



**Draft Concept Note**

**A Multi-Stakeholder Initiative to Catalyse a Sustainable Blue Economy  
in the Western Indian Ocean**

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## Preamble

This joint concept note reflects an ongoing exchange between the above organisations (the *Initiating Partners*) and past deliberations of Nairobi Convention stakeholders in the Western Indian Ocean (WIO) region. It should be considered a living document, reflecting the state of an evolving dialogue and growing participatory process, rather than a final design of blueprint. It sets out the case for a **Multi-Stakeholder Initiative** (MSI) to help catalyse a **Sustainable Blue Economy** (SBE) in the WIO.

The Initiating Partners intend the MSI to be an inclusive, well-resourced and highly effective **Collaboration System** between government, business, civil society, international organisations and science across the WIO. It will help to set a common SBE **agenda, principles, goals and brand for change** across the region. It will also **mobilise technical, financial and political resources** to support the following at the regional, national and local level:

1. **Governance** - Integrated dialogue, policy, information management, public financing and planning
2. **Partnerships** - Holistic and impactful multi-stakeholder partnerships and projects
3. **Stewardship** - A systematic culture shift of individuals, companies and communities towards stewardship of critical resources

In short, the MSI's overarching impact will be to help support a prosperous, healthy and resilient WIO region for all, which must be underpinned by thriving coastal and marine ecosystems. Resources have already been committed by some *Initiating Partners* to support a highly participatory and inclusive co-creation process. This concept note invites other organisations to consider joining an emerging, dynamic partnership, to develop and realise a transformational, long-term initiative in the region.

## What are some challenges facing the WIO region?

The WIO region continues to battle development challenges including high levels of absolute poverty, a youth bulge in search of formal employment, prevalent informality in the economy, overdependence on exports of primary commodities, persistent income inequalities, and deficient inland-based infrastructure. These challenges are being compounded by the ongoing COVID-19 pandemic. How can Africa harness its rich marine resources to address persistent development challenges and build back better post-Covid?

The annual "gross marine product" of the WIO region – equivalent to a country's annual gross domestic product (GDP) – is at least US\$20.8 billion. The region's total ocean asset base is conservatively estimated to be at least US\$333.8 billion. These values are derived from direct outputs from the ocean (e.g. fisheries), services supported by the ocean (e.g. marine tourism) and adjacent benefits associated with the coastlines (e.g. carbon sequestration). The WIO's economy is thus comparable to the largest national economies in the region. Several of the countries in the region are among the poorest in the world, and the ocean's contribution can be significant toward alleviating poverty.

As with the entire continent of Africa, the countries of the WIO are expected to enter into a period of rapid economic growth, enabled by their current low baseline, rapid demographic growth and access to new energy sources (AEO 2015, APP 2015). The population growth rates anticipated for the coming decades will result in an even larger increase in the workforce, from 42% of the population now to

51% in 2100, potentially providing a demographic dividend to help lift the countries out of poverty (UNFPA 2014, WEF 2012).

### **What is a Sustainable Blue Economy (SBE)?**

A SBE provides social and economic benefits for current and future generations. It protects, maintains and restores diverse, productive and resilient river basin and marine ecosystems, and is reliant upon clean technologies, renewable energy and circular material flows. In the context of the African Union, the blue economy is considered to include ocean-related activities as well as those associated with freshwater.

The concept of Blue Economy is recognised as central for sustainable development. However, much of the emphasis has been placed on short term economic gains. As a result, traditional livelihoods and small-scale local operations are frequently outcompeted by international corporations and government initiatives, with little regard for social inclusion and environmental sustainability. The most fundamental principle of a SBE often overlooked in the interest of these short-term economic gains is that people are at its centre. And not just a few, but all who impact, depend upon and benefit from the ocean. Bringing communities into the centre of global, regional and local efforts to build a SBE is key to its success. It is also essential if practical and effective interventions to deliver marine and coastal conservation are to succeed. A SBE will help to revitalize the economy and local communities, ensure social equity, protect marine ecosystems and biodiversity, and mitigate climate change while building back from the Covid pandemic. **For a SBE to become reality, there needs to be a significant shift in governance, in the way in which actors collaborate and in the culture that influences attitudes and behaviours of individuals to the environment and economy.**

### **What is hindering a SBE in the WIO?**

While the notion of a SBE is easy to subscribe to, it is very hard to implement. Rhetoric is rife while action is sparse. There are many reasons for this, six of which are outlined below.

First, **ocean governance remains inadequate** in the WIO at the regional, national and local levels. For good natural resource governance to prevail, especially where government regulatory and management capacities are low and actors remain fragmented and disempowered, there is need for concerted efforts to empower actors to get organised to represent themselves, support one another and duty bearers to be accountable, take responsibility to steward their resources and ensure good cooperation within and across sectors. At present, roles and responsibilities remain scattered, capacities for regulation (and therefore incentives for change) continue to flounder, and communities and private sector remain disengaged and disempowered. **A new focus must be put on empowering actors to work more effectively within and across their respective traditional boundaries for common governance objectives, to build the foundation upon which a SBE can emerge.**

Second, **private sector companies are driving unsustainable economic development.** Amongst other things, businesses in the region face a lack of: social, investor and regulatory pressure and accountability; understanding and appreciation of ocean sustainability; available good practice and evidence; organised stakeholder structures and easy entry points for dialogue and action; technical and financial support for changing practices or entering into partnerships. Without the right mix of these factors, companies are unlikely to embark on meaningful change towards more SBE practices.

As with communities, companies are primarily interested in local and national issues where they operate. While each context is different, many of the issues facing companies are similar across the region. **Companies across the WIO need a combination of knowledge, support and pressure to adopt more sustainable practices and engage in new partnerships for the stewardship of marine and coastal resources.**

Third, **governments lack the guidance, evidence base and stakeholder dialogue platforms** necessary to inform the development of policies and strategies to incentivise a SBE at the regional, national and local levels. **Focused efforts to support governments form dialogue platforms to engage businesses and other actors on how to materialise a SBE are critical to ensure dialogue, realistic incentives and action.**

Fourth, many coastal areas and island states are directly impacted by **disempowered communities that are struggling with food security, viable livelihoods, health, education and safety.** Today, there are 130 million more people suffering from hunger in Sub Saharan Africa and SE Asia due to Covid. Childhood stunting and decreased nutrition have increased exponentially. Expecting these same communities to deliver conservation without development assistance, education, job creation and the necessary investment is simply both unjust and unrealistic. **Taking a human rights-based approach to empower communities, and especially young people and women, to be masters of their own development is fundamental if we are to achieve inclusive and resilient economic development underpinned by sustainably utilised coastal and marine resources.**

Fifth, **coastal and marine ecosystems that underpin the SBE are being rapidly degraded.** We are now rapidly eroding so many of these assets that we have already lost half of our coral reefs and mangroves over the last 30 years. Coral reefs, mangroves and seagrass beds are some of the planet's most productive ecosystems, providing food security, important breeding and feeding grounds for fisheries and other species, protection from storms, economic opportunity and a host of other goods and services. For example, mangrove coverage is diminishing in most countries in the region – Kenya and Tanzania lost about 18 percent of their mangroves over 25 years, and Mozambique lost 27 per cent over a shorter timeframe (Bosire 2015). This is largely due to overharvesting for firewood, timber and charcoal; clearing and conversion to other land uses; pollution; sedimentation; and changes in river flow. Warming, acidifying seas and increasingly frequent major climate-related events (like mass bleaching), coupled with the inexorable increase in pressures from local human populations, are rapidly ratcheting down the health of coral reefs. The loss of coral reef biodiversity and ecological function has severe consequences for countries bordering the South Western Indian Ocean. Coral reef-associated fisheries sustain the livelihoods, food security and protein intake of many small-scale fishers in the region. Further, coral reefs are the primary asset for the coastal tourism sector, providing coastal protection, recreation areas and seafood worth US\$18.1 billion annually. Tackling climate change is a global challenge, but countries in the region must take urgent action to protect reef health. This includes reversing the rise in those threats under their control, such as destructive fishing and pollution, and taking a proactive approach to improve reef conditions and identify reef-specific management actions and options. **New emphasis must be put on regulation and partnerships at all levels for the sustainable protection of biodiversity, based on the common understanding that thriving ecosystems underpin a SBE and healthy coastal communities.**

Despite the growing interest in investment flows being directed at coastal areas, there is a **lack of understanding of the extent to which these investments will either support or undermine coastal**

**ecosystems**, national priorities and political imperatives. The case for protecting healthy natural infrastructure, such as reefs and mangroves, is strong and momentum is building for scaled-up intervention. Certainly, from a climate change perspective, UNFCCC so-called 'Blue CoPs' in 2019 and 2020 have a substantial focus on oceans and the importance of the ocean's so-called blue natural capital to achieving climate change mitigation and adaptation. However, conservation efforts are at risk of being undermined, and overtaken by the proposed development on the horizon. The OECD projects that the ocean economy will double over the coming decade<sup>1</sup> supported by technological advancements and due to the fact that the ocean is seen by many as one of the last frontiers for human development. But with many of the indicators of ocean health already trending in the wrong direction, it brings into question how such development will be achieved when the resource base on which society and business depends is being so severely eroded. **There needs to be a new emphasis put on harmonising science with policy and investment decisions, by facilitating the exchange and processing of information, capacity development, access to expertise and collective advocacy for change.**

### **How will the MSI help catalyse a SBE?**

The MSI is intended to be an inclusive, well-resourced and highly effective **Collaboration System** to support and accelerate the transition to a SBE in the WIO region. At the heart of this is a multi-stakeholder **Core Structure** with balanced representation of government, business, CSOs, international organisations and science from across the region. This *Core Structure* will comprise of a *Steering Board, Working Groups, a Secretariat, Funders or Funding Mechanisms, a Pool of Experts* and a Patron/Patrons.

The *Core Structure* will support a **Network of Partnerships and Initiatives** at the regional, national and local levels. It will **set, promote and monitor a common SBE agenda, principles, goals and brand for action and change** across the region. It will **mobilise technical, financial and political resources** to support a *Network of Partnerships and Initiatives*, that will ultimately deliver:

1. Integrated dialogue, policy, information management, public financing and planning
2. Holistic and impactful multi-stakeholder projects
3. A systematic culture shift towards stewardship of critical resources

This support will be offered to a diverse processes and autonomous partnerships at regional, national and local levels to deliver tangible and meaningful change. The assistance offered by the *Core Structure* will be flexible and effective because it will draw on a diversity of partners' perspectives, technical expertise, networks and resources. With strong technical, political and financial backing, combined with powerful communications and brand, the MSI will be ideally placed to help catalyse a SBE in the WIO.

The MSI will help deliver these benefits through the innovative and appropriately designed elements of its structure, namely:

- **Patron(s)** that act as ambassadors of the initiative, helping to mobilise support across the region from all groups of actors.

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<sup>1</sup> OECD (2016), *The Ocean Economy in 2030*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264251724-en>.

- Multi-stakeholder **Steering Board**, mandated by the Nairobi Convention Conference of Parties with responsibilities including determining strategy and monitoring its implementation, overseeing finances and holding other elements of the Core Structure to account.
- Multi-stakeholder **Working Groups** tackling the critical questions and intellectual challenges for a transition to a SBE, defining cutting edge approaches and acting like regional multi-stakeholder thinktanks, while also ensuring implementation of different elements of the strategy.
- A diverse **Pool of Experts** with international and regional organisations and individuals on SBE, ocean governance, community development, advocacy, marine and coastal conservation, sustainable business practices and multi-stakeholder approaches on hand to support partnerships and initiatives at all levels, ensuring ideas are able to develop into projects.
- **Secretariat** to help ensure smooth operation and coordination of the *Core Structure* and *Network of Partnerships and Initiatives*.
- **Funders or funding facilities** would help seed fund early-stage projects and initiatives, as well as lever stakeholder investment (e.g. private sector project funding).
- **Network of Partnerships and Initiatives** learning from each other, benefitting from common capacity building measures, identifying and building synergies and working together and creating a greater cumulative impact and level of influence on change.

With this structure, the MSI can take a flexible, adaptable and demand-responsive approach to directly help empower governments, companies, NGOs and communities implement the SBE in practice at the regional, national and local levels. It will lever investments for a SBE, support collective stewardship and a multitude of collaborations, empower actors to increase climate and ocean resilience and conserve biodiversity, share information and good practice, jointly advocate for change and build the necessary institutional, organisational and human capacity for dialogue and collective action.

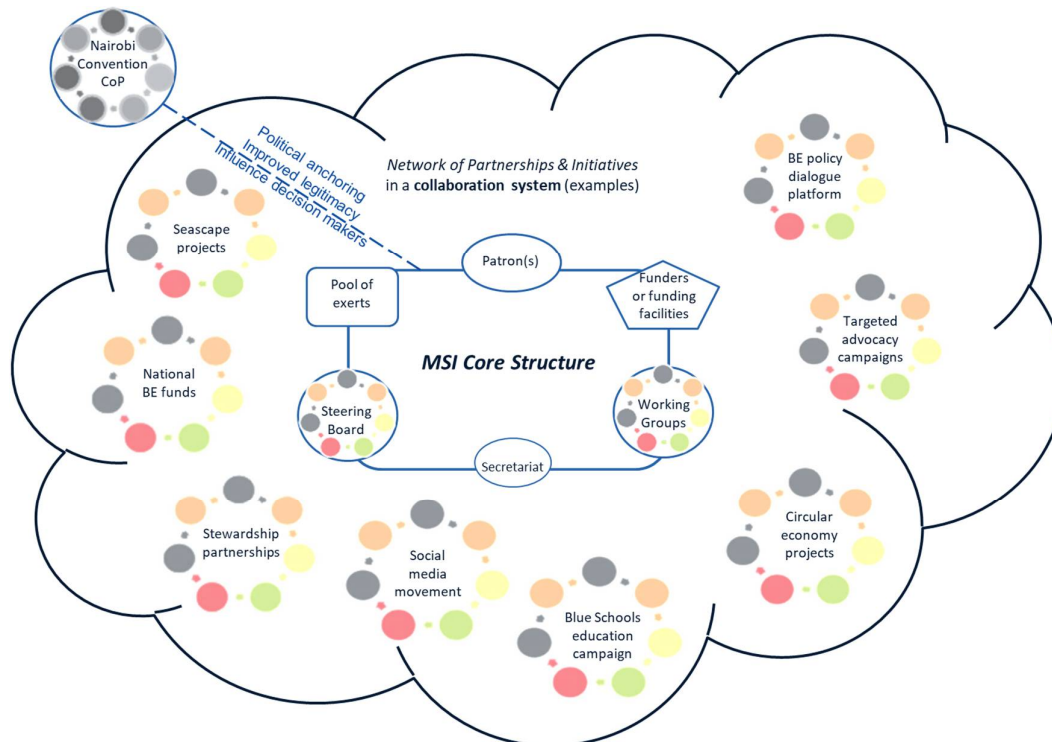


Figure 1 – Proposed structure of the MSI and example partnerships/initiatives in its collaboration system

The below diagram summarises the value that the MSI will add both for the *Network of Partnerships and Initiatives*, but also for the broader WIO region, by harmonising initiatives, creating a stronger voice, and assimilating the combined impact and visibility of individual projects under a common brand and set of goals.

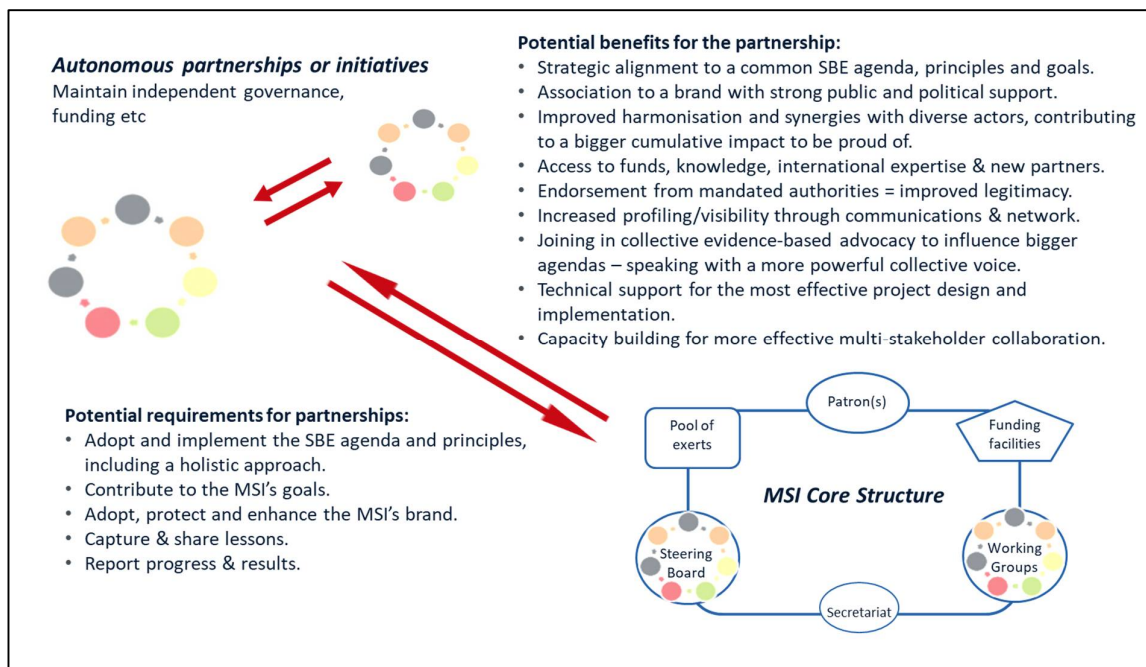


Figure 2 - Benefits and requirements of the Collaboration System for autonomous partnerships and initiative

**In short, the MSI will lever the power of actors working and leading collectively because we are exponentially more powerful by acting together. This is quite possibly the only way of achieving a SBE in the region.**

### What results will the MSI achieve?

The MSI will achieve many different types of results. Those that are highly tangible and therefore attractive from a political and scientific perspective – the types of results donors and politicians like, such as increased areas under protection, investments levered and number of people transitioning into sustainable livelihoods. However, the MSI will also create subtle, less tangible results, such as attitude shifts and new forms of collaboration that didn't previously exist. While these are often less measurable, they are equally if not often more important to change. How each individual – whether head of state, CEO, civil servant or community member - views themselves, their relationship to nature and therefore their responsibilities to steward the environment for the benefit of all is perhaps the most fundamental change that can be created, if it can be done at scale.

The specific results of the MSI will be further determined by the MSI's multi-stakeholder governance structure. However, its goals are likely to orientate around:

- Contributing to improved ocean governance in the WIO
- Providing a regional platform or mechanism for stakeholders to collaboratively address the development of a SBE
- Levering investments in the blue economy and accelerating the creation of blue jobs

- Increasing the number of businesses undertaking more sustainable practices
- Improving coastal zone management for climate resilience and productivity
- Restoring critical ecosystems and fisheries, while increasing areas of ocean under protection
- Empowering communities to become stewards of coastal and marine resources
- Preventing solid and liquid waste from entering the environment

### What is the process for developing the MSI?

All abovementioned *Initiating Partners* have committed to developing the MSI in a highly participatory and inclusive manner, to maximise local ownership and collective leadership. The process for developing the MSI has been initiated by the above actors, and it is in its initial steps of its preparatory phase. The next steps include engaging a much broader diversity of actors and better understanding their needs and aspirations before growing the core group to be more representative and together refining fundamental conceptual elements and further development processes. The Collective Leadership Institute (CLI) will provide capacity development support to partners to help ensure a high quality and inclusive dialogue and stakeholder processes to co-create the MSI. For example, CLI will utilise the Collective Leadership Compass (below) in helping strengthen the capacity of members of the MSI to collaborate, while strengthening the strategic orientation of the MSI overall.



Figure 3 - Collective Leadership Compass of interconnected approaches to developing and strengthening multi-stakeholder collaboration.

The MSI development will follow the phases set out in the CLI dialogic change model, below.

Phase 1 will involve:

- Mapping actor and initiative landscape across sectors, countries and mandates to deepen the understanding and strategic orientation.
- Deepening our narrative, concept and vision with current and new members including private sector.
- Expanding and diversifying the Initiating Partners, while continuing to engage in regular exchanges that draw out collective intelligence and foster connection and ownership.



- Develop a theory of change for our emerging network and build collaboration capacity for ensuring its implementation



Figure 4 – Phases in the Collective Leadership Dialogic Change Model that the MSI will follow ([www.collectiveleadership.org](http://www.collectiveleadership.org))

### What are the timelines for developing the MSI?

Although much will depend on the prioritisation and resources partners give the MSI, the following time ranges are estimated for each phase:

1. Exploring and Engaging = 6-9 months
2. Building and Formalising = 10-14 months
3. Implementing and Evaluating = 24+ months
4. Sustainability and Expanding Impact = unlimited

### How will the MSI be governed?

The MSI will be governed at the highest level by a non-hierarchical, member-elected *Multi-stakeholder Steering Board* that can provide inspiration, guidance and mechanisms for collective leadership, supporting a diversity of initiatives to grow in scale and impact in a strategic direction. However, it will not become a mechanism for coordination and control, since each organisation, partnership and project has their own governance and accountability mechanisms, and the mandate for regional coordination is unlikely ever to sit with one single actor. In that sense, being part of the *Collaboration System* will be completely voluntary based on the benefits outweighing the costs. It will be up to the *Core Structure* to make sure these incentives are strong enough to attract and maintain actors.

The MSI will be politically anchored by endorsement of the Nairobi Convention Conference of Parties – i.e. the governments from all the 10 states sharing the WIO. This is the sole regional governance

body specifically mandated to work on issues of marine conservation and ocean governance. However, again the CoP will not control the MSI, because of its dependence on multi-stakeholder governance and autonomy.

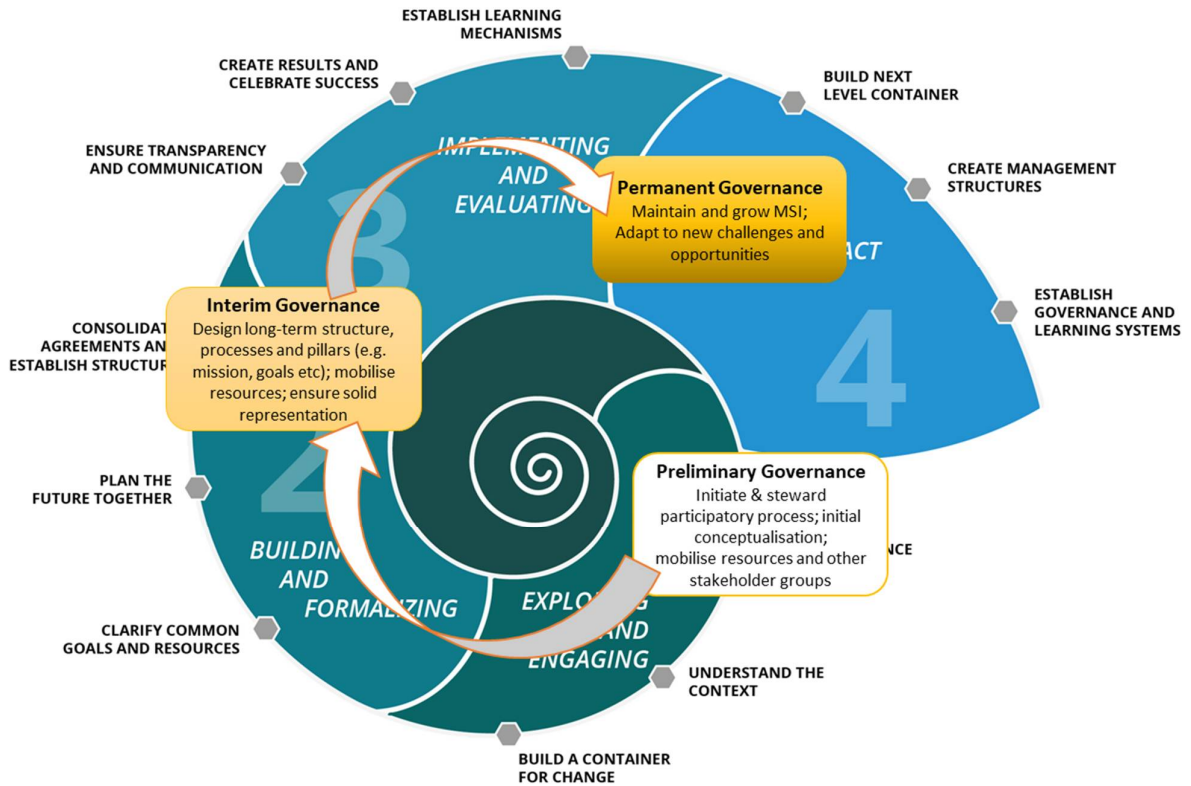


Figure 5 - Evolving governance structure of the MSI

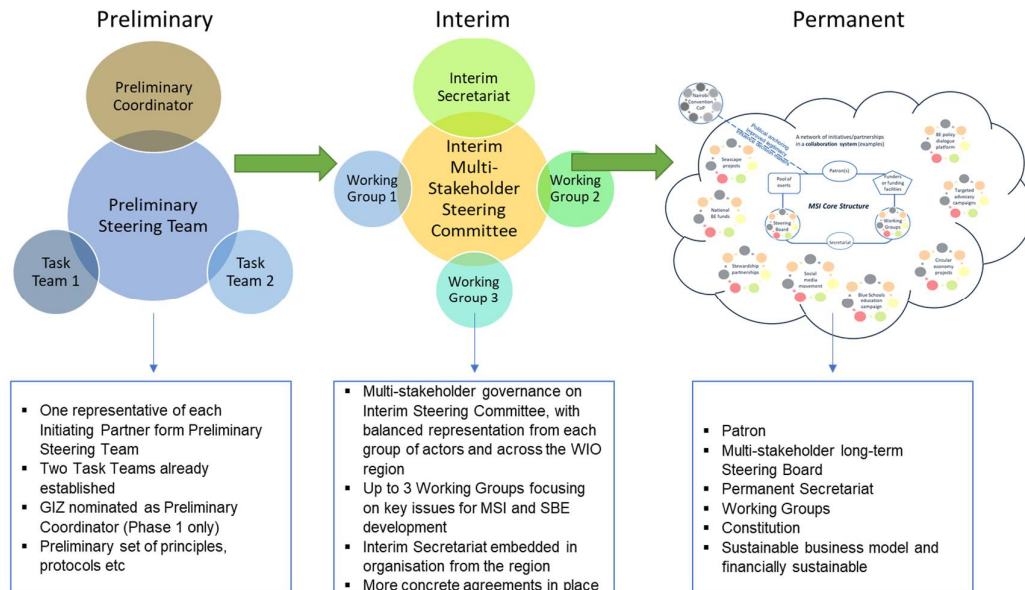


Figure 6 – The evolution of the MSI governance structure

### **How is the MSI currently resourced?**

To date, through their active participation in the process, the Initiating Partners have shown strong commitment to developing the MSI in its Exploring and Engaging Phase (1). In-kind and financial resources are starting to be clarified and committed by Initiating Partners to support Phases 1 and 2. This includes but is not limited to contributions from BMZ via GIZ of approximately EUR 1.2 million and from the Nairobi Convention Secretariat approximately EUR 750,000. Other international and regional NGOs are likely to come forward with resources, and further funding opportunities are being pursued, particularly for Phases 3 and 4.

### **What might the MSI be called?**

To date, "*Our Blue Future*" has been suggested as a potential name and brand for the MSI. "Our" represents the common nature of the initiative and of ocean and coastal resources, "blue" represents both oceans and blue economy and "future" because the initiative is very much forward looking and wants to emphasize an inclusive and common future. However, the MSI's name and therefore its brand will eventually be determined by the multi-stakeholder governance structure, informed by communications experts.