How the industry-invented “Innovation Principle” made its way into EU decision making

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The “Innovation Principle”:

“Whenever legislation is under consideration its impact on innovation should be assessed and addressed”.
Better Regulation and innovation principle: pushed by the same sources
Impacts: real intentions behind the ‘innovation principle’ revealed

Panel 2 addressed concrete challenges in various areas: crop protection (pesticides, herbicides), CO2 emissions for cars, nickel industry.

- Challenges of industry mostly addressed the difficulties encountered when various policies/regulations are (perceived as) incompatible (eg promoting the IP on one hand, and black-listing substances considered innovative (as per the nr of existing patents) or indispensable/useful on the other...
Preparing the ground

2013 – Letter from twelve CEOs of multinational companies to presidents of the three EU institutions, proposing adoption of the Innovation Principle.

September 2014 - ERF calls for the Commission to “include the Innovation Principle and Trans-Atlantic Trade in the list of horizontal priorities to be covered by all Impact Assessments”.

November 2014 – Open letter by 22 multinational corporations calling for Innovation Principle

22 June 2015 - Joint position by BusinessEurope, European Roundtable of Industrialists (ERT) and European Risk Forum
Commissioner Moedas (22 June 2015): “How do we make sure that regulation is based on an innovation principle as well as a precautionary principle?”
The Better Regulation Guidelines (BRG) 2015 provide a dedicated 'Research and Innovation Tool' which guides as to how to evaluate the positive and negative innovation implications of options for new legislative proposals. This is in line with the concept of an innovation principle that anticipates impacts on innovation to be assessed and addressed in policy or regulatory proposals. The Better Regulation tools also allow identifying cumulative burdens or inefficiencies of EU regulation and assessing impacts on competitiveness, all relevant to innovation.

29 Communication on Entrepreneurship 2020 Action Plan (COM(2013) 795 final), especially section 3.6 on "regulatory burden: clearer and simpler rules".


2) **STRESSES** that, when considering, developing or updating EU policy or regulatory measures, the 'Innovation Principle' should be applied, which entails taking into account the impact on research and innovation in the process of developing and reviewing regulation in all policy domains. **CALLS** on the Commission together with Member States, to further determine its use and to evaluate its potential impact.\(^3\)

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[1] Doc. 9079/15
DG Research developed “Research & Innovation tool” as part of Better Regulation toolbox

1. **INTRODUCTION**

This research and innovation Tool provides clear guidelines for analysing the interaction between new or revised EU legislation (including spending programmes) and innovation. In addition, it outlines a series of design considerations and operational instruments that can be used to make legislative proposals more forward-looking and innovation-friendly.

**Step (2) Assess potential impacts on research and innovation**

The checklist below provides an indicative set of questions to assess whether the proposed initiative affects research and innovation.\(^{188}\)
‘innovation principle’ included in Horizon Europe
Civil society statement against ’innovation principle’ in Horizon Europe, March 2019

Last chance to safeguard citizen's protections by removing “Innovation Principle” from Horizon Europe

11 March 2019 - Civil society is calling for the immediate and complete removal of the “innovation principle” from Horizon Europe, the next EU Framework Programme for Research and Innovation, because it threatens the Precautionary Principle and is nothing more than an attempt to keep regulation of dangerous products at bay.

The inclusion of this so-called principle in Horizon Europe (see timeline below) marks a red line for civil society, given its far-reaching implications and the threat it poses to human health, the environment and true sustainability. Ahead of the final meeting between the EU institutions to agree the legislative package for Horizon Europe, we strongly urge the Council of the European Union and the European Parliament to act now and delete all references to this dangerous tool.

Civil society does not support the innovation principle because:

- **It has no legal basis.** The innovation principle has not been defined in international law or in EU treaties or EU Court of Justice law.
- **It is incompatible with the EU's Precautionary Principle**, which is enshrined in the EU treaties and allows regulators, reflecting society’s chosen level of protection, to take action without the need to wait for absolute certainty.
Several EU-funded projects to further establish ‘innovation principle’
Future EU-US Trade Agreement? Lesson from the new NAFTA:

Article 12.A.4: Enhancing Regulatory Compatibility

1. The Parties recognize that the principal objective of regulating chemical substances and chemical mixtures is the protection of human health and the environment. The Parties also recognize the importance of developing and implementing measures in a manner that achieves their respective level of protection *without creating unnecessary economic barriers or impediments to technological innovation.*
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