

Application of the 'do no significant harm' principle to the next Multiannual Financial Framework

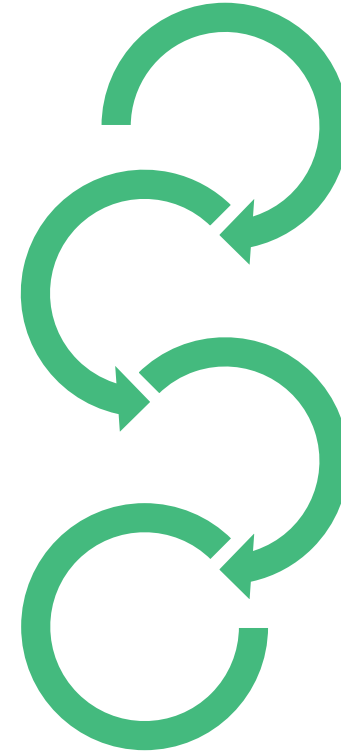
Concept paper for consultation

Context

- The Commission proposal for a Performance Regulation sets out that the Commission is to issue a **simple and single guidance on the application of the ‘do no significant harm’ (DNSH) principle** under the 2028-2034 Multiannual Financial Framework (MFF).
- The DNSH principle defines the **environmental and climate conditions EU funds** should apply. It means that EU money should not support activities that cause significant harm to the Union’s environmental and climate objectives.
- The Commission is launching today a **targeted consultation** to gather feedback from stakeholders on the Commission’s envisaged approach to applying the principle. This concept paper does not prejudice the Commission’s final position.
- **This meeting aims at presenting the concept paper published today.**



1. Introduction
2. Lessons learned and legal basis
3. Concept paper for consultation
4. Timeline and next steps
5. Q&A



Legal basis and lessons learned

DNSH lessons learned

Current EU funding

Cohesion Policy

Exclusion list + DNSH taken into account

InvestEU

Exclusion list + sustainability proofing complemented by guidance

Recovery and Resilience Facility

Principles defined for self-assessment + condition in CID Annex

Social Climate Fund

Granular and ex ante clarity

An important safeguard for the credibility and integrity of EU spending
Inconsistent application across different EU funds
Lack of clarity on applicable conditions
Higher **administrative burden**



Legal provisions

Article 33(2)(d) of the Financial Regulation

“programmes and activities shall, *where feasible and appropriate* in accordance with the relevant sector-specific rules, be implemented to *achieve their set objectives without doing significant harm* to the environmental objectives [...] as set out in Article 9 of the Taxonomy Regulation”.

Part of the overarching principle of *sound financial management and performance*, and subject to the principles of economy, efficiency and effectiveness.

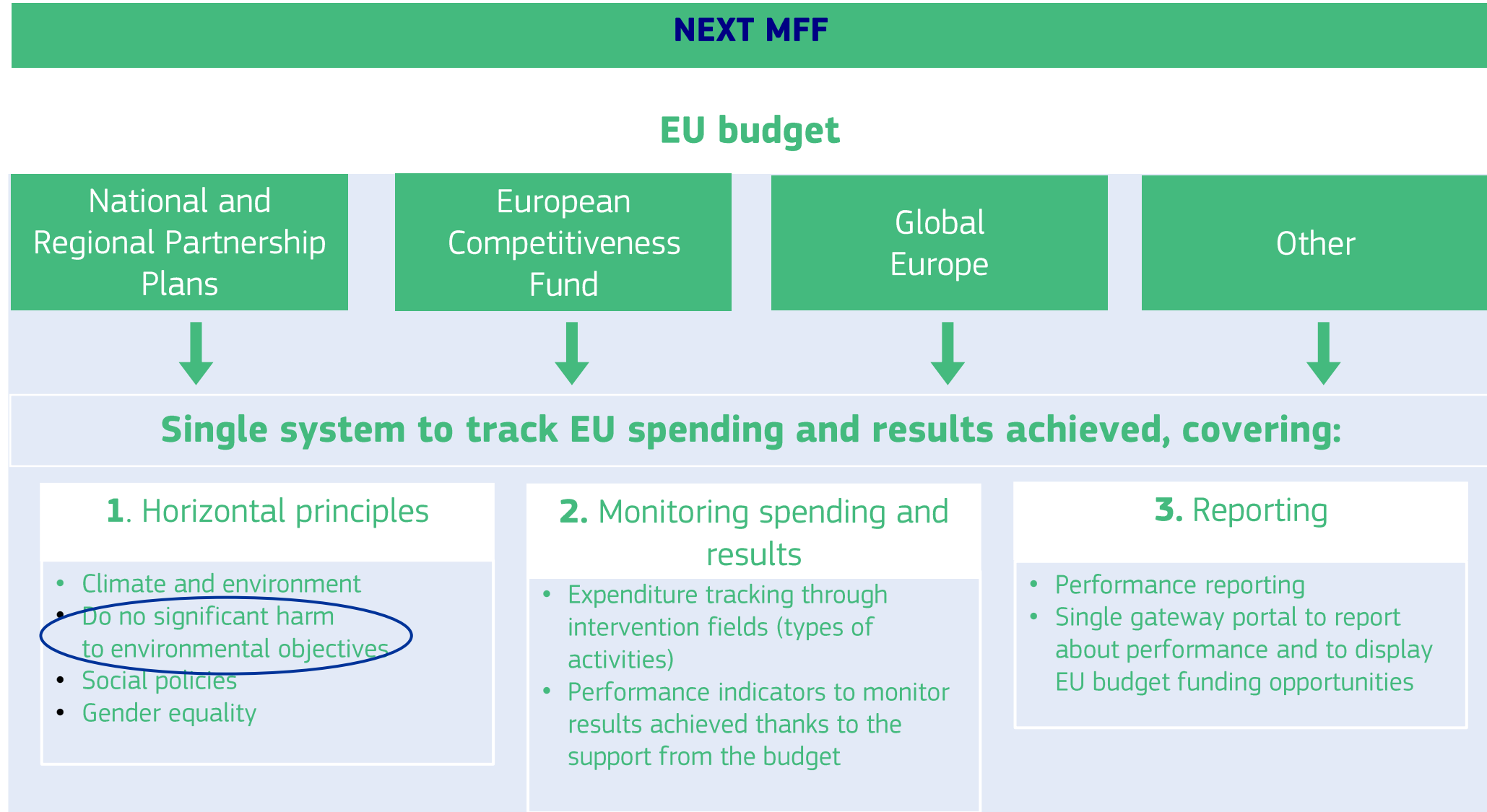
Operationalised

Article 5 of the proposed Performance Regulation (Commission July 2025 proposal)

The Commission is to issue a simple and single guidance on the application of the Do No Significant Harm (DNSH) principle by 1 January 2027.



Proposal for Performance Regulation



DNSH concept paper for consultation

Defining credible and simpler environmental and climate safeguards for the next MFF

Single guidance instead of multiple, fragmented environmental and climate rules currently governing EU funds

Application where feasible and appropriate, excluding for instance crisis situations, reasons of overriding public interest, and security and defence

Application of other principles to ***limit administrative burden*** and ensure ***proportionality***

DNSH as a ***real safeguard*** for the credibility and integrity of EU spending: upfront clarity & exhaustive list of 18 activities that present a risk of doing significant harm



Operationalisation of the principles in the performance regulation

Administrative burden

Achieve the set objectives of the relevant programmes or instruments in line with the Union's policy priorities

Avoid duplication with requirements under existing EU legislation

Take into account the administrative and reporting burden on authorities and beneficiaries

Proportionality

Exhaustive number of targeted criteria (remainder considered DNSH compliant)

Territorial characteristics, including third countries

Specific approach, e.g. for financial instruments, direct income interventions

Where feasible and appropriate

Crisis situations – as defined in the Financial Regulation

Overriding public interest – based on the relevant provisions regarding that exist in EU environmental legislation

Defence and security – by reference to intervention fields and dual-use situations

The DNSH criteria

Clearer and targeted DNSH criteria taking account of the climate and environmental objectives that the DNSH aims to protect

List **building upon the experience under the 2021-2027 programming period**, in particular Recovery and Resilience Facility, the Social Climate Fund, InvestEU and Cohesion funds

Clear list known upfront – no need for self-assessment per measure

Conditions not included in the guidance are considered DNSH compliant, consequently, no further administrative justification is needed

Link to intervention fields



DNSH criteria - Energy

1- Mining, extraction, production, transport of fossil fuels unless for decommissioning, repurposing, back-up, low-carbon fuels, space, transport infrastructure and mobile assets

2- Generation of electricity, heat or cold from fossil fuels unless for efficient district heating, back-up, low-carbon fuels, Net-Zero Industry Act (NZIA) technologies, agricultural and forestry activities

3- ETS installations, unless NZIA technologies or decreasing emissions by at least [30-40%]



DNSH criteria - Transport

4- Only zero-emission N1/M1 vehicles or low-emission for other road vehicles unless they are special purpose vehicles

5- Construction of roads unless accompanied by electric charging infrastructure and, for motorways, other flanking measures. This does not apply to agri/forest roads, safety, public transport, small-scale

6- Only zero tile-pipe emissions or bimodal rail rolling

7- No vessels using conventional fossil fuels unless public service obligations in outermost regions, small islands, hybrid vessels, vessels running with 30% renewable or low-carbon fuels or work vessels

8- Fishing vessels and fishing gear as long as contribute to reduce env. Impact of fishing activity and comply with the Common Fisheries Policy objectives, and replacement of engines for hybrid or dual-fuel

9- Only best in class aircrafts unless SPV or research aircrafts

10- No new airports unless permanent decommissioning of an existing airport

DNSH criteria – Environment (1)

11- No landfilling facilities, unless to capture landfill gas, remediate illegal sites, for inert/ excavated waste or in outermost regions

12- No mechanical biological treatment for municipal waste

13- No incineration plants unless treat non-recyclable hazardous waste, or for carbon capture and storage, recycling materials, heat recovery or in outermost regions

14- No deep sea mining and marine geoengineering until sufficient scientific evidence to avoid threat to ecosystems

15- No new artificial barriers which disrupt river continuity in free-flowing river stretches unless part of TEN-T Network

DNSH criteria – Environment (2) & adaptation

16- Desalination plants, if no other water supply sources, relevant brine discharge criteria, and runs on onsite renewable energy or connected to the electricity grid

17- Investments in irrigation as long as water metering is in place and the investment is in line with the Water Framework Directive objectives

18- Activities which manufacture or place on the market identified substances of very high concern, unless accompanied by approaches to minimise the relevant concern at the design or redesign stage of their manufacturing

Climate change adaptation

DNSH approach for third countries

Differentiated approach for third countries due to diversity of third countries, specificities of external action and the lack of common environmental acquis (Art. 5 proposal for performance regulation)

Two-stage approach

- **Targeted set of DNSH criteria**, inspired by existing practices from key multilateral financial institutions and implementing partners while ensuring high environmental standards.
- **Case-by-case screening** in the absence of criteria, in-depth environmental assessment and appropriate mitigation measures should be considered if risk of significant harm

Application of DNSH to different management modes and programmes

Application of the DNSH principle according to the **type of management** mode:

- **Plans implemented by Member States or third countries** have to integrate a DNSH assessment at the level of the activities in their plans in line with Article 5.
- The Commission to ensure compliance with DNSH in **directly managed programmes**
- The Commission to ensure that actions financed through **indirect management** comply with DNSH

Timeline and next steps

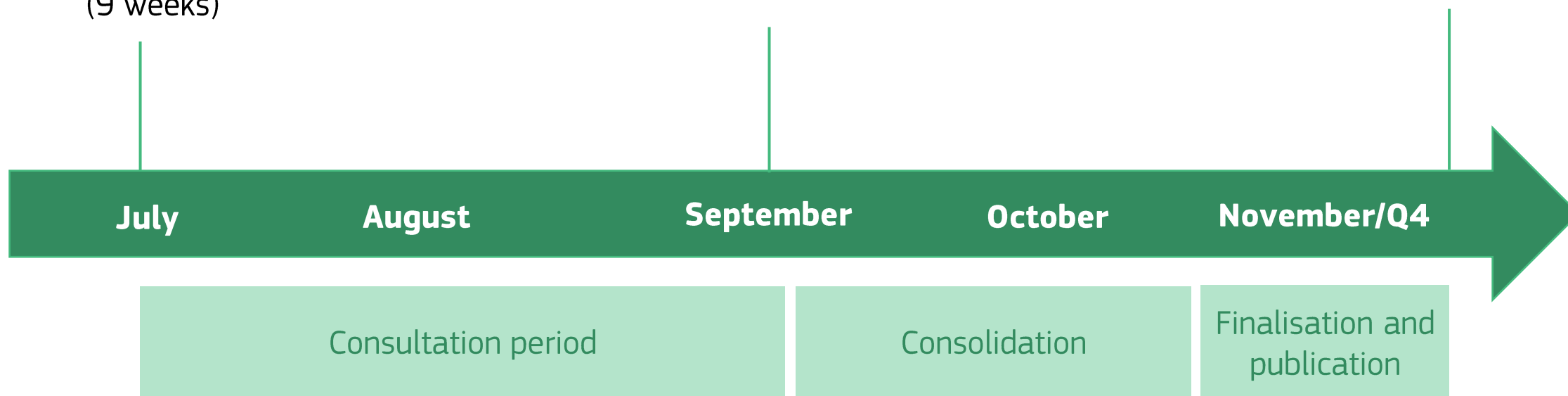


Next steps

15 July – publication
targeted consultation
(9 weeks)

16 September: end of
consultation

COM adoption



Consultation: [Performance Regulation - European Commission](#)

For further information, EC-DNSH-GUIDANCE-FMB@ec.europa.eu



Thank you!



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DNSH criteria (exhaustive list)

Energy

1- Mining, extraction, production, transport of fossil fuels

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Climate change adaptation

Transport

4- Only zero-emission N1/M1 vehicles or low-emission for other road vehicles

5- Construction of roads

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8- Fishing vessels and fishing gear

9- Only best in class aircrafts

10- No new airports

Environment

11- Landfilling facilities

12- Mechanical biological treatment

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DNSH Lessons learned

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Cohesion
Policy

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complemented by guidance

RRF

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SCF

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Objectives DNSH Next MFF



Build on lessons
learnt from current
EU funding



Address main DNSH
implementation
obstacles

Simple guidance
Same conditions for all funds
Upfront clarity
Lower administrative burden
**Credible environmental and
climate safeguards**

