

ENVIRONMENTAL MAINSTREAMING IN THE FALKLAND ISLANDS

Workshop Report

Summary Document

May 2012

1 INTRODUCTION

The study, workshop and production of this report has been made possible through the goodwill and enthusiastic collaboration of many people in the Falkland Islands. We firstly thank those that provided key information, participated in an initial stakeholder meeting and were interviewed on specific environmental issues (as listed in the Scoping Report for this project). This information was invaluable in terms of identifying key issues that should be addressed at the project workshop.

The study workshop is the focus of this report and we are extremely grateful to all those people who took part.

The workshop and study on Environmental Mainstreaming in the Falkland Islands was funded by the UK Foreign and Commonwealth Office (FCO), and coordinated through the UK Joint Nature Conservation Committee (JNCC).

1.1 Study objectives and methodology

This study is contributing to a wider project that the Joint Nature Conservation Committee (JNCC) is coordinating on behalf of the UK's Foreign and Commonwealth Office (FCO), the overarching objective of which is: *'To work with each OT [Overseas Territory] Government to understand the economic value of its natural environment, the threats posed and options available for managing these threats, and to enable environmental issues to be integrated into strategic decisions.'* The project is based on the premise that this objective can be achieved through stronger integration of environmental issues 'mainstreaming' within OT Government processes (see Box 1.1). Such integration will require a better appreciation of the role and value of ecosystems in delivering those natural assets which are key economic drivers in the OTs. Mainstreaming environmental issues will require a better understanding of the threats to natural assets and of the measures needed to manage them.

This particular study is addressing environmental mainstreaming in the Falkland Islands and aims to “*determine the ways and means whereby existing institutions and decision making processes in the Falkland Islands can be used to integrate environmental issues into decision making*”. The work is designed to identify short, medium and long term actions necessary to promote the concept underlying the project - the fundamental importance and economic value of the natural environment - and establish a common understanding of what is needed to integrate environmental issues into the planning processes in the Falkland Islands. In this respect the study complements previous initiatives (such as the *Falkland Islands Biodiversity Strategy 2008 - 2018¹*) by taking a broader view that considers the management and enhancement of ecosystem services.

Ecosystem services provide social and economic benefits (Millennium Ecosystem Assessment, 2005), such as:

- provisioning services (eg food, fibre, fuel and water);
- regulating services (eg benefits from ecosystem processes that regulate climate and water quality);
- cultural services (eg recreation, tourism, and aesthetic, spiritual and ethical values); and

supporting services (that are necessary for the functioning of ecosystems and their services, eg soil formation and nutrient cycling).

This study builds on *The Falkland Islands Biodiversity Strategy* by focussing on the ways that environmental mainstreaming in the Falkland Islands can maintain and, where necessary, enhance ecosystems services, and the ecosystems and biodiversity that underpin them.

¹ Hereafter referred to as the *Biodiversity Strategy*

The overall objective of the study is to:

- establish a strategic overview across the three key areas with the specific objective of identifying gaps (in knowledge or capacity) and barriers to action;
- work with the Falklands Islands Government (FIG) and other island stakeholders to achieve a consensus on where these gaps and barriers exist, their nature and the potential to fill gaps and overcome barriers; and
- to facilitate an evidence based discussion, through remote working and face to face interviews involving a wide range of FI stakeholders to secure a broad agreement as to what future actions are required to fill perceived gaps and overcome barriers.

The study is being carried out in collaboration with stakeholders, identified through a Project Oversight Group (POG) based in the Falklands, in the following stages

- In Phase I, which is reported on in an earlier Scoping Report (Tucker and Lutchman, 2012), IEEP consulted with stakeholders and reviewed key existing information in order to identify key environmental issues and opportunities for environmental mainstreaming that will be the focus of further study. The following issues were examined in particular:
 - § existing legal framework in respect of environmental protection including (but not limited to) legislation relating to energy supply, waste disposal, water management, carbon emissions, biodiversity, agricultural production, fisheries etc;
 - § state of environmental knowledge including knowledge of the distribution of habitats and species, ecosystem services and threats to these, and knowledge of the nature and scale of greenhouse gas emissions and other pollutants to land, sea or the atmosphere; and
 - § institutional (government and non-government) and societal capacity to act on knowledge and implement legislation to protect and manage the environment.
- Phase II consisted of the stakeholder workshop that is reported on here, which aimed to identify key actions that should be taken to address priority environmental issues in the Falklands through environmental policy mainstreaming.
- Phase III will review existing information on the relationship between economics and the environment in the Falklands, to inform the study.

2.0 The Falkland Islands' environmental objectives

The discussions led to the following key conclusions:

- Signing up to the Convention on Biological Diversity (CBD) would bring a number of benefits, including a clear statement that the Falklands Islands 'is doing its bit' for global conservation, which will help maintain the reputation of the Islands for responsible environmental stewardship. This in turn will support tourism, help justify requests for external funding (e.g. from the UK OTEP and Darwin funds, and the EU) and provide a clear framework for environmental objective setting and actions with strengthened political commitment.
- Many of the actions that need to be undertaken to meet the CBD targets (and comply with other obligations e.g. reporting) are already underway; such that some targets have already been achieved. Furthermore many FIG departments are already working towards broader sustainability goals, which could be enhanced by signing up to the CBD.
- There would be difficulties in reaching Target 6 for fisheries, as it would require regional cooperation which is very difficult with the current political situation. However, Argentina is a signatory to the CBD and this could be used as a vehicle to open up dialogue on fisheries management.
- Overall, there was a general view that the Falkland Islands should sign up to the CBD and its 2020 targets, subject to clarification that expected costs and other possible constraints would not be prohibitive. An assessment should therefore be carried out of how far the Falklands are towards achieving the CBD targets and the additional costs and benefits of achieving them. This could be carried out as part of a wider study of environmental economics (see section 6).

3.0 Opportunities for Enhancing Environmental Mainstreaming

Key conclusions

- Environmental mainstreaming is already taking place to some extent, with recognition that environmental issues must be taken into account in Business Plans. However, much more could be done in terms of strategic and proactive environmental mainstreaming. Given capacity constraints it is recommended that the first priority should be to develop a system for environmental proofing proposals, to ensure governmental policies and projects do not conflict with agreed environmental objectives. This should require:
 - all FIG departments and key sectors (as well as the Tourist Board and FIDC) to undertake environmental proofing of their Business Plans (ie ensure their plans do not undermine the agreed environmental objectives of the Falkland Islands), and EPD to produce some guidance on expectations to facilitate this;

- making ExCo more aware of the environmental impacts (and potential social and economic impacts) of FIG departmental business plans and projects etc by adding an environmental implications section to ExCo papers;
 - the preparation of environmental impact summaries for papers to ExCo, where there is considered to be a potentially significant environmental impact;
 - EPD to prepare guidance and a checklist to help FIG departments assess whether proposals in ExCo papers, and other relevant documents, may have an environmental impact, and should therefore be assessed and commented on by EPD; and
 - EIAs of projects, according to appropriate international standards of best practice, that may have significant environmental impacts (as currently proposed by EPD).
- Objectives and missions of FIG Departments should be broadened where appropriate and beneficial for the environment (e.g. Department of Agriculture, Public Works Department) where additional funding can support the broader remit and responsibilities (see further discussion in Section 6).
 - Further efforts are necessary to increase awareness of potential environmental impacts (and their economic costs) and opportunities for green investment across government departments and key private sectors (e.g. oil industry, fishing companies, tourism and FIDC) – to encourage ‘thinking outside the box’ and the incorporation across all sectors of appropriate environmental objectives and proactive actions to maintain and restore the environment and enhance ecosystem services and their social and economic benefits.
 - Broader engagement in environmental issues is required across FIG departments, the Legislative Assembly and the private sector in the Falkland Islands to achieve environmental objectives and maximise their associated social and economic benefits.

4.0 Land and Sea Use Zoning and Management

Key conclusions on sea use zoning and management

- There is a case for developing a coherent MPA network that provides adequate protection for distinct areas of high value habitats. The network needs to include sites of very high biodiversity value, but also representative areas of other habitats; and where necessary sites need to support terrestrial sites (e.g. feeding areas for birds). Sites also need to be large enough to maintain viable populations and processes.

- MPA types vary in terms of what are acceptable activities within them, so these types should be used appropriately.
- It is currently difficult to identify a coherent network of sites due to data gaps, although some areas worthy of protection are known. Further survey work is therefore required to establish the distribution of marine species and habitats, and their ecological needs, to provide a sound basis for site selection, both in inshore and offshore areas. More information is needed before MPAs can be designated for marine ecosystem services other than biodiversity conservation.
- MPAs cannot be easily identified, and are not as effective, for migratory species around the Falklands, and therefore additional conservation measures may be needed for some of them.
- Inshore habitats in the Falkland Islands are near pristine, and at low risk, but given their very high biodiversity value the precautionary principle should be followed in the consideration of potential sites. In others words where there is doubt, on the basis of risk, MPA designation may be appropriate.
- MPA designations could also be complemented by strengthening of the consents regulations for activities (e.g. aquaculture) that could impact all inshore coastal areas. For example, within all inshore areas (perhaps excluding a few degraded areas) EIAs could be required for all potentially damaging activities, with the EIA requirements tailored and proportionate to the likely environmental risks.
- Consideration should be given to establishing SEA regulations for future oil licensing rounds.
- Further discussions should be undertaken with stakeholders to further clarify the need for a MPA network and its objectives, and to clearly agree responsibilities for taking the initiative forward.

5.0 Knowledge Gaps Concerning the Environment and its Social and Economic Benefits

Key conclusions

- It is important to ensure that the real economic costs and benefits of short and long-term environmental changes that are expected from proposed policies, programmes and projects are taken into account in decision making in an integrated / cross-sectoral way. To facilitate this the following priority actions were identified:

- obtain key baseline data on the environment (e.g. on where ecosystems / habitats are, and what ecosystem services they provide);
 - quantify the long-term economic and social costs and benefits of environmental change, from current activities, possible future developments (e.g. oil production and population expansion) and 'green investments' (e.g. waste recycling and disposal, road building to increase ecotourism and alleviate habitat degradation and habitat restoration), see Annex 6 for details; and
 - increase awareness of ecosystem services and the natural capital that underpins them (ie biodiversity and other natural resources).
- The environment has cultural values for this and future generations (bequest values) that cannot be easily valued in monetary terms and included in a cost-benefit analysis, and there are compelling moral arguments for conserving biodiversity. Therefore decision making on the environment must not become a simplistic technocratic process that is ruled by cost-benefit analysis.
- There is a need to develop a strategic long-term and integrated environmental monitoring strategy, in order to support environmental management (e.g. to identify management needs, assess the effectiveness of actions and facilitate adaptive management). The strategy should:
 - be developed through collaboration amongst FIG departments, businesses and NGOs that are involved in environmental monitoring;
 - review current monitoring actions and available data to identify and prioritise gaps (e.g. considering the value of environmental components the risks to them and their rates of changes);
 - develop a long-term realistic plan taking into account the expected costs and benefits of environmental monitoring and possible constraints (labour etc);
 - prioritise the collection of good baseline data for key ecosystems / species and ecosystem services, and incorporate them into a GIS; and
 - link monitoring and reporting to the Island Plan objectives and in future, CBD targets if the Falkland Islands signs up to the Convention or otherwise adopts its targets.
 - Long-term sustained funding will be needed to support the monitoring strategy

6.0 Governance, Capacity and Funding

Key conclusions

- There was a clear call for the establishment of an independent cross-sectoral Biodiversity and Environmental Mainstreaming Group (BEMG), which would

be responsible for identifying and driving forward actions that are necessary to achieve the Falkland Islands' environmental objectives. The Group should not be a formal committee, but should report to the Environment Committee, and should have representation from all FIG departments, and other key stakeholders. It would be most appropriately chaired by the Head of Policy.

- In relation to the environment, the meeting further identified the following priorities for policy initiatives and legislation:
 - Environment Impact Assessment (EIA) legislation;
 - revision of the Planning Ordinance;
 - biosecurity legislation;
 - legislation on noxious weeds; and
 - action to strengthen and expand the protected area network, which may require revision of the Conservation of Nature and Wildlife Ordinance (see section 4).

It is important that policy and legislative proposals for these issues are carefully prepared, with a clear rationale for action. They also need to be based on adequate consultations with stakeholders and MLAs to avoid rejections and time consuming amendments.

- The meeting called for more open decision making within FIG, with the reasons for ExCo decisions being clearly documented and publically available.
- Greater collaboration amongst FIG departments, MOD and the private sector (e.g. regarding tourism, aviation and shipping) is required on biosecurity issues, together with increased funding to meet these requirements. Consideration should be given to the best means of coordinating biosecurity issues (see also section 6) and the possible benefits of establishing a dedicated biosecurity department.
- Current levels of funding for the environment are inadequate and are not proportionate to the benefits that are provided by it. There is therefore a need to better coordinate the use of existing funds (e.g. to ensure cross departmental collaboration to maximise potentially beneficial synergies and avoid environmentally harmful funding) and to increase overall long-term funding of biodiversity conservation measures and schemes that provide ecosystem services benefits.
- There is a case for increasing the financial contribution to the environment from FIG departments (e.g. water resources, agriculture and fisheries) and businesses (e.g. tourism) that benefit from the environment, or impact on the environment (e.g. housing, waste and oil developments). These options and other innovative means of increasing environmental funding (e.g. payments for the restoration of peatlands through carbon offsets or trading, or the adoption of a no-net-loss policy for biodiversity) should be further

investigated through follow-on environmental economic studies (see Annex 6).

- The meeting highlighted the areas where there is a lack of capacity. In some cases, there is a lack of technical capacity, whereas in other situations, there is a lack of human capacity (critical mass) to implement actions. Innovative measures are needed to help overcome these constraints, such as through exchanges with experts in the UK and other South Atlantic OTs.
- The meeting also identified the need for education at all levels but particularly of younger Falkland Islanders to develop expertise in key areas, such as environmental management and managing GIS systems. There is a need for incentives to ensure that expertise developed for, and in, the Falklands is retained.

7.0 Conclusions and next steps

To sum up the meeting, the participants were invited to indicate their key conclusions, which they would take away from the two day workshop. These covered a range of issues, but common themes were:

- It was clear that the environment is important to the Falkland Islands, but is currently undervalued.
- Therefore, there is a need for more education and increasing public awareness about the value of the Falklands environment to the economy and social well-being of the Islands' inhabitants.
- In the short term, the following actions clearly need to be taken forward:
 - the formation of the cross-sectoral Biodiversity and Environmental Mainstreaming Group (BEMG), to drive forward environmental mainstreaming at the policy and decision-making level;
 - re-consideration of the Falkland Islands' position on the Convention on Biological Diversity – with the costs and benefits of doing so explored; and
 - carrying out a study of the costs and benefits of the environment, as part of Phase 3 of this Environmental Mainstreaming Project.

Several at the workshop also pointed out that waste management and recycling was an outstanding issue and there was a lot of discussion about how to address it. There was also discussion about the damage (aesthetic and environmental) on the landscape of discarded vehicles and off-road use of vehicles. They were identified as priority issues that could be followed up through further discussions, including by the BEMG.

In order to take forward some of the ideas generated at this workshop, it was agreed that there should be greater resources committed to filling knowledge gaps and addressing the lack of capacity. However, it is important that the Islands invest in building the necessary capacity for the policies to be implemented. The formation of the BEMG is key to keeping the momentum generated at the workshop and this mechanism will be central to ensuring greater cross-departmental cooperation. The BEMG should also monitor the delivery of the environmental objectives of the Islands, and recommend the policy adaptations and practical actions that are necessary to ensure they are achieved.

Finally, in closing the workshop, the Governor of the Falkland Islands, Nigel Hayward, proposed that environmental mainstreaming might focus on ensuring that the Falkland Islands has the right:

- **Baseline information**, including on the status of the environment and its social and economic values.
- **Capacity** to carry out priority actions most efficiently.
- **Structures**, for example in terms of the efficient organisation of FIG consultation and decision making fora, and wider fora with stakeholders.
- **Working procedures** within the environmental sector, but also across government as a whole.
- **Tools** to implement actions.