# ClientEarth contribution to the European Commission's Call for Evidence

Simplification of administrative burden in environmental legislation

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### **Table of Contents**

Α.	Cal	for Evidence	3
В.	Key	Messages	3
	Ach	ieving the Union's environmental objectives is not an "administrative burden"	4
	Add	ressing the "real" bottlenecks should be prioritised	5
	Sim	plifying should not mean deregulating	7
C.	Targeted Legislation		
	a. Ass	Environmental Permitting (Birds & Habitats Directives, Environmental Impact essment Directive, Water Framework Directive)	8
		The role of environmental assessments	8
		Legal Certainty & Investor Confidence	. 10
		Social Licensing and Access to Justice	. 12
	b.	Waste Framework Directive	
		No rationalisation potential where functional equivalent is missing	
		Discontinuing SCIP would compromise Circular Economy policy goals	
		Discontinuing SCIP would contradict the simplification objective Implementation weaknesses should be addressed	
	C.	Net Zero Industry Act	. 16
	d.	Industrial Emissions Directive	. 18
		Environmental Management System	
		Chemicals inventory	
		Transformation plans	. 21
	e.	EU Deforestation Regulation	. 22
		The EUDR should not be proposed for simplification	
		Implementing the EUDR is essential to mitigating worsening climate change and	
		biodiversity loss	
		Proportionate legal obligations, including simplifications for traders and SMEs	
		EU producers will benefit from simplified due diligence and fewer checks  The EU timber industry has had over a decade of experience with supply chain	
		due diligence	
		The transition period has already been extended from 18 to 30 months	. 26
		Everything needed to implement the EUDR is already in place	. 26
	f.	Nature Restoration Regulation	. 27

### A.Call for Evidence

The current Call for Evidence, "Simplification of administrative burden in environmental legislation", seeks to bring together a series of measures to simplify environmental legislation, to reduce administrative burden and streamline administrative procedures for EU businesses without affecting the policy objectives pursued by the legislation. The initiative also seeks to address permitting challenges related to environmental assessments.

According to the Call for Evidence, "the Commission is currently screening environmental laws to identify legislative acts with significant potential for simplifying administrative tasks in the areas of circular economy, industrial emissions and waste management." The initiative is bound to propose measures to simplify and harmonise environmental reporting and notification obligations, including, but not limited to, the potential discontinuation of the SCIP database under the Waste Framework Directive and improved coordination of extended producer responsibility (EPR) rules across Member States. It also aims to streamline and digitalise reporting in areas such as circular economy, industrial emissions, and waste management, while maintaining policy objectives. Additionally, it will address permitting challenges for environmental assessments, drawing on recent experiences like those under the Net Zero Industry Act, with the list of measures subject to stakeholder feedback and further analysis.

At the outset, ClientEarth would like to emphasise that **environmental legislation should not be framed as a burden to economic progress**. Lack of proper implementation costs us dearly: currently, the EU and its Member States pay €180 billion per year for failure to properly implement environmental law,² with annual estimates increasing up to €325 billion when considering additional obligations applicable in the near future.³ These costs include health costs, pollution management, industrial accidents and other costs which will not disappear, but are only likely to increase with lowering the standards of environmental protection and watering down risk assessments. The present document is prepared in response to the Commission's Call for Evidence and attempts to contribute to the goal of this initiative, namely not to lower the EU's environmental objectives or the protection of human health granted by EU environmental laws.

### **B. Key Messages**

In its Competitiveness Compass,<sup>4</sup> the Commission identifies "administrative burden" as a key obstacle to long-term investment, highlighting that the complexity and duration of procedures make the European Union and its Member States a less attractive destination for investment. To that end, it pledges an

<sup>&</sup>lt;sup>1</sup> It should be underscored that the commitment to not undermine the achievement of the Union's objectives in the legislative procedure has also been included in the *Inter-Institutional Agreement between the European Parliament, the Council of the European Union and the European Commission on Better Law-Making* (13 April 2016).

<sup>&</sup>lt;sup>2</sup> European Commission, "Update of the costs of not implementing EU environmental law", April 2025, available at: <a href="https://op.europa.eu/en/publication-detail/-/publication/4dead000-263d-11f0-8a44-01aa75ed71a1/language-en">https://op.europa.eu/en/publication-detail/-/publication/4dead000-263d-11f0-8a44-01aa75ed71a1/language-en</a>.

<sup>&</sup>lt;sup>3</sup> Ibid., p.2.

<sup>&</sup>lt;sup>4</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, *A Competitiveness Compass for the EU* (29 January 2025).



unprecedented "simplification" effort (including through quantified "burden reduction" targets) with a view to achieving policy objectives in the simplest, most effective and least burdensome manner.

While ClientEarth addressing genuine bottlenecks supports in permitting and reporting/monitoring under EU legislation, we reject any characterisation of core environmental safeguards as an "administrative burden."

#### Achieving Union's environmental objectives the is not an "administrative burden"

EU legislation introducing environmental and human health safeguards in the operation of sectors of industrial emissions, circular economy and waste management is not a matter of regulatory discretion. Instead, it represents the direct implementation of core constitutional obligations enshrined in the EU Treaties<sup>5</sup> and the Charter of Fundamental Rights of the European Union. Article 3 of the TEU commits the Union to a high level of environmental protection and the continuous improvement of the quality of the Union's environment, while Article 191 of the TFEU outlines a series of legal principles which EU environmental legislation seeks to operationalise. Finally, Article 37 of the Charter guarantees environmental protection as a fundamental right.

On top of that, the recent Advisory Opinion of the International Court of Justice (ICJ) on the "Obligations of States in respect of Climate Change", reiterated States' customary duty to prevent significant harm, distinguishing between their various substantive and procedural obligations to that end. Simultaneously, the ICJ acknowledged the direct enforceability in States' national orders, of a whole host of Multilateral Environmental Agreements beyond the Paris Agreement of the United Nations Framework Convention on Climate Change, 6 including the Convention on Biological Diversity, which includes an obligation for States to identify and monitor categories of activities that have, or are likely to have, significant adverse impacts on the environment, and regulate these categories of activities.8 it follows that EU environmental legislation directly seeks to ensure compliance of the EU and its Member States' with their respective obligations deriving directly from the Paris Agreement and that any weakening of applicable EU environmental (substantive and procedural) standards is potentially violating the latter and constituting an "internationally wrongful act".

Measures taken to fulfil these foundational obligations cannot arbitrarily be labelled as "administrative burden". Such a characterization overlooks the fundamental structure of EU law and misrepresents the nature and purpose of these safeguards, whose essential function is to protect constitutionallyrecognised public goods, such as the environment, as well as human rights. Provisions establishing the assessment of impacts of certain projects on the environment or human health, or those introducing transparent reporting obligations on Member States or operators (see Section C below), are designed precisely to meet these objectives.

<sup>&</sup>lt;sup>5</sup> Most notably Article 3(3) of the Treaty on the European Union (TEU) and Articles 11 and 191 of the Treaty on the Functioning of the European Union (TFEU).

<sup>&</sup>lt;sup>6</sup> United Nations, Framework Convention on Climate Change, *Paris Agreement* (2015).

<sup>&</sup>lt;sup>7</sup> United Nations, *Convention on Biological Diversity* (1992).

<sup>8</sup> International Court of Justice, Obligations of States in respect of Climate Change, Advisory Opinion of 23 July 2025, I.C.J. Reports 2025.



The Call for Evidence makes reference to "complexity of legislation" as an obstacle to the "greening" of certain economic actors. 9 It seems paradoxical to "justify" the delay in the "greening" of the operations of SME's by the complexity of EU environmental standards, calling for them to be lowered. While, there is an inherent level of complexity in environmental reporting and permitting, this complexity should be proportionate to the risk and potential impact of the activity. This is particularly relevant in the fields of the circular economy, industrial emissions, and waste management, where economic activities must be balanced against their potential risks and hazards to the environment and human health. Each activity in these sectors involves complex processes that require detailed technical evaluations and cross-sectoral coordination of various actors. Naturally, this necessitates a corresponding granularity with regard to both reporting and permitting, as well as appropriate frequency of reporting cycles. These components ensure investment predictability and legal certainty. With regards to reporting in particular, its complexity can be differentiated, according to the potential impact or risk of the sector in question. High-risk/high-impact sectors should naturally (in line with the proportionality principle) be subject to more detailed reporting, while low-risk/low-impact sectors should benefit from streamlined obligations. A proportionate system enhances transparency and accountability without overburdening smaller actors (especially SMEs) 10 or stifling the EU's renewed interest in innovation and competitiveness.

Acknowledging that achieving the Union's policy objectives in a science-based manner entails an inherent level of complexity (a part of which can be addressed through targeted support measures presented below), ClientEarth wishes to challenge the objectives of the proposed Call for Evidence, which, in our view, fails to address the real issues behind administrative delays.

### Addressing the "real" bottlenecks should be prioritised

It is ClientEarth's understanding that the Commission cannot characterize the very legislation it is constitutionally mandated with upholding<sup>11</sup> as an "administrative burden", as such would imply an ineffectiveness of the ordinary legislative procedure of TFEU Article 294 and the Commission's own legislative initiative (TEU Article 13(2)). Instead, what should be understood as "administrative burden", "bottleneck", etc is the *undue complexity* or *inefficiency* of certain provisions to achieve the objectives they pursue (individually or due to the co-existence of more than one obligation with the same scope and subject-matter),<sup>12</sup> lack of political commitment to comply with EU legislation,<sup>13</sup> as well as the lack of integration of environmental reporting and permitting in decision-making.<sup>14</sup> A more detailed mention of the specific drivers of delays in permitting and reporting at national level is also necessary. These include but are not limited to:

<sup>9</sup> Flash Eurobarometer Survey on SMEs, resource efficiency and green markets (October 2024).

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<sup>&</sup>lt;sup>10</sup> Special reference is made to SMEs, given the fact that the quantified burden reduction reserved for them in the EU Competitiveness Compass amounts to at least 35%.

<sup>&</sup>lt;sup>11</sup> TEU Article 17(1).

<sup>&</sup>lt;sup>12</sup> This, for instance, may include duplicate reporting obligations or a lack of interoperability in different monitoring and reporting systems, required by different pieces of EU legislation or Multilateral Environmental Agreements which EU Member States are Parties to.

<sup>&</sup>lt;sup>13</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, 2025 Rule of Law Report: The rule of law situation in the European Union (8 July 2025).

<sup>&</sup>lt;sup>14</sup> The latter contributes to a negative perception of environmental permitting and reporting by project developers, who consider these as an obstacle to their operations, rather than as an integral part of them.

- **Improper, incorrect or unclear transposition** of EU Directives (including non-conformity and conflicting or improperly harmonised national legislation);
- Lack of administrative capacity and technical know-how in the implementation of EU legislation (which includes gaps in digitalisation);<sup>15</sup>
- Inadequate staffing arrangements (including complex institutional structures of competent authorities and siloed decision-making) and lack of funding (EU or national) to ensure the full implementation of enacted legislation.

Importantly, environmental assessments (further analysed in Chapter C.a.) are not deemed to be the main obstacle to faster permitting processes by industry and other stakeholders. On 11 June 2025, ClientEarth participated in the "implementation dialogue" on permitting for renewable energy projects and related infrastructure with Commissioner Jørgensen. In a survey carried out during the event, attended by policy makers, NGOs, industry representatives, academics and other stakeholders, the overwhelming majority of the participants pointed to the lack of human resources and skills and grid connection procedures as the main barriers in permitting for renewable energy projects and related grid infrastructure.

The latest iteration of the Environmental Implementation Review<sup>17</sup> highlights the above elements as obstacles to the proper implementation of environmental legislation, simultaneously maximising implementation burden. Unsurprisingly, nowhere in the Review is the "complexity" of EU legislation mentioned as a driver of poor implementation. ClientEarth would like to underscore that the Union and its Member States already incur significant substantial losses due to non-implementation of applicable EU legislation.<sup>18</sup> Any simplification attempts coming out of the present initiative should not lead to the reduction of environmental protection standards across the EU (i.e. should not incentivise non-implementation of currently applicable EU legislation), as this is bound to lead to even more (quantifiable and non-quantifiable) losses to the EU's economy.

Without a simplification effort targeted at the improper transposition of EU environmental legislation, irrational or ineffective administrative architecture domestically (particularly with regards to division of competence amongst permitting authorities), <sup>19</sup> lack of staffing/funding, lack of technical know-how, as the core drivers of "complexity" and "burden", the latter two, are bound to arise again in the future in both the reporting and permitting contexts, and little will be achieved with regards to converting the European Union and its Member States into a more "attractive location for investment".

 <sup>15</sup> For an assessment on Member States' digitalisation progress, cf European Commission, eGovernment
 Benchmark 2025: Factsheets – Building Online, User-Friendly and Interoperable Services (May 2025)
 16 Public debate, <u>Implementation dialogue on permitting for renewable energy projects and related infrastructure</u> with Commissioner Jørgensen.

<sup>&</sup>lt;sup>17</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, *2025 Environmental Implementation Review: Environmental implementation for prosperity and security* (Brussels, 7 July 2025).

<sup>18</sup> *Ibid*, p 11.

<sup>&</sup>lt;sup>19</sup> It is hereby reminded that improving administrative capacity for the proper implementation of EU law falls within the Union's competence, per TFEU Article 197(2).



### Simplifying should not mean deregulating

Reduction of administrative (and/or regulatory) burden can be achieved without a legislative intervention, let alone one at EU level.<sup>20</sup> Not only are "simplification" needs Member State-specific, but EU legislation simplifies the applicable regime by harmonising legislation among 27 Member States and ensuring a level-playing field for economic activities and investment. In its absence, industries and other economic operators would have to navigate multiple applicable legal norms and comply with divergent standards. Therefore, law-making through EU instruments already simplifies economic activities. Any additional steps should be limited to enabling and facilitating implementation at the national level in a non-prescriptive manner (addressing the bottlenecks outlined above).<sup>21</sup>

Besides regulatory simplification (through targeted amendments of individual pieces of the EU acquis or horizontal Omnibus Regulations encroaching upon multiple legislative files at once, which should be used as a last resort), the Commission can function as a catalyst for simplified implementation and reduction of national administrative burden without reopening EU legislation (or – even more radically – deregulating) in numerous ways:

- Increased provision of technical assistance aiding Member States in understanding their scope of obligations (e.g. through guidance documents and bilateral exchanges), building technical know-how and also identifying administrative bottlenecks at Member State level (through in-depth assessments of institutional architecture and decision-making flow);
- Introducing Union-wide requirements to enable the full digitalisation of (interoperable) reporting and permitting databases (both for competent authorities and users), standardising data entry requirements and thus simplifying the tracking (and comparability) of progress in achieving EU policy objectives;
- Significant scaling-up of **enforcement** (TFEU Article 258)), through the launch of new infringement proceedings and advancement of ongoing (or currently stalled) cases;<sup>22</sup>
- Streamlined access and increase in public funding for the implementation of EU environmental legislation under the upcoming Multiannual Financial Framework, including through minimum biodiversity spending targets.<sup>23</sup> For national financial needs assessment and expenditure planning, this should include earmarked funding (separate to the biodiversity spending targets)

<sup>20</sup> Also taking into account the principle of subsidiarity (TEU Article 5) when regulating on areas of non-exclusive competence (TFEU Article 4(2)), such as those targeted by the present initiative.

<sup>&</sup>lt;sup>21</sup> An example of this can be found in the Commission's relevant Guidance (and associated Recommendations) to Member States in permit acceleration for renewable energy projects: Commission Staff Working Document Guidance to Member States on good practices to speed up permit-granting procedures for renewable energy projects and on facilitating Power Purchase Agreements Accompanying the document Commission Recommendation on speeding up permit-granting procedures for renewable energy projects and facilitating Power Purchase Agreements.

<sup>&</sup>lt;sup>22</sup> It should be reminded that improved enforcement is part of the <u>Political Guidelines of the President of the Commission for the Next European Commission 2024 - 2029</u> (28 July 2024) . With regards to environmental legislation in particular, Commissioner of Environment has been mandated with focusing on enforcement in the relevant Mission Letter (17 September 2024).

<sup>&</sup>lt;sup>23</sup> For ClientEarth's general position on the upcoming MFF, please consult <u>our response to the public consultation on the upcoming MFF</u>.



for a rationalisation of administrative decision-making (in both permitting and reporting), digitalisation of relevant processes and interoperability of reporting databases and cycles.

### **C.Targeted Legislation**

While the Call for Evidence only includes a limited number of instruments as being under consideration, the reference is *indicative*. For this reason and given that other legislative files either play a key role in environmental permitting (and, to a lesser extent, reporting) or establish other important requirements to address the negative environmental impacts of the EU market, ClientEarth has chosen to also include those files in the present response.

 a. Environmental Permitting (Birds & Habitats Directives, Environmental Impact Assessment Directive, Water Framework Directive)

#### The role of environmental assessments

The continued streamlining of environmental permitting and assessment provisions within key EU environmental legislation risks not only further deregulation of these foundational safeguards, but, as explained above, also threatens to erode the principle of high environmental protection enshrined in Article 37 of the EU Charter of Fundamental Rights and Article 11 of the TFEU, which obliges the Union to integrate environmental quality improvements into all its policies. Environmental assessments are essential safeguards, ensuring that plans and projects with potential environmental impacts align with these obligations. Weakening these processes would directly contradict the EU's commitment to preserving, protecting, and improving environmental quality (Article 191(1) TFEU) and may violate the principle of non-regression, which prevents the erosion of established environmental protections. In addition to that, environmental assessments play a crucial role in the respect, protection and fulfilment of human rights, by ensuring that potential harm to people's health, well-being or access to a safe and sustainable environment caused by hazardous activities is mitigated.<sup>24</sup> After all, a whole host of substantive (and procedural) human rights, including human dignity, right to life and preventive aspects of the right to health<sup>25</sup> may be directly infringed upon by environmental degradation, that environmental assessments seek to prevent.

Moreover, environmental assessments constitute the main "operationalisation" of the principle of prevention. The principle of prevention, with an intrinsic prescriptive dimension, can be regarded as an obligation of customary international law (as such, binding on the EU), which requires all Member States to adopt appropriate measures to prevent harm to the environment. At the same time, the principle of prevention is rooted in Article 191(2) TFEU, requiring the EU to follow it in its environmental policy. Being the principle of prevention a "framework" obligation, it can only be complied with via sub-

<sup>&</sup>lt;sup>24</sup> Article 3 of the EIA Directive makes an explicit reference on the relevance of the EIAs for the protection of human health, simultaneously establishing that health effects should also fall under the scope of an EIA. <sup>25</sup> Articles 1, 2 and 35 of the EU Charter of Fundamental Rights.



obligations, which operationalise it and allow it to be practically applied, among them the obligation to carry out appropriate EIAs (and other assessments) prior to issuing any permit.

Key pieces of EU environmental law in this area, such as the EIA Directive, <sup>26</sup> Habitats Directive, <sup>27</sup> Birds Directive<sup>28</sup> and Water Framework Directive ("WFD")<sup>29</sup> are all grounded in Article 192(1) TFEU, which provides the legal basis for EU action in pursuit of its environmental policy objectives.<sup>30</sup> The Court of Justice of the European Union has clarified that the information provided by developers during the environmental assessment process serves a crucial role in evaluating the potential environmental impacts of a project. This information, together with the competent authority's analysis, forms the basis of the EIA mechanism through which authorities determine whether environmental effects are adequately prevented, mitigated, or monitored.

The overarching goal of the Habitats Directive is to support biodiversity by conserving natural habitats and wild species. It aims to ensure that protected habitats and species reach a favourable conservation status, meaning their long-term survival is secured across their natural range in the EU. To that end, when a project may affect a Natura 2000 site—whether located inside or outside its boundaries—appropriate assessment is a key tool for scientifically evaluating and managing potential impacts on nature.

The Water Framework Directive aims to protect all types of water bodies and promote sustainable water use by ensuring their long-term health and achieving good status. Authorising projects that compromise these objectives undermines the Directive's role as a vital instrument for safeguarding the quality and sustainability of Europe's water resources.

Beyond translating the Treaties' key environmental safeguards into practice, one of the key strengths of these directives is that they have 30 years of application history and a rich case law, which has produced a time-tested and coherent system where project developers understand the applicable legal obligations and have built their own know-how and internal procedures for ensuring compliance with the relevant legislation. Amendments to these principles risk upending this system, creating legal uncertainty, raising the potential for legal challenges at the project permitting stage, weakening accountability in permit decisions, and undermining public trust, which is likely to cause significant delay.

#### **Innovation**

Simultaneously, environmental assessments often encourage green innovation by driving the development of new and technologically improved methods that have a lower impact on the

<sup>&</sup>lt;sup>26</sup> Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment.

<sup>&</sup>lt;sup>27</sup> Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora.

<sup>&</sup>lt;sup>28</sup> Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds.

<sup>&</sup>lt;sup>29</sup> Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy.

<sup>&</sup>lt;sup>30</sup> Environmental Impact Assessment of Projects Rulings of the Court of Justice of The European Union, p. 9, available at: <a href="https://op.europa.eu/en/publication-detail/-/publication/a831d19b-6f99-11ed-9887-01aa75ed71a1/language-en">https://op.europa.eu/en/publication-detail/-/publication/a831d19b-6f99-11ed-9887-01aa75ed71a1/language-en</a>.



environment and nature.<sup>31</sup> A prominent example of this can be found in the wind industry, where such assessments have spurred advancements in turbine efficiency and siting strategies.<sup>32</sup> Beyond environmental benefits, green innovation fostered through environmental assessments can also enhance the economic competitiveness of companies operating in the EU. By prompting companies to adopt cleaner technologies, optimise resource use, and explore alternative methods of operation or design, businesses can reduce operational costs, improve compliance with regulatory standards, and strengthen their market positioning. These innovations contribute to energy conservation, reduce impacts on the surrounding environment and communities, and enable companies to differentiate themselves in increasingly sustainability-conscious markets, thereby creating strategic advantages and long-term value.

### Legal Certainty & Investor Confidence

Given that the key legal objectives of EU environmental policy—enshrined in Article 191(1) and (2) TFEU—are being implemented through, among others, core secondary legislation on environmental assessment and permitting (such as the EIA Directive, Nature Directives and WFD), further deregulation of permitting provisions risks undermining the principle of legal certainty.

The Court of Justice has held that: "Observance of the principle of legal certainty also requires that the institutions avoid, as a matter of principle, inconsistencies that might arise in the implementation of the various provisions of EU law, particularly when those provisions pursue the same objective (...)."33 That would mean that if simplification leads to further weakening of key environmental assessments, while those objectives still remain anchored in the Treaties, this is likely to create a gap where the Directives are not capable anymore to implement the key Treaty-based objectives.

Therefore, this inconsistency is likely to undermine predictability and clarity with regards to the standards that need to be applied, especially if the secondary law no longer reflects the primary law obligations, which can directly lead to violations of principle of legal certainty.

Furthermore, apart from playing a key role as the primary operationalisation tool for implementing EU environmental objectives, environmental assessments are an effective risk mitigation tool because they enable early identification of environmental and safety risks, but also ensure long-term feasibility of projects and activities since they look at the project over its full lifespan and set measures to mitigate any such risks.

Recognising potential environmental and safety risks of projects is also an important process for developers, because an early identification of risks can give an important overview of different types of risks, such as natural hazards, industrial pollution or chemical use, in order to adequately address them and see how these could be prevented or mitigated.

Requiring developers to analyse a range of scenarios, such as worst-case events, cumulative impacts, and the risks of major accidents, can reveal significant risks that might otherwise go unnoticed. This

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<sup>&</sup>lt;sup>31</sup> Caglar et al, 'Assessing the role of green investments and green innovation in ecological sustainability: From a climate action perspective on European countries', Science of The Total Environment Volume 928, 10 June 2024, 172527.

<sup>&</sup>lt;sup>32</sup> Lema, R., Bonaglia, D., & Hansen, U. E. (2024). Innovation in the wind energy sector. UNU-MERIT. UNUMERIT Working Papers No. 20 <a href="https://unu-merit.nl/publications/wppdf/2024/wp2024-020.pdf">https://unu-merit.nl/publications/wppdf/2024/wp2024-020.pdf</a>, see also: https://energyevolutionconference.com/7-cutting-edge-wind-energy-innovation/

<sup>&</sup>lt;sup>33</sup> Joined Cases T-50/06 RENV II and T-69/06 RENV II Ireland and Aughinish Alumina Ltd v European Commission, para 2.



approach is especially valuable in situations of uncertainty, where applying the precautionary principle makes it a crucial method for anticipating potential risks.

The key stages of environmental assessment are inherently designed for **risk management** and are embedded within the relevant directives. For example, the **scoping** stage<sup>34</sup> helps identify potential impacts early on, allowing resources to be focused on critical areas and avoiding delays. Assessing effects on elements such as water, soil, and human health<sup>35</sup> enables a clearer understanding of the severity and likelihood of risks, while also informing the development of mitigation strategies and the monitoring<sup>36</sup> of their effectiveness.

Coordinated assessments across different directives can provide a more comprehensive understanding of risks. For example, flood risk management under the WFD, biodiversity risks under the Nature Directives, and the prevention of major accident risks under the Seveso Directive each address distinct dimensions of environmental risk. While some level of coordination among these assessments is encouraged to enhance overall risk anticipation, it is essential that they remain clearly distinguishable, as they evaluate impacts arising from different factors.

Furthermore, both the EIA Directive and the Strategic Environmental Assessment Directive (or SEA Directive),<sup>37</sup> already incorporate elements of a risk-based approach, setting obligations proportionate to the level of risk involved:

- The EIA Directive introduces mandatory assessments for high-risk projects listed in its Annex I, while only requiring screening for other projects (Annex II), which will only undergo a proper assessment on the basis of their nature, size and location. The adoption of such a tiered system reflects the risk-based logic of the EU legislator, since greater potential impact of a certain activity triggers stricter procedural requirements.
- Similarly, the SEA Directive is required for plans or programmes *likely to have significant* environmental effects and it explicitly covers sectors like waste management or industrial development.

Thus, both instruments, along with similar processes under EU law<sup>38</sup> are fully aligned with the principle of proportionality and any watering down of the substantive obligations enshrined in them would be in direct violation of the objectives they are designed to achieve.<sup>39</sup> To that end, amending these Directives, or narrowing their scope, i.e. by excluding certain sectors or the level of assessment, would not only contravene the very objectives these Directives pursue, but risk violation

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<sup>&</sup>lt;sup>34</sup> Article 5(2) of the EIA Directive.

<sup>&</sup>lt;sup>35</sup> Article 3, 5 and Annex IV of the EIA Directive, Article 6(3) of the Habitats Directive, Article 4(7) of the Water Framework Directive.

<sup>&</sup>lt;sup>36</sup> Annex IV and Article 8a of the EIA Directive.

<sup>&</sup>lt;sup>37</sup> Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment.

<sup>&</sup>lt;sup>38</sup> Particularly, the environmental assessment procedures under Article 6(3) of the Habitats Directive and 4(7) of the Water Framework Directive. Both assessment processes are characterised by their lack of rigidity, allowing for a project to go ahead, even in case of a negative assessment (or in case of deterioration of water status in case of the WFD), through a detailed derogation regime (cf Article 6(4) of the Habitats Directive and 4(7) of the Water Framework Directive).

<sup>&</sup>lt;sup>39</sup> SEA Directive Article 1 "high level of protection of the environment" and "integration of environmental considerations into the preparation and adoption of plans and programmes ....which are likely to have significant effects on the environment"; EIA Directive preamble (1) "high level of protection of the environment and human health".



of principle of legal certainty and jeopardise compliance with the constitutional provisions from which they derive, notably Article 191(1) and (2) TFEU.<sup>40</sup> Recently, in the context of defining countries' due diligence obligations in the context of climate change, the ICJ underlined the role of environmental assessments and their foundation in customary international law, underscoring that their scope should be commensurate to the risk of the activity in question, both in terms of likelihood and in terms of magnitude.<sup>41</sup>

Robust environmental assessments are therefore essential, not only for reducing risks and ensuring proper implementation of future projects, but also for enhancing investors' confidence by ensuring that projects align with necessary standards and therefore minimise the possibility of delays, legal backlash, lengthy litigation processes, financial setbacks, and minimising their own reputational risks. This is important also from a financial point of view because many international banks already have their own environmental assessment requirements as a condition for financing.<sup>42</sup>

### Social Licensing and Access to Justice

Public acceptance is essential for the effective implementation of EU policy objectives. A key means to achieve that objective is public consultations in the SEA and EIA procedures. The CJEU has stressed that the "right of the public concerned to be consulted is an essential component of the assessment process under the EIA Directive."<sup>43</sup>

The public concerned has the right to express its views in environmental decision-making under Articles 6 and 7 of the Aarhus Convention and Article 6 of the EIA Directive and SEA Directive. Therefore, any changes to that right under EU law would have to be fully compliant with the Aarhus Convention.

Early involvement of the public in environmental permitting processes not only serves to increase public acceptance, but in practice often helps spot and prevent errors, cover gaps in environmental assessments and mitigate associated risks, improve project design and protective measures. According to the Recital 16 of the EIA Directive effective public participation in the taking of decisions enables the public to express, and the decision-maker to take account of, opinions and concerns which may be relevant to those decisions, thereby increasing the accountability and transparency of the decision-making process and contributing to public awareness of environmental issues and support for the decisions taken. Effective engagement with local communities and other stakeholders in the decision-making process also helps to minimise risks of litigation and increases legal certainty.

Thus, the EU and Member States must continue to provide early and meaningful opportunities for the public to participate, including sufficient time to express their views in planning or permitting processes that may have a significant impact on the environment.

Similarly, access to justice increases public trust by providing an avenue for the protection of the public's rights and ensuring accountability for any violations of environmental law. Access to justice is essential for local communities affected by projects that envisage polluting activities or otherwise have a significant effect on the environment surrounding these communities. The EU must continue to

<sup>&</sup>lt;sup>40</sup> Most notably, TEU Article 3(3) and TFEU Articles 11 and 191.

<sup>&</sup>lt;sup>41</sup> Cf above, *International Court of Justice – Advisory Opinion* (n. 8).

<sup>&</sup>lt;sup>42</sup> For instance, European Bank of Reconstruction and Development.

<sup>&</sup>lt;sup>43</sup> Case C-461/24, Asociación Autonómica Ambiental e Cultural Petón do Lobo v Dirección Xeral de Planificación Enerxética e Recursos Naturais, Eurus Desarrollos Renovables SLU, 1 August 2025, para. 36.



guarantee meaningful access to justice under EU law capable of ensuring compliance with national and EU law,<sup>44</sup> including exempting judicial proceedings from the overall permitting deadlines<sup>45</sup> where such deadlines are set, to ensure that the local communities have access to effective judicial remedy, are afforded a level playing field with the industry and other influential stakeholders, and their voices are not dismissed in the implementation of EU policy objectives.

#### b. Waste Framework Directive

Article 9(1)(i) of the Waste Framework Directive 2008/98/EC (for the purposes of this chapter: WFD) requires Member States to "promote the reduction of the content of hazardous substances in materials and products, [...], and ensure that any supplier of an article as defined in point 33 of Article 3 [the REACH Regulation] provides the information pursuant to Article 33(1) of that Regulation to the European Chemicals Agency as from 5 January 2021". To that effect, the Agency established a database under Article 9(2) WFD, the so-called SCIP (substances of concern in products) database.

According to the Call for Evidence, the Commission is considering the "discontinuation" of the SCIP database, with a view to "rationalising" reporting or notification obligations. We strongly urge the Commission to retain this unique reporting scheme. As outlined below, in the absence of any functional equivalent, discontinuing SCIP would not only undermine the Union's circular economy objectives but also contradict the stated aim of simplification. The appropriate course of action, instead, is to address existing implementation weaknesses to ensure that the system fully delivers on its intended purpose.

### No rationalisation potential where functional equivalent is missing

The notification duty to the SCIP database relates to the information requirement pursuant to Article 33(1) REACH. This provision requires "any supplier of an article containing a [Substance of Very High Concern (SVHC)] in a concentration above 0,1 % weight by weight (w/w) shall provide the recipient of the article with sufficient information, available to the supplier, to allow safe use of the article including, as a minimum, the name of that substance".

Accordingly, REACH aims to ensure that all actors in the professional supply chain—i.e., all parties involved up to the point an article is delivered to the end customer—are provided with sufficient information on SVHCs.<sup>46</sup> REACH does not require suppliers to make this information publicly available.

In order to ensure the availability of the information referred to in Article 33(1) REACH for actors in the value chain that come into play after the first consumer service life of an article—such as waste sorters, re-use and refurbishment operators, and recyclers—Article 9 of the Waste Framework Directive (WFD) establishes the obligation to notify that same information to the SCIP database. Owing to the public

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<sup>&</sup>lt;sup>44</sup> E.g., Article 11 EIA Directive.

<sup>&</sup>lt;sup>45</sup> See e.g., Article 11(10) of the Critical Raw Materials Act (Regulation (EU) 2024/1252 of the European Parliament and of the Council of 11 April 2024 establishing a framework for ensuring a secure and sustainable supply of critical raw materials and amending Regulations (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1724 and (EU) 2019/1020).

<sup>&</sup>lt;sup>46</sup> In addition, Article 33(2) REACH gives consumers a right to request the SVHC information from a supplier. As the supplier is not obliged to provide a response before 45 days have passed, this information rights lacks practical relevance.

accessibility of SCIP data, the information thereby submitted may also be utilised, inter alia, by: (1) consumers to enable more informed and safer consumption choices; (2) regulators to determine priorities for risk management; (3) innovators to identify needs for the development of safer alternatives to SVHCs; (4) investors; and (5) civil society organisations to scrutinise the sustainability performance of companies and their products.

From the supplier's perspective, the information to be communicated pursuant to Article 33(1) REACH and that to be notified pursuant to Article 9 WFD are, to a large extent, identical. This may give rise to the perception that suppliers are being subjected to avoidable 'double work' - a circumstance which can however be tackled by technological means (see below). However, when assessing potential avenues for rationalisation, it is necessary to take into account not only the compliance costs incurred by industry, but also the benefits accruing to other actors and to society at large. As demonstrated, the scope and impact of Article 9 WFD extend significantly beyond those of Article 33 REACH. In other words, REACH does not provide a functional equivalent to SCIP.

It should further be observed that any future reporting obligation under the Ecodesign for Sustainable Products Regulation (ESPR) with respect to Substances of Concern cannot be regarded as a functional equivalent.

First, the ESPR is to be implemented through delegated acts, adopted incrementally on the basis of a long-term working plan (COM(2025) 187), each act covering a specific product group (such as textiles, furniture, or ICT products). Accordingly, any reporting obligation under the ESPR concerning the presence of SVHCs may be expected<sup>47</sup> to apply only within this limited product scope. By contrast, the SCIP database applies in a horizontal manner to all products qualifying as articles within the meaning of REACH—namely, in essence, all products other than those which are chemical mixtures.

Second, the 'once an article, always an article' principle applies. This means that information on SVHCs must be provided not only for the final article supplied to the customer, but also for all articles contained within it (i.e., the component articles of a complex object such as furniture). By contrast, under ESPR the point of reference for reporting obligations is "products, their relevant components or spare parts", 48 while the REACH concept of an 'article' does not apply. It remains unclear whether the notion of a 'relevant component' will ensure the same level of detail and granularity as the 'article' concept under REACH.

### Discontinuing SCIP would compromise Circular Economy policy goals

The SCIP provisions have been introduced to the WFD by Directive (EU) 2018/851, with a view to the "7th Environment Action Programme, which calls for the development of non-toxic material cycles", while underlining that it "is necessary (...) to ensure that sufficient information about the presence of hazardous substances and especially SVHCs is communicated throughout the whole life cycle of products and materials" (Recital 38). These objectives have been echoed by the Clean Industrial Deal (COM(2025) 85) and the European Chemicals Industry Action Plan (COM(2025) 530), the latter finding

<sup>&</sup>lt;sup>47</sup> See Article 7(6)(b) ESPR.

<sup>&</sup>lt;sup>48</sup> See e.g. See Article 7(6)(b) ESPR.



that "the industry needs to transition to a clean and circular economy model" (p. 1), thereby continuing the strategic course set by the European Green Deal.  $\frac{49}{2}$ 

Discontinuation of SCIP would amount to tacit acceptance of toxic risk-cycling. Such an outcome would deprive waste operators of the opportunity to identify and separate SVHCs, thereby exposing workers and the environment to risks of toxic contamination, while allowing hazardous substances to persist in materials intended for a second life. This, in turn, would undermine confidence in the quality and safety of secondary raw materials.

Furthermore, discontinuing SCIP could significantly compromise the Union's credibility in pursuing a transition to a clean and circular economy, as well as its ability to provide stable and predictable framework conditions that incentivise long-term investments. This erosion of trust would not only affect industry and investors within the Union, but also weaken the Union's standing with international partners.

### Discontinuing SCIP would contradict the simplification objective

The Call for evidence stresses that the "digitalisation of procedures, and data quality and data sharing" are "key for accelerating procedures". It is the very contribution of SCIP to digitalize the REACH information flow. In this respect, SCIP constitutes a pivotal contribution to the digitalisation of the REACH information flow. Its public accessibility ensures low-threshold access, thereby facilitating the broad dissemination and use of data.

Moreover, in June 2025 the EU institutions reached a political agreement, under the proposed Data Regulation forming part of the One Substance One Assessment (OSOA) package, to further strengthen public access to the SCIP data.

Discontinuation of SCIP would not only reverse these advances towards more effective and efficient chemicals data management—urgently needed by supply chain actors as well as businesses engaged in circular economy services—but would also be manifestly inconsistent with the political commitments made only months earlier. Such a measure would, in practice, render the agreed objectives unattainable.

### Implementation weaknesses should be addressed

To advance the circular economy while safeguarding a high level of protection of human health and the environment, the focus should be on improving SCIP reporting rather than curtailing it.

In their contributions to the Call for Evidence on potential reporting rationalisation, SCIP duty holders did not contest the underlying objective of the database. On the contrary, they stressed the pivotal importance of chemical composition data, noting that "waste operators must understand the different

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<sup>&</sup>lt;sup>49</sup> The objectives set out in Recital 38 of Directive (EU) 2018/851 have been absorbed by the Circular Economy Action Plan (COM(2020) 98: "Enhancing circularity in a toxic-free environment", set up "harmonised systems to track and manage information on substances", p. 17) and the Chemicals Strategy for Sustainability (COM(2020) 667: "Achieving... non-toxic material cycles", p. 5). These are key contributions to the European Green Deal (COM(2019) 640) overall goal of a "clean and circular economy" (p. 7) while pursuing a "zero pollution ambition for a toxic-free environment" (p. 14).



materials they are handling." Their concern lies instead in the usability of the system, pointing out that "the SCIP database is, as far as we understand, not enough and not in a useful format". 50

Improvement ideas can be derived, for example, from a 2023 report presenting concrete proposals to enhance the usability of the database considering the feedback from SCIP duty holders, waste operators, and civil society. These proposals include technical and administrative improvements, such as more effective linkage of data to actual waste streams entering treatment installations.<sup>51</sup>

Perceived 'double work' can be addressed by effective implementation of the 'once-only' principle – as set out by the Commission's Communication on implementation and simplification.<sup>52</sup> Ideally, companies should report their data on chemical uses only once and this information is than used to feed data requirements under EU legislation.<sup>53</sup>

A further major challenge to effective SCIP implementation stems from the flawed design of the underlying communication obligations in REACH. The Commission, in its 2020 review of Article 33 REACH (SWD(2020) 247), observed weak implementation of this provision. The lack of clarity surrounding Article 33(1) obligations have been identified as a principal cause of this deficiency.<sup>54</sup>

Accordingly, before contemplating the deletion of this downstream reporting obligation (SCIP), the Commission should first address the weaknesses at the source—namely, the REACH communication requirements from which SCIP data derive. Given the Commission's commitment to present a legislative proposal for the revision of REACH by the end of 2025, there exists a real and timely opportunity to remedy these shortcomings.<sup>55</sup>

### c. Net Zero Industry Act

The Call for Evidence mentions the Net Zero Industry Act (NZIA), but it is unclear whether the Commission intends to reopen this recently enacted legislation or to instead carry over 'lessons learned' from the NZIA's approach to simplification, to other laws. Reopening the NZIA to enable further simplification just as the implementation dust is starting to settle would cause confusion, to the detriment of the energy transition, environment, and EU industry. Nor is the legislation's approach to simplification well-suited to serve as a gold standard to be followed elsewhere.

The NZIA aims to boost EU clean manufacturing capacities and the competitiveness of low-carbon EU industry. It does this through introducing production targets, streamlining project permitting, allowing priority status treatment and focused attention for certain "net-zero strategic projects", establishing new public procurement and auction rules, and providing other preferential financial and regulatory treatment to eligible technologies. Supported technologies may receive the status of "net-zero strategic project" if the promoter can demonstrate that the project furthers the objectives of the NZIA (including contributing

<sup>52</sup> European Commission (2025), <u>item 13\_Simplification\_Communication\_en.pdf.</u>

<sup>&</sup>lt;sup>50</sup> See Call for Evidence concerning the initiative 'Administrative burden – rationalisation of reporting requirements', Feedback from: Inter IKEA Group.

<sup>&</sup>lt;sup>51</sup> See Research group sofia, EEB, ClientEarth (2023) SCIP report.

<sup>&</sup>lt;sup>53</sup> To make such an approach future proof, reporting needs to go beyond SVHCs as per the REACH candidate list, see <u>Future-Proof and Prospering: How ESPR and Chemicals Traceability Benefit Business and Support the Green Transition | ClientEarth.</u>

<sup>&</sup>lt;sup>54</sup> See the UBA report <u>Advancing REACH: Substances in Articles</u> (2020).

<sup>&</sup>lt;sup>55</sup> For proposals to improve Article 33, see <u>Demand #2 for REACH reform: No data, no market - from slogan to reality | ClientEarth</u> (2023).

to climate or energy targets) and fulfils one or more enumerated criteria, such as increasing manufacturing capacities, providing greater European access to net-zero technologies, or implementing improved environmental sustainability or circularity features (Art. 13). A carbon dioxide storage project can more easily be recognized as a "net-zero strategic project" if it contributes to EU injection capacity targets established under the NZIA, the storage site is located in the EU (including its EEZ and continental shelf), and it has applied for a permit under the CCS Directive (Art. 13(3)).

Several of the enumerated technologies to receive support under the NZIA are high-risk projects for which an assessment is required under Annex I of the EIA Directive, such as nuclear technologies and carbon dioxide transport and storage (Art. 4). Other supported technologies qualify as Annex II projects, including solar PV, wind, and hydro electricity production. And plans and programmes relating to enumerated technologies may likely have significant environmental effects warranting a strategic environmental assessment under the SEA Directive.

Like other recent legislation, a "net-zero strategic project" recognized as such under the NZIA receives preferential regulatory treatment which, most notably for purposes of this Call, includes the streamlining of permitting procedures and potential streamlining of environmental assessments. Under Art. 15, Member States must grant such projects "the status of the highest national significance possible" in permitting and planning procedures under national law. Such projects are also considered per se to "be in the public interest" for purposes of the NZIA. For purposes of the Water Framework Directive, Birds Directive, Habitats Directive, and Nature Restoration Regulation, they "shall be considered to be of public interest" and "may be considered to have an overriding public interest and to serve the interests of public health and safety provided that all the conditions set out in those acts are fulfilled." Dispute resolution procedures are to be "treated as urgent" under national law, and permitting processes must last no longer than 9 to 18 months, depending on technology or manufacturing capacity (Art. 16).

As an initial matter, it does not make sense to reopen the NZIA, if that is indeed the intent implied by the Call's reference to this legislation. The NZIA is barely one year old, meaning little time has passed to properly assess both the effectiveness of the legislation at meeting its objectives and its environmental and social impacts. National public authorities which have only recently become familiar with the legislation and which have now established processes and support structures to facilitate its implementation will be further burdened by the uncertainties introduced by any reopening of the file. Similarly, the complexities introduced by a reopening will only increase the likelihood for disputes and pushback at local level among impacted communities.

It also simply does not make sound economic or environmental sense to grant further preferential regulatory and financial treatment for any of the supply chains enumerated in the NZIA. With respect to the lower risk renewables technologies supported by the legislation – e.g., solar PV, wind, battery storage – much has already been done or will soon be done in other policy files to boost their deployment through, for example, the recent revisions to the Renewable Energy Directive and initiatives under the EU Grids Action Plan. Although the NZIA has a separate aim to boost deployment of manufacturing across these renewables supply chains, again, there is not a sufficient track record of NZIA implementation yet to establish whether the legislation is already sufficient to meet these objectives, relative to any increased risk of environmental harm. With respect to higher risk enumerated technologies like nuclear and carbon capture and sequestration, reopening the NZIA to further streamline permitting processes only heightens the risk of environmental and human harm. Indeed, it is difficult to see how the provisions in the NZIA concerning environmental review can be further streamlined with respect to these technologies, without running afoul of the objectives designed to be achieved by the, inter alia, EIA Directive and SEA Directive (see discussion above).

Further, we caution against using the streamlining approach in the NZIA as a blueprint that can be readily applied elsewhere. The range of industrial activities which can support the clean energy transition vary significantly in terms of environmental risk, cost, and commercial feasibility. Therefore, a one-size-fits-all approach is never warranted. Nonetheless, the NZIA largely follows this model. The enumerated technologies supported by the NZIA have vastly different environmental risks (as demonstrated by the different treatments warranted under the EIA and SEA Directives), are at vastly different stages of commercial viability, and have vastly different cost profiles. However, while wind, solar PV, and battery storage are readily available, easily deployed, and have a clear decarbonisation impact, the NZIA grants similar preferential regulatory treatment to these technologies as it does higher risk, costlier, and more environmentally damaging technologies like nuclear and CCS, which also carry a higher risk of nondeployment. This simplistic, sledgehammer approach to simplification treats unproven technologies as catch-all solutions to be generally deployed, rather than ensuring such approaches are only deployed on an as-needed and targeted basis (e.g., where there is no alternative means for decarbonisation and/or addressing security of supply concerns). This also risks diverting policy attention and public finances away from better solutions.

In short, the NZIA's key shortcoming is the false equivalency it establishes between lower risk and higher risk decarbonisation approaches, treating both as worthy of general regulatory support in the form of streamlined permitting and environmental review. This ignores the risk-based approach for environmental assessments generally recognized in EU environmental law, and therefore the NZIA approach should not be seen as a gold standard to apply elsewhere. Instead, a more nuanced and precise approach is warranted which accounts for the unique characteristics (e.g., risk profile, cost, commercial and technological feasibility) of each technology and industrial sector to benefit from the EU's simplification push, and which accounts for each technology's and sector's unique contribution (or lack thereof) to meeting the EU's climate and energy targets and other environmental objectives.

#### d. Industrial Emissions Directive

The Industrial Emissions Directive (IED) regulates permitting and emissions reductions from the EU's most polluting industries. As the Commission already noted at the outset of the IED revision process, the around 52,000 installations falling under the scope of the IED account for approximately 20% of the EU's overall pollutant emissions into air, 20% emissions into water and 40% of greenhouse gas emissions. Given their significant environmental impact, it is undeniable that the transformation of IED installations will be a key requirement to achieve the EU's environmental objectives.

The IED's particular contribution to the EU Green Deal is its focus on "giving priority to intervention at source" – it looks at installation-level emissions and environmental performance, and what changes can and should be made.<sup>57</sup> Its objective is to "prevent or, where that is not practicable, to continuously reduce emissions into air, water, and land, to prevent the generation of waste, improve resource efficiency, and to promote the circular economy and decarbonisation, in order to achieve a high level of protection of human health and the environment taken as a whole".<sup>58</sup> This objective can only be achieved 1. if sufficient and adequate information is collected and reported on the status quo of

<sup>&</sup>lt;sup>56</sup> European Commission, <u>Explanatory Memorandum for Proposal for a Directive of the European Parliament and of the Council amending Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) and Council Directive 1999/31/EC of 26 April 1999 on the landfill of waste.</u>

<sup>57</sup> IED, recital (2)

<sup>58</sup> IED, Art. 1

emissions and environmental performance at installation level, and 2. clear and ambitious parameters are set and followed for an installation-specific transformation.

The outcome of the revision, the so-called IED 2.0, already represents a careful compromise between environmental ambition and concerns of both national authorities and industry, including on administrative burden. Any further lowering of ambition of the IED will endanger the EU's zero pollution ambition by 2050<sup>59</sup>, as well as other related environmental and climate objectives.

The IED revision brought about the following changes which may be associated with some administrative efforts on part of the industrial operators:

- Environmental Management System,
- Chemicals inventory,
- Transformation plans.

Below it will be set out why these changes are essential, how administrative efforts have already been minimised, and how the environmental and health benefits clearly outweigh and justify any remaining/potential administrative efforts.

### **Environmental Management System**

Under the revised IED, operators will be required to prepare and implement an environmental management system (EMS) for each IED installation by 1 July 2027. Requirements as to the content of the EMS are quite limited and include environmental policy objectives and measures taken to achieve these, performance indicators, a chemicals inventory and transformation plan (see below). <sup>60</sup> This is in line with the IED's objective to achieve a high level of environmental protection and also the general principles governing the basic obligations of the operator already included in the 2010 IED, e.g. that installations are operated in such a way that all appropriate preventive measures are taken, best available techniques are applied and no significant pollution is caused. <sup>61</sup>

An EMS is essential to ensure a true integrated approach to emissions control and environmental performance, as aimed for by the IED. It allows to take stock of the environmental status quo at installation level and put IED mechanisms like emission limit values and environmental performance limit values in perspective.

Industrial operators are already granted extensive flexibility in setting up their EMS: The only qualitative requirement is a "continuous improvement of the environmental performance and safety of the installation". <sup>62</sup> The level of detail can also be adjusted to the nature, scale and complexity of the installation, as well as the range of its potential environmental impacts. <sup>63</sup> In addition, nothing stands in the way of industrial operators choosing to employ internationally accepted standards such as EMAS or ISO 14001, as long as they meet the minimum requirements set out in the IED.

### Chemicals inventory

As part of the EMS, operators will need to set up a chemicals inventory of hazardous substances present in or emitted from the installation as well as a risk assessment of their health and environment

<sup>61</sup> IED, Art. 11 (a), (b) and (c)

<sup>&</sup>lt;sup>59</sup> Zero Pollution Action Plan - European Commission

<sup>60</sup> IED, Art. 14a (2)

<sup>&</sup>lt;sup>62</sup> IED, Art. 14a (2)(a)

<sup>63</sup> IED, Art. 14a(3)

impacts, and substitution or reduction possibilities.<sup>64</sup> "Special regard" shall be given to substances fulfilling the criteria for substances of very high concern under Article 57 REACH, as well as chemicals subject to restrictions under REACH.

The introduction of the chemicals inventory is a result of the finding in the IED evaluation that there is a need to strengthen the links between the IED and REACH "to better address the risks of the use of chemicals in [IED] installations". 65 There is no risk of an overlap or inconsistencies between the IED and REACH because the focus of the IED is on the installation level, whereas REACH focuses on the individual chemicals and their use. Under REACH, companies must register chemical substances that exceed 1 tonne per year with the European Chemicals Agency (ECHA) and they are responsible for making sure these chemicals are safe. The ultimate objective of REACH is to ensure the safe substitution of harmful chemicals, after they have been identified, studied and, if considered harmful, regulated. Under one of the REACH risk management regimes, companies must obtain authorisation for substances of very high concern (SVCHs) placed on Annex XIV of REACH to ensure a progressive replacement by less dangerous substances. EU wide restrictions of chemicals, whether or not SVHCs - pursuant to Article 68 of REACH - also involve obligations for companies, including the substitution of restricted chemicals, but also reporting requirements, or risk management measures during industrial use. The scope of the IED on the other hand is limited to installations carrying out a specified activity at industrial level. But these installations may handle some of the chemicals restricted or authorised under REACH. For 66.000 The IED therefore follows a different approach: while the scope is narrower in terms of the installations affected, it is wider in terms of the level of detail required in reporting in the chemicals inventory. The focus of the IED chemicals inventory is on the installation-level – the chemicals inventory serves to provide an accurate and holistic picture of the chemicals present in or emitted from one specific installation. It therefore importantly contributes to the substitution objective of REACH, but also enables regulators to have transparency on how large industries use and manage chemicals of concern, whether or not restricted - which can significantly support the enforcement of both regulations but also provides incentives for potential future regulation.

It becomes apparent from the wording of the revised IED overall that the REACH-IED relationship has already been carefully considered. The provision on the chemicals inventory makes a cross-reference to the classification of chemicals under REACH which clearly indicates that REACH and IED must work together. ECHA has also been given a formal role in the preparation of Best Available Techniques (BAT) reference documents under the revised IED in order to develop synergies.<sup>67</sup>

Lastly, chemicals inventories are already to some extent part of the IED regime. For example, the Textiles Best Available Techniques Reference Document (BREF) (2023) already identifies a chemicals management system as part of EMS and a chemicals inventory as a best available technique.<sup>68</sup> It also foresees the regular analysis of the substitution potential of certain chemicals with the aim to identify potentially new available and safer alternatives to its use. Including a provision on chemicals inventories directly in the text of the IED itself thus serves to provide a unified approach for all IED installations.

<sup>&</sup>lt;sup>64</sup> IED, Art. 14a(2)(d)

<sup>65</sup> IED, Recital (20)

<sup>&</sup>lt;sup>66</sup> Commission Staff Working Document, Evaluation of the Industrial Emissions Directive (IED) DIRECTIVE 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control), SWD/2020/0181 final, Figure 3-1

 <sup>&</sup>lt;sup>67</sup> IED, Recital (20), Art. 13(1)
 <sup>68</sup> Best Available Techniques (BAT) Reference Document for the Textiles Industry, BAT 14 and 15.

### Transformation plans

Energy-intensive IED installations are required to provide transformation plans as part of their EMS by 30 June 2030. Transformation plans have to "contain information on how the operator will transform the installation during the 2030-2050 period to contribute to the emergence of a sustainable, clean, circular, resource-efficient and climate-neutral economy by 2050". 69

Transformation plans are essential to fulfil the IED's object and purpose to "continuously reduce emissions [...], to prevent the generation of waste, improve resource efficiency, and to promote the circular economy and decarbonisation". Given that IED installations account for 40% of the EU's greenhouse gas emissions (based on the scope of the 2010 IED, which has been expanded in the revision process), the EU can only achieve its climate and environment objectives if these installations plan and implement their transformation in a forward-looking, environmentally and human health-conscious manner. Planning ahead in this way is also beneficial to the industrial operators themselves and allows them to ensure their business models are future-proof.

The ambition of the transformation plans has already been limited in the course of the IED revision process: Transformation plans are only required for energy-intensive IED installations<sup>72</sup> (such as energy, metal production and processing and mineral industry) and they are explicitly "indicative" only.<sup>73</sup> Interests of industrial operators have already been taken into account in this way. Reducing transformation plans in any additional ways would not be in line with the objective of the IED.

In addition, there is no risk of an overlap or inconsistencies with other EU legislation. In fact the revised IED already recognises parallels and states explicitly that IED transformation plans will "complement the Corporate Sustainability Reporting requirements under [Accounting Directive] Directive 2013/34/EU of the European Parliament and of the Council [...] (20) by providing a means for implementation of those requirements at installation level." There is also no overlap with the Corporate Sustainability Reporting Directive (CSRD): Transition plans under the CSRD set out a company-wide strategy, while the IED looks at the installation level. The IED also allows operators to "produce a single transformation plan covering all installations under their control in a Member State" – as long as the installation-specific transformation becomes apparent in line with the IED's requirements.

<sup>69</sup> IED, Art. 27d(1)

<sup>70</sup> IED, Art. 1 [emphasis added]

<sup>&</sup>lt;sup>71</sup> European Commission, *Factsheet: Industrial Emissions – Modernising EU Rules for the Green Transition* (5 April 2022

<sup>&</sup>lt;sup>72</sup> IED, Art. 27d(1) includes activities listed in points 1, 2, 3, 4, 6.1 a and 6.1 b of Annex I which are:

<sup>-</sup> Energy industries,

<sup>-</sup> Production and processing of metals,

<sup>-</sup> Mineral industry,

<sup>-</sup> Chemical industry,

<sup>-</sup> Production of pulp from timber or other fibrous materials or from paper or card board with a production capacity exceeding 20 tonnes per day

<sup>&</sup>lt;sup>73</sup> IED, Art. 27d(1)

<sup>&</sup>lt;sup>74</sup> IED, Recital (41)

<sup>&</sup>lt;sup>75</sup> IED, Art. 27d(3) and Recital (41)



### e. EU Deforestation Regulation

### The EUDR should not be proposed for simplification

The EU Deforestation Regulation (**EUDR**) should not be included in any environmental omnibus proposal. It is a targeted, fit-for-purpose piece of new legislation, adopted by the co-legislators in March 2023, that will imminently apply – from 30 December 2025 – to EU businesses trading in regulated products. Countless businesses in the EU and their suppliers in third countries, as well as EU Member States and third country governments, have been investing in preparing to ensure compliance with the EUDR on time for the past two years.<sup>76</sup>

Its provisions are clear, targeted and proportionate to achieving its objectives.

Proposing to delay its application – again – and 'simplify' its requirements at this late stage would undermine the investments to achieve compliance made by many stakeholders, would create needless legal and economic uncertainty, and would send a terrible signal to the international community that the EU is not committed to the global goal of halting and reversing deforestation.

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<sup>&</sup>lt;sup>76</sup> Recent examples include: this <u>statement</u> by Stephen Hogan, vice president for public affairs in Europe at Mars; this statement by Tony's Chocolonely; this statement by Carine Kraus, executive director of engagement at Carrefour; this statement by the Forest Stewardship Council; the risk-based due diligence guide for Colombian coffee cooperatives designed to support compliance with the EUDR; the launch of Costa Rica's National Forest Traceability System, designed to guarantee the legality and sustainability of timber as part of a national strategy to strengthen forest sector governance and satisfy EUDR requirements; the establishment of the Honduran National Institute of Forest Conservation and Development and progress made in the coffee, palm oil and cocoa sectors to satisfy EUDR requirements; Chile's new national timber certification standard that incorporates standards designed to satisfy EUDR requirement; the German Initiative Online Print eV's EUDR-X open data standard for automated sharing of supply chain information in the print sector in accordance with the EUDR requirements; establishment of <u>Uruguay's Environmental Value-Added System for Agricultural</u> Production for the timber, soy and cattle sectors to centralise information to satisfy EUDR requirements; this statement by Cameroon's Minister of Commerce that the country's cocoa and coffee sectors are ready for the EUDR; this urgent directive from Kenyan Ministry of Agriculture to national agencies to ensure coffee producers can satisfy EUDR requirements; efforts by Indonesian palm oil producers to enable smallholders in Borneo to satisfy EUDR requirements; the Peruvian Caniari Amazonian Ecological Agricultural Cooperative already shipping EUDR-compliant cocoa to the EU; establishment of the Brazilian WoodFlow system to support timber producers to satisfy EUDR requirements; Spanish packaging and print company Lecta establishing EUDRcompliant due diligence systems; the Spanish Wood and Furniture Business Union's Guide for the Implementation of the EUDR; the Royal Association of Dutch Wood Enterprises' Timber Checker for timber producers to satisfy EUDR requirements; Vietnam's Donaruco's development of a raw material traceability system to support rubber producers to satisfy EUDR requirements; establishment of the Argentinian VISEC CARNE business platform to support cattle producers to satisfy EUDR requirements; India's public traceability and certification systems for its soy producers to satisfy EUDR requirements; Australian Meat Industry Council's purpose-built geolocation system to support cattle producers to satisfy EUDR requirements; Brazil's National Coffee Council statement on the readiness of Brazilian coffee producers to satisfy EUDR requirements; Peru's Ministry of Agrarian Development and Irrigation program to map coffee and cocoa plots in 13 priority regions to facilitate cocoa and coffee producers to satisfy EUDR requirements; Costa Rica's Sustainable Agrolandscapes <u>Initiative</u> that facilitates cross-sectoral compliance with EUDR requirements; the statement by <u>Vietnam's Director</u> of the Department of Forestry and Forest Protection that the Vietnamese wood industry fully complies with and actively responds to the EUDR; establishment of Indonesia's Ground. Thruthed. id platform to support palm oil and timber producers to satisfy EUDR requirements.



## Implementing the EUDR is essential to mitigating worsening climate change and biodiversity loss

Science tells us that we cannot avoid dangerous climate change or biodiversity collapse without protecting and restoring the world's forests. Forests are essential to balancing the global climate and biodiversity equation, and are therefore also essential to food security and a stable physical, social and economic environment in the EU. 8

In response to record-high levels of global deforestation throughout the 2000s and 2010s, the Commission adopted the communication on *Stepping up EU action to protect and restore the world's forests* on 23 July 2019 which set out the Commission's plan to minimise the EU's contribution to global deforestation.<sup>79</sup> The EUDR is the only regulatory measure and only demand-side measure proposed to curtail the EU's contribution to global deforestation. It was developed in direct response to the reality that over 90% of global deforestation is caused by the expansion of production of a few agricultural commodities,<sup>80</sup> and that the EU is one of the biggest global consumers of those products – being second only to China in its imported deforestation footprint.<sup>81</sup>

In recognition of the outsized impact that EU consumption of forest-risk commodities has on the world's remaining forests, the EUDR specifically targets EU consumption of products made from those commodities and requires companies trading in those products to ensure they are deforestation-free. Those due diligence requirements build on the EUTR model of supply chain due diligence – informed by over a decade of EUTR implementation and enforcement – to create a proportionate, risk-based approach to decoupling EU consumption from forest loss, biodiversity loss, and climate change.

As a key regulatory measure to minimise the EU's contribution to global climate change and biodiversity loss, the successful implementation of the EUDR is critical to the future of farming and forestry in the EU, as the viability of both industries being is intrinsically dependent on biodiversity conservation and climate stability. Opponents of the EUDR often fail to grasp its importance to the long-term sustainability of the sectors it affects.

### Proportionate legal obligations, including simplifications for traders and SMEs

The EUDR creates a flexible and risk-based approach for regulated companies to achieve compliance. This is achieved primarily through the EUDR's due diligence approach to ensuring compliance – due diligence being an inherently risk-based exercise. However the EUDR also includes simplifications for downstream market actors – traders – and SMEs. The resulting framework concentrates compliance efforts where they matter most – with companies introducing regulated products to the EU market – and at a level proportionate to risks of non-compliance – through the due diligence mechanism. It also

<sup>&</sup>lt;sup>77</sup> See for example: Forests can help us limit climate change – here is how | UNDP Climate Promise.

<sup>&</sup>lt;sup>78</sup> See for example: <u>IUFRO - Intact Forests Are Essential for Food Security, Highlights Forest Science; Why protecting forests is essential for food, climate and wellbeing | SEI; Home | Forests for food security, nutrition and human health | Food and Agriculture Organization of the United Nations.</u>

<sup>&</sup>lt;sup>79</sup> European Commission, <u>Communication on stepping up EU action to protect and restore the world's forests</u> (2019).

<sup>&</sup>lt;sup>80</sup> Food and Agriculture Organisation of the United Nations (FAO), <u>COP26: Agricultural expansion drives almost 90 percent of global deforestation</u> (Newsletter entry, 6 November 2021).

<sup>&</sup>lt;sup>81</sup> European Commission, <u>Stepping Up: The Continuing Impact of EU Consumption on Nature Worldwide | Knowledge for policy</u> (15 April 2021).



includes simplified obligations for downstream market actors and SMEs and additional simplifications for companies sourcing from 'low risk' countries – which include all 27 EU Member States (see below).

#### For instance:

- Obligations focus on 'first placers': the primary obligations apply to market operators first
  placing regulated products on the EU market or exporting them from the EU. They are required
  to conduct due diligence on their supply chains to confirm their products meet the EUDR's
  requirements (Article 4(1)). Subsequent actors trading those products once they are already
  available on the EU market do need to repeat this due diligence exercise and have minimal
  obligations (described below)
- Simplifications for downstream actors and SMEs: downstream actors trading regulated products do not need to repeat the due diligence process and have minimal obligations relative to their size:
  - o If they are a large enterprise, they simply need to verify that due diligence was completed by receiving the due diligence statement reference number/s and including those numbers in their own due diligence statement (Article 4(9)). FAQ 3.4 from the Commission's FAQs document<sup>82</sup> states that due diligence statement reference numbers can be verified automatically when entered in the EUDR Information System. This approach minimises any administrative burden while providing the Commission and Member States with important information on the trade of relevant products within the EU market information that is essential to monitoring compliance and enforcing the rules.
  - o If they are an SMEs, they need only collect the relevant due diligence statement reference number/s and convey them to their own customers (Article 4(8)). This requirement arguably creates **negligible administrative burden**.
- Flexibility in designing and implementing a due diligence system: the provisions setting out the due diligence procedure specify what operators need to do obtain minimum information, consider specific risk criteria, the level of risk that qualifies products as compliant, and when to undertake risk mitigation measures without specifying how operators must do those things. This flexibility allows operators to design due diligence systems and procedures that make sense within the context of their business operations and relationships.
- Due diligence is directly proportionate to non-compliance risk: in terms of effort required, due diligence is an inherently risk-based activity – more information should be gathered and assessed where risk indicators are present. Due diligence is therefore an inherently proportionate mechanism for achieving the EUDR's objectives.
- **No duplication of due diligence**: the EUDR already includes an exception where new regulated products are made from products that have already been subject to due diligence (Article 4(8) and (9). Due diligence is not required to be repeated on product components that have already been subject to due diligence.

<sup>82</sup> European Commission, <u>Frequently Asked Questions Implementation of the EU Deforestation Regulation</u> (Version 4 – April 2025).



- Reduced obligations for SME operators: the EUDR includes additional concessions for SMEs:
  - they are not required to have their due diligence systems independently audited (Article 11(2)); and
  - they are not required to publish annual reports on the functioning of their due diligence system (Article 12(3)).

Simplifying the requirements under the EUDR does not therefore make sense – they are already targeted and proportionate with significant simplifications for downstream actors and SMEs.

### EU producers will benefit from simplified due diligence and fewer checks

All 27 EU Member States have been ranked by the Commission as 'low risk' pursuant to the EUDR's country benchmarking system (Article 29). That assessment was formally adopted by Commission Implementing Regulation (EU) 2025/1093, adopted on 22 May 2025.

This means that all EU businesses sourcing regulated products that originate from within the EU can take advantage of a 'simplified due diligence' procedure (EUDR Article 13). This means that, after verifying the origin of their products, those EU businesses do not need to complete the risk assessment and risk mitigation steps of the EUDR's due diligence procedure. This implies a significant reduction in administrative burden.

Likewise, EU businesses trading in regulated products originating in the EU – or originating from any country benchmarked as 'low risk' – will also be subject to fewer compliance checks by competent authorities – 1% of all operators and traders in a given Member State as opposed to 3% of operators and traders sourcing products from countries assessed as 'standard risk' or 9% of operators and traders sourcing products from countries assessed as 'high risk' (EUDR Article 16).

This risk-based approach to compliance is specifically designed to focus effort where risks of non-compliance are highest. In other words, that effort is proportionate to risk.

Given the assessment of the whole EU block as 'low risk', this approach also provides EU producers of EUDR products – such as EU forest owners and timber producers – with a significant competitive advantage as their products will be subject to the 'simplified due diligence' procedure and they will be subject to fewer compliance checks by EUDR competent authorities. They will also benefit from a significant market advantage compared to competitors outside the EU located in countries not ranked as 'low risk'.

## The EU timber industry has had over a decade of experience with supply chain due diligence

The EUDR is the legislative successor of the EU Timber Regulation (EUTR), which has now been on the EU's statute books for 15 years. The regulatory framework established by the EUDR builds on the supply chain due diligence framework of the EUTR, informed by the combined experience of industry



and Member States in implementing the EUTR and the Commission's own EUTR Fitness Check conducted in 2021.83

The EU forestry and timber industries arguably have a competitive advantage with the evolution of the EUTR to EUDR, as actors in those sectors should already have supply chain due diligence systems in place to detect, assess and avoid risks of non-compliance.

### The transition period has already been extended from 18 to 30 months

The EUDR was adopted in March 2023 following completion of the normal legislative process. It entered into force on 29 June 2023. It was originally scheduled to start applying to the private sector 18 months later, on 30 December 2024. However, in response to concerns from industry and third countries about the level of readiness, that was extended by 12 months to 30 December 2025.

### Everything needed to implement the EUDR is already in place

In the period since the EUDR was adopted, the Commission published an official guidance for operators to understand and implement the EUDR,<sup>84</sup> as well as several editions of Frequently Asked Questions that provide detailed technical and practical guidance for compliance in response to questions received from industry participants.<sup>85</sup> The FAQ document now includes over 150 questions and answers.

The Commission has also sought to improve the clarity of the Annex to the EUDR, which lists products to which the law applies by Harmonised System Codes (i.e. customs codes), through a draft delegated act and associated public consultation<sup>86</sup> and has adopted an implementing act to establish the first country benchmarking list, designating countries as low, standard or high risk for the purposes of informing operator due diligence and Member State monitoring obligations.<sup>87</sup>

With the adoption of the country benchmarking implementing act in June 2025, all the regulatory instruments necessary for the full and proper implementation of the EUDR fell into place.

In addition, 140 countries were assessed as 'low risk', meaning that operators sourcing relevant products made from relevant commodities originating in those countries could take advantage of a simplified due diligence procedure (Article 13). The list includes all 27 EU Member States and major trading partners like the US, Canada, China, the United Kingdom and India.

83 Commission Staff Working Document, Fitness Check on Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market (the EU Timber Regulation) and on Regulation (EC) No 2173/2005 of 20 December 2005 on the establishment of a FLEGT licensing scheme for imports of timber into the European Community (FLEGT Regulation), accompanying the document Proposal for a Regulation Of The European Parliament and of the Council on the making available on the Union market as well as export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010.

<sup>&</sup>lt;sup>84</sup> European Commission, Annex to the Communication to the Commission: <u>Approval of the updated content of a draft Commission Notice on the Guidance Document for Regulation (EU) 2023/1115 on Deforestation-Free Products (C/2024/6789) (Brussels, 15 April 2025).</u>

<sup>&</sup>lt;sup>85</sup> European Commission, *Frequently Asked Questions Implementation of the EU Deforestation Regulation*, (Version 4 – April 2025).

<sup>&</sup>lt;sup>86</sup> European Commission, <u>Call for Feedback: EU rules to minimise deforestation & forest degradation –</u> amendment of Annex I to the Deforestation Regulation.

<sup>&</sup>lt;sup>87</sup> Commission Implementing Regulation laying down rules for the application of the Deforestation Regulation.



The Commission has also provided numerous trainings for operators and traders on the central Information System, through which operators and traders register shipments of relevant products entering or leaving the EU market and confirm their compliance with the EUDR's requirements. The development of that Information System was informed, in part, by feedback from market participants during pre-launch tests and trials.

The Commission has also published a number of fact sheets for smallholders and SMEs, a 'myth buster' to counter disinformation about the EUDR, and an explanatory video.<sup>88</sup>

In short, the Commission has gone above and beyond to provide market participants with everything they need to implement the EUDR with clarity and certainty – on their legal obligations, how they apply in real world situations, how the Information System works, and the country benchmarking ranking.

### f. Nature Restoration Regulation

While the Nature Restoration Regulation (NRR)<sup>89</sup> is not explicitly mentioned in the present Call for Evidence, this file has been heavily politicised, targeted by dominant political parties, and subjected to numerous obstacles. In the current context of regulatory simplification and political pressure to dilute environmental standards, the NRR appears particularly vulnerable and must be safeguarded as a cornerstone of the EU environmental acquis.

The NRR, the key legally binding deliverable of the 2030 EU Biodiversity Strategy<sup>90</sup> and the biodiversity "pillar" of the EU Green Deal, constitutes a trailblazing innovation of the EU at the global level and a tool in delivering the *Kunming Montreal's Global Biodiversity Framework*. As a reminder to the European Commission, the NRR was adopted as the EU's policy response to the unprecedented biodiversity decline that is threatening the Union's prosperity and the health of its citizens, with over 1 million species at risk of extinction globally and ecosystem services at risk of collapsing. It seeks to address the grave condition in which the Union's protected habitats and species are in, in a timely manner, before further irreversible damage occurs.

The NRR's multi-pronged objective revolves around the "sustained recovery of biodiverse and resilient ecosystems" of the Union and its Member States, among others in order to address "the Union's overarching objectives concerning climate change mitigation, climate change adaptation and land degradation neutrality" and to enhance "food security". 95 It seeks to achieve these objectives by obliging

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<sup>88</sup> Regulation on Deforestation-free products - European Commission.

<sup>&</sup>lt;sup>89</sup> Regulation (EU) 2024/1991 of the European Parliament and of the Council of 24 June 2024 on nature restoration and amending Regulation (EU) 2022/869.

<sup>&</sup>lt;sup>90</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, *EU Biodiversity Strategy for 2030: Bringing nature back into our lives (*Brussels, 20 May 2020).

<sup>&</sup>lt;sup>91</sup> Secretariat of the Convention on Biological Diversity, *Kunming-Montreal Global Biodiversity Framework* (Montreal, 2022).

<sup>&</sup>lt;sup>92</sup> As confirmed in numerous scientific reports, cf for instance European Commission – Joint Research Centre (JRC), *The EU economy's dependency on nature*, JRC – Knowledge Centre for Biodiversity (2025).

<sup>&</sup>lt;sup>93</sup> IPBES, Global assessment report on biodiversity and ecosystem services of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services, E. S. Brondizio, J. Settele, S. Díaz, and H. T. Ngo (editors). IPBES Secretariat, Bonn, Germany (2019).

<sup>&</sup>lt;sup>94</sup> European Environment Agency, *State of nature in the EU: Results from reporting under the nature directives 2013-2018*, EEA Report 10/2020.

<sup>95</sup> NRR Article 1(1).

Member States to put in place "effective and area-based restoration measures", <sup>96</sup> guided by quantified and time-bound targets. <sup>97</sup> Particularly for the period up to 2030 and for terrestrial and freshwater ecosystems in particular, Member States' efforts are expected to be focused predominantly inside the Natura 2000 network, thus implementing pre-existing obligations deriving from the Habitats Directive, albeit in a more coordinated and holistic manner.

The law is defined by its "framework-style" approach, whereby the Regulation itself <u>only</u> sets targets, while leaving full discretion upon Member States on the type, location and modalities of measures that Member States may wish to deploy in order to meet the targets in a timely and science-based manner. In that context, Member States are mandated with drafting and implementing National Restoration Plans, <sup>98</sup> following a standardised template (Uniform Format), which was recently adopted by the Commission, <sup>99</sup> after extensive consultation with Member States (functioning as members of the Nature Restoration Committee). <sup>100</sup>

Both the NRR text, as well as the Uniform Format fully reflect Member States' calls for flexibility and uphold the principle of subsidiarity, allowing Member States to devise their NRPs in line with their national circumstances and only after having effectively consulted with the general public and stakeholders, whose interests or rights may be affected in the short-term by the implementation of the plans. With regards to stakeholders, in particular, there seems to be a lack of understanding of how the law may affect them, which is why two clarifications are due:

- The NRR does not impose any obligations to farmers, landowners and land users, nor does it prescribe land use restrictions for specific farmlands. Despite the repeated disinformation on the NRR "taking land out of production", it rather only requires adoption of practices compatible with meeting the targets it sets at national (not farmland plot) level, leaving it up to Member States to deploy relevant measures, where they see fit. A prominent example of this can be found in Article 11(2), where Member States' obligation is merely to achieve "increasing trends" at the national level. Not only is this Article an exemplary operationalisation of TEU Article 3(3), but it even allows Member States to choose which indicators they want to track and seek to improve on, in line with their economic realities and relevant measures found in their multi-annual Strategic Plans adopted in line with the Common Agricultural Policy, as well as other rural development strategies and priorities in place. Food security is, after all, one of the central objectives that the NRR seeks to achieve (NRR Article 1(1)(c)) and implementation of restoration measures should align with it, ideally through multi-use of productive land.
- In case individual restoration measures that Member States choose to deploy lead to land use restrictions, or otherwise adversely affect certain economic activities or the full enjoyment of right of property of landowners, Member States are under an obligation to provide full compensation to the affected rightsholders, in line with their national expropriation legislation. To that end, the NRR ensures an explicit reference to the financial and non-financial support that Member States need to provide to affected rightsholders in their NRPs (NRR Article

<sup>96</sup> NRR Article 1(2).

<sup>&</sup>lt;sup>97</sup> NRR Articles 4 – 13.

<sup>&</sup>lt;sup>98</sup> NRR Articles 14 – 15.

<sup>&</sup>lt;sup>99</sup> In line with NRR Article 15(7); Commission Implementing Regulation (EU) 2025/912 of 19 May 2025 laying down rules for the application of Regulation (EU) 2024/1991 of the European Parliament and of the Council as regards a uniform format for the national restoration plan.

<sup>&</sup>lt;sup>100</sup> Established under NRR Article 24(1).



15(3)(u)). On top of that and with a view to maximising financial benefits to land managers and owners, farmers, foresters and fishers, it incentivises Member States to deploy support schemes, empowering them to take a central role in the implementation of the law.

With regards to planning, the NRR promotes administrative efficiency and cross-ministerial coordination (both drivers of good implementation in line with the EU's Environmental Implementation Review mentioned in Chapter B), through the reliance on existing spatial planning instruments from various sectors and the coordination of relevant competent authorities (NRR Article 14(9), (13) and (14)). A similar approach, also usable in the context of Member States' monitoring (cf NRR Article 20(6) and (7)), has been deployed in the NRPs' Uniform Format, where some entries are pre-filled from already existing information, obtained in the context of compliance with the monitoring and reporting obligations of other laws, in order to avoid duplication of work and increase in administrative burden.

To conclude, the NRR represents a flexible tool that can enable Member States to synergistically comply with a series of their Treaty-derived obligations, namely not only improving the quality of the Union's environment, but also its climate-related obligations (through nature-based solutions in climate change adaptation, mitigation, disaster risk reduction and resilience), while promoting the sustainable development and long-term prosperity of the Union. Any initiatives towards its weakening or dismantling are gravely misguided and run counter to the Union's Treaty obligations and its self-imposed policy priorities.