Ecosystem valuation informing national and regional marine policies in the Baltic Sea region



Soile Oinonen

Valuing Marine Ecosystem Services -

Taking into account the value of ecosystem benefits in the Blue Economy

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Background & Experience

YKE

- ✓ Adj. Prof. Environmental and Resource Economics, University of Helsinki
- Co-chair: EU Marine Strategy Framework Directive Working Group on Programme of Measures, Economic and Social Analysis (WG POMESA)
- Chair: HELCOM Expert Network on Economic and Social Analysis
- Vice-Chair:HELCOM Platform on Sufficiency of Measures (HELCOM SOM Platform)



What initiated valuation studies?

The Marine Strategy Framework Directive calls for economic analyses to:

- assess the cost and benefits of measures to achieve Good Environmental Status (GES)
- estimate the forgone benefits if GES is not achieved
- analyse the social and economic impact of the use of marine waters



Marine energy Uto Marine litter D9 Optional B8 Contaminants in water	D1 Biodiversity GES 2020 GES 2020 D7 Hydrographical conditions	ty
Source: Meren pärskäy		C SYKE Photos : Mats Westerborn, Maiju Lehtiniemi, Riku Lumiaro, Coase Gaardo : YSKE, Per Mickwitz and Eija Rantajärvi.
	cean and Coastal Econom	lics
Volume 5 Issue 1		Article 5
Rob van der Veeren Rijknuterstaat Ann Kathrin Buchs Lower Saxony Ministry Gürter 11	for Environment, Energy, and Climate Next Derector General for the Environment	for the European irective: Overview hed

Costs of Degradation | Finland's Marine Strategy 2012

- Economic benefits forgone if GES is not reached
- Contingent Valuation study (Ahtiainen et al., 2014)
- The economic benefits lost due to eutrophication:
 €200 million per year
- Costs of degradation estimate in Finland's Marine Strategy in 2012

 Benefits of meeting nutrient reduction targets for the Baltic Sea – a contingent valuation study in the Baltic Sea – a contingent valuatin the Baltic Sea – a contingent valuatin the Baltic Sea – a conti

Costs of Degradation | Finland's Marine Strategy 2018

- Fit for purpose Contingent Valuation study (Nieminen *et al.,* 2019)
- The study covered all 11 GES descriptors
- Failure to achieve GES costs €432–509 million annually
- Costs of degradation estimate in the review of Finland's Marine Strategy in 2018



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5-53-64	Contents lists available at ScienceDirect	
ELSEVIER	Marine Policy	MARINE
	journal homepage: www.elsevier.com/locate/marpol	
The economic bene Finnish marin	fits of achieving Good Environmental Status in the ers of the Baltic Sea	
Emmi Nieminen ^{a,*} , Heir	ers of the Baltic Sea	
ennish Environment Institute (SYRE), P. ^b Balic Marine Environment Protection Co ^c Department of Economics, Swedish Univ ^d Natural Resources Institute Finland (Luk	ers of the Baltic Sea i Ahtiainen ^{b,d} , Carl-Johan Lagerkvist ^c , Soile Oinonen ^a ^{0. Box 140, Mcchelinikani 344, Fr 00251 Heisinki, Finland} ¹⁰⁴ Agricultural Sciences (SLU), P.O. Box 703, Fr 00160 Helsinki, Finland ¹⁰⁵ Ot Agricultural Sciences (SLU), P.O. Box 703, TSOOT Uppsala, Sweden	Chuck for Spolates
	FL-00790 Helsinki, Finland State Sta	

Why use public funds for marine protection?

Additional question in the Contingent Valuation study (Nieminen et al. 2019)

"What is the most important reason for you to be willing to pay for achieving the good status of the Finnish marine waters?"



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Bequest value = "I want to ensure a healthy Baltic Sea for the future generations"

Existence value = "The existence of a healthy ecosystem is important for me"

Altruistic value = "I want to ensure that other people in my generation can use the Baltic Sea for recreation"

Recreational value = "I use the Baltic Sea for recreation"

Option value = "I want to ensure that I will have the opportunity to use the Baltic Sea for recreation in the future"

Importance of cultural ecosystem services

Additional question in the Contingent Valuation study (Nieminen et al. 2019)

"How important are the following matters for you on the Finnish coast or at the Finnish marine waters?"



- Habitats for several plants and animals
- Recreation
- Aesthetic values
- Cultural heritage
- Information for cognitive development
- Inspiration for art and design
- Spiritual experience
- Other

Costs and benefits | Finland's Marine Strategy | Programme of Measures 2016

- Benefit transfer from existing valuation studies
- Cost-efficiency analysis
- Benefits are 2-6 times higher than the costs



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Economic and social analyses in the Baltic Sea region -

HELCOM Thematic assessment 2011–2016

Supplementary report to the HELCOM 'State of the Baltic Sea' report (PRE-PUBLICATION)

Economic and social analyses 溄 🖉 Marine & **Fish stock** & habitat From coastal eutrophication recreation** degradation 1010 €3.8-4 €1-2.2 €1.8-2.7

Potential revenue

benefits per year when good environmental status is achieved for the **Baltic Sea**



Baltic Marine Environment Protection Commission

> STATE OF THE BALTIC SEA

Impact on ecosystem services



Figure 7 The bubble sizes represent the value added by each activity.

Source: State of the Baltic Sea report, Second HELCOM Holistic Assessment



Systematic Reviews Marine Ecosystem Accounting Update of the HELCOM Baltic Sea Action Plan

ACTION

ACTIONS TO EVALUATE AND IDENTIFY EFFECTIVE MEASURES TO REACH GES IN THE BALTIC SEA MARINE REGION (ACTION)





European Commission MAIA is a Horizon 2020 project aimed at promoting and developing the System of Environmental Economic Accounting in the EU and associated countries. MAIA is coordinated by Wageningen University and Research, and has 18 partners in 10 countries. The project will be implemented from 1 November 2018 to 31 October 2022.

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Thank you!

soile.m.oinonen ()ymparisto.fi @OinonenSoile @SYKEinfo @SYKEint

Photo:Riku Lumiaro



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