still come from the EU after 2022, but that question is still in the air. We do not really know exactly what the arrangement will be for that fund. The fund is a big one at €500 million over six years for 12 counties that would not typically see much funding. That arrangement has yet to be worked out. Who needs to focus on that arrangement?

Ms Gina McIntyre: Both Governments, obviously - the Irish and UK Governments. It will be part of the negotiations with the UK Government. I know that the Minister and the officials in the Department of Public Expenditure and Reform are all very well aware of this issue and are already focused on it.

Chairman: Okay, I have another question that I also asked the previous group. The national framework document is the spatial planning process. For me it is probably one of the most important actions this Government will be involved in. Has the Special EU Programmes Body been engaged with that?

Ms Gina McIntyre: We are aware of the consultation process and we attended the event in the north-west. Other than that we do not actually have much engagement with that planning framework.

Chairman: That is a pity. With such a big chunk of money and opportunity would it perhaps be a good idea if there was a stronger relationship there?

Ms Gina McIntyre: Yes, I think it is important going forward that we look at all of those national planning frameworks in Ireland and in Northern Ireland to align the strategic priorities for the region.

Chairman: Ms McIntyre mentioned that a good deal of the funding is for infrastructural or transport connectivity. Are projects such as the A5 too big for the Special EU Programmes Body specification?

Ms Gina McIntyre: Yes, and the EU no longer funds road projects.

Chairman: Okay.

Ms Gina McIntyre: That would not be on our radar at all. The programmes that we have currently, the INTERREG programme is almost fully allocated and there is only a small element left within that. The PEACE programme is under assessment. We have almost 40% or 45% of the programme allocated. The calls for the remainder have been open and closed and

the projects are currently being assessed that will be awarded funding.

Chairman: Senator O'Donnell mentioned earlier to our previous witnesses that outside of the target areas there are probably very few citizens who would know exactly the amount of money involved or about the activities funded by the Special EU Programmes Body. Sometimes the knowledge about programmes among people is very important for the sustainability of projects ahead. Does Ms McIntyre have any objectives for the education of people about what is happening, given that the future of the Special EU Programmes Body is not guaranteed after 2022?

Ms Gina McIntyre: Everybody in the Border regions knows about the PEACE and INTERREG funding because those are the people who are eligible to apply. We make sure that we publicly consult. We run many sessions where we bring in the public. We take statements and written submissions whenever we develop the programmes. Three years now seems like a long time ago, but as we are now going into post-2020 funding we will begin that process to develop what those programmes could look like on the basis that there may be potential to get access to funding in the future.

Chairman: I had a great opportunity last year to write a report on the future of the all-island economy. It was the first time the Oireachtas had written such a report since the partition of the island, which is incredible. I spoke to 100 different groups from across the island of Ireland, from different backgrounds and with people who would not necessarily be focused on this issue. One thing that everyone agreed with was that if we plan, fund and deliver together the levels of economies of scale can be increased and the service delivery and consumption of service towards the end can be improved. This committee has learned, from the two council groups who came to the committee just in advance of the present witnesses, that there are great levels of engagement, interaction and co-operation. It appears, however, that this interaction is still *ad hoc*. It seems that some groups get it together to function very tightly to plan, fund and deliver together. In Ms McIntyre's experience is there now a necessity - for mitigation purposes regarding Brexit - for a statutory development that tells organisations that function on the island of Ireland and who deliver in the same space to have a statutory obligation plan and fund together in the delivery of service? If we speak to the whole gamut of organisations, for example, there could be some who work in the area of providing services in a particular area of health care and yet there is a helicopter operating out of Enniskillen that does not function in Sligo. Some other organisation will say it is focusing on developing cross-Border enterprise, yet Cavan County Enterprise Board and the training board in Northern Ireland may be delivering exactly the same courses to people in the same target markets but who are living ten miles from each other. What steps can we take, as an island, in the mitigation of this threat in order to make the co-operation more seamless?

Ms Gina McIntyre: That is a difficult question because without knowing the terms of Brexit, the negotiation and what is going to happen, it is difficult to plan for every potential scenario, be it a hard or soft Brexit. I absolutely take the Chairman's point that it should be done. In the context of our programmes that does happen. All the projects and the organisations of a similar activity within the sectors come together regularly and they apply for our funding. They see the opportunities for economies of scale and the efficiencies of services, especially in some of the health services. The universities involved in research and innovation see the benefits of working together. The institutions in the region see the benefits and all we can do is provide the funding. We take all of that on board in the consultation we do before the establishment of the programmes and for the content of the programmes, in line with the Commission's priorities.

The co-operation as proposed by the Chairman does occur currently. I totally agree with this approach if we are to go forward. We will in any event be engaging in evaluations in all the areas I mentioned and will be bringing together the type of people who would be involved in our projects, all the relevant institutions and those who have an interest, to look at what we can do in the future and to identify the problems. We will be undertaking that.

Chairman: It would seem logical for the two Administrations to do a systematic trawl through all the organisations that deliver services in similar areas and state that their future funding, etc., will be dependent upon them finding economies of scale or synergies between them. The delivery of those services to citizens, be they in Strabane or in Stranorlar, would probably be a lot better.

Ms Gina McIntyre: With all the sectors I have mentioned, we work very closely with each of the respective policy departments in Northern Ireland, Ireland and Scotland. They come together and they help to shape the content, objectives and outputs for that sector. They work together and they jointly make decisions on all the projects that are funded. For example, the two health departments or the two transport departments would come together to make those joint decisions at the same table in respect of our funding. I could not comment on the wider government position on that.

Chairman: This €500 million fund was set aside before the Brexit nightmare arose on the horizon. Given the work of the Special EU Programmes Body it is ideally placed in focusing investment in that space. I know there is not an organisation on the planet that does not want more money but would logic dictate that because of this threat we as a society should seek to accelerate and increase the investments we are making in this space to mitigate the downsides? If that were to happen would an organisation such as the Special EU Programmes Body be able to function on that basis?

Ms Gina McIntyre: That is exactly what an organisation like ours could do. Regarding the €500 million we currently have, we already have a much larger demand than €500 million can sustain, before Brexit.

Chairman: I appreciate that. I call Deputy Smyth first.

Deputy Niamh Smyth: I would like to go first because I have a meeting to attend.

I thank Ms McIntyre for her presentation. I am very familiar with the Special EU Programmes Body's Castle Saunderson project and obviously the wonderful work the peace links are doing. That is a real tangible result of PEACE funding. She mentioned eight capital projects to come on stream relating to shared spaces and derelict areas. I ask her to expand on that.

Ms Gina McIntyre: We are in the process of assessing those projects. We have many more than eight. We are currently looking at 13 going forward to the next stage. It is a fantastic area as the Deputy said. The shared spaces such as Castle Saunderson and the Peace Bridge in Derry, Londonderry, were all funded. It is about bringing communities together, particularly in what would have been seen as areas of dereliction where young people might have been hanging about. They have been redeveloped, including the Portadown people's park. That was a very derelict area with young people hanging around and drug abuse. That has been developed for a cross-community purpose so that the two communities - indeed all the communities in the area - feel comfortable to come into those civic spaces and can view them as their own. Mr. Greer might like to add something on the projects he is assessing.

Mr. John Greer: We can go into the detail of the projects. These projects are set aside to be iconic in nature and sited in contested spaces - whether that space is contested for historical reasons or became contested because of changes in demographics within those geographies. These iconic capital buildings are really just houses for the services that go on inside. This is very focused on peace and reconciliation activities. We look at where they are to be sited and the nature of the building. However, we look more robustly and intensely at what will happen in these buildings in the following five or six years. They really change people's attitudes within those buildings and what types of attitudes currently exist that we want to change. It is an exciting area. We expect the steering committee to make decisions by August.

Deputy Niamh Smyth: I am thinking of spaces which may provide activity for young people. Monaghan County Council has big plans for a peace campus. Is Mr. Greer talking about such projects in that stream of funding?

Mr. John Greer: That is exactly it. I stress that we are looking at the detail of the activities that are going on in the buildings with regard to peace and reconciliation. Creating a building and having a bunch of kids coming in and having a new football pitch is great, but that is not what we are about. There has to be a clear link to what those children, older people, the Deputy or I are doing in that building that will change our mindset, will make us perceive the world differently and perceive those other communities when we leave that building.

Deputy Niamh Smyth: The two projects in which the Special EU Programmes Body has been involved with the peace links and the Castle Saunderson have been game-changers and are wonderful places for young people, in particular, to go. They may not carry the baggage that the older generations may have done in the past. They are making significant inroads on improved relationships across our communities in the Border region. That is to be welcomed. When did Mr. Greer say these flagship projects would be announced?

Mr. John Greer: We are aiming for August.

Deputy Niamh Smyth: I look forward to that. I congratulate the witnesses.

Senator Marie-Louise O'Donnell: The witnesses do not need to answer my first question until we get to the end. Are they worried about Brexit? In what way are they worried about Brexit? How will it affect the Special EU Programmes Body's funding?

When is the next round? I know it is the PEACE and also INTERREG. The body got €1.6 billion and INTERREG was €1.13 billion. Is that over 15, 20 or 22 years? Is that likely to come again and what will the Special EU Programmes Body get again? I am somewhat confused. I know the body is assessing part of it. I know a lot of that money has been used brilliantly. What are the body's hopes for the future? What does the body hope to get? How might Brexit put a thorn in that?

When does PEACE end? We are 22 or 24 years into the peace process and have the Good Friday Agreement. I do not mean that in a bad way. Is it possible that that becomes something else or morphs into something else? How long will that continue? With the possibility of physical borders again, there is a threat that a lot of things could be welling up.

From what I have read the Special EU Programmes Body's work - the science park, the scouts, the Peace Bridge, the Girdwood hub, the multi-use sports facility, the CREST, the social farming - is extraordinary. In the previous Seanad I had the privilege of going to Taiwan, which has done a brilliant job on the development of science parks. Their ideas about health and the

environment are extraordinary. Taiwan is an island like Ireland with a relationship that has been fractured down through the years with a bigger country, China, to its west.

As someone who lives in Dublin and has a mother from Northern Ireland, I knew nothing about these. As I mentioned to the previous group that appeared before the committee, communication is very important. The Chairman took it up. It is not necessarily that the Special EU Programmes Body wants to become territorialised or get in on the territory. It was designed for the people living in the Border areas and who have suffered. However, the representatives of the Special EU Programmes Body need to communicate. There is so much that we could learn from them and we do not get that communication at all. I do not know how they do that - they are doing it today, but in a very small way. I also said that to the groups from Derry and Louth that appeared before the committee. We do not even know about the Brexit problems here. We are not seeing them, hearing about them or feeling them in the way that those in the Border counties are. They need us and we need them because we are interlinked in 1,000 different ways.

Ms Gina McIntyre: Of course, we are worried about Brexit. We do not take that lightly. The future of the programmes is as I mentioned earlier. There is an opportunity for cross-Border programmes to continue with a non-EU member, but that will come down to political and financial will on the parts of the UK Government, the Irish Government and the EU in discussions that will take place between the UK and the EU as to whether they want to be involved. However, they have alluded to the fact that they would like the opportunity to be involved in those programmes that they choose to get involved in.

That also speaks to the Senator's communications point. It is very important for us to continually communicate when and where we can. We probably speak a lot in Brussels about these programmes. Certainly Northern Ireland is very familiar with these programmes, as is the Irish Government. The Senator is right in saying that people in Dublin and further down in Ireland do not understand about these programmes because it does not impact on their daily lives.

The billions of euro the Senator mentioned have been granted over 18 years. The EU programmes work in cycles of seven years and this current round runs from 2014 to 2020, but activity runs on to the end of 2021 into 2022. We take another year to close things down after that. That is where the €500 million is between INTERREG and PEACE. It is being used now between 2014 and 2020, but we expect to have all of that €500 million committed by the end of this year. There is not an opportunity for people to get involved directly in some of the larger projects. We have some very significant projects, particularly in the area of research and innovation. There is an opportunity as the local action plans are rolled out in each council area over the next couple of months. That is where people will be able to access peace and reconciliation money directly for their areas.

Senator Marie-Louise O'Donnell: Will it be all over then?

Ms Gina McIntyre: That is just the funding announced. They then need to start the activity.

Senator Marie-Louise O'Donnell: No. I am asking whether it is all over after that €500 million allocation. This is what I am trying to find out. In 2020 or 2022, does the SEUPB expect the same amount of money? If not, does it expect the same gift, because of the success of many of the things the body has done in the areas of science, scouts and sports? What happens then?

Ms Gina McIntyre: We do not want it to be over. There is an opportunity for an EU funding programme involving Northern Ireland and Ireland if, politically and financially, it is sustainable. We are optimistic that there is such an opportunity and everyone seems to be in line that this is what they want. We will do everything we can in establishing the content of those programmes. We could not speak to the quantum because it is an EU budget decision.

Senator Marie-Louise O'Donnell: Is that not a major concern? I will leave it at this. Is it not a major concern in the sense that half of the participants will not be in the EU?

Ms Gina McIntyre: No, because, as I said, those people can get access to these programmes. They can continue to operate on a cross-border basis if, in effect, the UK gives us the share we currently get from the EU, which is the UK share. It is possible if that comes to Northern Ireland and it is matched with the Irish programme share from the EU and the Government.

Senator Marie-Louise O'Donnell: That is optimistic.

Ms Gina McIntyre: Yes, I am optimistic. There is an opportunity and therefore we have to go after that opportunity.

Senator Marie-Louise O'Donnell: Of course. I am simply trying to get it right in my head.

Senator Fintan Warfield: I thank the representatives from the Special EU Programmes Body for their contribution and for the valuable document.

Objective 2 concerns young people and children and the specific fund amounts to €54.7 million. I think Mr. Greer answered my question by saying that this money comes from current funding. The Senator will agree that we have had experience of arts and cultural centres being built but no activities to fill them.

Senator Marie-Louise O'Donnell: There is no money to keep them open either.

Senator Fintan Warfield: The detail and the positive outcomes that derive from these buildings being active are important. It is great to see the emphasis on it.

Phase one of the project will target 3,500 young people who are most marginalised and disadvantaged. Does the SEUPB entrust organisations with the process of identifying how those young people are identified? The SEUPB representatives have referred to sectarianism. Are racism, homophobia and other issues brought into the fray as well in this regard?

Ms Gina McIntyre: That objective is targeted at children who are most disadvantaged and most at risk of becoming involved in any kind of unhealthy activity. We are most specific about the numbers that have to be trained by the agencies as well as the children and young people who have to be identified. Mr. Henry may want to add something.

Mr. Shaun Henry: We are mindful that under the PEACE programme we are targeting the most marginalised young people. The call for applications is currently open and under assessment. We hope to make awards to relevant organisations in May or June this year.

One of the key criteria we assess relates to the capacity of those organisations to reach down or reach out to the most marginalised young people. Through an intensive programme of engagement we hope to try to change the opportunities for these young people. A critical factor involves building their capacity to respect difference and their understanding for respecting dif-

ference. This relates not only to the traditional divisions within Northern Ireland, but race and sexual orientation as well. We take a broad-based approach of building respect for difference and diversity.

Ms Gina McIntyre: Mr. Greer is assessing some of those applications currently. Perhaps he can speak to that activity.

Mr. John Greer: The committee should understand how far down the spectrum some of these young people are and how much of a challenge it is for the organisations applying for the funding to engage with them. We have rigorous modern evaluation criteria that assess the plans of applicants to reach out to these young people and to ensure their participation. Mr. Henry touched on the matter. The key is getting these children to make the first step in becoming good citizens, respecting difference and being culturally aware.

As part of the call we are appointing a co-ordination body. This body is important because this will be an eligible region-wide intervention. The co-ordination body is really about helping to monitor the activity under way to ensure best practice as well as to disseminate the associated learning between phase one and phase two.

Senator Fintan Warfield: I was on the board of a cultural body in South Dublin County Council. We had a full-time position to draw down European funding. Obviously, it is different in the case of the SEUPB. Does SEUPB take that into account? What process is faced by those organisations seeking to draw down money? Is it onerous? I imagine there has to be accountability. That is completely acceptable.

Ms Gina McIntyre: These are public funds.

Senator Fintan Warfield: Is it as onerous as it can be in drawing down European money?

Ms Gina McIntyre: I will ask Mr. Greer to outline our process, but we have tried to simplify it where we can and to make it less bureaucratic. Indeed, it would take away from it. That is why we have put much of the money through the local councils. The idea is that they take the administrative bureaucracy so that local groups do not have to. Mr. Greer will briefly outline our assessment process.

Mr. John Greer: Ms McIntyre has touched on this. I will outline the process of drawing down the money. When an organisation has been awarded the funding, we try to make it as lightweight as it can possibly be, while recognising the fact that this is, at its core, taxpayers' money. We have used various strategies to do that. One relates to simplified costs. For example, in the case of children and young people, the staff portion is essentially 40%. In other words, that portion of the direct project activity automatically funds the staff. After that, as long as we can establish that the project activities are current, the 40% will flow. Again, that is because we want the money being directed to the project activities in children and young people rather than the administration of the grant. The simplified cost option is something that we are spreading across the programme wherever we possibly can to reduce the administrative burden. Unfortunately, as much as we want to make it lightweight, we must recognise the fact that this is public money.

Senator Marie-Louise O'Donnell: The Senator across must have very wealthy friends in south County Dublin if the council there can give a job to someone to do the work of applying to Europe for the money. Those responsible should be in a backroom doing it themselves. Anyway, it is an interesting question. It happens all the time. It is like a minefield. Mr. Greer

has raised a good question. There has to be the various checks and balances of accountability when such a large amount of money is at issue. I was simply being funny.

Chairman: There is a similar argument with Horizon 2020 and all the various funds. It is almost as if an industry has developed within society in an effort to draw down these funds.

I have some questions on the specifics of the process. One of the SEUPB areas of competence relates to renewable energy. There are two jurisdictions and, therefore, two distinct regulatory experiences. In the North, there is a feed-in tariff system for micro-generation of electricity. We do not have that in the South. Does the SEUPB ever get involved in working with administrations on how best they can equalise regulatory differences in any way to make it easier? Obviously, there is some level of hampering the delivery of these objectives because of the difference in regulation. Those differences in regulation are likely to become more apparent in future.

Mr. Shaun Henry: Currently, we do not have any direct engagement in trying to look at common regulatory environments. Our investment is more related to project level. We invest heavily with the universities and the institutes of technology in the Border region where such bodies promote innovation within the renewable energy sector. In the past we invested in a major research project outside Larne, but in the past number of weeks it got a major investment from Europe of upwards of €70 million to develop a facility to store compressed air. Obviously in the context of the all-island electric grid that would be a storage capacity which would be of benefit to the entire island. Our key focus is in doing practical projects on the ground rather than engaging at the regulatory level.

Chairman: The earlier thrust of my questions was about the level of co-operation but is there any group in society tasked with the objective of the equalisation of regulation? That in itself is a real barrier to cross-Border trade, cross-Border enterprise and cross-Border development.

Mr. Shaun Henry: The North-South Ministerial Council in Armagh would be very actively engaged not only in supporting the work of the six cross-Border implementation bodies of which we are one. It is also actively engaged in a much broader policy role, which I understand would also include the all-island energy market.

Chairman: Is Mr. Henry saying that the secretariat would be involved in that work of the North-South Ministerial Council? From my knowledge it would not be an objective of each of the particular Ministers to equalise regulation on both sides of the Border.

Ms Gina McIntyre: No but they look at Border issues that affect the island. It would not be the secretariat that would carry out the work, but the Ministers would come together with the respective groups and the Departments responsible. What they are tasked with doing we are not sure, but I think they might be some of the issues that the Chairman raised as having the potential to be part of an innovative energy project. Part of that may be if they were involved in our programmes, looking at some of that equalisation of regulations or where they can share common ground. We would envisage that potentially these future programmes could be doing that.

Chairman: I was lucky enough to work as a management consultant for a company that was delivering one of the programmes in the Tyrone-Monaghan area. It brought me into the offices and sitting rooms of so many small businesses on both sides of the community. People from both sides of the community had suffered greatly and it opened my eyes to a lot of indi-

vidual experiences of members from both sides of the community. I imagine that is one of the great benefits of the work of the Special EU Programmes Body.

With regard to the particular enterprise programme that the body is running, is there any specific Brexit mitigation enterprise programme that is being run?

Ms Gina McIntyre: Not currently but I know that InterTradeIreland is looking at that matter and has a fund to do something in this area at present.

Chairman: We had a representation from ISME. It was looking at the enterprise organisations in the State which actually only cover a minority of the enterprises. Obviously IDA, foreign direct investment and Enterprise Ireland would only take a small chunk of the 600,000 indigenous enterprises in the South and 250,000 of those may be covered by Enterprise Ireland while the rest are left to their own devices.

Ms Gina McIntyre: InterTradeIreland, which is one of the other cross-Border bodies and ourselves, the Special EU Programmes Body, have an all-island remit to look at business issues. I know they are looking at some of the business issues that will be affected by Brexit.

Chairman: Do members have any other questions?

Senator Marie-Louise O'Donnell: No. I offer my congratulations and may the Special EU Programmes Body keep its great work going. Let me reiterate that we need to know more about it. It is so creative and enterprising from environmental science to young people. We have a lot to learn. It is very indicative that we in the South have not taken on board what is really happening with Brexit and what damage it could do to institutions and organisations and projects like what the Special EU Programmes Body does. I hope it will not, but it could affect the good work that this body is doing and is being done.

Chairman: Before we finish, does Deputy Michael Collins wish to comment?

Deputy Michael Collins: I was at a meeting.

Chairman: I thank the witnesses. If anything becomes apparent to the witnesses that would be useful to us in the coming weeks or months, we would be interested in hearing from them. If we can keep this communication line open, we would greatly appreciate it.

I thank the Special EU Programmes Body for taking the time to come down to visit us.

The joint committee adjourned at 5.05 p.m. until 12 noon on Tuesday, 11 April 2017.