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COMMENTARY ARTICLE

Initiatives and innovations in African maritime governance

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Abstract

The African continent is the locus of immense social, political and economic change. Policymakers who want to introduce and implement coherent policy in sustainable development face a dilemma: should they emphasise policies that lead to economic prosperity or ones that protect the world's precious climate? Moreover, while Africa is often lauded as a vast and relatively untapped source of natural resources that spell future economic prosperity, it is worth noting that the mere presence of natural resources on the continent has not always translated into economic developments or benefits to those communities who need it most (this phenomenon is known as the resource curse). Africa's oceans also face multifaceted threats that require effective governance channels and appropriate financing mechanisms if they are to be protected and developed for the benefit of coastal communities and Africa's blue economy at large.

This commentary article discusses serious concerns raised by the African Union's (AU) African Continental Free Trade Area (AfCFTA) regarding the existing incentives to develop maritime infrastructure and so generate economic gains from the sea, which operate in the face of pressures from increasing maritime activities such as commercial fishing and the proliferation of offshore energy projects. This commentary argues that governance frameworks exist to address increasing climate variability and heighten interest in Africa's ocean economy, but that these initiatives lack appropriate guidelines on financing opportunities and require stronger implementation. Innovative financing solutions are identified that offer Africa fresh and actionable opportunities to raise necessary funds to ensure that oceans are protected and coastal communities can benefit from the development of the ocean economy, such as blue bonds and the Great

Blue Wall initiative. The paper highlights the 2022 United Nations (UN) Climate Change Conference (COP27) as a strategic occasion for African countries to raise international financial support for the proper implementation of their blue economy aspirations.

Key words: Maritime governance; Africa's Maritime Domain; Blue Economy; African Continental Free Trade Agreement; climate change; Great Blue Wall; maritime trade; COP27; climate adaptation; climate finance; Common But Differentiated Responsibilities; sovereign blue bond; climate insurance; Africa Risk Capacity; Lomé Charter; Africa Blue Economy Strategy; sustainable development; climate resilience; African agency.

Introduction

With a total of 38 coastal and island states and a cumulative 90% of imports and exports conducted by sea, Africa's livelihood is tied directly to the oceans in more ways than one (AIM Strategy, 2012). Yet the continent's inland waters, its oceans and seas, are under increasing pressure from traditional maritime activities such as fishing and shipping, as well as the proliferation of new activities including the production of offshore renewable energy. These pressures are compounded by traditional security threats, such as piracy and illicit trading of goods and people. Africa's maritime domain holds vast potential for economic growth which may be key to development in the coming years, but this cannot be realised without a clear maritime governance regime.

Africa will need to develop innovative solutions in maritime governance if it is to fully utilise the potential of its coast and ocean access. We begin with a brief discussion of why maritime governance is increasingly important in an African context, with an eye to the clear interconnectedness between climate change and maritime transport. We argue that the African Continental Free Trade Area (AfCFTA) is key to realising the continent's ocean economy effectively. This agreement has been gaining traction across the continent since its initialisation in early 2021. With this context in mind, we will turn to a discussion of existing frameworks and initiatives through which Africa is attempting to harness its maritime potential.

The extent to which these initiatives have been successful leaves much to be desired but, with reaffirmed commitment from African states, these governance mechanisms could pave the way for a bright maritime future for the continent. Comprehensive funding policies and programmes will be vital if Africa is to realise the ambitions of these governance frameworks and the African Union's Agenda2063 goals. Several innovations introduced and promoted in recent years by African states are also complementary to these initiatives. Examples discussed in this paper include the Great Blue Wall Initiative and the Sovereign Blue Bond. Overall, the message is that implementation and action have been slow despite the existence of a range of appropriate framework documents and ambitious plans. With maritime activity and trade set to increase in years to come, specifically in the context of the AfCFTA, Africa's maritime governance is more important than ever.

Background

Recent decades have brought two key developments to the fore that have elevated the importance of maritime governance in Africa. The first is the accelerating pace of environmental degradation and climate change. As has been frequently noted, African countries contribute a mere 4% to global emissions and yet bear the brunt of their impacts (see Banda & Owusu-Gyamfi, 2022). The physical effects of climate change pose a significant obstacle to sustainable development in Africa and threaten the lives and livelihoods of many African communities.

Globally, some governments have invested heavily in preparing for growing climate risks and building resilience through allocating more domestic resources to disaster management. However, most humanitarian responses are mobilised after a disastrous event. Climate insurance can help to ensure that emergency responses to disasters are fast, predictable and guaranteed. Sovereign climate risk insurance constitutes insurance packages purchased by governments to cover disaster losses. Africa Risk Capacity (ARC) is a specialised AU agency set up for climate risk insurance on the continent. In February this year, Mali received its first insurance pay out from ARC to provide emergency and resilience-building support against the severe drought that threatens 1.9 million people across the country (World Food Programme, 2022). Although these are innovative solutions to address the economic costs of ecological disasters, these initiatives need to be significantly upscaled. In 2020, only 137 million people in developing countries were covered by climate risk insurance (World Food Programme, 2021). If this critical gap is not filled, high-risk countries will continue to need international support until they can develop resilience against natural disasters and manage their own risk.

Ocean-based industries generate an estimated $2.5 trillion annually, representing the seventh largest economy in the world (UN Meetings Coverage and Press Releases, 2022a). However, that figure does not reflect the cumulative costs of the poor management of ocean resources and lacklustre maritime governance; taking this into account brings the real value down, closer to $1 trillion a year (UN Meetings Coverage and Press Releases, 2022a). These costs include the cost of plastic pollution, which is estimated at between $3,300-$33,000/ton/year in clean-up costs, loss of fishery yields and reduced tourism revenue (Beaumont, 2019). To strengthen resilience in coastal communities and ecosystems, the World Bank offers extensive support to initiatives combating the degradation of the ocean and advocates for the development of sustainable blue economies (UN Meetings Coverage and Press Releases, 2022a).

Discussion of maritime governance on Africa's coast and climate change must centre on the principle of common but differentiated responsibilities (CBDR). CBDR is enshrined in Principle 7 of the Rio Declaration: it asserts that all countries have an obligation to address climate change because it is a universal problem. It also asserts that international sustainable development requires that inequalities are addressed, and that individual country initiatives and contributions will be key to achieving these parallel and sometimes competing goals (Rio Declaration, 1992). Combating the worst impacts of climate change and at the same time creating space for African innovation and development will require that countries join forces to push for bold commitments globally, regionally and locally.

The second development that must be noted is the AfCFTA, which was adopted in March 2018 and entered into force in January 2021. The significance of the free trade area cannot be overstated, according to Landry Signé, a senior fellow at the Brookings Institution (Signé, 2022). It is estimated that the AfCFTA will boost intra-African trade by 40% by 2040 (ECA, 2022a). Although growing intra-African trade will increase traffic flows in various sectors including rail, road, plane and shipping, a study by the Economic Commission for Africa forecast that with the implementation of AfCFTA, the number of tons transported by vessels would increase from 58 million to 131 million tons by 2030 (ECA, 2022b). The first goods traded under the AfCFTA regime were carried by ship from a Ghanaian cosmetics company to Guinea on 4 January 2021 (Kinyua, Walker & Reva, 2021).

Maritime gateways are important even for Africa's landlocked countries, since most trade still depends on shipping. Seaborne trade is typically less expensive than other freight options (Valentine 2017). For Africa in particular, sea freight is often more efficient and reliable due to the continent's generally underdeveloped railway and highway systems (Kinyua, Walker & Reva 2021). Concerns have been raised about the capability of Africa's ports to handle the projected increases in seaborne traffic. Africa's ports have dealt with a plethora of problems, including high freight rates, poor turnaround times in cargo clearance, and inadequate storage capacities, to name a few (Kinyua, Walker & Reva 2021). However, investors are growing more interested in maritime infrastructure as consumer demand for commodities grows on the continent. Optimising the opportunities of the AfCFTA, Nigeria's Lekki port is now able to accommodate 20,000 containers at one time, a significant increase from its initial capacity of 3,000, for example (Johnston, 2022). Another example is the $25 billion plan to establish the Lamu Port-South Sudan-Ethiopia Transport (LAPSSET) corridor, which will significantly increase Africa's trade integration, connecting 160 million people in three countries (ECAc, 2022).

Currently there is wide consensus among experts that AfCFTA interconnectedness is needed to drive economic growth and development across the continent in the coming years (Kinyua, Walker & Reva, 2021). Achieving this will require careful consideration of Africa's maritime governance and the sustainability of developing Africa's ocean infrastructure.

Initiatives

African governments recognise the immense development opportunities of the continent's marine and coastal resources, but also that these face increasing threats from climate variability. Dealing with this dilemma effectively will require a coherent and considerate oceans governance structure that combines careful consideration of the national development and environmental goals of Africa's member states. Much progress has been made in developing aspects of Africa's oceans governance strategy, but gaps related to appropriate financing and methods of enforcement remain.

In 2016, the AU released the African Charter on Maritime Security and Safety and Development in Africa (the Lomé Charter). The Lomé Charter was the first legally binding treaty covering Africa's maritime security framework, and also the first AU document to set out a definition of Africa's blue economy, and a major milestone in African cooperation. The Charter is focused on preventing national and transnational terror, piracy and drug and human trafficking, as well as protecting the marine environment and developing Africa's blue economy. It calls on national governments to harmonise maritime laws to secure against threats not only to security but to the ocean environment. Despite these achievements, only three countries had ratified the Charter as of 2021 (Benin, Senegal and Togo). Several key coastal and island states, including South Africa and Mauritius, have yet to sign the Charter. The lack of coordination among states around this first step in enforcing an African maritime security and development strategy will hinder progress in developing further governance structures such as those identified here.

In 2019, the AU released its Africa Blue Economy Strategy, which builds on the Lomé Charter. The Blue Economy Strategy is in line with the AU's Agenda 2063 aspiration to foster a "prosperous Africa based on inclusive growth and sustainable development". The broad objective of the strategy is to develop a sustainable blue economy that can contribute to the economic transformation of the continent by stimulating the growth of the African shipping industry and measures to exploit deep-sea and other resources in a manner which promotes environmental sustainability (AU, 2019). The Blue Economy Strategy's definition of the blue economy identifies five thematic areas, and overlaps to some extent with the definition given in the Lomé Charter. However, where the Charter focuses on the securitisation of Africa's oceans, the Blue Economy Strategy is intended to provide critical guidance to AU member states and regional communities on the development of coherent policies aimed at promoting Africa's ocean economy.

At the end of July 2022, the AU released its Climate Change and Resilient Development Strategy and Action Plan (2022-2032). The regional Climate Strategy and Action Plan acknowledges the need to harmonise the continent's approach to increasing climate variability and its associated risks for Africa's developing countries (Chevallier, 2022). The strategy highlights three key intervention areas for the continent's approach to building Africa's blue economy, namely: promoting resilient coastal development; strengthening research and policy; and supporting sector-specific and integrative interventions in governance and planning frameworks for the blue economy (AU, 2022). While it mentions the blue economy, the Climate Change and Resilient Development Strategy and Action Plan does not feature the blue economy prominently. It dedicates less than two pages to the idea and the recommended interventions, though it is clear that inaction on ocean governance will result in significant risks to both climate and livelihoods.

Recently, 164 members of the World Trade Organisation (WTO) reached an historic agreement to bring an end to harmful fishing subsidies, after 21 years of negotiations by WTO member states (UN Meetings Coverage and Press Releases, 2022). The ban is particularly meaningful to Small Island Developing States (SIDS), which lose as much as 22,000 tonnes of fish a year to irresponsible fishing practices. This agreement also brings global regulations in line with the AU's stipulations against illegal fishing, which are included in the Lomé Charter and emphasised in both the blue economy and climate change and resilient development strategies. Furthermore, the WTO has created a fund of $10 million, pledged by member states on a volunteer basis, to provide technical assistance and improve fisheries governance and management.

Yet it must be pointed out that these governance structures lack a coherent and enforceable financing framework to guide African countries towards realising their ambitions for their shared ocean economy. African governments are investing considerably in areas that are important to climate adaptation such as drought and flood relief, with the amount invested reaching an average of 3.4% of domestic GDPs across the continent (AU, 2022). A similar commitment to the implementation of the goals expressed by the various documents mentioned above relating to ocean governance is also needed.

Innovations

Africa has embarked on several ambitious innovations to boost the marine economy while recognising the need to minimise marine destruction. However, provisions for the finances required to successfully implement these initiatives are severely lacking.

The scale and pervasiveness of the challenges associated with climate change are widely recognised and addressing them will require decisive action. The Great Blue Wall Initiative is an innovative approach to enhance resilience and reverse nature loss by the year 2030; appropriately, it was celebrated at the 2022 Africa Regional Forum on Sustainable Development (Oulmane & Sberna, 2022). The Great Blue Wall Initiative aims to establish an extensive network of marine and coastal conservation areas and could benefit up to 70 million inhabitants of the Western Indian Ocean Region, who rely on the ocean for their socioeconomic wellbeing (Oulmane & Sberna, 2022). In so doing, it could contribute to the development of sustainable blue entrepreneurship while conserving and revitalising critical marine ecosystems (Oulmane & Sberna, 2022). Willima (2022) describes the project as a display of "Africa's influence and innovation in ocean protection", noting that the Great Blue Wall Initiative sets a high expectation on other countries looking to design or invest in their own marine infrastructure. However, the Great Blue Wall Initiative will require political support from the highest levels of government and appropriate levels of funding.

Blue bonds are one effective way to finance projects on this scale. These are pioneering financial instruments, defined by the World Bank as "a debt instrument issued by governments, development banks or others to raise capital from impact investors to finance marine and ocean-based projects" (World Bank, 2018). Blue bonds are a subset of green bonds, which have existed since 2008 and have had demonstrable benefits. In Nigeria, for example, a project that pioneered the issuance of Africa's first Sovereign Green Bonds created 20,000 direct and 32,000 indirect jobs and strengthened the country's climate resilience by helping 2.6 million people to address erosion and respond to natural hazards, climate risks and natural disasters. In October 2018, the Republic of Seychelles launched a similar project, the world's first Sovereign Blue Bond (World Bank, 2018). Proceeds from this bond will contribute to the expansion of marine protected areas, and help improve governance of priority fisheries and the development of the Seychelles blue economy.

Despite the success of blue and green bonds, less than 1% of these bonds are currently issued for African states (Associated Press, 2022). Advocacy for Africa to receive its fair share of financing for conservational and adaptation innovations has already begun. On the margins of the high-level political forum on sustainable development at the UN in July this year, African coastal and island states promoted a system of blue bonds as a financing tool for the Great Blue Wall initiative (Associated Press, 2022). However, these efforts need to be upscaled significantly.

Innovations such as the Great Blue Wall Initiative are noteworthy not only for their possible impacts but for the way they have emerged. The Great Blue Wall represents the efforts of the people most severely affected by the rise in ocean levels and temperatures: coastal communities. Faced with the crisis, these communities stepped up and presented a radical, yet attainable, strategy to turn the tide on maritime degradation. What they need now is for someone to listen. In a similar way, the Seychelles-championed Sovereign Blue Bond was conceptualised by the Seychellois people in response to their significant need. These initiatives have been driven by African nations in need of climate assistance, in the absence of such assistance from developed nations.

These initiatives are a testament to African agency. Innovative as they are, they are however also ambitious and will require buy-in from stakeholders from relevant countries and the continent at large, as well as from developed nations, to fund them.

Concluding remarks and recommendations

It is undeniable that the ocean is one of Africa's greatest assets in its pursuit of sustainable development and Agenda 2063. Maritime governance, then, is an increasingly important factor in Africa's future. This paper has demonstrated that two key developments are critical to discussions of the future of Africa's maritime governance. Firstly, the accelerating pace of environmental degradation and climate change needs to be a priority. The impact of this disproportionately impacts Africa's coastal communities. Secondly, an important focus is the implementation of the AfCFTA, which will enable significant growth in seaborne trade through Africa's ports.

We acknowledge the plethora of frameworks and strategies that aim to govern Africa's ocean activities. Many of these strategies accept the importance of minimising the impact of climate change on marine and coastal environments while simultaneously recognising the need to enable effective economic exploitation of the continent's blue economy potential. However, these frameworks lack coherency and most of all, lack implementation. Various ambitious innovations have been introduced to support development of the Blue Economy's full potential for the continent. However, we have highlighted a significant lack of financing to fully implement these innovations.

It is, further, important to note that these programmes and initiatives represent opportunities for African nations to promote their interests and garner international support and financing for their ambitious plans. The Conference of the Parties (COP27) set to be held in Sharm el-Sheikh, Egypt, in November 2022, provides a meaningful platform for African states to raise the profile of their maritime governance regimes. Appropriate investment would enable Africa to deliver on its ambitious green and blue visions for the future. These ambitions will require political resilience and intellectual adaptation to the threats of climate change to succeed, as well as the appropriate finance (Browning, 2022).

Governments, policymakers and other relevant stakeholders need to recognise that the upcoming COP27 meeting is an opportunity to facilitate serious conversations regarding climate financing for Africa. African nations should be rewarded for their net positive targets and achievements and assisted in their pursuit of an environmentally friendly and sustainable future. In response to the devastation of the COVID-19 pandemic, G20 countries were able to mobilise over $11,000 in spending per capita as compared to low-income countries, whose spend per capita averaged only $57 (Adam, 2021). This example is but one stark reminder of the sheer economic disparities that exist among the nations of the world as regards climate financing. This disparity will become acute unless African countries and their political and thought leaders make it otherwise.

Wealthier nations must follow through on their commitments of $100 billion in climate finance to address the severity of the crisis we face and the need for appropriate action (UN Meetings Coverage and Press Releases 2022c). These sorts of contributions can help transform the aforementioned innovations from "ambitious and innovative" to "implemented and effective", moving Africa away from the precipice of complete climate and maritime disaster.

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