

# The Innovation Principle

The innovation principle promotes smart, future-oriented regulation and policies designed to encourage innovation activities that can deliver socially and environmentally beneficial progress. Becoming the world's first climate-neutral continent can be achieved if EU regulation is designed to create the best possible conditions for thinking out of the box and finding new solutions yielding the desired social and environmental benefits, in cooperation with civil society and via an inclusive and transparent discussion. Internally, DG R&I has encapsulated the principle in the following working definition:

“EU policy and legislation should be developed, implemented and assessed in view of encouraging innovations that help realise the EU’s environmental, social and economic objectives, and to anticipate and harness future technological advances”.

Specific objectives are to:

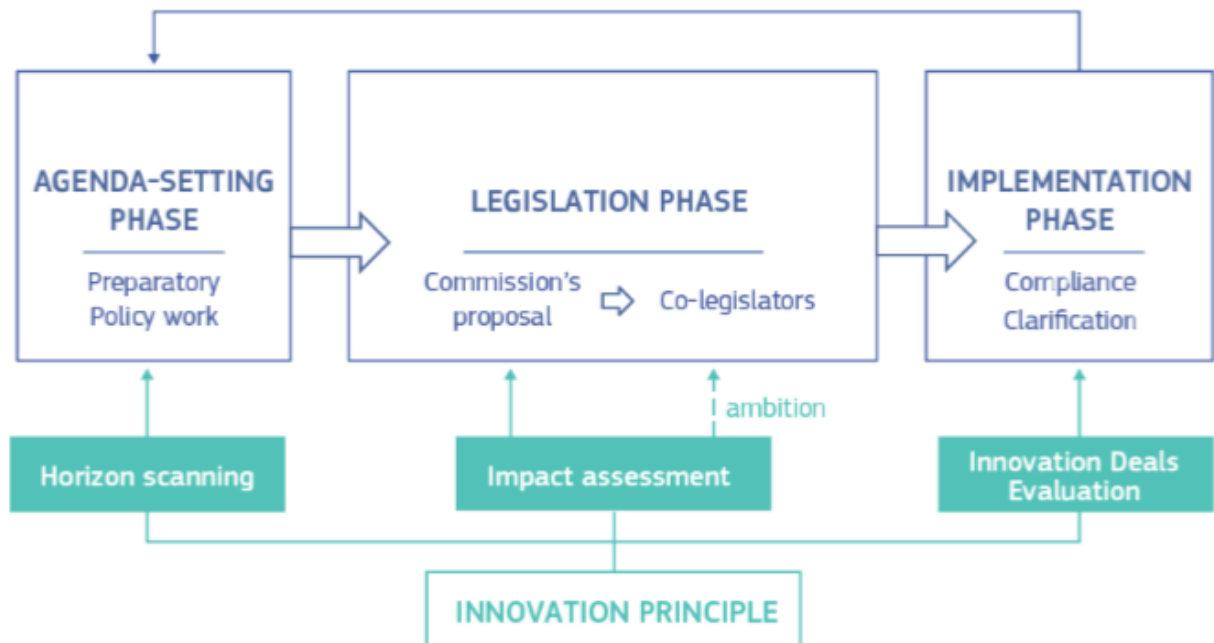
- Improve the design of existing and future EU regulations with regard to their impact on encouraging beneficial innovation.
- Steer the development of innovative solutions addressing new and complex challenges in a way that embeds EU values and protects Europeans.
- Achieve an optimal balance between predictability of the regulatory environment and adaptability to scientific and technological progress.

## What is it and why do we need it?

The innovation principle has been introduced to ensure that EU legislation is analysed and designed so as to encourage innovation to deliver social, environmental and economic benefits and to help protecting Europeans. Good regulation is part of innovation policy. An ambitious R&I investment programme can only deliver its full potential if the regulatory framework supports and enables the implementation of new out-of-the-box solutions to societal problems. The innovation principle is therefore relevant to the objectives of the Framework Programme. The Commission mentions the innovation principle notably in its Communication on a Renewed Agenda for Research & Innovation, in the Single Market Communication and in the Communication on Artificial Intelligence. It also appears in the recitals of the Horizon Europe Regulation proposals. The 2019 Commission Communication on Better Regulation acknowledges the need “to have regulation that fosters and, at the same time, harnesses innovation to the benefit of the environment, the economy and EU citizens.” The revised Better Regulation Toolbox of November 2021 includes guidelines for analysing the interaction between EU initiatives and innovation in line with the innovation principle under the [tool #22 \(Research and Innovation\)](#).

## Implementation of the innovation principle

- Using horizon scanning and innovative regulatory approaches to harness future technological advances and steer them in the direction of delivering on European Commission priorities;
- Designing new legislation with innovation in mind, in particular through impact assessments;
- Addressing perceived regulatory obstacles to innovative solutions through innovation deals and ensuring that evaluations consider whether regulations are fit for the future.



Experience with the innovation principle in EU rules so far is set out in the [evaluation report](#) completed by the Centre for European Policy Studies in 2019.

## Stakeholder views

There has been a vivid debate as to the purpose and application of the innovation principle among stakeholders. In particular, the innovation principle:

- Has been misinterpreted as an attempt to undermine environmental and health policy objectives or dilute the precautionary principle;
- Has been limited to a tool within the impact assessment process, whereas it should be applied as an approach through the whole policy lifecycle: planning, design, adoption, implementation, application, evaluation, revision of legislation (horizon scanning, impact assessment support, innovation deals).

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