Performance Regulation: Fixing the details

A joint assessment from Europe's leading environmental organisations of the Annex I of the Budget expenditure tracking and performance framework 'performance regulation' (COM 2025/454)

Today's geopolitical realities bring renewed uncertainty, heighten security risks and further expose Europe's vulnerabilities. These challenges make one conclusion clear: accelerating the clean transition and addressing the triple crisis of climate change, biodiversity loss, and pollution are essential to strengthening Europe's long-term resilience, autonomy, security, and competitiveness. The long-term EU budget is pivotal in this effort, providing the stable investment framework needed to meet these challenges.

In that spirit, the proposed next EU long-term budget (MFF 2028-2034) contains a horizontally applicable Budget expenditure tracking and performance framework ('performance regulation') (COM 2025/454) that for the first time introduces a set of rules to be applied across the entire MFF. This positive evolution of the MFF governance can ensure stronger and streamlined transparency and accountability on the performance of the EU budget, contributing to a more impactful budget. At the same time, the definition of some horizontally applicable rules has the potential to make the implementation of the MFF simpler thanks to a clearer, lighter and more accessible framework.

However, in its draft version, the regulation entails some grave shortcomings. If those shortcomings are not addressed during the negotiations, they could lead to a systemic and comprehensive undermining of the very principles that are meant to be elevated through the performance regulation.

This joint briefing highlights the main concerns with the Commission proposal, particularly with respect to the tracking of climate and environmental spending in Annex I. It provides decision-makers with a clear, authoritative reference for Council and Parliament negotiations, backed by leading European environmental CSOs.

The analysis of Annex I considers more than 100 intervention fields and thereby provides the most complete review of the climate and environment tracking methodology available to-date.

However, the briefing does not fully cover the following elements, which should nevertheless be addressed in the negotiations ahead, notably:

- **Do no significant harm principle (DNSH):** The briefing highlights several intervention fields included in Annex I, which should not be eligible for EU funding given their non-compliance with the DNSH principle. However, the briefing does not provide a complete analysis of the DNSH principle, pending forthcoming Commission guidance.
- **Indicators:** The briefing does not provide comments on the proposed list of indicators. Our general view is that these indicators require further improvement (for example, CAP spending impact indicators should be included and biodiversity indicators reintroduced) to better reflect the anticipated effects of the policies and related spending.
- **Social tracking:** The briefing also excludes the social dimension; while further mainstreaming social priorities and setting a target for social spending is key, social rights organisations and social partners should be consulted on this issue.

1. Higher spending target and elimination of exemptions from the environmental and climate spending target

Article 4 of the Performance Regulation sets the legislative foundation of the environmental and climate spending target in the next budget. The Commission proposes a 35% spending target. In light of the investment needs for the achievement of the EU's 2030 climate and nature target and the recently adopted 2040 climate target, as well as the 8th EU Environment Action Programme objectives, a 35% spending target is insufficient.[1] As acknowledged inter alia by the Draghi report on the future of European competitiveness, the EU faces an annual investment gap of at least EUR 477 billion to decarbonise its energy and transport infrastructure.[2] In addition, according to the European Commission, achieving the EU's biodiversity and circular economy targets for 2030 requires an additional mobilisation of EUR 122 billion annually.[3] To respond to the scale of the challenge, the undersigned organisations call for increasing the target to 50%.

Beyond the size of the target, Article 4 introduces exemptions that weaken the target, notably by excluding defence and security spending from the calculation base. Such exemptions directly undermine the credibility of the environmental and climate spending target and should therefore be removed.

Defence and security spending is not clearly defined, creating a risk of arbitrary interpretations, lower effective targets, and inconsistent implementation across the

[1]European Commission.2022. Biodiversity Financing and Tracking: Final Report.
[2] Mario Draghi.2024.The Future of European Competitiveness.
[3] European Commission. Environmental Investment Needs & Gaps.

budget and the Union. Moreover, at a time when biodiversity and climate crises pose major threats to our societies, drawing a strict distinction between environmental and security spending is unjustified. Many climate and environmental investments strengthen European security and resilience.[4] Even if such a distinction were accepted, a 35% target, even if raised to 50%, leaves substantial room for non-climate and environment-related expenditure.

More fundamentally, climate and environmental mainstreaming is designed to deliver multiple benefits. Such spending does not only protect the environment; it also supports other primary and secondary objectives, including farmers' incomes, public health, strengthening European industry, securing affordable housing, and lower energy prices.

Finally, excluding spending from the calculation base reduces transparency and lowers the target through the backdoor. With each per cent of exempted spending, the amount of climate and environmental investments mobilised by the spending target is reduced accordingly. Preliminary estimates suggest that up to €100–175 billion of the next MFF could be allocated to defence — representing 5–8% of the overall budget.[5] This would reduce the effective spending target from the stated 35% to between 33.25% and 31.2%.

To ensure transparency, accountability and straightforward implementation, co-legislators should remove the exemptions and agree on a credible, consistent and transparent 50% environmental and climate spending target.

2. Priority interventions to address greenwashing

Special attention should be paid to a number of interventions within Annex I that are of particular concern **since they could lead to systemic and significant greenwashing** if not addressed in the negotiations. The table below lists interventions currently included which we consider would not contribute to the environmental and climate mainstreaming objectives. It is worth reminding that setting a 0% climate and environment contribution on an activity does not preclude it from being financed by the EU budget; rather, it ensures that the environmental spending target genuinely reflects a substantial contribution to achieving climate and environmental objectives. (In the technical annex we have marked separately those activities which should be excluded altogether).

[4] The restoration of wetlands and peatlands for instance is increasingly recognised as a sustainable and cost-effective investment that in certain locations contributes to both physical security and defence.
[5] On the calculation of the defence exemption: 75bn-100bn (ECF-Policy window 4), 25bn-100bn (NRRPs), Global Europe omitted, resulting in a range of 100-175bn for military defence expenditure.

The following interventions warrant specific attention to avoid greenwashing:

Intervention field	Environmental tag			Reasons for greenwashing threat	Expected greenwashing impact on the EU budget
	CCM	CCA	ENV		
2 Targeted support to farmers income	~~40%~~ 0%	~~40 %~~ 0%	~~40%~~ 0%	Area- and production-based income support encourages environmentally harmful activities and overall does not have positive impacts on climate and the environment, as shown by various European Court of Auditors' reports.[6]	€296 bn (NRPPs) proposed for income support would lead to **€118.4 bn greenwashing ≙ 6% of EU budget**
406 Military Mobility	~~40%~~ 0%	~~40 %~~ 0%	~~40%~~ 0%	Investments in military mobility do not inherently benefit climate or environment objectives. On the contrary, investments in road infrastructure or internal combustion engine vehicles would have a negative impact on emissions, pollution or biodiversity. Therefore, this intervention should be tagged at 0%.	€17.65 bn (CEF) + €10 bn (ECF) + €22.65bn (NRPPs)[7] would lead to **€20,12 bn greenwashing ≙ 1% of EU budget**
68 Extraction and processing of critical raw materials	~~40%~~ 0%	0%	0%	Given that not all critical raw materials included in the Critical Raw Materials Act find application in technologies and sectors relevant for the energy transition, a general positive tagging for climate is not justified. Moreover, some of the materials included in the Critical Raw Materials Act are primarily used in technologies with climate-adverse effects, notably in the aerospace and defence sector. Therefore, this intervention should be tagged at 0%. Finally, given the increased focus on critical mineral investment in EU partner countries (including a number of current Global Gateway and prospective projects in the new budget period), there is a high risk that counting a climate mitigation contribution from these projects would severely skew the climate mainstreaming accounting of Global Europe, without delivering direct mitigation benefits.	€25bn (ECF)+ €5bn (NRPPs)[8]would lead to **€12 bn greenwashing ≙ 0.61% of EU budget**
Share of next MFF at immediate risk of greenwashing					7.61 %

[6] European Court of Auditors. 2020. Biodiversity on farmland.
European Court of Auditors. 2022. Climate spending in the 2014-2020 EU budget.
[7] 17.65bn is the indicated share for military mobility in the CEF and 10bn of the ECF Resilience, Security, Defence & Space policy window + estimated share of NRPPs (Source: German UBA, 16 February 2026
[8] 25bn of the ECF Resilience, Security, Defence & Space policy window and an additional €5bn from NRPPs spent on critical raw materials extraction and processing.

3. Analysis of Annex I - 'Technical Reference Document'

The consolidated version of Annex I of the Performance Regulation below provides a complete overview of all intervention fields that should be addressed in the negotiations ahead.

Annotations were limited to existing interventions, and only those interventions are listed that require a change. In some cases, intervention fields were added that resemble existing ones, but we introduced additional conditions that, if met, would justify a higher co-efficient. Furthermore, it is key to introduce separate tracking for all six climate and environmental spending targets, to ensure accountability, transparency, and credible reporting on the EU budget's contribution to EU-wide policy objectives and its international reporting obligations, including the 8th Environmental Action Programme, and the Convention on Biological Diversity.[9] To that end, our proposal reintroduces separate tracking of biodiversity expenditure.

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[9] Discontinuing the dedicated tracking of biodiversity expenditure would put the EU at risk of failing to meet its reporting obligations under the global Kunming-Montreal Biodiversity Framework. As an official member of the Convention, the European Union is required to report at regular intervals on the implementation of the Convention, including the biodiversity expenditure from the EU budget.

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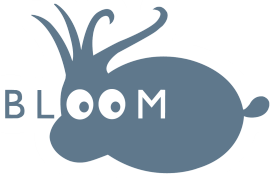

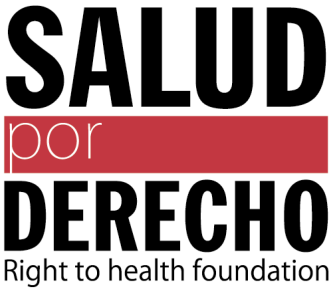

Technical Reference Document

Comments on Annex I of the Budget expenditure tracking and performance framework 'performance regulation' (COM 2025/454)

The following table is an analysis of the intervention fields and EU coefficients included in Annex I of the Performance Regulation. It contains only a selection of the 543 intervention fields included in Annex I, notably:

1. **Intervention fields** that have a 40% or 100% tagging even though evidence suggests that they do not contribute positively to climate or environment objectives; as well as
2. **Intervention fields** that should receive a 40% or 100% tagging, if a separate field for tracking biodiversity spending is introduced
3. *****NEW*** intervention:** fields that would justify a positive tagging if additional conditions are met.
4. **Deleted intervention:** Specific activities that breach the DNSH principle and therefore should not receive EU funding; these should be removed from the list. Beyond these cases, this joint version does not preclude the Commission's forthcoming DNSH guidance, which can further clarify the conditions for compliance or non-compliance.

		#	Intervention field	CCM*	CCA*	ENV*	BIO*	Comments
Agriculture and fisheries	Agriculture	2	Targeted support to farmers income	~~40%~~ 0%	~~40%~~ 0%	~~40%~~ 0%	0%	Area- and production-based income support encourages environmentally harmful activities and overall does not have positive impacts on climate and the environment as shown by various European Court of Auditors' reports.[1] Furthermore, the new farm stewardship system replaces the already simplified Good Agricultural and Environmental Conditions for accessing income support with an even weaker set of protective practices, thereby removing any incentives that income support had to adopt environmentally friendly practices. While payments to farmers in mountain areas and in areas with other natural constraints can in certain cases support practices that are positive for the environment, such as extensive grazing, on balance this support aims to compensate income foregone for farmers producing in these areas and is not sufficiently targeted towards environmental objectives. Therefore, these interventions should be tagged at 0%.
Agriculture and fisheries	Agriculture	3	Support to farmers in sectors in need, protein crops and their mixture with grass	~~100%~~ 0%	~~40%~~ 0%	~~40%~~ 0%	0%	
Agriculture and fisheries	Agriculture	4	Support to farmers in sectors in need, grasses and other herbaceous forage	~~100%~~ 0%	~~40%~~ 0%	~~40%~~ 0%	0%	
Agriculture and fisheries	Agriculture	5	Support to farmers in sectors in need, ruminants' livestock sectors	0%	~~40%~~ 0%	~~40%~~ 0%	0%	
Agriculture and fisheries	Agriculture	9	Outermost regions and Aegean islands – Support to local agricultural production	~~40%~~ 0%	~~40%~~ 0%	~~40%~~ 0%	0%	
Agriculture and fisheries	Agriculture	10	Support to farmers in mountain areas	~~40%~~ 0%	~~40%~~ 0%	~~40%~~ 0%	0%	
Agriculture and fisheries	Agriculture	11	Support to farmers in areas with other natural constraints	~~40%~~ 0%	~~40%~~ 0%	~~40%~~ 0%	0%	
Agriculture and fisheries	Agriculture	12	Support for environment and climate practices, including climate resilience measures	100%	100%	100%	100%	This intervention should be tagged as contributing 100% to biodiversity objectives.
Agriculture and fisheries	Agriculture	13	Support for environment and climate transition, including climate resilience measures	100%	100%	100%	100%	This intervention should be tagged as contributing 100% to biodiversity objectives.
Agriculture and fisheries	Agriculture	15	Green investments, including climate resilience measures	100%	100%	40%	40%	This intervention should be tagged as contributing 40% to biodiversity objectives.

[1] European Court of Auditors. 2020. Biodiversity on farmland. https://ww.eca.europa.eu/Lists/ECADocuments/SR20_13/SR_Biodiversity_on_farmland_EN.pdf
European Court of Auditors. 2022. Climate spending in the 2014-2020 EU budget.
https://www.eca.europa.eu/Lists/ECADocuments/SR22_09/SR_Climate-mainstreaming_EN.pdf

* We excluded the social co-efficients due to the lack of expertise among the co-signing organisations. We support the proposal to track social contributions in the next MFF.

		#	Intervention field	CCM*	CCA*	ENV*	BIO*	Comments
Agriculture and fisheries	Agriculture	26	Enhance access to innovation in agriculture	~~40%~~ 0%	~~40%~~ 0%	~~40%~~ 0%	0%	Activities supported under this intervention field do not inherently benefit climate or environment objectives and should therefore be tagged at 0%.
Agriculture and fisheries	Agriculture and forestry	36	Forest – environmental and climate commitments, including climate resilience measures	100%	100%	100%	100%	This intervention should be tagged as contributing 100% to biodiversity objectives.
Agriculture and fisheries	Agriculture and forestry	40	Setting-up support for foresters	~~40%~~ 0%	~~40%~~ 0%	~~40%~~ 0%	0%	Support to foresters does not inherently benefit climate or environment objectives and should therefore be tagged at 0%.
Agriculture and fisheries	Fisheries, aquaculture and ocean	42	Compensation for unexpected external/environmental/climate/public health/market events	0%	~~40%~~ 0%	~~40%~~ 0%	0%	Compensation for unexpected environmental or climate events does not inherently benefit climate or environment objectives. Furthermore, this is tagged at 0% in the current Annex IV of the EMFAF Regulation and should therefore remain tagged at 0%.
Agriculture and fisheries	Fisheries, aquaculture and ocean	43	Control and enforcement	0%	0%	100%	100%	This intervention should be tagged as contributing 100% to biodiversity objectives.
Agriculture and fisheries	Fisheries, aquaculture and ocean	44	Data collection, support to marine observation, analysis and knowledge	40%	40%	40%	40%	This intervention should be tagged as contributing 40% to biodiversity objectives.
Agriculture and fisheries	Fisheries, aquaculture and ocean	45	Integrated maritime policy, including maritime security and surveillance, and maritime regional cooperation and sea basin strategies	40%	40%	40%	40%	This intervention should be tagged as contributing 40% to biodiversity objectives.
Agriculture and fisheries	Fisheries, aquaculture and ocean	46	Ocean governance	40%	40%	100%	100%	This intervention should be tagged as contributing 100% to biodiversity objectives.
Agriculture and fisheries	Fisheries, aquaculture and ocean	47	Investments in blue economy, including smart specialisation	~~40%~~ 0%	~~40%~~ 0%	100%	0%	Investments that potentially increase fishing capacity risk harming climate or environment objectives and should therefore be tagged at 0%.

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		#	Intervention field	CCM*	CCA*	ENV*	BIO*	Comments
Agriculture and fisheries	Fisheries, aquaculture and ocean	48	Permanent cessation of fishing activities	~~100%~~ 0%	~~100%~~ 0%	~~100%~~ 0%	0%	While permanent cessation of fishing activities can reduce pressure on fish stocks in theory, in practice these subsidies have often failed to deliver proportional and lasting biodiversity benefits due to weak conditionality and loopholes that allow capacity to re-enter the fleet through modernisation elsewhere. Without strict safeguards to ensure tracking and monitoring, the measure cannot be considered positive for biodiversity.
Agriculture and fisheries	Fisheries, aquaculture and ocean	49	Scientific advice, data collection and market intelligence	40%	40%	100%	100%	This intervention should be tagged as contributing 100% to biodiversity objectives.
Agriculture and fisheries	Fisheries, aquaculture and ocean	51	Support to create and maintain attractive fishery, aquaculture and processing sectors	~~40%~~ 0%	~~40%~~ 0%	~~40%~~ 0%	0%	Support to the fishery, aquaculture and processing sector does not inherently benefit climate or environment objectives and should therefore be tagged at 0%.
Agriculture and fisheries	Fisheries, aquaculture and ocean	55	Temporary cessation of fishing activities	~~100%~~ 0%	0%	~~100%~~ 0%	0%	These subsidies often maintain fishing capacity and fail to address the structural causes of overfishing.
Agriculture and fisheries	Food and feed	59	Animal and plant health, including climate resilience measures	0%	40%	~~40%~~ 0%	0%	If phytosanitary programmes refer to pesticide or biocide use (incl. in the: indicators column not shown here), the measure cannot be considered environmentally positive. Thus this intervention should be tagged at 0%.
Business support	Business development	68	Extraction and processing of critical raw materials	~~40%~~ 0%	0%	0%	0%	Given that not all critical raw materials included in the Critical Raw Materials Act find application in technologies and sectors relevant for the energy transition, a general positive tagging for climate is not justified.Therefore, this intervention should be tagged at 0%. Moreover, some of the materials included in the Critical Raw Materials Act are primarily used in technologies with climate-adverse effects, notably in the aerospace and defence sector. Extraction and processing of critical raw materials can entail significant environmental risks. EU funding should only finance

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		#	Intervention field	CCM*	CCA*	ENV*	BIO*	Comments
								projects implemented in line with the 'Do no significant harm principle.
Business support	Air pollution prevention	**70a *** NEW *****	Air Pollution prevention in industries	0%	0%	~~0%~~ 40%	**0%**	This intervention should introduce air pollution prevention for at source NMVOC/PM/SO2 substitution.
Business support	Bioeconomy	72	Investments in bioeconomy	~~40%~~ **0%**	0%	~~40%~~ **0%**	**0%**	Investments in the bioeconomy, though potentially positive when replacing fossil-based alternatives, are likely to have net-negative impacts on climate change mitigation and biodiversity if they limit the ability to improve biodiversity or reduce the availability of carbon sinks. Therefore, this intervention should be tagged at 0%.
Culture, tourism and media	Tourism	95	Tourism financial support for sustainable tourism activities	~~40%~~ **0%**	~~40%~~ **0%**	~~40%~~ **0%**	**0%**	Investing in tourism is unlikely to have an inherently net positive impact on climate or environment objectives. Therefore, this intervention should be tagged at 0%.
Energy	Bioenergy	163	Manufacture of sustainably sourced biofuels in line with directive 2018/2001 **for consumption as fuel in the aviation sector or maritime sector.**	~~100%~~ **0%**	0%	0%	**0%**	Manufacture and later usage of biofuels and biogas has negative impacts on emissions, the environment and the ability of ecosystems to act as carbon sinks. Therefore, these interventions should be tagged at 0%. EU funding for manufacturing of sustainably sourced advanced and waste biofuels must be limited to consumption in the aviation or maritime sector and explicitly exclude support for road fuels.
Energy	Bioenergy	164	Manufacture of sustainable biogas in line with directive 2018/2001	~~100%~~ **0%**	0%	0%	**0%**	Manufacture and later usage of biofuels and biogas usually has negative impacts on emissions, the environment and the ability of ecosystems to act as carbon sinks. Therefore, these interventions should be tagged at 0%.
Energy	Bioenergy	165	Storage and blending of liquid sustainable biogas and biomethane, liquified biomethane, bio propane, bio butane, or similar synthetic alternative fuels	~~100%~~ **0%**	0%	0%	**0%**	

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		#	Intervention field	CCM*	CCA*	ENV*	BIO*	Comments
Energy	Bioenergy	166	Transportation of liquid sustainable biogas and biomethane, liquified biomethane, bio propane, bio butane, or similar synthetic alternative fuels	~~100%~~ 0%	0%	0%	0%	
Energy	Carbon capture and storage	167	Construction/installation and managing of CO2 hubs (e.g., tanks, compression, purification, phase change, change of transportation mode)	~~100%~~ 0%	0%	0%	0%	While carbon capture and storage (CCS) might help manage unavoidable emissions in certain industrial sectors in the future if the technology is available at scale, the best approach is to prevent emissions in the first place. CCS technology also carries significant environmental and climate risks tied to the risk of carbon leakage, as well as risks of fossil fuel lock-in. Furthermore, these intervention fields do not differentiate between CCS for industrial applications or the power sector. Therefore, these interventions should be tagged at 0%.
Energy	Carbon capture and storage	168	Construction/installation of facilities for CO2 capture and post-treatment	~~100%~~ 0%	0%	0%	0%	
Energy	Carbon capture and storage	169	Construction of mode of transport of CO2 by mobile and fixed assets (including trucks, rail, ships, new or repurposed pipelines)	~~100%~~ 0%	0%	0%	0%	
Energy	Carbon capture and storage	170	Underground permanent geological storage of CO2 (new or repurposed storages)	~~100%~~ 0%	0%	0%	0%	
Energy	Carbon capture and storage	171	Measures targeting the climate resilience of carbon capture and storage	~~100%~~ 0%	~~100%~~ 0%	0%	0%	
Energy	Electricity generation	177	Electricity generation from hydropower	**SHOULD BE DELETED FROM THIS LIST IN VIOLATION OF DNSH - should not receive EU funding** Hydropower has significant negative environmental impacts by destroying both rivers and their surrounding environment, blocking fish migration routes, and trapping sediments that protect riverbanks and deltas against floods and sea level rises. Installation of new hydropower should therefore not be supported by the EU budget and be limited to environmental upgrades of existing hydropower.				

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		#	Intervention field	CCM*	CCA*	ENV*	BIO*	Comments
Energy	Electricity generation	179	Electricity generation from sustainable bioliquids	**SHOULD BE DELETED FROM THIS LIST IN VIOLATION OF DNSH - should not receive EU funding** Reliance on bioenergy for electricity generation risks locking the EU into inefficient, higher-emitting, land-intensive “biomass for energy” pathways that undermine climate and nature goals. EU liquid biofuels still rely significantly on food and feed crops, feedstocks which have proven to increase pressure on land use, food security and biodiversity. Once full life-cycle impacts are considered,the dedicated use of land for biofuels or other energy crops is unlikely to deliver significant climate benefits, while it also increases pressure on competing uses, including food supply. The same logic applies to burning solid biomass for electricity and heat: treating wood as “carbon neutral” at the smokestack ignores the near-term emissions spike and the carbon payback period (see JRC), while also incentivising forest harvesting (hence decreasing the terrestrial carbon sink) and harming biodiversity. DNSH questions become acute. The classification of certain bioenergy activities (including forest biomass) has been the subject of high-profile litigation and scrutiny.				
Energy	Electricity generation	180	Electricity generation from biomass with GHG emissions reductions following values included in Directive 2023/2413 (Renewable Energy Directive)					
Energy	Electricity generation	181	Electricity generation from other biomass, compliant with sustainability criteria laid down in Directive 2018/2001					
Energy	Electricity generation	183	Electricity generation from low-carbon hydrogen	~~40%~~ 0%	0%	0%	0%	Low-carbon hydrogen products have significant negative impacts on climate and the environment. Therefore, this intervention should be tagged at 0%.
Energy	Energy efficiency	202 203 204 207 210 213 216 219 FF	Light renovation of buildings	~~40%~~ 0%	0%	0%	0%	Under the EU taxonomy, only renovation investments achieving the threshold of at least 30% energy savings can be considered to "substantially contribute” to climate mitigation. This is not the case of light renovations of buildings which result, on average, to energy savings between 3% and 10%. As such, even if light renovations may be desirable, and would remain eligible activities in the EU budget, such investments do not inherently benefit climate or environment objectives and should therefore be tagged at 0%.
Energy	Heating, cooling and cogeneratio n	228	Efficient district heating/cooling generation and distribution (for actions addressing efficient	~~40%~~ 0%	~~40%~~ 0%	~~40%~~ 0%	0%	Fossil fuel or biomass-based district heating, while reducing climate impacts compared to individual heating systems, still has negative climate and environmental impacts. Therefore, these interventions should be tagged at 0%.

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		#	Intervention field	CCM*	CCA*	ENV*	BIO*	Comments
			generation or both generation and distribution in single project)					
Energy	Heating, cooling and cogeneration	229	High-efficiency cogeneration of heat/cooling	~~40%~~ 0%	~~40%~~ 0%	0%	0%	
Energy	Heating, cooling and cogeneration	230	Installation and maintenance of solid biomass-based heating systems in existing buildings	~~40%~~ 0%	0%	0%	0%	
Energy	Heating, cooling and cogeneration	**231a** *** **NEW** ***	Replacement of existing polluting domestic heating systems by energy efficiency measures combined with non-combustion heating systems	100%	40%	~~40%~~ 100%	**0%**	This intervention should include direct, local PM2.5 and NOx exposure reductions from replacing heating to ensure significant environmental protection and be tagged at 100%.
Energy	Heating, cooling and cogeneration and prevention of air pollution	**232a** *** **NEW** ***	Production of heat from renewable energy without cooling, based on non-combustion systems and excluding biomass	100%	0%	~~40%~~ 100%	**0%**	The technological specification warrants a higher environmental spending target thanks to the reduction of air pollution.
Energy	Heating, cooling and cogeneration and prevention of air pollution	**233a** *** **NEW** ***	Production of heat/cooling from non-combustion renewable energy systems based on non-combustion systems and excluding biomass	100%	40%	~~40%~~ 100%	**0%**	The technological specification warrants a higher environmental spending target thanks to the reduction of air pollution.
Energy	Hydrogen	235	Production of low-carbon hydrogen and derivatives	**SHOULD BE DELETED FROM THIS LIST IN VIOLATION OF DNSH - should not receive EU funding**				

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		#	Intervention field	CCM*	CCA*	ENV*	BIO*	Comments
				Low-carbon hydrogen production has significant negative impacts on climate and the environment. Therefore, this intervention should not be supported by the EU budget.				
Energy	Hydrogen	236	Storage of hydrogen and derivatives (including conversion of natural gas assets into dedicated hydrogen assets)	~~100%~~ 0%	0%	0%	0%	These activities should be limited to renewable hydrogen to be tagged at 100% for climate change mitigation.
Energy	Hydrogen	237	Transport of hydrogen and derivatives (including conversion of natural gas assets into dedicated hydrogen assets)	~~100%~~ 0%	0%	0%	0%	
Energy	Nuclear	248	Nuclear fission energy	**SHOULD BE DELETED FROM THIS LIST IN VIOLATION OF DNSH - should not receive EU funding** Nuclear fission technology has significant negative environmental impacts and should therefore not be supported by the EU budget.				
Environment and climate	Climate adaptation	275	Nature-based climate- resilience measures	0%	100%	100%	100%	This intervention should be tagged as contributing 100% to biodiversity objectives.
Environment and climate	Climate adaptation	276	Prevention measures to mitigate risk of forest fire	40%	100%	100%	40%	This intervention should be tagged as contributing 40% to biodiversity objectives.
Environment and climate	Nature protection and restoration	281	Horizontal nature protection and restoration measures (incl. monitoring, reporting, filling knowledge gaps, capacity building, information and education etc.)	0%	100%	100%	100%	This intervention should be tagged as contributing 100% to biodiversity objectives.
Environment and climate	Nature protection and restoration	282	Other measures not related to specific ecosystems (including prevention, mitigation or compensation of damage caused by protected species)	0%	40%	100%	100%	This intervention should be tagged as contributing 100% to biodiversity objectives.
Environment and climate	Nature protection	283	Protection and restoration of marine ecosystems	40%	40%	100%	100%	This intervention should be tagged as contributing 100% to biodiversity objectives.

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		#	Intervention field	CCM*	CCA*	ENV*	BIO*	Comments
	and restoration							
Environment and climate	Nature protection and restoration	284	Protection and restoration of terrestrial, coastal and freshwater ecosystems	100%	100%	100%	100%	This intervention should be tagged as contributing 100% to biodiversity objectives.
Environment and climate	Nature protection and restoration	285	Protection and restoration of urban ecosystems, including measures for climate resilience in urban planning	100%	100%	100%	100%	This intervention should be tagged as contributing 100% to biodiversity objectives.
Environment and climate	Nature protection and restoration	286	Protection and restoration of wetland and peatlands, including rewetting of drained peatlands	100%	100%	100%	100%	This intervention should be tagged as contributing 100% to biodiversity objectives.
Environment and climate	Nature protection and restoration	287	Rehabilitation of industrial sites and contaminated land for the purpose of nature restoration	0%	100%	100%	100%	This intervention should be tagged as contributing 100% to biodiversity objectives.
Environment and climate	Pollution	289	Actions to improve monitoring and modelling of air quality	0%	0%	~~100%~~ 0%	0%	Without the intervention leading to measures that reduce all air pollutants in full compliance with AAQD and NECD, this intervention's contribution to environmental protection should be regarded as negligible.
Environment and climate	Pollution	289a	Actions to improve at-source monitoring and modelling of air quality	0%	0%	100%	0%	This intervention tracks the performance of measures that reduce at-source air pollutants in line with compliance/coverage of relevant EU legislations, not tonnes reduced. To this end, the correct legal reference is Directive (EU) 2024/2881 (AAQD) and Directive (EU) 2016/2284 (NECD).
Environment and climate	Pollution	290	Air pollution reduction measures	40%	0%	~~100%~~ 0%	0%	Without this intervention leading to measures that reduce all air pollutants at source, in full compliance with AAQD and NECD,

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		#	Intervention field	CCM*	CCA*	ENV*	BIO*	Comments
								the contribution to environmental protection should be regarded as negligible.
Environment and climate	Pollution	**290a *** NEW *****	Air pollution reduction measures at-source in order to protect health	40%	0%	100%	**0%**	This intervention tracks the performance of measures that reduce at-source all air pollutants, in full compliance with AAQD and NECD, with its contribution to environmental protection to be regarded as substantial.
Environment and climate	Pollution	292	Actions to mitigate industrial emissions, including investments in cleaner production technologies and emission control systems	40%	0%	~~100%~~ 0%	**0%**	This intervention does not require at-source process changes (e.g., low-solvent/NMVOC substitution), nor specify the coverage of relevant air pollutants, including PM10, SO2, NMVOC. Therefore the contribution to environmental protection should be regarded as negligible.
Environment and climate	Pollution	**292a *** NEW *****	Actions to mitigate industrial emissions and air pollutants at-source, including investments in cleaner production technologies and emission control systems	40%	0%	100%	**0%**	This intervention qualifies funding to at-source process changes (e.g., low, solvent/NMVOC substitution), and covers relevant air pollutants, including PM10, SO2, and NMVOC, therefore its contribution to environmental protection should be regarded as substantial.
Environment and climate	Pollution	293	Remediation of water pollution (e.g., nutrients, pesticides, pharmaceuticals, PFAS, plastics, chemicals)	0%	0%	~~100%~~ 0%	40%	This intervention does not pair remediation with source-control, risking the counting of treatment alone as pollution reduction without upstream measures, therefore its contribution to environmental protection should be regarded as negligible.
Environment and climate	Pollution	**293a *** NEW *****	Remediation of water pollution at-source (e.g., nutrients, pesticides, pharmaceuticals, PFAS, plastics, chemicals)	40%	0%	100%	40%	This intervention pairs remediation with source-control, while ensuring the 'Polluters Pays Principle', counting treatment and upstream measures as pollution reduction, therefore its contribution to environmental protection should be regarded as substantial.
Environment and climate	Water	296	Reduction of pressures on the marine environment	40%	40%	100%	100%	This intervention should be tagged as contributing 100% to biodiversity objectives.

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		#	Intervention field	CCM*	CCA*	ENV*	BIO*	Comments
Environment and climate	Water	300	Nature based solutions to increase retention capacity of soils; Rainwater harvesting not involving the abstraction of groundwater; Removal of barriers to the free flow of rivers; Water purification	40%	100%	100%	100%	This intervention should be tagged as contributing 100% to biodiversity objectives.
Housing and infrastructure	Social and affordable housing	311	Change of purpose (including energy measures as non-core activity) of non-residential and industrial buildings into residential buildings for social and affordable housing	40%	40%	~~0%~~ 40%	0%	The repurposing of existing buildings should have at least the same environmental coefficient as the development and construction of new buildings for social and affordable housing, given equal or lower resource and material use than new constructions.
Research and innovation	Basic research	339	Frontier research, training of researchers, and research infrastructures	~~40%~~ 0%	~~40%~~ 0%	40%	0%	Basic research could potentially cover a wide variety of issues that do not inherently benefit climate or environment objectives. Therefore, this intervention should be tagged at 0%.
Research and innovation	Digital	346	Cloud – edge	~~40%~~ 0%	~~40%~~ 0%	0%	0%	Research into cloud computing does not inherently benefit climate or environment objectives and should therefore be tagged at 0%.
Research and innovation	Digital	352	New digital twins (digital vehicle architectures and AI solutions, digital earth modelling and climate change, digital human)	~~40%~~ 0%	~~40%~~ 0%	0%	0%	Research into new digital twins, while potentially addressing relevant issues, does not inherently benefit climate or environment objectives and should therefore be tagged at 0%.
Research and innovation	Energy	356	Low carbon hydrogen and derivatives, and ~~renewable fuels of non-biological origin (RFNBO)~~, and sustainably sourced biofuels	~~100%~~ 0%	0%	0%	0%	Both low-carbon hydrogen production and sustainably sourced biofuels have limited impacts on emissions and negative impacts on the environment. Therefore, this intervention should be tagged at 0%.
Research and innovation	Energy	**356a** *** **NEW** ***	Renewable fuels of non-biological origin (RFNBO)	100%	0%	0%	0%	100% climate mitigation contribution should be reserved for RFNBO that have a significantly higher climate mitigation contribution.

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		#	Intervention field	CCM*	CCA*	ENV*	BIO*	Comments
Research and innovation	Green	365	Nature protection	40%	40%	100%	100%	This intervention should be tagged as contributing 100% to biodiversity objectives.
Research and innovation	Green	366	Nature restoration	40%	40%	100%	100%	This intervention should be tagged as contributing 100% to biodiversity objectives.
Research and innovation	Innovation	377	Research and innovation processes, technology transfer and cooperation between enterprises, focusing on significantly contributing to at least one of the 6 environmental objectives of the EU	40%	~~0%~~ 40%	40%	0%	
Research and innovation	Resilience, defence, space	384	Space research	~~40%~~ 0%	~~40%~~ 0%	~~40%~~ 0%	0%	Space research, while potentially addressing relevant issues such as climate monitoring, does not inherently benefit climate or environment objectives and should therefore be tagged at 0%.
Resilience, defence industry and space	Defence	406	Military mobility	~~40%~~ 0%	~~40%~~ 0%	~~40%~~ 0%	0%	Investments in military mobility do not inherently benefit climate or environment objectives. On the contrary, investments in road infrastructure or internal combustion engine vehicles will likely have a negative impact on emissions, pollution or biodiversity. Therefore, this intervention should be tagged at 0%.
Transport	Air transport	489	Zero emissions air transport ground handling operations	40%	0%	~~40%~~ 0%	0%	This intervention field currently only targets GHG emissions, leaving out all chemical-related emissions, incl. to water and soil. For instance, PFAS from firefighting foams are currently polluting many current and former airfields, and these emissions are unrelated to GHG emissions of planes. In addition, it does not explicitly include at-source air pollution reduction (primary intervention), therefore its contribution to environmental protection should be regarded as negligible.
Transport	Air transport	**489a**	Zero emissions air transport ground handling operations, including	40%	0%	100%	0%	This intervention targets GHG emission, all chemical-related emissions (including to water and soul), and at-source air

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		#	Intervention field	CCM*	CCA*	ENV*	BIO*	Comments
		*** NEW ***	chemical-related emissions and at-source air pollution reduction					pollution reduction, therefore its contribution should be regarded as substantial.
Transport	Air transport	490	Air transport ground handling – other operations	0%	~~40%~~ 0%	0%	0%	Investments in ground handling operations at airports do not inherently benefit climate adaptation. On the contrary, investments in airports can entail significant maladaptation risks, if not done right. Therefore, these interventions should be tagged at 0%.
Transport	Air transport	491	Airport terminal capacity	**SHOULD BE DELETED FROM THIS LIST IN VIOLATION OF DNSH - should not receive EU funding** Both interventions 491 & 492 specifically target airport capacity expansion. **Airport capacity expansion should be avoided as it contributes to the uncontrolled and unsustainable growth trend of air travel in Europe**, as passenger air traffic at European airports will more than double in 2050 compared to 2019, if Airbus and Boeing growth projections materialise. In 2049, the sector could be burning as much fossil kerosene as it did in 2023, even when using 42% of SAF, as required by the EU's law on green fuels (ReFuelEU). The use of SAFs won't cancel out the growth of the sector. Between 2023 and 2050, European aviation is projected to emit a cumulative 4.0 $GtCO_2$. This means the aviation sector will deplete its allocated carbon budget by 2026. Moreover, **in a recent study T&E & NEF debunked the benefits of airport capacity expansion for economic growth**, showing that in a majority of cases, increase of air transport demand follows GDP growth instead of preceding it, with income growth driving outbound air tourism which may be a drain instead of a net source of spending flows. **For the abovementioned reasons, the next MFF should entail a ban on airport capacity expansion and those 2 interventions (491&492) should be deleted from this list.**				
Transport	Air transport	492	Airport terminal capacity – low and zero-emission					
Transport	Air transport	493	Other airport infrastructure (e.g. runways, CNS equipment)	**SHOULD BE DELETED FROM THIS LIST IN VIOLATION OF DNSH - should not receive EU funding** Investments that do not significantly reduce emissions from air transport, have inherently negative climate and environmental impacts.				

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		#	Intervention field	CCM*	CCA*	ENV*	BIO*	Comments
				Runway investments likely contribute to expansion of air transport in Europe and therefore should not receive funding from the EU budget (see justification 491).				
Transport	Air transport	497	Improvement and upgrade of existing aircraft for safety or air traffic management	~~40%~~ 0%	0%	~~40%~~ 0%	0%	Improvements and upgrades of existing aircrafts for safety or air traffic management do not inherently benefit climate or environment objectives and should therefore be tagged at 0%.
Transport	Air transport	499	Infrastructure enabling low or zero-emission transport for airport/vertiport operations	40%	40%	~~40%~~ 0%	0%	This intervention should explicitly cover infrastructure enabling the storage, refueling and charging, transport, safe handling of alternative fuels for the airport sector. This notably also includes charging infrastructure for zero emission aviation (ZEA). This intervention only measures limited air pollutants (i.e., PM2.5 and NOx) and not at-source reduction, and excludes chemical emissions in general (e.g., fuels, lubricants, PFAS, heavy metals), therefore its contribution to environmental protection should be regarded as negligible.
Transport	Air transport	**499a** *** **NEW** ***	Infrastructure enabling low or zero-emission transport for airport/vertiport operations, including chemical emissions and at-source pollution reduction	40%	40%	100%	0%	This intervention tracks measures that lead to at-source pollution reduction of air pollutants, including PM2.5 and NOx, and chemical-related emissions (e.g., fuels, lubricants, PFAS, heavy metals), therefore its contribution to environmental protection should be regarded as substantial.
Transport	Air transport	501	Manufacture, purchase or leasing of latest generation ('best-in-class') aircraft for replacement of less fuel-efficient aircraft.	**SHOULD BE DELETED FROM THIS LIST** **IN VIOLATION OF DNSH - should not receive EU funding** EU taxonomy criteria for 'Best-in-class' is not a credible standard as more than 90% of new conventional airbus models qualify under this criteria Therefore it should be rejected as greenwashing. Even though more fuel efficient planes emit less, these emissions savings are only around 15-20%. Critically, this has not stopped CO2 emissions from the sector from growing exponentially in recent decades which increased by 129% between 1990 and 2017 despite fuel efficiency of new aircraft improving by 18% over the same period.				

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		#	Intervention field	CCM*	CCA*	ENV*	BIO*	Comments
				Supporting the manufacture, purchase or leasing of “cleaner” aircraft leads to an increase of aircraft overall, leading to raising emissions in the sector, and not to decommissioning of the more polluting aircraft. Therefore, this intervention should not receive EU funding.				
Transport	Cycling	504	Cycling infrastructure	100%	40%	~~0%~~ 40%	0%	This intervention field will lead to a reduction in air pollutants (PM2.5, NOx). It has the potential to contribute significantly to environmental protection.
Transport	Digitising transport	506	Digitalisation of transport	~~40%~~ 0%	~~40%~~ 0%	~~40%~~ 0%	0%	Digitalisation of transport does not inherently benefit climate or environment objectives and should therefore be tagged at 0%.
Transport	Inland waterway transport	507	Inland waterway freight and passenger transport ~~– new zero- or~~ low-emission vessels, special purpose vessels, including vessels for port and service operations (such as offshore, dredging)	100%	0%	~~0%~~ 40%	0%	Low-emission vessels calling at ports or port service vessels reduce water and air pollution, justifying a higher ENV contribution.
Transport	Inland waterway transport	**507a** *** **NEW** ***	Inland waterway freight and passenger transport – **new zero-emission** vessels, special purpose vessels, including vessels for port and service operations (such as offshore, dredging)	100%	0%	100%	0%	Zero-emission vessels calling at ports or port service vessels reduce water and air pollution, justifying a higher ENV contribution.
Transport	Inland waterway transport	508	Inland waterway freight and passenger transport – retrofit ~~zero- or~~ low-emission vessels, special purpose vessels, including vessels for port and service operations (such as offshore, dredging) to zero or low emission vessels	100%	0%	~~0%~~ 40%	0%	Low-emission vessels calling at ports or port service vessels reduce water and air pollution, justifying a higher ENV contribution.
Transport	Inland waterway transport	**508a** *** **NEW** ***	Inland waterway freight and passenger transport **–** retrofit **zero-emission vessels,** special purpose vessels, including vessels	100%	0%	0% 100%	0%	Zero-emission vessels calling at ports or port service vessels reduce water and air pollution, justifying a higher ENV contribution.

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		#	Intervention field	CCM*	CCA*	ENV*	BIO*	Comments
			for port and service operations (such as offshore, dredging) to zero or low emission vessels					
Transport	Multimodal	513	ITS and ICT systems	~~40%~~ 0%	0%	0%	0%	Investments in transport ITS and ICT systems do not inherently benefit climate or environment objectives and should therefore be tagged at 0%.
Transport	Rail transport	518	Mobile rail assets (other)	~~40%~~ 0%	0%	~~40%~~ 0%	0%	With battery-trains scaling up, diesel/biodiesel trains should not count to CCM or ENV just because they are trains and potentially more efficient than other transport modes.
Transport	Road transport	528	Low-emission personal road vehicles	**SHOULD BE DELETED FROM THIS LIST IN VIOLATION OF DNSH - should not receive EU funding** Low emission vehicles (i.e. plug in hybrids) have significant climate emissions. The real world emissions of plug-in hybrids are almost at the same level as the emissions of regular combustion cars. This finding is based on the EU official dataset of real world consumption (T&E analysis). Therefore, they should not receive funding from the EU budget.					
Transport	Road transport	529	Newly built or upgraded roads	**SHOULD BE DELETED FROM THIS LIST IN VIOLATION OF DNSH - should not receive EU funding** Investments in additional road infrastructure has significant climate and environmental impacts from increased emissions to pollution and impacted ecosystems. Therefore, they should not receive funding from the EU budget.				
Transport	Road transport	**529a** *** **NEW** **	Newly built or upgraded roads for **development objectives in third countries, excluding accession countries**	**0%**	**0%**	**0%**	**0%**	Only applicable to roads which are newly built or upgraded to facilitate poverty reduction, improved access to essential services and other development objectives in third countries, subject to DNSH assessment.
Transport	Sea transport	539	Maritime ports	~~40%~~ 0%	~~40%~~ 0%	0%	0%	Investments in maritime ports do not inherently benefit climate or environment objectives. On the contrary, increasing port capacity will likely increase emissions. Therefore, this intervention should be tagged at 0%.

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For more information - the co-authoring organisations

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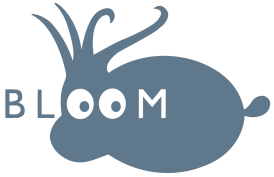
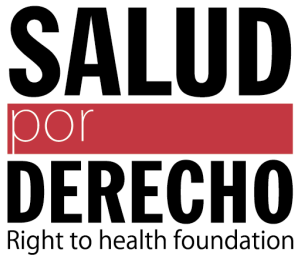
Co-signing organisations





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