



Department
for International
Development



KENYA EXTRACTIVES PROGRAMME (K-EXPRO)



Objectives

- Raise awareness among private sector organisations, as they might be interested as sector stakeholders or be directly involved in one or the other of EXPRO components.
- Establish a communication channel for DFID Kenya to receive feedback and questions for follow up during the programme inception.
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Why Extractives?

- **Extractives not a game changer** in Kenya, **but can support exit from poverty** and aid, both through use of revenues (public sector) and through induced job opportunities (private sector).
- Low oil prices, predatory business environment, under capacitated governance and potential for conflict may result in Kenya **scaring off further investment and so missing the opportunity** and extractives might end up doing more harm than good.
- Support is required to **build capacity in government, enhance the business environment** (including transparency and social accountability) and **facilitate dialogue frameworks** in extractive regions



Why DFID?

DFID can deliver on these outcomes, we have experience in Africa, some human and financial resources and policy and political entry points. We currently implement an initial 18 months – Kenya Extractive Industry for development Programme (KEIDP).

There are British commercial interests but DFID support is transparently positioned as independent. We do engage with British (and other) companies as part of our broader ‘Companies as Champions for Development’ initiative in Kenya where we encourage companies to maximise the number of Kenyans they employ; adopt young leaders-type programmes; provide social programmes; and lead other businesses in showcasing their own ethical business standards.

About EXPRO

Towards growing extractive industries leading to equitable, inclusive and sustainable benefits to Kenyans, reducing negative impacts & risks

£24m over 5 years (2015-2019), covers petroleum and mining, 4+1 components:

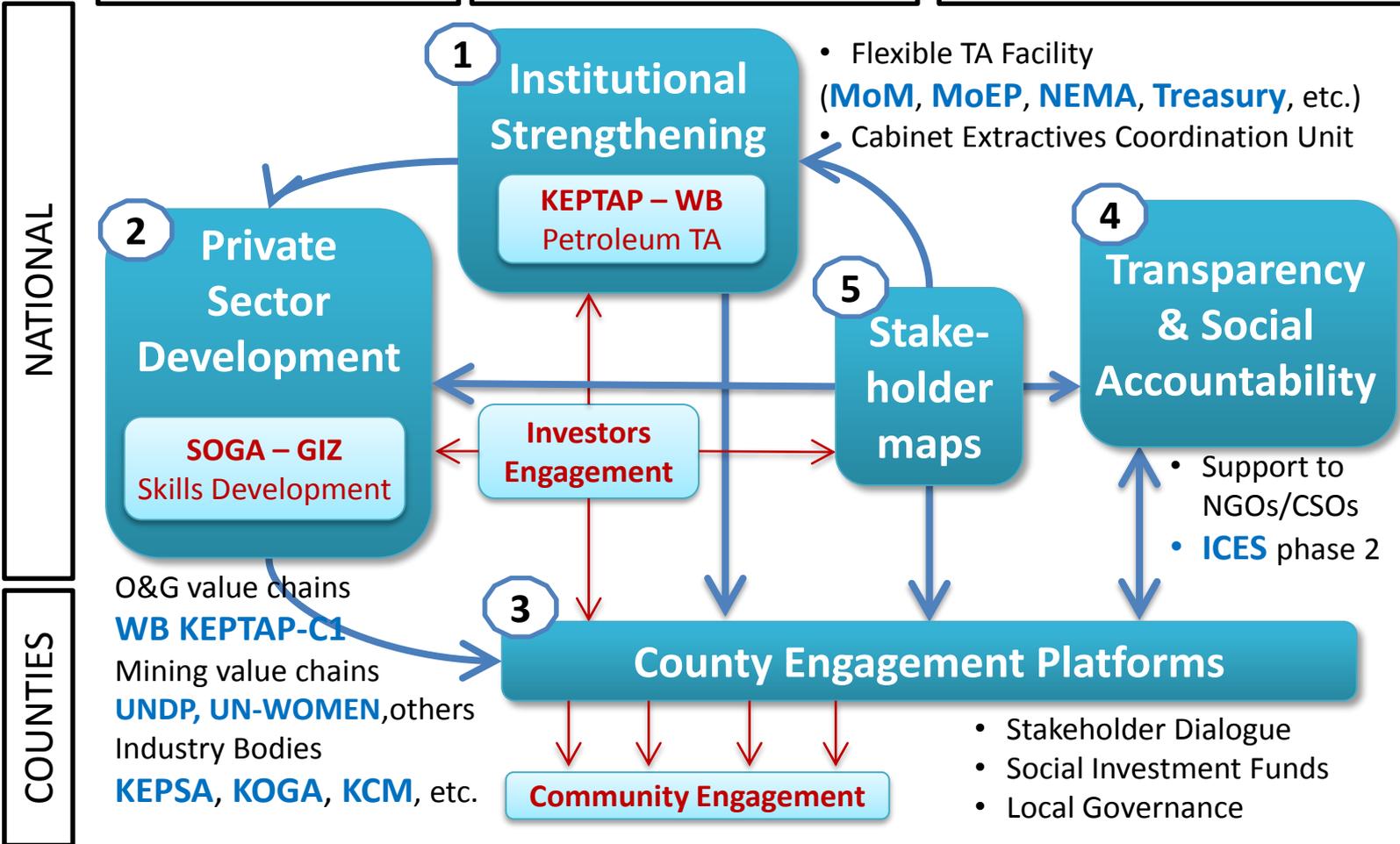
- **Technical assistance** to Kenyan institutions (MoM, but also MoEP, NEMA, Treasury, etc.) for better governance of mining and of oil and gas industries
- Build capacity of non-government organisations (NGOs/CSOs, academia and business associations) for **social accountability and transparency** to lead to a better business environment

About EXPRO contd

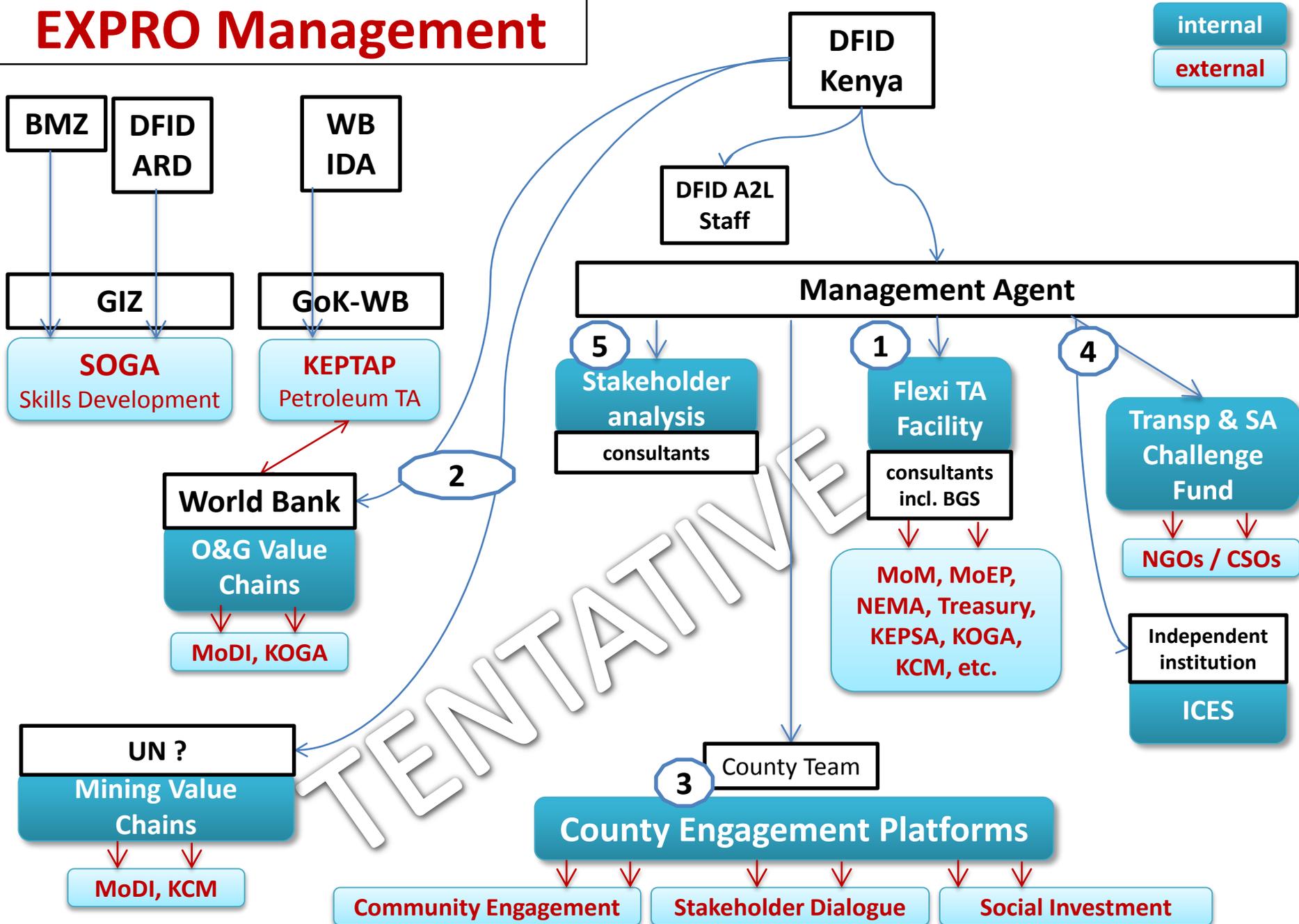
- Development of **county level dialogue** and participative development platforms (starting in Turkana, but expanding to other “extractive counties”)
- Enhance capacity of **domestic private sector** to capture FDI in extractives value chains to generate jobs for Kenyans. (Complementing the UK-Germany Skills for Oil and Gas Africa (SOGA) regional programme)
- Regular **mapping of stakeholders and interests** will provide insights to adapt and respond to change, maximise results and reduce adverse effects

EXPRO Thematic Components

internal
external



EXPRO Management



Procurement process

Key Dates - Indicative

Activities	EXPRO
Invitation to Tender	October 2015
Deadline for receipt of tender submissions	November 2015
Target date for evaluation process commencement	December 2015
Selection decision	January 2016
Contract award date	March/April 2016

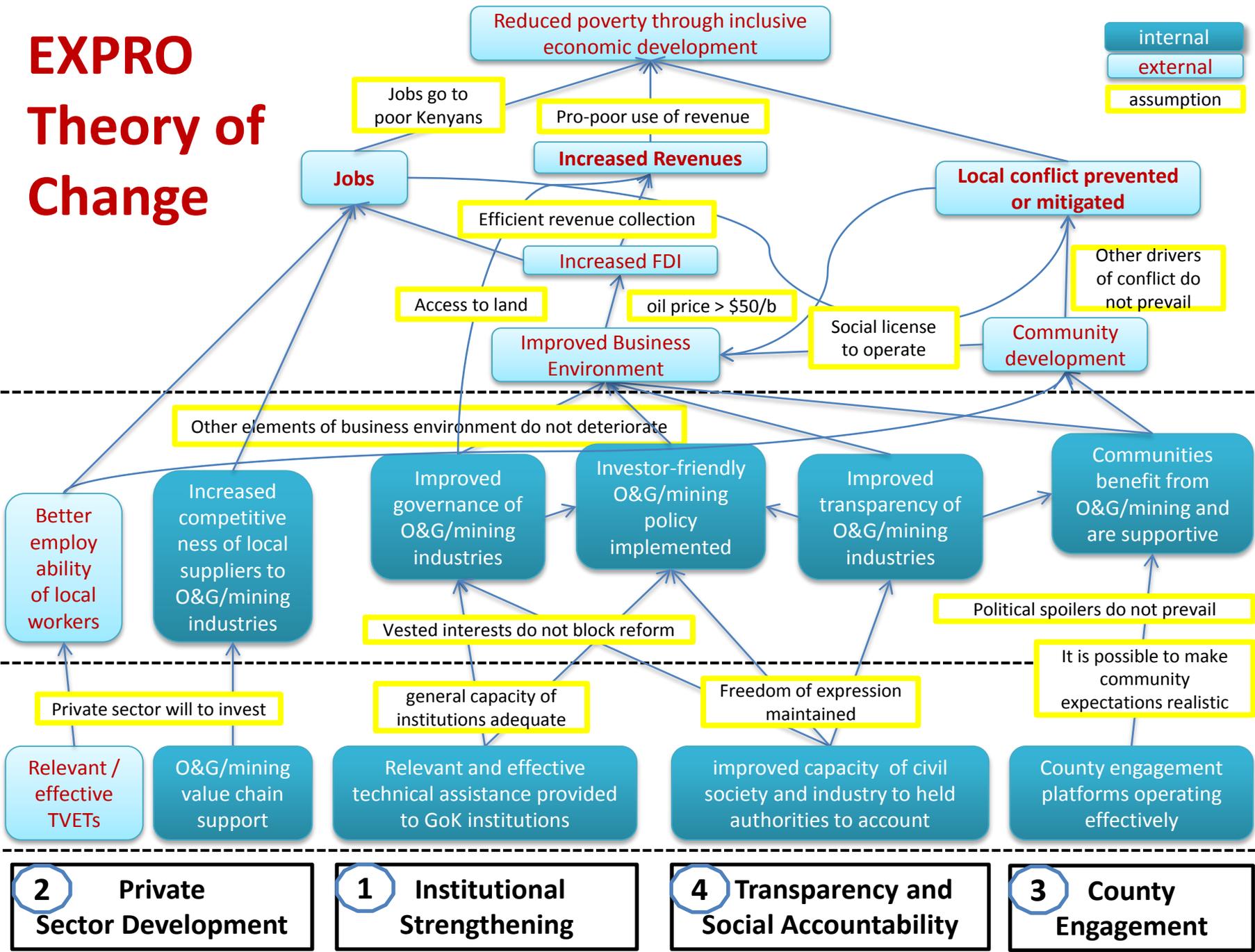
EXPRO Theory of Change

internal
external
assumption

IMPACTS

OUTCOMES

OUTPUTS



What DFID Kenya has been doing so far

-KEIDP

£3.5m programme over 18 months, closing in Dec 2015. Consists of:

- Regulatory and organisational technical assistance to MOM and MOEP.
- Setting up of Information Centre for Extractives Sector (ICES).
- Designing and piloting local engagement programmes in select counties (Turkana).
- Local content analysis
- Contributing to UNDP Extractives programme 2014-15
- Contributing to World Bank for the design and start up of the Kenya Petroleum Technical Assistance Programme (KEPTAP)

What DFID Kenya has been doing so far

-KEIDP

Key lessons learnt:

- Technical assistance highly effective when appropriate relation with institutional counterparts is built and maintained (MoM and Turkana County). Programme intervention must be demand-based and appropriately owned
- Engagement with civil society and private sector needs focused attention, as these stakeholders tend to be more diverse and fragmented than Government ones.
- Development partners like DFID have a big role to play in facilitating dialogue between different categories of stakeholders
- Obtaining developmental results on extractives takes time, there are just few “quick-wins” available, a long term approach is in order

What DFID Kenya is doing - SOGA

- Centrally managed by DFID Africa Regional Department (ARD).
- **£25m over 5 years (2015-19) + ≈ €10m co-financing** by the German Ministry for Economic Cooperation and Development (BMZ).
- Covers 4 countries – Kenya, Uganda, Tanzania, Mozambique
- Managed by the German development agency GIZ
- Focused on building the **skills of local people**, ensuring that they are benefitting from the opportunities opened up by new investments in oil and gas.
- Attracts contributions from International Oil Companies (eg. BG Group), other private sector and other donors (eg. Norway/NORAD)
- Inception phase to be completed by Nov 2015



What DFID Kenya is also doing – other relevant projects managed from the centre

- **Extractive Industries Executive Courses** on environmental, land, health & safety and social governance through IFUSE , aimed at senior government officials in Africa
- **Africa Legal Support Facility (ALSF)**, a regional programme managed by the AfDB – with substantial contribution from UK Aid – supports governments to negotiate complex extractives contracts.
- **The East Africa Research Hub (EARH)** – undertaking a one year synthesis study to deepen understanding on the impact of extractives on political settlements and conflict in East Africa.
- **Releasing the Transformational Potential of Extractives for Economic Development (RTPEED) Programme** – may complement work on social accountability and access to data