

THE REPRESENTATIVE ORGANISATION OF SMES IN EUROPE'S SPACE INDUSTRY

POSITION OF SME4SPACE ON THE ACTUAL STATUS OF IRIS²

SME4SPACE has reacted very positively during the discussions on the "IRIS² Regulation" and after its final adoption.

Indeed, this regulation contained two critical clauses that were seen as guarantees for a substantial contribution of SMEs with a high added value for the SMEs involved and a major contribution to the European policy aims.

However, the disappointment with the actual status of the IRIS² programme is huge as none of these commitments were taken into account into the tender documents.

Guarantees for SMEs in Regulation (EU) 2023/588

SME4SPACE based its positive attitude on two major clauses in the Regulation:

- Article 21 of the Regulation contains the principle that "at least 30 % of the value of the contract is subcontracted by competitive tendering at various levels of subcontracting to companies outside the group of the prime tenderer, in particular in order to enable the cross-border participation of SMEs in the space ecosystem". This principle was confirmed at several occasions, whereby the ESA IPC of May 2023 laid down a minimum of only 10% for SMEs (see ESA/IPC(2023)58,rev.2: EUROPEAN SPACE AGENCY INDUSTRIAL POLICY COMMITTEE, ESA programme related to EU Secure Connectivity Industrial measures, published Paris, 15 May 2023, page 2-3).
- Fully in line with the strategy of SME4SPACE, which emphasises the importance of SMEs not only in their role as subcontractor, but also as provider of their own services, the Regulation also included the obligation to:

"require, through the contracts referred to in Article 19, that new entrants, start-ups, SMEs and mid-cap companies from across the Union are able to deliver their own services to end-users" (Article 7 2. (c)).

This requirement implies that the SME service providers should be able to offer their services to end customers without being dependent on inside knowledge or excessive support from the main contractors of LSIs. It should be possible for a service provider to develop an IRIS² application without being dependent on the inside system knowledge of other integrators, who happened to have a higher position in the IRIS² development tree.



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The implementation of the guarantees for SMEs

SME4SPACE can only conclude that none of these elements have been fully considered.

For the guaranteed part for SMEs, the tender documents lack an unequivocal reference leading to confusion. There are of course references in the Tender documents (see page 23 and 24 of the Call for Tenders) but our discussions with the responsible officers only confirmed that uncertainty subsists.

We hope that clear guidelines will still be formulated, and that the commitment for a minimum SME participation will be translated in exclusion criteria.

SME4SPACE is even more worried regarding the promise to have a real "new" attitude towards SMEs by offering the possibility to develop their own services.

Nothing is foreseen and SME4SPACE was informed that a **new call** would be issued for these services. However, **no funds are foreseen**, **not in the actual programme budget and not even in the actual Multi-Annual Financial Framework**. The call could be foreseen in ... 2027. This would fully undermine the promise made in this critical field. A clear position should be taken here.

Both elements go against the rules of the Regulation and are therefore unacceptable. SME4SPACE asks for immediate action.