European Tech Champions Act

Proposal for a Regulation of the European Parliament and of the Council establishing the European Tech Champions Programme

The Pirate Academy was made possible by the Greens/EFA group in the European Parliament.

Fictional legislative proposal written for the Pirate Academy simulation (Volume 5). Brussels, October 2025. Procedure 2025/9999(COD). The text is simplified and does not reproduce any real proposal.

Explanatory note

Europe produces excellent research and many start-ups, but too few of them grow into global companies in Europe. In artificial intelligence, semiconductors, high-performance computing, biotechnology and quantum technologies, the Union depends on suppliers from third countries. This proposal creates a European Tech Champions Programme for the period 2026 to 2030 to help European innovators scale up in Europe.

The Programme has a public envelope of EUR 10 billion, financed by Union borrowing, and is meant to attract private investment alongside it. The budget of the Programme is set out in the budget sheet in the Annex, which forms an integral part of this Regulation.

Recitals

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION, having regard to the Treaty on the Functioning of the European Union, and in particular Articles 173 and 182 thereof, whereas:

1. The Union depends on third countries for key digital and deep technologies, including artificial intelligence, semiconductors, high-performance computing, biotechnology and

quantum technologies. Reducing these dependencies is a condition of the Union's technological sovereignty and of its security of supply.

2. Union research produces excellent results and a large number of start-ups, but too few of them grow into global companies based in the Union. The scale-up funding gap between the Union, the United States and China has widened, and promising Union companies relocate or are acquired abroad.
3. Existing Union instruments, including Horizon Europe, the Digital Europe Programme, InvestEU and the European Chips Act, address parts of this problem but lack the scale and the focus needed to support the largest investments. A dedicated programme with a single envelope and a single governance is therefore needed for the period 2026 to 2030.
4. The public envelope of the Programme should be financed by resources borrowed by the Union on the capital markets, so that the effort is common and does not depend on the fiscal space of individual Member States. The sources, the distribution and the thematic priorities of the envelope are set out in the budget sheet annexed to this Regulation.
5. Union support should attract private investment and the resources of the European Investment Bank Group alongside it, with a view to a significant multiplier effect.
6. Quantum technologies are at a stage where early public investment can decide whether the Union hosts a competitive industry. A minimum share of the Programme should therefore be reserved for them, without prejudice to the other priority domains.
7. Support should be allocated on the basis of excellence through open calls across the Union, with measures ensuring that applicants from all Member States can compete effectively. The Commission should implement the Programme, assisted by a board of Member State representatives, and should ensure coordination with other Union programmes and with national support.
8. Beneficiaries receiving significant support should maintain a substantial presence in the Union, and acquisitions of beneficiaries by third-country undertakings should be monitored, in order to protect the technological capabilities built with Union funds. This Regulation respects the Union's international obligations and the openness of the internal market.

HAVE ADOPTED THIS REGULATION:

Article 1 - Subject matter and objectives

1. This Regulation establishes the European Tech Champions Programme (the "Programme") to strengthen the Union's capacity to nurture and scale up innovative technology companies in strategic sectors. It lays down the objectives, funding arrangements and implementation measures for supporting European companies in artificial intelligence, semiconductors, high-performance computing, biotechnology and quantum technologies, thereby reinforcing Europe's technological sovereignty and strategic autonomy.
2. The general objectives of the Programme are:
    a. technological sovereignty and resilience: to reduce critical dependencies and ensure the Union's capacity to produce and supply key digital and deep

technologies, improving security of supply, cybersecurity and resilience in these sectors;

b. scaling up European champions: to address the scale-up funding gap by mobilising significant resources for high-growth Union enterprises, so that Europe's most promising start-ups and SMEs can grow into global leaders while remaining based in Europe;

c. innovation and deployment: to accelerate research, innovation and deployment of these technologies across the Union's economy and society, contributing to the Union's digital and green transitions in line with its climate and sustainability commitments;

d. cohesion and broad participation: to ensure that innovators and regions across all Member States can benefit from and contribute to the Programme, helping to spread excellence and bridge the innovation divide without compromising the principle of merit-based evaluation.

Article 2 - Budget and financial arrangements

1. The public envelope of the Programme for the period 2026 to 2030, its sources, its distribution and its thematic earmarks are set out in the budget sheet in the Annex. The amounts shall be used to finance the actions under Articles 3 and 4, subject to annual appropriations by the budgetary authority.
2. Resources borrowed on the capital markets by the Union for the purposes of this Regulation shall be used exclusively for expenditure under the Programme and shall be repaid in accordance with the applicable Union budgetary framework.
3. The Programme shall aim to attract additional investment from private investors and from the European Investment Bank Group, with a view to a significant multiplier effect on Union funding. Any target for such co-investment is set out in the budget sheet. Voluntary contributions from Member States, associated countries and other public or private sources shall be administered in accordance with the rules of the Programme.
4. The Commission may reallocate funds between the domains defined in Article 3(1) in response to emerging needs or technological developments, provided that such reallocations do not undermine the objectives in Article 1 and respect the earmarks set out in the budget sheet.

Article 3 - Priority domains of support

1. The Programme shall support actions in particular, but not exclusively, in the following strategic technology domains:
    a. artificial intelligence and machine learning, including the development of trustworthy AI systems and applications;
    b. microelectronics and semiconductors, including chip design, fabrication and next-generation electronic components, complementing the European Chips Act (Regulation (EU) 2023/1781);
    c. high-performance computing, including exascale supercomputing infrastructure, advanced data processing and related digital capacities;

d. biotechnology and life-science technologies, including biomedical, biomanufacturing and bioinformatics innovations with industrial and societal applications;
e. quantum computing and quantum technologies, including quantum processors, communication networks, simulation platforms and sensing devices.

2. Within these domains, particular emphasis shall be given to quantum technologies as a transformative technology for Europe's future competitiveness. The share of the Programme's resources reserved for quantum technologies is set out in the budget sheet. The Commission shall ensure that this prioritisation is implemented without prejudice to support for the other domains listed in paragraph 1.

Article 4 - Forms of support and eligible actions

1. The Programme shall be implemented through a combination of funding instruments and support measures, deployed in a flexible manner to achieve its objectives. In particular, the following forms of support shall be available:
   a. grants and prizes for research, innovation and deployment projects, including collaborative projects involving start-ups, SMEs, industry, universities and research institutes;
   b. equity and quasi-equity investments in high-growth companies, especially at the scale-up and late-stage development phases, including through funds of funds or investment platforms managed in cooperation with the European Investment Bank Group, crowding in private investors;
   c. procurement and infrastructure support for critical technological capabilities, including the design, construction and upgrade of key research and innovation infrastructures, such as supercomputing centres and quantum testbeds, and advance purchase schemes to stimulate early markets for European high-tech products;
   d. networking and ecosystem-building actions connecting innovators, industry, academia and public authorities across the Union, including support for innovation hubs, accelerators and training programmes for advanced digital skills.
2. The selection and award of funding under the Programme shall be based on transparent and excellence-based criteria. The Commission shall ensure a balanced portfolio of supported actions across different instruments and domains, avoiding undue concentration of resources in any one type of action or technology field.

Article 5 - Governance and coordination

1. The Commission shall be responsible for the overall implementation of the Programme in coordination with Member States. Implementation may be carried out under direct management by the Commission or under indirect management by entrusted entities. Where appropriate, the Commission shall engage the European Investment Bank Group and national promotional banks in carrying out investment actions under the Programme.
2. A European Tech Champions Board (the "Board") is hereby established to advise and assist the Commission on the Programme's strategic orientations and on its coherence

with other policies. The Board shall be chaired by the Commission and composed of one high-level representative from each Member State. It shall facilitate information exchange, monitor progress towards the objectives in Article 1 and promote synergies between Union and national initiatives. The Board may invite stakeholders and experts to participate in its work in an advisory capacity.

3. The Commission shall adopt work programmes detailing the specific funding calls, topics and allocation of resources for the Programme. The work programmes shall take into account the advice of the Board and shall ensure coordination with other Union programmes, including Horizon Europe, the Digital Europe Programme, InvestEU and the cohesion policy funds. The work programmes shall be adopted in accordance with the examination procedure.
4. Member States may provide additional national support or co-funding to projects and entities supported by the Programme. In applying Union State aid rules to such support, the Commission shall take into account the strategic objectives of the Programme and make use of relevant flexibilities and exemptions to facilitate timely investments, while upholding fair competition in the internal market.

Article 6 - Access and eligibility

1. The Programme shall be open to legal entities established in Member States. It shall also be open to legal entities from associated countries or other third countries under conditions equivalent to those laid down in Article 16 of Regulation (EU) 2021/695 (Horizon Europe), provided the association agreements or arrangements so allow and they share the Union's fundamental values.
2. Beneficiaries shall include, but not be limited to, start-ups, scale-ups, small and medium-sized enterprises, mid-cap companies, research and technology organisations, and collaborations thereof. Special attention shall be given to high-potential SMEs and mid-caps with the ambition to scale up in Europe's strategic technology sectors.
3. The Commission and Member States shall undertake outreach and capacity-building measures to ensure wide geographical participation in the Programme. In particular, the Commission shall seek to enable applicants from all Member States, including those with less developed innovation ecosystems, to compete effectively, for example by supporting networking, mentoring and partnerships, while maintaining merit-based evaluation of proposals.

Article 7 - Safeguards for strategic autonomy

1. Actions under the Programme shall be designed and implemented in a manner that safeguards the Union's security interests. Results and intellectual property arising from funded projects shall be managed to promote open innovation and industrial deployment within the Union, while protecting sensitive technologies in accordance with Union law on dual-use export controls and foreign investment screening.
2. Beneficiaries receiving significant support, above an amount to be defined in the work programmes, shall commit to maintaining a substantial presence in the Union, including their registered headquarters or main research, development and production operations.

For a defined period after the end of the action, they shall not relocate their core activities outside the Union or transfer ownership of critical technology developed with Programme support to entities outside the Union without prior notification to and consent of the Commission. In case of breach, the Commission may require partial or full repayment of the Union funding received.

3. The Commission shall monitor acquisitions of companies supported by the Programme. Where a beneficiary becomes subject to an acquisition by an undertaking from a third country that could undermine the Union's technological sovereignty or security, the Commission and the relevant Member State authorities shall coordinate under the Union's foreign direct investment screening framework to assess the risks and, where necessary, attach conditions or seek to block the transaction in line with Union law.
4. This Article shall be applied in a proportionate manner, balancing openness to global markets and investment with the need to safeguard critical Union interests. The Commission shall issue guidelines on its application.

Article 8 - Monitoring and evaluation

1. The Commission shall monitor the implementation and performance of the Programme. Key performance indicators shall include the number of supported companies reaching significant scale, the volume of private investment mobilised, the distribution of projects across Member States, and progress in technological capabilities.
2. By 31 December 2028, the Commission shall carry out an interim evaluation of the Programme and submit a report to the European Parliament and the Council, assessing progress towards the objectives in Article 1, the effectiveness of the measures taken, including the balance of funding across domains and regions, and the continued relevance of the earmarks in the budget sheet. The report may be accompanied by legislative proposals.
3. Upon completion of the Programme, and no later than 2031, the Commission shall carry out a final evaluation of its overall impact. The findings shall be made public.

Article 9 - Entry into force

This Regulation shall enter into force on the twentieth day following its publication in the *Official Journal of the European Union*. It shall be binding in its entirety and directly applicable in all Member States.

Annex - Budget sheet

All amounts in EUR billion for the period 2026 to 2030.

Block A: Size

Line	Commission proposal
Public envelope	10

Line	Commission proposal
Co-investment target (private and EIB Group)	none

Block B: Sources (the sources add up to the public envelope)

Source	Commission proposal
EU borrowing for grants	10
EU borrowing for loans to Member States	0
National contributions	0
Reprogramming from Horizon Europe	0
Reprogramming from Digital Europe	0
Reprogramming from cohesion funds	0
Redirected Recovery and Resilience Facility money	0
New own resource	0

Block C: Distribution (the lines add up to 100%)

Line	Commission proposal
Open excellence-based calls	100%
National or regional envelopes	0%

Block D: Thematic earmarks (minimum shares of the public envelope)

Line	Commission proposal
Quantum technologies	at least 25%
Semiconductors	none
Artificial intelligence	none
High-performance computing	none
Biotechnology	none
Defence and dual-use technologies	none
Climate tag (share that must also serve climate objectives)	none