

## REPORT ON THE FORUM ON CSR/SUSTAINABLE INCLUSIVE BUSINESS IN THE EXTRACTIVE INDUSTRY IN KENYA

Held on the 21st of March 2017



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## Introduction

SIB Kenya, on behalf of the Canadian Embassy, The Ministry of Mining and Association of Women in Energy and Extractives in Kenya (AWEIK), held a Forum on CSR/Sustainable Inclusive Business in the Extractive Industry in Kenya, on the 21<sup>st</sup> of March at Fairmont the Norfolk Hotel.

The forum brought together various key players in the extractive industry in Kenya, led by the Cabinet Secretary in the Ministry of Mining Hon. Dan Kazungu, the Canadian High Commissioner Sara Hradecky as well as companies such as Acacia Mining and Base Titanium.

Attended by over 100 attendees, the forum, through a series of panel discussions and audience contributions, conversations were held regarding some of the many issues facing women in the extractives industry.

## The Canadian High Commission

The Canadian high commission in Kenya has the Office of the Extractive Sector, through which the CSR Counsellor advises extractive companies and other stakeholders on the implementation of CSR performance standards and guidelines. The Office also reviews the CSR practices of Canadian extractive (mining, oil and gas) companies operating in Kenya. Formal and informal dialogue facilitation is offered, to assist companies and project-affected stakeholders outside of Canada with dispute resolution. However, the Office focuses its efforts on the prevention, detection and resolution of disputes in their early stages.

## Ministry of mining

The Ministry of Mining was formed by the government after the country's March 4th general elections to look into mining activities in the country. The Ministry undertakes various functions aimed at enhancing growth of the mining sector in the country as guided by the executive order No. 2 of 2013.

## UN women

UN Women is the global champion for gender equality, working to develop and uphold standards and create an environment in which every woman and girl can exercise her human rights and live up to her full potential.

## AWEIK

AWEIK is a nation-wide organization that aims to connect women with professional and business opportunities in the Extractives Industry value-chain.

## Acacia mining

Acacia Mining is a gold mining business operating in Tanzania, with exploration properties in Kenya, Burkina Faso and Mali.

## Base titanium

Base Titanium Limited is a wholly-owned subsidiary of Base Resources Limited (ASX and AIM: BSE). Its flagship development is the Kwale Mineral Sands Project in Kwale County, 50km south of Mombasa. Construction at the Kwale Project was completed at the end of 2013.

## **Tullow oil**

Tullow Oil is a leading independent oil and gas exploration and production company. The Group has interests in over 100 exploration and production licences across 18 countries which are managed as three Business Delivery Teams: West Africa, East Africa and New Ventures.

## **The Extractives Baraza**

The Extractives Baraza is an advocacy-neutral online platform that promotes knowledge, transparency and evidence-based stakeholder dialogue on the extractives sector in Kenya. Its ultimate goal is to enhance citizen participation and engagement in the governance of Kenya's extractives sector.

## Background Information

The International Monetary Fund (IMF) projects that oil production in Kenya is expected to start in six to seven years from now, giving the country time to prepare to manage its endowment to the achieve its development goals as stipulated in the 2030 Vision. In addition to oil, Kenya is also rich in gas, rare earth metals, coal, iron ore, gold, limestone and many others. Most recently, Cortec Mining Kenya Limited has announced that Kwale County has one of the largest rare earth mineral deposits in the world with a potential in-ground value of up to US \$62.4 billion dollars

Kenya's non-renewable resources have been discovered in areas with high levels of poverty, cyclical droughts, and insecurity and inhabited by minority communities who have historically been marginalized. An evident aspect of inequality in the extractive sectors is gender disparities. Generally speaking, men tend to have greater access to benefits and opportunities from extractive industries, while women bear more of the social, environmental and economic impacts. For example, reallocation of land away from agriculture for extractive sector development can lead to increased food insecurity, reduced employment opportunities and severe environmental impacts, such as soil and water contamination.

Women tend to be particularly vulnerable to such impacts, due to their gender roles as caretakers for children, the disabled and the elderly, and their largely resource-based livelihoods. In addition, the exploitation of extractive resources can have substantial social effects, such as increased demand for commercial sex and higher rates of sexually transmitted diseases. Consequently, promoting and working toward greater inclusiveness is key to ensuring that high-value resources as the extractive sector can provide sustainable livelihood opportunities for men and women equally.

In the forum, all stakeholders were involved, with energy and enthusiasm to discuss important issues and possible solutions these issues and to inspire one another towards change in the industry. These stakeholders include the government, diplomatic representation, private sector, sector specific entrepreneurs, employees, casual labourers, non-governmental institutions and academia. Herewith some of the issues discussed;

- **Lack of data from organised research**

An issue raised from KPMG representative, there is lack of organised information and organised research data concerning the same. Available data is clustered in different sources or it is outdated and irrelevant for use in the current evolved industry.

- **Lack of intention to join the industry**

Women often face discouragement from a young age concerning certain career paths. They are discouraged from taking physics at secondary school level and shy away from choosing courses related to this industry at tertiary level. This widens the gap between men and women in the industry.

- **No women representation in decision making**

Leadership positions in the industry is mostly made up of men. There is a need for women representation in decision making bodies in the sectors, starting from managerial positions to policy making bodies and dialogue procedures. The needs of women and a gender balanced perspective therefore lacks in this arena. Government and company policies that come out of these arenas therefore lack a touch on women issues.

- **Career development**

There is a gap between industry and academia. Women trained for the industry lack the technical know-how to run the industry. Companies find it expensive to train these new entrants for the industry, most of whom end up taking theoretical offices in the industry rather than working in the field as they were trained.

Due to fear of advancement, family and other social demands, women are also left out from growing in the technical segment and pursue other paths. It is important for the human resources departments to consider the welfare of women in these specific areas mentioned at the workshop.

- **Cultural barriers**

The extractive industry is based in resourceful land outside the civil development in cities and town. Most of the time it is the only major economic activity in such regions where resources are available. Businesses often find themselves in situations where the cultural practices of such communities are still tight and bound and find it difficult to work in collaboration.

The main cultural issue being the role of women. In areas such as kakamega and kwale, women are undermined. Situations such as women being paid less for the same job as a man, payments made to their husbands and the inability of women to grow in the industry. There also exists taboos such as women should not get into deep shafts and tying women to basic duties in the sites such as cooking, serving and cleaning the minerals; this inhibits growth.

- **Community displacement**

Some mining activities involve displacement of communities from their land. This is an issue affecting women directly because culturally, they are bound from being given new title deeds without the intervention of a man. This creates instances of theft and fraud or the men getting unfair compensation at the expense of the welfare of women.

- **Financing for new responsible businesses**

Women who have come up with their own responsible businesses in the industry face financing challenges. Banks are not able to give loans for such risky businesses. They therefore have to stay on small scale level for too long or to risk family resources to invest in the growth of these businesses.

- **The old way of doing CSR**

Communities in land used for mining are used to the give-donate-philanthropy way of life. For instance, the contractor company provides education, health and basic facilities in this area for free. There is therefore a need to change this mind-set into a sustainable way of doing business because this will empower both women in the industry and women in the community.

## Recommendations

- **Aweik**

AWEIK is a nation-wide organization that aims to connect women with professional and business opportunities in the Extractives Industry value-chain. Dialogue will make solutions more viable and encourage partnerships among change makers.

- **Policy formulation & Implementation**

There is a need for specific policies concerning women in the industry and also serious implementation of these policies. Some policies exist but implementation is very minimal.

- **Academia**

Academic institutions need to partner with the industry to match needs and training in order to produce qualified workers for the industry to reduce costs of training and refresher courses.

- **Human resource management**

Human resource departments need to include the needs of women in the industry. Collaborations between different companies to introduce one package for the whole system will reduce redundancies and overlap of efforts by different players in the industry.

- **The new way of doing CSR**

Future Proof Businesses have a positive impact on people, planet and profit. This way, women empowerment will be engrained in the DNA of the business and will not be an issue as business processes, company policies and agendas will be all inclusive.

THE EVENT IN PICTURES



Cs. Dan Kazungu, the Canadian High Commissioner Sara Hradecky, Karin Boomsma, Project Coordinator SIB Kenya and Representatives from AWEIK



Cs. Dan Kazungu, the Canadian High Commissioner Sara Hradecky, AWEIK and Women in Extractives Kenya



Karin Boomsma, Project Coordinator SIB Kenya Speaking



Her Excellency Sara Hradecky the Canadian High Commissioner to Kenya speaking