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BLUE ECONOMY AND OCEANS GOVERNANCE WORKSHOP

BUILDING THE BLUE ECONOMY IN THE WIO REGION

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key messages

- the blue economy is a political challenge with a choice of pathways
- it may involve short-term social, economic and political costs
- key challenges: maintaining/ enhancing benefits from renewable resources; ensuring sustainable benefits from extractive resources
- the role of government is as a facilitator; the private sector is the key investor; an engaged civil society provides the political foundation
- good governance, a favorable investment climate and healthy coasts and oceans are fundamental even without a dedicated blue economy initiative – a 'no regrets' strategy
- assessment of the performance of the ocean economy can build a vision for the blue economy and inform policies, plans and governance
- a blue economy initiative must be complementary to other initiatives, e.g. on poverty reduction, climate change

contents

I. blue economy – concepts, metrics, core components
II. alternative blue pathways
III. harnessing sustainable benefits from renewable and non-renewable resources – fisheries, minerals
IV. roles and government, private sector and civil society
V. the way forward

I . MAIN CHARACTERISTICS OF THE BLUE ECONOMY

"marine-based, environmentally sustainable economic growth and social wellbeing"

- two axes of development:
  1) social wellbeing
  2) economic growth
- three dimensions of sustainability:
  1) environmental
  2) economic and
  3) social

we have some 'blue metrics' others are challenging

- sustainability: measuring (even defining) sustainability is challenging … 'don't cheat on your kids'
  - proxies – MSY, carrying capacity, resilience of the ecosystem or the economy
  - most measure the state, or trends – assume link to sustainability
- social: governance, poverty, income, health, HDI, happiness
- environmental: state of the coasts, state of fish stocks, Env. Performance (EPI), Coastal Governance Index (EIU)
- economic – all about growth, employment, exports, balance of payments ….. GDP

the blue economy moves '*beyond GDP*'

- growth is a key political paradigm, closely linked to GDP
- GDP is an inadequate measure of growth; leaves out
  - changes in capital, such as, depletion of offshore gas, or changes in the state, or value of fish stocks; losses - cyclone damage
- 'qualified GDP' - adjusted net savings
  - environmental accounts – the changing value of natural capital – ocean health, mineral depletion
  - capital accounts – adjust national wealth for changes in valuate of natural capital
- other metrics, e.g. footprints – projects the resource for products or services use compared to the available resources

an effective blue economy requires several cross-cutting conditions & core activities

- vision, public awareness and political will
- good governance & investment climate, marine tenure
- responsible private sector engagement & investment
- viable blue economy opportunities and jobs
- knowledge, science and connectivity
- equity in allocation of blue opportunities and benefits
- public awareness and stakeholder support
- appreciation of the costs as environmental externalities are included in producer costs and consumer prices
- and healthy coasts and oceans

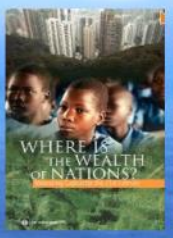
II. COUNTRIES HAVE A CHOICE OF BLUE ECONOMY PATHWAYS

- paradigm or programme
- comprehensive for all of society and sectors – green + blue vision
- sector focus, e.g. fisheries, tourism
  - coherence and coordination at sector level
- inter-sector synergies - coordination and planning
- integrated blue economy programme
- depends on: human and institutional capacity, governance, investment climate, knowledge,
- ability to manage competing agendas – climate change, disaster, poverty reduction …

III. SUSTAINABLE BENEFITS FROM RENEWABLE & NON-RENEWABLE RESOURCES

1) forms of capital
2) renewable resources – fisheries
3) non-renewable resources – extractive industries - minerals

'where is the wealth of oceans?'



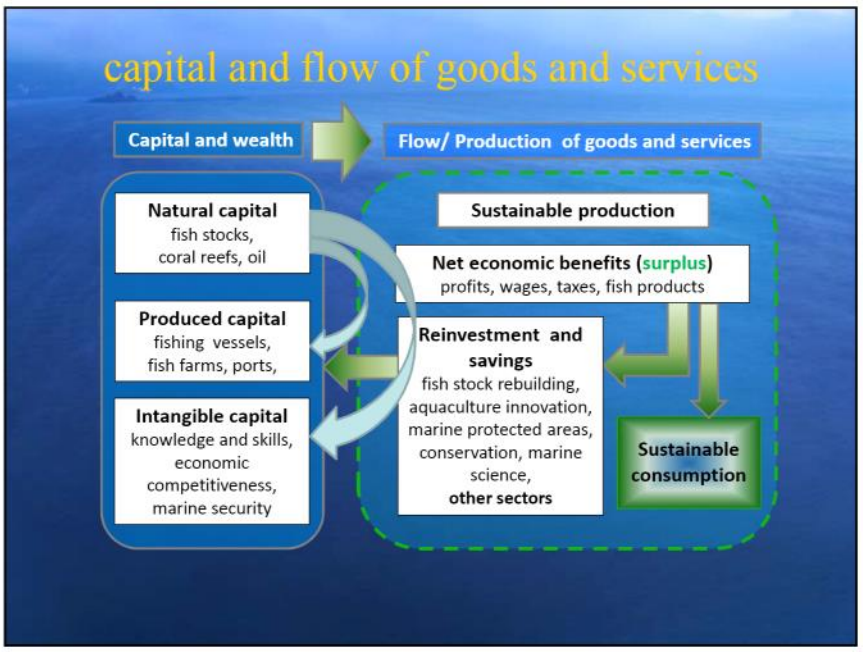
a country's wealth is the sum of:
a) natural capital, b) produced capital
and c) 'intangible capital'

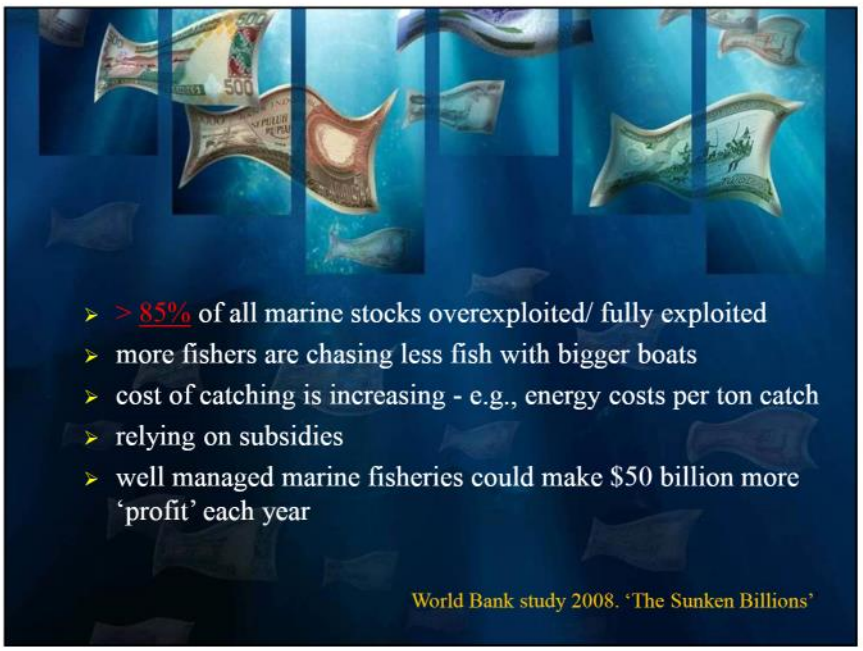
a) natural (blue) capital includes the fish stocks and the habitats (e.g. coral reefs), offshore gas, seabed minerals

b) produced capital is the man-made assets – fishing fleets, fish processing plants, oil & gas terminals

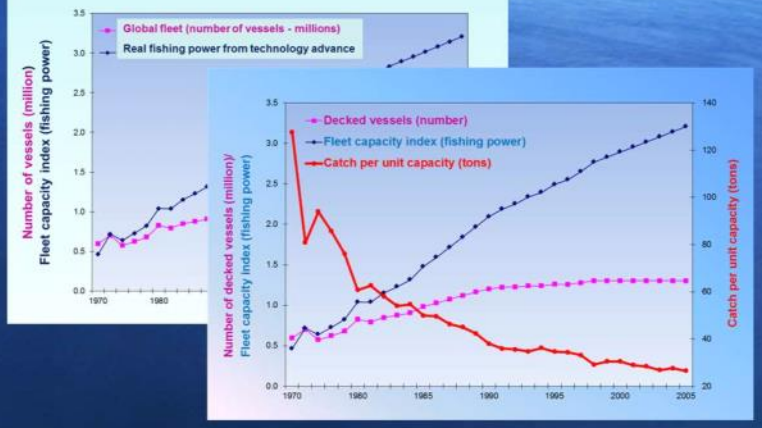
c) the intangible capital includes the people and institutions and their quality (e.g. education, investment climate, maritime security, governance)

Source: World Bank, 2006

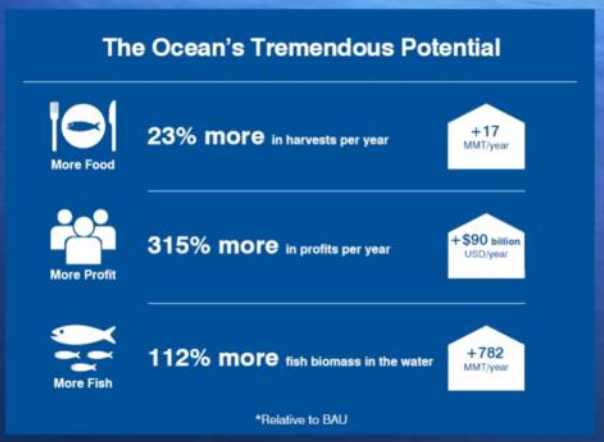

capital and flow of goods and services
Capital and wealth
Flow/ Production of goods and services
Natural capital
fish stocks,
coral reefs, oil
Produced capital
fishing vessels,
fish farms, ports,
Intangible capital
knowledge and skills,
economic
competitiveness,
marine security
Sustainable production
Net economic benefits (surplus)
profits, wages, taxes, fish products
Reinvestment and
savings
fish stock rebuilding,
aquaculture innovation,
marine protected areas,
conservation, marine
science,
other sectors
Sustainable
consumption


> 85% of all marine stocks overexploited/ fully exploited
more fishers are chasing less fish with bigger boats
cost of catching is increasing - e.g., energy costs per ton catch
relying on subsidies
well managed marine fisheries could make $50 billion more 'profit' each year
World Bank study 2008. 'The Sunken Billions'

increasing fishing fleets and fishing power declining productivity



recent estimate: global fisheries lost potential – food and profits

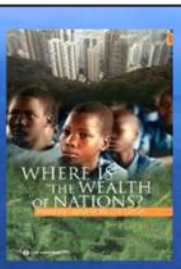


Ocean Prosperity Roadmap. Fisheries and Beyond

estimated rent loss in the SWIOFC area (2005 - 2009)

SWIOFC area catch	0.38 million tons (excludes foreign tuna)
SWIOFC % global catch	0.45%
Underexploited stocks	decreased from 24% to 18%
Moderately exploited stocks	decreased from 21% to 13%
Fully-exploited stocks	increased from 29% to 36%
Overexploited stocks	remained about the same 19%
Depleted stocks	increased from 5% to 11%
Estimated SWIOFC rent loss	$224 million/ year
Potential to increase benefits	$43m / year (assuming 25% of these rents recoverable)

Simple extrapolation from Sunken Billions estimates applied to SWIOFC catch and resource status.



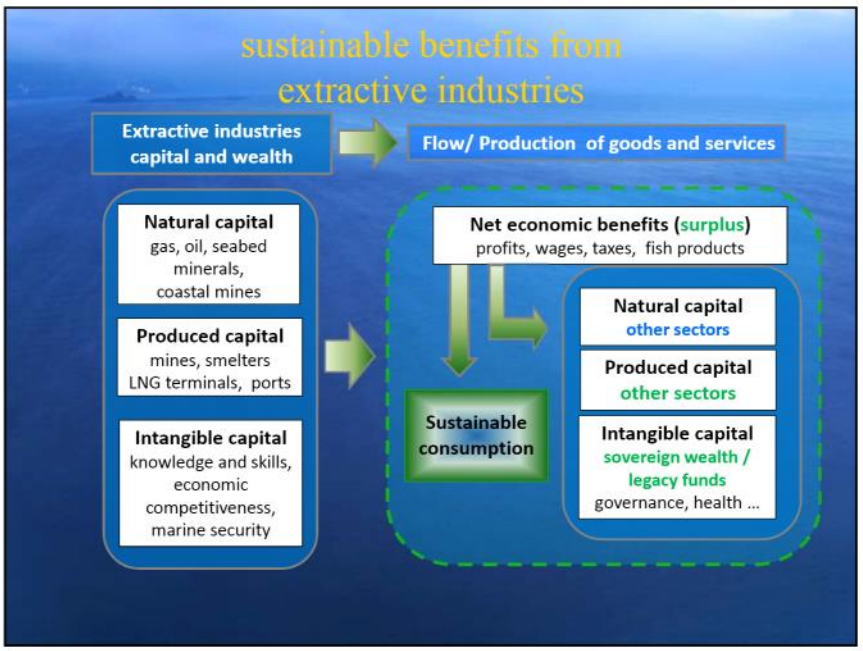
where is the Wealth of Nations?

national wealth is the sum of:

a) natural capital,
b) produced capital and
c) 'intangible capital'

Country /capital	Natural	Produced	Intangible
Singapore	<0.1%	31.3%	68.7%
Venezuela	60.2%	30.2%	9.6%

Oil Exporters ($ bil.)	Net savings	Energy depletion	Adjusted net savings
Norway	26.2	15.9	16.2
Saudi Arabia	35.9	43.5	-1.8



developing extractive indusries

- pick responsible partners
  - Equator principles, EITI, Africa Mining Vision
- separate the issues in negotiations: ownership, participation, benefits, risks
- stewardship of revenues
  - avoid Dutch disease and ensure revenues and jobs after minerals are exhausted
  - sovereign wealth funds
  - diversification of portfolio
- provision for legacy issues

IV. ROLES AND RESPONSIBILITIES

- role of the government
- role of the private sector
- role of civil society

government – a facilitator

- effective governance – governance score
  - maintaining political and social stability
  - maintaining maritime security, applying environmental norms
- enabling process
  - long-term vision and blue plan, coherence, integration, prioritisation of public expenditure
  - attractive investment climate; 'silent' investor infant industries
  - support for knowledge, innovation and private initiatives
- building public awareness
  - economic, social and environmental justification for the blue economy; tracking/ communicating progress

responsible private investment

- engagement by industry organisations e.g. chambers of commerce – constructive dialogue with government
- codes of conduct
  - corporate codes of social responsibility (enterprise level)
  - codes of industry conduct
  - purchasing policies
- communications with public
  - product footprints, labelling, product traceability
- investment and innovation
- economic benefits may depend on public awareness

keeping blue

well informed and responsible civil society

- provides a political foundation for the blue economy
- responsible behaviour & purchasing
- advocacy and leadership
- independent monitoring through CSOs and independent media

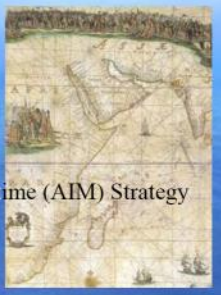
V. the way forward

1. country-level
2. regional-level
3. role of the Nairobi Convention

1. country-level

- develop blue economy vision, goals, public awarenesss, political will
- assure basic frameworks: governance, investment climate, facilitator, knowledge, marine tenure
- choose pathway(s), targets and timescales: sector, multi-sector, national
- underpin coordination, alignment, integration, 'compensation'
- ensure coherence among policies, plans and programs (poverty, climate change, …)
- explore innovative funding (impact, debt nature, green taxes, 'greening' of subsidies)

2. regional level



- numerous frameworks exist:
  - Decade of African Seas and Oceans
  - Djibouti Code of Conduct; Africa Integrated Maritime (AIM) Strategy – governance, security, transport
  - Indian Ocean Rim – business, trade
  - Gaborone & Cairo Declarations – natural capital
  - Nairobi Convention – protocols, SAPs, projects
  - IOTC, SWIOFC, SIOFA, SADC Protocol, other REC instruments
- a 'new blue framework' ? … or
- coordinate blue, green, other initiatives & prioritise actions/ $
  - climate change, disaster preparedness, maritime security
  - poverty reduction strategies, fisheries & scientific cooperation
- endorsement by RECs of the way forward

V. LEADERSHIP AND ROLE OF THE NAIROBI CONVENTION

- support implementation of the protocols
- develop private sector champions and partners
- enhance a long-term regional funding pipeline
- support REC coordination on the blue economy
- maintain knowledge platforms (e.g. emerging technologies, economic justification for national blue economy activities)
- facilitate coherence and synergies between overlapping initiatives, (poverty, climate change adaptation, debt restructuring)
- support for human and institutional capacity building, public awareness
- special support for the environmental dimension of extractive industries

parting thoughts

- the blue economy gives long-term benefits but may incur short-term social, economic and political costs
- pathways and commitments are country specific
- key challenges are to capture sustainable benefits from renewable and extractive resources
- the role of government is as a facilitator; the private sector is the key investor; an engaged civil society provides the political foundation
- good governance, a favorable investment climate and healthy coasts and oceans are fundamental even without a dedicated blue economy initiative – a 'no regrets' strategy
- a blue economy initiative must be complementary to other initiatives, e.g. on poverty reduction, climate change
- the Nairobi Convention has an important supporting role

references

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SWIO state of fish stocks (http://www.fao.org/docrep/meeting/021/al957e.pdf)


thank you
assante sana
obrigado
merci beaucoup
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