The Blue Economy: Seychelles’ Vision for Sustainable Development in the Indian Ocean

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Introduction

This document provides a summary of a meeting and question and answer session held at Chatham House on 11 June 2014 on Seychelles’ priorities for sustainable development in the Indian Ocean.

The speaker discussed the blue economy approach, which calls for the sustainable development of maritime resources. He explained that this approach is essential for small island developing states like Seychelles, and there is a need to change the relationship with the ocean from one of purely extraction to one of development. Seychelles is highly dependent on its maritime resources, and is promoting the blue economy throughout international forums. Many small island developing states, as well as many African coastal states, lack the capacity to manage their oceanic territory and exclusive economic zones. It is important that this capacity is increased through regional and international cooperation, and sharing of resources. International mechanisms must be established so as to better manage the international waters. The speaker evaluated some of the instruments already in place, such as the United Nations Convention on the Law of the Sea (UNCLOS) and the Seychelles-based Regional Fusion and Law Enforcement Centre for Safety and Security at Sea (REFLECS3).

The meeting was held on the record. The following summary is intended to serve as an aide-mémoire for those who took part and to provide a general summary of discussions for those who did not.

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HE Jean Paul Adam

The speaker began by discussing the importance of the concept of a blue economy for Seychelles. As a small island developing state (SIDS), Seychelles only possesses 454 square kilometres of land, which makes it necessary for the country to exploit its ocean resources. The speaker explained that Seychelles is a large oceanic nation, with 1.3 million square kilometres of ocean territory. With a big portion of Seychelles’ ocean territory still relatively undeveloped, the speaker indicated that it is necessary to develop strategies to access the full potential of the oceanic territory. He clarified that Seychelles has approached the blue economy as an African island state. Africa has not benefited from its maritime resources, and despite possessing a much larger percentage of oceanic territory than the European Union (EU), it lacks similar levels of government research on the topic. Additionally, most of the investments in the ocean are focused on extracting oil or establishing fishing agreements, and the speaker emphasized the need for a shift in perspective from purely extractive to developmental. The Seychelles government has pushed for the inclusion of the blue economy on all international organizations’ agendas, and the speaker noted how there is a growing realization of the need for a sustainable development goal regarding oceans.

Mr Adam examined the concept of the blue economy, which involves a shift towards a sustainable development focus on the ocean. Mr Adam indicated that insufficient attention has been given to oceans, despite their constituting over 70 per cent of the planet and up to 95 per cent of the biosphere, and playing an important role in regulating the global climate and carbon dioxide levels. Oceans also provide food and livelihood for a large portion of the world’s population. The majority of global trade is transported on the oceans. Two-thirds of the world’s oil is transported by sea through the Indian Ocean and the oceans contain a large portion of the global supply of hydrocarbons. The ocean is also a potential source of renewable energy, as there is possibility of generating energy by waves, tides, thermally or through biomass. However, there is a notable increase in the impact of human activities on oceanic
resources. While the technologies for the exploitation of marine resources are improving, the measures for managing these have often not been established. Mr Adam highlighted how measures for the sustainable management of the high seas are insufficient, and he noted that this has led to the overexploitation of marine stocks. He explained that there is a need to address these issues, and this forms part of the blue economy approach.

Mr Adam described how the blue economy calls for the sustainable use of natural resources. Resource extraction must be managed responsibly, and where resources have been overexploited, the restoration of biodiversity is required. It is also necessary to designate marine protected areas. Mr Adam highlighted how Seychelles has received assistance from the Commonwealth to engage in marine spatial planning. Through this, certain areas have been specified for different activities linked to the ocean, such as marine protection, fishing and oil extraction. Mr Adam noted how food security is also linked to the ocean, and this involves the recovery and sustainable exploitation of wild fisheries, as well as mariculture – the agricultural development of fish resources at sea. The blue economy further involves issues of climate change and the management of carbon budgets. Mr Adam indicated that small island developing states are particularly vulnerable to climate change. In Seychelles, one of the key concerns is coral bleaching, whereby large areas of reefs are affected by the rising temperature of the ocean, which reduces reefs’ productivity. Ocean acidification is also a problem, where increased carbon production is absorbed by the ocean and the acidity of sea water is raised, which hampers the reproduction of corals and reefs. Mr Adam stated that blue carbon findings have re-emphasized the importance of the conservation and rehabilitation of key carbon traps, such as mangroves, marshes and sea grass ecosystems. The blue economy focuses on a management approach to the oceans so that these areas can be identified and protected. Mr Adam explained that policies, legislation, infrastructure and incentives will be developed so as to facilitate the transition to a low-carbon, blue energy economy with sustainable employment.

Marine and coastal tourism is a further facet of the blue economy. The speaker explained that almost all SIDS are heavily dependent on tourism, something that is often underestimated. He described how tourism for SIDS is always marine and coastal, and the sustainability of tourism is directly linked to the quality and aesthetic appeal of the marine and coastal environments. However, there is also increasing pressure to build more hotels and resorts, which impacts on the quality of the environment and the coastal resources. Pollution is a key issue, as greater levels of this are linked to increased numbers of humans living close to the ocean. Additionally, agriculture in coastal areas impacts on the marine environment, and the speaker specified that most agriculture in SIDS is within kilometres of a beach. He explained how rising sea levels have polluted the water table in Seychelles, which leaves farmers more reliant on fertilizers that, in turn, have an impact on the ocean. With increasing numbers of documented marine death zones, the speaker stressed the need for strengthening international mechanisms, such as regional sea conventions, to address matters such as marine pollution and debris. However, the speaker clarified that the blue economy does not call for an end to development and its corresponding environmental impact, rather for the development of resources in a manner that will be sustainable over the long term. As such, hydrocarbon and mineral deposits also form an important part of the blue economy. The speaker explained that although SIDS aim to become completely reliant on renewable energy, fossil fuels will be required to reach that point. He stressed the need to establish a balance between developing renewable energy and exploiting other resources, including offshore petroleum. Many of the mineral deposits found on the African continent are also believed to be on the sea floor, so the exploitation of these mineral deposits is a further point of discussion. The speaker clarified that there is currently no framework for the exploitation of these minerals. While the International Seabed Authority has begun issuing licences for the exploration of international waters, the speaker stated his concern that this has not taken into account the interests of all states.
Most African developing states, and SIDS in particular, lack the technological capacity required to fully realize the benefits of the resources within their exclusive economic zones (EEZs). Mr Adam stated that international cooperation will be important for providing assistance to these states and strengthening their capacity for the effective management and utilization of their EEZs. It is also important for structured international cooperation to be developed, including mechanisms for the governance of sustainable development in waters beyond national jurisdiction. Mr Adam highlighted how Seychelles developed an agreement with Mauritius to establish joint management over their extended continental shelves. The countries are now examining the modalities for this, as governance mechanisms will be required, such as the creation of a separate taxation regime for the area. Mr Adam specified that international cooperation allows countries to learn from best practices within the region. He noted how Seychelles had recently started cooperating with Somalia, sharing its own experiences regarding efficient development of community-level fishing, and the use of vessel monitoring systems to better regulate vessel movement and prevent illegal, unregulated and unreported (IUU) fishing. International cooperation further helps by providing research. Most countries lack sufficient information on their ocean territories and Mr Adam stressed the fundamental importance of technical assistance. He stated that developing countries often make decisions regarding their marine resources without possessing all available information, and this hampers the development of the blue economy. In this way, the technical assistance Seychelles is receiving from the Commonwealth will be integral in allowing for informed decision-making and adapted management.

Mr Adam concluded by stating that the intention of Seychelles in promoting the blue economy is to engender a change in how oceans are perceived. He explained that there is a need to strengthen the capacity of countries with oceanic territory to better manage those spaces, as well as to promote international cooperation and the sharing of competencies, capacities and resources.

**Summary of Questions and Answers**

**Comment**

Africa loses approximately $1 billion from illegal fishing, and this directly affects coastal communities which are dependent on fishing for their livelihoods. As an illegal activity with direct economic impact on the lives of small, vulnerable communities, this is an issue that should be brought to the attention of the international community.

**Jean Paul Adam**

The speaker agreed, and noted how very few African countries are able to independently exploit their marine resources. Instead, coastal countries are dependent on partnerships with distant fishing nations to develop their own resources. While this can be positive and lead to capacity-building and technology transfer, the speaker indicated that the legitimate agreement often obscures illegal fishing. Seychelles depends on partnerships to fight illegal fishing, sometimes with countries participating in IUU fishing. The speaker stressed the need to strengthen regional mechanisms so as to fight IUU fishing, as further regional cooperation will facilitate an understanding of the processes in place and align the different surveillance mechanisms. Seychelles has established several radar stations and uses a vessel monitoring system (VMS). It is now illegal for any locally registered fishing vessel to fish without the VMS, which is enforced through an air wing monitoring system to cross-reference the visible vessels with the VMS map. The speaker acknowledged, though, that this is not a perfect system and it is dependent on international cooperation as the country lacks the capacity to do this independently.
Question

Who are the main culprits of IUU fishing in Seychelles and Mauritius?

Jean Paul Adam

The speaker described how it can be difficult to ascertain when IUU fishing is taking place. He explained that there are cases where vessels have licences to fish, but do not respect the law, or attempt to fish within the 12 nautical miles of Seychelles’ territorial waters. The speaker specified that this is an area in which the European Union (EU) needs to improve. Although the EU is very good at targeting blatant fishing without a licence, it is important to then ensure that vessels are complying with the conditions of the licence. Vessels also partake in a number of activities to avoid paying fees in the countries that should be benefiting from the resources, including transshipment at sea. However, the speaker stressed that the EU is not the only culprit, and he noted that Iranian and Pakistani vessels have also been caught in the region. He emphasized that IUU fishing is a criminal problem, and stated that it is more important to target the criminal vessels than to blame countries: the individuals responsible should be arrested, prosecuted and made to serve jail time.

Alex Vines

When prosecuting vessels it can be difficult to find out who the real owner is, as there are often a large number of shell companies.

Comments

Countries like Greenland and Iceland face many of the same problems, with small populations, very large ocean resources, and a need for assistance in exploiting their maritime resources.

The United Nations Convention on the Law of the Sea (UNCLOS) contains within it very strong provisions for dealing with slavery. Illegal fishing condemns many states to extreme poverty, so UNCLOS should be similarly strengthened to encompass IUU fishing, to allow any nation that encounters illegal fishing on the high seas to intervene.

Alex Vines

It has been difficult to engender a change in the British Royal Navy’s perception of maritime security so that security at sea is seen as a development issue that includes IUU fishing. Naval visits can help develop partnerships with SIDS and enhance these states’ capacities.

Jean Paul Adam

The speaker noted that Seychelles had started discussions with Nordic countries. This is partly taking place through the Commonwealth, with the Nordic countries helping to fund some of the organization’s studies on marine spatial planning.

There are many areas within UNCLOS that allow for a blatant crime to be committed at sea without prosecution. The speaker explained that Seychelles adopted large portions of UNCLOS into its domestic legislation and has prosecuted cases, such as piracy, that have occurred outside the country’s waters. Seychelles wishes to set an example, and the speaker stated that it is essential that people are arrested for
committing illegal fishing. He emphasized the need for a debate about the evolution of UNCLOS, but acknowledged that this is a sensitive topic, with some states refusing even to sign up to the convention. However, the speaker clarified that the governance of the ocean is ultimately a global problem and mechanisms to deal with it must be established, so that states begin to take greater responsibility for it.

**Question**

Could the speaker elaborate further on small island states’ lack of involvement in the International Seabed Authority, given that the organization has started approving new licences?

**Jean Paul Adam**

The speaker stated that this is linked to problems with the lack of coherency in UNCLOS, as the seabed is treated differently from the ocean itself. The International Seabed Authority is not based on a treaty, and has not made an effort to incorporate many small island states. Instead, it has focused on international waters and has awarded exploration licences for these. He stated that this is an area of governance that has not been properly defined and specified that this should be taking place within the context of the United Nations. He clarified that this is not because of a lack of ability within the International Seabed Authority; rather, that it should be regulated at the global level and not simply involve countries with the capacity for seabed mining. He explained that activities taking place in international waters and on the edge of coastal countries’ EEZs will affect such countries’ oceanic resources.

**Question**

Are there countries within the International Seabed Authority which influence decisions, yet are not Indian Ocean coastal states?

**Jean Paul Adam**

The speaker stated that none of the coastal states in the Indian Ocean are part of the International Seabed Authority. He explained that the International Seabed Authority was started by the countries with the capacity to perform hydrographic surveys and in possession of a large amount of data. A lot of the data and capacity was developed during the Cold War period, when a large amount of research was conducted through submarines and satellites. The speaker noted that there is potentially a large amount of highly useful information, but it is not being shared with all the coastal states in the region. He specified that Seychelles is concerned about the lack of consultation mechanisms.

**Comment**

The International Seabed Authority is based in Jamaica.

**Jean Paul Adam**

The perspective in Seychelles is that the International Seabed Authority has the potential for interesting contributions, but it should be regulated by a treaty and through the UN system.
Comment

Criminality crosses the Indian Ocean and this affects Somalia, which is seeking support on this and needs help protecting its EEZ.

Jean Paul Adam

The speaker explained that a blue economy approach is one of the best ways to create jobs in Somalia, which has the longest coastline in Africa. New opportunities in Somalia will be based around maritime developments. Seychelles offered technical support to Somalia through the Food and Agricultural Organization (FAO) and this is based on rebuilding community-level fisheries. The FAO asked Seychelles for assistance because the country uses low-technology structures that do not require large amounts of investment to start. However, this will be undermined if big trawlers take all the fish. The speaker stressed the importance of creating a balance between ensuring minimum security and empowering local fisheries.

Question

UNCLOS is not useful in terms of illegal fishing, only in terms of piracy which is under universal jurisdiction.

Jean Paul Adam

The speaker acknowledged this, and stated that it would be highly desirable to strengthen UNCLOS on illegal fishing.

Comment and Question

The blue economy approach resonates with the African Union’s Integrated Maritime Strategy, which was adopted earlier this year.

Could the speaker comment on Seychelles’ experiences in terms of establishing a regional anti-piracy prosecution centre, as well as the future of the centre in assisting maritime security?

Jean Paul Adam

The African Union (AU) Integrated Maritime Strategy is very important and historic, pushing the African Union in a new direction. There is greater coordination of regulation among the different countries. The speaker described how one of the core problems for African states is a lack of capacity in managing their EEZs, because of a lack of both resources and experience. He explained that the AU’s Integrated Maritime Strategy is important for boosting the capacity of states’ EEZ management. Much of the previous capacity-building for the management of the EEZs has been linked to fishery agreements. While there were benefits from these agreements, the speaker clarified that greater objectivity was needed for EEZ capacity. He stated that an AU-led process would help increase objectivity here.

The Regional Fusion and Law Enforcement Centre for Safety and Security at Sea (REFLECS3) was originally known as the Regional Anti-Piracy Prosecution and Intelligence Co-ordination Centre (RAPPICC), and was established in 2012 as a joint initiative by the UK and the Seychelles governments. The centre has strengthened regional cooperation and established a joint intelligence task force within the
eastern African region, consisting of Seychelles, Tanzania and Kenya. The speaker indicated that the centre has been successful in developing cases for the prosecution of pirates and described how 60 per cent of the evidence for the trial of the Somali pirate Afweyne originated from REFLECS3. Somalia’s governance has also improved since 2012. However, despite the drastic reduction in piracy, the speaker cautioned against complacency and noted that isolated incidents of piracy still occur. Additionally, individuals who funded piracy are now investing their money in other illegal sectors involving maritime trade routes, such as people-, drugs- and small arms-trafficking. The speaker clarified that most of the individuals funding these activities are not Somali, and are part of a very sophisticated criminal organization that is well run and financed. There have yet to be any prosecutions for these other activities, but the speaker indicated that the centre has a number of strong evidence packages.

**Alex Vines**

Could the speaker discuss the Commonwealth’s role in the blue economy?

**Jean Paul Adam**

The speaker said that the Commonwealth played a key role in the establishment of the blue economy in Seychelles. The organization financed a needs assessment study for the country, which will involve marine spatial planning development. He described how the Commonwealth is a repository of information and experiences, and provides SIDS, which are constrained by a lack of human capacity, with the ability to learn from other countries. Additionally, the Commonwealth is able to leverage and facilitate information collection from non-Commonwealth countries, such as the Nordic countries and Japan. The biggest challenge for SIDS in dealing with oceanic issues is a lack of information. This can lead to an undervaluation and abuse of resources. The information provided through Commonwealth membership allows small island states to make informed decisions, and the organization plays a key role in filling the technical capacity gap.