

# The Extractive Sector Forum: First Workshop Report

Understanding the  
Kenyan Extractive Sector:  
The Players and Their Roles

December 3rd, 2015  
Ngong Hills Hotel, Nairobi

Conference Report  
February 2016



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## 1 Background and Objectives

### 1.1 Background

Promoting sustainable management and use of Kenya's upstream oil, gas and minerals has been the subject of numerous exchanges over recent years among civil society organisations (CSOs), academic institutions working in the extractive sector, and mining and oil & gas companies in Kenya. Although the conversations have been useful, they have at times appeared unstructured, disjointed, and not inclusive. These experiences have highlighted the need for a common platform to promote open and continuous dialogue involving all concerned actors.

In response, the IHRB-Nairobi Process and the Institute for Law and Environmental Governance (ILEG), and a number of other actors drawn from business, civil society and academia voluntarily came together to create the Extractive Sector Forum (ESF). The ESF aims to facilitate regular dialogue among businesses from the extractive sector and other stakeholders with an interest in the sector, including civil society organisations, community representatives and academics. The ESF encourages sharing of information concerning ongoing projects and the identification of issues of mutual interest and plans to address them, all aimed at building trust, and providing opportunities for capacity building on aspects of the sector that are of value to all.

One of the Extractive Sector Forum's flagship initiatives is to convene quarterly workshops bringing together extractive sector companies, civil society, and academia to dialogue and share information on topical issues in the extractive sector. The first quarterly ESF workshop was held on December 3, 2015 in Nairobi. The workshop brought together 35 participants drawn from civil society, academic institutions working on the extractive sector, as well as oil & gas and mining companies and their industry associations. This report outlines the workshop objectives, proceedings and main outcomes.

### 1.2 First Quarterly ESF Workshop Objectives

The first quarterly ESF workshop sought to set the stage for future workshops by highlighting the anatomy of the extractive sector in Kenya, the key players and the main issues of concern from the perspectives of different stakeholders. Specific objectives included:

- Mapping the different actors from civil society, academia and companies in the Kenyan extractive sector, their locations and core business;
- Highlighting the current status of the extractive industry in Kenya, and the main issues of concern for companies, civil society, and academia;
- Sharing ideas, experiences and innovative approaches for effectively dealing with issues of concern;
- Agreeing on next steps and the agenda for the next ESF workshop.

## 2 Topics Discussed During the ESF Workshop

### 2.1 Updates on the Policy and Legal Framework Governing the Oil & Gas and Mining Industry in Kenya

A series of changes are taking place in the Kenyan extractive sector, particularly with respect to the policy and legal framework governing the sector. The legal and policy structure is being updated and strengthened to better govern new mineral, oil and gas discoveries and to align with the requirements of the Constitution of Kenya adopted in 2010. These developments include the following:

- The **Mining Bill** was passed by the Senate in September 2015 after a prolonged debate, and is now before a joint committee of the two houses who will harmonize the proposed changes before it is endorsed by the National Assembly and forwarded to the President for assent.
- The **Petroleum (Exploration, Development & Production) Bill, 2015** including a model Production Sharing Contract is in the National Assembly in the second reading stage.<sup>1</sup>
- The **Natural Resources (clauses of Transactions Subject to Ratification) Bill, 2015** is in the second reading stage in the National Assembly.
- The **Energy Bill 2015** is in the National Assembly and currently in the first reading.<sup>2</sup>
- The **National Energy and Petroleum Policy 2015** which is currently with the Ministry of Energy and Petroleum as a draft policy.
- The **Natural Resources (Benefit Sharing) Bill 2014** is currently in the Senate and in the third reading stage.<sup>3</sup>

These proposed legislative changes are aimed at establishing a more robust regulatory environment and are expected to greatly improve the extractive sector's governance. Nonetheless, some participants in the ESF workshop expressed ongoing concerns that the laws may not sufficiently address challenges that result from extractive activities, particularly those involving adverse impacts on communities. Furthermore, there is a need to align these sectoral laws with requirements of other auxiliary actors such as National Environment Management Authority (NEMA) and in particular, with broader principles around transparency, accountability and sustainability.

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<sup>1</sup><http://kenyalaw.org/kl/fileadmin/pdfdownloads/bills/2015/PetroleumExplorationDevelopmentandProductionBill2015.pdf>

<sup>2</sup> <http://kenyalaw.org/kl/fileadmin/pdfdownloads/bills/2015/EnergyBill2015.pdf>

<sup>3</sup> <http://kenyalaw.org/kl/fileadmin/pdfdownloads/bills/2015/EnergyBill2015.pdf>

[http://kenyalaw.org/kl/fileadmin/pdfdownloads/bills/2014/NaturalResources\\_Benefit\\_Sharing\\_Bill\\_\\_2014.pdf](http://kenyalaw.org/kl/fileadmin/pdfdownloads/bills/2014/NaturalResources_Benefit_Sharing_Bill__2014.pdf)

## 2.2 Extractive Industry Status and Main Issues of Concern

### 2.2.1 *Oil and Gas in Kenya: The Community Agenda. Presentation by: Donald Mahaga, Chairman – Kenya Oil and Gas Association (KOGA)*

#### a. What is KOGA?

The Kenya Oil and Gas Association (KOGA) brings together oil and gas companies operating in Kenya. Companies become eligible to join the association upon signing a Production Sharing Contract with the Government of Kenya. Membership, purpose, duties and responsibilities of KOGA members are governed by the Articles of Association. KOGA's main objective is to support its members to address the challenge of sustainability i.e. delivering value to shareholders, while providing economic and social benefits to impacted communities and minimizing environmental footprint.

The presentation by KOGA focused on initiatives by its members at the community level in addressing the challenge of sustainability. These efforts include:

#### b. Environmental Social Impact Assessments (ESIAs)

KOGA pointed out that its members have often gone beyond their legal obligation of conducting Environmental Impact Assessments (EIAs)<sup>4</sup> and now carry out Environmental *and Social* Impact Assessments (ESIAs). The ESIAs are conducted by local/international companies licensed by NEMA to undertake environmental impact assessments and audits, and socio-economic surveying. KOGA further emphasised that increasingly its members are adopting international best practices that exceed local legal requirements. Based on the ESIA results, companies develop environmental management plans to meet mitigation requirements. Further, on sustainability, KOGA reported that companies are committed to reducing negative impacts on the environment and to ensuring that operational activities work alongside cultural heritage protection.

Despite such a positive move to conduct ESIAs, some workshop participants felt companies should consider also integrating human rights and health related issues into the environmental and social impact assessments. This was emphasised based on the impacts that oil & gas and mining projects have on human rights.

#### c. Social License to Operate

KOGA reported that beyond the legal licenses acquired from Government, companies have to ensure they have the social license to operate. To acquire and maintain a social license, companies are increasingly engaging various stakeholders on a wide range of issues such as contracts and employment. As part of innovative initiatives, companies have established community offices in areas of operations to effectively communicate ongoing progress, address grievances and manage expectations. As a result, this has improved consultations with wider constituents (civil society, donors, conservation

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<sup>4</sup> <http://www.nema.go.ke/index.php/laws-and-guidelines/gazetted-regulations/environmental-regulations-eia-ea>

groups, etc.) on sensitive issues such as land and water use, environmental impact, cultural heritage/archaeology and drought relief.

On local employment and contracts, companies now appreciate that community involvement is critical to addressing legitimate concerns and reducing conflict. KOGA reported that companies are now working with County governments, communities and contractors to put in place more transparent processes for awarding local contracts and hiring local staff. To strengthen their relationship with communities KOGA members support social investment and capacity building. Companies are moving a step further and supporting the setting up of technical & vocational training centres that help individuals from local communities build the requisite skills, as well as taking part in enterprise development to assist small and medium enterprises (SME's) and entrepreneurs to create new or expand existing businesses.

#### d. Community engagement

The question of community engagement is central to a successful extractive sector. It was noted that although oil & gas and mining companies have tried to continually engage with the communities affected by their operations, cooperation and trust between the two parties remain a challenge. Some strategies employed by the companies in engaging with communities have not necessarily worked, and there is need to establish new strategies. For instance, companies use local government administrators, such as chiefs to gain access to the community. This approach in most instances has led to mistrust by those who feel companies compromise chiefs who assist them in gaining access to the community.

Companies felt they cannot bypass existing administrative structures especially at the community level in spite of the existing mistrust. Of concern therefore is how companies win the confidence of the community while still working with the administrative structures and not being perceived as having been compromised. How well companies strike a balance in this regard is central to gaining community confidence. Further, there should be efforts by companies to engage communities directly and through judiciously identified community leaders. A related challenge is identifying the right stakeholders to engage to avoid elite capture and other vested interests. Civil society organisations, because of the closeness to and considerable trust by communities, were asked to assist in identifying credible community leaders and other stakeholders that companies can engage.

Engagement strategies need to be tailored to the needs of different regions in which companies operate. Participants felt companies need to go an extra length in developing strategies that will address the exact needs of the communities in which they operate and not merely replicate those they might have used from other operations. Companies acknowledged the central role CSOs can play in community engagement but felt CSOs tend to involve themselves too late when issues are already out of hand. As KOGA put it *"CSOs come in too late after companies have long started operations and are building relationships with the community"*. CSOs however emphasised that they already exist within communities and address other needs long before the entry of companies. In addition, CSO participants clarified that they generally respond to existing community needs and therefore companies tend to feel their presence only

when community members raise issues related to their operations. CSOs however try to engage communities as soon as practicably possible.

Another critical point raised with regard to community engagement was the need to bring women into such dialogue. Participants noted that more often than not, women, who in many cases bear the brunt of unsustainable utilization of resources, are often left out.

e. Information sharing

Companies increasingly appreciate the importance of informing communities about their operations. KOGA reported that its members keep communities informed about projects and the scope of work well in advance of starting operations. This is done through community liaison officers (CLOs) and Stakeholder Engagement Managers (SEM's) typically for 4-6 months in advance of starting operations to give stakeholders the opportunity to raise concerns (some of which may already have been identified in the ESIA), and thus reduce the likelihood of grievances arising during operations.

Participants noted the importance of timely sharing of accurate information by all parties - government, companies, civil society and communities. This was seen as necessary to ensure sustainability, inclusiveness and smooth operations in the sector. Participants also underscored the persisting challenge of information asymmetry, with communities being the most disadvantaged in terms of access to information. This has led to mistrust and suspicion towards companies and government.

To address some of the concerns raised, KOGA emphasised that companies conduct stakeholder communication meetings during the operations phase. These meetings aim to address any grievances as well as build trust, mutual respect and settlement of grievances. The meetings are also used to inform communities on issues with the potential to impact all parties and the operation e.g. breakout of disease, adverse environmental impacts affecting communities, progress of operations and supply of resources. Companies are keen to draw lessons/experiences that can be used in future operations.

KOGA members have established grievance mechanisms to address complaints relating to their operations. These grievance mechanisms typically involve receiving specific complaints, followed by steps to validate/acknowledge, assess and resolve them. This is followed by community feedback and entering grievances in a log/registry.

CSO participants requested that companies disclose documents detailing companies' specific commitments to communities for easy follow-up. This was however challenged with companies stating that the agreements are between companies and communities and therefore only available to the parties.

Both civil society and companies felt there is a need to act proactively in informing communities about the extractive sector. This should be done in the language best understood by local communities and therefore the need to translate all information being shared. KOGA confirmed that companies have made efforts to translate information to the local dialects in Turkana and other regions.

f. Community Development and Corporate Social Responsibility (CSR)

KOGA members and other company representatives noted that companies have initiated a number of community development projects in the areas where they work. Some participants however felt these pronouncements were imprecise and needed greater clarity including specific examples. The session also underscored the need to distinguish between the roles of different stakeholders - government, companies, communities, civil society and academia vis-à-vis community development. Companies felt that too often, they are being expected to singlehandedly fulfil the role of government such as with requests concerning their involvement in provision of education, health care, water etc.

Linked to this is the issue of unrealistic expectations. Company participants expressed concern that they have to deal with unrealistic expectations from communities. For instance, while it is widely recognised that the extractive sector generally provides only minimal jobs, some people from host communities often demand jobs. Moreover, in some instances demands are not accompanied by commensurate qualifications. Participants felt there is a need for all stakeholders to work (together where possible) to educate communities and help manage their expectations.

On employment, companies reiterated that they do offer as many job opportunities as they can to local people. A majority of locals are absorbed into casual or less technical work. This was attributed to the lack of required academic qualification or technical skills. Some participants however raised questions about labour rights, citing instances where workers are being denied the right to unionize. Companies challenged this view and asserted that no workers have been denied unionization.

KOGA also noted the importance of supporting community-based enterprises as a strategy to boost local content. Companies endeavour to identify where there are capabilities starting from local, county then to national level. Companies thus strive to ensure transparent and predictable processes through among other others, organising supplier forums.

g. Identified challenges, lessons and areas of improvement

KOGA noted several challenges affecting the industry despite efforts towards effective community engagement and sustainability in the sector. These include:

1. Misperceptions about company operations attributable to lack of access to information. This is being addressed through various company offices, public notice boards, and mini-bazaars and grassroots engagement.
2. Transparency in jobs/employment opportunities despite company efforts to make the recruitment process public and open.

Valuable lessons for companies include:

1. The need to identify local opinion shapers acceptable both to communities and county government.
2. The importance of educating local communities on key company constraints such as time, costs and other contract commitments.



3. There is a need to further facilitate and support open and ongoing communication between community, county and national governments.

Based on its experiences and lessons, KOGA has identified four key areas for improvement by its members:

1. Deepen grassroots engagement.
2. Improve on feedback to communities on grievance handling/resolutions.
3. Strengthen field team capacity to manage a range of issues.
4. Continue on-going process improvements to strengthen impact assessments, monitoring and planning processes.

### 2.3 Civil Society Work In the Extractive Sector in Kenya and Main Issues of Concern

The civil society organisations present at the Forum workshop have developed an interest in the extractive sector and its governance. This has been manifested through their advocacy for transparency, accountability and human rights compliance on the part of the government and companies. In Kenya there are three CSO networks operating at the national and county level on different aspects of the extractive sector (mining, oil and gas). The networks are the Kenya Oil and Gas Working Group (KOGWG), Kenya Civil Society Platform on Oil and Gas (KCSPOG) and Haki Madini Coalition.

The CSOs have worked together in pushing for policy and regulatory frameworks that uphold human rights standards and protect and promote community concerns/rights. For example, KCSPOG, Natural Justice, Friends of Lake Turkana, Oxfam GB Kenya and the Institute for Human Rights and Business made a joint submission to the Senate committee on the Mining Bill in which a good number of the recommendations were adopted. CSOs have also continued to hold joint capacity building sessions/trainings to understand the extractive sector and engage even on technical aspects of the sector.

#### 2.3.1 *Kenya Oil and Gas Working Group (KOGWG) - Membership and Work on the Extractive Sector in Kenya: Diana Mochoge-KOGWG*

The Kenya Oil and Gas Working Group (KOGWG) is a network of grassroots community groups and national level civil society organisations concerned about social, economic and environmental impacts of the extractive industry in Kenya. KOGWG was formed in 2009 and provides a platform for constructive stakeholder and community engagement, and knowledge management contributing to good governance and sustainable development in the oil and gas sector.

- **Core Description:** KOGWG members work to bring out the concerns and voices of communities while enhancing social accountability and organising collective advocacy for good governance and sustainable development of the nascent oil and gas sector in Kenya.
- **Extractive Sector Focus:** Oil & gas

- **Objectives:** The objectives of the working group include to:
  1. Support and catalyze action for comprehensive knowledge management and monitoring on the oil and gas sector and related issues;
  2. Sensitise and create widespread public awareness and galvanise community voice in oil and gas development.
  3. Enhance networking capacity amongst civil society to advocate for good governance and sustainable development in the oil and gas sector;
  4. Promote effective engagement and dialogue with Government and exploration companies;
  5. Catalyse and strengthen liaison with the media to increase public awareness on and visibility of the oil and gas sector.
- **Membership:** The working group has over 40 active members drawn from community-based organisations (CBO), CSOs, institutions, groups and individuals. See Annex 1
- **Geographic Scope:** The working group is active in areas with on-going oil and gas exploration and/or development. Currently, it is present in Mombasa, Kwale, Kilifi, Malindi, Tana Delta, Kipini, Lamu, Isiolo, Nyakach, and Magadi.
- **Activities:** The working group focuses on four intervention areas targeting different actors in the extractive sector. These include: government engagement, private sector, community engagement and media engagement. Through these intervention areas, the working group seeks to strengthen policy and legislative frameworks. In 2015, the working group reviewed proposed policy and legislative frameworks, in particular, the Petroleum (Exploration, Development & Production) Bill, 2015. Further, the working group has worked closely with the Media Council of Kenya and journalist associations to increase understanding of the extractive sector by media personnel and journalists. The working group has also cooperated with other organisations to strengthen CSO capacity on extractive sector standards and initiatives. In 2014, together with Transparency International, the working group convened a training session on the Extractive Industries Transparency Initiative (EITI) aimed at promoting transparency in the extractive sector in Kenya. The working group targets formation and strengthening of grassroots initiatives and organisations aimed at environmental conservation and management related to extractive activities. These efforts have resulted in the formation of the community oil and gas network nodes in Kilifi, Lamu Basin and Tana river.

### *2.3.2 Kenya Civil Society Platform on Oil and Gas (KCSPOG)- Membership and Work on the Extractive Sector in Kenya. Charles Wanguhu, Coordinator-KCSPOG*

The Kenya Civil Society Platform on Oil and Gas (KCSPOG) was formed in 2012 following the first oil find announcement. CSOs saw the need to come together to address the emerging dynamics of the sector.

- **Core Description:** The KCSPOG works on behalf of civil society organisations and civil society leaders. It does not claim to legally represent the citizens of Kenya but

it recognises the principle and the importance of accountability to citizens and those particularly affected by Kenya's oil industry. Citizens and the host community influence the strategies and actions of the KCSPORG through county CSO platforms. The KCSPORG reports its own progress to recognised county platforms that in turn report back to their own members and constituents.

- **Extractive Sector Focus:** Oil & gas
- **Objectives:** KCSPORG works around four themes:
  1. Transparency and Accountability;
  2. Environmental and Human Rights;
  3. Local Content;
  4. Legal and Regulatory framework.
- **Membership:** KCSPORG has a membership of 16 national and county-based organisations working mainly in Turkana, Lamu, Kwale and Kajiado. See Annex 2.
- **Geographic Scope:** Turkana, Lamu, Kwale and Kajiado
- **Activities:** KCSPORG has put efforts into pushing for transparency and accountability in the oil and gas sector in Kenya. The government has on a number of occasions made commitments towards ensuring transparency and accountability in the extractive sector. KCSPORG aims to hold the government and industry players accountable to commitments such as the announcement in 2015 by President Uhuru Kenyatta of Kenya's intention to implement EITI.<sup>5</sup>

The platform has also advocated for disclosure of contracts, which currently are not public.<sup>6</sup> KCSPORG's push for disclosure has been on the grounds that few players benefit from secrecy and the fact that already up to 10 mining and oil and gas contracts are now public. Despite these contracts being public, none of the companies involved have claimed any adverse impacts from the disclosure for their operations.

The platform further works towards ensuring that proposed laws in the sector adhere to international best practices and human rights standards. As a result there have been efforts towards submitting comments and inputs in the draft mining, oil and gas-related bills. KCSPORG has had considerable success in their work. In 2015 the platform developed collective memoranda on the Mining Bill, petroleum and energy bills, Petroleum Master Plan, Natural Resources Benefit Sharing Bill and Agreements relating to Natural Resources Bill and Community Land Bill.<sup>7</sup>

The platform also works towards capacity building of CSOs both at national and county level. The trainings have focused on different aspects of the oil and gas

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<sup>5</sup> <http://www.president.go.ke/2015/08/02/joint-commitment-between-the-government-of-the-republic-of-kenya-and-the-government-of-the-united-states-of-america-to-promote-good-governance-and-anti-corruption-efforts-in-kenya/>

<sup>6</sup> <http://kcspong.org/kcspong-agenda-for-kenyas-oil-and-gas-development/>

<sup>7</sup> <http://kenyalaw.org/kl/fileadmin/pdfdownloads/bills/2015/CommunityLandBill2015.pdf>

sector including petroleum economics; general understanding of the oil and gas industry; field visits for communities; and county level trainings. The platform has increasingly widened the scope of its work to include mining. This is evidenced by its work on the Mining Bill.

### *2.3.3 Haki Madini Kenya (HMK)-Membership and Work on the Extractive Sector in Kenya. Lucy Githaiga, Country Manager-Diakonia Sweden*

The coalition was established in November 2014 at a national conference on extractives.

- **Core Description:** Haki Madini-Kenya (HMK) is a national coalition focused on enhancing effective participation of communities in the extractive industry. It is a community centred coalition and works in the interface between civil society and faith based/ecumenical institutions. Currently, the coalition is spearheaded by organisations that are jointly implementing the Madini yetu Wajibu Wetu Project in Kitui, Mui Basin that is supported by Diakonia.
- **Extractive Sector Focus:** Mining

The coalition is in the process of consolidating community platforms in mining areas that will be members of HMK.

- **Objectives:** HMK has six broad objectives:
  1. Create a critical mass of informed and organised local communities meaningfully engaging and benefiting from the extractive sector in Kenya;
  2. Influence policy, legal and institutional framework development and implementation to ensure community interests are secured;
  3. Engender the extractive sector in Kenya through women's social and economic empowerment and safeguarding of women's rights;
  4. Demand that Government upholds the highest standards of accountability and transparency in economic and social development;
  5. Demand corporate accountability and responsibility;
  6. Create a credible, strong and knowledge driven network capable of responding to and mitigating emerging violations in the extractive sector in Kenya.
- **Geographic Scope:** the coalition has a national coverage but currently focuses in Kitui county.
- **Activities:** To achieve these objectives HMK has adopted four approaches, namely: movement building, capacity building, multi-stakeholder engagement and research and policy advocacy.

HMK has conducted a number of interventions, one of the more notable ones being the on-going Madini Yetu Wajibu Wetu Project in Mui Basin, Kitui County (Jan- Dec 2015). The initiative comprises a Baseline Survey and Rapid Assessment on Coal mining in Kitui carried out in August 2014. A validation for the survey was conducted with Kitui County Executive Committee (CEC), members of county assembly (MCA's), Committee on Natural Resources, and Liaison Committee

representatives. A national conference on extractives was held in 2014, where the HMK coalition was founded.

Also under the initiative, a Community Guide to Coal Mining (for civic education) was rolled out in Mui Basin. HMK also initiated a community-led mapping (276 out of 8000 households) although this is still incomplete and rescheduled. Further, HMK work revolves around community mobilisation & organising (identifying women champions, clergy champions, youth champions, Training of Trainers). It also involves structuring the Coalition and capacity strengthening, non-state actor consultations and collaboration, civic education through radio and SMS platforms, national dialogue to champion the African Mining Vision, and country visits to benchmark good mining practices.

### *2.3.4 Issues of Concern on the Role of CSOs in the Extractive Sector*

#### a. CSOs have varying capacities, mandates and approaches to work

The role of CSOs as think tanks and mediators vis-à-vis activists and whistle blowers came into sharp focus in the discussions. Companies felt that CSOs overdo whistle blowing/activist roles and deliberately stifle think-tank roles. CSOs underscored the importance of their twin role of whistle blowing (activism) and advisory (think tank). For instance, some organisations may be well suited or prefer to play whistle blower and think tank roles while others may adopt soft advocacy approaches. Others may prefer to apply different approaches depending on the issue to be addressed or on the situation(s) at hand. CSOs emphasised that there are situations requiring dialogue while others need whistle blowing to push for action. Striking a balance between their role as whistle blowers and their role as think tank is critical for CSOs successful engagement with companies in the extractive sector.

#### b. CSOs should bridge the gap between government, companies and communities

Companies felt that communities have great trust for CSOs, which calls for greater responsibility on the part of CSOs. CSOs thus need to improve their capacities to proactively engage with companies and government as honest mediators. CSOs were challenged to ensure their sources of information are factual before releasing reports or recommendations to the public. This should be based on research to aid evidence-based advocacy and to generate accurate information.

Considering CSOs play a critical role at the community level, companies felt there is a need to have joint community engagement efforts. These joint engagements can be on different aspects of the extractive sector. While CSO participants expressed openness to such collaboration, they warned that such initiatives can only succeed if designed in a way that guards against co-option by companies. CSOs need to remain distinct and independent even if they engage in such collaboration.

#### c. Trust building

Participants acknowledged that mutual trust through honest and sustained dialogue is a must if accountable, prudent and inclusive management and utilisation of Kenya's oil &

gas and minerals is to be achieved. CSO representatives reported that despite challenges, they have tried to build trust with government and companies. According to some participants, those efforts are starting to bear fruit as government is increasingly accepting of sharing critical information with civil society.

The Extractive Sector Forum, though still in very nascent stages, is another proof that mutual trust through honest dialogue between companies and CSOs can be achieved. A lot more however needs to be done.

### *2.3.5 Challenges in the Extractive Sector*

CSOs highlighted several challenges affecting the oil and gas sector. Of concern was inadequate CSO capacity to engage effectively in the sector. This was attributed to lack of access to information and the technical nature of the sector, which is a new area of focus traditionally not addressed by CSOs.

CSOs also highlighted considerable political interference in their work in Kenya as well as significant challenges in balancing between national and county level work and between whistleblower and think-tank roles considering that these roles often conflict.

CSO participants also observed that there is very low civic awareness on anticipated extractive sector actions. This has and continues to fuel highly unrealistic expectations and anxiety. Secondly, there is insufficient information flow concerning ongoing processes from the County and National Governments. This again has made way for rumours, anxiety, suspicion, mistrust and confusion. There is particularly a lot of suspicion and mistrust between the Government, liaison committees, and other actors. There is thus need for collaborative approaches to unlock the current situation, and to institutionalize and support complimentary efforts by all actors.

The legal and policy framework on compensation and relocation mechanisms remains unclear although there are on-going reforms to try to address this.

## **2.4 Academia's Role in the Oil, Gas and Mining Industry**

Academic institutions place a great importance to closer interaction with industry and research and development organizations. Some interaction has been witnessed, in the developed countries, between large public and private sector enterprises and academic institutes at a level of industry involvement in technology development. Still, industry support to basic research is almost non-existent in developing countries.

Effective collaboration between the extractives industries and universities will be critical to the industry's economic recovery and its sustainable international competitiveness. Industry must also make a sustained effort in supporting higher education by providing the support needed to help students build the employability and technical skills that are so important.

The areas in which interaction is possible include industry support to basic research for knowledge creation, industry participation in technology development involving some exploratory work, academic intervention in solving industry problems, laboratory

utilization by industry, faculty members' sabbatical leave and industry involvement in curriculum development.

Other areas include: education and capacity building initiatives (which should not be limited to training technical expertise but should encompass a wide field of experts to support the sector); research initiatives (which should reflect both basic and applied research in technical aspects of extractive industries, law and policy, anthropology, environmental assessments, socio-economic impacts of extractive industries and the role of civil society, government and non-state actors); and evidence-based public engagement initiatives.

Research and capacity building will enable informed public discourse and consultation among vital stakeholders to enhance better and more accountable management of the extractive sector.

- **Strathmore Extractive Industries Centre** (<http://seic.strathmore.edu/>)
- **Hekima Institute of Peace Studies and International Relations** (<http://hipsir.hekima.ac.ke/>)
- **The East African Institute, Aga Khan University** (<http://www.aku.edu/eai/Pages/eai.aspx>)
- **TaitaTaveta University College** (<http://www.ttuc.ac.ke/>)

### 3 Conclusion

The ESF has the potential to set the stage for continued efforts towards regular dialogue between CSOs and extractive companies at a national level. The discussions brought to the stage the need to strengthen trust between companies and CSOs as critical for subsequent ESF workshops and on the ground engagements. As the ESF scales its focus to more complex issues facing the sector, CSOs and company commitment and openness is critical. There is also need to ensure a more organized CSO network to strengthen their push for accountability in the extractive sector.

Participants agreed to share feedback and proposals of the agenda for the next ESF session. Feedback was positive with companies, academia and CSOs supporting the initiative.

### 4 Contacts

For further information about the Extractive Sector Forum or to express an interest in participating in the next ESF event, please contact:

**Institute for Human Rights and Business**

Rose Kimotho, Programme Manager -  
East Africa  
[Rose.kimotho@ihrb.org](mailto:Rose.kimotho@ihrb.org)

**Institute for Law and Environmental Governance**

Duncan Okowa, Project Officer  
[d.okowa@ilegkenya.org](mailto:d.okowa@ilegkenya.org)

## Annex 1: Kenya Oil and Gas Working Group (KOGWG) Members

- **Kenya Natural Resources Alliance(KeNRA)**  
(<http://www.kenra.or.ke/>)
- **Malindi Rights Forum**
- **Ngua Mlambo Development**
- **CHRCE-Mwingi**  
(<http://chrcekenya.net/>)
- **Coast Rights Forum(CRF)**  
(<http://coastrightsforum.org/>)
- **Ngoma-Elgeyo Marakwet**
- **Save Lamu, Kimwarer**  
(<https://www.savelamu.org/>)
- **Media for Environment, Science, Health & Agriculture(MESHA)**  
(<http://meshakenya.org/>)
- **National Environment civil society of Kenya (NECSA-K)**  
(<http://necsakenya.org/>)
- **TUFAK** (<http://www.tufakenya.org/>)  
([https://www.facebook.com/Tuna-Fisheries-Alliance-of-Kenya-TuFAK-361155903923436/info/?tab=page\\_info](https://www.facebook.com/Tuna-Fisheries-Alliance-of-Kenya-TuFAK-361155903923436/info/?tab=page_info))
- **Oil and gas Malindi**
- **Lamu Oil and gas**
- **Kipini oil and gas Lamu**
- **WWF Kenya Country office**  
([http://wwf.panda.org/who\\_we\\_are/wwf\\_offices/kenya/](http://wwf.panda.org/who_we_are/wwf_offices/kenya/))
- **Endrois Welfare Council**
- **Kituo Cha Sheria**  
(<http://kituochasheria.or.ke/>)
- **Sengutek (fluorspar) Community Trust**
- **Ufadhili Trust**  
(<http://www.ufadhilitrust.org/>)
- **Community action for Nature Conservation (CANCO)**  
(<http://www.cancokenya.org/>)
- **Policy options Kenya, Reconcil**
- **The East African**  
(<http://int.search.tb.ask.com/search/GGmain.jhtml?p2=^AYY^xdm081^Y YA^ke&ptb=DA663C05-F144-477F-A044-DF973F1B023D&ind=2015091503&n=781bdb2f&st=bar&searchfor=t he+east+african+newspaper>)
- **Radio Waumini**  
(<http://www.radiowaumini.org/>)
- **Tuna Fisheries alliance of Kenya**
- **Beach Management units in Bamburi ,Mtwapa, Kwale**
- **Kilifi County Forum**
- **Kenya Marine forum**
- **Beach Management Unit group**

## Annex 2: Kenya Civil Society Platform on Oil and Gas (KCSPOG) Members/Partners

- **The Southern and Eastern African Trade, Information and Negotiations Institute (SEATINI)**  
(<http://www.seatinikenya.org/>)
- **Econews Africa**
- **The Institute for Social Accountability(TISA)**  
(<http://www.tisa.or.ke/>)
- **Danish Demining Group**  
(<http://www.danishdemininggroup.dk/danish-demining-group/where-we-work/Kenya>)
- **Oxfam GB**  
(<http://www.oxfam.org.uk/what-we-do/countries-we-work-in/Kenya>)
- **Katiba Institute**  
(<http://www.katibainstitute.org/>)
- **Kenya Land Alliance**  
(<http://www.kenyalandalliance.or.ke/>)
- **Peace Pen Communications**  
(<http://peacepencommunications.com/>)
- **Friends of Lake Turkana**  
(<http://www.friendsoflaketurkana.org/>)
- **Transparency International**



- **Kenya** (<http://tikenya.org/>)
- **International Institute for Legislative Affairs** (<http://ilakenya.org/>)
- **Kenya Human Rights Commission** (<http://www.khrc.or.ke/>)

### Annex 3: Haki Madini Kenya (HMK) Members

- **National Council of Churches in Kenya (NCKK)** (<http://www.nckk.org/newsite2/>)
- **Catholic Justice and Peace Commission (CJPC) – National Office** (<http://www.cjpckkenya.org/index.php?page=aboutus>)
- **CJPC-Diocese of Kitui** (<http://www.dioceseofkitui.org/>)
- **Grassroots Organizations Operating Together in Sisterhood (GROOTS Kenya)** (<http://www.groots.org/members/kenya.htm>)
- **Inuka Kenya Ni Sisi! Ltd** (<http://nisisikenya.com/>)
- **Econews Africa**
- **Kenya Human Rights Commission** (<http://www.khrc.or.ke/>)
- **Diakonia Sweden** (<http://www.diakonia.se/en/Where-we-work/Africa/Kenya/>)

### Annex 4: KOGA Members

- **Afren (East Africa Exploration Kenya Limited)**
- **Africa Oil**
- **Anadarko**
- **BG**
- **Camac Energy**
- **CEPSA**
- **ENI**
- **FAR**
- **NOCK**
- **OPHIR Energy**
- **Milio**
- **Total**
- **Tullow Oil**
- **Zarara**

A more detailed list of KOGA members and their operations will be accessible soon through the KOGA website.

### Annex 5: Kenya Chamber of Mines Members

- **Bamburi Cement Ltd.** (<http://www.lafarge.co.ke/>)
- **Rockland Kenya Ltd.**
- **Base Titanium Ltd.** (<http://basetitanium.com/company-profile/company-overview>)
- **East A. Portland Cement** (<http://www.eastafricanportland.com/>)
- **Kenya Fluorspar Co. Ltd.** (<http://www.kenyafluorspar.com/>)
- **Tata Chemical Magadi Ltd.** (<http://www.tatachemicals.com/magadi/>)
- **Bridges Exploration Ltd.**
- **Aqua Mines Ltd.**
- **Athi River Mining Ltd.** (<http://www.armcement.com/>)
- **Carbacid (CO2) Ltd** (<http://www.carbacid.co.ke/>)
- **Gath Mineral Resources Ltd.**
- **Tsavolite Mining Co. Ltd**

- **Equator Gemstones (K) Ltd**
- **Kengreegasa**
- **Zen International Ltd.**
- **Embaka Mining Co.**
- **Kiea Mining Co**
- **Mugwuku Mineralogy (EA) Company**
- **E.A. P. & Miners**
- **Kutima Investment Ltd.**
- **Redrock Resources**  
(<http://www.rrrplc.com/projects/kenya/>)
- **R.K. Sanghani**
- **Kithiori Mining Company**
- **Stout Minmetals Ltd.**
- **Imperial Exploration**
- **RMG Trading Co. Ltd.**
- **National Cement Co Ltd(DEVKI)**  
(<http://devkigroupke.com/cement/>)
- **Hardrock Mining**
- **Kilimapesa Pty Ltd**  
(<http://www.goldplat.com/projects/kilimapesa-gold-kenya>)
- **Wise Consult Africa**
- **Stockport Exploration(formally Linear Metals)**  
(<http://www.stockportexploration.com/s/home.asp>)
- **Pacific Wildcat Resources**  
(<http://www.pacificwildcat.com/>)
- **Geo-Exploration Mining Ltd**
- **Gems & Industrial Minerals Lt**
- **Accurate Steel Mills Ltd**
- **Robert Lee-Steere Africa Ltd**  
(<http://www.robertleesteere.net/>)
- **KIPYA** (<http://www.africa-drilling-solutions.com/>)
- **Geofirm East Africa Limited**  
(<http://www.geofirm.co.ke/aboutus>)
- **Mayfox mining Limited**  
(<http://mayfoxmining.com/>)
- **Acacia Mining Ltd.**  
(<http://www.acaciamining.com/>)
- **Civicon Limited**  
(<http://www.civiconkenya.com/>)
- **Karebe Gold Mining Ltd**
- **Muibasin Mining Co. Ltd**
- **Azania Resources Ltd.**
- **Joseph Cleophas Migwa**
- **Rubylite Mining**

## Annex 6: Agenda

PROGRAMME: December 3, 2015

Time	Activity	Lead
8.30-9.15AM	Registration	IHRB/ILEG
9.15-9.30AM	Welcome and Introductions	<b>Rose Kimotho,</b> <b>Programme Manager</b> <i>East Africa(IHRB)</i>
<b>Session I</b> <b>Opening</b>		
9.30-10.45AM	About the conference	
	<b>Setting the Stage:</b> Overview of the extractive industry in Kenya: Opportunities and Challenges	<b>Dr. Collins Odote,</b> <b>Director ILEG &amp;</b> <i>Senior Lecturer</i> <i>University of Nairobi</i>
	Clarifications, Comments, Questions and Answers	
	Group photo	
<b>10.45-11.00PM</b>	<b>Health Break</b>	
<b>Session II</b> <b>Civil Society and the extractive sector in Kenya</b>		
11.00-11.25AM	<b>Membership and work on the</b>	<b>Zillah Mwajuma,</b>

	<b>extractive sector in Kenya</b>	<b>Coordinator Kenya Oil and Gas Working Group(KOGWG)</b>
11.25-11.50AM	<b>Membership and work on the extractive sector in Kenya</b>	<b>Charles Wanguhu, Coordinator, Kenya Civil Society Platform on Oil and Gas(KCSPOG)</b>
11.50-12.15PM	<b>Membership and work on the extractive sector in Kenya</b>	<b>Lucy Githaiga, Country Manager, Kenya Diakonia Sweden Haki Madini</b>
12.15-1.00PM	Plenary	
<b>1.00-2.00PM</b>	<b>Lunch Break</b>	
<b>Session III</b>		
<b>Anatomy of the Oil &amp; Gas and Mining industry in Kenya: Main actors and general introduction to the oil &amp; gas and mining industry and value chain</b>		
2.00-2.25PM	<b>Mining in Kenya- An Industry perspective</b>	<b>The Kenya Chamber of Mines (KCM)</b>
2.25-2.50PM	<b>Oil and Gas Sector in Kenya-The community Agenda</b>	<b>Donald Mahaga, Chairperson Kenya Oil and Gas Association (KOGA)</b>
2.50-3.20	Plenary	
<b>3.20-3.35</b>	<b>Health Break</b>	
<b>Session IV</b>		
<b>Academia and the extractive industry in Kenya</b>		
3.35-4.00PM	<b>Role and opportunities of the Academia in the Extractive Sector in Kenya</b>	<b>Jonah Mngola , Deputy Director Strathmore Extractives Industry Centre(SEIC)</b>
4.00-4.15PM	Plenary	
<b>Session V</b>		
<b>Next steps and wrap-up</b>		
4.15-4.25PM	Perspective from an industry player	<b>Ann Grant, Non-Executive Director Tullow Oil</b>
4.25-5.00	Summary of conference outcomes, next steps and agenda for next ESF conference	IHRB/ILEG
<b>END OF CONFERENCE</b>		

## Annex 7: Participants

Name	Organization/company
Donald Mahaga	Kenya Oil and Gas Association
Philippa Hutchinson	Acacia Mining Limited
Colin Forbes	Base Titanium
Ellon Kamau	Total ERP Kenya
Rehema Mohamed	Kenya Oil and Gas Association
Antonin Fotso	Total
Jonathan Hargreaves	Tullow Oil
Anyanda Edward	Kakamega Stakeholders Association
Bernard Ochieng	Caritas Kitui-Haki Madini
Diana Mochoge	Kenya Oil and Gas Working Group
Ekalale Gabriel	Turkana Natural Resources Hub
Arthur Ndegwa	Taita Taveta University College
Tom Kigen	Kerio Valley Community
Hamisi Salim Dzila	Kwale Natural Resources Network
Duncan Okowa	Institute for Law and Environmental Governance
Geoffrey Kerecha	Institute for Human Rights and Business (Nairobi Process)
Gino Cocchiario	Natural Justice
Lucy Githaiga	Diakonia-Haki Madini
Gloria Ngina	Institute for Human Rights and Business (Nairobi Process)
Patrick Ochieng	Ujamaa Centre
Peter Nyabua	Nyando District Centre for Environmental Conservation(NYADEC)
Japheth Kokal	Nyakach Community Development Association (NYAKODA)
Martin Mavengina	Kenya Human Rights Commission
Nyambura Githongo	Information Centre for the Extractive Sector
Jospeh Kibugu	Business and Human Rights Resource Centre
Jacinta Okwaro	Adanm Smith International
Purity Kagendo	Diakonia Haki Madini Kenya
Charles Wanguhu	Kenya Civil Society Platform on Oil and Gas
Elizabeth Kariuki	Kenya Human Rights Commission-Haki Madini Kenya
Joy Matanda	National Council of Churches of Kenya-Haki Madini Kenya
Benson Ochieng	Institute for Law and Environmental Governance
Jackie Okanga	Aga Khan University East African Institute
Omondi Winstone	CORDAID
Faith Alubbe	Kenya Human Rights Commission
Dr. Collins Odote	Institute for Law and Environmental Governance
Jonah Mgola	Strathmore Extractives Industry Centre