



# D6 Annex 5 – Updated DNSH Project Guidelines

Final version

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DO NO SIGNIFICANT HARM (DNSH) GUIDELINES FOR IMPLEMENTING  
THE GREEN TRANSITION IN FINLAND

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## Abbreviations

<b>Abbreviations</b>	<b>Descriptions</b>
<b>CP</b>	Climate Proofing
<b>DNSH</b>	Do No Significant Harm
<b>EC</b>	European Commission
<b>EIA</b>	Environmental Impact Assessment
<b>ERDF</b>	European Regional Development Fund
<b>EU</b>	European Union
<b>GHG</b>	Green House Gases
<b>JTF</b>	Just Transition Fund
<b>RDI</b>	Research, Development, and Innovation
<b>RRF</b>	Recovery and Resilience Facility
<b>SEA</b>	Strategic Environmental Assessment
<b>SP</b>	Sustainability Proofing
<b>SYKE</b>	Finnish Environment Institute
<b>TSI</b>	Technical Support Instrument

## Glossary

Term used in guidelines	Meaning	Finnish equivalent when needed
<b>Detailed project level DNSH assessment</b>	A project level DNSH assessment with a more substantive assessment for all or particular environmental objectives under the Taxonomy Regulation.	Yksityiskohtainen DNSH-arviointi/selvitys
<b>DNSH assessment</b>	DNSH assessment provides evidence of the compliance with DNSH principle / criteria. DNSH assessment can be done by the applicant (self-assessment) or by the authority based on project information.	DNSH-selvitys ja DNSH-itsearviointi.
<b>DNSH criteria</b>	Criteria for “do no significant harm” as part of the EU Taxonomy technical screening criteria (TSC), specifying the minimum environmental requirements for the economic activity/activities considered for alignment with the DNSH principle. The DNSH TSC are specified in the Delegated Acts of the EU Taxonomy.	
<b>DNSH evaluation</b>	DNSH evaluation is the step when funding authority evaluates the adequacy of the DNSH assessment.	DNSH-arviointi
<b>DNSH principle</b>	Principle to cover the idea of not causing significant harm to any of the six environmental objectives under the EU Taxonomy.	
<b>EU Taxonomy six (6) environmental objectives</b>	The six environmental objectives for which the DNSH principle applies, under the Taxonomy Regulation, i.e., Climate change mitigation, Climate change adaptation, Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control, Protection and restoration of biodiversity & ecosystems	
<b>Funding authority</b>	An authority that provides funding to either private companies, households, municipalities or NGO’s. Note: Finnish Climate Fund (CF) is not a funding authority but a state-owned special assignment company. In the report and guidelines CF is listed and treated	Virasto, rahoitusviranomaisen, tukiviranomainen

Term used in guidelines	Meaning	Finnish equivalent when needed
	as a funding authority despite the difference in status.	
<b>Programme level DNSH assessment</b>	Assessment of the whole programme even when there is no need to go into project level. Programme level DNSH assessment is done by using the same assessment questions as with the Priority Law.	
<b>Simplified project level DNSH assessment</b>	Simplified assessment for the projects uses the same assessment questions as the instructions developed for Priority Law.	Yleispiirteinen DNSH-arviointi/selvitys

## Disclaimer

### **Disclaimer on the use of the national Finnish DNSH guidelines**

It should be noted that the guidance and instructions presented and provided in this document on **DNSH Project Guidelines** are explicitly meant for the application of the DNSH principle within the context of **national public funding programmes only**.

To date, the DNSH principle applies to the following **EU funding programmes** under the European 2021-2017 Multiannual Financial Framework (EU MFF): EU Recovery and Resilience Fund (RRF), Cohesion Policy Funds (i.e. ERDF, Cohesion Fund, Just Transition Fund and ESF+) and InvestEU.

**One should note that the national Finnish DNSH guidelines may NOT be used for the application of the DNSH principle under EU funding programmes and instruments.** At all times, the EU fund-specific guidance need to be applied and adhered to, as specified in the specific Regulations underpinning the EU budgetary instruments.

**By no means do the national Finnish DNSH guidelines replace or prevail any specific instructions or dedicated technical guidance provided on the DNSH application for EU funding programmes and instruments (such as RRF and InvestEU) under any circumstances.**

# 1 Background

## 1.1 Do No Significant Harm (DNSH) principle

While EU Member States seek to accelerate their green transition and become climate neutral by 2050, no funding measure, funding programme or investment project should cause significant harm to any of the six environmental objectives specified in the EU Taxonomy. The EU Taxonomy Regulation 2020/852 introduces a classification system for activities that are considered sustainable. It further elaborates on the DNSH principle, describing that sustainable economic activities **should not cause significant harm to any of the six environmental objectives** as described in Article 17 of the Taxonomy Regulation.

The six environmental objectives introduced by the Taxonomy Regulation are:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems.

At the time of developing these DNSH guidelines in early 2023, DNSH assessments are required by EU legislation in varying forms and the level of detail from measures, programmes, and projects that are funded through the EU Recovery and Resilience Facility (RRF), the European Regional Development Fund (ERDF) or the Just Transition Fund (JTF). The DNSH guidelines presented in this document provide a generic approach that can be applied across national public funding programmes, beyond EU funding. Guidelines presented in this document are developed as a part of DNSH guidelines in Finland project (see Information Box 1).

### Information box 1: TSI project: DNSH guidelines in Finland, 2022 – 2024

This project, funded by the Technical Support Instrument (TSI) of the European Commission, provides guidance to Finnish public authorities on the implementation of the “Do No Significant Harm” (DNSH) principle in public funding decisions, and to funding applicants on how to follow the principle. The project will contribute to the implementation of the European Green Deal by providing the Commission, the EU Member States as well as the wider community of DNSH practitioners lessons learned from a variety of pilot cases and clear guidelines. The main Finnish beneficiaries are the Ministry of the Environment, together with the Ministry of Agriculture and Forestry, the Ministry of Economic Affairs and Employment, and the Ministry of Finance. In addition, the beneficiaries may include state agencies and regional authorities. The DNSH project is delivered in three interlinked project phases

between the July 2022 and March 2024. The project is implemented by AARC Consulting Ltd (Ireland), in partnership with Gaia Consulting (Finland) and Trinomics (The Netherlands).<sup>1</sup>

## 1.2 Purpose of these Guidelines

### **What are the project level DNSH guidelines?**

The purpose of the DNSH project level guidelines is to provide guidance to:

- 1) project applicants carrying out the relevant DNSH assessment(s) or project screening questionnaire as part of their project applications;
- 2) national funding authorities evaluating the DNSH assessment(s) or project screening questionnaire(s) submitted to national funding authorities as part of the received project applications.

Information Box 2 contains definitions and scope for environmental impacts that need to be taken into account at project level DNSH assessments.

### **Information Box 2: Clarification and scope of environmental impacts that are relevant to DNSH <sup>2</sup>**

In these guidelines, the environmental impacts of an economic activity (a project or a programme) cover both **direct impacts**, e.g., GHG emissions caused by building of a new road, and **primary indirect impacts**, e.g., increased GHG emissions caused by increased traffic on that new road once it has been built. These impacts need to be considered for the **whole life cycle** of the project or programme that results from the actions. One should note that it is not required to provide attributional or consequential life cycle analysis for a project or programme in order for it to be DNSH compliant. However, evidence from existing life cycle analyses could be used to substantiate the DNSH assessment.

#### Definitions

1. **Direct impact:** Impacts caused by the action.
2. **Primary indirect impact:** Impacts caused by the action, but that are later in time or farther removed in distance but are still reasonably foreseeable. Some examples of primary indirect impacts that should be considered are the following<sup>3</sup> (note that these are not necessarily significant impacts):
  - a. Increased traffic on a new road that leads to increased pollution and GHG emissions.
  - b. The construction of new waste incinerators to increase the existing incineration capacity in the country could lead to an increase in the incineration of waste.

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<sup>1</sup> See all accepted deliverables at the Ministry of the Environment's webpages: <https://ym.fi/hankesivu?tunnus=YM036:00/2022>

<sup>2</sup> Further information and examples can be found from [Commission Notice C/2023/111 Technical guidance on the application of 'do no significant harm' under the Recovery and Resilience Facility Regulation](#) and

<sup>3</sup> Examples are taken from [Commission Notice C/2023/111 Technical guidance on the application of 'do no significant harm' under the Recovery and Resilience Facility Regulation](#)



3. **Life cycle assessment:** Assessment that covers both direct and primary indirect impacts caused by the activity from planning to dissemination.

Examples of typical **minor direct** or **minor indirect impacts** that do not have to be taken into consideration in DNSH assessment are the following:

- Projects that are done as “desk research” and involve only office work, meetings, and travels of the people involved. Typically, these projects would result in studies, develop, and recommend further activities, and strengthen networking.
- RDI projects to develop technologies, products or solutions which are yet at the early development phase and do not involve, e.g., demonstrations and piloting activities with physical location (typically TRL levels 1-2).
- Projects that focus on knowledge sharing through education, information campaigns, and seminars. The environmental impacts of people travelling or the use of existing infrastructures like meeting venues would not be significant.
- Projects developing operational processes in, e.g., social and health care sector and in municipalities often have only minor indirect environmental impacts if they are not linked to physical infrastructure building. Many digitalization projects would be of this type of development projects. The development of new digital tools and the indirect impacts when these are taken into use, would not lead to significant environment impact. One should note, however, that building of new physical infrastructures (e.g., datacenters, hospitals) most often would need to complete DNSH assessments.

### ***What is the scope of the project level guidelines?***

The project level DNSH guidelines are general, fund- and sector-agnostic by nature, and applicable to **projects under any Finnish national public funding programme**. They are not limited to the application of the DNSH principle for investments under EU funding programmes. The project level guidelines are intended to be applicable to any project that makes use of direct financing from a programme. Beneficiaries can include companies, municipalities, non-governmental organizations, or even households or individuals<sup>4</sup>.

*Note! Where provided, EU funding instrument specific guidance and instructions (such as for the RRF) prevails over the guidelines provided in this guidance document at all times. In such cases, these project level DNSH guidelines may provide supplementary information for applicants only.*

### ***What are the different types of project level DNSH assessments?***

These guidelines comprise **three different types of DNSH assessments**:

- I. The **project screening questionnaire** can be used for a programme where there is large variety of project types regarding sectors, size, and measures and it is not known

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<sup>4</sup> e.g., discretionary government grants.

which type of DNSH assessment should be requested (simplified, detailed or not at all). The project screening tool aims to reduce the burden for both applicants and authorities.

→ Detailed instructions for completing the project screening questionnaire are presented in [Chapter 2](#) of this guidance document.

- II. The **simplified DNSH assessment** for when it is either required by the programme call or is the result of the evaluation of the project screening questionnaire. The simplified assessment asks specific questions per environmental objective that lead to being able to answer the main question of the environmental objective. For example, for the objective climate change mitigation this question is “*is the project likely to increase GHG emissions?*”

→ Detailed instructions for completing the simplified DNSH assessment are presented in [Chapter 3](#) of this guidance document.

- III. The **detailed DNSH assessment** for when it is either required by the programme call or is the result of the evaluation of the project screening questionnaire. The detailed DNSH assessment asks the same questions as the simplified assessment but dives a step further by requiring risk mitigation measures by the project in case the risk of having an adverse impact on an environmental objective is deemed high. The mitigation measures are aimed at the direct or primary indirect adverse impacts the project might have on an environmental objective, not on the minor indirect adverse impacts. The mitigation actions require a third party verified documents or other documented evidence to accompany the assessment. The authority can decide during program design phase if any other parts in the assessments needs third party verification or evidence lists.

→ Detailed instructions for completing the detailed DNSH assessment are presented in [Chapter 4](#) of this guidance document

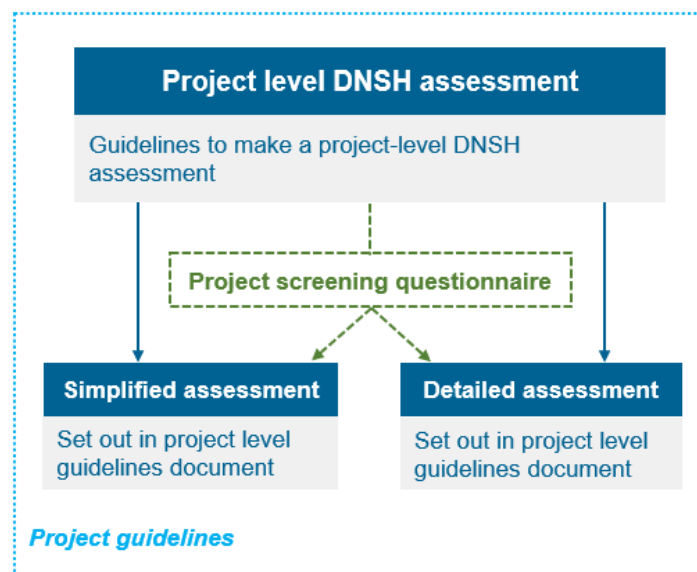


Figure 1. Overview of different project level DNSH assessments

### ***Who should use the project level DNSH guidelines?***

Generally, the project level guidelines are aimed to be used both by **project applicants applying for funding from specific programme calls, as well as for Finnish funding authorities.**<sup>5</sup> The project level DNSH guidelines are meant as a practical tool and guidance for project applicants for conducting (relevant) DNSH assessment(s) as part of the project application process. The same guidelines also provide guidance to (national) funding authorities for evaluating the DNSH assessment(s) received as part of the application documentation from project proponents. Some parts of the project-level guidelines are specifically aimed for the funding authorities, and some for the applicants. The figures below indicate the roles for applicants and the funding authorities for the different types of DNSH assessment.

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<sup>5</sup> Note that this is not the case for the programme design and programme assessment, for which the guidelines are tailored to be used by the funding authorities.

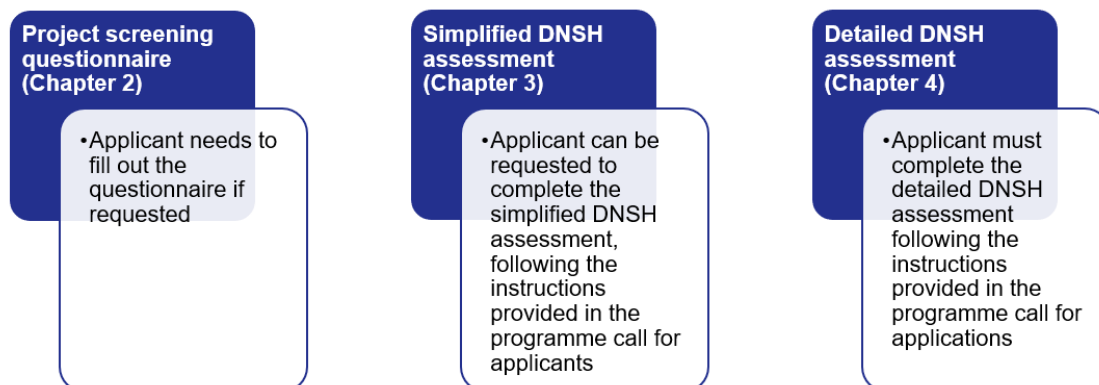


Figure 2. Role of applicants in DNSH assessment

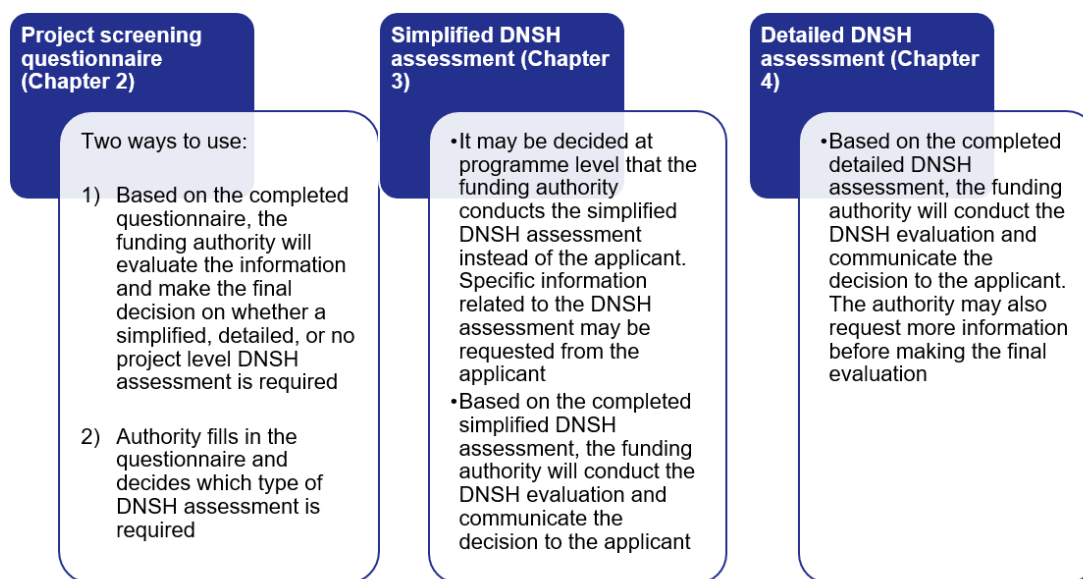


Figure 3. Role of funding authorities in DNSH assessment

## 2 Project screening questionnaire

### 2.1 Introduction

In some cases, it is not known whether and what type of project level DNSH assessment is required. For these situations, the funding authority can either fill out themselves, or request the applicant to fill out the **project screening questionnaire**.

Information box 2 provides examples of project activities with minor environmental impacts which typically do not require a DNSH assessment. Considering the variety of projects under public funding programmes, there may be project activities with minimal to no direct and primary indirect environmental impacts. With the project screening questionnaire it is possible to identify these projects at an early stage and determine whether any project level DNSH assessment is required or not.

*Note! The project screening questionnaire step can be skipped when it is clear which type of DNSH assessment (i.e., simplified, or detailed assessment) is required.*

### 2.2 Applicants and authority: Guidance for project screening questionnaire

Table 1 contains an empty template of the project screening questionnaire. Go to [Annex B](#) to see example answers to the project screening questionnaire.

#### ***How does the screening questionnaire work?***

The question “*could the project have any significant adverse impacts on **one or more** of the six environmental objectives listed below?*” relates to each of the six environmental objectives. Note that impacts here refer to both direct and primary indirect impacts. There are two possible outcomes per environmental objective: YES and NO.

If YES is the answer provided to one or more of the environmental objectives, a simplified or detailed DNSH assessment is required.

#### ***What determines the outcome of the project screening questionnaire?***

The outcome of the project screening questionnaire is based on the evaluation by the funding authority to the answers and inputs provided by the project applicants (see section 2.3). The funding authority can also fill out the whole project screening questionnaire themselves based on information provided by the applicant. This is recommended to make the process and evaluation streamlined among the applicants for a specific public funding programme. Information gathered in this stage can be also used as inputs to evaluate either the simplified or detailed DNSH assessment later.

Table 1: Project screening questionnaire template

Project screening questionnaire		
<p>This project screening questionnaire serves to help in determining whether the project concerned requires a simplified, detailed, or no DNSH assessment. The questionnaire can be filled out by either the funding authority or project applicant, noting that ultimately the outcome of the questionnaire should be checked and signed by the funding authority.</p>		
1. Project information		
Project name		
Programme under which the project falls		
Brief description of the project		
2. Questionnaire		
<p><b>Could the project have any significant direct or primary indirect adverse impacts on one or more of the six environmental objectives listed below?</b></p> <p>If the answer is NO for all environmental objectives, no DNSH assessment is required, and you don't need to continue further.</p> <p>If the answer is YES for at least one of the environmental objectives, choose simplified or detailed assessment for the project and provide short justification. If even one objective requires detailed assessment, then the detailed assessment is required for the project</p>		
1. Climate change mitigation	YES / NO	SIMPLIFIED / DETAILED
2. Climate change adaptation	YES / NO	SIMPLIFIED / DETAILED
3. Sustainable use and protection of water and marine resources	YES / NO	SIMPLIFIED / DETAILED
4. Transition to circular economy	YES / NO	SIMPLIFIED / DETAILED
5. Pollution prevention and control	YES / NO	SIMPLIFIED / DETAILED
6. Protection and restoration of biodiversity and ecosystems	YES / NO	SIMPLIFIED / DETAILED
3. OUTCOME		
<p><b>Decision and short justification (funding authority):</b> <i>If simplified or detailed DNSH assessment is required based on the responses to one or more of the environmental objectives, the entire project requires that type of DNSH assessment. If a combination of simplified and detailed assessment is chosen as answers for the same project, a detailed DNSH assessment for all environmental objectives is required.</i></p>		

## 2.3 Authority: Role of the funding authority in project screening

The outcome section is reserved for the funding authority's evaluation and decision on whether or not a DNSH assessment is needed, and if so, what type of DNSH assessment should be conducted (i.e., simplified or detailed DNSH assessment).

If the response to one or more of the environmental objectives is YES, the project needs to undergo a DNSH assessment.

Choose then one of the following options:

- If YES results require only a simplified DNSH assessment, a simplified assessment is sufficient for the project;
- If one or more objective requires a detailed DNSH assessment, a detailed assessment is needed for the project.

### ***Evaluating the project applicant's answers to the project screening questionnaire***

Possible considerations to support the evaluator:

- **Previous experience** – experience with similar projects (of other programmes) going through the project screening questionnaire – what was the outcome in these cases?
- **Project size** – can the size of the project (in terms of budget, geographical scope or timeline) give an indication on either the level or severity of risk of the project having an adverse impact on an environmental objective? Cf. cumulative effects of several small projects with same scope.
- **Main project activities** - can the main activities performed within the project (in terms of budget, geographical scope or timeline) give an indication on either the level or severity of risk of the project having an adverse direct or primary indirect impact on an environmental objective?
- **Expert insight** – as necessary, seek in-house or other public authority expert insight.
- In case the provided **answers do not suffice**, request additional information from the applicant.
- If there remains **uncertainty** as to whether the project poses a risk to an environmental objective, it is suggested that at least a simplified DNSH assessment is requested.

## 3 Simplified assessment guidelines

Assessment questions asked as part of the simplified DNSH assessment are designed to, in a simplified manner, assess the possible direct and primary indirect adverse impacts of a project to the environmental objectives. The assessment is done in one (single) step and can be performed by the applicant or the funding authority. It is advised that the applicant fills out the simplified DNSH assessment template and the funding authority conducts the DNSH evaluation based on the applicant's answers.

### 3.1. Applicant: Guidance for the simplified assessment

Table 2 provides an empty template of the simplified DNSH assessment questionnaire. [Annex C](#) contains a template with pre-filled example answers for a hypothetical project.

The simplified DNSH assessment is done in one step, and it includes one main overarching question and several sub questions for each of the six environmental objectives. All questions must be answered.

[The SYKE Guidelines](#) can be consulted to provide context to the main and sub questions, as these guidelines form the basis of the simplified DNSH assessment questions. However, do note that the questions were slightly modified to be used in these guidelines as well.

#### ***Answer the sub questions first***

The sub questions are specific questions for each environmental objective, providing support in reviewing the potential for significant direct and primary indirect adverse environmental impacts of the project. The sub questions support answering the main question of the specific environmental objective and are key in providing context to the main question. If your answer to any of the sub questions is "YES", the anticipated direct and/or primary indirect impact needs to be described in the answer. In order for the project to be DNSH compliant, the impact needs to be limited and insignificant. There are no universal thresholds for what is significant. The assessment is done case by case.

#### ***Answer the main question second***

The main question asks whether the project is likely to have a significant adverse direct or primary indirect impact on the environmental objective concerned. The answer to the main question is informed by answers to the sub questions. Having no '*significant adverse environmental impact*' relates to the project doing no significant harm to the environmental objective.

[Article 1](#) of the amended technical guidance (published 11.10.2023) on the application of the DNSH under the RRF provides insights on the definitions for doing no significant harm for each of the environmental objectives covered by the Taxonomy Regulation, which can help identifying whether a project is at risk of having an adverse direct and/or primary indirect impact to any of the environmental objectives. If your answer is "YES" to the main questions, then the project is **not** DNSH compliant.



Table 2: Simplified assessment template

THE MAIN QUESTION FOR EACH ENVIRONMENTAL OBJECTIVE		SUB QUESTIONS ON THE ENVIRONMENTAL OBJECTIVE
1	<p><b>CLIMATE CHANGE MITIGATION</b></p> <p><i>Is the project likely to have significant adverse impacts on climate change mitigation?</i></p> <p>Applicant answer: Yes / No</p>	<p><i>Will the project increase greenhouse gas emissions?</i></p> <p><i>Does the project degrade carbon sinks and/or carbon stocks?</i></p> <p><i>Does the activity contribute to the use of fossil fuels?</i></p> <p><i>Any other adverse effect?</i></p>
2	<p><b>CLIMATE CHANGE ADAPTATION</b></p> <p><i>Is the project likely to have significant adverse effects on adaptation to climate change?</i></p> <p>Applicant answer: Yes / No</p>	<p><i>Does the project increase the risk of flooding, drought or exposure to extreme weather events?</i></p> <p><b>Does the project neglect to prepare for extreme weather events (in all material respects)?</b></p> <p><i>Any other adverse effect?</i></p>
3	<p><b>SUSTAINABLE USE AND PROTECTION OF WATER AND MARINE RESOURCES</b></p> <p><i>Is the project likely to have significant adverse effects on the sustainable use and protection of water and marine resources?</i></p> <p>Applicant answer: Yes / No</p>	<p><i>Could the project cause changes to water quality, aquatic life, bottom conditions, currents, flow, water level or discharges that could lead to deterioration of surface or groundwater status (e.g. increase nutrient, metal or solids loads, degrade fish habitat or spread invasive species)?</i></p> <p><i>Will the project increase the heat load?</i></p> <p><i>Any other adverse effect?</i></p>
4	<p><b>TRANSITION TO A CIRCULAR ECONOMY</b></p> <p><i>Is the project likely to have significant adverse effects on the transition to a circular economy?</i></p> <p>Applicant answer: Yes / No</p>	<p><i>Will the project increase the use of natural resources?</i></p> <p><i>Does the project make it difficult to reuse products or materials or shorten the life of products?</i></p> <p><i>Will the project make it more difficult to recycle materials?</i></p> <p><i>Does the project increase the disposal or incineration of waste (e.g., does the project increase the harmfulness of the waste generated)?</i></p> <p><i>Any other adverse effect?</i></p>
5	<p><b>POLLUTION PREVENTION AND CONTROL</b></p> <p><i>Is the project likely to lead to a significant increase in emissions or a significant deterioration of the environment (land, water, air quality) through land use change?</i></p> <p>Applicant answer: Yes / No</p>	<p><i>Will the project increase the chemicalization of the environment?</i></p> <p><i>Will the project result in significant emissions of harmful or hazardous substances?</i></p> <p><i>Could environmental risks increase?</i></p> <p><i>Any other adverse effect?</i></p>

6	<p><b>PROTECTION AND RESTORATION OF BIODIVERSITY AND ECOSYSTEMS</b></p> <p><i>Is the project likely to significantly degrade biodiversity or significantly impede the protection and/or restoration of ecosystems?</i></p> <p><i>Applicant answer: Yes / No</i></p>	<p><i>Will the project degrade, fragment or reduce the quality of protected or threatened habitats?</i></p> <p><i>Does the project reduce the size of the occurrence of a protected or threatened habitat type or the area in which the habitat type occurs?</i></p> <p><i>Will the project degrade, fragment or diminish the habitat quality of a protected or threatened species?</i></p> <p><i>Will the project reduce the population size or range of a protected or threatened species?</i></p> <p><i>Will the project hamper ecosystem protection and restoration?</i></p> <p><i>Any other impact that reduces or harms biodiversity?</i></p>
	<p><b>OUTCOME:</b> Filled out by the funding authority</p>	<p><i>The funding authority provides a short justification on whether or not the project is accepted based on the simplified DNSH assessment, and hence is considered DNSH-compliant.</i></p>

## 3.2. Authority: Guidance for evaluating the simplified assessment

### ***Evaluating the project applicant's answers***

After having received the answers to the simplified DNSH assessment, the funding authority will go through the assessment answers of the project applicant and determine whether the risk of adverse direct and/or primary indirect impacts to one or more of the environmental objectives is limited and insignificant. In case there is doubt on whether the risk of an adverse impact on an objective could be considered significant, recommended minimum DNSH criteria, which is part of the detailed DNSH assessment guidelines, might be consulted.

If there are risks that the project might cause significant negative direct and primary indirect impacts to any of the environmental objectives, the funding authority can:

- ask the applicant to provide more information;
- ask the applicant to make a detailed DNSH assessment with risk mitigation measures described and included;
- reject the project based on the DNSH assessment (see Chapter 4).

*Note! While it is strongly advised that the project applicant fills out the simplified DNSH assessment questionnaire, in some cases it might be the funding authority filling out the questionnaire based on project specific information provided by the applicant.*

# 4 Detailed assessment guidelines

## 4.1. Introduction

The detailed DNSH assessment is closely linked to the approach of applying the DNSH principle, as well as the technical screening criteria for DNSH, as specified in the EU Taxonomy. The assessment questions asked as part of the detailed DNSH assessment are designed to assess the possible adverse direct and primary indirect impacts of a project to any of the environmental objectives, as well as to provide evidence on which *mitigation actions* are taken to avoid or mitigate these adverse impacts.

## 4.2. Applicant: Guidance for the detailed assessment

Table 3 provides an empty template of the detailed DNSH assessment questionnaire (also in Annex D: Detailed DNSH assessment questionnaire).

### ***How to fill out the detailed DNSH assessment questionnaire?***

1. Consult technical screening criteria (TSC) for the relevant economic activities under the EU Taxonomy in the [Climate Delegated Act](#), the [Complementary Climate Delegated Act](#), and the [Environmental Delegated Act](#) to understand activity-specific DNSH criteria that might be relevant for the detailed DNSH assessment<sup>6</sup>. In case the activity is not covered under the EU Taxonomy, the generic DNSH criteria should be concluded (Step 2). Otherwise, answer the sub questions of each environmental objective (Step 3)
2. Consult generic DNSH criteria of the EU Taxonomy<sup>7</sup> before filling out the template
3. Answer the sub questions of each environmental objective
4. Provide possible mitigation measures and documents to support them, if the answer is YES to any of the sub questions
5. Formulate the answer to the main question of each environmental objective

### ***What is the main question?***

The main question asks whether the project is likely to have a significant adverse direct or primary indirect impact on the environmental objective concerned. The answer to the main question is informed by answers to the sub questions. Having no '*significant adverse environmental impact*' relates to the project doing no significant harm to the environmental objective.

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<sup>6</sup> Keep in mind the [amendments](#) to the Environmental Delegated Act.

<sup>7</sup> [https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-1\\_en.pdf](https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf)

[Article 1](#) of the amended technical guidance (published 11.10.2023) on the application of the DNSH under the RRF provides insights on the definitions for doing no significant harm for each of the environmental objectives covered by the Taxonomy Regulation, which can help identifying whether a project is at risk of having an adverse direct and/or primary indirect impact to any of the environmental objectives. If your answer is “YES” to the main questions, then the project is not DNSH compliant.

To be DNSH compliant, the answer to the main question has to be “NO”. The answer can be no, even if some of the sub questions are “YES”, if there are sufficient mitigation actions being put in place in order to mitigate the anticipated impacts as much as possible.

There are no universal thresholds to what is significant. The assessment is done case by case<sup>8</sup>.

### ***What are the sub questions?***

The sub questions are specific supporting questions for each single environmental objective, providing support in reviewing the potential for significant direct and primary indirect adverse environmental impacts of the project. The sub questions support answering the main question of the specific environmental objective and are key in providing context and building up a narrative for answering the main question.

- If your answer to any of the sub questions is “YES”, the anticipated direct and/or primary indirect impact needs to be described in the answer, together with the necessary mitigation measures defined.
- In order for the project to be DNSH compliant, the anticipated impact needs to be insignificant and hence the answer to the main question for each of the environmental objectives needs to be “NO”. In case the answer is “NO” to any of the main questions for one or more of the environmental objectives, the project is considered non-compliant with DNSH. There are no universal thresholds for what is significant. The assessment is done case by case.

[The Syke Guidelines](#) can be consulted to provide context to the main and sub questions, as these guidelines form the basis of the simplified DNSH assessment questions. However, do note that the questions were slightly modified to be used in these guidelines as well.

### ***What is meant by mitigation measures?***

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<sup>8</sup> There is a definition of the Do No Significant Harm (DNSH) principle provided in Article 17 of the EU Taxonomy Regulation. The definition in the EU Taxonomy Regulation, however, does not provide quantifiable nor sector or economic activity related thresholds of what is considered “significant harm”. Within the context of the application of the DNSH principle under the EU funds (i.e. RRF, Cohesion Policy Funds, InvestEU), specific instructions and technical guidance has been provided by the European Commission, such as the “*Technical Guidance on the application of ‘do no significant harm’ under the Recovery and Resilience Facility Regulation (C/2023/111)*”. As each national funding programme needs to investigate its activities and case-by-case make decisions on what is deemed significant and insignificant, the technical guidance provided by the EC for the EU funds can be useful inspiration as reference materials to set a definition for significance for the relevant national funding programme.

Mitigation measures provide for a project to reduce, avoid, or offset the potential adverse environmental consequences of developing the project activities. Such mitigation measures can be in the form of preventive, corrective or compensatory measures. Prevention means that the potential impact is prevented or reduced before it occurs. Corrective measures reduce the impact to a level which is acceptable. If preventative or corrective measures fail, then compensatory measures are applied. They will compensate for the unavoidable impact.

In case the answer to a detailed question is YES, such mitigation measures should be described. See [Table 4](#) for more information on formulating SMART mitigation measures.

**Consult Generic DNSH criteria and technical screening criteria (TSC) before making the assessment**

The detailed assessment is closely linked to the Generic and technical screening (TS) DNSH criteria of the EU Taxonomy, which inform the questions of the detailed DNSH assessment. This is why the Delegated Acts of the EU Taxonomy should be consulted before filling out the detailed DNSH assessment questionnaire, to ensure adherence to the criteria relevant to the economic activity for which the DNSH assessment is carried out.

Important, while the TSC exist for economic activities covered by EU Taxonomy, some activities are not included in the EU Taxonomy. In this case, the generic DNSH criteria should be consulted, as explained below.

- **Included objectives:** Information box 3 indicates how to use the Generic DNSH criteria for four environmental objectives.
- **Non-included objectives:** for the environmental objectives that are not included in the criteria (climate change mitigation and the transition to a circular economy) the table recommends minimum thresholds related to DNSH criteria that can be applied to the project.

**Information Box 3: DNSH criteria when scope of the call covers activities not included in the EU Taxonomy**

When the EU Taxonomy Delegated Acts do not provide DNSH criteria for activities under a project undergoing the detailed DNSH assessment, the Generic criteria (i.e., minimum requirements) of the appendices mentioned below apply for that project.

Generic criteria for DNSH are available for the objectives: *climate change adaptation, sustainable use and protection of water and marine resources, pollution prevention and control, and protection and restoration of biodiversity and ecosystems*. Since there are no similar generic criteria for the other two objectives (climate change mitigation and circular economy), the applicants should fill in the questions in the detailed DNSH assessment questionnaire for these objectives without consultation of the Generic DNSH criteria.

Objective	Recommended minimum DNSH criteria
<b>Climate change mitigation</b>	<i>(Generic DNSH criteria not available)</i> An assessment of the direct GHG emissions has been performed and the results are disclosed (e.g., to investors and clients on demand)
<b>Climate change adaptation</b>	The activity complies with the generic DNSH criteria for climate change adaptation complementing the EU Taxonomy Regulation. Available in <a href="#">Appendix A</a> to the EU Taxonomy Climate Delegated Act ((EU) 2021/2139).

<b>The sustainable use and protection of water and marine resources</b>	The activity complies with the generic DNSH criteria for sustainable use and protection of water and marine resources complementing the EU Taxonomy Regulation. Available in <a href="#">Appendix B</a> to the EU Taxonomy Climate Delegated Act ((EU) 2021/2139).
<b>The transition to a circular economy</b>	<i>(Generic DNSH criteria not available)</i> The activity assesses the availability of and, where feasible, uses equipment and components of high durability and recyclability that are easy to dismantle and refurbish.  A waste management plan (or equivalent) is in place and ensures maximal reuse, remanufacturing, or recycling at end of life.
<b>Pollution prevention and control</b>	The activity complies with the generic DNSH criteria for pollution prevention and control complementing the EU Taxonomy Regulation. Available in <a href="#">Appendix C</a> to the EU Taxonomy Climate Delegated Act ((EU) 2021/2139).
<b>Protection and restoration of biodiversity and ecosystems</b>	The activity complies with the generic DNSH criteria for the protection and restoration of biodiversity and ecosystems complementing the EU Taxonomy Regulation. Available in <a href="#">Appendix D</a> to the EU Taxonomy Climate Delegated Act ((EU) 2021/2139).

***(How) can environmental permitting be a source of information for filling in the questionnaire?***

For some projects, the process of environmental permitting can play a relevant role in answering the questions under the detailed DNSH assessment, and vice versa.

Most importantly, the documents related to environmental impacts that are developed during the environmental permit process likely provide relevant information (or is the same documentation) for the DNSH assessment, in particular for environmental objectives (3) sustainable use and protection of water and marine resources, (5) pollution prevention and control, and (6) protection and restoration of biodiversity and ecosystems.

These documents can thus be used to answer the main and detailed questions of the environmental objective. Further, the environmental permitting process might require the deliverance of documents that could assist answering the detailed questions, specifically for the template cell “*Description of/link to documents supporting the description of mitigation measures*”.

The timeline of acquiring an environmental permit is likely different from performing the detailed DNSH assessment for a project. An environmental permit for a project can be provided at any given time during the funding period. Therefore, the intention is not to wait for either an environmental permit or DNSH assessment approval before performing either of these processes.

***How should I refer to the mitigation measure (if required)?***

“*Description of/link to documents supporting the description of mitigation measures*” should be filled out when the answer to the question is YES. The mitigation measure should either be described by the applicant, or a link to the mitigation measure should be provided. In case a document is provided, the actual document should be sent to the funding authority with the assessment. It is also allowed for the applicant to include both a description of the mitigation measure in the cell and provide documents to support the description.

Table 3: Detailed assessment template

MAIN ASSESSMENT QUESTION		SUB QUESTIONS ON THE ENVIRONMENTAL OBJECTIVE <i>if you answer yes to any sub questions, in order to be DNSH compliant, you have to describe sufficient mitigation actions, or the impact needs to be insignificant.</i>	MITIGATION MEASURES PER ENVIRONMENTAL OBJECTIVE
1	<b>CLIMATE CHANGE MITIGATION</b>  <b>Is the project likely to have significant adverse impacts on climate change mitigation?</b>  <i>Applicant answer: Yes / No</i>  <i>Information and links to third party verified documents</i>	<b>A - Will the project increase greenhouse gas emissions?</b> <b>YES / NO</b>  If no, concise justification of answer  If yes, describe impact and the mitigation measures	Description of/link to documents supporting the description of mitigation measures
		<b>B - Does the project degrade carbon sinks and/or carbon stocks?</b> <b>YES / NO</b>  If no, concise justification of answer  If yes, describe impact and the mitigation measures	Description of/link to documents supporting the description of mitigation measures
		<b>C - Does the activity contribute to the use of fossil fuels?</b> <b>YES / NO</b>  If no, concise justification of answer  If yes, describe impact and the mitigation measures	Description of/link to documents supporting the description of mitigation measures
		<b>D - Any other adverse effect?</b> <b>YES / NO</b>  If yes, describe impact and the mitigation measures	Description of/link to documents supporting the description of mitigation measures
		<b>Evaluation by funding authority:</b>	
2	<b>CLIMATE CHANGE ADAPTATION</b>  <b>Is the project likely to have significant adverse effects on adaptation to climate change?</b>  <i>Applicant answer: Yes / No</i>	<b>A - Does the project increase the risk of flooding, drought or exposure to extreme weather events?</b> <b>YES / NO</b>  If no, concise justification of answer  If yes, describe impact and the mitigation measures	Description of/link to documents supporting the description of mitigation measures
		<b>B - Does the project neglect to prepare for extreme weather events (in all material respects)?</b> <b>YES / NO</b>  If no, concise justification of answer  If yes, describe impact and the mitigation measures	Description of/link to documents supporting the description of mitigation measures
		<b>C - Any other adverse effect?</b> <b>YES / NO</b>  If yes, describe impact and the mitigation measures	Description of/link to documents supporting the description of mitigation measures
		<b>Evaluation by funding authority:</b>	

3	<b>SUSTAINABLE USE AND PROTECTION OF WATER AND MARINE RESOURCES</b>  <b>Is the project likely to have significant adverse effects on the sustainable use and protection of water and marine resources?</b>  <i>Applicant answer: Yes / No</i>  <b>Evaluation by funding authority:</b>	<b>Could the project cause changes to water quality, aquatic life, bottom conditions, currents, flow, water level or discharges that could lead to deterioration of surface or groundwater status (e.g., increase nutrient, metal or solids loads, degrade fish habitat or spread invasive species)?</b> <b>YES / NO</b>  If no, concise justification of answer  If yes, describe impacts and the mitigation measures	Description of/link to documents supporting the description of mitigation measures
		<b>Will the project increase the heat load?</b> <b>YES / NO</b>  If no, concise justification of answer  If yes, describe impacts and the mitigation measures	Description of/link to documents supporting the description of mitigation measures
		<b>Any other adverse effect?</b> <b>YES / NO</b>  If yes, describe impacts and the mitigation measures	Description of/link to documents supporting the description of mitigation measures
		<b>Evaluation by funding authority:</b>	
4	<b>TRANSITION TO A CIRCULAR ECONOMY</b>  <b>Is the project likely to have significant adverse effects on the transition to a circular economy?</b>  <i>Applicant answer: Yes / No</i>	<b>Will the project increase the use of natural resources?</b> <b>YES / NO</b>  If no, concise justification of answer  If yes, describe impacts and the mitigation measures	Description of/link to documents supporting the description of mitigation measures
		<b>Will the project make it more difficult to recycle materials?</b> <b>YES / NO</b>  If no, concise justification of answer  If yes, describe impact and the mitigation measures	Description of/link to documents supporting the description of mitigation measures
		<b>Does the project make it difficult to reuse products or materials or shorten the life of products?</b> <b>YES / NO</b>  If no, concise justification of answer  If yes, describe impact and the mitigation measures	Description of/link to documents supporting the description of mitigation measures
		<b>Does the project increase the disposal or incineration of waste (e.g., does the project increase the harmfulness of the waste generated)?</b> <b>YES / NO</b>  If no, concise justification of answer  If yes, describe impact and the mitigation measures	Description of/link to documents supporting the description of mitigation measures
		<b>Any other adverse effect?</b> <b>YES / NO</b>  If yes, describe impact and the mitigation measures	Description of/link to documents supporting the description of mitigation measures
<b>Evaluation by funding authority:</b>			
5	<b>POLLUTION PREVENTION AND CONTROL</b>	<b>Will the project increase the chemicalization of the environment?</b> <b>YES / NO</b>  If no, concise justification of answer	Description of/link to documents supporting



	<p><b>Is the project likely to lead to a significant increase in emissions or a significant deterioration of the environment (land, water, air quality) through land use change?</b></p> <p><i>Applicant answer: Yes / No</i></p>	<p>If <b>yes</b>, describe impact and the mitigation measures</p>	<p>the description of mitigation measures</p>
		<p><b>Will the project result in significant emissions of harmful or hazardous substances?</b> YES / NO</p> <p>If <b>no</b>, concise justification of answer</p> <p>If <b>yes</b>, describe impact and the mitigation measures</p>	<p>Description of/link to documents supporting the description of mitigation measures</p>
		<p><b>Could environmental risks increase?</b> YES / NO</p> <p>If <b>no</b>, concise justification of answer</p> <p>If <b>yes</b>, describe impact and the mitigation measures</p>	<p>Description of/link to documents supporting the description of mitigation measures</p>
		<p><b>Any other adverse effect?</b> YES / NO</p> <p>If <b>yes</b>, describe impact and the mitigation measures</p>	<p>Description of/link to documents supporting the description of mitigation measures</p>
<p><b>Evaluation by funding authority:</b></p>			
6	<p><b>PROTECTION AND RESTORATION OF BIODIVERSITY AND ECOSYSTEMS</b></p> <p><b>Is the project likely to significantly degrade biodiversity or significantly impede the protection and/or restoration of ecosystems?</b></p> <p><i>Applicant answer: Yes / No</i></p>	<p><b>Will the project degrade, fragment or reduce the quality of protected or threatened habitats?</b> YES / NO</p> <p>If <b>no</b>, concise justification of answer</p> <p>If <b>yes</b>, describe impact and the mitigation measures</p>	<p>Description of/link to documents supporting the description of mitigation measures</p>
		<p><b>Does the project reduce the size of the occurrence of a protected or threatened habitat type or the area in which the habitat type occurs?</b> YES / NO</p> <p>If <b>no</b>, concise justification of answer</p> <p>If <b>yes</b>, describe impact and the mitigation measures</p>	<p>Description of/link to documents supporting the description of mitigation measures</p>
		<p><b>Will the project degrade, fragment or diminish the habitat quality of a protected or threatened species?</b> YES / NO</p> <p>If <b>no</b>, concise justification of answer</p> <p>If <b>yes</b>, describe impact and the mitigation measures</p>	<p>Description of/link to documents supporting the description of mitigation measures</p>
		<p><b>Will the project reduce the population size or range of a protected or threatened species?</b> YES / NO</p> <p>If <b>no</b>, concise justification of answer</p> <p>If <b>yes</b>, describe impact and the mitigation measures</p>	<p>Description of/link to documents supporting the description of mitigation measures</p>
		<p><b>Will the project hamper ecosystem protection and restoration?</b> YES / NO</p> <p>If <b>no</b>, concise justification of answer</p> <p>If <b>yes</b>, describe impact and the mitigation measures</p>	<p>Description of/link to documents supporting the description of mitigation measures</p>
		<p><b>Any other impact that reduces or harms biodiversity?</b> YES / NO</p>	<p>Description of/link to documents supporting</p>

		If <i>yes</i> , describe impact and the mitigation measures	<b>the description of mitigation measures</b>
<i>Evaluation by funding authority:</i>			
<b>OUTCOME (Filled by the authority)</b>	<i>Describe the outcome based on all six environmental objectives if the project is DNSH compliant or if the project is rejected.</i>		

### 4.3. Authority: Guidance for evaluating the detailed assessment questionnaire

*Making use of the information provided by the applicant and using the generic DNSH criteria as a general guideline, the funding authority evaluates the answers provided for the detailed DNSH assessment and provides feedback to the project applicant.*

#### ***Evaluating the project applicant’s answers***

After having received the answers to the detailed DNSH assessment questionnaire, the funding authority goes through the assessment answers of the project applicant and determines whether the risk of adverse direct and/or primary indirect impact on one or more of the environmental objectives is considered limited and insignificant. In case there is doubt on whether the risk of an adverse impact on an objective could be considered insignificant, the funding authority should consult Table 4.

#### ***Making a decision on level or risk and sufficiency of mitigation measures based on the evaluation***

Based on the evaluation described above, the funding authority should be able to make an informed decision about the sufficiency of the information provided by the project applicant.

In the desired scenario, it is concluded that project has no or limited risk of having an adverse direct and/or primary indirect impact on one or more of the environmental objectives, meaning the project can be executed.

In the less desired scenario, the funding authority might come back to the project applicant with a request for additional information, explanation, or mitigation measures.

In case the project, after receiving additional information from the applicant, is still deemed to have a significant risk of having an adverse direct and/or primary indirect impact, a negative funding decision might follow. The funding authority may request help from subject matter experts inside and outside of the organisation to assist in justifying the funding decision (or rejection).

#### ***Informing the applicant about the evaluation***

Once the funding authority has evaluated the answers, they will inform the applicant on whether the answers suffice for a positive funding decision or if additional information is requested. If after that there remains too much uncertainty to determine whether the project

poses a too large risk on an environmental objective, the funding authority may reject the funding application after all.

## 4.4. Rejecting a project based on detailed assessment

Rejecting a project should be the last option after all mitigating actions have been identified, and if after that there is still a risk of significant environmental harm. Table 4 presents reasons to decline funding due to DNSH assessment.

*Table 4: Reasons for declining funding for a project*

Reason	How to determine?
<p><b><i>The risk of the project having an adverse impact on one of the environmental objectives is too high</i></b></p>	<p>Determining whether the risk is too high mainly asks for a qualitative approach. The following factors are particularly important:</p> <p><b>Previous experience</b> – experience with similar projects going through an environmental permitting/DNSH process.</p> <p><b>Scientific knowledge</b> – a solid understanding of relevant topics and issues related to the environmental objective and what could have a (negative) impact on the objective.</p> <p><b>Expert judgment</b> – the profile of the funding authority officer should allow for an expert insight into whether the adverse impact risk is (too) high.</p> <p><b>Specify undesirable outcome</b> – in case it is difficult to determine the severity of the risk, the most undesirable outcome of the project related to the negative impact on the objective should be sketched. This can assist in determining whether the project is likely to have that outcome, informing the funding decision.</p> <p>Appendix 3 (Assessing the intensity and significance of harmful impact for the six environmental objectives considered in the DNSH assessment) of the <a href="#">SYKE guidelines</a> indicates factors that can help determine the intensity of adverse impacts: minor, moderate or substantial.</p>
<p><b><i>The mitigation measures presented by the applicant are insufficient to avoid or reduce the risk of the project having an adverse impact on one of the environmental objectives</i></b></p>	<p>Mitigation measures can be aimed at the prevention, correction, or compensation of adverse impacts on an environmental objective.</p> <p>It is important that the mitigation measures presented in relation to the environmental objective are formulated in a SMART manner, providing the most complete picture of the measure possible. To determine the sufficiency of the mitigation measure, it can help to ask the following questions:</p> <p>(S) Specific – is the mitigation measure tailored to specific risk tied to the environmental objective?</p> <p>(M) Measurable – are there benchmarks in place to validate the mitigation measure can be carried out according to plan and what are these benchmarks?</p> <p>(A) Achievable – can the mitigation measure realistically be executed?</p> <p>(R) Relevant – is the mitigation measure effective in managing (i.e., preventing, correcting, or compensating) the adverse impact risk?</p>

	(T) Time-bound – does the mitigation measure include expectations on when the measure will be relevant within the project’s timespan?
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It can be challenging to determine whether the risk(s) of potential adverse environmental impact(s) is too high and/or whether the presented mitigation measures are sufficient. Also remember that there will inevitably be a degree of imprecision and uncertainty. In case it is unclear whether a project should be rejected based on the DNSH assessment, the funding authority should consult the applicant that has performed the DNSH assessment to get the most complete overview of the project’s risks and mitigation measures possible.

## 5 Frequently asked questions

This chapter includes some additional information to help both applicants and authorities to complete project level DNSH assessments.

***What should be considered relevant when filling in the project screening questionnaire / simplified DNSH assessment / detailed DNSH assessment?***

Any document or piece of information related to the project that might assist in answering the main and sub questions can be considered relevant. Information can vary from documents related to the project’s raw materials or water use to project specific policy document, e.g., company risk management policies. Also see [Annex A](#): Climate Proofing for how climate proofing of a project can play a role in attaining relevant information for filling in the assessment questionnaire.

***Where can the relevant information or documents be found when filling in the project screening questionnaire / simplified DNSH assessment / detailed DNSH assessment?***

This will differ. Generally, the project officer responsible should either be in possession of relevant information or know where to find it or who to ask. In case the information is not written down but will be used to fill in the questionnaire, make sure to create a document containing this information so that it may be consulted in the future with all relevant information and information sources for verification.

***What if a question in the project screening questionnaire / simplified DNSH assessment / detailed DNSH assessment cannot be answered?***

Try to answer each question to the extent possible. If impossible, justify why. The funding authority may ask additional questions based on your answer.

## Annex A: Climate Proofing

Projects undergoing a climate proofing assessment may benefit from the conclusions for either the simplified or detailed DNSH assessment. It is therefore relevant to know whether a project has undergone or will undergo a climate proofing assessment.

**Climate proofing**<sup>9</sup> (CP) is a subset of sustainability proofing focused on infrastructure projects. It assesses their alignment with EU climate neutrality objectives, as well as their level of resilience to potential climate change physical effects. Conducting CP can support a DNSH application for the two climate-related environmental objectives.

The first pillar of CP focuses on the **mitigation of climate change** objective. In the first phase (screening), projects are compared to a screening list that determines whether the second phase (detailed analysis) is required. The second phase begins with an estimation of direct and indirect GHG emissions expected in a typical year of operation [answering specific question **A** in the assessments]. In case absolute or relative emissions reach the threshold of 20.000t CO<sub>2</sub>e, the GHG emissions must be (i) monetized based on a shadow cost of carbon, and (ii) compared to the pathways of 2030 and 2050 GHG emissions reduction targets [answering specific question **B** and potentially **C** and **D**]. Specific questions A to D are those as referred to in Table 3.

The second pillar of CP corresponds to the **adaptation to climate change** objective. Projects must first be screened against their vulnerability, sensitivity and exposure to climate hazards [answering specific question **A** and potentially **B**]. In case the screening reveals significant risks, a detailed analysis (phase 2) must be conducted. This second phase first entails the identification of significant climate risks' impacts on the project and of their likelihood [answering specific question **B**]. This allows to identify mitigation measures to address the significant climate risks [answering question **C**] and the subsequent scope and need for monitoring of climate conditions (i.e., change of assumptions), consistently with EU, national or local adaptation frameworks.

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<sup>9</sup> <https://op.europa.eu/en/publication-detail/-/publication/23a24b21-16d0-11ec-b4fe-01aa75ed71a1/language-en>

# Annex B: Project screening questionnaire

The template in this annex contains short example answers for the questionnaire

*Table B1: Project Screening Questionnaire with example answers*

Project screening questionnaire		
<p>This project screening questionnaire serves to help in determining whether the project concerned requires a simplified, detailed, or no DNSH assessment. The questionnaire can be filled out by either the funding authority or project applicant, noting that ultimately the outcome of the questionnaire should be checked and signed by the funding authority.</p>		
<p><b>1. Project information</b></p>		
Project name	<i>Waste shelter "Jätekatos"</i>	
Programme under which the project falls	<i>A fictive programme related to sustainable tourism that provides investment subsidies to SMEs with a wide range from 1000 € to 1 M €. The wide range of all projects is the reason why screening tool is used.</i>	
Brief description of the project	<i>Example is a (fictive) project on updating waste collection on outdoor recreational area of limited size (500 m2). The waste collection area is located nearby a lake.</i>	
<p><b>2. Questionnaire</b></p>		
<p><b>Could the project have a significant adverse impact on one or more of the six environmental objectives listed below?</b></p> <p>If the answer is NO for all environmental objectives, no DNSH assessment is required, and you don't need to continue further.</p> <p>If the answer is YES for at least one of the environmental objectives, choose simplified or detailed assessment for the project and provide short justification. If even one objective requires detailed assessment, then the detailed assessment is required for the project.</p>		
1. Climate change mitigation	YES / NO	SIMPLIFIED / DETAILED
2. Climate change adaptation	YES / NO	SIMPLIFIED / DETAILED
3. Sustainable use and protection of water and marine resources	YES / NO	<p><b>SIMPLIFIED / DETAILED</b></p> <p><i>The waste shelter is located near a lake and as a central point for collected waste, there is a potential risk to water.</i></p>
4. Transition to circular economy	YES / NO	SIMPLIFIED / DETAILED
5. Pollution prevention and control	YES / NO	SIMPLIFIED / DETAILED
6. Protection and restoration of biodiversity and ecosystems	YES / NO	SIMPLIFIED / DETAILED
<p><b>3. OUTCOME</b></p> <p><b>Decision and short justification (funding authority):</b> <i>If simplified or detailed DNSH assessment is required based on the responses to one or more of the environmental objectives, the entire project requires that type of DNSH assessment. If a combination of simplified and detailed assessment are chosen as answers for the same project, a detailed DNSH assessment for all environmental objectives is required.</i></p>		

*The project requires a simplified assessment since there is one or more objectives that might have potential negative impacts.*

# Annex C: Simplified DNSH assessment questionnaire with example answers

The example answers are based on a fictional infrastructure project that develops a central charging station for electric taxis in an area whereby a small amount of trees need to be cut down in order to develop the property. The overall objective of the project is to decrease the use of fossil fuels.

Table C1: Simplified assessment example answer

<b>Project name:</b>		Charging station
<b>Short Description:</b>		Fictional project where a taxi operator develops a central charging station for electric taxis in an already developed area.
<b>THE MAIN QUESTION FOR EACH ENVIRONMENTAL OBJECTIVE</b>		<b>SUB QUESTIONS ON THE ENVIRONMENTAL OBJECTIVE</b>
<b>1</b>	<p><b>CLIMATE CHANGE MITIGATION</b></p> <p><i>Is the project likely to have significant adverse impacts on climate change mitigation?</i></p> <p><i>Applicant answer: Yes / No</i></p> <p><i>The project has no direct adverse impacts on the objective climate change mitigation through the development of the charging stations but does have indirect adverse impacts on the environmental objective through the construction of the charging station (i.e., transport of materials with non-electric vehicles) and removing of vegetation on the construction site.</i></p>	<p><b>Will the project increase greenhouse gas emissions?</b></p> <p><i>The (result of the) project does not increase direct greenhouse gas emissions, solely indirectly due to the development of the electric charging stations. After the development of these stations, there will be no increase in direct GHG emissions.</i></p> <p><b>Does the project degrade carbon sinks and/or carbon stocks?</b></p> <p><i>The project has an effect on degrading carbon sinks by cutting trees and removing other vegetation for providing the necessary space for the charging stations. The amount of cut down trees and other vegetation only concerns 5m2.</i></p> <p><b>Does the activity contribute to the use of fossil fuels?</b></p> <p><i>Although the development of the charging stations will contribute to the use of fossil fuels (i.e., through the deliverance of building materials by trucks that run on benzine), the overall aim of the project is to decrease the use of fossil fuels by providing a green (electric) alternative to fossil fuels for cars and other vehicles.</i></p> <p><b>Any other adverse effect?</b></p> <p><i>No</i></p>
<b>2</b>	<p><b>CLIMATE CHANGE ADAPTATION</b></p> <p><i>Is the project likely to have significant adverse effects on adaptation to climate change?</i></p> <p><i>Applicant answer: Yes / No</i></p> <p><i>The project has no direct adverse impacts on the objective climate change adaptation.</i></p>	<p><b>Does the project increase the risk of flooding, drought or exposure to extreme weather events?</b></p> <p><i>No</i></p> <p><b>Does the project neglect to prepare for extreme weather events (in all material respects)?</b></p> <p><i>No</i></p> <p><b>Separate plan for extreme weather events will be prepared to ensure that the charging stations will work in different extreme weather conditions</b></p> <p><b>Any other adverse effect?</b></p> <p><i>No</i></p>



3	<p><b>SUSTAINABLE USE AND PROTECTION OF WATER AND MARINE RESOURCES</b></p> <p><i>Is the project likely to have significant adverse effects on the sustainable use and protection of water and marine resources?</i></p> <p>Applicant answer: Yes / No</p> <p><i>The project has no direct adverse impacts on the objective sustainable use and protection of water and marine resources.</i></p>	<p><i>Could the project cause changes to water quality, aquatic life, bottom conditions, currents, flow, water level or discharges that could lead to deterioration of surface or groundwater status (e.g., increase nutrient, metal or solids loads, degrade fish habitat or spread invasive species)?</i></p> <p><i>There is a risk that during the construction of the charging docks, ground water source can be impacted. This will be mitigated during planning of the construction.</i></p> <p><b>Will the project increase the heat load?</b> No</p> <p><b>Any other adverse effect?</b> No</p>
4	<p><b>TRANSITION TO A CIRCULAR ECONOMY</b></p> <p><i>Is the project likely to have significant adverse effects on the transition to a circular economy?</i></p> <p>Applicant answer: Yes / No</p> <p><i>The project has no direct adverse impacts on the objective transition to a circular economy.</i></p>	<p><i>Will the project increase the use of natural resources?</i></p> <p><i>No. The construction of the charging docks will require natural resources, but the docks themselves or using of the docks won't increase the use of natural resources.</i></p> <p><i>Does the project make it difficult to reuse products or materials or shorten the life of products?</i></p> <p>No</p> <p><i>Will the project make it more difficult to recycle materials?</i></p> <p><i>No, although recycling of the charging docks themselves will not be possible</i></p> <p><i>Does the project increase the disposal or incineration of waste (e.g., does the project increase the harmfulness of the waste generated)?</i></p> <p>No</p> <p><b>Any other adverse effect?</b> No</p>
5	<p><b>POLLUTION PREVENTION AND CONTROL</b></p> <p><i>Is the project likely to lead to a significant increase in emissions or a significant deterioration of the environment (land, water, air quality) through land use change?</i></p> <p>Applicant answer: Yes / No</p> <p><i>The project has no direct adverse impacts on the objective transition to a pollution prevention and control</i></p>	<p><i>Will the project increase the chemicalization of the environment?</i> No</p> <p><i>Will the project result in significant emissions of harmful or hazardous substances?</i> No</p> <p><i>Could environmental risks increase?</i> <i>Electric charging docks could have a risk electric shock if it is impacted by physical blow or is out of order some other way.</i></p> <p><b>Any other adverse effect?</b> No</p>
6	<p><b>PROTECTION AND RESTORATION OF BIODIVERSITY AND ECOSYSTEMS</b></p> <p><i>Is the project likely to significantly degrade biodiversity or significantly impede the protection and/or restoration of ecosystems?</i></p> <p>Applicant answer: Yes / No</p> <p><i>The project is not likely to significantly degrade biodiversity or impede the protection and restoration of ecosystems. Some negative impacts can be caused due to loss of city forestry, but the area that is impacted does not inhabit any protected or threatened habitats.</i></p>	<p><i>Will the project degrade, fragment or reduce the quality of protected or threatened habitats?</i> <i>No, there are no protected or threatened habitats in the area since the charging station area is located in an industrial site near city center.</i></p> <p><i>Does the project reduce the size of the occurrence of a protected or threatened habitat type or the area in which the habitat type occurs?</i> <i>No, there are no protected or threatened habitats in the area since the charging station area is located in an industrial site near city center. All tough the increasing of the area will result to small amount of trees to be cut from the rim of a forest.</i></p> <p><i>Will the project degrade, fragment or diminish the habitat quality of a protected or threatened species?</i> <i>No, there are no protected or threatened habitats in the area since the charging station area is located in an industrial site near city center. All tough the increasing of the area will result to small amount of trees to be cut from the rim of a forest.</i></p> <p><i>Will the project reduce the population size or range of a protected or threatened species?</i> <i>No, there are no protected or threatened habitats in the area since the charging station area is located in an industrial site near city center.</i></p>

		<p><b>Will the project hamper ecosystem protection and restoration?</b>  <i>No, the impacted area is not a protected area or an area that would be subjected to restoration otherwise</i></p> <p><b>Any other impact that reduces or harms biodiversity?</b></p> <p><i>A small amount of trees from the rim of the small forest will be cut. This has a minor negative effect on city nature and the amount of green areas in a city.</i></p>
	<p><b>OUTCOME: Filled in by the authority</b></p>	<p><i>The funding authority provides a short justification on whether or not the project is accepted based on the simplified DNSH assessment, and hence is considered DNSH-compliant.</i></p> <p><i>The project is accepted based on the DNSH assessment. The loss of urban forestry is not deemed to be a significant negative impact.</i></p>

# Annex D: Detailed DNSH assessment questionnaire

Table D1: Detailed DNSH assessment questionnaire

MAIN ASSESSMENT QUESTION	SUB QUESTIONS ON THE ENVIRONMENTAL OBJECTIVE <i>if you answer yes to any sub questions, in order to be DNSH compliant, you have to describe sufficient mitigation actions, or the impact needs to be insignificant.</i>	MITIGATION MEASURES PER ENVIRONMENTAL OBJECTIVE
<p><b>1 CLIMATE CHANGE MITIGATION</b></p> <p><b>Is the project likely to have significant adverse impacts on climate change mitigation?</b></p> <p><i>Applicant answer: Yes / No</i></p> <p><i>Information and links to third party verified documents</i></p>	<p><b>A - Will the project increase greenhouse gas emissions?</b> <i>YES / NO</i></p> <p>If no, concise justification of answer</p> <p>If yes, describe impact and the mitigation measures</p>	<p>Description of/link to documents supporting the description of mitigation measures</p>
	<p><b>B - Does the project degrade carbon sinks and/or carbon stocks?</b> <i>YES / NO</i></p> <p>If no, concise justification of answer</p> <p>If yes, describe impact and the mitigation measures</p>	<p>Description of/link to documents supporting the description of mitigation measures</p>
	<p><b>C - Does the activity contribute to the use of fossil fuels?</b> <i>YES / NO</i></p> <p>If no, concise justification of answer</p> <p>If yes, describe impact and the mitigation measures</p>	<p>Description of/link to documents supporting the description of mitigation measures</p>
	<p><b>D - Any other adverse effect?</b> <i>YES / NO</i></p> <p>If yes, describe impact and the mitigation measures</p>	<p>Description of/link to documents supporting the description of mitigation measures</p>
<p><b>Evaluation by funding authority:</b></p>		
<p><b>2 CLIMATE CHANGE ADAPTATION</b></p> <p><b>Is the project likely to have significant adverse effects on adaptation to climate change?</b></p> <p><i>Applicant answer: Yes / No</i></p> <p><i>Information and links to third party verified documents</i></p>	<p><b>A - Does the project increase the risk of flooding, drought or exposure to extreme weather events?</b> <i>YES / NO</i></p> <p>If no, concise justification of answer</p> <p>If yes, describe impact and the mitigation measures</p>	<p>Description of/link to documents supporting the description of mitigation measures</p>
	<p><b>B - Does the project neglect to prepare for extreme weather events (in all material respects)?</b> <i>YES / NO</i></p> <p>If no, concise justification of answer</p> <p>If yes, describe impact and the mitigation measures</p>	<p>Description of/link to documents supporting the description of mitigation measures</p>
	<p><b>C - Any other adverse effect?</b> <i>YES / NO</i></p> <p>If yes, describe impact and the mitigation measures</p>	<p>Description of/link to documents supporting the description of mitigation measures</p>

<i>Evaluation by funding authority:</i>			
3	<b>SUSTAINABLE USE AND PROTECTION OF WATER AND MARINE RESOURCES</b>  <b>Is the project likely to have significant adverse effects on the sustainable use and protection of water and marine resources?</b>  <i>Applicant answer: Yes / No</i>  <i>Information and links to third party verified documents</i>	<b>Could the project cause changes to water quality, aquatic life, bottom conditions, currents, flow, water level or discharges that could lead to deterioration of surface or groundwater status (e.g., increase nutrient, metal or solids loads, degrade fish habitat or spread invasive species)?</b> <b>YES / NO</b>  If no, concise justification of answer  If yes, describe impacts and the mitigation measures	Description of/link to documents supporting the description of mitigation measures
		<b>Will the project increase the heat load?</b> <b>YES / NO</b>  If no, concise justification of answer  If yes, describe impacts and the mitigation measures	Description of/link to documents supporting the description of mitigation measures
		<b>Any other adverse effect?</b> <b>YES / NO</b>  If yes, describe impacts and the mitigation measures	Description of/link to documents supporting the description of mitigation measures
		<i>Evaluation by funding authority:</i>	
4	<b>TRANSITION TO A CIRCULAR ECONOMY</b>  <b>Is the project likely to have significant adverse effects on the transition to a circular economy?</b>  <i>Applicant answer: Yes / No</i>  <i>Information and links to third party verified documents</i>	<b>Will the project increase the use of natural resources?</b> <b>YES / NO</b>  If no, concise justification of answer  If yes, describe impacts and the mitigation measures	Description of/link to documents supporting the description of mitigation measures
		<b>Will the project make it more difficult to recycle materials?</b> <b>YES / NO</b>  If no, concise justification of answer  If yes, describe impact and the mitigation measures	Description of/link to documents supporting the description of mitigation measures
		<b>Does the project make it difficult to reuse products or materials or shorten the life of products?</b> <b>YES / NO</b>  If no, concise justification of answer  If yes, describe impact and the mitigation measures	Description of/link to documents supporting the description of mitigation measures
		<b>Does the project increase the disposal or incineration of waste (e.g., does the project increase the harmfulness of the waste generated)?</b> <b>YES / NO</b>  If no, concise justification of answer  If yes, describe impact and the mitigation measures	Description of/link to documents supporting the description of mitigation measures
		<b>Any other adverse effect?</b> <b>YES / NO</b>  If yes, describe impact and the mitigation measures	Description of/link to documents supporting the description of mitigation measures

<i>Evaluation by funding authority:</i>			
5	<b>POLLUTION PREVENTION AND CONTROL</b>  <b>Is the project likely to lead to a significant increase in emissions or a significant deterioration of the environment (land, water, air quality) through land use change?</b>  <i>Applicant answer: Yes / No</i>  <i>Information and links to third party verified documents</i>	<b>Will the project increase the chemicalization of the environment?</b> <b>YES / NO</b>  If no, concise justification of answer  If yes, describe impact and the mitigation measures	Description of/link to documents supporting the description of mitigation measures
		<b>Will the project result in significant emissions of harmful or hazardous substances?</b> <b>YES / NO</b>  If no, concise justification of answer  If yes, describe impact and the mitigation measures	Description of/link to documents supporting the description of mitigation measures
		<b>Could environmental risks increase?</b> <b>YES / NO</b>  If no, concise justification of answer  If yes, describe impact and the mitigation measures	Description of/link to documents supporting the description of mitigation measures
		<b>Any other adverse effect?</b> <b>YES / NO</b>  If yes, describe impact and the mitigation measures	Description of/link to documents supporting the description of mitigation measures
<i>Evaluation by funding authority:</i>			
6	<b>PROTECTION AND RESTORATION OF BIODIVERSITY AND ECOSYSTEMS</b>  <b>Is the project likely to significantly degrade biodiversity or significantly impede the protection and/or restoration of ecosystems?</b>  <i>Applicant answer: Yes / No</i>  <i>Information and links to third party verified documents</i>	<b>Will the project degrade, fragment or reduce the quality of protected or threatened habitats?</b> <b>YES / NO</b>  If no, concise justification of answer  If yes, describe impact and the mitigation measures	Description of/link to documents supporting the description of mitigation measures
		<b>Does the project reduce the size of the occurrence of a protected or threatened habitat type or the area in which the habitat type occurs?</b> <b>YES / NO</b>  If no, concise justification of answer  If yes, describe impact and the mitigation measures	Description of/link to documents supporting the description of mitigation measures
		<b>Will the project degrade, fragment or diminish the habitat quality of a protected or threatened species?</b> <b>YES / NO</b>  If no, concise justification of answer  If yes, describe impact and the mitigation measures	Description of/link to documents supporting the description of mitigation measures
		<b>Will the project reduce the population size or range of a protected or threatened species?</b> <b>YES / NO</b>  If no, concise justification of answer  If yes, describe impact and the mitigation measures	Description of/link to documents supporting the description of mitigation measures
		<b>Will the project hamper ecosystem protection and restoration?</b> <b>YES / NO</b>	Description of/link to documents supporting

		<p>If <b>no</b>, concise justification of answer</p> <p>If <b>yes</b>, describe impact and the mitigation measures</p>	<p><b>the description of mitigation measures</b></p>
		<p><b>Any other impact that reduces or harms biodiversity?</b>  <b>YES / NO</b></p> <p>If <b>yes</b>, describe impact and the mitigation measures</p>	<p><b>Description of/link to documents supporting the description of mitigation measures</b></p>
<p><b>Evaluation by funding authority:</b></p>			
	<p><b>OUTCOME (Filled by the authority)</b></p>	<p><i>Describe the outcome based on all six environmental objectives if the project is DNSH compliant or if the project is rejected.</i></p>	