An Roinn Fiontar, Trádála agus Fostaíochta
Department of Enterprise, Trade and Employment

Enterprise Digital Advisory Forum 30 May 2024

Room 110, Department of Enterprise, Trade and Employment, 23 Kildare Street

Attendees (in-person)

Minister of State for Trade Promotion and Digital Transformation, Dara Calleary TD

Eoin Costello	DigitalHQ
Erik O'Donovan	IBEC
Ryan Meade	Google Ireland
Martina Fitzgerald	Scale Ireland
Mike Conroy	ITAG
Dr Patricia Scanlon	AI Ambassador
Ricardo Simon Carbajo	CeADAR
Gerry O'Grady	Enterprise Ireland
Donal Flavin	IDA Ireland
Stephanie Anderson	Meta

Attendees (online)

Kieran McCorry	Microsoft
Claire Hayes Curtin	Department of the Taoiseach
Niamh O'Donnellan	Stripe
Ruairí Ó hAilín	Enterprise Ireland

Officials

Jean Carberry, Ciara Bartley, Nóirín Ní Earcáin, Sarah Bealin, Eamonn Cahill, Helena Keleher, Elma Cagovec (DETE)

Introduction

Minister of State Dara Calleary welcomed EDAF members. A number of members were unable to attend due to the Dublin Tech Summit taking place this week. He thanked members for their support in the organisation of the Digital Ireland Conference and the B9+, in particular Dr Patricia Scanlon for her participation at the Digital Ireland Conference and Erik O'Donovan of Ibec for his organisation of the B9+.

Ryan Meade is temporarily replacing Kathryn O'Donovan of Google, who is on leave.

Approval of minutes of last meeting of the EDAF

The minutes of the meeting of 29 February were approved. Future minutes will be approved by written procedure following meetings.

Discussion on implementation of the AI Act led by Eamonn Cahill, DETE

Mr Cahill provided an outline of the main provisions of the AI Act. It will enter into force in June, with a series of deadlines for implementation ranging from 3 to 36 months. The regulation takes a risk-based approach with a graduated approach to regulating uses of AI building on the foundations of a well-established product safety/market surveillance approach. Eight uses are prohibited relating to potential infringement of fundamental rights, albeit with complex caveats. The European Commission will monitor GPAI/foundation models, which emerged as an issue during negotiations, for potential emergence of systemic risks. Provisions relating to this process are set out in an annex which can be updated, and the majority of critical definitions are contained in Delegated Acts, that can be maintained in line with technological developments.

Mr Cahill described the role of the AI Board, whose Irish representative is Jean Carberry, and which will meet for the first time on 19 June, and the roles of the Advisory Forum (stakeholders) and Scientific Panel. He provided an overview of the requirements for implementation in Ireland which includes designating competent authorities and developing primary legislation to create offenses and the power to apply penalties. Ensuring a harmonised approach across EU 27 will be a key consideration in the implementation process.

A public consultation was launched to coincide with the adoption of the AI Act by the Council of the EU and will remain open until 16 July, and submissions from EDAF members and their organisations are very welcome.

Discussion on SME outreach on AI, led by Ibec

The current rate of adoption of AI by Irish SMEs is 8% which is around the same as other EU MS but very far behind the EU-wide target of 75%, despite the range of supports available.

Mr O'Donovan provided an overview of positive developments, however it's clear that more needs to be done to boost adoption of AI, which is much lower among SMEs than among bigger players. He suggested that EDAF members work together and leverage networks in support of a new 'adoption paradigm', based along three considerations: Understand (use cases etc.), Comply (guidance material on AI Act), Empower (events, supports, matchmaking large and small companies).

The following points were raised in discussion with the members:

- There was wide agreement that coordination among EDAF member organisations could increase impact and reach to SMEs on the adoption of digital technologies including AI.
- The widening gap on technology adoption between large and small companies, underlines the value of organisations, like those on the EDAF, working together in reaching smaller companies to increase uptake of digital technologies, particularly by those that are often time poor.
- SMEs are often not aware of Government supports in place.
- OECD evidence suggests that businesses take cues from other businesses.
- There are many existing initiatives developed by EDAF members and other organisations to support businesses' uptake of generative AI. A recent Google report cites the economic potential of generative AI, including productivity increases from people working with generative AI, freed-up time from generative AI's automation potential and the re-employment of time to other value-creating activities.
- Upskilling is an essential component. Lifelong learning rates in Ireland are lower than in comparable Member States.
- Lack of regulatory certainty/caution is a factor for SMEs, so clear communication for example on the AI Act, is essential. Difference between General purpose AI, where AI is integrated into a products or services versus an AI-first business is not well understood, with the AI Act having no impact on the vast majority of businesses.
- There are limits to effectiveness of top-down interventions. Grassroots level, via local networks can be more effective. LEOs and Digital Hubs around Ireland are good conduits.
- There is an issue that some funding models don't incentivise collaboration or scaling i.e. EU projects.
- Opportunities may also arise from better use of public data.

Presentation of 'Grow Digital' Portal to support digitalisation of enterprise

DETE officials demonstrated the Grow Digital Portal, developed by DETE, LEOs and EI, and sought feedback. The main purpose of the website, which is mainly targeted at micro and small companies, is to get businesses thinking about how digital can help them to save money and save time. The portal offers a digital self-assessment tool which will generate a scorecard, and also provides advice on how digital tools can improve company performance, as well as information on the supports available from the enterprise agencies. The website also contains a case study catalogue, themed by sector and benefits of digitalisation (competitiveness, efficiency, enhanced customer service) from relatable businesses, provided by the LEO network. Feedback to date has been generally positive.

The following points were raised in discussion with the members:

- Use of the EDIH digital maturity assessment was explored, however the portal was adapted to be more relevant to micro/small enterprises that are not very digitally advanced.
- A number of EDAF members agreed to share the link within their organisations for feedback.

Update on digital matters, including the National Digital Strategy and EU digital files

DETE official provided an update on digital matters. Looking ahead to the next Commission, there is a strong wish from both member states and the Commission to focus on implementation of digital legislation, however new proposals cannot be ruled out. Regarding domestic implementation, the Digital Levy Bill to support self-financing of Coimisiún na Meán's implementation of the Digital Services Act is progressing.

More broadly in the EU, there is a renewed focus on competitiveness and resilience, seen in Letta Report on the Single Market, and with forthcoming Draghi Report on competitiveness.

The 2024 edition of the DESI (Digital Economy and Society Index) will be published next month.

EDAF Work Programme

The draft Work Programme was discussed at the previous meeting, circulated for further observations, and has now been revised and recirculated. Further suggestions are welcome, ahead of online publication.

Update on SME Package agreed by Government on 16/05

Ms Carberry provided an overview of changes to digital supports announced by Government on 16 May as part of the SME Package. The Innovation Grant Scheme will double from €5,000 to €10,000. The granting authority is Enterprise Ireland, but it is also available to LEO clients. The Trading Online Voucher will be renamed the Grow Digital Voucher, will double in maximum value, eligibility broadened, and the scope of eligible services widened. The National Enterprise Hub (signposting service to supports to businesses provided by Government Agencies), is live and will soon be launched officially. It includes information on digital supports and will link to the Grow Digital Portal.

AOB

- It was noted that there are two studies/reports that EDAF members may be interested in:
    - Google had a study conducted by Implement Consulting Group on 'the economic opportunity of generative AI in Ireland'.
    - There has also been a joint study by DETE and Department of Finance, on 'Artificial Intelligence: Friend or Foe.'
- EDAF Members were requested to provide submissions to EDAF paper on digitalisation across sectors of the economy.
- Eoin Costello invited members to the Dargan Forum, taking place in Dun Laoghaire on 4 July, challenges for micro businesses and hubs.
- EDAF members advised that the Digital Ireland Conference and the D9+ Meeting, including the Ministerial Declaration were very well received.

- Minister Calleary advised the AI Advisory Council has been briefing the media on the AI Act; and thanked Chairperson, Dr Patricia Scanlon, and the members of this group for their work.

The next meeting is scheduled for 25 September, 10.00 -12.00.

EDAF Secretariat

July 2024