

Economic Assessment of National Consequences Implementing Common Marine Policies - knowledge sharing and common approaches

Invitation to attend workshop 10-11 March in Copenhagen 2008



The workshop is sponsored by the Nordic Council of Ministers (NMR) and the "Sea- & Airquality" and "Environment & Fisheries" Working Groups

The Nordic Council of Ministers working groups (Sea- & Airquality and Environment and Fisheries) are hosting a workshop with the theme "*Opportunities for development of toolkits for economic assessment of national consequences implementing common marine policies*". The workshop is part of a common Nordic contribution to EU's Marine Strategy and a request from the Nordic Ministers of Environment to the two working groups.

The overall objective of the workshop is to gather knowledge and exchange experiences in the field of economic assessments (cost-benefit/cost-efficiency assessment) in relation to implementation of the future EU Marine Strategy directive. The output is expected to be recommendations to initiatives and actions to facilitate the Nordic countries in preparing their marine strategies in accordance with the directive.

The workshop is being organized by the Sea- & Airquality Group and will take place:

March 10-11, 2008

**The Danish Agency for Spatial and Environmental Planning (By- og Landskabsstyrelsen)
Haraldsgade 53
2100 Copenhagen Ø**

Participants at the workshop will be representatives from central environmental administrations working within the field of marine environment or economics assessment of the consequences, flanked by scientists and researchers from relevant institutions and companies in the Nordic countries working with development of economic a tools or models to deal with the consequences.

The key themes of the workshop are:

- Identify the gaps and needs for development of cost-benefit/cost-efficiency assessment of the consequences of implementing marine policies
- Examples of economic assessments of the marine policies in the Nordic countries - focus on the affected sectors

Background

In April 2005 at the meeting of the Nordic Council of Ministers (NMR), the ministers of the environment decided that the Nordic countries in their future work of the EU Marine Strategy should work for a broad European maritime strategy. It was decided that the two relevant working groups in NMR: the Sea- & Airquality Group (HLG) and the Environment & Fisheries (MiFi) in close coordination should prepare a common Nordic input to this marine strategy.

HLG and MiFi proposed a list of activities and as a consequence of this common Nordic input, the Working Committee for Environment (Miljøsektorens Arbejdsudvalg, AU) recommended to have the economic consequences of the marine strategy illustrated.

A project was initiated with the overall objective to develop a toolkit to assess the national consequences of the EU Thematic Strategy on protection and conservation of the marine environment and the proposed marine strategy directive. A Danish consulting company, COWI, prepared a toolkit containing 3 steps: 1) establishing baseline scenario, 2) defining national implications of the proposed trans-nationally policy (alternative scenario) and finally 3) economic assessment of the extra cost of the proposed policy.

The progress of the project was continuously discussed with representatives from HLG, MiFi and the Environment & Finance Group in NMR. The outstanding issues were inclusion of checklists, concretizing the various scenarios, references to actual testing of technical prospects and economic consequences. The final report was submitted in December 2006 (<http://www.norden.org/pub/sk/showpub.asp?pubnr=2007:418>).

The focus is directed to the national needs for action to reach target environmental status (GES) for three environmental pressures: over-fishing, hazardous substances and oil spill and discharges from maritime transport. However, very few concrete examples of the costs of a limited number of unit prices were given, and for over-fishing it was concluded that unit costing was not the appropriate basis for economic assessment.

Both working groups (HLG and MiFi) recognized that the toolkit was not operative enough to guide the environmental managers in drawing up marine strategies and the economic assessment, and that the economic toolkits for the marine environment – compared to the air pollution area (e.g. ASTA-, RAINS- and IIASA models) - lag considerably behind. The groups felt committed, due to the fact that all EU-countries in the directive are obliged to carry out the assessment, to pursue the fact of lacking instruments and toolkits for preparing socio-economic assessment. The workshop aim to identify, prepare and possibly formulate ideas for economic/environmental toolkits as input to the NMR's working groups for initiating new activities.

The process related to the Marine Strategy Directive

The European Commission has as a part of the Thematic Strategy for the Marine Area and the Marine Strategy Directive delivered an Impact Assessment containing a qualitative assessment of the costs and benefits when implementing the directive (Impact Assessment). The Commission adduces in the Thematic Strategy and in the Impact Assessment, that the directive primarily will influence the sources like maritime transport, fishery, off-shore oil and gas extraction.

This workshop will also use the sources from these three areas as a basis, acknowledging that the ecosystem approach as highlighted in the directive will not be the starting point. However, as suggested in the Nordic toolkit, such approaches are needed in the economic assessment order to establish the scenarios of needed intervention against the sectors.

Output from the workshop

The main foreseen outputs from the workshop based on the presentation and discussions are:

- Knowledge of concrete examples of the past and on-going economic assessments of the marine policies in the Nordic countries, and examples of the gaps and needs
- Possibly project ideas for the development of economic assessment in relation to the consequences of implementing marine environmental directives.

Draft workshop programme

Day 1: March 10th, 2008

12:00 – 13:00 **Lunch**

13:00 – 13:15 **Opening of the workshop**

Background for the workshop and expected outcome. Introducing the background documents regarding the Marine Strategy Directive

Introductory speaker and moderator: Tonny Niilonen, Chairman of the Sea and Airquality Group, Danish Environmental Protection Agency

Session 1 Agreeing on the purpose of economic assessment

13:15 - 13:35 **A critical review of the toolkit: Method for economic assessment of the common marine policies**

What outstanding issues does the toolkit not help us with? Is the economic impact assessment approach wrong? Are the right sectors in focus?

13:35 - 14:05 *Helgi Jensson, Office of Environmental Protection, Iceland*
Economic assessment of the marine policies - Example: The Danish economic assessment of the proposal for MSD

How did Denmark assess the cost of the proposed directive and strategy? Did the toolkit help? What are the economic implications of the existing environmental legislation? Where would common Nordic research help in carrying out the economic assessments of marine policies?

14:05 - 14:35 *Jørgen Schou, Chairman of the Miljø & Økonomi, Nordic Council of Ministers, Danish EPA*

Environmental policy evaluation - What questions should/can socio-economic assessments answer?

What do the decision makers in the Nordic countries demand from the assessment of proposed common policies? What questions should/can socio-economic assessments answer? The speaker is member of Finnish Evaluation Society and research concepts and practice in environmental policy evaluation.

Speaker to be confirmed!

14:35 - 14:55 **Coffee break**

14:55 - 15:25 **Economic assessments of marine directives in the EU Commission**

In the UK /EU Commission all proposed and agreed directives are analysed using a socio-economic impact assessment approach. Why and how are these assessment carried out? What were the particular challenges with regard to the MSD and other marine strategies?

15:25 – 16:25 *Speaker from COWI to be confirmed!*
Group session A: **What are the demands on assessments that give input into decision making on common policies like directives?**

- What do the decision makers in the Nordic countries demand from the assessment of proposed common policies? What questions should/can socio-economic assessments answer?
- Should it be the overall analytical tool that all other types of modelling feeds into / or a separate tool?
- How should cost of in-action be calculated?
- What are the economic implications of the existing environmental legislation?

- 5 min introduction to the group session by Jeppe Lundbæk, COWI
- 30 min discussion and knowledge sharing in three groups
- 25 min presentation of findings from the groups and round-up

16:25 – 16:45 **Coffee break**

Session 2 Knowledge sharing: working with assessments in practice

16:45 – 17:25 **Socio-economic assessment - Experiences from the area of air pollution:**
What can we learn from the development of model tools for assessments of trans-boundary pollution - can the experience be transferred?

Anna Engleryd, Naturvårdsverket, Sweden

19:00 **Dinner**

Day 2: March 11th, 2008

Session 2 continued	Knowledge sharing: working with assessments in practice
09:00 – 09:05	Opening remark for day 2 <i>Tonny Niilonen, Chairman of the Sea and Airquality Group, Danish Environmental Protection Agency</i>
09:05 – 09:40	Socio-economic assessment – Experiences from the Water Framework Directive. How to "translate" ecosystem targets to policy scenarios for socio-economic analysis? What is the difference between the results from an assessment with ecosystem approach and sector approach? What can we learn from assessment methodology in relation to the Water Framework Directive, where we have the same challenge? <i>Berit Hasler, DMU</i>
09:40 – 10:10	Socio-economic assessment – Experiences from the area of marine pollution - Eutrophication There is a number of tools for planning of marine policies, with regard to e.g. nutrient emissions. Even though these models so far have not looked at the sectors in focus here (off-shore, fishing, and sea transport) we may be able to learn from them and use the methodology? An example is the new 'Baltic Stern' ecological-economic research programme. <i>Speaker to be confirmed!</i>
10:10 – 10:40	Socio-economic assessment - Experiences from the area of marine spatial planning: What can we learn from the development of other model tools for assessments of marine policies? Compilation of Nordic experiences from a newly held workshop. A regional overview of ongoing Nordic marine spatial planning, case study examples and experiences regarding marine spatial planning, the use of in wider spatial planning context, and new mapping tools and planning approaches. <i>Speaker to be confirmed!</i>
10:40 – 11:10	Socio-economics assessment – Experiences from the fishery industries Focus on the Economy of the Nordic Fisheries. The purpose of the analysis carried out for the (Nordic council I 2006) is to focus on fisheries management tools to understand the economic return of the fisheries, including who obtains the economic return, and how it is allocated between the fishing industry and the public sector. <i>Max Nielsen, Fødevarøkonomisk Institut, Danmark</i>

11.10 - 11.50 **Socio-economic assessment – Estimation of cost to the off-shore sector of EU Marine Environment Protection:**
In connected with the development of the EU marine strategies, DONG Energy gave input both to both the national and EU Commissions economic assessment of the potential consequences for oil and gas activities at sea. What concrete costs a foreseen and how are they estimated?

Speaker to be confirmed

12:00 - 13:00 **Lunch**

13:00 – 14:20 **Discussion: Challenges and opportunities**

Group session B: Methodological and practical challenges.

- By using the sector approach instead of the ecosystem approach (as stated in the preamble of the Marine Strategy Directive) as a starting point for the economic assessment, the overall principle of ecosystem-based approach of the directive is disregarded. Do the advantages of using the sector approach for the economic modelling justify this?
 - What can we learn from assessment methodology in relation to the Water Framework Directive, where we have the same challenge?
 - Compared to the economic models and toolkits developed for the air pollution area, it should be discussed how the experiences from this areas could be transferred most optimally to the marine modelling and estimations.
- 5 min Introduction to the session by facilitator
 - 45 min Discussion in three groups
 - 30 min Presentation of findings from the groups

14:30 – 14:45 **Coffee break**

Session 3 **What can we learn from all this? What are the best-practices and common approaches**

14:45 – 16:00 **Group session C: Inputs from session A + B**

- What is the difference between - and the inter-linkages between - the results from an assessment with ecosystem approach and sector approach?
 - How can the experiences from other areas be transferred most optimally to the marine modelling and estimations?
 - What relevant socio-economic assessments in the Nordic countries are relevant as sources of economic data?
- 5 min Introduction to the session by Jeppe Lundbæk, COWI

- 40 min Discussion in three groups
- 30 min Presentation of findings from the groups

16:30 – 16:45

Summing up

Final remarks by Tonny Niilonen

Practicalities

Please note:

- Presentations will be in both Scandinavian and English.
- Participation is limited to 30 persons.
- Travelling costs (maximum for reimbursement is DKK 3.000) as well as lunch and dinner for the two days will be covered by HLG. Please note that persons or institutions mentioned in the mailing list will be favoured.
- Final workshop program will be distributed in late February 2008.
- Deadline for submission of registration form is **February 27th, 2008**. Registration and queries should be e-mailed to workshop coordinator Jens Perus (Jens.Perus@ymparisto.fi).

Hotel reservation: 20 single rooms are preliminary booked for one night between March 10th-11th, 2008 at Hotel Comfort Østerport (<http://www.choice.no/html/da247048.jsp>).

Attached to this invitation is:

1. Preliminary Workshop Program
2. Mailing list
3. Registration form
4. Background documents:
 - Method for economic assessment of the common marine policies – A toolkit for assessment of national consequences of the EU Commissions' Thematic Strategy on the Protection and Conservation of Marine Environment, and the proposed Marine Strategy Directive (MSD), prepared by COWI, November 2006
 - Overview over Articles in the Marine Strategy Directive involving socio-economic assessment

If the invited participants on the mailing list have colleagues or counterparts, who could be interested to participate in this workshop, please do not hesitate to forward the invitation. There is still room for presentations in the program. The workshop should be of particular interests to professionals who will be involved in /responsible for national socio-economic assessments of common marine policies. Please report back the person and title of the presentation if you would like to contribute to the workshop, to allow us to make the final agenda of the program.

Registration and enquires can be directed to: Jens Perus (tel. +358 40 529 2808 or e-mail: Jens.Perus@ymparisto.fi)

Registration

Name:

Institution:

Address:

Zip code/City:

Country:

Telephone:

E-mail:

The registration form should be e-mailed to: Jens Perus (jens.perus@ymparisto.fi).

Please note that the deadline is February 27th, 2008.