

MSFD WORKSHOP

27 – 29 October 2015

ECRAN 60681

MSFD Initial assessment

Presentation on the contents of the Initial assessment
in the frame of MSFD reporting



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Structure of the presentation

- General data. Legislative context
- ESA (Economic and Social Assessment in the frame of Initial Assessment. Key Elements of ESA
 - Economic and social analysis of the use of marine waters
 - ‘Business as usual’ scenarios
 - Cost of degradation



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General data. Legislative context

Art. 5 2.a

- an initial assessment, to be completed of the current environmental status of the waters concerned and the environmental impact of human activities thereon, in accordance with Article 8

Art 8. Assessment

In respect of each marine region or subregion, Member States shall make an initial assessment of their marine waters, taking account of existing data where available and comprising the following:

- an analysis of the essential features and characteristics, and current environmental status of those waters, based on the indicative lists of elements set out in Table 1 of Annex III, and covering the physical and chemical features, the habitat types, the biological features and the hydro-morphology;
- an analysis of the predominant pressures and impacts, including human activity, on the environmental status of those waters which:
- an economic and social analysis of the use of those waters and of the cost of degradation of the marine environment.



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Economic and Social Assessment in the frame of Initial Assessment

Scope of ESA : to estimate the impact of use of marine environment on marine related economic activities including the positive and negative impact (increasing the level standards /costs)

Users of marine environment are subject of economic analyze based on economic indicators (GDP, GVA, Production Values..)

Key elements of ESA

- economic and social analysis of the use of marine waters
- 'business as usual' scenarios
- cost of degradation



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Economic and social analysis of the use of marine waters

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-Art. 8.1 (c) MSFD asks for an economic and social analysis of the use of marine waters, together with a description of the environmental pressures caused by these uses (8.1 (b)).;

2 Different approaches:

(i) The Ecosystem services approach

The following steps can illustrate the ecosystem services approach:

1. Identify ecosystem services of the marine areas in cooperation with the analysis of status (Art. 8.1 (a) MSFD) and the analysis of pressures and impacts (Art. 8.1(b) MSFD).;
2. Identify and if possible quantify and value the welfare derived from the ecosystem services using different methods to estimate the use and non-use values of these services described in section 2.2 below.
3. Identify the drivers and pressures affecting the ecosystem services.



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Content - Economic and social analysis of the use of marine waters

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- The ecosystem services approach takes the ecosystem services obtained from the marine waters as a starting point
- A checklist for marine ecosystem services (can be used to provide a preliminary qualitative assessment of the use of marine waters which services are likely to be affected by the MSFD and the likely importance of these
- It is important to assess as many aspects of the ecosystem services as possible, aiming at a full consideration of the use of the marine ecosystem.



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Economic and social analysis of the use of marine waters

(ii) Marine water accounts approach

- This approach takes its starting point in economic sectors using marine waters.
- The concept of the Marine Water Accounts is based on the experiences from using a similar approach for the Water Framework Directive called NAMWA (National Accounting Matrix including Water Accounts).

The following steps can illustrate the marine water accounts approach:

1. Identify and describe the region of interest.
2. Identify and describe the economic sectors using marine waters.



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Economic and social analysis of the use of marine waters

Marine water accounts approach

3. Identify and, if possible, quantify the economic benefits derived from the economic sector's use of marine waters in terms of production value, intermediate consumption (goods bought from and sold to other businesses), value added (profits), number of employees (employment) and compensation of employees (salaries etc.).

4. Identify and, if possible, quantify impacts generated by these sectors (e.g. CO2 emissions)



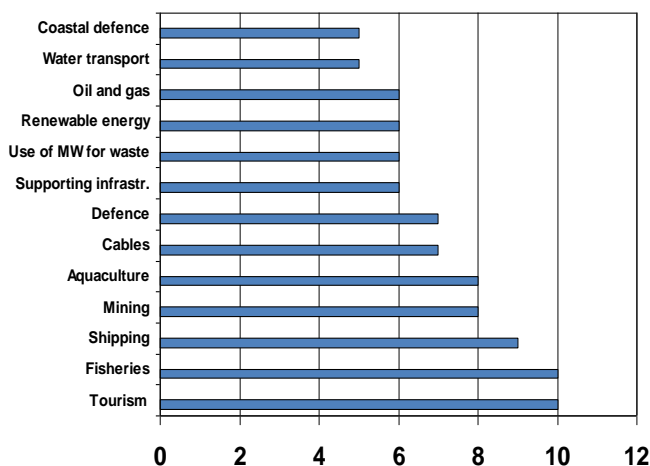
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Approach to initial assessment Economic Sectors at EU level

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Business as usual scenario (1)

“A baseline, or a Business As Usual (BAU) scenario, describes the anticipated evolution in the environmental, social, economic and legislative situation in the marine environment over the agreed time horizon in the absence of the policy under consideration (i.e. if the MSFD is not implemented).”

BAU scenarios therefore contain a number of core features. It is suggested that BAU scenarios should:

- Identify the Member State's uses of marine waters, and provide a projection as to how these uses could change over time;
- Identify the Pressures that these uses of marine waters create, and provide a projection of how these could develop over time, also taking into account other pressures, e.g. regional pressures;



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Business as usual scenario (2)

- Identify relevant legislation, measures and voluntary agreements (at the international, EU, Regional Seas, and Member State levels) that could have an influence on the development of pressures over time; and,
- Identify changes in the state of the marine environment that could result from changes and developments of pressures, over the time period considered by the Initial Assessment.



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Cost of degradation (1)

The analysis of the cost of degradation can usefully constitute a basis for later analyses in the Directive, for example as a base for the cost-benefit analyses of measures (Art. 13 MSFD) and/or as a justification for the discussion of potential exemptions (Art. 14 MSFD).



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Economic and Social Assessment – gap analysis to reach GES

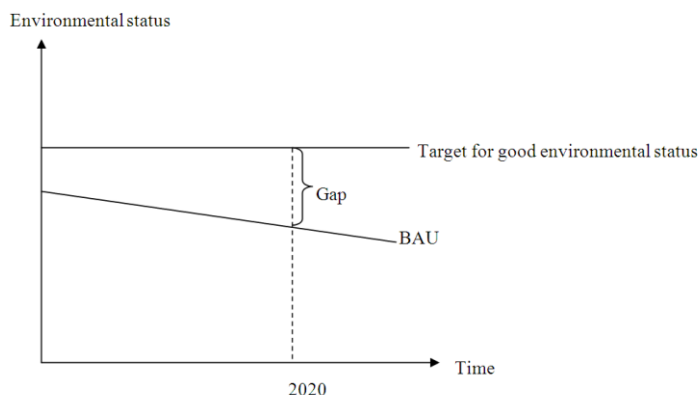


Illustration of the gap analysis that can be used in the analysis of the cost of degradation



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Cost of degradation (2)

3 approaches

- the ecosystem services approach
- the thematic approach and
- the cost-based approach



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Cost of degradation (3)

Ecosystem services approach

The steps of the ecosystem service approach

- Define GES using the qualitative descriptors listed in Annex 1, list of elements in table 1 Annex II and list of pressures in table 2 Annex III in MSFD.
- Assess the environmental status in a Business As Usual (BAU) scenario.
- Describe in qualitative and, if possible, quantitative terms the difference between the GES and the environmental status in the BAU scenario, i.e. the degradation of the marine environment.
- Describe the consequences to human well-being of degradation of the marine environment, either qualitatively, quantitatively or in monetary terms.



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Cost of degradation (4)

Thematic approach

The thematic approach assesses the current cost of degradation.

The steps of the thematic approach:

- Define degradation themes, e.g. marine litter, chemical compounds etc.
- Define a reference condition, for example a condition where targets for good environmental status are achieved
- Describe in qualitative and, if possible, quantitative terms the difference between the reference condition and the present environmental status, i.e. the degradation of the marine environment, for all the degradation themes.
- Describe the consequences to human well-being of degradation of the marine environment, either qualitatively, quantitatively or in monetary terms.



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Cost of degradation (5)

The Cost-based Approach

By providing an overview of the current costs incurred by the various sectors this gives an indication of who is currently paying how much, and how the burden is shared among economic actors.

The steps of the cost-based approach

1. Identify all current legislation that is intended to improve the marine environment
2. Assess the costs of this legislation to the public and private sectors



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Cost of degradation (6)

The Cost-based Approach

The steps of the cost-based approach

3. Assess the proportion of this legislation that can be justified on the basis of its effect on the marine environment (as opposed to health or on-shore environmental effects)
4. Add together costs that are attributable to protecting the marine environment from all the different legislation you have assessed.



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Cost of degradation (7)

Approaches from MS

Assessment of costs:

- use costs for current measures
- use cost of non-action
- not decided yet

Assessment of benefits

Most of MS use qualitative assessment

Use a mixture of approaches

New WTP studies



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Thank you!



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