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BACKGROUND PAPER: DECEMBER 2017

Going for gold

Risks and opportunities in Kenya's extractives sector

SUMMARY

This paper examines the risks and opportunities associated with Kenya's extractives sector. It examines the potential of the extractives industry to transform Kenya's economic prospects and contribute to development outcomes. Building on International Alert's experience from similar contexts, the paper identifies six 'risk factors' that have the potential to either exacerbate existing conflicts or create new tensions around the extractives industry. The paper then presents recommendations for different stakeholders in this sector.

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Background

While the extractives industry in Kenya is at a nascent stage of development, there is great anticipation that the oil, gas and mining sectors will transform the country economically. Although major oil discoveries were made in Turkana in northwest Kenya in 2012, steps towards both production and downstream processing and transportation have slowed with the global fall in oil prices. The mining sector in Kenya is characterised by both large-scale mining operations, as well as small-scale and artisanal mining for gold, gemstones and other minerals. While the current footprint is relatively small in Kenya, exploration is ongoing and forms a key part of Kenya's development blueprint, Kenya Vision 2030. Even though much progress has been made, the legislative frameworks are still catching up, particularly in the petroleum sector – a situation further complicated by the transition to a devolved system of governance that commenced in 2013.

While the extractives sector has the potential to contribute to development outcomes in Kenya, experience in other contexts has shown that the sector can exacerbate existing tensions or create new conflicts over the control and benefits of these resources. In Kenya, much of the extractives sector development will take place in areas that are politically, economically and geographically marginalised – for example, counties like Turkana have been characterised by longstanding inter-community conflict.

This briefing draws upon the experience which International Alert has built up working with the extractives industry in promoting accountability and conflict sensitivity in fragile contexts. It employs that experience to frame a review of extractives development to date in Kenya and to identify areas of existing or potential conflict risk. Building on this analysis, the briefing presents recommendations for the different stakeholders in this sector, including the Kenyan government and county governments in areas of extractives development, as well as extractives companies, donor agencies and national and international civil society.

Conflict and the extractives sector

For economic actors operating in fragile and conflict areas (as well as the governments that license them), there is a critical need to be mindful of the two-way dynamics between extractives development and its context. This is extremely relevant to an emerging, soon-to-be middle-income economy like Kenya, which is keen to capitalise

on its natural resources. In order to attract foreign direct investment, legislative and institutional reforms are being enacted in the country alongside major planned investments in infrastructure. However, social, political and economic tensions can manifest in social unrest or cycles of violence that can destabilise development and bring major economic projects to a standstill.

In other contexts, social unrest around extractives projects is often closely connected to community resistance and opposition to projects from local communities. The roots of this opposition are often complex, but certainly company-community conflict stems from certain perceptions of the industry or misinformation, lack of consultation, political manipulation and what are regarded by many as irresponsible company practices. Furthermore, if a legislative environment is in some instances contradictory to international standards around participation, consent and human rights, there can be limited ways for communities to channel their grievances. In these circumstances, resorting to violent confrontation is common.¹

Since the discovery of oil in March 2012 in Turkana by Tullow Oil, the process of exploration and development has been characterised by contestation from communities and local politicians. Protests over the allocation of jobs and other opportunities led Tullow to suspend its operations in October 2013. Mining operations, both large scale and artisanal, for mineral sands and rare earth minerals, gemstones and iron ore in the coastal counties of Kwale and Taita Taveta have also been affected by protest, land disputes and harassment of miners.

Peaceful economic development can occur when conflict dynamics are understood, and measures are put in place to ensure that peace-conducive economic development² occurs. Drawing on our experience in other contexts, Alert was able to identify six 'risk factors' that have the potential to either exacerbate existing conflicts or create new tensions around the extractives industry:

1. Devolution, political participation and corruption;
2. Conflicts over land and land use;
3. Environmental and natural resource issues;
4. Lack of community consultations and participation;
5. Public and private security for extractives personnel and assets;
6. Limitations in local employment and business opportunities.

This briefing will unpack each of these factors against examples drawn from a desk review of the Kenyan context, focusing on oil sector development in northern Kenya and mining operations in the former Coast region.

1. Devolution, political participation and corruption

In Alert's experience, the interplay between extractives development and political dynamics can exacerbate conflict where there is a risk that development is leveraged to further political and personal agendas, such as enriching individuals or embedding political actors. Communities can become particularly vulnerable to being co-opted for political and/or corrupt ends. While this is often a facet of the specific political economy, there is also a responsibility upon companies to ensure there is transparency and accountability in line with international standards, such as the Extractive Industries Transparency Initiative (EITI).³

While devolution radically altered the political landscape in Kenya in 2013, the embedding of the new devolved system is still an ongoing process. In Alert's experience, processes of devolution or decentralisation add a further layer of complexity, potentially adding more gatekeepers for extractives companies (as well as for communities) to engage with. They can also raise expectations over political participation and access. In Kenya, devolution has provided a much larger available pool of funds at the county level compared with the previous centralised system, as well as a greater number of political positions (with governors, deputy governors, women's representatives and members of county assemblies), which in itself has the potential to create conflicts over political and other resources.

There are still tensions over the extent of autonomy and responsibilities granted to the new county governments. Control over natural resources ownership, security and land continue to reside primarily with the national government, which has created tensions over whether decisions on benefits or security are being made in the interests of local communities. Disputes over the 'fair' levels of revenue sharing also have the potential to feed into tensions between the national and county governments (as was seen in March 2017 in the public dispute over the sharing of oil revenues between the president and the governor of Turkana county).⁴ Some of the legislation in Kenya, such as the existing Petroleum Act, has not been updated to take the new devolved system into account. The new Petroleum (Exploration, Development, and Production) Bill 2015 is set to replace the current act, but has not yet been passed.

The coastal county of Kwale has seen the development of the largest mining operation in Kenya in the form of BASE Titanium's Mineral Sands project. While agitation for greater autonomy (*majimbo*) has been a key political dynamic in this region,⁵ the national government has retained control of key issues that would affect counties, including land issues, resource ownership (including large-scale mining) and security/policing. The mining industry has traditionally been regulated from Nairobi, creating a perception of limited transparency among local communities.⁶ The responsibilities devolved may not match the capacity of local government structures, particularly in relation to monitoring the activities of companies.

There are capacity gaps within many of the new county governments – for example, in their ability to assess critical items like environmental impact assessments (EIAs), and then monitor and enforce their recommendations.⁷ This is also evidenced in attempts by county assemblies to create legislation that contradicts national acts of parliament. While the county governments do not have formal control over large-scale mining operations, the Kwale county government has attempted to assert some control over titanium mining in Kwale by imposing additional levies on BASE Titanium, even though this is not supported by the Kenyan Treasury.⁸ Lack of capacity leads to too much reliance on self-reporting and self-regulation by the extractives, but this cannot replace the role of government regulation.

2. Conflicts over land and land use

Land is almost always cited as a conflict driver in relation to extractives development. This is particularly pertinent in contexts where there are overlapping systems of formal and informal land ownership and use; susceptibility to corruption, irregularity or lack of transparency in processes for land titling; lack of fair and equal access to justice in relation to land disputes; communal land rights and/or indigenous communities with land rights (either recognised or unrecognised); and inadequate legislation or a need for land reforms. In many cases relating to on-shore extractives development, conflict is driven by how land owned (whether by title or historical/cultural connection) by communities is affected. The impact could be disturbance, such as a pipeline disrupting access to grazing land, or could lead to the temporary or permanent displacement of communities. These all entail compensation or provision of alternatives for communities.

While extractives development can generate new conflicts, it is important to identify any legacy issues⁹ for communities that can potentially be exacerbated by the extractives'

activities. Land can be considered a legacy issue in Kenya affecting both oil and mining development, given that titling practices are frequently linked to administrative irregularities, political cronyism and historical injustices relating to the colonial era and post-independence land distribution.

This has resulted in scenarios where individuals, families and communities may be living and working on land that they consider as theirs, but without formal recognition of ownership. Furthermore, in Kenya there are also ethnic dimensions to land legacies dating back to the colonial and post-colonial period. Companies can not only inherit legacy issues from the wider context, but also from previous industry in the area or the acquisition of an asset. For example, in Kwale county BASE Titanium inherited tensions from the previous owner Tiomin Resources Inc. relating to issues around how communities were resettled from the area where the mining operation was developed.

In many parts of Kenya (particularly in the arid and semi-arid pastoralist areas where much of the oil exploration is taking place), land is neither public nor private but is classed as 'community' or 'trust' land. It is governed by customary tenure systems and a complex raft of legislation. This lack of clarity over ownership (alongside a breakdown in customary management and land-use agreements) has been a key driver of conflict. The 2010 constitution has started to clarify issues of land ownership, between private, public and community land, and the Community Land Act passed in 2016¹⁰ provides for communities to acquire formal land rights to communal land and provides guidelines on issues such as grazing rights. However, there are still uncertainties¹¹ in how communities are meant to manage community-owned land and how elite capture can be avoided.¹²

While the oil exploration taking place in Turkana only requires temporary access to land, there are concerns among communities over potential dispossession from land as companies carry out exploration operations, as well as over the disruption of access to communally owned land.¹³ While compensation has been paid (monetary and benefits), this creates a potentially complicated precedent for communally owned land.¹⁴ There is felt to be a lack of understanding of the new regulatory framework for acquiring community/communal land, which is further exacerbated by limited trust in the government to manage land issues in Turkana, creating a suspicion that oil companies are improperly acquiring land belonging to communities.¹⁵

The extractives industry risks having further impacts on land conflicts in Kenya. The need to displace populations (temporarily or permanently) for the development of mines

or upstream oil infrastructure will require transparency over levels of compensation. For example, the draft Petroleum Bill is vague on the levels of compensation for upstream petroleum operations – stating only that it is: “fair and reasonable having regard to the extent of the disturbance or damage and to the interest of the owner or occupier in the land”.¹⁶ This has the potential to create disparities over rates of compensation as some operators will choose to follow international standards, particularly the International Finance Corporation’s Performance Standards, while others will push for the minimum. This in turn can create grievances at the community level if communities compare different levels of compensation or perceive that other groups receive different treatment.

Furthermore, the incoming investment that accompanies the extractives industries can lead to land price spikes and land speculation or land grabbing. Land speculation is already taking place in Isiolo ahead of the development of the Lamu Port–South Sudan–Ethiopia Transport (LAPSSET) Corridor project (with an oil pipeline and transport infrastructure, including new international airports). Between Isiolo and Meru counties, this has led to disputes between the Meru and Boran communities over the proposed construction of an international airport on the boundary between the two counties.¹⁷ The planned site of the Isiolo resort city in the Kipsing Gap (also part of the LAPSSET project), which currently functions as a dry season grazing area for pastoralists, has seen politicians and business people mobilising militias to enclose land.¹⁸

3. Environmental and natural resource issues

Addressing issues of environmental and natural resources is particularly complex due to the interplay between the potential for local impacts (e.g. water or air pollution), limitations on other livelihood activities near extractives infrastructure (e.g. less agricultural or grazing land, or blockage of natural pastoral right of way), the cumulative impact of what is considered ‘nuisance’ impacts (noise, dust), disparity between how nearby communities experience or translate the presence of industry and industry response, and macro-level environmental concerns about the impact of extractives development and use of non-renewable resources.

Conflict is often based on both the real and perceived impacts of the extractives. While companies will often invest considerable time and resources into environmental studies, these are not necessarily trusted by communities, despite their technical accuracy.



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A lorry transporting an oil drilling rig from Mombasa to Lokichar in Kenya

Communities and companies will often have different expectations over their responsibilities in relation to environmental issues. Furthermore, EIAs tend to use highly technical language that makes them effectively unavailable to communities or open to misunderstanding (for example, in communities creating their own narratives on the negative impacts of extractives, such as linking it to miscarriages or drought). Sometimes the EIAs are not made publicly available – for example, where companies consider sharing the EIA to be the responsibility of the government, which can make non-governmental organisations (NGOs) and communities feel like they are ‘passing the hot potato’ without any of them being accountable. The lack of transparency can cause debate over the extractives to become polarised and misleading. For instance, in Turkana there is a perception that ‘flaring’ (the burning of natural gas produced along with crude oil) causes health problems.¹⁹

In northern Kenya, water scarcity is a particular environmental issue of concern. This is a key driver of conflict and is likely to be exacerbated by the needs of the oil industry. In Turkana, water scarcity is a critical issue due to increasingly unpredictable rainy seasons, which puts pressure on pastoralists’ dry season grazing land. This in turn creates competition over grazing land and water, which raises the likelihood of conflict.²⁰ Oil exploration and production (as well as mining) requires considerable amounts of water and potentially increases pressure on existing demands, creating conflict over water usage.²¹

Major infrastructure development (and smaller-scale oil infrastructure) is likely to exacerbate this situation as land grabbing and land speculation risk fragmenting rangeland.

4. Lack of community consultations and participation

Disparities between what companies and/or governments perceive as adequate consultation, and how communities view this, can be a key source of grievance. While the 2010 Kenyan constitution enshrines the principle of public participation in decision-making, the level of consultation with communities by companies and governments has in many cases been inadequate, absent or subject to elite interference. Meaningful consultation must be more than information sharing or transactional engagement, and should be a process in which different parts of the community have a voice in decision-making. Often, community consultations are narrow, not underpinned by full stakeholder analysis and can therefore miss the actual gatekeepers or ‘decision-makers’ of a community, such as landowners who live away from the area. Equally, they can miss the wider views of the community, particularly those of youth, women or marginalised groups, by focusing on an exclusive or elite group of ‘decision-makers’. While a company may assume they have received consent or support, if it has not actually come from the ‘decision-makers’ as well as sections of the community that could be mobilised by conflict actors, then it has the potential to create future problems.

Moreover, community expectations are almost always very high at the outset of extractives development, leading to conflict when they are not met. This is even more of a conflict risk in contexts where politicians use extractives development to either gain community support or to rally against extractives when expectations are not met. Tripartite dialogue is required to ensure that social investments are sustainable and go beyond philanthropic goodwill. Expectations of the extractives in terms of economic development and specific social investments are high, particularly in places like Turkana. Communities here have expressed concern over the role of politicians and some community leaders in representing their interests to oil companies; the same was also said of civil society organisations (CSOs), which are not necessarily accountable to local community interests.²² Sometimes community engagement or awareness raising has taken place too late for them to negotiate with companies on land access or benefits.²³ Some communities in Turkana are proactively negotiating memoranda of understanding (MoUs) with companies to agree on distribution of jobs and other benefits.²⁴ However, this requires the community to take the lead, which necessitates capacities not all may have; furthermore, MoUs are not legally binding.

5. Public and private security for extractives personnel and assets

Extractives companies operating in insecure areas will often require the services of security providers to protect their assets, infrastructure and personnel. This can include both public and private security providers, for example, seconded police officers or a private security company. As outlined in the Voluntary Principles,²⁵ provision of security is one of the most salient human rights risks for extractives development. This is particularly the case when there are concerns about the capacity, competency or availability of public security; when private security is employed to provide services that in practice could overlap with public security (such as responding to protests); and/or when communities have concerns about existing security provisions or do not feel as if the state is able to keep them safe from harm. Companies have existing public commitments, such as those of Tullow Oil and BASE Titanium towards the Voluntary Principles in their engagement with security personnel and other initiatives on security sector reform. While the government of Kenya has indicated an interest in signing up to initiatives such as the Voluntary Principles, this has not yet materialised into a formal commitment.

Given the insecurity and high levels of proliferation of small arms and light weapons across northern Kenya, security

for extractives personnel and assets is given a high priority. Furthermore, the rise in activities by violent extremist groups is a potential risk to oil operations and infrastructure as they represent a potential 'high-value' target. For example, Block 1 in Mandera county (for which Afren Plc. own the licence) suspended exploration operations in late 2014 following attacks in the county and rumours of threats against their company by Al Shabaab.²⁶

While efforts at police reform in Kenya have been ongoing since the end of one-party rule and escalated following the 2007/08 post-election violence, an implementation gap still persists and policing in Kenya continues to be characterised by corruption and malpractice.²⁷ Although extractives companies do use the service of private security companies, private security personnel are not permitted to use firearms in Kenya and therefore extractives operations have been known to use the police in addition to private security. However, clarity is needed on how private and public security providers should cooperate and what the regulations are that govern public security acting to protect private assets and personnel.²⁸

In many of the areas of northern Kenya where state security presence is limited, some security is delegated to the National Police Reserves (NPR), who are recruited from local communities and armed by the police, but provided with limited training, oversight or payment. There are pertinent issues linked to the NPR, including diversion of government arms into private hands and politically driven efforts at recruitment and arming of reservists from specific communities.²⁹ Their use in guarding private installations has increasingly commercialised the NPR, particularly as they are a voluntary entity.³⁰ In Turkana, personnel from across the police service, including the NPR, are used to guard oil sites. While this provides them with an income, it could become a source of insecurity when they are laid off.³¹ Furthermore, this use of the NPR leaves communities vulnerable, given that they often provide the only security available.³²

6. Limitations in local employment and business opportunities

As with social investment, community expectations around local employment and business opportunities are usually very high in areas of new extractives development. However, with many kinds of extractives, there is only a limited number of jobs or opportunities available, particularly when it comes to unskilled labour and at different points of the project cycle. For example, labour needs often reduce after the initial construction of infrastructure. Moreover, there are often different understandings of 'how local is local',

where companies and governments consider this to be provision of opportunities at a national level. Communities surrounding extractives activities, on the other hand, are likely to feel more negative impacts but less likely to benefit from economic opportunities – thereby building tensions and grievances.

In many contexts, governments focus on developing policies on local content, rather than preparing communities to be able to respond to opportunities that may arise (such as supplier development). Indeed, a Local Content Bill was tabled in Kenya in 2016, which seeks to ensure that companies commit to transferring skills and technology to local firms and individuals and seeks to maximise the value addition and employment potential of the extractives industry along its value chains.³³ While the bill defines 'local' broadly as Kenyan-owned firms and entities based in the country, it will require extractives operators to present local content plans including how they will procure goods and services in the locality of the extractives activity and detailing timeframes for labour needs at different points of development so local communities can prepare themselves.

However, local content initiatives need to be realistic with regards to the nature of the market, for example, supplying food to an extractives operation will need to ensure certain standards are met and may only be a viable business prospect while the operation is ongoing. It is important for companies, as well as other state and non-state actors working with communities in proximity to extractives industries, to assess the capacity of existing service providers and guide them on what areas to improve to meet these standards. Furthermore, community expectations need to be managed regarding the long-term availability of both jobs and business opportunities to ensure investment decisions are guided properly, rather than leading to 'boom-and-bust' scenarios. Finally, local content practices need to ensure a strong gender lens, as otherwise the opportunities from the industry can end up benefiting only male members of the community.

The presence of oil in Turkana county has raised expectations around benefits, employment and business opportunities as well as wider economic development and social investment.³⁴ In some parts of the county, these expectations are being met, for example in jobs and peripheral business opportunities in urban centres (such as Lodwar, Lokichar and Lokori).³⁵ Social investments by Tullow have led to benefits such as school building and road improvement projects in south Lokichar.³⁶ The presence of the oil industry has also increased prices of commodities and land (itself a potential source of conflict).³⁷

However, where (and potentially also when) these unrealistic expectations are not met, there is a source of frustration and therefore conflict. Particularly in relation to employment, the oil industry is characterised by fluctuating workforce requirements. Exploration efforts that have spanned several counties in these areas have trained and employed new sets of workers for each county, which can create frustrations over availability of sustainable employment opportunities.

Conclusions

While the continued growth of the extractives sector in Kenya has the potential to bring economic and development dividends, there are clear risks relating to its potential to create new sources of tension or exacerbate existing conflicts. It is therefore important that the relevant stakeholders ensure that not only are its activities supporting the sector sensitive to conflict dynamics, but also that its interventions enable the sector to develop in a conflict-sensitive manner.

The interlinked issues of land and governance represent the greatest risks to the peaceful development of extractives industries in Kenya. Disputes over land ownership and access drive and sustain many of the existing conflicts in Kenya, and there are multiple levels of grievance related to historical injustices across the country. This is further complicated by a complex regulatory framework on land ownership as well as weak institutions (at both the county and national levels), and unclear legislation regarding compensation for land dispossession. Extractives operations and related infrastructure (particularly the long-awaited LAPSSSET project) have already led to land speculation and land grabbing as well as conflicts between communities to secure land access. Some of these land grabs are perceived as being politically instigated. Kenyan politics has long been characterised by a 'winner takes all' approach to public resources. This has the potential to lead to conflict risks given the levels of revenue anticipated from the extractives industry. In addition, the process of devolution represents both a risk and opportunity for extractives development. While there are tensions between different counties and between the counties and the national government, the county governments are key actors in determining the conflict sensitivity of extractives development in Kenya, both as conflict actors and potential 'peace-supporting' actors given their relative proximity to communities and their concerns. Legislation still needs to reflect the devolved dispensation (particularly in the 2015 Petroleum Bill) and capacity gaps at the county level will need to be addressed.



Christopher Haslett (Creative Commons BY-SA 4.0)

Two herders of the Turkana tribe take shelter from a rainstorm in Kenya's northern arid lands

The level of public participation in and engagement with extractives development presents a further risk. Among communities in the locality of extractives development, high expectations for local employment and business opportunities mix with perceptions and concerns over the environmental impacts of both oil production and mining. These have the potential to develop into grievances if these communities are not consulted and if the process of development is not transparent. Efforts are being made by the government (such as through the Local Content Bill) and by companies, but research conducted particularly in Turkana shows there are still concerns and grievances that need to be addressed. In responding to community grievances, the use of public (as well as private) security personnel needs to be carefully managed by companies and their government partners. There are risks of exacerbating grievances both through the use of security personnel to respond to protests as well as in terms of perceptions that security is being provided for extractives companies at the expense of communities. The latter is particularly pertinent in areas of northern Kenya where state security presence is limited.

Recommendations

Based on these conclusions, the following section presents a set of recommendations to different key stakeholders.

The government of Kenya should do the following:

- Ensure that frameworks in relation to extractives industry regulation (particularly the 2015 Petroleum Bill) and land use/ownership are not only enacted and harmonised, but also popularised so that they are available for use by CSOs and communities (as well as county governments). Land and governance represent two of the highest conflict risks to extractives development. A key example would be the Community Land Act, which will be critical as oil exploration and infrastructure development expand across the predominantly pastoral northern regions. Enabling communities as well as investors and county governments to understand this act and its implications for the extractives sector would reduce conflicts over differing understandings of land rights.
- Develop due diligence guidance for extractives investors in Kenya, with attention to national and international requirements, identifying where these could be harmonised or improved upon.
- Continue working to regularise the NPR and clarify how public security personnel can be used for protecting private assets and personnel. Furthermore, security planning needs to ensure that protection for the extractives sector does not leave communities vulnerable.

County governments should do the following:

- Ensure that issues around the extractives are addressed via county-level platforms for multi-stakeholder dialogue. While there have been a lot of platforms and discussion in Nairobi, efforts need to continue to ensure that this takes place at the county level as well. For this to be effective, the capacity of county governments to engage with the extractives sector effectively needs to be built up. Furthermore, it is critical that communication remains open between the national and county governments.
- Ensure that there is capacity within county-level and local structures (such as County Land Management Boards as well as traditional mechanisms) to resolve disputes, which are often localised in nature (e.g. concerning land). An important way to align with international standards and strengthen accountability is to ensure that there is adequate access to remedy and dispute resolution.

Companies should do the following:

- Ensure their operational grievance mechanisms are strong and align with the UN Guiding Principles on Business and Human Rights (UNGPs)³⁸ effectiveness criteria.³⁹
- Continue (or start) progress on the implementation of the Voluntary Principles. This could include actor mapping (of the NPR, Kenya police, administration police, county commissioner etc.) to identify opportunities and common interest points in furthering security and human rights.
- Explore alternative community engagement practices, for example, developing community participatory monitoring mechanisms as a way to address community concerns, build their capacity and enhance accountability. Many companies are implementing such programmes in other countries which could be used for learning and adaptation to the Kenyan context.
- Consider supporting, through their social investment programmes, the development of other economic activities (such as agribusiness) to diversify local economies and take pressure off the limitations of the extractives industry. This could also be taken up by donors.

Donors and civil society (both national and international) should do the following:

- Support the capacity building of NGOs, CSOs and community leaders on different aspects of extractives development (such as interpreting and communicating the findings of EIAs and social impact assessments) so that they can effectively engage with companies and the government and better communicate to and represent the interests of the communities and stakeholders they represent.

- Prepare communities to benefit from local content opportunities, particularly being mindful that most economic opportunities will come from extractives supply chains and markets, rather than through direct employment. It is important to be very clear on the nature of the market and the requirements that suppliers will be expected to meet to guide investment decisions, and to ensure that local economies are built in a way that is compatible with the market. The capacity of the existing service providers needs to be assessed so that they can be guided on what areas to improve to meet these standards. Local communities need to be sensitised on how to avoid fraudulent or predatory businesses that are keen to capitalise on the presence of extractives, for example by claiming to act on behalf of a company to take advantage of local people looking for employment.

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The opinions expressed in this report are solely those of International Alert and do not necessarily reflect the opinions or policies of UKAID or any of its donors.

Endnotes

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- 32 Cordaid, 2015, Op. cit.
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- 34 Institute for Human Rights and Business (IHRB), 2016, Op. cit.; Cordaid, 2015, Op. cit.
- 35 Cordaid, 2015, Op. cit.
- 36 K. Mkutu Agade, 2016, Op. cit.
- 37 Ibid., p.19
- 38 The UNGPs, unanimously endorsed by the Human Rights Council in 2011, outline the mutual but complementary roles of governments and companies to protect and respect human rights, respectively; and the mutual obligation for remedy where human rights violations have occurred.
- 39 Legitimate; accessible; predictable; equitable; transparent; rights-compatible; a source of continuous learning; and based on engagement and dialogue.

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