



BRIEFING

Smart Implementation of the European Green Deal

October 2024

Environmental, health and social regulations, along with rules and standards, are essential for protecting both people and the planet. They are an integral part of our European Single Market, preventing fragmented national laws, ensuring a level playing field and providing businesses with investment certainty¹. These regulations tackle critical issues that matter most to Europeans, such as halting the climate crisis, reducing pollution, improving public health, restoring nature, and guaranteeing safe working conditions.

The European Green Deal has introduced essential new and reformed legislation to address the environmental and climate crises, complementing existing laws.

However, laws can only achieve their full potential if properly implemented. Improving and enforcing current legislation, especially under the Green Deal, is crucial for real-world impact. Fully implementing EU environmental laws could save the EU economy around €55 billion annually in health and environmental costs². Upholding the rule of law, a core value of the EU, is also vital for the EU's credibility and trust, both domestically and internationally.

For decades, however, the implementation of common EU environmental rules has been underperforming. For instance, 20% of all infringement cases against Member States handled by the Commission still relate to environmental policy³.

The new EU leadership must introduce a first-of-its-kind “Smart Implementation Programme” that leverages digitalisation, provides clear and accessible guidance for companies and supervisors, encourages active stakeholder engagement, and promotes targeted incentives and harmonisation. This programme should be linked to the future EU budget and should equip the EU, its companies, and national administrations with the tools and resources necessary to effectively address implementation, compliance, and enforcement, ensuring that climate and environmental laws deliver on their promises.

¹ [Draghi report](#) of the European Competitiveness; [Letta's report](#) on the Future of the EU Single Market.

² Study [The costs of not implementing EU environmental law study - Publications Office of the EU \(europa.eu\)](#)

³ [Report from the European Commission on the 8th Environment Action Programme Mid-Term Review](#)

The problem: EU law brings added value, but administrations and companies struggle with implementation

Extensive evidence proves that EU environmental legislation brings clear added value (see box below).

One of the key challenges to achieving the EU's environmental policy objectives is the inconsistent implementation across Member States. Disparities are evident, as shown for instance by the Government Effectiveness Index, which reflects significant differences among the EU-27⁴.

Political debate on administrative burdens requires a holistic, fact-based approach. Overly **simplistic solutions, such as setting a goal to reduce reporting obligations by at least 25% (or 35% for SMEs) without proper consultation or evidence⁵, or the arbitrary “one-in, two out” rule that mirrors the deregulatory approach of the Trump Administration in the US⁶, are counterproductive and inefficient.**

Those advocating for reducing the EU regulatory burden often overlook the following three key issues:

- 1. Regulating at the EU level significantly eases administrative burdens for businesses compared to navigating 27 different national regulations.** Subsidiarity can cause fragmentation, increasing burdens and reducing effectiveness. In contrast, EU-level standardisation, such as in corporate sustainability reporting, brings clarity and comparability to the Single Market in the mid-term. Similarly, financial reporting, once hard to standardise, is now widely accepted as vital for sound business practices.⁷
- 2. The cost of inaction on climate and biodiversity crises is high** — climate change alone has already cost the EU €145 billion over the past decade⁸. Environmental laws are in place to address critical problems and provide protection. Simplifying laws without robust safeguards could worsen environmental issues, leading to higher costs for companies and society, such as those related to floods, droughts, pollution, fires, and health impacts. Weakening the EU's sustainability goals could

⁴ [Government effectiveness - Country rankings](#) (The Global Economy, 2022)

⁵ All Commissioner-candidates have been tasked to reduce reporting obligations to this extent.

⁶ [Executive Order 13771 - Reducing Regulation and Controlling Regulatory Costs](#) (US EPA, February 2017)

⁷ “*Financial documents such as the Annual Report, or Universal Registration Document (URD) were created to face the complexity and fragmentation of the European financial markets (...). Some businesses had to comply with a multitude of different regulations, creating an administrative burden and high costs issues*”. See [The story of financial reporting](#) (Pomelo-Paradigm, October 2023).

⁸ [Climate change has cost the EU €145 billion in a decade](#) (World Economic Forum, December 2022)

also harm the international competitive sustainability of companies and Member States⁹.

3. **Dismantling EU laws without solid evidence could create legal uncertainty for companies and investors, delaying investments and corporate decisions towards the green transition.** This could slow the implementation of policies and measures needed to foster long-term resilience and prosperity. Such actions would penalise more progressive Member States and companies that have already adapted their strategies or business models, while rewarding those reluctant to transition and comply.

EU environmental laws have been proven to be efficient

- Evidence from the OECD shows that the stringency of environmental policies does not harm productivity growth, and that environmental policies do not pose a barrier to jobs and economic development.¹⁰
- The Commission recognised in its stocktaking exercise on Better Regulation in 2019 that upfront reduction targets were not effective and ran counter to Better Regulation principles. It stated that *“it is essential that a political decision on which costs are legitimate to achieve policy goals and which instead should be eliminated is based on evidence from a case-to-case assessment”*¹¹.
- Recent evaluations of EU environmental legislation have demonstrated their EU added value, including the fitness check of the Birds and Habitats directives and the fitness check of the Water Framework Directive and the Floods Directive¹².
- In 2017 the European Commission undertook actions to streamline environmental reporting.¹³ Following stakeholder feedback, the Commission concluded that most reporting obligations are largely fit for purpose and that the administrative burden (estimated cost of €22 million annually) was moderate, justified and proportionate.
- In July 2018, the Task Force on Subsidiarity, Proportionality and “Doing less more efficiently”, set up by the European Commission to identify policy areas

⁹ ‘Competitive sustainability’ is defined by The University of Cambridge Institute for Sustainability Leadership as *“the ability of an economy, its companies and industrial ecosystems to excel relative to international competitors in their transition to sustainable development (with climate neutrality at its core) through investment in the necessary innovation.”*

¹⁰ Environmental policies and productivity growth – a critical review of empirical findings’, Tomasz Koźluk and Vera Zipperer, OECD Journal: Economic Studies, Volume 2014, OECD 2015

¹¹ [Taking Stock of the Commission’s Better Regulation Agenda](#) (European Commission, April 2019), page 34

¹² [Fitness Check of the Birds and Habitats Directives](#) and [Fitness Check of Water Framework Directive and Floods Directive](#) (European Commission)

¹³ [Actions to Streamline Environmental Reporting \(European Commission, 2017\)](#)

to re-delegate to Member States, concluded in its final report that there is EU added value in all areas of activity and could not identify areas to re-delegate in whole or part. In fact, it concluded that the EU should intensify its action in areas such as climate change¹⁴.

- The European Commission’s High Level Group on Administrative Burdens in its final report found that **environmental policy accounts for less than 1% of all administrative burden in the EU**¹⁵.

An innovative “Smart Implementation Programme”

Instead of promoting a reduction in regulatory burdens, the EU must prioritise the streamlining and implementation of its existing climate and environmental laws. This requires enhancing the effectiveness and efficiency of public administrations and governments to lead the green transition, while providing better guidance for market stakeholders to deliver. Such a programme could focus on the following areas:

1. Digital innovation

A report by the European Policy Centre, commissioned by the German Federal Ministry for the Environment, concluded that digital solutions—supported by the likes of artificial intelligence and the Internet of Things—can improve data management for monitoring, decision-making and enforcing biodiversity-related laws¹⁶. The EU should enhance its efforts in this area, ensuring Member States and companies effectively use these technologies where relevant.

For example, the EU could support Member States by deploying a publicly available remote sensing system to detect unlawful land use changes in close-to-real time. This would help both Member States and the European Commission improve enforcement while lowering the costs of monitoring and inspecting large areas of land.

Moreover, digital tools like online platforms and applications can help raise awareness about biodiversity-related challenges and encourage citizen participation in supporting necessary measures. This requires duly considering that no one is left behind due to the digital divide.

¹⁴ [Task force on subsidiarity, proportionality and doing less more efficiently](#) (European Commission, July 2018)

¹⁵ [High Level Group on Administrative Burdens – Final Report](#) (European Commission, 24 July 2014). The study does not consider environmental laws adopted after 2014, but it gives a rough indication of the scale of the administrative burden stemming from environmental policy, vis-à-vis other policies.

¹⁶ [Improving biodiversity: How can digitalisation help?](#) (European Policy Centre, November 2020)

2. Guidance and engagement

The European Commission has already undertaken various compliance activities, including preparing guidelines on implementing EU environmental laws, holding meetings with Member States, and providing compliance promotion tools, such as the Technical Support Instrument. For example, the Commission already provides technical assistance to Member States in several fields, such as updating National Energy and Climate Plans, implementing the Do No Significant Harm (DNSH) principle, supporting green budgeting and planning, and designing and implementing ecosystem restoration measures¹⁷.

However, further actions are needed to ensure comprehensive support for Member States and companies:

- **The Commission should consider creating a dedicated service solely focused on implementing laws related to the Green Deal**, under the guidance of the Commissioner for Implementation and with close collaboration with the Executive Vice-President for Clean, Just and Competitive Transition and other relevant Commissioners. This service would serve as a contact point for Member States and stakeholders facing compliance challenges, actively seeking solutions and opportunities to enhance implementation efforts as part of the European Commission's programme. As part of the service, a dedicated hotline could be established for relevant stakeholders, such as companies and local administrations, enabling them to seek guidance. The inquiries gathered through this service could then inform the creation of a comprehensive Frequently Asked Questions (FAQ) resource, addressing common issues and providing clear answers.
- **The upcoming third cycle of the Environmental Implementation Review (EIR), scheduled for the first half of 2025, should be expanded to cover more policy areas, including all aspects of the European Green Deal.** Adopting and promoting the EIR should be a key priority for the Commission.
- **Member States, with guidance from the Commission, must prioritise meaningful stakeholder engagement.** Too often, critical steps in this process are overlooked. Effective stakeholder engagement is essential to minimising or avoiding negative impacts on businesses and communities, while maximising benefits and increasing public acceptance of the green transition. It fosters trust and public support, leading to innovative solutions from the ground up.
- **Citizens must have access and full transparency to the positions of the Member States, infringement processes and other relevant matters** that enable the public to better support the EU in achieving the shared goal of effective implementation.

¹⁷ [Enhancing the European Administrative Space \(ComPACT\)](#) (European Commission, 2023)

3. Improvement of national public administration efficiency

In addition to the guidance already provided by the European Commission, existing efforts to modernise national, regional and local public administrations—and their ability to implement EU legislation—should undergo thorough review.

The Commission has already developed various soft tools to assist Member States¹⁸, including its recent communication on ‘Enhancing the European Administrative Space’, with one of its three pillars focused on strengthening the capacity to lead the green transition.

As a next step, the European Commission should help the EU Member States identify gaps in the administrative capacity and procedures related to the green transition, provide tailored recommendations, and maintain ongoing engagement to support effective implementation.

4. Reduction of administrative burdens for beneficiaries of EU funds

Rather than reducing controls and environmental targets, as was recently done with the Common Agricultural Policy, the EU and Member States should focus on reducing the paperwork involved for beneficiaries of EU funds and compliance with EU legislation. This must be done without compromising green and social safeguards, including through conditionalities, ensuring that EU public funds are used effectively and responsibly.

To ease the burden of selected cumbersome EU or national-level requirements, digitalisation can help streamline these processes by eliminating unnecessary reporting tasks. The European Commission could also conduct an independent study to assess the administrative burdens faced by beneficiaries when accessing EU funds and to identify areas where application and reporting procedures can be simplified. This must be done without weakening control, oversight and targets. Aligning reporting timelines across various EU funds could also help reduce the administrative load on beneficiaries.

5. Staffing and capacity building of competent authorities

Effective implementation of the European Green Deal requires strengthening the operational and technical capacities of the relevant national authorities. Member States must ensure, with the help of the EU budget, sufficient funding for hiring, upskilling and reskilling permitting staff at national, regional and local levels, in line with the Green Deal legislation and policies.

Many public bodies, including at the EU level, face staffing shortages. Despite the European Green Deal being a top political priority, no significant staffing increases occurred between 2019 and 2023. For instance, DG ENV staff remained at around 450 (1.4% of the Commission staff), while DG CLIMA grew modestly from 185 to 271, representing still only 0.8% of the total workforce¹⁹. Similar challenges exist in national

¹⁸ [A Europe that supports: towards a modern and effective public administration](#) (European Commission, October 2023)

¹⁹ [Commission staff](#) (European Commission, 2024)

administrations, and the situation may worsen as Member States are considering austerity measures.

6. Stepping up inspections and enforcement

Inspections are crucial for identifying poor implementation and enabling environmental protection. Currently, inspection tools at both the EU and Member State levels are incomplete and ineffective.

The EU could ensure that inspections are primarily conducted at the Member State level, also establishing minimum standards to ensure effectiveness. It could also grant the Commission some oversight powers to monitor inspection practices and control breaches of EU law, helping Member States with implementation and compliance.