

**MINUTES OF THE PROJECT STEERING COMMITTEE (PSC) MEETING HELD ON  
12<sup>TH</sup> and 13<sup>TH</sup> AUGUST 2015 AT LAKE NAIVASHA SAWELA LODGE**

**Min 1/2015: Introduction.**

The meeting began with an overview of why the Project Steering Committee (PSC) had to be constituted. The following were discussed:-

- UNDAF – UN agencies signed a project document for 2014 – 2018 feeding into the Kenya Vision 2030
- A brief introduction to the Project document was outlined
- Report for the 2014 activities were shared
- Looking at the 2015/2016 Annual Work Plan and the need to fast track the activities.
- Extractive Industries for Sustainable Development in Kenya and work that was done in 2014 in Kitui, Taita Taveta, Kwale and Turkana.
- The membership constitution of the PSC, its mandate and roles of the PSC as per the UN policy.

**Plenary feedback**

- It was noted by members that money returned to donors always affected the next planned activity budget lines?
- Members were seeking to understand the relationship between UNECA and UNEA and this was explained.
- Thamani explained to members on ongoing and possibility of continuation of work by UNIDO on Mercury Reduction and its impact on artisanal miners in Taita Taveta.
- There is need for Synergy among the organizations working under the “Extractive Industries for Sustainable Development” and streamlining of efforts so as to avoid duplication.
- There is need also to be aware of what is happening in the area of mining and share information on the same.
- The members from individual institutions constituting the PSC could have different interest/objectives but together the team can strategically place ourselves in terms of meeting objectives through focused activities geared towards the same goal. We should be a team that is results oriented.
- The PSC should bear in mind what happens to communities around areas with extractives and the restoration of communities and land after the mining process in respect to granite/coal/gold/gemstones etc.
- There needs to have informational campaigns to sensitize the public majorly on extractives and its effects in terms of health, environment etc.
- There is urgent need for a Geo Physical survey of mineral occurrences and whether these occurrences are economically viable as well as how and whether the communities around these areas will benefit.
- The Ministry of Mining has developed a new law on Mining.

**Min 2/2015: PRESENTATIONS**

**Min 1/2/2015**

**Ministry of Mining Directorate Roles**

- Promotion of minerals
- Information sharing

- Sensitization programs within the country especially with mining activities and rolling out of the same to the rest of the counties
- Agricultural Shows
- General information to the public and education
- Environmental concerns
- Inclusivity in activities and through dialogue.

### **Ministry of Mining Priorities**

Ms. Halwenge gave a presentation on the priority areas of the Ministry and the directorates that fall under the Ministry as; Geo physical survey, mines, mineral promotion and value addition, resource survey and remote sensing as well as corporate affairs.

### **MINERAL VALUE ADDITION**

- Gemstone cutting centre and gemology laboratory in Voi and capacity to run and manage the Centre.
- Vihiga granite processing plant ( occurring from Seme all the way to Vihiga) a community Sensitization program study to see how viable the project will be, this is yet to start
- Gypsum products
- Cement manufacturing
- Fertilizer plants especially phosphate in Busia
- Power generation from coal

### **National Airborne Geophysical Survey will help inform**

- Mineral potential of the country
- Reliable geological data
- Mineral investment improve
- Revenue
- Benefit sharing

### **Online mineral cadastre portal**

- Management of mineral rights
- Online applications for mineral rights with documentation access from anywhere in the world
- Areas available for application as stated too

### **Legal framework**

- Mining Bill
- Mining Policy
- Policy on extractive industry
- Policy on mine, health, safety and environment
- Various sets of regulations

### **Institutional framework and capacity building**

- Mineral audit agency - training on mineral economics [information on price in terms of royalties].
- Mining institute. There is only one university in Taita Taveta that trains mining engineers. A Law should be put in place to allow other institutes to begin training artisans on certificates, diploma level upwards.
- Mineral promotion and value addition –there is need for capacity building in this area.

### **Artisanal and small scale mining**

What worth does it add to our economy, what are the methods they use in extracting, are the methods safe? What support can they receive from the Ministry given that the Law does not recognize ASM

- Scoping study
- Regulation of the industry
- Promotion and marketing
- Technical support

### **Public education and awareness creation**

- Mineral potential of counties
- Community participation
- Corporate social responsibility
- Environmental issues
- Gender mainstreaming
- Legal provisions
- Benefit sharing

### **Challenges facing the Ministry of Mining in communication and media presence and reporting of issues surrounding the extractive industry;**

- In Kenya, the extractive industry is regulated under two distinct Ministries, i.e. Ministry of Mining, Mining of Energy and Petroleum. However, the media tend to mix up the two institutions for example when reporting on oil, the story may be attributed to Mining rather than Energy. Hence there is need to sensitize the media and editors on these distinctive roles.
- The media also needs to be sensitized on reporting of articles that could be touching on individual industry players. The coverage could give impression that the issue is sector wide and this affects Kenya's ability to attract investments.
- The Mining sector activities are largely concentrated in counties and there is need to establish an information sharing mechanism between the public communications units in relevant counties and the Ministry of Mining.

### **Feedback**

How will community expectations be managed?

How viable is it to monitor benefits and resources like collection of royalties at community level, licensing, export etc.

### **Min 2/2/2015: NATIONAL ENVIRONMENTAL MANAGEMENT AUTHORITY**

#### **Key issues**

- The Choice of efficient EFA-Environmental objectives and investment friendliness
- Need for industry and site-specificity in assessing the Bond
- Meeting required standard & specifications of remediation
- Extinguishing of Liability and the exit ticket
- Government supervision and oversight

#### **Areas that need support from UNDP**

1. Stakeholders' Engagements in line with Statutory Instrument Act, 2013 (7<sup>th</sup> to 25<sup>th</sup> September, 2015)

2. Drafting Retreats to compile the comments and finalize the Regulation (5<sup>th</sup> to 10<sup>th</sup> October 2015)
3. Establishment of the Deposit Bonds Management Unit (procurement to start immediately)
4. Benchmarking trip to South Africa and Australia for 4 select taskforce members (18<sup>th</sup> to 23<sup>rd</sup> April and 23<sup>rd</sup> to 28<sup>th</sup> May 2016)
5. Procurement of Technical Assistance (TA)

### **Feedback**

- There is need to involve media to all stakeholder forums and other meetings at community level.
- All institutions seeking support through this project should ensure that the paper work is in order and when requesting for assistance, valid documentation should be attached to the request letter to ease the procurement process.
- The Ministry of Mining can simplify the ASM entry points for licensing

**Min 3/2/2015**

### **THAMANI GROUP LTD (SOCIAL ENTERPRISE AND DEVELOPMENT TRUST)**

Thamani works with artisanal and small scale miners particularly in the gemstone industry focusing on issues relating to the regulatory framework, market access, value addition and responsible mining.

It also provide consulting services to the Committee of Mining and Natural Resources of the County Assembly of Taita Taveta, implementing a programme on transparent and accountable governance of the extractive sector in the county and its impact on the community.

KCM is an industry organization that is funded by member organizations and is focused on lobbying and advocacy activities for industry challenges and industry promotion. Over the past 2 years that have worked extremely closely with the Ministry of Mining on the development of the Mining Bill. KCM holds an annual Mining and Investment Conference and this year they are holding one in October 2015 in conjunction with the Ministry of Mining.

- On ASM Issues: For a long period of time ASM have generally been side stepped mainly due to the myriad of complex issues that exist in the mining sector. Over the past few years the government, development agencies and organizations such as KCM have risen to the challenge and have started working on initiatives such as formal recognition of the ASM in the Laws of Kenya.

### **Artisanal and Small Scale Mining Activities**

- Community Cooperatives are an upcoming activity in the gemstone sector as the communities have embraced the power in numbers. In the past year there have been community trainings conducted by UNDP and other organizations however there is still a huge gap that needs to be filled.
- Apart from gemstone mining there is also industrial mining. Community capacity building on the project life cycle, community awareness on how communities can link into the life cycle, the side benefits that come with mining. Generally the main stakeholders are grouped as Community, Government and Private Sector, however sometimes the community is the investor or the miner, thus this has to be looked into in terms of empowering of the community with the geological skills as well as the business skills etc.

## **Governance**

- The county of Taita Taveta has realized that there are significant challenges on transparent governance of the sector with consideration of the fact that the Mining function is not developed. Through a series of Consultative workshops and Benchmarking trips, the county assembly has embarked on an inclusive programme involving ASM operators, women and the executive function of the County Government to establish a framework for management of the sector.
- Tanzania has been used as a Key case study due to its significant success in the management of the ASM sector in Mererani (Arusha) and the global recognition of Tanzanite. Tanzania in conjunction with The World Bank have invested in gemological centre, they have invested significantly in the gemological centre ( over \$3,000,000) in the gemological centre, some funds were set aside to train women and girls.
- Following the footsteps of Tanzania, marketing of the country's minerals especially gemstones is a key requirement and including players such as Brand Kenya , Export Promotion Council and others to recapture the mineral revenue that is lost from smuggling and lack of adequate systems to export the country's products. Products such as Gemstone tourism can be packaged to increase tourism and in country mineral sales.
- On the project implementation, responsible parties should include Ministry of Industrialization, Ministry of East Africa Affairs, Commerce and Tourism, Ministry of Trade thus operate in synch with each other. Some of the activities should include scoping out what machinery is used in processing and assembly that can be manufactured and assembled locally with the support of ministry of industrialization.
- Capacity Building of ASM Operator on geological information that would then translate to increased investment in their operations is required. Licensing is also an issue. While the sector is converting to digital modes, some of the ASM operators are not fully skilled on digital access therefore access to the Cadastre System and understanding of license management can present some issues.
- Public auction this coming weekend of the savourite in Taita Taveta on 15<sup>th</sup> August in Mwatate

## **FEEDBACK**

- All mining sites should be made safe for the miners.
- The mining bill provides for minerals and metals commodities exchange
- The capacity building for ASM is becoming key and therefore the need to widen the sites in the AWP to capture the various small scale miners such as quarry and soap stone.
- Compliance assistance and technical support be offered by Ministry of Mining and program training by NEMA for ASM sites
- Donkey Carts in Lamu have been licensed due to inaccessibility of roads by trucks.
- Kisii soap stone region should be categorized under ASM'. How are the soapstone miners being included in the extractives projects.
- Ministry of Mining should take advantage of the research and information that NEMA has carried out on mining sites as the information can be obtained at will.

**Min 4/2/2015**

### **MEDIA COUNCIL OF KENYA**

The Media Council of Kenya has been involved before in the project on media coverage and communication in the extractive industry. Following the partnership with UNDP and other stakeholders, the council did an assessment and review of how the media has covered and engaged various stakeholders during discussions of extractive industry. The report is titled 'Lenses on the

Mines' and captures the various inadequacies and challenges that the media has faced in covering the extractive industry.

As the way forward and implementation of some of the recommendations of the report, the Council suggests the following measures in the upcoming project:

- Involvement of the Media in all activities related to the extractive industry not only for coverage purposes but also for general understanding by the media practitioners on the various issues related to extractive industry.
- The media should assist in managing expectations which is one of the key areas of focus to make sure citizens understand the impact, meaning, measures and processes in extractive industry. This will reduce the possibilities of conflict.
- Undertake a study that shall look at the possible improvement, areas of weakness (if any) after the trainings and stakeholder forums done previously. The study shall look at some aspects not included in previously study.
- Seek continuous training of journalists and undertake media literacy forums to help them understand issues and how to report on extractives. Some of the components of training will include new laws, regulations and policies governing the extractive industry which journalist should understanding for quality reporting.
- There is need for Pocket book for journalist on mining with guidelines on how to report on issues regarding extractives. E.g. terms used in the industry processes etc. This will go a long way in managing expectations.
- Showcasing success stories e.g. run a documentary from various countries showing the best case/practices and approach media houses to air stories highlighting the economic and social impacts on communities.
- Journalists should be involved in project processes in various areas of the country for networking purposes and also seeking to create networks and potential news sources with regards to reporting of the extractive industry. Therefore journalists should be invited to functions by NEMA, Ministry of Mining and other stakeholder forums for this purpose.
- Train county government public communication officers on how to package information on activities related to the extractive industry for an informed citizenry in line with the County Government Act, 2012.

**Min 5/2/2015**                      **WORKPLAN**

The work plan was conclusively discussed and the following decision made.

- Given time constraints, the activities shall stay as large as they are and all stakeholders shall undertake sub activities related to the main activities in the outputs outlined; by attaching these sub activities to the requests to be forwarded through the Chairperson to UNDP.
- All responsible parties indicate the quarter within which their activities shall be implemented and the specific areas.

**Min 6/2/2015**                      **CLOSING REMARKS**

- The chairperson Ms. Halwenge on behalf of the Ministry of Mining thanked all members present for availing their time and participating in the meeting.
- PSC members shall receive their appointment letters in a week's time.
- She emphasized the need for urgency in implementation of the activities within the remaining quarter given the time constraint.
- All meetings shall be held on needs basis.

- All institutions are to make sure their activities are held within the timelines and make sure all documentation and reports are delivered in good time and are of quality.
- This project must ensure that all the targets are reached especially at the community level as well as results focused.

Min 7/2/2015 A.O.B

There being no other business the meeting ended at 4:30pm

SIGN: Jennifer Halwange  Date: 20/8/2015  
PSC Chairperson (Name)

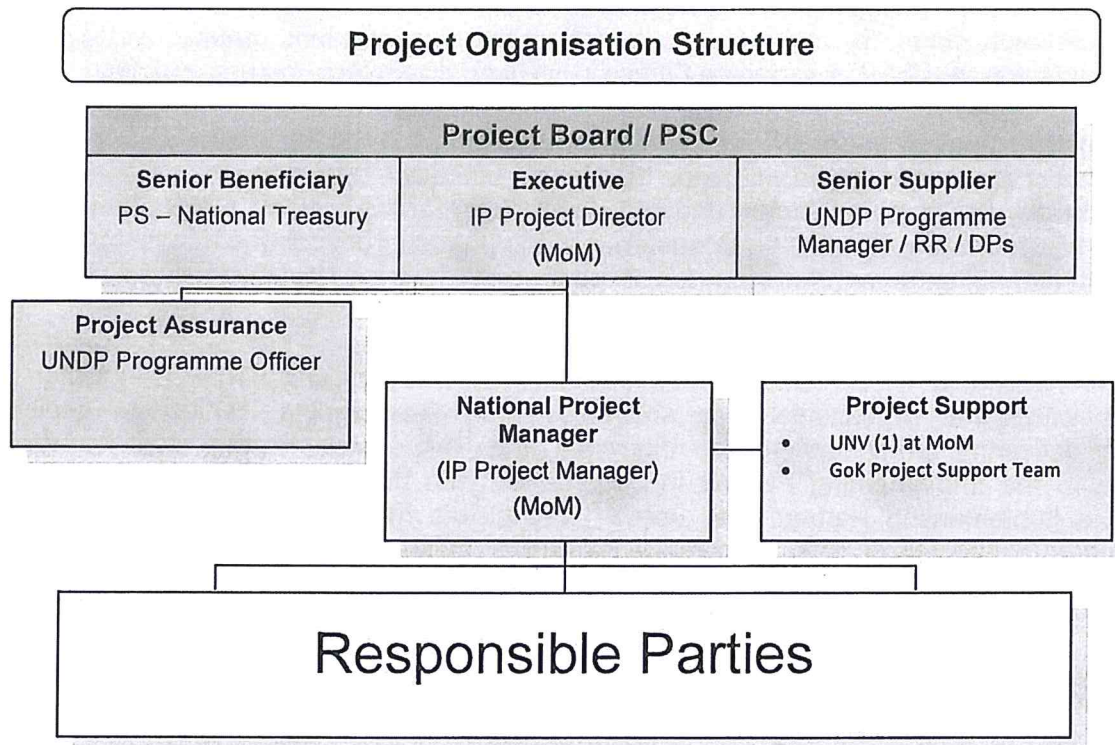
SIGN: VIVIAN NYAMWATA  Date: 20/8/2015  
PSC Secretary (Name)





## II. MANAGEMENT ARRANGEMENTS

Management arrangements will be as defined in the Revised Project Document 2014 which is summarised below.



**The Project Board, or the Project Steering Committee (PSC)** is comprised representatives of the Ministry of Mining; The National Treasury; the Ministry of Energy and Petroleum and the National Environment Management Authority (NEMA). Other responsible parties within the project, i.e. the various County Governments where the project will be implemented, the Kenya Chamber of Mines (KCM), the Kenya National Chamber of Commerce and Industry (KNCCI), the Kenya Private Sector Alliance (KEPSA) and the Media Council of Kenya (MCK).

**The Principal Secretary (PS)** in the Ministry of Mining (MoM) of his / her designee chairs the PSC. The PSC shall provide overall guidance to the Project and will be responsible for making by consensus, management decisions when guidance is required by the Project Manager, including recommendation for UNDP / Implementing Partner approval of project plans and revisions. The PSC also plays a critical role in project evaluation in terms of ensuring its quality and its use in performance improvement, accountability and learning. PSC will meet 2 times during the year.

**The Technical Committee** is comprised representatives of all responsible parties. The key responsibility of the Committee is to assist in Project planning, implementation, review and reporting. The Committee meets once every quarter.

**UNDP shall perform the role of Senior Supplier** and shall represent the interests of the parties which provide funding and/or technical expertise to the project. The primary function within the Board shall be to provide guidance regarding the technical feasibility of the project and shall have the authority to commit or acquire supplier resources required.

**The Senior Beneficiary is the National Treasury.** The Senior Beneficiary shall be responsible for validating the needs and monitoring with a view to ensuring that the activities implemented meet the needs within the constraints of the project and hence responding to the selected national development priorities.

**As the Executive, the Ministry of Mining** shall be directly responsible for the project, supported by the Senior Beneficiary and Senior Supplier. The Executive's shall role shall be to ensure that the

project is focused throughout its life cycle on achieving its objectives and delivering outputs that will contribute to higher level outcomes. The PS or his designee will be the Project Director.

**Project Assurance:** Though the overall responsibility is ultimately the role of the Project Board, in accordance with UNDP guidelines, it is delegated to a UNDP Programme Officer. This role shall support the Project Board by carrying out objective and independent project oversight and monitoring functions. A UNDP Programme Officer shall hold the Project Assurance role.

**The IP National Project Manager (NPM)** shall have the authority to run the project on a day-to-day basis on behalf of the Project Board within the constraints laid down by the Board and shall also be responsible for day-to-day management and decision-making for the project. The National Project Manager's prime responsibility shall be to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost.

**Responsible parties:** IP in consultation with the National Treasury and UNDP may enter into agreements with other organizations or entities, namely Responsible Parties, to assist in successfully delivering project outputs. In this case, the Responsible Parties shall be directly accountable to the Implementing Partner in accordance with the terms of their agreement or contract. The Implementing Partner shall use a Responsible Party or parties in order to take advantage of their specialized skills, to mitigate risk and to relieve administrative burdens. Existing responsible parties are listed on Page 1 of this document. Additional Responsible Parties might be identified as per this Annual Work Plan priorities.