Council of the European Union
General Secretariat

PUBLIC

Brussels, 16 June 2026

WK 8754/2026 INIT

LIMITE

TELECOM
CYBER
COMPET
MI
IA
CODEC

This is a paper intended for a specific community of recipients. Handling and further distribution are under the sole responsibility of community members.

MEETING DOCUMENT

From:	General Secretariat of the Council
To:	Working Party on Telecommunications and Information Society
Subject:	Cloud and AI Development Act (CADA) – Impact Assessment: Presentation

Delegations will find in the annex the presentation given in the Working Pary on 16 June.



Cloud and AI Development Act (CADA) – Impact Assessment

Brussels, 16 June 2026

European Commission

Impact Assessment – Session 1

PUBLIC

1. Political and legal context

2. Problem definition: problems and drivers

3. Overview of the policy options

Political & legal context

PUBLIC



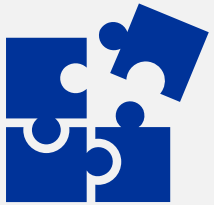
Strategic importance

- Cloud is the **backbone** for digital services, data storage, and scalable computing.
- AI **enables** automation, decision-making, and personalised services.
- Together, they support Europe's **competitiveness, security,** and **sovereignty.**



Political momentum

- Draghi Report & Competitiveness Compass identify cloud & compute as essential for AI leadership.
- The AI Continent Action Plan targets **tripling data centre capacity within 5-7 years.**
- Parliament and Council call for stronger cloud infrastructure and clearer sovereign cloud criteria.



Legal gap

- Existing rules cover sustainability, cybersecurity, interoperability, AI risk, procurement…
- However, they are **not tailored** to cloud and AI sovereignty and data centre deployment
- No dedicated framework incentivises strategic investment or ensure security of supply

The two problems

PUBLIC

1

Limited and geographically concentrated availability of computing capacity in the EU

- Europe's capacity is **not keeping pace** with demand
- Capacity is geographically concentrated in a **few hubs**
- This creates price pressure, grid stress, latency issues and regional imbalances

2

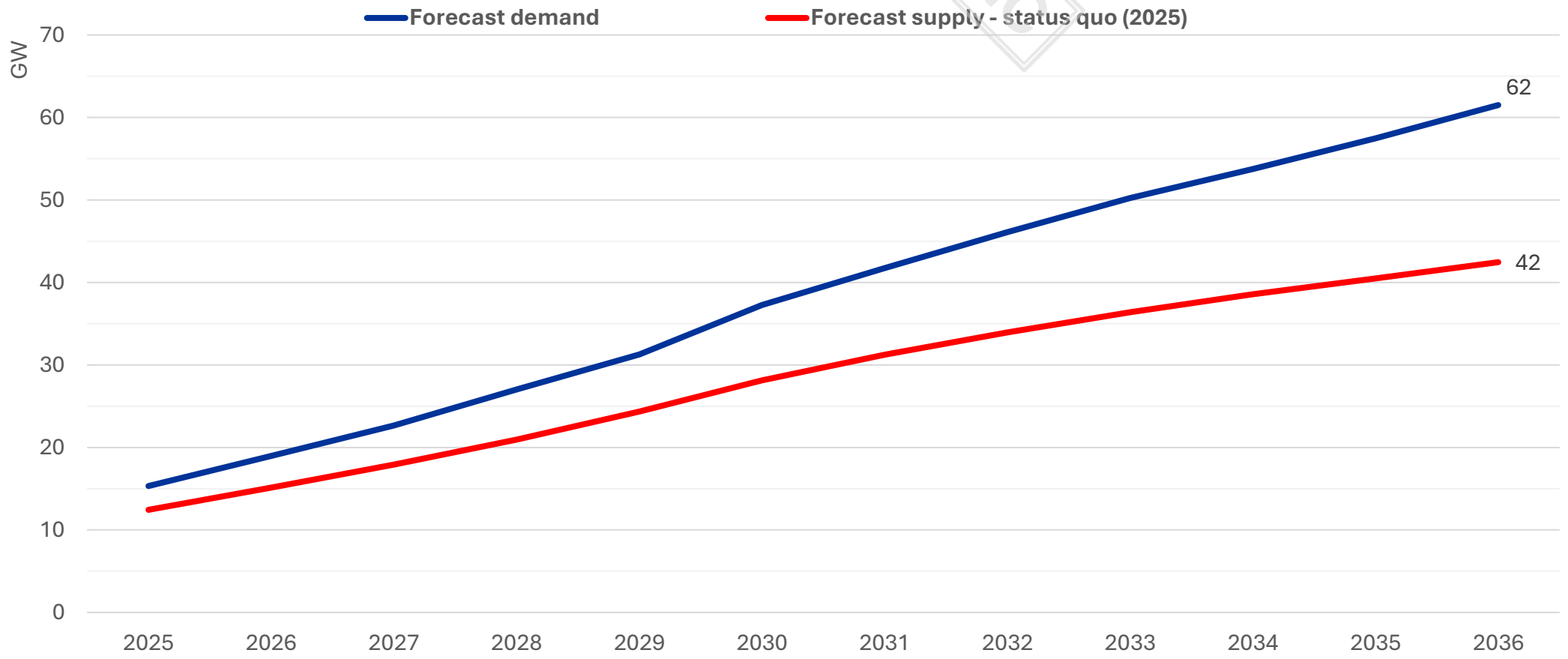
Dependence on cloud and AI computing services supplied by non-European providers

- Europe is dominated by **few non-European providers**
- This creates risks around pricing power, service continuity, **operational autonomy, data control and security of supply**

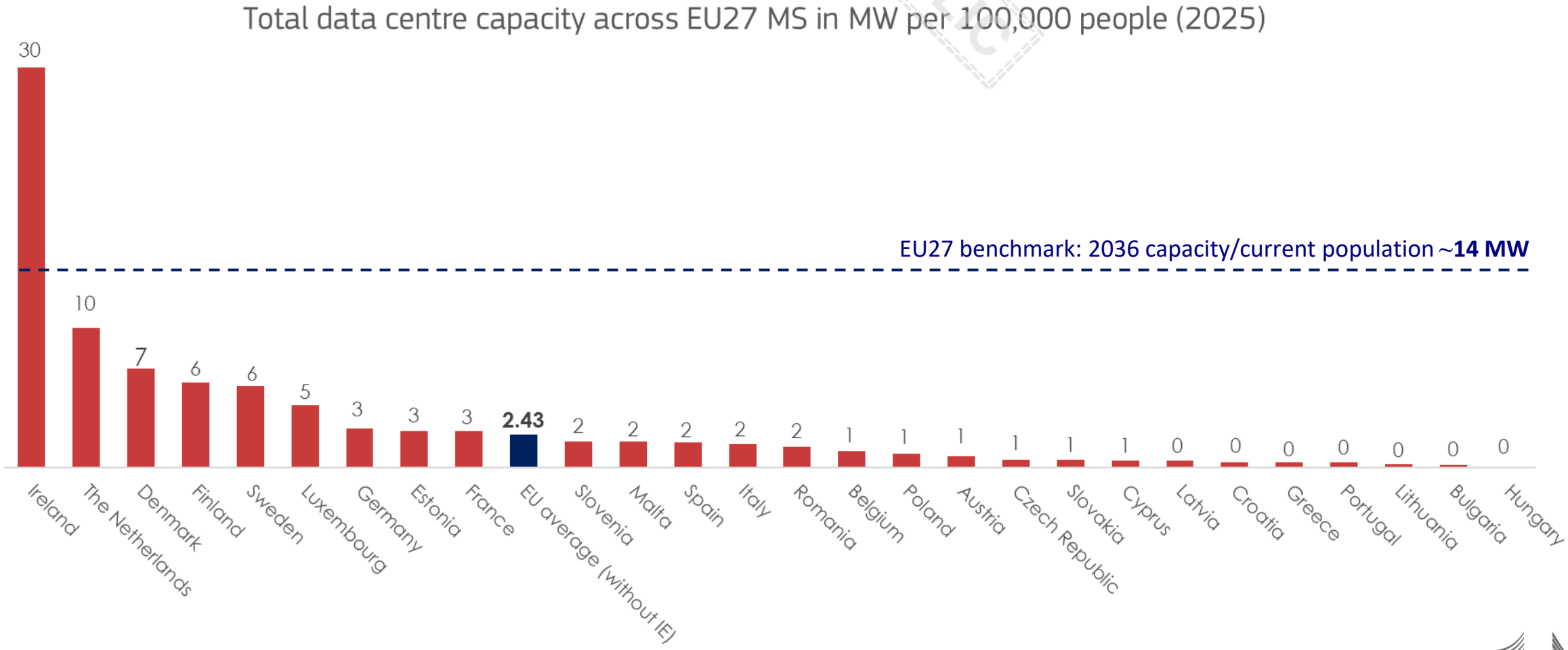
Problem 1: the capacity gap…

PUBLIC

Data centre supply baseline, supply CADA, and demand (GW)



…and geographical concentration



What drives the EU compute capacity gap?

PUBLIC

Problem Driver 1:
Lack of scale and scope of European cloud and AI computing service providers



First-mover advantage of non-EU hyperscalers



Closed ecosystems with integrated services and marketplaces



Scale advantage through high investment and dedicated skills training

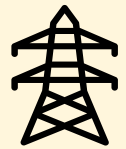
Problem Driver 2:
Bottlenecks to expand data centre capacity in the EU



Fragmented permitting procedures across MS



Suitable land and slow site identification

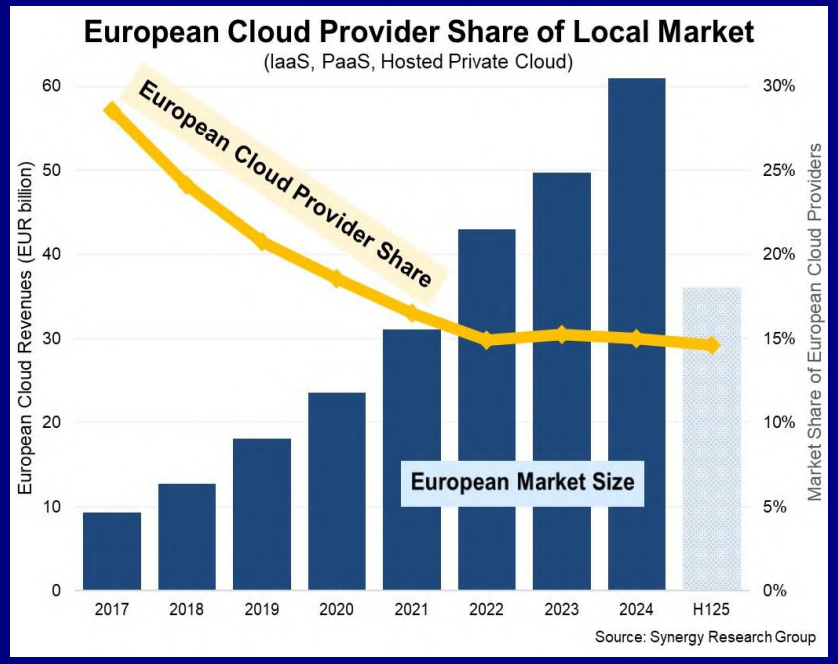


Energy access grid & power constraints



Capital access limited financing for expansion

Problem 2: dependence on cloud and AI computing services supplied by non-European providers



EU providers fail to harness the benefits of the ongoing strong market growth.

Cloud Services Leadership by Region

Rank	Worldwide	US	China	Rest of APAC	Europe	Rest of World
Leader	Amazon	Amazon	Alibaba	Amazon	Amazon	Amazon
#2	Microsoft	Microsoft	Tencent	Microsoft	Microsoft	Microsoft
#3	Google	Google	China Telecom	Google	Google	Google
#4	Alibaba	Oracle	Huawei	NTT	Oracle	Salesforce
#5	Oracle	Salesforce	China Unicom	Alibaba	Salesforce	Oracle
#6	Salesforce	IBM	China Mobile	Fujitsu	IBM	IBM

Based on IaaS, PaaS and hosted private cloud revenues in Q2 2024

Source: Synergy Research Group

Circa 80% of the EU market revenues go US providers, **15% by all EU providers combined**, largest EU providers have a 2% market share.

EU-27 IaaS: 3rd largest cloud services market in the world

- AWS: 56%, Microsoft Azure: 19% & Google Cloud:10% → **85% market share in the EU-27**

(Q1 2025, Source: Statista Technology Market Insights 2025)

Dominance of US providers is the most pronounced in the **IaaS market**.

PUBLIC

What drives Europe's strategic dependence?

PUBLIC

Problem Driver 1:
Lack of scale and scope of European cloud and AI computing service providers



First-mover advantage of non-EU providers



Closed ecosystems with integrated services and marketplaces



Scale advantage through high investment and dedicated skills training

Problem Driver 3:
Limited public sector uptake of services supplied by European providers



Under-exploited potential of public contracts and **slow uptake** favouring non-European providers



Divergent public procurement practices across MS limiting scale

Problem Driver 4:
No clarity around the concept of sovereign cloud and AI computing services



No common definition with customers lacking clear criteria for sovereign cloud and AI



Sovereignty-washing risk EU providers cannot fully use sovereignty as a competitive advantage

Objectives: what is to be achieved

PUBLIC

General Objective

Ensure the functioning of the internal market for cloud and AI computing services and secure the conditions necessary for the Union's competitiveness and strategic autonomy

Specific Objectives (SO)

SO1

Increase computing capacity deployed in the EU through innovative and sustainable technologies

SO2

Ensure attractive conditions for the deployment of sustainable and innovative computing capacity

SO3

Decrease the overall reliance on non-European cloud and AI computing services

SO4

Contribute to the protection of public order by enhancing the resilience of supply of cloud and AI computing services, in particular in the public sector

From problems to policy options: an overview

PUBLIC

***Context:** High market concentration, network effects, economies of scale, high switching costs*

Problem drivers

PD1: Lack of scale and scope of EU cloud and AI computing service providers

PD2: Bottlenecks slowing down data centre expansion in the EU

PD3: Limited public sector uptake of cloud and AI computing services supplied by European providers & diverging procurement practices

PD4: Absence of clarity around the concept of sovereign cloud and AI computing services

Problems

P1: Limited and geographically concentrated availability of computing capacity in the EU

P2: Dependence on cloud and AI computing services supplied by non-European providers

General objective

Ensure the functioning of the internal market for cloud and AI computing services & secure the conditions necessary for the Union's competitiveness and strategic autonomy

Specific objectives

SO1: Increase computing capacity deployed in the EU through innovative and sustainable technologies

SO2: Ensure attractive conditions for the deployment of sustainable and innovative computing capacity

SO3: Decrease the overall reliance on non-European cloud and AI computing services

SO4: Contribute to the protection of public order by enhancing the resilience of supply of cloud and AI computing services, in particular in the public sector

Policy options

PO1A: Enhancing existing collaborative framework

PO1B: Legislative and financial intervention enforced nationally

PO1C: Legislative and financial intervention enforced at EU-level

PO2A: Supporting measures to increase transparency & visibility of sovereign cloud and AI computing services

PO2B: Voluntary framework for advancing sovereign cloud and AI computing services

PO2C: EU-coordinated procurement & support framework for sovereign cloud and AI computing services

Options for Problem 1: how to expand compute capacity

Problem drivers		Problem	Policy Option	Policy Measure		Specific objectives	
PD1	PD2					SO1	SO2
✓		**Problem 1:** Limited and geographically concentrated availability of computing capacity in the EU	**1A** Enhancing the existing collaborative networks	PM1	Expanding the Alliance for Industrial Data, Edge and Cloud with a workgroup on data centres and extending membership to relevant players		✓
✓	✓			PM2	Creating a forum for exchanges between relevant public and private stakeholders involved in the buildout of data centres		✓
✓	✓			PM3	Adopting guidelines on building sustainable data centres in the EU	✓	✓
✓	✓		**1B** Legislative and financial intervention enforced nationally	PM4	National facilitator for data centre projects		✓
✓	✓			PM5	Mechanism for Member States to identify areas for fast-track data centre deployment	✓	✓
✓	✓			PM6	Possibility for public support for data centres	✓	✓
	✓			PM7	Set deployment targets and monitor progress	✓	
✓	✓		**1C** Legislative and financial intervention enforced at EU level	PM8	EU R&D Funding	✓	
✓	✓			PM9	EU deployment funding for strategic projects	✓	✓
✓	✓			PM10	EU-level identification of areas for fast-track data centre deployment	✓	✓

PUBLIC

Options for Problem 2: how to reduce dependence

Problem driver(s)			Problem	Policy Option	Policy Measure		Specific objectives	
PD1	PD3	PD4					SO3	SO4
		✓	**P2:** Dependence on cloud and AI computing services supplied by non-European providers	**2A** Increase transparency & visibility of sovereign cloud & AI computing services	PM11	Creating an EU-level harmonized criteria for sovereign cloud and AI computing services	✓	✓
		✓			PM12	EU guidelines on the requirements to be fulfilled by sovereign cloud and AI computing service providers	✓	✓
✓		✓			PM13	Awareness raising on EU digital sovereignty	✓	✓
✓					PM14	Measures for effective interoperability of cloud and AI computing services	✓	
✓	✓	✓		**2B** Voluntary framework for advancing sovereign cloud and AI computing services	PM15	Voluntary sovereign risk assessments for the use of cloud and AI computing services in the public sector	✓	✓
✓	✓				PM16	Voluntary award criteria rewarding a European added value	✓	✓
	✓				PM17	Public sector cloud federation and EU broker		✓
✓	✓				PM18	Creating vendor-neutral cloud and AI training	✓	
✓	✓			**2C** EU-coordinated procurement and support framework for sovereign cloud and AI computing services	PM19	Mandatory specific award criteria for the procurement of cloud and AI computing services	✓	
✓	✓				PM20	Boosting open source use in and by public administrations	✓	
✓	✓	✓			PM21	Mandatory sovereignty risk assessment for the procurement of cloud and AI computing services	✓	✓
✓	✓				PM22	Joint EU-level public procurement of cloud and AI computing services	✓	✓
✓					PM23	SME cloud and AI support scheme	✓	✓
✓					PM24	Cloud and AI toolbox	✓	

PUBLIC

Impact Assessment – Session 2

PUBLIC

1. Quick overview of the policy options
2. Preferred package
3. Overview of the estimated impacts

Options for Problem 1: how to expand compute capacity

Problem drivers		Problem	Policy Option	Policy Measure		Specific objectives	
PD1	PD2					SO1	SO2
✓		**Problem 1:** Limited and geographically concentrated availability of computing capacity in the EU	**1A** Enhancing the existing collaborative networks	PM1	Expanding the Alliance for Industrial Data, Edge and Cloud with a workgroup on data centres and extending membership to relevant players		✓
✓	✓			PM2	Creating a forum for exchanges between relevant public and private stakeholders involved in the buildout of data centres		✓
✓	✓			PM3	Adopting guidelines on building sustainable data centres in the EU	✓	✓
✓	✓		**1B** Legislative and financial intervention enforced nationally	PM4	National facilitator for data centre projects		✓
✓	✓			PM5	Mechanism for Member States to identify areas for fast-track data centre deployment	✓	✓
✓	✓			PM6	Possibility for public support for data centres	✓	✓
	✓			PM7	Set deployment targets and monitor progress	✓	
✓	✓		**1C** Legislative and financial intervention enforced at EU level	PM8	EU R&D Funding	✓	
✓	✓			PM9	EU deployment funding for strategic projects	✓	✓
✓	✓			PM10	EU-level identification of areas for fast-track data centre deployment	✓	✓

PUBLIC

Options for Problem 2: how to reduce dependence

Problem driver(s)			Problem	Policy Option	Policy Measure		Specific objectives	
PD1	PD3	PD4					SO3	SO4
		✓	**P2:** Dependence on cloud and AI computing services supplied by non-European providers	**2A** Increase transparency & visibility of sovereign cloud & AI computing services	PM11	Creating an EU-level harmonized criteria for sovereign cloud and AI computing services	✓	✓
		✓			PM12	EU guidelines on the requirements to be fulfilled by sovereign cloud and AI computing service providers	✓	✓
✓		✓			PM13	Awareness raising on EU digital sovereignty	✓	✓
✓					PM14	Measures for effective interoperability of cloud and AI computing services	✓	
✓	✓	✓		**2B** Voluntary framework for advancing sovereign cloud and AI computing services	PM15	Voluntary sovereign risk assessments for the use of cloud and AI computing services in the public sector	✓	✓
✓	✓				PM16	Voluntary award criteria rewarding a European added value	✓	✓
	✓				PM17	Public sector cloud federation and EU broker		✓
✓	✓				PM18	Creating vendor-neutral cloud and AI training	✓	
✓	✓			**2C** EU-coordinated procurement and support framework for sovereign cloud and AI computing services	PM19	Mandatory specific award criteria for the procurement of cloud and AI computing services	✓	
✓	✓				PM20	Boosting open source use in and by public administrations	✓	
✓	✓	✓			PM21	Mandatory sovereignty risk assessment for the procurement of cloud and AI computing services	✓	✓
✓	✓				PM22	Joint EU-level public procurement of cloud and AI computing services	✓	✓
✓					PM23	SME cloud and AI support scheme	✓	✓
✓					PM24	Cloud and AI toolbox	✓	

PUBLIC

Effectiveness of the options

PUBLIC

	Policy Option	**SO1** Increased computing capacity	**SO2** Conditions for sustainable & innovative capacity	**SO3** Decreased reliance on non-EU Providers	**SO4** Enhanced resilience of supply of cloud & AI services
	PO1-A	+	++	n.r.	n.r.
Preferred Option	PO1-B	+++	+++	n.r.	n.r.
	PO1-C	++	++	n.r.	n.r.
	PO2-A	+	n.r.	+	+
	PO2-B	+	n.r.	++	++
Preferred Option	PO2-C	+++	n.r.	+++	+++

Legend: +++ Very effective; ++ Moderate; + Low; n.r. Not relevant; **Compared to the baseline**

Multi-criteria assessment of the options

PUBLIC

Criteria	PO1-A	PO1-B	PO1-C	PO2-A	PO2-B	PO2-C
Effectiveness	+	+++	++	+	++	+++
Efficiency	-	+++	+++	-	+++	+++
Coherence	++	+++	++	++	++	++
Subsidiarity and proportionality	+++	+++	++	+++	++	+++

Preferred Option

Legislative and financial intervention enforced nationally

Preferred Option

EU-coordinated procurement & support framework for sovereign cloud & AI computing services

Legend: +++ Strong; ++ Moderate; + Low; - Less **Compared to the baseline**

Preferred package

PO1-B: Legislative and financial intervention enforced nationally

- PM4 National facilitator
- PM5 Fast-track areas
- PM6 National funding support
- PM7 Deployment targets

+

- PM8 EU R&D funding
- PM9 EU deployment funding strategic projects

PO2-C: EU-coordinated procurement & support framework for sovereign cloud & AI computing services

- PM19 Mandatory award criteria
- PM20 Open source use in the public sector
- PM21 Mandatory sovereign risk assessments for cloud and AI
- PM22 Joint EU-level procurement of cloud and AI
- PM23 SME cloud and AI support scheme
- PM24 Cloud and AI toolbox

PUBLIC

Impact of the preferred package (1/2)

PUBLIC

PERIOD

2027 – 2036

10-year assessment

METHODOLOGY

- Both **quantitative and qualitative** approaches applied.
- **Data limitations** arise mainly from how the cloud market is measured and the limited availability of data on public procurement of cloud services.

AFFECTED STAKEHOLDERS

- Data Centre Operators and Cloud Service Providers
- Cloud & AI Computing Service Providers
- NIS2 Annex I Essential Entities and Independent Auditors
- National Public Administrations
- European Commission

(*) Ranges as per the IA – Annex 3. It includes one-off and recurrent administrative and adjustment costs and cost savings

Impact of the preferred package (2/2)

PUBLIC

ECONOMIC IMPACT

ESTIMATED BENEFITS (EUR billion) (*)

1 - 32 — **Business:** DC Operators, Cloud & AI Computing Service Providers

21 - 62 — **National Public Administrations**

ESTIMATED COSTS (EUR billion) (*)

1 – 3 — **Business:** Data Centre Operators, Cloud & AI Computing Service Providers, NIS2 Annex I Essential entities and independent auditors

2 – 3 — **National Public Administrations (**)**

INTANGIBLE / INDIRECT IMPACT

Capacity Gap, GDP growth, Sustainability

- Capacity gap narrows with EU-wide targets
- GDP & workforce contribution rises
- Sustainable design

Sovereignty, resilience and autonomy

- Reduce dependence on a limited set of foreign providers
- Increase trust on cloud services
- Critical use cases are protected
- Public procurement drives demand for interoperable solutions
- EU cloud providers gain scale and global competitiveness

(*) Ranges as per the IA – Annex 3. It includes one-off and recurrent administrative and adjustment costs and cost savings. Rounded up to the closest integer.
(**) The porting to sovereign cloud solutions level 2 – level 4 are not included in the final calculations as this can be considered an acceleration of the expenditures that would happen as part of the renewal cycle. Est. EUR 3 to 15 bn

Deep dive: Costs and Benefits – Problem 1

PUBLIC

STAKEHOLDER	▼ COSTS Total costs - 10 year cumulative	▲ BENEFITS / SAVINGS NPV Economic benefit - 10 year cumulative
Data Centre Operator and Cloud Service Providers ~400 active organisations	**EUR 7 – 31 m** **Qualitative assessment** **Application related costs for funds and strategic projects**	**EUR 8 – 27 bn** **Qualitative assessment** **Reduced investment uncertainty:** non-viable sites excluded upfront and operators gain predictability on location decisions **Quality signal for industry:** only the most sustainable DCs qualify, reinforcing green competitive positioning **Improved bankability:** earlier revenues and lower PUE strengthen project finance cases
Public Authorities 27 National Authorities	**EUR 106 – 236 m** **Qualitative assessment** **New institutional capacity required:** dedicated Single Point of Contact and Designation of **DC Acceleration Zones** **Policy coherence burden:** National DC strategies must align with EU industrial and sustainability goals **Cross – border coordination of fast-track areas,** that may require inter-MS alignment and joint governance	**EUR 166 – 277 m** **Qualitative assessment** **Stronger policy steer:** National strategies give authorities a proactive role in DC location planning **Reduced regulatory friction:** fewer ad hoc interactions with operators once fast-track areas are designated **EU strategic positioning:** facilitates EU leadership in sovereign and sustainable cloud infrastructure

Deep dive: Costs and Benefits – Problem 2 (1/2)

PUBLIC

STAKEHOLDER	▼ COSTS Total costs - 10 year cumulative	▲ BENEFITS / SAVINGS NPV Economic benefit - 10 year cumulative
Cloud and AI computing service providers ~ 600 recognized services ~ >300 providers identified	**EUR 247 – 590 m** **Qualitative assessment** **Self-assessment and third-party audits,** legal, organizational and technical adaptation of the services to be recognized for assurance levels 2–4, followed by recurrent audit fees and renewal cycles. **Restructure bid preparation and other measures** to align with non-price award criteria	**EUR 2 – 5 bn** **Qualitative assessment** **Recognized in one MS, recognized in all MS**, removes the need for repeated national audits and unlocks cross-border commercial expansion currently hindered by fragmented schemes
Public Authorities 27 National Authorities	**EUR 2 – 3 bn** **Qualitative assessment** **Mandatory sovereign risk assessments** for procured services and recognition of **audited services** under the sovereignty framework**,** **OSPO Network and OSS catalogue** that may require acquisition of new knowledge, infrastructure and additional profiles **Inclusion of non-price award criteria** **(Voluntary) Participation in the EuroCloud federation and Joint Procurement,** imply a shift on how public authorities buy, assess, and run cloud and AI, as well as on how they build capacity	**EUR 21 – 62 bn** **Qualitative assessment** **Procurement is accelerated,** as sovereignty compliance is checked upfront and authorities **do not repeat** the same due diligence for every contract. **Consistency** in how to recognize sovereign services across the Union**.** **Increase of trust** in cloud services that serve the public sector. **OSPO Network and OSS catalogue,** to share experiences and reduce the total cost of ownership of software for the public sector. **EuroCloud and Joint Procurement**: Savings from the aggregation of demand

Deep dive: Costs and Benefits – Problem 2 (2/2)

PUBLIC

STAKEHOLDER	▼ COSTS Total costs - 10 year cumulative	▲ BENEFITS / SAVINGS NPV Economic benefit - 10 year cumulative
Private sector 25 600 private sector essential entities operating under NIS2 Annex I	**EUR 486 m - 3 bn** **Qualitative assessment** **Voluntary risk assessment, annual,** to add to their current one under NIS2	**N/A** **Qualitative assessment** **Lower the residual risks of the entity**
SME > 30 000 SMEs benefitted	**EUR 28 – 83 m** **Qualitative assessment** **Cloud and AI adoption scheme,** to accelerate the uptake of cloud and AI services	**N/A** **Qualitative assessment** **Cloud and AI adoption scheme:** direct economic gains for SMEs adopting cloud/AI (competitiveness) and indirect gains for IT SMEs providing consultancy, reinforcing the broader digital transformation ecosystem **Ecosystem reinforcement:** cumulative effect across measures fosters SME access to innovation and drives wider EU digital transformation beyond individual company level gains

Impact on Innovation & technological sovereignty

PUBLIC

INNOVATION

- **Strategic infrastructure funding:** Steers data centre development towards sovereignty-relevant sectors.
- **Novel technology edge:** Funding the development and deployment of novel technologies for resource efficiency. gives the European data centre ecosystem a competitive advantage.
- **Investment incentives:** Sovereignty risk assessments encourage investment to strengthen innovation in EU cloud and AI computing.
- **Non-price award criteria:** Contracting authorities can favour innovative cloud and AI computing services, reducing critical technological dependencies.
- **Market visibility – cloud and AI toolbox:** Supports European cloud and AI providers in expanding their service offerings and increasing discoverability, addressing market fragmentation.

SOVEREIGNTY

- **Sovereignty risk assessments:** Public & voluntary private sector assessments improve sovereignty levels, reducing exposure to data access or quality throttling risks.
- **Procurement from European providers:** Creates incentives to procure from European providers more immune to third-country legal exposure and data access risks.
- **Joint procurement framework:** Enables public authorities to increase autonomy and resilience while channelling funding towards innovative European solutions.
- **Open source principles:** Strengthens the Union's operational autonomy, particularly in the public sector, by reducing reliance on proprietary systems.
- **Reducing dominant dependencies:** The cloud and AI toolbox addresses fragmentation and lack of discoverability, reducing dependency on a limited number of dominant solutions.

Social impact: jobs, skills and public acceptance

PUBLIC

1,500–2,000

Construction workers/day

Per 100 MW site (build phase)

6–8 FTE

Jobs per 1 MW capacity

Operational phase; economies of scale benefits > 50 MW

Majority

Support sovereign cloud/AI

Even at higher cost; want goverenment to lead

Critical

ICT skills gap

EU shortage in cloud and AI specialists

Employment Impacts

- **Low AI talent transfer from academia to industry:** limits market scaling and industry growth
- **DCs becoming co-working hubs** for major customers, broadening direct economic footprint
- **Cloud/AI digitalisation** creates complex, cross-sector employment effects across the economy

Citizens Impacts

- **Low-latency compute enables many sector applications,** e.g. autonomous driving, decentralised energy grids, assisted surgeries
- **Strong majority supports sovereignty** even at higher cost and favours government-led investment
- **Public resistance to DCs can appear** due to energy/water concerns & impact on local prices

Environmental impact: efficiency must keep pace with data centre growth

PUBLIC

Electricity use and CO_2 emissions

99 → 314 TWh

Baseline annual electricity use, 2025 to 2036

1.23 → 1.05

PUE by 2036: baseline vs PO1-C

- **Electricity consumption** was used as the main proxy for quantifying added data centre environmental impact.
- **Demand rises sharply** in every scenario, but **efficiency** determines how much capacity growth turns into grid pressure.

Impact on water consumption

76 bn litres

Estimated EU data centre water consumption in 2025

0.04%

Share of estimated EU freshwater abstraction

1.8 → 0.6

WUE target trajectory in litres per kWh over the decade

- DC remain a **small share of total EU freshwater abstraction,** but impacts can be material in **water-stressed regions.**
- Water risk is about **location, cooling choices, and transparency**
- Need to prioritise **low-water / water-free cooling** and site-specific resource planning.

A credible footprint framework needs to go beyond electricity, CO_2 and water.

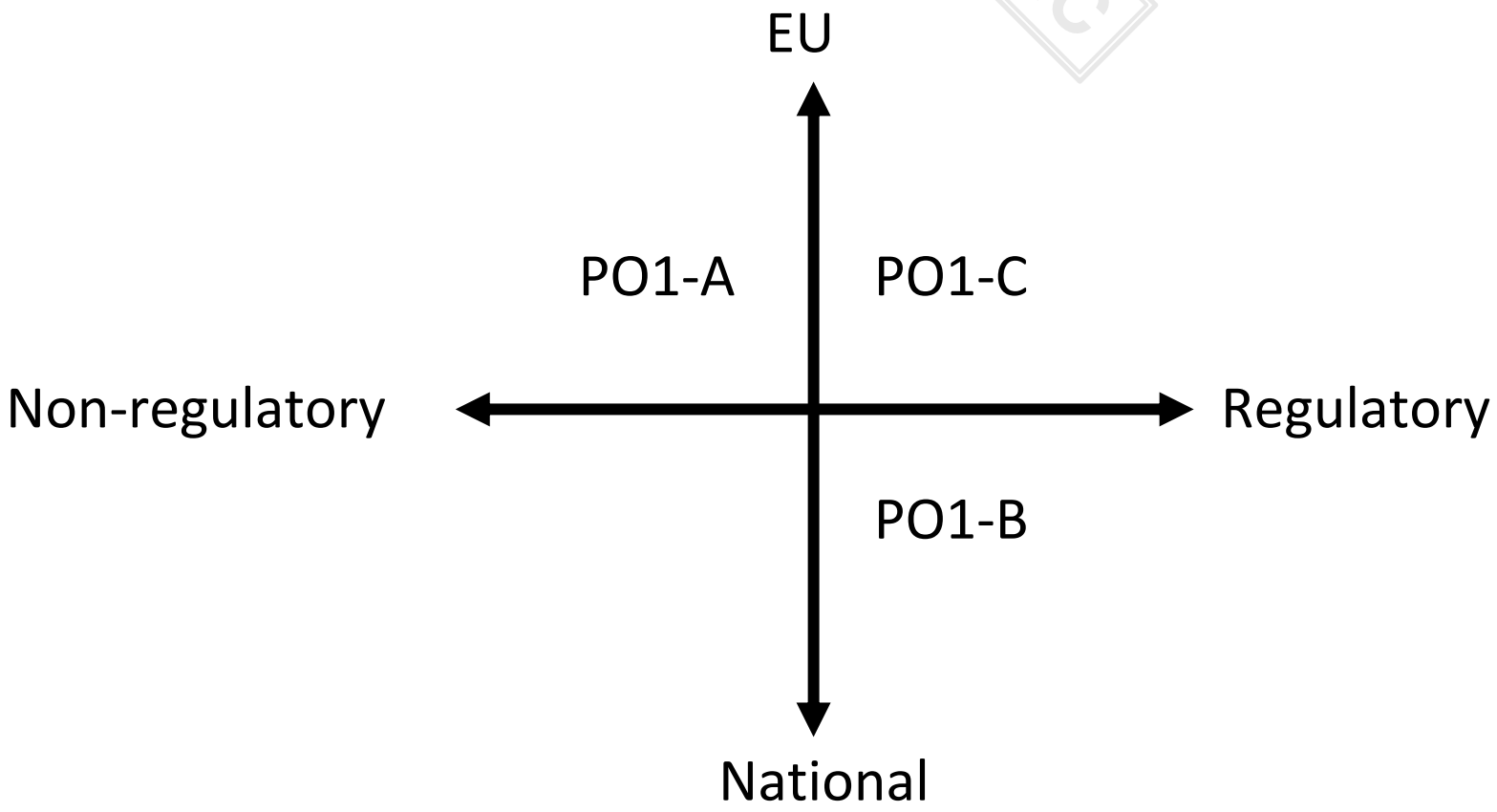
- **Embodied impacts:** construction materials, mechanical/electrical equipment and IT hardware.
- **Circularity and WEEE:** proper collection, depollution, hazardous-substance treatment and material recovery.
- **Cooling and refrigerants:** leakage of high-GWP F-gases remains a climate risk.
- **Scope 3 / supply chain:** future monitoring should incorporate life-cycle assessment.

PUBLIC

Back up slides

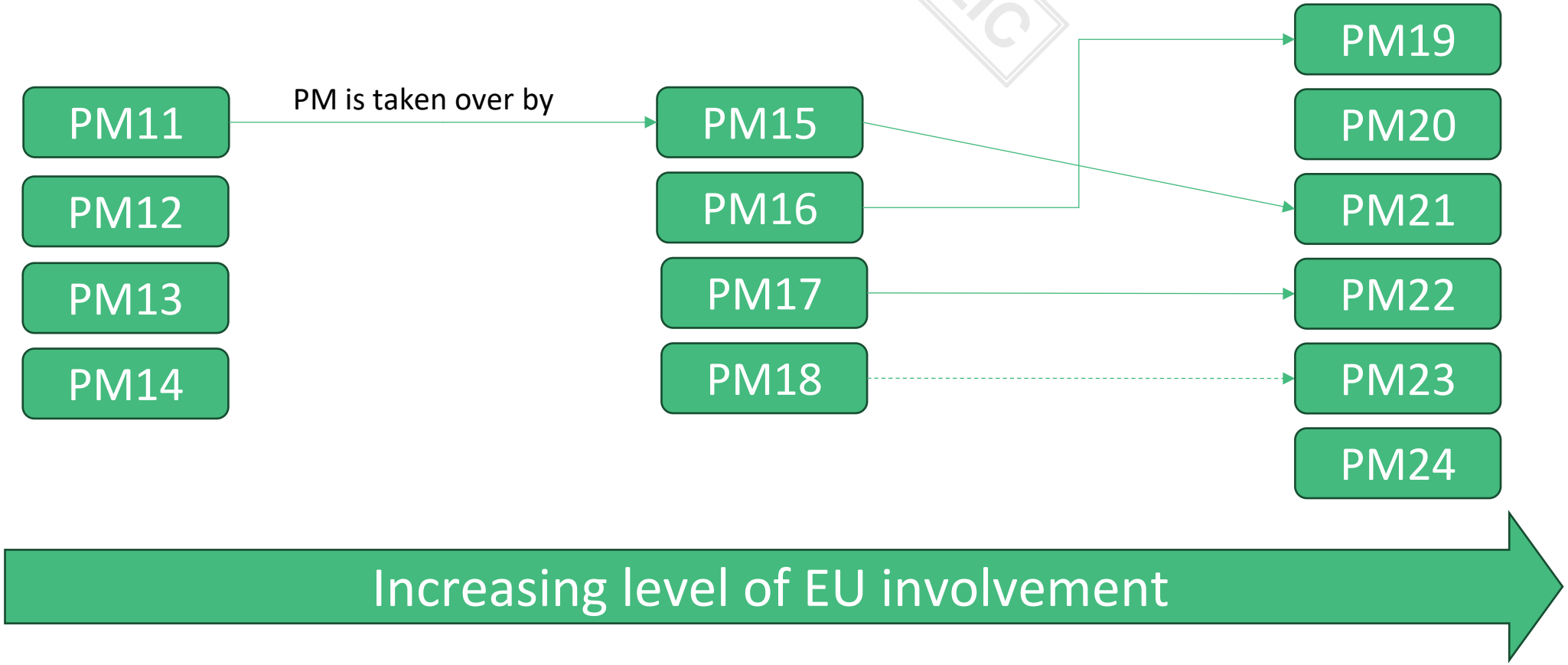
Illustration of policy options to address the limited availability of computing capacity

PUBLIC

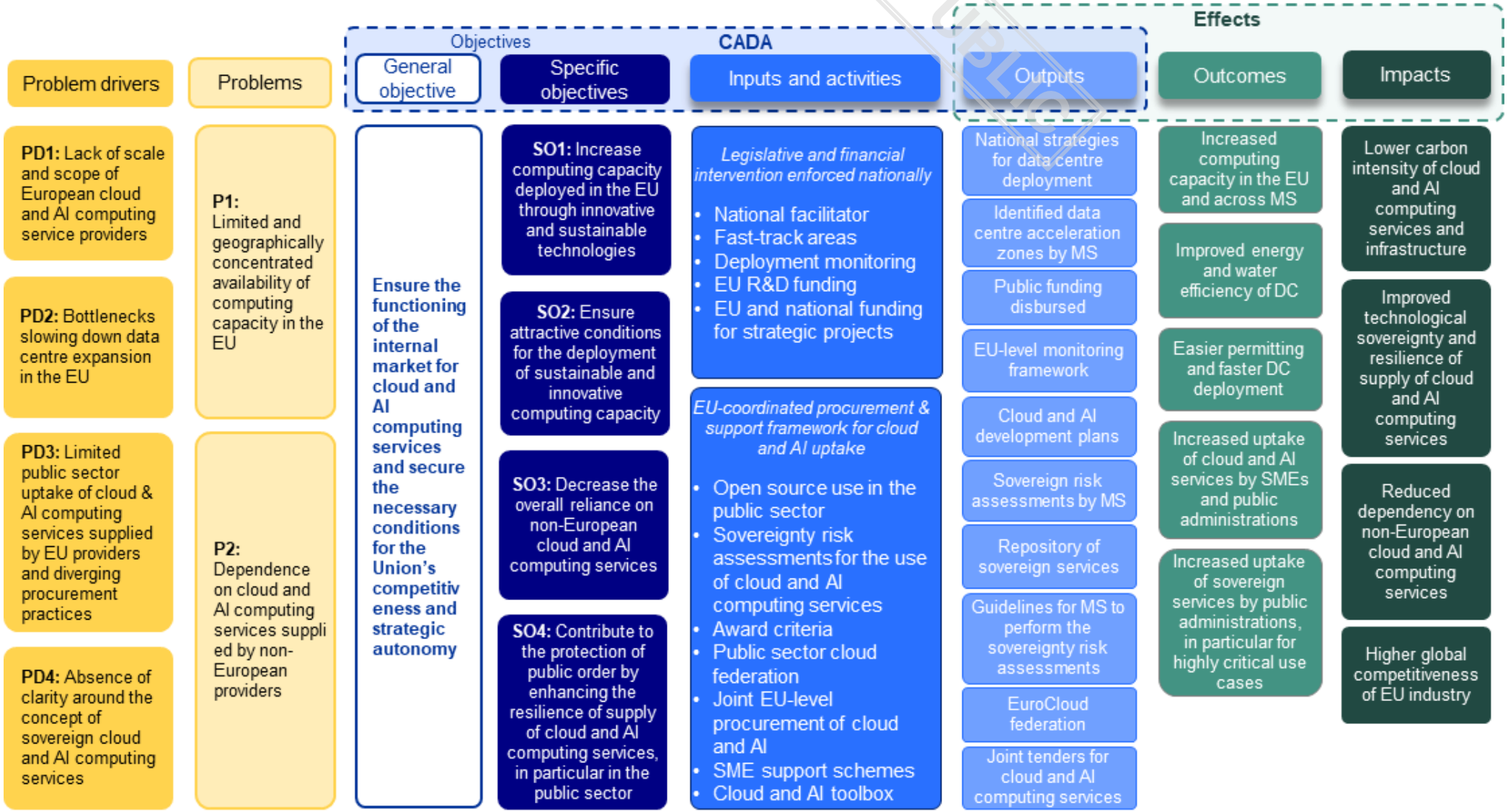


Illustrations of Policy Options to address the dependence on cloud and AI computing services supplied by non-European providers

PUBLIC



Intervention logic



PUBLIC

Pillar 3: Autonomy – Sovereignty

PUBLIC

CADA establishes a **Union cloud and AI sovereignty framework** consisting of **four assurance levels**

	Control	EU infra-structure	Personnel	AI inference data	Supply chain	Sub-contractors	Vulnerability disclosure restrictions	Cybersecurity	Type of assessment
Level 4	EU established, owned and controlled	Fully located in the Union	Located in the EU and EU citizens. Security cleared (**)	Not transferred outside of the EU and not reused by a third-country entity	**Effective control** (over the software)	Established in the Union, owned, and controlled	Not needed	High	National authorities based on a 3rd party-audit
Level 3	EU established, owned and controlled (*)	Fully located in the Union	Located in the EU and EU citizens. Security cleared (**)	Not transferred outside of the EU and not reused by a third-country entity	High degree of control (auditable software)	Established in the Union. If owned by a 3rd country, absence of interference (*)	No hidden disclosures	Substantial	National authorities based on a 3rd party-audit
Level 2	EU established & absence of 3rd country interference	Fully located in the Union	Located in the EU. EU citizens if required by the customer	Not transferred outside of the EU and not reused by a third-country entity	High degree of control (auditable software)	Established in the Union. If owned by a 3rd country, absence of interference	No hidden disclosures	Substantial	National authorities based on a 3rd party-audit
Level 1	EU established	Fully located in the Union	Located in the EU	No requirement	No requirement	Full transparency	No hidden disclosures	State-of-the-art cybersecurity standards	Self-assessment

(*) a cloud computing service subject to the control of a third country or a legal entity established in a third-country can still be audited against the audit criteria where the third country has implemented specific safeguards that ensure that there is no risk of unauthorised access to Union data or possible disruption of service quality or continuity.

(**) where appropriate

Thank you



PUBLIC