

EU Regulatory Observatory:



Red Tape, Neatly Folded: The EU Tidies Its Environmental Rules and Leaves the Hard Work for Later

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Summary

- The Environmental Omnibus is a legislative package, which was presented in December 2025 under COM(2025) 980 final. It forms part of the EU's simplification agenda, which aims to reduce administrative burdens in environmental law while preserving core policy objectives around sustainable competitiveness.
- The EU Regulatory Observatory's expert panel delivered a guardedly positive verdict. Assessments clustered mainly in the 6–8 range on the regulation–deregulation scale (average of 6.75), indicating that the package is seen as a pro-simplification measure rather than a far-reaching deregulatory reform.
- Experts broadly agreed that the proposal meaningfully eases procedural and compliance burdens in EU environmental legislation, particularly through repeals (e.g. Substances of Concern In Products (SCIP) reporting requirements under the Waste Framework Directive), targeted relaxations (e.g. extended producer responsibility [EPR]-authorised representative requirements), and streamlined permitting/reporting.
- The changes focus on administrative streamlining in three main areas: industrial installations and circular-economy rules, spatial environmental data (Infrastructure for Spatial Information in the European Community (INSPIRE) alignment), and environmental assessments and permitting processes.
- The main strengths relate to improved efficiency, predictability, and reduced costs (estimated €1 billion in annual savings) without altering substantive environmental standards.

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Introduction

In Simplifying for Sustainable Competitiveness (COM(2025) 980 final), the Commission introduced the eighth omnibus on the premise that environmental protection and competitiveness are mutually reinforcing, like “two sides of the same coin” (European Commission 2025: 1). The communication argues that the EU’s resilience, prosperity, and strategic autonomy depend on the presence of a healthy environment and the availability of sufficient and clean natural resources (European Commission 2025). It further notes that 19 out of 23 economic sectors in the Union are substantially dependent on nature; that environmental degradation and resource depletion are already damaging the economy, infrastructure, and financial stability; and that complex administrative rules and lengthy permitting procedures can delay investment, innovation, and the effective functioning of the single market (European Commission 2025: 1). Against this backdrop, and within the framework of the Competitiveness Compass, which aims to cut administrative burdens by at least 25% for all companies and 35% for SMEs, the omnibus is presented as a targeted simplification exercise (European Commission 2025b). Its goal is to ensure that existing environmental law is implemented in “more efficient, less costly, and smarter ways” without undermining policy objectives (European Commission 2025a: 1).

The scope of the omnibus is broad but targeted. It consists of six legislative proposals covering three main areas: industrial installations and the circular economy; spatial environmental data; and environmental assessments and permitting. In the first area, the Commission proposes to simplify obligations under the Industrial and Livestock Rearing Emissions Directive (IED), the Medium Combustion Plant Directive (MCPD), and the Industrial Emissions Portal Regulation (IEPR). This includes easing environmental management and planning requirements, reducing certain reporting obligations, and facilitating decarbonisation projects. It also proposes changes to circular-economy rules, notably repealing reporting requirements to the SCIP database, suspending certain authorised representative requirements in extended producer responsibility (EPR) schemes, and introducing targeted simplifications in the Batteries Regulation. In the second area, it aims to simplify reporting under the Infrastructure for Spatial Information in the European Community (INSPIRE) directive by aligning it more closely with the Open Data Directive. In the third area, it proposes a new framework to speed up environmental assessments and permit granting through single points of contact, improve coordination between authorities, further digitalisation, enhance administrative capacity, and speed up procedures for key projects. The Commission presents the package as capable of generating around €1 billion in annual administrative cost savings, while also shortening and simplifying environmental assessments for projects representing at least €30 billion in yearly investments and reducing compliance burdens, particularly for SMEs (European Commission 2025: 5).

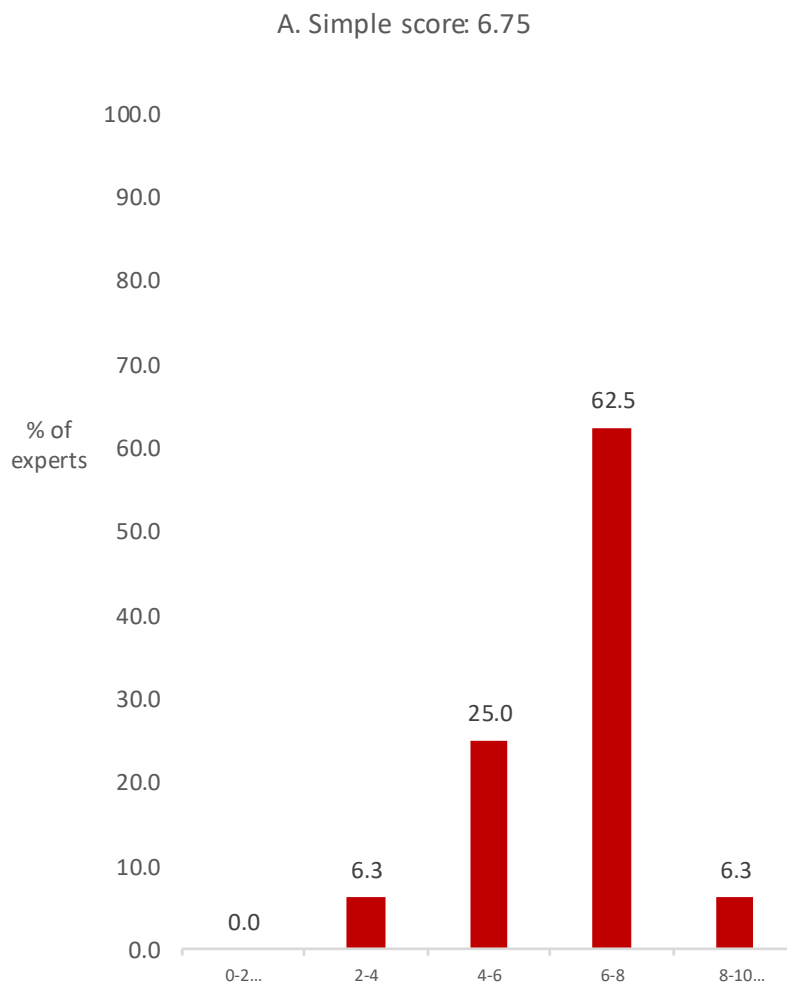
The EU Regulatory Observatory’s Assessment of the Environmental Omnibus

The distribution of responses points to a clear, though qualified, conclusion: experts view the Environmental Omnibus as a pro-simplification and moderately liberalising measure, rather than a far-reaching deregulatory reform. The simple average score of 6.75 and the lower weighted score of 6.37 place the package on the pro-liberal side of the scale. Respondents with greater confidence, however, tend to be somewhat more cautious. Figure 1A reinforces this reading. A clear majority of experts (62.5%) scored the proposal in the 6–8 range, while another 25% placed it in the 4–6 range. Only 6.3% assessed it in the 2–4 range, and the same share in the 8–10 range, with no responses at all in the 0–2 bracket. The overall result does not indicate deep disagreement but rather broad convergence around a middle position: the package moves in the right direction but does not amount to a decisive liberalising reset.

Experts who scored the omnibus more positively emphasised that it meaningfully reduces procedural burdens that have accumulated across EU environmental law. Respondents highlighted the repeal of SCIP reporting requirements, the relaxation of authorised representative requirements in EPR schemes, and the simplification of permitting, reporting, and environmental management obligations. Accordingly, the package lowers compliance costs, reduces duplication, and improves the predictability of regulatory administration, especially for SMEs and firms engaged in cross-border activity. Several experts, therefore, regard it as a welcome correction to earlier rounds of regulatory layering and as a pragmatic attempt to restore a better balance between environmental objectives and economic competitiveness.

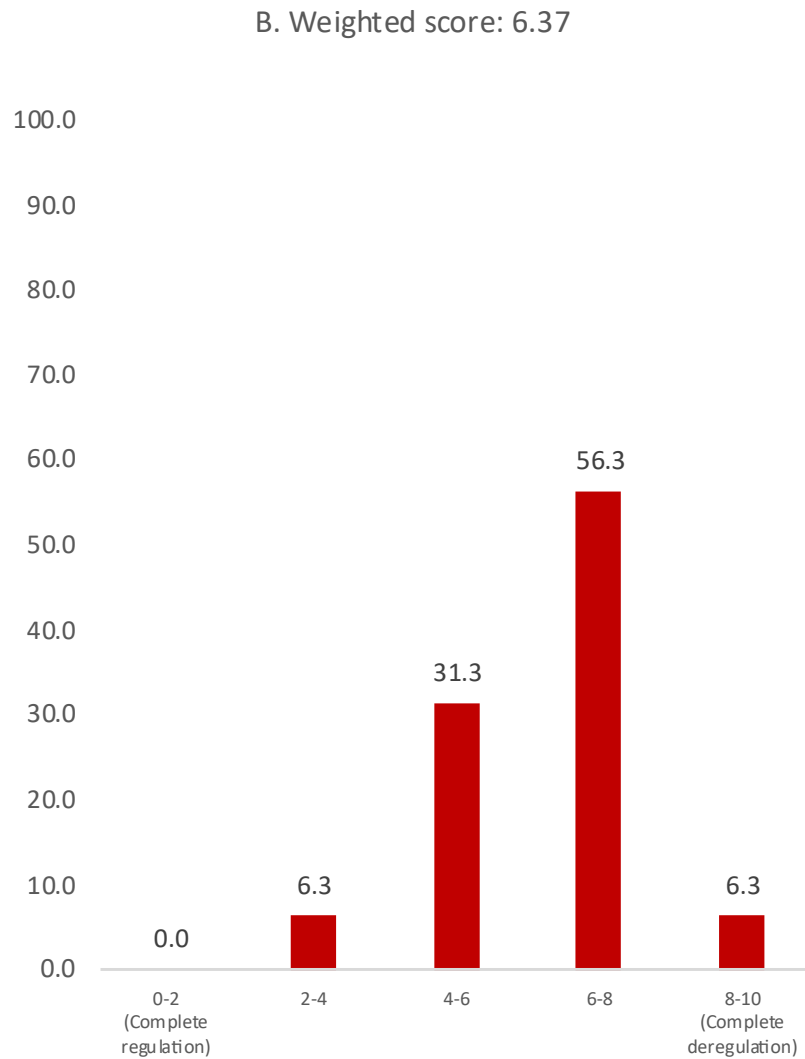
At the same time, the comments also show a strong consensus that the omnibus amounts to administrative streamlining rather than genuine deregulation. Many supportive respondents even stressed that the package does not materially scale back the underlying regulatory framework or alter the substantive objectives of EU environmental law. Instead, it simplifies how rules are implemented but largely leaves what is regulated intact. This explains why the panel’s assessment is best read as guardedly positive: the Environmental Omnibus reduces red tape and eases compliance pressures, but it stops short of the deeper structural simplification that a more proportionate and coherent regulatory framework would require. Hence, it is best understood as a useful course correction, not a structural rethink.

Figure 1A. Frequency Distribution of Average Scores in the EU Regulatory Observatory’s Assessment of the Environmental Omnibus



Source: Authors’ calculation.

Figure 1B. Frequency Distribution of Weighted-average Scores in the EU Regulatory Observatory’s Assessment of the Environmental Omnibus¹



Source: Authors’ calculation.

Preserving Ambition Through Better Regulation

The Environmental Omnibus warrants a moderately positive assessment because it introduces meaningful reductions in administrative and reporting burdens while preserving the core substantive objectives of EU environmental law. Its main contribution lies in simplifying procedural and compliance requirements, including reporting obligations, documentation burdens, and threshold adjustments. These measures reduce transaction costs for firms, particularly SMEs, and streamline interactions with public authorities. From a governance perspective, this constitutes a constructive

¹ Note: The weighted average accounts for both the experts’ confidence levels and the harmonisation of responses along the regulation–deregulation scale.

reform, as it seeks to achieve existing environmental objectives in a more proportionate, predictable, and efficient manner.

Importantly, the proposal does not materially alter substantive standards, as emissions limits, key environmental targets, and core protection mechanisms are retained. This tempers the extent to which it can be considered a far-reaching liberalising reform. Its significance lies in strengthening the functioning of the existing framework and is therefore best understood as a recalibration of how regulation is administered rather than of what it regulates. The primary effect is to enhance implementation efficiency, simplify compliance, and increase coherence across legal instruments. In this sense, the Environmental Omnibus represents a welcome step towards better regulation, supporting competitiveness and regulatory predictability while safeguarding the broader ambitions of EU environmental policy.

Beyond procedural efficiency, the Omnibus underscores the potential of simplification to strengthen environmental governance. By reducing overlapping obligations, clarifying reporting duties, and streamlining thresholds, the package is expected to ease compliance for firms and support more consistent enforcement by authorities. Excessive administrative requirements can divert attention away from environmental performance, and the reforms aim to redirect effort toward meaningful outcomes. Smaller firms and cross-border operators – which often face disproportionately high administrative burdens – stand to benefit the most. Clearer rules and simplified procedures can enhance predictability, reduce uncertainty, and improve the quality of reporting and environmental data. Overall, the Omnibus has the potential to demonstrate that carefully targeted simplification can create a synergistic dynamic with the EU's environmental objectives, fostering a regulatory framework that is coherent, credible, and implementable once adopted.

Conclusions and Policy Recommendations

The Environmental Omnibus is best understood as a useful, though limited, step towards better environmental governance in the European Union. The Commission rightly identifies a real and growing challenge: ambitious climate and environmental legislation can lose effectiveness when it becomes overly complex, administratively burdensome, or difficult to implement in practice. The package represents a constructive attempt to improve the functioning of the existing framework by reducing selective reporting and compliance burdens, streamlining permitting, and strengthening administrative coherence, particularly for SMEs and cross-border economic activity.

Its significance lies in the fact that it does not lower the Union's environmental ambition. The EU can and should remain a climate and environmental leader. Yet leadership depends not only on setting ambitious goals but also on ensuring that rules are clear, proportionate, and workable. A credible and durable environmental framework is one that preserves high levels of protection while reducing duplication, administrative delays, and unnecessary procedural complexity. From this perspective, the Environmental Omnibus is a welcome first step. It should, however, be complemented by a broader effort to enhance the quality, coherence, and practical deliverability of EU environmental law.

Key Policy Recommendations

- 1) **Preserve ambition while improving regulatory quality:** Future reforms should maintain the Union's climate and environmental objectives while systematically removing reporting, documentation, and procedural requirements that do not clearly enhance environmental outcomes. Simplification should be guided by effectiveness, proportionality, and implementation value.
- 2) **Make permitting reform work in practice:** Faster environmental assessments and permit granting will require more than legislative changes. Member states should strengthen administrative capacity, invest in digital tools, and improve coordination among competent

authorities so that simplification results in measurable reductions in delays, uncertainty, and compliance costs. Without practical follow-through at the national level, legislative reforms risk remaining procedural improvements on paper, with limited impact on real-world implementation.

- 3) **Apply proportionality more consistently, especially for SMEs:** The Commission should continue identifying areas where compliance costs are disproportionately high relative to environmental benefits, with particular attention to smaller firms and cross-border operators. Better tailoring of obligations can ease unnecessary burdens without weakening substantive protections. This approach would increase regulatory fairness and reduce the risk of overly complex requirements discouraging compliance or distorting competition.
- 4) **Embed continuous review across the environmental acquis:** The omnibus should mark the beginning of an ongoing process of regulatory improvement. The Commission should regularly assess whether EU environmental legislation remains coherent, proportionate, and administratively manageable, and revise overlapping or unduly complex obligations that hinder effective implementation. A systematic review process ensures that simplification is not a one-off effort but part of a cycle of legislative refinement.
- 5) **Strengthen data integration and digital reporting systems:** Effective simplification depends on reliable, interoperable, and accessible data. The Commission should invest in harmonised digital platforms to consolidate reporting across directives (e.g. emissions, chemicals, and waste) and ensure alignment with initiatives such as INSPIRE. Improved data integration reduces duplicative reporting, increases transparency, and facilitates evidence-based enforcement, benefiting both regulators and regulated entities while lowering administrative costs.
- 6) **Promote stakeholder engagement and capacity-building:** Simplification should be accompanied by structured engagement with industry, SMEs, NGOs, and member-state authorities. Providing guidance, training, and best-practice tools can help stakeholders interpret and implement reforms consistently. Enhanced capacity-building can also help ensure that procedural simplification translates to tangible improvements on the ground, increasing compliance rates, reducing administrative uncertainty, and fostering shared ownership of environmental objectives.

The EU does not need less environmental ambition; it needs environmental law that is easier to implement and comply with, and which more effectively delivers its objectives. The six recommendations together offer a roadmap for ensuring that simplification initiatives balance ambition, effectiveness, and practicality, thereby improving governance and implementation outcomes. Beyond procedural improvements, the Omnibus presents a vision of regulation as a facilitator rather than an obstacle. By clarifying obligations and reducing administrative friction, it can free resources for innovation and long-term investment in environmental solutions. This would enable firms and authorities to shift their focus from navigating bureaucracy to achieving measurable outcomes that advance climate and environmental objectives. If effectively implemented, the package could enable iterative learning, generating insights for future reforms and helping the regulatory system adapt to scientific developments, societal expectations, and emerging environmental challenges. Finally, by embodying these qualities, the Omnibus may constitute a model of governance that underscores the EU's normative power.²

Methodological note

The results of the EU Regulatory Observatory's assessment are presented both as a simple and as a weighted average in order to (a) calibrate the different perceptions and biases of the experts on the regulation–deregulation scale, (b) take into account the experts' confidence in their area of

² Normative power is defined as “the ability to shape or change what passes for normal in international relations [...]” (Manners 2001).

expertise, and (c) take in to account the extent to which the rating is informed by the expert's knowledge of the sector.

This process involved three key steps:

1. Harmonising perceptions and reducing biases: The experts were asked to rate 40 hypothetical scenarios (vignettes) in each policy area (King et al. 2004; Pemstein et al. 2020) to evaluate whether the policy is moving towards more regulation (anti-liberal) or more deregulation (pro-liberal). To ensure comparability across respondents, we used a standardised scale of 0–10 where:
 - 0 = complete regulation (anti-liberal stance)
 - 5 = no change/status quo
 - 10 = complete deregulation (pro-liberal stance)

To improve interpretive accuracy, vignettes were designed separately for eight distinct policy areas in which liberalisation may take different forms:

1. Digital platforms
2. Environment and emissions
3. Trade policy
4. Common fisheries policy
5. Common commercial policy
6. Agricultural policy
7. Energy markets
8. Consumer protection

Each vignette set consisted of five imaginary policy scenarios ranging from strongly regulatory to strongly liberalising³. These served as scale anchors, allowing for the standardisation of experts' ratings across and within areas.

2. Experts' rating: The experts evaluated the EU regulations using the same scale.
3. Experts' confidence level: For each regulation, the experts reported their confidence regarding their topic-specific expertise and the extent to their rating was informed by their expertise (both on the 0–10 scale).

³ While the assignment of ideal scores is necessarily subjective to some extent, we aim to operate within the boundaries of mainstream policy consensus to ensure broad acceptability and analytical clarity. Ratings that deviate substantially from common interpretations are reviewed and revised accordingly, based on expert feedback.

The final weighted average score is computed as follows.

Rescaling procedure

Let X_i denote the raw rating given by expert i to the vignette set, and let Y denote the pre-specified 'true' rating of the vignettes. For each expert, we estimated a simple linear regression model:

$$Y = a_i + b_i \cdot X_i$$

The resulting coefficients a_i (intercept) and b_i (slope) capture the expert's idiosyncratic use of the response scale.

Subsequently, all real directive ratings provided by expert i were adjusted as follows:

$$Y_{ij} = a_i + b_i \cdot X_{ij}$$

where Y_{ij} is the standardized liberalisation score assigned by expert i to directive j , and X_{ij} is the original raw score for that directive.

Confidence and expertise weighting

To incorporate experts' self-assessments of their confidence, we applied a calibrated confidence-weighted adjustment to each expert's rating, ensuring that the evaluations are not excessively distorted. Traditional linear weighting methods tend to disproportionately suppress scores with moderate confidence, pulling down the mean rating significantly. We followed this weighting method to preserve the core evaluative signal of the base rating – especially for moderately confident assessments – while still rewarding higher confidence and down-weighting uncertain responses in a controlled and proportional manner.

Let the base score provided by expert i be defined as

$$S_i = \text{Intercept}_i + \text{Slope}_i \cdot \text{Expertise}_i$$

where Intercept and Slope are derived from the vignette results of each participant to harmonise the regulation–deregulation scale, while Expertise is the self-rated domain knowledge on a scale of 0–10. The adjusted (final) score is then computed as

$$\hat{S}_i = S_i \cdot 1 + \alpha \cdot \frac{C_i - \bar{C}}{C_{\max}}$$

where $C_i = C_i^{\text{policy}} + C_i^{\text{content}}$ is the sum of the expert's two confidence ratings (each on a 0–10 scale). $\bar{C} = 10$ is the neutral midpoint of the total confidence score (used as the baseline), $C_{\max} = 20$ is the maximum possible combined confidence, and α is a gain parameter controlling the sensitivity of the adjustment to confidence (e.g., $\alpha = 0.25$).

This adjustment ensures that if $C_i = 10$, then $\hat{S}_i = S_i$ (no change); if $C_i > 10$, then $\hat{S}_i > S_i$ (slight upward adjustment), and if $C_i < 10$, then $\hat{S}_i < S_i$ (mild discounting).

The choice of α determines the extent to which confidence modifies the score. In our case, we set $\alpha = 0.25$, such that a fully confident response ($C_i = 20$) is scaled up by 12.5%, while a minimally confident one ($C_i = 0$) is scaled down by 12.5%. This creates a bounded influence window, avoiding extremes while maintaining relative differences.

This method draws on soft-threshold weighting methods described in the expert assessment literature (e.g., Belton and Stewart 2002; Cooke 1991) and achieves the goal of respecting expertise without allowing a few confident respondents to disproportionately skew the aggregate outcomes.

Our panel of experts

The EU Regulatory Observatory panel comprises 39 experts, representing more than 25% of the current EU member countries. Most of them (62%) hold a PhD in their area of expertise. The majority (66.7%) work as researchers or policy advisors in think tanks, government bodies, or nongovernmental organisations, while one out of five (20.8%) hold tenure track or tenured academic positions, as lecturers, associate professors, or professors; the rest of the experts (12.5%) are researchers in academic institutions (including PhD candidates and postdoctoral fellows). Two-thirds of the panel (66%) have more than eight years of professional experience.

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