

The costs of not implementing EU environmental law

ADDRESS COWI A/S
Parallevej 2
2800 Kongens Lyngby
Denmark

TEL +45 56 40 00 00

FAX +45 56 40 99 99

WWW cowi.com

DATE 07 May 2019

PAGE 1/2

REF Lorenz Wähler, Mette

Dalsgaard, Jan Graversen

PROJECT NO A114486

Keywords

EU, environmental acquis, environmental law, implementation gap, damage costs, foregone benefits, environmental valuation

Status

The study was carried out by COWI A/S and Eunomia Ltd, UK, for DG Environment of the European Commission and was published in April 2019 as part of the its Environmental Implementation Review:

http://ec.europa.eu/environment/eir/country-reports/index_en.htm

Input to conference

COWI A/S can present the study during the conference, presented by one of the study's main authors, Lorenz Wähler, who has an environmental economics background.

Abstract

The effectiveness of EU environmental law is limited by the extent to which Member States do not comply with environmental targets specified in a number of EU Regulations and Directives. Not achieving the targets leads to costs to the society in various domains, ranging from reduced biodiversity and increased illness from air and noise pollution to unrealised market opportunities. The ability to communicate the magnitude of these associated costs in the European policy discourse is inhibited by the absence of a monetisation of those costs.

Following the objective of supporting the European Commission in European policy discussions, this study comprehensively quantified the costs of not achieving the legislative target for 2018 in 27 European environmental legislations across seven policy areas: air and noise, nature and biodiversity, water, waste, chemicals, industrial emissions and major accident hazards, and horizontal instruments. The study applied a mix of revealed- and stated

preference data from publicly available literature. The study followed a step-wise approach by identifying existing implementation gaps, defining associated impacts, determining unit costs, and finally estimating implementation gap costs. The seven policy areas differ to the extent of which they are suitable for a monetisation of the implementation gaps, which puts a limit to consistency and comparability of the cost estimates.

The study found that the costs and foregone benefits of existing implementation gaps amount to around EUR 55 billion per year across the 28 Member States. Acknowledging that this implementation gap is subject to uncertainty, the study estimated a cost range of EUR 30 – 70 billion per year.