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EAPO response to the consultation on the draft guidance on the application of the ‘do no significant harm’ principle under the 2028-2034 Multiannual Financial Framework (MFF)

Members of the European Association of Fish Producers Organisations (EAPO) will be affected by the application of the ‘do no significant harm’ principle (DNSH) under the next Multiannual Financial Framework (MFF), given their reliance on EU funding for a broad range of activities, including technological innovation and improvements in stock assessment. EAPO welcomes the Commission’s proposal to exempt the following areas:

8) Investment in fishing vessels and fishing gear, including the replacement or modification of engines capable of operating on conventional fossil fuels. The following areas are proposed for exemption:

a) Investments in fishing vessels that reduce the environmental impact of fishing activities, for example through selective gear that reduces bycatch and discards, support the energy transition and/or improve health and safety on board, provided that: (i) they belong to a fleet segment compliant with the Common Fisheries Policy Regulation⁴³; (ii) they target stocks subject to fisheries management measures; and (iii) they are equipped with an electronic catch logbook and a functioning Vessel Monitoring System;

b) Investments in replacing or modifying engines for hybrid or dual-fuel fishing vessels.

However, these exemptions cover only a limited proportion of the fishing industry’s use of EU funds, raising concerns about the application of DNSH criteria to other measures. More broadly, EAPO members consider that DNSH was primarily designed for infrastructure investments under the Taxonomy Regulation and may be difficult to apply to an activity based on the sustainable exploitation of a natural resource such as fishing. At present, the sector does not have sufficiently established and stable technical criteria.

Regarding the climate criterion, there is a significant risk that funding for engine modernisation that does not achieve full decarbonisation could be excluded, depending on how the above-cited proposal is interpreted by national administrations. Although decarbonising fishing activities should remain an objective, no technological solution currently enables enabling a full phase-out of fossil fuels, and the formulation “hybrid or dual-fishing vessels” could still exclude other forms of innovation contributing to decarbonation, such as hull or gear modifications.

Regarding biodiversity, the DNSH assessment would be added to the environmental objectives already established under the Common Fisheries Policy (CFP), as well as to the planning and environmental protection frameworks that already apply to fishing activities, including the Marine Strategy Framework Directive (MSFD). Requiring an additional assessment of the industry’s activities could therefore be duplicative and create practical difficulties, particularly if the scope of potential impacts is interpreted broadly.

Moreover, DNSH is a binding condition assessed on a measure-by-measure basis under sustainable finance legislation. The proposed 2028–2034 MFF appears to go further by permitting the withholding of funds in cases of non-compliance with a plan’s targets, without clearly specifying whether DNSH compliance would be assessed at measure or plan level. This uncertainty could place the entire relevant financial envelope at risk. In addition, the technical criteria would be established through implementing acts, outside the ordinary co-decision process involving the Council and the European Parliament, within the applicable sectoral regulation.

The fishing industry is already subject to extensive regulation, and the CFP contains binding environmental objectives. Imposing an additional DNSH-related financial conditionality on the same activities, without clearly defining its relationship with existing CFP obligations and other environmental legislation, risks creating overlapping controls. As stated in the document’s introduction, *“the DNSH principle should also take into account the need to achieve the objectives of the relevant programmes or instruments, avoiding duplication with requirements under existing EU law, and consider the administrative and reporting burden on authorities and beneficiaries, as also outlined in the same Article.”*

In conclusion, given that *“the DNSH guidance focuses only on areas where the use of EU funds should be subject to additional safeguards”*, EAPO calls for the entire EMFAF fund to be exempted from this additional requirement. In EAPO’s view, applying DNSH across the fund would increase administrative complexity and create additional implementation difficulties within an already demanding regulatory framework.