

THE NATIONAL CONSERVATION COUNCIL

Promoting and securing biological diversity and the sustainable use of natural resources in the Cayman Islands

26 August 2015

PROPOSED CRUISE BERTHING FACILITY

Commentary following issue of Environmental Assessment Board Review of the consultation draft Environmental Statement and completion of public consultation.

The National Conservation Council commends the Government for obtaining an independent Environmental Impact Assessment (EIA) for the proposed Cruise Berthing Facility (CBF).

Having studied the draft Environmental Statement (ES), the results of the public consultation and the recently completed report by the Environmental Assessment Board (EAB), the National Conservation Council is deeply concerned that the economic costs associated with unavoidable environmental damage may exceed the long-term economic benefits that can be reasonably expected from the proposed port development. The Council is further concerned that the damage may forever downgrade the integrity of our attractive and historic harbour.

Endorsement of EAB Review

The Council endorses the conclusions of the EAB Review dated 11 August 2015. We note that the project's long-term economic benefit estimates are inevitably somewhat speculative and difficult to predict with certainty. On the other hand the significant environmental and economic costs are clearer and generally quantifiable. We concur with the EAB's advice that all mitigation measures that the Cayman Islands' Government would intend to implement should be identified, fully costed and reflected in any future full cost-benefit analysis, including the associated National Roads Authority road improvements, along with all the projected revenue losses to tourism-related and other businesses that will result from loss of water clarity and reef health in the George Town Harbour and adjacent areas (GTH).

We note that the proposed mitigation measures are all of limited effectiveness, and significant environmental damage from the proposed project will be irreversible. We emphasize that short and long-term environmental degradation in this area will cause both direct and indirect economic damage that should not be ignored or underestimated.

The Council therefore urges Cabinet to exercise extreme caution in this matter. An objective and realistic cost-benefit analysis can only be possible with a full accounting of all the economic costs resulting from the expected environmental damage, and the costs of the associated mitigation efforts.

As we all do, the Council recognizes that for cruise tourism to continue to be a successful part of our overall tourism product, a substantial investment is also needed in George Town itself. The priority should be to strike a fair and reasonable balance between improving the unique experience of the Cayman cruise customer and sustaining the ecosystem services that create that unique experience. A solution that preserves the reefs and water quality and provides an improved dockside experience, by which we mean, moves cruise customers rapidly through disembarkation and security procedures and disperses them unimpeded into George Town, is the only acceptable solution.

The Council also wishes to make the following more detailed, non-exhaustive, comments:

Limited time scale of EIA / omission of cruise customer surveys

The Council notes that the EIA was undertaken on a limited time scale, not encompassing an entire year of all-season data, with a number of the studies occurring mainly during the summer months or low season for cruise tourism. Further, by way of example, the air quality study examined a “typical busy day” and not a worst case scenario.

The Council notes that the needs and perceptions of our cruise customers versus those of the cruise ship owners have not been clearly distinguished or assessed in either the Outline Business Case or the EIA and the Council considers this a serious deficiency in the data which would need to be addressed in order to complete the Business Case which is being fed into the decision-making process as a whole.

Mitigation Measures

Although the ES suggests that a variety of mitigation measures are available many of them have no costs attached to them and several will have little or no benefit. Without a clear policy decision on what mitigation measures will be taken and realistic cost estimates made available it is not possible to complete a cost/benefit analysis of this project.

Dredging, Water Quality

Inspection of the Rapid Impact Assessment Methodology - RIAM Tables show that not all the risks identified are considered mitigable and that in certain cases the proposed mitigation reduces only the magnitude of the impact without any alteration to the permanence, reversibility or cumulative nature of the risk, e.g. Table 11.3 Waves, Sediment Transport, Hydrodynamics and Dredge Plumes, such that the impacts of dredging, and reclamation discharges remain at Significant Negative Impact –D level and dredge material disposal decreases only from Significant Negative Impact –D to Moderate Negative Impact –C, provided that the disposal is carried out by piping the material not closer than 1km to shore or if disposing by hopper, not closer than 3km from shore.

Coral Relocation

There is doubt as to the long-term success of any coral relocation measures. The costs associated with such relocation are substantial and the relocation may not be an effective compensation to affected economic interests, both the local water sports industry and the cruise lines that collect substantial commissions from such tours, or the loss of sites in GTH, if a suitable nearby alternative site cannot be found.

The coral relocation undertaken at Falmouth, Jamaica has been heralded as a successful regional example (Kenny et al, 2012). However published reports of the conduct and monitoring of the relocation (JET, 2011) and survival of the relocated corals since the end of that monitoring (C.L. Environmental, 2013) cast serious doubt on its benefit or value for money. This relocation project, claimed to be one of the largest ever undertaken (138,000 hard corals and 10,000 soft corals and sponges) took eight months and involved 93 persons. The monitoring alone was calculated to have cost US\$12 million (Korbee et al, 2015). Very few large coral heads were moved and survival rates were low (JET, 2011). It is clear that this relocation exercise cannot inform any proposed relocation of entire sections of spur and groove formation in Cayman waters. To reiterate the ES conclusion, the Council agrees that coral relocation will not achieve “no net loss” of coral and would not mitigate indirect impacts outside of the project footprint. In addition, cost of the relocation is estimated at between US\$10million to US\$73million. Further, the Council is not aware of any suitable recipient site, if relocation were to be attempted.

Governance and the Falmouth Experience

Lastly, and while not strictly an environmental issue, the Council commends the analysis carried out by Korbee et al (2015) to Cabinet. That analysis of the Falmouth CBF highlights the decreasing ability to influence the other actors encountered by the Port Authority of Jamaica (PAJ). This resulted from the transfer of the initiative for the project to the financial partners, design going to Royal Caribbean Cruise Line (RCCL) and construction to a Danish firm as a condition of the Danish export credit financing made available to the PAJ. Such decrease in control arose when no tenders could be found to complete the initial design for a single finger pier at the Port Authority's allocated budget of US\$125M. However, the PAJ eventually became responsible for the repayment of a loan of more than twice that amount in addition to having to transfer ownership of part of the terminal to RCCL in return for its contribution of US\$93.8M.

Although Korbee et al (2015) praise the positive outside influence of the international financial actor in requiring that the project be carried out to the ecological standards for all its marine infrastructure projects worldwide the implementation of the Falmouth environmental management plan and the coral relocation by the dredging company was not judged a success due to the way in which the project itself and lines of communications were structured. In addition, as has been widely publicised, the town of Falmouth and its people have not realised the benefits, neither socially nor economically, promised at the outset.

About the National Conservation Council

The National Conservation Council is established by and to facilitate the goals of the National Conservation Law 2013 (the Law), the first of which is to promote and secure biological diversity and the sustainable use of natural resources in the Cayman Islands. The Council was appointed in September 2014 at the same time as Parts 1 and 2 of the Law were made effective. Parts 3, 4 and 6 of the Law came into effect on 22 April 2015 but the Council's powers and duties, relating Environmental Impact Assessments are not yet in effect. However the framework which forms the basis of the draft regulations for EIAs was used to conduct the Cruise Berthing Facility EIA, with the only significant difference being that the functions of the Council have been carried out by the Environmental Advisory Board which was empanelled for this EIA in September 2014. The EIA process has now reached the stage at which the Council will, under Part 7 of the Law, provide its views on the Environmental Statement.

This commentary is not intended to endorse any other proposed or alternative cruise berthing facility in GTH or elsewhere.

References

C.L. Environmental Co. Ltd. (2013) Environmental Status of the Falmouth Cruise Ship Terminal, Trelawny, Jamaica. Final Report to the Port Authority of Jamaica.

JET, Jamaica Environmental Trust (2011) Environmental Regulatory Failure. The National Environmental and Planning Agency (NEPA) and the Cruise Ship Pier at Falmouth, Trelawny, Jamaica. Report.

Kenny, I., A. Kramer, P.W. Kelly & T. Burbury (2012) Coral Relocation: A mitigation tool for dredging works in Jamaica. Proceedings of the 12th International Coral Reef Symposium, Cairns, Australia, 9-13 July 2012, 20A Restoration of coral reefs.

Korbee D., A.P.J. Mol, J.P.M. van Tatenhove (2015) Ecological considerations in constructing marine infrastructure: the Falmouth cruise terminal development, Jamaica. *Marine Policy* (2015) 56: 23–32.