

# Socio-Economic Assessment of the Blue Economy in Rwanda



Concept note for national consultation webinar | 11 May 2021



## **Acknowledgements**

The assessment is being prepared by Mads Knudsen (consultant) under the supervision of Mama Keita, Director of the United Nations Economic Commission for Africa (UNECA) Sub-Regional Office for Eastern Africa (SRO-EA) and Raquel Frederick, Associate Economic Affairs Officer. A draft will be presented to Rwanda government representatives and other stakeholders in May 2021.

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Cover image: Traditional Fishing Boats on Lake Kivu, Rwanda. [3ffi/Shutterstock.com](https://www.shutterstock.com/3ffi)

## **I. Context**

The “Blue Economy” includes all activities deriving from aquatic ecosystems (e.g., oceans, coasts, rivers, lakes, groundwater) and recognizes their synergies. The concept also recognizes that the productivity of these ecosystems is a basis for thriving aquatic-based economies in island, coastal, and even landlocked-states. The Blue Economy is encapsulated in the African Union’s 2050 Africa’s Integrated Maritime Strategy and the 2063 agenda, which describes the Blue Economy as the “new frontier of African Renaissance”. However, the socio-economic and ecological potential of aquatic ecosystems is not sufficiently measured in Africa. This hinders adequate understanding of resources at stake and the formulation of effective policies and tools towards their sustainable use and management. Therefore, it is strategically important to build the knowledge and capacities of key stakeholders who can in turn promote informed policymaking to harness the African Blue Economy.

In 2016, UNECA’s Sub-Regional Office for Eastern Africa (SRO-EA) launched the Blue Economy Policy Handbook for Africa, an essential tool for developing strategic policy frameworks for the sustainable use and management of aquatic resources. The proposed framework adopts a multi-sectoral approach, in which Blue Economy sectors are intertwined through their economic, social and environmental dimensions and strengthened synergies. The Handbook’s methodology has been leveraged in recent work developing Blue Economy strategies in Comoros, Madagascar, Seychelles, and regionally by the Indian Ocean Commission, the Intergovernmental Authority on Development and the African Union.

More recently, SRO-EA has been supporting efforts to more accurately measure and value the Blue Economy in the region. In 2020, this involved producing a prototype of the Blue Economy Valuation Toolkit (BEVTK) for socio-economic-ecological assessments of the potential of the Blue Economy. The BEVTK was tested by consultants in three country-contexts: island-state (Seychelles), coastal-state (Djibouti) and landlocked-state (Rwanda). The Phase I toolkit and early experiences were presented to a group of over 75 government officials, academics and other experts at a virtual Expert Group Meeting in November 2020.

In 2021, UNECA SRO-EA has re-engaged the consultants to develop an improved version of the BEVTK and produce in-depth socio-economic assessments of the Blue Economy’s potential in all three countries. This engagement will also include targeted virtual workshops with the technical experts in the respective governments, to demonstrate the use of the toolkit and further promote its use in policy planning. These workshops will also provide a space for national experts to provide feedback on the preliminary results of the respective assessments.

## **II. Brief profile of the Rwanda Blue Economy**

Rwanda represents the land-locked case among the three pilot countries. The Rwandan Blue Economy consists mainly of the economy around the lakes, rivers, and wetlands. Of its 26,338 km<sup>2</sup>, 1,390 km<sup>2</sup> is water distributed on 24 larger lakes and other water bodies (mostly the Lake Kivu). Wetland areas constitute 2,068 km<sup>2</sup> including buffer zones. The main sectors for blue economy are fisheries, hydropower, lake tourism, lake transport, and wetlands.

Rwanda's Blue Economy is a fraction of the total national economy, but increasingly important with population pressure and climate change. Without preservation of Blue Economy ecosystems, several larger sectors of the economy will come under pressure – including, tourism, farming, energy, and fisheries.

We find that the Blue Economy is 2.6% of GDP (disregarding farming in wetlands), but that the Blue Economy sectors produce crucial inputs to the general economy. For example, 57% of their energy production comes from hydropower and methane. The Blue Economy creates 112,000 direct jobs (3.5% of the labour force) and provide 2.5% of wages. Considering the environmental service value of the Blue Economy ecosystems, we find that it is equivalent to about 2% of the GDP.

For social indicators, we are considering about 5 main indicators to compare Blue Economy communities across the continent. These include poverty rate, nutrition status, quality education, access to clean water, access to clean and affordable energy. We consider these at the national levels as well as for households that make their income in the Blue Economy.

There are several data gaps and methodological issues remaining, which are to be discussed in the webinar.

## **III. National consultation objectives**

In a context of a global health pandemic that has led to a real economic and social crisis, Member States are looking for innovative solutions for the resumption of economic growth, more inclusive and sustainable growth. The blue economy, given Rwanda's water resources, can be a basis for such inclusive and sustainable growth – and if not maintained can put significant pressure on the development in key sectors such as agriculture, tourism, fisheries, and energy.

To provide the right means and tools for informed decision-making, an accurate knowledge of ecosystems and associated resources in the Blue World as well as of the exact value of the Blue Economy sectors and socio-economic contributions is required. This is how the ECA, as a think tank pioneering work on the Blue Economy in Africa, decided to provide to three pilots member states, including Rwanda, with a deep socio-economic and ecological assessment of the Blue economy potential using ECA Blue Economy valuation toolkit (BEVTK).

The main objective of the national webinar will be to discuss the Blue Economy profile and potential in Rwanda, knowledge the valuation supporting tool developed by ECA in 2020 and present the main outputs of the assessment allowing to define the Blue Economy's contribution to Rwanda's economy, through its three dimensions: economic, ecological and social.

This will also be an opportunity to discuss how Rwanda's strides in Natural Capital Accounting (water accounting and ecosystems) can inform approaches in other countries across the continent.

Thus, during the webinar, the participants will have the opportunity to further exchange on the BE scope and contribution and its strategic importance, on the Blue economy valuation toolkit with the view to contributing to its strengthening and ownership by the country and on the perspective of the BE as a component of the national development strategies.

Thus, during the webinar, participants will have the opportunity to exchange more on:

- the scope and contribution of BE in Rwanda and on its strategic importance,
- the BE assessment toolbox with a view to contributing to its strengthening and ownership by the country, and
- the prospects for BE as a component of national development strategies.

Specifically, the national webinar will explore the following:

1. How the toolkit can be strengthened further to reflect the Rwandan context;
2. Whether the socio-economic and ecological assessment of the BE will enhance the knowledge and awareness of Blue Economy resources and assets;
3. Whether the assessment and BE valuation with the BEVTK will facilitate the decision making by providing key data and information to measure the contributions of the Blue Economy to the overall economy, sustainable development and social well-being (also considering impact externalities related to climate change and the Covid-19 pandemic);
4. Whether the country will be ready to use the toolkit for a regular and thorough socio-economic assessment of the Blue economy contribution; and
5. Whether the key finding from the assessment will enable an advocacy argument for more inclusive and sustainable policies and strategies which contribute to accelerated post-Covid-19 recovery.

## **IV. Format of the virtual workshop**

This national consultation will be held virtually on 11 May 2021 with the following agenda:

### **Welcome and Introduction**

*Mama Keita, Director of UNECA Sub-Regional Office for Eastern Africa (SRO-EA)*

### **Brief Overview - UNECA and the Blue Economy**

*Raquel Frederick, Associate Economic Affairs Officer*

### **Overview of Series of Consultancies**

*Mads Knudsen, National Consultant*

### **Overview of Toolkit**

*Philippe Lallemand, Consultant*

### **Presentation of Draft National Socio-Economic Assessment of Blue Potential**

*Mads Knudsen, National Consultant*

### **Q&A**

The event and discussions will be moderated by Mads Knudsen.