

POSITION OF SME4SPACE ON THE PROGRESS OF IRIS² AND THE SPACERISE CONSORTIUM

From its conception SME4SPACE has been an enthusiastic supporter of IRIS² and the opportunities it promised for the European space industry, including SMEs. This position was confirmed during the interactions on the adaptation of the relevant regulation where clear guarantees for a substantial SME involvement were included.

Unfortunately, this enthusiasm has been dampened significantly since as we already posited in our 2023 position paper.

Now, in 2025, the uncertainty to us seems to only have increased.

After several concerned comments from our members and the SME industry, as well as the IRIS² Industry Info Day, a dedicated meeting was organized on February 26th with more than 80 SME representatives registered.

The need to bring to the attention of the responsible parties the concerns brought to us to is obvious and this is the aim of this position paper. SME4SPACE hopes that this can lead to a fruitful discussion, which has regrettably been lacking completely for the last years.

Subcontracting guarantee for SMEs

Article 21 of the IRIS² Regulation states the following:

“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”.

SME4SPACE wants to underline that this is a legal obligation and not a merely moral commitment.

Since the inclusion of this in the Regulation, no further progress has been made to make this concrete, leaving us to doubt what is being done to ensure adherence to this part of the regulation.

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No publication, presentation or interview by the consortium members or the European Commission have mentioned the 30% from the Regulation. There have been some references to 10% but how these fit within the Regulation is unclear.

Of equal confusion has been the decision to limit public procurement for SMEs to LEO-Low. We sought clarification on the reasoning behind this decision before, as it is not clear to us how it was made or who was involved in the process. Unfortunately, we did not receive any reaction on our repeated request for information.

Without concrete measures and transparency, the commitment to SME involvement remains uncertain, raising questions about how these guarantees will be upheld in practice.

End-to-end services by SMEs

The IRIS² Regulation states that

*“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)).*

Again, this is clear legal obligation.

However, no method or concrete steps to achieve this have been made public. At this point in time, this lack of clarity and follow-up is a cause for concern. SMEs who want to offer their services to end customers are left without any news or certainty that this will be respected.

It is crucial that this is followed through, not only to fulfil legal obligations but also to reinforce and support the European space industry's sustainability long-term success.

Opaque and confusing communication

SMEs are struggling with the communication related to IRIS².

Necessary information is often unclear, communication sparse and coming from different sources, and no clear point of contact is established for SMEs within the Commission or the consortium. Many are unsure whom to submit their questions to, or even whether their previously selected project is still being considered for IRIS².

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Besides this, communication between SME4SPACE and the European Commission has been scarce, though not for a lack of trying on the side of SME4SPACE. Many attempts to establish a more continuous channel for communication and collaboration have been unsuccessful, leading to the distinct feeling that SMEs are being left out of the decision-making process, with little opportunity to voice their concerns or gain clarity on their involvement in IRIS².

Selection for procurement

While many had hoped that the Industry Info Day would bring some clarification, regrettably this was not the case. There has been no communication definitively stating how SMEs can join the selection, whether the questionnaire linked is mandatory for selection or simply serves as additional information, and those who were not able to attend the Industry Info Day are left completely in the dark.

Selection criteria were mentioned during the Industry Info Day, however most of these ranged from unclear to problematic for SMEs, especially with regards to the financial requirements.

Without clear guidelines, transparent criteria and a clear control by the EU and/or ESA on their implementation, SMEs are left struggling to navigate the selection process, raising concerns about fairness and accessibility.

A real dialogue where SMEs can propose their solutions and where the elements that are open for subcontracting are defined commonly is lacking completely.

A specific question raised during the SME4SPACE meeting was the status of the "Hosted Payloads" that were selected two years ago. Companies that were selected two years ago did not get any further feedback, but their understanding is that the selected payloads will be integrated.

The lack of transparency and involvement with the SME industry is detrimental not only to the continuation of the IRIS² programme, but to the sustainability of the European Space Industry as a whole.

We therefore demand to rectify this situation, and improve communication, transparency, and accessibility for SMEs, ensuring their fair participation in IRIS² in line with the commitments accepted at the adoption of the programme.

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Conclusion

SME4SPACE requests that immediate action is taken to ensure that the possibilities offered by the European SMEs are fully put to use in the IRIS² programme.

The conditions therefor are clearly not fulfilled today, and this action is required urgently. We also hope that a real dialogue will be part of these urgent measures.

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