

***Federation for Innovation and Sustainable Competitiveness in SMEs
(FICSIMM), Romania:***

**Position on the Industrial Accelerator Act (IAA) -
20 proposals to the Romanian Government
and the European Commission - an SME perspective**

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1. Dedicated SME Window in Romania's IAA National Implementation Framework

Establish a dedicated "SME Industrial Accelerator Window" within Romania's national implementation framework, ring-fencing a minimum of 30% of IAA-related public funds for SMEs.

FICSIMM urges the Romanian Government to ensure that **SMEs are explicitly positioned as primary beneficiaries**, not residual actors, of the Industrial Accelerator Act's national implementation. Drawing on FICSIMM's position on the European Competitiveness Fund, **trickle-down effects from large industrial projects are insufficient** to generate meaningful SME impact. Romania must establish a **dedicated SME window** with simplified eligibility criteria, proportionate reporting obligations and **fast-track approval processes aligned with SME business cycles**. A minimum allocation threshold of 30% for SMEs must be embedded in national implementing legislation. This is consistent with the European Commission's long-standing principle that SME competitiveness requires **targeted instruments, not only horizontal promises**.

2. Acceleration areas in Less-Developed Regions with high SME density

Designate Romania's Industrial Manufacturing Acceleration Areas in less-developed regions, prioritising counties with structural economic disadvantages and significant SME density.

FICSIMM calls on the Romanian Government to ensure that the **mandatory designation of at least one Industrial Manufacturing Acceleration Area** serves as a genuine regional development tool, not merely an administrative formality, prioritising **particularly the North-Est, South-East and South-West regions**. Designation criteria must explicitly incorporate **SME density indicators, labour market vulnerabilities, digital connectivity gaps and energy dependency levels**. FICSIMM also proposes that Romania designates **multiple acceleration areas**, each aligned with the industrial specialisation of its region, rather than concentrating all benefits in a single location. This approach would maximise territorial equity and SME inclusion.

3. Mandatory SME Impact Test for All IAA delegated acts

Call on the European Commission to introduce a mandatory "SME Impact Test" for all delegated acts adopted under the IAA, ensuring that origin and low-carbon requirements do not disproportionately burden smaller operators.

FICSIMM urges the European Commission to embed a **mandatory SME-focused regulatory impact assessment** before adopting any delegated act under the IAA - whether extending origin requirements, revising carbon intensity thresholds or expanding FDI conditionalities to new sectors. This is consistent with FICSIMM's Omnibus position, which calls for a **"Zero Bureaucracy" test** ensuring no regulatory requirement disproportionately burdens SMEs compared to large enterprises. **Self-declaration mechanisms for origin and carbon compliance** are welcome, but they must be accompanied by **standardised templates, digital verification tools and free advisory support** for SMEs. Compliance costs must remain proportionate and never constitute a de facto barrier to market access for smaller operators.

4. SME Advisory Body within Romania's National Investment Authority

Advocate for Romania's National Investment Authority - to be designated under the IAA - to include a permanent SME advisory body in its governance structure.

The IAA requires each Member State to designate a National Investment Authority to review and approve foreign direct investments exceeding EUR 100 million in emerging strategic sectors. FICSIMM calls on the Romanian Government to ensure that this authority **includes a structured consultation mechanism with SME representative organisations** in its governance design. **FDI conditions requiring at least 30% of inputs to be sourced from the EU and 50% EU workforce** create direct supply chain opportunities for Romanian SMEs, but only if SME associated structures are formally involved in monitoring compliance and signalling bottlenecks. The authority must also **publish regular reports on how approved investments have generated SME supply chain integration**, making the results visible and verifiable.

5. National "SME Decarbonisation Voucher" Program

Push for a national "SME Decarbonisation Voucher" program aligned with the IAA's lead market provisions, enabling SMEs to access carbon intensity labelling and certification at reduced cost.

FICSIMM proposes that the Romanian Government launch a national **"SME Decarbonisation Voucher" program** to help SMEs in energy-intensive sectors obtain **verified carbon intensity labels** under the IAA framework. Access to the EU's new voluntary carbon classification system will require investment in **emissions monitoring, data verification and third-party accreditation**, costs that are prohibitive for most SMEs without targeted support. The program should cover **energy audits, ETS-aligned monitoring systems and certification fees**, with tiered support levels based on company size. This directly enables SME access to **premium markets and preferential treatment in public procurement** under the IAA's lead market provisions.

6. SME-friendly procurement track below EU Directive thresholds

Request the European Commission to lower the public procurement threshold triggers for "Made in EU" requirements, or introduce a parallel SME-friendly procurement track that rewards European content without imposing full directive-level compliance.

FICSIMM notes that IAA procurement requirements apply only to contracts exceeding thresholds under Directives 2014/23/EU, 2014/24/EU and 2014/25/EU. This means that **a significant portion of public contracts - including many relevant to SMEs - fall outside the scope of the new rules** and continue without European content incentives. FICSIMM calls on the European Commission to introduce a **complementary voluntary procurement track** applicable below directive thresholds, where contracting authorities may award preference to European-origin and low-carbon products. This would **extend the lead market effect to the portion of procurement most accessible to SMEs**, without creating disproportionate obligations for small contracting authorities.

7. European SME Priority clause in the FDI conditionality framework

Urge the European Commission to ensure that the IAA's FDI conditionality framework does not crowd out domestic SME investment in emerging strategic sectors, and to introduce a "European SME Priority" clause for greenfield projects.

FICSIMM acknowledges the necessity of regulating large-scale foreign direct investments in several sectors such as batteries, photovoltaics and electric vehicles. However, **imposing mandatory joint-venture structures and 49% ownership caps on foreign investors** could - if not carefully managed - distort competition between foreign-backed joint ventures and **purely domestic SME-led enterprises** competing for the same markets or supply chain positions. FICSIMM proposes that the European Commission introduce a **"European SME Priority" clause** requiring Investment Authorities to assess, as part of FDI approval, **whether the investment displaces existing or planned SME activity in the relevant sector**. Romania should advocate for this safeguard in Council negotiations, ensuring that strategic sector development does not come at the cost of **domestic entrepreneurial capacity and regional SME ecosystems**.

8. EU co-financing for Romania's single digital permitting access point

Advocate for Romania to secure EU co-financing for the implementation of the single digital permitting access point under the IAA, with a dedicated module for SME-scale industrial projects.

The IAA obliges Member States to create a **single digital access point** for all industrial manufacturing permits, based on European Business Wallets. For Romania - where **administrative digitalisation remains uneven** - this is both an obligation and an investment opportunity. FICSIMM calls on the Romanian Government to immediately seek **EU technical and financial support** (including through the Technical Support Instrument and ERDF) for building this platform, and to ensure it includes **a dedicated module adapted to the scale and complexity of SME industrial projects**. The platform must apply the **once-only principle rigorously**, accept self-declarations and provide **real-time tracking of permit status**. FICSIMM also requests that a **permanent helpdesk for SMEs** be embedded in the platform architecture, staffed by advisors familiar with sector-specific requirements.

9. Transition support for SMEs facing IAA-related upstream cost increases

Call on the European Commission to introduce specific transition support mechanisms for SMEs in energy-intensive industries facing upstream cost increases resulting from the IAA's origin and low-carbon requirements.

FICSIMM warns that the IAA's lead market provisions - while strategically beneficial - will create **short-term cost pressures in downstream industries**, particularly construction and automotive, where **SMEs are major consumers of steel, cement and aluminium**. If European-origin and low-carbon materials are priced higher than non-EU alternatives, SME downstream operators will face **margin compression without adequate compensation mechanisms**. FICSIMM urges the European Commission to design **transition support tools** - including **blended finance schemes, preferential loan rates and targeted State aid windows** - specifically for SMEs absorbing higher input costs during the lead market development phase. Romania should also advocate for **extended derogation periods** (beyond 30% cost difference) for SMEs in demonstrably vulnerable downstream sectors.

10. Skills ecosystems and Net-Zero Academies in acceleration areas

Propose that Romania's designation of Industrial Acceleration Areas explicitly integrates a "Skills for Smart Growth Regions" model, with SME-embedded dual education pathways and upskilling programs.

FICSIMM stresses that **Industrial Manufacturing Acceleration Areas** will fail without adequate **skilled labour** - a structural challenge that is particularly acute in Romania's less-developed regions. Drawing on FICSIMM's proposals on the Eastern Border Regions Communication and workforce adaptability, Romania must ensure that each acceleration area designation is accompanied by a **comprehensive skills ecosystem plan**, including **dual education agreements with local SMEs**, **vocational training aligned with the specific industrial sectors** of the area and **incentives for youth and women to enter manufacturing careers**. FICSIMM proposes the establishment of **"Net-Zero Academies"** within or adjacent to acceleration areas, co-managed by employer federations, universities and local authorities, and co-financed through the European Social Fund+. Human capital is not a secondary concern - it is a **precondition for the IAA's industrial ambitions**.

11. Limiting cascading compliance burdens on SME tier-2 and tier-3 suppliers

Urge the European Commission to clarify and limit the cascading compliance burden that IAA origin and carbon requirements may impose on SMEs as tier-2 and tier-3 suppliers in strategic value chains.

A persistent structural risk identified by FICSIMM across multiple position papers - including our Omnibus and CSRD positions - is the phenomenon of **indirect compliance burden cascading from large companies to their SME suppliers**. Under the IAA, large operators seeking to qualify their products as "Made in EU" or "low-carbon" will inevitably require **documentation, declarations and data from their SME sub-suppliers**. FICSIMM calls on the European Commission to introduce **explicit provisions limiting the data requests and compliance documentation** that large beneficiaries may impose on SME suppliers in their value chain. A **standardised, free-of-charge supplier declaration template** must be developed and made available in all EU languages. Romania should raise this issue formally in the Council working group discussions on IAA implementation.

12. Extending the critical raw materials joint purchasing mechanism to all SMEs

Request that the European Commission extends the IAA's joint purchasing mechanism for critical raw materials to SMEs outside Acceleration Areas, through a national aggregation platform.

The IAA provides that SMEs within Industrial Manufacturing Acceleration Areas may benefit from the **joint purchasing mechanism for strategic raw materials** established under the Critical Raw Materials Act. FICSIMM considers this a valuable but **geographically restricted** instrument. We call on the European Commission to **extend access to the joint purchasing mechanism to SMEs operating outside acceleration areas**, through national aggregation structures. This would **reduce input cost disadvantages** for SMEs that are not co-located in designated clusters but are nonetheless active in strategic sectors. Romania should propose this extension as a national implementing measure, drawing on employers' organizations regional development positions and their advocacy for **place-neutral SME access** to strategic policy instruments.

13. Aligning Romania's Energy Strategy with IAA energy planning obligations

Call on the Romanian Government to align Romania's National Energy Strategy 2025-2035 with the IAA's energy planning obligations for Acceleration Areas, ensuring that energy infrastructure investments serve SME needs across all regions.

The IAA requires Member States to conduct **comprehensive energy needs analyses for each designated Acceleration Area**, reflected in national grid development plans. FICSIMM urges the Romanian Government to use this obligation as an opportunity to **systematically map energy infrastructure gaps** affecting SMEs beyond the acceleration areas as well. This analysis must include **projections of low-carbon energy availability, grid connection timelines, renewable energy auction schedules and SME access to energy communities**. FICSIMM also proposes that Romania establishes a **national SME energy transition dashboard**, tracking energy costs, grid connection waiting times and renewable uptake by region and sector, as a monitoring tool aligned with the IAA's evaluation requirements.

14. Accelerated SME-Specific evaluation cycle under the IAA review mechanism

Advocate at EU level for the IAA's review mechanism to include a mandatory assessment of SME competitiveness impacts, and for the review timeline to be accelerated from 3 years to 18 months for the first evaluation cycle.

The IAA provides for an evaluation at 2 years and every 3 years thereafter. FICSIMM considers this timeline insufficient given the **rapid evolution of global supply chains, energy prices and technology markets**. We call on the European Commission to commit to a **first focused SME-specific evaluation within 18 months of application**, assessing whether origin and low-carbon requirements have generated measurable market opportunities for SMEs or whether they have primarily benefitted large operators. This evaluation should **draw on data from SME representative organisations** and be conducted with **full transparency and public access to results**. Romania should support this accelerated review timeline in Council, consistent with associative structures' position on **impact-oriented monitoring** and calls for real-time dashboards in EU spending programs.

15. Representative employers' confederations as formal structured dialogue partners in IAA Governance

Propose that the European Commission designates equivalent national employers' confederations as formal structured dialogue partners in the IAA's governance and monitoring framework, including in the assessment of delegated acts.

FICSIMM calls on both the Romanian Government and the European Commission to formally recognise **national employers' confederations as structured interlocutors** in the IAA's governance architecture. Delegated acts extending origin requirements, modifying low-carbon thresholds or adding new sectors to the FDI conditionality framework will have **direct and immediate consequences for SMEs**, yet the current text provides no formal channel for SME input beyond general public consultations. FICSIMM proposes the creation of an **"IAA SME Advisory Council"** at EU level with the mandate to **provide structured opinions on all delegated acts before their adoption**, consistent with the partnership principle embedded in EU structural policy.

16. SME Resilience Clause in IAA-linked national support schemes

Urge the European Commission to introduce an "SME Resilience Clause" within the IAA's public support scheme architecture, preventing Member States from designing national schemes that systematically exclude micro and small enterprises through minimum project size thresholds.

FICSIMM warns that the IAA's requirement for Member States to apply "Made in EU" and low-carbon criteria to **at least 45% of national support scheme budgets** creates a structural incentive for national authorities to concentrate funding in **large, easily verifiable projects** rather than distributing it also across a broader SME base. Without an explicit safeguard, national schemes risk setting **minimum investment thresholds, technical certification prerequisites or co-financing rates** that are structurally inaccessible to micro and small enterprises. Drawing on FICSIMM's position on the European Competitiveness Fund, **SME exclusion through scheme design is as damaging as explicit ineligibility**. The proposed "SME Resilience Clause" should mandate that **a defined share of each national IAA-linked support scheme** - no less than 25% - be allocated through instruments specifically calibrated for enterprises with fewer than 50 employees, using **lump-sum reimbursements, flat-rate co-financing and simplified compliance pathways**.

17. National "IAA Readiness Program" with Free Advisory Services for SMEs

Call on the Romanian Government to establish a national "IAA Readiness Program" for SMEs, providing free-of-charge advisory services on origin certification, carbon measurement, FDI conditionality and acceleration area benefits.

FICSIMM notes that the IAA introduces a **complex and interconnected set of regulatory obligations and opportunities** - origin requirements, carbon intensity classification, FDI screening, acceleration area benefits, energy planning obligations - that **individually exceed the administrative capacity of most Romanian SMEs**. Drawing on consistent advocacy for **one-stop-shop platforms, regional delivery hubs and permanent consultation mechanisms**, Romania must establish a **national "IAA Readiness Program"** delivered through existing employers' (con)federation networks, regional development agencies, other credible stakeholders. The program should offer **free structured advisory modules** covering: how to self-declare origin compliance; how to measure and report greenhouse gas intensity using ETS and CBAM data; how to position as a supplier to FDI-approved joint ventures; and **how to**

access acceleration area benefits. FICSIMM proposes that this program be co-financed through the **Technical Support Instrument and ERDF.**

18. SME compliance support for IAA cybersecurity provisions

Advocate at EU level for the IAA's cybersecurity provisions - excluding high-risk suppliers from net-zero technology procurement and support schemes - to be accompanied by accessible compliance guidance and cost support specifically designed for SME beneficiaries.

The IAA introduces **cybersecurity requirements** prohibiting high-risk suppliers (as defined under the revised Cybersecurity Act) from being involved in the supply, design, management or software development of control systems, SCADA systems and remote access systems used in net-zero technologies eligible for public procurement, auctions and support schemes. While FICSIMM fully supports the **strategic rationale of excluding high-risk suppliers** from critical energy infrastructure, we caution that SME beneficiaries of support schemes - such as installers and integrators of **solar PV systems, battery storage, heat pumps and wind components** - may inadvertently use components from restricted suppliers without the capacity to conduct due diligence. FICSIMM calls on the European Commission to publish a **regularly updated "safe supplier" registry**, freely accessible to SMEs, and to provide **standardised contractual clauses** that SMEs can use with their own suppliers to ensure downstream compliance. Romania should request that **national implementing authorities provide free cybersecurity compliance checks** for SME applicants to IAA-linked schemes.

19. SME manufacturing value-added sub-target under the 2035 industrialisation objective

Propose that the European Commission links the IAA's industrialisation objective - 20% of EU GDP from manufacturing by 2035 - to a dedicated sub-target requiring that SMEs account for a growing and explicitly monitored share of manufacturing value added, preventing concentration of gains in large industrial actors.

FICSIMM acknowledges the strategic importance of the IAA's headline target of **raising manufacturing's share of EU GDP from 14.3% to 20% by 2035.** However, drawing on FICSIMM's

position on the 2028-2034 MFF and the European Competitiveness Fund, **aggregate industrial growth targets do not automatically translate into SME prosperity** if the regulatory framework disproportionately favours large capital-intensive operators. Consistent with broader advocacy for **multidimensional, SME-sensitive monitoring frameworks**, FICSIMM proposes that the European Commission introduce, within the IAA's monitoring framework, a **dedicated SME manufacturing value-added sub-indicator**, tracking the share of total EU manufacturing output attributable to enterprises with fewer than 250 employees. This sub-indicator should be **reported annually by Member States** as part of their IAA implementation reports and should be used by the Commission in its three-year evaluations to assess whether the industrialisation objective is delivering **inclusive growth or merely large-firm consolidation**. consistent with broader advocacy for **multidimensional, SME-sensitive monitoring frameworks**.

20. Gender-sensitive implementation of the IAA for women-led SMEs

Call on both the Romanian Government and the European Commission to ensure that women-led SMEs receive targeted support and visibility within the IAA implementation framework, including reserved advisory capacity, dedicated reporting and gender-disaggregated monitoring data.

FICSIMM, acting also in its capacity as the federation within which the **Organisation of Women Entrepreneurs (OFA)** operates, stresses that the IAA's implementation must be explicitly **gender-sensitive**. Women-led SMEs in Romania are disproportionately represented in sectors - including **light manufacturing, food processing, textiles and business services** - that are adjacent to, rather than at the core of, the IAA's strategic sectors. Without proactive measures, the benefits of industrial acceleration risk **bypassing women entrepreneurs entirely**. FICSIMM calls on the Romanian Government to ensure that **all national IAA-linked support schemes collect and publish gender-disaggregated data** on beneficiaries, and that **a minimum share of advisory and capacity-building resources** within the IAA Readiness Program is explicitly reserved for women-led enterprises. At EU level, FICSIMM urges the Commission to include **gender equality indicators** in the IAA's monitoring framework and to require Member States to report on women's participation in acceleration area governance bodies. This is consistent with FICSIMM's positions on **social cohesion, inclusive growth and the operationalisation of gender equality** across the MFF and cohesion policy frameworks.