

National study on integrating the valuation of ecosystems and their services into decision-making processes in public administration and economic sectors in Lithuania

Draft legislation and assessment of potential adjustment costs and administrative burdens, general recommendations

Summary of the final report

To: Ministry of Environment of Republic of Lithuania

Vilnius, 2021–2023

The National Study on Integrating the Valuation of Ecosystems and their Services into Decision-Making Processes in Public Administration and Economic Sectors in Lithuania (hereinafter referred to as the "Study") is being prepared in accordance with the Contract No. (64)-D8(E)-7505 between the Ministry of Environment of the Republic of Lithuania (hereinafter referred to as the "MoE") and Smart Continent LT, UAB, concluded on 3 December 2021. The study is being prepared to demonstrate the benefits of integrating ecosystems and ecosystem services and their socio-economic valuation into public policy and decision-making processes in the public administration and economic sectors by increasing the efficiency, cost-effectiveness and sustainability of decisions in various areas of public policy and by improving the status of ecosystems and ecosystem services in Lithuania, thereby also ensuring the well-being of society, and by strengthening the understanding and support of public institutions and other stakeholders in integrating the valuation of ecosystems and ecosystem services into decision-making. The study is carried out in 3 phases: Phase I – analyses of the current situation and best practices, economic valuation of ecosystem services (ES) and identification of the current costs of protection against natural threats, inception report; Phase II – sectoral models for integration, interim report; Phase III – draft legislation and assessment of the potential administrative burdens, general recommendations, final report.

The final report of the Study contains: 1) recommendations on decision-making processes and the legislation that should be amended and/or supplemented to integrate the valuation of ecosystems and the services they provide, 2) preliminary proposals for amendments to the draft legislation and the adoption of new one, 3) an assessment of the potential administrative burden, and 4) general recommendations for the overall policy for the preservation, restoration, and valuation of ecosystems and ES in Lithuania.

In the field of biodiversity and landscape protection (including ecosystem protection, ecosystem restoration and other types of environmental investments), four models have been proposed: integrating ES valuation into the process of defining the direction and measures for the management of natural framework areas, integrating ES valuation into the process of establishing protected areas, integrating ES valuation into the regulation of the population of invasive species, and integrating ES valuation into landscape monitoring. The model for integrating the ES assessment into the process of defining the directions and measures for the management of the natural framework areas proposes to develop the process of defining the directions for the management of the natural framework areas by supplementing the Regulations of the Natural Frame approved by the Order of the Minister of Environment of the Republic of Lithuania No. D1-624, dated 16 July 2010 (summary version valid from 10 October 2017), (p. 23), as well as the methodology of the Natural Framework Identification and Practical Application of the Natural Frame (2016–2017) (Chapter 8). Using the model of integration of ES evaluation into the process of establishing protected areas, it is proposed to develop the preparation of a proposal to establish a protected area by supplementing the description of the procedure for submitting and examining Proposals for the establishment of protected areas, changing their boundaries, approved by the Minister of the Environment of the Republic of Lithuania on 26 August 2009 order No. D1-491 (Order No. D1-82 of the Minister of the Environment of the Republic of Lithuania dated 29 March 2022) (summary version valid from 30 March 2022) (p. 7). According to the model of integration of ES evaluation into the regulation of the population abundance of invasive species, it is proposed to include the ES evaluation in the preparation of the action plan for the regulation of the population abundance of invasive species by supplementing the description of the procedure for the control and destruction of invasive species, approved by the Minister of Environment of the Republic of Lithuania on 1 July 2002, order No. 352 (Order No. D1-49 of the Minister of Environment of the Republic of Lithuania dated 15 February 2022) (summary version valid from 27 April 2023) (p. 15). The model for integrating ES assessment into landscape monitoring suggests using landscape monitoring data on landscape changes (monitoring results) to determine how landscape changes work or could affect ES provision and consumption opportunities in the future.

In the forestry sector, two models have been proposed: integration of ES assessment into forest management schemes, integration of ES assessment by creating a payment scheme for non-timber forest ES. In the model of integration of ES assessment into forest management schemes, it is proposed to integrate ES assessment into various stages of preparation of forest management schemes (preparatory, preparation) and parts of the scheme (drawings, explanatory text, scheme solutions) by supplementing the rules for the preparation of Forest Management Schemes, approved by the Minister of Environment of the Republic of Lithuania on 1 September 2006, order No. D1-406 (Order No. D1-834 of the Minister of Environment of the Republic of Lithuania dated 10 October 2014) (summary version valid from 12 January 2023) (p. 20.1, 28, 30, 32.3., 32.4.1.). In the model of integration of ES evaluation by creating a payment scheme for non-timber forest ES, it is proposed to compensate

for the provision of ES, to establish a support allocation mechanism by supplementing the Law on Forests of the Republic of Lithuania, adopted on 22 November 1994 No. I-671 (combined version from 1 March 2023) (new article). The specific conditions of payments for non-timber forest ES schemes should be formed when preparing the rules for such payments, depending on the purpose and nature of the payment and the source of funding.

Three models have been proposed in the agricultural sector (including the authorization of the supply of plant protection products to the market and the protection of pollinators): the integration of ES assessment into the control and monitoring mechanisms of plant protection products (hereinafter referred to as PPE), the integration of ES assessment into support mechanisms (into the direct payment mechanism and to the mechanism for allocating support according to the measures of the strategic plan for agriculture and rural development of Lithuania), integration of the ES assessment in determining the important territories of the ES in the context of land reclamation. In the model of integration of ES assessment into PPE control and monitoring mechanisms, it is proposed to create a monitoring system for the use of PPE by supplementing the Plant Protection Plan and adding a new item to the tasks (related items: 6.10, 6.11 items), supplementing task 10 of Appendix 1 and its measures with a new tool or adding In Appendix 1, a new task with a tool assigned to it. In the model of integration of evaluation into support mechanisms, it is proposed to integrate evaluation as an additional direct payment by including it in systems beneficial to the climate, environment and animal welfare and supplementing the strategic plan of Lithuanian agriculture and rural development (if such changes are impossible or difficult to implement in the period 2023–2027, they could be considered for the next period, with enough time to find the best way to pay for, discuss with social partners, justify; include as an intervention activity of the Ecological System) and Support for agricultural land and other areas and farm animals application and administration of direct payments and control rules, approved by the Minister of Agriculture of the Republic of Lithuania on 13 April 2023 by order No. 3D-253 (to be included in Chapter VI "Requirements of ecological systems" as a separate activity, indicating the requirements for that activity). In addition, it is proposed to integrate the ES assessment into the selection criteria as an additional criterion and into the list of priorities for the assessment of measures (priority criteria) by supplementing the relevant sections depending on the specific rules. It is proposed to add to the model of integration of ES assessment in determining ES important territories in the context of reclamation the rules for the use of state-owned reclamation structures and reclamation systems, condition assessment and financing of reclamation works, approved by the Minister of Agriculture of the Republic of Lithuania on 21 March 2013 by order No. 3D-211 (summary version valid from 1 March 2023) (new chapter) and the rules for financing investment projects for the reconstruction of melioration engineering structures owned by the State, approved by the Minister of Agriculture of the Republic of Lithuania on 12 May 2022, order No. 3D-328 (pp. 14 and 15).

In the area of territorial planning, one model has been proposed – the integration of ES assessment into territorial planning. With this model, it is proposed to improve the assessment of the current state of the stage of preparation of municipal general plans by supplementing the Territorial Planning Law of the Republic of Lithuania, adopted in 12 December, 1995, No. I-1120 (summary version valid from 4 January 2023 to 31 December 2023)(Article 15, p. 1, p. 8; Article 25, p. 5, p. 1; Article 30, p. 6, p. 1) and the rules for the preparation of complex territorial planning documents, approved by the Minister of Environment of the Republic of Lithuania on 2 January 2014 by order No. D1–8 (valid summary version from 4 January 2023)(p. 101).

In the areas of environmental impact assessment (EIA) and strategic environmental impact assessment (SEA), two models have been proposed: integration of ES assessment into EIA and integration of ES assessment into SEA. The model of integration of ES assessment into EIA proposes to develop the selection of planned economic activities for EIA and the EIA of planned economic activities, supplementing the description of the procedure for the selection of planned economic activities for environmental impact assessment, approved by the Minister of Environment of the Republic of Lithuania on 16 October 2017, order No. D1-845 (summary version valid from 4 January 2023) (Chapter II, Section III "Location of planned economic activity", Chapter II, Section IV "Type and description of possible environmental impact", Part of Annex I table "Location of planned economic activity", I part of the table in the appendix "Type and description of potential impact") and the description of the procedure for the preparation of environmental impact assessment documents of the planned economic activity, approved by the Minister of the Environment of the Republic of Lithuania in 23 May 2023 by order No. D1-157 (points 4, 12.3, p. 8, 10, 21 of Annex I; Annex I with one more section under Immoveable cultural values).

In the water sector, two models have been proposed: integration of ES into the highly altered water body (hereinafter referred to as "HAB") process of recognition of water bodies and integration of ES assessment into the determination of the amount of compensation for environmental damage. In the model of integration of ES into the HAB process of water body recognition, it is proposed to develop the HAB recognition review by supplementing it (and, accordingly, the material supporting the HAB recognition review) with additional ESs proposed for assessment (in addition to those that have been evaluated so far). The model of integration of ES assessment into determining the amount of compensation for environmental damage is proposed to assess the damage caused by supplementing ES to the Law on Environmental Protection of the Republic of Lithuania, adopted in 21 January 1992, No. I-2223; Methodology for calculating compensation amounts for damage caused to the environment, approved by the Minister of Environment of the Republic of Lithuania in 9 September 2022, by order No. 471 (Article 32). Proposals are presented for supplementing the sections of the methodology for calculating compensation amounts for damage caused to the environment.

In the field of protection, management and creation of green spaces and plantations, it is proposed to elaborate on the assessment of ES in the design process of public green spaces. Given that the procedures and stages of design of public allotments are regulated by the Law on Plantations of the Republic of Lithuania and there is no possibility to extend them in legislation, it is therefore proposed to prepare and informative publication with detailed guidelines.