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The 24th Session of the Inter-Governmental Committee of Experts
(ICE) (Senior Government Officials) of Southern Africa

18 – 21 September 2018
Balaclava, Mauritius

Theme: *Blue Economy, Inclusive Industrialization and Economic
Development in Southern Africa*

Concept Note

1. Background and Context

The Intergovernmental Committee of Experts (ICE) is a United Nations (UN) General Assembly policy sub-organ of the Economic Commission for Africa (ECA) Conference of African Ministers of Finance, Planning and Economic Development established to promote a forum for engaging member States' senior policy makers (Senior Governmental Officials) on policy and programme-related matters in each of the five sub-regions of Africa. It is an integral part of ECA's governance machinery and meets annually to consider, provide guidance and endorse the formulation and implementation of the programme of work in line with the priorities of each sub-region and proffer recommendations with a view to ensuring that the development imperatives of the sub-regions are fully reflected in the overall work programme of ECA. The ECA Sub-Regional Office for Southern Africa (SRO-SA) based in Lusaka, Zambia is one of the five sub-regional offices and serves eleven member States: Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Eswatini (former Swaziland), Zambia, and Zimbabwe. A three-member Bureau, consisting of a Chair, Vice-Chair and a Rapporteur, elected at each ICE session and serving until the next session, is the executive arm of the ICE and works closely with the Secretariat during the year. The Secretariat consults with the Bureau in selecting a theme for the next ICE Session.

The 24th Session of ICE of Southern Africa will be hosted by the government of Mauritius under the theme: **“Blue Economy, Inclusive Industrialization and Economic Development in Southern Africa”** from the 18th – 21st September 2018 at the Le Meridian Hotel, Balaclava, Mauritius. This follows the successful 23rd Session hosted by the government of Zimbabwe from the 26th - 27th October 2017 in Bulawayo under the theme: **“Trade facilitation in Southern Africa: Bridging the Infrastructure Gap”**.

The 24th Session will focus on the blue economy opportunities and challenges in Southern Africa and will specifically discuss its prospects for fostering inclusive industrialization and sustainable development in the region. Covering over two-thirds of the planet, the global ocean is fundamental to the livelihood of human well-beings, regulating the earth's climate, absorbing a significant proportion of anthropogenic emissions of carbon dioxide, providing foods, facilitating trade, and providing jobs and recreation for a large portion of the world's population. The Organization of Economic Co-operation and Development (OECD) estimated that the ocean economy contributes approximately USD 1.5 trillion annually, or roughly 3 percent of global value added.¹ The ocean is increasingly considered as a new economic frontier, driven by a growing population in search of new sources of growth and rapid technological advances making new resources accessible.

The notion of a “blue economy” and the need to stimulate “blue growth” was first raised during the 2012 United Nations Conference on Sustainable Development (also known as Rio+20)² and aimed at capturing the potential for maritime-based activities and resources to stimulate economic growth and significantly contribute to sustainable development. Indeed, the “blue economy” concept essentially seeks to promote economic growth, social inclusion and the preservation or improvement of livelihoods while at the same time ensuring environmental sustainability of the oceans and coastal areas. It has diverse components, including established traditional ocean industries such as fisheries, tourism and maritime transport, but also new and

¹ OECD (2016). *The Ocean Economy in 2030*. Paris

² Rio +20 outcome document, *The Future We Want* - <https://sustainabledevelopment.un.org/rio20>

emerging activities such as offshore renewable energy, aquaculture, seabed extractive industries and marine biotechnology and bioprospecting.

Hailed by the African Union (AU) as the “new frontier of African renaissance”, the blue economy and its potential as an economic resource is gaining prominence across the continent. Africa stands to reap maximum benefits of utilizing its seas, oceans and their resources for sustainable economic development. A substantial part of Africa’s economic growth relies on numerous ocean-related activities. Maritime zones under Africa’s jurisdiction cover about 13 million square kilometers including approximately 6.5 million square kilometers over the continental shelf. Moreover, 38 out of the 54 African countries are coastal States and the continent is host to globally acclaimed islands including Mauritius, Comoros, Seychelles and Madagascar. Africa’s inland waters, oceans and seas, offer an immense wealth of resources (fishing, minerals and energy), representing significant economic opportunities and, in some instances, real alternatives to many heavily exploited land-based resources. The blue economy holds great potential for the socio-economic development of the African continent and accordingly, it has gained an important place on regional and national development agendas. The AU Agenda 2063³, the strategic document setting out the continent’s socio-economic targets for decades to come, identifies the blue economy as a significant accelerator for the continent’s quest for economic transformation and sustainable development.

Furthermore, the AU’s 2050 Africa’s Integrated Maritime (AIM) Strategy⁴ provides a broad framework for the protection and sustainable exploitation of the Africa’s Maritime Domain (AMD). Its overarching vision is to foster increased wealth creation from Africa’s oceans, seas and inland waters by developing a sustainable thriving blue economy in a secure and environmentally sustainable manner. One of the key goals of the Strategy is to ensure synergies and coherence between sectoral policies within and between Regional Economic Communities (RECs) by adopting a common and cooperative approach to maritime issues in order to contribute to the creation of sustainable growth from sea or maritime related activities. The October 2016 AU Extraordinary Summit on Maritime Security and Safety and Development in Africa adopted the AU Charter on Maritime Security, Safety and Development (also referred to as the Lomé Charter) which reinforces the commitment by African leaders to make maritime space a key driver of the continent’s economic and social development. The Charter recognizes the need for support in developing security objectives and the need for neighbouring countries and partners to cooperate in areas such as training, education, business and industry development. The blue economy is also interlinked with the SDG14 which refers to the need to “*Conserve and sustainably use the oceans, seas and marine resources for sustainable development.*”⁵

A blue economy approach centered on regional integration and cooperation has the potential to significantly contribute to economic transformation and industrialization efforts in Southern Africa and help support countries on the path to sustainable development. The region is

³ <https://au.int/en/agenda2063>

⁴ <https://au.int/en/newsevents/20180220/2-0-5-0-africa%E2%80%99s-integrated-maritime-strategy-2050-aim-strategy>

⁵ <https://sustainabledevelopment.un.org/post2015/transformingourworld>

home to island States such as Mauritius and Seychelles⁶, both of which, form together with South Africa, the very small group of African countries with well-established blue economy strategies.

Generally, Southern African countries can be categorized into three geopolitical groups, based on their natural comparative advantages and prospects in advancing the blue economy to accelerate sustainable development. The first, is the group of Indian Ocean Coastal States, which includes South Africa, Mauritius and Mozambique. In this group, Mauritius is a member of both the Indian Ocean Commission⁷ (IOC) and the Indian Ocean Rim Association⁸ (IORA), while South Africa and Mozambique only belong to the latter. By virtue of the strategic location of the Indian Ocean region and the enormous potential of maritime and ocean-based activities, the two intergovernmental organizations have identified the blue economy as a key pillar and priority area of their economic and social development agendas. The second group is comprised of the Atlantic Ocean Coastal States: South Africa, Namibia and Angola. With the Indian Ocean on its eastern coastline and bordered by the Atlantic Ocean to the west, South Africa is in a unique position as it belongs to the two groups. This provides the country with considerable oceanic resources and immense opportunities to harness the blue economy for sustainable and inclusive development. Namibia and Angola have coastlines of 1400 kilometers and 1620 kilometers respectively and are each endowed with substantial marine natural resources, including offshore minerals such as oil, natural gas and diamonds. The third group is composed of the landlocked countries: Botswana, Lesotho, Malawi, Eswatini, Zambia and Zimbabwe. The potential for developing a flourishing blue economy sector in these countries should not be overlooked. Their inland waters include: Lake Malawi also known as Lake Nyasa (Malawi), Lusutfu/Usutu River (Eswatini), Zambezi River (Zambia, Zimbabwe), Kafue River (Zambia) and a large number of lakes, including: Bangwelu, Moero, Tanganyika, and Kariba. The potential of inland waterways should be unlocked to support sustainable transport systems, provide a viable complement to the shipping of goods by road and rail and boost social and economic development in the region.

The importance of marine and coastal resources to island countries such as Mauritius is evident and has been elaborated in numerous international fora. The remarkable per capita marine resource area enjoyed by these countries means that the blue economy approach offers the prospect of sustained, environmentally-sound, socially inclusive economic growth. However, the benefits of the blue economy are not exclusively tailored for island countries. They are equally applicable to coastal and even landlocked countries and ultimately (and importantly), the approach offers the means for the sound utilization of resources beyond national jurisdictions. The approach is also essentially based on the optimization of several sectors such as the mining sector, port infrastructure, maritime transport, fisheries, tourism and renewable energy. It enhances intersectoral coordination and sustainable management of the resources involved in all sectors. At the core of the blue economy concept is the decoupling of socio-economic development from environmental degradation. To that end, the approach is founded upon the assessment of the real value of the blue economy capital, a natural resource, into all aspects of economic activity (conceptualization, planning, infrastructure development, trade, renewable resource exploitation,

⁶ Although Seychelles is not part of the countries covered by ECA SRO-SA, it is a member State of the Southern African Development Community (SADC).

⁷ The IOC (<http://commissionoceanindien.org/accueil/>) includes five countries: Comoros, Madagascar, Mauritius, Reunion (overseas region of France) and Seychelles.

⁸ The IORA (<http://www.iora.net/en>) is an intergovernmental organization of 21 member States, aimed at strengthening regional cooperation and sustainable development within the Indian Ocean region.

energy production and consumption). In particular, efficiency and optimization of resource use is paramount, whilst respecting environmental and ecological parameters. This includes where sustainable, the sourcing and usage of local (regional) raw materials and utilizing where feasible, “blue” low energy options to realize efficiencies as opposed to the usual scenarios of high energy.

Thus, there are clear linkages between the blue economy approach, industrialization and sustainable development. Notably, as the Southern African Development Community (SADC) prepares to implement the SADC Industrialization Strategy and Roadmap Strategy 2015-2063⁹, focusing on developing Regional Value Chains (RVCs) including maritime value chains, agro-processing, minerals beneficiation, pharmaceuticals and tourism, there is need to examine how the blue economy approach centered on cooperation and partnership among member States can effectively contribute to the attainment of the sustainable and inclusive industrialization objectives of the region. The immense Southern Africa’s blue economy capital, coupled with the experiences and policy leadership of countries such as Mauritius and South Africa can be leveraged to build and sustain a strong and inclusive blue economy in the region, with the ultimate objective of achieving sustainable development in all member States.

In spite of all its promises and immense opportunities, the development of an integrated blue economy is limited by a number of challenges and constraints, some of which, might be specific to the Southern African region.

In particular, there is need to overcome current economic activities that are rapidly degrading ocean resources through unsustainable extraction of marine resources, physical alterations and destruction of marine and coastal habitats and landscapes, climate change, as well as marine pollution. The need for urgent protection of the marine environment and ecosystems has become a worldwide concern. In fact, the conservation and sustainable use of biodiversity has a precursory role in enabling the establishment of a blue economy, broader sustainable development and poverty eradication. This is particularly true in developing countries, including Southern African States in particular, where economies are more directly related to environmental exploitation. An ecosystem approach that factors in restoration of biodiversity and renewable resources and proper management of resource extraction is required. It is equally clear that the effects of poor environmental management are heavily exacerbated by the impacts of climate change. Sea level rise and changes in ecosystem status due to changing temperatures, from coral bleaching to impacts of climate change on migration patterns, have been discussed at length in diverse international fora. While the long-term climate change impacts on ocean systems are not yet fully understood, it is however clear that changes in sea temperature, acidity and major oceanic currents, among others, already threaten marine life, habitats and the communities that depend on them.

Issues related to environmental crimes (including deliberate shipwrecking and oil spillage as well as the dumping of toxic waste in the maritime domain), maritime disasters and accidents at sea, as well as transnational organized crimes (including money laundering, illegal arms and drug trafficking, piracy and armed robbery at sea, illegal oil bunkering, maritime terrorism, human smuggling and human trafficking) cannot also be ignored in developing a thriving blue economy in the region.

⁹https://www.sadc.int/files/4514/9580/8179/Action_Plan_for_SADC_Industrialization_Strategy_and_Roadmap.pdf

It is also critical to invest in the human capital required to harness the employment and development benefits of investing in innovative blue economy sectors. It is evident that blue growth cannot be achieved without highly qualified and specialized professionals in strategic and technology-intensive sectors of the blue economy. At present, the Southern Africa region is characterized by deficiencies in human capital and skills for industrial processes, science and technology. There might also be constraints related to the establishment and development of effective legal, regulatory and institutional frameworks. While each country is ultimately responsible for its own resources and sustainable development, the need for structured international/regional cooperation in many aspects of the blue economy cannot be overemphasized. Investment in, and use of the best available science, data and technology is critical to underpinning governance reforms and shaping management decisions to enact long-term change. Clearly, the adoption and implementation of a blue economy approach requires access to affordable and innovative sources of long-term financing.

Besides, inclusive industrialization emanating from the blue economy sector can only be achieved if all societal groups, especially women, youth and underrepresented/marginalized populations are effectively included in the economic activities of the various blue economy sectors or value chains. Likewise, the private sector can play a critical role in building and advancing the blue economy, including through partnering with the public sector to develop investments and ensure sustainability of coastal and marine operations. For instance, maximizing finance for the development of the blue economy can be achieved through the optimization of the scarce public resources and crowding in private investment. The private sector, including Civil Society Organizations (CSOs) can also help address threats such as overfishing, ocean pollution and climate change that the blue economy sector is facing.

2. Objectives

The 24th Session of the ICE will: (i) review the social and economic conditions in Southern Africa (ii) consider and endorse the implementation of the programme of work of the ECA Southern Africa Sub-Regional Office, the planned programme of work and the budget for 2019; and (iii) review the implementation of regional and international agendas, including NEPAD and other special initiatives in the sub-region. In reviewing the work programme, the delegates will proffer recommendations towards ensuring that the development priorities of the sub-region are fully accommodated in the work of ECA to align technical support provision to member States and Regional Economic Communities (RECs) to these priorities.

In addition to carrying out its statutory mandate, the 24th Session will also review the recommendations of a study on “**Blue Economy, Inclusive Industrialization and Economic Development in Southern Africa**” as well as recommendations of an Ad Hoc Experts Group Meeting on “**The Role of Small and Medium Scale Enterprises (SME) in the Industrialization Process in Southern Africa**”.

The focus of the discussion on the blue economy in Southern Africa will be on its basis, prospects, constraints and challenges in regard to fostering inclusive industrialization and socio-economic development in the region and mechanisms and strategies to address the identified challenges. Specifically, the delegates and participants will discuss:

- The notion of the blue economy, its variants and components, including the issue of inland waterways and how both landlocked and land-linked countries can be part of the blue economy framework and the resultant economic value-chains;
- The blue economy as a major site of production, investment, accelerated growth, poverty reduction and development in Southern Africa;
- The economic opportunities the blue economy provides including how the private sector, both large and small and medium scale enterprises, can actively participate in the sector for industrialization, job creation and socio-economic development in Southern Africa;
- Different national level experiences on the blue economy and its opportunities and challenges, including national policies and strategies aimed at managing and promoting the blue economy, the lessons learned, good practices and prospects especially on facilitating economic development in the region;
- Regional strategies and policies on the blue economy in terms of their focus, content, and alignment with national and regional industrialization strategies and their efficacy in promoting socio-economic development;
- Human capital needs, legal and institutional frameworks for the development of the blue economy sector in Southern Africa; and
- Risks, challenges and constraints of the blue economy sector including issues of maritime security, terrorism, climate change, environment degradation and marine pollution, etc. confronting the sector and how these could be addressed.

3. Format

The 24th Session will be held in plenary and will comprise of presentations and discussions of parliamentary reports prepared by the Secretariat on: (i) Social and economic conditions in Southern Africa (ii) Implementation of the programme of work of SRO-SA and planned work for 2019 and (iii) Implementation of regional and international agendas, including NEPAD and other special initiatives in the sub-region. The findings of the study on **“Blue Economy, Inclusive Industrialization and Economic Development in Southern Africa”** will be presented for consideration by delegates and participants. A moderated panel discussion will reflect deeper on issues around the theme. The delegates and participants will also review, refine, and adopt the recommendations of an Ad Hoc Experts Group Meeting on **“The Role of Small and Medium Scale Enterprises (SME) in the Industrialization Process in Southern Africa”**.

4. Expected Outcomes and Outputs

Expected Outcomes of the Meeting will include:

- Enhanced understanding of the blue economy and its potential to advance sustainable and inclusive industrialization in Southern Africa;
- Enhanced understanding of the benefits of cooperation and collaboration in the blue economy and inland waterways sectors;
- Enhanced appreciation of the economic and social conditions in Southern Africa and prospects for 2019;
- Enhanced appreciation of progress and challenges in the implementation of regional and international agendas in Southern Africa;
- Enhanced appreciation of the importance of country structural transformation profiles (STEPS) as part of the work programme of SRO-SA;
- Enhanced understanding of the role and work of ECA in Southern Africa through SRO-SA and how member States and RECs can access the available technical support;
- Improved alignment of the ECA work programme with the priorities of RECs and the needs of the member States;
- Enhanced understanding of regional integration and industrialization processes in Southern Africa and the role and prospects of the private sector (including SMEs) in these processes; and

Outputs of the Meeting will include:

- An Outcome Statement of the 24th ICE reflecting the main observations on issues discussed and recommendations towards developing the blue economy sector as a viable means to accelerate inclusive industrialization and sustainable development in Southern Africa including recommendations on the Role of Small and Medium Scale Enterprises in the Industrialization Process in Southern Africa”;
- The approved and adopted work programme for SRO-SA for 2019; and
- Recommendations towards strengthening all the study reports considered by the 24th Session of the ICE.

5. Participation

The ICE participants will comprise of high-level officials from the eleven member States covered by the Office and representatives of SADC and COMESA Secretariats. Other SADC member States not covered by the office (Seychelles, Comoros, Madagascar and Tanzania) will also be invited. Representatives from other UN agencies, the African Union Commission, the African Development Bank, Civil Society Organizations, the Development Bank of Southern Africa, academia, research institutions, as well as private sector and professional organizations working on the theme of the ICE will also be invited to participate in the meeting.

6. Dates and Venue

The 24th Session of the ICE of Southern Africa and the Ad Hoc Experts Group Meeting on “The Role of Small and Medium Scale Enterprises (SME) in the Industrialization Process in Southern Africa” will be held from the 18th - 21st of September 2018 at the Le Meridian Hotel, Balaclava, Mauritius.

7. Working Language

English will be the working language of the meeting with simultaneous English/French interpretation.

8. General Information

A comprehensive information note for confirmed delegates and participants will be emailed prior to the ICE meeting and will also be available on the ECA website. The note will contain useful information on organizational logistics, travelling and immigration arrangements and formalities, visa and health requirements, hotel accommodation and other general information on the hosting country.

9. Contacts

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