



IRISH TEXT TO COME, 2012

INDUSTRIAL DEVELOPMENT (SCIENCE FOUNDATION IRELAND) (AMENDMENT) BILL 2012

EXPLANATORY AND FINANCIAL MEMORANDUM

Purpose of the Bill

The purpose of the Bill is to extend the remit of Science Foundation Ireland to enable it to fund applied research in addition to its existing remit to fund oriented basic research. Oriented basic research is an internationally-recognised category of research and is defined as research that is “carried out with the expectation that it will produce a broad base of knowledge likely to form the basis of the solution to recognised or expected current or future problems or possibilities”. Applied research on the other hand is research directed primarily towards a specific practical aim or objective.

The Bill also makes provision for a new function to enable the Foundation to promote and support awareness and understanding of science, technology, engineering and mathematics. The Minister for Jobs, Enterprise and Innovation transferred responsibility for delivery of the Discover Science and Engineering programme from Forfas to the Foundation on an administrative basis with effect from 1 March 2012.

The Bill also provides for certain amendments to existing legislation relating to Forfas, Shannon Development and Enterprise Ireland. These are unrelated to the proposed changes to the remit of Science Foundation Ireland. The amendment relating to Shannon is a necessary amendment to the Industrial Development Acts to provide for new arrangements for the promotion of enterprise opportunities in the Mid-West region.

Background

Science Foundation Ireland was established under the Industrial Development (Science Foundation Ireland) Act 2003 (No. 30). The main function of the Foundation under that Act is to promote, develop and assist the carrying out of oriented basic research in strategic areas of scientific endeavour that concerns the future development and competitiveness of industry and enterprise in the State. The 2003 Act specified quite a limited number of strategic areas of scientific endeavour i.e. information and communications technologies, biotechnology and, subsequently by regulations, sustainable energy and energy-efficient technologies (S.I. No 134 of

2008). Recognising the ongoing evolution of Ireland's strategic priorities, it is proposed in this Bill that no specific areas would be specified in primary legislation. Rather, the mechanism of making regulations, which was provided for in the 2003 Act, would be used to designate those areas that support economic and social benefit, long-term industrial competitiveness or environmentally sustainable development and that these may be prescribed from time to time by the Minister.

The Foundation provides grants to researchers and research groups based in higher education institutions on the basis of competitive calls for proposals and on the basis of international peer review. The Foundation's funding programmes include support for research teams led by principal investigators, the clustering of research teams with industry engagement and larger scale grouping of research teams to address a more limited number of strategic thematic areas in collaboration with industry partners.

The extension of the Foundation's remit to include applied research will take the outcome of oriented basic research in academic research institutions funded by the Foundation closer to market which in turn increases the potential of research to yield commercial opportunities and jobs. While Enterprise Ireland administers several programmes involving market-focused applied research, such programmes operate through direct grants to the enterprise sector. In order to enable academic/research institutions to take excellent and impactful research closer to market, the Bill specifically provides that the Foundation may fund research in those institutions.

Provisions of the Bill

Section 1 sets out definitions of terms used in the Bill.

Section 2 provides that the cost of administering the Bill's provisions will be subject to sanction from the Minister for Public Expenditure and Reform and will be met from public funds.

Section 3 provides for the definition of the terms "applied research" and "strategic areas of opportunity for the State".

Section 4 provides for the amendment of the functions of Science Foundation Ireland. The main changes are as follows:

- The function of promoting, developing and assisting the carrying out of applied research is included as a function of the Foundation, in addition to its existing function of promoting, developing and assisting the carrying out of oriented basic research;
- The Minister may prescribe by regulations the strategic areas of opportunity related to science and technology to be promoted, developed and assisted by the Foundation; this will enable the Minister to specify priority areas on the basis of an assessment of Ireland's economic potential as set out in the recommendations of the National Research Prioritisation Steering Group;
- The section sets out an overall purpose for the exercise of all of the functions of the Foundation; this is to promote and assist the development and competitiveness of industry, enterprise and employment in the State; the new provision includes employment in addition to the development and

competitiveness of industry and enterprise as the context for the Foundation's functions;

- A new function is included to enable the Foundation to award grants to researchers to develop methodologies to better assess the impact of research funding;
- A new function is included to enable the Foundation to promote and support awareness and understanding of science, technology, engineering and mathematics; the Minister for Jobs, Enterprise and Innovation has transferred responsibility for management of the Discover Science and Engineering programme from Forfas to the Foundation with effect from 1 March 2012.

Section 5 sets out provisions relating to the funding by the Foundation of research by an institution in Northern Ireland. In 2006 the Minister for Communications, Marine and Natural Resources initiated a scheme for the award of energy research grants known as Charles Parsons Energy Research Awards. Under this scheme, grants to seven research groups based in higher education institutions, including two based in Northern Ireland, were awarded in December 2006. In 2008, responsibility for the management of these grants was transferred to the Foundation. Subject to satisfactory performance, final payments under the awards are due in 2013. This provision will enable the Foundation to make final payments to the grant-holders based in Northern Ireland, as well as to those based in the State. This section also enables the Foundation to provide funding to an institution based in Northern Ireland where it is in partnership with an institution based in the State.

Section 6 enables the Foundation, with the consent of the Minister, to participate in, and contribute funding to international research projects which relate to strategic areas of opportunity for the State. There is a growing number of schemes, many supported by the European Union, where research funders from a number of Member States cooperate in addressing specific research issues and commit funding to joint calls for research proposals in areas of mutual interest. Ireland's participation in such schemes will enable researchers in Ireland to apply for funding under such calls.

Section 7 repeals provisions in the Science and Technology Act 1987 relating to the preparation and review by Forfas of a science budget comprising the requirements and proposals of every institution in receipt of moneys from the State for science and technology. The data collated and published by Forfas as the "Science Budget" measures overall expenditure on science and technology by public bodies. The areas of expenditure covered are much broader than, and do not align with, internationally recognised indicators in relation to science, technology and innovation and it is therefore considered that the resulting survey is neither a useful policy tool nor an effective use of staff resources. Section 9 of the Bill sets out new provisions in place of the provisions set out in the Science and Technology Act 1987.

Section 8 provides for the repeal of section 11(2) of the Industrial Development Act 1986 (No. 9 of 1986) which prevents Enterprise Ireland and IDA Ireland from providing and administering grants and other financial facilities for industry in the Shannon Free Zone (SFZ). That subsection also prevents these agencies from providing, developing, constructing, altering, adapting, maintaining and administering industrial estates and factory buildings together with the associated facilities of such estates and buildings in the SFZ. This

provision is part of proposals for Shannon Airport to be separated from the Dublin Airport Authority, for a merger of Shannon Airport and Shannon Development into a new entity and the optimisation of the enterprise development arrangements in the region. It is without prejudice to future legislative developments that may be required to place the new organisational arrangement on a statutory basis.

Section 9 sets out new provisions in relation to the collection of statistics on research and development by Forfas in place of the provisions to be repealed under section 7 of the Bill. The section empowers Forfas to request statistics from public bodies on research and development for the purposes of a Commission Regulation requiring Member States to collect statistics on science and technology. Forfas cooperates with the Central Statistics Office in relation to fulfilling the requirements of this Regulation. The section also enables Forfas to collect statistics on research and development from publicly-funded bodies otherwise than for the purposes of the Commission Regulation.

Section 10 provides that restrictions in the Acts which established Enterprise Ireland and Science Foundation Ireland on disclosure of confidential information by those bodies are subject to the restrictions and disclosure provisions of the Freedom of Information Acts.

Section 11 sets out the short title by which the Bill will be known as well as its title collectively with the other Industrial Development Acts. It also allows for a possible phased implementation of the Bill by empowering the Minister to commence different provisions of the Bill at different times.

Financial Implications

There are no additional costs to the Exchequer arising from the proposals.

*Department of Jobs, Enterprise and Innovation,
December, 2012.*