GLOBSEC
IDEAS SHAPING THE WORLD

GLOBSEC Competitiveness Tracker

Tracking Progress in the EU's Simplification Effort

Philipp Lausberg, Senior Policy Analyst, European Policy Centre

Author:

Philipp Lausberg, Senior Policy Analyst, European Policy Centre

Project Lead:

Zuzana Peláková, Director, Centre for Economy & Business, GLOBSEC

Editors:

Nicola Billota, Economist Fellow, GLOBSEC

Katarína Strauszová, Project Specialist, Centre for Economy & Business, GLOBSEC

Design:

Dominika Rafayová, Graphic Designer, GLOBSEC

The European Competitiveness Context

Competitiveness has become a defining strategic priority for the European Union (EU). Long-standing structural challenges, such as low productivity growth and persistent investment gaps, now intersect with new vulnerabilities, including technological dependence and the geopolitical context. The EU can no longer assume a global economic environment shaped by stable globalisation or unconditional transatlantic alignment. In this context, competitiveness is not just a buzzword or a narrow economic ambition. As emphasised in the Draghi report,[1] competitiveness has become a vital condition for the EU's capacity to sustain its model of prosperity and preserve strategic autonomy in a world where economic and security dynamics are increasingly intertwined.

For the EU, this challenge presents both opportunities and vulnerabilities. While the Draghi report has reshaped the political framing of competitiveness within the European Commission (EC), its diagnosis has been translated into a concrete policy agenda. The EC has since anchored competitiveness in the *Competitiveness Compass*, a monitoring framework for productivity, innovation, skills, energy affordability, and capital allocation. It has launched the *Clean Industrial Deal* to accelerate industrial transformation, scaling strategic sectors, and aligning the green transition with competitiveness. Interlinked with this ambition, the EC developed the *Affordable Energy Action Plan,* which aims to reduce energy costs, support energy-intensive industries and ensure that the transition to net-zero does not undermine industrial competitiveness. Furthermore, building on the Draghi report, the EC moved to address the internal market frictions that undermine the EU's growth potential. The relaunch of the *Capital Markets Union,* now reinforced through the proposed Savings and Investment Union, aims to unlock Europe's large pool of private savings into productive investment, particularly in research, innovation, and scale-up financing. In parallel, the *Simplification Agenda* targets to mitigate regulatory bottlenecks and administrative burdens, recognising that regulatory speed and costs have become a competitiveness factor in themselves. Finally, the *Union of Skills* has been introduced to tackle growing labour and skills shortages in key sectors, aligning training, mobility, and talent-attraction policies with Europe's industrial and technological priorities.

In this way, competitiveness is no longer treated as a sectoral concern, but is embedded as the underlying strategic objective for sustaining growth and preserving Europe's strategic autonomy. Nevertheless, the effectiveness of this ambitious vision will depend on translating it into coordinated policy actions, supported by sustained political commitment and effective cooperation between national and European institutions.

Against this backdrop, GLOBSEC has launched the *GLOBSEC Competitiveness Tracker* (Tracker) as a targeted follow-up to the EC's Competitiveness Compass and its broader agenda that positions competitiveness at the core of Europe's strategic economic direction. The *Tracker* addresses a key question: not only whether the EU has set the right priorities, but whether it can deliver them in practice and how implementation can be strengthened to mitigate existing barriers and gaps. Its impact will ultimately depend on the degree to which these policies are effectively implemented and yield real economic outcomes. As such, the *Tracker* monitors progress beyond formal commitments and legislative milestones analysing whether EU-level initiatives are aligned with the needs, constraints and opportunities faced by industry, and investors and public institutions on the ground. In doing so, it aims to identify where momentum is building, where gaps persist and where recalibration may be necessary. Rather than offering critique from afar, the *Tracker* is conceived as a practical tool to provide EU and national stakeholders with a clear understanding of how the competitiveness policy agenda is implemented in practice.

A distinctive feature of this *Tracker* is its focused attention on CEE. This is not incidental. The region sits at the intersection of two dynamics that are central to the EU's competitiveness agenda: the need to adapt to a more exposed geopolitical environment, and the transition from growth models based on cost advantages to those driven by innovation, skills and technological capacity. The speed and effectiveness with which CEE economies can make this shift will shape not only their own development trajectory, but the cohesion and overall performance of the EU as a whole. The future of European competitiveness will therefore not be determined solely by the strength of its largest economies, but by the ability of all regions to move forward together – and CEE is a critical part of that equation.

1 Draghi, M. (2024). The Future of European Competitiveness—A Competitiveness Strategy for Europe.

About the GLOBSEC Competitiveness Tracker

The *Tracker* comprises seven key policy areas that collectively shape the EU's competitiveness trajectory, and that the EC has identified as strategic priorities under the Competitiveness Compass and relevant frameworks related to the competitiveness objective. While individual chapters offer specific policy recommendations, the report is designed as an integrated whole, providing a comprehensive view of the drivers of European competitiveness.

International Trade. International trade policy has become a central determinant of the EU's competitiveness, particularly as global markets are increasingly shaped by geoeconomic rivalry and defensive industrial strategies. How the EU responds to US tariffs and subsidy-driven competition will affect not only its export performance, but also the credibility of its reindustrialisation and supply chain diversification strategies.

Simplification. Regulatory complexity and administrative burdens persist as significant obstacles to doing business in the EU, particularly for SMEs and high-growth firms. Rather than a technical exercise, simplification is a condition for accelerating investment, innovation and industrial scale-up.

Energy Security & Critical Raw Materials. Energy affordability and secure access to critical raw materials are fundamental to industrial competitiveness. The green transition requires massive investment in infrastructure, grid modernisation and cross-border coordination, yet progress remains uneven across the EU, as policymakers struggle to balance the Union's energy security strategy with decarbonisation goals and the need to maintain industrial viability.

Financial Markets. Europe's ability to finance its competitiveness agenda depends on the depth and efficiency of its financial markets. The success of the Capital Markets Union and the proposed Savings and Investment Union will determine whether the EU can mobilise private capital at scale to support technological innovation, infrastructure and industrial transformation.

Defence Financing. The Russian war in Ukraine has highlighted the vulnerability of the EU's defence capabilities, spotlighting the need for scalable, interoperable, and rapidly deployable defence production. The competitiveness of Europe's defence industry will directly influence its strategic autonomy and capacity to act.

Innovation and Digitalisation. Digital capabilities and innovation ecosystems underpin productivity growth and technological sovereignty. Yet, persistent gaps in research & development (R&D) investment, artificial intelligence (AI) deployment, and digital skills constrain the EU's capacity to innovate at the same pace as its global peers. Closing the innovation divide is therefore essential for both economic growth and strategic autonomy.

Technology Dependency. The EU's digital economy remains deeply intertwined with US technologies, infrastructures and platforms, which provide scale and operational capacity but also embed strategic dependencies. Managing this relationship is critical: the EU must strengthen its technological capabilities while preserving the benefits of transatlantic integration.

To ensure consistency and facilitate comparison across analyses, each chapter adopts a shared analytical structure. It begins by outlining the core challenges the EU faces in the given policy area, and clarifies the strategic ambition articulated at the EU level to address them. Then, it identifies the specific objectives and instruments proposed under the Competitiveness Compass and related initiatives, followed by an in-depth assessment of the implementation barriers, whether regulatory, financial, institutional, or capacity-related. Each subsection includes a traffic-light assessment to evaluate the feasibility and expected effectiveness of the measures under review. Finally, each chapter concludes with a set of targeted recommendations aimed at strengthening delivery and aligning EU-level ambition with practical conditions on the ground.

Each chapter was authored by subject-matter experts who complemented their analysis by drawing on insights gathered through stakeholder consultations and targeted surveys with policymakers, business leaders, regulators and specialists across CEE and EU institutions. They centred on implementation challenges, investment conditions and regulatory bottlenecks. The aim was to capture perceptions of obstacles to competitiveness, and identify priority areas for action. While not statistically representative, these insights provide a grounded understanding of how EU-level objectives are being interpreted and operationalised in practice, and where further alignment may be required.

The following standalone chapter delves into the ambitions and priorities in the EU's simplification efforts, with the full *Tracker* available on the GLOBSEC website.

Tracking Progress in the EU's Simplification Effort

Executive Summary

Europe's regulatory burden has become a growing drag on competitiveness, disproportionately affecting SMEs and mid-caps and undermining investment, innovation, and scale-up across the Single Market. In response, the European Commission has launched its most ambitious simplification agenda to date, centred on Omnibus legislation packages, reinforced Better Regulation tools, greater proportionality by company size, stronger Single Market enforcement, and the digitalisation of legislative and compliance processes. While the agenda marks a qualitative shift in ambition and coherence, progress on the ground remains limited: most measures are still under negotiation, implementation risks persist at Member State level, and structural incentives for regulatory complexity remain largely unaddressed - particularly in Central and Eastern Europe (CEE). To turn political commitment into measurable competitiveness gains, the EU must now prioritise delivery over declarations by strengthening inter-institutional accountability, safeguarding policy objectives, investing in administrative and digital capacity, and systematically reducing both existing and future regulatory burdens.

Introduction: Europe's Regulatory Burden - A Brake on Competitiveness

Across the EU, businesses consistently cite the regulatory burden as a key constraint on Europe's competitiveness: limiting investment, innovation, productivity and growth. According to the EU Commission's own impact assessments, administrative and compliance costs costs amount to over €150 billion annually, equivalent to around 0.9% of the EU's GDP in 2022, with SMEs and mid-caps disproportionately affected. Following publication of the Draghi report, as well as mounting pressure from businesses and Member States, the Commission has identified regulatory simplification a key enabler of competitiveness in its *Competitiveness Compass,* making it a top priority for the current mandate. To this end, the Commission has appointed a Commissioner for Implementation and Simplification, and tabled an ambitious simplification agenda.

Yet given the numerous, largely ineffective attempts to cut regulatory burdens over the past three decades, why should this time be any different? For the simplification agenda to succeed, the EU and its Member States must align their efforts across five key dimensions:

1. Reduce the cumulative regulatory burden ex-post
2. Limit new regulatory burdens ex-ante
3. Make regulation more sensitive to business size
4. Reinforce the EU Single Market
5. Digitalise legislative and compliance processes

This chapter examines each of these dimensions, introducing context and challenges, and assessing current policies, progress, and obstacles. Each section concludes with targeted recommendations and is complemented by traffic-light assessments that measure the adequacy of the policy agenda considering the challenges at hand, and progress across the EU and in Central and Eastern Europe (CEE) where pertinent.

Reduce the cumulative regulatory burden ex-post – Omnibus simplification and systematic pruning of existing legislation

Context and challenges

European firms face a diversity of complex, inconsistent and often duplicative reporting obligations and administrative requirements. These incur costs and create uncertainty, holding back companies from investing and innovating – for example, in new technologies like AI.[2] This cumulative regulatory burden stems from years of intensive regulatory activity and a recent push to accelerate the EU's green and digital transitions. Simplification, therefore, requires *retroactive repair:* systematically pruning and aligning existing legislation.

Ambitions and policies

Accordingly, the Commission has set ambitious new targets. The goal of a 25% reduction in reporting obligations set in 2023 was extended to all administrative burdens, including 35% for SMEs, which could cut recurring administrative costs by €37.5 billion.

To achieve this, the Commission aims to conduct reality checks with companies, and perform stress-tests to better understand the impact of EU legislation on companies during its current mandate. This continuous process is structured around Omnibus packages, which maximise simplification by amending multiple existing EU laws simultaneously, while aiming to keep legislative goals intact. Such amendments focus on simplifying rules and reporting requirements, while also removing unclarities, inconsistencies, and duplications. Some also postpone regulation, reduce the scope of applicable companies and sectors, accelerate permitting and licensing, and digitalise procedures.

The Commission has released ten Omnibus packages in 2025, which propose simplification measures across key policy areas: sustainability, EU investment instruments, the Common Agricultural Policy, small mid-caps and Single Market rules, defence and security, chemicals, digital, environment, automotive and food and feed. Further initiatives planned for this year will target taxation, energy production legislation and other areas.

Obstacles and progress

This new, systematic approach by the Commission appears more promising than the previous efforts aimed at reducing the cumulative regulatory burden, and has been broadly welcomed by industry. However, while it is still too early to assess its overall impact, only a few tangible measures have been implemented so far, namely the deferral of CSRD and CSDDD deadlines as well as Omnibus I and II.

The rest of the Omnibuses must still go through the EU co-legislators. While the Council has been relatively supportive, political infighting in the European Parliament threatens to water down and complicate the substance of the proposed Omnibuses and delay their adoption. Moreover, Member States still have to transpose these Omnibuses, which may run further into 2026 or beyond and could add further complexity (see 4.).

NGOs, investors, and some industries have also pointed out that the Omnibuses' provisions, especially those deferring and reducing the scope of regulation, could undermine policy goals and create uncertainty.[3]

Traffic lights assessment

Dimension	Rating	Evidence
Adequacy of policy agenda		Ambitious simplification agenda, but not always in line with policy goals, while legislative obstacles for implementation remain
Progress		Apart from some deferrals and scope reductions little results so far

2 BusinessEurope. (2025). Reducing regulatory burden to restore the EU's competitive edge.
3 A&O Shearman. (2025). EU's simplification revolution and the Omnibus: what's next for EU sustainability reporting and disclosure?.

Recommendations

To avoid legislative complications and deadlock, the Commission should engage early with the Council and European Parliament to align the goals and scope of Omnibus initiatives. To strengthen coordination and accountability, a permanent inter-institutional simplification board should be created and include the European Commission, Parliament, the Council, and national simplification units. This body should monitor delivery against the 25%/35% burden-reduction targets, and report annually to the Council and Parliament.

To safeguard the legislation's effectiveness, every simplification effort should explicitly confirm that progress will not be undermined in terms of treaty-level or legislated goals – from the 2030/2050 climate targets to prudential soundness or consumer protection. If simplification efforts pose such risk, then the goals should be openly revised rather than quietly diluted through technical adjustments.

Limit regulatory burdens ex-ante - improving the quality of new laws under the Better Regulation framework

Context and challenges

While simplifying existing rules is crucial, it is equally important to get legislation right from the outset. Despite the EU's extensive Better Regulation framework, too many new laws are overly complex, adding to businesses' cumulative regulatory burden. Across EU institutions and Member States, legislative quality is undermined by weak integration of stakeholder feedback, insufficient assessment of competitiveness impacts, and limited coordination.

Ambitions and policies

The Commission has announced a slew of new better regulation and simplification tools, building on existing efforts such as its extensive better regulation toolbox and the "one in, one out" approach aimed at offsetting the costs of new legislation by reducing existing burdens.

For example, the Commission has adopted reinforced *competitiveness* and *SME checks,* better accounting for the competitive position of European businesses, focusing more on competitiveness-critical sectors, and better analysing legislations' indirect impacts on SMEs. In addition, the Commission plans to subject delegated and implementing acts - which in the past have added extra complexity - to impact assessments, which include cost savings analyses.

Moreover, the Commission envisages the more widespread use of regulatory sandboxes to test policy options with Europe's business base. It promises further simplification through the digitalisation of legislative and administrative procedures with the adoption of the "digital by default" and "once-only principle" (see 5.) and better integration across different governance levels (see 4.).

The Commission also calls on co-legislators to deploy a simple methodology to assess the costs of their amendments, and intends to renew the Interinstitutional Agreement on Better Lawmaking with the European Parliament and the Council in order to guarantee to limit complexities that arise during the co-legislative process. Nevertheless, the success of this approach will depend on these institutions' buy-in.

Obstacles and progress

While the Commission's new Better Regulation tools certainly have some potential, their overall success in lightening regulatory burdens remains uncertain. Enduring political and institutional incentives still work against simplicity. Co-legislators continue to prioritise visible legislative output and politics over quality, adding - rather than removing - complexity. It remains to be seen whether new cost assessment methodologies and a renewed interinstitutional agreement will succeed in countering deeply engrained incentive structures. Within the Commission, the uneven use of Better Regulation tools and the limited and largely qualitative nature of competitiveness checks have so far limited the corrective power of such tools[4]. Meanwhile, weak institution-

4 For example, some Omnibus packages have been criticised for lacking proper impact assessments, and thorough stakeholder consultations which could cause additional complexity.

al accountability - with the Commission's Regulatory Scrutiny Board (RSB) lacking veto power - means that low-quality or overly complex proposals can still often advance unrestrained.

Traffic lights assessment

Dimension	Rating	Evidence
Adequacy of policy agenda		Some positive potential, but don't address structural incentives for complexity
Progress		Too early to judge progress

Recommendations

To improve accountability of the Commission's better regulation efforts and to ensure more effective competitiveness checks, the RSB should have the power to veto legislation that is too complex. The RSB should also be bolstered with additional members that have SME and mid-cap expertise, while its chair should be appointed from outside the Commission to guarantee independence. The RSB should coordinate closely with the inter-institutional simplification board suggested above (see 1.).

The renewed interinstitutional agreement for better law making should oblige the Council and the European Parliament to perform impact assessments on the amendments they introduce.

To better take into account the needs of businesses, self- and co-regulation should also more frequently be allowed to give firms flexibility in meeting policy goals, especially when trying to reconcile prescriptive rules such as the bloc's data protection laws with the deployment of new technologies like AI.

Make regulation more sensitive to business size – relieving the disproportionate burden on SMEs and mid-caps

Context and challenges

While EU regulation affects all firms, it weighs disproportionately on SMEs and mid-caps which are less able to absorb high compliance costs and regulatory uncertainty. Moreover, large corporations often pass complex reporting obligations down their supply chains. SMEs benefit from certain exemptions in areas such as competition, taxation, and company law, yet mid-caps - with 250 to 3,000 employees - often fall outside these lighter regimes, and are treated like large firms despite having far fewer resources. This imbalance discourages SMEs from scaling up, and constrains mid-caps – among them some of Europe's most innovative and export-oriented "hidden champions" and promising scale-ups – that are crucial to the EU's competitiveness.[5]

Ambitions and policies

The Commission has made company-size thresholds - based on employee numbers and turnover - an important element of its simplification agenda. The first Omnibus Package exempts companies with fewer than 1,000 employees from CSRD reporting obligations, and introduces measures to limit excessive information requests from smaller firms to prevent regulatory burdens from trickling down supply chains.

The fourth Omnibus Package introduces a new Small Mid-Cap (SMC) category, covering companies with 250–750 employees and either a turnover of up to €150 million or a balance-sheet total of up to €129 million. It extends some existing SME reliefs and mitigating measures to around 38,000 SMCs. These include, amongst others, derogations under the GDPR, and simplified prospectus rules to make stock-market listings easier and less costly. The Commission also plans further targeted relief measures, and aims to systematically consider SMCs in future legislative proposals to ensure that their specific needs are addressed from the outset.

5 Riekeles, G., Lausberg, P., Maurin, L., Delanote, J., & Tran, H. (2024). Hidden champions, missed opportunities: Mid-caps' crucial roles in Europe's economic transition. European Investment Bank/European Policy Centre.

Obstacles and progress

While introducing different company-size thresholds for individual laws risks making EU regulation more complex, the proposal of the SMC category marks an important systematic approach towards more proportionality in regulation. The legislation still needs to pass the co-legislative process (see above), and as the new category applies only in selected policy areas (e.g. GDPR, financial listing rules, some reporting obligations) rather than across the full regulatory spectrum, its positive impact on SMCs' competitiveness is rather limited for now. As the category is new, systematic data on mid-cap administrative costs remains scarce, making informed law making more difficult.

Traffic lights assessment

Dimension	Rating	Evidence
Adequacy of policy agenda	🟢	Overall adequate policy agenda for more proportionality in regulation
Progress	🟡	Limited alleviations so far, which are not enacted yet

Recommendations

Regulatory relief for SMCs should be extended across all major EU sectors, including environment, competition, taxation, product safety and sustainability.

Companies with up to 3,000 employees are a critical segment for the EU's competitiveness, which could further develop its potential through regulatory alleviations and targeted support.[6] The SMC category should therefore be complemented by a large mid-cap category that provides targeted burden alleviations for these firms.

Moreover, the Commission should move away from its "Think Small First" principle to "Think Growth and Scaling First", and reframe the Better Regulation philosophy around growth trajectories to ensure that policies reward expansion, rather than just supporting small companies. This should be complemented by a "Growth and Scaling Test" within the Better Regulation toolbox alongside the SME test.

Better implementation and enforcement of single market rules

Issues and needs

Additional regulatory burdens - especially for businesses operating across borders - often stem from the late or incorrect implementation of EU law by Member States, and from extra national requirements (so-called *"gold-plating"*) added on top of EU rules. These problems are compounded by the weak enforcement of EU legislation by both Member States and the Commission, which is frequently due to limited administrative capacity. Moreover, in strategic sectors like energy, communications, defence, and professional services, the lack of harmonisation of national legislation creates additional burdens for businesses to scale across the Single Market. Overall, internal market barriers remain a major obstacle to more competitiveness.[7]

Ambitions and policies

To assist Member States with the correct implementation of EU legislation, the Commission plans to prepare integrated implementation strategies for major legal acts, including explanatory templates and transposition roadmaps that track progress and facilitate expert groups to foster closer partnerships across the EU.

The Commission also plans to foster regulatory convergence by better supporting Member States in building their administrative capacity, digitalising, delivering reforms, and fostering cross-border administrative coopera-

6 Lausberg, P., Otero-Iglesias, M., Riekeles, G., & González-Agote, A. (2024). Towards-a-Competitive-Edge-Reforming-the-EU-Regulatory-Framework. European Policy Centre.
7 International Monetary Fund. (2024). Regional Economic Outlook – Europe, October 2024.

tion in implementing Single Market rules. To do so, the Commission deploys instruments such as the Technical Support Instrument (TSI; set up in 2021), the European Administrative Space (ComPAct; set up in 2023), and the upgraded (between 2023 and 2025) Internal Market Information System.

The Commission also pledges to pursue more resolute enforcement action to fight the fragmentation of the Single Market and any unlawful *gold plating,* prioritising breaches that have the most significant impact on public and business interests. This includes referring cases to the Court of Justice of the European Union more quickly in difficult cases, and requesting financial sanctions where legally possible.

Obstacles and progress

While these measures may help streamline coordination across the Single Market over time, they fall short of addressing the underlying structural problem - the persistent lack of administrative capacity in many Member States, particularly across CEE,[8] which remains one of the main causes of the late or incorrect transposition of EU legislation.[9]

It also remains unclear how the Commission will secure the resources needed to deliver on its promise of more resolute enforcement, as its already stretched budget is divided among numerous priorities, limiting its ability to expand infringement work. Moreover, while the prioritisation of strategic infringement cases is a legitimate approach, this could come at the expense of comprehensive enforcement across the breadth of Single Market rules.

Finally, Member States continue to defend national exceptions and regulatory peculiarities, often backed by strong domestic constituencies. These political dynamics sustain incentives for *gold-plating* beyond the Commission's direct control.

Traffic lights assessment

Dimension	Rating	Evidence
Adequacy of policy agenda	🟡	Some good initiatives, but not sufficiently addressing core problems
Progress	🟡	Only little progress, but still early to judge
CEE performance	🔴	Particularly weak implementation and enforcement of Single Market rules

Recommendations

The EU should upgrade and better fund the TSI, while proactively promoting its uptake - especially in CEE countries - through targeted outreach, simplified access, and multi-country projects linked to the ComPAct initiative. At the same time, Member States should dedicate more resources to the correct implementation of Single Market rules, which will require the investment of significant political capital.

Single Market infringement procedures must be quicker, less bureaucratic, and more transparent. This requires increasing dedicated staff resources at the Commission, as well as adopting new digital tools and technologies in the Single Market Enforcement Taskforce (SMET) to strengthen surveillance. As a well-functioning Single Market should be the EU's top priority, this warrants the reallocation of resources from other policy areas to ensure its effective defence.

8 CEE countries — including Romania, Bulgaria, Slovakia, Croatia, and Poland — have higher-than-average transposition deficits and more pending infringement cases related to incorrect implementation or weak enforcement of Single Market rules.

9 The TSI helps Member States with capacity building using €864mn from 2021 to 2027, which is too little to make a real difference.

Digitalisation of legislative and compliance processes – embedding digital-by-default and once-only principles in all administrative processes

Issues and needs

Many legislative processes across the Commission, the European Parliament, the Council, and national administrations remain insufficiently digitalised. This results in slow, untransparent, complex, and often duplicative procedures that undermine the efficiency, accountability, and quality of EU lawmaking. Moreover, digitalisation of compliance and reporting is still patchy and not fully centralised across the EU, which increases complexity and creates additional regulatory burdens.

Ambitions and policies

The Commission aims to embed the "digital by default" and "once-only" principles across all EU regulation and compliance, replacing paper-based procedures with interoperable online systems. Under Omnibus IV, firms would be able to submit product declarations and conformity documents electronically, while "once-only" data rules should ensure that information is provided to public authorities just once and shared securely across administrations.

The Commission pushes for Member States to make key administrative procedures available online through the Single Digital Gateway (SDG), as the main one-stop online portal for citizens and businesses across the EU. It will also build on the digital wallet initiative by putting forward a European Business Wallet which will let companies manage regulatory requirements, licences, and certificates in one place.

Obstacles and progress

It is still too early to gauge the impact of the "digital by default" and "once-only" principles, as new laws like Omnibus IV are not in force yet. The SDG's scope is still limited, and implementation is uneven across Member States. While frontrunners such as Estonia, Denmark and the Netherlands have fully digitalised most key procedures, several countries - particularly in CEE - still face delays in putting all the mandatory processes online. Moreover, the SDG's technological backbone, the Once-Only Technical System (OOTS), which allows secure data exchange between authorities so that firms only submit information once, is still in its pilot phase and won't be fully operational EU-wide before later in 2026 at the earliest.[10]

Traffic lights assessment

Dimension	Rating	Evidence
Adequacy of policy agenda	🟢	Relatively ambitious goals and policies with high potential
Progress	🟡	Only partial progress, depending on Member States
CEE performance	🔴	Particularly low level of digitalisation

Recommendations

The Commission should invest more in facilitating digital capacity building and best practice sharing across Member States through an upgraded and better funded TSI.

To accelerate regulatory burden reduction ex-post and ex-ante, the Commission and other lawmakers across the EU should expand the deployment of AI tools - building on pilots such as the Commission's *Legislation Quality Analytics* project and national initiatives like Finland's *AuroraAI* and the Netherlands' *Regulatory Burden Dashboard* - to help identify overlaps, inconsistencies, and redundant reporting obligations in legislative proposals and compliance frameworks. Moreover, the Commission should create a single, comprehensive

10 For now, businesses still need to enter similar data multiple times into different national or sectoral systems.

"Digital Governance Scoreboard" that tracks the digitalisation of legislative and compliance processes across all EU institutions and Member States.

The use of shared data and interoperability standards across the EU and national administrations should be accelerated by a faster expansion of the Single Digital Gateway. This must be a joint EU effort between Member States and the EU.

Conclusion: From commitment to delivery

The Commission's renewed simplification agenda marks the most comprehensive attempt so far to address the regulatory burden on Europe's competitiveness. Ambitious targets, systematic reviews and Omnibus regulations, reinforced better-regulation tools, and digital-by-default goals signal a shift towards leaner and more coherent policymaking.

Yet implementation remains uneven, and tangible results have so far been sparse. Many simplification measures are still under negotiation, while national *gold-plating,* administrative capacity gaps - particularly in CEE - and the slow adoption of digital tools continue to hold back progress. The challenge is less to announce new initiatives, but rather to ensure consistent delivery, coordination across institutions, and measurable impact on the ground.

To make this simplification drive truly transformative, the EU must now move from rhetoric to results: translating ambitious targets into enforceable commitments, investing in administrative capacity and digital infrastructure, and holding all actors - Commission, Parliament, Council, and Member States - accountable for reducing complexity. Only then can simplification become a lasting driver of competitiveness, rather than another cyclical promise to reduce red tape.

Notes

GLOBSEC
IDEAS SHAPING THE WORLD

Vajnorská 100/B
831 04 Bratislava
Slovak Republic

+421 2 3213 7800
info@globsec.org
www.globsec.org