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Background

A crucial part of the coherent implementation of the BSAP and the EU MSFD is the commitment to fund the needed measures to reach the GES targets. CCB is becoming concerned that several CPs being also EU MS have argued at different occasions, including the IG PoM and EU MSCG, that funding is a major problem for implementing the MSFD PoMs. For a number of reasons CCB considers these claims unjustified.

Firstly, there is an obvious lack of utilization of the Polluter Pays Principle (PPP) regarding PoMs while it is clearly outspoken in the MSFD, Recital 27 ...” *that environmental damage should, as a priority, be rectified at source and that the polluter should pay* .” The pressures that have a clearly defined causal link, sometimes upstream sources, should of course be subject to compensation claims or other ways of sharing cost burdens in accordance with the [Directive 2004/35/CE](#). For example marine litter, bottom integrity, underwater noise have several connected actors and activities, being liable for damage caused. Meanwhile, the individual MS that carry costs for certain operations’ damages to the environment (e.g. dredging, offshore wind parks) can be considered in breach with the Treaty on the Functioning of the European Union (TFEU) and article 107 on State Aid. In such cases, it is not the polluter but the taxpayers that pay, thus creating a benefit for e.g. a company that others companies may be obliged to pay in either other MS or other business fields.

Secondly, we are questioning the often used argument that insufficient funds are the first and last threat to implementing the PoMs and reaching GES. In current EU budget and funding framework there are a number of support funds for implementing both monitoring and implementation of measures under the MSFD, as explicitly stated in article 22, and according to the recent EC study they are underutilized for MSFD purposes. The recent [EC study](#) outlines variety of MSFD EU Funding Mechanisms that many MS seem not to be aware of. Besides the full use of the funds available, Member States must allocate money under e.g. the EMFF as intended to implement the MSFD. The [EUSBSR Action Plan](#) has also very clear objectives to align available funding for integrated actions to save the sea, increase the prosperity and connect the region (e.g. action to enhance the combined effects of the European Maritime and Fisheries Fund (EMFF) programmes under the PA Bioeconomy). Thus, simply put, it must be considered a breach of EU regulations and the MSFD to not do everything to overcome problems of funding if funds indeed are made available.

Thirdly, a series of measures cost very little, as identified by the MS themselves and have more of a one off cost to establish new rules for example. Increased cost for developers for example should be seen as the simplest form of PPP.

Finally, one major problem identified both by the [EC](#) itself and [NGOs](#) is lack of cooperation and joint work on implementing the MSFD. Better coordination means sharing costs and thus also reducing costs. Improved cooperation is also needed to safeguard from wasting money. Measures taken must not be countered and cancelled out by either non-action of neighbouring countries or different measures that do not meet the same goals. **To empower and fully utilize the cooperation within regional seas conventions will likely be best to safeguard better use and reduce misuse of public money and at the same time address the needed regional adaptations.**

Cost of non-action

Even more important regarding costs, funding and alternative costs is the fact that protecting the environment gives huge benefits and offset costs in the future to address an even further deteriorated environment, or even make such measures impossible. With regards to accumulated threats such as oil spills, habitat destruction, eutrophication, invasive species etc., the risks and costs are increasing dramatically. As an exemplified by the [BalticSTERN](#) combatting eutrophication in the Baltic Sea, reaching the goals of GES under MSFD will give a clear economic benefit. Similarly, the WWF/BCG Report "[Turning Adversity into Opportunity](#)" provides comparable costs-benefit calculations of Best vs. Business-as-Usual scenario with difference of 32 Billion Euro and over 500 000 jobs generated in the region if reaching GES.

Action required

The Meeting is invited to consider this statement and discuss relevant steps to fully utilize available funding while devising joint and coherent implementation of the EU MSFD and HELCOM BSAP.