



DO NOT SIGNIFICANT HARM (DNSH) IN THE INNOVATION FUND

From 2025 calls onwards, compliance with the DNSH principle is a mandatory requirement across all Innovation Fund topics and call types.¹ For the Innovation Fund, this compliance is assessed against uniquely against the Technical Screening Criteria (TSC) set out in the [Climate Delegated Regulation](#) and [Environmental Delegated Regulation](#) supplementing the EU Taxonomy Regulation.²

- It is a minimum compliance requirement, assessed on a pass/fail basis
- It is not a scoring or ranking criterion
- Projects need only show compliance with DNSH technical screening criteria for their relevant economic activity where these apply, no general DNSH test is applied.
- Not all EU Taxonomy obligations apply (e.g. projects are not required to demonstrate a “substantial contribution”)

WHAT IS THE DNSH PRINCIPLE?

The DNSH principle originates from the [EU Taxonomy Regulation](#) and requires that an economic activity contributing does not significantly harm any of the following six environmental objectives:

- 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 and ecosystems

HOW DNSH IS ASSESSED IN IF25

DNSH compliance is assessed as part of the admissibility, eligibility and evaluation process for all IF25 calls, including:

- Net-Zero Technologies (NZT) regular grants, and
- Innovation Fund auctions (e.g. Hydrogen and Industrial Heat).

Applicants to the Innovation Fund must demonstrate that their project will comply with the relevant Technical Screening Criteria for their economic activity during the lifetime of their project. Only activities within the project boundary are relevant.

Assessment covers the project lifecycle:

- **At application stage**, applicants are required to describe their approach to DNSH compliance through a DNSH Compliance Plan, which is assessed as part of the evaluation process.
- **During project implementation**, DNSH compliance may be subject to additional monitoring and verification, as defined during grant agreement preparation.
- **At the end of the operational period**, supported projects must submit a DNSH Compliance Report demonstrating compliance throughout the project lifetime.

Projects that fail to demonstrate DNSH compliance are not eligible for funding, regardless of performance on other criteria (GHG emission reductions, cost-efficiency or innovation).

The Detailed DNSH requirements, scope and evidence to be provided are set out in the official call documents and particularly Annex 4.³

¹ Article 10f of the ETS Directive

² For Hydrogen Manufacturing, specific TSC listed.

³ Annex 4: Call document for the call "Innovation Fund call 2025 Net Zero Technologies"; Call document for the Auction Call 2025 for Hydrogen; Call document for the Auction Call 2025 for Industrial Process Heat Decarbonisation