

European Innovation Act

2026/0264(COD) - 09/09/2026 - Legislative proposal

PURPOSE: to establish a framework of measures to strengthen Europe's innovation ecosystem (European Innovation Act).

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: the European Union is a global player in the field of scientific research, but this strength does not translate into a commensurate level of innovation performance and commercial success within the Single Market and worldwide.

Important barriers hinder access of innovations to the market and scaling of innovative enterprises in the Union. Innovators face lack of opportunities to bring innovative ideas to the Union-wide public procurement market due to the **lack of a common legal framework for procurement of research and development services** (R&D procurement) and an **underdeveloped internal market for intellectual property (IP) backed finance**.

National measures aimed at tackling such complex barriers that transcend national borders are fragmented and risk undermining the functioning of the internal market. This fragmentation creates obstacles to cross-border trade within the Union and distortions in the internal market. It is therefore necessary to establish harmonised measures to ensure the proper functioning of the internal market.

In this context, the proposal primarily aims to address two major challenges that hinder innovation in Europe:

- **the first** is to help innovative companies (start-ups and scale-ups) access financing;
- **the second challenge** is to establish a common procurement procedure for research and development (R&D) procurement, which will (i) provide greater legal certainty and helping new technologies reach the market faster, including technologies that can help address shared societal challenges, such as health, education and clean mobility; (ii) make it easier for public buyers from different Member States to jointly carry out R&D procurements.

By addressing these challenges in a coherent and targeted manner, the proposed Regulation seeks to ensure that innovative ideas developed in Europe can more effectively progress from research to market, scale across borders, and contribute to the Union's long-term competitiveness and prosperity, as well as to its resilience, economic security and strategic autonomy.

CONTENT: the Commission's proposed regulation aims to improve the functioning of the Single Market for innovation by reducing structural barriers to bring innovative solutions to the market, thereby speeding up their commercialisation in the EU.

The main measures proposed are as follows:

(1) The establishment, through the European Union Intellectual Property Office (EUIPO), of a competence centre for IP-backed finance, as well as the development of a Union-wide IP valuation

framework and a digital marketplace connecting buyers and sellers of intellectual property and offer expert support to help companies bring their ideas to the market. This measure is expected to generate administrative cost savings for companies of approximately EUR 35 million. It is also estimated that the measure will generate additional IP-backed venture capital and debt of EUR 10.2 billion every year for companies;

(2) The introduction of a harmonised procedure for R&D procurement and for joint cross-border R&D procurement. This measure is expected to generate EUR 1 billion per year in savings for public buyers, and EUR 25.92 billion in additional annual profits for companies.

(3) The establishment of the EU preference for R&D procurement with opt-out clauses that allow procurement from non-covered suppliers where no suitable alternative from covered suppliers exists or where there are disproportionate cost differences between covered and non-covered suppliers. This measure is expected to contribute to strengthening the EU's open strategic autonomy, in particular for critical technologies and strategic infrastructures.

Overall, the European Innovation Act is estimated to increase EU GDP by between 0.25% and 0.42% over a ten-year horizon relative to a baseline scenario without the said act.