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EXECUTIVE SUMMARY

ECONOMIC LETTER OF EAST AFRICA AND THE INDIAN OCEAN (EAIO)

A PUBLICATION OF THE REGIONAL ECONOMIC DEPARTMENT – NAIROBI, KENYA

N° 52 – March - April 2025

Blue Economy in EAIO


Key facts

- **Ten years after the Paris Agreement, the United Nations Ocean Conference (UNOC-3)**, co-hosted by France and Costa Rica (9–13 June 2025), aims to strengthen ocean protection and rethink the blue economy, as ocean temperatures have already risen by over 1°C.
- **For Eastern Africa and the Indian Ocean, the event offers a strategic opportunity to advance regional priorities**, including financing, institutional strengthening, and ecosystem preservation.
- **The region, predominantly coastal, (10 out of 15 countries bordering the sea) has significant maritime potential**, though capacities remain uneven : some countries (Mauritius, Seychelles, Kenya, Tanzania) have implemented strategies combining marine protected areas and adapted infrastructure, while others still struggle to unlock their potential.
- **Participation in international negotiations remains uneven** : most countries have adopted blue economy strategies, support the 30×30 objective, and have ratified key agreements, yet implementation is constrained by shared challenges.
- **While donor support is mixed and private investment remains limited**, there are growing opportunities in marine conservation, blue carbon initiatives, and port infrastructure development.

In summary...

A strategic sector for the region's economic development, but uneven resource protection and valorization across countries

The East African and Indian Ocean (EAIO) countries studied benefit from a geography favourable to the development of the blue economy, with major assets such as the Somali coastline — the longest in continental Africa — and strategic ports like Mombasa (Kenya), Dar es Salaam (Tanzania) and Djibouti. However, the protection and valorization of these marine resources vary greatly from one country to another. While Mauritius, the Seychelles, Kenya and Tanzania have implemented strategies (including marine protected areas, and adapted port and tourism infrastructure), other countries such as the Comoros, Madagascar, Somalia, Sudan and Eritrea



struggle to realize their potential due to persistent challenges in governance, financing, technical capacity and security. Participation in international negotiations, such as UNOC-3, reflects these disparities : Tanzania has actively engaged in the preparation of the Summit, while other countries, facing internal crises (Somalia, Sudan, Ethiopia, Eritrea), remain less involved. Although all countries — with the exception of Eritrea — have adopted strategies to promote the blue economy, implementation is still hindered by shared challenges : overexploitation of resources, limited value chain upgrading, pollution, and climate change. The level of support from donors, including France, also varies across countries, while private investment in the sector is held back by often suboptimal business environments. Nevertheless, opportunities exist for French companies, particularly in marine protection, blue carbon and port and logistics infrastructure.

A region favourable to the blue economy, but with uneven resource protection and participation in international negotiations (UNOC-3)

The countries of the East Africa and Indian Ocean (EAIO) region studied possess significant maritime potential to develop the blue economy and turn it into a strategic driver of growth, but the management of these resources and the protection of marine ecosystems remain highly uneven. Among the fifteen countries in the region, ten have direct access to the sea and important fishing zones — notably Somalia, which, with a 3,300 km coastline (the longest on mainland Africa) and an Exclusive Economic Zone (EEZ) of 850,000 km², ranks among the richest in fishery resources. Island states such as the Seychelles (1.34 million km² of EEZ), Mauritius (1.28 million km²), Madagascar (1.1 million km²), and the Comoros (160,000 km² — 86 times their land area) have vast maritime spaces offering major economic opportunities in sectors such as fisheries, tourism, aquaculture, maritime transport, and marine energy. While some countries — like Kenya (0.59% of its EEZ protected through 6 Marine Protected Areas (MPAs)), Madagascar (0.93% via 22 MPAs), Mauritius (13 MPAs covering 85% of its coral reefs), and the Seychelles (13 planned MPAs) — have strengthened the protection of their marine ecosystems, other nations facing internal crises, such as Somalia and Eritrea, have yet to establish such marine parks.

All the countries studied, with the exception of Eritrea, have adopted a strategy to promote the blue economy, and some actively participate in international discussions. Regarding commitments aligned with UNOC-3 priorities, several countries have ratified or signed key treaties : Kenya, Djibouti, the Seychelles, Madagascar, Mauritius, Sudan, and Somalia have ratified the Port State Measures Agreement (PSMA) to combat illegal fishing. On the protection of marine biodiversity in areas beyond national jurisdiction (BBNJ Treaty), Mauritius and the Seychelles ratified it in 2024, while Djibouti signed it in May 2025. In terms of plastic pollution, Kenya, Madagascar, the Seychelles, Mauritius, and Djibouti have banned the production of single-use plastics since 2017, and Kenya, Mauritius, and the Seychelles have joined the High Ambition Coalition to End Plastic Pollution. Since COP15, Kenya, Madagascar, and Mauritius have supported the “30×30” target to protect 30% of marine and terrestrial areas by 2030, with Mauritius aiming to protect 10% of its marine areas by 2025, while the Seychelles plans to protect 30% of its territorial waters and ban fishing in nearly half of this zone. Due to internal political crises, some countries in the region, like Sudan, are less active in international negotiations but participate in regional initiatives such as the Regional Organization for the Conservation of the Environment of the Red Sea and Gulf of Aden (with Djibouti and Somalia), while Eritrea and Ethiopia support the regional blue economy strategy within IGAD.

The countries in the region have organized the governance of the blue economy through various ministries and agencies, though these frameworks often face challenges of weak coordination, limited capacity, and insufficient financial resources to effectively implement their strategies. Kenya established a dedicated ministry in 2022, while in Tanzania, responsibilities are shared among several ministries. Djibouti coordinates the sector via the Ministry of the Environment, Ethiopia has a dedicated department within the Ministry of Transport, and Somalia manages it through the Ministry of Fisheries and Blue Economy, with support from IGAD and the Swedish development agency (SIDA). In the Comoros, the blue economy falls under several ministries but suffers from a lack of financial means, while Madagascar created a dedicated ministry in 2021. The Seychelles manage the sector through the Ministry of Fisheries and Blue Economy, and Eritrea through its Ministry of Marine Resources.




While the blue economy represents a major development opportunity for the EAIO region, its potential remains unevenly harnessed across countries. This is particularly evident in the fisheries sector. In Mauritius, the Seychelles, and Madagascar, the sector is structured around industrial value chains (canning, processing, aquaculture) and generates a significant share of economic activity — accounting for one-fifth of jobs in the Seychelles and 7% of GDP in Madagascar. By contrast, in countries like Kenya and Tanzania, fishing remains largely artisanal, although it provides substantial employment (1.2 million jobs in Kenya). In other countries such as Somalia, Sudan, and Eritrea, fisheries are underdeveloped due to a lack of investment and sustainable management systems (only 1% of sustainable fish stocks exploited in Somalia). **A second key pillar is the port sector, which plays a strategic role in the logistical and commercial integration of these countries with the rest of the world.** The ports of Mombasa (Kenya) and Dar es Salaam (Tanzania) are the region's main maritime hubs, while Indian Ocean island states rely heavily on their primary ports — for instance, Port Louis in Mauritius handles 99.5% of the country's international trade. The French shipping group CMA CGM has also established itself as a major player in the region, both in key hubs and secondary ports (holding 16% market share in Madagascar and over 20% in Kenya). **Tourism is another vital economic driver for some countries, though it remains marginal or non-existent in others.** Mauritius, the Seychelles, Tanzania (notably Zanzibar), Madagascar, and, to a lesser extent, Kenya have made coastal tourism a strategic growth sector (accounting for one-third of GDP in the Seychelles). Conversely, several countries in the region, such as Somalia, Sudan, and the Comoros, still struggle to develop a viable tourism economy.

A marine and freshwater environment threatened by pollution, resource overexploitation, and climate change

The countries of the region face common challenges hindering the development of the blue economy, including the overexploitation of marine resources, pollution (both plastic and industrial), and the impacts of climate change. Illegal fishing — as seen in Somalia, Kenya, Tanzania, Madagascar, and Djibouti — remains a major obstacle, worsened by limited institutional and technical capacities to monitor and manage maritime resources. Marine pollution, mainly from plastics, affects countries such as Kenya, Tanzania, Mauritius, and Madagascar, where waste management infrastructure is highly inadequate. Certain economic activities, including maritime transport, port expansion, tourism, and intensive agriculture — particularly horticultural farms in Kenya and Ethiopia — are degrading coastal and freshwater ecosystems, leading to pollution, deforestation of mangroves, proliferation of invasive plant species, and the long-term deterioration of water quality and coral reefs. In Ethiopia, Lake Haramaya has completely dried up, while in Mauritius, the 2020 MV Wakashio oil spill, which released 1,000 tons of heavy fuel oil, caused the country's worst environmental disaster, with lasting damage to mangroves and coral reefs. Conservation efforts are further limited by a lack of reliable data and fragmented public policies, as seen in Ethiopia and Tanzania. Climate change exacerbates threats to marine resources, increasing the risks of coastal erosion and coral bleaching. In Mauritius, coastal retreat has reportedly reached up to 20 meters in some areas. Comores.

Support from donors, including France, varies across countries, and challenges remain to realize the ambitions for private sector investments in the sector

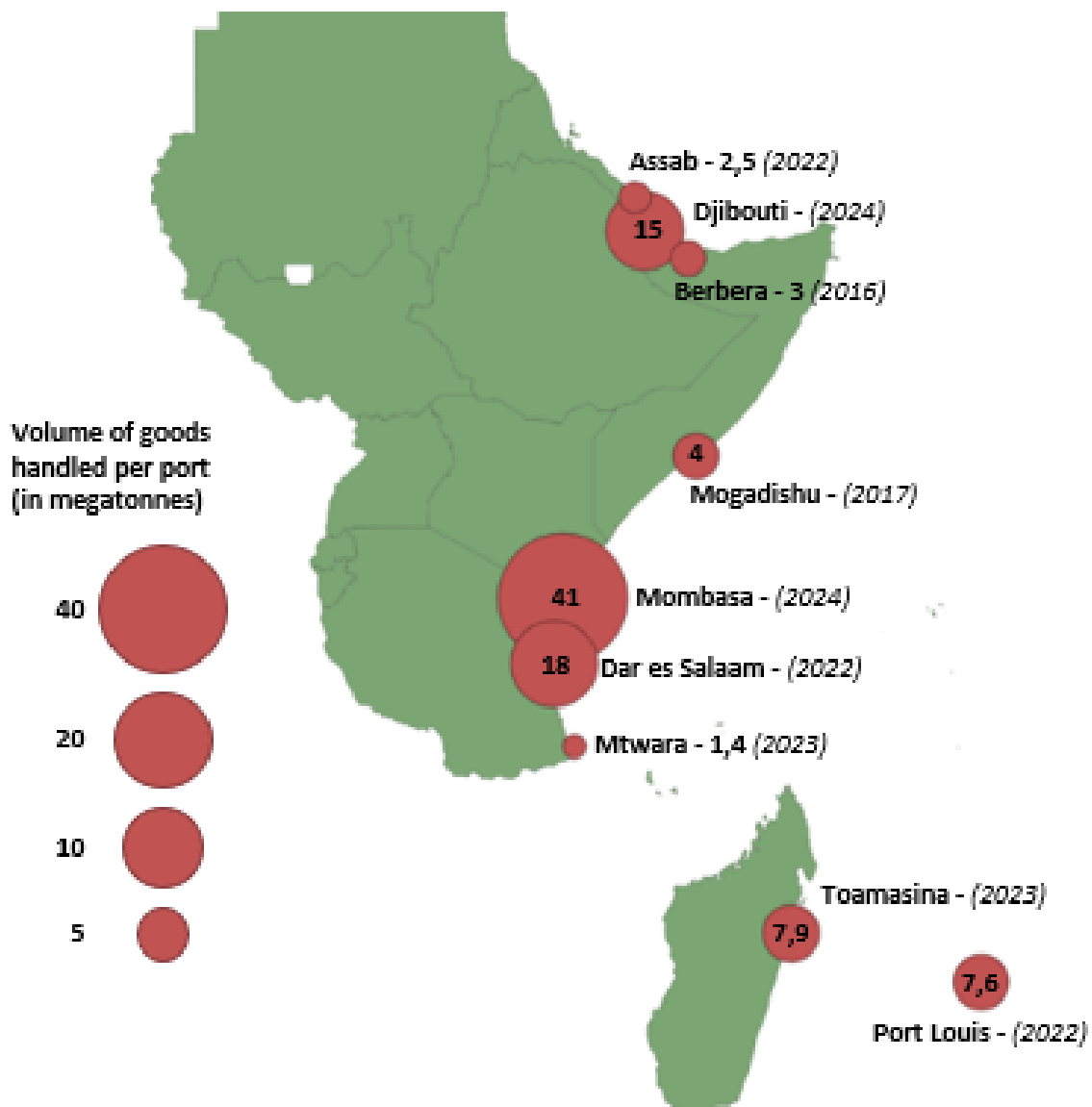
International donors, notably France through AFD and the European Union, support the blue economy in some countries of the region with projects focused on sustainable management of maritime resources and modernization of port infrastructure. For example, in Kenya, Tanzania, and Madagascar, AFD funds the regional NoCaMo project to improve management of marine protected areas, while Expertise France participates in the EU's SWIOP program for sustainable coastal management. In Tanzania, AFD supports mangrove reforestation, and the EIB is involved in plastic waste management. In the Comoros, since 2024, AFD, the World Bank, and other partners co-finance the renovation of port infrastructure while supporting artisanal fishing and coastal zone protection. In Madagascar, AFD funds marine protected area management projects, and JICA co-finances the extension of Tamatave port to make it a regional hub. Mauritius benefits from regional EU projects such as Safe Seas Africa and Ecofish, focused on maritime security and combating illegal fishing. Seychelles pioneered a sovereign blue bond issuance in 2018 (USD 15 million), supported by the World Bank, to finance sustainable fisheries projects. The archipelago has also developed a roadmap for blue carbon opportunities, aiming to map seagrass beds and analyze carbon stocks using satellite imagery. Additionally, a



Debt-for-Climate-Adaptation Swap with the NGO The Nature Conservancy enabled the archipelago to raise USD 21.6 million to accelerate marine ecosystem protection. Since 2017, about thirty projects have been funded for USD 1.5 million by the Blue Grant Fund, benefiting several marine protected areas. **However, donor engagement remains limited in other countries of the region.** In Djibouti, donors prioritize sanitation, with investments from the EU and AFD to rehabilitate and expand infrastructure, while in Ethiopia, interventions focus on a few feasibility studies and a project on lake biodiversity. In Sudan, projects are modest, such as UNDP support for fishing, and in Eritrea, although the AfDB and IFAD plan aquaculture and fishing projects, these remain embryonic.

The blue economy sector in the region offers targeted opportunities for French companies, particularly in marine biodiversity protection and port infrastructure development, but it remains hindered by regulatory challenges and increasing international competition, especially in logistics and port sectors. Companies such as Créocéan, Egis, BRLi, Resolve, and APIS Solutions are already involved in donor-funded projects in Kenya and Madagascar for marine resource and waste management. In Kenya, Hummingbirds is co-developing a blue carbon project linked to mangrove preservation. The port sector presents opportunities in the region, but there is strong competition from Emirati, Chinese, Turkish, and European players. In Seychelles, French companies 4SH and Infoport have provided a port management system (PVMIS) financed by the EU. In Kenya, the prospect of a (partial) concession of the port of Mombasa could attract international actors, but it is currently on hold due to social and political sensitivities as well as an ongoing legal dispute.

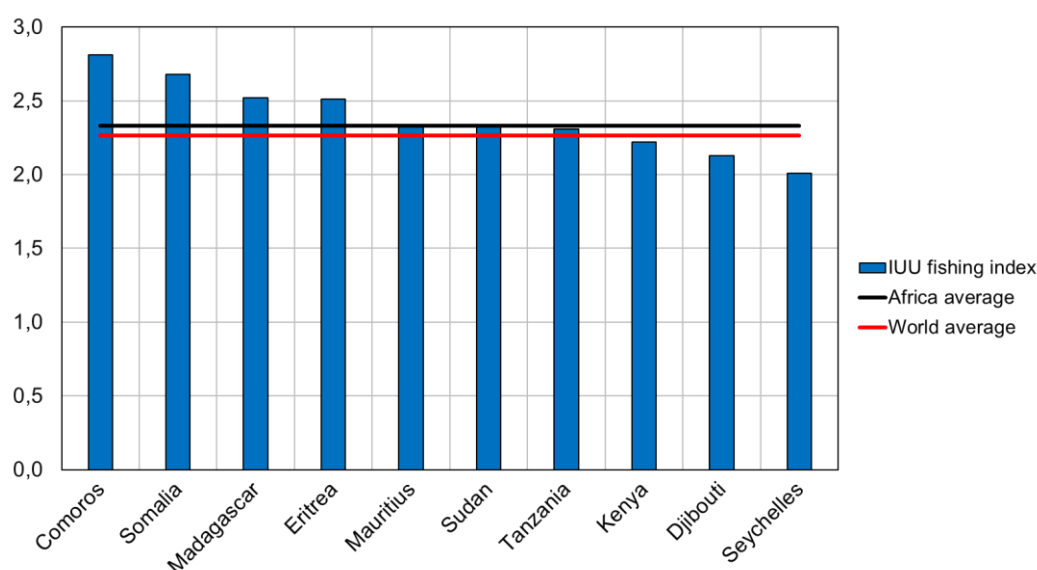
Main ports in the EAIO region, by megatonnes of goods handled



With over 40 million megatonnes handled in 2024, the Port of Mombasa, in Kenya, remains the most important maritime hub in the region. However, it is gradually being caught up by the Port of Dar es Salaam. Together, they serve as the main gateways to the landlocked countries of East and Southern Africa. In the north, the Port of Djibouti is the main maritime access point for Ethiopia, which is seeking to diversify its outlets to the sea, for example with the Port of Berbera, in Somaliland. It is also strategically located on a key artery of global maritime trade, the Bab el-Mandeb Strait. Finally, the ports of Toamasina, in Madagascar, and Port Louis, in Mauritius, are nationally critical infrastructures, as they handle 80% and 99.5% of their respective countries' international maritime traffic.

Source : World Bank, Transport Development Global Practice, National Customs Data.

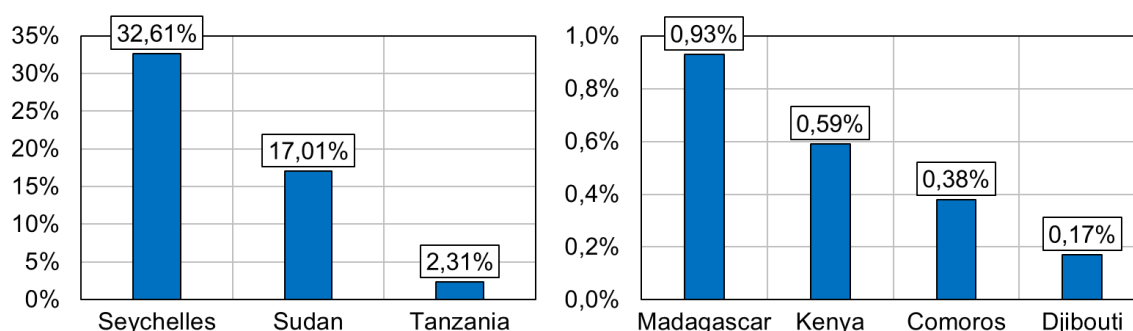
Vulnerability of AEOI countries to illegal, unreported and unregulated (IUU) fishing



The IUU Fishing Index is based on 40 weighted indicators applied to 152 coastal countries. Each country is scored on a scale from 1 (low risk) to 5 (high risk), reflecting both its exposure to IUU fishing and the strength of its response. AEOI countries are unevenly affected by the phenomenon, with some showing limited vulnerability and maritime control above continental standards (Seychelles, Djibouti, Kenya), while others are critically impacted (Comoros, Somalia, Madagascar, Eritrea).

Source : <https://www.iuufishingindex.net/ranking>

Percentage of EEZ designated as Marine Protected Area (MPA)



Political and institutional responses to the challenge of marine ecosystem preservation remain uneven. Some countries have officially reached or are approaching the 30x30 target (Seychelles, Sudan), which aims to protect 30% of national territory by 2030. In contrast, Madagascar, Kenya, Comoros, and Djibouti have designated less than 1% of their Exclusive Economic Zone (EEZ) as Marine Protected Areas (MPAs). As for Eritrea and Somalia, no MPAs have yet been established along their coasts.

Source : [Protected Planet Report 2024](#)