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EU simplification explained - an FAQ

Introduction

The European Union has promised to simplify laws and cut paperwork for businesses. One way it is trying to do this is through special legislative "omnibus" packages — bundles of measures designed to streamline rules all at once. The EU says this will reduce red tape for businesses and citizens, boost innovation and competitiveness, and improve how EU policies work.

But here's the catch: while simplification sounds great, it can come at a dramatic cost. Simplification can be used as a disguise to dilute or dismantle key parts of a law, weakening important protections for the environment, public health, and social rights. For businesses too, frequent, hasty, or unclear changes can create uncertainty, making long-term planning harder.

Concerns are mounting. More and more stakeholders and policy-makers warn that the process often lacks public consultation, transparency, proper and agreed procedures, and solid scientific evidence. Beyond the serious environmental impacts, there's another big worry: that this approach undermines the rule of law and erodes trust in democratic decision-making.

Amid political spin and mixed messaging, myths about what "simplifying" EU legislation really means persist. This FAQ tackles the most common questions — and separates fact from fiction. It has been prepared by: BirdLife Europe, EEB, CAN Europe, Transport & Environment, and WWF EU.

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General questions

What is the EU's 'simplification agenda'?

The EU's simplification agenda is its plan to make laws easier to follow and cut paperwork. It was announced in the European Commission's <u>Political Guidelines</u>, with President Ursula von der Leyen placing it at the heart of her second term. <u>Commissioner Valdis Dombrovskis is leading the work</u>. The goal is to cut administrative costs by 25% overall, and 35% for small and medium-sized businesses, by the end of the Commission's mandate in 2029.

Supporters say this will save businesses both time and money. The Commission estimates a §37.5 billion annual savings by the end of its mandate. But not everyone is convinced. Many civil society organisations, as well as businesses, worry that the push to simplify will come at a cost: weakening environmental, social, and public health protections, while rewarding companies that avoid sustainability efforts. Some also warn it could further delay urgent action on climate and nature.

To reach its targets, the Commission committed to reviewing all EU laws - a "stress test" to identify where rules can be simplified. On 11 February 2025, the Commission published a communication detailing how this will work. Since the start of the mandate, several simplification proposals have already been tabled, with more expected.

Is EU law really too complicated?

Complex problems often require complex solutions. Environmental challenges like pollution, biodiversity loss, and climate change rarely allow for simple rules. Still, <u>evidence</u> shows EU environmental laws add value without creating unnecessary burdens, despite political claims to the contrary. The European Commission has gathered extensive data to back this up

through numerous evaluations of environmental laws¹. Instead, findings point to poor implementation at the national level, not complexity, as the main obstacle.

In fact, the Commission <u>estimates</u> that fully applying existing EU environmental laws could save the economy about €180 billion annually, through lower health costs and less environmental damage.

Calls to "cut red tape" often ignore these benefits, as well as the immense cost of inaction. Without common EU rules, businesses would face 27 different national laws instead of one unified framework — far more paperwork, not less.

That said, simplification, if done right, can still play a useful role. Aligning reporting deadlines, using digital tools, or dropping duplicative steps can ease compliance. But simplification must be evidence-based, developed with input from civil society and stakeholders, and must not weaken the law's ambition, targets, enforceability, or timelines.

What are "Omnibus" packages, and why do they matter?

An Omnibus is a single legislative proposal that amends multiple EU laws at once. Instead of revising each law separately, the European Commission bundles the changes into one package for negotiations with the European Parliament and Member States. This means fewer separate negotiations are needed, speeding up decisions and streamlining requirements.

In the past, Omnibus packages were mostly used for technical adjustments to laws, like aligning legal references or procedures after treaty changes. What's new is their frequency and scope. Since autumn 2024, six Omnibus packages have been tabled in areas such as sustainable finance reporting, investment rules, agriculture, small and mid-sized businesses in the Single Market, defence, and chemicals. Many of these proposals have direct implications for environmental and sustainability rules.

This shift has raised concerns. By rolling out so many Omnibus packages in quick succession — effectively "flooding the zone" — the Commission is overwhelming both policy-makers and stakeholders. This leaves less time and space for proper scrutiny of the proposed changes and for meaningful public debate. It also risks letting significant changes to existing laws slip through unnoticed.

Are "Omnibuses" the only way the Commission simplifies laws?

No. Omnibus packages are the flagship tool under this mandate, but the Commission also simplifies laws targeted at changes such as:

- **Delaying the implementation of recent laws:** i.e., postponing the start date of the EU Deforestation Regulation by one year.
- **Reconsidering pending proposals:** such as the possible withdrawal of the Green Claims Directive.
- Adding flexibility clauses: like the temporary clause in CO₂ emission targets for new passenger cars, giving the auto industry more time to adapt to stricter standards.

¹ See fitness check evaluations of laws such as the Birds and Habitats Directives or the Water Framework Directive and Floods Directive

In addition, the Commission now runs annual implementation and simplification cycles. As part of these, Commissioners must consult stakeholders on possible simplification measures, and their proposals feed into the Commission Work Programme for the year ahead.

'Simplification' vs 'deregulation': what's the difference?

'Deregulation' means removing rules altogether — for example, by repealing laws or cutting back standards. It is often linked to weakening protections for the environment, health, or social rights, and generally has a negative connotation. 'Simplification', according to its proponents, is supposed to be different: it focuses on reducing red tape and easing compliance while keeping the original policy goals intact.

The European Commission insists its simplification agenda is not the same as deregulation. But in practice, the line is blurred. Under "simplification," the Commission has already:

- Scrapped environmental requirements for farmers
- **Postponed** enforcement of the EU Deforestation Regulation, allowing global deforestation to continue unchecked for another year
- **Exempted** many companies from new transparency rules on their supply chains, creating major blind spots

These examples suggest simplification is often a cover for deregulation.

Isn't simplification a good thing?

Simplification is never neutral. It always involves political choices about which rules to change and why. Done well, it can cut bureaucracy. Done poorly, it can erode the rule of law, weaken accountability, create business uncertainty, and undermine climate and environmental goals.

There are economic risks too. Past <u>deregulation of electricity markets</u> led to higher consumer prices, market concentration, and weaker incentives for sustainability. <u>Banking deregulation</u> increased systemic risks, reduced transparency, and undermined economic resilience. Without proper impact assessments, consultation, and planning, simplification risks favouring powerful players while reducing transparency and public trust.

Environment and simplification

Why do we need EU-wide environmental rules?

EU environmental laws protect people's health, keep the planet livable, and ensure fair competition across the single market. Issues like air pollution, water contamination, and biodiversity loss don't stop at national borders, which is why EU countries chose to tackle climate change, biodiversity loss, and pollution together.

These laws cover areas such as climate action, nature protection, clean air and water, transport, chemicals, and trade. Although environmental law is just one of many EU competences, it has been reviewed extensively and shown to be effective, necessary, and

valuable. <u>Environmental laws delivered real benefits</u>: cleaner air, healthier ecosystems, and safer conditions for both citizens and businesses.

Have EU environmental laws already done their job?

Not yet. More than 80% of natural habitats in the EU are in poor condition, only around 40% of surface waters are in good shape, and Europe is the fastest-warming continent, with 2024 recording the second-highest number of heat stress days ever. While progress has been made, many targets set in EU law remain unmet or off track.

The problem isn't that the laws are redundant, but that they're poorly implemented and enforced. Many Member States fall short of their obligations, and the Commission has been slow to enforce. Weakening or rolling back existing rules would only deepen the nature and climate crises.

Which EU environmental policies and laws are affected by simplification?

In theory, the simplification agenda applies to all EU laws. In practice, social and environmental policies have been the most affected so far², with little public clarity on what comes next. Key examples include:

- Sustainable finance: The first Omnibus proposal targets rules like the Corporate
 Sustainability Reporting Directive (CSRD), the Corporate Sustainability Due
 Diligence Directive (CS3D), and the EU Taxonomy Regulation. These changes are
 meant to ease reporting but raise concerns about weaker transparency and less
 comparable disclosures.
- **Chemicals policy**: One Omnibus proposal is out, another is planned later in 2025, and a wider revision of the REACH Regulation is expected as well. Critics worry this could dilute vital health and environmental protections.
- Agriculture: In spring 2024, the Commission rolled back key environmental
 measures under the Common Agricultural Policy (CAP) following protests from farm
 lobbies. A <u>CAP Omnibus package followed</u>, extending exemptions and sparking
 concerns over weakened conditionality and long-term sustainability. A third package
 has already been announced for later in 2025.
- Environmental reporting: The Commission plans an Environmental Omnibus in autumn 2025, possibly affecting the Waste Framework Directive, Industrial Emissions Directive, and other laws requiring environmental data reporting.

The speed and opacity of these changes create confusion for policymakers, stakeholders, and the public, while undermining trust in the stability of EU law.

Will simplification help or hinder the EU climate and nature targets?

As it stands, simplification risks making those targets harder to reach. Climate and biodiversity goals rely on a web of supporting policies and standards that provide the legal,

² Three of the six officially published omnibuses relate partly or entirely to sustainability legislation: Omnibus I (sustainability reporting), Omnibus III (simplification of the CAP), and Omnibus VI (chemicals).

financial, and practical tools to deliver results. Weakening them through rushed simplification removes the tools to turn ambition into action.

Take sustainable finance: The current Omnibus package could dilute rules meant to steer private capital into the green transition. By easing disclosure requirements or narrowing reporting obligations, the EU will reduce the transparency and reliability of sustainable investments — just as massive investment is needed to meet the 2030 and 2050 targets.

Done well, simplification can still help. As an example by aligning reporting deadlines, cutting duplicative steps, or using digital tools. But it must be evidence-based, involve stakeholders, and never weaken the law's ambition, enforceability, or purpose.

Is the simplification agenda compatible with the EU's international environmental commitments?

Not in its current form. The agenda risks undermining the EU Green Deal, the Paris Agreement, and the Kunming–Montreal Global Biodiversity Framework. So far, the Commission has offered little evidence or proper impact assessments to prove that its "simplifications" won't undermine these targets.

It may also clash with the recent International Court of Justice (ICJ) <u>opinion</u>, which confirmed states have a legal duty to protect the environment from greenhouse gas emissions and to act with the highest possible ambition on climate and avoid rollbacks unless strictly necessary, proportionate, and temporary.

Loopholes, delays, and rollbacks undercut this duty and threaten the EU's credibility as a global leader.

How does it affect the enforcement and implementation of EU environmental law?

Under the EU Treaties, the Commission is responsible for monitoring compliance and launching infringement procedures when Member States fail to apply EU rules. Yet progress has been limited. The 2025 Environmental Implementation Review has found 309 open infringement cases currently, about 19% of all EU cases. Around 70% involve serious failures, from missed pollution reduction targets to inadequate habitat protection. These enforcement gaps raise costs for citizens and businesses, while weakening competitiveness. Many argue the Commission should prioritise enforcing existing laws before revising or simplifying them. Only then can EU environmental law deliver its full benefits for health, nature, and the economy.

Business and economy

Do EU environmental laws burden business?

No. There's little solid evidence that EU environmental laws place a disproportionate burden on businesses. Most reviews — including the Commission's own Better Regulation evaluations — show they are effective, proportionate, and deliver benefits that far outweigh their costs.

Impact assessments and fitness checks consistently find that key laws — such as the <u>Birds</u> and <u>Habitats Directives</u> or the <u>Water Framework Directive</u> — provide legal clarity, planning certainty, and major social and economic value.

Independent research backs this up. OECD studies show that <u>stricter environmental policies</u> <u>do not harm productivity</u>, jobs, or growth. A 2017 Commission review of reporting requirements found most reporting obligations fit-for-purpose, with an administrative cost of just €22 million annually — moderate, justified and proportionate.

What worries companies about simplification?

While companies welcome simpler rules, many are increasingly uneasy with how the current agenda is being rolled out. In recent <u>statements</u> and open letters, they warn against deregulation and the risks posed by rapid-fire Omnibus packages.

Businesses say the process feels rushed and poorly timed. Short consultation periods leave little space to assess economic or legal impacts, making it harder to plan investments, adapt supply chains, or prepare for compliance. Instead of predictability, the agenda creates risk and uncertainty.

Frustration is especially high among frontrunners that invested early in sustainable production — expecting a competitive edge. Delays or rollbacks penalise them, while rewarding laggards. This erodes trust, creates unfair competition, and weakens incentives for genuine transition.

How does deregulation create uncertainty for investors and businesses?

Businesses and sustainability experts often stress they need clear, stable rules. Constantly shifting obligations create inconsistent reporting, planning uncertainty, and delays in sustainability investments.

Markets also react negatively to abrupt changes. For instance, the first Omnibus proposal on sustainable finance sparked fears of added bureaucracy and weaken competitiveness. Meanwhile, global competitors like China and Japan are tightening sustainability standards and scaling up green industries such as electric vehicles, batteries, and solar. Mixed signals from the EU risk leaving Europe behind.

To foster innovation and resilience, businesses need long-term regulatory stability — not sudden political reversals.

How can the EU balance competitiveness and sustainability?

By setting clear, stable sustainability rules backed by strong investment. Well-designed rules both meet environmental goals and drive innovation, strengthen resilience, and open new markets. Early movers gain an advantage by being prepared for market shifts, new regulations, and sustainability-related risks.

A predictable and ambitious framework also boosts competitiveness. In a <u>recent joint</u> <u>statement, more than 100 investors and financial institutions, along with 40 companies</u>

stressed that transparent, consistent sustainability rules level the playing field, guide investment to where it's most needed, and create long-term value.

Governance and democracy

Is the approach to simplification in line with EU democratic principles?

Concerns are mounting that it isn't. Recent Omnibus proposals have skipped key steps normally required under the Commission's own <u>Better Regulation guidelines</u> — including public consultations, impact assessments, and climate checks. These procedures exist to make sure laws are evidence-based, transparent, and shaped with public input.

In some cases, internal consultations between Commission departments lasted just 24 hours, leaving little time for proper review. Certain Omnibus proposals have even bypassed specialist Council formations and gone straight to the General Affairs Council — raising questions about whether the right expertise is being applied in decision-making.

The absence of climate assessments could also breach the EU Climate Law, which requires all new proposals to be tested against the EU's climate neutrality goal. Taken together, these shortcuts risk weakening democratic scrutiny by both Member States and the European Parliament.

Reflecting these concerns, the EU Ombudswoman has opened an <u>inquiry</u> into how the Commission prepared its first Omnibus proposal and has requested access to related documents.

Are the changes backed by science and impact assessments?

Largely, no. Many simplification proposals have bypassed impact assessments and proportionality checks, and other tools of evidence-based policymaking. This is especially concerning given the risks of weakening climate action, public health, and nature protection.

Some proposals, including changes to sustainability reporting rules, agricultural standards, and chemicals regulation, are being fast-tracked without proof they'll achieve their goals, or without properly assessing how they fit with EU and international obligations.

Without solid, science-based analysis, simplification risks creating legal uncertainty, discouraging investment, and undermining long-term sustainability.

Have stakeholders been properly consulted?

No. Consultation so far has been very limited, and many key stakeholders, including civil society groups and parts of the business community, sidelined.

Organisations working on climate, environment, health, labour, and consumer rights report having no meaningful opportunities to weigh in. Environmental NGOs warn that excluding them sets a dangerous precedent for how EU laws affecting public interest are shaped.

It's not just NGOs raising concerns. While some businesses lobby for lighter reporting rules, others warn that rushed changes and weak consultation create legal uncertainty and hinder long-term planning.

Without broad input from SMEs, sustainability-focused investors, and civil society, the simplification agenda risks being politically driven and disconnected from realities on the ground.

How can the EU improve public participation?

To build real trust, consultation has to go beyond box-ticking and be an ongoing dialogue with society. Concrete steps could include:

- A binding interinstitutional agreement on civil dialogue: ensuring NGOs, social partners, SMEs, local authorities, and other actors structured opportunities to contribute from the start.
- Strengthening EU Civil Society Platform: feeding cross-sectoral input into the Commission's annual work programme, with clear feedback on how contributions are used.
- Reforming expert groups and strategic dialogues: for example, on agriculture or the automotive transition, guaranteeing transparency, balance, and fair representation through open agendas and published outcomes
- **Innovative tools:** like citizen assemblies and digital platforms, to involve people directly in lawmaking.

These changes would make EU policymaking more inclusive, effective, and trusted.

What should the EU do instead of rushing simplification?

The priority should be enforcing existing environmental laws. Stronger implementation would create a playing field across Member States, give businesses greater legal certainty, and boost the chances of meeting climate and environmental targets. This requires targeted financial support for local, regional, and national administrations, where implementation often breaks down.

The upcoming negotiations on the EU's Multiannual Financial Framework (MFF) are a chance to allocate resources for enforcement and compliance. Without this, even the best-designed laws will struggle to deliver.

The Commission also needs to lead by example. Reports from the European Court of Auditors highlight delays and inconsistencies that undermine credibility. The Ombudsman recently drew a <u>similar conclusion</u> by repeatedly urging the Commission to address the backlogs in chemical risk reviews that allow harmful substances to remain on the market. Assigning dedicated staff to each major law and improving transparency in infringement proceedings would help close the implementation gap and ensure EU laws deliver their intended environmental, social, and economic benefits.

How can the EU Commission improve transparency?

Citizens, businesses, and stakeholders need legal certainty, backed by a clear long-term vision and consistent enforcement of EU law. To achieve this, the Commission should:

- Publish guidance quickly: so new laws are applied consistently across Member States.
- **Disclose infringement correspondence:** opening exchanges with governments to public scrutiny would empower civil society, and encourage compliance at little cost.
- **Promote digitalisation:** making permitting, safety information, and reporting available online would improve environmental data access, and allow comparisons across sectors and countries.

These steps would strengthen compliance, accountability, and public trust in EU policymaking.

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