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Green Shoots for the African Blue Economy?

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Key Points

- There is enormous untapped opportunity to develop Africa's maritime, or blue, economy, which in turn will help reduce poverty; create employment, growth and exports; and strengthen food and energy security. However, a number of challenges have held back progress.
- Through recent initiatives by a growing number of African countries, the African Union and multilateral development partners, slow but important progress is now being made.
- Several further steps are also needed, including strengthening African maritime security and coastal protection, developing national blue economy strategies, accelerating training, raising private sector awareness of blue economy opportunities and sharing emerging good practices more widely. New catalysts are also needed to spur renewed momentum and more intensive, collaborative action among African stakeholders in the blue economy.

Introduction

With 38 coastal and island states, 13 million km² of collective exclusive economic zones (EEZs) and a coastline of over 47,000 km (African Union 2012) there is an enormous untapped potential for African countries, and for the African continent as a whole, to develop the sectors typically associated with the “blue economy.” For example, expanding fisheries, aquaculture, tourism, transportation and maritime and inland ports can all help to reduce African poverty and enhance food and energy security, employment, economic growth and exports, ocean health and sustainable use of ocean resources. More than 12 million people are employed in fisheries alone, the largest of the African blue economy sectors, providing food security and nutrition for over 200 million Africans and generating value added estimated at more than US\$24 billion or 1.26 percent of the GDP of all African countries (de Graaf and Garibaldi 2014).

Recognizing the breadth of economic potential, extensive coastline and abundance of maritime resources, the African Union, in 2014, endorsed the 2050 Africa Integrated Maritime Strategy (2050 AIM Strategy), a long-term strategic vision for the development of Africa's blue economy. The strategy proposes developing a combined African EEZ, a strategic governance framework,

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mechanisms for interagency and transnational cooperation, coordination of maritime safety and security, regional maritime operational centres and integrated continent-wide strategies to develop human resources for the African blue economy. A detailed road map for how to achieve this also forms part of the strategy. Buttressing this initiative is Agenda 2063, the African Union's long-term vision for Africa's development. Agenda 2063 envisages the African blue economy to be a "major contributor to continental transformation and growth" (African Union 2014). Meanwhile, the United Nations describes Africa's oceans, lakes and rivers as the "new frontier of the African renaissance" (United Nations Economic Commission for Africa [UNECA] 2016). International agreement on the new sustainable development goal (no. 14) for the conservation and sustainable use of the oceans, seas and marine resources in 2015 (United Nations 2015), provides further momentum to develop Africa's blue economy.

Challenges for Africa's Blue Economy

Despite these initiatives, progress has been slow. Most African countries have yet to undertake the first steps in visioning and prioritizing blue economy sectors and understanding the risks to ocean health. Many have also not yet developed integrated blue economy strategies and road maps. The sweeping continental vision for an African blue economy, envisaged by the 2050 AIM Strategy, remains far from realization, with the initial time frames for implementation behind schedule. Several factors account for this.

First, African countries have limited infrastructure and capacities to assure maritime security and coastal protection, both of which are essential for establishing a viable blue economy. One-fifth of the world's fisheries catch is estimated to originate from illegal, unreported and unregulated (IUU) fishing (Agnew et al. 2009). While prevalent all along Africa's coastline, IUU fishing is most acute in western Africa, in particular with unlicensed foreign industrial vessels (Daniels et al. 2016). Overexploitation of the region's fish stocks has generated devastating social, economic and human consequences, with the region losing US\$1.3 billion annually to IUU fishing

(Africa Progress Panel 2014). West African countries, however, have had few resources to monitor and curb IUU fishing. Sierra Leone, for example, is estimated to have lost US\$29 million annually to IUU fishing, with only two coast guard vessels available to monitor an estimated 600 vessels fishing in its waters (Daniels et al. 2016; Naranjo 2014).

Second, poor and inefficient fisheries management practices and limited capacity to enforce laws have allowed widespread use of harmful fishing methods. These methods have precipitated declining fish production and stocks, even as fishing capacity itself has increased. In Ghana, fish production has declined from an average of 289,000 tonnes a year to 203,000 tonnes over the last five years, while marine fish catches in Ghana, Côte d'Ivoire, Liberia, Togo, Nigeria and Sierra Leone are projected to decline significantly by 2050.

Third, with more than one-quarter of Africa's population living within 100 km of the coast (Niang et al. 2014), four interrelated factors — climate change, rising sea temperatures, ocean acidification and rising sea levels — have placed African coastal populations at increasing risk of coastal erosion and climate-related disasters, while having a devastating impact on ocean ecosystem services. In West Africa, higher sea levels and stronger storm surges have precipitated rapid increases in coastal erosion and flooding. While the impact has been acute in many African countries, six African small island developing states (SIDS)¹ are considered disproportionately vulnerable to these factors (UNECA 2014). In the Indian Ocean, rising sea temperatures have catalyzed climate-related disasters across the region.

Accelerating Progress

Despite these constraints, several national, regional and international initiatives are now under way to develop the long-term foundations for the African blue economy. Three countries, South Africa, Mauritius and the Seychelles, are leading African initiatives, implementing national blue economy strategies, achieving early success and generating several good practices that can be emulated in other African countries.

South Africa's blue economy strategy, entitled "Operation Phakisa," was launched in 2014. Closely linked to South Africa's 2030 National Development Plan, Operation Phakisa focuses on several priority maritime areas, including marine transport and manufacturing, aquaculture and marine protection services and ocean governance. The strategy has used sectoral growth targets and prioritized maritime skills and education to attract public-private partnerships and international private investors. Operation Phakisa's objective is to create one million new jobs and add a further 177 billion rand to the GDP by 2033. Already, 24 billion rand in blue economy investments have been secured, allowing for the creation of 6,400 new jobs and the establishment of a substantial boat export and repair park, the South African International Maritime Institute and a skills development program.

Since 2014, Mauritius has integrated the blue economy within its National Development Programme. The country has established a dedicated blue economy ministry and a consultative entity, the National Ocean Council, to provide continuing stakeholder input. Mauritius has also developed a blue economy roadmap (Prime Minister's Office 2013). Achievements include substantially increased aquaculture production, rapid increases in numbers of people trained for jobs both in the cruise ship and shipping industries and several new regulatory measures to boost productivity in blue economy sectors (Republic of Mauritius 2017). With the blue economy contributing only 11 percent of GDP, the Government of Mauritius plans to double this share by 2025, focusing on fisheries, information and communications technology in maritime ports, marine energy, a seafood hub, sustainable aquaculture and lagoon ecosystem management.

The Seychelles, with Africa's second-largest EEZ of 1.4 million km², has made sustainable development and protection of the ocean a strategic objective in both the National Development Strategy for 2015–2019 and the Seychelles Sustainable Development Strategy 2012–2020. The country has established a comprehensive 2018–2030 blue economy road map and completed the first phase of a comprehensive marine spatial plan, covering 16 percent of its maritime domain, with the goal of eventually protecting 30 percent of the country's maritime domain by 2020. The Seychelles is also leading global innovation in blue economy financing, conducting a US\$21 million debt-for-conservation swap in 2016 and establishing a new Seychelles Conservation

¹ African SIDS comprise Cape Verde, Comoros, Guinea-Bissau, Mauritius, São Tomé and Príncipe and the Seychelles.

and Climate Adaptation Fund to finance innovative marine protection and climate adaptation initiatives. A US\$15 million blue bond, the first of its kind in the world, is expected to be issued in 2018.

Several other countries, including Nigeria, Ghana and Kenya, are also taking steps to develop their blue economy. The Nigerian Maritime and Safety Association is rapidly expanding maritime infrastructure, including constructing one of Africa's largest floating dockyards, addressing piracy through a draft anti-piracy bill, initiating 24-hour port operations to attract maritime business services and rapidly increasing maritime skills and training. In Ghana, the government is counteracting declining fish stocks, due to overfishing and IUU fishing, through an Aquaculture for Food and Jobs Programme that aims to substitute current imports of over 60 percent of local fish consumption, at a cost in 2016 of US\$135 million, with local production. New initiatives include reducing indiscriminate disposal of waste and plastics, eliminating coastal pollution and substantially reducing pollution in the marine ecosystem by 2025.

Since 2016, Kenya has established the State Department for Fisheries and the Blue Economy; set up the presidential Blue Economy Implementation Committee; enacted the Fisheries Management and Development Act; promulgated the Kenya Coast Guard Service Bill to provide the legal and regulatory framework to establish an effective maritime enforcement capacity; and launched the Kenya Marine Fisheries and Socio-Economic Development Project, which prioritizes fisheries as a key issue for the blue economy.

At the continental level, important progress has also been made with the adoption of the African Charter on Maritime Security and Development ("Lomé Charter") in Lomé, Togo, in 2016 (African Union 2016). Agreed by over 30 African countries, the charter proposes continent-wide action to address marine protection and security. Also included are several initiatives to accelerate maritime security through cooperation in training, education and capacity building; to establish national maritime coordination agencies; and to harmonize national maritime legislation.

International development partners are also accelerating their technical and policy support. The World Bank, the UN Food and Agriculture Organization (FAO) and the African Development Bank (AfDB) have developed a common partnership

strategy (the "African Package for Climate Resilient Ocean Economies" or "Africa Package"), to support the development of climate-resilient ocean economies for 29 African coastal and island states. The largest multilateral support mechanism for the African blue economy, the Africa Package envisages a total planned investment of US\$3.5 billion in various sectors and activities, depending on country priorities. These priorities may include fisheries and aquaculture, coastal protection, tourism, transportation and trade-logistics activity. Harnessing ocean energy — including wind, wave and tidal power and exploiting thermal and salinity gradients, as well as ocean currents — to generate power may also be a priority. Investment priorities most frequently identified in the Africa Package are fisheries and aquaculture, which are targeted at 28 of the 29 countries, and coastal protection, which is an investment priority for 23 countries, to address the dearth of capacities, infrastructure and institutional resources needed to effectively protect African coastlines.

Key Steps

These initial national, regional and multilateral steps have proved to be a substantial catalyst, helping create the first green shoots of an African blue economy. But given the sheer scale of the task, which requires transboundary negotiation among at least 38 African countries, intensive planning, intersectoral planning, intragovernmental coordination, extensive training and complex multi-stakeholder engagement, building further momentum is a formidable task. Several key interlinked steps are needed. These should focus on the structural, coordination, capacity and political constraints impacting Africa's blue economy. Addressing these can accelerate participation of many more countries in the blue economy.

Key steps include:

Renewing continental impetus and support for the African blue economy. Chief responsibility for this lies with the African Union. It will require revitalizing the 2050 AIM Strategy and operationalizing several key, and thus far unimplemented, provisions, including: constituting a strategic task force to

2 See www.fao.org/3/a-i6441e.pdf.

implement strategies and road maps; establishing either a continental office for maritime affairs or regional offices that can coordinate and address blue economy challenges in distinct coastal areas around the continent, for example, emulating the regional focal area approach adopted by the World Bank, to provide political and technical leadership; endowing the Maritime Safety and Security Fund proposed by the strategy; and accelerating implementation of the Lomé Charter by strengthening cooperation, mobilizing training, encouraging capacity building and harmonizing national maritime legislation.

Enhancing national and international cooperation to strengthen African coastal protection, without which many African blue economy goals will be unattainable. Key steps include: establishment by the FAO and the International Maritime Organisation of a global vessel database and tracking system; initiatives by African governments to strengthen cooperation to effectively monitor IUU fishing in African waters; developing harmonized and enforceable sanctions regimes, including banning blacklisted IUU fishing vessels and confiscating those vessels engaged in IUU fishing; and building capacity for regional and pan-continental action.³ The AfDB and the World Bank can also explore support to countries most vulnerable to IUU fishing, including access to infrastructure and technologies needed to help African and other affected countries.

Accelerating the preparation of national diagnostic studies and blue economy strategies. Despite progress, too few African countries have developed either comprehensive diagnostic assessments of their marine environment, marine resources and potential, or comprehensive, national blue economy strategies. More examples of best practices are needed, with a broader regional and geographic base. A new initiative in the period leading up to 2020 that targets at least two countries in each of the five geographic regions of the Africa Package — with periodic stock-taking meetings convened by the AfDB — can support the process, sharing country lessons in national prioritization, planning and blue economy implementation.

Creating new initiatives to attract private participation in the African blue economy. Multiple challenges — including inadequate data, the absence of national blue economy strategies, the need for planning, policy and legal frameworks

and the lack of both infrastructure and investment opportunities — impede private-sector participation in the African blue economy. Greater multi-stakeholder engagement and more regular regional and continental information sharing are needed to raise awareness of existing and emerging private-sector opportunities. Building on similar initiatives elsewhere — for example, the Union for the Mediterranean Regional Stakeholder Conference on the Blue Economy⁴ — the AfDB can convene a similar annual continent-wide public-private sector initiative to foster dialogue and information sharing on project opportunities, risks and other information related to investments in the blue economy.

Scaling up training. Extensive new training initiatives are also needed, at scale, *inter alia*, in fisheries management and governance, coastal protection, marine spatial planning, integrated coastal zone planning and management, and oceanography, to increase knowledge of maritime laws, strengthen awareness of the value of the oceans and develop the human resource capacity for a sustainable African blue economy. At the continent-wide level, the 2050 AIM Strategy already proposes the establishment of an Integrated Maritime Human Resources Strategy for the continent. A new initiative, supported by the African Union and with funding from the Africa Package, can help launch and sustain this initiative.

Expanding partnerships. New partnerships are also needed to develop Africa's blue economy. For example, a new Africa-EU initiative that aims to sustainably develop Africa's maritime domain by focusing on private-public partnerships between African and EU countries can help attract private sector investment in the African blue economy. Similarly, a new partnership between the New Development Bank and the AfDB can help attract the large-scale maritime infrastructure investments needed to realize the ambitious goals of the 2050 AIM Strategy.

Finally, spurring new political and policy momentum is needed to spur renewed, strengthened and coordinated action by African governments, the African Union, the AfDB, development partners and the private sector to develop Africa's blue economy. A new annual African Blue Economy Forum, jointly established by the African Union and the AfDB, could catalyze and sustain this process. If a proposal of

3 See Daniels et al. (2016) for several additional contemporary proposals.

4 See <http://ufmsecretariat.org/ufm-conference-blue-economy2017/>.

this nature were to be put forward and agreed to at the forthcoming World Ocean Summit in June 2018, the inaugural forum meeting could be held during the African Union's summit meeting in early 2019.

Conclusions

The potential gains from realizing the African blue economy are substantial. While some nascent steps have been taken by a few countries to develop the blue economy, the acute security, maritime protection, environmental and other challenges facing African countries mean that much more is needed to spur progress. Several targeted, focused strategic initiatives, driven by strong African political leadership, including a new annual African Blue Economy Forum, may catalyze and sustain new momentum to build on early foundations.

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