

Political Declaration for the AI Action Summit: A Vision for Europe's AI Leadership

The global balance of power is shifting. As transatlantic relations are reshaped by the return of Donald Trump to the U.S. presidency and China's unrelenting economic ambitions, Europe faces an increasingly competitive international landscape. Artificial Intelligence (AI) lies at the heart of the global competition for economic influence. OpenAI, Softbank, and Oracle's announcement of a US\$500 billion investment in new data centers as part of the "Stargate" project over the next four years is one thing above all else: a claim to US leadership in the AI-driven global economy of tomorrow.

But other countries and regions won't let go so easily of the global AI race. Few days after the Stargate announcement, China's DeepSeek, an open-source AI model with unprecedented speed and scalability allegedly developed at low cost, disrupted markets, highlighting the geopolitical stakes behind AI technologies and questioning US supremacy in this field.

Europe must seize the opportunity to affirm its leadership in AI. Europe's startups and scaleups are the key to unlocking the continent's competitive edge in this domain. European Commission President von der Leyen's speech on [the Competitiveness Compass from January 29th](#) confirms this. But to fully realize this potential, we must build a supportive ecosystem that fosters growth, ensures access to funding, and cuts bureaucratic hurdles.

In this global race, we believe that Europe stands at a crossroads, not a cliff's edge. With our world-class talent, research expertise in advanced engineering, and the largest integrated market globally, we have the foundation for success. Combined with its cultural diversity and vibrant societies, Europe holds the potential to be not just a participant but a leader in the global race for innovation. Now is the time to act with confidence, unlock our collective potential, and prove that Europe's vision can guide the course of the 21st century.

To get there, we must match a robust enforcement of existing rules to an environment that encourages innovation and growth. This will enable AI startups and scaleups to thrive, unlocking their full potential to compete globally. At the same time, it positions Europe as a magnet for the brightest people worldwide: By ensuring competitive frameworks for innovative businesses, Europe can also leverage its unparalleled quality of life and high living standards to attract, retain, and empower the most sought-after top talents from across the globe, driving its innovation ecosystem to new heights.

To secure Europe's place as a global leader in AI, we propose a comprehensive approach to strengthening the AI ecosystem across four interconnected priorities:

1. **Scaling Promising Companies:** Mobilize institutional investment, public support, and harmonized frameworks to help startups and scaleups grow within and beyond Europe.
2. **Advancing Europe's AI Markets:** Accelerate AI adoption particularly among SMEs and public institutions to drive market growth and strengthen Europe's competitive edge.

3. **Building Resilient AI Infrastructure:** Develop scalable, European-based AI and cloud infrastructures to reduce dependencies and foster leadership in critical areas like edge computing.
4. **Ensuring Fair Competition:** Address monopolistic practices, secure access to critical resources, and unlock the potential of data access and interoperability to level the playing field for startups and scaleups.

This declaration outlines actionable steps to address these levels, creating a robust foundation for Europe's AI ecosystem.

1. Scaling Promising Companies

Supporting the growth and development of European startups and scaleups is vital to strengthening Europe's position in the global AI landscape. To empower these companies to innovate and compete internationally, we must ensure adequate funding and implement supportive regulatory frameworks. We propose the following measures to drive this forward:

A) Mobilize Institutional Capital for Growth-Stage Funding

Stargate has reportedly secured its first US\$100 billion investment, and the UK recently committed £25 billion to data centers alongside £14 billion through its AI Opportunities Plan. Europe must not fall behind. Inspired by France's "Tibi" and Germany's "WIN" initiatives, we call for a pan-European program to mobilize institutional capital from insurance companies and pension funds. This program would finance growth-stage AI companies developing transformative technologies.

B) Enhance Public Support through the European Innovation Council

The European Innovation Council (EIC) plays a crucial role in funding high-impact technologies. To better support AI startups and scale-ups, we call for increased resources for the EIC Accelerator program, enabling more AI-focused companies to access grants and equity investments. Streamlining application and evaluation processes would reduce administrative burdens and accelerate funding. Additionally, dedicated AI-focused calls within the EIC framework ensures targeted support, leveraging the €1.2 billion already allocated to strategic technologies and scaling efforts.

C) Implement the 28th Regime to Facilitate Scaling in Europe

Implementing the 28th regime would establish a unified legal framework across EU member states, simplifying cross-border operations for businesses. By harmonizing regulations on company law, taxation, and labor rules, it would reduce barriers to scaling and enable seamless expansion across the single market. This predictable framework attracts investors, enhances the competitiveness of European AI ventures, and unlocks their growth potential. Swift and streamlined implementation is crucial to ensure European businesses can compete globally.

2. Advancing Europe's AI Markets

AI adoption remains uneven in Europe, with many SMEs facing financial barriers, skill gaps, and fragmented support systems that hinder their ability to leverage AI's full potential. As Commission

President von der Leyen noted on January 29, only 13.5% of European companies use AI—highlighting the urgency for action. Governments, too, can drive innovation by adopting AI solutions, but complex procurement rules often prevent startups from participating. To overcome these challenges, we propose the following measures:

A) Introduce “AI Vouchers” to Bridge the Demand Gap

We propose a publicly funded voucher system to incentivize AI adoption among SMEs by offsetting initial implementation costs. These vouchers would support collaborations with startups, fund a percentage of adoption expenses, and include programs to upskill employees using these technologies. Such an initiative could draw inspiration from successful models like the European “Innovation Vouchers”, which help SMEs access technical services. By bridging the gap between technology providers and SMEs, AI Vouchers can accelerate AI adoption and enhance competitiveness of Europe’s small and medium-sized businesses.

B) Prioritize and Communicate Harmonized AI Standards

The ongoing standardization of AI must be expedited, with clear and practical guidelines to reduce uncertainty and encourage adoption by SMEs and larger corporations. The European Union should prioritize the development of SME-friendly standards, ensure their union-wide harmonization, and communicate them effectively to businesses. This approach will lower adoption barriers and accelerate the integration of AI across Europe’s industries.

C) Simplify Public Procurement for AI Startups and Scaleups

Governments can drive innovation by acting as early adopters of AI solutions, but complex procurement rules often exclude startups. The EU’s planned revision of procurement rules in 2025 offers a key opportunity to simplify processes. Raising direct-award thresholds, streamlining application processes, and reducing reporting requirements will help public institutions to tap into startups’ innovative potential. A first step in this direction is France’s recent [decision](#) to increase the threshold for startups in the defense and security sectors to get public contracts without going through public tender procedures from 100,000 to 300,000 euros. This should include projects such as AI-driven analytics to optimize public transportation or automating administrative workflows for greater efficiency.

3. Building Resilient AI Infrastructure

Europe’s reliance on global tech giants remains a strategic vulnerability that limits its autonomy and potential competitiveness as an AI powerhouse. Strengthening Europe’s digital infrastructure is also essential to ensure resilience and stability in the rapidly evolving global AI landscape. To achieve this, we propose the following steps:

A) Expand EU-Led Initiatives Like “AI Factories”

The EU’s “AI Factories” and Testing and Experimentation Facilities (TEFs) have the potential to provide essential infrastructures for testing and developing AI models, but their capacity must expand. Sector-specific TEFs, such as those focused on healthcare, manufacturing, and smart cities, have been established to enable startups to test algorithms in compliance with regulatory standards, driving innovation in critical fields like diagnostics and personalized medicine.

B) Invest in European Public Digital Infrastructure and Fast-Track Programs

Initiatives like EuroStack highlight the critical importance of building sovereign European digital infrastructures to ensure scalability and security across the digital supply chain. A connected European framework can drive competition while reducing dependency on non-European suppliers. To accelerate progress, Member States should introduce Fast-Track programs to streamline funding, approvals, and implementation for emerging technologies like AI, securing Europe's competitiveness in the global market.

C) Pursue Leadership in Emerging Technologies

Europe should strive for leadership in emerging technologies such as edge and quantum computing, leveraging its existing competitive strengths in these fields. To achieve this, we propose a two-pronged strategy: First, implementing financial and reputational incentives to encourage European companies to adopt multi-cloud strategies, thereby strengthening reliance on European cloud providers. Second, focusing on building dominance in frontier areas like quantum and edge computing, where significant opportunities to shape global European leadership exist.

4. Enhancing Fair Competition for AI Innovations

The dominance of Big Tech in AI infrastructure and data markets creates systemic disadvantages for European startups. A level playing field is essential, not only for providers of AI products but for every tech company improving their products using AI. To achieve this, we recommend these actions:

A) Designate AI and Cloud Services as Core Platform Services (CPS)

Major cloud services should be formally designated as CPS under the Digital Markets Act (DMA) and Large Language Models (LLMs) should be included as an additional category of possible CPS and then be designated as such. This would prevent self-preferencing practices, ensuring providers do not favor their own AI tools over competitors.

B) Enforce Data-Sharing Obligations

High-quality datasets are critical for AI development, yet they only exist in the walled gardens owned by Big Tech. Startups face barriers in accessing them. A legal framework should oblige Big Tech to share the data insights needed by their competitors to develop AI solutions. Moreover, techniques like embeddings could allow startups to leverage anonymized consumer behavior patterns to develop competitive AI tools.

C) Combat Lock-In Effects Through Legal Terms and Pricing

On the cloud market lock-in strategies, such as restrictive contracts and fees for data transfer to competitors, hinder competition. Mandating interoperability standards and reducing costs for data transfers would allow startups to migrate between providers or work with different providers in parallel, fostering a dynamic and competitive ecosystem.

Quotes

Maya Noël, CEO of France Digitale comments: *“Europe has what it takes to be a leader in AI. By joining forces, France, Germany, and the rest of Europe can harness the capital, customers, and infrastructure needed for our AI companies to thrive and be sustainable in the long term — both economically and environmentally. Let’s invest in our talents — researchers and entrepreneurs alike — to build the champions of today and tomorrow.”*

Verena Pausder, Chairwomen of the German Startup Association: *“The global race for AI leadership is accelerating. Europe can rise to this challenge – with unity and determination. Our strength lies in our talent, our world-class research, and the potential of our integrated market. But to lead, we must mobilize capital, scale our startups and ensure fair competition. The European Union and key national governments have to ensure a framework that fosters innovation rather than hinders it. A fragmented approach will weaken us; a united effort will make us a global force.”*