



**An Roinn Gnó,  
Fiontar agus Nuálaíochta**  
Department of Business,  
Enterprise and Innovation

# **Annual Report** **2019**

September 2020  
[dbei.gov.ie](http://dbei.gov.ie)

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## Table of Contents

Foreword	3
Vision, Mission, Values	6
Introduction to Department of Business, Enterprise & Innovation	7
Management Board and Organisation Chart	8
Offices & Agencies of the Department	10
Central Statistics Office - Employment Data	11
Key Achievements in 2019	13
<b>Statement of Strategy 2018-2021</b>	<b>18</b>
Goal 1: Create and sustain high quality enterprise and employment across all regions of the country	18
Goal 2: Lead a whole-of-Government approach to developing the most competitive environment for investment, productivity and sustainable jobs	31
Goal 3: Position Ireland as a Global Innovation Leader	42
Goal 4: Deliver positive workplace relations supports, well-functioning dispute resolution mechanisms, robust enforcement of employment rights and a safe working environment	55
Goal 5: Ensuring that business regulation facilitates business investment and development, competition in the marketplace, high standards of consumer protection and corporate governance	62
Goal 6: Working ambitiously with our EU and International Partners across a wide range of interests, including Brexit	70
Goal 7: Invest in our staff and optimise our resources	84
Appendix 1 Bills Published or Enacted in 2019	96
Appendix 2 Statutory Instruments Made in 2019	97

## Foreword

I welcome the publication of the Department's Annual Report for 2019, which outlines the actions and initiatives undertaken in 2019 across the Department's wide mandate and its commitments under the Programme for Government. Having just recently been appointed Tánaiste and Minister for Enterprise Trade and Employment, I look forward to working with the stateholders and staff across the Department in advancing the many important policy areas for which we are responsible.

2019 saw the launch of Future Jobs Ireland, which sets out a pathway to ensure that Ireland's economy is well positioned to adapt and prosper into the future. We will revisit this in the light of COVID-19 and ensure it is impactful. The Department continued its focus on regional development, as nine Regional Enterprise Plans were completed and published during the year.

The Department continues to play an important role in preparing for challenges associated with Brexit and during 2019 contributed to improving the range of Brexit supports and contingency planning among Irish businesses. The enterprise agencies and Local Enterprise Offices continue to work with businesses and entrepreneurs across the country to provide crucial supports.

Government Ministers and the Department led a number of overseas trade missions during 2019 and engaged on a wide range of issues related to trade and EU trade agreements.

The Department has played a significant role in recent months in helping business deal with the unprecedented challenges presented by COVID-19 and in getting business back to work in a safe manner. This work continues and we will continue to review our strategies and supports to ensure impact.

I would like to acknowledge the commitment and support of staff across the broad range of responsibilities of the Department, its Offices and Agencies throughout the year. Finally, I would like to thank my predecessor, Minister Heather Humphreys, T.D., and Ministers of State Pat Breen, T.D., and John Halligan, T.D., for their drive and commitment and their support to the delivery on the achievements in 2019. I would also like to thank Dr Orlaigh Quinn for her leadership of the Department during the year.

**LEO VARADKER, T.D.**  
**TÁNAISTE AND MINISTER FOR ENTERPRISE, TRADE AND EMPLOYMENT**

I am pleased to present the Department's Annual Report 2019, which outlines the many significant achievements across the remit of the Department during the year. During 2019 we continued to delivery strongly on the commitments in our Statement of Strategy 2018 – 2021 and on commitments under the Programme for Partnership Government.

During 2019 we continued to prioritise delivering supports to business, particularly those affected by Brexit, and developed and published an overview of all Government supports that are available to business, *Overview of Government Supports for Indigenous Business*.

A number of important policies and strategies were developed and published under the leadership of the Department during the year. *Future Jobs Ireland*, a whole-of-Government framework aimed at ensuring our economy is resilient enough to withstand shocks in the future and agile enough to take advantage of opportunities when they arise, was launched in March. Other policies and strategies included nine *Regional Enterprise Plans*, a *National Space Strategy for Enterprise* and *Ireland's National Intellectual Property Protocol 2019*. We also launched the *Industry 4.0 Strategy* during December, which is intended to support the digital transformation of the manufacturing sector and its supply chain and conducted a mid-term review of *Innovation 2020*.

The Department focused strongly on engaging with our many stakeholders during 2019 and organised and participated in major events across the breadth of our remit. These stakeholder engagements are particularly valued and a huge resource for the work of the Department and I would like to thank stakeholders for giving their time and inputs to these engagements.

A new SME Consultation Group was established in 2019 to provide a platform for structured engagement between government, agencies, representative bodies and small business on the recommendations in the *OECD Review of Ireland's SME and Entrepreneurship Policy in Ireland*, which had been commissioned by the Department.

The Department led 13 overseas trade missions during 2019 and engaged on a wide range of issues related to trade and EU trade agreements. Trade mission destinations included; Australia and Singapore; the UK; Canada; New Zealand; Spain; Poland; US; Japan; Netherlands; South Africa and Kenya; Kuwait, UAE and Bahrain; China and Germany.

A number of important pieces of legislation were also passed during the year, including the Consumer Protection (Gift Vouchers) Act 2019.

I was also proud to co-host with Minister Humphreys the *Countess Markievicz Conference – Celebrating Women Leaders in Ireland* which took place in the House of Lords Chamber, College Green in November 2019.

Within the Department, we continued to focus on innovative ways of working that can help us to work more efficiently and create a better working environment for all our staff. A number of measures and initiatives were delivered by our DBEI Innovation Group, which is leading on this agenda in the Department.

Finally, I would like to thank the staff of the Department and its Offices and Agencies for their commitment to delivering on our services during the year and I would like to acknowledge, in particular, the flexibility and responsiveness shown by staff in recent months as we had to rapidly reorganise ourselves to focus on the challenges of COVID-19.

**DR ORLAIGH QUINN, SECRETARY GENERAL  
DEPARTMENT OF BUSINESS, ENTERPRISE AND INNOVATION**

## Vision

WE WILL MAKE IRELAND THE BEST PLACE TO SUCCEED IN BUSINESS, DELIVERING SUSTAINABLE FULL EMPLOYMENT AND HIGHER STANDARDS OF LIVING ACROSS ALL REGIONS OF THE COUNTRY.

## Mission

WE WILL LEAD ON THE CREATION AND MAINTENANCE OF HIGH QUALITY AND SUSTAINABLE FULL EMPLOYMENT ACROSS ALL REGIONS OF THE COUNTRY BY CHAMPIONING ENTERPRISE AND INNOVATION ACROSS GOVERNMENT, BY SUPPORTING A COMPETITIVE BUSINESS BASE TO INCENTIVISE WORK, ENTERPRISE, TRADE, INNOVATION AND INVESTMENT AND BY PROMOTING FAIR AND COMPETITIVE MARKETS AS WELL AS BEST BUSINESS PRACTICE THROUGH THE REGULATORY AND ENFORCEMENT WORK OF THE DEPARTMENT, ITS OFFICES AND ITS AGENCIES.

## Values

AS A DEPARTMENT, WE FOSTER A CULTURE OF ACCOUNTABILITY, EFFICIENCY AND VALUE FOR MONEY, WHICH IS ROOTED IN A PUBLIC SERVICE ETHOS OF INDEPENDENCE, INTEGRITY, IMPARTIALITY, OPENNESS, DIGNITY AND RESPECT.

AS CIVIL SERVANTS, WE ESPOUSE THE HIGHEST STANDARDS OF PROFESSIONALISM, HONESTY, OBJECTIVITY AND QUALITY, WHICH ARE CENTRAL TO FULFILLING OUR ROLES IN SUPPORTING THE DEMOCRATIC PROCESS AND SERVING THE PEOPLE.

## Introduction to Department of Business, Enterprise & Innovation

The Department of Business, Enterprise and Innovation plays a key role in implementing the Government's policies of stimulating the productive capacity of the economy and creating an environment which supports job creation and maintenance. The Department also has a remit to promote fair competition in the marketplace, protect consumers and safeguard workers.

Through its Agencies and Offices, the Department's remit covers a wide range of activity including:

- Facilitating the start-up and growth of indigenous enterprises;
- Attracting foreign direct investment;
- Growing and deepening export opportunities;
- Identification, formulation and development of Ireland's international trade policies;
- Improving competitiveness and productivity;
- Promoting innovation and growth through investment in research and company development;
- Promoting fair competition for businesses and consumers;
- Ensuring fit for purpose, modern company law;
- Safeguarding worker's rights including their entitlement to occupational safety and health;
- Supporting and facilitating a positive industrial relations environment;
- Making evidence based policy, informed by research, analysis and robust evaluations;
- Identifying the future skills needs of enterprise;
- Providing appropriate and independent regulatory and enforcement capability; and
- Representing and negotiating for Ireland's interests in relevant EU fora, including:
  - Competitiveness Council (incorporating Internal Market, Industry and Research),
  - Foreign Affairs Council (meeting in its Trade formation)and relevant international bodies;
  - World Trade Organisation (WTO),
  - International Labour Organisation (ILO),
  - Organisation of Economic Co-operation and Development (OECD),
  - World Intellectual Property Organisation (WIPO).

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## Management Board

### DEPARTMENT STRUCTURE

The Department is comprised of these seven Divisions:



### MANAGEMENT BOARD

The Department's Management Board comprises of the Secretary General, seven Assistant Secretaries and the Head of the Governance and Management Support Unit.

The Management Board met weekly during 2019.

### MINISTERIAL MANAGEMENT BOARD

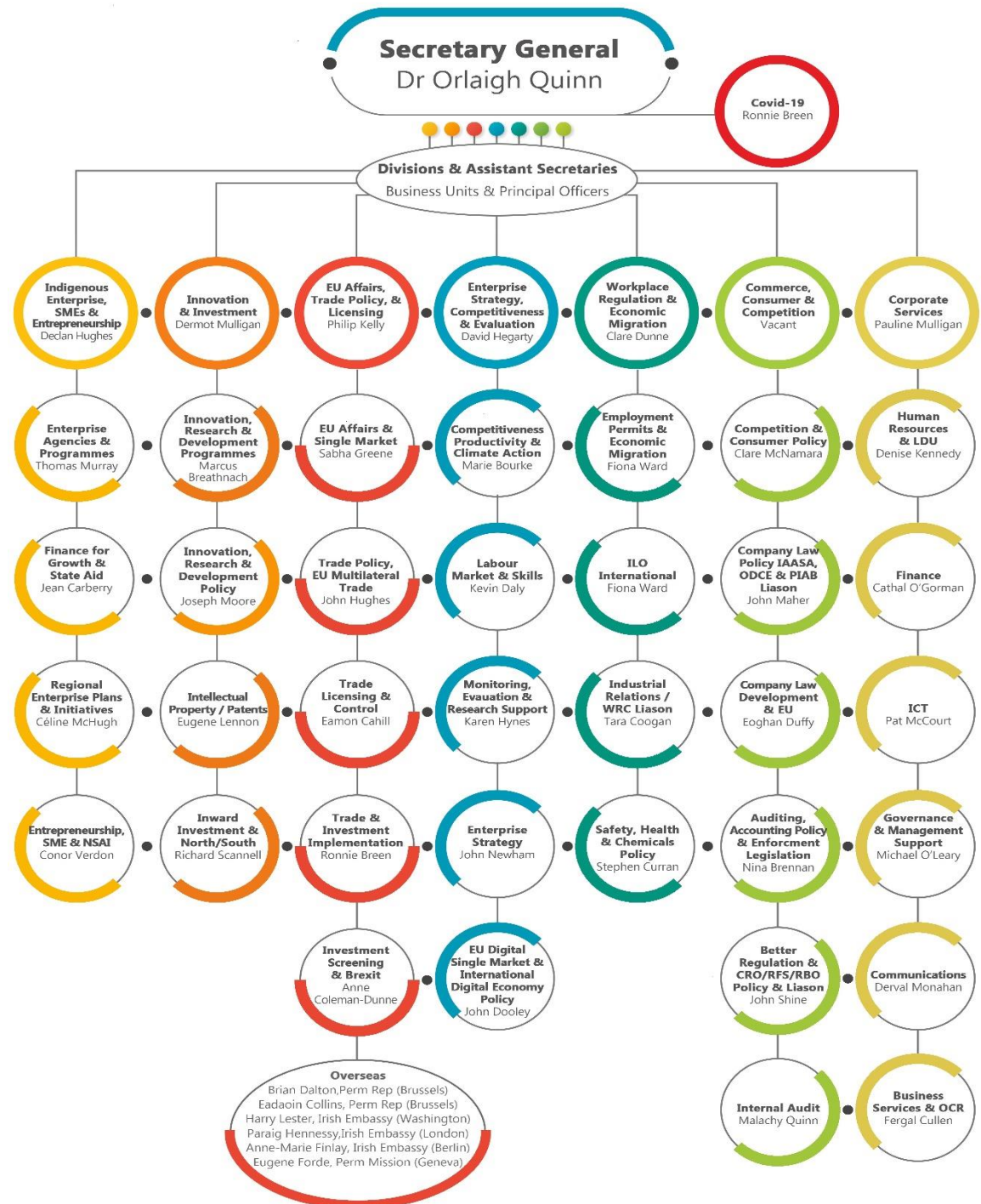
In 2019, Ministerial Management Board meetings took place monthly. The Minister, the Ministers of State and the Special Advisors to the Minister attended these meetings, along with the members of the Management Board.

### OFFICES AND AGENCIES

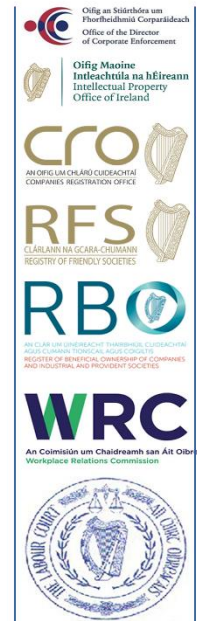
The Department of Business, Enterprise and Innovation has seven Offices and eight Agencies.



## Organisation Chart

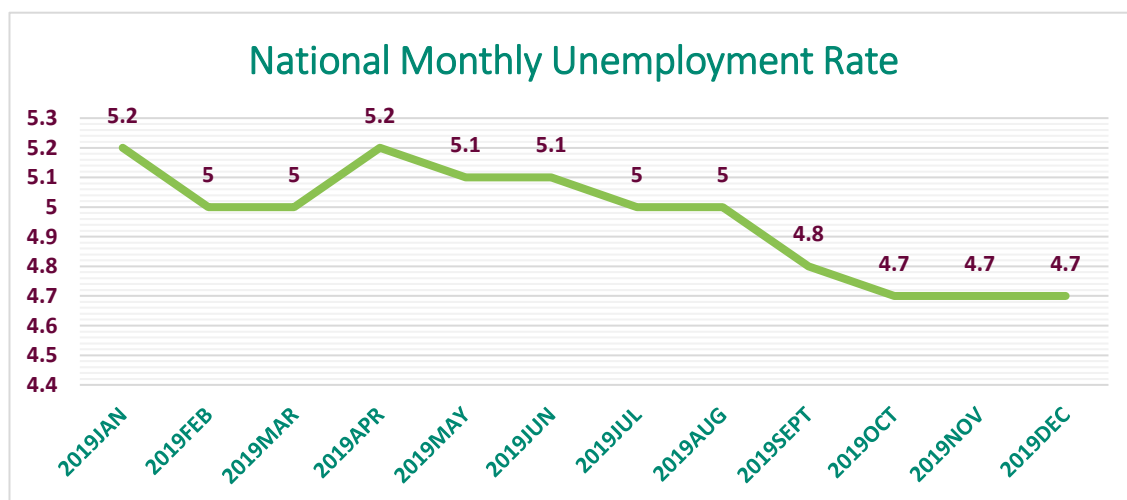
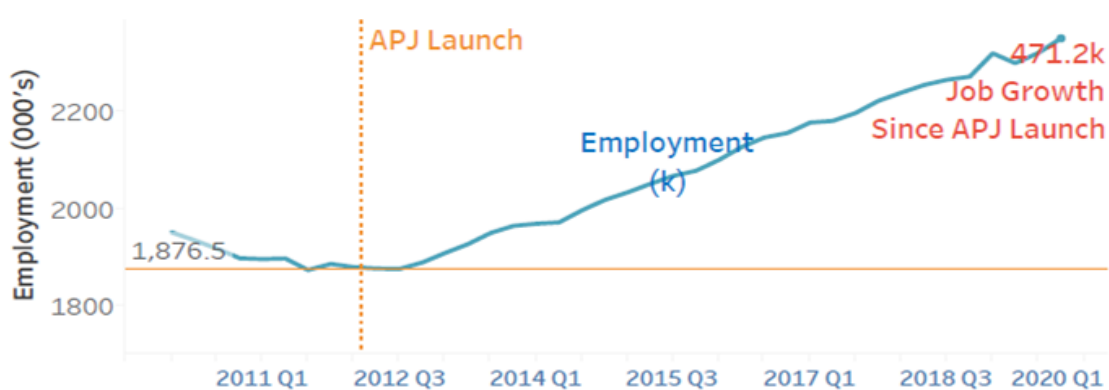


## Offices & Agencies of the Department of Business, Enterprise & Innovation



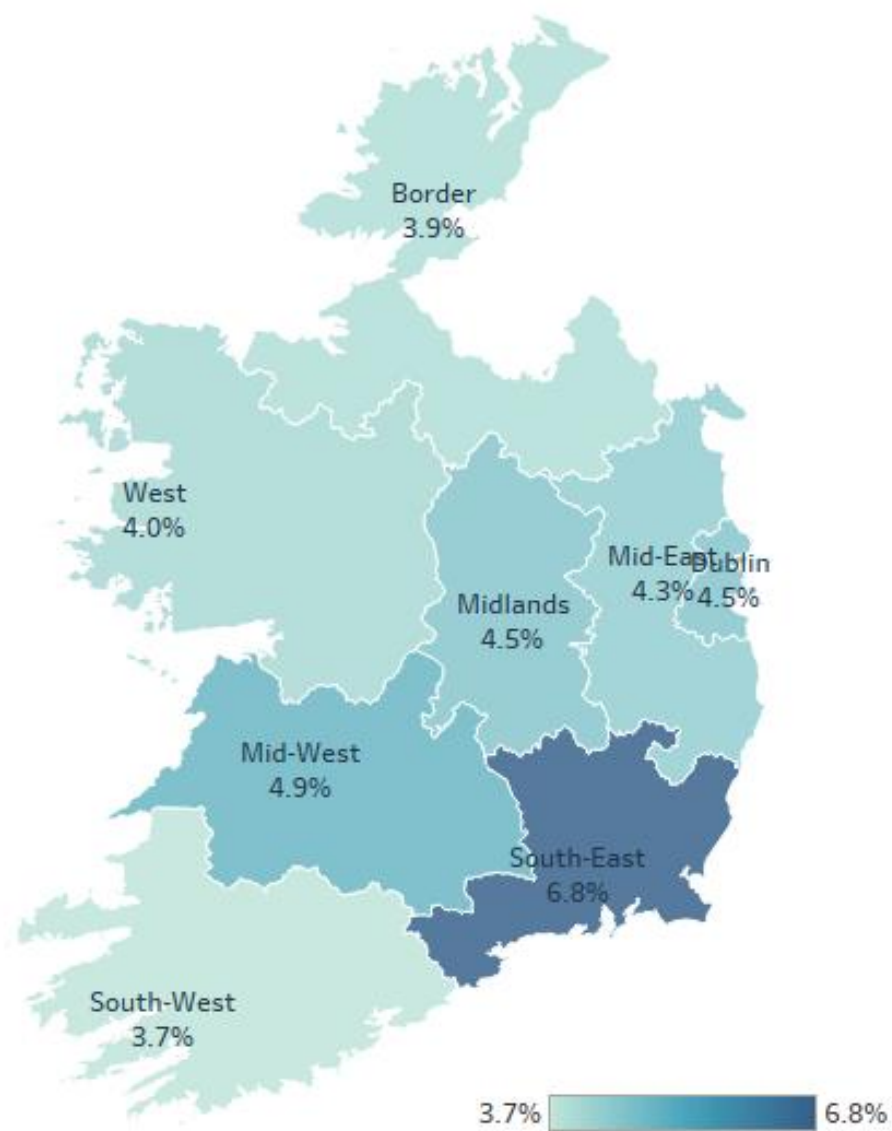
## Central Statistics Office - Employment Data

Employment Growth since Action Plan for Jobs Launch, Seasonally Adjusted



Unemployment Rate in 31/12/2019: ▲ 4.7%

## Regional Unemployment Rates (2019 Q4)



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## Key Achievements in 2019 include:

### POLICIES / STRATEGIES

In March 2019, building on Enterprise 2025 Renewed, [Future Jobs Ireland](#) was launched. It is a whole-of-Government framework aimed at ensuring our economy is resilient enough to withstand shocks in the future and agile enough to take advantage of opportunities when they arise.

Early in 2019, Minister Humphreys launched nine new [Regional Enterprise Plans](#) to 2020, the result of a refresh and refocus of the previous Regional Action Plans for Jobs (RAPJ).

The [Mid-term Review of Innovation 2020](#) was completed, noted by Cabinet and published in June. The Fourth Progress Report on [Implementation of Innovation 2020](#) was published in July 2019.

The Department also published Ireland's first [National Space Strategy for Enterprise](#).

In December 2019, the [Industry 4.0 Strategy 2020-2025](#), a key deliverable under [Future Jobs 2019](#) was launched. With 18 strategic actions under 5 goals, the Strategy will support the transformation of the manufacturing sector spurred by the new wave of advanced ICT technologies.

A new SME Consultation Group was established in 2019 to provide a platform for structured engagement between government, agencies, representative bodies and small business on the recommendations in the [OECD Review of Ireland's SME and Entrepreneurship](#)

[Policy in Ireland](#), which had been commissioned by the Department in 2018.

In March 2019, the Department launched [Ireland's National Intellectual Property Protocol 2019](#) - a Framework for Successful Research Commercialisation and its accompanying Resource Guide.

### SUPPORTS TO BUSINESS

2019 was a very strong year for job creation among [Enterprise Ireland \(EI\)](#) clients with 16,971 gross new jobs created across all regions. 4,706 new jobs were created, after losses are taken into account, with employment growth across all regions. In 2019, EI client companies reported the highest employment in the history of the agency with 221,895 people now employed in companies supported by EI. In 2019, there were over 99 new market presences into the Eurozone and 1,554 new overseas contracts were secured by client companies.

[IDA Ireland](#) performed strongly in 2019 with client companies creating 21,844 gross new jobs on the ground. The net gain was 13,867 additional jobs. IDA Ireland client companies now account for almost 11% of employment in the State. Total foreign direct investment (FDI) employment in Ireland at the end of 2019 stood at 245,096, the highest ever number employed in the multinational sector, exceeding targets set by Government contained in IDA Ireland's Strategy – Winning: Foreign Direct Investment 2015-2019. 54,868 jobs were created outside of Dublin over the past five years under IDA Ireland's Strategy – Winning: Foreign Direct Investment 2015-2019, leading to 33,118 additional direct jobs (net) on the ground in regions at the end of this strategy.



During 2019 a total of 7,408 new full and part-time jobs (gross) were created by [Local Enterprise Office \(LEO\)](#) clients overall. Taking into account losses in the client company portfolio, there was a net increase of 3,149 jobs (full and part-time). The LEO portfolio in 2019 consisted of 7,400 client companies, with an employment total of 38,535 (full-time and part-time jobs).

A fifth [Seed and Venture Capital Scheme](#) was announced as part of Budget 2019 with a further allocation of €175 million committed over the lifetime of the new scheme 2019-2024. A first call under that scheme was launched in February 2019.

The Department developed and published '[the Overview of Government Supports for Indigenous Business](#)'. This outlines the range of Government supports available to indigenous Irish businesses.

The [Future Growth Loan Scheme](#), launched in March 2019, is a €300m loan fund available to eligible Irish businesses and the primary agriculture and seafood sectors to support strategic long-term investment.

The [Regional Enterprise Development Fund \(REDF\)](#) was first introduced in 2017 and saw a €45m third call issue and conclude in 2019 which resulted in a further 26 regional projects being approved for funding.

In July 2019 the [LEO Competitive Fund](#) of €2.5M was launched. The scheme is targeted at established small to medium enterprises. The [Productivity Challenge Fund](#) of €500k was announced on 12 July on a pilot basis through the Local Enterprise Offices. The [Productivity Challenge](#) is a national programme that supports Ireland's small businesses and

enterprises, by providing them with the right advice and training resources to enhance productivity and efficiency.

In 2019, [Microfinance Ireland](#) approved €6.02m in funding to 451 small businesses throughout the country, supporting the creation or sustainment of 856 jobs with 76% of loans going to microenterprises outside of Dublin. 27% of MFI loans are provided to women leaders of microenterprises.

During 2019, 80 facilities were sanctioned under the SME [Credit Guarantee Scheme](#), worth €19.2m which allowed 274 jobs to be created and 1,057 jobs to be maintained. This scheme aims to assist viable SMEs which, under normal lending criteria, are unable to borrow from their bank, in accessing credit. The scheme operates by providing an 80% guarantee to participating finance providers (AIB, Bank of Ireland and Ulster Bank) on qualifying loans to SMEs

Two reviews of the critical skills and ineligible occupations lists for employment permits were completed in 2019. The reviews resulted in changes in the [Employment Permits](#) system to address labour shortages in key sectors of the economy including the construction, transport, agri-food, hospitality and high-performance sports. The Department and Department of Justice and Equality also agreed a new streamlined process which allows spouses/partners of [Critical Skills Employment Permit holders](#) to access the labour market immediately without the need for an employment permit.

The [Retail Consultation Forum](#) continued its focus on the developmental needs of the sector in 2019 and intensified its work on Brexit preparedness, including in the

mitigation efforts necessary to minimise disruption to food supply chains.

### INNOVATION

The second call was launched under the Government's €500m **Disruptive Technologies Innovation Fund, (DTIF)** and saw funding of €65 million allocated to 16 high impact RD&I collaborative projects with the SME sector.

2019 was a year of significant accomplishment across all areas of **Science Foundation Ireland's** activity. 317 new multiannual awards were approved in 2019 across 32 programmes with a total commitment value of €448.5m. Total payments to research bodies and institutions in 2019 were €188m.

During 2019, 1,084 **collaborative projects between companies and Irish Higher Education Institute (HEIs)** were supported by Enterprise Ireland as part of driving an increased focus on business development.

In June 2019, the Department published the first **National Space Strategy for Enterprise 2019-2025**. The national strategy will support the expansion of an economically sustainable space-active industry in Ireland.

### BREXIT

In 2019, the Department continued its extensive work to ensure a coordinated and coherent approach to **Brexit** across the Department and its Offices and Agencies. This included close liaison with other Government Departments and agencies of the State including preparing for a no-deal Brexit.

In March 2019, the Brexit Omnibus Act was signed into law. The Department drafted Part 3 of the Omnibus Act which enabled Enterprise Ireland to further support businesses. This legislation was not commenced, as a no-deal Brexit was avoided. However, the legislative proposals in Part 3 were required to cater for all Brexit scenarios, rather than just a no-deal Brexit, and the Department moved to take the EI amendments as a stand-alone Bill. As such, the Industrial Development (Amendment) Act 2019 was signed into law in December 2019.

Minister Humphreys **contacted over 220,000 companies** on the Companies Registration Office register to advise them of the array of supports and the organisations available to assist them with their Brexit preparations.

Two **Brexit Surveys** were completed in 2019, the results of which provides key insights into the impact of Brexit on SMEs and the extent that SMEs are preparing for Brexit.

### TRADE

Minister Humphreys and Minister Breen led 13 overseas **Trade Missions** throughout 2019. Destinations visited included: Australia and Singapore; the UK; Canada; New Zealand; Spain; Poland; US; Japan; Netherlands; South Africa and Kenya; Kuwait, UAE and Bahrain; China and Germany.

- The **EU-Japan Economic Partnership (EPA)** entered into force on 1 February 2019.
- On the 30 June 2019, **the EU and Vietnam** signed the **(FTA and Investment Protection Agreement (IPA))**.

- The [EU-Singapore Free Trade Agreement \(FTA\)](#) came into effect on 20 November 2019.
- The [EU-Mercosur](#) trade negotiations were concluded with legal texts now being drafted. Also a Request for Tender for an [Economic and Sustainability Impact Assessment](#) of the [EU-Mercosur](#) trade deal for Ireland and partner countries issued.

The Enactment of the European Union's [Investment Screening Regulation](#) came into force in April 2019. The Department has established a dedicated [Investment Screening Unit](#) which will act as [Ireland's National Contact Point](#).

In 2019, the Department administered 630 [export licences for controlled goods](#), with a total value in excess of €3.5bn.

#### PRIMARY LEGISLATION PASSED

- Hallmarking (Amendment) Act 2019
- Companies (Amendment) Act 2019
- The Personal Injuries Assessment Board (Amendment) Act 2019
- Consumer Protection (Gift Vouchers) Act 2019
- Industrial Relations (Amendment) Act 2019
- Industrial Development (Amendment) Act 2019
- The Copyright and Other Intellectual Property Law Provisions Act 2019

#### OTHER SIGNIFICANT ISSUES

The [Register of Beneficial Ownership](#) was established by the Companies Registration Office.

With effect from 2 December 2019, the Patents Office in Kilkenny changed its name to the "[Intellectual Property Office of](#)

[Ireland](#)" (IPOI). The title of the Controller of Patents Designs and Trade Marks also changed to the "[Controller of Intellectual Property](#)".

Ireland's [SOLVIT](#) Centre scored exceptionally well in the European Commission's Annual Report on the performance of national centres within the [SOLVIT](#) Network (an informal problem-solving network that assists EU citizens and businesses enforce their Single Market rights in another Member State).

In 2019, the [Workplace Relations Commission's](#) Adjudication Service received 20,939 specific complaints.

In 2019 the [Labour Court](#) received 1,182 referrals, representing a 1% increase on the number of referrals (1,169) received in 2018.

2019 was a significant milestone for the [International Labour organization \(ILO\)](#) as it celebrated its centenary year. To mark the occasion, in September 2019 the Department in partnership with NUI and the social partners hosted a [National Centenary Conference in Dublin Castle](#) which was opened by President Higgins and addressed by ILO Director General, Mr Guy Ryder and Nobel Laureate, Mr Kailash Satyarthi.

There were 46 workplace fatalities reported to the [Health and Safety Authority](#) in 2019 compared to 39 in 2018. With 18 of these fatalities in the agriculture sector, farms remain the place of work with the highest rate of accidents and fatalities, Construction fatalities increased from 5 in 2018 to 12 in 2019, with 75% of all fatal injuries taking place in the last six months of the year.

During 2019 the Department rolled out focused communications campaigns on



Brexit, Regional Enterprise Development Plans, Space Strategy, Future Jobs Ireland.

Minister Humphreys and Secretary General Dr Orlaigh Quinn hosted the *Countess Markievicz Conference – Celebrating Women Leaders in Ireland* which took place in the House of Lords Chamber, College Green in November 2019.

The Department's *Capability Review* was completed in December 2018 and it, along with the Department's *Implementation Plan* was noted by Government in April 2019. Both documents are published on the Department's website. The Review made a number of recommendations,

many of which the Department addressed during 2019 and others which will be progressed further during 2020.

The Department participated in the *Civil Service Excellence and Innovation Awards* and had three projects shortlisted. 'Innovation Week' won in the "Excellence in Innovation" category. This is the Department's first ever win at the awards. Ireland's *Declaration on Public Service Innovation* was created and signed by the Head of each organisation declaring the organisation's commitment to promoting and developing a culture of innovation.

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## Statement of Strategy 2018-2021

### STATEMENT OF STRATEGY 2018-2021

DBEI's Statement of Strategy for 2018-2021 sets out seven overarching high-level goals capturing strategic priorities across the broad range of areas for which the Department has responsibility.

The Strategy aims to build on the progress achieved in recent years and sets a vision of making Ireland the best place to succeed in business, delivering sustainable full employment and higher standards of living across all regions of the country.

### **Goal 1: LEAD ON CREATING AND SUSTAINING HIGH QUALITY ENTERPRISE AND EMPLOYMENT ACROSS ALL REGIONS OF THE COUNTRY BY SUPPORTING A STRONG INDIGENOUS ENTERPRISE BASE, THE CONTINUED ATTRACTION OF FOREIGN DIRECT INVESTMENT AND A STRONG ENTREPRENEURIAL CULTURE**

The Department worked across government and with business stakeholders to continue to improve the environment for enterprise growth in Ireland.

### OVERALL JOB CREATION

In the year to Quarter 4 2019, 79,900 jobs were created. Over 471,200 more people were at work in Quarter 4 2019 than in 2012, when the first Action Plan for Jobs was launched. Unemployment declined from over 15% in early 2012 to 4.7% in December 2019.

### PERFORMANCE OF CLIENT COMPANIES OF ENTERPRISE AGENCIES

The Department undertakes annual surveys of the client companies of the enterprise development agencies (Enterprise Ireland and IDA) to provide evidence based research to inform enterprise policy.

### ANNUAL EMPLOYMENT SURVEY OF CLIENT COMPANIES OF ENTERPRISE DEVELOPMENT AGENCIES

This survey is a census of employment in approximately 8,000 client companies of the enterprise development agencies. The latest available headline results for 2019 was that total employment (full-time and part-time) reached 466,911. This was a net increase of 18,735 in EI and IDA Ireland clients in 2019, an increase of 4.1% on 2018.

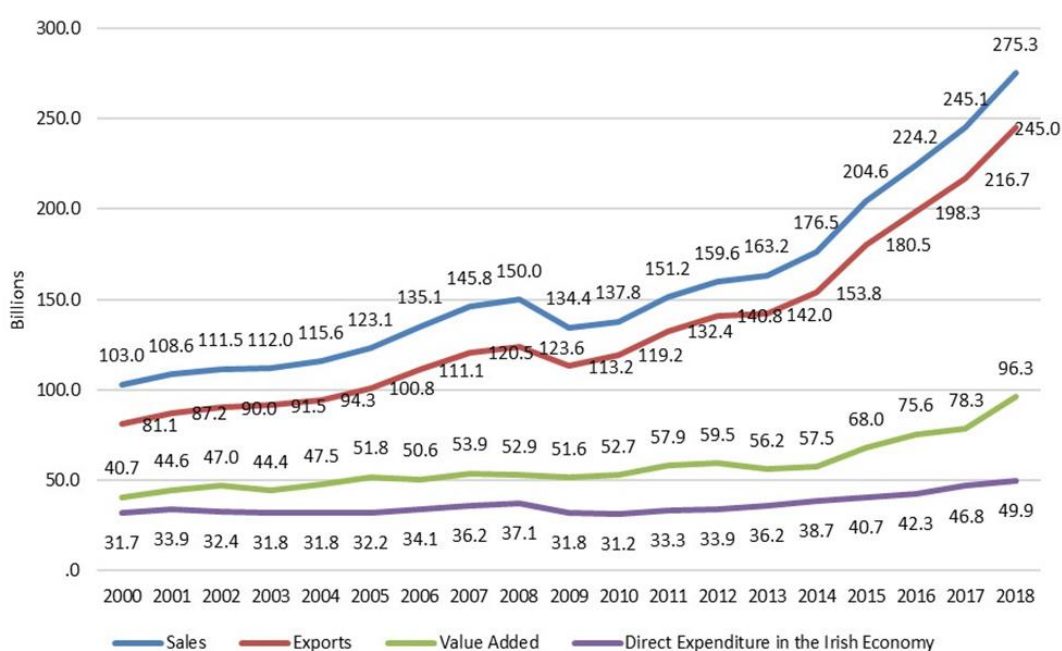
### ANNUAL BUSINESS SURVEY OF ECONOMIC IMPACT OF AGENCY CLIENTS

This is an annual survey of agency client companies with 10 or more employees (approximately 4,200 companies). End of year results for 2018 were collected in 2019:

- Total sales amounted to €275.3bn in 2018, an increase of 12.3% since 2017;
- Total exports amounted to €245.0bn in 2018, an increase of 13.1% since 2017;

- Value added increased to €96.3bn in 2018 from €78.3bn in 2017;
- Direct expenditure in the Irish economy (Payroll, Irish materials and Irish services) increased by 6.6% to €49.9bn in 2018.

#### KEY BUSINESS INDICATORS ALL AGENCY FIRMS, 2000-2018, SOURCE ABSEI



#### ENTERPRISE IRELAND

Reflecting the strength of the Irish economy and of global markets in 2019, Enterprise Ireland (EI) client companies reported strong employment performance. EI's 2019 employment survey reported the highest employment in the history of the agency with 221,895 people employed in EI supported companies; 4,706 new jobs were created after losses are taken into account with employment growth across all regions.

Job creation was evenly spread across the country, with every county seeing job increases. EI'S clients play an important role in the regional economy, for example:

- In 2019, 66% of employment was in client companies located outside of Dublin;
- 66% of new jobs reported were created in companies located outside of Dublin;
- Enterprise Ireland supported companies sustain approximately 430,000 direct and indirect jobs nationwide; and
- The total spend of Enterprise Ireland clients in the Irish economy across payroll and goods and services purchased reached €27.8bn in 2018.

This strong performance by Irish businesses can be attributed to the continuing growth of an entrepreneurial climate for start-ups, allied to strong jobs growth in the Cleantech (9% increase), Lifesciences (6% increase), Fintech (6% increase), Electronics (5% increase), Food (1% increase) and ICT and international services (4% increase). The jobs growth translates into a net increase of 4,706 jobs created in 2019.

In 2019 there was an increase in the scope of events and trade missions to support Enterprise Ireland clients in expanding their reach. 207 international trade and domestic events took place across the Eurozone, North America, Asia Pacific, UK, Nordics and Central Europe. Of these, 56 were Ministerial led Trade Missions and trade events. This extensive programme of international trade events is central to achieving an increase in exports to the Eurozone and global markets.

Aligned with the market diversification strategy, Enterprise Ireland built on its existing network of 33 offices worldwide in 2019 and expanded the agency's global footprint to promote Irish capability to even more international buyers.

This initiative is part of the Irish Government's Global Ireland 2025 strategy and is a key Brexit response to support Irish exporters to diversify into even more markets, beyond the UK. This saw a significant expansion to our overseas offices network in priority markets including Germany, France, Denmark, Canada, Australia and Vietnam.

The new offices will help Enterprise Ireland take full advantage of the opportunities that these international markets present by developing a local presence and network in key regions for Irish companies.

In 2019, Enterprise Ireland continued to scale its international export marketing campaign through "The Irish Advantage" which is a digital export promotion campaign focused on stimulating awareness of Irish products and services in international markets and encouraging buyers to source from Ireland.

- The campaign is live in 17 markets and 11 sectors / sub-sectors with key international campaigns launched around fintech, traveltech, medtech and agritech including campaigns for Med in Ireland and the Innovation Arena at the National Ploughing Championships, each attracting over 100 international buyers.
- The campaign will be further expanded in 2020 for key growth sectors where opportunities for Irish exporters to diversify in the context of Brexit have been identified and prioritised on the basis of their capabilities.
- To date the campaign has reached over 2m B2B buyers, over 600,000 page-views from B2B audiences, 400 articles in international and key trade media, 700 articles client case studies in 5 languages, 1,000+ clients listed on the directory and reached over 15,000 international buyer audience through trade events.

- Enterprise Ireland is administering the 43 successful projects under Disruptive Technologies Innovation Fund (DTIF) – see Goal 3 for more details – on behalf of the Department.
- Details of EI's strategic response to Brexit is included under Goal 6.

#### LOCAL ENTERPRISE OFFICES

The 31 Local Enterprise Offices (LEOs) are the 'first-stop-shop' for providing advice and guidance, financial assistance and other supports to those wishing to start or grow their own business. During 2019:

- A total of 7,408 new full and part-time jobs (gross) were created by LEO clients overall;
- Taking into account losses in the client company portfolio, there was a net increase of 3,149 jobs (full and part-time); and
- The LEO portfolio in 2019 consisted of 7,400 client companies, with an employment total of 38,535 (full-time and part-time jobs).

Key to the delivery of these jobs has been the provision of a range of development supports aimed at building company capacity and performance among the micro-enterprise sector:

- In 2019, the LEOs paid out direct financial assistance to 1,341 business projects, to the value of €20m. Of these, 291 were priming grants for start-up companies of almost €8m.

In addition to direct financial assistance, the LEOs supported an even wider cohort of entrepreneurs and small businesses in 2019 through other soft supports

- Start Your Own Business (SYOB) Training – 3,874 participants
- Business development training programs (including SYOB) involving in total 37,306 participants;
- Provision of tailored one-to-one mentoring support to 10,756 participants;
- 327 referrals to Micro Finance Ireland (169 grant applications approved) supporting the creation of 313 jobs; and
- Promotion of the Department of Communications, Climate Action and Environment Trading Online Voucher Scheme (TOVS) Since the launch of the Scheme in 2014, over 6,400 vouchers have been distributed to small businesses across Ireland to develop their trading online capability, including over 1,200 in 2019 alone.

A very positive outcome of LEO investment and support is the progression of some LEO client companies to the Enterprise Ireland portfolio. During 2019, 162 LEO client companies progressed to Enterprise Ireland. These clients are among the best performing companies in the LEO client portfolio (and because of the transfer to EI their performance is not reflected in the 2019 outturn above).

Details of LEO Brexit supports are included under Goal 6.

#### LEO COMMUNICATIONS

The LEOs delivered several promotional events nationally during the year which include:

- A Showcase Pavilion at the National Ploughing Championships;
- The Student Enterprise Awards;
- Local Enterprise Week;
- The National Enterprise Awards; and
- National Women's Entrepreneurship.

The new co-ordinated communications strategy, 'Making It Happen', was further developed in 2019 to promote LEO supports and services, building on the LEO brand and utilising all relevant communication channels. The inaugural 'Making It Happen' communications training day for LEO staff took place in Offaly in May 2019, featuring presentations and interactive workshops for all LEOs. These interactive workshops were run throughout the year to reinforce the new communications strategy.

#### IRELAND'S BEST YOUNG ENTREPRENEUR (IBYE) SUPPORTED BY THE LOCAL ENTERPRISE OFFICES (LEOS)

The initiative, aimed at young entrepreneurs aged between 18 and 35, has an overall investment fund of €2m. The IBYE was set up to support a culture of entrepreneurship among young people in Ireland, to promote entrepreneurship as a career choice and to encourage Ireland's young people to set up new businesses which will ultimately create jobs. The initiative had 1,600 applicants in 2019

#### IDA IRELAND

IDA Ireland performed strongly in 2019 with client companies creating 21,844 gross new jobs on the ground. IDA Ireland client companies now account for almost 11% of employment in the State.

Total FDI employment in Ireland at the end of 2019 stood at 245,096, the highest ever number employed in the multinational sector, exceeding targets set by Government contained in IDA Ireland's Strategy – Winning: Foreign Direct Investment 2015-2019.

54,868 jobs were created outside of Dublin over the past five years leading to 33,118 additional direct jobs (net) on the ground in regions at the end of this strategy. Every region hit the five-year strategy targets of a 30% uplift in investment and three regions - the Mid-West, Mid-East and South East exceeded 40% of targets. Investments in the Border region increased threefold since the outset of the strategy.

Through its Regional Property Programme (RPP), the IDA is also developing appropriate property solutions in designated regional locations to help attract overseas investment.

Details of IDA Ireland's strategic response to Brexit is included under Goal 6.

#### **INTERTRADEIRELAND (ITI)**

ITI is one of the six North/South Implementation Bodies established under the Good Friday Agreement in 1998. Since then, ITI has been helping small businesses in Ireland and Northern Ireland explore new cross-border markets, develop new products, processes and services, grow their business and become investor ready. The Body's suite of programmes and services aim to help businesses to build competitive advantage in the crucial areas of trade and innovation, all backed by evidence-based economic and business research.

ITI's activities in 2019 included:

- Providing opportunities and financial resources for North/South technology transfer projects to develop new innovative products and services which can drive exports;
- Scoping new areas for co-operation between firms North and South;
- Providing sales and marketing opportunities to help firms find new cross-border markets; and
- Providing access for SMEs to the €12bn all-island public procurement market.

Main outputs delivered by ITI in 2019:

- Jobs impact was 1,546 against a target for the year of 1,450;
- Business Development Value for companies was €131m against a target of €95.5m
- First time innovator companies were 63 against a target of 62; and
- First time exporters companies amounted to 92 against a target of 55.

In October 2019, Minister Humphreys joined ITI in Christchurch Cathedral to mark their 20<sup>th</sup> Anniversary. This was a unique opportunity to celebrate the achievements of ITI over two decades. Over that time, they have assisted 42,000 businesses in Ireland and Northern Ireland, through a range of trade, innovation & business development programmes, as well as delivering a jobs impact of over 16,000 jobs and generating more than €1.3 billion in business development value.

#### **NATIONAL STANDARDS AUTHORITY OF IRELAND**

The National Standards Authority of Ireland (NSAI) is the State Agency responsible for standardisation, conformity assessment and measurement. The NSAI saw increased demand for its services in 2019 against a backdrop of a strong performance by the Irish economy. There was a significant interest in standards and across the wider range of services for conformity assessment and measurement services as businesses sought to improve their performance and plan for Brexit.

NSAI published 1,572 standards during 2019, a 19% increase on 2018, including the following:

- ISO 56002:2019 Innovation Management Systems Standard. This Standard was launched jointly by NSAI and Skillnet Ireland together with an aligned Innovation Excellence Programme (IEP) to help boost productivity levels in the SME sector.
- I.S. EN 17161:2019 'Design for All' was published as part of the deliverable under European Commission Mandate 473 to enable businesses to apply a Universal Design approach for accessibility. This means products and services can be accessed, understood and used by a wide range of people, including older persons and persons with disabilities.

The total number of standards available in NSAI's catalogue exceeds 23,000. The number of standards accessed by Irish users exceeded 172,900 (up 27% on 2018) and the number of new registered users to the Agency's 'Your Standards, Your Say' portal increased by 753, a threefold increase on 2018.

NSAI provided a wide range of certification services to enable Irish industry improve quality, efficiency and placement of goods on the market with:

- 1,400 companies certified to Quality Management Standard; and
- Product certification in accordance with the EU requirements for: Automotive (9,008); Construction (1,000) and Medical Devices (131)

During 2019 NSAI's Brexit Unit engaged extensively with businesses and trade organisations throughout Ireland, holding a series of roadshow events and issuing factsheets on specific sectoral areas.

## ACCESS TO FINANCE

### SME CREDIT GUARANTEE SCHEME

The Credit Guarantee Scheme (CGS) aims to assist viable SMEs which, under normal lending criteria are unable to borrow from their bank, in accessing credit. The scheme operates by providing an 80% guarantee to participating finance providers (AIB, Bank of Ireland and Ulster Bank) on qualifying loans to SMEs.

During 2019, 80 facilities were sanctioned worth €19.2m which allowed 274 jobs to be created and 1,057 jobs to be maintained.

Since the CGS became operational in October 2012 up to the end of 2019, 749 facilities totalling € 125.2m have been sanctioned which have helped to support 6,443 jobs.

### MICROENTERPRISE LOAN FUND SCHEME

The Microenterprise Loan Fund Scheme, operated by Microfinance Ireland, was introduced in 2012. The purpose of the fund is to provide loans to microenterprises which are defined as businesses with less than 10 employees and/or turnover of less than €2m.



In 2019, Microfinance Ireland approved €6.02m in funding to 451 small businesses throughout the country, supporting the creation or sustainment of 856 jobs with 76% of loans going to microenterprises outside of Dublin. 27% of MFI loans are provided to women owners of microenterprises.

Since the Microenterprise Loan Fund Scheme became operational in 2012 to the end of 2019, 2,130 loans totalling €29m have been drawn which have helped to support 5,515 jobs.

In 2019 the Department commissioned EY DKM Consultants to carry out an independent review of the Microenterprises Loan Fund Scheme and is being considered by the Department.

#### **SEED AND VENTURE CAPITAL SCHEME**

The Enterprise Ireland Seed and Venture Capital Scheme has been in operation since 1994 and was established to increase the availability of risk capital for SMEs.

A fifth Seed and Venture Capital Scheme was announced as part of Budget 2019 with a further allocation of €175 million committed over the lifetime of the new scheme 2019-2024 which was launched in February 2019. A first call under that scheme was launched by Minister Humphreys in February 2019. Interest in the call was strong and the full €100m was allocated in mid-June.

#### **BUSINESS FINANCE ADVISORY HUB**

Development of a Business Finance Advisory Hub which will support financial planning and general financing needs of SMEs continued in 2019. The proposed Hub will assist businesses to make more informed financial decisions, building on existing supports available from bodies such as Enterprise Ireland and Local Enterprise Offices. It will primarily be an online offering, which will provide standardised information, tools and templates, as well as acting to signpost businesses to appropriate Government supports and resources.

#### **REGIONAL ENTERPRISE PLANS (REPS)**

Early in 2019 the Minister launched nine new Regional Enterprise Plans to 2020, the result of a refresh and refocus of the previous Regional Action Plans for Jobs (RAPJ). The principle behind the Regional Enterprise Plans is enabling collaboration between regional stakeholders on agreed Strategic Objectives that can help to realise each region's enterprise development potential and address vulnerabilities. These stakeholders include: Local Authorities, the LEOs, the enterprise agencies, the Regional Skills Forum, tourism bodies, private sector 'enterprise champions', the Higher Education Institutes and others.

Shaped from the 'bottom-up' by regional stakeholders, and coordinated by DBEI, the new Regional Enterprise Plans to 2020 complement top-down national level policies and initiatives and there is strong alignment with Ireland's national enterprise policy, Enterprise 2025 Renewed and Future Jobs Ireland. The nine new Plans are focused on delivery of

agreed actions over the two-year period to the end of 2020. They are also 'live' documents, so new initiatives can be adopted during their operation by the regional stakeholders working together.

A key objective of each of the plans is to have a further 10 to 15 per cent at work in each region by 2020 (from the original RAPJ 2015 baseline), with the unemployment rate of each region within one percentage point of the national average.

Data from the CSO (to Q3 2019) shows an increase of 312,500 people in employment across the State since Q1 2015, with 195,600 people (or three out of five) in the regions outside Dublin entering employment in that period.

At the end of 2019 each of the Regional Steering Committees established to drive the Plans had submitted their first progress reports to the Department.

#### **REGIONAL ENTERPRISE DEVELOPMENT FUND**

The Regional Enterprise Development Fund (REDF) was first introduced in 2017 and saw a €45m third call issue and conclude in 2019 which resulted in a further 26 regional projects being approved for funding. The REDF, which is administered by Enterprise Ireland, has been an effective instrument of policy to encourage and financially support bottom-up collaborative initiatives that seek to strengthen regional enterprise ecosystems. The Fund complements the aims and objectives of the Regional Enterprise Plans.

With the completion of the third REDF call in 2019 (announced in January 2020), almost €100m has now been committed across 68 projects all over the country, ranging from the development of new start-up/enterprise hubs to nationally significant sector focused applied research and innovation facilities that build on specific regional specialisms.

#### **RETAIL CONSULTATION FORUM**

The Retail Consultation Forum continued its focus on the developmental needs of the sector in 2019 and also intensified its work on Brexit preparedness, including in particular the mitigation efforts necessary to minimise disruption to food supply chains. In relation to Brexit preparedness, the Forum facilitated engagement with a range of Government Departments and relevant bodies including D/Agriculture, Food & Marine, D/Transport, Tourism and Sport, Revenue, Food Safety Authority of Ireland (FSAI), Environmental Health Services (HSE), Dublin Port and D/Business, Enterprise and Innovation Brexit Unit. In addition to the three scheduled meetings of the Forum, Minister Humphreys, as Chair of the Retail Consultation Forum met with the Grocery, Retail and Distribution Sector on five separate occasions with her officials as part of her continuing Brexit focused engagement with enterprise.

Transformation of retailing through increased digitalisation of the sector and evolving consumer demand continued to be a key theme for the Forum in 2019 and the Department, in conjunction with Enterprise Ireland rolled out a second competitive call under the pilot Online Retail Scheme.

The pilot Scheme, with a fund of up to €1.25m over two Calls, has now provided funding to 40 retailers across Ireland, with grants of between €10,000 and €25,000 on a 50 percent match fund basis. This scheme aims to increase the market reach and internationalisation of indigenous retailing enterprises; increase productivity and capability and encourage Brexit readiness. The pilot Online Retail Scheme concluded in 2019 and will now be reviewed to inform the development of further interventions in the area of digitalisation of retailing. In December 2019 Minister Humphreys and Enterprise Ireland were jointly awarded 'Retail Advocate of the Year' for the Online Retail Scheme by Retail Excellence.

Additional issues considered by the Forum in 2019 included town centre renewal, cost of insurance, skills needs and commercial rates. Of particular note is the ongoing work of the Retail Forum's Skills working group which has been focused on the introduction of retail specific training in the areas of Digital and Brexit. An important development in 2019 was the launch of Ireland's first Apprenticeship in Retail Supervision which has been led by Retail Ireland Skillnet.

#### **ENGAGEMENT WITH SMALL BUSINESS COMMUNITY**

The Small Business Act for Europe (SBA) is the EU's flagship policy initiative to support small and medium-sized enterprises (SMEs). It comprises a set of policy measures organised around 10 principles ranging from entrepreneurship and 'responsive administration' to internationalisation. The SBA fact sheets, published annually, aim to improve the understanding of recent trends and national policies affecting SMEs.

Ireland's performance in 2019 was above or well above the EU average in five SBA areas:

- Entrepreneurship;
- Responsive Administration;
- Single Market;
- Skills & Innovation; and
- Access to Finance.

It was in line or broadly in line with the EU average in four other SBA areas:

- State Aid & Public Procurement;
- Single Market;
- Environment; and
- Internationalisation.

Ireland's SBA profile continues to be competitive overall.

The Department continued to further its delivery of the SME Test throughout 2019. The Test promotes the SBA's "Think Small First" principle to the heart of policy making. It is a component of the European Commission's Better Regulation guidelines. The test encourages each Member State to include an appraisal of the burden on SMEs for relevant legislation and regulation.

The Irish SME Test asks policymakers to consider the following when designing regulation and legislation:

1. Consultation of SME stakeholders;
2. Identification of affected businesses;
3. Measurement of the impact on SMEs; and
4. Assessment of alternative mechanisms and mitigating measures through exemptions, deadline flexibility or simplification of regulation.

During 2019 a significant upgrade and enhancement was made to the <https://supportingsmes.gov.ie/> website. The website gained a number of improved features including an events calendar and a latest news section which is actively updated weekly. The website can now also offer enhanced videos content, in addition to more accurate search results. New tools to facilitate user feedback and user queries have also been incorporated.

At European level, the Department's representatives continue to engage proactively as members of the SME Envoy Network. During 2019, four meetings of the SME Envoy took place. In addition, participation has been active at the OECD's Working Party on SMEs and Entrepreneurship. Relationships have been fostered and continued to be developed through the Department's active role in both.

#### **OECD COUNTRY REVIEW OF SME AND ENTREPRENEURSHIP POLICY IN IRELAND**

To further reinforce the overall commitment of Government to the future growth of small and medium enterprises in Ireland, the Department commissioned the OECD to undertake a review of Ireland's SME and Entrepreneurship Policy in Ireland.

The aim of the review which was begun in 2018 was to provide tailored analysis and recommendations to Government on how to improve the design and implementation of national SME and entrepreneurship policies and programmes, based on an assessment of the country's current SME and entrepreneurship performance, framework conditions, and policies based on international comparisons and best practice.

The Review evidenced a collaborative body of work involving considerable input from wider Government and stakeholders. Significant engagement took place throughout 2018 and 2019 with the completion of relevant questionnaires, additional submissions and engagement through the process of three stakeholder events. This prominent level of participation facilitated the OECD Secretariat, experts, colleagues from across the Department of Business, Enterprise and Innovation, other Government departments, agencies, third level institutions and wider business community to broadly discuss the current SME ecosystem.

This engagement enabled the OECD to gain a deep understanding of the Irish SME and entrepreneurship ecosystem, leading to the publication of the report in October 2019 by Minister Heather Humphreys, T.D. and Minister of State Pat Breen, T.D.

Pursuant to a recommendation in the OECD Review, a new SME Consultation Group was established in 2019 to provide a platform for structured engagement between government, agencies, representative bodies and small business. As recommended by the OECD, the Group is chaired at Ministerial level, by the Minister of State Pat Breen, T.D.

#### **THE NATIONAL POLICY STATEMENT ON ENTREPRENEURSHIP (NPSE)**

Ireland's first National Policy Statement on Entrepreneurship was launched in 2014 and contemplated a five-year plan to foster and promote an entrepreneurial spirit in the SME and entrepreneurship ecosystem. The 96 actions set out in the NPSE were reviewed for the final time in Q4 2019 and all of the actions are either developed or completed.

The NPSE covered six key elements which impact on start-ups and entrepreneurs and acts as a signpost for future policy direction.

1. Culture, human capital and education;
2. Business environment and supports;
3. Innovation;
4. Access to finance;
5. Networks and mentoring; and
6. Access to markets.

#### **NATIONAL DESIGN FORUM**

Increasingly, Irish companies are prioritising design as a key deliverable in their offer to markets and it is essential that they have the skills and supportive ecosystem in terms of services, advice and infrastructures available to them. The key purpose of the National Design Forum is to discuss key issues of relevance, with a view to identifying practical actions which could be taken by government (national or local), or by industry itself, to strengthen the contribution of design in generating economic impacts. Advancing the need for design innovation will both strengthen our existing sectors (such as food design, manufacturing and medical devices) and enable us to benefit from the products and services of the future, in particular through software and user-interface design.

The Minister for Business, Enterprise and Innovation chairs the Forum. Ideas generated by the Forum have centred around four priority areas:

1. Communication
2. Skills
3. National Design Centre
4. Design for Public Good.

The Forum has promoted the advantages of a National Design Centre to foster the development of economically valuable hard-skills, such as those associated with the traditional design sector, and help develop processes, such as design-thinking, that enables the creation of products and services with a competitive edge. The Government commitment to establish a National Design Centre as set out in Project 2040 will formalise Ireland's design eco-system and extend its reach to develop the skill sets of all SMEs throughout the entire business community. The Department will progress plans for the establishment of a National Design Centre during 2020.

## **Goal 2: LEAD A WHOLE OF GOVERNMENT APPROACH TO DEVELOPING THE MOST COMPETITIVE ENVIRONMENT FOR INVESTMENT, PRODUCTIVITY AND SUSTAINABLE JOBS**

### **FUTURE JOBS IRELAND**

In March 2019, building on Enterprise 2025 Renewed, Future Jobs Ireland was launched. It is a whole-of-Government framework aimed at ensuring our economy is resilient enough to withstand shocks in the future and agile enough to take advantage of opportunities when they arise. Future Jobs Ireland focuses on key policy areas and enablers - innovation and technological change, productivity, skills and talent, labour force participation and transitioning to a low carbon economy - with a view to fostering economically, environmentally and socially sustainable growth.

Future Jobs Ireland 2019, the first in a series of annual publications as part of this multi-annual framework, had 26 ambitions and 127 deliverables. Each year Future Jobs Ireland will set out the steps to deliver on these ambitions or objectives with the ultimate goal of increasing the resilience of our economy and future-proofing it.

Some of the notable successes in 2019 under Future Jobs Ireland include:

1. The launch of the second call of the Disruptive Technologies Innovation Fund.
2. The publication of a new Industry 4.0 Strategy.
3. The Future Growth Loan Scheme was opened for applications in April providing long term loans of up to €3m to SMEs for strategic investment.
4. The Regional Technology Clustering Fund was launched in July.
5. The Research and Development Tax Credit was reviewed and changed in Budget 2020 to make it more accessible to micro and small businesses.
6. Cyber Ireland, a new cyber security cluster, was launched in Cork in May.
7. Progress is also being made on a National Centre of Excellence on High Performance and Nearly Zero Energy Building in the South East.
8. Springboard+ and Skillnet Ireland now offer a series of training programmes with a specific focus on the future of work including leadership and management, blockchain, AI, cybersecurity, Internet of Things, virtual reality and smart factory technology.
9. The first tranche of the Human Capital Initiative has been launched.
10. Several stakeholder engagement events took place including: consultation events on the AI strategy with industry, academia, civil society and the public sector; the Climate Action Town Hall meeting; the Cruinniú GovTech Summit; the OECD SME and Entrepreneurship Strategy Conference; a Remote Working Consultation Forum and the Future Jobs Ireland National Summit.

The Department of Business, Enterprise and Innovation with the Department of the Taoiseach are currently working with the other Government Departments and key stakeholders to develop new commitments for inclusion in Future Jobs Ireland 2020, which is expected to launch in the coming months.

#### **INDUSTRY 4.0 STRATEGY**

In December 2019, the Industry 4.0 Strategy 2020-2025, a key deliverable under Future Jobs 2019 was launched. With 18 strategic actions under 5 goals, the Strategy will support the transformation of the manufacturing sector spurred by the new wave of advanced ICT technologies. The vision is that by 2025, Ireland will be a competitive, innovation-driven manufacturing hub at the frontier of the fourth industrial revolution and at the forefront of Industry 4.0 development and adoption.

The Department was represented on the Steering Group alongside representatives from the enterprise agencies (EI, IDA, SFI, and NSAI) and the Department of Education and Skills; It also provided the Secretariat to the Steering Group and commissioned research and analysis on the challenges faced by companies seeking to adopt Industry 4.0 technologies.

#### **DISRUPTIVE TECHNOLOGIES INNOVATION FUND (DTIF)** (see Goal 3 for more information)

DTIF plays a key role in delivering on several Pillars of Future Jobs Ireland. Under DTIF, all project consortia must contain at least one SME and, by focussing on the development and deployment of industrial research, the SMEs participating in successful projects realise substantial productivity gains through being leaders in technological innovation. In terms of assisting the transition to a low carbon economy, four of the successful projects under Calls 1 and 2 of DTIF have the potential to significantly reduce carbon dependency.

#### **DELIVERING SKILLS FOR A GROWING ECONOMY**

The following reports were initiated by the Expert Group on Future Skills Needs (EGFSN) in 2019 and are due for publication in 2020, the secretariat for this expert group is based in this Department:

#### **THE DEMAND FOR SKILLS IN IRELAND'S CONSTRUCTION SECTOR TO 2030**

Framed by national strategies such as *Rebuilding Ireland: Action Plan for Housing and Homelessness*, *Project Ireland 2040*, and the built environment elements of the *Climate Action Plan*, the objectives of the study are twofold:

- To identify the nature and quantity of the scale of the skills needs of Ireland's Construction sector to 2030. This will include the development of construction skills demand forecasts based on a number of assumptions, including assumptions related to enhancing the sector's productivity and environmental sustainability, as well as realisation of the targets set out in prevailing national strategies; and
- To develop a suite of recommendations that can be drawn upon to ensure that the future skills needs of the Construction sector are fully addressed by stakeholders through the education and training system, as well as any other relevant sources of skills supply.



The study, which is scheduled for completion by Q3 2020, will inform the Government and industry on how best to manage and enhance the skills base of the sector.

#### MANAGEMENT CAPACITY AND PRACTICES OF IRISH SME MANAGERS

In 2019, the EGFSN initiated a study to assess the current state of management capacity and practices in SMEs in Ireland, identify where weaknesses may exist, and how these can be remedied.

Management capacity is a key component of Knowledge-Based Capital and so is linked to the innovation performance, productivity and competitiveness of firms. Management development is central for a firm's competitiveness and survival according to OECD and other studies. However, according to the OECD, "For a variety of reasons, smaller firms are less likely than larger enterprises to provide external training to all grades of workers, including managers."

The Study will examine the capability (management capacity and practices) of Irish SME managers, and the channels available for improving performance. It is likely that there will be both demand and supply-side issues.

The project is being carried out with the support of the European Commission, and a report will be published in Q3 2020.

#### TOGETHER FOR DESIGN - A NEW DESIGN SKILLS STUDY

In 2019 the EGFSN commenced a new design skills study, *Together for Design*. The objective of this report was to build on the foundations provided by the EGFSN's 2017 *Winning by Design* report to understand the enterprise demand for digital, product and strategic design skills and to measure the provision of educational courses addressing these skillsets. The report identifies recommendations to help drive forward skills supply in this area. *Together for Design* is expected to be published in Q1 of 2020.

In 2019 the Expert Group on Future Skills Needs also focussed on the implementation of recommendations made in reports published or largely undertaken in 2018.

In March 2019 the EGFSN published *Forecasting the Future Demand for High Level ICT Skills in Ireland, 2017-2022*, a qualitative and quantitative overview of the market, technology and service trends and demand for High level ICT skills in Ireland over the period 2017 to 2022. The study was a key input into the development of the new ICT Skills Action Plan, *Technology Skills 2022*, which was jointly developed by the Departments of Business, Enterprise and Innovation and Education and Skills.

- This Department is centrally involved in the implementation of the new ICT Skills Action Plan, forming the joint secretariat to the Plan's High-Level Steering Group with the Department of Education and Skills. The Department's enterprise agencies, Enterprise Ireland and IDA Ireland, as well as Science Foundation Ireland's Smart Futures, are members of this High Level Group.

As part of the Government's contingency planning for Brexit, the EGFSN also published in mid 2018 *Addressing the Skills Needs Arising from the Potential Trade Implications of Brexit*, which the Department of Business, Enterprise and Innovation implemented with relevant public and private sector stakeholders throughout 2019. Following its publication, the Department established a Brexit Skills Implementation Oversight Group, consisting of a number of Government Departments and enterprise agencies, to actively pursue and monitor the implementation of the recommendations in the EGFSN study and to maintain a watching brief on Brexit related skills needs more generally.

- As part of the implementation process, the Department has also engaged separately and bilaterally on a quarterly basis with stakeholders within the private representative and education and training sectors, to implement and monitor any recommendations that fall within their remit and to elicit any feedback on Brexit related skills issues that should be considered in the Government's Brexit response. The findings from these engagements were fed back into the work and deliberations of the Brexit Implementation Oversight Group.

The inaugural meeting of the Logistics and Supply Chain Skills Group, first proposed in 2015, and revived in the Brexit report of last year, took place under the Chairmanship of the Department of Transport, Tourism and Sport.

- The terms of reference for the group, as well as its work programme for two years were signed off by the group at its first meeting on 23rd October. The group has been established for an initial period of two years.
- In terms of Government membership, the group includes representatives from the Departments of Business, Enterprise and Innovation, Education and Skills and Employment Affairs and Social Protection, as well as the range of the sector's representative organisations.
- The meeting itself involved amongst other things: a recap of the key issues identified in the EGFSN's research and why the sector needs to act urgently to promote careers in logistics and supply chain management and broader skills development within the sector; and an overview of the employer services offered by the Department of Employment Affairs and Social Protection, including the EURES services and the Department's recent appointment of a Key Account Manager for the sector.
- Arising from the first meeting, two agile sub-groups, led by industry representatives, have now been established to advance two objectives of the group in particular, and will report on their progress to the quarterly meetings of the main group: firstly, improving alignment between curriculum and industry needs by establishing occupational profiles, and exploring the feasibility of developing educational and promotional tools for use in second level; and secondly, encouraging best practice amongst the sector by developing talent (new and existing) this will include the development of a structure for continuous professional development.

## **COMPETITIVENESS AND PRODUCTIVITY**

Research, analysis and the secretariat role for the National Competitiveness Council (NCC) is undertaken by the Department. The Council reports to the Taoiseach and the Government, through the Minister for Business, Enterprise and Innovation on key competitiveness issues facing the Irish economy and offers recommendations on policy actions required to enhance Ireland's competitive position.

In accordance with the European Council recommendation on the establishment of National Productivity Boards by euro area countries, in March 2018, the Government mandated the National Competitiveness Council as the body responsible for analysing developments and policies in the field of productivity and competitiveness in Ireland.

The Department places a high priority on ensuring that the key enterprise competitiveness issues are identified and prioritised for action across the government system. Our Enterprise Policy priority is that Ireland achieves a top-five competitiveness ranking (relative to high income countries with a similar population) by 2020. On this basis, Ireland is currently ranked 6<sup>th</sup>.

The NCC published the following reports during 2019:

- Costs of Doing Business in Ireland 2019
- Ireland's Competitiveness Scorecard 2019
- Ireland's Competitiveness Challenge 2019
- Productivity Statement 2019
- Competitiveness Bulletins 2019

## **ECONOMIC INFRASTRUCTURES**

During 2019 the Department highlighted key issues and priorities for business users across infrastructure areas drawing on analysis carried out by the Enterprise Strategy, Competitiveness & Evaluation Division, focussing on the competitiveness of Ireland's business environment.

The Department engaged with Irish Water and the Commission for Regulation of Utilities on the delivery of water services for non-domestic users, worked with the relevant policy makers in the Department of Communications, Climate Action and the Environment regarding the competitiveness implications of energy infrastructure on policy areas such as the development of the Renewable Energy Support Scheme (RESS) and made submissions and provided support to the three Regional Authorities in the development of the Regional Spatial and Economic Strategies that support the National Planning Framework.

The Economic Infrastructure Unit also informs the Department's engagement with the Ireland 2040 Delivery Board. The Department works closely with the Department of Public Expenditure and Reform as well as across other relevant Departments to provide input on

the infrastructure needs of enterprise, to maintain a competitive and attractive business environment, as part of achieving our national population and employment ambitions.

In parallel, the Department engaged on an ongoing basis across the public and private sectors to advocate for policy measures to improve the availability and quality of economic infrastructure to support enterprise development and maintain the competitiveness of our business environment.

#### **EVALUATION ACTIVITY**

The Department's Evaluation Unit worked closely with the Department's development agencies and other Government Departments to undertake robust evaluations in 2019. The Evaluation Unit provided input into the Department of Public Expenditure and Reform led Comprehensive Review of Expenditure completing a Focused Policy Assessment of Capital, Employment and Training Supports offered by EI and IDA. The paper provided a detailed analysis of the department's investment in these areas by its main activities, outputs and impacts at the programme level.

#### **TAXATION**

The Department liaised widely with enterprise representative groups and worked closely with the Department's development agencies to develop a joint agency Pre-Budget Submission. The primary purpose of the submission was to ensure that Budget 2020 continued to support enterprise and that the views and needs of enterprise were taken into consideration.

The submission touched on a wide range of taxation issues with a focus on areas highlighted as part of the Future Jobs Ireland, including proposals aimed at increasing accessibility to the R&D tax credit for SMEs. Other significant proposals aimed to enhance existing taxation reliefs such as the Key Employee Engagement Programme (KEEP), the Employment Investment Incentive Scheme (EIS) and Capital Gains Tax - Entrepreneur's Relief so that the overall enterprise taxation landscape is competitive and incentivises entrepreneurs to locate and develop businesses from Ireland.

#### **CLIMATE ACTION**

Climate Action has been recognised as a core element of the Department's enterprise and innovation policies and in our agencies' programmes and activities. The Department recognises that enterprises have important roles to play to develop and adopt innovative technologies, products and services that increase efficiencies, reduce waste and deliver sustainable development as countries across the world transition to low carbon economies.

Pillar 5 of Future Jobs Ireland 2019 recognises the importance of climate action, complements the All of Government Climate Action Plan and outlines three ambitions and actions in transitioning to a low carbon economy

1. to become a leader in adopting and developing standards in the low carbon economy;

2. to realise the opportunities for economic activity and job creation; and
3. to leverage Ireland's natural resources, enterprise strengths and innovative capacity to be a global leader in the circular and bio-economy.

In this context the Department approved two projects in the first call of the Disruptive Technology Innovation Fund under the Energy, Climate Action & Sustainability research priority area.

The Department actively engaged with the roll out of the all of Government Climate Action Plan 2019 and governance processes and monitored progress and provided input where necessary into the development of the economy-wide Carbon Budgets and the Long-Term Strategy outlining Ireland's net-zero 2050 targets. It commenced work on actions in the Food/Drinks and cement sector and inputted to the quarterly progress reports on the Climate Action Plan on actions including those undertaken by IDA Ireland, Enterprise Ireland, Science Foundation Ireland and NSAI. Throughout the year the Department provided analysis and policy input into matters relating to climate action policy and ensured consideration of competitiveness impacts in policy options.

#### **DATA COLLECTION AND DISTRIBUTION**

The Department produces official statistics on R&D in the Government and Higher Education sectors.

#### **RESEARCH & DEVELOPMENT (R&D) BUDGET**

While Ireland's innovation system is relatively nascent we have made significant strides and have gained international recognition in a number of areas. National and international evaluations demonstrate the clear value for money and economic impact derived from investment in R&D by the State and by enterprise. The quality of Irish research has gone from 36<sup>th</sup> (2003) to 12<sup>th</sup> (2019) according to Thomson Reuters' InCites Essential Science Indicators.

In Ireland's case, for every €1 of state investment in R&D, business expenditure on R&D is almost €3 (i.e. 25% total R&D investment is made by the State with 75% made by business), compared to the EU norm of one third: two thirds. On this measure, Ireland ranks alongside Belgium and Sweden, slightly behind Japan and Korea.

Amongst Enterprise Ireland and IDA Ireland client companies, R&D activity is a characteristic of firms that have been driving growth in sales, exports and value added. R&D grant-aid is associated with greater levels of employment growth in firms and greater resilience in employment during the recession.

Ireland's future economic growth and prosperity will depend in large measure on our continued investment in Research, Development and Innovation. This investment is targeted at developing a high productivity, knowledge based economy and society, driving innovation

in enterprise, building human capital and maximising the return on R&D investment for economic and social progress.

#### DASHBOARD STATISTICS

The Dashboard Statistics published monthly on the Department's website are a compilation of data from the Department, Central Statistics Office (CSO), UK Office of National Statistics (ONS) and other external sources relating to early indicators of change that bear on enterprise policy.

#### DIGITAL SINGLE MARKET (DSM)

In line with the Department's goal of developing a competitive environment to boost investment, improve productivity and create and sustain jobs, work on delivering the digital transformation agenda continued throughout 2019. The Department leads whole-of-Government activity and cross Government coordination of the DSM agenda at national and EU levels.

To coordinate the DSM agenda at a national level, Pat Breen, T.D., Minister of State for Trade, Employment, Business, EU Digital Single Market and Data Protection chaired four meetings of the Inter-Departmental Committee (IDC) on the Digital Single Market (DSM) during the year. The IDC is a cross-Governmental group comprising several Units within the Department along with representatives from other Departments and it is leading whole-of-Government activity in addressing and negotiating the initiatives emerging from the European Commission.

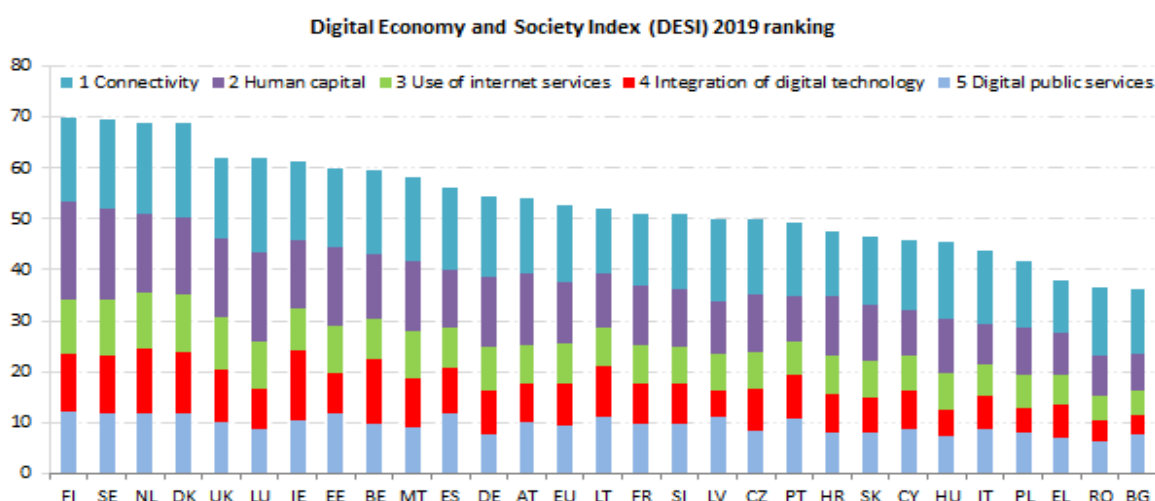
One of the key successes this year was the delivery of the Platform to Business (P2B) Regulation by the Department, which aims at creating a fair, transparent and predictable business environment for businesses when using online platforms to trade. This Regulation was published in the Official Journal of the European Union in July after a lengthy negotiation process and is expected to be put into Irish law in 2020.

In March, a study carried out by the Department in conjunction with the European Investment Bank was published "*The Digitalisation of small and medium enterprises in Ireland*". Its purpose was to examine the barriers to the digitalisation of SMEs in Ireland, namely, financial and knowledge gaps and to outline appropriate policy responses.

Work also continued in advancing the development of the EU AI policy. This involved the progression of the EU Member States Coordinated Plan on AI and take-up of Artificial Intelligence (AI) in a national context with significant engagement by Department officials at EU level and cross government. A review of the eCommerce Directive has also been proposed and the Department is leading Ireland's participation, in collaboration with other departments, in this process with the expectation that this Directive will be replaced with an updated and future-proof Digital Services Act.

Of note during the year was Ireland's 7<sup>th</sup> place ranking in the Digital Economy and Society Index (DESI) for 2019, up one place from 8<sup>th</sup> place in 2018. (Please note that the DESI methodology also changed in 2019.) Ireland has made continuous improvements in these rankings since 2014, moving up three places, and is ranked number one in the EU in terms of integration of digital technology by businesses.

Completing the Digital Single Market is a priority for Ireland and the Department continues to work with the European Commission, European Parliament and other Member States in delivering outcomes which are pro-trade, pro-enterprise and pro-innovation. The next stage of the process – DSM 2.0 – is in development. Proposals are still being formulated for DSM 2.0 and the Department will continue to drive forward the implementation of this process in the context of the Irish economy and society.



### NATIONAL PLAN ON CORPORATE SOCIAL RESPONSIBILITY

2019 was a busy year for the CSR Stakeholder Forum and saw increased visibility of Corporate Social Responsibility activity in Ireland's businesses and a continued focus on implementing *Towards Responsible Business, Ireland's second National Plan on Corporate Social Responsibility 2017-2020*. The enterprise led Forum, with secretariat support provided by the Department, was established to oversee implementation of the actions in the national plan. The CSR Stakeholder Forum is currently chaired by Catherine Heaney, Managing Director, DHR Communications. During 2019, the Forum met on four occasions and the minutes from the meetings can be found on <http://www.csrhub.ie/>

The Department's flagship annual CSR CEO/Leaders Breakfast event was a great success in 2019 with inspiring accounts of CSR in action from the perspective of both the business sector and the community and voluntary sector, along with keynote perspectives from Dr Rory Sullivan, London School of Economics and Political Science (LSE) and Chronos



Sustainability on 'Environmental, Social and Governance Factors and their relevance to investment decision making'; and Tomás Sercovich, Chief Executive Officer, Business in the Community Ireland on 'progressing towards meaningful CSR'. This was the second CSR CEO/Leaders' Breakfast hosted by the Department and the CSR Stakeholder Forum, which also saw the launch of 'CSR Check 2019' by Minister Humphreys, the second progress report on the CSR national plan.

The CSR Forum adopted CSR in the Public Sector as one of its key themes in 2019 and in September 2019 the Department coordinated the first ever Public Sector CSR Workshop, which saw 23 State Bodies and 10 Government Department representatives come together to discuss CSR in their own organisations. The workshop was kindly hosted by the Central Bank of Ireland and delivered by the Department in partnership with Business in the Community Ireland (BITCI).

Other highlights of the CSR Forum's work in 2019 include:

- presentation and discussion at the Joint Oireachtas Committee on Business, Enterprise and Innovation in October 2019 by CSR Stakeholder Forum chairperson, Forum member BITCI and Department officials;
- establishment of a dedicated 'Public Sector CSR Network' – a peer learning network for public sector organisations to develop their CSR strategies;
- establishment of the CSR virtual online network – for CSR practitioners and organisations interested in developing their CSR strategies; and
- an increase in the number of CSR Case Studies profiled on the [CSRhub.ie](https://www.csrhub.ie) website. Case studies are an integral element of the work of the Forum as they provide a strong educational resource for businesses and organisations of all sizes. Case studies are available to download from [csrhub.ie](https://www.csrhub.ie) and are accessible to all.

#### **SUSTAINABLE DEVELOPMENT GOALS<sup>1</sup>**

The Department of Communications, Climate Action and Environment "Sustainable Development Goals National Implementation Plan 2018-2020" provides for a whole-of-government approach to implementing the Sustainable Development Goals (SDG).

The Department has lead role and stakeholder responsibility for the implementation of a number of targets under the plan in areas, such as, Corporate Social Responsibility, scientific research, innovation and the management of chemicals. Monitoring their implementation is a key priority for the Department and its commitment to the Sustainable Development Goals is reflected in its Statement of Strategy.

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<sup>1</sup> In 2015, 193 United Nations Member States, including Ireland, adopted the Sustainable Development Goals. The 17 goals cover the social, economic and environmental requirements for a sustainable future.



Minister of State, Pat Breen T.D., participated in the fourth meeting of the National SDG Stakeholder Forum on 30 July 2019. The theme for the session was SDG 8: Decent Work and Economic Growth. David Hegarty, Assistant Secretary, also presented on “Future Jobs Ireland and Future Skills Needs”. Future Jobs 2019 is based around 5 Pillars, each of which aligns with one or more Sustainable Development Goals.

#### **SMALL ADVANCED ECONOMIES INITIATIVE (SAEI)**

The Small Advanced Economies Initiative is a group of 7 countries (Denmark, Finland, Ireland, Israel, New Zealand, Singapore and Switzerland) that brings together officials and experts to consider policy issues of common interest where the perspective of being a small advanced economy influences policy choices.

Department officials attended the working group meeting in Paris and the annual meeting of Principals took place in Copenhagen in 2019 and the Irish Delegation, led by the Secretary General, Department of Business, Enterprise and Innovation, included senior executives from the Department of Foreign Affairs and Trade and the Office of the Chief Scientific Adviser to Government.

The Department presented to delegates its work on initiatives to improve productivity in SMEs including trade with MNCs, labour mobility, innovation collaboration linkages with SMEs followed by a discussion on how to enhance knowledge diffusion in the economy and which policy supports can help build up SMEs’ absorptive capacity enabling them to reduce the productivity gap with global frontier firms

### **Goal 3: LEAD A WHOLE-OF-GOVERNMENT APPROACH TO POSITION IRELAND AS A GLOBAL LEADER, DRIVING AN INTERNATIONALLY COMPETITIVE RESEARCH AND DEVELOPMENT SYSTEM, CREATING AN INNOVATIVE ENTERPRISE BASE AND BUILDING A BETTER SOCIETY**

#### **INNOVATION 2020**

Innovation 2020, Ireland's national strategy for research and development, science and technology, sets a vision for Ireland to become a Global Innovation Leader.

In the 2019 European Innovation Scoreboard (EIS), Ireland is now at 10<sup>th</sup> place in the EU and 12<sup>th</sup> place in the 2019 Global Innovation Index. Key actions in 2019 included:

- Completion of the Mid-term Review of Innovation 2020;
- Publication of the Fourth Progress Report on Implementation of Innovation 2020;
- Launch of the second call of the €500m Disruptive Technologies Innovation Fund;
- €230m funding for 6 SFI Research Centres announced;
- Launch of the National Framework on the Transition to an Open Research Environment prepared by the National Open Research Forum;
- The launch of the €100m SFI Centres for Research Training which will provide training for 700 postgraduate students in areas of nationally and internationally identified future skills needs of digital, data and ICT;
- Continued success in Horizon 2020 - Irish researchers and innovators continue to perform well with €861m in funding received by the end of December 2019;
- Having recently joined the European Southern Observatory (ESO), Ireland hosted the 150<sup>th</sup> ESO Council meeting in Dublin at Farmleigh House;
- A new co-ordination mechanism 'Future Manufacturing Ireland' has been agreed to ensure coherence and optimal delivery of RD&I supports across centres with a dedicated focus on Advanced Manufacturing/Industry 4.0.
- EI launched its €14m Career-Fit Plus fellowship programme, co-funded by the EU, to attract 50 international experienced researchers to Ireland. The programme aims to connect highly qualified researchers with Irish companies to support industry-focused projects;
- The launch of the 3<sup>rd</sup> Small Business Innovation Research (SBIR) call to the Public Sector in Q3 2019;
- The launch of the revised National IP Protocol 2019 and its accompanying Resource Guide in March 2019 produced by Knowledge Transfer Ireland (KTI).

### DISRUPTIVE TECHNOLOGIES INNOVATION FUND (DTIF)

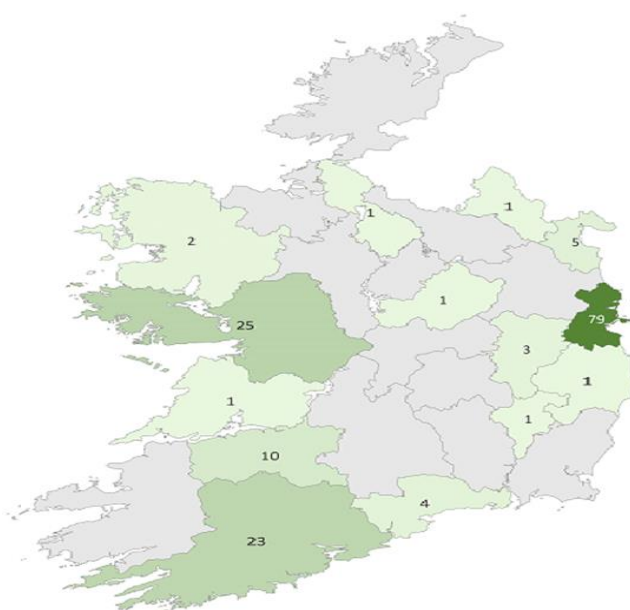
The Disruptive Technologies Innovation Fund, which was announced in 2018 as one of four National Development Plan funds under Project Ireland 2040. This €500m challenge-based, collaborative Fund is implemented through the Department of Business, Enterprise and Innovation and its agencies, working with other Government Departments and agencies. Enterprise Ireland is administering the DTIF on behalf of the Department.

The aim of DTIF is to address the development, deployment and commercialisation of one or more disruptive technologies to deliver new solutions through investment in the development and implementation of new products and services. It is the first Fund of its kind to support large-scale enterprise-driven collaborations, with both SMEs and multinational companies working together and with Ireland's public research bodies. DTIF is also a key element of Pillar 1 of Future Jobs Ireland, Embracing Innovation and Technological Change, as the projects funded will help create the jobs of the future.

The second tranche of successful projects was announced in December 2019:

- 16 Projects were approved for funding, of which 13 are led by SMEs;
- The successful projects were allocated €65m to 2022 and represent the health, food, ICT and manufacturing sectors in Ireland;
- Each project is a collaborative partnership that will develop, deploy and commercialise disruptive technologies to transform business.
- SME participation and collaboration with at least one other enterprise partner was mandatory in every consortium.

*The 43 successful projects under Calls 1 and 2 comprise of 159 partners from the enterprise and research sectors based at locations all around the country as illustrated in this map.*



**Locations of the 159 project partners that were allocated funding under Calls 1 and 2 of the Disruptive Technologies Innovation Fund**

## SCIENCE FOUNDATION IRELAND

During 2019 Science Foundation Ireland (SFI) continued to play a key role in supporting the government's vision for Ireland to become a Global Innovation Leader, as outlined in Ireland's strategy for research and development, science and technology - Innovation 2020, as well as implementing a number of actions in the Action Plan for Jobs 2018 and other national strategies.

### PROGRAMME ACTIVITY

2019 was a year of significant accomplishment across all areas of SFI's activity. 317 new multiannual awards were approved in 2019 across 32 programmes with a total commitment value of €448.5m. Total payments to research bodies and organisations in 2019 were €188m.

### KEY AREAS OF PROGRESS IN 2019 INCLUDED:

- SFI has delivered significant investments in 2019 including: new initiatives to deliver the skills needed for the future of the economy; continued support of the network of world leading SFI Research Centres, a focus on re-establishing programmes to support excellent independent researchers to conduct highly innovative research; the introduction of dynamic funding models designed to address national and global challenges; building strategic partnerships to support research projects of scale in strategically important areas and funding essential equipment to enable research in Higher Education Institutes.
- The agency also advanced important policy related areas such as Open Science. SFI signed up to Plan S, an international initiative to make full and immediate Open Access to research publications a reality.
- SFI developed a new, innovative call to enhance public service innovation and evidence-based policy making. The SFI Public Service Fellowship Programme launched in 2019 and involves partnerships with Agencies and Departments across the Irish Public Sector, for example, the Oireachtas Library and Research Services, Department of Public Expenditure and Reform and the Food Safety Authority of Ireland. This programme will see academic researchers embedded within host bodies in 2020 supporting the public service to deliver evidence-based policy making.
- SFI undertook a very successful research mission with support from IDA and DFAT, to the US West Coast to engage with tech companies. Dr Orlaigh Quinn, Secretary General and Dermot Mulligan Assistant Secretary General, with a number of SFI Research Centres participated in the mission.
- 2019 also saw the culmination of an intensive and inclusive consultation process involving over 1,000 individuals for the development of the new SFI strategy.
- The investment the Irish research system by SFI is also being translated into success in Europe. Six researchers in Ireland secured a total of €12m in funding under the European Research Council (ERC) Consolidator Grant award.

#### PROGRAMMES AND AWARDS HIGHLIGHTS

- Six SFI Research Centres were awarded a second phase of funding representing €230m investment by the Government through the SFI Research Centres Programme. It is estimated that more than 170 industry partners are involved in these Centres to date. These partners come from a huge variety of sectors and industries and have committed to providing over €200m of cash and in-kind contributions. The SFI Research Centres awarded are:
  - AMBER - the SFI Research Centre for Advanced Materials and Bioengineering Research
  - APC Microbiome Ireland SFI Research Centre
  - Insight - the SFI Research Centre for Data Analytics
  - IPIC, the SFI Research Centre for Photonics
  - MaREI, SFI Research Centre for Energy, Climate and Marine
  - SSPC, the SFI Research Centre for Pharmaceuticals
- The network of SFI Research Centres had significant success in Horizon 2020. Total draw down by SFI Research Centres is more than €139m.
- In March 2019, Science Foundation Ireland announced funding of more than €100m to six new SFI Centres for Research Training, which will provide training for up to 700 postgraduate students. The first cohorts of students started in the six SFI Centres for Training programme and the existing seven EPSRC SFI Centres for Doctoral Training programme. Both programmes were highly oversubscribed and there is a mixture of Irish-based, EU-based and Non-EU based students.
- A Strategic Partnership in precision oncology was announced towards the end of the year representing a total collaboration investment of €11.9m. Precision Oncology Ireland will see a consortium of five Irish universities, six Irish cancer research charities, and ten companies aiming to develop new diagnostics and therapeutics for the personalised treatment of cancer.
- SFI launched the first call for proposals under the new SFI Frontiers for the Future Programme, in collaboration with the Geological Survey of Ireland (GSI) and the Environmental Protection Agency (EPA). SFI Frontiers for the Future Programme supports excellent independent researchers to conduct highly innovative, collaborative research with the potential to deliver impact, whilst also providing opportunities for high-risk, high-reward research projects.
- Two themed SFI Future Innovator Prize calls for proposal were launched in 2019: the 'Zero Emissions Challenge' and the 'Artificial Intelligence (AI) for Societal Good Challenge'. Both of these incorporate a partnership with the DFAT (Irish Aid) to facilitate research collaboration between Irish researchers and research institutes in Irish Aid target countries in the Global South.

- The SFI Industry Fellowship programme continues to succeed in developing industry/academic partnerships. 43 awards totalling SFI investment of €2.7m were awarded in 2019.

Attracting and retaining the research leaders of the future in Ireland remains a priority for SFI. The agency awarded 3 new prestigious President of Ireland Future Leaders awards (€3.5m).

#### CAREERS, EDUCATION SUPPORT, INFORMAL LEARNING

- Science Week 2019 offered almost 1400 events to over 555,000 people. Science Foundation Ireland funded 13 festivals and 13 events. The theme for Science Week 2019 was Climate Action, seeking to help people understand the science behind the uniqueness of our planet, how science and technology is helping us to build solutions for a positive climate future and how each of us can adapt to help mitigate climate change.

#### ENTERPRISE IRELAND (EI) INNOVATION INVESTMENT AND ACTIVITY

EI provides R&D supports for companies to develop new technologies and processes that will lead to job creation and increased exports. EI does this through three main actions:

- Strengthening existing in-company R&D capacity;
- Driving increased collaboration between industry and academia;
- Commercialisation of research.

#### STRENGTHENING EXISTING IN-COMPANY R&D CAPACITY

In providing support for Research Development and Innovation (RDI) the State recognises a market failure where companies (particularly SMEs) do not invest enough in R&D or that when they do invest, they tend not to invest in enough large or ambitious projects.

Enterprise Ireland's role in this regard is to de-risk such RDI so that companies will develop new and improved products and services. In 2019, Enterprise Ireland approved over 150 R&D Approvals over €50,000 to client companies (including 31 Innovation partnerships).

In 2019 work progressed on legislative changes to address barriers to the take-up of the EI RD&I funding. The Industrial Development (Amendment) Act 2019 was signed into law by the President in December 2019. The Act extends the powers of Enterprise Ireland to make grants, loans and purchase shares and to provide for other related matters. The Act also expands the scope of Enterprise Ireland to support the Brexit vulnerable horticulture sector.

#### DRIVING INCREASED COLLABORATION BETWEEN INDUSTRY AND ACADEMIA

During 2019, 1,084 collaborative projects between companies and Irish Higher Education Institute (HEIs) were supported by Enterprise Ireland. This figure includes 559 small €5k Innovation Vouchers redeemed, 452 industry funded Technology Gateway Industry projects completed at Institutes of Technology across Ireland and 73 Innovation Partnerships approved. These projects provide companies with new commercial opportunities, cost savings or increases in their innovative capability.

#### **TECHNOLOGY CENTRE PROGRAMME:**

During 2019, 593 companies engaged with the network of EI Technology Centres solving in-house collective /sectoral problems. The Technology Centre programme has helped to create turnover in the region of €260m to date in participant firms in 7 of the centres and the projected turnover is expected to rise to almost €1.5bn by 2024.

To scale up the operations of EI/IDA Ireland Technology Centres, in 2019 additional 5-year investments were announced for the following Technology Centres:

- Irish Manufacturing Research (IMR) Centre - €23.5m
- CeADAR (AI/Data Analytics/machine learning) - €12m
- Food Health Ireland (FHI) - €7.2m

#### **TECHNOLOGY GATEWAY PROGRAMME:**

The 2018-2022 Technology Gateway Programme was launched with an announcement of €26.76m funding through Enterprise Ireland over the 5 years. This programme funds 15 Gateways operating across the 11 Institutes of Technology. In 2018 a new Technology Gateway Cluster was launched. The Irish Food Tech cluster is the 3<sup>rd</sup> cluster within the network and brings together 7 Technology Gateways. The aim is to market the joint capabilities of the food related Gateways as one provider.

#### **HIGH POTENTIAL START-UPS (HPSUS):**

13 new High Potential Start-ups (HPSUs) were created from research outputs from the Higher Education System in 2019.

#### **CAREER-FIT PLUS PROGRAMME**

In 2019, Enterprise Ireland launched its €14m Career-Fit Plus fellowship programme, co-funded by the EU, to attract 50 international experienced researchers to Ireland. The programme aims to connect highly qualified researchers with Irish companies to support industry-focused research projects, which will be centered around designated Technology Centres or Technology Gateways. Career-Fit Plus addresses the skills shortage in Irish companies in the field of RD&I, by attracting research experts from around the world to collaborate on projects with Irish enterprises, with the aim of diversifying and reaching new international markets.

#### **SMALL BUSINESS INNOVATION RESEARCH (SBIR):**

Following the 2<sup>nd</sup> SBIR Call, 11 challenges were launched by a wide range of public sector bodies to address challenges and seek innovative solutions through engagement with technology rich companies. This included the first HSE challenge for solutions to diabetes related health issues.

The 3<sup>rd</sup> SBIR Call to the public sector for innovative challenges was launched in Q4 of 2019. The successful challenges will be selected in early 2020.



#### **KNOWLEDGE TRANSFER IRELAND (KTI):**

Helps business to benefit from access to Irish expertise and technology, by making it simple to connect and engage with this research base in Ireland.

In March 2019, Knowledge Transfer Ireland launched Ireland's National IP Protocol and its accompanying Resource Guide. This update includes a framework for spin-out company creation. This third iteration of the Protocol reflects Ireland's commitment to ensuring the knowledge transfer system continues to be agile and responsive to change and growth in both enterprise and research.

#### **HEALTH INNOVATION HUB IRELAND (HIHI)**

Health Innovation Hub Ireland (HIHI) is a joint initiative of this Department and the Department of Health. The aim of the initiative is to drive collaboration between the health service and the enterprise sector leading to the development and commercialisation of new healthcare technologies, products and services.

In September Minister of State Pat Breen T.D., along with Minister of State Jim Daly T.D., attended the official launch of HIHI's Galway branch in NUI Galway. Galway has a thriving medtech hub and a number of successful local projects were piloted through HIHI.

In December HIHI launched their annual call for innovations addressing ANY healthcare need and a focussed call on Supporting the Self-Management of Chronic Disease (cardiovascular, respiratory and diabetes).

#### **EU FRAMEWORK PROGRAMME FOR RESEARCH & INNOVATION- HORIZON 2020**

Ireland continued its excellent performance in Horizon 2020, the EU Framework Programme for Research and Innovation. Ireland based researchers and innovators have won €861m in competitive, EU funding from the programme up to the end of 2019. Higher Education Institutes accounted for €481m, or 55.8%, of the total. Companies won €299.1m, or 34.7%, with €195.7m of this going to SMEs. Enterprise Ireland leads the Irish Horizon 2020 support network.

The European Commission published its proposal for the 9<sup>th</sup> Framework Programme for Research and Innovation, to be called Horizon Europe in June 2018. Negotiations began the following month with an agreement at Council agreed in November 2018 and a Common Understanding reached between the European Council, European Parliament and European Commission in April 2019.

#### **EU COMPETITIVENESS COUNCIL**

During 2019, Minister of State John Halligan, T.D., represented Ireland's interests at the Competitiveness Council meetings on research and innovation related issues. There were four formal and two informal meetings of the Competitiveness Council (Research).



The Council's attention continued to focus on the proposed Framework Programme for research and innovation for the period 2021 to 2027. The negotiations have been significantly progressed with a common understanding reached between the Member States, the Commission and European Parliament in April 2019. The main outstanding issues are the budget and international association. Council also agreed a Partial General Approach on the proposed Regulation on the European Institute for Innovation and Technology (EIT) in November 2019.

The other priority for Council is how to realise the significant contribution that sustained investment in research and innovation can make in achieving wider economic, societal and environmental policy goals.

#### **INTERNATIONAL COOPERATION**

In July 2019, the Department signed a revised MOU with the Ministry of Science and Technology of the People's Republic of China to promote science, technology and innovation cooperation and hosted the inaugural Joint Committee Meeting which explored opportunities for further collaboration between researchers and enterprise in the two countries.

#### **INTERNATIONAL RESEARCH ORGANISATIONS (IROS)**

The Department continued to strengthen Ireland's participation in international research collaborations and 2019 marked the first full year of Ireland's membership of the European Southern Observatory (ESO). ESO is the foremost intergovernmental astronomy organisation in Europe and the world's most productive astronomical observatory. 2019 highlights included the establishment of an ESO National Advisory Committee to identify and exploit opportunities for Irish researchers and enterprise, the launch of the Irish Research Council ESO Studentship Programme and the hosting of the 150<sup>th</sup> ESO Council meeting in Dublin in June.

Through the Department, Ireland is now a member of 9 IROs – ESO, the European Space Agency, the European Molecular Biology Laboratory, the European Molecular Biology Conference, Eureka, COST, CECAM, ELIXIR and LOFAR.

Ireland is a founding member of the European High-Performance Computing Joint Undertaking (EuroHPC). EuroHPC is a new European Union initiative which will build supercomputing and data infrastructure and support research and innovation in the domain.

In 2019, the Irish Centre for High-End Computing (ICHEC) was designated a national EuroHPC competence centre, securing matched EU funding to provide leading-edge HPC services to Irish users from industry, academia and the public sector.

Through this initiative, Ireland will have access to European HPC infrastructure, allowing Irish researchers and SMEs to access Europe's most advanced supercomputers. It will also

bring opportunities for possible future collaborations with other EuroHPC participating states, including shared infrastructure access, upskilling and increased RD&I activities.

#### **US-IRELAND R&D PARTNERSHIP**

The US-Ireland R&D Partnership is a product of the peace process and involves the governments of the USA, Ireland and Northern Ireland working together to advance scientific progress by awarding grants for research on a competitive basis. Areas funded include health, telecommunications, energy, nanotechnology, sensors, agriculture and collaboration at the level of individual Research Centres.

A Steering Group co-chaired by the three jurisdictions guides the collaboration across the three administrations with secretariat support from InterTradeIreland. A meeting of the Steering Group was hosted in Dublin in July 2019. At this meeting it was agreed to expand the scope of the partnership to include cooperation between health and agriculture.

A total of 51 projects have been successfully funded under the partnership across key sectors including agriculture, health, science and engineering, telecommunication energy and sustainability. Funding raised to December 2019 is valued at over €79m.

The Memorandum of Understanding between the US National Science Foundation, the Department of the Economy and Science Foundation Ireland was signed at the meeting. Following the signing of the MoU it was agreed by the partners that thematic areas of support would extend to include cybersecurity.

#### **PROGRAMME FOR RESEARCH IN THIRD-LEVEL INSTITUTIONS (PRTL I)**

The Programme for Research in Third-Level Institutions (PRTL I) was launched in 1998, with five cycles of expenditure to date. In addition to supporting the provision of top-class research infrastructure (buildings, laboratories and cutting-edge equipment), PRTL I has seen significant investment in human capital development, through Structured PhD/Emergent Technology programmes across Ireland's Higher Education Institutes (HEIs). The final stages of PRTL I Cycle 5 administration continued to be overseen by the Department in 2019.

A new programme of funding for structured PhD places commenced in 2019, through a new €100m programme of investment over an 8-year period in SFI Centres for Research Training. The Centres will train 700 postgraduate students in areas of nationally and internationally identified future skills needs of digital, data and ICT. The first student intake was in September 2019 and there are now 126 students in place. Meanwhile, the Department of Education and Skills is addressing the need for physical space for research in the higher education sector through further investment in higher education infrastructure over the period to 2027 (in the region of €3bn) as outlined in Project Ireland 2040.

#### EUROPEAN SPACE AGENCY

28 companies secured ESA contracts up to end Q3 2019. Five of these companies were first-time ESA contractors demonstrating the progression of Irish industry in this developing sector. The total value of industry contracts placed by ESA in Ireland up to end Q3 2019 was €11.94m. A further €0.660K in contracts were secured by the Irish research community, bringing the total value of ESA contracts placed in Ireland in 2019 to €12.6m. Additionally, six new start-ups were approved for the Irish ESA BIC in 2019. The ESA BIC works with entrepreneurs to turn space-connected business ideas into commercial start-ups companies. In 2019, Ireland invested €18.3m in its membership of ESA.

In June 2019, the Department published the first National Space Strategy for Enterprise 2019-2025. The national strategy will support the expansion of an economically sustainable space-active industry in Ireland. The strategy is built on six pillars including Investment, Strengths and Opportunities, Governance, Talent, and International Engagement.

In November 2019, the Minister of State for Training, Skills, Innovation and Research and Development attended the European Space Agency's Ministerial Council Meeting in Seville Spain. During this Ministerial meeting, the Minister reaffirmed Ireland's commitment to European space programmes by committing to an investment of €100m into ESA programmes between 2020 to 2024, supporting the further expansion of Ireland's space-active industry.

#### EU SPACE POLICY DEVELOPMENTS

A comprehensive Common Understanding on the 2018 space regulation was reached between the Presidency and the Parliament in February 2019. A revision to Article 6, *Actions in support of an innovative Union space sector*, which was proposed by Ireland, was retained in the agreed text of the Common Understanding. The additional text recognises that space industries in Member States are at differing levels of maturity and commits to supporting industry in Member States with an emerging space capability, providing equal access to the space programme for all.

During the Competitiveness Council (Space) held in May 2019 under the Romanian Presidency, Ministers held a policy debate on the subject of 'strengthening Europe's role as a global actor and promoting international cooperation, space diplomacy and contributing to building the global space governance'. Ministers also adopted Council Conclusions on 'Space as an enabler'. These Council Conclusions were adopted in view of the ESA-EU Space Council, which took place in Brussels later the same day.

During the Competitiveness Council (Space) held in November 2019 under the Finnish Presidency, Ministers adopted Council Conclusions on 'Space solutions for a sustainable Arctic'. Ministers also participated in a policy debate based on the Presidency paper 'Fostering a sustainable space economy'.

#### **TYNDALL NATIONAL INSTITUTE**

Tyndall National Institute (Tyndall) is Ireland's largest dedicated research centre, specialising in Information and Communications Technology (ICT) hardware and systems. Tyndall leveraged the core grant provided by the Department of €5.5m in 2019, to generate a total research budget of circa €40m.

An additional €1.5m was granted to Tyndall in the 2019 Supplementary Budget. This funding will facilitate the ongoing upgrading and expansion works being undertaken at the Cork facility. It will provide facilities for a higher level of engagement with industry partners, including dedicated lab and office space – a new departure for collaborative research in Ireland.

#### **COPYRIGHT**

Progress was made during the year in advancing copyright issues at both domestic and EU level.

The Copyright and Other Intellectual Property Law Provisions Act 2019 was signed into law by President Higgins on 26<sup>th</sup> June 2019.

The Act amends the Copyright and Related Rights Act 2000 to take account of certain recommendations of the 'Modernising Copyright' report published by the Copyright Review Committee in 2013. The Act makes better provision for copyright and other intellectual property (IP) protection in the digital era and enables rightholders to better enforce their IP rights in the courts. It also includes provisions to take account of certain copyright exceptions permitted by Directive 2001/29/EC on the harmonisation of certain aspects of copyright and related rights in the information society.

The Minister for Business, Enterprise and Innovation, Heather Humphreys T.D., signed the Commencement Order for the Copyright and Other Intellectual Property Law Provisions Act 2019 on 26 November 2019. The Commencement Order (SI No 586 of 2019) appoints Monday, 2 December 2019 as the date that the Act comes into operation, other than sections 2(1), 9 and 21. As provided for in Section 1(7) of that Act, these sections will automatically come into operation on the date that is 6 months from the passing of the Act, which is 26 December 2019.

#### **DIRECTIVE (EU) 2019/790 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON COPYRIGHT AND RELATED RIGHTS IN THE DIGITAL SINGLE MARKET AND AMENDING DIRECTIVES 96/9/EC AND 2001/29/EC**

A Directive on copyright in the Digital Single Market (hereinafter referred to as the "Copyright Directive") was published by the European Commission in September 2016. This is intended to harmonise copyright exceptions in the areas of research, education and cultural preservation and to improve the position of rightholders to negotiate and to be remunerated for the exploitation of their content online. Since its publication, Department officials were

actively engaged in negotiations on the Directive, including ongoing consultation with stakeholders to inform Ireland's negotiating position on the various proposals in the Directive.

In May 2018, a compromise text on the Directive was agreed within the EU Council and the Bulgarian Presidency got approval for a mandate to commence negotiations with the European Parliament. In October 2018, triilogue negotiations, aimed at finalising the Directive, commenced between the European Council, the European Parliament and the European Commission.

Following extensive technical negotiations over the course of two and a half years, agreement was reached between the three institutions of the European Union and the Directive was published in the Official Journal of the European Union on 17<sup>th</sup> May 2019. Ireland, along with all other EU Member States, now has until 7<sup>th</sup> June 2021 to transpose the Copyright Directive into national legislation.

#### **SUPPLEMENTARY PROTECTION CERTIFICATES**

On 1 July 2019, the "SPC waiver" Regulation came into force which allows manufacturers to manufacture products to export to third countries or to countries within the EU where SPC protection does not exist. The waiver also allows manufacturers to stock pile generic and biosimilars during the final six months of SPC protection to enable day-one entry to EU markets for these products.

#### **SECONDARY LEGISLATION IMPLEMENTED IN THE AREA OF INTELLECTUAL PROPERTY**

1. S.I 586 of 2019 Copyright and Other Intellectual Property Law Provisions Act 2019 (Commencement) Order 2019.  
This Order appoints 2 December 2019 as the day on which the Copyright and Other Intellectual Property Law Provisions Act 2019 comes into operation, in its entirety, other than sections 2(1), 9 and 21. As provided for in Section 1(7) of that Act, these sections will automatically come into operation on the date that is 6 months from the passing of the Act, which was signed by the President on 26th June 2019.
2. S.I. 587 of 2019 Industrial Designs (Amendment) Regulations 2019.  
These regulations make the subsequent changes required in relation to the courts and the renaming of the Patents Office, following the enactment of the Copyright and Other Intellectual Property Law Provisions Act 2019.
3. S.I. 588 of 2019 Trade Marks (Amendment) Rules 2019.  
These rules make the subsequent changes required in relation to the courts and the renaming of the Patents Office, following the enactment of the Copyright and Other Intellectual Property Law Provisions Act 2019.
4. S.I. 589 of 2019 Patent (Amendment) Rules 2019  
These Rules contain technical and procedural changes required following the enactment of the Copyright and Other Intellectual Property Law Provisions Act 2019, as well as

changes requested by the Intellectual Property Office of Ireland relating to operational matters.

5. S.I.628 of 2019 Trade Marks (Amendment) Rules 2019.  
These Rules contain certain procedural changes requested by the Intellectual Property Office of Ireland in order to ensure that opposition and invalidity proceedings are conducted in an efficient and effective manner. The Rules also set out the administrative procedures for lodging third party observations in relation to trade mark applications made on bad faith grounds and the role of the Controller of Intellectual Property in processing these observations.

#### **PRIMARY LEGISLATION IMPLEMENTED IN THE AREA OF INTELLECTUAL PROPERTY**

- Copyright and Other Intellectual Property Law Provisions Act 2019. The 2019 Act modernises copyright law in Ireland and seeks to reduce barriers to innovation in the digital environment. It will also give greater protection to rightsholders while at the same time facilitating access to creative content for users and wider society.

#### **STANDARDISATION**

NSAI hosted two International Organisation for Standards (ISO) standards plenary meetings in 2019 on:

- ISO/IEC JTC 1/SC 42: Artificial Intelligence. More than 150 experts from world leading universities, technology companies, regulators and policy makers from 22 countries attended this five-day event. At the meeting, attendees worked to develop standards to help AI technology developers, users and other stakeholders to establish trust and governance in AI systems and applications;
- ISO/TC 307: Blockchain and distributed ledger technologies brought together experts from 40 countries tasked with the development of at least 11 new ISO standards involving Blockchain. These include areas such as privacy, security risks, identity management, taxonomy and ontology, security management, discovery issues, governance, and legally binding smart contracts.

The NSAI also hosted the 12<sup>th</sup> International Standards Organisation (ISO) International Robotics Standards Committee in November, where more than sixty global experts from the world of Robotics met in Mullingar for a key meeting to pave the way for the introduction of robots into our manufacturing landscape.

## **Goal 4: DELIVER POSITIVE WORKPLACE RELATIONS SUPPORTS, WELL-FUNCTIONING DISPUTE RESOLUTION MECHANISMS, ROBUST ENFORCEMENT OF EMPLOYMENT RIGHTS AND A SAFE WORKING ENVIRONMENT**

In addition to workplace supports, including safe and healthy places of work, dispute resolution and the enforcement of rights, the Department is also responsible for Economic Migration Policy and for managing the Employment Permits regime.

### **ECONOMIC MIGRATION**

Implementation of the recommendations of the 2018 Review of Economic Migration Policy continued to ensure that the State's employment permits system remains sufficiently flexible to react to changes in the labour market and be fully supportive of emerging labour needs. These included changing the immigration permissions for spouses and partners of critical skills employment permit holders whereby they can work without the need for an employment permit; increasing the timeframe for the employment permit labour market needs test to more adequately test the domestic and European labour market, increasing the remuneration threshold for the critical skills employment permit and the establishment of an Employer Consultative User Forum which is jointly chaired by the Department of Business, Enterprise & Innovation and the Department of Justice and Equality.

Following the twice yearly review of the employment permit critical skills and ineligible occupations lists, changes were made to the lists by way of amendment to the Employment Permit Regulations to address labour shortages in key sectors of the economy such as hospitality, construction, health, agri-food, high performance sports and road haulage.

Work progressed on developing new consolidated and amended Employment Permit legislation with the publication of the general scheme for the new legislation and the completion of a public consultation process.

### **EMPLOYMENT PERMITS**

Over the course of 2019, Trusted Partner applications, which account for 77% of all permit applications and are regular users of the service, were consistently being processed in a 3-4 week timeframe. Standard applications, which account for 23% of all applications, were being processed in a 10-11 week timeframe.

2019 saw an 11-year high in applications for employment permits with a total of 18,940 applications received, a 13% increase over 2018. At the same time there was also an 11 year high in the amount of decisions made on applications with a total of 18,630 decisions, a 22% increase on 2018.

The processing timelines are good by international standards but they fall outside our ambitious targets and all available resources are being deployed with the aim of reducing them further.



Over the course of 2019, the Department introduced a number of operational changes, streamlined processes and implemented ICT solutions to help reduce processing times. Additional staffing resources have also been assigned to the section, with a further allocation coming on stream in 2020.

An independent Business Process Review (BPR) of the work of the Employment Permits Section of the Department was carried out to identify further efficiencies that can be implemented in the short term and as a first step in the development of a new IT processing system during 2020. The new system will take advantage of all the new technologies available, including full digitisation.

The Department has been proactively engaging with customers to notify them of current processing timelines through email, meetings and regular updates on the Employment Permits section of the Department's website.

The success of the employment permits system in responding to emerging skill shortages is evident in the following statistics:

- 42.5 % of all employment permits issued in 2019 were in respect of Critical Skills Employment Permits, the employment permit designed to target shortages in highly skilled occupations in high demand; and
- 30% of employment permits issued were to ICT professionals, an increase of 19% over 2018.

YEAR	APPLICATIONS ACCEPTED <sup>2</sup>	TOTAL ISSUED	TOTAL REFUSED	TOTAL WITHDRAWN	AWAITING PROCESSING
<b>2019</b>	<b>18,940</b>	<b>16,383</b>	<b>1,397</b>	<b>850</b>	<b>3,015</b>
2018	16,735	13,398	1,396	543	2,625
2017	13,333	11,354	1,516	320	1,300
2016	11,317	9,383	1,651	207	1,238

<sup>2</sup> Previous annual reports included the number of applications received rather than applications accepted. The 'applications received' figure included applications that were later rejected as being incomplete. EPOS has largely eliminated the instances of incomplete applications, so the table above uses the more accurate heading of "Applications Accepted".



### **WORKPLACE RELATIONS COMMISSION (WRC)**

The Workplace Relations Commission (WRC) is an independent, statutory body which was established on 1<sup>st</sup> October 2015 under the Workplace Relations Act 2015 (No. 16 of 2015). All first instance complaints are now dealt with by the WRC.

In 2019, the WRC's Adjudication Service received 20,939 specific complaints. This represents more than a 35% increase in the number of specific complaints being lodged with the WRC over the previous year. Despite this increase in volume, 76% of adjudication hearings were scheduled within 6 months of receipt of complaint where no requests for postponement are received, where all parties are available and submissions are received in a timely manner. The Adjudication Service issued 3,029 decisions in 2019.

The Inspection service undertook a total of 4,804 workplace inspections resulting in €3.93m in unpaid wages recovered during 2019. The Conciliation Service chaired some 1,202 conciliation conferences and 255 facilitations in relation to collective disputes during 2019.

### **LABOUR COURT**

The Labour Court assumed new responsibilities as part of workplace relations reform under the Workplace Relations Act 2015 and now has sole appellate jurisdiction in all disputes under employment rights enactments. This is in addition to its original role as the Court of last resort in industrial relations dispute resolution.

In 2019 the Labour Court received 1,182 referrals, representing a 1% increase on the number of referrals (1,169) received in 2018. The Labour Court issued 587 recommendations/determinations/decisions, 309 under industrial relations legislation and 278 under employment rights legislation. In addition, it investigated 300 cases that were settled prior to or at a hearing. Also, 342 appeals were withdrawn by parties prior to hearing.

### **SECTORAL EMPLOYMENT ORDERS (SEO)**

The Industrial Relations (Amendment) Act 2015 provides the legal basis for Sectoral Employment Orders (SEOs). An SEO can set the pay, pension or sick pay scheme for workers in an economic sector. Two Sectoral Employment Orders came into effect in 2019, one for the Construction Sector from 1<sup>st</sup> October 2019 and the second for the Electrical Contracting Sector from the 1<sup>st</sup> September 2019.

An application for an SEO was submitted to the Labour Court in 2019 for an amendment to the existing SEO for the Mechanical Engineering Building Services Contracting Sector.

### **JOINT LABOUR COMMITTEES (JLCS) AND EMPLOYMENT REGULATION ORDERS (EROS)**

A new Joint Labour Committee (JLC) for the English Language School Sector was established on the 2<sup>nd</sup> December 2019. There are 3 JLCs currently active; in the Contract Cleaning, Hairdressing and Security sectors.

A JLC is composed of equal numbers of representatives of employers and workers in an employment sector. The Committee meets under an independent chairman, an Industrial Relations Officer of the WRC, appointed by the Minister to discuss and agree proposals for terms and conditions to apply to specified grades or categories of workers in the sector concerned.

An Employment Regulation Order (ERO) is an instrument drawn up by a Joint Labour Committee (JLC), adopted by the Labour Court and given statutory effect by the Minister for Business, Enterprise and Innovation. The ERO fixes minimum rates of pay and conditions of employment for workers in specified business sectors: employers in those sectors are then obliged to pay wage rates and provide conditions of employment not less favorable than those prescribed.

#### **INDUSTRIAL RELATIONS (AMENDMENT) BILL 2019**

The Industrial Relations (Amendment) Act 2019 was signed by President Michael D. Higgins on 7 July 2019. This Act has amended the Industrial Relations legislation to allow access to the services of the Workplace Relations Commission (WRC) and the Labour Court for the Garda representative associations. The Act came into effect on the 1 February 2020.

#### **INDUSTRIAL RELATIONS ENVIRONMENT**

There was a rise of industrial dispute activity in the economy throughout 2019. There were approximately 37,000 days lost to strike action in 2019, compared to 4,045 days lost in 2018. The increase in the number of strike days in 2019 is largely attributable to strikes in the health sector.

#### **SAFETY, HEALTH AND CHEMICALS POLICY UNIT**

The Safety, Health and Chemical Policy Unit works with the Health and Safety Authority (HSA) on the range of governance standards applicable to State Agencies.

This includes formulating and developing policy at national, EU and international levels in relation to occupational safety and health and the manufacture and use of chemicals by Irish industry. This function is primarily achieved and implemented under the Safety, Health and Welfare at Work Act 2005, the Chemicals Acts (2008 & 2010), the Dangerous Substances Act, 1972 and the Chemical Weapons Act, 1997.

In December 2019, five new appointments and one re-appointment were made to the Board of the Health and Safety Authority for a period of three years. The HSA was also given sanction for the recruitment of additional new staff during 2019 relating to the UK exit from the EU.

#### **NOTIFYING AUTHORITY ROLE**

Product safety has been largely regulated through EU harmonised law which covers about 70% of products on the EU market.

The Department is a Notifying Authority under several EU Directives and has specific responsibility for Directives concerning Machinery; Personal Protective Equipment; Transportable Pressure Equipment; Pressure Equipment; Lifts and Safety Components for Lifts and, also, Equipment for Use in Potentially Explosive Atmospheres (ATEX). The Department is also the Notifying Authority for Consumer Products (CCPC) and Weights and Measures (NSAI).

During 2019, 13 applications were processed by the Safety, Health and Chemical Policy Unit for UK notified Bodies establishing in Ireland due to Brexit with others currently being processed. This will allow these companies to continue to operate within the European Union post-Brexit.

### **CONSTRUCTION SECTOR**

During 2019, the Department and the HSA co-operated closely with SOLAS and the Department of Education and Skills on ensuring the viability and relevance of safety training schemes for the construction sector, with a focus on modernising the delivery of training supports to the construction sector by SOLAS. The SafePass and Construction Safety Certification Scheme, co-ordinated by SOLAS, have proven over many years to have improved awareness, competence and safety in the construction sector.

Legislative amendments were made in 2019 to regulations relating to the Construction Skills Certification Scheme, Quarry Skills Certification Scheme and Safepass scheme in the construction sector in preparation for Brexit.

### **WORKPLACE FATALITIES**

There were 46 workplace fatalities reported to the HSA last year compared to 39 in 2018. With 18 of these fatalities in the agriculture sector, farms remain the place of work with the highest rate of accidents and fatalities, Construction fatalities increased from five in 2018 to 12 in 2019, with 75% of all fatal injuries taking place in the last six months. Falls from heights was the leading cause of construction worker deaths in 2019. Many of the fatalities involved small companies and self-employed tradespeople. A downward trend between 2015 (56 fatalities) and 2019 (46 fatalities) still exists however a continuous focus is needed by employers and employees to ensure that every worker gets home safely.

### **FARM SAFETY**

A Farm Safety Task Force was convened by the Minister during 2018 with representatives from a number of Government Departments and Agencies and the outputs from the Task Force process were actioned in 2019. One of these actions included the development of draft regulations on the use of personal protective equipment when using quads on farms – the public consultation on these new regulations, closed at the end of 2019.

### **CHEMICALS POLICY**

During 2019 the Department liaised with colleagues in EU institutions in supporting the adoption of the three Directives to minimise the exposure of workers to carcinogenic or mutagenic substances, one from 2017 and two from 2019. All three Directives will be transposed into Irish law by 17 January 2020 via SI No. 592 of 2019, and the 2020 Chemical Agents Code of Practice, published by the HSA. The Code of Practice sets out the maximum occupational exposure limits (or safety standards) for people working with hazardous chemicals and supports companies in complying with best practice chemical safety regulations.

In 2019, the Department also worked closely with other Government Departments and Agencies on the drafting of legislation to give effect to the amended EU Rotterdam and Detergents Regulations under the Chemicals Acts 2008 & 2010. The Rotterdam Regulation was transposed via SI No. 213 in May 2019. The draft SI for the Detergents Regulation is currently with the Attorney General's Office (OPC) for settlement.

In addition, the Department worked closely with the HSA and the Irish National Accreditation Board (INAB) to finalise draft Regulations, transposing two Codified EU Directives (2004/9/EC and 2004/10/EC) on Good Laboratory Practice (GLP), which require that any test facilities carrying out tests on chemical products shall comply with the OECD Principles of Good Laboratory Practice. The new regulations will be transposed on 23 January 2020 via SI No 18 of 2020.

### **DANGEROUS SUBSTANCES LEGISLATIVE REGIME**

In 2019, the Department continued its programme of work on the modernisation of the regulations for the petroleum storage and retail sector. This included developing proposals to put in place a new regulatory regime to support the sector in maintaining the highest health, safety and environmental standards.

Two new sets of regulations replacing 1979 petroleum storage and retail regulations were also finalised and published in 2019:

- the Dangerous Substances (Flammable Liquids and Fuels Retail Stores) Regulations, 2019 (SI No. 630 of 2019); and
- the Dangerous Substances (Flammable Liquids and Fuels Distribution and Commercial Supply Stores) Regulations, 2019 (SI No. 631 of 2019).

Both sets of new regulations will come into force on the 1<sup>st</sup> April 2020. The Department is also continuing to liaise with the Local Government Management Association (LGMA) and other stakeholders on developing a new organizational and operational framework to oversee the implementation of the new Regulations by the Local Authority sector.

**INAB/ACCREDITATION**

A review of the structure and operation of Irish National Accreditation Board (INAB), a committee of the Health and Safety Authority, was commenced in 2019. INAB has an expanding mandate via a number of EU Directives which require accreditation of bodies within a regulatory framework - examples of upcoming areas of activity would be in the area of cyber security and data protection.

## **Goal 5: ENSURE THAT OUR BUSINESS REGULATION FACILITATE BUSINESS INVESTMENT AND DEVELOPMENT, COMPETITION IN THE MARKETPLACE, HIGH STANDARDS OF CONSUMER PROTECTION AND CORPORATE GOVERNANCE AND PROVIDES IRELAND WITH A COMPETITIVE ADVANTAGE IN THE GLOBAL MARKET**

### **COMPANY LAW, COMPETITION AND CONSUMER PROTECTION**

During 2019, the Department built on work previously done on the successful development of a stable, transparent and modernised company law framework in Ireland and continued to develop and shape responses to new and emerging challenges in company law, competition and consumer policy at EU and national level. A key focus is working in collaboration with stakeholders, the Department's offices and agencies and other Government Departments to achieve the best outcomes in line with our high level goal.

### **PROPOSAL FOR A DIRECTIVE ON CONSUMER CONTRACTS FOR THE SUPPLY OF DIGITAL CONTENT**

The proposal for a Directive on consumer contracts for the supply of digital content published in December 2015 seeks to contribute to the proper functioning of the Internal Market while providing for a high level of consumer protection by laying down certain requirements on matters such as the conformity of digital content and digital services with the contract and the remedies available to consumers in the case of a lack of conformity of, or a failure to supply, digital content and digital services. Following several years of intensive negotiations at Council Working Parties followed by trilogues with the European Parliament, provisional agreement on the proposal was reached between the European Parliament and the European Council on 19 January 2019. The Directive was adopted by the European Council on 15 April 2019 and published in the Official Journal on 22 May 2019. Member States must transpose the Directive by 1 July 2021 and apply its provisions from 1 January 2022.

### **PROPOSAL FOR DIRECTIVE ON CONSUMER CONTRACTS FOR THE ONLINE AND OTHER DISTANCE SALES OF GOODS**

A proposal for a Directive on online and other distance sales of goods was published in December 2015 along with the proposal for a Directive on contracts for the supply of digital content. The proposal seeks to contribute to the proper functioning of the Internal Market while providing for a high level of consumer protection by laying down certain requirements for online and distance sales contracts on matters such as the conformity of goods with the contract and the remedies available to consumers in the case of a lack of conformity. A majority of Member States took the view that rules for the online sale of goods should not be considered separately from the general rules on the sale of goods in the existing Consumer Sales Directive (Directive 1999/44/EC). The European Commission published an amended proposal covering all consumer sales contracts on 31 October 2017. Apart from the extension of its scope to all consumer sales contracts, it was similar in substance to the

original online sales proposal. Following almost two years of Council Working Party negotiations and trilogues with the European Parliament, the Directive was adopted by the European Council on 15 April 2019 and published in the Official Journal on 22 May 2019. Member States must transpose the Directive by 1 July 2021 and apply its provisions from 1 January 2022.

#### **NEW DEAL FOR CONSUMERS PACKAGE**

A package of measures titled the “New Deal for Consumers” was launched on 11 April 2018 by the European Commission and aims to facilitate coordination and effective action from national consumer authorities at EU level and reinforce public enforcement action and better protection of consumer rights. It follows on from the results published in May 2017 by the European Commission of its Fitness Check of a number of the most important pieces of consumer protection legislation and a separate evaluation report on consumer rights. The evaluation report found in particular, that there was a need for improved enforcement and enhanced redress options for consumers. The evaluations concluded also that there was a need to reduce the regulatory burden on traders in some areas.

The “New Deal for Consumers” package is composed of proposals for two new Directives.

1. A proposal on representative actions for the protection of the collective interests of consumers and repealing the Injunctions Directive 2009/22/EC. This proposal aims to improve tools for stopping illegal practices and facilitating redress for consumers where many of them are victims of the same infringement of their rights, in a mass harm situation.

A general approach on this Directive was approved by the Competitiveness Council on the 28<sup>th</sup> November 2019. Trilogues with the co-legislators will commence early in 2020 and it is envisaged that political agreement on this draft Directive will be reached in the first half of 2020.

2. Directive 2019/2161 was published in the official Journal on 28 November 2019 and provides for a number of substantive amendments to Directive 2005/29/EC on unfair consumer practices and Directive 2011/83/EU on consumer rights as well as for more effective, proportionate and dissuasive penalties for infringements of these two Directives, Directive 93/13/EEC on unfair contract terms and Directive 98/6/EC on the indication of the prices of products offered to consumers. This Directive is due to be transposed into Irish law by November 2021.

#### **DIRECTIVE TO EMPOWER THE COMPETITION AUTHORITIES OF THE MEMBER STATES TO BE MORE EFFECTIVE ENFORCERS AND TO ENSURE THE PROPER FUNCTIONING OF THE INTERNAL MARKET**

Directive (EU) 2019/1 of the European Parliament and of the Council of 11 December 2018 to empower the competition authorities of the Member States to be more effective enforcers



and to ensure the proper functioning of the internal market was published on 14 January 2019. The Directive must be transposed into Irish law by 4 February 2021 and it is intended to transpose the ECN+ Directive by primary legislation.

The central aim of the ECN+ Directive is to ensure that National Competition Authorities (NCAs) have guarantees of independence, sufficient resources and appropriate powers of enforcement, including the ability to issue fines, for breaches of Articles 101 and 102 of the Treaty on the Functioning of the European Union. Alongside the application of Articles 101 and 102, the Directive also covers the parallel application of national competition law to the same case and the application of national competition law on a stand-alone basis. The Directive sets rules on mutual assistance to ensure close cooperation within the European Competition Network (ECN).

The Directive has the following specific objectives:

1. ensuring NCAs have effective investigation and decision-making tools
2. ensuring that NCAs are able to impose effective deterrent fines
3. ensuring that NCAs have a well-designed leniency programme in place which facilitates applying for leniency in multiple jurisdictions, and
4. ensuring that NCAs have sufficient resources and can enforce EU competition rules independently.

#### **REGULATION LAYING DOWN RULES AND PROCEDURES FOR THE MARKET SURVEILLANCE AND COMPLIANCE OF PRODUCTS**

Regulation (EU) 2019/1020 of the European Parliament and of the Council of 20 June 2019 on market surveillance and compliance of products and amending Directive 2004/42/EC and Regulations (EC) No 765/2008 and (EU) No 205/2011 was published on 25 June 2019.

The Regulation aims to strengthen enforcement powers of market surveillance authorities, particularly on products sold online, and to strengthen controls at external borders. The Regulation also aims to cover new supply chains and address online sales as well as improving compliance with EU law. Some of the provisions in the Regulation will apply from 1 January 2021, while the rest will apply from 16 July 2021.

#### **PROPOSED LEGISLATION ON THE RESALE OF TICKETS**

The Second Stage of the Prohibition of Above-cost Ticket Touting Private Members' Bill commenced in Dáil Éireann in Government time on 31 January 2019 and concluded on 21 February 2019 with the Bill's referral to the Select Committee on Business, Enterprise and Innovation. Departmental officials had extensive engagement throughout 2019 with the Office of the Parliamentary Counsel 2019 on the drafting of the required amendments to the Bill. These amendments are expected to be finalised in early 2020.

### **CONSUMER PROTECTION (GIFT VOUCHERS) ACT 2019**

On 12 June 2018, the Government approved the drafting of the Unfair Contract Terms (Gift Vouchers) Bill.

The Consumer Protection (Gift Vouchers) Bill was initiated in Seanad Éireann on 19 December 2018. The Bill sought to amend the Consumer Protection Act 2007 to provide additional protections for consumers who purchase or receive gift vouchers. It provided that gift vouchers supplied by a trader to a consumer should be subject to an expiry date of not less than five years. It also addressed unfair contract terms relating to gift vouchers that had come to light during the public consultation regarding, first, a requirement imposed by some businesses that gift vouchers be spent in full in a single transaction and, secondly, the cancellation of vouchers or the imposition of fees where the name of a gift voucher recipient is given incorrectly or has to be altered.

The Bill passed through all Stages in Seanad Éireann in January 2019. Dáil Éireann approved three substantive additions to the Bill. The first prohibits contract terms that place a limit on the number of gift vouchers that can be used in a single transaction. The second provides that where a gift voucher contract provides for the replacement of a lost or stolen voucher, the replacement voucher should have the same expiry date as the original voucher. The third provides for an exception to the doctrine of privity of contract which restricts rights and obligations under a contract to the parties to the contract. As gift vouchers of their nature are normally redeemed by their recipients rather than their purchasers, it is necessary to ensure that the recipient of a voucher can exercise the same rights under the contract as its purchaser, including rights included in gift voucher contracts by the Act. The amended Bill was signed into law by President Higgins on 19 November 2019 and commenced on 2 December 2019.

### **DIRECTIVE (EU) 2019/1151 AMENDING DIRECTIVE (EU) 2017/1132 AS REGARDS THE USE OF DIGITAL TOOLS AND PROCESSES IN COMPANY LAW**

The Directive on digital tools was published in the Official Journal on 11 July 2019 and entered into force on 31 July 2019, with a transposition date of 1 August 2021. The Directive is part of the EU Company Law Package: making the best of digital solutions and providing efficient rules for cross-border operations. The objective of the Directive is to apply digital solutions to allow online access to business registers, for companies registering and providing information, as well as access to such information for third parties. EU Company Law Expert Group meetings on transposition and an implementing Act will continue throughout 2020.

### **COMPANY LAW REVIEW GROUP (CLRG)**

The Company Law Review Group (CLRG) is an expert advisory group charged with advising the Minister on company law matters. It operates from a two year work programme, determined by the Minister and the secretariat is provided by the Department.

The CLRG completed a substantial piece of work from its work programme in 2019 in making its recommendations as how to enhance the regulation and governance of receivers in the Companies Act 2014. This is now being considered by the Department.

The CLRG also conducted a review of the operation of the Summary Approval Procedure and its subsequent report is expected to be submitted to the Minister shortly. There is a strong focus on insolvency in the [CLRG Work Programme 2018-2020](#) and consideration of the area is ongoing. The Corporate Insolvency subcommittee of the Group is currently preparing a response to the Department's public consultation on the transposition of Directive (EU) 2019/1023 of the European Parliament and the Council on preventive restructuring frameworks, insolvency and discharge of debt.

The CLRG is also mandated, as part of its work programme, to examine and make recommendations on whether it will be necessary or desirable to amend company law in line with recent case law or submissions received in relation to the Companies Act. In this regard the Group has been actively involved in the consideration of the potential company law amendments required to facilitate the migration of participating securities post-Brexit and will make a submission to the Department in early 2020.

#### **HALLMARKING (AMENDMENT) ACT 2019**

The Act provides for a number of amendments such as; inclusion of palladium to the list of precious metals, provisions to allow for the hallmarking of multi-metal articles and responsibility for the approval of sponsor's marks to remain with the Assay Master.

The provisions of the Act were implemented by way of three new Statutory Instruments which replaced those on the Statute Book as and from the 1st October 2019.

#### **DIRECTIVE (EU) 2019/1023 OF THE EUROPEAN PARLIAMENT AND COUNCIL ON PREVENTIVE RESTRUCTURING FRAMEWORKS, INSOLVENCY AND DISCHARGE OF DEBT**

The Directive, which was adopted in June 2019, seeks to harmonise aspects of national insolvency laws both for companies and for individuals. It is focused on specific areas of insolvency law 'early restructuring' opportunities (for businesses in financial difficulties which may not, or not yet, be insolvent) and ensuring a 'second chance' for 'honest entrepreneurs' who become insolvent without any fraud or malpractice.

The Directive must be transposed by 17 July 2021.

#### **GENERAL SCHEME OF THE COMPANIES (CORPORATE ENFORCEMENT AUTHORITY) BILL**

The General Scheme of the Companies (Corporate Enforcement Authority) Bill was published on 4 December 2018 and establishes the Office of the Director of Corporate Enforcement (ODCE) as an agency, in the form of a Commission, to be called the Corporate Enforcement Authority. The Bill builds on the organisational and procedural reforms that

have been implemented by the Director of Corporate Enforcement since 2012. Changing the structure of the ODCE from an office in the Department to a statutory agency will provide it with greater autonomy and flexibility to adapt to the challenges it faces in its investigation and prosecution of increasingly complex breaches of company law.

A stamped copy of the Bill was received from the Office of the Parliamentary Council on 24 July 2019. As pre-legislative scrutiny of the Bill was still underway any subsequent actions, such as publishing the Bill, awaited the outcome of that process.

#### **A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING DIRECTIVE (EU) 2017/1132 AS REGARDS CROSS-BORDER CONVERSIONS, MERGERS AND DIVISIONS**

A Directive amending Directive (EU) 2017/1132 on cross-border conversions, mergers and divisions was agreed in November 2019. The aim of the Directive is to simplify cross border rules and enhance the EU single market while providing for appropriate safeguards that discourage abuses and protect the legitimate interests of workers and other, minority shareholders and creditors. There is a three year timeframe for national transposition.

#### **REVIEW OF THE INDUSTRIAL AND PROVIDENT SOCIETIES ACTS, BUSINESS NAMES ACT 1963 AND TRADE UNION ACTS 1871 - 1990**

The Department continued a root and branch review of the Industrial and Provident Societies Acts 1893-2018 to consolidate and modernise the existing legislation and ensure an effective cooperative legislative framework suitable for the diverse range of businesses operating the cooperative model in Ireland. Following the completion of the comprehensive review of the legislative framework in 2019 a General Scheme of a Bill will be brought forward in 2020.

#### **PERSONAL INJURIES ASSESSMENT BOARD**

The Personal Injuries Assessment Board (Amendment) Act 2019 came into effect on 3 April 2019, with the aim of strengthening PIAB in terms of operational issues to ensure greater compliance with the PIAB process. The Act is an important measure to encourage more personal injury claims to be settled within the PIAB process. PIAB facilitates the objective assessment of damages at a much lower delivery cost and in a far shorter timeframe than through litigation. In 2019, PIAB processed claims within 7.8 months from date of consent to assess, to the date of award. This compares with several years for litigation.

Therefore, by encouraging more claimants to finalise their cases through the PIAB model rather than resorting to litigation should lead to cost savings in the claims environment. This is good for society as a whole as it delivers compensation more quickly, with lower costs and predictable outcomes.

#### **PERSONAL INJURIES COMMISSION**

The Personal Injuries Commission (PIC) completed its work with the publication in September 2018 of its Second and Final Report, following its approval by the Government. The PIC has made a total of 14 recommendations across its two reports, which are aimed at positively impacting the overall Irish claims environment. While they are not timebound, it is expected that they should be implemented as soon as possible by the relevant bodies. Of the 14 recommendations, 6 are completed, 1 has been superseded by the Judicial Council Act 2019 and 7 are ongoing. The Department monitors the implementation of the PIC recommendations and reports on same to the Cost of Insurance Working Group.

#### **TAKING CARE OF BUSINESS**

The Better Regulation Unit, in conjunction with the Health and Safety Authority and the Food Safety Authority of Ireland, held a Taking Care of Business event in Athlone in October 2019 at which around 200 members of the business community – including SMEs, start-ups and entrepreneurs – could engage face to face with over 30 state and public-sector agencies, offices and services to get advice and find out what help is available. The event was also supported by a number of private-sector representative bodies. Over 2,800 people have attended the series of these events held around the country since 2013.

#### **CONSTRUCTION CONTRACTS ACT, 2013 – REGULATION OF PAYMENTS UNDER CONSTRUCTION CONTRACTS AND STATUTORY ENTITLEMENT TO ADJUDICATION**

During 2019 there were 38 applications made to the Construction Contracts Adjudication Panel, for the appointment of an Adjudicator under section 6(4) of the Construction.

The Chair of the Construction Contracts Adjudication Service Dr. Nael Bunni submitted the third Annual Report on the implementation of the Construction Contracts Act, 2013 to Minister of State Pat Breen, T.D., in August 2019 and this report is available on the Department's website.

#### **NATIONAL METROLOGY**

The demand for calibration services remained steady for 2019, with 4,798 calibration certificates being issued during the year.

#### **LEGAL METROLOGY**

In 2019, legal metrology inspectors visited 4,269 premises, inspected 14,710 instruments and undertook targeted campaigns. At an average compliance rate of 88%, a high level of industry compliance is evident.

#### **MEDICAL DEVICES CERTIFICATION**

NSAI has progressed its application for designation under the new Medical Device Regulation to ensure the continuity of a comprehensive Medical Devices certification service for the sector.

#### **TRADE LICENSING AND CONTROL**

The Department administers EU and national Export Controls to prevent the proliferation of weapons of mass destruction, to support regional stability and to protect human rights. This regime is a key component of the business regulation framework for companies trading internationally from Ireland.

During 2019 the Department designated a full-time Compliance and Enforcement Officer for Export Controls who conducted 50 outreach and compliance visits to exporters.

In 2019, the Department administered 630 export licences for controlled goods, with a total value in excess of €3.5bn. The Department is responsible for enforcing trade elements of EU sanctions and enacted 23 Statutory Instruments to give full legal effect to new EU sanctions.

The Department implements EU surveillance requirements for imports of certain steel and aluminium products from third countries. In 2019, 1,030 import licences were issued.

The Department represents Ireland at EU and other international fora with responsibility for trade controls and actively contributes to the updating of relevant legislation, both national and EU.

## **Goal 6: WORKING AMBITIOUSLY ACROSS GOVERNMENT WITH OUR EU AND INTERNATIONAL PARTNERS TO ACHIEVE PROGRESS IN EU AND INTERNATIONAL FORA, ACROSS A WIDE RANGE OF INTERESTS, INCLUDING BREXIT**

### **ENGAGEMENT AT EU LEVEL**

During 2019, Minister Heather Humphreys, T.D. and Ministers of State Pat Breen, T.D. and John Halligan, T.D. represented Ireland's interests at the Trade and Competitiveness Councils respectively. Four Formal and two Informal meetings of the Competitiveness Councils, as well as two Formal and two Informal Trade Council meetings were held during the course of 2019 under the Romanian and Finnish Presidencies.

Issues progressed by the Competitiveness Council during 2019 included sustainable growth, the integration of the Single Market, the external dimension of EU Competitiveness, a modern industrial policy, artificial intelligence, a Digital EU economy, a Regulation on the Research and Training Programme of the European Atomic Energy Committee (2019-2020) complementing the Horizon 2020 Framework for Research and Innovation and a Regulation establishing the space programme of the Union.

Issues progressed by the Trade Council during 2019 included the adoption of a Framework Regulation on the Screening of Foreign Direct Investment, negotiations on free trade agreements with a number of third country partners, discussions on EU-US trade relations including the adoption of negotiating directives for trade talks with the United States (one on conformity assessment and one on the elimination of tariffs for industrial goods), the adoption of the negotiating directives for the EU position on the negotiations of an electronic commerce Plurilateral Agreement in the WTO, EU-China trade relations, implementation of EU trade agreements, Horizontal Bilateral Safeguard Regulation, and the conclusion of negotiations with the Mercosur countries. The text of the EU-Mercosur Agreement is currently undergoing 'legal scrubbing' and translation with a view to its submission to Council later in 2020.

Considerable work within the EU was also undertaken to further the WTO reform agenda. The Appellate Body of the WTO ceased to function as of 11<sup>th</sup> December 2019 and consultations to break the impasse will continue in June 2020 with individual EU Member States feeding into an EU-wide position on the issue. Ireland also continued to work with our EU partners to address a number of trade irritants with the United States, most notably in relation to the imposition of tariffs on certain EU exports to the United States in response to the WTO findings in the "Airbus" case.

In addition to representing the Department's and Ireland's strategic interests at Council, the Department's key EU interests were also pursued at the cross-Government level via the Department of Foreign Affairs EU Senior Officials Group and the Interdepartmental Group on



EU Affairs and Brexit, as well as, bilaterally through engagements with like-minded Member States and the European Commission.

The Department continued to engage at EU Committee and Working Party level to communicate Ireland's position on issues of Trade to ensure that the open, free and rule based multi-lateral trading system is supported and upheld. In that regard, between Dublin and Brussels we service multiple Committees and Working Groups, including Geneva insofar as the World Trade Organisation is concerned. We also take the lead role for Ireland in other international organisations' fora (UN, WTO) through its Permanent Representation Mission in Geneva, as well as the Organisation for Economic Co-operation (OECD).

The Minister briefed our business stakeholders on International Trade developments through the Department's Enterprise Forum during the year.

In keeping with the Department's EU Oireachtas Scrutiny obligations, the Department informed the Oireachtas on 35 EU proposals across a range of policy issues, 38 early warning reports and also met its obligation to submit two six monthly reports on EU developments.

#### **EU SINGLE MARKET IN SERVICES**

Throughout 2019, the Department continued its engagement at EU level, including with the European Commission and with other Member States, and in representing Ireland at relevant EU Working Groups and Committees on Single Market issues. It continued its efforts, in cooperation with likeminded Member States, to ensure that greater liberalisation in the cross-border provision of services in the EU Single Market features among the highest priorities of the new European Commission.

On the legislative front, the Department continued to draw together national positions on a proposal for a Regulation setting up a Single Market Programme within the EU's Multi-annual Financial Framework (MFF) for the period 2021-2027. This new programme is an aggregation of six existing EU funding programmes which are currently supported by 10 different EU budget lines, and which, at national level, fall within the policy remits of a number of Government Departments.

The Department also continued to manage the Irish Point of Single Contact website, which is an information and assistance resource for EU services providers seeking to provide services in Ireland. It is part of a network of websites across the European Economic Area (EEA) which aims to facilitate free movement of services within the Single Market. In 2019, the European Commission reviewed the Points of Single Contact of all Member States of the EEA and identified areas where the web-portals fell short of requirements. As the issues identified for Ireland cover both the Services Directive and the Professional Qualifications Directive (dealing with mutual recognition of specific qualifications across the EU), the Department is addressing those issues in cooperation with the Department of Education and

Skills and with a number of competent authorities who regulate access to parts of the service market in Ireland.

The Department also managed Ireland's contribution to other EU networks that contribute to the smooth functioning of the Single Market, including the SOLVIT and Internal Market Information (IMI) Systems, and raised awareness of these administrative tools among businesses and citizens. In 2019, the Irish SOLVIT Centre scored exceptionally well in the European Commission's Annual Report on the performance of national centres within the SOLVIT network. This included a doubling of the resolution rate for cases submitted to the Centre and Ireland's service was commended by the European Commission.

### **INVESTMENT SCREENING**

The European Union successfully adopted the Regulation for Establishing a Framework for the Screening of Foreign Direct Investments into the Union ((EU) 2019/452) in March 2019.

This Regulation establishes a framework for Member States to co-ordinate and share information in relation to the screening of foreign direct investment from 3rd countries. It will come into force in October 2020. It also allows the Commission to issue non-binding opinions in cases concerning several Member States, or when an investment could affect a project or programme of interest to the whole of the EU.

Under the Regulation, Member States are required to establish a National Contact Point (NCP) where information and enquiries can be exchanged between the Commission and Member States. The NCP will also be responsible for fulfilling the various reporting requirements set out in the Regulation.

The Department has established a dedicated Investment Screening Unit which will act as Ireland's National Contact Point. This Unit will also examine how best to implement the Regulation within an Irish context.

### **INTERNATIONAL LABOUR ORGANISATION (ILO)**

The Department leads on Ireland's engagement with the ILO<sup>3</sup>, a specialist UN agency. Ireland is serving a three year term as a Titulaire member (with speaking and voting rights) of the Governing Body. National positions on the Governing Body (GB) agenda are coordinated through an Interdepartmental Group, which brings together Departments with policy responsibility for items on the GB's wide-ranging agenda. A key feature of the work of

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<sup>3</sup> In June 2017, Ireland was elected as Titulaire member of the ILO Governing Body (GB) for the period 2017-20. This is the first time Ireland has been elected to a Titulaire seat (one with speaking and voting rights) since we joined the ILO in 1923. Ireland is also Regional Coordinator of the ILO Western European Group.

the Group is the involvement of the Social Partners, to reflect the fact that the ILO is a tripartite organisation.

2019 was a significant milestone for the ILO as it celebrated its centenary year. To mark the occasion, in September the Department in partnership with NUI and the social partners hosted a National Centenary Conference in Dublin Castle which was opened by President Higgins and addressed by ILO Director General, Mr Guy Ryder and Nobel Laureate, Mr Kailash Satyarthi.

In February Ireland became the 29<sup>th</sup> country to ratify the ILO Forced Labour Protocol making us part of the ILO “50 for Freedom” campaign and demonstrating Ireland’s commitment to tackling forced labour in all its forms.

The Department led a tripartite delegation to the Centenary International labour Conference where Ireland’s prominent role included chairing the Committee on Application of Standards (CAS), which is an integral part of the ILO supervisory system where complaints against country’s adherence to ILO conventions are heard.

#### **TRADE AGREEMENTS AND TRADE MISSIONS**

In 2019, the Department, on behalf of Ireland, worked closely with the European Union Commission and Member States to bring several trade agreements to a successful conclusion.

The EU-Japan Economic Partnership (EPA) entered into force on 1 February 2019. This ambitious trade agreement is a landmark achievement for the EU and Japan, who together account for more than one third of the world’s GDP.

The EU-Singapore Free Trade Agreement (FTA) came into effect on 20 November 2019. The EU-Singapore FTA will eliminate nearly all import duties on EU-Singapore trade within five years of its entry into force. The Agreement will also address non-tariff barriers to trade through measures such as better facilitation of exports of EU animal products. The Agreement will also provide opportunities for Irish-based service providers through greater market access.

On the 30 June 2019, the EU and Vietnam both signed their (FTA and Investment Protection Agreement (IPA) in Hanoi. It is expected the FTA will come into force in early 2020. The EU-Vietnam FTA will eliminate over 99% of tariffs and will unlock a market with huge potential for Irish exports. The FTA will also create opportunities by addressing other barriers to trade and will address trade-related areas such as public procurement, regulatory issues, competition, services, investment, intellectual property rights and sustainable development.

During 2019 negotiators from the EU and Mexico continued their work to resolve the remaining technical issues towards finalising the full legal text of the modernised EU-Mexico Global Agreement. The new Agreement will expand the existing agreement to include

regulatory cooperation, additional trade in agriculture and public procurement. The Agreement will provide a platform to increase Irish exports to Mexico, including for Ireland's important Agri-food sector especially for dairy, pork and beef products. Negotiations for separate Free Trade Agreements with Australia and New Zealand continued in 2019 with the expectation of reaching an agreement in both negotiations in 2020.

The Department also continued to work with the European Commission and Member States to ensure that Ireland's interests are promoted and safeguarded in other ongoing EU trade negotiations, such as with Chile and Indonesia, as well as in the development of new EU trade defence legislation and a European framework for the screening of foreign direct investments coming into the EU.

Following conclusion of the EU-Mercosur Association Agreement negotiations in June 2019, an Economic and Sustainability Impact Assessment of the EU-Mercosur trade deal was tendered for by the Department in December 2019 in conjunction with Department of Agriculture, Food and Marine. The impact assessment is due to be concluded in advance of the November 2020 Trade Council, where it is expected the formal legal texts of the Agreement will be put forward to EU Ministers for approval.

#### **WORKING CLOSER WITH OUR AGENCIES TO ACHIEVE TRADE AND INVESTMENT GOALS**

Growing protectionism in international trade markets, the weakening of the multilateral trading architecture, the development of major global trade disputes, and the threat of Brexit have, in recent years, significantly increased the policy development inputs required from the Department. The foregoing factors brought a new focus on our national performance in terms of winning exports and inward investment and the need to increase our efforts in this regard. As an initiative to anticipate rather than react to global developments, and to address the challenge of increased competition in overseas markets and for mobile investment, the Department established a new Trade & Investment Implementation Unit in 2019.

Throughout 2019 the new Unit worked closely with the enterprise agencies of the Department to reinforce delivery of our goals of sustainable export growth and diversification and of strong inward investment. Enhanced coordination between the Department and its agencies, particularly at senior management level, resulted in the development of even greater synergies between the Department's mandates in the areas of enterprise development, innovation, trade policy and negotiations, inward investment and the strong performance of our agencies at home and overseas.

Ministerial-led Trade and Investment Missions support the Government's major drive towards market diversification and continue the drive to maintain and attract further overseas investment. In 2019 there were 56 Ministerial-led Trade Missions and Trade events focused on promoting the innovative capabilities and competitive offerings of Irish companies to international buyers in sectors including internationally traded services, fintech, high-tech construction, engineering, ICT and lifesciences. These Missions are just one part of a

comprehensive programme of international trade events delivered by the Department's Enterprise Agencies, giving Irish companies the opportunity to meet with potential buyers and network with key influencers in countries around the world.

While the UK will continue to be a very important market for Irish exporters, the Department is keen to ensure that new opportunities are created for Irish companies wishing to expand their presence or, indeed, introduce their products to new markets. In that regard the majority of trade missions in 2019 took place to the Eurozone, North America, the Gulf and Asia Pacific, regions which represent the strongest growth opportunities for Irish companies.

### **EU STATE AID REGIME**

Adherence to State Aid rules remained a priority for the Department in 2019. The Department, in its capacity as the National Contact Point for overarching State Aid policy, continued disseminating information and providing training on the State Aid regulations across Government Departments and the Department's enterprise agencies. In addition, as the liaison point for all communications issuing to and from DG Competition, the Department coordinated Ireland's position on State Aid issues during the course of 2019.

The objectives of the EU's State Aid Modernisation initiative are to foster growth in a strengthened, dynamic and competitive internal market, to focus enforcement on cases with the biggest impact on the internal market and to streamline the state aid rules, including the speed of decision-making by the Directorate General for Competition.

In 2019 the Commission proposed a roll over of existing State Aid rules for a further period of 2 years to 2022. As part of this process, and in accordance with Better Regulation Guidelines, the Commission is required to evaluate the existing rules in the form of a "fitness check". In early 2019 DG Competition launched a targeted consultation on a series of state aid regulations and guidelines including De Minimis Regulation and the General Block Exemption Regulation along with a number of key state aid guidelines. The Department led on Ireland's participation in this fitness check process.

### **EU DIGITAL SINGLE MARKET STRATEGY**

Now that 28 of the 30 legislative proposals of the 2015 Digital Single Market Strategy have been agreed, there is a focus on the next stage of the process – DSM 2.0. There is an ambition for a more integrated, more equitable and more digital Single Market that facilitates economic and social convergence in the European Union. This will reflect the European Commission's approach towards ensuring that the Single Market plays a decisive role in increasing competitiveness in the European Union. The next iteration of the DSM will aim at removing the remaining barriers within the single market and providing a fair and competitive framework for European consumers and companies.

A meeting of the D9+ countries took place in the Netherlands in April 2019 with the theme of online platforms. The D9+ is a Ministerial level meeting of like-minded countries who meet to discuss DSM issues. The D9+ comprises the nine top-ranked European countries in the

European Commission Annual Digital Economy and Society Index (DESI). Ireland also participated at the D9+ in Poland in December, where the focus was on a review of the eCommerce Directive and the merit of an updated, future-proof Digital Services Act for the EU. Other engagements included the OECD Going Digital Summit in March where key insights and policy messages were presented.

### **BREXIT PREPARATIONS**

In 2019, DBEI's Brexit Unit continued extensive work to ensure a coordinated and coherent approach to Brexit across the Department and our Agencies. This included liaising with other Government Departments and agencies of the State in the context of Brexit preparedness and contingency planning for all Brexit scenarios, including a no-deal Brexit to ensure that Departmental interests were to the fore in Government's preparations. These inputs were included in the updated Government Brexit Contingency Action Plan published in July 2019 and in the Brexit Omnibus Bill 2019.

In March 2019, the Withdrawal of the United Kingdom from the European Union (Consequential Provisions) Act 2019 (Brexit Omnibus Act) was signed into law by the President. The Omnibus Act, which was made up of 15 parts, complemented legal measures at EU level and focused on measures protecting our citizens and supporting the economy, enterprise and jobs, particularly in key economic sectors. The Department drafted Part 3 of the Omnibus Act which enabled Enterprise Ireland to further support businesses through investment, loans and RD&I grants as part of the response to assist Irish businesses to remain competitive and extend their global footprint. This legislation was not commenced, as a no-deal Brexit was avoided. However, the legislative proposals in Part 3 of the Omnibus Act were required to cater for all Brexit scenarios, rather than just a no-deal Brexit, and the Department moved to take the EI amendments as a stand-alone Bill. As such, the Industrial Development (Amendment) Bill 2019 was enacted in December 2019.

Intensive engagement with the Department's stakeholders was a key feature of the Unit's work in 2019 involving Ministerial engagement through key stakeholder groups such as the Enterprise Forum on Brexit and Global Challenges and the Retail Consultation Forum. A number of Ministerial led seminars in conjunction with the Accountancy Bodies of Ireland and covering a number of counties in the border regions most likely to be Brexit impacted were organised in the latter part of 2019. The seminars involved participation by key agencies of State, including enterprise agencies and regulatory bodies under the Department's remit. The events covered a broad range of important topics to help businesses prepare for Brexit such as customs, supply chain, cashflow and product conformity.

In addition, and to further assist firms, the Unit developed a checklist of key actions for businesses to become Brexit ready and these were distributed widely among stakeholders as well as at the Brexit specific events and published on the Department's website.

Over 220,000 companies on the Companies Registration Office (CRO) register were contacted and advised of the array of supports and the organisations available to assist them with their Brexit preparations. This initiative through the CRO was just one of the many channels and campaigns that the Unit engaged in to communicate with businesses on key Brexit messages.

#### **BREXIT & CHEMICAL IMPORTS**

Throughout 2019 the Department, in conjunction with the Health and Safety Authority, continued to support the Government's "Getting Ireland Brexit Ready" initiative to highlight the potential impacts for Irish industry. In particular, potential impacts arising for industry in relation to the sourcing of chemicals and the importing of products continued to be highlighted throughout 2019 as industries might face increased regulatory duties and obligations.

#### **BREXIT RESEARCH**

Over the course of 2019, the Department published a number of studies that add to our understanding of the impact of Brexit on sectors and regions.

- Shock absorption Capacity of Firms in Ireland and Northern Ireland (March 2019): This report forms part of a study undertaken on behalf of InterTradeIreland by the ESRI on how the capacity of firms to absorb shocks can be assessed using detailed firm-level patterns of risk exposure across Ireland and Northern Ireland.
- Analysis of UK "No Deal" Tariff Schedule in the Context of Cross-Border Trade (October 2019): InterTradeIreland commissioned the ESRI to review the implications of the proposed new UK tariff schedule on cross-border trade.

#### **BREXIT MITIGATING MEASURES FOR SME'S**

##### **BREXIT LOAN SCHEME**

The Brexit Loan Scheme was launched in March 2018, in partnership with the Department of Agriculture, Food and the Marine and the European Investment Bank. The Scheme provides affordable financing to eligible Irish businesses with up to 499 employees that are either currently impacted by Brexit or will be in the future. Through a combination of State and EU guarantees, the Scheme leverages up to €300m of lending to eligible Irish enterprises at a maximum interest rate of 4% with a cost to the Exchequer of €23m. The Scheme is open both to State Agency clients and those businesses that do not have any relationship with State Agencies. The Scheme is delivered by the Strategic Banking Corporation of Ireland (SBCI) through commercial lenders to get working capital into Irish businesses. To the end of 2019, there were 926 applications for eligibility under the scheme, of which 832 were approved. Of those, 234 had progressed to sanction at bank level to a total value of €47.85m. The Brexit Loan Scheme is an important safety net for businesses in the event of a hard Brexit.



#### **FUTURE GROWTH LOAN SCHEME**

The Future Growth Loan Scheme, launched in March 2019, is a €300m loan fund available to eligible Irish businesses and the primary agriculture and seafood sectors to support strategic long-term investment. Finance provided under this scheme is easier to access, more competitively priced, and offered at more favourable terms than other lending for such businesses. Loan amounts are offered of between €100,000 (€50,000 for agriculture) to €3m with unsecured loans up to €500,000. Loans are for terms of between 8 and 10 years – addressing a gap in the market for longer term finance. The scheme is jointly funded by the Department of Business, Enterprise and Innovation and the Department of Agriculture, Food and the Marine and the European Investment Bank (EIB). The scheme opened for eligibility application through the SBCI on 17 April 2019.

This scheme has been well received in the market such that at the end of 2019 there had been 2,623 approved applications for eligibility under the scheme. Of those, 719 had progressed to sanction at bank level to a total value of €139.33m.

#### **BUDGET 2020 CONTINGENCIES FOR BREXIT**

In Budget 2020, contingencies were also confirmed towards supporting enterprise in the event of a No Deal Brexit. The Department of Business, Enterprise and Innovation will have immediate access to an emergency support package of €110m in the event of a No Deal Brexit and the aid package includes:

- A €42m Rescue and Restructuring Fund offering up to €10m to individual applicants in the form of loans or State equity stakes. This fund is for the worst-case scenario and would be used to rescue firms with acute liquidity or insolvency problems and support them to put a restructuring plan in place to adjust to their new reality.
- A €45m Transition Fund would provide a mix of loans, grants and State equity investments to manufacturers and firms in the internationally traded services sector, with maximum aid per business of €1m.
- Lastly, an €8m Transformation Fund would provide grants to firms, especially food processors, to innovate and open new markets.
- The €110m package includes pledges to increase funding of Microfinance Ireland - the agency supplying loans to firms employing fewer than 10 workers - by €5m. A further €5m would be distributed by the State's 31 Local Enterprise Offices in grants of up to €50,000 each. InterTradeIreland and a host of regulatory bodies - including National Standards Authority, the Irish National Accreditation Board, the Competition and Consumer Protection Commission, and the Health and Safety Authority - would share a further €5m in extra funding.

#### **BREXIT AWARENESS AND PREPAREDNESS**

The Department gauges Brexit preparedness across the SME base by means of its series of Brexit SME surveys, which provide insights into the extent and type of Brexit preparations being put in place by businesses. Further monitoring, collation and dissemination of the

levels of engagement with Brexit supports facilitates the development of insights into the impact of Brexit on business.

In addition to online resources, a number of leaflets and booklets were produced to ensure that businesses are as prepared as possible for the impacts arising as a result of Brexit. These included the “Quick Brexit Guide for Business: Customs, tariffs and duties, currency, imports, certification, working capital, financing” and “Currency Risk Management for Irish SMEs.” Given the demand, the Quick Brexit Guide for Business has been reprinted a number of times. Where appropriate, information has been updated to reflect the changing circumstances of the UK’s exit from the EU. The Department’s website was also updated to include guidance on Getting Your Business Brexit Ready.

Beyond these, the Department also produced a comprehensive guide to the range of different supports for businesses seeking financing, “Access to finance supports for SMEs and microenterprise” and “Overview of Government Supports for Indigenous Business,” which offers businesses a more complete overview of the full suite of supports in place for businesses across all Government Departments and agencies.

#### **BREXIT PREPARATIONS ACROSS THE ENTERPRISE AGENCIES**

The Department led and coordinated the Brexit response across our Agencies. This response focussed on maintaining sustained awareness and preparedness of companies to Brexit and in supporting firms to start exporting, to grow their exports in existing markets and to diversify into new markets. Specific highlights include;

#### **ENTERPRISE IRELAND**

Enterprise Ireland’s Strategy 2017-2020 represents a strategic response to Brexit aiming to grow more resilient Irish companies by building scale and expanding reach.

To support client companies, navigate potential emerging challenges, Enterprise Ireland has engaged in a programme of:

- building resilience in Irish exporting companies focused on innovation, market diversification and competitiveness, and
- addressing the awareness and preparedness of companies to Brexit.

In 2019, Enterprise Ireland:

- Supported the creation of 16,971 new jobs by client companies across Ireland; over 99 new market presences into the Eurozone; 1,554 new overseas contracts were secured by client companies;
- published its Seed and Venture Capital 2018 Report. In the 25 years since the Seed and Venture Capital Scheme launched, the cumulative total invested in companies amounts to €1.34bn;
- published a new regional strategy, Powering the Regions aimed at driving balanced regional development - €45m was made available under the Regional Enterprise

Development Fund (REDF) 3 and €4.6m was administered under the Regional Technology Clustering Fund;

- launched the Focus on Finance offer to assist as part of Brexit planning in the development of a detailed financial and business plan;
- continued the roll out of the new Market Discovery Fund to provide supports to businesses to research viable and sustainable new market entry strategies;
- Brexit Advisory Clinics and Webinar series - in 2019, a further 6 Brexit Clinics run throughout the country and 6 Webinars developed with a focus on the following areas: Financial and Currency management; Strategic Sourcing; Transport and Logistics, Movement of People and GDPR. This clinic series included over 250 one-to-one meetings with consultants and 1011 companies participated in Brexit clinics and webinars;
- continued rollout of the Act On Programme, provided an independent consultant to companies for a course of two half day sessions focusing on (1) Financial and Currency Management (2) Strategic Sourcing and (3) Customs and Logistics;
- 'Getting Ireland Brexit Ready' events – participated in these Government organised events around Ireland to inform and advise about Brexit preparedness and the range of support measures across agencies. 6 events were held in Cork, Galway, Monaghan, Dublin, Limerick and Letterkenny;
- introduced and administered the Clear Customs Financial Support to help address the costs of building customs processing capability within business;
- provided Enterprise Ireland Customs Insights training to 2,000 companies.

#### IDA IRELAND

In 2019 IDA Ireland continued to work directly with its existing clients to help address the challenges while also seeking to maximise new Brexit-related opportunities.

During 2019, the IDA sought to reinforce its overseas footprint in order to strengthen its Brexit response. The Agency has restructured its European operations, and continental European business is now managed from Frankfurt and the UK is now treated as a separate territory. The IDA also opened a new Toronto office and as part of efforts to extend opportunities arising in existing FDI markets and target opportunities in new non-traditional FDI markets, the Agency has established a Pioneering Markets team to target investment opportunities in new markets such as Turkey, Israel, South Africa and UAE.

IDA launched an international campaign in key markets in June 2019 to remind current and potential investors that Ireland's investment proposition remains strong and independent of political actions taken in the UK. In addition to developing its suite of financial and non-financial tools, the Agency has evolved its marketing strategies in order to best highlight Ireland's suitability for companies seeking to maintain EU market access into the future. A marketing campaign to raise awareness of Ireland as a trade and investment location in

Japan and in the Asia-Pacific region coincided with the Rugby World Cup 2019, and a joint IDA-EI trade mission to Japan.

At year end, IDA Ireland had reported winning approximately 90 Brexit-related investments with employment potential of more than 5,500 roles over the next two to three years. The jobs and projects secured to date span a cross section of the economy including Life Sciences, Technology, Business Services, Financial Services, and Engineering. The IDA continues to actively work with its clients to help address Brexit-related concerns and to capitalise on Brexit-related opportunities.

#### LOCAL ENTERPRISE OFFICES (LEOs)

Brexit supports through the 31 Local Enterprise Office throughout the country are focused on information and awareness, market diversification, increased competitiveness and promoting innovation. As well as Brexit, related mentoring and training the LEOs have also delivered specific Brexit initiatives for micro-enterprises, including:

- 6,847 participants attended Brexit Information events aimed at core and non-core clients;
- encouraged clients to participate in the Enterprise Ireland Brexit Roadshows;
- Technical Assistance Grants for Micro Export to the suite of grants to incentivise clients to explore and develop new market opportunities. 424 clients were approved assistance under this measure in 2019. Lean4Micro offer for micro enterprise clients identifies issues and potential improvement areas enabling enterprises to achieve savings and improvements in capability and capacity to deliver. In 2019 the LEOs had 278 client participants in the programme.

#### INTERTRADEIRELAND (ITI)

As the SMEs assisted by ITI may be significantly impacted by Brexit, the Department once again provided additional funding to ITI in 2019. This enabled ITI to further enhance the:

- Brexit Advisory Service which provides a range of tailored supports. In total the Brexit Advisory Service engaged directly with over 5,416 SMEs across the island.
- 'Brexit Start to Plan Vouchers' valued at €2,250, to enable companies to obtain specialist advice on issues such as currency planning, tariffs and customs, regulatory requirements and taxation issues. In 2019, ITI received 1,283 applications for "Start to Plan" Vouchers for SMEs.
- In March 2019, ITI launched a new Brexit Implementation voucher. This provides financial support up to €5,625, with ITI meeting 50% of the cost. This voucher allows businesses to implement critical changes identified in the stage one process – making them better prepared to deal with a new trading relationship. In 2019 ITI received 60 applications for Implementation Vouchers.

#### **NATIONAL STANDARDS AUTHORITY OF IRELAND (NSAI)**

As Ireland's National Standards Body, NSAI's focus in terms of Brexit is to examine the risks and opportunities for businesses in terms of product certification and the application of EU, ISO and British standards post-Brexit.

NSAI have developed information supports to help Irish businesses in their preparations to minimise the impact of Brexit, protect their supply chains and to maintain access to the UK market.

In 2019 the NSAI introduced several initiatives including:

- NSAI Brexit Information Workshops in Cavan, Monaghan and Belfast.
- NSAI Construction Workshops in Cork and Limerick
- D/HPLG Construction Briefing sessions for key stakeholders in the Construction Sector.
- NSAI Brexit Fact Sheets in key sectors for Construction, Agri-food, Green Procurement, Medical Devices and Product Certification
- A dedicated NSAI Brexit portal on NSAI website and a dedicated Brexit Unit email address for Brexit queries.
- Brexit talks at Enginex and ELECTEX Conferences

NSAI supported the Government programme through:

- 'Getting Ireland Brexit Ready' events through participation in workshop events around Ireland to inform and advise about Brexit preparedness and the range of support measures across agencies.

#### **EUROPEAN METROLOGY PROGRAMME FOR RESEARCH**

NSAI's National Metrology Laboratory (NML) is a partner in the European Metrology Programme for Innovation and Research (EMPIR) which coordinates research projects to address large scale challenges in health, energy, environment and industry in addition to building research capacity throughout EU member states.

During 2019 NSAI's National Metrology Laboratory participated in four EMPIR collaborative research projects, coordinating one of these projects. NSAI were also a member of the successful consortium for one of the funded projects in the 2019 Call. This project will commence in mid 2020.

In 2019, NML was co-author on three scientific papers. Two of the papers were presented at the IMEKO world temperature and humidity conference in Chengdu, China and also published in the international scientific journal "Measurement Science and Technology" while the third paper on "Practical precision electrical impedance measurements for the 21st Century" was presented at Congres International de Metrologie in France.

Capacity Building is also a key element of the EMPIR programme and NSAI's Head of NML was elected as Convenor of EURAMET's Working Group for Capacity Building (WG-CB). The objective of this working group is to underpin the vision of a coherent, efficient, sustainable and integrated European metrology network by assisting all EURAMET members in the development of their national metrology infrastructure and encouraging research and innovation.

## **Goal 7: INVEST IN AND SUPPORT OUR STAFF TO FURTHER ENHANCE INDIVIDUAL AND COLLECTIVE CAPACITY ENSURE HIGH STANDARDS OF CORPORATE GOVERNANCE AND OPTIMISE ALL OUR RESOURCES TO DELIVER OUR STRATEGY, MISSION AND GOAL**

The Corporate Services Division brings together the cross departmental areas of Governance, Human Resources, IT, Finance, Communications and Business Services.

### **ORGANISATION CAPABILITY REVIEW**

The Civil Service Renewal Plan (Action 20) provides for a programme of capability reviews across Government Departments.

An independent Capability Review Team undertook the review in conjunction with staff of the Department, its Offices and Agencies and a range of external stakeholders. The review methodology focused on 4 key areas of Leadership, Strategy, Delivery and Organisational Capability.

The Department's Capability Review was completed in December 2018 and it, along with the Department's Implementation Plan in response to the findings, was noted by Government in April 2019. Both documents are published on the Department's website.

The main findings of the review were very positive. It acknowledged that the Department has a strong record of delivery across its various strategic and business objectives over recent years and is well regarded across Government. The Review made a number of recommendations, many of which the Department addressed during 2019 and others which we will progress further during 2020.

### **OPTIMISING OUR ACCOMMODATION CAPACITY AND FORMULATING THE DEPARTMENT'S INTERNAL RESPONSE TO THE CLIMATE ACTION CHALLENGE**

During 2019 the Department undertook, in conjunction with the Office of Public Works, a range of initiatives to further optimise our accommodation capacity in the Kildare Street, Dawson Street and Earlsfort Centre buildings. Such works also help to underpin the Department's internal response to the climate action challenge through our "Resource Efficiency Action Plan 2019/20" (REAP).

### **RESOURCE EFFICIENCY ACTION PLAN 2019/20**

The Department's Resource Efficiency Action Plan sets out over 50 different actions that we are undertaking internally across our buildings and the focus is on 4 thematic areas of Energy, Waste Management, Water usage and Ecology/Plant life. The REAP is driven by a very active internal "Green Team" comprising of over 30 members across the Department and its Offices who work collaboratively to raise awareness on "Green" issues. The "Green Team" also help to foster new initiatives such as the centralising of food waste, consolidation



of general waste bins, reduction of water usage, enhanced recycling and increasing the level of plant life in our buildings, where possible. The REAP is published on our website at <https://dbe.gov.ie/en/Publications/DBEI-Resource-Efficiency-Action-Plan.html>

#### **ENERGY PERFORMANCE 2019**

The Sustainable Energy Authority of Ireland (SEAI) publishes an annual report on public sector energy efficiency. The 2019 SEAI data shows that we have delivered 49.5% in energy savings since the baseline year (2009) and well in excess of the initial 33% target set for public bodies.

#### **USING TECHNOLOGY TO SEEK EFFICIENCIES AND IMPROVE CUSTOMER SERVICE**

In March 2019 the Department introduced an e-Invoicing system by which electronic invoices can be received and processed ensuring compliance with the European Directive on e-Invoicing (2014/55/EU) for Government Departments.

The Department completed a number of new ICT initiatives during the year to enhance the delivery of services to our customers. These included the launch of new services for the Registry of Friendly Societies and the inspection and enforcement functions of the Workplace Relations Commission. Enhancements were also delivered to the Employment Permits Management Service to optimise processing efficiency.

Internally, a number of initiatives were undertaken to improve the effectiveness of internal operations, including the launch of a new corporate intranet to support more collaborative working and the establishment of an enhanced ICT project oversight function for monitoring progress on ICT projects. Enhancements were also made to the Department's employment survey system, to increase efficiency of the annual employment survey process. Projects were also completed to deliver greater security oversight of the Department's systems and to deliver greater system resilience.

#### **COMMUNICATIONS**

During 2019 the Communications Unit continued its role of effectively communicating the work of our Ministers and the Department to our stakeholders, the media and the public, as well as supporting effective communications internally in DBEI.

Following a competitive tender process, the Unit engaged a graphic design company on behalf of the Department last November, thereby centralising the production of graphic design work.

The Communications Unit continues to build capacity for content production across a broad range of media platforms and to develop and expand staff skillsets in order to better support the work of the Ministers and Departmental colleagues. In-house videography and photography production were a primary focus for the Unit in 2019, with 36 of the 54 videos posted to DBEI social media accounts produced internally.

In 2019, the Press Office issued 107 press releases and contributed to a further 208 press releases. The Press Office also dealt with a comprehensive range of journalist queries during the year. The work of the Department, Ministers, its offices and agencies featured in 11.6k stories in print media as well as 43 TV segments and 509 radio spots.

The Press Office also led with the organisation and management of a number of national external campaign launches and events for the Department. This included supporting Brexit information sessions across the country, events to launch and promote Future Jobs Ireland 2019, the roll out of the Regional Enterprise Plans, the launch of the Future Growth Loan Scheme, the launch of Ireland's Space Strategy for Enterprise, the launch of Call 2 of the Disruptive Technologies Innovation Fund (DTIF), co-ordination of the Department's presence at the National Ploughing Championship, the launch of the OECD Review of SME and Entrepreneurship policies in Ireland, the launch of the Industry 4.0 Strategy and the announcements of the amendments to Gift Voucher Legislation and the General Scheme of Employment Permits Bill.

The Communications Unit oversees the content for the Department's intranet and manages the Department's website.

The Unit also supported colleagues with internal and stakeholder events, advising on branding and assisting with photography and social media support. Examples of this were the CSR Leaders' Breakfast in Smock Alley Theatre in June and the *Countess Markievicz Conference – Celebrating Women Leaders in Ireland* in the House of Lords Chamber, College Green in November 2019.

In 2019, the Department's Twitter account (@EnterInnov) following grew by 14% to 23,000 and DBEI tweets received over 6m impressions. Regular tweet topics included Brexit supports, Future Jobs Ireland and the DTIF.

The DBEI LinkedIn account also experienced strong growth in 2019, starting the year with 4,700 followers and doubling to approximately 9,600 followers by the end of the year. DBEI has become the second-most followed Government department on LinkedIn after the Department of Finance. The 20 videos posted to LinkedIn throughout the year received over 19k views collectively.

## CORPORATE GOVERNANCE

### Governance Framework

The Department's Governance Framework is aimed at providing assurance that good governance policies and practices are embedded in the Department. It sets out what we mean by governance, why it is important, how the Department does its work and how it operates to deliver on its mandate and functions. It ensures that the way the Department takes decisions and implements policies is more transparent to the public and, of equal importance, to the staff within the Department. An updated and revised Governance Framework 2019 was published in March 2019.

### **Compliance Framework**

The Corporate Governance Standard for the Civil Service proposed that, as an accompaniment to the Governance Framework, Government Departments should develop a Compliance Framework. This Framework provides an overview of all compliance assurance activity in the Department and identifies where responsibility for each compliance obligation lies. The DBEI Compliance Framework 2019 was published in March 2019.

### **Risk Management**

A series of risk awareness training sessions were provided during 2019 for staff at Principal and Assistant Principal grades. The training course was developed and delivered by Governance & Management Support Unit staff.

### **INTERNAL AUDIT**

Based on internationally accepted standards adopted for the Civil Service by the Department of Public Expenditure and Reform, the Internal Audit Unit functions provided assurance to the Secretary General and advice regarding the Department's financial and other internal processes and procedures during 2019.

### **GENERAL DATA PROTECTION REGULATION (GDPR) & DATA PROTECTION ACT 2018**

The General Data Protection Regulation (the "GDPR") came into force on 25th May 2018. It provides enhanced data privacy rights for individuals (i.e. data subjects) while emphasising the importance of transparency, security and accountability in all data processing activities involving Personal Data. The GDPR significantly increases the obligations and responsibilities for organisations and businesses in how they collect, use and protect Personal Data.

Throughout 2019, a full time Data Protection Officer (DPO) continued to work with Business Units across the Department and its Offices in reviewing their personal data practices, assisting in the formulation of new policies and protocols and in providing training and information sessions to staff in addition to dealing with queries from members of the public in relation to data protection issues. Work also progressed on the design of a new privacy campaign to highlight best practice principles for processing personal data. This campaign will be launched in early 2020.

In 2019, the Department and its Offices received 43 Subject Access Requests and these were processed in accordance with the provisions of the General Data Protection Regulation and Data Protection Acts 1988 to 2018.

### **REGULATION OF LOBBYING ACT, 2015**

The Lobbying Act is designed to provide information to the public about who is lobbying whom about what. A list of our Designated Public Officials under this Act was updated in 2019 and is published on our website.

#### **PROTECTED DISCLOSURES ACT, 2014**

The Department published its Annual Report on Protected Disclosures for 2018 on the DBEI website in June 2019.

#### **PROMPT PAYMENT OF ACCOUNTS ACT, 1997**

During 2019 the Department published on its website quarterly payment performance reports for both the Department and for the bodies under its aegis.

#### **CHILDREN FIRST ACT, 2015**

The Department has a Child Safeguarding Statement in place which has been developed in line with requirements under the Children First Act 2015, the Children's First National Guidance and Tusla's Child Safeguarding: A guide for policy, procedure and practice. DBEI is committed to the implementation of this Child Safeguarding Statement and the procedures that support our intention to keep children safe from harm while working with staff of DBEI.

#### **IRISH HUMAN RIGHTS & EQUALITY COMMISSION ACT, 2014**

In line with our obligations under this Act, the Department is committed to proofing its wider policies, procedures and services across its business areas to ensure the Department complies with its requirements in the area of human rights and equality:

#### **Workplace Relations Commission**

The WRC is the independent body set up by law to investigate or mediate complaints of discrimination. The WRC is covered by the European Convention on Human Rights. Discrimination happens when a person is treated less favourably than another person is, has been or would be treated. Victimisation is also covered by the legislation.

#### **Corporate Social Responsibility**

The Department provides the secretariat for the enterprise led CSR Stakeholder Forum which oversees the implementation of the actions in the National Corporate Social Responsibility Plan. CSR is a concept whereby businesses and other organisations integrate their social and environmental responsibilities into their mainstream business operations and business decisions are made with reference to wider sustainability issues.

#### **National Women and Girls Strategy**

The Department is represented on the Strategic Committee of the National Women and Girls Strategy 2017-2020. We contribute to the common actions such as the development of in-house expertise in gender mainstreaming activities and considering gender impact in the development of new strategies.

### **National Disability Inclusion Strategy**

The National Disability Inclusion Strategy 2017-2021 takes a whole of Government approach to improving the lives of people with disabilities both in a practical sense and also in creating the best possible opportunities for people with disabilities to fulfil their potential.

The Department is represented on and is progressing actions under both the National Disability Inclusion Strategy 2017-2021 and Comprehensive Employment Strategy for People with Disabilities 2015-2024.

In 2019, the Department's Disability Consultative Committee (DCC) met three times. Membership of the DCC is comprised of representatives from the Disability Stakeholder Group, the National Disability Authority and staff from across the Department and its Offices and Agencies. DCC meetings focus on the Department's actions under the NDIS and areas covered in 2019 were 'Disability awareness training'; 'Autism awareness'; 'Standards as enablers for organisations to meet their obligations'

### **Innovation 2020**

Ireland's cross Government strategy for research and development, science and technology, recognises the importance of gender equality in research.

The strategy notes that Ireland has the opportunity to build its international reputation for gender equality through improved participation of women in research and innovation activities and sets out actions to address gender issues relating to career progression in research and innovation.

### **Other Relevant Legislation**

In addition to the above, the Department operates within employment law and other relevant legislation that seek to ensure, amongst other things, human rights and equality, such as:

Civil Service Regulation Act, Public Service Management Act, Paternity Leave and Benefit Act, Equality Act, Industrial Relations Act, Workplace Relations Act, Data Protection Act, Employees (Provision of Information and Consultation) Act, Safety, Health and Welfare at Work Act, Maternity Protection Act, Carer's Leave Act, Organisation of Working Time Act, Unfair Dismissals Act.

### **GENDER BALANCE ON STATE BOARDS**

The Department continues to commit to encouraging gender balance on all state board appointments. Senior Management of the Department always reference gender balance in board member selection. The current gender composition of a board is always considered by Ministers on appointments/re-appointments.

### **IRISH LANGUAGE SCHEME 2019-2022**

The Department's Third Irish Language Scheme, which was approved by the Department of Culture, Heritage and the Gaeltacht, came into effect on 18 February 2019. The Scheme

sets out the extent to which services are currently available through Irish and identifies areas for future development. Throughout 2019, the Department ensured that commitments made in relation to the provision of services in the Irish language were implemented.

#### **CUSTOMER CHARTER AND CUSTOMER SERVICE ACTION PLAN 2019-2021**

The Department's updated Customer Charter 2019-2021 is a public statement which sets out the standards and level of service customers can expect when dealing with our Department. The Customer Service Action Plan 2019-2021 details the ways in which the Department will implement the key actions outlined in the Charter.

Throughout 2019, the Department ensured that the commitments made in relation to the provision of customer services under the Department's Customer Charter 2019-2021 and Customer Action Plan 2019-2021, were implemented.

The Department's internal Cross Divisional Monitoring Committee, which monitors the implementation of the commitments made in the Department's Customer Action Plan and Irish Language Scheme met on a quarterly basis throughout 2019. This forum served to ensure that any challenges arising regarding meeting commitments that were due for delivery in 2019 were addressed.

#### **FREEDOM OF INFORMATION (FOI)**

The Department's FOI Publication Scheme was first published in April 2016 and updated in 2018 in accordance with Section 8 of the Freedom of Information Act 2014. The Scheme sets out information, under 6 headings, to assist members of the public in their understanding of the Department and its functions. In 2019 the Department received 211 Freedom of Information (FOI) requests and these were processed in accordance with the provisions of the Freedom of Information Act 2014.

In 2019 the Department prepared its first report on legislative enactments under its remit and in accordance with section 41(3) of the Freedom of Information Act, 2014 and this report was submitted to the Joint Committee on Finance, Public Expenditure and Reform and Taoiseach.

#### **USING TECHNOLOGY TO SEEK EFFICIENCIES AND IMPROVE CUSTOMER SERVICE**

The Department completed a number of new ICT initiatives during the year to enhance the delivery of services to our customers. A new online Registry of Business Owners was rolled out, and the Intellectual Property Office of Ireland introduced new services for online filing of patents and supplementary protection certificates. In addition, business process reengineering reviews were carried out in the Employment Permits Unit and the Trade Licensing Unit. These reviews will form the basis of future work to further enhance both online and back-office services in these areas. In the area of data analytics, a new management dashboard was developed to give a high-level overview of key metrics for the Department, and local management dashboards were also delivered in a number of the Department's Offices to support service delivery. An independent review of the

Department's cyber security policies and practices was also completed. While this was positive overall, it will form the basis for further improvements in the Department's cyber security over the next year. Finally, a number of systems were decommissioned during the year, which will free up resources to focus on new initiatives.

## HUMAN RESOURCES

Throughout 2019 HR continued to build our workforce to meet our business needs, develop excellent people managers to deliver our goals and embed HR's strategic role within the Department as outlined in the Connected HR Strategy (2018–2020). We delivered our strategic goals through the HR Business Partner (HRBP) model, alongside Strategic Workforce Planning to effectively provide the optimum service to the Department in the context of the challenges we faced.

### STRATEGIC HR PILLARS

#### People and Capability

Amidst a very challenging and fluid labour market, the Department worked closely with the Public Appointments Service (PAS) and training providers to both recruit staff to fill critical vacancies and to develop and strengthen our workforce. There continues to be a significant number of staff working in new assignments due to the level of churn in the Civil Service and labour market in general. The Department is working to manage this through its Workforce Planning process. In this regard, the process is being further refined in light of the Department's age profile which was highlighted as a significant risk in the Organisational Capability Review process.



The Department undertook a series of engagements across its Divisions and Offices to capture an up-to-date understanding of the strategic priorities and the requirements these placed on the workforce. On foot of this engagement, the three-year Workforce Plan (2019-2021) was updated and reported to the Department of Public Expenditure and Reform, which will both inform central bodies on the Departments requirements and also target HR interventions and supports to close skills gaps and strengthen our workforce, according to our specific demographics. Learning and Development produced an 18 month plan which is aligned to our strategic and business remit.



## LEARNING AND DEVELOPMENT

Investing in our staff to increase expertise and capability is a strategic goal and key priority for this Department. The Department was one of the first seven Departments to become forerunners in the transition to the new on-line Learning Management System as part of Civil Service Renewal, with Learning and Development Unit rolling out the new streamlined training delivery methodology.

Coaching and Mentoring continue to be a key element in supporting the development of our staff. 23 colleagues at senior management level completed the Executive Coaching Programme, and a further 18 commenced the programme during the year. All line managers were also encouraged to attend the 'Coaching for Performance' course with OneLearning which demonstrates how to adopt a coaching style to staff management. In addition, a new refreshed mentoring programme commenced during the year with almost 50 participants.

An Executive Officer Development Programme was launched, with two out of four modules completed. These modules covered Effective Communication and Unlocking Drive and Performance and involved our own internal speakers who shared their practical experiences with participants.

Several leadership programmes were held during the year including Taking the Lead - Women in Leadership; Achieving Leadership Excellence; Leading for High Impact and Results; the Principal Officer Executive Leadership Programme; and the Strategic Management Conference.

The Staff Advance Payment of Fees Scheme is a key programme for building skills and expertise levels, while supporting officers in the area of self-development and life-long learning. 41 staff participated in the programme, in disciplines including Law, Public Management, Business Studies, Strategy, Leadership, Financial Management and Computer Studies.

A total of 185 staff attended Information Sessions on subjects such as FoI, GDPR, State Aid, and Future Jobs Ireland. 'Meet the Expert' is another new programme that started in 2019, with the inaugural session covering the Day in the Life of a Labour Court Secretary.

Lunch & Learns and Wellbeing Wednesdays (new in 2019) were held – thirteen in total, with 469 colleagues attending covering topics such as the Space Strategy for Enterprise, Enterprise in the Bioeconomy, and Assessing the Impact of Digitalisation on Ireland's Workforce.

Other initiatives delivered and supported included the Senior Management Forum, the EU Orientation Programme, the DBEI Hackathon, and the event support team.

### **CIVIL SERVICE RENEWAL**

Following the results of the Civil Service Employee Engagement Survey, 2017 a series of Staff Engagement Fora took place for each grade to better understand the issues impacting on their engagement, particularly those themes impacted by manager behaviour and public perception of the Civil Service.

The Department commitment to a CSEES Action Plan includes:

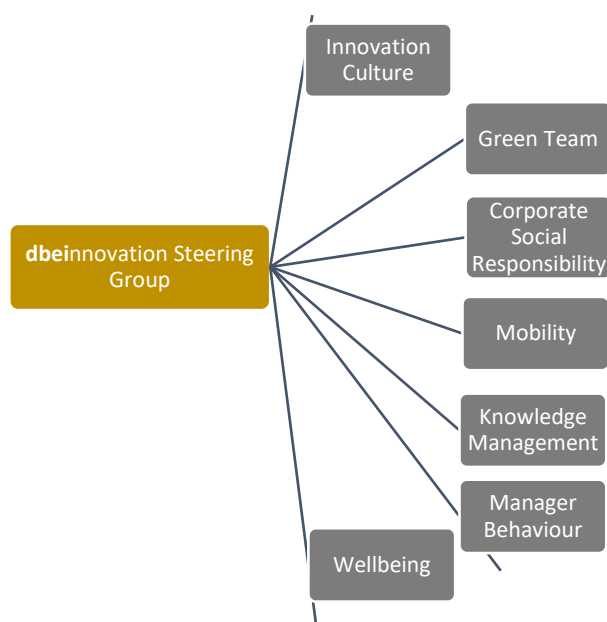
- HR Business Partner engagements with Line Managers;
- HR workshops on Disciplinary Code & Underperformance Guidelines
- exploring PMDS deepening a coaching style within the organisation;
- facilitating the Department's Innovation Week;
- exploring the establishment of Grade or Theme based networks;
- communicating Civil Service Customer Satisfaction Survey results;
- celebrating and communicating the work of the Department through coordination of the Department's nominations for CSEIA and Lunch & Learns;
- implementation of the Department's Internal Mobility Policy;
- facilitation of transfers through the Civil Service Wide Mobility Scheme; and the
- introduction of Secondment Opportunities to relevant organisations.

The Department participated in the Civil Service Excellence and Innovation Awards and won in the "Excellence in Innovation" category, the Department's first win at the awards. The Innovation Culture sup group ran a very successful "Innovation week" in 2019. The Workplace Relations Commission was shortlisted under the category "Leading Reform" and the Regional Enterprise Plans to 2020 in the "Excellence in People, Skill and Organisational Development" category.

### **dbeinnovation**

Formerly known as 'New Ways of Working', in April 2019 a rebranding to dbeinnovation was undertaken to support the further embedding of a culture of innovation within the Department and rejuvenate communications around the efforts and initiatives driven by the group and its sub-groups.

Seven sub-groups currently exist under **dbeinnovation**. Each group manages its own work programme, and reports on the progress of its own actions to the **dbeinnovation** Steering Group at quarterly meetings.



As part of **dbeinnovation** the Mobility sub group and the Department launched an external secondment opportunity with the first placement in Enterprise Ireland during 2019.

#### **PUBLIC SECTOR REFORM (OPS 2020)**

Action 6 of 'Our Public Service 2020' aims to 'Promote a Culture of Innovation in the Public Service'. The Department are playing a central role in progressing this Action with Secretary General Dr Orlaigh Quinn and Enterprise Ireland CEO Julie Sinnamon acting as designated leads. Assistant Secretary Pauline Mulligan is the Action's Sponsor and is responsible for chairing the Action 6 team, established in May 2018 and comprising sectoral experts across the Public Service, including Defence and Health sectors, UCD, An Garda Síochána, Enterprise Ireland and Civil Servants from the Departments of Education, Public Expenditure and Reform, Defence, Health, Youth and Children Affairs.

The group's initial scoping exercise led to a work programme with 12 initiatives, of which four were prioritised for progression:

1. Baseline the current innovation culture of the public service and barriers to innovation;
2. Declaration on public service innovation;
3. Establish an Irish Public Service Innovation Network;
4. Establish a dedicated fund to support public sector innovation; and
5. Identify and invest in Innovation Skills and Skills gaps.

Progress in 2019 included

- a) setting up a dedicated Innovation Project Management Office in D/PER using a secondment model to recruit a team from the Public Service
- b) Ireland's Declaration on Public Service Innovation was created and circulated to all Public Service Organisations. The Head of each organisation was asked to sign the declaration to show public servants that innovation is encouraged and valued, signal the importance of innovation and declare their organisation's commitment to promoting and developing a culture of innovation.
- c) the Irish Public Service Innovation Network was set up and its first meeting was held on 30<sup>th</sup> September 2019.
- d) nominations were sought for an Innovation Representative from all Public Service organisations to participate in network events, promote innovation within your organisation and act as a liaison for the Reform and Delivery Office in DPER.
- e) the €500k Innovation Fund was launched on 16<sup>th</sup> May 2019, on a pilot basis for public bodies to fund or co-fund innovative projects. 136 applications were received, requesting a total of just under €7m. The Fund was 14 times oversubscribed. 18 projects were awarded funding, including a project from this Department to develop 'How To' Videos to support knowledge transfer.
- f) DPER and the Innovation PMO are developing innovation training courses, both certified and uncertified, for the Public Service. In September 2019 a two-day "Essentials of Innovation" training programme for public servants was promoted.

## Appendix 1 **BILLS PUBLISHED OR ENACTED IN 2019**

- Hallmarking (Amendment) Act 2019 was enacted 14 Feb 2019
- The Personal Injuries Assessment Board (Amendment) Act 2019 was enacted 25 Feb 2019
- Companies (Amendment) Act 2019 was enacted 11 April 2019
- Copyright and Other Intellectual Property Law Provisions Act 2019 was enacted 26 June 2019
- Industrial Relations (Amendment) Act 2019 enacted 7 July 2019
- Consumer Protection (Gift Vouchers) Act 2019 was enacted 19 November 2019
- Industrial Development (Amendment) Act 2019 was enacted on 22 December 2019

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## Appendix 2 STATUTORY INSTRUMENTS MADE IN 2019

- S.I. No. 61 of 2019 European Union (Restrictive Measures concerning the Republic of Guinea) Regulations 2019
- S.I. No. 62 of 2019 European Union (Restrictive Measures concerning the Democratic People's Republic of Korea) Regulations 2019
- S.I. No. 63 of 2019 European Union (Restrictive Measures concerning Venezuela) Regulations 2019
- S.I. No. 64 of 2019 European Union (Restrictive Measures concerning South Sudan) Regulations 2019
- S.I. No. 65 of 2019 European Union (Restrictive Measures concerning Burundi) Regulations 2019
- S.I. No. 123 of 2019 Personal Injuries Assessment Board (Amendment) Act 2019 (Commencement) Order 2019
- S.I. No. 126 of 2019 Consumer Protection Act 2007 (Section 71(2)) (Dental Council) Regulations 2019
- S.I. No. 129 of 2019 Safety, Health and Welfare at Work (Construction) (Amendment) Regulations 2019
- S.I. No. 135 of 2019 Irish Takeover Panel Act 1997 (Prescribed Stock Exchange)
- S.I. No. 138 of 2019 Employment Permits (Amendment) Regulations 2019
- S.I. No. 168 of 2019 European Union (Restrictive Measures Concerning the Democratic People's Republic of Korea) (No. 2) Regulations 2019
- S.I. No. 169 of 2019 European Union (Restrictive Measures Concerning Tunisia) Regulations 2019
- S.I. No. 170 of 2019 European Union (Restrictive Measures Concerning Syria) Regulations 2019
- S.I. No. 171 of 2019 European Union (Restrictive Measures Concerning South Sudan) (No.2) Regulations 2019
- S.I. No. 172 of 2019 European Union (Restrictive Measures Concerning the Democratic Republic of the Congo) Regulations 2019
- S.I. No. 179 of 2019 Safety, Health and Welfare at Work (Quarries) (Amendment) Regulations 2019
- S.I. No. 180 of 2019 Safety, Health and Welfare at Work (Diving) (Amendment) Regulations 2019

- S.I. No. 181 of 2019 Safety, Health and Welfare at Work Act 2005 (Agreement to Recognise) Order 2019
- S.I. No. 213 of 2019 Chemicals Act 2008 (Rotterdam Regulation) Regulations 2019
- S.I. No. 234 of 2019 Sectoral Employment Order (Construction Sector) 2019
- S.I. No. 251 of 2019 Sectoral Employment Order (Electrical Contracting Sector) 2019
- S.I. No. 277 of 2019 European Communities (Carriage of Dangerous Goods by Road and Use of Transportable Pressure Equipment) (Amendment) Regulations 2019
- S.I. No. 291 of 2019 European Communities (Intra-Community Transfers of Defence Related Products) (Amendment) Regulations 2019
- S.I. No. 333 of 2019 Employment Permits (Amendment) (No. 2) Regulations 2019
- S.I. No. 362 of 2019 European Union (Safety of Toys) (Amendment) Regulations 2019
- S.I. No. 363 of 2019 Personal Injuries Assessment Board (Fees) (Amendment) Regulations 2019
- S.I. No. 439 of 2019 Hallmarking (Amendment) Act 2019 (Commencement) Order 2019
- S.I. No. 440 of 2019 Hallmarking (Approved Hallmarks) Regulations 2019
- S.I. No. 441 of 2019 Hallmarking (Irish Standards of Fineness) Regulations 2019
- S.I. No. 442 of 2019 Consumer Protection (Consumer Information) (Articles of Precious Metals) Regulations 2019
- S.I. No. 444 of 2019 Trade Union Act 1941 (Revocation of Negotiation Licence) (No. 1) Order 2019
- S.I. No. 449 of 2019 European Union (Restrictive Measures Concerning Zimbabwe) Regulations 2019
- S.I. No. 450 of 2019 European Union (Restrictive Measures Concerning Syria) (No. 2) Regulations 2019
- S.I. No. 451 of 2019 European Union (Restrictive Measures Concerning Iran) Regulations 2019
- S.I. No. 452 of 2019 European Union (Restrictive Measures Concerning Iran) (No. 2) Regulations 2019



- S.I. No. 453 of 2019 European Union (Restrictive Measures Concerning Central African Republic) Regulations 2019
- S.I. No. 454 of 2019 Control of Exports (Dual Use Items) (Amendment) Order 2019
- S.I. No. 455 of 2019 European Communities (Control of Trade in Goods that May Be Used for Torture) Regulations 2019
- S.I. No. 456 of 2019 European Union (Restrictive Measures Concerning the Democratic People's Republic of Korea) (No. 3) Regulations 2019
- S.I. No. 498 of 2019 European Union (Restrictive Measures Concerning the Democratic People's Republic of Korea) (No. 4) Regulations 2019
- S.I. No. 499 of 2019 European Union (Restrictive Measures Concerning Venezuela) (No. 2) Regulations 2019
- S.I. No. 500 of 2019 European Union (Restrictive Measures Concerning South Sudan) (No.3) Regulations 2019
- S.I. No. 505 of 2019 Legal Metrology (Prescribed Instruments) Regulations
- S.I. No. 538 of 2019 European Union (Restrictive Measures Against the Proliferation and Use of Chemical Weapons) Regulations 2019
- S.I. No. 586 of 2019 Copyright and other intellectual property law provisions act 2019 (Commencement) Order 2019
- S.I. No. 587 of 2019 Industrial Designs (Amendment) Regulations 2019
- S.I. No. 588 of 2019 Trade Marks (Amendment) Rules 2019
- S.I. No. 589 of 2019 Patent (Amendment) Rules 2019
- S.I. No. 592 of 2019 Safety, Health and Welfare at Work (Carcinogens) (Amendment) Regulations 2019
- S.I. No. 593 of 2019 Employment Regulation Order (English Language Schools Joint Labour Committee Establishment Order) 2019
- S.I. No. 595 of 2019 Consumer Protection (Gift Vouchers) Act 2019 (Commencement) Order 2019
- S.I. No. 597 of 2019 European Union (Qualifying Partnerships: Accounting and Auditing) Regulations 2019
- S.I. No. 628 of 2019 Trade Marks (Amendment) Rules 2019
- S.I. No. 630 of 2019 Dangerous Substances (Flammable Liquids and Fuels Retail Stores) Regulations 2019 to come into effect from 1 April 2020

- S.I. No. 631 of 2019 Dangerous Substances (Flammable Liquids and Fuels Distribution and Commercial Supply Stores) Regulations 2019 to come into effect from 1 April 2020
- S.I. No. 633 of 2019 Employment Permits (Amendment) (No. 3) Regulations 2019
- S.I. No. 691 of 2019 European Union (Cooperation Between National Authorities Responsible for the Enforcement of Consumer Protection Laws) Regulations 2019