**National Challenge Fund**

**Do No Significant Harm Principle: Guidance and Assessment**

*Version: 01 September 2022*

Contents

[Introduction 1](#_Toc112418450)

[Guidance 2](#_Toc112418451)

[DNSH assessment Table 1: General assessment 3](#_Toc112418452)

[DNSH assessment Table 2: Detailed assessment 5](#_Toc112418453)

# Introduction

The National Challenge Fund is funded under the EU Recovery and Resilience Facility (Regulation (EU) 2021/241), which requires that all supported activities must comply with the **‘Do No Significant Harm’ (DNSH) principle**.[[1]](#footnote-2) This principle safeguards that an economic activity is environmentally sustainable in relation to the six environmental objectives:

* climate change mitigation
* climate change adaptation
* the sustainable use and protection of water and marine resources
* the transition to a circular economy
* pollution prevention and control
* the protection and restoration of biodiversity and ecosystems.

The DNSH principle was developed in line with the European Green Deal as a policy instrument to consider the long-term environmental impacts of economic activities. It is important to consider the potential impact of a solution on all six objectives, such that a solution focused on mitigating climate change, for example, does not detrimentally impact water resources or biodiversity.

An assessment of expected compliance with the environmental objectives has been performed for each call under the National Challenge Fund (see supporting documentation for the relevant Challenge Call). Applicants are advised to review this assessment and any specific guidance provided therein before completing the DNSH assessment. There are certain areas of research that are excluded from consideration under the National Challenge Fund in line with the DNSH principle. These are outlined in the Programme remit section of the call document and include, e.g., any research that could promote the further use of fossil fuels.

# Guidance

|  |
| --- |
| All applications to the National Challenge Fund must include an assessment of the potential impacts on the six environmental objectives by completion of Table 1 and, where relevant, Table 2**. In order to be eligible for funding, projects must be shown to be compliant with the DNSH principle,** i.e., the applicant must confirm that there are no significant harmful environmental impacts expected as a result of the research. Note that a DNSH assessment must be completed for all applications to any challenge call under the National Challenge Fund. |

In the context of the National Challenge Fund, compliance with **the DNSH principle refers to the potential life-cycle impact of the solutions, processes, technologies, and other products developed when deployed, rather than to the research activities in and of themselves**.

The DNSH assessment is performed in two stages:

1. a general assessment must be performed for all projects to identify if the proposed solution could have potentially harmful impacts on any of the environmental objectives (Table 1);
2. if any potentially harmful impacts are identified in Table 1, a detailed DNSH assessment with justification is required for those environmental objectives (Table 2).

Projects should include assessments commensurate with their stage of development. It is recognised that projects may be at early stages of development (i.e., up to TRL 4[[2]](#footnote-3)), in which case a simplified assessment of compliance may be appropriate. In such cases, assuming no significant impacts are identified, completion only of Table 1 may be sufficient.In cases where the research is at a more advanced stage of development or where potential impacts are identified, a more detailed assessment may be required. **All assessments should be based on the latest scientific evidence.**

Applicants may wish to refer to their research programme to highlight how the proposed approach will ensure compliance with DNSH and mitigate any potential impacts, e.g., through inclusion of a life-cycle analysis as part of the research programme or through the development of supporting scientific evidence.

Where a project fully or substantially contributes to an environmental objective[[3]](#footnote-4), it may be appropriate to include only a brief justification of compliance. Conversely, where a project, given its nature, has no or an insignificant foreseeable impact on the environmental objective, it can be considered compliant with DNSH for the relevant objective and only a brief justification is required. For example, for a project in the area of digital health that does not impact any of the environmental objectives, only brief justification would be required for each objective.

Updated DNSH self-assessments will be submitted at each stage of the programme. Reviewers will receive these assessments as part of the proposal documentation and will be required to confirm that sufficient information has been provided in the self-assessment to demonstrate compliance. **Applicants or awardees may be required to provide additional information to SFI upon request.**

|  |
| --- |
| The guidance provided here is to support applicants to the National Challenge Fund to complete the required DNSH assessment. It is noted, however, that it is the responsibility of applicants to ensure that their submission outlines how their proposed project is compliant with the principle of DNSH. Applicants may wish to review relevant documentation, for example, technical guidance provided by the Commission on the application of DNSH under the Recovery and Resilience Facility Regulation.[[4]](#footnote-5) |

*When submitting your application, please upload only the table(s) below as part of your application, removing all guidance above.*

# DNSH assessment Table 1: General assessment

|  |  |
| --- | --- |
| For the purposes of the DNSH assessment, please indicate the current Technology Readiness Level (TRL) of your technology (1-9)[[5]](#footnote-6). It is noted that the level of assessment should be commensurate with the current TRL of your project.   |   |

|  |
| --- |
| Does the potential life-cycle impact of the solution developed as a result of this research have potentially harmful impacts on achieving the named environmental objective?If the answer is no, please provide brief justification.If the answer is yes, please complete Table 2. |
| 1. Climate change mitigation

*i.e.*, *Is the project output expected to lead to significant GHG emissions?*  | Yes | No |
|  |  |  |
| 1. Climate change adaptation

i.e., *Is the measure expected to lead to an increased adverse impact of the current climate and the expected future climate, on the measure itself or on people, nature or assets?*  | Yes | No |
|  |  |  |
| 1. The sustainable use and protection of water and marine resources

*i.e., Is the project output expected to be detrimental:*1. *to the good status or the good ecological potential of bodies of water, including surface water and groundwater; or*
2. *to the good environmental status of marine waters?*
 | Yes | No |
|  |  |  |
| 1. The circular economy, including waste prevention and recycling

*i.e., Is the measure expected to:* *(i) lead to a significant increase in the generation, incineration or disposal of waste, with the exception of the incineration of non-recyclable hazardous waste; or* *(ii) lead to significant inefficiencies in the direct or indirect use of any natural resource at any stage of its life cycle which are not minimised by adequate measures; or**(iii) cause significant and long-term harm to the environment in respect to the circular economy?* | Yes | No |
|  |  |  |
| 1. Pollution Prevention and control

*i.e., Is the measure expected to lead to a significant increase in the emissions of pollutants into air, water or land?* | Yes | No |
|  |  |  |
| 6. The protection and restoration of biodiversity and ecosystems*i.e., Is the measure expected to be:* *(i) significantly detrimental to the good condition and resilience of ecosystems; or* *(ii) detrimental to the conservation status of habitats and species, including those of Union interest?* | Yes | No |
|  |  |  |

# DNSH assessment Table 2: Detailed assessment

*Completion of this table is only required where the environmental objective may be harmfully impacted by the outputs of the research project, i.e., where you have indicated Yes in Table 1.*

|  |
| --- |
| Does the potential life-cycle impact of the products developed as a result of this research have potentially significant harmful impacts on achieving the named environmental objective?1. Describe the most significant harmful impacts expected, including their intensity, extent, and risks.2. Describe both the direct and indirect harmful impacts.3. Describe how these impacts can be mitigated. |
| 1. Climate change mitigation

*i.e.* *Is the project output expected to lead to significant GHG emissions?*  | No |
|  |  |
| 1. Climate change adaptation

*i.e.* *Is the measure expected to lead to an increased adverse impact of the current climate and the expected future climate, on the measure itself or on people, nature or assets?*  | No |
|  |  |
| 1. The sustainable use and protection of water and marine resources

*i.e. Is the project output expected to be detrimental?*1. *to the good status or the good ecological potential of bodies of water, including surface water and groundwater; or*

*to the good environmental status of marine waters?* | No |
|  |  |
| 1. The circular economy, including waste prevention and recycling

*i.e. Is the measure expected to:* *(i) lead to a significant increase in the generation, incineration or disposal of waste, with the exception of the incineration of non-recyclable hazardous waste; or* *(ii) lead to significant inefficiencies in the direct or indirect use of any natural resource at any stage of its life cycle which are not minimised by adequate measures; or**(iii) cause significant and long-term harm to the environment in respect to the circular economy?* | No |
|  |  |
| 1. Pollution Prevention and control

*i.e. Is the measure expected to lead to a significant increase in the emissions of pollutants into air, water or land?* | No |
|  |  |
| 6. The protection and restoration of biodiversity and ecosystems*i.e.Is the measure expected to be:* *(i) significantly detrimental to the good condition and resilience of ecosystems; or* *(ii) detrimental to the conservation status of habitats and species, including those of Union interest?* | No |
|  |  |

1. *as defined in Articles 3(b) and 17 of the EU Taxonomy Regulation:* [*https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities\_en*](https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en) [↑](#footnote-ref-2)
2. <https://ec.europa.eu/research/participants/data/ref/h2020/wp/2014_2015/annexes/h2020-wp1415-annex-g-trl_en.pdf> [↑](#footnote-ref-3)
3. *As defined in Articles 10 to 15 of the European Taxonomy* [*https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32020R0852*](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32020R0852)*), or the EU taxonomy compass for Climate change objectives.* [*https://ec.europa.eu/sustainable-finance-taxonomy/index.htm*](https://ec.europa.eu/sustainable-finance-taxonomy/index.htm) [↑](#footnote-ref-4)
4. [*https://op.europa.eu/en/publication-detail/-/publication/5dce0e53-718b-11eb-9ac9-01aa75ed71a1/language-en*](https://op.europa.eu/en/publication-detail/-/publication/5dce0e53-718b-11eb-9ac9-01aa75ed71a1/language-en) [↑](#footnote-ref-5)
5. [*https://ec.europa.eu/research/participants/data/ref/h2020/wp/2014\_2015/annexes/h2020-wp1415-annex-g-trl\_en.pdf*](https://ec.europa.eu/research/participants/data/ref/h2020/wp/2014_2015/annexes/h2020-wp1415-annex-g-trl_en.pdf) [↑](#footnote-ref-6)