



8th Environment Action Programme

Environmental protection expenditure

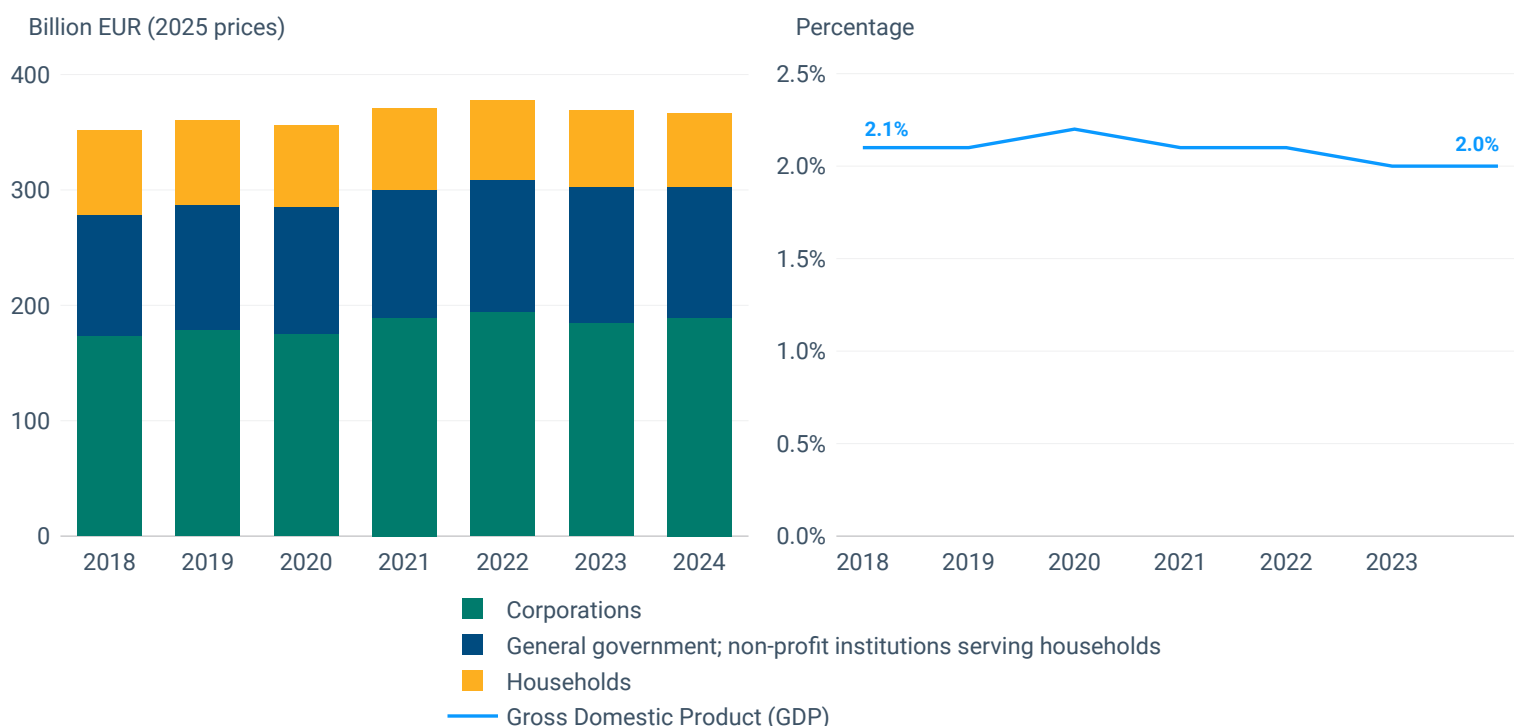


Environmental protection expenditure

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Increasing environment- and climate-related expenditure can help meet the objectives of the European Green Deal. Environmental Protection Expenditure Accounts (EPEA) measure the economic resources used for prevention, reduction, and elimination of pollution and any other degradation of the environment. Expenditure increased between 2018 and 2024 from 352 billion to 367 billion euros in the European Union. This represents a modest real term increase of 4.2% after inflation adjustments. EPE as a share of GDP declined to 2.0% in 2024, the lowest level recorded during the assessed period.

Figure 1. Environmental protection expenditure by institutional sector in the period 2018-2024, EU-27



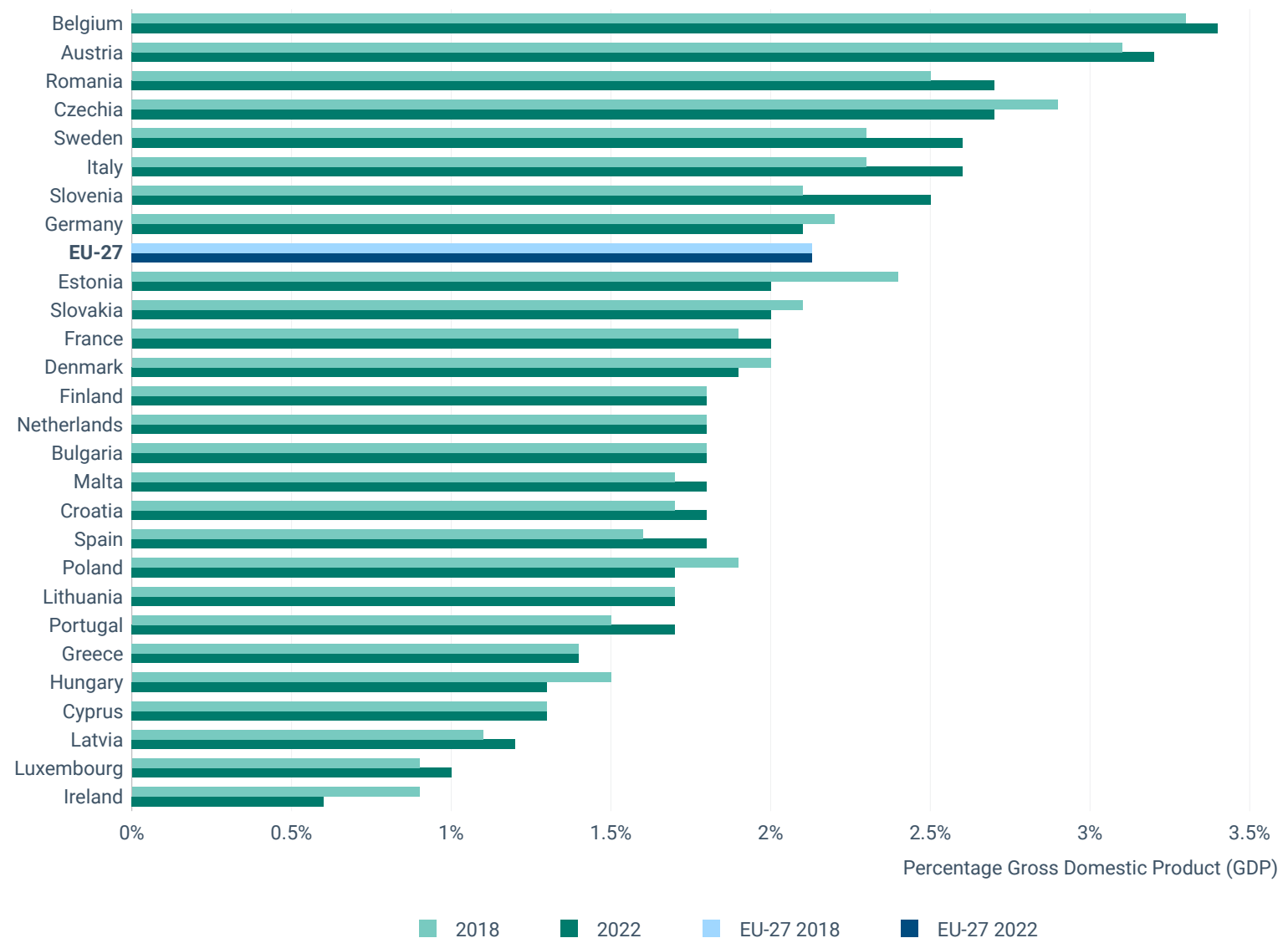
Building on the European Green Deal policy objectives^[1], the [8th Environment Action Programme](#) (8th EAP) aims to accelerate the **green transition**^[2]. Increasing environmental protection expenditure (EPE) in EU Member States and green expenditure directly related to environmental protection can help achieve this. For example, expenditure on renewables, energy and resource efficiency, and the circular economy transition.

EPE covers the **protection** of ambient air, soil and water; wastewater and waste management; noise abatement; biodiversity protection; protection against radiation; and environmental research and development (R&D). EPE only partly captures expenditure related to climate^{[3][4]} and circular economy^{[5][6]}, and includes both operating expenditure and investments. In real terms, growing by 4.2% during 2018-2024 and reaching an estimated EUR 367 billion in 2025 prices by 2024.

Most EPE is spent by corporations and **increased** in real terms by 8.4% from 2018 to 2024. Over the same period, the EPE of general governments and non-profit institutions increased by 8.6%. EPE by households decreased by 12%. Most EPE was spent on waste management and wastewater treatment activities during this period^[7]. Since 2018, the share of overall EPE in gross domestic product (GDP) has remained relatively stable, at around 2%, yet declined from 2.1% (2022) to 2.0% (2023 and 2024), the lowest level recorded during the assessed period.

To achieve EU's objectives on environmental protection by 2030^[8], the additional investment needed for the period 2021-2030 is estimated at EUR 77 billion per year. The slow progress in increasing EPE implies that the EU is likely off track to address this funding gap by 2030.

Figure 2. Expenditure on environmental protection by EU Member State, 2018 and 2023, (% of GDP)



EPE remained stable at 2.1% of GDP between 2018 and 2022 at the EU level. EPE to GDP ratios varied across the Member States. In Austria, Belgium and Czechia, EPE accounted for more than 3% of GDP, while in Ireland and Luxembourg it accounted for less than 1%.

In 14 of the 27 EU Member States, this share increased during the period 2018-2022, with the biggest increase in Slovenia (0.4 percentage point). In contrast, the share **fell** in eight EU Member States, with the biggest reduction in Estonia (0.4 percentage point) and remained constant in the other five EU Member States.

▼ Supporting information

Definition

‘Environmental Protection Expenditure Accounts (EPEA) measure the economic resources devoted to prevention, reduction, and elimination of pollution and any other degradation of the environment. They cover the spending by resident units of a country (i.e. by its households, corporations and government) on environmental protection (EP) services, e.g. pollution abatement (air, water, soil and noise), waste and wastewater management, protection of biodiversity as well as related research and development, education and training activities’ ^[7].

The scope of EPEA is defined according to the Classification of Environmental Protection Activities and Expenditure (CEPA 2000). CEPA 2000 is a recognised international standard included in the family of international economic and social classifications.

For further information, see [Eurostat \(2017\)](#).

Methodology

This indicator is directly based on data published by Eurostat and the underpinning methodology can be found in Eurostat ^{[9][7]}. EU-level data are based on Eurostat estimates.

The EUR values were indexed to 2025 price levels using the price component of Eurostat's GDP aggregate (indicator_nama_10_gdp) up to 2024 and the 2% general inflation rate projected by the European Central Bank for 2025.

Policy/environmental relevance

This indicator is a headline indicator for monitoring progress towards meeting one of the targets of the 8th EAP. It contributes mainly to monitoring progress in relation to aspects of the 8th EAP's aim to accelerate the green transition (Article 1) and Article 3(u), which requires ‘mobilising resources and ensuring sufficient sustainable investments from public and private sources... consistent with the Union's sustainable finance policy agenda’ ^[2]. The European Commission communication on the 8th EAP monitoring framework specifies that this indicator should be used to monitor the ‘increase [in] spending by households, corporations and governments on preventing, reducing and eliminating pollution and other environmental degradation’ ^[10].

Data sources and providers

- [National expenditure on environmental protection by institutional sector](#), Eurostat - European statistics
- [Gross domestic product \(GDP\) and main components \(output, expenditure and income\)](#), Eurostat - European statistics

▼ Metadata

DPSIR

Response

Topics

[# Sustainable finance](#)

Tags

[# GDP](#) [# SUFI003](#) [# climate](#) [# 8th EAP](#) [# Environmental protection expenditure](#) [# environment](#) [# expenditure](#)

Temporal coverage

2018-2024

Geographic coverage

Austria	Belgium
Bulgaria	Croatia
Cyprus	Czechia
Denmark	Estonia
Finland	France
Germany	Greece
Hungary	Ireland
Italy	Latvia
Lithuania	Luxembourg
Malta	Netherlands
Poland	Portugal
Romania	Slovakia
Slovenia	Spain
Sweden	

Typology

Descriptive indicator (Type A - What is happening to the environment and to humans?)

UN SDGs

SDG11: Sustainable cities and communities

Unit of measure

EPE is measured in billion euros (EUR in 2010 prices) and as a share of GDP (%)

Frequency of dissemination

Once a year

References and footnotes

1. EC, 2019, Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions 'The European Green Deal', COM (2019) 640 final of 11 December 2019.
[↩](#)
2. EU, 2022, Decision (EU) 2022/591 of the European Parliament and of the Council of 6 April 2022 on a general Union environment action programme to 2030, OJ L 114, 12.4.2022, p. 22-36.
[a](#) [b](#)

3. It does not capture expenditure on the production of renewable energies, energy efficiency in general or climate adaptation. However, it now includes expenditure on clean transport (vehicles and charging systems) as directly contributing to reducing air pollution. See CEPA and EPEA explanatory notes (Eurostat, 2020).
[↗](#)
4. <https://ec.europa.eu/eurostat/documents/1798247/12177560/CEPA+and+CRReMA+explanatory+notes+-+technical+note.pdf/b3517fb9-1cb3-7cd9-85bd-4e3a3807e28a?t=1609863934103>
[↗](#)
5. Information on circular economy private investments in Member States is available in a data set published by Eurostat, under the circular economy indicators on competitiveness and innovation (see data set 'Private investment and gross value added related to circular economy sectors')
[↗](#)
6. https://ec.europa.eu/eurostat/web/products-datasets/-/cei_cie010
[↗](#)
7. Environmental protection expenditure accounts, 2023b, (https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Environmental_protection_expenditure_accounts) accessed August 28, 2023.
[a](#) [b](#) [c](#)
8. EC, 2020, Commission staff working document 'Identifying Europe's recovery needs' accompanying the document Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions 'Europe's moment: repair and prepare for the next generation', SWD(2020) 98 final of 27 May 2020.
[↗](#)
9. Eurostat, 2023, 'National expenditure on environmental protection by institutional sector', *Eurostat Data Browser* (https://ec.europa.eu/eurostat/databrowser/view/env_ac_epneis/default/table?lang=en) accessed March 24, 2023.
[↗](#)
10. EC, 2022, Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions 'REPowerEU plan', COM (2022) 230 final of 18 May 2022
[↗](#)