

Cloud and AI Development Act

2026/0138(COD) - 03/06/2026 - Legislative proposal

PURPOSE: to establish a framework for strengthening the cloud and AI ecosystem at Union level.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: Europe has world-class research and development capabilities, vibrant open-source communities and a strong industrial base in cloud and AI, which however remain largely untapped. As part of the Commission's **European Technological Sovereignty Package**, a set of measures have been introduced to strengthen Europe's capacity in semiconductors, artificial intelligence (AI), cloud and open source. In particular, two draft acts have been proposed - this Cloud and AI Development Act (CADA) and the [Chips Act 2.0](#).

The proposed Cloud and AI Development Act (CADA) is a key part of the European Commission's AI Continent Action Plan, which reinforces the EU's leadership in cloud and AI by strengthening its ecosystem, investment and infrastructure. It responds to the growing gap in data centre capacity with a framework that simplifies and harmonises the deployment of data centres EU-wide, while ensuring their sustainability. It aims to **triple EU capacity** in the next five-to-seven years and reach the needed capacity **by 2035**, while ensuring balanced geographic deployment across Member States.

This proposal needs to be read in conjunction with the proposal for the review of the Chips Act, which includes measures to promote investments in advanced semi-conductors, increase supply chain resilience and demand creation through increased cooperation between the semiconductor supply chain and end markets.

CONTENT: the proposed regulation establishes a framework for strengthening the cloud and AI ecosystem at Union level, in particular through the following measures:

- establishing the **Cloud Leadership Initiative** and the **AI Leadership Initiative**;
- setting the framework for the **accelerated deployment of data centres** across the EU;
- enabling the availability of a **sovereign cloud and artificial intelligence (AI)** offer to safeguard the Union's public order;
- **reducing dependencies** on critical technologies;
- fostering the adoption of cloud computing services across the public sector.

The general objectives of this proposal are to:

- ensure the conditions necessary for the **competitiveness and innovation capacity** of the Union's cloud and AI ecosystem;
- improve the functioning of the **single market** by laying down a uniform Union legal framework for increasing the Union's resilience and strategic autonomy in cloud and AI technologies.

The proposal sets out provisions on: (i) facilitating administrative and permit granting processes for data centre projects deployed in data centre acceleration zones; (ii) sovereignty risk assessments carried out by the Member States and (iii) the establishment of a common procurement framework for contracting authorities to make informed purchasing decisions and leverage their buying power.