in accordance with Art 6 of EU Regulation 1025/2012

#### Introduction

The National Standards Authority of Ireland (NSAI) is Ireland's national standards body. The NSAI is established under the National Standards Authority of Ireland Act, 1996<sup>1</sup> and is accountable to the Minister for Business, Employment and Retail at the Department of Enterprise, Trade and Employment.

NSAI is the Irish member body of the European Standardisation Organisations, CEN, CENELEC and ETSI and the international standards bodies, ISO and IEC. Through its national committee structure, NSAI facilitates Irish-based experts and stakeholders to participate in standardisation at all levels. In addition, NSAI works closely with, and encourages, Irish organisations, businesses, Small and Medium-Size Enterprises (SMEs) and individuals to engage in standards development so that they can benefit from knowledge transfer and innovation through involvement at the cutting edge of research and standards development. Through its standards development work, NSAI aims to inspire consumer confidence and create the infrastructure for products and services to be recognised and relied on, all over the world.

#### **Purpose of this Report**

Art 6 of the EU Standardisation Regulation<sup>2</sup> requires all EU National Standardisation Bodies, such as the NSAI, to publish an annual report and send it to the European Standardisation Organisations<sup>3</sup> regarding their activities to encourage and facilitate Small and Medium-Size Enterprises (SMEs) in accessing and using standards and in engaging in standards development. This report is prepared in accordance with Art 6 and outlines the activities undertaken by the NSAI to create greater awareness by SMEs of the benefit of standards to their business and to encourage SME participation in national and international standards development.

#### NSAI Standards initiatives to facilitate SMEs access & engagement

#### SME Sector in Ireland

SMEs are a critical pillar of the Irish economy. SMEs are central to the success of Irish enterprise policy and industry, in driving broad-based growth and prosperity across the Irish economy. Central Statistics Office (CSO) Ireland data from 2020<sup>4</sup> profiles SMEs within the Irish business economy as follows:

- SMEs accounted for 99.8% of all enterprises;
- SMEs accounted for 68.4% of persons engaged in the business economy;
- SMEs generated 41.9% of all turnover in the business economy;
- 34.5% of Gross Value Added (GVA) was attributed to SMEs.

In total in 2020, over 1m persons were engaged in SMEs (<250 persons engaged), which was over two-thirds of the total persons engaged (68.4%) in the Irish business economy. In terms of the percentage breakdown by size of SME enterprises in the Irish business economy-

- Micro enterprises (<10 persons engaged) accounted for 92.6%;
- Small enterprises (10-49 persons engaged) accounted for 6.1%; and
- Medium enterprises (50-249 persons engaged) enterprises accounted for 1.1%.

<sup>&</sup>lt;sup>1</sup> National Standards Authority of Ireland Act, 1996 National Standards Authority of Ireland Act, 1996 (irishstatutebook.ie)

<sup>&</sup>lt;sup>2</sup> EU Regulation 1025/2012 on European standardisation Regulation (EU) No 1025/2012 (europa.eu)

<sup>&</sup>lt;sup>3</sup> CEN, CENELEC and ETSI

<sup>&</sup>lt;sup>4</sup> Central Statistics Office Ireland, Business in Ireland 2020 (published Nov 2022) Small and Medium Enterprises - CSO



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Data for the period from 2012 and 2018, show that the SME sector grew consistently in Ireland, with the number of persons engaged by SMEs increasing by 24.1%. All sectors showed increases in this time-period, with the Construction and the Services sectors showing the largest increases (56.3% at 26.9% respectively)<sup>5</sup>.

In light of the contribution of SMEs to the Irish economy, in 2021 the Government of Ireland published a coherent *National SME and Entrepreneurship Growth Plan*<sup>6</sup>, founded upon a comprehensive OECD Review of SME and Entrepreneurship Policy in Ireland<sup>7</sup> which provided an informative, objective and robust evidence base for the development and implementation of the Growth Plan.

The OECD identified the important role of standards in driving the growth and internationalisation of Irish SMEs and recommended the increased adoption of international standards by SMEs to support productivity growth. The OECD recommended integrating international Standards adhesion in SME development programmes, among other measures, so as to upgrade the international best practice business management approaches of Irish SMEs.

In seeking to address these recommendations, the *National SME* and *Entrepreneurship Growth Plan* recommended standards-related initiatives which seek to facilitate enhanced engagement of Irish SMEs with standards and standards development, particularly the use of standards as a means of increasing quality management and innovation.

#### Strategic priorities to support SMEs - the NSAI Strategy 2022 - 2026

In line with NSAI's work to support national Government SME policy and initiatives including in the national SME Growth Plan, SMEs are central to the NSAI Strategy<sup>8</sup>, published in May 2022. Under its strategy, NSAI is committed to progressing initiatives to enhance its current service lines to deliver greater value to SMEs, thereby supporting national growth.

NSAI's strategic initiatives have been structured to support the sustainable development and growth of Irish SMEs through encouraging and supporting the adoption of standards. In particular, the NSAI Strategy is focussed on ensuring that standardisation is increasingly seen as a bridge between research, innovation, and the market, and as a means of capturing and disseminating knowledge, of demonstrating compliance.

#### NEW IN 2023: NSAI Initiatives to promote SME awareness of standards and standardisation

NSAI is cognisant that increased SME adoption of international Standards can support productivity growth. It is recognised that adoption of standards by SMEs can assist in: improving internal processes; increasing quality; enabling enhanced collaboration with suppliers and clients; facilitating scaling up and expansion to international markets; and driving innovation. Consequently, a key focus of NSAI's work is to drive awareness among Irish SMEs of the benefits of standards and standardisation.

Outreach forms a core part of NSAI's approach to promoting the use of standards and creating greater awareness of the standardisation process and access to it. Throughout 2023, participation in the

<sup>&</sup>lt;sup>5</sup> Central Statistics Office Ireland, *Statistical Yearbook of Ireland 2021* (published 2021) <u>Business Statistical Yearbook of Ireland 2021: Part 2 Business</u> and Economy - Central Statistics Office

<sup>&</sup>lt;sup>6</sup> Department of Enterprise, Trade & Employment, National SME and Entrepreneurship Growth Plan (Jan 2021) <a href="mailto:sme-taskforce-national-sme-and-entrepreneurship-growth-plan.pdf">sme-taskforce-national-sme-and-entrepreneurship-growth-plan.pdf</a> (enterprise.gov.ie)

<sup>&</sup>lt;sup>7</sup> OECD Studies on SMEs and Entrepreneurship, SME and Entrepreneurship Policy in Ireland (2019) SME and Entrepreneurship Policy in Ireland (enterprise.gov.ie)

<sup>8</sup> NSAI Strategic Plan 2022 – 2026 (published 2022) NSAI-Strategic Plan 2022-2026.pdf



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Government of Ireland's Building Better Business initiatives formed the lynchpin of NSAI's SME outreach and awareness activities. Nine Building Better Business events were held across the country during 2023, which focused on helping SMEs and businesses navigate the green journey and boost business performance through digital transformation. As part of this Government-wide initiative, NSAI worked closely with other state agencies to provide information on how standards and standardisation can support SMEs in harnessing the opportunities and overcoming the challenges presented by digital transformation and the transition to a low carbon economy.

These outreach events enabled NSAI to build relationships with a wider audience of SMEs nationally, and encourage SME engagement in standardisation as a core enterprise support tool. Presenting standardisation on a common platform with other national enterprise support agencies also supported NSAI's work in increasing awareness across government bodies and policy-makers of the important role that adopting and developing international standards can play in enhancing SME productivity.

In addition to the 2023 Government of Ireland Building Better Business Events, NSAI also hosted and participated in a wide range of other business and Government-sponsored events. Through these outreach fora, NSAI had the opportunity to create awareness about standards and standardisation, especially across the SME sector, by hosting and speaking at events, providing an information desk and addressing queries relating to standards and standardisation activities.

NSAI is also active in the traditional and online media, highlighting the benefits of industry participation in standardisation and advocating the benefits of standards. NSAI uses a number of IT tools and social media to create awareness about standards and standardisation. These include RSS feeds on the NSAI website which allow users to sign up to follow NSAI news and events; circulation of a quarterly e-zine; and using the NSAI social media to disseminate information on NSAI activities. NSAI also collaborated with a number of other organisations and state agencies, including Government, leveraging the social media networks of those organisations to disseminate standardisation messages more widely across industry and society.

In July 2023, NSAI Standards Division published its *AI Standards & Assurance Roadmap*<sup>9</sup> as a key deliverable under the *National AI Strategy for Ireland – AI Here for Good*<sup>10</sup>. The overall purpose of this Roadmap is to support awareness about AI Standards and Certification across Irish businesses, with SMEs being central to this. One core action of this Roadmap is an awareness campaign which aims to build and enhance awareness regarding the requirements of the EU AI Act and associated AI standards, conformity assessment & certification schemes. This awareness campaign is particularly focussed on SMEs as a key audience.

#### Initiatives to promote access to, and use of, standards by SMEs

NSAI has a dedicated web page for SMEs, the <u>NSAI SME Portal</u>. It provides information about aspects of NSAI's standardisation work including the annual work programme and information on how to get involved in standardisation activities through participating in NSAI's Standards Committees. The portal also provides information for SMEs on the ISO Management System standards highlighting the Practical Guides for Small Enterprises which give advice to SMEs on how adopt and put into practice the international best practice

<sup>9</sup> National Standards Authority of Ireland, Al Standards & Assurance Roadmap (published July 2023) NSAI Al report digital.pdf

<sup>&</sup>lt;sup>10</sup> Department of Enterprise, Trade & Employment, Government of Ireland, *AI - Here for Good, National AI Strategy for Ireland* (published July 2021)

AI - Here for Good: National Artificial Intelligence Strategy for Ireland - DETE (enterprise.gov.ie)



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business management approaches without the requirement to get certified. The Practical Guides for SMEs are made available with additional information.

Almost 60% of Irish SMEs engage in innovation activities<sup>11</sup>. In order to support and enhance these enterprises, the NSAI is actively involved in the development and promotion of international Innovation Management Standards. These Standards are of particular benefit to organisations, including SMEs, in supporting systematic innovation. Additionally, NSAI is collaborating with skills providers to build innovation excellence programmes, with a focus on SMEs, using ISO 56000 series on Innovation Management Systems.

NSAI also offers a Standards Health-Check to Irish companies, including SMEs. As part of this service, NSAI will review the list of technical standards used by a company and provide updates on any changes to the standards free of charge.

With regard to access to standards by SMEs, NSAI provides free access to draft standards through its online Enquiry Portal <u>Your Standards Your Say</u>. This portal makes vital information on Standards in development easily accessible, and gives business and the public a chance to have their say on standards prior to finalisation. This portal has been designed to make it easy for SMEs to access draft standards.

All Irish Standards can be viewed without charge by visiting the NSAI Head Office during working hours. In addition, the NSAI catalogue has also been made available through most University libraries in Ireland.

With regard to the sale of standards, standards can be accessed and purchased through a web-based platform, making it easy for businesses to search and purchase standards online. Abstracts of standards are available to view without charge for the Irish <u>Standards catalogue</u>. NSAI provides competitive and tailored pricing structure for standards for SMEs in certain circumstances. In addition, a tailoring update service is available where, by means of an annual charge, businesses can receive updates on standard revisions for view or automatic purchase.

#### Initiatives to encourage SME engagement in Standardisation

Standardisation is the activity of drafting, developing and agreeing the content of a Standard. NSAI maintains over 400 indigenous Irish Standards. NSAI adopts all European Standards (EN) and publishes over 1,000 Irish Standard adoptions annually. As Ireland's National Standards Body, NSAI provides access to its Irish (domiciled in Ireland) members directly and indirectly into the standardisation processes of national standardisation within NSAI, CEN, Cenelec, ISO and IEC. With regard to the development of indigenous Irish Standards, these are developed and maintained with a focus on supporting Irish SMEs.

NSAI also works to ensure that SMEs have easy access to standardisation activities and are aware of the benefits of participation. NSAI continually seeks to encourage SMEs to participate by emphasising the advantages that can accrued to businesses, such as enhancing competitiveness and creating the condition to be first in line to take advantage when market opportunities present.

<sup>&</sup>lt;sup>11</sup> Central Statistics Office Ireland, Innovation in Irish Enterprises 2020 (published June 2022) <u>Innovation in Irish Enterprises 2020 - CSO - Central</u> Statistics Office



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As a statutory body, NSAI operates an open governance model where there are no restrictions (including membership or cost restrictions) on SMEs participating in standards development processes. Data for 2023 show that 92% of all NSAI national committees have at least one SME member.

NSAI has established a large number of technical committees across a wide range of sectors of interest to Irish businesses, including:

- Accessibility,
- Building & Construction,
- Biotechnology
- Chemicals, Chemical Engineering & Food Products,
- Electrical Engineering,
- Electronic Engineering,
- Energy supply and distribution,
- Fundamental Measurement,
- Information and Communications Technology.
- Health, Cosmetics and Medical Equipment,
- Management Systems,
- Mechanical Engineering,
- Metallic and Non-Metallic Materials,
- Products for Household & Leisure Use,
- Transport, Mechanical, Handling & Packaging, and
- Services.

## **NSAI** exchanging best practice with other National Standards Bodies

NSAI is committed to learning from and exchanging best practices with other national standards bodies. In particular, NSAI participates in the CEN/CENELEC SME Working Group which focuses on the standardisation needs of SMEs <a href="Small and Medium Enterprises">Small and Medium Enterprises</a> (SMEs) - CEN-CENELEC.

The CEN/CENELEC SME Working Group has developed a toolbox of solutions for SMEs which are designed to enable SMEs to find the right standards and get involved in standardisation <u>Tools for SMEs - CEN-CENELEC</u>.

**NEW IN 2023:** NSAI actively seeks out opportunities to collaborate with other National Standards Bodies, particularly on common goals concerned with SME engagement. As outlined above in the context of the NSAI AI Standards & Assurance Roadmap, building and enhancing awareness regarding the requirements of the EU AI Act and associated AI standards, conformity assessment & certification schemes is one of the core actions which has a particular focus on SMEs. NSAI is collaborating with CENELEC, Danish Standards and many other national standards bodies on a project under the High Level forum to implement an AI Standards awareness campaign particularly focussed on supporting SMEs.