

Email from CCW Economist to WG 17.9.10

From: Luke Davies CCW
Sent: 17 September 2010 12:09
To: George, Louise (ESH - ECM)
Subject: MCZ TAG - Socio-economic sub-group

Hi Louise

I have added some thoughts and comments to the papers you circulated yesterday except for the site selection paper.

See attached

Luke

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THE SOCIAL AND ECONOMIC ASPECTS OF HPMCZ SITE SELECTION

Background

The Marine and Coastal Access Act 2009¹ provides that when considering whether it is desirable to designate an area as a MCZ the appropriate authority (Welsh Ministers in Wales) may have regard to the economic and social consequences of doing so.

The Welsh Assembly Government has stated its intention to give full consideration to social and economic consequences throughout the process of selecting HPMCZs in Welsh waters. "Protecting Welsh Seas," (September 2009) sets out the Welsh Assembly Government's approach to selecting HPMCZs in Wales: to develop a robust site selection process that incorporates ecological, social and economic considerations and is informed by stakeholder dialogue. The aim is to ensure that HPMCZs are chosen to maximise benefits (ecological, social and economic) while minimising any conflicts with the different uses of the sea, as far as possible.

Explanatory note 335 of the Marine Act states:

"Subsection (7) allows Ministers to take account of the economic or social consequences of designation. This ensures MCZs may be designated in such a way as to conserve biodiversity and ecosystems whilst minimising any economic and social impacts. Where an area contains features that are rare, threatened or declining, or forms a biodiversity hotspot, greater weight is likely to be attached to ecological considerations. Where there is a choice of alternative areas which are equally suitable on ecological grounds, socio-economic factors could be more significant in deciding which areas may be designated as an MCZ."

The Welsh Assembly Government considers that the approach it has developed to social and economic considerations is in line with the explanatory note.

¹ Section 117(7)

Social and Economic Considerations

The consideration of the social and economic aspects of selecting an area as a HPMCZ is an important step in the process and a Sub-Group of the TAG has been established to inform this process. The Sub-Group has identified the key social and economic activities and issues thought to be relevant in determining where to designate a HPMCZ in Welsh waters.

The social and economic activities and issues have been considered within an ecosystem services framework. This is in line with the new Natural Environment Framework² (September 2010) being developed by the Welsh Assembly Government. In developing this new framework we aim to ensure that the true value of ecosystems and their services is fully reflected in our decision making.

Ecosystems and their services:

- the provisioning services – products obtained from ecosystems e.g. food and raw materials
- the cultural services – non material benefits from ecosystems e.g. heritage and recreation
- the regulating services – benefits obtained from regulation of ecosystem services e.g. flood protection and water purification
- Supporting services – processes necessary for the production of other ecosystem services e.g. soil formation and nutrient cycling

For the purposes of this task we have focused on aspects of ecosystem services that are of social and economic benefit to humankind – the provisioning services and cultural services.

In considering the level of importance to apply to the social and economic activities and issues we have looked at each of the key activities in turn, to consider the likely impact a designation may have on that activity. Depending upon the level of impact, the social and economic activities and issues have been categorised as to whether they are incompatible, conflicting or negligible considerations in the decision making process.

An additional category has been identified as needing consideration alongside social and economic issues and that is the practical aspects of a potential HPMCZ - such as the manageability and enforceability of a potential site. These have been categorised as of high, medium or low importance.

Activities have been defined as follows:

- **Incompatible** – an activity known to be incompatible with HPMCZs as it involves the extraction or deposition of living and non-living resources. Designation will have an impact upon this activity therefore they are considered of high importance in the decision making process as a means of where possible refining potential sites to minimise any impact.

² <http://wales.gov.uk/consultations/environmentandcountryside/eshlivingwalescons/?lang=en>

- **Conflicting** - an activity that is likely to be damaging or disturbing and may need to be managed/mitigated to be compatible with HPMCZs. Designation may have an impact upon this activity therefore they are considered important in the decision making process as a means of refining site options or [introducing/recommending] management measures to minimise any impact.
- **Negligible** – an activity that is likely to be compatible with HPMCZs. Designation will have no impact on this activity and it is considered of little importance in the decision making process.

Full details of the activities and impacts identified are provided within the matrix at [reference].

Incorporating social and economic considerations into the site selection process

The outputs from the ecological guidance will be prioritised potential sites that best deliver the desired ecological output. The social and economic considerations will then be applied to the potential sites to act as a filter – whereby ultimately the sites that deliver the desired ecological output with minimum negative impact on social and economic activities (and where possible the greatest benefits) are selected and recommended to Ministers for designation.

Incorporating the social, economic and practical considerations will be an iterative process between the MCZ Project and relevant stakeholders, taking place over a period of 9-12 months. The aim of stakeholder engagement will be to evaluate the social and economic benefits and costs of designation on a site by site basis. For example, it is anticipated that through stakeholder engagement that it may be possible to identify opportunities for new or increased eco-tourism arising from designation. [The methodology at [section x] provides a step by step guide to site selection and the role of the Project groups in this process].

[Whereas we have some idea of the likely impacts of a HPMCZ and the type of activities that will be affected, our understanding of the social and economic benefits that are to be derived (for example increased opportunities for eco-tourism) will be informed and developed during the public consultation exercise at the first and second iteration.]

Some of activities known to be incompatible with HPMCZ have been identified as being appropriate for consideration early on in the process – that is before the first iteration of potential sites is issued for stakeholder and public comment. These are where issues have been identified that present certain legal and physical constraints.

The key physical and legal constraints have been identified as:

- Ports/harbours areas where maintenance dredging is required
- Areas licensed for aggregate extraction
- Fisheries several and regulating orders
- Major cables and/or pipelines that require regular access for operation and maintenance

There may also be instance where, although we do not yet know what potential sites will emerge from the ecological guidance, the MCZ Project considers that the strength of certain social and economic implications associated with a potential site when compared to its

ecological importance may mean that a potential site is considered unsuitable for further consideration. Such a site will be removed as a potential site before the first iteration of sites is issued for public view and comment. This is likely to occur where there are conflicts with Welsh Assembly Government policies including:

- WAG's future renewable energy agenda
- WAG's sustainable fisheries policy

If any site is considered unsuitable for the first iteration due to the strength of the social and economic implications, the MCZ Project will as part of the stakeholder engagement package identify the site(s) that have been eliminated and the reasons for the elimination, and also those sites that have been identified as having potential positive social and economic implications.

All other social and economic considerations considered to be critical and important to the process will be incorporated into decision making during the first, second and third iteration. Stakeholders and sea users will have the opportunity to input and provide information about their activity and area during these iterations.

Stakeholders will be able to respond as they think fit on all aspects of the package of information – including sites that may have been excluded.

The information and feedback received will be used to refine the potential site options in such a way as to minimise the impact on activities – and where possible maximising benefits.

Data and evidence

The MCZ Project has started to collate and map available evidence and data on the location of the critical and importance social and economic activities in and around the Welsh waters. The focus to date has been to collect Wales wide data for those activities known to be incompatible and/or conflicting with a HPM CZ. We know that there are gaps in this data and we will continue to work with stakeholders to fill data gaps and increase the confidence in the information. We envisage that more data and evidence will be [forthcoming/gathered] on a site by site basis during the iteration exercises.

REFERENCE MATRIX

Further information on the key stages for selecting sites is provided in [insert ref to methodology]

HPMCZ Selection - Social and Economic matrix

| Ecosystem Service | Impact [of designation] | Activity | How and when considered in the process |
|--|-------------------------|----------------------------------|---|
| Provisioning Service Cultural Service | Incompatible | Commercial fishing & Aquaculture | <p>Mike, Phil – will you update text please ...contribution to economy, communities, Recognising that fishing is relevant to all Welsh waters the need to minimise the will be considered at <u>all</u> stages of site selection.</p> <p>Consideration needs to include:</p> <ul style="list-style-type: none"> a) The number of dependant fishers from a proposed HPMCZ should be considered want to consider the size of the fishery yield. b) food production chain..... c) Displacement – are there alternative fishing grounds? It is likely that fishing will be displaced to other previously less exploited areas that may not be as productive or difficult to fish or be more costly to reach. d) Whether the proposed site critical for important life-history stages or vulnerable stages of commercially important species? Choosing such areas will increase the impact an HPMCZ will benefit local fisheries although may lead to greater conflict. <p>Where a Several and/or Regulating order exists for the right to fish or cultivation in an area then the impact of a potential HPMCZ on these areas will be considered within the first iteration where areas are likely to be excluded. <u>is it possible to revoke a consent what are consequence?</u></p> |
| Provisioning service | Incompatible | Dredging – aggregate extraction | <p>Dredging as an extractive activity is incompatible with HPMCZ designation. Aggregate dredging may only occur within restricted areas that have been [designated] by <u>TCE?</u> as suitable for this activity. The opportunity for alternative sites is limited by the classification of a new area <u>being costly? Time consuming? Restricted by the availability of location of resources?</u></p> <p>...contribution to economy, construction industry ...the impact of a HPMCZ designation will be considered carefully. Any potential HPMCZ identified within an area currently licensed for aggregate extraction is likely to be excluded from further consideration in development iteration.</p> <p><u>need to justify this – why not revoke the consent? Are there any other areas that could be used instead?</u></p> <p>The impact of a potential HPMCZ on areas not yet licensed for extraction but identified for aggregate extraction in the future aggregates will be considered as part of the iteration.</p> |
| <u>WHICH SERVICE?</u> | Incompatible | Dredging - disposal sites | <p>A dispositional activity by nature therefore is incompatible with HPMCZ designation. The disposal of dredged material (e.g.) is restricted to areas of sea classified/designated by [TCE?] <u>to explain why important and consequence of not having them – are there alternative disposal sites?</u></p> |

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| | | | could be used? The impact of any potential HPMCZ will be considered as part of the iterative stages. |
| Provisioning Service | Incompatible | Renewable Energy | <p>Areas already under wind farms are likely to be excluded from further consideration as part of the ecological selection process - as permanently modified areas they are considered limited in ecological recovery potential.</p> <p>The construction of any new area/facility for renewable energy (wind, tidal and wave) and both extractive and depositional activities – activities incompatible with HPMCZs will be considered limited in ecological recovery potential.consider the contribution to WAG's renewable energy agenda, energy security and the economy....</p> <p>A potential site identified within an area of sea recognised as vital as a future renewable energy source is likely to be excluded from further consideration whilst developing the first iteration of HPMCZs.</p> |
| Provisioning Service | Incompatible | Oil and Gas | <p>Existing and the construction of new oil and gas facilities (platforms, well-heads, etc.) will be considered incompatible with HPMCZs. Recognising that and depositional activities will be considered limited in ecological recovery potential.contribution to economy, energy security...</p> <p>[Are these likely to be highly modified areas?]</p> <p>The impact of any potential sites will be considered as part of the iterative stages.</p> |
| WHICH SERVICE | Incompatible | Cables | <p>Existing major cables that require regular access for maintenance and operation will be considered incompatible with HPMCZs whilst developing the first iteration of HPMCZs.</p> <p>Other cables where perhaps management measures can be introduced to minimise impact and where plans for laying new cables are known the impact of HPMCZ will be considered as part of the iterative stages.</p> |
| WHICH SERVICE | Incompatible Conflicting | Ports, Boats & Shipping | <p>Maintenance dredging is required to enable a port/harbour to continue to operate and contribute to the economy, communities, jobs etc.... Recognising that the locations of harbours are fixed [?] any potential HPMCZ identified in an area that undergoes dredging is likely to be removed from further consideration at stage 1.</p> <p>For other associated activities and facilities (including slipways, piers, moorings, navigational aides) the impact of any potential site will be considered as part of the iterative stages. Where possible management and mitigation measures may be considered to minimise impact.</p> |
| Provisioning Service | Conflicting | Water management | <p>Sewage, industrial and agricultural waste outlets allow waste toBy their very nature as part of the infrastructure, there is therefore no option for relocating to another area. The location of an outlet may not exclude a potential HPMCZ as it will depend upon the features of the site type/amount of discharge. The impact of any potential site will be considered as part of the iterative stages.</p> |
| Provisioning Service | Incompatible | Recreational Angling | <p>...contribution to economy, communities, food security, well-being.... Recognising that angling is relevant to all Welsh waters the need to minimise the impact will be considered as part of the iterative stages.</p> |
| Cultural Service | | | |
| Cultural service | Conflicting | Recreation - other | <p>Is the site currently or could it potentially be used for public recreation? Consider the contribution to the economy, communities, food security, well-being....</p> |

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|-------------------------|---------------------------------|----------------|---|
| | | | economy...communities, well being and health. Areas that have high use value in terms of public recreation may or may not be compatible. Some recreational activities carefully managed may derive benefits from designation. The impact of any potential sites will be considered as part of the iterative stages. |
| Cultural service | Conflicting | Tourism | May or may not be compatible with HPMCZ....management measures may be required... Areas that lend themselves to forms of tourism that are compatible with conservation goals are considered a priority. Consideration should also be made on the number of visitors a given area can support. The impact of any potential HPMCZ will be considered as part of the iterative stages. |
| WHICH SERVICE | Incompatible Conflicting | Military areas | The impact of any potential HPMCZ on these activities will be considered as part of the iterative stages. |

HPMCZ Selection – Practical considerations [matrix]

| Activity | Importance | How and when considered in the process |
|-------------------------------------|------------|---|
| Research & Monitoring | High | A key consideration for a HPMCZ is that its contribution to our understanding of the marine environment. It is necessary to carry out monitoring to inform 6-yearly report on achieving and maintaining an coherent network of protected areas. Potential sites must present a positive opportunity for research and monitoring. To be considered as part of the iterative stages. |
| Management & Enforcement | High | This refers to the ease and cost of managing and enforcing a potential area. The more straightforward the management and patrols requirements the more likely they are to succeed. Areas that are difficult to manage and enforce may not succeed in achieving HPMCZ goals. Also consider access to the area. Consider the use of voluntary management agreements and whether they are likely to be supported in an area. To be considered as part of the iterative stages. |
| Safety | High | Consider the principal users of the area after designation and the degree of danger e.g. if likely to be recreational areas of danger from strong currents, surf, submerged obstacles, waves and other hazards. Also consider those dispersed areas of HPMCZ where alternative areas may be more difficult or dangerous to access e.g. alternative sites for fishing. HPMCZ may be more difficult, costly and/or dangerous to fish. To be considered as part of the iterative stages. |
| Acceptance | Medium | How much social acceptance to a potential HPMCZ? What is the degree of community support for the creation of a HPMCZ in a particular area? HPMCZ success (and more broadly MPA success) has been shown to often be reliant on compliance and support from local communities. An area that is already protected through tradition or practice could represent a favourable site. To be considered as part of the iterative stages. |
| International/National Significance | High | If an area contains a proposed or possible features for international protection under an existing designation (e.g. World Area of Conservation), or forms a link with a cross boundary MPA network it should rate highly. To be considered as part of the iterative stages. |