FICSIMM
Federația pentru Inovare și Competitivitate Sustenabilă în IMM-uri
Membră a confederației patronale Concordia

Organizația Femeilor Antreprenor

FICSIMM: pov on the EC Communication regarding the Eastern Border - ”Strong regions for a safe Europe”

(February 21st, 2026)

An SME-centred perspective

The Federation for Innovation and Sustainable Competitiveness in SMEs (FICSIMM) - Romania welcomes the European Commission’s Communication of February 18th, 2026 on the EU’s eastern regions bordering Russia, Belarus and Ukraine.

We fully acknowledge that **security, economic resilience and territorial cohesion are now inseparable policy objectives**. As underlined in the Communication, eastern border regions face hybrid threats, economic disruption, depopulation and structural decline.

From an SME perspective, these challenges are not abstract geopolitical risks - they translate directly into **higher costs, labour shortages, reduced investment appetite and diminished cross-border trade**.

FICSIMM therefore supports the strategic objective of transforming eastern border regions from ”frontline territories” into **resilient engines of European competitiveness**, while emphasizing that SMEs must be explicitly integrated into every priority area of the strategy.

1. Strengthening SME competitiveness in border economies

Eastern border regions cannot achieve resilience without **economically viable, innovation-driven SME ecosystems**. SMEs represent over 99% of enterprises and are often the primary employers in rural and peripheral regions.

The Communication rightly highlights slower GDP growth, inflationary pressures and trade disruptions. However, without **targeted SME entry points in funding instruments**, support risks being absorbed by large infrastructure or security projects.

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FICSIMM calls for:

- **Dedicated SME windows within cohesion and investment facilities**,
- Simplified micro-grant and guarantee schemes,
- Fast-track approval processes aligned with business cycles,
- Ring-fenced funding for SMEs in structurally affected regions.

Competitiveness cannot rely on trickle-down effects from macro-projects. **SMEs must be recognized as core beneficiaries, not residual actors**, in line with FICSIMM's broader position on the European Competitiveness Fund.

2. SME green and digital transition as security imperatives

The Communication emphasizes resilience, infrastructure and strategic autonomy. From an SME perspective, the green and digital transitions are not secondary priorities - they are **structural components of economic security**.

Energy-intensive SMEs in eastern regions have faced disproportionate shocks due to price spikes and supply disruptions. Digital vulnerabilities increase exposure to hybrid threats.

FICSIMM reiterates the need for:

- An **"SME Green Transition Facility"**,
- A **"Digital SMEs for Smart Regions" initiative**,
- Climate vouchers, digitalization grants and cybersecurity support,
- Advisory services embedded at regional level.

Without SME-friendly mechanisms, the twin transition risks becoming socially regressive and territorially uneven.

3. A place-based allocation model beyond GDP

The Communication acknowledges demographic decline and structural disparities. FICSIMM stresses that funding allocation must go beyond GDP metrics and include:

- **Business density indicators**,
- **Digital connectivity gaps,**

- **Energy dependency levels,**
- **Labour market vulnerabilities,**
- **Exposure to hybrid security risks.**

This aligns with FICSIMM's long-standing call for **multidimensional allocation criteria** under cohesion policy.

Eastern border regions must not compete with already-developed metropolitan hubs under purely competitive instruments. **Territorial targeting remains essential to European cohesion and security.**

4. Workforce adaptability and demographic stabilisation

The Communication highlights severe population decline in eastern regions. Labour shortages directly undermine SME viability.

FICSIMM proposes:

- A flagship program **"Skills for Smart Growth Regions"**,
- Education-to-employment pathways linked to SMEs,
- Dual education systems tailored to local industries,
- Incentives for youth and women entrepreneurship in border areas.

Human capital is not only a social objective - it is a **security stabilizer**. Regions that lose talent lose economic resilience.

5. Energy resilience and SME autonomy

Energy insecurity is both an economic and geopolitical vulnerability. SMEs require:

- **Blended funding schemes for renewable installations**,
- Co-financing for energy-efficient equipment,
- Support for participation in energy communities,
- ESCo models to reduce upfront (Capex) investment barriers.

Energy efficiency and energy independence strengthens not only environmental sustainability but also **operational continuity under crisis conditions**.

6. Decentralized governance and institutional capacity

The Communication underlines uneven institutional capacity. SMEs often face complex administrative barriers.

FICSIMM calls for:

- **Regional delivery hubs for SME-targeted programs**,
- **One-stop-shop digital platforms,**
- **Permanent consultation mechanisms with SME associative structures,**
- **Real-time monitoring dashboards.**

Decentralization, paired with accountability, ensures policy proximity and responsiveness.

7. Social cohesion, gender equality and community resilience

Depopulation and social fragmentation weaken resilience. FICSIMM stresses the importance of:

- Dedicated funding for **women-led enterprises**,
- Support for **youth** entrepreneurship,
- **Social SMEs** addressing community services,
- Impact-based financing for **inclusive** business models.

Social cohesion is not symbolic - it is a **structural pillar of regional stability**.

8. Transparency and impact-oriented monitoring

Public trust in EU action depends on visible results.

FICSIMM proposes:

- A **real-time EU digital dashboard** for eastern region investments,
- **Open-data access** on beneficiaries and outcomes,
- **Impact indicators** measuring SME growth, job creation and innovation.

Monitoring must shift from absorption rates to **measurable transformation**.

9. Cross-border SME clusters and value chains

With cross-border trade severely disrupted, rebuilding value chains is essential.

FICSIMM supports:

- **Cross-border SME clusters with Ukraine and Moldova,**
- **Joint incubators and research hubs,**
- **Industrial symbiosis valleys and bioeconomy partnerships.**

Economic cooperation enhances **mutual trust, competitiveness and strategic autonomy**.

10. Crisis flexibility with predictability

While flexibility is necessary in a volatile environment, SMEs require predictability.

FICSIMM proposes:

- A **"Cohesion Flex Fund"** for rapid liquidity support,
- Bridge financing during asymmetric crises,
- Clear separation between emergency tools and structural development funding.

Flexibility must be matched by **legal certainty and access equity**, consistent with FICSIMM's position on the future MFF.

Conclusion

FICSIMM strongly supports the Commission's strategic intent to strengthen eastern border regions. However, from an SME-centred perspective:

- **Security and competitiveness are inseparable**,
- **Cohesion remains a foundational EU principle**,
- **SMEs must be structurally embedded in all funding instruments**,
- **Territorial balance must not be sacrificed for centralization**,
- **Simplification, decentralization and impact measurement are non-negotiable.**

Eastern border regions are not only Europe's geographical frontier - they are **Europe's economic and democratic frontline**. **Their resilience depends on the strength of their SME fabric.**

FICSIMM contribution - Pact for the Eastern Border Regions

(September 17th, 2025)

1. Strengthening SME competitiveness in border economies

Eastern border regions need **tailored support for SMEs**, as they are the backbone of local employment and innovation. The EU should create **dedicated SME funding windows** within cohesion envelopes, including simplified financial instruments, micro-grants, and guarantees. This will prevent depopulation by sustaining viable businesses, while also fostering **cross-border supply chains** and resilience in areas most exposed to geopolitical risks.

2. Dedicated green and digital transition facilities for SMEs

The Pact must ensure that **SMEs in border regions are not excluded** from the twin transition. FICSIMM proposes an **"SME Green Transition Facility"** and a **"Digital SMEs for Smart Regions" programme**. These should provide **climate vouchers, low-interest loans, digitalization grants, and advisory services**, supporting SMEs to decarbonize, digitalize, and access cross-border innovation hubs.

3. Place-based investment to reduce regional disparities

Border territories suffer from **structural disadvantages**, such as infrastructure gaps, low investment levels, and skills mismatches. EU funding should be distributed using **multi-dimensional indicators** beyond GDP, including business density, energy dependency, and digital connectivity. This will secure a **fair allocation of resources** and ensure that **underdeveloped regions are not left behind**.

4. Skills and workforce adaptability for border regions

Demographic decline and migration have reduced the available workforce. FICSIMM calls for a flagship initiative **"Skills for Smart Growth Regions"**, integrating training centers, vocational schools, and SMEs. EU funds should support **upskilling and reskilling, dual education schemes, and women's and youth entrepreneurship in border regions**, ensuring that human capital is aligned with the needs of local businesses.

5. Boosting energy resilience and independence

Eastern border regions face **acute energy insecurity**, amplified by the war's disruptions. The Pact should prioritize **accessible grant schemes for renewable installations**, co-financing for efficient equipment, and participation in **energy communities**. Embedding **Energy Service Company (ESCo) models** into EU programmes would allow SMEs to invest without high upfront costs, directly enhancing both competitiveness and regional security.

6. Enhancing local institutional capacity and decentralized delivery

Uneven **institutional capacity** in border regions often undermines EU policy effectiveness. FICSIMM urges the creation of **regional delivery hubs** for EU funds, backed by **technical assistance, digital tools, and permanent SME consultation platforms**. This would bring decision-making closer to beneficiaries and ensure that **funds are used effectively and transparently**.

7. Social cohesion, gender equality and community resilience

The Pact must not only address economic and security concerns but also the **social fabric** of these regions. FICSIMM and OFA highlight the need for **dedicated funding for women-led enterprises, youth entrepreneurs, and social SMEs**. Such measures will strengthen **community resilience, inclusiveness, and local leadership**, reducing vulnerabilities to depopulation and disinformation.

8. Transparency, monitoring and accountability

Finally, the Pact should embed **real-time monitoring tools** accessible to citizens, SMEs, and local authorities. A **digital EU dashboard** with open data on disbursements, beneficiaries, and outcomes will foster **trust, accountability, and civic oversight**, ensuring that every euro invested delivers visible impact in the eastern border regions.

9. Cross-border cooperation and value chains

For border territories, **cross-border economic cooperation** is not optional but vital. The Pact should fund **joint SME clusters, cross-border incubators, and shared research hubs** that connect EU regions with Ukraine and Moldova. These initiatives will help build **resilient value chains**, attract investment, and foster **mutual trust across borders**, countering isolation and economic fragmentation.

10. Flexible financial instruments and crisis-response mechanisms

Eastern border SMEs operate in highly volatile contexts marked by **security threats, trade disruptions, and refugee inflows**. FICSIMM proposes the establishment of a **"Cohesion Flex Fund"**, activated during asymmetric crises to provide **rapid liquidity support, bridge financing, or working capital guarantees** for SMEs. Such tools will ensure that enterprises remain operational and that local economies are not destabilized during shocks.