



**FUSION
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SME Scheme (SP-07.05)

The objective of this document is: To facilitate the involvement of SMEs in F4E activities To address problems that are traditionally faced by SMEs when doing business with F4E



SPECIFICATION

(Level 02)

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Areas and functions

Version Responsible	Head of Contracts Unit (A. Verpont), Head of Procurement Unit (K. Olajos)
Activity Owner	Head of PCSCF Department (K. Tans)
Policy Area/Context	Supply Chain (P-07)
Function(s) concerned:	Procurement, Contract Management and Market Analysis Roles

Purpose

The objective of this document is:

- To facilitate the involvement of SMEs in F4E activities
- To address problems that are traditionally faced by SMEs when doing business with F4E

Scope

This document is applicable to procurement procedure and contract management under operational and administrative expenditure.

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Reference Documents

[A] [F4E_D_252TFY](#) F4E Industry Policy

Terms & Definitions

Refer to F4E [Glossary, Abbreviations & Roles](#) in the Manual

SME	Small and Medium-size Enterprises
Mid-caps	Companies growing beyond SME status but not yet large corporations
ILO	Industry Liaison Officer

1 Definition of SME

The European Commission defines micro, small, and medium-sized enterprises (SMEs) in *Recommendation 2003/361/EC*. According to this definition, an enterprise qualifies as an SME¹ if it meets the following criteria:

- Staff headcount: Fewer than 250 employees, and
- Financial thresholds:
 - An annual turnover not exceeding €50 million, or
 - A balance sheet total not exceeding €43 million.

2 Specification

2.1 Background

SMEs account for 99% of all businesses in the European Union, serving as the cornerstone of innovation, job creation, and economic resilience across the continent. Within the context of fusion development, their agility, specialized expertise, and adaptability make them invaluable contributors to the evolving fusion supply chain.

Recognizing this and aligned with the objectives of the *F4E Industry Policy*, Fusion for Energy (F4E) is committed to broadening the industrial base for fusion in Europe by proactively supporting and integrating SMEs into its procurement ecosystem. This includes addressing structural barriers, facilitating access to opportunities, and fostering strategic partnerships with larger industrial actors and research organizations.

To this end, F4E will implement a suite of *Targeted Measures*² aimed at enhancing SME participation, competitiveness, and long-term engagement in the fusion market.

2.2 Targeted Measures

F4E will adopt these *Targeted Measures* to create a more inclusive and dynamic supply chain:

1. **Alleviating financial constraints** that inhibit SME participation in F4E contracting.
2. **Establishing structured platforms for collaboration** between SMEs, large industry, and fusion laboratories.
3. **Streamlining administrative procedures** to lower the burden of entry and compliance.
4. **Equipping SMEs with knowledge and tools** to increase their competitiveness and bidding success.

These measures will not only facilitate SME involvement but also stimulate innovation, diversify the supplier base, and reinforce Europe's strategic autonomy in fusion technologies.

3 Actions

1. Alleviating Financial Constraints for SMEs:

- a. *Enhancing Access to Financial Instruments:*

F4E aims to facilitate SME engagement with financial intermediaries to improve SME's access to guarantees and credits.

¹ Whether an economic operator qualifies as an SME will be determined as follows:

- During pre-procurement activities: based on the economic operator's self-declaration.
- During the procurement procedure and at contract signature: based on the evidence submitted for the selection criteria.
- During contract implementation: any change in SME status (e.g. due to a merger or growth into a mid-cap) will be considered a significant organisational change, which the contractor will be required to notify F4E of.

² As developed by the Working Group mandated by the Governing Board at its 53rd meeting held on 10/12/2021.

b. *Ensuring Predictable and Sustainable Cash Flow:*

- i. F4E will ensure that SMEs maintain healthy cash flow throughout contract execution by:
- ii. Structuring pre-financing levels proportional to startup efforts, reducing the need for upfront capital.
- iii. Implementing regular and timely interim payments, aligned with deliverables and milestones, to reduce financial strain during implementation.

2. Creating structured opportunities:

- a. F4E will organize sector-specific information days and networking events ahead of major tenders to foster collaboration between SMEs, large enterprises, and research institutions. These events will be designed to stimulate joint tendering, consortia formation, and technology exchange.
- b. In close collaboration with *Industrial Liaison Officers* (ILOs), F4E will actively promote business opportunities and encourage SME participation through national and international events, ensuring broad geographical and sectoral representation in the fusion supply chain. Furthermore, F4E will connect SMEs with other Big Science Business Organizations and their opportunities, enhancing their visibility and providing additional networking channels to foster their integration into F4E and other big science supply chains.
- c. F4E will support and encourage SMEs in the development of new technologies through the Technology Development Programme (TDP), thereby fostering innovation, strengthening their technological capabilities, and creating a robust foundation for future industrial applications and participation in the fusion supply chain.

3. Simplifying administrative procedures:

- a. F4E will systematically review and streamline tender documentation, limiting references to reference documents and ensuring that administrative requirements are proportionate, transparent, and easily navigable, especially for new market entrants.
- b. F4E will continuously review and streamline its technical (e.g. Technical Specifications, Reference and Applicable Documents) and quality requirements (e.g. Management Specification, Quality Manual (QA-115)) ensuring they remain proportionate to the scope and complexity of each contract. This approach will not only reduce unnecessary administrative burden but will also make participation for SMEs more accessible while maintaining the high standards essential for the success of the fusion programmes.
- c. Prior to initiating payment processes, F4E and contractors will conduct joint pre-assessments of Acceptance Data Packages (ADPs) and payment schedules. This step is designed to improve predictability, reduce payment delays, and align expectations.

4. Strengthening SME capabilities through training and support:

- a. F4E will offer online resources through an *SME Channel*, an online one-stop portal where SMEs can access:
 - i. Ready-to-use templates and tendering guidance.
 - ii. Information on upcoming business opportunities.
 - iii. Lessons learned from past procurements.

- b. For SMEs that are unsuccessful in tendering, F4E will conduct structured debriefing sessions, offering detailed feedback and tailored recommendations to support continuous improvement and future success.
- c. F4E will actively support contract implementation by organizing dedicated meetings to help contractors quickly become familiar with F4E's implementation tools for contract activations, amendments, payments, and related processes (e.g. DACC, documentation exchange, electronic Release Notes (eRN), etc.). This support will include:
 - i. kick-off meetings for newcomers.
 - ii. regular meetings to monitor KPIs.
 - iii. sessions to identify and plan corrective actions; and
 - iv. coordination activities with the IO for the acceptance of deliveries.

4 Conclusions

F4E believes that fostering strong relationships with SMEs is vital for creating a dynamic, innovative, and resilient supply chain. By implementing this specification, F4E aims to support the growth and success of SMEs, ensuring their valuable contributions to F4E projects and the wider industry.

This document will be reviewed regularly to ensure it remains relevant and effective in achieving its objectives. Progress on any resulting actions will be monitored and reported to support continuous improvement.