Environmental protection - spending and investments

Statistics Explained

Data extracted in June 2026
Planned article update: June 2027

Highlights

EU environmental protection expenditure reached € 388 billion in 2025; corporations accounted for the largest share (53%).

Environmental protection investment rose 37% between 2014 and 2025 to € 79 billion, with wastewater management representing the largest investment domain (37.7% in 2025).

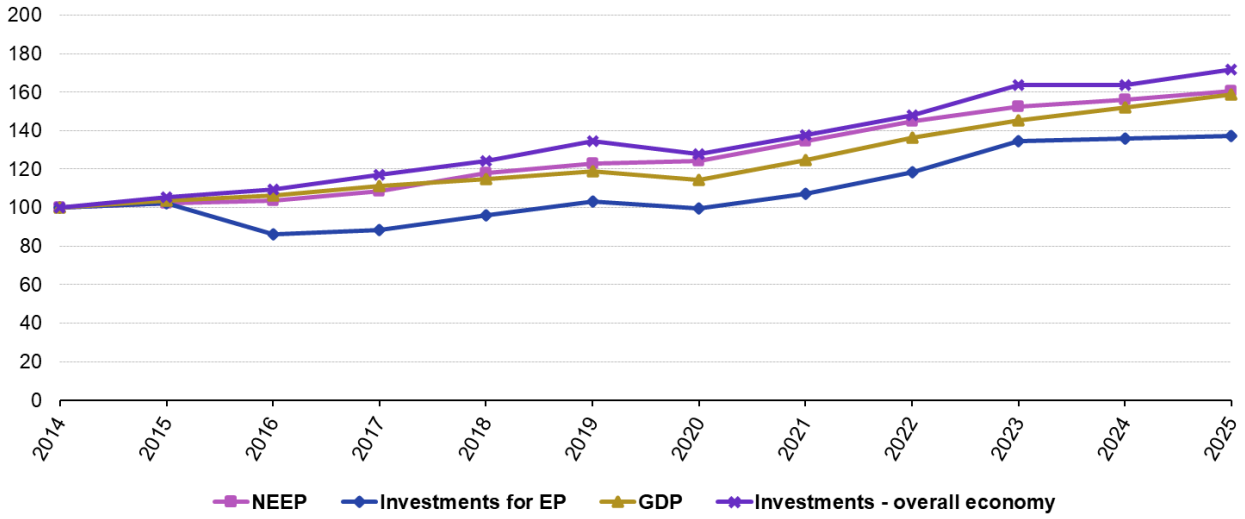
This article provides an overview of the most recent data on environmental protection expenditure, including capital expenditure, in the European Union (EU) as defined in the Environmental Protection Expenditure Accounts (EPEA). EPEA measure the economic resources devoted to prevention, reduction, and 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.

EPEA data are available by institutional sector and by environmental purpose, according to the classification of environmental purpose. More detailed information on EPEA data collection are reported in the section related to data sources.

All activities undertaken for the purpose of resource management, such as production of energy from renewable sources, energy efficiency, forest management, fall outside the scope of EPEA, and related expenditure is not included in National expenditure on environmental protection ('NEEP'). For information on gross value added (GVA) and employment in the environmental goods and services sector (EGSS), see the articles on environmental economy — employment and growth .

Key indicators for environmental protection

Key environmental protection and economic indicators EU, 2014–2025
(2014=100)



Notes: EU data on NEEP and investments for EP are estimated by Eurostat.
Investments - overall economy index: based on gross fixed capital formation and Acquisitions less disposals of non-financial non-produced assets data (National Accounts - annual sector accounts).
GDP index: based on gross domestic product at current prices (National Accounts - GDP and main concepts)
NEEP: national expenditure on environmental protection; EP: environmental protection
Source: Eurostat (online data codes: env_epea_neep, env_epea_invte, nama_10_gdp and nasa_10_nf_tr)

Figure 1: Key environmental protection and economic indicators, EU, 2014–2025 Source: Eurostat (env_epea_neep), (env_epea_invte), (nasa_10_nf_tr) and (nama_10_gdp)

National expenditure on environmental protection (NEEP) measures the resources used by resident units in a given period for protecting the natural environment. It is calculated as a sum of current expenditure on environmental protection (EP) activities, investments for EP activities and net transfers to the rest of the world. According to Eurostat's estimates, EU expenditure on environmental protection, measured by the NEEP aggregate, increased by 60% from 2014 to 2025; as a percentage of gross domestic product (GDP) (see Figure 1) NEEP remained relatively stable in the whole period, ranging between 2% and 2.2%.

Over the same period, investments for environmental protection increased by 37%. Compared with total investment in the economy, environmental protection (EP) investment recorded positive but more moderate growth. While overall investment followed a broadly upward trend over the period 2014–2025, with a temporary decline around 2019–2020, EP investments show a stronger mid-period decrease before returning to an upward trend in the later years of the period.

National expenditure on environmental protection

In 2025, EU national
expenditure on environmental protection amounted to € 388 billion , according to Eurostat's estimates (see Figure 2).

Figure 2: National expenditure on environmental protection by institutional sector, EU, 2014–2025 Source: Eurostat (env_epea_neep)

Estimates by institutional sector point to the largest contribution to NEEP from the corporations sector (accounting for 53% of total NEEP in 2025; see Figure 2). Expenditure on environmental protection of corporations includes current and capital expenditure of both specialist producers, i.e. of corporations that offer environmental protection services (e.g. waste or wastewater management) on the market, and of ancillary producers, i.e. those corporations

that do not sell environmental services on the market but which undertake environmental protection activities in-house and for own use, in order to limit the negative environmental effects of their main production activity (e.g. a refinery or a water supply company that treats its exhaust gases or effluents). From 2014 to 2025, environmental protection expenditure of corporations increased by 76%.

The expenditure of general government (GG) and non-profit institutions serving households (NPISH) (considered for the purposes of EPEA as one sector) and of households in 2025, accounted for 30% and 17% of total NEEP, respectively. From 2014 to 2025, environmental protection expenditure increased by 57% for GG and NPISH compared to a 30% for households, whose spending mainly consists of payments to local authorities or specialised enterprises for waste and wastewater collection and treatment.

Over the period 2014–2025, NEEP in the EU showed an overall upward trend across environmental protection domains, with the exception of noise and radiation abatement, where expenditure remained broadly stable. Waste management consistently accounted for the largest share of NEEP and was the main contributor to its overall increase, followed by wastewater management. Expenditure on air protection remained comparatively lower but increased over the period, while spending on soil and groundwater protection, biodiversity and landscape protection, and other environmental protection activities also recorded sustained growth (Figure 3)

Figure 3: National expenditure on environmental protection by environmental purpose, EU, 2014–2025 Source: Eurostat (env_epea_neep)

As highlighted in Figure 4, NEEP-to-GDP ratio varies significantly across EU countries. In 2023 (the most recent year for the mandatory EPEA data reporting), national expenditure on environmental protection in % of GDP across EU countries ranged from 0.6% in Ireland to 3% in Belgium and Austria. Nine EU countries are above the EU share of 2.1% of GDP: Austria, Belgium, Czechia, Italy, Poland, Romania, Slovenia, Sweden and The Netherlands.

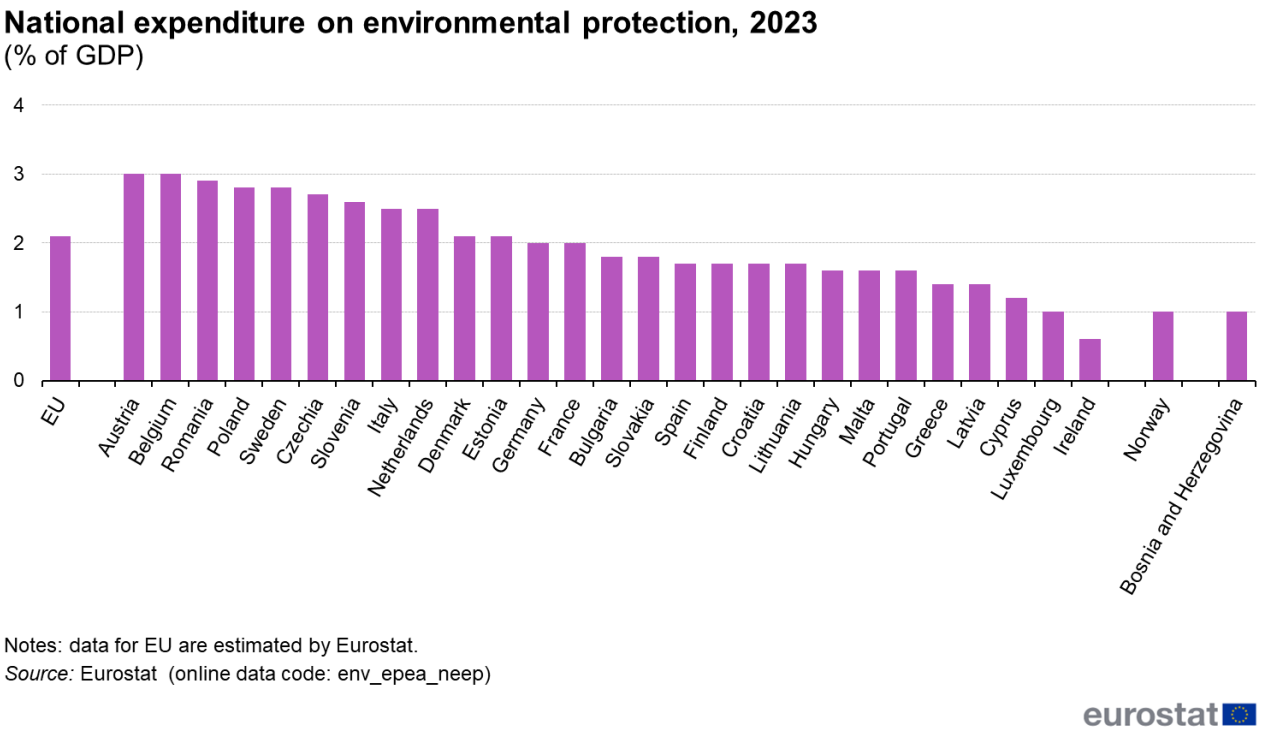


Figure 4: National expenditure on environmental protection, 2023 Source: Eurostat (env_epea_neep)

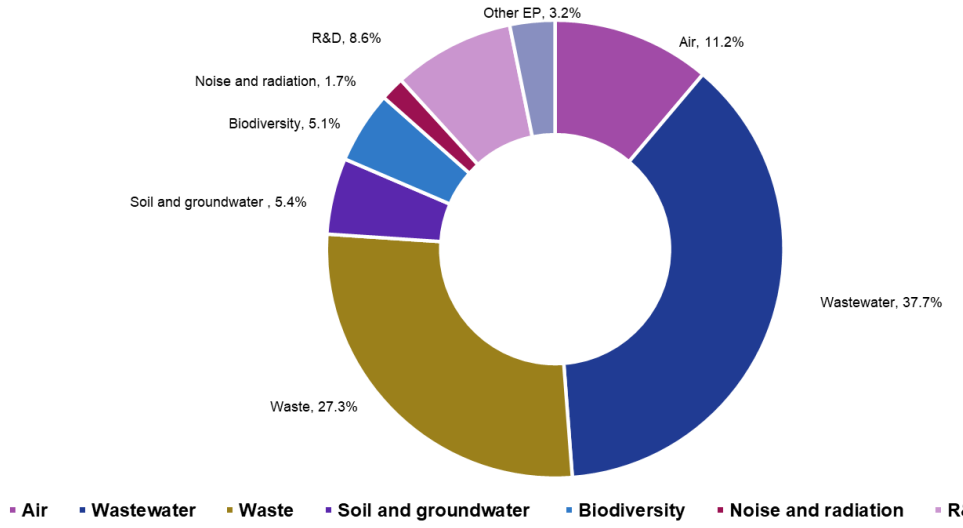
Environmental protection investments

EPEA provides information on a portion of the investments essential to maintain and expand society's capacity to protect natural assets (e.g. air, soil, water) as well as to prevent, contain and clean-up pollution related to them (e.g. waste and waste management). Wastewater treatment plants, vehicles to transport waste, acquisitions of land to create a natural reserve and protect biodiversity, or upgrading equipment for producing with fewer polluting emissions are an examples of assets essential to provide environmental protection services.

According to Eurostat estimates, EU investment in environmental protection increased by 37%, from € 58 billion in 2014 to € 79 billion in 2025. From 2016 onwards, environmental protection investments and total investment in the overall economy followed a broadly similar upward trend, with environmental protection investments representing around 2% of total investment.

Environmental protection investments by environmental purpose In 2025, projects related to wastewater management attracted most of the environmental protection investments in the EU, accounting for 37.7% of the total investment. These investments include spending on new processes to reduce water pollutants and wastewater generated during production, as well as on the operation, maintenance, and repair of sewerage networks and sewage treatment plants. They also cover the treatment of cooling water and sewage sludge for disposal or other uses, such as agriculture, incineration with energy recovery, and biogas production. A substantial share of investments was also allocated to waste management, representing 27.3% of the total. Air and climate protection ranked third with 11.2%, reflecting ongoing continuous efforts aimed
to either emissions reduction and climate change mitigation, followed by research and development activities at 8.6%.

Investments for environmental protection by environmental purpose, EU, 2025
(% of total environmental protection investments)



Source: Eurostat (online data codes: env_epea_invgg, env_epea_invsp and env_epea_invap)

Figure 5: Investments for environmental protection by environmental purpose, EU, 2025 Source: Eurostat (env_epea_invgg), (env_epea_invsp), (env_epea_invap)

Environmental protection investments by institutional sector In 2025, EP investments by corporations reached € 50 billion, while investments by general government (GG) and non-profit institutions serving households (NPISH) amounted to € 29 billion. The corporation sector includes both market producers of environmental protection services (i.e. specialist and secondary producers, such as private companies engaged in waste collection, waste treatment and sewerage activities) and corporations carrying out ancillary environmental protection activities to limit the environmental pressures arising from their production processes (e.g. investments in

equipment for reducing emissions or treating pollutants).

Corporate
EP investments increased compared with 2024, whereas GG and NPISH EP investments declined slightly (Figure 6).

Figure 6: Investments for environmental protection by institutional sector, EU, 2014–2025 Source: Eurostat (env_epea_invgg), (env_epea_invsp), (env_epea_invap)

Total investments continued to grow in both sectors; consequently, the share of EP investments in total investments remained stable at 2.1% for corporations but fell to 4.0% for GG and NPISH (Figure 7).

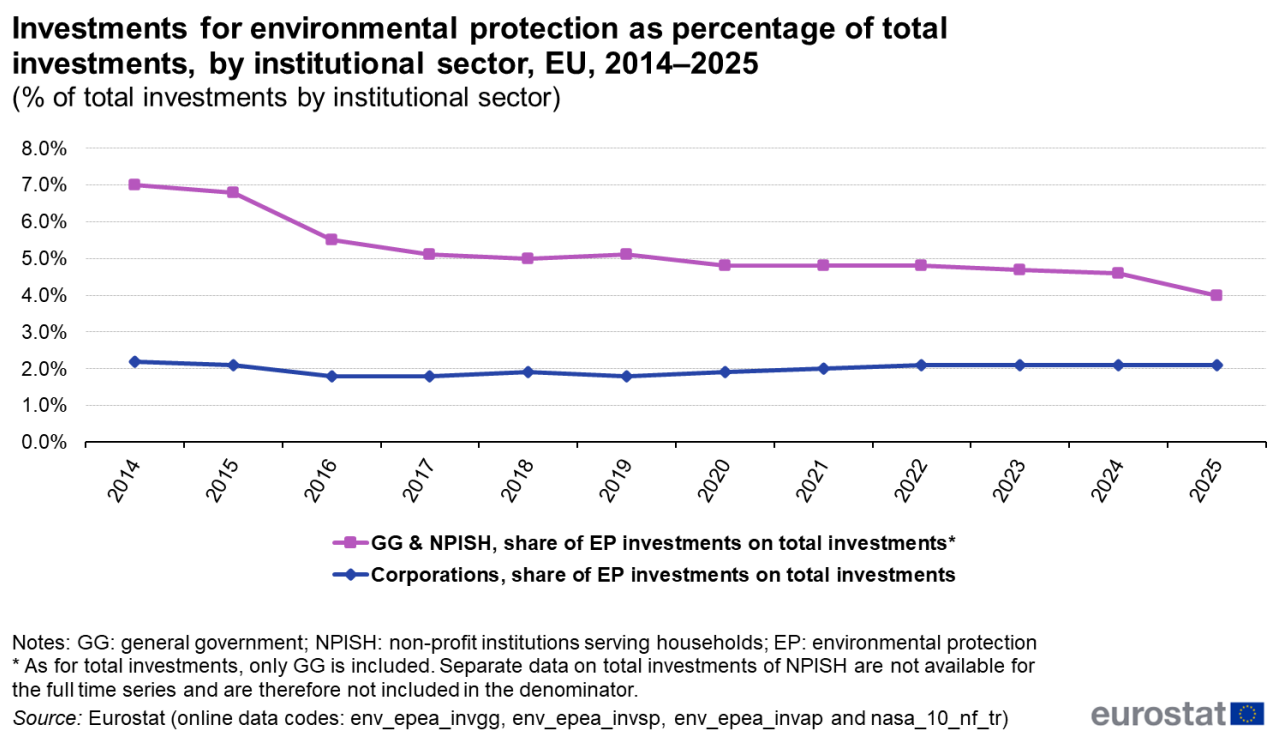
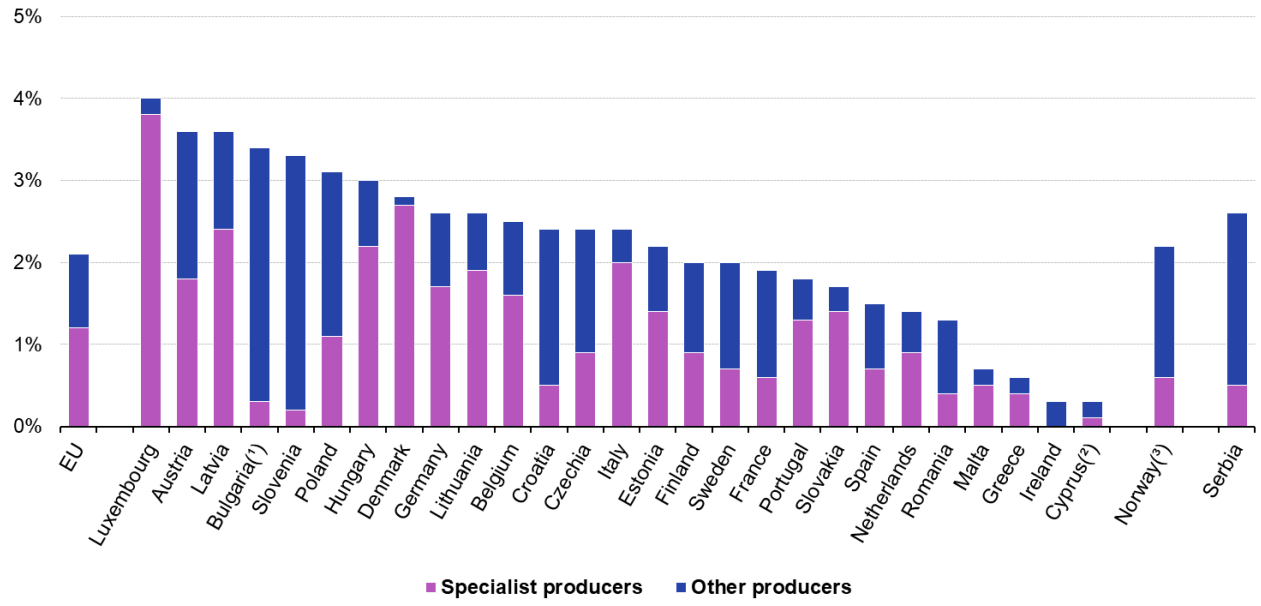


Figure 7: Investments for environmental protection as percentage of total investments, by institutional sector, EU, 2014–2025 Source: Eurostat (env_epea_invgg), (env_epea_invsp), (env_epea_invap), (nasa_10_nf_tr)

The share of environmental protection (EP) investments in total investments varies across countries and institutional sectors. Figures 8 and 9 present the share of EP investments in 2023 (the most recent year for the mandatory EPEA data reporting) by country and institutional sector.

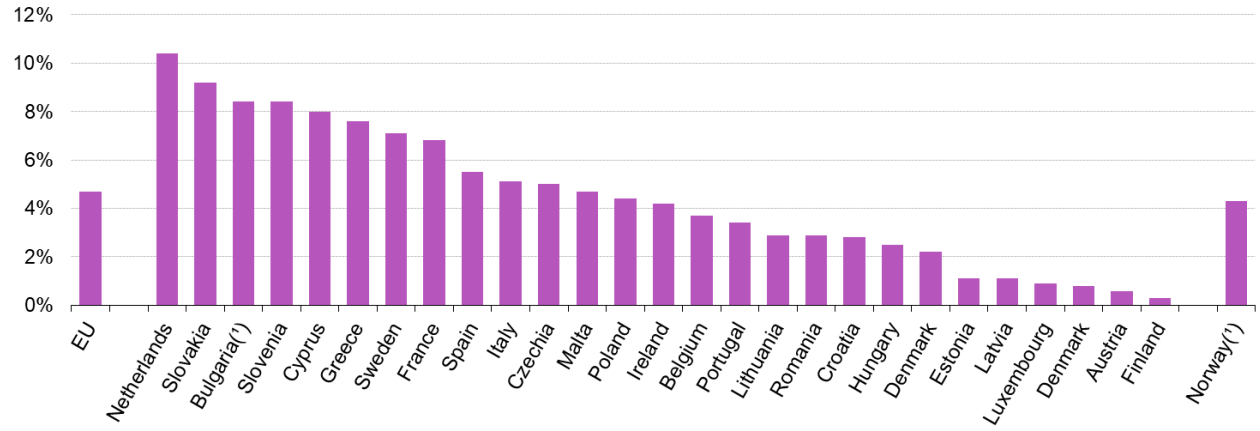
Investments for environmental protection by corporations, 2023
(% of corporations' total investments)



Notes: data for EU are estimated by Eurostat. Total investments include gross fixed capital formation and acquisitions less disposals of non-financial non-produced assets
of corporations from annual sector account (National Accounts)
Bosnia and Herzegovina is not included in the graph given that data for corporations from annual sector accounts are not available.
(1) Bulgaria: NA data refers to 2022, acquisitions less disposals of non-financial non-produced assets for S12 not available
(2) Cyprus: acquisitions less disposals of non-financial non-produced assets for S11 not available
(3) Norway: NA data refers to 2022
Source: Eurostat (online data codes: env_epea_invsp, env_epea_invap and nasa_10_nf_tr)

Figure 8: Investments for environmental protection by corporations, 2023 Source: Eurostat (env_epea_invsp), (env_epea_invap) and (nasa_10_nf_tr)

Investments for environmental protection by general government (GG) and non-profit institutions serving households (NPISH), 2023
(% of GG and NPISH's total investments)

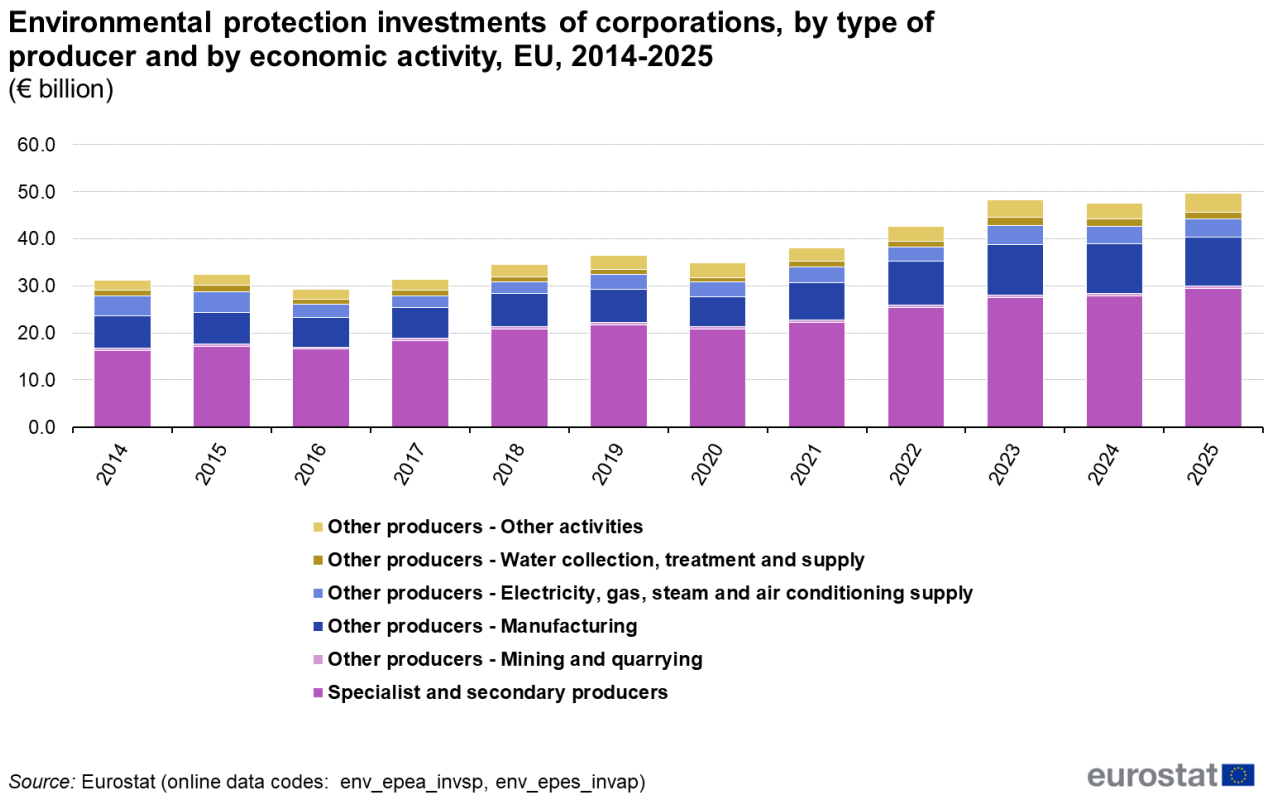


Notes: data for EU are estimated by Eurostat. Total investments include gross fixed capital formation and acquisitions less disposals of non-financial non-produced assets of general governments and non-profit institutions serving households (NPISH) from annual sector account (National Accounts)
(1) Bulgaria and Norway: NA data refers to 2022, the latest available year for NA - annual sectoral accounts
Source: Eurostat (online data codes: env_epea_invgg and nasa_10_nf_tr)

eurostat

Figure 9: Investments for environmental protection by GG and non-profit institutions serving households (NPISH), 2023 Source: Eurostat (env_epea_invgg) and (nasa_10_nf_tr)

Environmental protection investments of corporations by type of producers and activity Between 2014 and 2025, the investments' share of specialist and secondary producers in total corporation EP investments increased from 52% to 59% (see Figure 10).

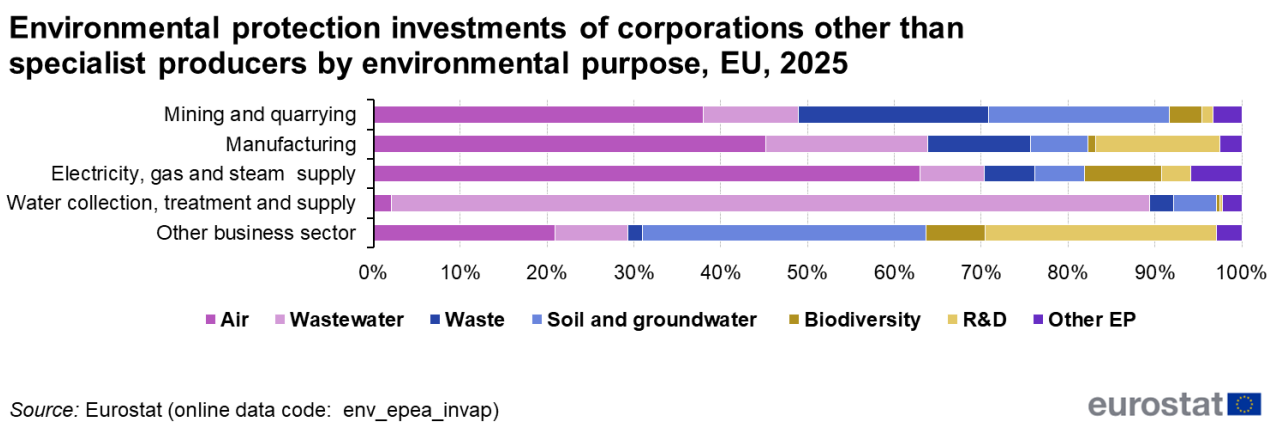


Source: Eurostat (online data codes: env_epea_invsp, env_epes_invap)

Figure 10: Environmental protection investments of corporations, by type of producer and by economic activity, EU, 2014–2025 Source: Eurostat (env_epea_invsp), (env_epea_invap)

Among corporations undertaking environmental protection activities for their own production processes, manufacturing accounted for more than half of EP investments in 2025 (52%). Utility activities represented a further 27%, while other business activities and mining and quarrying accounted for 19% and 3%, respectively.

Among corporations other than specialist and secondary producers, the distribution of environmental protection investments by domain varied significantly across sectors in 2025. Overall, the allocation of investments across environmental domains broadly reflects the main environmental pressures associated with each sector's production activities (Figure 11).



Source: Eurostat (online data code: env_epea_invap)

Figure 11: Environmental protection investments of corporations other than specialist producers by environmental domain, EU, 2025 Source: Eurostat (env_epea_invap)

Air protection was the main environmental investment in the industry of electricity, gas and steam supply (61%), in manufacturing (44%) and in mining and quarrying (37%). Mining and quarrying also recorded notable shares of

investments for waste management (21%) and soil and groundwater protection (20%). Wastewater management strongly dominated the investments of the indutry of water collection, treatment and supply (87%). The other business sector showed a more diversified investment pattern, with relatively higher shares in soil and groundwater protection (31%) and environmental R&D (25%).

Source data for tables and graphs

- Environmental protection expenditure accounts: tables and figures

Data sources

EPEA are a module of the European environmental economic accounts set out under Regulation (EU) No 691/2011 on European environmental economic accounts , Annex IV. EPEA follow the international standards of the System of Environmental-Economic Accounting 2012 Central Framework (SEEA CF 2012), and are broadly compatible with the international System of National Accounts (SNA 2008) and its European version, the European System of National and Regional Accounts (ESA 2010).

Data are collected annually and the legal deadline of the data collection is end of December. The Member States are requested to submit to Eurostat data on output, intermediate and final consumption, imports and exports of environmental protection services and gross fixed capital formation and acquisitions less disposals of non-produced non-financial assets for the production of environmental protection services. Data for EFTA countries, candidate countries and potential candidates are also collected and disseminated on Eurostat database.

The data must be cross-classified by:

- institutional sectors and their role as producers/consumers of environmental protection services,
- economic activities (using the NACE Rev. 2) for the ancillary production of environmental protection services,
- classification of environmental purposes (CEP).

Institutional sectors are defined in SEEA CF 2012 and ESA 2010. EPEA use the following groupings of sectors:

- corporations as specialist and secondary producers of environmental protection services;
- other corporations (as ancillary producers);
- general government and non-profit institutions serving households (NPISH);
- households (as consumers of environmental protection services);
- rest of the world (as beneficiary or origin of transfers for environmental protection).

CEP is a recognised international standard included in the family of international economic and social classifications. It can be downloaded from the ShowVoc website. See the CEP technical note for further detail. CEP has been introduced in the monetary environmental accounts starting from 2025 data collection.

The scope of EPEA is defined according to the classification of environmental purposes (CEP). Data are collected and disseminated using the following breakdown:

- CEP 01 — Protection of ambient air and climate
- CEP 0301 — Wastewater management
- CEP 0401 — Waste management
- CEP 0501 — Protection and remediation of soil, groundwater and surface water
- CEP 0502 — Protection of biodiversity and landscapes
- CEP 06 — Noise and radiation
- Sum of CEP 0701, 0703, 0705, 0707 and 0709 — Research and development for environmental protection

- CEP 08_EP - Other environmental protection purposes

Missing statistical information for mandatory data reporting is estimated by Eurostat through an ad hoc gap-filling procedure, based on different methods according to data availability. Data annually submitted by countries and validated by Eurostat are used in the gap-filling procedure. The main data sources to gap-fill missing data are data on General Government expenditure by function (COFOG - UNSD classification of functions of government, replicated in ESA201) and by type of transaction, national accounts data and inferential method. Moreover, as a consequence of the transition to CEP in the 2025 data collection, historical data reported according to classification of environmental expenditure and activities (CEPA) and not resubmitted by countries under the new classification (CEP), have also been used.

Gap filled data are used to calculate EU27 estimates. Eurostat also produce estimates for EU aggregates for two additional years after the last reference year. Data are estimated by country and EU aggregates estimates are produced by summing up the transmitted or estimated country data. Eurostat estimates the EU aggregates for the following variables:

- output (market and non-market) of EP services by general government and NPISH;
- market output of EP services by specialist producers;
- ancillary EP output by corporations other than specialist producers;
- gross fixed capital formation plus net acquisition of non-produced non-financial assets for the production of environmental protection services by general government and corporations;
- final consumption of EP services by general government;
- final consumption of EP services by households;
- intermediate consumption of EP services;
- environmental protection transfers to / from Rest of the World.

Estimated country data are not disseminated, but only included in the calculation of EU aggregates. Only country data provided in the EPEA questionnaire are disseminated, once the validation procedure has been completed.

Context

The increased awareness of the need to combat environmental pollution and preserve natural resources has led to an increase in the supply and demand of environmental goods and services, in other words, products to prevent, measure, control, limit, minimise or correct environmental damage and resource depletion.

Statistics on environmental protection expenditure enable to identify and measure society's response to environmental concerns and how it is financed. Environmental protection expenditure accounts (EPEA) quantify the resources devoted to environmental protection by resident economic units. They thus report the effort made by society towards implementing the 'polluter pays principle'. Environmental protection expenditure accounts are relevant for the European Green Deal implementation and EPEA data contribute directly to the EU's policy priorities on environmental protection, resource management and green growth by providing important information on the production and the use of environmental protection services.

Explore further

Other articles

- All articles on environment
- Environmental economy – statistics on employment and growth
- Environmental economy – statistics by Member State

Database

- Environment , see:

Environmental protection expenditure (env_epe) :

Environmental protection expenditure accounts based on classification of environmental purpose (CEP) (env_epea_cep)

National expenditure on environmental protection by institutional sector and environmental purpose (env_epea_neep)

Environmental protection transfers by institutional sector and environmental purpose (env_epea_trf)

Environmental protection investments (env_epea_inv)

Production of environmental protection services (env_epea_prod)

Consumption of environmental protection services (env_epea_cons)

Thematic section

- Environment

Methodology

- Methodological publications

- Environmental protection expenditure accounts - Handbook - Eurostat - 2017 edition

Legislation

- Regulation (EU) No 691/2011 on European environmental economic accounts
- Regulation (EU) No 549/2013 of 21 May 2013 on the European system of national and regional accounts (ESA2010)
- Summaries of EU legislation: European environmental economic accounts
- Summaries of EU legislation: European Union system of national and regional accounts

External links

- European Commission — Environment — Policies
- OECD Environment Directorate