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

Organizația Femeilor Antreprenor

FICSIMM -

Federation for Innovation and Sustainable Competitiveness in SMEs, Romania

Amendments, proposals and observations on the
Proposal for a Regulation of the European Parliament and of the Council establishing measures for industrial capacity and decarbonisation in strategic sectors
(Industrial Accelerator Act - IAA):
An SME perspective from Romania

Chapter I - General Provisions

Amendment 1: Chapter I - Article 1 (Subject matter and scope), paragraph 1

Explicit recognition of SMEs as primary beneficiaries:

FICSIMM PROPOSAL:

Insert at the end of Article 1(1) a new sentence reading:

"The framework established by this Regulation shall explicitly position small and medium-sized enterprises, including microenterprises, as primary beneficiaries of the support, lead market and acceleration measures, and not as residual actors of trickle-down effects from large industrial projects."

JUSTIFICATION:

Without an explicit framing clause, the operative provisions of the IAA can be implemented by Member States and the Commission in a manner that disproportionately benefits large operators. **Anchoring SME primacy in the scope article** creates a binding interpretative principle for all delegated and implementing acts adopted under the Regulation.

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Amendment 2 : Chapter I - Article 2 (Industrialisation objective)

<u>SME manufacturing value-added sub-target under the 2035 objective:</u>

FICSIMM PROPOSAL:

Add a new second sentence to Article 2:

"The Commission shall, by means of an implementing act adopted in accordance with Article 31(3) and within twelve months from the entry into force of this Regulation, establish a sub-indicator measuring the share of total Union manufacturing value added attributable to enterprises with fewer than 250 employees. Member States shall report this sub-indicator annually as part of their IAA implementation reports, and the Commission shall use it in its evaluations under Article 28."

JUSTIFICATION:

Aggregate industrial growth targets do not automatically translate into SME prosperity if the regulatory framework disproportionately favours large capital-intensive operators. A **dedicated SME manufacturing value-added sub-indicator** operationalises the headline objective and prevents the 20% target from being delivered through **large-firm consolidation alone**.

Amendment 3: Chapter I - Article 3 (Definitions)

<u>Definition of "SME" for the purposes of this Regulation:</u>

FICSIMM PROPOSAL:

Insert a new point in Article 3 reading:

"'small and medium-sized enterprise' or 'SME' means an enterprise within the meaning of the Annex to Commission Recommendation 2003/361/EC, including microenterprises; for the purposes of monitoring under Article 28, references to 'SMEs' shall include women-led SMEs as identified by the relevant Member State authority."

JUSTIFICATION:

The current Article 3 contains no autonomous definition of SME despite repeated cross-references to SMEs in Articles 16, 25, 26 and 28. A **single, harmonised definition** - aligned with the existing Commission Recommendation - is essential for consistent application across Member States and for **gender-disaggregated monitoring**.

Chapter II - Enabling Conditions for Industrial Production and Decarbonisation

Amendment 4: Chapter II - Article 4 (Single access points), paragraphs 2 and 3

Dedicated SME module and permanent SME helpdesk within the single access point:

FICSIMM PROPOSAL:

Add a new subparagraph at the end of Article 4(2):

"The single access points shall include a dedicated functional module adapted to the scale, complexity and resource constraints of industrial manufacturing projects promoted by SMEs, applying the once-only principle rigorously, accepting self-declarations and providing real-time tracking of permit status. Each single access point shall be staffed by a permanent SME helpdesk, with sector-specific advisors, co-financed where appropriate through the Technical Support Instrument and the European Regional Development Fund."

JUSTIFICATION:

Romania and other Member States with **uneven administrative digitalisation** face an obligation that risks delivering an instrument designed only for large projects. An **explicit SME module and a permanent helpdesk** transform the platform into a genuine enabler of SME-scale industrial manufacturing projects.

Amendment 5: Chapter II - Article 5 (Permit-granting procedure), paragraph 3

Proportionate deadlines and simplified completeness check for SME applicants:

FICSIMM PROPOSAL:

Add a new paragraph 3a to Article 5:

"For industrial manufacturing projects promoted by SMEs, the deadline of 45 days set out in paragraph 3 shall be reduced to 30 days and the second request for missing information referred to in the second subparagraph shall not be required to cover technical documentation that may be provided post-completeness check through a digital follow-up procedure. Member States shall publish, by [date], a simplified completeness check protocol specifically calibrated to the documentary capacity of SMEs."

JUSTIFICATION:

Permit-granting timelines designed for large industrial projects place SMEs at a structural disadvantage: their **cash-flow cycles, documentary capacity and risk tolerance** are fundamentally different. A **proportionate fast-track for SME projects** is consistent with the Commission's better regulation principles and the Think Small First test.

Chapter III - Strengthening the Union's Strategic Industrial Value Chains

Amendment 6: Chapter III - Article 10 (Low-carbon products), paragraph 2

"SME Decarbonisation Voucher" to access carbon intensity classification:

FICSIMM PROPOSAL:

Add a new subparagraph at the end of Article 10(2):

"To enable SME access to the voluntary classification systems established under this paragraph, Member States shall introduce, in coordination with the Commission, an 'SME Decarbonisation Voucher' programme co-financed through Union funds, covering energy audits, ETS-aligned monitoring systems, third-party verification and accreditation fees for enterprises with fewer than 250 employees. The Commission shall publish, within twelve months from entry into force, a standardised template for SME carbon-intensity self-declaration based on already available ETS and CBAM data."

JUSTIFICATION:

Access to the IAA's voluntary carbon classification - and to the resulting preferential treatment in procurement under Article 11 - requires significant investment in **emissions monitoring, data verification and accreditation**, costs that are prohibitive for most SMEs. Without a **voucher mechanism**, the lead market effect will systematically bypass SMEs.

Amendment 7 : Chapter III - Article 11 (Public procurement), new paragraph 5

<u>Parallel SME-friendly procurement track below Directive thresholds:</u>

FICSIMM PROPOSAL:

Insert a new paragraph 5 in Article 11:

"Member States may, on a voluntary basis, apply the Union origin and low-carbon preferences referred to in this Article to public procurement procedures below the thresholds set out in Directives 2014/23/EU, 2014/24/EU and 2014/25/EU. Where they do so, they shall apply simplified self-declaration templates and shall not impose documentary requirements heavier than those applicable above the thresholds. The Commission shall issue, within twelve months from entry into force, guidance on a voluntary SME-friendly procurement track below the thresholds."

JUSTIFICATION:

A significant share of public procurement most accessible to SMEs **falls below the EU Directive thresholds** and is therefore outside the scope of the IAA's procurement rules. A **voluntary, simplified preference track below the thresholds** extends the lead market effect to the segment of procurement where SMEs are most competitive.

Amendment 8: Chapter III - Article 11 (Public procurement), paragraph 4 / Article 12 paragraph 1

<u>Standardised free supplier declaration template and limitation of cascading data requests:</u>

FICSIMM PROPOSAL:

Add a new paragraph 4a to Article 11 and replicate in Article 12:

"The Commission shall publish, within nine months from entry into force, a standardised, free-of-charge supplier declaration template covering Union origin and low-carbon compliance, available in all official Union languages. Contracting authorities, contracting entities and beneficiaries of public support schemes shall not impose on SME sub-suppliers data requests, documentation or audit obligations that go beyond the contents of that template. Compliance costs for tier-2 and tier-3 SME suppliers shall remain proportionate and shall never constitute a de facto barrier to market access."

JUSTIFICATION:

Large operators seeking to qualify their products as 'Made in EU' or 'low-carbon' will inevitably **cascade documentation requirements onto SME sub-suppliers**. A **single standardised free**

template and an explicit prohibition on cascading additional data requests is the only structural protection against indirect compliance burden multiplication.

Amendment 9: Chapter III - Article 12 (Other forms of public intervention), paragraph 1

<u>"SME Resilience Clause" within the 45%/100% allocation thresholds:</u>

FICSIMM PROPOSAL:

Add a new subparagraph at the end of Article 12(1):

"Within the national budgets allocated to public support schemes covered by Part II of Annex II and Part II of Annex III, Member States shall ensure that no less than 25% of those budgets is delivered through instruments specifically calibrated for enterprises with fewer than 50 employees, including lump-sum reimbursements, flat-rate co-financing and simplified compliance pathways. National schemes shall not impose minimum project size thresholds, technical certification prerequisites or co-financing rates that systematically exclude micro and small enterprises."

JUSTIFICATION:

The 45% and 100% allocation thresholds create a strong **incentive for national authorities to concentrate funding in large, easily verifiable projects**. Without an explicit safeguard, **SME exclusion through scheme design** is as damaging as explicit ineligibility. The clause guarantees minimum micro/small access through proportionate instruments.

Amendment 10: Chapter III - Article 12 (Other forms of public intervention), paragraph 3(b)

<u>Extended derogation periods for SMEs in vulnerable downstream sectors:</u>

FICSIMM PROPOSAL:

Add a new subparagraph at the end of Article 12(3):

"For public support schemes whose beneficiaries are predominantly SMEs operating in downstream sectors that are major consumers of products referred to in Annexes II and III - including construction, automotive components and machinery -, the disproportionate cost threshold referred to in point (b) shall be presumed to exist where compliance increases the cost of the underlying final product by more than 20% rather than 30%. Member States shall design transition support tools, including blended finance schemes, preferential loan rates and targeted

State aid windows, for SMEs absorbing higher input costs during the lead market development phase."

JUSTIFICATION:

The IAA's lead market provisions, while strategically beneficial, will create **short-term cost pressures in downstream industries** where SMEs are major consumers of steel, cement and aluminium. A **lower derogation threshold for SME-intensive downstream sectors** and transition support tools prevent margin compression without weakening the lead market signal.

Amendment 11: Chapter III - Article 16 (Delegation of powers), paragraph 1 and paragraph 2

Mandatory SME Impact Test for all delegated acts under the IAA:

FICSIMM PROPOSAL:

Insert a new paragraph 1a in Article 16, applicable to all delegations of power in this Regulation:

"Before adopting any delegated act under Articles 8, 9, 10, 16 or 24, the Commission shall carry out a dedicated SME Impact Test, assessing whether the proposed measure imposes administrative, financial or technical burdens that are disproportionate to the capacity of enterprises with fewer than 250 employees, and whether self-declaration mechanisms, standardised templates, digital verification tools and free advisory support are available. The results of the SME Impact Test shall be published together with the draft delegated act."

JUSTIFICATION:

Delegated acts under the IAA - including those **extending origin requirements, modifying low-carbon thresholds or expanding FDI conditionalities** - will have direct and immediate consequences for SMEs. The current Article 16 references SME impact only in passing among many criteria; a **structured, published SME Impact Test** makes the assessment binding and transparent.

Chapter IV - Foreign Investment Contribution

Amendment 12: Chapter IV - Article 18 (Value added foreign direct investment criteria), para 1

Permanent SME advisory body within each national Investment Authority:

FICSIMM PROPOSAL:

Add a new subparagraph at the end of Article 18(1):

"Each Investment Authority shall establish, as a permanent component of its governance structure, an SME advisory body composed of representatives of nationally representative employers' confederations and SME associative structures. The advisory body shall be consulted on the monitoring of the conditions set out in paragraph 2, in particular as regards EU workforce participation and Union input sourcing, and shall receive the annual reports referred to in Article 22."

JUSTIFICATION:

FDI conditions requiring at least **30% of inputs to be sourced from the Union and 50% EU workforce** create direct supply chain opportunities for SMEs. An **advisory body of SME representative organisations** ensures bottlenecks and compliance gaps are signalled in real time by those with operational visibility on the ground.

Amendment 13 Chapter IV - Article 18 (Value added foreign direct investment criteria), para 2

"European SME Priority" clause in FDI approval:

FICSIMM PROPOSAL:

Insert a new point (g) in Article 18(2):

"(g) the Investment Authority has assessed, on the basis of a structured displacement test, whether the foreign direct investment displaces existing or planned activity of Union SMEs in the relevant sector, and has determined that the investment does not produce a net negative effect on domestic SME-led capacity in the same value chain."

JUSTIFICATION:

Mandatory joint-venture structures with 49% caps on foreign investors may, if not carefully managed, **distort competition between foreign-backed joint ventures and purely domestic SME-**

led enterprises competing for the same markets. A **displacement test** safeguards domestic entrepreneurial capacity without weakening strategic sector development.

Amendment 14: Chapter IV - Article 22 (Monitoring of approved investments)

Publication of SME supply chain integration data:

FICSIMM PROPOSAL:

Add a new paragraph at the end of Article 22:

"Investment Authorities shall publish, on an annual basis and in machine-readable format, anonymised data on the extent to which approved foreign direct investments have generated supply chain integration for Union SMEs, including the share of inputs sourced from SMEs, the number of SME suppliers contracted and the geographical distribution of those suppliers across regions of the Member State concerned."

JUSTIFICATION:

Without **transparent, comparable data** on SME supply chain integration, the FDI conditionality framework cannot be evaluated for its effects on domestic industrial fabric. Annual machine-readable publication **enables verifiable monitoring** by representative organisations and supports the Article 28 evaluation cycle.

Chapter V - Industrial Manufacturing Acceleration Areas

Amendment 15: Chapter V - Article 25 (Designating national industrial manufacturing acceleration areas), paragraphs 1 and 2

Priority to less-developed regions with high SME density and multiple acceleration areas per Member State:

FICSIMM PROPOSAL:

Replace 'at least one' in Article 25(1) and add a new point in Article 25(2):

"Member States shall designate, by [date], at least one industrial manufacturing acceleration area per NUTS 1 region, prioritising less-developed regions within the meaning of Article 108 of Regulation (EU) [Common Provisions Regulation] with high SME density, structural

labour market vulnerabilities and energy dependency. The criteria referred to in paragraph 2 shall include an explicit SME density indicator, measured as the number of SMEs per thousand inhabitants and the share of regional employment in SMEs."

JUSTIFICATION:

A single mandatory acceleration area per Member State concentrates benefits in already-developed regions and **fails to deliver the regional cohesion potential** of the IAA. Designation per NUTS 1 region, with a binding **SME density criterion**, aligns the IAA with cohesion policy and Romanian regional development priorities (North-East, South-East, South-West).

Amendment 16: Chapter V - Article 26 (Enabling conditions), points (g), (h), (i)

Net-Zero Academies and SME-embedded dual education in acceleration areas:

FICSIMM PROPOSAL:

Strengthen Article 26(g) and add a new point (j):

"(g) [strengthened] support the development of a skilled workforce by establishing, within or adjacent to each acceleration area, a 'Net-Zero Academy' co-managed by employer federations, universities and local authorities, and co-financed through the European Social Fund Plus;

(j) ensure SME-embedded dual education pathways, vocational training aligned with the industrial sectors of the area and dedicated incentives for the entry of young people and women into manufacturing careers."

JUSTIFICATION:

Acceleration areas **will fail without adequate skilled labour** - a structural challenge particularly acute in less-developed regions. **Net-Zero Academies and SME-embedded dual education** convert the acceleration area into a genuine human capital ecosystem rather than a planning designation.

Amendment 17: Chapter V - Article 26 (Enabling conditions), points (c), (d) and (f)

Energy planning aligned with SME needs and extension of joint purchasing access beyond the acceleration area:

FICSIMM PROPOSAL:

Strengthen Article 26(c) and modify Article 26(f):

"(c) [strengthened] the comprehensive energy needs analysis shall include projections of low-carbon energy availability, grid connection timelines, renewable auction schedules and SME access to energy communities, both within and adjacent to the acceleration area;

(f) [modified] Member States shall extend access to the joint purchasing mechanism for critical raw materials established by Article 25 of Regulation (EU) 2024/1252 to SMEs operating outside the acceleration area through a national aggregation platform, in order to reduce input cost disadvantages for SMEs not co-located in designated clusters."

JUSTIFICATION:

The IAA's energy planning obligation should **systematically map energy infrastructure gaps** affecting SMEs beyond the acceleration area as well. Extending **joint purchasing of critical raw materials** via a national aggregation platform delivers place-neutral SME access to a key strategic instrument.

Chapter VI - Final Provisions

Amendment 18: Chapter VI - Article 28 (Evaluation)

Accelerated SME-specific evaluation cycle and structured dialogue with employers' confederations:

FICSIMM PROPOSAL:

Replace the chapeau and add a new point to Article 28:

"By [date = 18 months after entry into force], the Commission shall carry out a focused SME-specific first evaluation of this Regulation, assessing whether Union origin and low-carbon requirements have generated measurable market opportunities for SMEs or whether they have primarily benefitted large operators. Subsequent evaluations shall continue to take place every three years. The Commission shall consult, in the preparation of all evaluations, the nationally representative employers' confederations and SME representative organisations of each Member State as formal structured dialogue partners."

JUSTIFICATION:

A two-year first evaluation is **insufficient given the rapid evolution of global supply chains, energy prices and technology markets**. An **18-month focused SME evaluation** and the formal recognition of employers' confederations as structured dialogue partners ensure timely course correction informed by ground-level data.

Amendment 19: Chapter VI - Article 32 (Penalties) and Article 34 amending Article 28b of Regulation (EU) 2024/1735 (cybersecurity)

<u>SME compliance support for cybersecurity exclusion of high-risk suppliers:</u>

FICSIMM PROPOSAL:

Add a new subparagraph to Article 32 and a new point (e) to Article 28b of Regulation (EU) 2024/1735 as amended by Article 34:

"(Art. 32) The Commission shall publish and regularly update a 'safe supplier' registry freely accessible to SMEs, together with standardised contractual clauses that SMEs can use with their own suppliers to ensure downstream compliance with cybersecurity exclusion of high-risk suppliers;

(Art. 28b NZIA, new point (e)) Member States shall provide free-of-charge cybersecurity compliance checks for SME applicants to support schemes covered by this Article."

JUSTIFICATION:

SME installers and integrators of **solar PV, battery storage, heat pumps and wind components** may inadvertently use components from restricted suppliers without the capacity to conduct due diligence. A **free safe-supplier registry and standardised clauses** convert the exclusion rule from a hidden compliance trap into a usable instrument for SMEs.

Amendment 20: Chapter VI - Article 28 (Evaluation), points (a) to (c)

<u>Gender-disaggregated and territorially-disaggregated monitoring of SME participation:</u>

FICSIMM PROPOSAL:

Add a new point (d) to Article 28:

"(d) the gender-disaggregated and territorially-disaggregated participation of SMEs in Union origin and low-carbon procurement, in public support schemes, in acceleration area

governance bodies and in foreign direct investment supply chains; Member States shall collect and publish gender-disaggregated data on beneficiaries of all national IAA-linked support schemes, and shall reserve a minimum share of advisory and capacity-building resources within national IAA Readiness Programmes for women-led SMEs."

JUSTIFICATION:

Women-led SMEs are disproportionately represented in sectors adjacent to - rather than at the core of - the IAA's strategic sectors. **Gender-disaggregated monitoring and a reserved share of advisory resources** prevent industrial acceleration from **bypassing women entrepreneurs entirely** and align the IAA with the Union's gender equality and inclusive growth commitments.