

Leveraging on Kenya's Extractive Sector for Inclusive Sustainable Development
Supporting Inclusive Resource Development (SIRD)

East Africa
TRAINING PROGRAM
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Dr Collins Odote





Global Affairs Canada Affaires mondiales Canada









Context

Kenya's five-year development plans since independence focusses on improving state of economy

Since 2003, with NARC Government attempts at radical shift. First Economic Recovery Strategy for Wealth and Employment Creation

2007-8, Launch of Vision 2030, acknowledging that development is more than economics

Vision 2030 focusses on 3 pillars

- Economic
- Social
- Political

Natural Resources at the base of the country's quest to meet the targets of Vision 2030: Being a globally competitive and prosperous Country by 2030 with a High Quality f Life by 2030

8

Being a newly industrialising, middle income country providing a high quality of life to all its citizens in a clean and secure environment".



Context (2)

But Vision 2030 warns- "No society can gain the social cohesion predicted by Vision 2030 if significant sections of it live in abject poverty."

Vision 2030 predicated on MDGs, now transformed to SDGs

Kenyan Context for SDGs is Constitution

- Struggle for Constitutional reform predicated on improving governance and quality of life of citizens
- Article 10- Sustainable Governance one of the national values and principles of Governance

Place of Land and natural resources in the country's quest for development

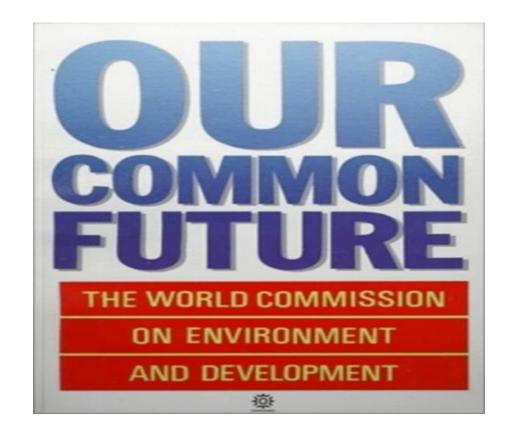
- 2013 electoral campaigns and the land question debate
- 2017 elections and continued land contestation
- Big 4 Agenda(Manufacturing, Affordable Healthcare, Food Security, Housing) & land and Natural Resource Base



Conceptualizing Sustainable Development

Historical Antecedents

- Integration
- Intergenerational Equity
- Sustainable Use
- Intragenerational Equity





Filling the Contents: From Stockholm To New York

Contestation Between Poverty Eradication and Environmental Conservation

UNCED, WSSD to Rio+20

Rio+ 2020- The Future We Want outcome document

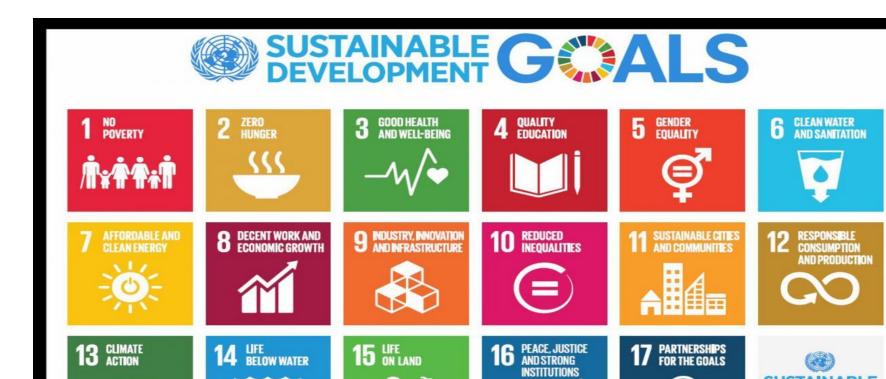
• Eradicating poverty is the greatest global challenge facing the world today and an indispensable requirement for sustainable development. In this regard we are committed to freeing humanity from poverty and hunger as a matter of urgency

Urged for development of goals to ensure SD is achieved 2015 adoption of SDGs





SDG Goals





SDGs and Inclusivity

17 agendas and 169 targets sets agenda towards eradicating poverty so as to realise sustainable development

SDGs focssing on 5 Ps

- People
- Planets
- Prosperity
- Peace
- Partnership

Above P's have implications on resource management

Need to ensure that no one is left behind

- Focus on equity
- Focus on sustainability
- Importance of Rule of Law and Justice



Extractive Sector and Realising SDGs in Kenya

While Discovery of Oil, Gas, Minerals in Kenya met with excitement due to potential of transforming economies, challenge of resource curse

- Paradoxical link between natural resources, such as mineral and oil, underdevelopment including conflict, poverty and environmental degradation nationally and particularly for communities living in resource-rich areas (Auty, R, Sustaining Development in Mineral Economies, London, 1993)
- Nigeria, especially, its oil-rich Niger-Delta is really very poor. Despite 60 years of oil production, The Niger Delta is underdeveloped, polluted and unsafe. Scholars have called this the paradox of the plenty." (Douglas Yates, Enhancing the Governance of Africa's Extractives, 2009.)

Recognition of the Economic potential of Sector

- The Government recognizes that the mining sector has potential to contribute significantly to the country's economic development. Currently, the sector contributes 0.8 percent to gross domestic product (GDP) per annum. The contribution to GDP is expected to increase to three (3) percent by 2017 and ten (10) percent by 2030 according to the Medium Term Plan (MTP) II (2013-2017). This will contribute to the targeted ten (10) percent annual growth envisaged in the Vision 2030 that will propel the country into a newly industrializing nation. (Hon Dan Kazungu, CS Mining, Foreword Mining Policy, 2016
- Challenge is how to avoid the Dutch disease/resource curse and realise SD



Challenges to Inclusive Resource Development

Extractives invariably "discovered" in marginal areas of Kenya, with development challenges

Contestation over ownership of extractives and of Land on which the extractives sit

The unresolved land problem and its gender imperatives

Gender equity a challenge in Kenya (despite COK 2010, realising gender equity still a mirage- 2/3 gender Bill

- Disparity in employment for women in the extractive sector
- A lot of women artisanal and small scale miners leading to health hazards, involvement of children..
- Poor capturing of female voices in public consultations and decision making

Poor sharing of benefits from extraction- with local communities, county governments and within local communities

Negative environmental impacts(oil spills, water pollution, gas flares, health and safety), EIA limitations

Transparency and disclosure challenges

- Corruption prone and rent-seeking behaviour
- Lack of transparency



Avoiding the resource curse

Developing Sound Regulatory framework

- Constitutional underpinning
- Regulatory reform (Mining Act, Mining Policy, Petroleum(Exploration, Development and Production and Development Bill)
- Creation and reforms to institutions(Ministry of Mining and Petroleum, institutions under Mining Act,)

Awareness creation

Capacity building and training to address capacity deficits

Fiscal reforms to deal with challenges of taxation, use of revenue

Governance reforms to address corruption and enhance transparency

Protecting Rights of local communities (incl local content), benefit sharing

Dealing with Environmental degradation



Towards Sustainable and Inclusive Resource Extraction

As global mineral and petroleum resources grow scarcer on other continents, and new African sources come into production, resource-rich African nations are earning rising profits from their natural wealth.

If these resources are to be used effectively and harnessed for development, more accountable and transparent mechanisms must be developed and supported by governments, multinational corporations, legislative bodies, political parties, civic organizations and the media.