



**MARINE STRATEGY FRAMEWORK DIRECTIVE
COMMON IMPLEMENTATION STRATEGY**

**BRUSSELS, 30 OCTOBER 2009
(11.00 – 16.30)**

VENUE: CONFERENCE CENTRE ALBERT BORSCHETTE, ROOM AB/2.D, BRUSSELS

MINUTES OF MEETING

Introduction

Katrin Zimmer (co-chair, Sweden) opened the first meeting of the working group on economic and social analysis (WG ESA), explaining the background to setting up of the group and objectives for the meeting. These were to:

- discuss the draft mandate for WG ESA;
- discuss the kinds of issues which the group will need to address; and
- meet and learn about activities of each country.

Commission presentations

The European Commission set out its aspirations for the working group – this would be the first of the groups set up under the Common Implementation Strategy (CIS) that would be member state led, reflecting the cooperative nature of the MSFD. The Commission described some of the key requirements of the Directive, including the requirement to have by 2012 an initial assessment, including the economic and social analysis, a determination of good environmental status, and the establishment of environmental targets and indicators. It would be necessary to strike the right balance between common tools and regional approaches, reflecting their particular circumstances and building on work of the regional sea conventions. It was expected that assessments would have a regional component plus a more detailed “zoom” on national issues.

The Directive applied a long-term perspective with regular review every 6 years – there would therefore be a second social and economic analysis done in 2018. Whilst the early focus of the WG ESA would be on the initial assessment and social and economic analysis, it should also address other economics issues such as cost-effectiveness.

The Commission had launched a study, led by COWI, to scope all the economics requirements (both explicit and implicit) of the MSFD. The three tasks of the study are to

- Analyse the requirements of the MSFD
- Identify relevant existing and on-going work
- Report

The study should be completed by May 2010.

A representative from DG Mare gave a presentation on maritime policy. The three objectives were for a healthy maritime economy, well-being of communities and good environmental status. Work was under way on management plans, targets, indicators, but there were challenges in collecting data on some aspects, e.g. social indicators for coastal regions (because they are not held at a fine enough resolution). DG Mare strongly supported the setting up of the WG ESA and hope to participate in the future.

Purpose and scope of WG ESA

Katrin Zimmer introduced the draft mandate, focussing on four proposed objectives which would guide the work of the group and the preparation of a work programme (which would contain the detail). The proposed objectives were:

- Facilitate a common understanding of the requirements of Article 8(1)(c) of the Directive.
- Identify promising methodologies and approaches to meeting the requirements of Article 8(1)(c) and provide guidance or recommendations as appropriate.
- Promote communication, cooperation and coordination between marine regions and sub-regions in order to improve the consistency and coherence of social and economic assessments.
- As necessary, provide a forum for addressing other social and economic matters covered by the Directive.

Participants were invited to comment on the objectives. Points made in discussion were:

- How would the group deal with non-EU countries (that fall within regional seas)?

- How would the social and economic analysis link in with other elements of the initial assessment? Should there be a working group covering the scope of the whole assessment?
- Under the Water Framework Directive economics guidance came out first without having input from scientists on the pressures; there was need to find a way to work closely with natural scientists; the definition of GES will be critical in directing the development/application of economic tools
- WG ESA is likely to need to provide leadership and guidance, but it was not yet clear what form that might need to take
- The objectives were expressed in a quite general way compared with the mandates of other groups; but this was a deliberate decision – to first decide on broad scope and purpose and then use a work programme to turn it into themes and actions;

Overall, the objectives appeared to be well supported. Some points were already picked up in the list of issues presented in doc 2 (and discussed in the afternoon). However, it would make sense to broaden the first objective to understand also how the requirements of article 8(1)(c) linked to the other requirements of the Directive, including the initial assessment.

Regional and national work relevant to WG ESA

Philip Stamp (co-chair, UK) chaired the second half of the meeting starting out with inviting participants from the regional conventions to describe whether and how their work might contribute to the WG ESA.

OSPAR: is leading a project making an overview of existing projects and available methodologies for economic and social analysis of the use of marine waters and the cost of degradation and options on how to progress work on socio-economic assessments of the North-East Atlantic.¹

HELCOM : work has been done regarding costs of measures and cost-effectiveness. Right now the task force for the holistic assessment of the Baltic marine environment is about to produce a report to the HELCOM ministerial meeting in May 2010. One chapter in the report will focus on economic analyses: Chapter 5 what are the costs and benefits?

There were no presentations from the Barcelona or Bucharest conventions.

Other information was given by the **Netherlands** who in the meeting made clear they are not in favour of willingness to pay studies. They however have different projects running, one on the tradeoffs in regional space (since claims on space will grow).

Denmark is commissioning a consultant to investigate the 11 descriptors asking what pressures are relevant focusing on the purpose of the directive. Denmark believe they will have to ask citizens about the size of the benefits.

¹ Once that work has been completed (probably early 2010) we will circulate the report; next step in OSPAR is to carry out a feasibility study of approaches to doing regional socio-economic assessment

Germany are together with the Commission making a “Stern” like report but on biological diversity (the so-called The economics of Ecosystems & Biodiversity (TEEB)). The final report will be delivered in 2010.

Draft mandate for WG ESA

An open discussion on the draft mandate followed now with focus on deliverables, links with other CIS activities, timetable, structure and organisation, frequency of meetings, lifetime of group, timing and scope of next meeting, need for subgroups, composition and hosting of meetings.

A comment was that the group’s work shouldn’t result in a document telling the countries what to do but should be a forum for exchange and inspiration. It would also be preferable to have more countries represented than the north west countries. There was for example no participation from the Black Sea. With a firm timetable the group should focus on what was needed until 2012.

The meeting also discussed in what form information should be exchanged and if Circa would meet the requirements of the group. A view that some type of knowledge exchange platform should be set up ASAP, e.g. a page in CIRCA?, to upload different documents showing what MS and others are doing in terms of ESA or any other type of relevant documentation.

Also the importance with contact with other work under the MSFD was underlined and that this should be reflected in the mandate. You need the GES, indicators and environmental targets to make the economic analyses.

Draft initial list of issues

The group also discussed Document 2 “the Initial list of issues to be addressed in the WG ESA work programme” and its five bullets “Purpose of economic and social analysis“, “Meanings“, “Methodology“, Evidence” and “Process“.

There were some general comments that the working programme would need a better structure but there were also some more detailed comments:

- It was particularly important to get a collective understanding of the meaning of “economic and social analysis”, to get a common language;
- WG ESA’s work needed to link in with other parts in the directive, like article 13 and 14 and with other policy areas, like the Maritime policy, WFD and fisheries . Marine Directors should be asked to ensure greater input from DG MARE
- Regarding valuation methods we might be able to agree on how we can do them but we shouldn’t be required to use them
- The limitations of methods should be clearly described so that decision makers are aware of the systematic mistakes that can be done. According to the Netherlands there is a group doing this with valuation studies (Harmony)

- We might have to split “use of the water” and “economic and social analyses” and that this should be covered in the work programme.
- Regarding risk assessment there were different opinions. Maybe partly depending on what participants understood by risk assessment. The Netherlands meant that uncertainty assessments would be good but not really needed. The Commission stated that the directive is about progress and that we shouldn't forget linkages with other activities like reporting on data and exchange, WISE marine. The risk assessment should relate to the uses of the seas and could help assess and clarify the focus not eliminate it. Others stated that we should identify where the greatest risk in the baseline are and that we need definitions. Others yet that you need some sort of uncertainties when discussing cost of degradation.

Summing up, the chair thanked everyone for their contributions on both the mandate and issues paper. These would be further revised and circulated to WG ESA members. The issues paper would be used as the basis for the development of the group's work programme, taking account of the need to structure the programme to meet priority needs.

Conclusions and next steps

Philip Stamp thanked participants for their support and for such a positive start to the group's work. Participants were invited to provide further written comments on the draft mandate and issues paper (by 13 November) and to nominate a main contact point for each country/participating organisation.

Next steps were:

- Progress reporting to the Strategic Coordination Group (23 November) and Marine Directors (based on this meeting report and the draft mandate and issues paper; MDs would be asked to note progress, recognising that further minor changes to the mandate were expected);
- Preparation of draft work programme by January;
- Next meeting in March 2010 to be hosted by UK² [subsequent meeting would be in Sweden]; participants were encouraged to send in any proposals for meeting content.

² Meeting date now proposed for 8-9 March, with meeting starting afternoon of the 8th