DEPLOYING THE EUROSTACK:

WHAT'S NEEDED NOW.

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Contents

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Executive Summary

In the brief space of just over 6 months, the EuroStack Initiative has gone from a futuristic event at the European Parliament, when the expression was first used,[2] to a call for action, to a movement directly supported by an expanding group of 200 digital businesses all over Europe - from large flagship European enterprises, to some of our most promising SMEs (as well as think tanks, academics and civil society)[3]. The common denominator is urgency: we are at an inflection point, and Europe's status as a "digital colony" needs rolling back now.

This follow-up paper[4] puts forward a set of initial proposals (to be further developed) around three main dimensions where progress can be made rapidly - provided that effective cooperation can be put in place between industry, the European Commission and national governments. The focus is on fast-track amendments of existing EU instruments. We are not asking for new laws, nor seeking to just shape the next "Multiannual Financial Framework" - both of which entail timelines which Europe simply cannot wait for. The "ask" is for the European institutions to focus immediately on a set of achievable priorities that have the potential for bringing major change to the European landscape in the near term:

"Buy European": if we can strategically deploy public procurement to create adequate demand for capabilities supplied by the European digital industry, this will bolster European supply which is at present unable to "get a foot in the door" and reach scale to compete. The proposal sets out what "European" could mean for these purposes, and how a "Buy European" mandate could be in practice articulated. As European procurement rules are in the process of being revised, and the Cloud and AI Development Act is being developed, this is the right time for making this strategic call. The proposal also considers what specific inducements and incentives would help steer private demand for services across the digital stack also towards European suppliers, and with what conditionalities.

"Sell European": The proposal considers specific ways in which the visibility of European supply can be improved, and interoperability and openness of European services enhanced, to allow for buyers to identify and adopt competitive alternatives to the current prevailing integrated US offerings.

"Fund European": A shift to a greater role for European industry in supplying our Continent's digital needs will create opportunities for private funding to flow much more into the sector. We also see scope, however, for targeted use of public funds to support Europe's autonomy and security where there are frictions in funding mechanisms - or where "sovereignty" is an explicit benefit that we may want funding instruments to factor explicitly into portfolio decisions. This paper makes specific proposals for a potential EuroStack Fund, with facilities possibly reallocated from some of the current programmes in view of the urgency and importance of deploying the EuroStack.

1. Motivation and Strategic Objectives

A very recent study (the Asterès report[5]`) sets out in stark terms its estimates of the economic impact of European businesses' reliance on US-based cloud and software services. Annual purchases of cloud/software services by EU businesses are estimated to benefit the US economy to the tune of €264 billion (comparable in scale to Europe's total energy import bill (€360bn in 2024) and equivalent to 1.5% of European GDP. This translates to an estimated 83% of European large enterprise spending on cloud/software going to US providers.

Just as Europe has come to realise it is almost completely dependent on non-European (overwhelmingly American) actors for its digital technology at all levels of the supply chain, the geopolitical environment has changed dramatically with the new US administration's shift away from supporting Europe in several critical areas.

In the wake of the Draghi Report on EU Competitiveness[6], which highlighted the perils of Europe's persistent fragmentation, failure to realise the Internal Market and unsustainable economic model, the wake-up call has been heard loud and clear across Europe. This has created major urgency at all levels (including industry and citizens) for an accelerated strategy to pursue strategic autonomy based on European industrial policy initiatives to power up and leverage our own resources in key sectors: from defence to energy, to clean transition, to digital. The uncertainty created in global markets by the US Administration's effort to transform the trade and security system, and pursue "America First", are acting as a further accelerator - as is the shifting of US defence priorities across the globe.

Yet everything exists in Europe. As an early tech pioneer, Europe developed substantial technological capabilities which can enable us to address undesirable dependencies. The World Wide Web was invented in Switzerland at CERN. The world's No. 1 programming language, Python, comes from the Netherlands. The No. 1 AI library, scikit-learn, comes from INRIA in France. Promise theory, devised by Mark Burgess in 1993, is at the heart of Facebook's cloud. Collaborative workspaces date back to 2004 with the Jamespot SaaS, just as edge computing dates back to 2009 with Nexedi in France. Platform as a Service was born in 2005 with Zimki in the UK. There is also Linbit in Austria, whose storage virtualisation software is at the heart of several Amazon cloud services. 50% of technology acquisitions by hyperscalers come from Europe. Governments' sensitive data need sovereign infrastructure that is ready to be provided by thriving European companies and technologies. In the cloud sector only, several European organisations have demonstrated that 300 successful cloud technologies backed by 100 European providers were already available on the market.

Europe's best weapon in the quest for its own sovereign digital capabilities is our own potential Internal Market (450 million consumers with disposable incomes and comparatively high levels of education), our universities, our primacy in key sectors like steel, cars, aerospace and defence, machinery, and our technical capabilities distributed across a large number of businesses of all sizes, including a vibrant ecosystem of tech developers and funders, communities, and innovative SMEs. Critically, all the required technology exists in Europe already. Building a sovereign, expanding European digital infrastructure requires leveraging these existing strengths, and creating the conditions for our digital needs to be served not just by US gatekeepers and hyperscalers - but by a digital sector that uses our assets, fosters transparency, breaks vendor lock-in, and enables collaborative innovation. This is essential for our resilience, security, and strategic autonomy.

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Germany has recognised the importance of a driven effort by explicitly introducing the concept of "EuroStack" in the final coalition agreement for the incoming Government. France has also indicated on several occasions its commitment to such a strategy. The Dutch Parliament has approved multiple motions to halt migration to US cloud services and realise a Dutch sovereign cloud, as well as to procure software from European sources. There is uniform support from industry across Europe for the need to push a "EuroStack" vision – from Scandinavia to Eastern Europe to Spain and Portugal, from startup associations to SMEs to large firms, support is shared by numerous providers and users. The shared vision is not for a giant public agency, nor for state-owned infrastructure designed and operated by a public body, showering money on disparate initiatives based on non-commercial criteria – but an **industrial policy to create conditions for the European digital industry to succeed through market demand and customer revenue.** Again, this is about enabling Europe to cultivate its own digital ecosystem, build strategic autonomy, and transition from the role of "digital colony" to that of an independent, globally competitive player.

The EuroStack initiative invites the Commission and Member States to engage with industry in a constructive dialogue – and reconsider a number of initiatives which do not appear to have commercial potential, or which inadvertently strengthen non-European actors, in the current plans. The strategic resurgence of the European digital sector cannot come about just as a result of well-intentioned principles set forth by academics, civil society and think tanks. Only if industry is committed and involved, and at the same time politicians actively address systemic barriers including mindsets, excessive bureaucracy and procurement practices, does the plan stand a chance of moving off the blocks. With that, a European digital industry can emerge and scale, capable of supplying at least in part our own demand.

2. Key principles

Even as European regulators continue to hold the view that "digital regulation will work – eventually", it is now clear our multi-year focus on regulating the "upper layer" of our digital world - apps and services – simply could not be enough to free up the entrepreneurial efforts of European digital companies. That "deregulation" is now part of the current mission of European digital policy is indeed a clear sign that regulation leading to inertia and bureaucracy now needs to be rolled back. Most critically, for several components of the stack we do not own the "kill switch" and are vulnerable to various forms of vendor lock-ins. Europe must focus instead on investing in and procuring its own digital infrastructure - both to benefit our digital sector and critically provide security, transparency, control and reliability to European citizens and businesses,

The key principles reflected in this proposal are as follows:

1. **All stages of the European tech supply chain (the "Stack") should be supported.** The concept of "Stack" is intended to capture the multiplicity of layers and components that contribute to our digital capabilities, which lies below the world of apps and services we engage with every day: from chips, to cloud, to software, to network infrastructure, to connectivity, to AI inference. We recognise the supply chain is complex, and emancipation of European industry requires a holistic view – not a siloed focus on one component or other of the stack. There are also important linkages across "layers", which means they are increasingly non-separable: for instance "going to the cloud" increasingly involves not just choosing a server supplier, but critically also making a commitment to integrating a supplier's intellectual property into one's solutions - which may involve getting locked in and having to rent those services forever.[7]

2. **Support should come first in the form of procurement, while subsidies could provide catalytic finance when the market fails.** Public support for the European digital industry has so far mainly come in the form of project-related subsidies. While this is useful in early stages of R&D, it is insufficient to promote a digital industrial policy. Going forward, the EU needs to provide the private digital sector with the right incentives to create a durable European digital industry driven by customer revenue. We articulate in more detail what interventions could be considered - strategic public procurement being the primary lever.

3. **EU preference in procurement should be promoted, not fragmented national preferences.** To leverage the Single Market, key rules need to be established at European level, and designed to avoid fragmentation along national lines ("Buy European" cannot be "Buy German" or "Buy French") - although national level efforts are key to complement this and get the initiative off the ground (and there may be exceptions on grounds of national security).

4. **There is a role for subsidies to deal with circumstances where private investment would not be forthcoming, e.g. to stimulate digital commons.** Digital commons, as part of an "openness as policy" framework will accelerate adoption of technology by the ecosystem. "Openness" comprises open science, open standards, open data, open source, open weights and open hardware. Stimulating digital commons and favouring the adoption of open technologies on the demand side will allow Europe to leapfrog its current laggard position.

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5. **Competition rules should be applied in a pragmatic way, in light of economic and geopolitical conditions.** In order to support a rapid turnaround and capacity building, several policy instruments must be used together and in a coordinated manner: from dynamic regulation that adapts to market realities, to industrial policy initiatives addressing systemic barriers, to making sure that competition policy allows appropriate cooperation and consolidation. This is not a plea for showering money "helicopter style" on industry, nor for the suspension of competition rules. However it is a plea for applying a common political lens: in a world where we are at an inflection point geopolitically, we need to factor in scale, resilience and sovereignty considerations and muscle up our capabilities. European industry is small and sufficiently fragmented that no serious market power can be created in the short-medium term - unless industry positions were majorly solidified.

6. **Similarly, international trade rules should be applied in a pragmatic way, ensuring they are based on reciprocity and do not interfere with Europe's strategic objectives.** While remaining attached to the rule-based order, the EU must take into account that not all countries act in a similar way. Europe also needs to proactively wield WTO national security derogations. In practice both the US and China have long adopted policies which strongly preference their own tech industries. Europe can no longer adhere alone to free trade and non discrimination principles. We cannot do without European defence and supply chains, and defending our sovereignty and democracy must be of paramount importance. Today, Europe's tech sovereignty is a matter of national security and actual sovereignty.

This paper sets out ideas and suggestions to fuel the discussion, in a constructive dialogue.

3. Core proposals

3.1 "Buy European": Driving Demand by Transforming Strategic Procurement

The public sector in Europe is a key driver of the demand for digital services. Yet paradoxically, in the space of less than two decades the European public sector has been entirely conquered by US hyperscalers – the very actors we define in regulatory contexts as "gatekeepers" with outsized power to extract rents and hoard our data. Many of them now claim that they can offer European governments "sovereign" services. This is nothing more than "sovereignty washing", and we should not fall for it. It is plainly absurd that European citizens speak to the EC and many national governments on a Microsoft Teams application.

Our **top recommendation is therefore to mandate "Buy European" rules by appropriately amending the EU Procurement Directive (or through the Cloud and AI Development Act), to require that procurement of digital technology, infrastructure and services is based on objective and verifiable "Buy European" criteria that deliberately create space for European industry to compete and grow**. These criteria must cover absence of lock-in (which can be achieved for example with Open Source Software), jurisdictional control (immunity from extraterritorial laws), data/infrastructure location, transparent security, and contribution to the European ecosystem. **Using the procurement lever is of paramount importance, and where industry needs to see urgent supportive action by the Commission.** Reform of the European Procurement directive (and the Cloud and AI Development Act) come exactly at the right time.

Complementing this recommendation must be **strategically prioritizing Openness as a guiding principle:** from Open Source Software, one of Europe's most potent strategic levers and an antidote to lock-in, to enforceable interoperability and genuinely open standards (as defined in the European Interoperability Framework 1.0).

3.1.1. What is "European" for these purposes?

> The definition of what qualifies as a "European" supplier will need to be properly articulated, based on multiple criteria. Whatever these criteria may end up being, the test should apply to the entity that has ultimate control and management of a digital offering (i.e. it does not apply to subsidiaries) and should also apply to the core technology being provisioned (which means it is not sufficient to rebrand and resell American or Chinese tech via a European reseller or partner - these would remain subject to non-EU authorisations or restrictions).

From a geographic perspective, we would define "Europe" as a broad space that includes European Union Member States and EU candidate states, plus members of the European Free Trade Association (EFTA). The UK should also be included, provided it was willing to enter into a dedicated reciprocal agreement for its own procurement rules.

The potential components of a multi-part test could include all or some of the following:

First, ***the company must have its legal headquarters in Europe*** (where "Europe" is broadly defined as above).

Second, ***the majority of R&D activity (measured in either headcount or spending) must take place in Europe.***

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Third, ***a majority of the ultimate voting control must collectively be held by European entities or individuals;*** or alternatively, ***there must be "absence of non-EU control"*** in the legal sense. In the case of publicly listed businesses, the primary listing must be in Europe, and shares that are floated in Europe can count towards the majority requirement if they are reasonably believed to be held by Europeans. The intention here is clearly that minority foreign investment should not disqualify a company from being "European" provided that operational control, R&D leadership, and strategic governance remain predominantly based in Europe.

Fourth, ***there should not be any extra-EU restrictions (export control, IP licence) over the technology solution,*** which could create potential service disruptions.

More generally, the company could be ***subject to European law and not to international laws.***

A further criterion could be that the company has its ***primary tax domicile in Europe, paying the majority of its corporate income tax in Europe.***

3.1.2 How to formulate "Buy European"?

There are in principle multiple relevant dimensions to articulating a public procurement mandate: (1) should a "Buy European" obligation be formulated at the level of individual tender, or in terms of global spend for the public sector entity over a period of time? (2) should it be formulated as an obligation to "dual source" ("European must be one of the choices")? (3) Or should it be formulated in terms of share of "value" of new contract spend? (4) What should be the target in terms of time profile? (5) What to do about legacy (existing) contracts? (6) Which types of data could be targeted by such provisions, with respect notably to the sensitivity or strategic importance of the information?

While again there can be several possible formulations of the rules, we believe that the proposals below have desirable properties in terms of setting the right incentives:

1. **Establish a measurable target of European purchases by 2030.** Public bodies tendering for contracts could be required to meet a given **target for the "European quota" in their purchases, expressed either in terms of target share of total spend over a period, or share of value of new contracts assigned over a period.** There could be a **time profile,** in the sense that the **share could be growing over time.** For instance: "at least 25 % of spend in new procurement contracts assigned needs to be allocated to suppliers meeting "Buy European" criteria, growing to 50% in 2030".

   The target share or growth rate should be expressed in terms of particular levels of the stack (e.g. cloud, software), as alternative formulations would risk neglecting levels of the stack. Different spend profiles might be appropriate for different categories of EuroStack components. Conversely, we are not in favour of a formulation in terms of target overall spend (i.e. "target 50 % of European share in total spend by 2030") as this can give too much leeway to direct spend in ways that would neglect certain components of the stack altogether.

2. **Start with the purchase of digital solutions that can be used immediately.** The public sector should prioritize **existing European SaaS solutions** that can meet immediate operational needs, leveraging their readiness to accelerate strategic autonomy without delay.

3. **Introduce a multisourcing obligation.** A "Buy European" rule could be also formulated in terms of an obligation to dual source, with at least one European supplier being part of the obligatory choice set. For instance, "can contract with a preferred non-EU supplier, but must ALSO contract with a European supplier". To solidify this, one could introduce a minimum share for the second (European) supplier, e.g. as a share of global spend (e.g. "at least 30% of spend must be allocated to a EU supplier", and this could grow over time). The mandate could even be flipped around, with a requirement that the primary source must be "European", and then there can be a second source of choice. This involves complications depending again on level of the stack (e.g. allocation of loads, training) and would have to be designed carefully not to circumvent the objective.

4. **Invest in pre-commercial procurement to create new capabilities.** Public bodies should be able to formulate their contracts and tenders to include a commitment to potentially funding so-called "pre-commercial procurement" investments in new capabilities. Thus for instance, a tender can be formulated broadly for a set of existing capabilities, but it could also include a commitment to fund additional capabilities that are not currently part of the European suppliers' offering and could be provided with an appropriate investment.

   The tenders can be broad such that respondents can put together consortia that bid to offer the capabilities, or build them - on the back of guaranteed demand. This is a model widely followed already, for instance in defence procurement - similarly, public bodies and institutions (governments) could commit to invest a certain sum on developing the EuroStack through procurement and R&D contracts. This would be essentially a way of using "reformed public procurement" as the primary financial lever to generate direct revenue for European companies and fund R&D&I. Note that this tool is already being used by some national funding agencies (see SPRIN-D in Germany) and has been backed by the European Innovation Council.

5. **Complement existing multiyear contracts.** While existing contracts cannot be rescinded, one possibility to be considered could be to mandate that existing multiyear contracts issue an additional tender to introduce a second "European" supplier. To the extent this involved an additional cost (penalties, loss of discounts) it could be taken care of through some dedicated subsidy/compensation (see Section 3.4).

6. **Consider sensitivity of the data:** the sensitivity or strategic importance of the data concerned would need to be factored in.

7. **Prevent circumvention and facilitate access to public procurement for SMEs:** We want to proactively include SMEs because currently inclusion criteria are too complex for them to participate. It is necessary to de facto deregulate market access to SMEs, or make it generally easier. Conversely, we do not want to give buyers optionalities which give them a "way out" not to comply, e.g. no "buy European or justify". Everyone will then formulate excuses and bogus justifications.

8. **Mandate interoperability / "no lock-in" in all public sector contracts:** Any solution procured with public money should be easy to migrate or change in case of need.

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While there is flexibility across these various levers, we have no doubt that targets need to be ambitious. While the current share of European supply in procurement is very modest, there are available products today to meet most needs - we should be ambitious in moving forward towards more autonomy, and aim to meet a significant share of European demand with European supplies by 2030. We shouldn't also "reinvent the wheel" and create new products that already exist by using public funding. Public money is often used by government bodies to re-create offers that already exist in the private sector, and this should not happen. Moreover, these "solutions" are not subject to the same rules and regulations that must be met instead by competing private offers - thereby creating a competitive disadvantage for European SMEs.

Finally, deterrence for non-compliance should also be "baked into the rules". In practice, there should be consequences for not meeting targets: for instance public exposure of the agency failing to meet targets, lowering its performance score, requirement for a corrective action plan and a ratcheting up of the following year's obligations.

3.2. "Buy European": Steering Private Sector Demand

Procurement policies that succeeded in driving a significant share of digital demand from the public sector to European suppliers would have useful spillovers also for the private sector - as greater revenues and scale will create oxygen for new investments and richer/more competitive products and services, more attractive also to the private sector - in a positive feedback loop.

Yet, while the private sector cannot be mandated to "Buy European" in the same way as the public sector, appropriate **incentives and inducements** can be designed for the private sector to also steer their demand towards European suppliers – particularly at a time when private sector buyers themselves are expressing "discomfort" at having their choices limited to hyperscalers.

In general, private sector adoption is driven by a combination of perceived value (performance, features, total-cost-of-ownership), risk mitigation (security, resilience, compliance), and potentially strategic goals (ESG, European identity, ecosystem benefits). Incentives that target these drivers could include:

- **Deploying targeted financial incentives:** Encourage the design and implementation of well-defined financial mechanisms (e.g., tax credits, contribution to costs) specifically aimed at offsetting the costs for businesses migrating critical systems to European providers or undertaking initial adoption of strategic European technologies. For example, compensation of egress fees incurred when migrating from non-EU hyperscalers to European providers.

- **Making EuroStack suppliers visible and accessible**

    - **Develop clear criteria for qualification as "EuroStack Provider":** Define transparent, objective criteria for being recognised as a "EuroStack Trusted Provider", building on the core "European" definition and essential security and interoperability principles. Establish a mechanism allowing providers, importantly including SMEs, in the short run to either self-declare their adherence to these baseline criteria, or provide a recognised certification via a defined scheme. This can provide initial visibility and market signalling with minimal upfront burden. On the data protection front, pursue compliance simplification based on verifiable attributes.

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- Over time, **establish a formal EuroStack / EU Sovereignty certification:** Create and promote a voluntary certification framework for providers to demonstrably validate their adherence to high standards of "European content", security, data sovereignty (including resilience against extra-territorial laws), and interoperability. This (voluntary) scheme would aim to build market trust and ensure that buyers using certified providers can simplify their own due diligence and compliance (for example, along the lines of the High+ requirements being discussed in the context of the EU Cybersecurity Scheme for Cloud Services (EUCS)).

- **Incentivizing European advisory services leading European customers to European solutions.** The world of advisory on IT strategies is dominated today by a handful of American consultancy firms with enormous power in steering the strategic paths of European companies. Ensuring that European solutions receive fair consideration, support should be given to the visibility and credibility of independent European advisory services, potentially through accreditation or by ensuring the Market Intelligence Hub (see 3.3) provides robust, benchmarkable data that allows companies to make informed decisions beyond the narratives of incumbent advisors. Encourage industry associations to foster peer-to-peer knowledge sharing on successful European implementations.

- **Leveraging "ESG" alignment & recognition:** Actively frame the use of trusted European digital providers as a positive contribution to corporate ESG goals (Governance, Social impact), where the "S" here can stand for "Sovereign" (in the sense of meeting the "European" definition) as well as "Social". Work systematically with auditors, insurers, and ESG rating agencies to ensure that digital supply chain risk (including geographical concentration and data sovereignty aspects) is appropriately factored into corporate risk assessments, insurance premiums, and ESG evaluations.

- **Implementing public funding conditionality:** Introduce incentives for recipients of public funds associated with digital products and services to "Buy European" - e.g. by providing preference points in grant applications for demonstrable commitment to European digital suppliers. Over time, this can include mandating a minimum percentage of European digital spend for significant publicly funded projects at least in defined sectors, making European sourcing a tangible requirement for accessing public support.

- **Leveraging regulatory frameworks for resilience guidance:** Direct regulators (under existing EU frameworks like DORA for finance, NIS2/CER for critical infrastructure) to issue proposals and guidance for regulated entities (buyers). This guidance should be cognizant of cybersecurity risks, as well as explicitly address ICT supplier concentration risk particularly for non-European providers subject to extra-territorial laws. It should recommend supplier diversification strategies, including the consideration of trusted European alternatives, as a key method for fulfilling their digital operational resilience obligations.

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3.3 "Sell European": Visibility, Cohesion, Enforceable Openness

To complement the demand-side push ("Buy European"), Europe must strategically organize its digital supply side to enhance visibility, foster cohesion through interoperability, and ensure genuine openness to prevent lock-in. Proposed initiatives here would include:

- **Establishing a European Digital Market Intelligence Hub and mandate its consultation to public buyers:** Move beyond static catalogues. The Commission, together with and supported by industry intelligence, should establish and maintain a dynamic **hub providing visibility into validated European digital capabilities across the stack.** This hub must include **ongoing strategic gap analysis** to identify critical areas where European offerings are lacking or insufficient, informing both procurement strategies and targeted "Fund European" initiatives. Knowledge and insights produced by this hub would be available as open data in order to provide buyers, policymakers, and industry analysts and other stakeholders with the evidence needed to make informed strategic decisions regarding procurement, investment, and capability development.

- **Championing Open Source as a strategic asset:** Formally recognize and leverage Europe's strength in Open Source Software[8] (OSS). This involves **prioritizing OSS solutions in public procurement** where appropriate, **supporting the security auditing and maintenance of critical OSS components** underpinning the EuroStack (potentially via "Fund European"), and encouraging public sector contributions back to relevant OSS communities.

- **Mandating enforceable Openness & Interoperability: Embed strict requirements for openness, interoperability based on recognized open standards (EIF 1.0 principles as a baseline), and demonstrable data portability** as core, non-negotiable criteria within the reformed "Buy European" public procurement rules (Section 3.1). This is the primary lever to combat vendor lock-in and enable flexible integration of European solutions.

- **Financing and stimulating adoption of digital commons** that fall in other categories of openness, in particular: **open science** in emerging or dynamic fields (public or private, leading to published papers), and **open models or weights** such as Large and Small Language Models (in the spirit of DeepSeek, Llama series or even Mistral) to destroy moats established by non-EU lock-in vendors. This is especially important in the field of **Artificial Intelligence** at the moment and as a matter of urgency.

- **Fostering ecosystem collaboration for integrated solutions:** Recognize that businesses mostly seek comprehensive solutions, not just individual components. Encourage and potentially incentivize operational partnerships between different European digital stakeholders (e.g., software vendors, cloud providers, systems integrators and other service companies, Open Source communities...). This aims to move beyond simple recommendations towards the creation of cohesive, integrated European technology stacks and service offerings. Facilitating interoperability (see 3.3), supporting joint go-to-market initiatives, and showcasing successful European consortia can help overcome fragmentation and provide businesses with more compelling, easier-to-adopt alternatives to monolithic non-European platforms.

- **Addressing the skills gap to enable adoption:** A critical barrier to adopting any technology, including European alternatives, is the availability of skilled personnel. Support targeted initiatives to bridge this gap, including leveraging EU and national funds for training programs focused on key vendor-neutral technologies, promoting certifications recognized across the EU, and encouraging alignment between educational curricula and the needs of the evolving European digital ecosystem.

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- **Facilitating industry-led definition and adoption of key APIs/standards:** Where critical interoperability gaps hinder the creation of cohesive European solutions (e.g., cloud portability, identity, collaboration), the Commission should **facilitate and accelerate industry-led initiatives** to rapidly define and promote the adoption of essential open APIs and standards, ensuring European providers can effectively compete and collaborate.[9] Of particular importance is expediting the adoption of uniform cloud security standards, rather than 27 different certifications (including possibly reconsideration of the adoption of EUCS High+ criteria).

3.4 "Fund European"

3.4.1 EuroStack support, private funding and EU funding

The European Commission is replete with funding initiatives aimed at the digital sector, and specifically at funding digital technology research and innovation. From Horizon Europe (with a budget of €95.5bn, of which €15 for the "Digital Industry") to the Digital Europe Programme (with a budget of €7.6 bn), to the Connecting Europe Facility (budget €2bn), vast sums have been spent or committed to an extraordinary array of projects, programmes, initiatives in all flavours and sizes (from large scale consortia to highly fragmented grants to academic and civil society institutions) to emancipate Europe's position in digital technologies. New commitments have been made in recent months, in the wake of the Draghi report to "plug the competitiveness gap" by making a special effort to push Europe forward in what is described as the "next internet revolution" (AI).

An assessment of the return to these funding initiatives and their effectiveness is beyond the scope of this paper, although we share the analysis in multiple reports[1] that spending has been spread across a vast number of projects without clear coordination and overall vision, focusing on research much more than on commercial potential, and recently embracing the hype on "disruptive technologies" as our sole path to sovereignty. However, little appears to have been achieved in terms of increasing the adoption of European digital technologies and, with it, the jobs and market share of Europe's digital sector, translating in poor returns for taxpayers' money.

And while there are multiple funding initiatives with evocative names (e.g. "Next Generation Internet") and funding formats (IPCEIs, EDICs) these are not sufficiently focused on fostering commercial initiatives with viable business models, or are cumbersome in design (e.g. relying on participation from multiple Member States which creates complications in participation and administration). The Digital Decade Programme does aim in principle to bridge the gap between digital technology research and market deployment, but results have not been appreciable. The Commission has been recently mentioning the "Open Internet Stack Project" as a new initiative which it would like to argue is its own version of EuroStack. Yet it is nothing of the sort – unless reformed, it is currently only a proposal for a very small €10 million project starting in 2026, with purpose unclear.

The EuroStack initiative that we support has a bias towards industry logic and commercial criteria driving investment – provided demand is suitably steered towards European suppliers. As explained in the previous sections, if procurement policies are appropriately designed to create demand for European products and services, we believe that much private investment will fall into place and suitable products will be made available.

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That said, at this particular inflection point and given urgency for accelerating the creation of a more sovereign infrastructure, **Europe will also benefit from dedicated financial strategies and instruments specifically designed to support the development, adoption, and scaling of European digital technologies and infrastructures**. This includes both optimizing public spending and stimulating private investment. As mentioned, our view is that current EU funding instruments, while numerous, are largely inadequate or misaligned for the specific goals of EuroStack: projects are too slow to evaluate and assign, funds are misdirected, captured by special interests, or both - as well as insufficient to the scale of the challenge.

We can see multiple initiatives that can encourage more private investment to come forward (3.4.3 and 3.4.4). We can also see multiple circumstances where "market failures" – or more generally, frictions in the ability to generate private investments – can justify a role for the Commission and Member States explicitly supporting the EuroStack initiative with dedicated funding (3.4.5).

Again, given the urgency, in the short term it would appear to us that funds can be redirected from some of the existing initiatives – the Commission routinely re-labels and re-purposes funding lines. We describe where we see the opportunity for a "Fund European" effort which would be specifically geared to support a EuroStack. Another potential source of innovation development funding could come from the sizeable fines received by the Commission as penalties for DMA or DSA violations.

3.4.2 Strategic Funding Principles for EuroStack

To ensure both impact and feasibility, EuroStack funding should be guided by key overarching principles derived from industry experience and international best practices:

- **Build a Frictionless Financing Value Chain**: Public policies must aim to ensure that startups can progress through every financing stage—from seed to growth to profitability and potential exit—with the right instrument at each point. By mirroring full-chain approaches continuum, supporting the entrepreneurial innovation journey from early R&D grants into leveraged venture capital, it is possible for Europe to create a vigorous, self-reinforcing ecosystem where each actor (angels, seed VCs, growth funds, corporate and financial markets) finds its natural role and startups flow from launch to profitability, with options of M&A or IPO.

- **Adapt Funding to Company Stage: Different stages require different approaches.** At the pre-seed and seed stage, the policy objective is to increase the quantity of startups and reach a robust and distributed critical mass (ideally clustered in strategic sectors). Here, public funding should be **direct and immediate,** in small tranches with founder-friendly terms and minimal bureaucracy. In later venture rounds (Series A and beyond), the focus shifts to scaling high-potential champions – funding should become **indirect**, via professional investment funds, to tap specialized expertise. This evolution recognizes that what works to spawn many new startups (speed and breadth of support) differs from what's needed to groom the next European tech leaders (selectivity and depth of support).

- **Leverage Public-Private Co-Investment:** Rather than create stand-alone public venture funds, use **co-investment models** that piggyback on private investors' due diligence and market savvy. For early stages, this means rather applying approaches for directly co-investing modest amounts alongside **angel investors, family offices, and seed VCs** in a matching-funds model. Private angels and networks are already crucial catalysts at pre-seed/seed in Europe, so public money should augment and encourage their bets, not replace them. By providing, say, €1 of public funds for each€1 from private investors in a startup, governments can boost funding availability while letting market forces pick winners.

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At later stages (from Series A stages on), public funds should participate as **limited partners (and not necessarily anchor investors) in established venture capital funds** (a fund-of-funds approach), rather than the public sector trying to lead deals. This indirect method injects capital at scale but entrusts investment decisions to experienced fund managers, ensuring professional oversight and avoiding cultural mismatches that pure public funds often face.

- **Think European, Not National:** Europe's talent pool is distributed, and ambitious startups are "**born European**" – they scale across borders by design. Funding mechanisms should reflect this. Successful national instruments (for example, Bpifrance in France) demonstrate the value of public venture support, but limiting such programs within one country's borders misses the continental scale needed. A truly **pan-European funding vehicle** can achieve greater impact, allowing startups to access talents, capital and customers across the EU without artificial barriers. In practice, this means EU-level funding initiatives (or aligned national programs) should avoid parochial covenants such as forced headquarters location or domestic-only investment mandates. Europe's single market advantage is the ability to operate in 27 countries; its funding strategy should mirror that breadth.

- **Ensure Long-Term Commitment and European Anchor:** Public-supported financing should provide **patient capital** that aligns with the long and uncertain timelines of deep-tech and infrastructure startups. In later stages, any public-backed investment should come with light covenants to keep the resulting scale-ups anchored in Europe – for instance, requiring that **major R&D or production remain in the EU** or that EU public funding is repaid if a company relocates offshore. This guards against a scenario where public money nurtures a firm only for it to be acquired or listed abroad with little benefit to Europe. Crucially, these safeguards must be balanced so as not to deter follow-on private investment; the aim is to **retain European value without stifling growth.**

- We have decided not to evaluate in this strategy broad fiscal incentives (e.g. tax exemptions) or academic R&D programs – while the first, mostly depends on national contexts, the second does not necessarily directly drive market deployment of new firms. Moreover, the goal here is to turn ideas into viable businesses with an economic and social impact, not just publish research.

3.4.3 Encouraging Private-Sector Investment

Private investment should be the primary engine for building the EuroStack. Public policy can best help by creating the market conditions and targeted incentives that **unlock private capital at scale**, rather than by the state trying to pick winners itself. The recent U.S. Inflation Reduction Act illustrated this principle: by offering straightforward incentives for industry to invest in new technologies, it spurred a massive wave of private investment virtually overnight, without needing new bureaucratic programs. Europe's digital strategy needs a similar catalyst. **Every euro of public support should aim to crowd in many times more euros of private funding.**

This marks a deliberate shift from traditional EU funding approaches. Past programs often revolved around large public disbursement schemes – multi-billion-Euro grant portfolios – with **limited commercial returns** to show. In contrast, EuroStack funding policy leans into market forces: **use public measures to reduce risk or increase return for private investors,** and then let the market drive development of the best solutions. In parallel with the availability of effective EU financing tools, several strategies can already encourage the private sector to step up, such as:

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- **Clear Demand Signals:** As previously noted, aligning public procurement with European tech (e.g. government cloud or telecom purchases favoring EuroStack-certified providers) will create assured markets that make investing in those providers more attractive. If startups know European administrations and corporates are more likely to buy sovereign tech products, investors will be keen to back those startups. Policy can reinforce this by supporting industry-led efforts to improve interoperability and integration of European digital services. Robust demand for European tech **improves revenue prospects and perceived market size,** directly addressing one of the chief investor concerns.

- **Improve Risk-Adjusted Returns:** Governments can selectively use **tax and regulatory levers** to tilt the risk-reward calculus in favor of EuroStack investments. One idea is offering **reduced capital-gains tax rates** (or exemptions) for gains from investments in EuroStack-aligned startups. Several countries have analogous policies. If European Member States implemented a similar incentive for investments in certified sovereign tech companies, it would attract more venture funds without direct spending, by letting successful investors keep more upside. While the EU cannot mandate tax policy, it can coordinate a code of best practices and encourage national governments to adopt such incentives.

- Another critical area is the **Exit Environment**: Europe's regulators should take a nuanced stance on tech mergers and acquisitions. Competition regulators are now suddenly animated by "killer acquisitions," but the emphasis should be on **facilitating healthy exits** that keep wealth and talent recycling in the European ecosystem. Many European founders sell their startups early (often to non-EU tech giants) largely due to limited local growth capital. Paradoxically, those exits can benefit the ecosystem – they reward founders and early investors, who often reinvest in new startups, and can lead to larger European firms acquiring capabilities. The EU should encourage its own big industry players and regional tech champions to acquire and fund European startups, while of course policing truly anticompetitive megamergers. A vibrant, EU-centered exit market will make startup investment more attractive to private capital, completing the funding "flywheel."

In sum, the priority is **unlocking private financing on a massive scale**. Europe has no shortage of entrepreneurial talent or ideas for digital sovereignty; the key is to funnel far more domestic capital into these opportunities. By improving the incentives and conditions for private investors – from venture capital funds down to angel investors and corporate venture arms – Europe can rapidly close the funding gap that has left its startups undercapitalized relative to global peers. Public funding, in this paradigm, **nudges and de-risks** private investment rather than attempting to replace it.

3.4.4 Mobilising European capital & savings towards private equity and venture capital

Our digital players are comparatively undercapitalized, especially in the growth stage, and thus less able to compete at scale. While that gap includes our underdeveloped capital markets – no "European NASDAQ" yet – it starts with our structural misallocation of capital at the top of the financing funnel.

Europe is essentially a wealthy continent with an allocation problem. EU pension funds alone hold assets of about EUR 3 trillion[10], while the European insurance sector with pension-like plans manages assets of about EUR 9 trillion. Even a multifold increase in pension funds' investments across a well-performing European technology sector would still only represent a very small share of their assets. Regulatory changes to trigger greater flexibility and revise overly conservative reserve requirements need to happen as soon as possible with a special focus on **steering institutional European capital into the emergence of sovereign European technology that is currently becoming an attractive investment target**.

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For too long, European institutional money has fuelled the VC ecosystem in the US. European institutions can now greatly boost European tech investment with negligible impact to their overall risk profile. **Policymakers have begun to acknowledge this but now need to deliver concrete changes to make it happen.**

Regulatory reform is central. Prudential rules and investment regulations often discourage or prohibit institutional investors from investing in venture and growth equity. The EU should urgently consider adjustments – for instance, revising Solvency II[11] capital requirements for insurance companies to lower the charge on VC fund investments, or tweaking pension fund guidelines to allow a higher proportion of "alternative" assets. Providing more flexibility (with appropriate risk controls) will enable pension trustees and insurance portfolio managers to consider venture funds as a viable asset class rather than an exotic exception. This must be coupled with efforts to educate and familiarize institutional players with the European tech sector's maturing opportunities. Initiatives could include EU-sponsored forums or "VC-institutional investor matching" programs. (Notably, the European Innovation Council has already launched a Trusted Investor network to connect VC funds with EU-funded startups, and a similar concept can be extended to link large institutional investors with venture opportunities) [12].

New long-term investment products could also channel Europe's vast household savings into innovation. The EU and industry could collaborate on certified "European Innovation Bonds" or **long-term tech savings plans** that allow citizens to invest retirement savings into portfolios that include startup equity – with appropriate safeguards and possibly tax advantages. If millions of Europeans could allocate a small slice of their pension or insurance products to homegrown tech innovation (with professional fund managers and EU guarantees in the loop), it would both democratize and massively expand the capital base for EuroStack. Countries like France have experimented with life-insurance units invested in startups, and this could be scaled across the single market.

Ultimately, **closing the scale-up funding gap** is critical. Europe has a relatively strong startup formation rates, but too many companies struggle to raise large Series B, C, D rounds domestically. This funding gap often leads founders to accept foreign investment on foreign terms – which can later lead to companies redomiciling or being sold off. To break this cycle, unlocking Europe's own capital is key. With the measures envisioned, European startups with traction should find it easier to raise growth capital from European sources, allowing them to **stay and expand in Europe.**

The Commission has set increasing late-stage funding as a priority in its current mandate, and we anticipate new policy proposals on this front in coming months. Our emphasis is that these proposals must be **ambitious and structural** – incremental tweaks will not move the needle. If successful, within a few years we could see European pension and insurance funds routinely fueling the growth of Europe's cloud providers, AI startups, semiconductor ventures, and other EuroStack players, rather than inadvertently financing the next Silicon Valley unicorn (as has often been the case when European LPs invest abroad). This shift will help Europe retain ownership of its innovation and reap the full economic dividends of the EuroStack initiative.

This process of activating capital at greater scale would also help to **ensure continuity from Growth to Exit.** In fact, mobilizing institutional capital isn't just about fuelling Series A/C rounds; it's equally critical to prepare exit pathways, beyond profitable sustainability, through M&A and IPO markets—that reward investors and close the loop. A frictionless chain encourages reinvestment: successful exits feed capital back into seed and venture pots.

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3.4.5 "EuroStack Fund"

Building on the principles outlined above—focusing public support at the right stage of development, nudge and leveraging private capital through co-investment, and ensuring a seamless financing value chain—the ideal implementation tool to address EuroStack's structural investment gaps is a dedicated investment vehicle. This approach draws directly from the successful national-scale experiences of Bpifrance in France and, to a certain and preliminary extent, CDP Venture Capital in Italy. Both have demonstrated how state-backed platforms can anchor early- and growth-stage investments, act as trusted limited partners, and catalyze follow-on private funding across the entire startup lifecycle.

Scaling a similar model to the **European level** is now essential to match the continent-wide ambition of EuroStack. Just as BPI has structured its interventions to cover everything from seed co-financing to growth-stage fund-of-fund strategies, direct co-investments and even IPO preparedness, the EU must equip itself with an equally flexible, well-governed, and market-compatible tool—rooted in practical investment logic and agile execution.

Even with a developed private investment environment, there will remain **specific gaps and market failures** where purely commercial funding may not suffice – especially given the strategic and urgent nature of building a sovereign EuroStack. In these cases, carefully targeted public investment can accelerate development. We propose the creation of a dedicated "**EuroStack Fund**", essentially a public-backed investment vehicle. Importantly, this would not be a classic grant-distribution program or a fully state-run venture fund. Rather, it should be structured to **mobilize and augment private sector efforts**, using public capital as a catalyst and backstop in high-need areas.

Crucially, the EuroStack Fund should operate **directly with a co-investment activity** and i**ndirectly with a fund-of-funds model**. One option could be to have it managed by the European Investment Bank/EIF or a coalition of national development banks, which have experience in this arena. The Fund would not directly select individual startup winners across the board; instead, it would **co-invest alongside the private sector** during the seed and early development phases of startups (or in specific later-stage deals), while also **investing in private venture capital and private equity funds** that are aligned with EuroStack strategic objectives, starting from the Series A stage.

In particular, in seed and early phases funding it means applying approaches for **directly co-investing** modest amounts **alongside private investors** i**n a matching-funds** model. In these phases the funding should be **direct and immediate**, in small tranches with founder-friendly terms and minimal bureaucracy, as seen in Switzerland in evergreen non-profit financing programs such as FONGIT or the Venture Kick, which can recycle returns and remain patient, aligning with startups' long growth timelines. [13]

On the other hand, for more advanced startups, the Fund would leverage the expertise of professional fund managers, who are better positioned to identify high-potential companies and ensure commercial rigor with the appropriate guidance. By acting as a limited partner (LP) or co-investor, the EuroStack Fund would enhance the investment capacity of private funds focused on strategic areas such as cloud infrastructure, cybersecurity, AI, and advanced electronics, while preserving **market discipline**, as private venture capital firms will only invest in genuinely viable businesses. In effect, the Fund would act as sovereign **fund-of-funds** that mirrors the structure used successfully in other domains (for example, some European countries used public fund-of-funds to kickstart clean-tech and biotech investing in the past).

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As noted, Europe's later-stage funding gap is a critical weakness. Aside with its support for growth financing through the activity of fund-of-funds, the EuroStack Fund can directly address this by **co-investing in scale-up rounds** for companies strategic and critical to digital sovereignty. For any given €50 million Series C round for a cloud, AI, or cybersecurity scale-up, if European VCs can only cover €30 million, the Fund could supply the remaining €20 million as a matching investor – effectively doubling the "dry powder" available for our high-growth firms, **scaling up Europe's future tech giants.** Even a 1-to-1 or 1-to-2 match can significantly boost the capacity of domestic funds. Importantly, this approach still lets market forces and lead investors drive the deal (the Fund would likely invest on the same terms as the private lead). It avoids the pitfall of bureaucrats selecting companies in isolation. Over time, as private funds grow larger and more global investors gain confidence in European ventures, this matching role can be phased out. But in the interim, it prevents the scenario where promising EuroStack companies stall or sell out due to lack of growth capital. It's a bridge to an ecosystem where Europe can on its own finance **€100M+ late-stage rounds** routinely.

That said, the Fund may also, on an exceptional basis, pursue **direct investments in strategic projects** that are critical yet not addressed by existing venture vehicles. In particular, it should embrace an investment logic that accounts for a "**sovereignty dividend**" – the idea that certain projects offer Europe intangible returns in autonomy, openness or security that may not translate into immediate financial profit. This could justify the Fund taking calculated risks or accepting lower returns on some investments, as long as they fill key gaps in the European tech stack. For accountability, these strategic outcomes (e.g. reduction of dependency on non-EU suppliers, creation of EU-based alternativesin critical technology layers, strategic frontier innovations) should be tracked as part of the Fund's performance metrics, alongside financial returns. Moreover, such projects should remain exceptional within the Fund's overall activities and be governed by a panel of recognized experts in innovation and investment, based on a multi- year plan approved at the highest level.

In all the different scenarios of activity, the EuroStack Fund would operate with a common theme: **additionality**. It steps in only where private investment is not yet sufficient, and in a way that helps unlock or accelerate private money, not permanently substitute for it. Governance of the Fund should involve both public officials and independent experts, with clear criteria to ensure it remains focused on EuroStack's strategic objectives (like sovereignty, security, and European industrial leadership) and doesn't become another general tech fund.

The key is agility: funding decisions need to keep pace with the private sector's clock speed. Transparent calls for proposals, industry participation in evaluations, and fast approval cycles (measured in weeks or months, not years) will make the difference between a useful fund and an irrelevant bureaucratic tool.

3.4.6 A worthwhile and needed investment, generating a positive and measurable economic impact

In the immediate term, the EuroStack Fund could be capitalized by r**eallocating existing EU funding lines**. The European Commission often repurposes budget lines for new priorities; for example, a portion of the **Digital Europe Programme** (whose 2025–27 work program of ~€1.3 billion is being finalized) could be redirected into the EuroStack Fund. Likewise, uncommitted resources from programs that are slow-moving could be pooled. Another innovative source could be the l**arge fines levied on Big Tech companies** under the DMA/DSA and competition law – instead of going into general coffers, a portion of those penalty revenues could directly finance digital sovereignty projects. Recycling such funds would symbolically and materially turn Big Tech's rule-breaking into fuel for Europe's tech autonomy. The goal should be to assemble a meaningful war chest (in the order of billions, not millions, of euros) without waiting for new long-term budget cycles.

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3.4.7 Conclusion: Catalyzing a Sovereign EuroStack Ecosystem

The overarching aim of these funding proposals is not to create a permanent dependence on government support, but to **jump-start a self-sustaining European tech ecosystem**. EuroStack's success will ultimately be measured by the growth of European digital providers who can stand on their own, compete globally, and drive Europe's digital transformation with minimal external dependencies. Public funding – whether through incentives, guarantees, or a dedicated fund – is a means to that end, **not an end in itself**. By focusing on launch-stage companies, leveraging co-investment models, and selectively intervening in market gaps, Europe can radically improve the effectiveness of each public euro spent. The goal is to **crowd in €5, €10, or €20 of private investment for every €1 of public money**, as other leading nations have achieved.

In implementing this strategy, policymakers should remain vigilant about results. Funding programs must be periodically reviewed for their impact on key metrics: number of new startups created, amount of private capital mobilized, growth of revenues at supported firms, and the uptake of European tech in critical sectors. Successful measures can be scaled up, while those that underperform should be phased out or retooled. Flexibility and evidence-based adjustment are vital – much as Singapore continuously monitors follow-on funding multiples and survival rates to fine-tune its schemes [14].

At its heart, the EuroStack funding strategy strives to **reinforce a virtuous cycle**. Public catalysis leads to startup success; success attracts more private investors; some public funds are even returned or recycled; and over time the need for public intervention diminishes as the private sector takes over. Europe has the talent, capital, and policy know-how to make this happen – what's needed is the political will to break from business-as-usual and adopt a bold, cohesive approach. By realigning incentives and injecting strategic, well-structured funding, the EU can accelerate the emergence of a vibrant EuroStack: a home-grown digital infrastructure and ecosystem that underpins European sovereignty, prosperity, and values in the digital age.

4. Conclusion

The "call to arms" from European industry on deploying the EuroStack is a concrete offer to cooperate with the Commission and national governments in identifying the most effective initiatives that can accelerate Europe's digital autonomy and resilience in the near term.

We have reached an inflection point where our dependencies are no longer acceptable and sustainable - even US hyperscalers are beginning to understand that major shifts in the priorities of the current US administration are multiplying Europe's perception of its own precariousness, and are making implausible pledges to protect their business. This is the time for Europe to leverage its capabilities and resources, and make a major push to create a more secure and autonomous footing for its digital infrastructure.

This paper has made a number of proposals to articulate in greater detail what combination of public and private initiatives would support appreciable deployment of EuroStack assets in the next 5 years. First priority should be given to **updating procurement rules to direct a portion of public sector demand towards European suppliers;** and to **measures that could also steer private sector demand.** At the same time, a number of initiatives (many industry-led) should be **supporting the European digital industry's own ability to offer and deploy adequate European alternatives** to the dominant non-European offerings. We also discuss various ways in which **private funding to support EuroStack initiatives** could be improved, and how a **"EuroStack Fund"** could play a complementary role in plugging gaps in the EuroStack offering that are not immediately attracting private capital for multiple reasons.

Much needs to be done, but progress can only be made if the Commission and national governments see the benefit of working in close cooperation with European industry. The proposals in this paper are intended as a basis for discussion.

References:

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[4] The paper has been drafted by a working subgroup of the 200 CEOs and industry participants who originally signed the 14 March letter. While there is broad support among the wider group for the proposals in the paper, not every sentence is attributable to every signatory of the original letter.

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[7] See Bert Hubert, https://berthub.eu/articles/posts/beware-cloud-is-part-of-the-software/Cf. reference licenses

[8] defined by the Open Source Initiative (OSI)

[9] See for example the Data Act's art. 35, that foresees the publication of open specifications and harmonised standards for the interoperability of data processing services ("the Commission shall publish the references of harmonised standards and common specifications for the interoperability of data processing services in a central Union standards repository"). https://eur-lex.europa.eu/eli/reg/2023/2854/oj/eng

[10] Source: European Central Bank – Euro Area Pension Fund Statistics

[11] Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), Official Journal of the European Union, L 335, 17 December 2009, pp. 1–155.

[12] Source: European Commission – EIC Trusted Investors Network

[13] The philanthropic FONGIT and Venture Kick programs has seeded over 1,500 projects with modest grants, which later attracted more than CHF 9 billion in follow-on capital and created more than 15,000 jobs – with an 80% survival rate for supported startups. These targeted funds, both at cantonal and federal level, have preserved Switzerland's innovation leadership despite its small domestic market.

[14] Singapore's approach to startup funding emphasizes flexibility and evidence-based adjustments. The government, through agencies like Enterprise Singapore, continuously monitors key performance indicators such as follow-on funding rates and startup survival statistics to refine its support schemes. This dynamic strategy ensures that successful programs are scaled up, while underperforming ones are restructured or phased out, maintaining an effective and responsive startup ecosystem. Source: Enterprise Singapore – Startup SG