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Corruption: An Underestimated Detractor of Africa’s Blue Economy Strategies

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Abstract

Currently, the African Union (AU) has compiled a number of documents relating to climate change and the blue economy. These include Africa's Blue Economy Strategy (2019), the 2050 Africa's Integrated Maritime Strategy, and the African Union Climate Change and Resilient Development Strategy and Action Plan (2022-2032). These documents are key in realising the potential of the blue economy in transforming the continent’s economy in line with Agenda 2063. This notwithstanding, these documents fail to adequately address the pressing challenge of corruption. Against this backdrop, this policy brief discusses how the AU can better integrate its blue economy strategies with its fight against corruption.

Introduction

One of the most undervalued tools in Africa’s development strategy is its blue economy (ocean economy). Historically, African countries have focussed their energy on exploiting mineral resources which have been the bedrock of many economies across the continent. However, in many countries, these resources are beginning to deplete. Furthermore, the prices of commodities on the international market have not fared well in recent times. This has led to those responsible for economic planning in some African countries turn to the blue economy.  

It is estimated that in 2018, Africa’s blue economy created 49 million jobs and generated USD 300 billion dollars for the continent. 

Estimations project that by 2030, the blue economy in Africa will contribute USD 405 billion and create 57 million jobs. In addition to this, the blue economy also has other notable benefits such as contributing to food security, enhancing biodiversity and improving resilience to climate change. Therefore, the blue economy is central to the aspirations of African economies building robust and resilient economies. It offers numerous pathways for creating value and reduces reliance on traditional mineral resources which are fast depleting.

Corruption is one of the inherent challenges to the realisation of the potential of the blue economy in Africa. For example, in the fishing industry, corruption involves the payment of bribes to quicken port processing or the payment of bribes to secure fishing licenses or access agreements. Corruption is worsened by the lack of transparency regarding how this industry is regulated.
This briefing paper traverses how the problem of corruption has been dealt with within Africa’s blue economy strategies. More so, the paper considers whether broader corruption strategies within the framework of the African Union (AU) are adequately synthesised with these strategies as well. It is important that the planning and strategies for the blue economy consider issues holistically and in context, and accordingly, put in place measures to challenge and curb corruption within the blue economy.

**Corruption in the Blue Economy in Africa**

There is no common definition of corruption. According to Transparency International, corruption is the ‘abuse of entrusted power for private gain’. It is important to note that the range of activities encompassed within corruption are wide, extending from the minor use of influence to institutionalised bribery. The effects of corruption are, however, quite extensive. It has many costs to the public such as political, social, environmental and economic costs.

In the African context, we have seen these costs at play. One of the widely publicised incidents of maritime corruption was the so-called ‘fish-rot’ scandal in Namibia. In this debacle, an exposition was made to the effect that an Icelandic fishing company, Samherji, had paid millions of dollars to senior Namibian government officials and elite through tax havens in numerous countries such as Cyprus and Marshall Islands. At least 10 suspects, including Fisheries Minister Bernard Esau and ex-Justice Minister Sakeus Shangala, were implicated. In return, this company gained access to trawling rights that they would ordinarily not have been able to access. This was because, in terms of Namibian law, a company can only benefit from fishing quotas if they have a majority ownership by Namibians. However, through a process of ‘fronting’, Samherji was able to get an indigenous Namibian to serve as a majority co-shareholder. However, within the true state of affairs, this shareholder was only a figurehead for Samherji.

Following the revelations from the scandal, the Irish company announced in January 2020 that it was withdrawing its Namibian operations.

This incidence of corruption, despite its unusual nature was of important significance. This is because Namibia has about 1600km of coastline. Furthermore, fishing is a major contributor to Namibia’s gross domestic product (GDP), also contributing about 20 per cent of its export earnings. This case of corruption resulted in a loss of

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7 United Nations Global Compact ‘The Ten Principles of the UN Global Compact’ available at [https://unglobalcompact.org/what-is-gc/mission/principles/principle-10#:~:text=Corruption%20can%20take%20many%20forms,
but%20also%20non%2Dfinancial%20advantages](https://unglobalcompact.org/what-is-gc/mission/principles/principle-10#:~:text=Corruption%20can%20take%20many%20forms,
but%20also%20non%2Dfinancial%20advantages) (accessed 4 January 2024).


jobs and government revenue which could have been utilised to benefit the poor in a country riddled with severe inequality. Moreover, this case undermined the measures put in place by the government to promote the economic empowerment of Namibians. This case bears testament to the effects that corruption has in the blue economy, particularly with regards to the attainment of a sustainable and inclusive ocean economy.

In Senegal, the authorities in charge of the industry are rumoured to have ‘sold the sea’. The contestation, in this regard, is that in the last few decades the responsible authorities sold off fishing licenses to the highest bidder, decimating a once lucrative industry. It is estimated that, by 2021, at least 90 per cent of Senegal fisheries were fully fished or facing collapse. In Guinea-Bissau, corruption in the blue economy, particularly the fishing industry, appears to have taken a completely different form. The allegations are that the authorities who have been assigned to monitor and report incidents of fishing crime have not been forthcoming with the information. Furthermore, when illegal fishing trawlers are eventually caught, they bribe senior government officials in order to have the matters disappear. This has led to environmental injustice and economic losses.

Notwithstanding the above, an even more harrowing tale of corruption has been recorded in Mozambique. There were a number of deals around 2013-2014, tainted with corruption, which were struck by state-owned enterprises with respect to the procurement of fishing boats and maritime security. USD 2 billion was reportedly secured from Swiss bank Credit Suisse and Russian bank VTB in the form of loans and bonds. Allegedly, these loans, which (by law) required parliamentary authorisation, were taken out in secret and backed by secret government guarantees. The opaqueness of these transactions was discovered in 2017 following an audit. Through this process, it was discovered that at least USD 500 million of the loans was unaccounted for, while the loans themselves seemed to have been overestimated by a sum of USD 713 million.

It is also important to note that there have been penalties prescribed in some of the scandals described above. For example, in Namibia and Mozambique the consequences were felt well beyond the borders of these countries. This was because of the involvement of international stakeholders and pressure groups.

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13. Ibid.
15. Ibid.
17. Ibid.
20. Ibid.
21. Ibid.
However, the difficulties posed by these cases show the extent of corruption in many African ocean economies. The Institute for Security Studies provided insight into these scandals by offering the following view:

“The trials reveal the intricate web of corruption, money laundering, illicit financial flows and offshore accounts coupled with the complicity of global businesses and government officials. More importantly, they show that the maritime sector desperately needs better governance structures and systems of accountability and transparency. Awareness of maritime issues is low among most African countries. This sea-blindness makes it an ideal industry to target for corruption, as oversight mechanisms are weak. According to the Stable Seas Maritime Security Index, most African countries received a low rule of law score due to their weak judiciary and legislative branches. Poor governance in remote coastal areas and a lack of capacity to oversee the entire coastline are also factors.”

The extract above is rich in perspective and value. It first raises the issue that the ocean economy is compromised by criminality. Harmful practices such as corruption, money laundering and illicit financial flows characterise the ocean economy in Africa. Secondly, and more importantly, the involvement of global businesses and government officials within these schemes is also highlighted. This is an important marker in highlighting the depth of the challenges in the ocean economy. Officials in both the public and private sector are involved in these well-orchestrated schemes designed to circumvent rules within this sector and maximise profits. The corruption of public officials has deleterious effects which harm consumers, who are ultimately the end users of the services and products.

A third issue is the lack of proper systems for the administration of the ocean economy and the need to bolster this element in order to promote accountability and transparency. The creation of systems is also a critical element to supporting the rule of law and democracy. A fourth and very important issue raised is that of what has been termed as ‘sea blindness’. This speaks to what is a general lack of public awareness into the importance of issues around the maritime economy. While recent scandals have cast somewhat of a light on this economy, the public conversation has remained elsewhere, focussing more on issues such as the formal economy and the digital economy. Accordingly, issues such as the fourth industrial revolution (4IR) and the digitalisation of the mainstream economy have garnered much of the public attention.

Having regard to the troubling challenges depicted above, it is important for Africa’s blue economy strategies to address and combat the issue of corruption. The Peace and Security Council of the AU has advanced the blue economy as the new frontier of the African renaissance. Therefore, it is vital that deliberate efforts be taken to combat corruption which can undermine this new frontier. Moreover, corruption in the blue economy

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could impact human rights, particularly those of the most vulnerable in society.\textsuperscript{25} It is also argued that corruption is a big impediment in the fight against crime in the blue economy.\textsuperscript{26} A Report from Blue Justice advances that corruption:

“… threatens effective regulation and crime prevention at every stage of the fisheries value chain, exposing it to a wide range of risks, from the preparation of forged licences and the underreporting of quantities of caught fish at landing, through to the sale of mislabeled fish, among others. Corruption also undercuts the efforts of law enforcement to investigate and prosecute fisheries crime when it does occur.”\textsuperscript{27}

Blue economy strategies would be incomplete and ineffective, especially in the African context, without the integration of measures to deal with corruption. A piecemeal approach to these issues will not yield the desired results. Accordingly, the next section of this briefing paper considers Africa’s blue economy strategies and whether measures to combat corruption have been effectively integrated within these strategies.

**Africa’s Blue Economy Strategies**

There is a plethora of documents within the AU legislative and policy framework space that speak to the blue economy. The more pertinent of these that establish Africa’s blue economy strategy will be discussed herein.

**Policy Framework and Reform Strategy for Fisheries and Aquaculture in Africa**

The first important document within this matrix is the Policy Framework and Reform Strategy for Fisheries and Aquaculture in Africa (PFRS).\textsuperscript{28} This document followed a series of developments in the sector such as the Comprehensive Africa Agriculture Development Programme (CAADP) framework which was developed by New Partnership for Africa’s Development (NEPAD) and endorsed by Member States, Sirte Declaration in 2004, and the Conference of African Ministers of Fisheries and Aquaculture (CAMFA 1) which was held in Banjul, Gambia in September 2010.\textsuperscript{29}

The aim of this document is to establish a policy framework for the sustainable management of fisheries and aquaculture resources on the African continent.\textsuperscript{30} The areas identified in the document include: conservation

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\textsuperscript{27} Ibid.


and sustainable natural resource use, small scale fisheries development, sustainable aquaculture development, responsible and equitable fish trade and marketing, strengthened regional and sub-regional cooperation, and awareness enhancement and human-capacity development. By implementing the reforms suggested in the document, member states would be able to maximise the benefits of their natural resources. However, the document emphasises that for this to be possible, governance is key to enjoying these benefits.

The challenge with this document is that it was essentially a blueprint for fisheries management and aquaculture development on the continent. It was not the intention of this policy document to tackle wider blue economy issues such as corruption beyond those stated above. While the document failed in this regard, it succeeds in dealing with issues such as small-scale fisheries which are essential to the strategies relating to poverty alleviation and food security.

### 2050 Africa’s Integrated Maritime Strategy

In 2014, the AU took a more integrated approach to maritime governance when it adopted the 2050 Africa’s Integrated Maritime Strategy (AIMS). The strategy recognises the growth of the ocean activity as moving from traditional activities such as fisheries and shipping to new ones such as offshore renewable energy and aquaculture. Thus, broader provisions in the maritime sector have been provided for in the document.

AIMS recognises the opportunity presented by the maritime industry as a tool for wealth creation and generation of new economic opportunities. It consists of multi-layered plans of action to make Africa’s blue economy viable. The specific goals are to: (1) articulate the existing and future challenges, (2) provide a coordinated and comprehensive framework for the improvement of maritime conditions in terms of environmental and socio-economic development, (3) present a common template for the AU, its members, regional economic communities (RECs) and other relevant organisations for maritime review, budgetary planning, and the effective allocation of resources, and (4) present a business plan that has specific markers, capacity building targets, and implementation requirements.

Strategic actions earmarked in AIMS included the establishment of the Combined Exclusive Maritime Zone of

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31 Ibid at 13 - 14.
32 Ibid at xiv.
33 Ibid at xiv.
37 Ibid 7.
38 Ibid at 7.
39 Ibid at 11-12.
Africa (CEMZA), an Inter-Agency/Transnational Cooperation and Coordination on Maritime Safety and Security, Regional Maritime Operational Centres, as well as Giant Africa Aquariums (GA2). Furthermore, AIMS deals with the issue of maritime governance. It covers issues such as money laundering, illegal arms, drug trafficking, human trafficking, human smuggling, maritime terrorism, environmental crimes, and illegal oil bunkering. Despite these widespread problems, corruption surprisingly isn't addressed as an independent issue demanding attention. Rather, corruption is dealt with as a by-product of other offenses such as drug trafficking and money laundering. This is problematic because corruption is a challenge in and of itself that demands individual attention. A cohesive strategy on the blue economy must focus on addressing corruption in the blue economy as a separate threat to the success of the system.

_African Charter on Maritime Security, Safety and Development in Africa (Lomé Charter, 2017 (no ratifications to come into force))_

On 15th October 2016, the AU adopted the _African Charter on Maritime Security and Safety and Development in Africa (Lomé Charter)._ The Lomé Charter takes a more binding approach to maritime governance as opposed to other documents such as AIMS that took a soft law approach. Through this Charter, the AU seeks to pursue a number of objectives which include the prevention of transnational crime such as terrorism, piracy, armed robbery against ships, drug trafficking, smuggling of migrants and trafficking of persons; protection of the environment; promote a flourishing and sustainable blue economy; promote international cooperation in maritime issues including cross-border crime; and promote and protect the right to access the sea for landlocked countries.

Interestingly, the Lomé Charter prescribes socio-economic measures to prevent crimes at sea. This provision is crucial because social conditions influence crime at sea. Therefore, mitigating the adverse effects of the social plane would then help in reducing sea crime. Other measures are also prescribed in the Charter such as the establishment of national coordinating structures, the harmonisation of national legislation, maritime governance and cooperation. It is interesting to note that the issue of corruption is not expressly covered in the document. The only reference to corruption is contained in Article 1 of the Charter, with regards to transnational organised crime. Herein, it is explained that organised crime that is conducted across borders is facilitated by systematic violence and corruption.

Therefore, in this context, corruption is viewed as an enabler of transnational organised crime and not as a form of it. Accordingly, when you read Article 4 of the document, it's clear that corruption isn't specifically highlighted as a major crime that the Charter focuses on. However, Article 4 isn't a numerous clausus, making

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40 Ibid at 10, 23 and 25-26.
43 Ibid at Article 5.
44 Ibid at Article 1.
it possible to argue that corruption should be recognized as one of the unlawful practices at sea.\textsuperscript{45} Alternatively, it could also be said that because corruption is an enabler of transnational organised crime, it is therefore indirectly covered in the scope of the document.

**Agenda 2063: The Africa We Want**

Agenda 2063\textsuperscript{46} of the AU envisages that Africa’s economies should structurally transform in order to ensure equitable growth, attain a fair distribution of opportunities, create decent employment, establish labour standards and safe working conditions for all, enhance access to basic commodities, and further income distribution.\textsuperscript{47} This is intended to create diversified economies that are resilient and are also able to manage external shocks.\textsuperscript{48} To achieve this, it is envisioned that there is a need to create new products through innovation, creativity, knowledge, science, and entrepreneurship amongst others.\textsuperscript{49} The blue economy is identified as one of the sectors that must be nurtured in order to achieve accelerated economic growth.\textsuperscript{50} Agenda 2063 highlights that there is a need to establish a framework that defines Africa’s blue economy and coordinates its activities at a continental level.\textsuperscript{51} Such a framework, in the view of this Agenda, would be instrumental in providing support to member states, especially small island states.\textsuperscript{52}

**Africa Blue Economy Strategy**

In pursuance of its promise in Agenda 2063, the AU published the Africa Blue Economy Strategy in October 2019. The crafting of this document followed the Sustainable Blue Economy Conference that took place in 2018 in Nairobi, Kenya.\textsuperscript{53} According to the document:

> “The objective of the Africa Blue Economy Strategy is to guide the development of an inclusive and sustainable blue economy that becomes a significant contributor to continental transformation and growth, through advancing knowledge on marine and aquatic biotechnology, environmental sustainability, the growth of an Africa-wide shipping industry, the development of sea, river and lake transport, the management of fishing activities on these aquatic spaces, and the exploitation and beneficiation of deep sea mineral and other resources.”\textsuperscript{54}

Over and above this, the Africa Blue Economy Strategy seeks to provide guidance and support to individual

\begin{thebibliography}{99}
\bibitem{45} Ibid at Article 4(1)(a).
\bibitem{47} Ibid at 33.
\bibitem{48} Ibid at 33.
\bibitem{49} Ibid.
\bibitem{50} Ibid at 33 and 105.
\bibitem{51} Ibid at 69.
\bibitem{52} Ibid.
\bibitem{54} Ibid at xiv.
\end{thebibliography}
members and regional institutions to create their own national and regional blue economy strategies that are able to catalyse socio-economic transformation and growth.\(^{55}\) This is essential in order to ensure that the strategies for the blue economy are multi-layered, factoring the national, regional and continental landscapes. In a sense, this would create the acquis (total body of law) in relation to the blue economy. Furthermore, the Africa Blue Economy Strategy has been crafted to be adaptive and resistant to the effects of time. To this end, the Strategy identifies five key areas with the very diverse blue economy.\(^{56}\) These are:\(^{57}\)

i. Fisheries, aquaculture and ecosystems conservation

ii. Shipping, transportation and trade

iii. Sustainable energy, extractive minerals, gas, innovative industries

iv. Environmental sustainability, climate change and coastal infrastructure

v. Governance, Institutions and social actions

Importantly, in this policy document, the AU acknowledges that the blue-economy is multi-faceted and requires cross-cutting interventions. However, within the range of issues covered in the strategy, the issue of corruption has not been raised.

**Combatting Blue Economy Corruption in Africa**

Combatting corruption is one of the priorities under the African Aspirations for 2063.\(^{58}\) Aspiration 3 provides that the continent should aspire for good governance, democracy, respect for human rights, justice and the rule of law.\(^{59}\) Within this framework, it is envisioned that corruption and impunity would be issues of the past.\(^{60}\) Corruption is noted as one of the threats to the continent within Agenda 2063.\(^{61}\) Accordingly, the fight against corruption is viewed as a critical measure for ensuring human rights, justice and the rule of law.\(^{62}\)

Over time, the AU has taken a number of measures to address the issue of corruption. Perhaps the most formidable action taken was the adoption of the AU Convention on Preventing and Combating Corruption (AU Corruption Convention)\(^{63}\) in July 2003. The Convention entered into force on the 5th of August 2006, following the attainment of the required ratifications.\(^{64}\) The aim of the Convention is to develop and

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\(^{55}\) Ibid.

\(^{56}\) Ibid at xi.

\(^{57}\) Ibid.


\(^{59}\) Ibid at 37.

\(^{60}\) Ibid.

\(^{61}\) Ibid at 110.

\(^{62}\) Ibid at 151.


strengthen measures that are designed to prevent, detect, combat and eradicate corruption in both the private and public sector. In addition to this, the Convention also aims to promote and facilitate cooperation between member states on these issues as well as coordinate and harmonise policies with regards to corruption. Furthermore, it aims to promote socio-economic development by eliminating the challenges that prevent the enjoyment of human rights, as well as, create the requisite conditions for the management of public affairs in a transparent and accountable manner.

To this end, member states have undertaken to implement legislative and other measures designed to criminalise corruption (and related offenses) outlined in Article 4 of the Convention. Other noteworthy issues dealt with in the Convention include those pertaining to jurisdiction, the right to a fair trial, extradition, confiscation and seizure, bank secrecy, cooperation and mutual legal assistance, and international cooperation. Although the AU Corruption Convention provides significant guidance on how the issue of corruption should be tackled, there is no integration of this document, or other related documents, within Africa’s frameworks and strategies on the blue economy.

**Conclusion**

The AU has made considerable progress with regards to the regulation of the blue economy. Consequently, a number of instruments have been drafted in order to assist in the administration of the oceans and seas. Despite these efforts being made in a piecemeal fashion, they have nonetheless been undermined by criminal activities, including corruption. It was demonstrated in this brief, by way of example, how corruption in the blue economy has collapsed the effective administration of this economy in some African countries such as Mozambique and Namibia. Strangely enough, Africa has a number of documents that deal with corruption with the main one being the 2003 AU Corruption Convention. The measures set out in this Convention have not been integrated into the policy documents and instruments on the regulation of the blue economy such as the PFRS, AIMS, the Lomé Charter and the Africa Blue Economy Strategy. This is demonstrative of the fragmented nature of AU documents. It is suggested that, in order to effectively manage the blue economy, all the relevant factors affecting the blue economy, including measures to combat corruption must be integrated into the governance matrix of the ocean economy.

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66 Ibid at Article 2(2).
67 Ibid at Article 2(4).
68 Ibid at Article 2(5).