

A BRIEF ON INSTITUTIONALISING **BLUE** **ECONOMY GOVERNANCE** IN COUNTIES

KENYA DEVOLUTION PROGRAMME (KDP) - TIMIZA UGATUZI





EXECUTIVE SUMMARY

The sustainable utilization, investment, and management of Blue Economy (BE) resources by counties have the potential to significantly drive economic growth. These efforts can generate substantial revenues for the counties, create employment opportunities for the citizens and improve the livelihoods of communities residing near inland water bodies such as lakes, rivers, and wetlands as well as in surrounding urban and local areas. To fully harness the potential of the BE, it is for the counties to have robust capacity in planning, implementation, monitoring, evaluation and reporting on the progress of BE initiatives.

In this context, the UK Government, through the Kenya Devolution Programme (KDP), initiated a Blue Economy Capacity Needs Assessment in 2023, targeting five riparian counties (Kisumu, Homabay, Siaya, Busia, and Migori) located along the approximately 500 km (310 miles) shoreline of Lake Victoria, known for its rich biodiversity. The aim of this assessment was to evaluate these counties' capacities to develop and implement blue economy programmes, projects and activities.

The assessment aimed to provide a comprehensive understanding of existing capacity landscape in the five riparian counties. It focused on identifying gaps, challenges, and opportunities for technical assistance aimed to strengthen the counties' capacities in developing and implementing BE initiatives. The assessment emphasized critical aspects needed for effective planning, execution, monitoring, evaluation, and reporting of BE initiatives. These parameters encompassed: Blue Economy Sectors and Potential; Policy and Regulatory Framework; Institutional Arrangements and Human Resource Capacity; Project Identification, Planning, and Implementation Capacity; Economic and Social Impact; and the Institutionalization of Monitoring, Evaluation, and Learning. This brief highlights the insights gathered from the assessment on establishing suitable institutional arrangements for effectively coordinating of blue economy initiatives in counties.

The assessment revealed that implementing BE programmes and projects requires an effective institutional arrangement for coordination, given the multi-sector nature of BE. Without such a framework, there are no mechanisms to facilitate governance and decision-making on BE sectors and actors. A well-resourced institutional setup within county governments is crucial for effective governance, sustainable management, and inclusive development of the BE sectors. A well-established institutional arrangement ensures clear governance structures, roles, and responsibilities for the implementing BE programmes and projects.

It facilitates effective coordination and partnership among various actors that include government agencies, subnational governments, local communities, private sector entities, and non-governmental organizations. In proposing an institutional framework for coordinating BE activities in the county, several policy options were considered to enhance collaboration, governance and sustainable management of blue resources such as lake, rivers, wetlands and underground water. One of the policy options that was considered and recommended was the creation of a County Blue Economy Unit or Department.

This unit would be responsible for coordinating various actors, both state and non-state to ensure sustainable management and development of BE sectors. The unit would facilitate collaboration among a wide range of stakeholders including governmental bodies, NGOs and private sector entities. It is critical that the unit has authority to enforce regulation and promote sustainable practices to blue sectors and strictly guided by the principle of subsidiarity to ensure local decision-making.



INTRODUCTION

The UK Government, through the Kenya Devolution Programme (KDP), initiated a blue economy Capacity Needs Assessment in 2023, targeting five riparian counties (Kisumu, Homabay, Siaya, Busia, and Migori) located along the approximately 500 km (310 miles) shoreline of Lake Victoria, known for its rich biodiversity. The aim of the assessment was to evaluate these counties' capacities to develop and implement blue economy programmes, projects and activities.

Though the assessment examined a number of factors that affect the counties' capacities in implementing blue economy initiatives, one of the key factors that stood out was the need to strengthen the institutional arrangement of the department responsible for coordinating blue economy initiatives in the counties. Establishing a full-fledged Blue Economy department would significantly enhance governance by providing a structured framework for inter-sectoral cooperation and partnerships. This approach would foster synergy, complementarity, and minimize duplication of efforts among various BE sectors such as fisheries, maritime transport, water sports, renewable energy, ports and jetties development, lake front amelioration inter alia. To optimise these synergies, integrated coordination and collaboration are essential, highlighting the need for institutionalisation of blue economy governance within the county management structure.

From the assessment, one option for enhancing the governance of the blue economy, as exemplified by Homabay County, is to establish a department for blue economy headed by a County Executive Committee Member with the primary role of coordination of various actors (state and non-state) in blue economy. Other roles that the department can address may include resource mobilization, inter-sectoral collaboration, conflict management and monitoring and evaluation.

This brief provides a justification to policy makers at the county level to consider establishing BE departments to enhance BE initiatives in counties. The outcome from such a decision would yield significant benefits from blue economy including increased revenues, job creation, improved livelihoods and enhanced environmental sustainability. By prioritising these aspects, we can foster a thriving economy that not only supports communities but also protects and preserves our blue resources for future generations.



PROBLEM STATEMENT

The implementation of blue economy necessitates the establishment of effective institutional arrangements often referred to as blue governance. This governance framework facilitates interaction and decision-making among various actors involved in blue economy programmes, projects and activities. In the absence of an effective governance, there is no institutional framework to facilitate decision-making and coordination across blue economy sectors. A well-established institutional framework ensures the development of clear rules, regulations, and procedures that guide sustainable development and efficient resource management. Without this framework, county governments may struggle to effectively coordinate diverse stakeholders, such as local communities, industry, academia, and civil society leading to conflicts and hindering the achievements within the blue economy.

The blue economy encompasses various sectors, including fisheries, aquaculture, marine renewable energy, coastal tourism, and maritime transportation. While these sectors hold significant economic potential, they also face environmental and social challenges. Without effective institutional arrangements, integrating sustainability principles into policy frameworks becomes difficult, and promoting responsible practices and minimizing negative impacts on ecosystems and communities is challenging. Moreover, blue economy is capital insensitive, involving substantial investments and projects. Without a robust institutional arrangement, establishing mechanisms for resource mobilization and allocation becomes extremely challenging. In summary, a well-defined governance structure is essential for harnessing the full potential of the blue economy while ensuring sustainability and cooperation among stakeholders.

ANALYSIS

A strong and well-resourced institutional setup is essential for effective governance, sustainable management, and inclusive development of the blue economy sectors. A well-defined institutional framework establishes clear governance structures, roles, and responsibilities for the implementing blue economy programmes and projects. This set up facilitates effective coordination and partnership among various stakeholders, including government agencies, local communities, private sector entities, and non-governmental organizations. Moreover, a well-structured institutional framework supports decision making, policy formulation, and regulatory oversight, ensuring that blue economy programmes and projects are implemented in a coordinated and efficient manner. Through the capacity needs assessment, varied degrees of institutional arrangements were observed in Siaya, Kisumu, Homa Bay, Busia and Migori Counties. For example, Homabay County has successfully established a dedicated department that coordinates the development and implementation of blue economy initiatives across all county departments. This department, encompassing blue economy, fisheries, mining, and digital economy, exemplifies a proactive approach to fostering collaboration and maximizing the potential of the blue economy within the region.

The department is staffed by experienced professionals, including a Chief Executive Committee Member (CECM), Chief Officer, Deputy County Director and an Advisor to the Governor on blue economy matters. In contrast, Kisumu County established several key departments tasked with implementing blue economy initiatives. These departments include agriculture, fisheries, livestock development, and irrigation; water, environment, natural resources and climate change; trade, tourism, industry and marketing; sports, culture, gender, and youth affairs; and Infrastructure, energy and public works. Additionally, the County has established the Kisumu Lakefront Development Corporation (KLDC) that is responsible for coordinating and overseeing implementation of blue economy initiatives along the lakefront. Siaya, Migori and Busia counties also have a directorate of fisheries headed by County Directors who oversee the implementation of BE initiatives. This analysis reveals that the level of institutionalization of blue economy governance varies across the counties, leading to differential impacts on the development of blue sectors. For instance, Homabay and Kisumu Counties have made significant progress in advancing their BE initiatives compared to Siaya, Migori and Busia Counties despite the influence of other contributing factors.

POLICY PROPOSALS

To establish an institutional framework for coordinating blue economy initiatives in counties, several policy proposals could be considered to enhance collaboration, governance and sustainable management of blue resources such as aslake, rivers, wetlands and underground water. They include:

- 1. Establishment of a County Blue Economy Unit:** This entails setting up of a unit that is responsible for coordinating different actors (state and non-state) towards sustainable management and development of blue economy sectors. The unit can facilitate collaboration among a broad spectrum of stakeholders including governmental bodies, NGOs and private sector entities. It is important that the unit has authority to enforce regulation and promote sustainable practice to blue sectors.
- 2. Development of Intersectoral Coordination Mechanisms:** This entails developing forums for inter-sectoral collaboration and partnership among blue sectors. The platforms may include stakeholders' forums, workshops and retreats. For effective coordination, the mechanism should encourage integrated planning to avoid conflicts between the blue sectors..
- 3. Establishment of a Public Private Partnership Framework:** The framework shall promote partnership between the County governments and the private sectors to leverage expertise and resources in the blue economy activities, projects and programmes.
- 4. Institutionalization of Capacity Building and Training Programmes:** This entails training stakeholders, including communities, policy makers and industry actors on sustainable practices and the economic potential and opportunities of blue economy. The local agencies should be equipped with skills required to manage blue resources effectively.
- 5. Data Management and Sharing:** This proposes the establishment of a centralized M&E system for data collection, sharing and analysis regarding aquatic ecosystems. This would be useful in decision making, programming and policy formulation,
- 6. Promote Community Engagement and Governance:** This proposal entails empowering citizens in decision making processes related to blue economy and further support the implementation of incentive programmes for communities that engage in responsible use of blue and other aquatic resources.





RECOMMENDATIONS

To address the challenges and gaps faced by county governments due to face due to weak institutional arrangements or non-existent in other cases, the assessment provides several recommendations for establishing dedicated departments or units responsible for coordinating blue economy programmes, projects and activities. It is essential that these units or departments are provided with the necessary authority, resources, and capacity to effectively coordinate, resource mobilize and monitor the initiatives in accordance to the principle of subsidiarity

Furthermore, to strengthen the BE unit or department, the following should be considered by the county leadership:

1. Develop clear roles, responsibilities, conflict resolution and reporting mechanisms;
2. Develop strategies to attract and retain qualified professionals in blue economy sectors. This should include providing opportunities for professional growth and development and creating a conducive work environment;
3. Establish internship programmes, scholarship schemes, or mentorship initiatives to nurture local talent and build a pipeline of skilled professions; and
4. Foster partnerships and collaboration with relevant institutions, organizations, and experts in the blue economy space. This should include academic institutions, research centres, government agencies, NGOs, and private sector entities with expertise, resources, and networks to support capacity building efforts.

CONCLUSION

From the foregoing, the importance of well-structured governance mechanism of blue economy at the county level cannot be ignored. Blue economy is complex due to its multi-sector nature with diverse players yet has a huge potential to contribute to revenue generation from counties, job creation, improve livelihoods of the people and facilitate environmental sustainability especially for aquatic ecosystems. Coordination is therefore one of the key pillars for sustainable blue economy development given the plethora of actors (state and non-state) in the blue economy. Therefore, it is important that counties develop a comprehensive institution framework that provides for the establishment of a department or unit to coordinate programmes, projects and activities that are involved in harnessing blue resources for socio-economic benefits. Other functions of the unit or department could include resource mobilization, research and capacity building, monitoring and evaluation and stakeholders' engagement.

The just concluded Blue Economy Baseline Survey on Inland Waters has comprehensively interrogated the issues and provided some implementable recommendations on the matter. The Lake Victoria riparian and other counties with blue resources should use the assessment findings and recommendation to leverage the establishment of a directorate or unit for coordination of blue economy. Further, requisite legislation should be enacted to facilitate the process.



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