

Briefing Paper on Covid-19 and Extractives Sector

1.0 Introduction

Each sector of the economy is facing the wrath of Covid-19 pandemic. Extractives sector is no exception. Although there is still uncertainty as to how long Covid-19 pandemic will last, extractives sector is already hit by decreased demands caused by global supply chain disruption, production shutdowns and radical response measures taken by various governments globally. Consequently, it is important to note that the companies, their employees and their entire supply chain are severely affected. What's more, vulnerable communities who depend on extractive sector are also among those most severely impacted and for this reason, this is not the time for Civil Society Organization (CSOs) to hibernate.

This briefing discusses the impact of Covid-19 in extractive sector. It first assesses the potential impact of the pandemic on global economy. It then evaluates how the sector (both large scale and artisanal) is responding to the pandemic and generate some key lessons. The briefing then gives some recommendations intended to trigger some advocacy action by CSOs working in the sector in Kenya to at least secure the interests of vulnerable communities who rely on the extractives sector. Finally, this brief also initiates post-Covid conversation that points towards some important considerations for the sector after this period of crisis.

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1.1 The Context

The world Health Organization (WHO) on 11th March 2020 declared Covid-19 a global pandemic and emergency given its impact on the entire world population and the economy[1]. After the first infections in China in December 2019, the Corona Virus Disease (Covid-19) continued to spread across the world posing a deeply challenging and unpredictable situation of our times. At the time of declaring Covid-19 a global pandemic, more than 118,000 cases of infection had been confirmed in 114 countries, and 4,291 people had lost their lives.

Today, no continent has escaped Covid-19 virus. At the time of concluding this paper there were 1,610,099 confirmed cases, 99,690 deaths and 212 countries, areas or territories with cases[2]. According to Natural Resource Institute[3], the pandemic has occasioned huge impact on the global economy, and the poorest people and those with precarious jobs and livelihoods such as artisanal miners, are and continue to be the hardest hit as they have fewest resources to cope and adapt. At the same time, the Covid-19 pandemic has shown the limits of the neoliberal globalization and revealed the fecklessness of the current economic infrastructure and the incompetence and weaknesses of many governments[4] **Continues in page 2**

[1] World Health Organization, WHO Director-General's opening remarks at the media briefing on COVID-19 - 11 March 2020. <https://www.who.int/dg/speeches/>

[2] World Health Organization Covid-19 Outbreak Situation on 9th April 2020 03:00 GMT+3

[3] Natural Resource Institute (NRI) Responding to COVID-19 transformative change needed for accountable and regenerative systems. www.nri.org/latest/news/2020

[4] David Ndii, Political Economy of Coronavirus. The Elephant Publication on April 1, 2020

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No sector is spared. A number of global supply chains are already broken and many more under immense threat. According to scenario simulations of the international Monetary Fund (IMF), global growth could fall by 0.5 for the year 2020 due to the direct effects of the Covid-19. The global economy may enter recession at least in the first half of the year 2020 when adding direct and indirect effects of the crisis such as supply and demands shocks, commodity slump, fall in tourism arrivals[5], fall in oil prices and mineral commodities among others.

While governments are stepping in with measures to shore up their economies, poorer nations have less opportunity to do so and it is not yet clear what will happen to the millions of low-paid workers in the mining, garment and other sectors in global supply chains[6]. According to David Ndi[7], the actions being taken by governments to curb Covid 19 are mainly accessible to the affluent. He states that, "Social distancing is a privilege; it means you live in a house large enough to practice it". "Hand-washing is a privilege too; it means you have running water". "Hand sanitizers are a privilege; it means you have the money to buy them". "Lock downs are a privilege; it means you can afford to be at home". This implies that with these measures the poor and vulnerable are and will continue to suffer more during this crisis caused by Covid-19.

1.2 Africa and Covid 19

As things stand currently, Africa does not appear worst hit comparably, though it's too early to be conclusively certain about what is yet to come or otherwise. Nevertheless, out of 1,610,099 confirmed cases and 99,690 death globally as at April 11th 2020, confirmed cases in Africa stood at 13, 511 (1.2 percent) and 687 (1.5 percent) deaths[8]. South Africa, Egypt, Algeria and Morocco are the leading in the number of confirmed cases in Africa. As David Ndi observes, we don't know whether Covid-19 numbers in Africa are low because they are low or because of low testing capacity. Community spread maybe going on untested, unmonitored and unknown which could be disastrous. In its Policy brief on Covid-19 disease, South Centre[9] indicates that the priority concern for least developed countries is the need to accelerate testing capacity and tools and increased access to low-cost diagnostics.

Similarly, AU reports recommends as part of immediate actions required that African countries should ensure early detection of the infection, and trace as much as possible infection and forestall contacts between infected patient and the healthy population[10]. Until these measures of ensuring adequate testing, contact tracing and limiting contact between infected and uninfected work effectively, African countries may be continuing to rely on Covid-19 that are deceptive which then leads to wrong policy options and response.

According to African Union in its Report on the impact of the Coronavirus (Covid-19) on the African Economy, the level of impact of Covid-19 disease on the top five African economies namely South Africa, Egypt, Nigeria, Algeria and Morocco will be representative for the whole African economy. AU suggests that these top five African economies represent more than 60% of Africa's GDP. Surprisingly, besides Nigeria, the rest of the so called top African economies are leading in the number of confirmed Covid-19 cases in Africa.

The AU concludes in its Covid-19 status report that it is practically impossible for the continent to take an economic advantage of the widespread of Covid-19 in other parts of the world due to its inability to transform its raw materials to respond to the potential high demand of goods and services of the domestic and international markets. The continent further depends more on foreign economies which signals negative economic spinoff for Africa. The Covid-19 crisis will stretch the already poor health systems on the continent which will further limit the measures being taken to manage the effects of the pandemic in the continent.

[5] Africa Union Report, Impact of the Coronavirus (Covid-19) on the African Economy.

[6] Ibid

[7] Ibid

[8] World Health Organization, Coronavirus (Covid-19). <https://who.sprinklr.com/>

[9] Policy Brief 73, April 2020 by Viviana Muñoz Tellez. <https://www.southcentre.int/policy-brief-73-april-2020/> accessed on 11th April 2020

[10] Africa Union Report, Impact of the Coronavirus (Covid-19) on the African Economy

2.0

Global economy outlook and implication of Covid-19 on the Extractives Sector

2.1 Global economic outlook

The extractive sector plays a dominant economic, social and political role globally. According to World Economic Outlook by IMF[11], global growth was projected to rise from an estimated 2.9 percent in 2019 to 3.3 percent in 2020 and 3.4 percent for 2021. The extractives sector (Mining, Oil and Gas) is one of the major contributors in the mix for the projected global economic growth and performance.

In the United States, growth was expected to grow by 2 percent in 2020 from 2.3 percent in 2019. Growth in Euro area was projected to pick from 1.2 percent in 2019 to 1.3 percent in 2020 and 1.4 percent in 2021. In United Kingdom, growth was expected to stabilize at 1.4 percent in 2020 and firm up to 1.5 percent in 2021. The growth forecast assumed an orderly exit from the EU at the end of January 2020 and followed by a gradual transition to a new economic relationship. Japan's growth rate was projected to moderate from an estimated 1 percent in 2019 to 0.1 percent in 2020 (World Economic Outlook Reports, January 2020).

For the emerging market and developing economy groups, growth was expected to increase to 4.4 percent in 2020 and 4.6 percent in 2021. The projected growth was based on recovery from deep downturns from stressed and under-performing emerging market economies and an ongoing structural slowdown in China. In Asia, India's growth was estimated at 4.8 percent in 2019, projected to improve to 5.8 percent in 2020 and 6.5 percent in 2021 on the basis of monetary and fiscal stimulus as well as subdued oil prices. Growth in China was projected to inch down from an estimated 6.1 percent in 2019 to 6.0 percent in 2020 and 5.8 percent in 2021. Unresolved disputes on broader US-China economic relations as well as needed domestic financial regulatory strengthening are however expected to continue weighing on China's economic growth.>>>

Growth in emerging and developing Europe is expected to strengthen to around 2.5 percent in 2020–21 from 1.8 percent in 2019. In Latin America, growth was projected to recover from an estimated 0.1 percent in 2019 to 1.6 percent in 2020 and 2.3 percent in 2021. Growth in the Middle East and Central Asia region was expected at 2.8 percent in 2020 firming up to 3.2 percent in 2021. The downgrade for 2020 mostly reflects a downward revision to Saudi Arabia's projection on expected weaker oil output growth following the OPEC+ decision in December to extend supply cuts.

In sub-Saharan Africa, growth was expected to strengthen to 3.5 percent in 2020–21 (from 3.3 percent in 2019). The projection is 0.1 percentage point lower than in the October WEO for 2020 and 0.2 percentage point weaker for 2021. This reflects downward revisions for South Africa (where structural constraints and deteriorating public finances are holding back business confidence and private investment) and for Ethiopia (where public sector consolidation, needed to contain debt vulnerabilities, was expected to weigh on growth).

The Covid-19 pandemic have enormous effects on all major world economies, developing economies and also Sub-saharan Africa. In fact, major world economic crisis in 2020 has been predicted. The measures taken by countries to halt the pandemic have drastically reduced economic activities including extractives sector. The OECD[12] forecasts a decline in economic growth rates for these major economies as follows: China 4.9% instead of 5.7%, Europe 0.8% instead of 1.1%, the rest of the world 2.4% instead 2.9%, with world GDP falling by 0.412 from the first quarter of 2020. UNCTAD[13] forecasts downward pressure on foreign direct investment from -5% to -15%. The International Monetary Fund[14] has announced on the 23 March 2020 that investors have withdrawn US\$ 83 billion from emerging markets since the start of the Covid-19 crisis.

[11] International Monetary Fund, World Economic Outlook Reports, January 2020 Economy

[12] OECD (March 2020), Interim Economic Assessment Coronavirus: The world economy at risk, Paris France.

[13] UNCTAD (2020), Special edition, Counting the economic costs of coronavirus, 12 March

2.2 Implication on the Extractives sector

2.2.1 Large Scale Mining Sector

At the outset, the measures taken by governments to contain or delay the spread of Covid-19 have placed difficulties on extractives (mining, oil and gas) companies operating in affected countries. In Italy, one of the worst affected nations by Covid-19, Alta Zinc, a mining company that deals with Base Metals and operate in Northern Italy and Australia decided to suspend all their mining activities involving personnel working together or traveling[15]. In making the decision, the company stated that their drilling contractor will retain the equipment in position at site with the objective of immediately restarting work on the remaining exploration sites once the assessment of risks allows.

According to Mining Technology[16], Global mining giants Rio Tinto and Anglo American have reported production slowdowns due to Covid-19 related effects. Rio Tinto produces iron-ore, aluminum, copper, borates, diamonds, salt and titanium. It operates in 36 countries (including South Africa and Madagascar in Africa) and 60 active operations and projects across regions, 46,000 employees, 2,000 customers and 37,000 suppliers. Rio Tinto suspended non-essential operations in Mongolia following the country's first confirmed Covid-19. The company has also developed Covid-19 response[17] in which it indicates that while they will continue to operate in some places, adequate health and safety priority measures of all the employees and communities have been put in place. On the other hand, Anglo American is in the process of demobilizing most of the 10,000 strong construction work-force at its Qullaveco copper project in Peru, following the Peruvian Government's announcement of a 15-day quarantine to curb the spread of Covid-19.

Endeavour Mining, West African Gold producer headquartered in London with operations in Cote d'Ivoire and Burkina Faso on March 14, 2020 reported that an employee at the Houde mine in Burkina Faso tested positive for Covid-19. The employee first experienced symptoms while on site. The company then placed some workers in quarantine as a result[18]. The company has indicated that it has put in place business continuity program to protect employees while ensuring the safe operation of the Company. Nevertheless, since early March, access to all mine sites has been strictly controlled with health screening in place for visitors, employees and contractors and all non-essential travel has been cancelled. The Company has also asked any employee or contractor feeling unwell to stay at home.

Mimosa Mine in Zimbabwe closed all other departments after lock down announcement and only essential operational activities continuing. Most workers were sent home. UNKI Mine, a platinum metals group company owned by Anglo-American in Shurugwi District in Zimbabwe by the 30th of March 2020, already sent home most of its employees as a preventive measure to safeguard the health and safety except a few workers providing essential services. Still in Zimbabwe, Consolidated Diamond Company (ZCDC) continued with diamond mining operations in Marange although it scaled down its operations following the lock down order. The company has also decided to lock down some workers on two weeks shifts so that they work within the mine before another shift comes in on a rotational basis. ZCDC issued a flier as part of its awareness campaign on Covid-19 which was distributed to communities[19].

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[13] UNCTAD (2020), Special edition, Counting the economic costs of coronavirus, 12 March 2020, Geneva (Switzerland)

[14] IMF (2009), Regional Economic Outlook (World economic and financial surveys), Washington, D.C., U.S.A

[15] KITCO News, Zinc Exploration Company Halts Work in Italy. Friday March 13, 2020. <https://www.kitco.com/news/2020-03-13/Zinc-exploration-company-halts-work-in-Italy.html>

[16] Matthew Hall, Covid-19: How the Coronavirus Pandemic is Hurting the Mining. Mining Technology 17 March 2020 <https://www.mining-technology.com/features/how-covid-19-is-hurting-mining/>

[17] Rio Tinto; Covid-19 Update. 30 March 2020. <https://www.riotinto.com/news/releases/Covid-19-update>

[28] Endeavour Mining Company. Statement on Covid-19 on 16 March, 2020. <https://www.endeavourmining.com/contact-us/default.aspx>

[19] Zimbabwe Environmental Law Association - ZELA (2020) Covid 19: Mining Sector and Communities' Situational Report (SIT-REP) 2nd Series April 2020

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As Covid-19 pandemic continues to unveil, most mining companies are being coy about their outlook this year and the coming year. In Ghana, a worker at AngloGold Ashanti's Obuasi mine also tested positive for Covid-19. Miners Kinross and lamsgold have closed their offices after both companies had an employee test positive for Covid-19. Glencore closed its London office after an employee tested positive for the virus. A worker at Lundin Mining's Candelaria operation in Chile tested positive from the virus, leading the Company to suspend construction activities at its Zinc expansion project in Portugal as a cautionary measure.

Covid-19 has had even greater effect on the oil and gas sector. According to African Union status report on Covid-19, African oil and gas exporters did not foresee such a disaster, as hydrocarbon revenues are essential. According to GOXI[20], Countries that are net exporters of oil and gas will perhaps experience the biggest shock. As of early April, Brent crude was trading at USD 25 per barrel and forecast to decline as a result of plummeting demand, a growth in supply and a lack of storage capacity. This represents the biggest single negative oil price shock in modern history.

Oil accounts for more than half of tax revenue and more than 70% of the national exports of oil-dependent countries in Africa such as Nigeria, Angola, Algeria, Libya, Egypt, Congo, Chad, Gabon, Ghana, Cameroon, Equatorial Guinea, South Sudan among others. With the drop-in hydrocarbon prices and the drop-in production due to the closure of certain companies involved in the value chains, revenues related to Oil and other hydrocarbons could drop by at least 40 to 50% on the continent (AU Covid-19 status Report, 2020).

2.2.2 Artisanal Mining

According to the World Bank[21], Artisanal and Small-Scale Mining is a major source of rural livelihoods diversification, job creation and development. ASM occurs in approximately 80 countries worldwide. Artisanal and small-scale production supply accounts for 80 percent of global Sapphire, 20 percent of gold mining and up to 20 percent of diamond mining. >>>

<<<Artisanal mining is widespread in developing countries in Africa, Asia, Oceania and Central South America. International Institute for Sustainable Development (IISD) [22] estimates that Artisanal and Small-Scale Mining (ASM) provides livelihoods for about 40 million people worldwide.

Covid-19 has not spared Artisanal and Small-Scale Mining Sector. If anything, it has exposed it and made it more vulnerable to the vagaries of the pandemic which include unprecedented economic paralysis, supply chain disruption, job losses which translate to livelihoods loss among others. According to Alliance for Responsible Mining[23] these concerns caused by Covid-19 pandemic on the sector need to be urgently assessed at the global, national and local levels for action and mitigation.

Updates by Delve[24], a global platform for artisanal and small-scale mining data focusing on selected countries show that artisanal miners are already facing serious impacts as a result of Covid-19 pandemic. In Rwanda, activities at nearly all mines are suspended and workers are unpaid and sometime unable to return home. In Zimbabwe, gold mining and milling operations were ceased in Mberengwa, Shurugwi, Gwanda, Zvishavane, Bubi, Penhalonga, Guruve and Mazowe sites and many ASM miners stopped working when the Lockdown became effective on March 30, 2020[25].

In Kenya, as at 30th March 2020 all gold mines had shut down at Mikei, Migori County. Consequently, economic activities fueled by gold mining activities there are also affected negatively. Local gold price has also decreased from Ksh 4,200 to 3,500. Mercury supply has also decreased and its price increased. Lolgorian in Narok County have also had gold mines shut depriving some 3,000 people their direct livelihood source. In Kakamega County, major mines have shut down but smaller ones still operating and similarly gold prices have fallen[26]. The construction sector in Kenya has also been impacted. One of the local **Continued in page 6**

[20] Andrew Bauer, Coronavirus, the Oil Crash and Economics: How can Governments of Oil Dependent Countries Respond. GOXI publication on April 10, 2020

[21] World Bank Brief: Understanding Poverty; Artisanal and Small-Scale Mining published in November 21, 2013. www.worldbank.org

[22] IISD (2017) Global Trends in Artisanal and Small-Scale Mining (ASM); A review of Key Numbers and Issues. Canada. iisd.org

[23] Alliance for Responsible Mining, Impact to Covid-19 on Artisanal and Small-Scale Mining. April 6, 2020. www.responsiblemines.org

[24] Global Environment Facility; Monitoring the Impacts of Covid-19 on Artisanal Small-Scale Mining. April 6, 2020. www.thegef.org

[25] Zimbabwe Environmental Law Association-ZELA (2020) Covid-19: Mining Sector and Communities' Situational Report, April 2020

[26] DELVE; Impacts of Covid-19 on Artisanal and Small-Scale Mining; Insights from the Ground. April 15, 2020. <https://delvedatabase.org>



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dailies[27] in Kenya reported that in Mai Mahiu Naivasha, over 3,000 of sand loaders and harvesters have been left jobless due to a drop in the number of traders seeking construction materials.

The impact of COVID-19 has also been felt in the ASM sector through the uneven, unstable and fluctuating prices being offered by gold buyers[28]. Local gold market in Sierra Leone, Kenya and Ghana are collapsing as transportation routes and borders close. Closed borders and airspace have interrupted traditional export patterns of gold, both in the Great Lakes Region and beyond. According to Artisanal Gold Council[29], the measures taken by governments to Combat Covid-19 have slowed or halted gold exploitation and significantly reduced the price artisanal miners receive for their gold. The popular souk in Dubai where much of the trade first enters international market is closed. Similarly, Zaveri Bazaar in Mumbai where gold product is often manufactured into jewellery is closed. According to IMPACT, in DRC's gold rich Ituri area, 79 out of 85 gold trading houses have shut down because they have no one to sell to. It is reported that some of those that are no longer operational have opted to trade in mercury instead—also discounted by as much as 60%— in an effort to secure some liquidity and to eventually reopen their gold buying businesses[30].

Current evidence indicates that Covid-19 tends to be most severe in people aged 60 plus years and people with underlying health conditions. While the ASGM tends to be dominated by younger and healthy workers, underlying >>>

<<<conditions related to occupational health risks, especially silicosis as obstructive lung disease, but also mercury induced organ damage, can increase the severity of the course of the COVID-19 disease. Zimbabwe Environmental Law Association observes that ASM are most vulnerable to Covid-19 since they are already at risk of lung infections and dust pneumoconiosis as they work in groups, crowd in the mining sites without water, toilets and other basic sanitation facilities. In some cases, however, livelihood-related risk factors such as malnutrition, lack of hygiene and related communicable diseases, can also increase the severity of COVID-19 for the artisanal miners (Artisanal Gold Council, 2020).

As Covid-19 continue to put ASM sector in these social and economic upheavals, Global Environment Facility speculates that miners in close proximity to illegal money, may resort to illegal financing in order to make ends meet if other financing resources are closed off to them. Border closures and other restrictions on movement will also open more informal and illegal trade routes increasing black market. It is also a concern that government relief programs may not take artisanal and small-scale miners into consideration. In addition, it is also a concern that the economic impacts of Covid-19 pandemic will create more pressure for miners to get money quickly and as a result may increase the amount of mercury, they are using in order to process and sell gold as quickly as they can. **Continued in page 7**

[27] George Mahiu, The Star Newspaper

[28] Ibid.

[29] Kevin Telmer, Impacts of Covid-19 on ASGM Communities. Artisanal Gold Council. Updated April, 14. www.artisanalgold.org

[30] Alan Martin and Joanne Lebert; Covid-19 and ASM: Illicit Traders Cashing in on Vulnerable Miners in Conflict-Prone Areas. IMPACT. April 10, 2020. <https://impacttransform.org>

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Additionally, lack of tailored and useful information, misinformation or inability by artisanal miners to follow public health recommendations and protocols on combating Covid-19 could be another contributing factor to rapid spread of the virus in ASGM countries and more so in ASGM communities[31]. Infrastructural barriers such as lack of safe running water, hand sanitizers, disinfectant could also be a challenge for ASGM communities. Risk communication and capacity building on public health recommendations and protocols should be bolstered among the ASGM communities.

3.0 Mining Companies and ASGM Response to Covid-19

3.1 Large Scale Mining Sector

Most large-scale mining companies have developed Covid-19 response mechanisms in support of efforts their respective governments have taken in fighting the pandemic as well as to protect health and safety of their workers. Some of the approaches are as follows:

a) Companies such as Anglo American, Glencore, Rio Tinto among others have developed Covid-19 response plans singling out health and safety of their employees and communities as critical priority and providing specific corresponding mechanisms of ensuring that.

b) Supporting grassroots community Covid-19 preparedness and recovery. A company such as Rio Tinto has pledged huge amounts of resources towards this aspect

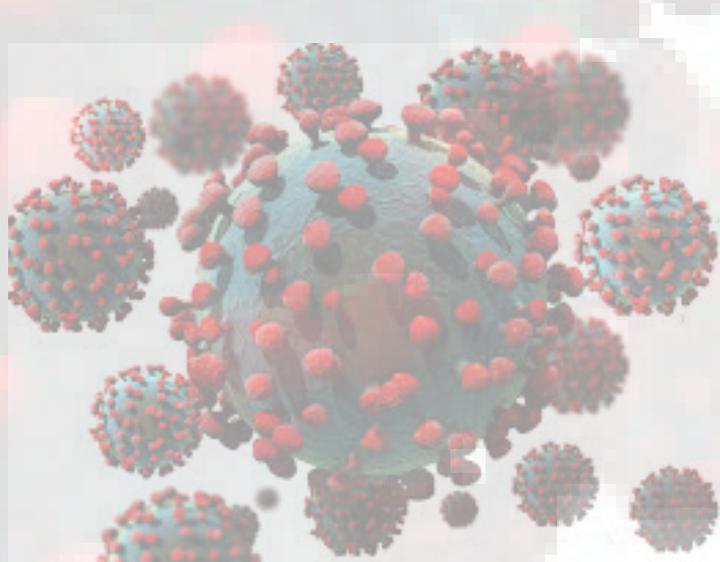
c) Investment in-kind including the supply of masks and protective equipment to support health workers; donations to national and local communities, hospitals and international agencies; provision of ventilation units and temporary medical units in communities; manufacturing of hand sanitizers. Company such as Base Titanium in Kwale-Kenya in partnership with government has donated food stuff and set up hand-washing units and distributed of hand sanitizer, surgical masks, disinfecting homesteads and classrooms across Kwale county.

d) Investment in public health education and community awareness on Covid-19 risk factors

e) Companies such as Glencore have closed their sites as a measure of containing Covid-19 and those still in operation have maintained controlled operations and put in place >>>

<<<business continuity program to protect safe operations. For those with operating mine sites such as Rio Tinto, the operations have been strictly controlled with health screening put in place for employees and visitors and non-essential travels cancelled.

f) Government of Zimbabwe identified and enlisted mining as a key economic pillar that is allowed to continuously operate even during the lock-down.



3.2 Artisanal and Small Scale Mining

i) For artisanal mining, a number of mining sites have been closed and operations suspended. This has been seen in Kenya, Rwanda, Democratic Republic of Congo among other countries. **Continues in page 8**

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ii) In some places, given the high economic and livelihoods dependence on artisanal mining, local governments have advocated for exemptions and the possibility of ASM continuing their work though under enhanced and strict adherence to hygiene and social distancing precautions. In such a case ASMs through their organization leadership apply for exemption and if qualified, they are given an exemption letter by the government. This approach may however require clear guidelines on how ASM should continue to operate while safeguarding themselves from attracting or spreading Covid-19.

iii) Some artisanal miners whose mining operations have been ceased are also opting to diversify in other economic activities such as agriculture.

iv) In some places, large-scale miners and other actors have started initiatives to sensitize ASMs on how to protect themselves. Some ASM associations have purchased a non-contact thermometer to check miners entering the site to help know their own health status. They are also advocating that government decentralizes Covid-19 testing centres.

4.0

Recommendations

4.1 Large Scale Mining Operations

i) Civil Society Organizations in the sector should strategize and call on large-scale and medium-scale mining companies in Kenya to initiate and make public their social protection plans for their employees and mechanisms they have put place to step up their corporate social responsibility initiatives for responding to Covid-19 pandemic which may include disease detection and testing, public awareness, livelihoods support for vulnerable populations, provision of PPE, cushioning workers among others. The Kenya Chambers of Mines should be called upon to give an industry position on how the sector intends to support government efforts in the fight of Covid-19 pandemic.

ii) While various measures are being taken by large scale companies to deal with Covid-19, these actions should be closely monitored for greater transparency and also to ensure that >>>

<<< human rights including labor rights are duly observed and that the action taken not only focus on ensuring business continuity but also take into consideration best interest of communities as well as employees working in those companies.

iii) Corporate accountability, transparency and human rights principles should be key principles driving such large-scale multinational companies' response to Covid-19 pandemic.

iv) It is important to find out about the Covid-19 response plans by the large-scale extractives' companies in Kenya or their business continuity programs and undertake an analysis whether they protect health, safety and rights of the employees and community

4.2 Artisanal and Small-Scale Mining

i) It should be ensured that artisanal miners who have lost their livelihood means and lack alternatives are mapped to be included in the vulnerable population quota prioritized by the government for social support such as food support and/or cash transfer. In Kenya, there are two main processes currently ongoing that require close attention of the actors in this sector such as Hakimadini; first, the related policy processes at both Senate and National Assembly including Pandemic Response and Management Bill and Secondly, current mapping and support of vulnerable population currently being piloted by the local administration and county governments for implementation.

ii) Prepare and widely disseminate materials for public awareness on the official public health guidelines for prevention and management of Covid - 19. This should be tailored to respond to specific routine activities in the mining sector including procedures for hand disinfection, cash and mineral handling, mine site entry measures and controls among other considerations.

iii) There should be awareness raising about Covid-19 in ASM communities as well as monitoring the progress, compliance and effects of Covid-19 in ASM communities. Digital tools such as community radio, social media application among others WhatsApp groups can be set and used to facilitate information sharing, sensitization and situational updates. **Continues in page 9**

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iv) Considering advocating for exemption of ASM in the case of total lock down. Given the high economic and livelihoods dependence on artisanal mining the Government should exempt mining sector but impose strict requirement for them to continue in a responsible manner while safeguarding themselves from attracting or spreading Covid-19. The Ministry of Mining together with respective County Government may develop a mechanism for organized ASM associations to duly apply for temporary exemption letter. This should extend to cover curfew hours as some ASM work at night.

v) The fallen or unstable market prices for ASM due to broken market chains caused by Covid-19 pandemic should be addressed. As the government initiates a number of fiscal stimulus measures, an advocacy action is required to seek the government to buy the gold and other commodities produced by artisanal miners as part of these fiscal stimulus measures.

4.3 Other Recommendations

i) The Civil Society organizations working in the extractives sector should establish a Covid-19 work group comprising of both national and local organizations in the sector and consistently engage virtually and otherwise in monitoring Covid-19 situation, related policy processes, human rights and socio-economic concerns as well as engage both communities and policy makers and implementers at National and County level on the same.

ii) The work-group should act as a platform for gathering experiences emerging from extractive sector in Kenya as a result of Covid-19, process ideas, resource for support for prioritized concerns particularly in the ASM sector and also provide policy tailored advisories to the relevant actors.

iii) The workgroup should also learn from similar contexts all over the world, generate best practices to apply in Kenya's situation. Further the work-group should continuously monitor and advocate for good governance and transparency in the interventions being undertaken by the government that affect the mining sector.

5.0

Kenya's Extractives Sector Post-Covid-19

Extractives sector in Kenya remains one of the key sectors in Kenya with potential for spurring socio-economic development but has not been fully tapped to realise its full benefits to the nation and its people. The extractives sector (mining, oil and gas) may more than ever before be highly important in the recovery of Kenya's economy that will be extremely weakened and worn-out by the time Covid-19 pandemic will subside. In fact, Kenya has laid down fairly adequate legal and institutional frameworks for extractives sector but full take-off has remained a problem.

Some key considerations are necessary for the extractives sector in Kenya to be seen as one of those sectors that can be bolstered to contribute in the revival of the national economy after Covid-19:

a) It is important that players in the sector undertake deep political-economy analysis of the sector and identify key policy, social and economic opportunities; immediate and long-term actions the government will need to take for the extractives sector to quickly take off and contribute significantly in forestalling the national economy after Covid-19 pandemic. The study will be critical in advising Government's post covid-19 steps for the sector.

b) Revive and fast-track the setting up of sovereign wealth fund for Kenya as was recommended in 2015 by the presidential task-force on parastatals reforms and initiated in 2019 through drafting sovereign wealth fund policy and bill. Sovereign wealth funds are important facility for unprecedented challenges such as the current Covid-19 pandemic. For instance, Kuwait decided to turn its sovereign wealth fund to money to tackle difficulties brought about by the pandemic. Similarly, Norway's \$950 billion sovereign wealth fund, the world's biggest, was preparing to liquidate assets to cover government expenses from the Covid-19 pandemic[32].

[32] Jaindi Kiseru, Pandemic calls for sovereign wealth fund. Business Daily April 10, 2020



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