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COVER NOTE

From:	European Economic and Social Committee
To:	General Secretariat of the Council
Subject:	Proposal for a Regulation of the European Parliament and of the Council establishing a framework of measures for strengthening Europe's cloud and AI ecosystem (Cloud and AI Development Act) - Opinion of the European Economic and Social Committee (EESC)

Delegations will find attached the opinion adopted by the European Economic and Social Committee on the above-mentioned proposal.

Other language versions are available on the following website: [DM Search v5.6.1](#).



OPINION

European Economic and Social Committee

Cloud and AI Development Act

Proposal for a Regulation of the European Parliament and of the Council establishing a framework
of measures for strengthening Europe's cloud and AI ecosystem
(Cloud and AI Development Act)
(COM(2026) 502 final – 2026/0138 (COD))

INT/1126

Rapporteur: **Miroslav HAJNOŠ**

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EN

Advisor	Pavlina PAVLOVA (to the rapporteur)
Legislative procedure	EU Law Tracker
Referral	European Parliament, 24/6/2026 Council of the European Union, 18/9/2026
Legal basis	Articles 114 and 173(3) of the Treaty on the Functioning of the European Union
European Commission document	COM(2026) 502 final – 2026/0138 (COD) Summary of COM(2026) 502 final – 2026/0138 (COD)
Relevant Sustainable Development Goals (SDGs)	SDG 9 - Industry, innovation and infrastructure SDG 11 - Sustainable cities and communities SDG 16 - Peace, justice and strong institutions
Section responsible	Single Market, Production and Consumption
Adopted in section	8/9/2026
Adopted at plenary session	23/9/2026
Plenary session No	608
Outcome of vote (for/against/abstentions)	212/0/3

1. RECOMMENDATIONS

The European Economic and Social Committee (EESC):

- 1.1 **welcomes** the objective of the Cloud and AI Development Act (CADA) to strengthen Europe's cloud and AI ecosystem and reduce the EU's dependence on non-European cloud and AI providers; but **requires** targeted revisions on building European data centre capacity and steering public procurement toward European providers;
- 1.2 **calls for** the proposal's financing to be secured rather than assumed; **recommends** treating cloud and AI infrastructure as a protected priority in the next multiannual financial framework, with resources matching its capacity objectives; **calls on** the Commission to publish a consolidated overview of available EU financing before the deadline for the adoption of national strategies under Article 7; and **proposes** that the Commission and the European Investment Bank mobilise European institutional and private capital toward data centre and cloud infrastructure as an investment class;
- 1.3 **calls on** Member States to meaningfully consult social partners, civil society and consumer organisations when developing or substantially revising national cloud and AI strategies under Article 7;
- 1.4 **calls for** the designation of data centre acceleration zones under Article 10 to be made conditional on a social and environmental impact assessment covering health, employment, energy and water demand;
- 1.5 **recommends** introducing a strict obligation on network operators to indicate available connection capacity within six months of request; **considers** that faster connections are no substitute for adequate power generation, and **calls on** the Commission to assess whether EU electricity generation can keep pace with the target of tripling data centres' capacity;
- 1.6 **calls for** the procedure for designating acceleration zones to include a defined, time-limited public consultation period going beyond the single information point's role of 'increasing public acceptance', and strongly invites Member States, in accordance with their national prerogatives, to set up a compensation mechanism for affected local communities and to assess and mitigate the health risks associated with the operation of data centres;
- 1.7 **recommends** that the 'Union added value' award criterion under Article 32 be given significant weight in procurement;
- 1.8 **calls for** the development of a European sustainable cloud and AI certification, considered in public procurement, to complement the sustainability indicators under Article 11;
- 1.9 **calls for** the indicative 25% SME procurement objective under Article 33 to become a shared requirement, with the Commission's guidance to Member States including concrete implementation incentives;

- 1.10 **calls for** the cloud and AI skills curriculum to be co-designed with social partners, building on the task already entrusted to the Centres for AI. This should ensure that the curriculum contributes to a long-term European skills strategy by supporting continuous learning, strengthening STEM competences, fostering the development and retention of talent, and equipping workers with the skills required by the digital transformation; **notes** the absence of any explicit reference to young people and young professionals in the proposal, and calls for the curriculum to include targeted measures for their recruitment and retention;
- 1.11 **draws attention** to a risk accompanying the acceleration that the proposal is designed to produce, one not currently taken into account in its monitoring framework: the gradual erosion of the human and institutional capability to operate, oversee and, where necessary, work without the systems being deployed; **stresses** that this erosion advances silently, because output indicators remain stable while the underlying capacity declines, and that it affects the workforce and public administrations simultaneously; **recommends** that the proposal's monitoring obligations, national strategies and public sector risk assessments under Article 29 cover the absorption side of adoption.

2. EXPLANATORY NOTES

Arguments in support of recommendation 1.1

- 2.1 The dependence on non-European cloud providers is a pressing concern for the competitiveness of the EU's single market, democratic and economic integrity and strategic autonomy.
- 2.2 As this is a catch-up measure, the possibility to anticipate future technological developments must be fully exploited in this proposal, particularly with regard to the increased capacity and integration of data centres, advanced data processing technologies and the prioritisation of strategic data centres critical to EU sovereignty.
- 2.3 Without a corresponding guarantee of demand, and effective steering of public procurement to sovereign providers, the envisioned increased capacity risks reproducing the dependence on non-European hyperscalers.

Arguments in support of recommendation 1.2

- 2.4 The proposal mandates outcomes but cannot guarantee how they will be financed. It establishes the objective of at least tripling the EU's data centre capacity by 2030, yet meeting that objective relies on existing EU programmes subject to their being adopted under the next multiannual financial framework, with its only specific revenue mechanism being fees levied on the contracting authorities participating in the common procurement framework. An ambition of this scale cannot rest on financing that is contingent and dispersed.
- 2.5 Public resources alone will not close the gap. The scale of private capital deployed by competitors is carried predominantly by private capital markets. The proposal's objectives therefore require, alongside protected public financing, a deliberate effort to mobilise European institutional investors, including pension funds and insurers, toward data centre and cloud

infrastructure as a recognised investment class, building on the instruments of the Invest EU programme and the European Investment Bank.

Arguments in support of recommendation 1.3

- 2.6 The proposal does not include any reference to a social dialogue or just transition, despite its evident implications for employment and the organisation of work, as cloud and AI adoption accelerates¹. **Nor does it reference consumer organisations, despite the proposal's procurement and public-sector cloud measures having direct downstream effects on service quality, data protection and pricing for end users.**

Arguments in support of recommendation 1.4

- 2.7 The proposal already requires Member States to assess energy demand before designating data centre acceleration zones, establishing a clear precedent that designation may properly be made conditional on prior assessment².
- 2.8 The successful development of Europe's cloud and AI infrastructure will depend not only on faster permitting procedures but also on its consistency with the EU's energy and environmental objectives. The planning and development of data centres should encourage energy efficiency, greater use of renewable energy sources, responsible water management and, where feasible, the recovery and reuse of waste heat, thereby contributing to both environmental sustainability and greater public acceptance. Article 10(1)(e) lists waste-heat reuse as a factor for Member States to consider when designating acceleration zones, but only as one criterion among many, rather than an affirmative planning principle.

Arguments in support of recommendation 1.5

- 2.9 Current project pipelines imply capacity well above what generation growth is on track to deliver by 2030, with data centres already driving a significant share of growth in EU demand³. A tripling target without generation-adequacy checks risks becoming only aspirational. Faster connection processing alone risks intensifying competition for a fixed pool of power.

Arguments in support of recommendation 1.6

- 2.10 As noted under recommendation 1.3, data centre projects have substantial, lasting local effects. The proposal's only reference to public involvement frames the relevant obligation as providing information with the aim of increasing public acceptance. This is a communications objective,

¹ The EESC has consistently maintained that technological transitions of this scale should be accompanied by structured social dialogue. See EESC opinion on OJ C, C/2026/1960, 28.4.2026, ELI: <http://data.europa.eu/eli/C/2026/1960/oj>, which calls on the Commission to ensure AI governance 'formally and systematically involves the social partners, civil society and SME representatives'; see also the EESC's opinion on the Cybersecurity Act 2 (OJ C, C/2026/354g9, 22.7.2026, ELI: <http://data.europa.eu/eli/C/2026/3549/oj>), which states that consultation with social partners 'should constitute a structural element... rather than being treated merely as an optional good practice.'

² See the EESC's opinion on the Interoperable Europe Act ([OJ C 184, 25.5.2023, p. 28](#)), noting that 'some technological solutions for digitalisation could be highly energy-intensive.'

³ International Energy Agency, Overcoming energy constraints is key to delivering on Europe's data centre goals (2026).

not a baseline of rights for affected communities to submit observations capable of influencing the outcome. A time-limited consultation period is a necessary means of ensuring local participation.

- 2.11 Consultation alone does not address the lasting local burden of hosting a data centre, including noise, heat, and pressure on local water and energy resources; nor does the proposal require Member States to assess and reasonably mitigate the associated health risks before a zone is designated. The designation procedure should therefore include a mechanism to compensate the affected communities and clear guidance to assess and mitigate health risks, so that consultation is paired with substantive protections rather than standing alone.

Arguments in support of recommendation 1.7

- 2.12 The ‘Union added value’ criterion remains ancillary and not structurally significant in the award of contracts as its non-binding maximum weighting is approximately 15 out of 120 evaluation points under Recital 67, which provides non-binding guidance. The EESC recommends raising this weight to 40 evaluation points to meaningfully influence procurement outcomes, help reverse the market dependency and support demand for European-owned and European-operated services⁴.

Arguments in support of recommendation 1.8

- 2.13 The proposal sets ambitious environmental targets for data centres. However, the ‘Union added value’ procurement criteria cover only supply-chain, technology-origin and hardware factors. A common sustainability certification for cloud and AI services, covering energy and water efficiency, renewable sourcing and server utilisation, would give public buyers a reliable way to compare providers’ environmental performance, complementing the Energy Efficiency Directive scheme, which rates data centres as facilities rather than the services they deliver.

Arguments in support of recommendation 1.9

- 2.14 The proposal requires Member States to pursue an objective whereby at least 25% of relevant procurement is awarded to innovative SMEs, but a target expressed only in aspirational terms is unlikely to alter institutional purchasing behaviour. The Commission guidance to Member States should include concrete incentives, such as splitting large contracts into smaller parts that SMEs can bid for, setting aside a share of innovation contracts specifically for SMEs and simplified SME qualification conditions⁵.

⁴ This recommendation builds on the EESC’s long-standing position: in its 2016 opinion on the European Cloud Initiative ([OJ C 487, 28.12.2016, p. 86](#)), the Committee already recommended that ‘the hardware and software needed for the European cloud be acquired in Europe.’

⁵ See the EESC’s opinion on Apply AI Strategy (OJ C, C/2026/1960, 28.4.2026, ELI: <http://data.europa.eu/eli/C/2026/1960/oj>), calling for ‘concrete, rapidly deployable measures to speed up the commercialisation and market uptake of AI solutions – especially for SMEs and scale-ups – through simpler access to funding [and] less administrative burden.’

Arguments in support of recommendation 1.10

- 2.15 A curriculum with consequences for workforce transitions warrants a co-design with the social partners to reflect the needs of employers and workers and must be fully integrated into skills and development policy⁶. The EESC points to the absence of any explicit reference to young people and young professionals, and requests that this be addressed.

Arguments in support of recommendation 1.11

- 2.16 Adoption at EU scale changes the absorbing side. Professionals relying on AI beyond its reliable range lose the ability to recognise its errors, and firms adopting these tools are cutting back on entry-level recruitment and on the workplace training of junior professionals. The future supply of the very skills the proposal seeks to build is being eroded at its source.
- 2.17 The same dynamic operates inside public administration: every efficiency gain deepens reliance on analysis that the institution is progressively less able to verify independently. Safety-critical industries have long recognised this failure mode: in aviation it is known as automation surprise, where human oversight fails precisely because the routine skill it depends on has atrophied. An institution that can no longer perform or meaningfully check the functions it has delegated has not gained autonomy from any provider; it has changed the supplier of its dependency.
- 2.18 The pattern common to both fronts, capability declining while measured output remains stable, described as silent erosion, is invisible to conventional monitoring by construction: the indicators stay green while the capacity beneath them weakens. The EESC considers that an instrument designed to accelerate adoption across the EU is also the natural instrument for monitoring what that adoption does to the capacity that must absorb it.

3. PROPOSED AMENDMENTS TO THE LEGISLATIVE PROPOSAL OF THE EUROPEAN COMMISSION

Amendment 1

linked to recommendation 5 (Article 10(2))

Text proposed by the European Commission	EESC amendment
Member States, where appropriate to facilitate the development of acceleration zones, shall: [...]	Member States, where appropriate to facilitate the development of acceleration zones, shall: [...] <i>(c) ensure that the transmission system operators and distribution system operators referred to in point (b), upon a reasoned request from a data centre operator or project promoter, communicate the available and</i>

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See the EESC's 2016 opinion on the European Cloud Initiative ([OJ C 487, 28.12.2016, p. 86](#)), calling for 'a major programme to develop and promote new, highly-qualified occupations', as well as its opinion on the Interoperable Europe Act ([OJ C 184, 25.5.2023, p. 28](#)), stressing that 'adequate staffing is a prerequisite for a successful digital transformation.'

	<i>anticipated connection capacity for the site concerned within six months of that request, together with an estimated timeline and cost for any necessary network reinforcement.</i>
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Reason
Article 10(2)(b) requires network operators' development plans to take account of the acceleration-zone energy analysis but sets no deadline by which an individual operator learns what capacity is actually available at a given site. This is leaving connection timelines opaque where investment decisions depend on them. Point (c) closes that gap with a binding response time, without removing the existing planning obligation.

Amendment 2

linked to recommendation 1.6 (Article 10)

Text proposed by the European Commission	EESC amendment
	<i>5. Before designating an acceleration zone, the Member State concerned shall organise a defined, time-limited public consultation period for the local community affected, going beyond the information obligation referred to in Article 12(2)(e). Member States are invited to set up a compensation mechanism for local communities affected by data centres and to assess and mitigate the health risks associated with the operation of data centres, including noise, heat and exploitation of water and energy resources.</i>

Reason
Article 12(2)(e) frames public involvement solely as providing information to the public, which is a communications objective, not a right to be consulted or protected. Article 10 does not require that health risks be assessed or mitigated, or that communities be compensated for the lasting local burden of hosting a data centre. This amendment gives the designation procedure a substantive, not merely informational, obligation toward affected communities.

Amendment 3

linked to recommendation 7 (Recital 67)

Text proposed by the European Commission	EESC amendment
In public procurement procedures for cloud computing services and AI systems, contracting authorities should include clear European added value as part of the quality evaluation of the tender. [...] For this purpose, contracting	In public procurement procedures for cloud computing services and AI systems, contracting authorities should include clear European added value as part of the quality evaluation of the tender. [...] For this purpose, contracting

authorities could consider a maximum weighting of 15 out of 120 points to be allocated to European added value within the overall evaluation methodology, ensuring that it remains proportionate and subordinate to the core contract award criteria.	authorities could consider a maximum weighting of 40 out of 120 points to be allocated to European added value within the overall evaluation methodology, ensuring that it remains proportionate and subordinate to the core contract award criteria.
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Reason
At 15 out of 120 points and itself only non-binding guidance, the EU added value criterion cannot meaningfully influence procurement outcomes at the scale needed to reverse market dependency on non-EU hyperscalers. Raising the weighting to 40 points keeps the criterion subordinate to price and technical merit, consistent with the requirement of Article 32(2)(d) that it remain ancillary, while giving it enough weight to actually shape award decisions.

Amendment 4

linked to recommendation 1.11 (Article 29(2))

Text proposed by the European Commission	EESC amendment
In carrying out their risk assessments, Member States and Union entities shall consider at least the following aspects [...]	In carrying out their risk assessments, Member States and Union entities shall consider at least the following aspects: [...] <i>(d) the risk and consequent impact on public order of organisational dependency on the service, including whether the entity would retain the independent human capacity to perform, verify or restore the supported public sector activity in the event of loss, degradation or malfunction of the service.</i>

Reason
Article 29 assesses the provider (jurisdictional control, data access, disruption) but not the institution: whether, after years of reliance, the public body could still perform or even meaningfully verify the function that the service supports. Safety-critical industries have long recognised this failure mode; in aviation it is known as automation surprise, where oversight fails precisely because the manual skill has atrophied. Without this criterion, the assurance framework certifies who controls the service while remaining silent on whether anyone retains the capacity to work without it. The criterion also gives concrete form to the requirement in Article 29(9) to consider a multi-vendor strategy.

Brussels, 23 September 2026.

The president of the European Economic and Social Committee
Séamus BOLAND

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N.B.: Appendix overleaf

APPENDIX to the OPINION
of the
European Economic and Social Committee

LEGISLATIVE FOOTPRINT

LIST OF INTEREST REPRESENTATIVES FROM WHOM
THE RAPPOREUR RECEIVED INPUT

The following list is drawn up on a purely voluntary basis under the exclusive responsibility of the rapporteur. The rapporteur has received input from the following interest representatives (organisations and/or self-employed individuals) in the preparation of the opinion INT/1126 on Cloud and AI Development Act:

<i>Organisations and/or self-employed individuals</i>
<i>Polish ICT Chamber (KIGEiT)</i>
<i>KU Leuven</i>
<i>European University Institute</i>
<i>ESDN Youth Representative</i>
<i>Office of the Government Plenipotentiary of the Slovak Republic for Artificial Intelligence</i>