

NL Non-Paper on the Environment Omnibus

The Netherlands places great importance on making EU laws more effective and creating a regulatory environment where businesses can flourish, while preserving the objectives of EU legislation. Through different omnibuses, the Commission intends to identify legislative areas with significant potential for simplifying administrative tasks. As was mentioned in the EU Competitiveness Compass, reducing regulatory burdens is an important element for our competitiveness, economic strength and prosperity. Therefore, the Netherlands supports the screening of environmental laws to identify areas with significant potential for simplifying administrative tasks.

The European Green Deal and Zero Pollution Action Plan establish our framework for environmental objectives.¹ The Netherlands remains committed to these objectives since these reflect our environmental responsibilities and our economic competitiveness in a rapidly changing global landscape, enhancing our leading position on these domains. In view of the above, the Netherlands has identified some key elements for the future Environment Omnibus.

Economic Considerations for Future-Oriented Business Investment

From an economic perspective, the green agenda drives industries to build clean and sustainable business models that are both resilient during economic hardship and ensure profitability for the future. Industries require stable long-term policymaking and clear goals to make sound investments and shift their business models towards these transitions.

- *Investment Certainty*: Businesses invest for the long term and need stable conditions to reach established targets.
- *Regulatory Predictability*: Delays in environmental action and investment can result in governments and businesses being saddled with stranded assets and uncompetitive, outmoded forms of production when change inevitably comes.² Early and consistent action provides competitive advantages and reduces transition costs.
- *Innovation Drivers*: Environmental regulations can serve as innovation catalysts, driving technological advancement and creating new market opportunities. Companies that adapt early to environmental standards can become market leaders in emerging green technologies.
- *Economic Benefits for green production*: Environmental standards and measures create fair competition and economic opportunities across sectors. For example, recyclers are currently unable to compete with virgin plastic producers who do not internalise their environmental costs.³ Circular economy measures level the playing field by ensuring that environmental impacts are properly reflected in market prices, simultaneously benefiting the environment, supporting innovative recycling businesses, and strengthening economic competitiveness.⁴ Consequently, a level playing field both in the EU and worldwide – while respecting the EU's obligations – creates a stronger green competitive industry.
- *Reporting requirements*: Policy goals should be attained more effectively without causing avoidable costs to businesses, public administrations and the public. This will ensure that environmental policies are faster, easier and cost-effective to implement, resulting in environmental objectives to be achieved. Reporting and monitoring requirements should be scrutinised whether all of them fit the intended purpose, ensuring the right balance between administrative burdens for businesses and policy-effectiveness. Moreover, the fragmented regulatory landscape, with the accumulation of rules and procedures, should be harmonised to ensure coherence and effective implementation.

Societal Costs of an Unhealthy Living Environment

From a societal perspective, environmental standards are essential to protect citizens and their surroundings. These standards are supported by robust scientific research and rooted in multilateral agreements. The consequences of environmental degradation on human health are substantial and well-documented:

- *Health Impact*: In 2022, air pollution contributed to approximately 269,000 premature deaths in the EU-27 from exposure to fine particulate matter (PM2.5), 48,000 deaths from

¹ European Commission. (2021). *Zero Pollution Action Plan*. https://environment.ec.europa.eu/strategy/zero-pollution-action-plan_en

² Sustainability Science. (2021). *The costs and benefits of environmental sustainability*.

³ Renewi. (2024). Without recycling companies, there is no (circular) economy. Available at: <https://www.renewi.com/en/about-us/news-and-media/news/without-recycling-companies-there-is-no-circular-economy>

⁴ European Commission. (2020). *Circular Economy Action Plan*. https://environment.ec.europa.eu/strategy/circular-economy-action-plan_en

nitrogen dioxide (NO₂), and 24,000 deaths from ozone (O₃) exposure.⁵ These figures represent not only human tragedy but also significant economic costs to our healthcare systems and productivity losses.

- **Economic Burden:** External costs caused by air pollution, while decreasing by nearly 35% over the last decade, still impose substantial economic burdens on European society.⁶ Weather- and climate-related extremes have caused economic losses estimated at EUR 738 billion during 1980-2023 in the European Union, with over EUR 162 billion (22%) occurring between 2021 and 2023 alone.⁷

Taking responsibility for protecting the living environment of our citizens is not only a moral imperative but also an economic necessity.

The Environment Omnibus: Principles and Conditions

Consequently, deviating from our environmental objectives will ultimately cost society enormously, both in financial terms and in public health outcomes. Therefore, maintaining and advancing our environmental work are preconditions for a thriving European economy and society. For environmental legislation related to this omnibus (i.e., waste management, industrial emissions and circular economy), this means the following:

- **Legislative Coordination:** The Netherlands notes that several upcoming legislative initiatives have the potential to significantly reduce regulatory complexity. Simplification should be reached through these upcoming initiatives, as this would provide a more comprehensive and coherent approach. In this respect, the Netherlands specifically notes the upcoming REACH revision and the Circular Economy Act.
- **Focus on Administrative Efficiency:** The omnibus proposal should not be an end in itself, but rather a means toward reaching our well-considered (environmental) goals. The upcoming proposal should support industry in achieving our existing environmental standards by focusing on reducing administrative and bureaucratic burdens, streamlining procedures, and improving implementation efficiency. These simplifications should count for all actors.
- **Implementation Approach:** Policy is an enabler for transitions. The Netherlands sees merit in maintaining a forward-looking approach, especially given that recent environmental legislation has been established after thorough processes in which regulatory, economic and environmental impacts have been carefully weighed against each other. The proposal must support the level of environmental protection currently provided by existing legislation.
- **Better Regulation and National Flexibility:** Improving regulatory quality is essential. The proposal should support Member States to address specific national circumstances⁸ while maintaining harmonised environmental outcomes across the EU to maintain a level playing field. For the Netherlands, national circumstances include high population density and an open, interconnected industry and economy within Europe.
- **Data-driven policy:** New policy and policy change should be based on extensive and comprehensive impact assessments to ensure these are proportional and have no unintended side effects. Monitoring is key for analysing the effectiveness of our policy measures and environmental standards. Additionally, any modifications must be grounded in the latest scientific evidence and align with the best practices. This also supports the EU's ambition in the digital transition.
- **Stakeholder Engagement:** Comprehensive consultation with all relevant stakeholders, including civil society, business, and scientific communities, must inform the development process.

The Environment Omnibus – on circular economy, industrial emissions, and environmental impact assessments – that meets the conditions outlined above will contribute to a competitive and green economy, by reducing administrative complexity without compromising environmental protection. Our approach should balance the urgent need for environmental protection with the practical requirements of implementation, ensuring that Europe remains a global leader in environmental standards while contributing to economic competitiveness and social cohesion.

⁵ European Environment Agency. (2024). *Harm to human health from air pollution in Europe: burden of disease status, 2024*. EEA Briefing no. 21/2024.

⁶ European Environment Agency. (2024). *The costs to health and the environment from industrial air pollution in Europe – 2024 update*.

⁷ European Environment Agency. (2024). *Economic losses from weather- and climate-related extremes in Europe*.

⁸ In the "NL proposal for better regulation in times of transition", the Netherlands proposed areas of improvement for the better regulation agenda.

Appendix – Call for Evidence – Scope Environment Omnibus

Following the scope of the Call for Evidence for the Environment Omnibus, the Netherlands sees a few specific cases where simplification could be of merit:

1. Circular economy

- Streamline reporting in order to limit the reporting requests at different moments in time but on similar themes, especially where reporting is done in different formats. Also, limit reporting to only those things that are really necessary to test the extent to which targets are met.
 - For example, for reporting on own resources on non-recycled plastic packaging waste, the deadline of July 31st applies. For packaging (which includes plastics), the reporting deadline is the 30th of June. With different preconditions, it is therefore required to report twice within a month on what is essentially the same thing. And differences in reporting systematics can optically cause differences in reporting, which leads to questions.
 - As a general rule, more detailed questions result in less comparable results between Member States, because of differences in practices, methods and observations between Member States.
 - The reports to the Commission are meant to demonstrate that we, as a Member State, are meeting the set targets. From that perspective, it is logical to provide insight into the numbers to a certain level of detail. However, experience in recent years shows that the Commission sometimes asks for more detail than is required by the relevant directive/regulation.
- Critically review the reporting process using the quality reports. Identify what truly needs to be done, and learn from positive experiences in packaging.
 - All reports are provided with a quality report. This is an indication of how the data was collected and what was used. In essence, this is of course beneficial and probably necessary to assess quality of the data. However, experience shows that here, too, a high level of granularity is asked for. Also, because the quality report is integrated in the reporting format, whenever a new format is introduced, Member States have to start from scratch.
 - A step forward is that which has recently been done in packaging. There, this quality report has been separated from the annual reporting, which makes it easier to effectively produce a readable quality report.

2. Industrial Emissions Directive

- In order to diminish the administrative burden of both companies and competent authorities, it would be advisable to keep a log(book) instead of immediately informing the competent authorities after each breach of a permit. Thus Article 8 on non-compliance of the IED could be rewritten as:
 - 2. In the event of a breach of the permit conditions, Member States shall ensure that:*
 - (a) the operator immediately adds an entry into a log(book), that will be available at the request of the permitting authority and will be presented to the permitting authority at least once a year;*
 - (b) in case of an unusual incident the operator immediately informs the competent authority;*
 - (c) the operator immediately takes the measures necessary to ensure that compliance is restored within the shortest possible time; and,*
 - (d) the competent authority requires the operator to take any appropriate complementary measures that the competent authority considers necessary to restore compliance.*

3. Extended Producer Responsibility

- The Netherlands welcomes the Commission's initiative to reduce administrative burden in the area of extended producer responsibility (EPR) and emphasises that this initiative must not undermine the environmental objectives pursued by EPR.
 - We see opportunities to reduce administrative burden specifically in the further harmonisation and facilitation of EPR reporting, for example by using EU-wide harmonised formats and reporting deadlines. In this area, we also support the

Commission to further develop the idea of a one-stop-shop platform for EPR, fully taking into account possible consequences for supervision and enforcement by Member States.

- The call for evidence further mentions harmonisation of the provisions for authorised representatives for EPR. The Netherlands asks the Commission to research the possibility of using registration and authorisation processes in EPR to replace the need for the authorised representative role, taking into account the need and use for authorised representatives in other policy fields (e.g., product safety).
- We call for a coherent approach that provides stable policy choices. This can be done by addressing EPR as part of the Circular Economy Act, where the issue can be considered in the wider context, rather than in an omnibus that focusses exclusively on simplification.

4. Environmental Impact Assessments

The Netherlands calls for coherent policy-making in across policy areas and reduce policy fragmentation, to prevent cross-referencing complexity.

- Cross-referencing complexity undermines regulatory clarity: While individual regulations may contain necessary provisions, the practice of embedding exceptions and modifications to one regulation within another regulation creates a fragmented regulatory landscape. This obscures the true scope (practitioners must cross-reference multiple instruments to understand a single obligation) and requirements of environmental law, potentially undermining compliance and effective implementation.
 - Concrete example EIA requirements: Renewable energy projects in Renewable Acceleration Areas (RAAs) are exempted from Environmental Impact Assessment requirements under the EIA Directive (2011/92/EU), but this exemption is located in RED III rather than the EIA Directive itself, obscuring the true scope of EIA obligations.
 - Implementation challenges for stakeholders: Legal practitioners, businesses, and Member States face increased compliance costs and risks due to scattered provisions across multiple legislative instruments, potentially leading to inconsistent transposition and unintentional non-compliance.
 - Recommendation for regulatory consolidation: The Commission should consider minimising cross-references between regulations and consolidating subject-specific provisions (such as all EIA-related rules) into coherent, self-contained instruments to improve accessibility and implementation effectiveness.
- Quality over quantity concern: Our analysis confirms that the NZIA contains no 'redundant' EIA rules - the issue is not excessive regulation but poor regulatory organisation that makes necessary provisions difficult to locate and understand.
- Legislative coordination: The Netherlands asks the Commission to discuss the input for the Call for Evidence in the designated expert group, ensuring policy quality.
- Efficiency without compromising environmental goals: Clearer and more consistent guidance⁹ could reduce administrative burden while ensuring environmental objectives are met through more targeted and effective assessments. Potential improvements to current guidance:
 - The Commission could conduct an inventory to identify areas where guidance updates are needed.
 - The Commission could develop comprehensive guidance that makes cross-references clear and accessible. This would also assist when creating exceptions for new topics by allowing practitioners to identify existing relevant precedents. Thus, avoiding the need to reinvent solutions each time and ensuring greater clarity for practitioners.

⁹ Overview of EIA-guidance: [Environmental Impact Assessment - European Commission](#)