

Contractor on Economic and Social Assessment for the Croatian Marine and Coastal Strategy

Scope & Duration

Scope: This ToR refers to the tasks related to the sectoral, socio-economic contribution to the Marine and Coastal Strategy for Croatia

Duration: 1 May 2013 – 30 September 2013.

Background

The MedPartnership project aims to enable a coordinated and strategic approach to catalyze the policy, legal and institutional reforms, and the necessary investments to reverse the degradation trends affecting this unique large marine ecosystem, including its coastal habitats and biodiversity.

One of the specific goals of the MedPartnership is to support the implementation of the ICZM Protocol of the Barcelona Convention. In addition, MedPartnership pays special attention to the use of integrated approaches. With that aim, PAP/RAC and its partners undertook the preparation of an Integrative Methodological Framework for coastal, river and aquifer management. With this new proposed activity the initiative of building an integrative framework is to be extended to the remaining missing component of the system – the sea.

Environmental Protection Act (NN 110/07) and the Regulation establishing a framework for action of the Republic of Croatia in the field of marine environment protection (NN 136/11) are obliging the Croatian Government to a prepare Marine Strategy for Croatia. Its preparation is to be led and co-ordinated by the Ministry of Environmental and Nature Protection with the participation and contributions of all related Ministries and other affected bodies.

The Marine and Coastal Strategy is to define long term goals for the management of the marine and coastal environment, applying the eco-system approach as one of the key principles of the ICZM, in harmony with economic, social and cultural development of the Republic of Croatia.

The first step in the preparation of the Marine and Coastal Strategy is the “Initial assessment of the marine waters”, comprising the following:

- An analysis of the essential features and characteristics, and current environmental status of marine waters;
- An analysis of the predominant pressures and impacts on the environmental status of marine waters;
- An economic and social analysis of the use of marine waters and of the cost of degradation of the marine environment.

In the recent activities on the development of the Marine Strategy for Croatia, the document “Initial analysis of the state and pressures of the Croatian part of the Adriatic marine environment” has been completed. This document covers essentially the first two bullet points mentioned above and includes an analysis of the essential features and

characteristics as well of the predominant pressures and impacts on the environmental status of marine waters. One of first conclusions from the analysis of predominant pressures and impacts on the environmental status of marine waters is that a substantial part of the environmental problems, and therefore a major obstacle for sustainable development of the coastal zone and of the sea, is the excessive construction in the coastal zone, often followed with an inappropriate infrastructure. This conclusion clearly indicates need to integrate the Marine and Coastal Strategy.

In October 2012 Croatia has ratified the ICZM Protocol, and by this ratification confirmed the intention to apply ICZM for the management of the Croatian coast. By the ratification of the ICZM Protocol, Croatia decided to facilitate sustainable development of coastal zones, by ensuring that the environment and landscapes are taken into account in harmony with economic, social and cultural development. Croatia is thereby committed to preserve the coastal zones for the benefit of current and future generations, ensure the sustainable use of natural resources, preserve the integrity of coastal ecosystems, landscapes and geomorphology, to prevent and reduce the effects of natural hazards, in particular of climate change, and to achieve coherence between public and private initiatives and between all decisions by the public authorities, at the national, regional and local level, which affect the use of the coastal zone.

The ICZM Protocol, within its article 18, obliges Croatia to prepare the national ICZM strategy as an instrument of application of the ICZM.

Facing the need and the obligation to prepare both Strategies, Marine and Coastal, the Ministry of Environmental and Nature Protection, together with the PAP/RAC, have decided to link the two documents into one.

The first step of the linkage for the new Marine and Coastal Strategy of Croatia is the present Economic and Social Analysis (ESA) of the use of marine waters and of the coast; and of the cost of degradation of the marine and coastal environment. This economic and social analysis needs to be understood in the context of the general objectives of the MSFD and of the ICZM Protocol. The MSFD requires Member States to achieve or maintain Good Environmental Status (GES) in their waters by 2020. The ICZM Protocol requires Contracting Parties to facilitate, through rational planning, sustainable development of the coastal zone. By combining the two objectives, it might be said, that Member Parties should facilitate sustainable development, by achieving GES by 2020 and by ensuring that GES and landscapes are taken into account in harmony with economic, social and cultural development.

In addition to all above, PAP/RAC is currently implementing the MedPartnership sister project "Integration of climate variability and change into national strategies to implement the ICZM Protocol for the Mediterranean". In the framework of this project Croatia was selected as a case study for the assessment of environmental and socio-economic costs of climate variability and change. The methodology selected is one of the most renewed world methodologies - DIVA (Dynamic Integrative Vulnerability Assessment), which is to be downscaled to the national level within this project.

In order to secure the high quality of integration of the Marine Strategy and ICZM Protocol requirements within the economic and social assessment, as well as the linking with the DIVA model, PAP/RAC has contracted the expert on methodology who will act as a methodological leader for this task. Contractor is required to participate in the process of

defining approaches and to provide all necessary country information needed to bring the decisions on the methodological approach. Expert on methodology is expected to lead and to provide assistance to the team in any issue of a methodological nature.

Key Tasks

1. An economic and social analysis of the use of marine waters and of the coast and related pressures.
2. An economic and social analysis of the cost of degradation of the coastal and marine environment, taking into account the impacts of the climate variability and change.
3. Comparison of the social benefits and of the costs of key economic activities, conclusions and recommendations for future programme of measures.

Detailed deliverables

1. **An economic and social analysis of the use of marine environment and of the coast;**

Identification and description of the different uses of the marine environment in terms of their economic and social importance and pressures

- Identify and describe the different uses of and pressures on the coastal and marine environment.
- Assess direct and, if possible, indirect benefits of different uses of the coastal and marine environment.
- Describe in qualitative and, if possible, quantitative terms the pressures caused by the different uses of the coastal and marine environment.

According to the MSFD and the ICZM Protocol the economic activities to be analysed are the following:

- Activities on the land
- Activities on the land part of the maritime domain
- Activities in the marine environment (in the sea, at the seabed and subsoil)

The activities include urbanisation, energy production, infrastructure construction, use of living and non-living natural resources (agriculture, fisheries), marine transport, research, food production, waste, tourism, sport and recreation, defence, etc. List of activities is enclosed as annex II. It is important to screen those activities of key importance for Croatia.

The EC guidelines are proposing two different approaches for the analysis of the marine environment. For this purpose the Marine and Coastal accounts approach or ecosystem services approach are recommended. The contractor is asked to consult the Expert on Methodology and to participate in taking decision. Several approaches are proposed to assess cost of degradation of the marine environment. The contractor is expected to consult the Expert on Methodology and to participate in taking decision. The contractor is also expected to provide information on the data existing in the country, in order to secure the selection of the most promising approach given the situation.

According to the EC guidelines, Business as Usual (BAU) scenario is to be used in order to provide projections of how the marine and coastal environment might evolve over time, given potential trends in uses of the sea and the coast and the existing legislative and regulatory framework governing those areas. Consequently BAU scenarios may inform the development of estimates of the cost of degradation, the second step of the ESA.

2. An economic and social analysis of the cost of degradation of the marine and coastal environment;

Describe in qualitative terms and, if possible, in quantitative terms the cost of degradation of the coastal and marine environment

- Several approaches are proposed to assess cost of degradation of the marine environment. The contractor is expected to consult the Expert on Methodology and to participate in taking decision. The contractor is also expected to provide information on the data existing in the country, in order to secure the selection of the most promising approach given the situation.

These two steps requested by the MSFD beside the textual outputs require the delivery of the used data for the purpose of the Info data-base environmental protection and the Info data base – Sea, as well as for the EC reporting requirements defined by the European Agency for Environment (Water Information System for Europe - WISE).

3. Comparison of the economic and social activities on the coast and on the sea taking into account their benefits and their impacts on the coastal and marine environment;

Having in mind the key goal of the ICZM Protocol, facilitation of the sustainable coastal development of the Croatian coast and sea, the economic and social analysis is to be upgraded in that sense.

This additional contribution of the ESA component is to ensure sustainable coastal development as per the ICZM Protocol aim. Contractor is invited to consult the Expert on Methodology regarding the methodology for this comparison, as well as to participate in the creation of the appropriate methodology. A geographical presentation of the results is advised.

The ESA should be prepared following the key principles of the MSFD and ICZM Protocol. It should be prepared in an integrative manner, ensuring in particular integration over space and time of the use of marine and coastal environment, pressures and the intensity of the economic activities. The results of the ESA are also to be presented and discussed in a participatory manner. Indeed the involvement of the stakeholders is advised all along the process of the preparation of the ESA. Finally, contractor is responsible for presentation of the ESA at public consultation.

As the last step of this contract Contractor is expected to provide conclusions and recommendations for the future programme of measures.

The final step of this initiative – Recommendations and Programme of Measures will be secured within the new project – development of the Marine and Coastal Strategy.

Methods

The project should adopt an approach that facilitates the combination of results from input studies and presents information in a clear manner for decision makers. Presenting information in a cartographic form is highly recommended.

The approach adopted must be methodologically justified and valid. Having in mind that this assessment should be performed in the way to satisfy the requirements of the ICZM Protocol and of the MSFD Directive, as well as to link with the activity of “Assessment of environmental and socio-economic costs of climate variability and change” - consolidation of methodology is considered as necessary task that should precede the work on the ESA. Therefore, PAP/RAC’s contracted an Expert on Methodology, who will provide guidance related to methodology for this work. However Contractor is expected to participate in the decisions related to methodology, as well as to provide all necessary information about the feasibility of a proposed approach, given the situation in Croatia.

It is also recommended to follow the four steps proposed by Turner et.al. (2009).

- To use DPSIR (Drivers, Pressure, State, Impact and Response) framework
- To use the ecosystem services approach
- To encourage adoption of IPCC scenarios
- To use an extended CBA (cost-benefit analysis) framework

Economic methods are ways of analysing impacts on human welfare, with reference to market and non-market cost and benefits, for the purpose of supporting decision-making. The economic studies should include comprehensive analysis of economic activity in different sectors using the coastal and marine environment, as well as the impact of changes in the coastal and marine environment (including policy changes and changes to environmental conditions) on market and non-market ecosystem goods and services. This analysis should rely on the findings from the “Initial analysis of the state and pressures of the Croatian part of the Adriatic marine environment”, in particular on the findings related to the pressures caused by the economic activities and impacts on the coastal and marine environment and on the human welfare and health. For this purpose DPSIR approach is to be used. As regards the land part, this analysis should rely on the “State of spatial development and planning report 2008-2012”, as well as on the other reports related to the state of the coastal environment.

The social analysis is an important element, not only an interpretation of standard economic information, but also as a one of the three pillars for sustainability. The social analysis should consider the institutional arrangements and governance structures that are in place, stakeholder groups affecting or affected by the MSFD, and where possible the public’s and stakeholders’ opinions and perceptions of marine issues.

For defining of the methodological approach the following guidelines are to be used:

- UNEP/MAP/PAP/RAC (2008) ICZM Protocol
- EC (2010) *Economic and Social Analysis for the Initial Assessment for the Marine Strategy Framework Directive: A Guidance Document*.
- EC DG MARE (2012) Scenarios and drivers for Sustainable Growth from the Oceans, Seas and Coast. Third interim Report.
- UN (2012) *Regular process for global reporting and assessment of the state of the marine environment, including socio-economic aspects*
- UNEP/MAP/Blue Plan (2010) *The Economic Value of Sustainable Benefits from the Mediterranean Marine Ecosystem*

- NOEP (2009) State of the U.S. Ocean and Coastal Economies
- UNEP (2011) Towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication
- UNEP (2012) Green economy in a Blue World

It is also recommended to take into account already finalised ESA studies for Germany, UK, Netherlands, and other EU countries, including the OSPAR experiences.

Geographical coverage

The geographical scope for the activity, according the two legal documents is the Croatian marine waters and the coastal zone. The landward limit of the coastal zone is determined as the limit of the coastal municipalities. The map is attached to this ToR as annex I.

Responsibility and Communication

The Contractor will be:

- directly responsible to PAP/RAC Director or his nominee.

Qualifications

The contractor is invited to present team for the preparation of this task.

The team leader, as well as the team members should have the following educational and professional qualifications:

- Senior professional level with a minimum of ten years experience in economic and social issues related to ICZM, preferably/ partly in the Mediterranean;
- Recognised high-level qualification;
- Ability to analyse issues and information and prepare briefs and summaries on key ideas;
- Strong research skills, combined with superior communication and interpersonal skills;
- Strong English (French) skills, both in written and oral format; knowledge of French (English) will be an advantage.

Outputs and Deadlines

Outputs	Deadline
1. Economic and Social Analysis of the use a. Draft b. Final	May 31 st , 2013 June 15 th , 2013
2. Economic and Social Analysis of the cost of degradation, including the data used in the form requested by the EC a. Draft b. Final	July 15 th , 2013 August 15 th , 2013
3. Comparison, Recommendations and Conclusions a. Draft b. Final	September 15 th , 2013 September 30 th , 2013

Costs & Remuneration

1. For the execution of tasks defined by these ToRs, the Contractor is invited to propose a fee.
2. Travel and accommodation costs pertaining to Meetings to be attended will be covered over and above the aforementioned amount.
3. The payments will be made on an output delivery basis, upon submission of outputs defined in point above, subject to clearance by PAP/RAC, as follows:

Instalment	Payments, €
1 st instalment, after presentation of the output under 1	30%
2 nd instalment after presentation of the output under 2	30%
Final payment after presentation of the output under 3	40%
TOTAL:	100%

Annexes