

PART I: SETTING THE SCENE FOR POLICY DEVELOPMENT

Sustainable development and well-being in Africa: Changing the paradigms

Situation statement

The African continent presently sits at a crossroads of opportunity to re-evaluate its development pathway within the context of the Blue Economy, taking into account socioeconomic, political, and environmental considerations. Societies that are dependent on aquatic and marine resources and ecosystems should get ready to embark on a developmental trajectory focused on human and ecosystem well-being. Yet, within the context of the Blue Economy, there are limited innovations, experiences, and practices that can be used to lead this transition. In order to carve its path, Africa needs to define its own understanding of prosperity and progress, while promoting innovative thinking and practices that will enhance human and ecological well-being.

Against this backdrop and in line with the AU Agenda 2063, there is an emerging opportunity to develop an African Blue Economy narrative that better reflects the kinds of development goals, partnerships, and forms of social reciprocity that African societies need as they move further into the 21st century. Creating a aquatic and marine-centered African vision within which new forms of knowledge and social narratives will be expressed would offer much to both Africa and the global community. In the Blue Economy context, Africa could contribute a strong pool of scientists, activists, policymakers, and business leaders genuinely dedicated to exploring, promoting, and practicing innovative ways to achieve sustainable development.

Challenges

Growth and progress

Since the 1930s, GDP has become the most widely accepted measure of a country's economic progress and the most dominant government decision-making tool. Although GDP has made it relatively simple for countries to

measure a specific, physical element of their economy, societies at large have struggled to achieve general well-being, which is an increasingly critical measure of economic performance. GDP is an estimate of market throughput, adding together the value of all final goods and services that are produced and traded for money within a given period of time.¹⁸

This thinking established a growth-based economic and societal model that fails to recognize the physical limits of natural and social systems. It also fails to account for the costs of natural degradation or social conditions that may be affected by unconstrained consumption of resources. Africa would be better served by a sustainability approach for the development of the Blue Economy, which goes beyond a narrow focus on increasing national wealth and focuses more directly on the achievement of inclusive growth, social inclusion, environmental conservation, and protection of ecosystem services. Sustainable economic progress will require societies to create the conditions that allow people to have quality jobs that stimulate the economy while not undermining environmental sustainability and social cohesion. Job opportunities and decent working conditions are also required for the whole working-age population, taking into account the need for gender equality and opportunities for youth.

Sectoral thinking

While currently there are policies and strategies regarding Blue Economy sectors, such as fisheries, transportation, energy, mining, and tourism, they are developed with limited consideration of the inherent interconnections across sectors that share a common space. For example, in the case of energy development, opportunities emanating from ocean and sea energy are largely not considered, planned for, or reflected in current policies related to sectors such as tourism and transport. Frequently, the most progressive energy policies in Africa reflect the possibilities of integrating nuclear energy for developing future energy, yet the great potential from the oceans and seas are largely not examined or considered in planning. A multisectoral and land-sea holistic approach would help enable the realization of a myriad of opportunities.

Awareness of the Blue Economy within the context of development policy is limited and requires awareness and knowledge-broadening efforts at policy scale. A strategic and integrative framework necessitates a new way of thinking about new sources of development opportunities. This requires transformative policy thinking and creative and workable policy instruments. Raising awareness

18 The World Bank, 2011. The Changing Wealth of Nations.

and addressing knowledge gaps will enhance the vision and strategy for Blue Economy-driven socioeconomic transformative processes.

There is also the challenge of outlining the Blue Economy in the context of the Green Economy, a concept now widely understood and whose inherent value is recognized. Despite the distinctive spatial focus of the Blue Economy, important synergies exist between these conceptual frameworks, and they need to be recognized.

Limitations of conventional thinking

Traditional top-down approaches do not allow for locally-based and contextually-sensitive responses, and could thus be less sustainable. They do not allow for adequate stakeholder participation and therefore may decrease a sense of ownership. There has been a growing recognition among those seeking to effect transformative ecological and social change that traditional change initiatives suffer from a number of limitations, including that:

- They often do not build local capability to name and frame complex challenges or design appropriate interventions to address them, contributing to an implementation gap.
- They seldom pay sufficient attention to opportunities for authentic co-design and co-creation of the initiative and therefore stifle real innovation.
- They often ignore the complexities, competing interests and power relationships involved in successful implementation.¹⁹
- They are seldom systemically conceived and therefore fail to address the key underlying conditions that have produced the symptoms that the initiative is seeking to address.²⁰

Opportunities

The Blue Economy as a mechanism to support and sustain rapid and sustainable development in Africa is timely and deserving of appropriate policy attention. Through the Blue Economy framework, both coastal and land-locked States can harness opportunities, which could yield mutual benefits, including the

19 Seneque, M., and C. Bon. *European Business Review*. Vol. 24, Issue 5, 425-443, 2012. Working with the complexities of transformational change in a society in transition: A South African perspective.

20 Scharmer, O., and K. Kaufer. Berrett-Koehler Publishers, 2013. *Leading from the Emerging Future: From Ego-System to Eco-System Economies*.

provision of efficient and coordinated services to each other as well as access to resources.

The opportunities to promote innovation in policy formulation and implementation in the Blue Economy can arise from global shifts, innovative multisectoral and multi-stakeholder policy processes for change, and innovating how we measure progress.

Global shifts

- The global impetus to meet the growing demand for resources, particularly oil and gas as well as minerals, highlights the need to put in place adequate policy frameworks that can simultaneously address concerns about access, security, supply, and sustainability of resources. In most jurisdictions, these have been formulated from a sectoral perspective. The Blue Economy framework provides an opportunity to develop an integrated approach to the utilization and management of these resources.
- The existing large share of global trade through maritime transportation (>90 percent) offers a unique opportunity to put in place relevant policies and strategies to maximize benefits from this sector.
- Globalization of finance, investment, and pursuit of high return opportunities in the Blue Economy, if coupled with proper investment policies and frameworks, offers an opportunity to attract global capital in key resource sectors to accelerate development.

Innovative multisectoral and multi-stakeholder policy processes for change

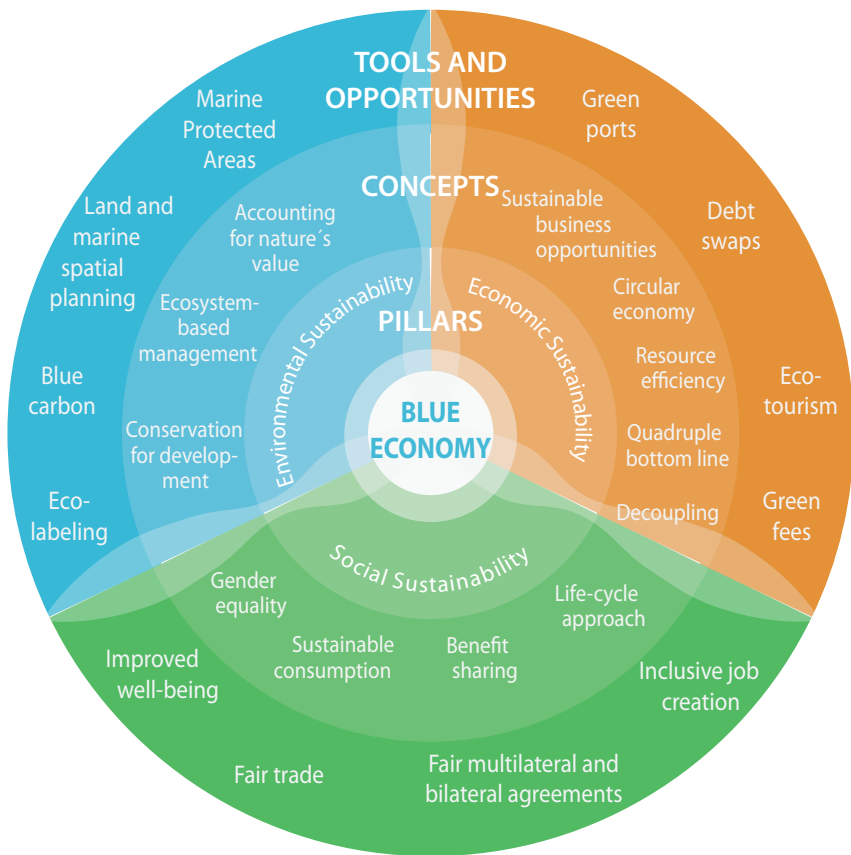
- The multisectoral approach of the Blue Economy is an ideal framework to design incentives or other policy instruments that can guide various sectors through a common policy building on trade-offs and synergies.
- The framework can provide opportunities for PPPs supporting social inclusiveness, sustainable use, and conservation and preservation of aquatic and marine resources.

The need for personal and collective ownership and collaborative decision-making is important. There is a particular need to bring in the voices of those traditionally marginalized groups that are often not included in knowledge creation and decision-making processes, such as the extreme poor, women, and youth.

As an example, African countries have the opportunity to utilize and apply Marine Spatial Planning (MSP), which is an integrative, adaptive, and participatory process that brings together multiple users of the ocean at various levels — including energy, industry, fisheries, oil and gas, government, conservation, and recreation — to make informed and coordinated decisions about how to use marine resources sustainably. MSP generally makes use of maps to create a more comprehensive picture of a marine area, identifying where and how an ocean area is being used and what natural resources and habitats exist. It aims to achieve ecological, economic, and social objectives that usually have been specified through a political process. MSP is thus essential for the Blue Economy.

Figure 5 (see page 20) depicts what the Blue Economy framework could look like. An integrated, holistic, intersectoral-linked development space anchored on a quadruple-bottom line approach, where development success is measured in economic terms as well as on the basis of environmental and material stewardship, social responsibility, and governance/transparency standing.

Figure 5: Tools, concepts, and pillars of the Blue Economy



Source: Authors

Innovating how we measure progress

It is important to measure real economic progress as part of a Blue Economy strategy. Africa is uniquely placed to evolve and innovate economic metrics in order to provide decision-makers with a more complete picture of the health of the whole economy, rather than the narrow picture provided by GDP alone. A commonly desired outcome expressed by countries working toward establishing a sustainable Blue Economy involves a desire for increased human well-being and the maintenance or enhancement of environmental

and ecological health. These elements are inherently *qualitative* rather than purely *quantitative* and, therefore, require a rethinking of which economic tools we include in our economic toolkit. Examples of existing alternative economic metrics (acknowledging that countries would likely innovate and customize their own, based on their respective realities) include:²¹

- Index of Sustainable Economic Welfare (Genuine Progress Indicator, or GPI): This is a measure that uses GDP as a foundation; it accounts for both current environmental issues and long-term sustainable use of natural ecosystems and resources. While GDP is a measure of current income, GPI is designed to measure the sustainability of that income.
- Green GDP: This is a tool designed to factor into GDP environmental degradation and depletion of natural resources in the national income accounts.
- Genuine Savings (GS): This is defined as “the true level of saving in a country after depreciation of produced capital; investments in human capital (as measured by education expenditures); depletion of minerals, energy, and forests; and damages from local and global air pollutants are taken into account.”²² This includes the value of global damages from carbon emissions. GS measures the built, natural, and intangible capital that is required for human society to exist and to thrive.
- Gross National Happiness (GNH):²³ This index mainly consists of a cutoff identification method that identifies sufficiency, in terms of achievements in relation to and among the following: psychological well-being, health, time use, education, cultural diversity and resilience, good governance, community vitality, ecological diversity and resilience, and living standard.
- The Human Development Index (HDI): Although not an economic metric *per se*, HDI is a composite statistic of health, education, and income per capita indicators. These indicators have the explicit purpose of shifting the focus of development economics from national income accounting to people-centered policies. The HDI, however, is still based on quantitative indicators and not qualitative.

Examples of applied new economic thinking in practice are provided in Box 1.

21 Costanza, R., M. Hart, S. Posner, J. Talberth (eds.). Boston University Creative Services. The Pardee Papers No. 4, p. 46, 2009. Beyond GDP: The need for new measures of progress.

22 *Ibid.*

23 <http://www.grossnationalhappiness.com/>

Box 1

Innovative economic measuring tools

The Economics of Ecosystems and Biodiversity (TEEB)

In March 2007, environment ministers from the G8+5 countries meeting in Potsdam, Germany, agreed to initiate a process of analyzing the global economic benefit of biological diversity and ecosystem services, the costs of the degradation of ecosystems, and the failure to take protective measures against the costs of effective conservation. A global study was initiated the same year by the German Federal Ministry for the Environment and the European Commission (EC), with the support of an advisory board. The Economics of Ecosystems and Biodiversity (TEEB) is a global initiative focused on drawing attention to the economic benefits of biodiversity. Its objective is to highlight the growing cost of biodiversity loss and ecosystem degradation. TEEB presents an overarching approach that can help decision makers recognize, demonstrate, and capture the values of ecosystems and biodiversity, including how to incorporate these values into decision making.¹

WAVES (Wealth Accounting and Valuation of Ecosystem Services partnership)²

For every country, wealth is what underpins the income that the country generates. It includes buildings; manufactured assets, such as the machinery used in factories; infrastructure, such as highways and ports; and natural assets, such as land, forests, fish, minerals, and energy; as well as human and social capital. Wealth accounting measures these assets and capital goods that are inputs to our economic well-being.

The World Bank Group (WBG) leads a partnership to advance natural capital accounting internationally which includes: Botswana, Colombia, Costa Rica, Guatemala, Indonesia, Madagascar, the Philippines, and Rwanda. WAVES partnership aims to promote sustainable development by ensuring that natural resources are mainstreamed into development planning and national economic accounts. WAVES has the following objectives:

- Help countries adopt and implement accounts that are relevant for policies and compile a body of experience.
- Develop an ecosystem accounting methodology.
- Establish a global platform for training and knowledge sharing.
- Build international consensus around natural capital accounting.

1 <http://www.teebweb.org>

2 <http://www.wavespartnership.org>

Policy guidance

Principles

Our lived experience of an economy is inherently affected by cultural and other societal factors. A key opportunity offered by the planning for a Blue Economy in Africa is the possibility of transitioning from unsustainable growth approaches to a sustainability-based model. To help achieve such a transition, countries have access to a range of innovative approaches.

The Blue Economy facilitates the design and implementation of processes that integrate science, awareness, and social change and lead to real improvement in environmental and ecological health and social well-being. Moving into more collaborative and inclusive patterns of work by harnessing the full potential of all actors becomes essential.

All stakeholders can engage in integrative strategic thinking and build sustainable alternative practices in government, business, civil society, and communities. Continental universities, think tanks, private companies, civil society organizations, and communities are in a position to generate homegrown knowledge, experiences, and practices that can respond to the specific challenges and objectives of the people.

The Blue Economy policy formulation process could provide opportunities for inquiry, experimentation, and policy innovation around four key objectives:

1. Exploring individual and collective leadership challenges

The Blue Economy policy formulation process would seek to foster transformative forms of leadership to create the enabling conditions for collaboration and societal transformation. This will stimulate a collective conversation, providing an opportunity for the exchange of ideas considering different cultural paradigms.

2. Encouraging multisectoral collaboration toward joint transformation action

The policy formulation process could provide an opportunity to develop and consolidate links among all stakeholders committed to a social and economic transition in Africa. Enhancing such links can strengthen the Blue Economy framework with evidence, new data, pilot initiatives, and widespread applications, thus overcoming the implementation gap in some of the current approaches to economic transition.

3. Producing prototypes of transformative actions

The policy formulation process could provide opportunities to merge research and practice with a view to generating innovations for a Blue Economy, resulting in the development of prototypes. These prototypes should be concrete in nature, involving different sectors and actors, as well as producing evidence for change. Some of them may be small-scale while others may span across countries.

4. Stimulating a network of change agents

Through its research-action orientation, the policy formulation process could contribute to the development of a continent-wide network of change agents. It could also help establish an Africa Blue Economy community of practice.

Furthermore, the Blue Economy policy formulation process should take into consideration the following key principles:

1. Sustainable use and sound management of aquatic and marine resources and ecosystems
2. Shared benefits and prosperity for all through a progress-based development paradigm
3. Value-based conservation and protection of aquatic and marine ecosystems
4. Coherence with SDGs
5. Systems thinking, lifecycle analysis, and value chain approaches
6. Participatory, inclusive, broad-based and multi-stakeholder-based approach to policy formulation
7. Intersectoral and holistic design and coordination
8. Policy coherence at multiple levels
9. Cooperation at all levels