



Document title Outcome of EN ESA 12-2021

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Outcome of the 13th HELCOM expert network on economic and social analyses meeting (EN ESA 13-2021)

The list of Meeting Participants is contained in **Annex 1**.

The agenda of the Meeting is contained in **Annex 2**.

The Meeting was chaired by Ms. Berit Hasler, Aarhus University. Luke Dodd, HELCOM Secretariat, acted as secretary.

1. Opening of the meeting

- 1.1 The Chair opened the meeting.
- 1.2 The Meeting adopted the agenda as presented in **Annex 2** and agreed to proceed as outlined in the agenda.

2. HELCOM MetDev project

- 2.1 The Meeting took note of **Presentation 1** by Kemal Pinarbasi updating the progress of the HELCOM MetDev project.
- 2.2 Latvia noted differences in terminology from the current CICES approach and suggested supporting ecosystem services might be changed to maintenance ecosystem services.
- 2.3 The Meeting discussed the risk of double counting ecosystem service values and agreed that only final ecosystem service values should be included in the monetary estimates, but the importance of intermediate ecosystem services can be demonstrated by their contribution to the supply of other services.
- 2.4 Latvia noted that an ecosystem service and benefit hierarchy was developed nationally to guide the ecosystem service valuation process to avoid the issue of double counting.
- 2.5 The Meeting discussed driver indicators and suggested that recent scientific work on the definition and characterization of drivers in the DAPSIR framework could help clarify the placement of various alternative driver indicators.
- 2.6 Latvia suggested that MetDev explore statistical relationships between potential driver indicators and environmental quality as it may help identify relevant driver indicators and aid in the interpretation of indicators with potentially conflicting trends.
- 2.7 The Meeting noted that ecosystem condition and characteristics are not expected to be included in the MetDev project due to lack of spatial data on these topics. However, ecosystem condition and selected environmental characteristics will be recoded when ecosystem service supply data is gathered. These data will both inform future work and improve estimates of uncertainty regarding ecosystem provisioning rates.

- 2.8 The Meeting noted that inclusion of ecosystem condition in ecosystem service supply studies is still data limited even at the national level. However, when data is available ecosystem condition can be added to the assessment framework.

3. HELCOM BLUES project

- 3.1 The Meeting took note of **Presentation 2** by Luke Dodd on the use of marine waters analysis and sufficiency and effectiveness of measures analysis being conducted by the HELCOM BLUES project.
- 3.2 The Meeting took note of document 3 on the use of marine waters analysis.
- 3.3 The Meeting expressed concern regarding the lack of advancement from HOLAS II and noted that the Network's roadmap calls for increasing integration of ESA with environmental assessments.
- 3.4 The Meeting noted the ongoing integration work being conducted by the HELCOM MetDev project and the September 9 deadline for developing HOLAS III methodologies for submission to State & Conservation 15-2021.
- 3.5 Latvia suggested that to take step towards the integration, as well as to improve the usefulness of the analysis to Contracting Parties, the ESA of the use of marine waters should expand beyond regionally complete data sets, by providing illustrations where the ESA of the use of marine waters analysis is integrated with the environmental assessments. This could include examples on approaches linking the ESA of the use of marine waters to the pressures and state assessments, ecosystem accounting and assessments of ecosystem services benefits and values. This suggestion was supported by Denmark.
- 3.6 Finland expressed concerns about these illustrations would be collected and compiled, and the role of the Contracting Parties. The Meeting noted that references to some potential projects and studies were already collected earlier this year.
- 3.7 The Secretariat clarified that marine transport and infrastructure are being considered for inclusion in the use of marine waters analysis based on the guidance in MSFD Annex III table 2b.
- 3.8 The Secretariat agreed to revise and resubmit the methodology for the use of marine waters analysis to EN ESA 14-2021 for endorsement.
- 3.9 The Meeting took note of document 4 on the sufficiency and effectiveness of measures analysis.
- 3.10 The Secretariat clarified that the baseline for the analysis would be the same as used in ACTION and that the business-as-usual scenario was likely to be the same as ACTION plus the measures adopted in the Baltic Sea Action Plan update and associated regional action plans.
- 3.11 The Meeting took note of **Presentation 3** by Heini Ahtiainen on the cost of degradation analysis and cost and benefit analysis being conducted by the HELCOM BLUES project.
- 3.12 The Meeting took note of document 2 on the cost of degradation analysis.
- 3.13 The Meeting discussed value transfer and noted that it was not accepted by Denmark in HOLAS II. The Meeting noted that the economic valuation studies with complete regional coverage are more than 10 years old now and are no longer a preferred option, and presenting comparable benefit estimates for the Baltic Sea region thus requires the use of value transfer. The Meeting considered the value transfer approach to be a suitable option.
- 3.14 The Meeting discussed alternatives to value transfer, should that methodology not be accepted for HOLAS III, and suggested that examples of sub-regional/national analyses without a systematic regional assessment could be prepared.
- 3.15 Denmark noted that there are several ongoing studies that may support this work with results expected in the near future:
- i) Olsen et al. A meta-analysis regression of water quality valuation in the Nordic countries: A new tool for applied benefit function transfer
 - ii) Brower et al. INMS (International Nitrogen Management System) study for the Baltic Sea

- 3.16 Latvia suggested that to increase the value of the analysis to contracting parties, the database with valuation studies should be made public.
- 3.17 The Meeting noted that the database is built partially on unpublished existing work by the BONUS ROSEMARIE project and that while releasing the valuation database was possible it would need to be done based on the terms agreed between the BONUS ROSEMARIE and HELCOM BLUES projects.
- 3.18 The Meeting discussed the subject of the analysis, noting that the preferred valuation studies are based on reaching GES for the whole Baltic Sea and were conducted in FI, DE, SE, and LV. The Meeting further noted that topic specific assessments are possible but would have to be based on fewer valuation studies with poorer geographic coverage and basic assumptions which would increase uncertainty.
- 3.19 The Meeting discussed the reference state for the analysis. The Meeting considered that both current and business-as-usual states could be used as the reference. Using the current state reduces uncertainty but is of less practical value for policy support, while a business-as-usual state would be more policy-relevant but more complicated and reliant on the quality of the sufficiency and effectiveness of measures analysis.
- 3.20 The Meetings discussed the issue of scaling benefit estimates to better link the benefits with the change in the environment from reference (current/BAU) to target state (GES). Finland proposed that different assumptions on the change of unit values (constant, decreasing) could be tested when scaling to produce a range for the benefit estimates. Latvia suggested that at minimum, reference and GES states in valuation studies and HOLAS III should be compared to identify and qualitatively describe obvious differences.
- 3.21 Latvia noted that the methodology description refers to quantitative and qualitative assessments, if monetary assessments are not possible, and requested clarification on this issue. The Meeting took note that in HOLAS II, these types of assessments were not included.
- 3.22 Latvia noted that the focus of the cost of degradation analysis using the ecosystem services approach should be on the changes in the benefits of ecosystem services and suggested to check and reformulate the document to reflect this.
- 3.23 Latvia proposed to describe in more detail the approach for biodiversity-related topics/descriptors in cost of degradation analysis.
- 3.24 The Secretariat agreed to revise and resubmit the methodology for the cost of degradation analysis to EN ESA 14-2021 for endorsement.
- 3.25 Meeting took note of document 5 on the cost-benefit analysis.
- 3.26 Latvia suggested that the voluntary national measures included in the regional action plans for litter and noise could provide an opportunity to conduct a cost benefit analysis that could influence regional policy.

4. Presentations by external projects

- 4.1 The Meeting took note of **Presentation 4** on the results of the BONUS GO4Baltic project by Berit Hasler and thanked them for sharing with the Network.

5. Other business

- 5.1 The Meeting discussed the continuation of informal sessions on MSFD implementation and agreed to discuss topics for an informal session during EN ESA 14-2021, with the informal session potentially held immediately following EN ESA 15-2021. The Meeting requested that the Network consider potential topics for discussion and bring suggestions to the next Network meeting.
- 5.2 The Meeting agreed to hold EN ESA 14-2021 in late August or early September.

6. Closing the meeting

- 6.1 The Chair closed the Meeting.

Annex 1. List of Participants

Representing	Name	Organization	Email address
The Chair			
Denmark	Berit Hasler	Aarhus University	bh@envs.au.dk
Contracting Parties			
Estonia	Liis Kikas	Ministry of the Environment	liis.kikas@envir.ee
Finland	Liisa Saikkonen	Finnish Environment Institute	liisa.saikkonen@syke.fi
Finland	Heini Ahtiainen	Natural Resources Institute Finland (Luke)	heini.ahtiainen@luke.fi
Latvia	Kristine Pakalniete	AKTiivs	kristinepa@apollo.lv
Lithuania	Daiva Semėnienė	Center for Environmental Policy	daiva@aapc.lt
HELCOM Secretariat			
	Luke Dodd	HELCOM Secretariat	luke.dodd@helcom.fi
	Kemal Pinarbasi	HELCOM Secretariat	kemal.pinarbasi@helcom.fi

Annex 2. Meeting agenda

Monday 21 June 2021	
13:00	Words of welcome and timely EN ESA issues
13:10 – 13:35	Update from the HELCOM MetDev project
13:35 – 14:25	Methodologies for the use of marine waters & the sufficiency and effectiveness of measures cost of degradation analyses
14:25 – 14:35	<i>Break</i>
14:35 – 15:30	Methodologies for cost of degradation & cost-benefit analyses
15:30 – 15:50	Presentation from GO4Baltic
15:50 – 16:00	Any other business
16:00	Meeting ends
16:00 – 16:10	<i>Break</i>
16:10 – 17:00	Informal session