

# Human Capital Investment and Financing for Africa's Blue Economy

**PRESENTATION**

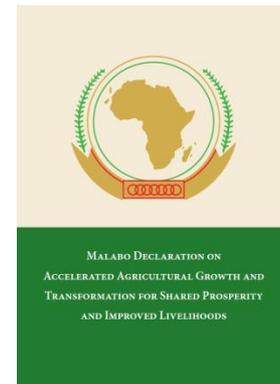
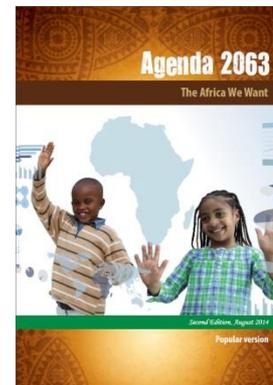
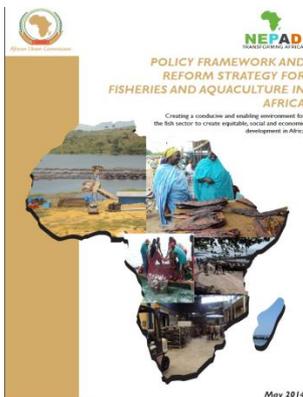
by

**Dr Mohamed Seisay,  
Fisheries Management Expert, AU-IBAR**

**27 January 2022, 10 GMT**

**Conference on "Unlocking the full potential of the fisheries sector  
within the framework of a sustainable blue economy"**

[www.au-ibar.org](http://www.au-ibar.org)





# AU Vision, ABES Vision and Purpose

**Agenda 2063: Agenda 2063** - The strategic framework for the socio-economic transformation of the continent over the next 50 years refers specifically to the **Blue and Ocean Economy as the Goal 6 for accelerated economic growth**

**PFRS** - The document provides guidance to transition of African fisheries to productivity, sustainability and profitability with options for enhanced regional collaborative management of shared resources: **Key policy arena: e.g. Human capacity development, investment and financing**

## **ABES:**

### **Vision**

- *an inclusive and sustainable blue economy that significantly contributes to Africa's transformation and growth*

### **Purpose of the African BE strategy**

- *to guide the development of an inclusive and sustainable blue economy that becomes a significant contributor to continental transformation and growth, through advancing knowledge on marine and aquatic biotechnology, environmental sustainability, the growth of an Africa-wide shipping industry, the development of sea, river, and lake transport and fishing; and exploitation and beneficiation of deep sea mineral and other resources.*

# African Blue Economy Thematic Areas

Following the Nairobi Sustainable Blue Economy Conference, organized in November 2018, the AU launched initiatives to develop continental strategy on the BE, based on five thematic areas:

1. Fisheries, aquaculture, conservation and sustainable aquatic ecosystems
2. Shipping/transportation, trade, ports, maritime security, safety and enforcement
3. Coastal and maritime tourism, climate change, resilience, environment, infrastructure
4. Sustainable energy and mineral resources and innovative industries
5. **Polices, institutional and governance, employment, job creation and poverty eradication, innovative financing**
  - *Thematic area five on Blue governance and institutional changes is a cross-cutting area of intervention that includes: the need for Coherence and **Innovation blue financing**; **development of capacities**; Coordination and spatial Planning; Gender, **youths and vulnerable people inclusiveness**; conflict resolution;*
  - The objectives of this cross-cutting thematic area:
    - ✓ *To Strengthen Institutions for Policy Environment and Governance to coordinate African BE*
    - ✓ *To have the African BE accelerate the Economic Transformation*
    - ✓ *Africa assumes leadership for financing BE development*

**Thematic Area 5: Polices, Institutional and Governance, Employment, Job creation and Poverty Eradication, Innovative Financing in the Context of Africa Blue Economy**

Goals	<b>Goal 1:</b> <b>To Strengthen Institutions for Policy Environment and Governance to coordinate African BE</b>	<b>Goal 2:</b> <b>To have the African BE accelerates the Economics Transformation</b>	<b>Goal 3:</b> <b>Africa to assume leadership for financing BE development</b>
Approach	Integrated and prospective approach to transformed and resilient economies: A Prosperous Africa, based on inclusive growth, sustainable development, innovation and local capacities		
Objectives	1.1. Fostering coherence in policy practice and harmonisation of regulatory frameworks within and across sectors and levels	2.1. To assist MS and RECs to mainstream integrated strategies for sustainable and inclusive BE with focus on <b>value chain enhancement</b>	3.1. <b>develop innovative financing tools and enablers</b> to impl ement BE strategies at national, regional and continental levels
	1.2. Capable Institutions to foster inter -sectoral collaboration, implementation and accountability in delivering on Africa’s blue economy goals	2.2 Mainstream relevant mechanism and framework to operationalise <b>AfCFTA</b> and Continental Frameworks	3.2Initiate <b>fiscal reform</b> and other incentives to <b>improve financial system</b> and <b>improve PPP and financing</b> (State and non - State).
	1.3. Enhanced analytical and information support system at all levels for informed decision making and reporting	2.3. Reinforce <b>BE capacities and accelerate STI</b>	3.3. Promote the creation of <b>a African Blue business alliance for the health</b> and sustainable use o f African Aquatic Ecosystems



# Africa Today and at the Horizons 2030 and 2063

- African BE sectors and components generate today a value of USD 296 billion with 49 million jobs. It is projected that by 2030, figures will be respectively USD 405 billion and 57 million jobs while in 2063 estimates would respectively be USD 576 billion of value created and 78 millions of jobs<sup>1</sup> (see figure below).
- The **main driving sectors of the BE are tourism**, both in term of value added and jobs created; **the mineral sector, and the Oil and Gas** that have a strong contribution to the value added but a low participation in the job creation process.
- The fishery sector will remain stable, with a high number of people employed while the aquaculture will continue to grow in next decades. Port and shipping will grow at a constant rate.
- The value of blue carbon and other ecosystem services generated by coastal, marine and aquatic ecosystems will progressively increase as conservation efforts expand.
- Education and research will follow the same pattern due to a growing demand for knowledge, especially in the area of deep-sea mining, offshore exploration and climate change mitigation and adaptation.



# Value added of BE Sectors and Value of BE components (2018 to 2063)

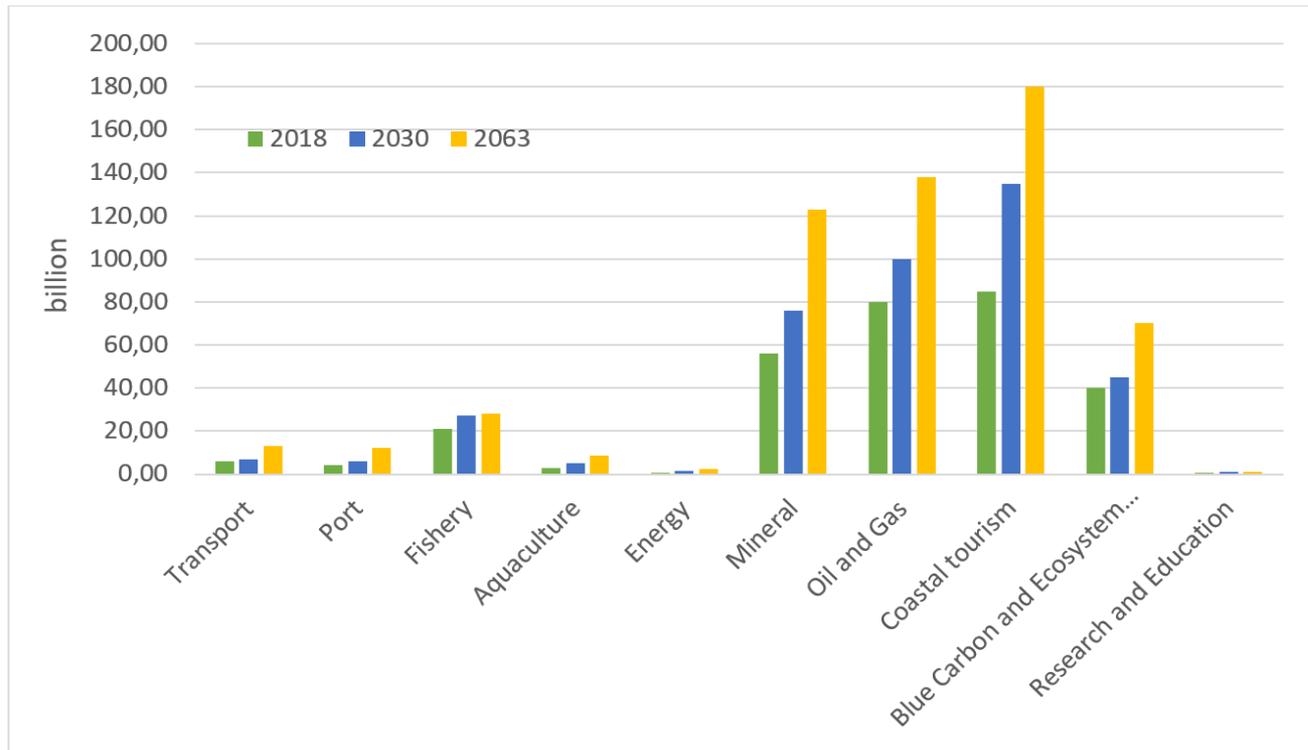
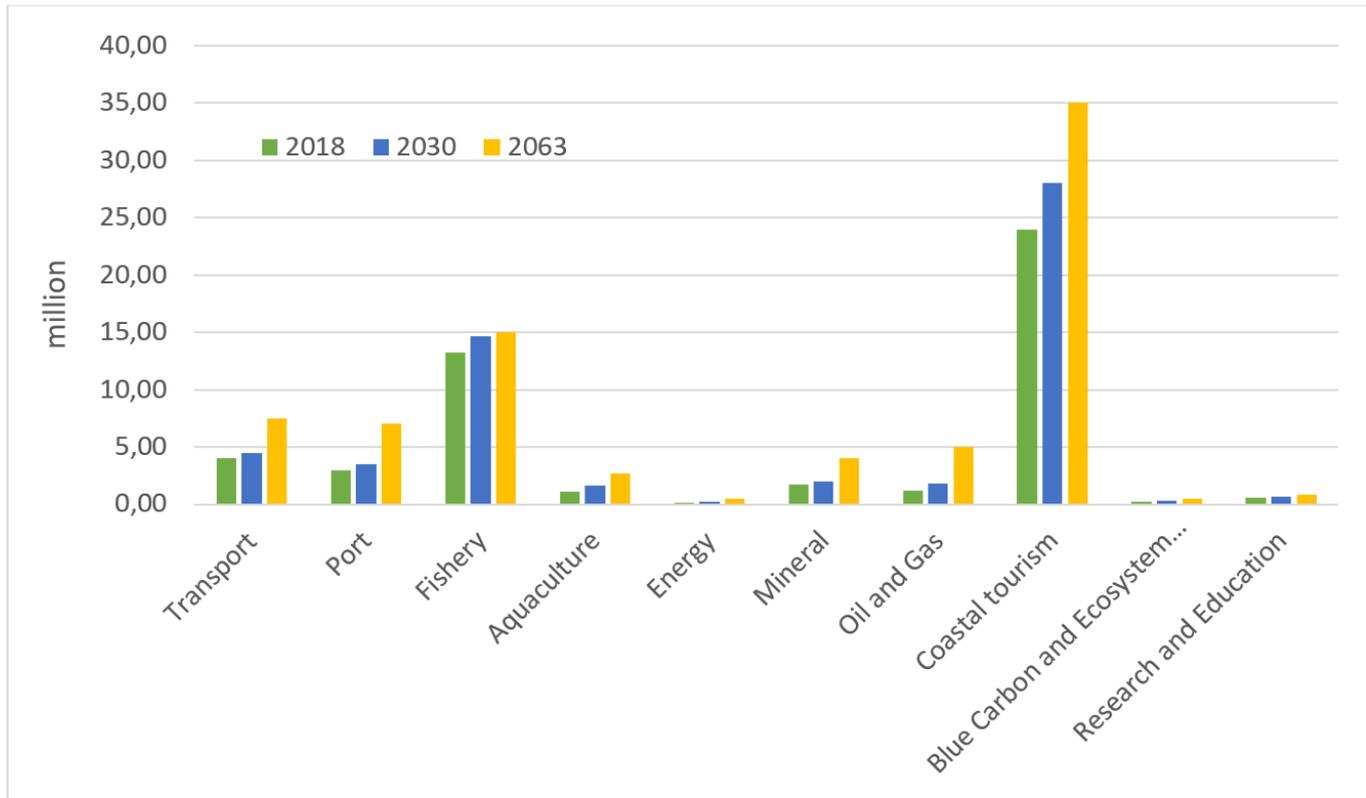


Figure 1 : value created by BE sectors (value added) and components (value of services)

African BE sectors and components generate today a value of **USD 296 billion**. It is projected that by **2030**, figures will be **USD 405 billion** while in **2063** estimates would be **USD 576 billion** of value created.



# Employment (2018 to 2063)



**Figure 2 : employment generated by BE sectors and components**

African BE sectors and components generate today **49 million jobs**. It is projected that by **2030**, figures will be **57 million** while in **2063** estimates would be **78 million**.



# Strategic and technical challenges

- The ***Human Capital Investment and Financing for Africa's Blue Economy*** require a comprehensive and coherent strategy as well as coordinated and harmonized policies. There are some challenges to be overcome:

## Governance

- The nature of ocean economy and more broadly BE sectors requires appropriate coordination and governance tools at regional, national and community levels.
- Improving governance of oceans and coastal areas can only be achieved through **multi-level governance approach** based on the articulation of blue economy policy with legal and institutional framework of resources management, maritime security
- Multi-level governance required due coordination and appropriate financing;



# Institutional, human capacities and technology development

- The second challenge concerns the institutional, human capacities and technology development both at national and regional level in order to ensure full implementation of strategies related to BE (e.g. ABES); investing and capacity building on tools like (MSP, fisheries management plan, implementing global related instruments e.g. CBD, mitigating Climate change, etc.)
- The poor institutional capacity represents a barrier to monitor and evaluate the effectiveness of the BE tools, mechanisms and sectoral contribution to overall blue growth
- The maritime security in Africa continues to face challenges due mainly to lack of capacities and disagreements between states in particular over maritime borders and would need to adopt a mechanism for resolving disputes; **this ensures safety of stakeholders in the blue economy and for attracting necessary investments**
- The security of EEZs of Member States is of paramount importance to develop and guarantee the sustainability of their blue economy, which affects different maritime sectors. Piracy is a serious problem as it poses a real threat not only to the safety of vessels and their crew but also to the economies of affected countries
- It is imperative to stress that strategy implementation of ABES **requires improved investments, institutional and human capacities.**



## Innovative financing; investing in human capital and capacities

- There is need to develop continental, regional and national frameworks for an integrated strategy, capacity building, technological innovations, quality education, entrepreneurship training
- To explore emerging opportunities, alternative and competitive financing mechanisms by developing regulatory and transparent instruments guided by environment principles to improve overall market efficiency are essential.
- There is need to encourage PPP, joint ventures and industrial alliances at national levels for sustainable financing of BE (e.g. protecting and conserving blue economy resources including biodiversity)' contribution of international institutions among other financial models are needed.



## Innovative financing; investing in human capital and capacities; Seychelles examples

- Need to develop innovative financing models and financing sources for investment in the BE. This includes new and innovative sources of financing such as debt for nature swaps and blue bonds (e.g. Seychelles 'blue bond')
- **Debt swaps/debt conversion: mechanism by which debt owed by a debtor, can be renegotiated with the creditor to fund activities agreed by all stakeholders involved (conservation health others) involved (conservation, health, others).**
  - **The Blue Bond** – a debt-swap conservation and climate change adaptation Trust of US\$15 million was launched in October 2018 by the Government of Seychelles with guarantees from the World Bank and the Global Environment Facility to finance a transition to sustainable fisheries ;
  - Debt conversions for climate change adaptation: Debt conversions for climate change adaptation: such innovative financing mechanisms could support the neediest countries to generate additional resources for climate change adaptation
- ***The Blue Investment Fund, which intends to support diversification and expansion of fisheries along the value chains.***
  - ***This fund reserves investments in value chains that are supported by managed fisheries, or investments in pre- and post-production components of the value chains that will add value without creating additional pressure on vulnerable fish populations.***
  - The Seychelles examples can be replicated by financial mechanisms to strengthen human capacity and investments



# INTERVENTIONS - MECHANISMS TO ENHANCE HUMAN CAPACITY AND BE FINANCING – PRACTICAL INTERVENTIONS

- **Policy coherence**

Increasing policy coherence and harmonization of regulatory frameworks within and across sectors and levels is important for inclusive and sustainable development. The issue needed to for full alignment and linkage of the BE strategy to the (AIMS) and other AU continental frameworks and flagships,

- **Capable Institutions**

African countries must promote the set-up of coordination system AND INCLUSIVE APPROACH at member States level for improved inter-sectoral collaboration and enhancing technical consultations

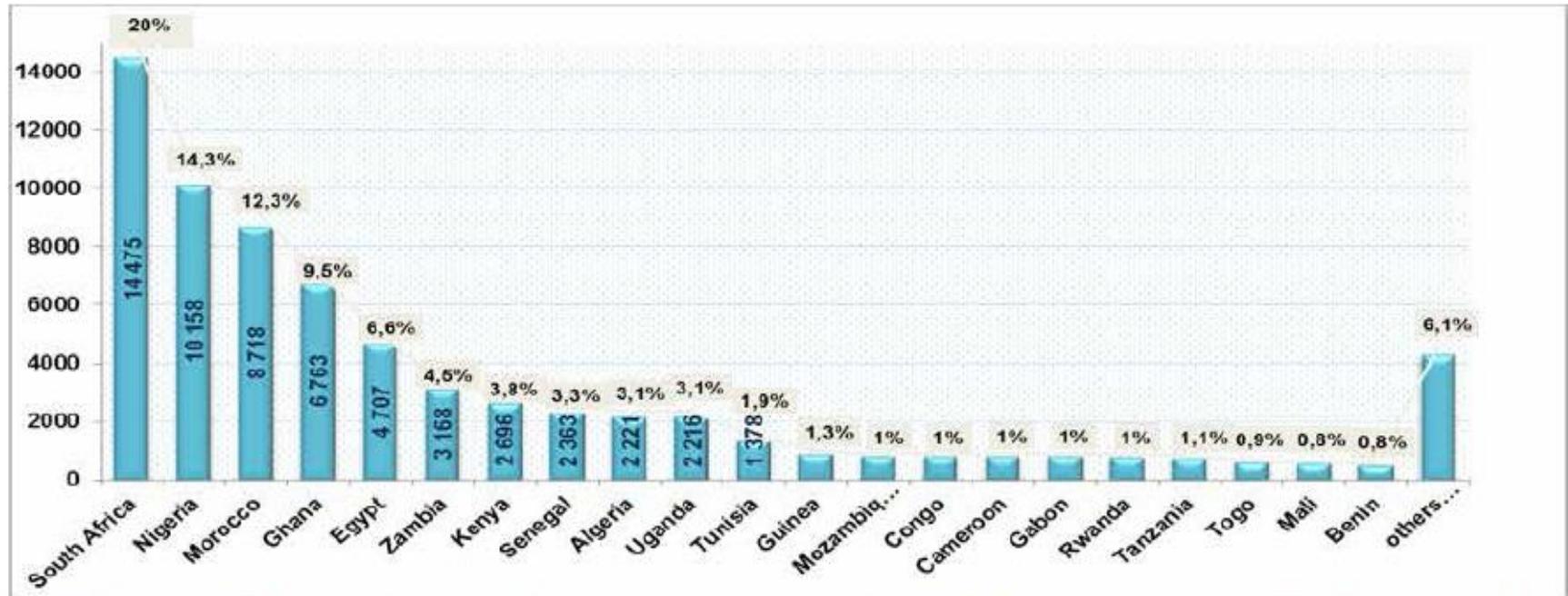
- **Environment and biodiversity protection** - Africa recognizes a number of conventions (CBD, Regional Sea Conventions, etc.) that make adaptation investments with significant mitigation dynamics. Investments in conservation efforts need to be increased in the future to contribute to enhancing the carbon sink function of the watersheds and water catchment resources as well as improving the pollution status of African coasts regarding chemicals and plastics;
- Capacities of various national ministries and regional institutions to undertake projects across the country and region on Reduced Emissions from Deforestation and Land Degradation plus conservation (REDD+) will further contribute to the enhancement of blue ecosystems
- **Added value**

The drivers of growth in Africa still highly dependent on raw materials and based on natural resources and low technology; The harvesting, processing, transporting and delivery of transformed ocean products to markets has to be coordinated **and capacity strengthened along the value chain** that connects and captures value for economies and supports objectives of food security at a national and regional level. There is a need to transfer appropriate

technology to the Member States to meet the processing, packaging and marketing requirements. There is also a necessity to develop tourism activities with high level of value added by introducing eco-tourism packages into the coastal tourism current offer



# Sustained funding and innovative financing – by selected AU member states



**Figure 3:** Values (in billions of dollars) and percentage of investments with private participation in Africa by country between 2007-2017

# Thank You



**AU-IBAR: Providing leadership in the development of animal resources for Africa**