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Rural Development Strategy 2018-23



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1. Executive Summary

- 1.1. Following a period of research and extensive community consultation, and building upon the lessons learnt from the delivery of the Rural Development Strategy for the period 2012-2017, this document sets out a comprehensive response to the development needs of the Falkland Islands rural hinterland, known locally as Camp. The revised RDS has been designed to address the needs of Camp over the next 5 years (2018-2023). The strategy provides a route map for the future development of Camp, identifying the policies required to achieve sustainable growth in Camp. A detailed Action Plan for delivery of the strategy for the period 2018-2021 is under development.
- 1.2. It is fully intended that the Rural Development Strategy be an integrated response to the economic, social, environmental and community issues confronting Camp. In doing so it is recognized that the RDS must operate successfully alongside the national Economic Development Strategy (EDS) and must complement and reinforce the aims and objectives of both the revised EDS and the revised Tourism Development Strategy (TDS). Fundamentally the RDS is intended to ensure that Camp contributes to, and benefits from, growth of the Falkland Islands economy.

Key Issues and Opportunities

- 1.3. Camp plays an important role in the social and economic fabric of the Falkland Islands, underpinning important areas of economic activity such as tourism and agriculture. Its natural and cultural heritage adds to quality of life and helps reinforce a sense of place.
- 1.4. However, a number of significant issues and opportunities currently confront Camp. The success of the Strategy will depend on its responsiveness to these challenges. The research and consultation undertaken in the preparation of the Strategy suggests that the most pressing of these challenges are:

Even if the declining trend of the population of Camp has just been reverted for the first time since the 1950s, thanks to considerable efforts to make Camp a more attractive place to live and work, it still lacks the critical mass needed to support private sector enterprises providing essential services (such as construction, maintenance, retail, entertainment, etc.). There is a need to improve the delivery of essential infrastructure and services both through growth in private consumer services and in the delivery of essential public sector infrastructure in particular in the area of communication.

Agriculture remains the primary economic activity in Camp. Great opportunities have been identified to increase the profitability and sustainability of the farming sector by increasing the volume and value of meat and wool production. These need to be pursued in priority, as condition to sustainable diversification opportunities.

Whilst the exceptional natural environment and biodiversity in Camp are already well-regarded assets for attracting tourism to the Islands, scope exists for adding value to the Camp tourism product and increasing the profile of the Camp tourism offer, as highlighted in the Tourism Development Strategy. The provision of critical enabling infrastructure is critical to support the ambition for the development of the Tourism sector.

Whilst Camp is home to a number of successful entrepreneurs, there is a need to foster greater levels of entrepreneurship to drive the formation of new businesses in Camp – and to provide the necessary advice, guidance and other support -including access to finance- that entrepreneurs and fledgling business will require to be successful. Long-term planning and investment are critical to the sustainability of Camp based businesses, in particular at a time where wool prices are historically high.

The difficulty to attract and retain relevant labour force in Camp presents a threat to the sustainability of existing businesses and will constrain any future business growth and new business formation. Low levels of skills also present a barrier to growth.

Underdeveloped infrastructure in Camp discourages new investment and new business formation. Improving provision of efficient, reliable and affordable enabling infrastructure, in particular in the area of communication, will be essential to support future economic and business development in Camp.

The natural environment is a paramount asset for rural residents and businesses, especially for the sustainable growth of the farming and tourism sectors. Managing this asset will be indispensable to provide sustainable prospects for the development of the rural economy.

The Vision

- 1.5. The process undertaken to produce this strategy (which involved the private sector, government and extensive consultation with those living in Camp) led to the development of the following 'mission statement' for the Falkland Islands Rural Development Strategy:

To build an attractive and sustainable rural economy, which is driven by a world-class dynamic and resilient farming industry, and underpinned by relevant enterprise activities, to reflect the island's culture, identity and environment.

Strategic Objectives

- 1.6. To deliver this Vision, the strategy proposes four overarching strategic objectives:

Strategic Objective 1: To increase the value of farming activity in Camp by 20% by 2023 (measured in terms of Gross Value Added (GVA) generated in Camp).

Strategic Objective 2: To further increase the economically active population of Camp by 5% by 2023

Strategic Objective 3: To increase investment in key enabling infrastructure and services to drive growth in the rural economy.

Strategic Objective 4: To manage and protect the natural environment.

- 1.7. These overarching strategic objectives have been translated into four Key Priority Areas for action:

Key Priority Area 1 - Business Growth and Development: developing a more profitable and resilient business base in Camp, in priority in the farming sector

Key Priority Area 2 - Workforce Development: sustainably growing the size of the Camp labour force and steering younger people towards relevant business opportunities and careers in Camp.

Key Priority Area 4 - Infrastructure: providing the key enabling infrastructure required to drive growth in the rural economy

Key Priority Area 5 – Environment: Managing and protecting the natural environment of Camp.

- 1.8. Each priority area is supported by a number of operational objectives that will guide the actions and deployment of resources needed to realize the goals of the strategy. The overall approach is summarized in the following diagram.

¹ GVA is a measure of the value of the goods and services produced in the economy.

Implementation

- 1.9. The success of the Strategy will depend in large part on carrying on the effective and collaborative approach to implementation developed under the previous Action Plan. A Rural Development Strategy Steering Group will be convened to oversee the delivery of the Strategy. The membership of this group will include FIG, private sector and community representatives. The Falkland Islands Development Corporation will be responsible for coordinating the delivery of the Strategy.
- 1.10. For the Strategy to achieve its full potential it will be necessary to secure funding from FIG and potential partner organizations (including the private sector). A partnership and collaborative approach will be needed to ensure the successful implementation of the Strategy. The costs of implementing the strategy are expected to be met through investment from FIG and other public and private sector sources.
- 1.10. Last, but not least, it is unanimously recognized by rural stakeholders that the ability of the Falklands Islands Government to implement the key enabling policies and capital investment programmes identified as priorities in the new Economic Development Strategy, in particular in the area of transport links and communications, labour force development and fiscal incentives, will underpin the ability to successfully deliver any programmes to further economic and business development in Camp.

2. Introduction and Background

Rationale for the Rural Development Strategy

- 2.1. The Islands Plan (2018-2022) sets out the priorities for the Falkland Islands, summarizing the ambitions for the Islands' society, economy and environment. The Plan recognizes the importance of the rural areas of the Falkland Islands and states a clear objective to "seize opportunities to develop a diversified Camp economy and socially vibrant and sustainable Camp economy".
- 2.2. This objective is reinforced in the Economic Development Strategy for the Islands which was updated in September 2017. The EDS highlights opportunities for continued development of Camp, via the attraction of new farm families to existing farm properties in Camp, improvements to Falkland Islands wool quality, increased efficiencies in the meat supply chain and greater supply of domestic markets. It reckons rural development will require reliable transportation links for movement of goods, livestock and people, as well as reliable communications links and efficient energy systems for rural businesses.
- 2.3. The Rural Development Strategy (RDS) presents an integrated approach to the development of Camp building on the aims and objectives set out in the Islands Plan and the Economic Development Strategy, work done by partners, as well as the feedback received from the rural community on priorities for rural economic development. The RDS summarizes the key policy objectives for Camp and identifies the priorities for action and a series of specific projects for the period 2018-2021. It is intended to be a tool to guide investment to ensure that the economic and social issues facing Camp are sustainably addressed.

Current Situation and Problems to be Addressed

- 2.4. Camp and farming were once synonymous, however Camp now describes the geographical location and not the economic activity undertaken in this location. Camp includes the entire rural hinterland of the Falklands extending to approximately 2,168 square kilometers. The population of 381 (almost 14% of the total population of the Islands) is widely dispersed across East and West Falkland and ten inhabited islands.

Population

- 2.5. At the time of the recent full Census of population in 2016, the total population of Camp was 381, representing 13.4% of the total resident population of the Falkland Islands². The population density of Camp is 0.33 inhabitants per square kilometer compared to Stanley's 405.2 inhabitants per square kilometer. There are three main Camp settlements on West Falkland (Fox Bay, Port Howard and Hill Cove) and three on East Falkland (Goose Green, North Arm, and Fitzroy) with the largest on the West having a population less than 35 (showing an increase since the 2006 census) and the largest East settlement having a population of less than 40.
- 2.6. The total Falklands population increased by 13% between 2012 and 2016, and the population of Camp increased for the first time since the 1950s where it had previously been in decline, rising by 9% overall. The population on the West increased by 16% and the population of the outer islands nearly doubled increasing by 82%, however the population on the East decreased by 6%. It should also be noted that 20% of those now living in Camp were residents in Stanley within the last 10 years. This demonstrates that Camp has become, over the past few years, a more attractive place to live and work, and the work done under the RDS so far has contributed to this positive outcome.
- 2.7. The population of Camp, despite its recent growth, still has an ageing population. The proportion of men over the age of 40 in Camp increased from just over 50% in the early 2000s, to 63% in 2012 and 68% in 2016 (compared to only 49% in Stanley), indicating that Camp has an older and faster ageing population. During the consultation process, rural stakeholders stated that attracting young workers and family was key to provide sustainable prospects for Camp.

Labour Force

Employment

- 2.8. The economically active population in Camp numbered 230 individuals in 2012. This increased to 248 in 2016, or 7.8%. This exceeds the target set in the 2012 RDS, where strategic objective 2 was to increase the economically active population of Camp by 5% by 2017. It is worth noting the number of economically active women in Camp rose by 12% compared to men at 5% between 2012 and 2016.
- 2.9. 14% of the total Falkland Islands workforce is employed by Camp related businesses, of which 69% are employed directly in agriculture. The agriculture sector is the second largest employer in the Islands accounting for 12% of primary employment. In total 14 different sectors of employment were identified in Camp with agriculture as the main employer, followed by far by tourism (8%), public service (7%) and hospitality (5%). Agriculture employed 210 people in 2016 up from 189 in 2012 (increase of 21 individuals or 11%). The majority of businesses located in Camp are micro- enterprises with one, two or three employees with most businesses tending to be family run.
- 2.10. Average wages for agricultural employees in Camp are typically lower than those earned in Stanley. The average wage of those residing in Camp is approximately £21,000 per annum, compared to almost £27,000 in Stanley. The average wage of agricultural workers in Camp is £19,300. Many agricultural employees receive additional benefits in kind over and above this basic wage (e.g. rent free accommodation, fuel etc.) with an estimated average value of £5-6,000 per employee.
- 2.11. Most farming activity takes place during the summer months (September to March) and as a result there is much seasonality associated with employment in Camp. This period is also the core tourist season and as such there is competition for labour during the summer months. 36% of the Camp workforce earns income from non-agricultural activities, reflecting the additional activities that many undertake to supplement their incomes. This is an increase of 9% since the implementation of the RDS. However, it should be noted that sheep farming is, and will remain for the foreseeable future, by far the main income stream in Camp.
- 2.12. Conversely, the fishing industry follows a different cycle with most fishing activity taking place between April and September, providing additional sources of employment, such as stevedoring, for agricultural workers during the winter months.

Self-employment

- 2.13. There are high levels of self-employment in Camp, reflecting the nature of business activities that take place there. In 2006, a total of 110 Camp residents indicated that they were self-employed – equating to more than a two fifths (45%) of the total adult population of Camp, 75% of which were self-employed with no employees. This compares to a rate of 11% in Stanley.

Unemployment

- 2.14. There is a very high level of participation in the workforce in Camp and negligible unemployment. The Labour Force Participation Rate (LFPR) for Stanley at 2016 Census is 89% and 86% for Camp. There is considerable difference in participation rates for the under 30s: 20-24 Year olds LFPR in Camp is 47% compared to 89% in Stanley, for 25-29 years old 75% in Camp and 94% in Stanley. For the other age groups, with the exception of the 60-64 age group, LPFR in Camp is marginally higher than in Stanley with full participation seen in the 30-34, 35-39 and 45-49 age groups.

Educational Attainment

- 2.15. According to the data collected in the 2016 census, 55% of Camp residents held recognized qualifications at secondary school level (compared to 40% in Stanley). Interestingly, the trend has evolved positively for Camp, as in 2006 only 29% of Camp residents holding recognized qualifications at secondary school level (compared to 44% in Stanley).

Access to Labour in Camp

- 2.16. During the consultation process, the issue of getting access to, and being able to retain, suitable labour force in to Camp was discussed at length and highlighted as a vital enabler for future economic development in Camp.

- 2.17. There was a consensus amongst participants in saying that there was an urgent need to encourage more young people to live and work in Camp. In the short term, participants thought this was most likely to be achieved by importing seasonal labour. They also stressed the need to have a longer term strategy for building a relevant workforce and labour pool via education and camp work/life experience, as well as new families growing.
- 2.18. This confirms the findings of the biennial Business Climate Survey, where the 'Shortage of Skilled Labour' was 2016's largest barrier to business growth in the Falklands, with 32.4% of respondents choosing it as a barrier. In the 2012 and 2014 survey it was ranked fourth and fifth, suggesting that it has been an issue for businesses in the last four years. Agriculture was one of the top three industries identifying this barrier as a key constraint to future business growth.
- 2.19. The revised EDS has identified that building the workforce was key to enable further economic development, recognizing labour attraction was a key issue for the agriculture sector.

Profile of Economic Activities in Camp

- 2.19. Key contributors to the Camp economy are Agriculture, followed by Tourism, with a number of other economic activities being present as discussed below. Improvements in statistical data collection are needed to ensure that the value of the Camp economy can be better measured in future.

Agriculture

- 2.20. As the dominant source of income and the dominant employer, agriculture remains the foundation of the Camp economy and social environment.
- 2.21. The GVA of the agricultural sector was £3.4m in 2015, representing 1.6% of the Falkland Islands GDP. The value of the sector has increased in recent years, mainly a result of an increase in the value of wool and an increase in the income generated from the meat industry (lamb and mutton).
- 2.22. Agriculture is the Falklands second largest export earner (after fisheries) with revenues of £5.5m for wool and £2m for meat exports (mutton and lamb) in 2015.
- 2.23. The sector is also critical to the preservation of cultural and environmental assets on which the tourism sector relies. Farm owners are also at the forefront of land stewardship, playing a role in the environmental management of the Islands.
- 2.24. Wool remains the dominant source of income within agriculture. Concern has been recently expressed by the Department of Agriculture and others about the cumulative lamb and young wether exports over the last fifteen years. This appears to be changing the profile of the Falkland Island sheep flock with the effect of reducing total livestock numbers, wool production and consequently wool income. The significant decline of the size of the mature wether flock over the last 15 years (1999-2015) is causing an estimated drop in total wool production of about 600,000 kg greasy wool per annum, representing a gross value of around £1.5-2 million per annum. Ewe numbers are not increasing to utilize these available feed resources.
- 2.25. There is a recognized need to continue to strive towards increasing breeding ewe efficiency, lambing performance and hogget performance to reverse the trend in declining stocking rate, and rebuild meat exports. Part of this process will be to develop and improve business skills, in particular gaining a better economic understanding of the comparisons between earning short term income selling wether lambs, with long term income keeping them on for wool and mutton, and also better interpret the cost and benefits of inputs that may be required to achieve better animal performance.
- 2.26. FIDC led Wool innovation project has led to a wool innovation programme articulated around ten key actions to adding value to the Falkland Islands wool and continuously improving returns to farmers. A wool innovation director has been recruited by FIDC to drive the programme forward, under the steer of a wool innovation group consisting of key stakeholders' representatives.
- 2.27. On the meat side, the Falkland Islands Meat Company (FIMCo) has recently conducted an independent review of its operating model, and its conclusions have helped inform their revised business plan, providing a sound basis on which to develop a sustainable and profitable export meat industry in the Falkland Islands.

Tourism

- 2.28. According to the Tourism Satellite Account 2014, produced by Acorn Consulting on behalf of the Falkland Islands Tourist Board, gross value added by the tourism industry was FKP2.9m in 2014, representing 1.6% of the Falkland Islands GDP. In the 2016 census, 89 people stated that their primary employment was in tourism (of whom 31 work part-time or are semi-retired), with a further 96 people saying that they had secondary employment in the industry.
- 2.93. There is no readily available up-to-date data on the contribution of the tourism industry to Camp GVA. However, in 2009, when the data was last compiled, tourism was worth an estimated £0.625m in terms of Camp GVA, representing the second biggest sector in terms of contribution to the rural economy, which is most likely still the case nowadays.
- 2.30. Obviously, there is significant regional variation in the importance of tourism in Camp, with the Outer Islands income mainly derived from tourism and generating a greater share of tourism income.
- Currently, tourism in Camp is mainly limited to the provision of accommodation and excursions. Tourism accommodation in Camp consists of a few lodges, mainly based on the Outer Islands, that are providing higher levels of comfort and services, including full-board accommodation and options for wild-life tours, and self-catering cottages, which are often limited to providing basic amenities to their guests.
- 2.31. There have been very positive developments in the recent years in terms of improving the quantity of available bed nights, and the quality of accommodation and related services in Camp, thanks to the investments made by stakeholders, and facilitated by FIDC and the Tourist Board, via available funding schemes and support programmes.
- 2.32. The new Tourism Development Strategy aims at increasing tourist overnights by 87% by 2023 through a combination of additional visitors and increased length of stay, and to develop “honeypots” to attract overnight tourists to lesser-visited areas. It also aims at encouraging expedition cruise ships to visit more destinations around the Falklands. The TDS recognizes the crucial importance of improving the infrastructure to support these developments, in particular providing additional and improved tourism accommodation, as well as tour guides, in Camp.

Services

- 2.33. Camp is also home to a range of other services, beyond those directly related to agriculture. However, the range of services available is limited, principally related to construction, haulage, road maintenance, retail, and creative and cultural industries operating in Camp.
- 2.34. Whilst there are few public sector jobs currently based in Camp, public services play a significant role in supporting the Camp economy through services such as the Falkland Islands Government Air Service (FIGAS), coastal shipping, and road maintenance. These are discussed further below in relation to Camp infrastructure and access to public services.

Access to finance in Camp

- 2.35. The absence of banking facilities in Camp is compounded by problems businesses and potential entrepreneurs face when seeking to access finance at the country’s only bank – Standard Chartered Bank (SCB) in Stanley. Whilst SCB is keen to increase its commercial lending portfolio for Camp-based businesses, the lack of formal market-based land valuations prevent them from doing so, as they have no basis on which to assess any collateral assets that a borrower may have to act as security against any loan that could be made.
- 2.36. Finance is available for growth and expansion of businesses in Camp and for diversification. The Falkland Islands Development Corporation (FIDC) offers Business Development Loans and is currently the only lender available for Camp-related businesses when a formal land valuation is required. A range of grant schemes is available to incentivize new or existing rural businesses making relevant capital investments on a match-funding basis, including a Business capital development scheme available from FIDC, a Farm Improvement Scheme available from the Department of Agriculture and a Tourism Accommodation Scheme available from the Falkland Islands Tourist Board.

- 2.37. In the last edition of the biennial Business Climate Survey coordinated by FIDC, where rural based businesses were well represented, the 'Access to Finance' also saw a decline in the rankings of the perceived barriers to business growth. In both of the 2012 and 2014 surveys, 'Access to Finance' was ranked the sixth largest barrier to business growth, however this year it dropped six places to joint 12th with 17 (16.7%) respondents selecting it as a barrier.
- 2.38. The rankings of this barrier in previous surveys prompted a follow-up survey, which was conducted in February 2015. In that February 2015 survey, 56.7% of respondents stated they did not try to secure funding in the previous months and only 26.9% tried to secure funding. Of the businesses that tried to secure funding, 77.8% were successful. Also, 59% of respondents stated they did not expect to need access to finance in the next two years. It seems 'Access to Finance' is becoming less and less of a barrier when considering the drop in the ranking for 'Access to Finance' in this survey, the results of the February 2015 follow-up survey and the comparatively low take-up of business loans from FIDC in the past two financial years.
- 2.39. FIDC and its partner business associations will need to carry-on following up on this matter of access to finance to make sure relevant funding options are on offer as a key enabler to robust business proposals.

New Industries

- 2.40. Growth in the Camp population will support organic growth in existing services and will provide new opportunities for new services, goods and products to be provided locally.
- 2.41. Further work is needed to assess the viability of new industries in Camp – and to assist potential entrepreneurs who may have innovative business ideas. FIDC offers a comprehensive business support programme, including bespoke advice, training, mentoring and finance (cf. box above) to help any entrepreneurs wishing to start-up a business in Camp scope their projects and put robust business plans together.

Connectivity infrastructure

- 2.39. Rural settlements are physically connected to each other and to Stanley via a road network, ferry, a local air service and a coastal shipping service, and digitally to the rest of the world via internet, phone, radio and television. These connections are a critical enabler to making Camp an attractive place to live and work at, and an indispensable enabler to economic and business development.

Roads

- 2.42. The Camp road network has increased significantly over the last years. The absence of capping on some of the roads hinders economic activity, accelerates their erosion and raises concerns over road safety for both residents and visitors. The road network requires a large amount of annual maintenance, the majority of which is undertaken in summer. Maintenance is undertaken by a road gang who reside temporarily in Camp whilst the work is undertaken. In winter, in the absence of regular maintenance, the quality of the roads diminishes significantly making all types of travel difficult.
- 2.43. The introduction of the ferry service between East and West Falkland has increased road usage from heavy commercial traffic, which is accelerating degradation of the road network, particularly along the main Fox Bay-Port Howard artery and the Stanley-Goose Green artery. In the absence of capping, the heavy volumes of trucking have shortened the predicted useful life of the road system. During the consultation process, Camp stakeholders stated how critical the regular maintenance of the road network was to enable future economic and business development in Camp.

Shipping and Ferry Services

- 2.44. The vessel Concordia Bay, operated by Workboat Services Ltd, was introduced in July 2008 to provide a ferry service, a coastal shipping service for the outer islands, and a private charter contract service. The ferry service also carries commercial traffic such as the haulage of wool and livestock.
- 2.45. The ferry service serves the Falklands' business sector and the wider community. The coastal shipping service provides a vital link for the outer islands bringing freight including stores, mail, machinery and fuel. It also provides bulk fuel delivery to Fox Bay. For the Outer Islands businesses more particularly, the Concordia Bay is an essential service.

- 2.46. In 2015, an independent review of the Ferry and Coastal Shipping Service was commissioned under the RDS Action Plan. The RDS Steering Group has played a key role in facilitating engagement with the rural community, via the coordination of a user survey and the facilitation of the consultants trip to Camp. The conclusions have informed the approach for the renegotiation of the service by FIG, and a contract is in place with the service provider. During the consultation process to review the RDS, Camp stakeholders acknowledged the fact that the ferry service had greatly contributed to opening up business opportunities in Camp. However, they stated it was operating at full capacity, which they thought was a key constraint for future economic development in Camp.
- 2.47. The jetties at Port Howard and Newhaven are the main ports for the ferry service. The Concordia Bay also visits Fox Bay jetty to discharge bulk fuel. These three jetties are, and will continue to be, maintained. In October 2015, as a result of a project under the previous RDS Action Plan, Executive Council commissioned PWD to review the policy for the maintenance of Jetties and Ramps and recommended this should be carried out in parallel with the review of the ferry and coastal shipping service.

Air Service

- 2.48. The Falkland Island Government Air Service (FIGAS) provides an air link to almost every farm on West Falkland, three farms on East Falkland and to all of the inhabited Islands. The air service carries and delivers cargo, people, and is used for medical emergencies. It is the main mode of transport for overseas visitors travelling within the Islands. Airstrips are maintained by local landowners. As a result of a project under the previous RDS Action Plan, new regulation for the operation of Camp airstrips is now in place.
- 2.49. As for the ferry service, Camp stakeholders stated how critical the air service was to connect Camp to Stanley, and urged FIG to develop the capacity of FIGAS to provide this key service. Two new engines have arrived in the Islands at the end of the summer 2018, and the purchase of five more has been approved. Two additional engineers and two additional pilots are being trained to secure the future of the service.

Digital connectivity

- 2.50. Improving the digital connectivity between Camp and the rest of the world is vital to existing businesses, and to attract new 21st century entrepreneurs. During the consultation process, Camp stakeholders have expressed their frustration with the lack of radio, TV and mobile phone coverage and restrictions on internet access in many places in Camp. This was exacerbated by the fact that, according to the feedback received, for some of these very basic services, like the radio coverage, the situation has become worse than a few years ago.
- 2.51. The EDS has identified providing reliable transportation links for movement of goods, livestock and people, as well as reliable communications links, was a key priority to enable rural development.

Other basic infrastructure and services

- 2.52. Due to the small and dispersed population of Camp, the provision of public services is both difficult and costly and as a result the range of public services currently available in Camp is limited. There is no public utility provision such as water, sewage, power, or waste collection, with the exception of Fox Bay which has power supplied by FIG at Stanley prices. Under the previous RDS Action Plan, a considerable amount of work, involving key partners and stakeholders, has gone into improving the access to basic infrastructure and services in Camp, like access to water, affordable power supply and suitable workers' accommodation. Further investment will be needed to support future economic and business development in Camp.

Housing

- 2.53. The vast majority of housing in Camp is privately owned. There are very few unoccupied and available properties in Camp for rental or for purchase, and the 2016 Census showed a decline in the number of occupied households in Camp (at 163 compared to 187 in 2006).
- 2.54. Under the previous RDS Action Plan, a scheme administered by FIDC has helped cover the costs of providing additional workers accommodation in Camp, and over the last three years, £105,000 have been granted on a match-funding bases to eight rural businesses to develop housing for their new employees.

- 2.55. The EDS has identified a targeted action to develop a sustainable plan for housing that keeps pace with expected and desired population growth and limits inflationary effects, as a key cross-sector policy enabler. Camp will need to be factored within this work.

Power

- 2.56. Individual and privately-owned renewable energy power systems are installed in nearly all of Camp businesses and homes. These systems have greatly contributed to reduce fuel costs in Camp and have led to a general improvement in the quality of life in Camp.
- 2.57. A significant amount of work has been done under the previous RDS Action to update the existing FIG renewable energy scheme and provide technical advice to Camp businesses and residents to improve their systems. A Rural Energy Advisor was appointed by FIDC in April 2015 and over the two-year contract, there have been site visits to a large proportion of rural businesses and residents to provide general energy advice, and detailed business cases for different innovative technologies and/or designs have been produced to demonstrate their efficiency and cost saving potential to the rural community. The project has been coordinated by FIDC, in partnership FIG Public Works Department and Environmental Planning.
- 2.58. A whole range of renewable energy funding schemes is available to rural businesses and residents for the installation of new systems, as well as the upgrading of existing ones –from repair/maintenance to adding capacity via different cost-efficient technologies. Under the previous RDS Action Plan, £140,000 has been granted on a match-funding basis to over twenty rural businesses to invest in renewable energy sources.
- 2.59. With the first generation of renewable energy systems installed in the late 1990s/early 2000s reaching the end of their expected life, it is important to carry on working with rural business owners and residents to advise them on the best options available to upgrade their systems, and put relevant investment plans together. Appropriate technical advice will need to be secured for the coming years.
- 2.60. The EDS has identified that providing reliable and efficient energy systems/supply for rural businesses was key to enable further rural development.

Water

- 2.61. Water supply is a critical issue for rural businesses, in particular in the agriculture and tourism sectors. Under the previous RDS Action Plan, significant amount of work has been put in improving water supply in Camp. Thirty site surveys, conducted by expert hydro-geologists, have been completed, each of them highlighting specific recommendations for improvement, both in terms of quantity and quality. A scheme was made available to Camp businesses and residents to help them cover the costs of the upgrades to their water systems.

Rural Enterprise Zone at Fox Bay

- 2.62. Under the previous Action Plan, a lot of efforts have been directed to creating a Rural Enterprise Zone at Fox Bay East, which presents the advantages of being the biggest settlement on West Falkland, geographically central and owned by the Government. Coordinated by FIDC, the project was progressed in close partnership with FIG Director of Central Services, Public Works Department and Environmental Planning, in close collaboration with the Fox Bay Community.
- 2.63. During the consultation process, whilst stakeholders understood the logic behind the concept of the Rural Enterprise Zone, they were very reserved on the outcome. The majority was of the view that placing further emphasis on focusing on the central location of Fox Bay to concentrate investments in infrastructure development wasn't the right option to enable future economic and business development in Camp.

Environment

- 2.64. The environment of the Falkland Islands and the wildlife and habitats it supports are of national and international importance. The Falklands has 22 internationally recognized Important Bird Areas (IBAs); 2 internationally recognized Important Wetland Areas (RAMSAR sites); 17 designated National Nature Reserves (NNR's); 17 internationally recognized Important Plant Areas (IPAs) and a pristine shallow marine environment which is largely unexplored.

- 2.65. The quality of the Falkland Islands environment and the biodiversity it supports are important contributors to the identity of the people who live in the Falkland Islands and underpin the wealth of the economy. Our land and oceanic ecosystems, habitats, wildlife and vegetation are diverse and of international importance. FIG's Biodiversity Strategy will guide how the environment will be managed successfully.
- 2.66. During the consultation process, stakeholders unanimously acknowledged the importance of protecting the natural environment as a paramount asset for rural residents and businesses, especially for the farming and tourism sectors. They felt that awareness for protecting the environment had improved and that most landowners were acutely aware of the need to manage grazing and stock levels to avoid land erosion. Key was to find the right balance between managing and conserving, as some felt the focus on conservation was overweight.
- 2.67. Improving waste management in Camp was also mentioned as a key issue to address, in particular encouraging recycling. This will need to be done in partnership with FIG which is currently working on a waste management strategy for the Falkland Islands, where Camp will need to be fully considered.
- 2.68. The revised EDS has identified a targeted action towards proposing cross-sector policies that will ensure that economic diversification and growth occurs within a framework of respect for the natural environment and active recognition of the value of the environment to the prosperity of the Falkland Islands, to be developed in consultation with non-governmental organizations, businesses and other government departments.

3. Building upon the Rural Development Strategy 2012-2017

3.1 The previous Rural Development Strategy, which was the first Falklands' Rural Development Strategy, covering the period 2012-2017, was based on the following four overarching strategic objectives:

Strategic Objective 1: To increase the value of economic activity in Camp by 20% by 2017 (measured in terms of Gross Value Added (GVA) generated in Camp).

Strategic Objective 2: To increase the economically active population of Camp by 5% by 2017.

Strategic Objective 3: To broaden the range of services available in Camp and increase accessibility of both public and private services for Camp residents, so as to lead to an overall improvement in the quality of life in Camp.

Strategic Objective 4: To manage, protect and conserve the natural environment.

3.2 These overarching strategic objectives were translated into the five following Key Priority Areas for action:

Key Priority Area 1 - Business Growth and Development: developing a more productive and dynamic business base in Camp.

Key Priority Area 2 - Workforce Development: increasing the size of the Camp labour force and improving skills and training to provide a flexible, adaptive and highly skilled workforce.

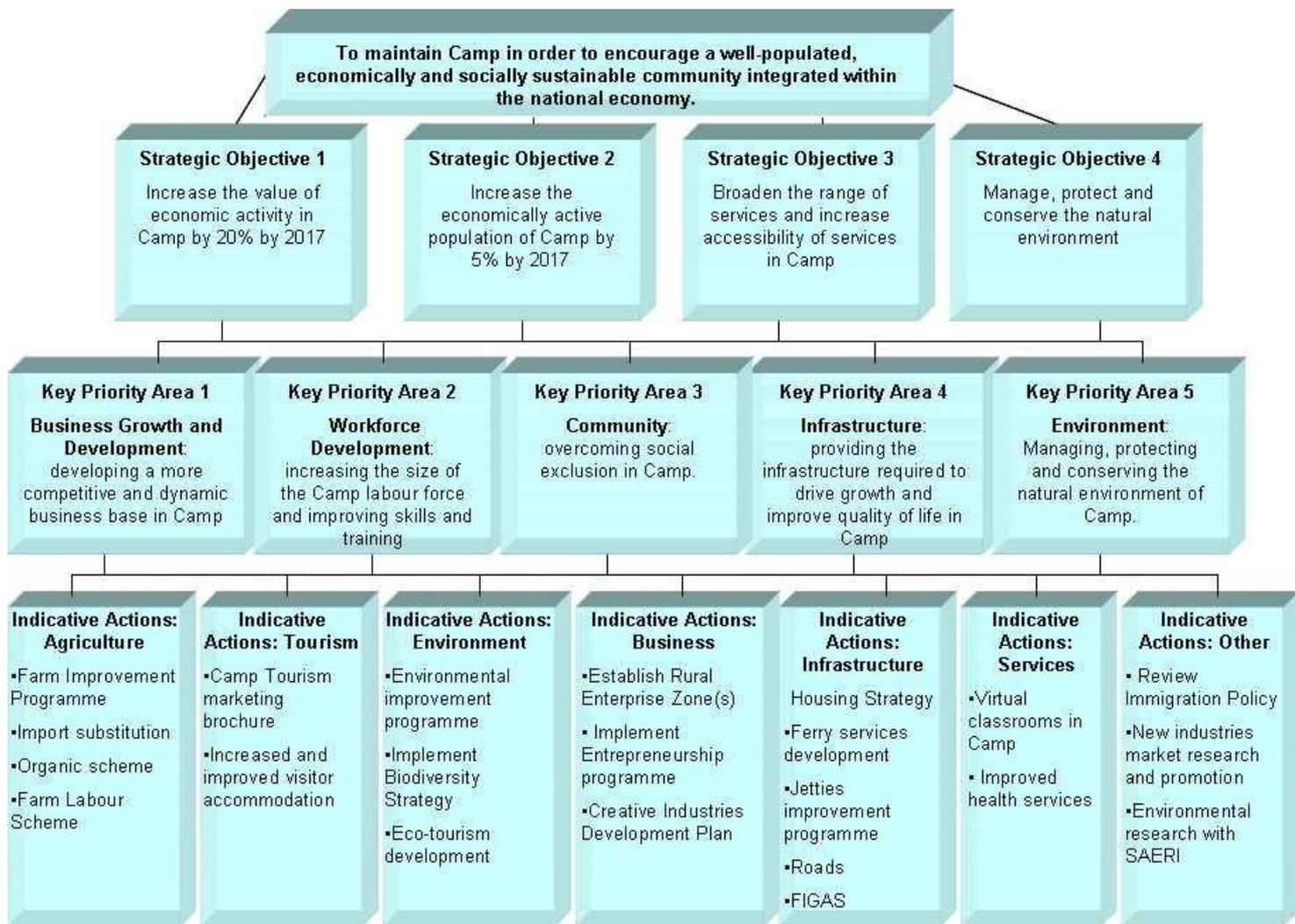
Key Priority Area 3 - Services: improving access to services and expanding service provision to better serve the needs of the current population and to make Camp an attractive destination for new residents.

Key Priority Area 4 - Infrastructure: providing the infrastructure required to drive growth in the economy and improve the quality of life in Camp.

Key Priority Area 5 - Environment: Managing, protecting and conserving the natural environment of Camp.

3.3. The overall approach of the RDS 2012-2017 is summarized in the diagram nº1 below. Building upon the achievements of the previous RDS, as highlighted in section 2 above, and the orientation given by the revised Economic Development Strategy, it is suggested to review and update the Strategic Objectives and Key Priority Areas for Action, as detailed in section 4 below.

Diagram nº1: Overview of the Falkland Islands Rural Development Strategy 2012-2017



4. Aims and Objectives of the Rural Development Strategy for 2018-2023

Guiding Principles

- 4.1. In order to respond in the most effective way to the challenges facing Camp, the delivery of the RDS will be proactive and dynamic. As such, the following principles will be applied to the delivery of the RDS Action Plan:

Community engagement and ownership of the RDS is critical. The principle of community engagement envisages a key role for the community of Camp to participate in decision-making, local level planning and resource allocation related to the RDS. Community engagement will be essential to the success of the strategy in influencing the development and design of projects, initiating project ideas and ultimately delivering key actions.

Joined-up working across the public sector is required. Government sees the whole of the public sector having a critical role to play in achieving the objectives of the RDS. The delivery of the RDS will be coordinated and collaborative, and guidance will be provided to those departments and organizations that make decisions affecting the rural economy. This will help ensure rural priorities are taken into consideration in developing and delivering Government policies and capital investment programmes, and there is coherence between departments about rural objectives. To this effect, the RDS Steering Group will be used as a forum for on-going dialogue between public and private stakeholders and for monitoring progress against the delivery of the key policies and programmes underpinning any future growth of the rural economy.

Positive and effective integration with the EDS. The EDS and RDS will work in parallel to achieve growth in the national economy. It is envisaged that the RDS will harness the opportunities for Camp that are identified in the EDS, and will strive to avoid duplication of effort and avoid conflict and contradiction. The implementation of the key enabling policies and capital investment programmes identified as priorities in the EDS, in particular in the area of transport links and communications, labour force development and fiscal incentives, will underpin the ability to successfully deliver the RDS.

Growth poles. The RDS envisages that the focus of public and private sector effort and resources will be concentrated in selected “growth poles” in order to maximize positive impact. This approach will seek to ensure that the RDS builds on the existing strengths of Camp and focuses effort on specific projects and dynamics, rather than specific geographical locations, with the greatest potential so as to build a critical mass for the delivery of services, trigger additional business development opportunities and increase the overall sustainability of Camp.

Focusing support and incentivizing performance and long-term planning. The support provided via the RDS will focus in priority on adding resilience to sheep farming, which is the core rural industry and the foundation of the Camp economy. This is where the greater potential to develop the Camp economy is, and a precondition to sustainable enterprise diversification activities. The RDS will support those with an enterprise focus, incentivize long term planning and reward rational business development. This will enable the most efficient use of the RDS resources.

The Vision

- 4.2. Based on the challenges facing Camp and the guiding principles above, for the next 5 years, it is suggested to focus the RDS on achieving better resilience in farming, which is the dominant source of income and the dominant employer in Camp.

Building resilience in the core rural industry will be the foundation for sustainable enterprise diversification activities, and the trigger for related business opportunities (haulage, mechanics, etc.).

To clarify the positioning of the RDS as a key policy document, building upon and complementing the recently revised Economic Development and Tourism Development Strategies, it is suggested the vision statement for the new Rural Development Strategy is;

To build an attractive and sustainable rural economy, which is driven by a world-class dynamic and resilient farming industry, and underpinned by relevant enterprise activities, to reflect the island’s culture, identity and environment.

Strategic Objectives

- 4.3. In order to achieve the RDS and Islands Plan Vision of “the sustainable economic, social and political development of the Falkland Islands for the benefit of all residents”, economic growth is required. The foundations of the Camp economy need to be stabilized, and new sources of economic activity need be found. In order to build solid foundations, the RDS will address the immediate issues facing Camp and build resilience within the rural enterprise base, tackling in priority the farming industry, steer more young people towards relevant business opportunities and careers in Camp, and facilitate investment in key enabling infrastructure to drive growth in the rural sector.
- 4.4. To realize the vision for the RDS, four overarching strategic objectives have been identified, as set out below:

Strategic Objective 1: To increase the value of farming activity in Camp by 20% by 2023 (measured in terms of Gross Value Added (GVA) generated in Camp).

The RDS’s challenge is to increase the income, profitability and resilience of Camp’s businesses in order to achieve an increase in GVA and long term sustainability. This will be measured through the value of output produced by the wool and meat sectors in terms of Gross Value Added (GVA).

Critical to the objective, we wish to increase the value added and productivity of Camp businesses, in priority in the farming sector. Existing businesses must continually improve their products and services, and adopt better methods of production. This will require strategic business decisions, in particular in making relevant investments to secure sustainable prospects. We will support this through the continued implementation of value adding programmes in the key sectors of the rural economy; through the provision of business and technical skills and training; and by incentivizing capital investment in the production base.

Strategic Objective 2: To further increase the economically active population of Camp by 5% by 2023.

Building upon its recent success in reverting the declining trend of the rural population for the first time since the 1950s, the RDS’s challenge for the next 3 years is to steer more young persons to take up relevant business opportunities and careers in Camp, in particular in the agriculture sector that is by far the main employer and dominant source of income in Camp. Through the Strategy we hope to contribute to the sustainable increase in the economically active population as a vital enabler for future economic development in Camp.

Strategic Objective 3: To increase investment in key enabling infrastructure and services to drive growth in the rural economy.

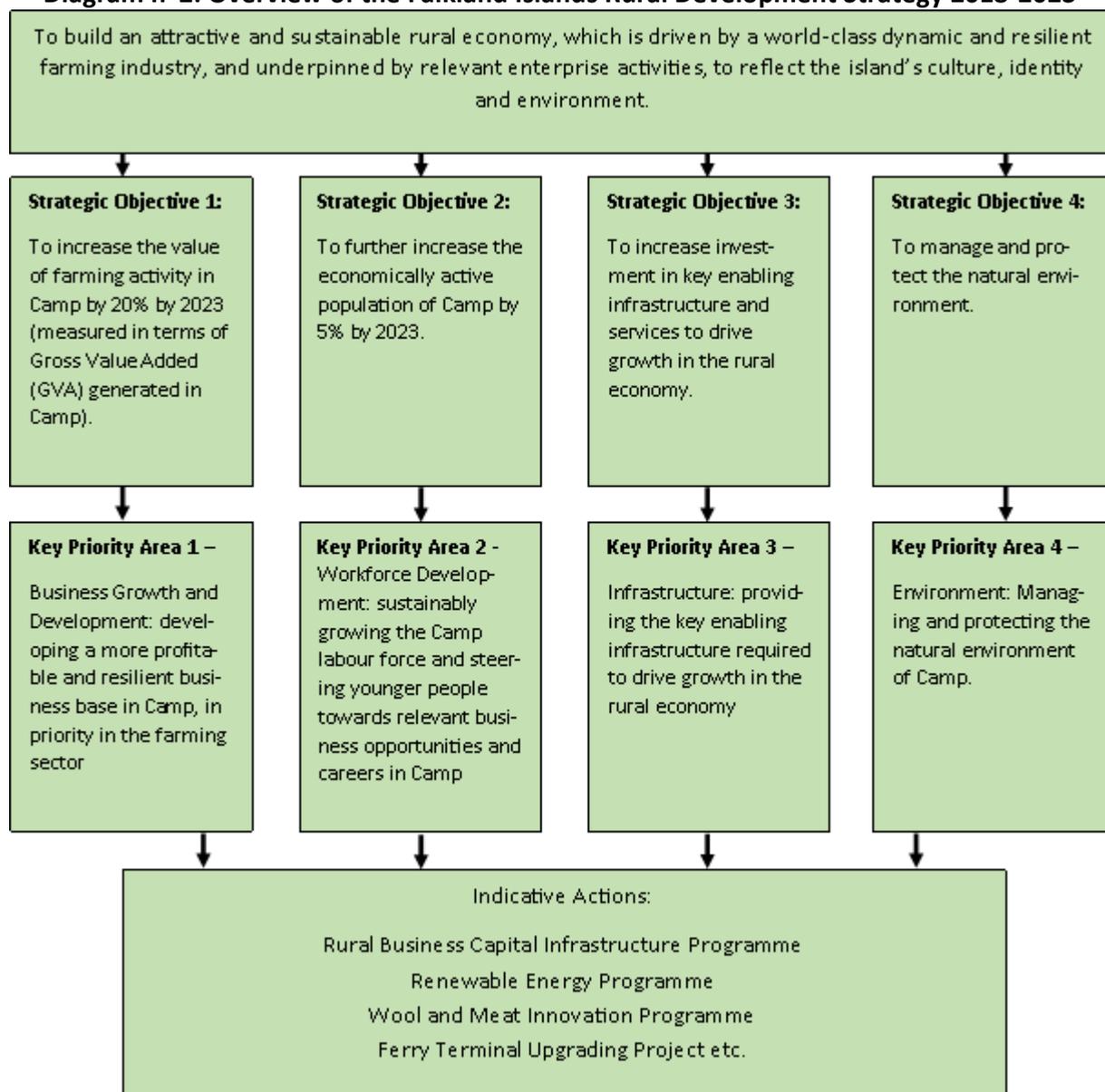
Improving the existing infrastructure and services in Camp, in particular related to the physical and digital connectivity between Camp, Stanley and the rest of the world, is an indispensable enabler to rural economic and business development and a priority to address over the next three years. Through the Strategy we hope to increase investment in the key enabling infrastructure to drive growth in the rural economy. The concept of Growth poles will be particularly relevant to this aim.

Strategic Objective 4: To manage and protect the natural environment.

The natural environment is a paramount asset for rural residents and businesses, especially for the farming and tourism sectors. The Strategy will aim at managing and protecting the environment via encouraging sound environmental stewardship into its different projects and actions.

- 4.5. These overarching strategic objectives have been translated into four Key Priority Areas for action. Each of these is discussed in more detail below. The overall approach for the RDS 2018-23 is summarized in the diagram n°2 below.

Diagram n°2: Overview of the Falkland Islands Rural Development Strategy 2018-2023



Key Priority Areas

Key Priority Area 1 - Business Growth and Development: developing a more profitable and resilient business base in Camp, in priority in the farming sector

Increasing the resilience in the core farming industry

- 4.6. Achieving better resilience in the farming sector, which represents the backbone of the rural economy, will be the foundation for future economic development in Camp. We will focus our efforts in building

resilience in the core rural industry, as the condition for sustainable enterprise diversification activities, and the trigger for related business opportunities.

- 4.7. The Strategy will proactively seek value adding opportunities in the Falkland Islands wool and meat sectors, and seek to increase productivity.

This will be achieved through the application of innovation, and by enabling best informed business decisions. To this aim, we will facilitate the access to relevant expertise, as well as encouraging experience sharing, performance benchmarking, and networking. We will also seek to continue efforts to improve farm management procedures, and to improve the availability and accessibility of business and technical skills and training to ensure that the workforce is equipped to drive productivity improvements.

- 4.8. Building upon the work done under the previous action plan, in order to add resilience in the existing rural enterprise base, we will encourage and support long term capital investment plans in key business assets, in particular innovative, cost-saving technologies.
- 4.9. We will encourage diversification into relevant activities, in particular tourism, to complement the income from the core farming industry and offer relevant perspectives for sustainable economic development in Camp. However, at an enterprise level, a cautious approach will be taken to make sure diversification adds resilience to the core sheep farming activity, as opposed to diverting from, and competing with, the key income stream derived from livestock farming.

Supporting new sustainable enterprises in Camp

- 4.10. New enterprises are vital as a source of wealth, jobs, innovation and productivity. Alongside the development of existing rural businesses, it is the creation of new enterprises which will drive the growth of the Camp economy, support a sustainable increase of the Camp population and trigger additional opportunities.
- 4.11. Therefore, it is essential that we develop the business base of Camp and increase entrepreneurship to increase overall economic performance. However, the issue is not simply that of starting-up new enterprises – but to support them via an appropriate programme of advice, training, mentoring to give them the best chances of success and prospects for future development. Hence the objective is to create an environment where a greater proportion of businesses survive and thrive. This will require improving the quality and accessibility of key enabling infrastructure and services in Camp. The concept of Growth poles will be particularly relevant to this aim.
- 4.12. The Strategy will focus on fostering a culture of entrepreneurialism and in ensuring the provision of business advice to support the development of new businesses. We will also seek to provide relevant funding packages for new business creation and investment in existing businesses, aiming at moving from a grant approach to a more entrepreneurial and sustainable loan funding and investment planning approach.
- 4.13. To support these developments, we will also seek to improve our understanding of and the access to new markets and opportunities, and provide support for entrepreneurs and existing businesses on potential opportunities for new economic activities in Camp.

Supporting Innovation and Research

- 4.14. The RDS will support and encourage innovation within the private sector. Innovation and research and development provide the knowledge that businesses need to grow. Research will be facilitated to gain information about markets, about technology, new techniques or practices, new or altered products and services, or new areas of economic activity. This is particularly critical in the wool and meat sectors, where the potential for greater return to the farmers, and hence the contribution to rural development, has been demonstrated.

Key Priority Area 2 - Workforce Development: sustainably growing the Camp labour force and steering younger people towards relevant business opportunities and careers in Camp

- 4.15. Migration and immigration form the foundation on which the RDS will aim to accelerate the rate of growth of the Camp labour force. The rural landscape makes a big contribution to the Falkland Islands attractiveness. The migrant and immigrant business community are likely to be attracted to Camp as a result of the distinct lifestyle offering of the Falkland Islands. To provide sustainable prospects to grow the size of the Camp workforce, it is also paramount to steer and equip younger people towards relevant business opportunities and careers in Camp.

Encouraging more people to live and work in Camp

- 4.16. Immigration Policy is key for facilitating the re-establishment of those people with a connection to the Islands, such as Islanders living overseas, Status holders and PRP holders living overseas, ex-contract workers and friends and family of residents. Targeted marketing to attract people and businesses to the Islands will be required.
- 4.17. Building upon the work done to incentivize people to live and work in Camp, in particular via tax reliefs, facilitating access to suitable accommodation etc., is also key to this aim.

Steering and equipping young people towards relevant business opportunities and careers in Camp

- 4.18. Steering younger people towards relevant business opportunities in Camp, by identifying relevant careers pathways and providing them with the relevant skills to ensure their long term employability, is a critical enabler to sustainable economic development in Camp.
- 4.19. We will achieve this through a training programme designed to help school leavers build relevant careers in Camp. We will also seek to review the education syllabus to stimulate our children's interest in Camp and its related work opportunities, in particular in the agriculture sector. We will also aim to make the most of our graduates so that we can gain from their experience, enthusiasm and ambition while also ensuring they have the opportunity to pursue their aspirations. We wish to encourage and support graduates to return to the Islands after completing their studies and work experience overseas.

Key Priority Area 3 - Infrastructure: providing the key enabling infrastructure required to drive growth in the rural economy

- 4.20. Reliable, well maintained infrastructure, in particular in the area of communication, is a fundamental requirement to attract modern entrepreneurs and enable growth in the economy. We wish to ensure that Camp infrastructure is fit for purpose, effective, and managed efficiently, and that the future infrastructure needed to progress the development of the rural economy is identified and assessed, and that recommendations for delivery are made in a timely manner.

Camp infrastructure will be fit for purpose

- 4.21. Improving infrastructure allows; businesses to become more productive, new businesses to be created, existing businesses to expand, and better connectivity with the rest of the world. Effective infrastructure reduces travel time, costs and distance to markets and improves business efficiency, productivity and profitability.
- 4.22. We aim to achieve this by improving Camp physical and digital connectivity, and by facilitating relevant policies and investments to address the gaps in providing key enabling infrastructure to drive growth in the rural economy.

Supporting Growth Poles

- 4.23. The RDS will build on the existing strengths of Camp and focus effort on specific projects and dynamics with the greatest potential so as to build a critical mass for the delivery of services, trigger additional business development opportunities and increase the overall sustainability of Camp.
- 4.24. The RDS would seek FIG and the private sector working together to develop the basic infrastructure needed for the growth poles, and would also encourage and support community-based projects. Such Poles would require the active involvement of the private sector.

Key Priority Area 4 – Environment: Managing and protecting the natural environment of Camp.

- 4.25. Many sectors of the economy such as fisheries, agriculture, tourism and minerals are based upon the use of natural resources. Good stewardship of our environment is therefore a fundamental requirement in the development of the economy.
- 4.26. Through this strategy we wish to continue the programme of improved environmental management and stewardship, in particular in our agriculture and tourism industries. We will support new economic

activities which seek to make the most of the unique natural environment of the Islands, whilst ensuring its conservation and protection through the Biodiversity Strategy.
