

Targeted public consultation - draft guidance on the application of the 'do no significant harm' principle under the 2028-2034 Multiannual Financial Framework (MFF)

Introduction

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 to the Multiannual Financial Framework (MFF) 2028-2034.

In this context, this targeted consultation aims to gather feedback from stakeholders on the Commission's envisaged approach to applying the principle, presented in the concept paper (attached to this questionnaire). The following survey follows the structure of the concept paper.

This targeted consultation will be open for 9 weeks, until 16 September 2026. It follows the Call for Evidence published on the "[Have your say](#)" portal in March 2026.

Profile of respondents

Language of my contribution:

English

I am giving my contribution as:

- ☐ National authority
- ☐ Regional authority
- ☐ National agency
- ☐ Implementing partner of EU funds
- ☒ Business organisation / company
- ☐ Industry or trade association
- ☐ Small and medium-sized enterprise (SME)
- ☐ NGO / Civil society organisation
- ☐ Consumer organisation
- ☐ Trade union / workers' organisation
- ☐ Academic or research organisation

- ☐ International organisation
- ☐ EU citizen
- ☐ non-EU citizen
- ☐ Other

Please specify the name of your organisation:

1000 character(s) maximum

European Association of Guarantee Institutions (AECM)

What is the size of your organisation?

- ☒ Micro (fewer than 10 employees)
- ☐ Small (10-49 employees)
- ☐ Medium-sized (50-249 employees)
- ☐ Large (250 employees or more)

First name

Surname

Email address

Country of origin

BE - Belgium

In which sector(s) are you primarily active?

Maximum 3 selection(s)

- ☐ Agriculture and food
- ☐ Energy and mining
- ☐ Environment and climate
- ☒ Financial Services
- ☐ Health
- ☐ Digital / ICT
- ☐ Transport and mobility
- ☐ Consumer markets / retail
- ☐ Manufacturing / industry
- ☐ Construction / infrastructure

- ☐ Education
- ☐ Media / culture
- ☐ Justice / legal services
- ☐ Public administration
- ☐ Social services
- ☐ Defence / security
- ☐ Consulting services
- ☐ Cross-sectoral
- ☐ Other

Please indicate your level of familiarity with the 'Do No Significant Harm' (DNSH) principle.

- ☒ Very high – direct and regular practical experience
- ☐ High – good knowledge and some practical experience
- ☐ Moderate – general knowledge
- ☐ Limited – only partial familiarity
- ☐ No knowledge

What is the main basis for your replies?

- ☐ Practical experience in applying DNSH rules
- ☐ Experience in enforcement, auditing or supervision of DNSH rules
- ☐ Academic research
- ☒ Representative of an undertaking, industry association, NGO, or other stakeholder organisation
- ☒ Other

Please specify

Business association

General questions on the proposed approach

Overall, do you think that the framework presented in the concept paper strikes a good balance between ensuring an adequate level of environmental protection and remaining proportionate and simple to apply?

- ☐ 1 – not at all
- ☐ 2 – to a limited extent
- ☒ 3 – to some extent
- ☐ 4 – to a great extent
- ☐ Do not know

Please justify your answer, providing examples where possible

2000 character(s) maximum

AECM broadly welcomes the approach presented in the concept paper and considers that it moves in the right direction towards achieving an appropriate balance between environmental protection and proportionality. In particular, AECM welcomes the Commission's objective of establishing a single and simplified set of DNSH criteria, avoiding duplication with existing EU legislation, limiting the criteria to clearly identified activities, and providing for automatic compliance for activities not covered by the specific criteria. The emphasis on proportionality, including taking into account the size and characteristics of an activity, is also welcome. However, AECM considers that further clarification and safeguards are needed to ensure that this balance is effectively achieved in practice, particularly for financial instruments and budgetary guarantees. The concept paper appropriately recognises that the application of DNSH can be operationally challenging for financial instruments, notably for general-purpose financing, equity-type products and working capital. AECM encourages the Commission to develop this simplified approach in a way that fully reflects the specific characteristics of guarantee instruments, including portfolio guarantees.

General principles applicable to the DNSH approach (section 1 of the concept paper)

Do you have any comments on the concept paper's section on the principles of reduced administrative burden and proportionality (section 1.A)?

- ☒ Yes
☐ No

Do you think that the proposed approach in the concept paper, relying on a single list of DNSH criteria that are included in a guidance and are known upfront, is simpler and reduces administrative burden compared to the ways the DNSH principle is currently applied across the EU budget?

- ☐ 1 – not at all
☐ 2 – to a limited extent
☒ 3 – to some extent
☐ 4 – to a great extent
☐ Do not know

Please explain your answer

1000 character(s) maximum

AECM welcomes the proposal for a single set of DNSH criteria, clearly defined and known upfront. However, the practical simplification will depend on the way the guidance is applied to financial instruments and budgetary guarantees. AECM encourages the Commission to ensure that the final guidance provides a genuinely simple and operational approach for guarantees, including portfolio guarantees. AECM recommends that:

- for portfolio guarantees, existing due diligence and control procedures performed by banks or other financial intermediaries should be relied upon where appropriate, avoiding duplicate assessments by guarantee institutions;
 - no additional or parallel DNSH requirements should be introduced at national or programme level.
- We also welcome the proposed use of pre-defined exemptions and proportionality. This should be translated into concrete simplifications for micro and small enterprises and smaller financing operations, where the environmental risk is limited.

Do you think that the proposed approach in the concept paper allows to achieve the set objectives of the relevant programmes or instruments in line with the Union's policy priorities?

- ☐ 1 – not at all
- ☐ 2 – to a limited extent
- ☒ 3 – to some extent
- ☐ 4 – to a great extent
- ☐ Do not know

Please explain your answer

1000 character(s) maximum

Overall, AECM supports the proposed approach, provided that the final guidance ensures that DNSH remains an enabling framework rather than an additional barrier to the delivery of EU financial instruments. In particular, the dedicated approach for financial instruments and budgetary guarantees should provide sufficient flexibility and proportionality to preserve the ability of these instruments to deliver on the Union's broader policy priorities, while maintaining appropriate environmental safeguards.

Do you think that the proposed approach in the concept paper avoids duplication with existing EU environmental legislation?

- ☐ 1 – not at all
- ☐ 2 – to a limited extent
- ☒ 3 – to some extent
- ☐ 4 – to a great extent
- ☐ Do not know

Please explain your answer

1000 character(s) maximum

AECM supports the proposed architecture, but recommends that the final guidance provide clear rules on reliance on existing EU environmental requirements and controls, including clarification that Member States, managing authorities and implementing partners should not introduce additional DNSH requirements that duplicate or go beyond the common EU framework, unless required by applicable legislation. This would be essential to ensure that the objective of avoiding duplication is achieved in practice.

Do you think that the proposed approach in the concept paper to applying the proportionality principle is adequate and operational?

- ☐ 1 – not at all
- ☐ 2 – to a limited extent
- ☒ 3 – to some extent
- ☐ 4 – to a great extent
- ☐ Do not know

Please explain your answer

1000 character(s) maximum

The proposed Performance Regulation requires proportionality according to the size of the activity. For guarantees, the relevant consideration should also be the size of the financing operation. Ex: applying the same documentation to a EUR 50.000 SME working-capital guarantee and a EUR 100 million infrastructure project would be disproportionate. Therefore, for financial instruments and guarantees, proportionality should take into account the amount and nature of the underlying financing, including the size of the guaranteed exposure and the size of the final beneficiary. Besides, “possible additional facilitations” for SMEs is too weak. We recommend:

- simplified evidence requirements for SMEs;
- no complex environmental assessments for low-value investments;
- standard declarations/checklists where risks are low;
- proportionality based on the size/value of the guaranteed loan;
- simplified requirements for micro and small enterprises.

Do you think that developing a differentiated or specific approach for research activities would be necessary to cater for their specificities?

- ☐ Yes
- ☒ No

Do you think that a specific approach should be developed for applying the DNSH principle to financial instruments and budgetary guarantees?

- ☒ Yes
- ☐ No

What approach should be developed, and which should be its key features?

1000 character(s) maximum

For FI with clear and identifiable objectives, assessment should be carried out at the level of the impl. body. Where the implementing partner has a robust and auditable sustainability and exclusion framework, this should be relied upon, including Pillar assessments and frameworks recognised under the RRF, CF or equivalent supervised national frameworks. Where underlying operations are not known or cannot be linked to a specific investment or environmental activity, such as general-purpose or working capital financing, or where the final recipient is a start-up without a credit history, DNSH compliance should be assessed based on evidence that the support will be used for its intended purposes. A self-declaration by the final recipient, checked upfront by the impl. body, should suffice, with post-checks limited to cases required by law or the impl. body's standard procedures. For portfolio guarantees, compliance should be assessed at portfolio level by implementing partner.

Do you have any comments on the concept paper's section on the principle of 'where feasible or appropriate' (section 1.B)?

- ☐ Yes
☒ No

Do you consider that additional criteria for climate change adaptation are necessary (section 1.C of the concept paper)?

- ☐ Yes
☒ No

DNSH areas and criteria (section 2 of the concept paper)

Do you have any comments on point 1) and/or its related exemptions in section 2.A of the concept paper?

- ☐ Yes
☒ No

Do you have any comments on point 2) and/or its related exemptions in section 2.A of the concept paper?

- ☐ Yes
☐ No

Do you have any comments on point 3) and/or its related exemptions in section 2.A of the concept paper?

- ☐ Yes
☐ No

Do you have any comments on point 4) and/or its related exemptions in section 2.A of the concept paper?

- ☐ Yes
☐ No

Do you have any comments on point 5) and/or its related exemptions in section 2.A of the concept paper?

- ☐ Yes
☐ No

Do you have any comments on point 6) and/or its related exemptions in section 2.A of the concept paper?

- ☐ Yes
- ☐ No

Do you have any comments on point 7) and/or its related exemptions in section 2.A of the concept paper?

- ☐ Yes
- ☐ No

Do you have any comments on point 8) and/or its related exemptions in section 2.A of the concept paper?

- ☐ Yes
- ☐ No

Do you have any comments on point 9) and/or its related exemptions in section 2.A of the concept paper?

- ☐ Yes
- ☐ No

Do you have any comments on point 10) and/or its related exemptions in section 2.A of the concept paper?

- ☐ Yes
- ☐ No

Do you have any comments on point 11) and/or its related exemptions in section 2.A of the concept paper?

- ☐ Yes
- ☐ No

Do you have any comments on point 12) and/or its related exemptions in section 2.A of the concept paper?

- ☐ Yes
- ☐ No

Do you have any comments on point 13) and/or its related exemptions in section 2.A of the concept paper?

- ☐ Yes
- ☐ No

Do you have any comments on point 14) and/or its related exemptions in section 2.A of the concept paper?

- ☐ Yes
- ☐ No

Do you have any comments on point 15) and/or its related exemptions in section 2.A of the concept paper?

- ☐ Yes
- ☐ No

Do you have any comments on point 16) and/or its related exemptions in section 2.A of the concept paper?

- ☐ Yes

☐ No

Do you have any comments on point 17) and/or its related exemptions in section 2.A of the concept paper?

☒ Yes

☐ No

Are the scope and formulation of point 17) and its exemptions clear?

☐ 1 – not at all

☐ 2 – to a limited extent

☐ 3 – to some extent

☒ 4 – to a great extent

☐ Do not know

Do you expect any challenges in the implementation and verification of point 17) and its exemptions?

☐ 1 – not at all

☐ 2 – to a limited extent

☒ 3 – to some extent

☐ 4 – to a great extent

☐ Do not know

Please justify your answer, providing examples where possible, and drafting suggestions if relevant

2000 character(s) maximum

The paper explicitly identifies investments in irrigation as an activity requiring DNSH conditions. AECM notes that these requirements may become disproportionately difficult for micro and small agricultural enterprises, especially when financing is provided through guarantees. Therefore, we propose:

- simplified procedures for small farms/micro and small-scale agricultural investments
- no duplication between DNSH and CAP/environmental requirements

Do you have any comments on point 18) and/or its related exemptions in section 2.A of the concept paper?

☐ Yes

☐ No

Final questions

Do you consider that any of the criteria included in the concept paper are not necessary?

☐ Yes, one or more are not necessary

☒ No, they are all necessary

Do you see the need to include any additional criteria or areas not covered in the concept paper?

☒ Yes

☐ No

Please explain your reply. Which additional criterion or area should the proposed approach cover?

2000 character(s) maximum

We ask DG REFORM to consult NPBI on the draft text of the DNSH Guidelines and its application to financial instruments and budgetary guarantees, before its publication in view of the fact that:

- The concept paper didn't describe how the principle will be applied to financial instruments and budgetary guarantees
- The consultation document limited the answers to 1000 characters which impedes providing a structured reply.

Background Documents

[DNSH Concept paper 15.7.2026 - for publication.pdf](#)

Contact

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