



LENSES ON THE MINES

Media coverage of the extractive industry in Kenya; exploring the coverage, challenges, effects and lessons for newsroom reflection

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The Media Council of Kenya

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List of abbreviations and acronyms

- ADIL:** Africa Diatomite Industries Limited
- CBO's:** Community Based organizations
- CS:** Cabinet Secretary
- EAPCC:** East Africa Portland Cement Company
- ICES:** Information Centre for the Extractive Sector
- GDP:** Gross Domestic Product
- NGO:** Non-Governmental Organizations
- SPSS:** Statistical package for Social Sciences
- DRC:** Democratic republic of Congo

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Foreword

The media has a vital role to play if Kenyans are to benefit extensively from the extractive industry as provided for by law in terms on knowledge on the industry, benefits and challenges expected. Besides and at basic level, informing and educating people about the nature of the industry is a necessary requisite for participation in decision making process on issues affecting the local communities. For the media to effectively play its watchdog role, a more in- depth, investigative approach to coverage of the extractive sector is required. This will require that the media hold the National Government, County Governments, opinion leaders at the community level and the mining companies to account in mining processes, management of returns and environmental impact. However, this should be done in line with the requirements of the Code of Conduct for the Practice of Journalism in Kenya. The consideration of balanced sourcing, gender considerations in reporting and accuracy & fairness are some of the articles of the code that will enhance educative and informative reporting on issues of the extractive industry.

Journalists in Kenya just like in the rest of Africa face a number of challenges and hindrances that prevents them from effective reporting of the extractive industry. They are poorly trained and equipped with specialists' knowledge, poorly paid, have limited technological support and face political and editorial interference. In countries where oil, gas or mineral production is new, such as in Kenya, journalists face the additional problem of having little knowledge about the industry and related economic/ social issues.

To report fairly, accurately and comprehensively on the extractive, journalists need a sound knowledge of the sector and the ability to analyze and report on its complexities. The observance of ethical and professional principles in covering the extractive industry is very important because of the nature of the industry itself. The stakes are always high because of the stakeholders involved, the amount of revenue involved and also the possible short term and long term effects on the country's economic, political and social aspects.

Journalists with little time and little or no funds to pursue stories often resort to relying on press releases or conferences for stories instead of conducting independent reporting. Investigative reporting in this sector has also been very limited because of the technical nature of the industry which is coupled by the minimal understanding by journalist.

It was out of this understanding that the Media Council of Kenya with support from UNDP's extractive industry project funded by DFID, carried out a series of capacity building trainings for journalists in Kwale, Kitui, Lodwar and editors drawn from Nairobi on the extractive industry. Resource persons were drawn from the Ministry of Oil and Petroleum, Ministry of Mining, County Governments, Universities, extractive and mining companies (Tullow Oil and Base Titanium) and media industry. The trainings were done between June and October 2014. The Council had done a pilot training jointly with the Kenya Working Group on Oil and Gas for journalists in Nairobi, which established that need for more media trainings on the sector and involvement of many actors including Government in the trainings and other engagements on matters relating to extractives.

HARON MWANGI

Chief Executive Officer & Secretary to the Council

Executive summary

Kenya has recently joined a club of potential minerals exporters in the region with the discovery of economically viable oil wells as well as the shipping of the first titanium exports to China. The discovery of these minerals has generated a great deal of expectations from communities centered on the hope that the new wealth will translate into improved living standards through increased revenues and increase foreign exchange earnings surpluses to finance the much needed socio-economic development. Some of the expectations, although valid are far so ambitious and impossible to achieve in the short run. Media ought to but has not helped much in managing these diverse expectations and tackling issues as most of the journalist report superficially. Matters are not helped by the fact that information sources on the sector are narrow and scattered in different government departments.

As an influential source of information to the public, the media can guide and help manage perceptions on activities as the environmental impact of natural resource exploitation. Through the media, local communities can be informed on matters concerning natural resources around them, the negative effects of exploitation if any, as a way of empowering them in negotiating compensation for surface rights, and the monitoring of revenue and environmental consequences.

This study therefore sought to examine how the media covered the extractive industry in the year 2014. It also sought to establish the challenges and perception of journalists on various issues related to the extractive industry. From the analysis gathered, it was evident that the coverage of oil specifically received the highest coverage of the total coverage in the extractive industry in 2014. The Standard newspaper dedicated the biggest space for the coverage of stories related to the extractive industry in the year. This consisted of 35% of the total space allocation by all the dailies. From the survey, it was also evident that access to information relating to the extractive industry was a bit of a challenge to journalists as majority of them felt that some of the deals relating to the extractive industry were shrouded in mystery. It was also evident that some of the respondents had little or no understanding of the legal and regulatory framework guiding the extractive industry in Kenya. Close to half of the respondents also stated that they had between 1 and 2 years' experience in reporting issues relating to the extractive industry.

From the study, it was evident that reporting on extractive industry is quite a complex affair for journalists especially because many of them do not have in-depth understanding of the various issues at play in the extractive industry. While it should be considered that media coverage of the extractive industry has happened since pre-independence days, the recent past has been marked by the discovery of oil and other minerals that have changed the way the extractive industry has been viewed and reported in Kenya. With the new discovery Media coverage of the extractive industry should be of particular interest to anyone who believes that transparency in governance of resources from the extractive industry is an important aspect of development in Kenya as a whole. This demands that the industry addresses some of the challenges that journalists face in reporting on the sector such as low levels of understanding of legal and regulatory framework in the industry. It also requires that journalists are accessible to resource allocation for in-depth coverage of the industry as well as exposure to the measures that will ensure utmost transparency and accountability in mineral resource exploitation in Kenya.

Key findings

- Forty Per cent (40%) of the articles did an impact analysis of the effects of discovery of oil and gas and other minerals to the Kenyan economy. Majority of analysis centered on social, environmental and political implications of oil discovery in Kenya. 18% of the articles focused specifically on economic analysis and included stories on stock exchange, oil impact on other commodity prices as well as impact on the country's GDP among others.
- The Standard newspaper dedicated the bulk of the space allocation to the coverage of stories related to the extractive industry in the year. This consisted of 35% of the total space allocation by all the dailies. The Business Daily published by the Nation Media Group accorded space consisting of 23% while the Daily nation and The East African had 16% and 12% respectively.
- The coverage of oil received 76% of the total coverage in the extractive industry during the year. Coal and gas separately received the least coverage with other minerals receiving substantial coverage when grouped together.
- Seventy Per Cent (70%) of the respondents in the research indicated that reporting for the extractive industry is different and far more complex than reporting on other business sections and requires more training which they did not have. 60% agreed that their training in journalism did not prepare them to adequately deal with special reporting of issues relating to the extractive industry hence reporting on the industry poses a big challenge to them.
- Thirty-nine per cent (39%) of the respondents indicated that there was minimal resource allocation for investigative stories related to the extractive industry.
- The study reveals that major focus of news coverage was mainly on mining companies and this constituted 35% of the articles analyzed. Local communities were covered in 23% of the articles and consisted mainly of mentions and Corporate Social Responsibility (CRS) related programs that were undertaken to address some of the challenges relating to the presence of the industry in their respective locations. 21% of the coverage concerned government officials while 15% were on business analysts.
- Ninety-three per cent (93%) of the stories analysed had source attribution while 7% did not. 46% of the respondents indicated that they had between 1 and 2 years' experience in reporting issues in the extractive industry. 34% indicated that they had less than one year's experience while 13% said they had between 3 and 5 years' experience.
- Thirty-nine per cent (39%) of the respondents indicated that they had adequate awareness and understanding with regard to the extractive industry. 24% indicated that they had very little while 17% indicated that they had extensive knowledge and awareness on issues relating to the extractive industry in Kenya.
- Twenty-nine per cent (29%) of the respondents indicated that it was easy to access information relating to the extractive industry. 30% indicated that it was very difficult and 23% indicated that it was difficult while 12% said it was very easy to access information on the extractive industry.
- Fifty-seven per cent (57%) of the respondents stated that they had little or no understanding of the legal and regulatory framework guiding the extractive industry in Kenya. 23% indicated that they had little understanding while only 5% stated that they had a great deal of understanding of legal and regulatory framework in Kenya.
- Twenty-five per cent (25%) of the respondents considered NGO's to be the most credible sources of information for news stories while 16% stated that mining companies were the most credible. The government rated at 4% in terms of credibility of information on the extractive industry as indicated by the respondents.

- Thirty-four per cent (34%) of the respondents indicated that they had very poor understanding and knowledge of royalty and tax agreements relating to the extractive industry. 40% indicated that they had poor knowledge on current bills before parliament in terms of the issues that they seek to address. 45% indicated that they had very poor knowledge and understanding on the mineral sharing ratios while 54% said that they had poor knowledge and understanding on budgets and expenditure of exploration companies.
- Thirty-six per cent (36%) of the respondents felt that the involvement of mining companies in training journalists would compromise on the standards of professionalism and ethics when reporting on issues in the extractive industry. 35% indicated that the compromise was quite likely to happen while 16% indicated that the compromise would not probably happen.
- Twenty-six per cent (26%) of the respondents indicated that ensuring transparency by mining companies was very important for overall transparency and accountability in the extractive industry. 19% indicated that proper legal and regulatory reforms coupled by stringent policy framework and implementation in the extractive industry would enhance transparency and accountability.

Chapter one

Introduction

Africa has had its fair share of troubles resulting from the extractive industry. This is because majority of mineral rich countries in Africa are consistently afflicted with political instability, social inequality, conflict and underdevelopment. Such situation may have been perpetuated by the fact that former European colonial powers designed colonial policies on land-ownership, political boundaries, institutions and economies to facilitate exploitation as opposed to development. The perennial problems that resulted from these colonial policies were inevitably inherited by the independent African states. In fact some of the post-independent regimes simply slipped into the oppressive colonial outfits that they inherited.

The recent discovery and mining of oil and minerals in Kenya has come with exceedingly high expectations from host communities that the new wealth will translate into improved monetary returns, increase foreign exchange earnings and surpluses to finance the much needed socio-economic development. Their expectation is that the oil exploitation is expected to ultimately translate to reduced poverty and ensure prosperity for all. However, this is far from the reality, as the underlying truth on the ground is far more complex.

The media coverage of the extractive industry in Kenya is not a new phenomenon. From pre-independence, the media has consistently covered issues of mining albeit in a small way with little excitement compared to what has been witnessed in the recent past. Recent coverage has been marked by new and complex factors like the discovery of oil which until then was just speculation and a kind of mirage for the Kenyan society. Journalism covering the extractive industries including oil, mining and gas is of particular interest to anyone who believes that transparency in governance, business and politics is an important aspect of development in Africa.

The backdrop of this study is that good journalism will help citizens to be better informed about the relationship between the extractive industry, government, communities and the broader economy. The media is further expected to help manage the expectations of the people with regard to proceeds from extractive industry. Journalists can reveal revenue flows and decision-making processes that affect the entire country. With this knowledge, citizens can play more active roles in their countries' destinies and make their resources a blessing rather than a curse.

Objectives

The objectives of the study are:

- i. To assess the quantity and quality of extractive industry (Oil, gas and other minerals) reporting in Kenyan newspapers for the period of one year (2014).
- ii. To establish the adequacy or paucity of content, and the style as well as the nature of reporting and writing in the extractive industry in Kenya.
- iii. To assess the journalists' perception of challenges, opportunities and lessons on media coverage of the extractive industry in Kenya.

Methodology

The study used two research methodologies namely content analysis and survey. Content analysis was done on the five major daily newspapers and five other magazines that carried stories on the extractive industry in the year 2014. The selection of the daily newspapers was done based on the audience readership while the selection of magazines was based on specialization in reporting. The four daily newspapers sampled for the study are The Daily Nation, The Standard, The people, The Star and Business daily. Other newspaper publications that were considered but did not fall within the daily newspaper category were The East African and

Sunday express. The magazines sampled for the study are majorly those that wrote on business and legal related stories and issues in the extractive industry. Such magazines included; The Nairobi Law Monthly, African Business, Business Monthly, New African and Nairobi Business Monthly.

The survey involved journalists who had covered issues in the extractive industry in areas like Kitui, Kwale, Turkana, and Nairobi. It also included journalists who were involved in covering business stories on frequent basis. Purposive sampling was used to sample 121 journalists from a population of 2564 journalists after which an online questionnaire was administered to them. Data was then exported from the online database through excel and analysed with SPSS software.

This report therefore examines the experiences, perceptions and recommendations of sampled professional journalists and an extensive content

analysis of the media coverage of the extractive industry in Kenya. Being the first study of its kind, the aim of the report was to establish a basic understanding of the challenges that the media faces in reporting the extractive industry in Kenya. We especially targeted business and economic journalists who had taken part in past training programs conducted by both the Media Council of Kenya and UNDP partnership programs to access the continued challenges that the media faced.

One of the challenges of sampling was that journalists who currently specialize in the extractive industry are a relative rarity in Kenya. However, some respondents sampled were business reporters as well. It was also evident that majority of reporters were assigned reporting of the extractive industry with no regard to their training and experience but on their areas of jurisdiction and proximity to mining areas. This is why purposive sampling was used to target respondents from those areas.

Editors during a visit to Base Titanium, Kwale in November 2014



Chapter two

Background

The Extractive Industry in Kenya

Kenya is now established to be a country well endowed with various valuable mineral resources, some of which are already being exploited by private companies while others are yet to be prospected and exploited. Minerals found in Kenya include soda ash, fluorite, diatomite, carbon dioxide, gold, iron ore, lead, vermiculite, Kyanite, manganese, titanium, silica sands, gemstones and precious minerals, gypsum and limestone. Most of these resources are largely untapped. However, investors are starting to pay greater attention to opportunities that lie underneath in the country.

According to a report by the Information Centre for the Extractive Sector (ICES), flagship projects like Base Titanium's Kwale Mineral Sands project, and recent oil discoveries announced by Tullow Oil and Africa Oil, signal the strong potential for sector growth. According to government estimates, extractive currently contribute just one percent to Kenya's national income and less than two percent of export earnings. This contribution is set to grow significantly as current estimates suggest the sector may grow to 10% of GDP. But there is much anticipation that the extractive sector, oil and gas in particular, can bring transformational economic growth to the country (*Mayer. B, 2013*).

Historically Kenya has focused most of its attention on developing farming, tourism, manufacturing and service industries potential. Until recent years, mining exports only amounted to around 1 per cent of the GDP. The mineral deposits were predominately titanium and non-metallic substances such as soda ash, kaolin, fluorspar and gemstones. But this situation is expected to change dramatically with the recent discoveries. As a consequence, it is estimated that the country's mining exports is expected to triple and become the fourth largest foreign exchange earner.

The extractive industry, according to this report, can be defined as a process that involves different activities that lead to the extraction of raw materials from the earth (such as oil, metals, minerals and aggregates), processing and consumption by target users.

According to the Kenya Mining & Investment Handbook (2015), Kenya Fluorspar Company Limited has been mining fluorspar for export in the Rift Valley since 1971. The second largest mineral income earner for Kenya, the Company has an estimated production of 360,000 tons of ore mined annually.

The other notable source of mineral export has been Diatomite. Since its establishment in 1942, Africa Diatomite Industries Limited (ADIL) has been exploiting diatomite in Gilgil, a town North West of Nairobi, for export. ADIL has access to good quality diatomite deposits estimated at over 6 million tons and currently boasts having the only known viable quality deposits of Diatomite in Kenya.

Kenya has sizeable deposits of limestone, marbles and dolomites mostly utilized in cement manufacturing and construction industries. Among the large cement manufacturers present in Kenya are Bamburi Cement (Lafarge Group) with an installed annual capacity of 2.3 million tons; East Africa Portland Cement Company (EAPCC) with 1.4 million tons, and Athi River Mining boasting more than one million tons. Both Mombasa Cement and Savannah Cement have nearly 1.5 million tons of manufacturing capacity (*Kenya Mining & Investment Handbook, 2015*).

Base Resources, who acquired the Kwale Mineral Sands Project from Tiomin Resources in 2010, consider this project to be a world class advanced development project. The Kwale mine is estimated to have reserves of 140 million tons of titanium. Through its Kenyan subsidiary Base Titanium, the project is expected to produce 80,000 tons of rutile

per year, or 14% of the world's supply, 330,000 tons of ilmenite and 40,000 tons of zircon when fully operational (*Kenya Mining & Investment Handbook, 2015*).

Acacia Mining acquired the Aviva Corporation interest in the Bumbo base metal prospect in Western Kenya in October 2012 through a joint venture with AfriOre International, a wholly owned subsidiary of Lonmin Plc. The project comprises 2,800km² of the Ndori Greenstone Belt in Kenya, which in previous exploration has identified significant potential for gold, as well as copper, lead and zinc. Acacia Mining will focus on advancing knowledge of the three primary locations where potential gold systems and base metals deposits may exist (*Kenya Mining & Investment Handbook, 2015*).

Fenxi Mining, together with a local joint venture partner, Great Lakes Corporation is currently exploiting two exploration areas where coal deposits have been identified. It is estimated that the area holds more than 400 million tons of coal reserves with estimated value of USD 40B from an estimated investment of close to USD 500M in exploration and production activities (*Kenya Mining & Investment Handbook, 2015*).

Providing Information to the Public and Responding to Citizen Concerns

Good governance of oil, gas and mining resources and the revenues they generate require effective oversight. An active and knowledgeable press plays a critical role in helping inform and engage the public, citizen groups and parliaments and thus help them hold government and companies accountable. The media also acts as a watchdog on resource allocation and distribution and effective utilization within the extractive industry.

But in many countries, citizens lack basic knowledge of the extractive sector, including information on industry operators' obligations to the state, government revenues from these sources and how those funds are allocated, disbursed and reconciled. In the most extreme cases, this lack of information

exacerbates already weak relations between citizens and their governments (*Shari & Barrie, 2007*).

Public dialogue facilitated by an informed media on the management of national extractive industries stimulates improved transparency and oversight by governments. A critical role of the media is to give the people access to balanced information so they can make informed social, economic and political choices that affect their lives. Open and inclusive systems of governance make it more difficult for injustices to occur. The media with oversight responsibility will complement the work of the oversight institutions on the sector to strengthened accountability and highlight the negative implications of the non-transparent sector governance to the economy, host communities and the larger society (Dyke, Nash, Redd & Sukkarieh, 2014)

This is because the media plays a very important role in both explaining complex issues to the public and in monitoring the government's handling of the energy sector. The oil and gas industry has a shady reputation. Rightly or wrongly, many citizens assume that international oil companies compromise host governments by paying bribes to government officials as well as prioritizing profit over protecting the environment and respecting local communities. In countries with poor transparency track records and high levels of corruption, revenues from oil and gas are often mismanaged.

Transparency and accountability in extraction industry; Media's role

The extractive industry is one of the most lucrative and financial mines of many economies in the world. Large and unregulated inflows of funds into government accounts serve as great temptations for those in power. In the absence of transparency and other controls, ruling cliques use resource profits to enrich themselves and consolidate power through corruption and patronage, while the general citizenry remains impoverished. In countries like Angola, the Democratic Republic of the Congo (DRC), Nigeria and Sierra Leone, mineral and oil wealth has fuelled conflict, with devastating consequences for their societies (*Shari & Barrie, 2007*).

Despite their immense potential, developing countries have been unable to effectively use the resources from extractive industries and thereby remain poor in economic performance in comparison to countries with similar levels of income. Governance issues such as weak environmental policy, resource utilization policy and fiscal policies have come to be viewed as key factors inhibiting the ability of countries to use revenues from their extractive industries for development (*Schiffirin, 2009*).

In many resource-rich countries in Africa, the lack of accountability and transparency in the management of these revenues exacerbates poor governance and often fuels cycles of corruption, conflict, and poverty. As the international community seeks alternatives to Middle Eastern oil domination of oil production and supply, focus has slowly but surely turned to the huge oil and gas potential in Africa. This situation is boosted by the estimated growth of Africa's oil revenues in the coming decade. This is both good and bad as a number of analysts believe that economies that are overly dependent on oil wealth encourage authoritarian rather than democratic forms of governance. That is why the media should not only be well aware of this fact but be well positioned to perform its watchdog role effectively.

To tackle this challenge, civic groups, media practitioners, government reformers and representatives of the international community are increasingly pushing for more accountability and fiscal transparency in a number of sub-Saharan African countries. These reformist groups need specialized tools and knowledge to guard against increased corruption temptation in resource-rich democratic states and to fight authoritarian regimes seeking to further consolidate their power. Effective transparency initiatives must foster cooperation beyond governments and multinational corporations to include the participation of legislative bodies, political parties, civic organizations and the media. Accountability and good governance in the extractive industry require a well-informed citizenry, skilled civil society watchdogs, facilitated access to information, and efficient communication channels.

Extractive industry, conflict and the role of the media

It's evidenced in some regions in African, countries rich in minerals are often marred by corruption, price manipulation, authoritarian repression, militarization, and civil war. Most of the proceeds end up offshore, where mineral wealth is exported rather than shared or ploughed into the areas where it is needed most to meet local development needs such as infrastructure (*UNDP, 2014*).

The extractive industry has the potential to significantly transform environments, communities and economies. At times, such transformation may manifest in conflicts or disputes between a resource developer and local communities, or even complete breakdown of the company's social license to operate—with associated costs for the company, local communities, and the broader public (*Davis & Franks, 2011*).

The great novelist Joseph Conrad uses these words to describe the Congo, a country blessed with vast amounts of resources and cursed with the aftermath of resulting greed. "The Democratic Republic of Congo is an enormous country, similar in size to Western Europe, and riddled with war. Starting with the time of Imperialism in the 1870's until now, the natural wealth of the Congo seems only to decimate its economic growth and political stability. Mineral resources have played a crucial role in fueling protracted armed conflict in the East of the Democratic Republic of the Congo. In what is surely one of the great tragedies of our time, at least 3.3 million people in the Democratic Republic of Congo (DRC) have lost their lives in a conflict that has been described as "Africa's first world war."

Resource revenues obtained by looting, illegal levies and more sophisticated entrepreneurial involvement help foreign rebels and Congolese militia to finance violence and to withstand military defeat and pressure to lay down arms. This phenomenon, known as the resource curse explains the history and perpetuation of violence in the DRC. Additionally, the lack of media attention, which cannot be explained

by the traditional factors named for the exclusion of news stories, rather stems from the same economic and political interests which perpetuate the conflict today.

The DRC contains about \$24 trillion dollars' worth of valuable minerals, such as coltan, gold, diamonds, tin, uranium, etc. This equals the combined GDP of Europe and the United States. An estimated \$6 million in resources leaves the Congo every day.

The coverage of the war in the DRC is generally fairly neutral. Most newspaper stories seem to avoid strong, emotional language and personalizing examples of individual suffering. Instead they are generally "short, objective and dispassionate descriptions of relevant incidents and issues (Carpenter, 2012).

Carpenter further argues that the multinational corporations involved in the exploitation of the DRC and the perpetuation of the war undoubtedly have an enormous impact on the media coverage of the conflict. Obviously, an exposé of their role in the conflict as funding militia responsible for the deadliest conflict since World War II could be detrimental to their image and business. It could cause a snowballing effect of bad press, consumer action or boycotts, and even international legal action. It is therefore very much in the interest of these multinational corporations to keep the conflict out of the public eye. It seems reasonable to assume that they would lobby both governments and the media to keep this story away from the mainstream media (Carpenter, 2012).

A blessing or a curse; Lessons for Kenya

Is it by coincidence that most African countries that are rich in minerals and oil have had a symbiotic relationship with conflict? Kenya recently exported the first batch of base titanium to China and we could soon become an oil exporter. Now that we have discovered oil, the big question is whether it will boost our GDP or will it turn out to be the 'oil curse'? Kenya has been the biggest non-mineral economy in Sub-Sahara Africa and by far one of the most stable countries in the continent. But since the discovery

of oil was made public, there have been numerous cases of demonstrations by people in Turkana County demanding for more involvement in the process of exploration and exploitation of the products. They have demanded for employment opportunities from the exploration company, Tullow Oil. The local leaders have also been agitating for a bigger share of the oil revenue to benefit the locals. With its history of marginalization by previous regimes the people of Turkana County should be excused for their excitement over the recent discovery of oil and water aquifers. They view the discovery as a kind of divine intervention that shows that God has finally smiled on the region.

Kenya's excitement in the wake of oil discovery is understandable. Not only is the commodity in high demand worldwide but the country has spent considerable resources on oil imports to service its local demands. The fact that demand for oil and other minerals supersedes the supply has been cited by pundits as the reason that have always led to the thinking that oil revenues tend to increase corruption, incidences of anarchy and dictatorship. Africa has many bad examples of this trend. For instance, oil related conflict in Niger Delta region in Nigeria between oil companies and local communities is a sad reminder of that reality. South Sudan has now been plunged into violence and there is the narrative in media reports that the conflict is because of power struggles between President Salva Kiir and former Vice-President Riek Machar. However, one can't ignore the hidden agenda of controlling the country's vast oil resource as a contributing factor in fueling the conflict.

DRC is a another gloomy statistic of how minerals exploitation by vested interests has ignited protracted conflict, human rights violation and high levels of poverty among the people. The illegal mining of coltan, gold and tungsten is managed by rebels and illegal cartels that fan conflict so that they can support the supply chain to multinationals that manufacture computers and mobile phones. These companies' silence on use of conflict minerals is proof of their culpability.

As Kenya embraces the reality of Oil and minerals as a valued natural heritage and economic resource, this wealth can only be a blessing if managed well. Kenya can learn a lot from Norway and Canada in that respect. The two countries have observed democracy over the years and managed to use their oil revenue responsibly. They have invested in education, health, infrastructure and their citizens reap directly from their resources. Closer home, Botswana remains a shining example that has managed to avoid conflict despite being a major diamond exporter on the African continent. Transparency and accountability by the government and stakeholders, is key to that success as most of the conflicts arise from inequitable sharing of revenue and corruption by government officials.

Role of journalists in reporting the extractive industry

The link between an effective media and economic development is illustrated by the level of coverage of the extractive sector. From varied experiences from Africa, the wealth from the extractive sectors poses challenges for African governments.

According to Schiffrin (2009), the media can not only expose wrongdoing but can also help decide and prioritize development policy by pursuing relevant issues on the agenda for public discussion and covering topics in a way that educates the public and policymakers and help societies decide how they want to approach certain developmental questions.

Journalists should be able to undertake objective writing in the extractive industry using balanced

sourcing, incorporating in-depth research, and proper article structure. Journalists can fulfill their oversight role only through informed analysis and reporting, high-quality and thoughtful commentary and investigative efforts. This requires good reporting skills, understanding technical issues and being accessible to relevant information from experts.

In this way the media can effectively play its fundamental role in spreading knowledge about, raising awareness of and highlighting potential flaws in the management of the extractive industry. To this end, journalists need to understand the sector's technicalities as well as the economic and political implications of management decisions. Moreover, they need to help the general public make sense of the figures and the technical details in an accurate, impartial, transparent and independent way (Dyke, Nash, Redd & Sukkarieh, 2014)

There is a great deal of room for journalists to do investigative reporting on the extractive sector. This is because there are innumerable instances of outright corruption as well as bad practices, where countries fail, for instance, to garner for themselves the full value of their resources and/or when the revenues raised are not used for public good. There are more complex stories, demonstrating how well-intentioned actions can have unintended adverse effects (as in the case of the Dutch disease noted earlier). Such reporting is necessary if the media is to fulfill the role of the watchdog, particularly needed in this complex and often opaque industry (Schiffrin & Rodrigues, 2014).

Chapter three

Analysis and findings of content Analysis

A total of 255 newspapers and magazine articles for a period of one year were analysed. 95% of the articles analysed were in newspaper while 5% were

in sampled magazines. Majority of articles covered in the regular daily newspapers focused on issues that were emergent but related to the extractive industry. The magazines on the other hand dwelt on feature stories with much in-depth analysis and author perspectives included.

a) Frequency of newspapers and magazines analysed

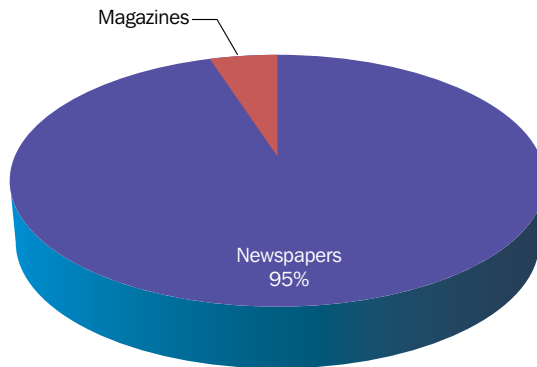


Figure 1: Percentage of Newspapers and magazines analyzed

From this analysis, it was evident that the stories that were written in magazines had a generally 'softer' position on matters in the extractive industry as compared to those in the newspapers which had more critical questions. Majority of the articles analysed in magazines were heavily dependent on

single sourcing, or sourcing that supported a specific angle of the story in the extractive industry. While the stories in the magazine were more in-depth in their coverage and analysis, those in the newspapers were punchy and somehow sensationalised.

b) Frequency distribution of newspapers per month

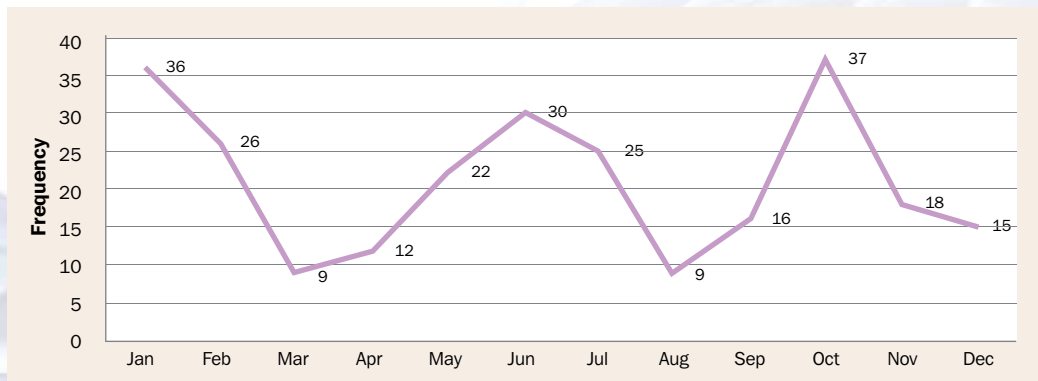


Figure 2: Frequency distribution of articles analyzed across the year, 2014

The highest number of stories analysed were in January, June and October all with frequencies of over 30. The stories mainly focused on the new discoveries of oil in Turkana. The stories also attempted analysis of the implications of the discoveries.

Oil: Tullow Oil has announced further discovery of oil in Northern Kenya. The discoveries made at the Amosing-1 and Ewoi-1 exploration wells in Block 10BB in Turkana were described by the firm as "significant." Consequently, the firm..... The people, 16th January 2014. By BRIAN NGUGI

"Tullow Oil announces new Turkana discoveries of

c) Frequency distribution of articles per Newspaper or Magazine

Article Source	Frequency	Percentage
African Business	4	1.6%
Business Daily	61	23.9%
Business Monthly	1	0.4%
Daily Nation	48	18.8%
Nairobi Business Monthly	3	1.2%
Nairobi Law monthly	1	0.4%
New African	1	0.4%
Sunday Express	3	1.2%
The EastAfrican	31	12.2%
The People	21	8.2%
The Standard	48	18.8%
The Star	33	12.9%
Grand Total	255	100.0%

Table 1: Frequency distribution of articles per Newspaper or Magazine

The Business daily had the highest frequency of articles analysed across the year constituting 23.9%. The four major dailies also had a good percentage of stories. The Standard and the Daily Nation had 18.9% each while The Star and The People had 12.9%

and 8.2% respectively. The Business daily had the highest frequency of articles because its focus on the commercial nature of the extractive industry operations.

d) Prominence of coverage of the stories in extractive industry based on page number

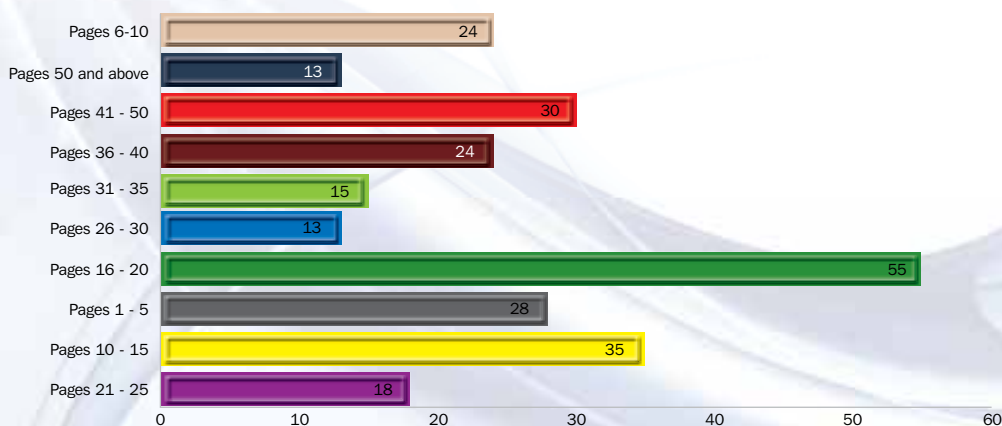


Figure 3: Frequency distribution of articles per Newspaper or Magazine

Twenty-eight (28) of the articles analyzed were published between pages 1 to 5 while 24 of the articles were between pages 6-10. The majority of articles were between pages 16-20 while some articles flowed to more than two or three pages; the pages considered in the analysis being the ones on which the articles originated. On average,

the maximum number of pages that ran articles on the extractive industry in all publications was 2. Prominence in the study focused on the placement of the story in the news articles analysed. Prominence according to this analysis was considered to be the attention a story on the extractive industry got in the media over the one year.

e) Prominence of coverage of the stories in extractive industry based on CM2

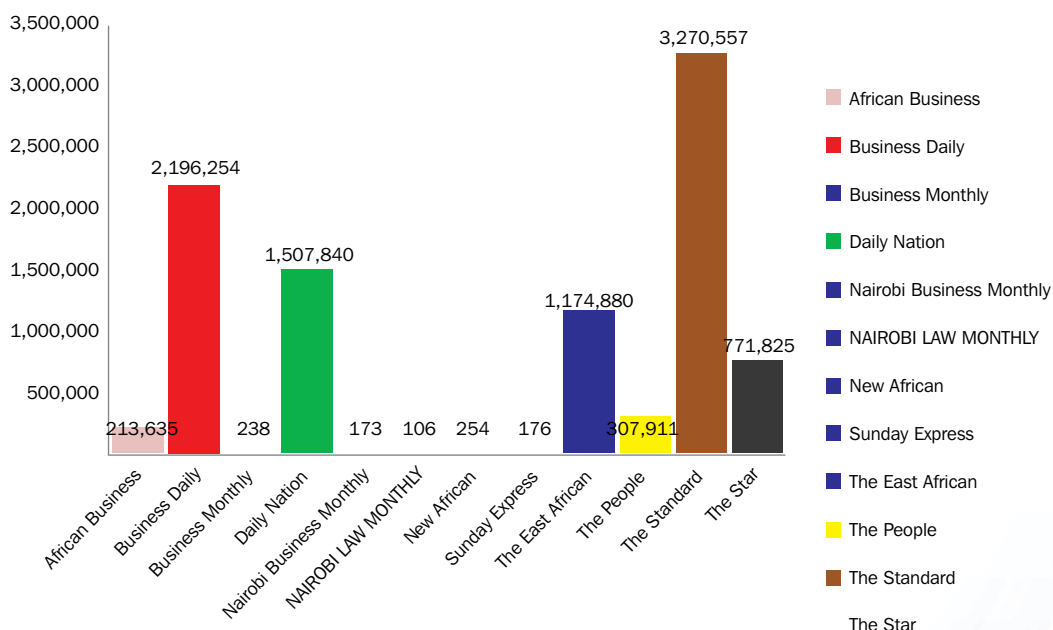


Figure 3: Prominence per newspaper/magazines analyzed in CM squares

The Standard newspaper dedicated the biggest space allocation for the coverage of stories related to the extractive industry in the one year. This consisted of 35% of the total space allocation by all the dailies. The Business Daily also accorded the highest space

consisting of 23% while the Daily nation and The EastAfrican had 16% and 12% respectively. The magazines did not generally allocate much space to the coverage of the extractive industry basically because of their frequency of publication.

f) Topical issues covered in relation to the extractive industry

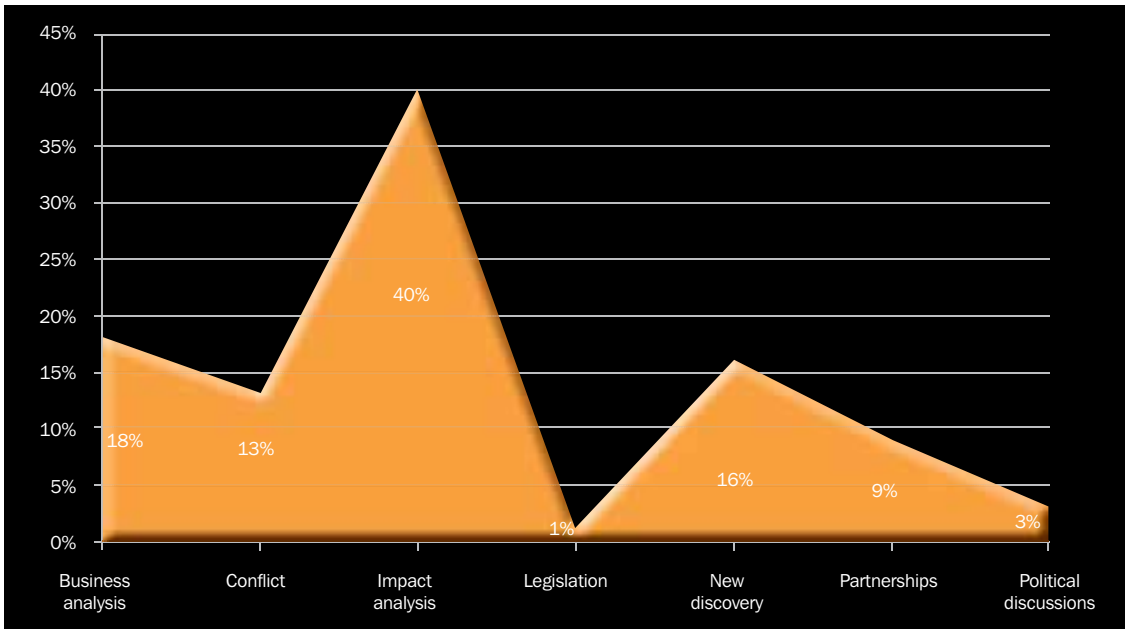


Figure 4: Topical issues covered in relations to the extractive industry

Forty per cent (40%) of the articles did an impact analysis of the effects of discovery of oil and gas and other minerals to the Kenyan economy. Majority of analysis centered on social, environmental and political implications of oil discovery in Kenya. 18% of the articles focused specifically on economic analysis and included stories on stock exchange, oil impact on other commodity prices as well as impact on the country's GDP among others. The overall economic projection by most articles was that the discovery of oil in Kenya could, with time, lead to a considerable improvement in the country's current economy, by addressing its biggest macroeconomic problem. Some authors however cautioned about risks that need to be addressed. The risks focused the dangers that many oil-producing countries experienced including corruption that could turn the

oil wealth into a 'resource curse'. Moreover, Kenya's diverse ethnicity is an issue that became explosive after the 2007 elections. Sharing revenues could become a divisive issue that may fuel ethnic tensions as has been the case in Nigeria.

The risks aside, the extractive industry has the potential to significantly transform environments, communities and economies. Such transformation may result in conflicts or disputes between a resource developer and local communities, or even complete breakdown of the company's social license to operate with associated costs for the company, local communities, and the broader public. This analysis found out that conflict and political discussions were some of the critical issues covered by the print media during this period.

Kenya need not suffer the oil curse

Whether Kenya follows the path of countries where the extractive industry has been a source of conflict and poverty and lead to more poverty, or where it will result in greater prosperity and expansion of the economy will depend entirely on the strategies the country puts in place to manage its emerging extractive sector as an economic resource. The solution for Kenya is to develop robust laws and policies as well as credible institutions to manage the new resource potential. We already have in place a robust constitutional dispensation which can enable the country realized the benefits from oil and minerals. First, the Constitution clarifies that oil and mineral resources belong to the people of Kenya irrespective of which part of the country they are

discovered. Effective benefit sharing arrangements will help ensure that while the resources are national, their proceeds are shared equitably through considerations of linkages to land rights. **The Business Daily. 13th November, 2014.**

Why Kenya needs to fast-track oil wealth rules

The laws, last repealed in 1986, are set for review through the Energy Bill that was scheduled to be tabled in Parliament for approval in November 2013, but has since been pushed to June 2014 to allow for deeper consultations with stakeholders Oil exploration is a high-skilled and sophisticated venture, meaning that certain jobs can only be handled by experts. Well stated rules and regulations have a further advantage of instilling predictability which is vital in attracting investment. **Monday, February 10 2014. The Business Daily.**

g) Nature of minerals covered in the extractive industry in articles analyzed

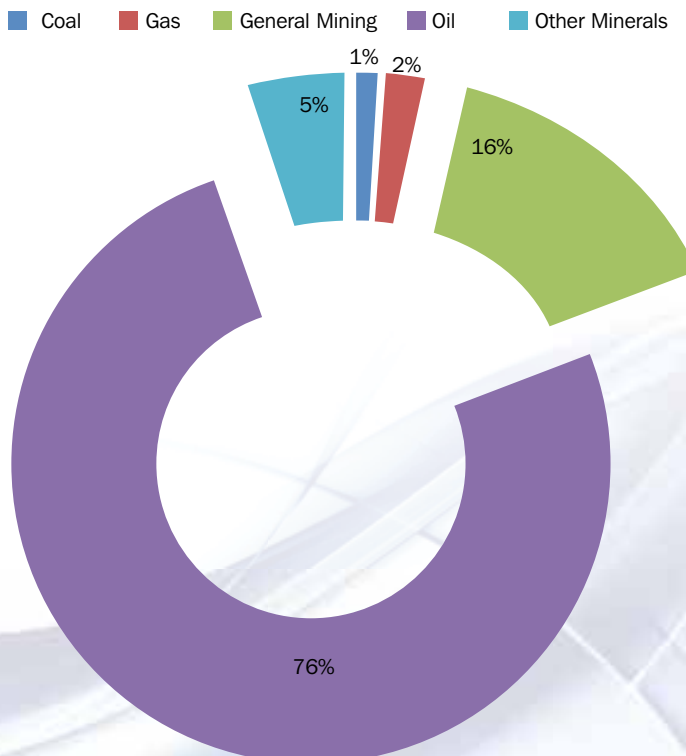


Figure 5: Nature of minerals covered in relations to the extractive industry

The coverage of oil received 76% of the total coverage in the extractive industry during the year 2014. Coal and gas received the least coverage with other minerals receiving substantial coverage when grouped together. Minerals that were grouped under other minerals found in Kenya include inter alia soda ash, fluorite, diatomite, carbon dioxide, gold, iron ore, lead, vermiculite, Kyanite, manganese, titanium, silica sands, gemstones and precious minerals, gypsum and limestone. However, from the findings, it was evident that out of the minerals listed above, titanium, Soda ash and fluorite received significant coverage as compared to others which did not attract any coverage at all.

Oil was the most covered issue in the extractive industry. In March 2012, Tullow Oil announced that it had discovered oil in Turkana County, with subsequent finds at two other sites in the same county, securing Kenya's place as a potential oil producer. The impact of Tullow's find was to see a

sharp increase in the number of companies seeking to invest in the sector in the last three years. Indeed, at least more than twenty-four companies are presently involved in on and offshore exploration and have been the subjects of media coverage in the recent past.

Kenya joins mineral exporters as first titanium cargo leaves port.

"Kenya has joined the league of mineral exporters with the first shipment of 25,000 tonnes of Titanium to China. Thursday, Najib Balala, Cabinet Secretary for Mining flagged off the first consignment of minerals from Kwale Mineral Sands Project, owned by Base Titanium. The firm, the Kenyan subsidiary of the Australian company Base Resources was on Wednesday granted an export license, giving it the green light to ship its mineral products to overseas markets'. The Standard Newspaper.14th February, 2014.

h) Who are the news actors in articles analyzed as relates to the extractive industry?

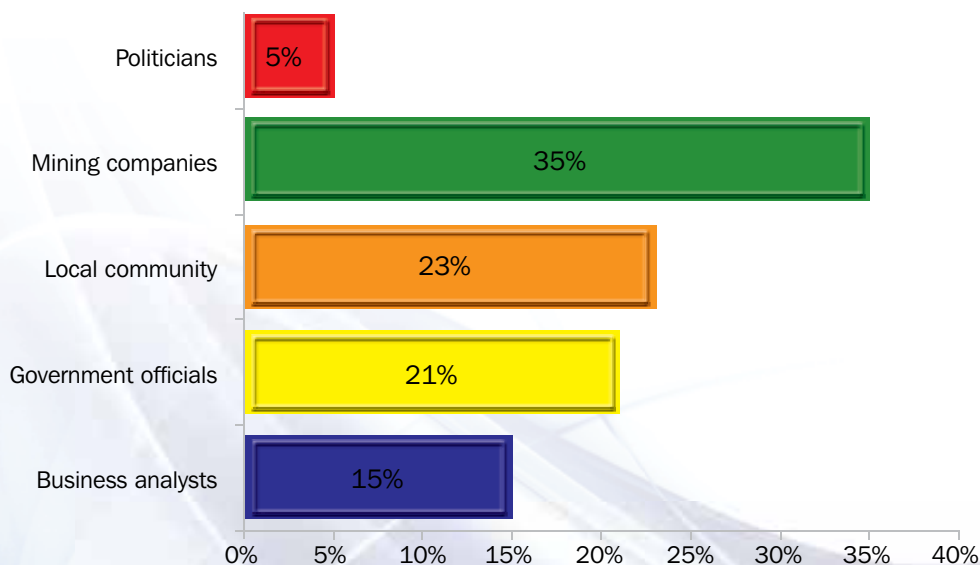


Figure 7: News actors in articles analyzed as relates to the extractive industry

The major focus of news coverage was mainly on mining companies and this constituted 35% of the articles analyzed. Local communities were covered in 23% of the articles and consisted mainly of mentions and CSR related programs that were intended to affect them. 21% of the coverage concerned government officials while 15% were on business analysts. While some of the articles analyzed covered more than two of the actors, consideration was based on who was the focus of the news story.

The focus on mining companies during the period was new discoveries and investments in the extractive industry (especially oil and gas). The focus of the coverage on local community was on CSR activities and how they stood to benefit or be affected by the new explorations in their communities. Majority of government officials were covered in relations to legislations and especially the mining bills and policies undergoing legislative process. Business analyst focused on the impact of the discovery of oil on their businesses and the country at large.

i) Type/nature of stories covering the extractive industry analysed

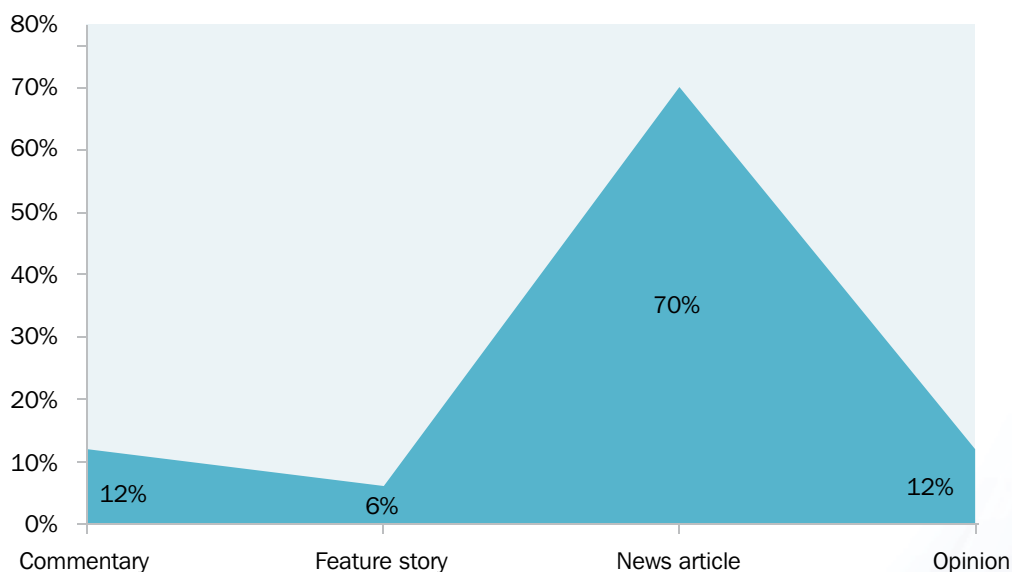


Figure 8: Type of stories sampled and analyzed

News articles were the highest types of stories published standing at 70% of all analysed stories. 12% were commentaries and editorials while 12% were opinions and letters to the editors. Feature stories were 6% of all the stories analyzed.

Various reasons can explain why the extractive sector is not covered by the media as comprehensively as it should. Comprehensive coverage can only be achieved through extensive feature stories and analytical commentaries in the daily newspapers and other publications. One major challenge that the newsrooms face is the lack of resources to spend

on developing experienced beat reporters who can cover the oil beat in-depth. Lack of funding to send reporters on out of station assignments to the far-flung places where extraction often takes place to gather first hand information relevant for in-depth stories explains the superficial approach to coverage of the extractive sector. Covering oil, gas and mining can be far more complex than other types of business reporting as journalists on the beat need to track a range of companies and players with different kinds of tax regimes, labor conditions, and environmental and contractual agreements.

j) Sources of news stories on the extractive industry during the year 2014

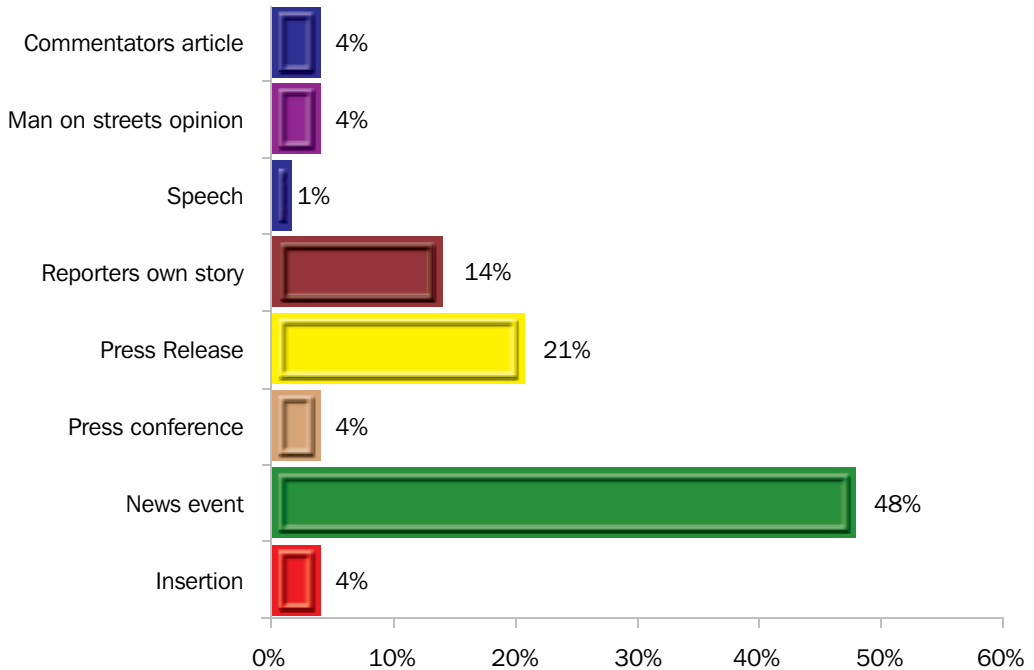


Figure 9: Possible source of articles analyzed on extractive industry

Forty-eight per cent (48%) of the articles analysed were based on news events and occurrences covered in the media. These are stories that were covered because they were news worthy and were related to the extractive industry. Majority of the stories under this category were from government officials, mining companies and exploration activities and discoveries. 21% of the stories were a result of press releases majorly from oil companies and sometimes from the government. 14% were stories that were generated by reporters on their own initiatives to explore certain aspects of the extractive industry. It was however difficult to categorize some of the stories because the origin of the story was not explicitly stated in the news story.

A large percentage of news stories generated from the extractive industry resulted from press releases by government and oil companies. The media especially in Africa is often at the mercy of the government and the oil industry players. Indeed,

a great deal of what is reported is reputed to be little more than public relations exercises for these entities.

It should be considered that oil companies and businesses with ties to oil companies make up a vital and influential share of advertising revenues for media, leaving media little choice but to comply or risk the consequences that could include bankruptcy. Some news sources have been known to withhold information that could be damaging to them and to release information that only serves to promote them and their interests. Schiffrin in his publication, *Power and pressure: African media and the extractive sector* argues that Citizens groups and NGOs, while well-intentioned, do not necessarily have the economic or political clout to counter the onslaught of self-serving announcements put out by government, international financial institutions and oil companies.

Journalists have complained that *Africa practice*, a PR firm that handles communication and correspondence between extractive industries and the public has often been slow, ineffective and strictly constrained in the information they give to

journalists. Such a strategy has limited the stories that journalists do and those done are purely based on press releases from the PR firm that has presence in other countries as well.

k) Tonality of stories analysed on the extractive industry

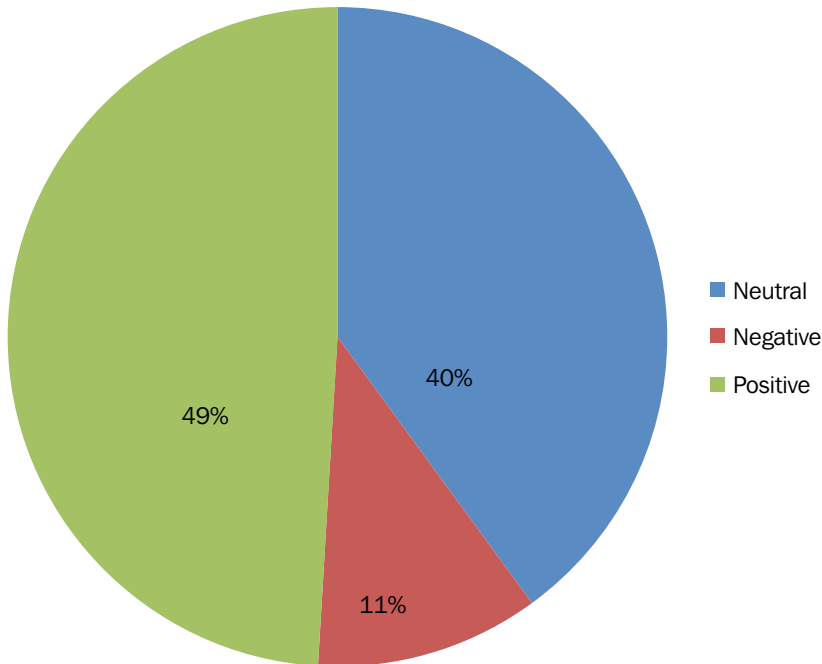


Figure 10: Tonality of story on extractive industry

In Kenya, 49% of the stories were considered positive in tonality because they focused mainly on discoveries and prospective benefits and advantage that would accrue to the Kenyan economy and the communities around the regions. 40% of the articles were neutral. Only 11% of the stories were negative and involved those that covered the negative issues that would possibly affect the country if the resources were not well managed.

Media coverage of the extractive industry in other countries is loaded with negative events and occurrences that often paint a gloomy picture on the industry at large. With the spate of unfortunate conflicts and wars, civil strife and corruption related to competing interests over resources from the extractive industry, the media often covers such issues and generates negative tonality in the coverage.

The high percentage of the positive stories is mainly generated by the press releases which the media relies on to do their stories. However, direct connection between the positive tonality and press releases was not obviously evident from the analysis.

The media tend to report more on market opportunities and on stories which paint the government and oil industry in a positive light. Journalists report on the existence of government budgets, but do not monitor them or their implementation. The press'

coverage of the extractive industry in countries like Nigeria and DRC is by no means wholly positive. In such countries, the extractive industry is a turbulent one, particularly in recent years when corruption, civil wars, sabotage and theft have seriously undermined positive coverage of the extractive industry in those countries.

Steps Kenya should take to boost oil gains.

On March 26, 2012, Kenya discovered oil. The reactions to the announcement of the oil discovery

were varied: "Kenya on fast track to join world's top oil producers' screamed one daily. 'There has been a lot of talk about the natural resource curse but I would like to state that as a country, we should be looking out for the positive stories across the world because we have got real opportunity to do it right....And to get it right. There are fundamental issues that need to be addressed. These include expectations management, institutional capacity building, legal and regulatory frameworks among others. Wednesday, February 26, 2014. The Business Daily by Jamlek kamau.

1) The number of sources used in stories on the extractive industry

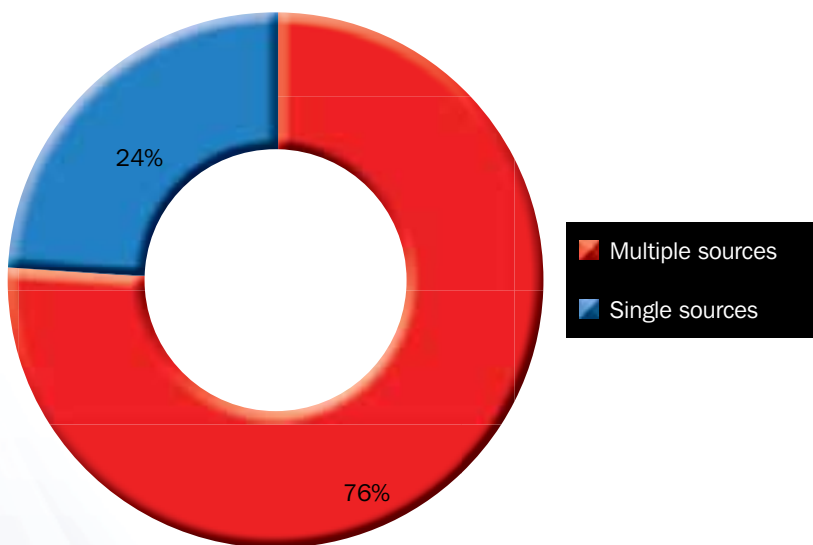


Figure 11: Nature of sourcing in the articles sampled and analysed

Seventy-six per cent (76%) of the articles analysed used multiple sources while 24% used single sourcing in the stories. Having multiple sources is a principle of good journalism as a diversity of sources provides balance and perspectives to reporting. The use of sources is very important when reporting on the extractive industry. The use of appropriate news sources has been the norm in professional journalism and has been spelled out in media codes of ethics in most countries. However, news sources can also

be a source of misleading information intended to advocate a certain cause without the journalists realizing that they have been misled. This can be quite common where the stakes are too high as the case in the extractive industry. Journalists have to be aware who their sources are, what are their track records and how credible and reliable are they. The four key factors that help journalists in analyzing the news sources are the extent of reliability, accessibility, accountability and credibility.

Multiple sources will allow journalists to ensure objective reporting of the extractive industry and the solution to objective reporting is the use of relevant and reliable sources that are not bias or aligned to a certain party. A practical answer to this is to put extra

effort in gathering information honestly and fairly as well as treating involved people with respect. Journalists should always seek and report the truth about events of great concern and interest to the people.

m) Source attribution when reporting on the extractive industry

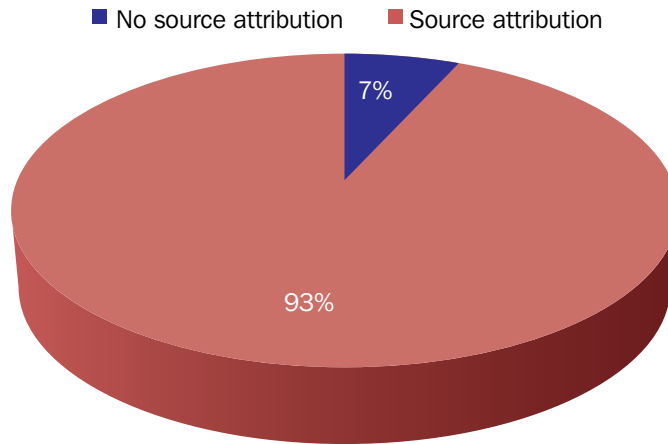


Figure 12: Source attribution in articles sampled and analysed

Ninety-three percent (93%) of the stories analysed had source attribution while 7% did not. While some of the stories included in the 7% figure had part attribution, others did not.

The impact of news sourcing and source attribution is very important in enhancing credibility in the coverage of extractive industry. News sources are critical components of credibility in stories related to the extractive industry. Journalists must be willing to delay their stories if they are to get sourced information from the government and oil companies. There is also the danger of having their stories manipulated or changed by their editors if the stories are very critical or in the event that editors are compromised by the competing interests in the

extractive industry. Given that journalism is not a lucrative or rewarding field, journalists often find themselves succumbing to financial inducements to compromise their work in the name of earning an extra shilling. Below is an example of sourcing that is not clearly attributed.

*“Government sources defended the oil contracts as “good”, but mineral experts paint a gloomy picture, arguing that Kenya may have received the short end of the stick. Recent legislation like the Mining Act, envisage how local communities would share in such natural resources, are, however, inapplicable in the oil industry. **The Standard. 22, November 2014.***

n) Topics related to mining companies that were specifically covered during the one year period.

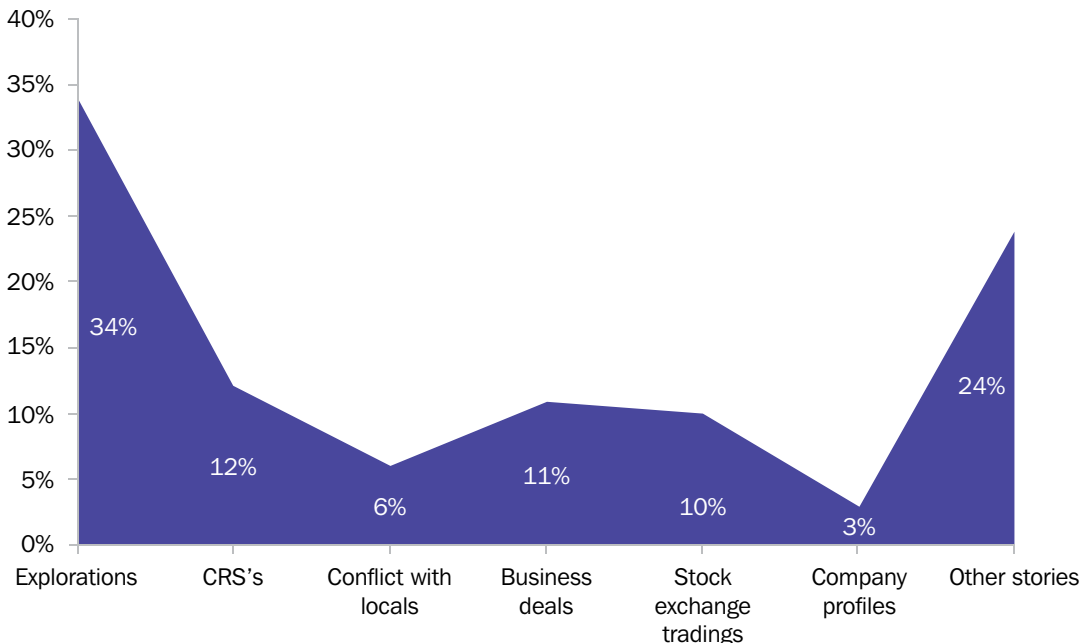


Figure 13: Company specific coverage of extractive industry

Explorations related issues formed the majority at 34% of the entire articles analysed. 12% were on CSR's, 11% were on business deals while 10% were on stock exchange related stories. Under CSR's human rights related tensions between companies and the communities within which they operate were highlighted in form of growing attention by community based organizations as well as civil society.

Issues raised included Challenges relating to access to and acquisition of land by companies, compensation for land and crops, access to water, environmental conservation, protection of indigenous cultural heritage, local involvement (the development of local skills, technology transfer, and use of local manpower and local manufacturing), revenue sharing, and security amongst others. Although many of these issues have their own historical perspectives, new exploration in some cases is exacerbating old tensions or creating new disputes.

Coverage of exploration company's activities

Corporate Social Responsibility

"The company will use directional drilling technologies to avoid interfering with wildlife migration paths. We will not interfere with the ecosystems of Rimoi Game Reserve in Eigeyo Marakwet or Lake Kapnarok in Baringo County. We have a policy not to impede within protected areas," noted Mr. Mutiso, the Community Project Officer at Tullow Oil. He said Tullow's activities would be guided by respect for cultural values, community way of life as well as observing the highest environmental, health and safety standards. Tullow announced that it had set aside Sh. 400 million for implementing various community projects, with priority given to education, health and provision of clean water for the local community. "We have already donated a mobile clinic to Baringo through the First Lady's Beyond Zero campaign". A second clinic will be handed over to the Eigeyo Marakwet County government. In addition,

five residents from the two counties have been awarded scholarships worth Sh. 25 million under the Tullow Group Scholarship scheme to pursue post-graduate education in the UK. The Standard 29th Sep, 2014.

Residents of Kataboi location in Turkana North will benefit from free access to water, after Tullow Kenya handed to them Sh. 18 million project on Thursday. The water project consists of a 130m deep, yielding 45,000 cubic liters of water per hour, a solar powered submersible pump borehole and a 20,000 litre storage tank. It is expected to benefit over 5,000 residents. The borehole will provide water to nearby public institutions including the Kataboi Health Centre, Kataboi Primary and a nearby girls' secondary school respectively. Tullow Kenya Country Manager Martin Mbogo said the project suits the company's broader commitment of investing in social projects cutting across health, education, alternative livelihoods and capacity building.

Business deals stories

Simba Energy, a Canadian oil and gas exploration firm, has agreed to sell a 40 per cent stake in its northern Kenya block in a transaction that values its current operations at Sh1.9 billion....Simba, which is listed on Canada's TSX Venture Exchange, says in a disclosure statement that it is selling the stake in Block 2A for \$8.6 million (Sh746 million) to a company based in Calgary, Canada. Proceeds from

the sale will be used to recoup initial costs and fund a seismic survey, whose data will be used to guide drilling of wells..."This letter of intent provides a fully-funded and accelerated exploration programme through to selecting drill targets and allows Simba to recover \$2 million (Sh172 million) in costs upon completion of the definitive agreement and host government approval," said the Simba Energy chief executive Robert Dinning in a statement. Thursday, January 9 .2014. Business daily

Stock exchange stories

Tullow Oil share rebounds amid takeover speculation

Britain's top share Index rose on Friday, rebounding from losses in the previous session as bid speculation boosted Tullow Oil, which has discovered commercially viable crude oil deposits in northern Kenya, is said to be the subject of possible acquisition by State controlled Norwegian energy firm Statoil. Bloomberg reported, quoting unnamed company sources, that Statoil is studying overseas acquisitions to reduce its focus on Norway and Tullow Oil is among its targets. The firm is considering deals involving payment in shares that could dilute the government's shareholding, as the new Conservative led government is seeking to cut the state's stake from 67 per cent to 51 per cent, it said, January 23.2014. Business daily.

o) The use of photographs and graphics in stories on extractive industry

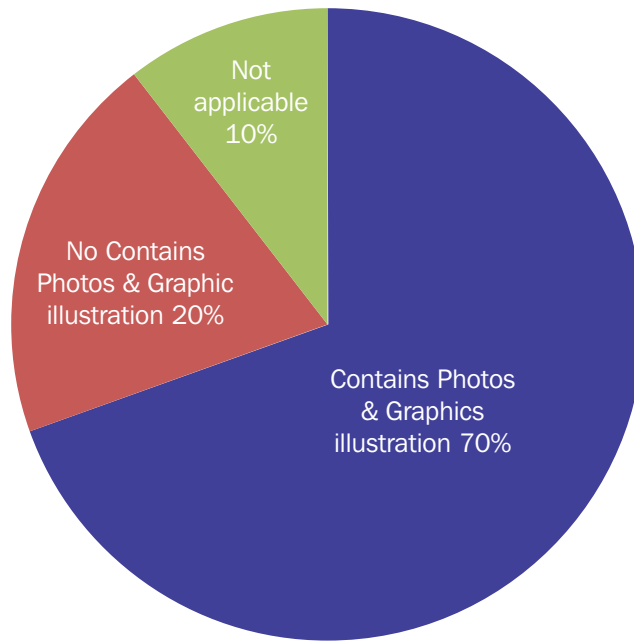


Figure 14: Application and use of photos and graphics in newspaper stories

Seventy per cent (70%) of the stories contained photos and graphics illustrations while 20% did not. While editors may choose not to use pictures due to space constraints and other discretionary factors

that they may consider, pictures and graphics are important in aiding comprehension especially if they serve to illustrate processes in the extractive industry.

p) Professional and ethical violations in the coverage of extractive industry

Professional and ethical practice	Violations	No violations	Not applicable
Using unnamed sources	11%	78%	11%
Accuracy and fairness	6%	87%	7%
Opportunity to reply	4%	91%	5%
Clear labeling of opinion and commentary	14%	78%	8%

Table 3: Professional and ethical violations in the industry

Eleven per cent (11%) violations related to the use of unnamed sources, 6% related to accuracy and fairness, 4% were on opportunity to reply and 14% were on the failure to label opinions and commentaries. The Code of Conduct for the Practice of Journalism states that a person, subject to the Act, while free to be partisan, shall distinguish clearly in their reports

between comment, conjecture and fact. Headings containing allegations made in statements shall either identify the body or the source making them or at least carry quotation marks. A person subject to this Act shall present news fairly and impartially, placing primary value on significance and relevance.

Viewpoints presented in news stories

The code of conduct for the practice of Journalism states that all sides of the story shall be represented

whenever possible. It also indicates that comments shall be sought from anyone mentioned unfavourably in a news story.

Representation of viewpoints

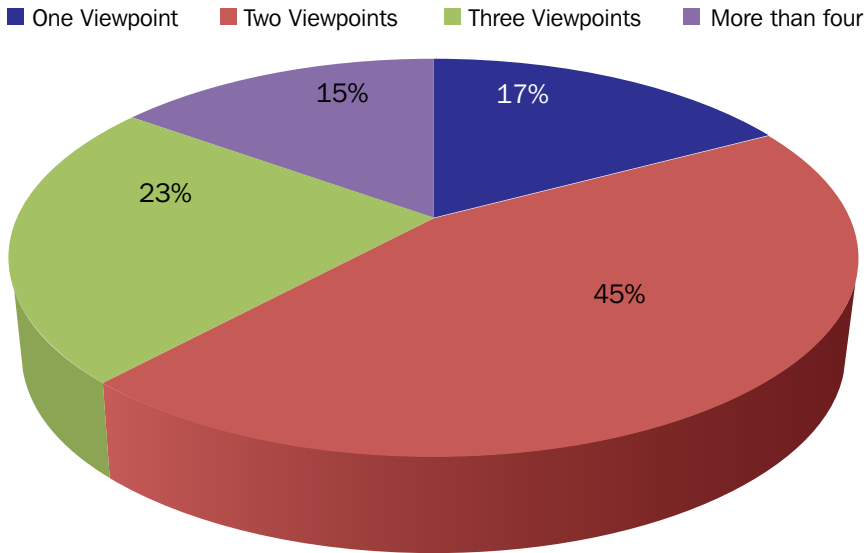


Figure 14: Representations of viewpoints in media reports

As illustrated in the table above, 45% of the stories analysed had two viewpoints while 23% of the articles had three viewpoints. 17% of the articles published only had one viewpoint. This indicates that journalists tried as much as they could to get more than one viewpoint in news stories but were unsuccessful. Some of the statements published did not clearly distinguish comment from conjecture and fact. This was in violation of Article 1(9) of the code of conduct.

Diversity of viewpoints was gravely limited by the number of news sources that are available to journalists to comment on the extractive industry

issues. Kenya has very few experts on the extractive field who are generally confident and willing to discuss issues in the media. Journalists stated that majority of their news sources were PR firms which projected positive images and information about the industry. Some of the officials in the mining counties also complained that the dealings of the extractive industry in their respective counties were being discussed between the national government and the mining companies without involving the counties. They were therefore not able to comment authoritatively on issues relating to the agreements and operations of the companies.

Chapter four

Survey analysis and findings

a) Demographic characteristics of respondents

Respondents:	Journalist from different TV stations
Sample Size:	121
Response:	81%
Age:	18-24 (23%) 26-30 (15%), 31-35 (34%), 36-40 (14%), 40 and above (12%), No response (2%)
Gender:	40.7% female 59.3 Male
Education:	Degree (30.6%), Diploma (59.1%) Certificate (8.6%) masters (1.7%)
Media platform:	Radio (57.4%) print (21.6%) TV (21.4%)
Experience in reporting extractive industry stories	Yes (79%) No (15%) No response (6%)
Type of Daily:	

Table 2: Demographic profiles of respondents in the study

b) Length of experience of respondents reporting on extractive industry

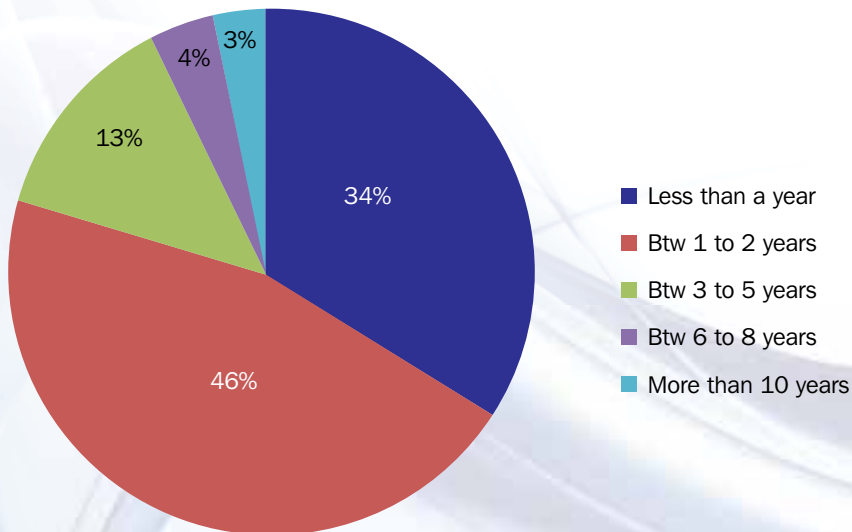


Figure 15: The number of years' experience respondent has been reporting on extractive industry

Forty-six per cent (46%) of the respondents indicated that they had between 1 and 2 years' experience in reporting issues in the extractive industry. 34% indicated that they had less than one years' experience while 13% said they had between 3 and 5 years' experience. Those with more than 10 years' experience stood at 3%. From this analysis, it is evident that few reporters had extensive experience in reporting issues in the extractive industry. Perhaps one of the contributing factors is the lack of training

and necessary experience necessary to report on more specialized topics like mining because there is not enough specialization among reporters. Reporters on the oil desk do not necessarily have academic qualifications at degree level related to oil, finance, economics or other associated topics, though they may have had some training on how to report the industry on a general level (Schiffrin, 2009).

c) Role of the respondent in the newsroom/news gathering process

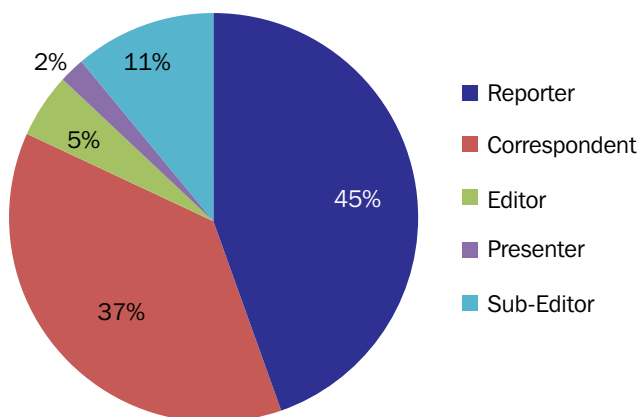


Figure 16: Role of respondent in the newsroom/news gathering process

Forty-five per cent (45%) of the respondents indicated that they were reporters while 37% said they were correspondents. 11% were sub-editors while 5% were editors. The greatest role of reporting in the extractive industry is played by the reporters and correspondence. This is a clear indication that

professional and ethical reporting of the extractive industry depends on the proper training and equipping of the reporters and correspondence because they are the ones engaged in preliminary news gathering process.

d) Type of story done as indicated by the respondent

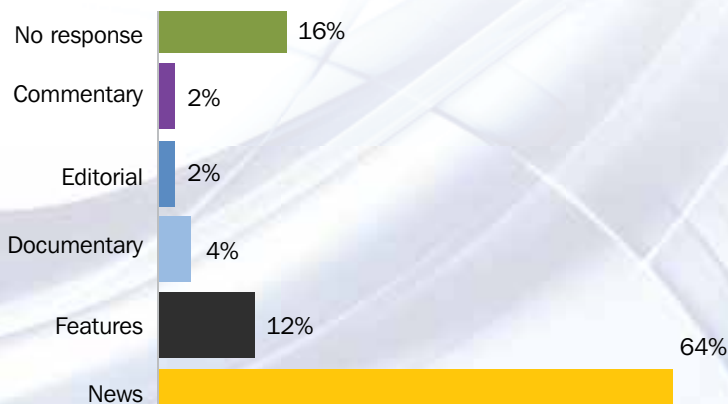


Figure 17: Type of stories done on the extractive industry

Majority of the respondents - (64%) - had done soft news stories while 12% had done feature stories on extractive industry. However, from our content analysis, news articles were the highest types of stories published standing at 70% of all analyzed stories. 12% were commentaries and editorials while

12% were opinions and letters to the editors. Feature stories were 6% of all the stories analyzed. This is an indication that the majority of the stories done by journalists reach the newsroom and are published as indicated by both our content analysis and survey findings.

e) Respondents general level of awareness and understanding of the extractive industry in Kenya

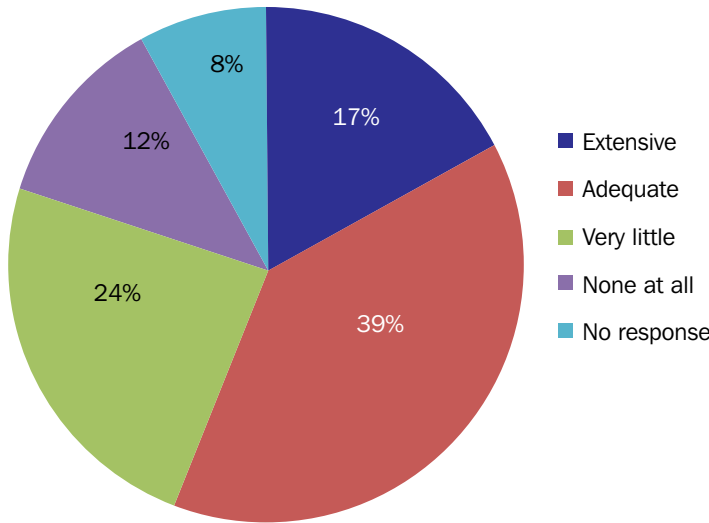


Figure 18: Level of understanding of the extractive industry in Kenya in general

Thirty-nine per cent (39%) of the respondents indicated that they had adequate awareness and understanding of the extractive industry. 24% indicated that they had very little knowledge while 17% indicated that they had extensive knowledge and awareness on issues on extractive industry in Kenya.

That means that reporters are inadequately trained and lack the requisite tools to report authoritatively on extractive industry, because they are not adequately equipped to understand the technical aspects of the industry. According to Schiffrin in his publication, Power and pressure: African media and the extractive sector, journalist are neither equipped to follow the money (to trace what happens to the revenue streams generated by the sale of natural resources) in the industry, nor to understand how joint ventures work.

Journalists ought to understand the design of oil contracts, their implications and the nature of formulation of such contracts for them to effectively explain this to the readers. A journalist reporting on the extractive sector should have some in-depth understanding of the functioning of oil markets and contract law regulating the extractive industry. There are various challenges arising from lack of expertise and understanding by journalists engaged in coverage of business and economic issues relating to the industry. One major issue cited by journalists is that the mining companies intentionally engage or bombard journalists with technical language and quantitative data that journalists find difficult to decipher, much less transform into something digestible in form of stories for their audiences.

The obvious effect of journalists' lack of awareness and understanding of the extractive industry is the

common practice of basically reproducing company press releases and PR literature without in-depth analysis and investigation. Many journalists indicated that much of business reporting involves

only the re-writing of private sector releases and announcements into news stories that rarely go beyond in-depth analysis much less interrogate company claims as well as facts and figures.

f) Ease of accessing information regarding the extractive industries

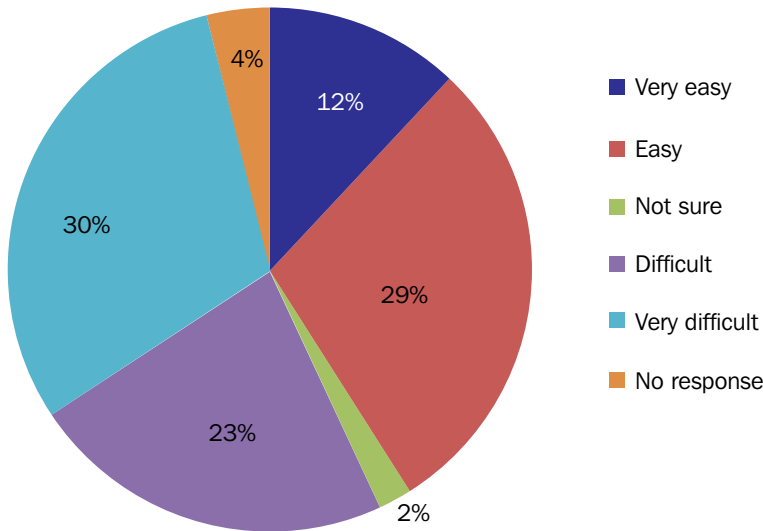


Figure 19: Accessing to information relating to the extractive industry in Kenya

Twenty-nine per cent (29%) of the respondents indicated that it was easy to access information relating to the extractive industry. 30% indicated that it was very difficult, 23% indicated that it was difficult while 12% said it was very easy to access information on the extractive industry.

get information, journalists may not know the best way to go about requesting for it. This is because they don't have the training or nose to distinguish useful information from routine handouts by the companies.

Access to information is one of the most pervasive problems for Kenyan journalists. The access to information bill is still undergoing legislative process in Kenya and therefore the lack of a comprehensive legislative framework in the country has served to hinder access to information in this sector as well. Government and mining companies are not required, inclined or, compelled to share information at least in a timely manner. Likewise, businesses do not make an effort to share meaningful information with journalists, and generally feel no pressure to do so. Even when it would be relatively easy to

And when they do get the information from mining companies, Journalists may not be well equipped to put it in proper context in their reporting. The respondents indicated that passage of the Access to Information bill, held up in the Kenyan Parliament into law, would significantly improve the ability of journalists to gather information from the government. The respondents further indicated that correspondents with the PR firms that dealt with the extractive industry communication matters were lengthy and this hindered effective and timely publication of stories in the various media houses.

g) Journalists understanding of the legal and regulatory framework guiding the extractive industry in Kenya

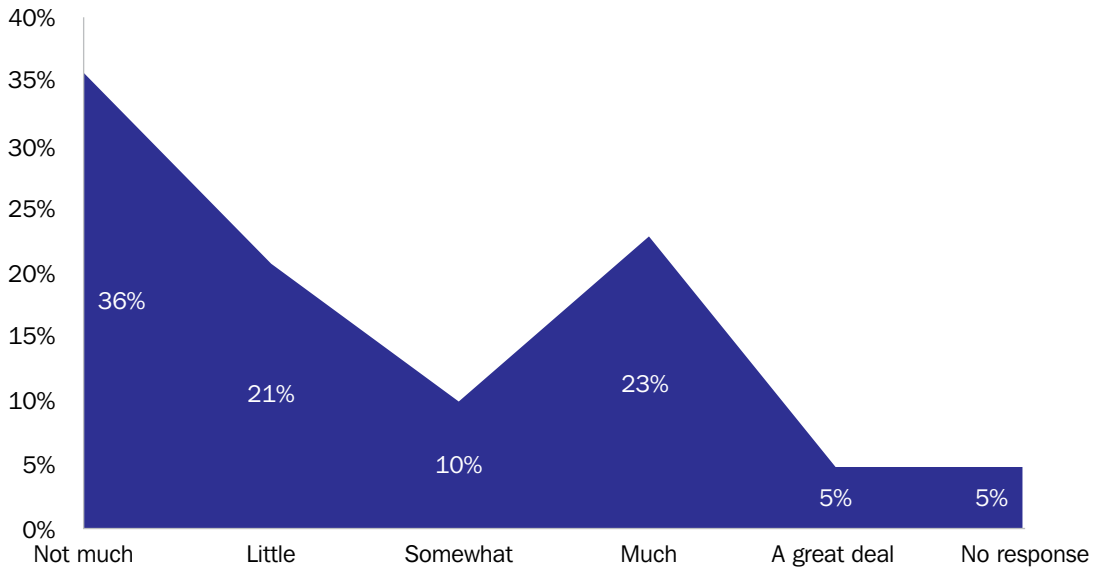


Figure 20: Level of understanding of regulatory framework on extractive industry in Kenya

Fifty-seven per cent (57%) of the respondents stated that they had little or no understanding of the legal and regulatory framework guiding the extractive industry in Kenya. 23% indicated that they had no understanding while only 5 stated that they had a great deal of understanding of legal and regulatory framework in Kenya.

From 2014, Kenya witnessed heightened action in terms of restructuring the legislative agenda related to the extractive industry aimed at putting in place a modern and responsive regulatory framework for the sector. As part of this process a number of Bills have been drafted focusing on various aspects of oil, gas and minerals in Kenya. These include a new Energy Bill, The Petroleum (Exploration and Production) Bill, The Sovereign Wealth Fund Bill, Natural Resources (Benefit Sharing) Bill, local content legislation

amongst several others. Such efforts are important in ensuring that extractive resources become a blessing and not a curse for the country. Robust legal, policy and institutional frameworks are essential to the proper regulation of the industry for the benefit of all.

While it can be understood that the journalists' low level of understanding and awareness of the legal framework of the extractive industry might be driven by this lack of a comprehensive legal framework, it should be noted that a clear understanding is still key in ensuring an informed public. The clear interpretation and analysis of various issues in the extractive industry is important and forms the basis of ensuring that clear understanding among the audience, particularly those who may be victims of misinformation from various quarters.

h) What is the level of credibility of various news reports on extractive industry?

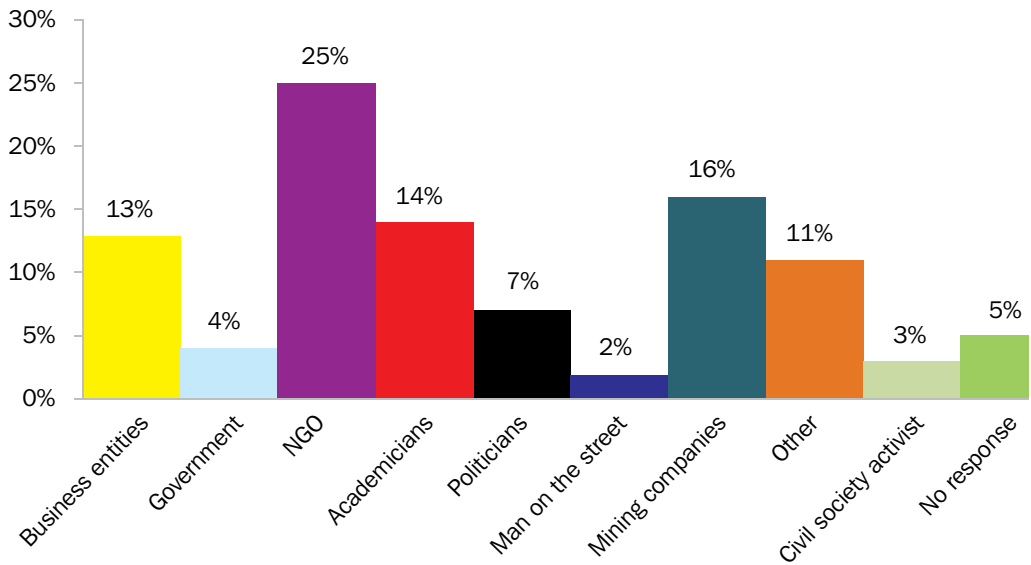


Figure 21: Respondents rating of the credibility of news sources for extractive industry

The respondents considered NGO's to be the most credible sources of information for news stories with 25% while 16% stated that mining companies were the most credible. The government rated 4% in terms of credibility of information on the extractive industry as indicated by the respondents. While it was not clear whether some of the news sourcing rated by respondents had actually provided information to journalists before on the subject, the rating was reflective of the general trust levels of news sources in Kenya.

The credibility of news sources is what drives ethical journalism because it ensures balanced, objective

and factual reporting. Many journalists also stated that access to sources and experts on extractive industry issues was extremely limited and greatly affected the quality of reporting in the country. To some degree, journalists said that this was because there are simply few experts who were able and willing to comment on the extractive industry in Kenya particularly with regard to technical business and economic matters that are critical areas needing coverage by the media. Where experts and knowledgeable sources are available, getting them to agree to an interview is not easy making it difficult for journalists to meet deadlines when reporting on the extractive sector.

i) General understanding of various issues related to the extractive industry

Policies and elements of extractive industry		Very Poor	Poor	Fair	Good	Very good	No Response
1	Royalty and tax agreements	34%	17%	20%	14%	9%	6%
2	Current bills before parliament	29%	11%	23%	18%	10%	9%
3	Mineral resource sharing ratios	45%	23%	4%	8%	13%	7%
4	Budgets and spending by exploration companies	39%	15%	10%	10%	6%	20%
5	Environmental legislation on explorations	32%	26%	7%	10%	12%	13%
6	Policy on inter-party relations in mining industry	48%	14%	9%	7%	9%	13%

Table 3: Level of understanding and knowledge of issues related to the extractive industry

Thirty-four per cent (34%) of the respondents indicated that they had very poor understanding and knowledge of royalty and tax agreements as relates to the extractive industry. 40% said they had poor knowledge on current bills before parliament in terms of the issues that they seek to address. 45% indicated that they had very poor knowledge and understanding of the mineral sharing ratios while 54% said they had poor knowledge and understanding of budgets and spending by exploration companies.

Amid the challenges of effective reporting on the sector, the extractive industry remains an increasingly critical topic for journalists and the media at large in the years ahead as Kenya moves towards exploitation of recent mineral discoveries, particularly oil, coal etc. Revenues from natural resource extraction are set to contribute substantially to GDP and in many cases make up the bulk of government revenue. The companies in the extractive sector are large and influential.

How the revenues they generate are spent affects economic growth, the environment, domestic security, and social well-being. In many countries, however, revenues are wasted or lost due to

corruption and financial mismanagement. It is therefore important that journalists get the necessary training to understand the various issues in the extractive industry so that they can effectively play their role in informing the public on the operations and activities of the extractive sector.

While it is understandable that there are some technical components of the extractive industry that need extensive training and experience, it should be noted that majority of the issues can be learned through diligent study, training and learning by journalists interested in improving their understanding of the sector. . In the absence of training, some of the journalists have unfortunately adopted lazy journalism or what is sometimes referred to as 'cut and paste' journalism that may hurt the careful and systematic interpretation of various contractual deals between parties in the extractive industry.

Media consumers depend on the audience to achieve a clear and precise feedback on understanding of issues in the extractive industry. The onus of interpreting such issues lies with journalists who should exercise deeper critical and analytical skills in their reporting of matters relating to mining.

j) Perception of respondents on the extent of resource allocation for extractive industry

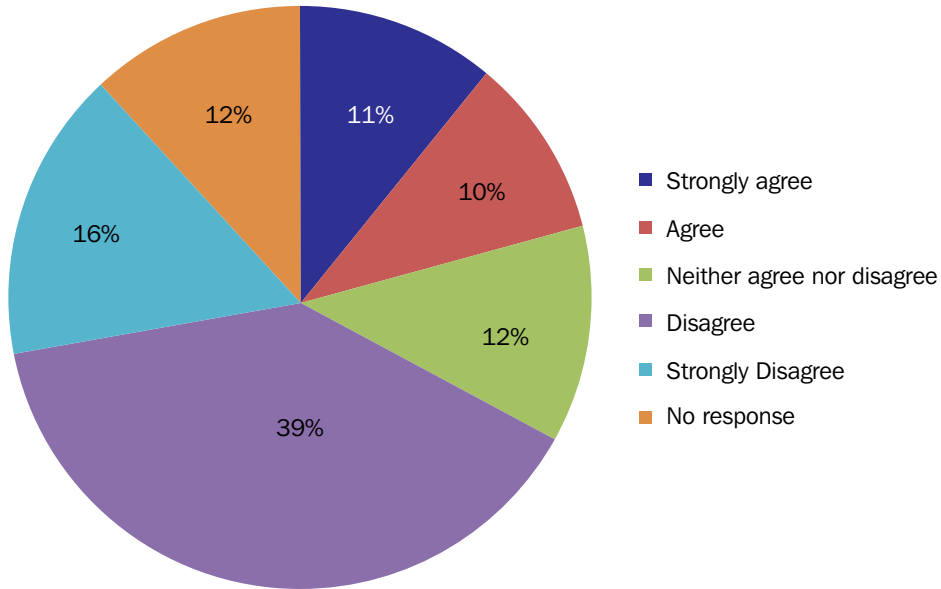


Figure 22: Resource allocation perception of respondents by their media houses

Thirty-nine (39%) of the respondents indicated that there was minimal resource allocation for investigative stories relating to the extractive industry. 16% strongly agreed with the same sentiments. 12% indicated that they neither agreed nor disagreed. Quality reporting in the extractive industry is inextricably intertwined with resource capabilities. The low profitability of media is reflected in a general lack of resources for training and news sourcing. While the importance of resources in objective, accurate and factual reporting cannot be understated, reporters who want to go on reporting trips are forced to sometimes rely on their own sources for transport and other logistical support which eventually compromises their reporting.

Even where the majority of reporters in the study were considered to be operating and reporting within the areas where mining was undertaken, the influence of companies on their reporting in those

areas cannot be ruled out.

Adequate resource allocation is therefore critical in supporting extensive and in-depth reporting of the extractive industry. Documentaries, feature stories and analytical reporting with the input of experts require financial resources which some of the media houses may not afford. From this analysis, it is evident that the frequency of feature stories is not very high as compared to the news stories.

One of the factors that have been attributed to this is the scarcity of experts who can give authoritative and informative information material for production of detailed programs or analyzed articles which can be fully digested and be beneficial to the audience. Secondly, some of the areas where mining is done are often remote and access to quality equipment and media facilities is hard to come by.

k) Priority elements which respondents think should be considered when packaging stories on the extractive industry

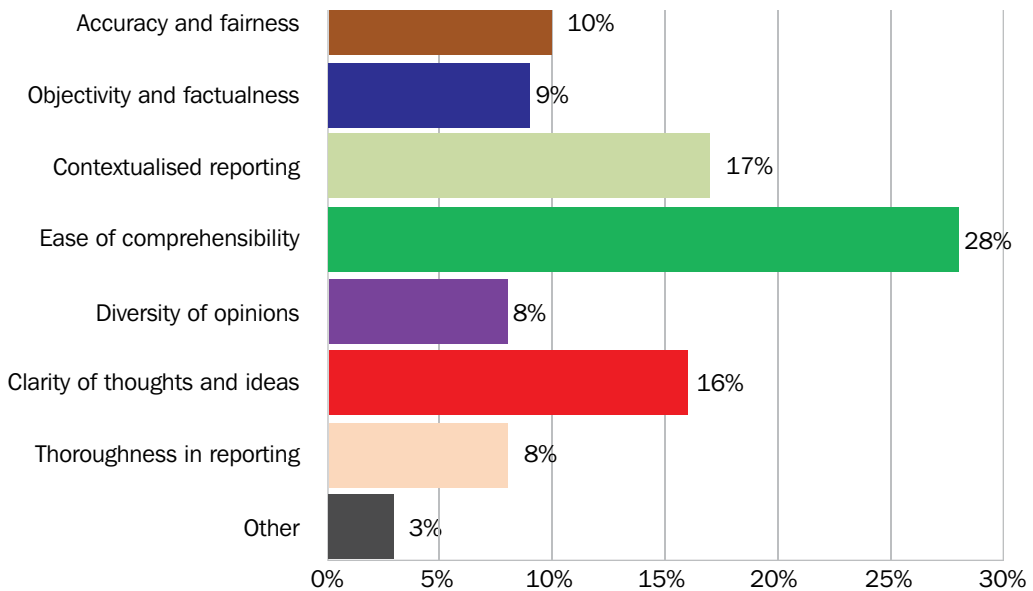


Figure 23: Priority element which journalist should consider when packaging news about the extractive industry

Twenty-eight per cent (28%) of the respondents indicated that easy comprehensibility was the main focus in creating stories on the extractive industry. 17% indicated that contextualized reporting was a very important element that all journalists should embrace while 16% said that clarity of issues and ideas during reporting was an element they considered essential in their reporting.

The extractive industry in majority of countries in Africa has often come under scrutiny from various agencies with regard to levels of transparency and accountability. While the bedrock of accountability and transparency are in accuracy and fairness, objectivity and factualness, other elements of reporting which journalists should consider carefully include ensuring that all information regarding the extractive industry is done in a way that is understandable to the audience.

Following the discovery of oil and gas in Kenya, majority of actors and stakeholders have stepped up demands for transparency, public participation and adherence to the law and Constitution in the policy and decision-making processes as well as accountability in all actions undertaken by public officials. The major challenge remains that of lack of a substantial capacity in the media in interpreting the technical information in the sector and providing the much-needed insights on a timely basis for effective decision-making.

Several journalists and media outlets have expressed eagerness to acquire knowledge and awareness on the dynamics of the extractive sector and to have sufficient information that will enable them report informatively on the governance of the sector.

I) Respondents perception on various issues on the extractive industry

Statement	Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
The media has failed to manage the expectations of the country as relates to the benefits of extractive industry and this can potentially cause misunderstanding and conflict	17%	17%	4%	45%	17%
Reporting for the extractive industry is far much more different than reporting for other business sections and requires more training which they do not have	47%	23%	10%	12%	8%
News stories have somehow used strong, emotional language as relates to benefits of extractive industry which is a potential for conflict and division among Kenyans	6%	10%	14%	39%	31%
My training in journalism did not prepare me to adequately deal with special reporting of issues like in extractive industry and this is a big challenge to me in my daily practice	37%	23%	2%	14%	24%

Table 4: Respondents perception on various issues related to extractive industry

Thirty-four per cent (34%) of the respondents agreed that media has failed to manage the expectations of the country as relates to the benefits of the extractive industry. 70% indicated that reporting for the extractive industry is far much more different than reporting on other business sectors and requires more training.

70% disagreed that news stories had used strong, emotional language as relates to benefits of the extractive industry which is a potential for conflict and division among Kenyans. 60% agreed that their training in journalism did not prepare them to adequately deal with specialized reporting of issues such as the extractive industry and this is a big challenge to them in their daily practice.

Matters are not helped by the fact that there is a minimum of the extractive industry specialization offered in media training programs in Kenya. This is also evident in the reporting of other emerging

topical issues like radicalization of the youth which until recently had not been common in Kenya. Oil companies and other international organizations like UNDP are often the only entities offering training to journalists covering the oil industry in the country. This, of course, means that even when oil companies have genuinely invested in training, the line between training and subjective reporting can become clouded. Covering oil, gas and mining can be far more complex than other kinds of business reporting as journalists on the beat need to track a range of companies and players with different kinds of tax regimes, labor conditions, and environmental and contractual agreements.

Training of journalists can also improve effective reporting in a situation where the public is ill-informed about issues relating to the extractive industry. However, if the journalists themselves don't understand the issues, it becomes hard to inform the public effectively. Good journalism and

active media consumption will help citizens be better informed about the relationship between extractive industries, government and the broader economy. Journalists can reveal revenue flows and decision-making processes challenges and flows that

can affect entire countries. With more knowledge, citizens can play more active roles in their countries' destinies and make their resources a blessing rather than a curse.

m) Compromise in involving mining companies in training of journalists on the extractive industry

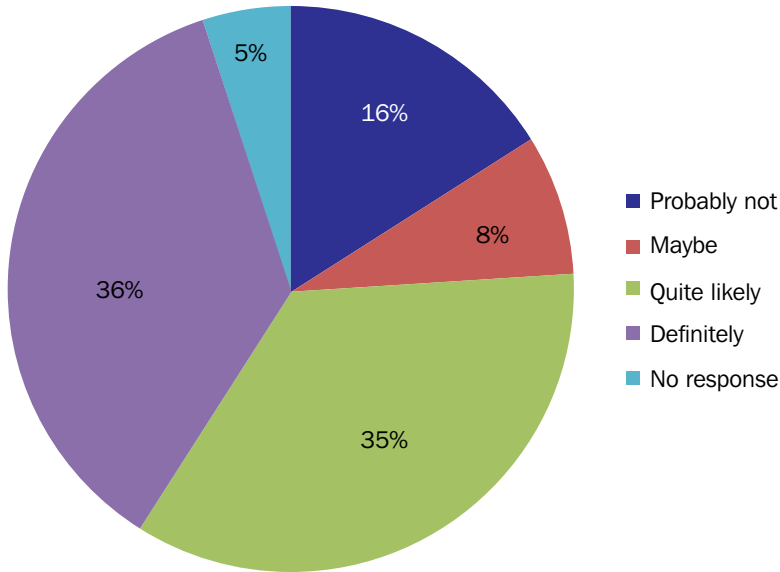


Figure 25: Compromise by involvement of mining companies in training of journalists on the extractive industry

Thirty-six (36%) of the respondents felt that the involvement of mining companies in training journalists would definitely compromise on the standards of professionalism and ethics when reporting on issues in the extractive industry. 35% indicated that the compromise was quite likely to happen while 16% indicated that the compromise would not probably happen.

Never-the-less, the involvement of mining companies in training of journalists can be a very critical step in demystifying the various issues in the extractive industry. Since such companies have a team of experts who possess the requisite knowledge that journalists need, it would help a great deal if they played a major role in sharing knowledge about the industry with journalists. However, the compromises that may result in such an arrangement cannot be ignored. While experts from the mining companies should be invited to expound on pertinent issues

that may be hard to understand, the role of training and guiding journalists should be left to players who have no direct proprietorial interest in the mining sector.

It has been noted that when journalists get information from oil companies, they may not have the expertise to contextualize well and effectively express it in their reporting. In other countries, oil companies are often the key entities offering training to journalists covering the oil industry. This, of course, means that even when oil companies are genuinely invested in training, the line between training and propaganda can become blurry. But the general information Journalists covering extractive industries need to have such as a better understanding of petroleum pricing and oil industry accounting standards, which are not formally standardized due the novel nature of the industry in Kenya cannot necessarily be compromised.

n) Ways of improving transparency and accountability in the extractive industry; Journalists' perspective

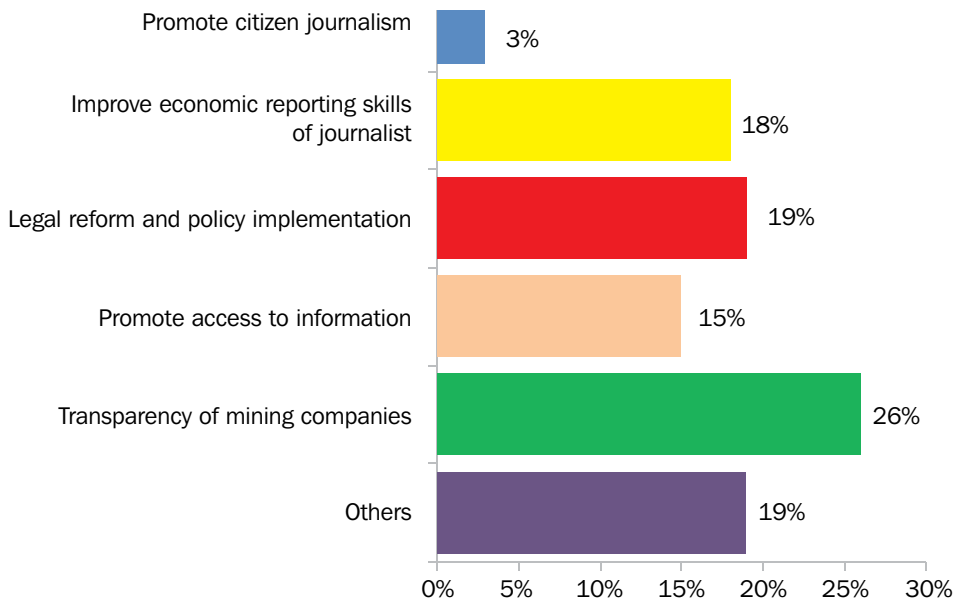


Figure 26: Improving transparency and accountability when doing stories in extractive industry

Twenty-six (26%) of the respondents indicated that ensuring transparency by mining companies was very important for overall transparency and accountability in the extractive industry. 19% indicated that proper legal and regulatory reforms coupled by stringent policy implementation in the extractive industry would enhance transparency and accountability. 18% said that improving the economic reporting skills of journalists and improving their general understanding of the industry would help in improving the transparency and accountability in the sector.

The focus of journalists should be on watching where the revenue goes and on advocating greater transparency in the processes by which oil is extracted and the revenues used. It has been widely believed and accepted that improved press coverage

will help solve some of the problems commonly found in countries that depend on revenues from the extractive sector. The resource curse has been known to be worsened by the lack of transparency and accountability in the extraction and sale of the commodities in the extractive industry.

In other countries, media organizations have centered their attention on training, reflecting a belief that more effectively trained journalists would better cover the often highly technical topics, which would be of help to society at large. It should also be realized that more is required if transparency and accountability are to be achieved in the extractive sector in Kenya. To achieve this, there has to be access to information, and this includes laying emphasis on transparency in government and on the passage of bills relating to freedom of information into law.

m) Impact of journalists reporting on extractive industry; examining the extent of influence

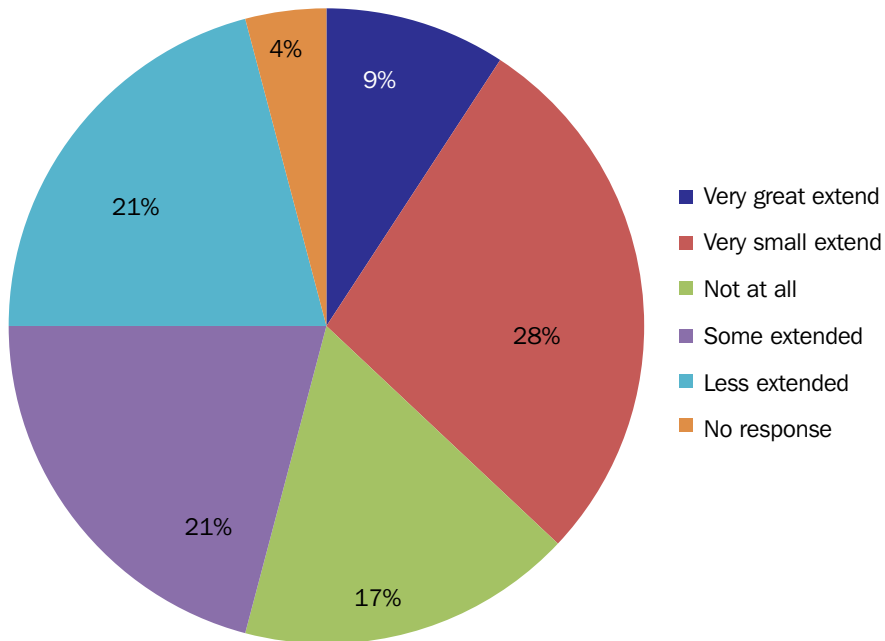


Figure 28: Impact of journalist reporting on extractive industry

As to whether their work had translated into any major impact in the extractive industry, 28% of the respondents indicated that it had but to a very small extend. 9% felt that it had created impact to a very large extend while 21% felt it had created impact to some extent. The respondents indicated that majority of the stories they did were reactive but some had achieved specific changes. One of the reporters in Kwale said that after doing stories on human rights

violations against women who were forced to strip naked when coming out of the mines, the practice stopped. Another reporter in Voi indicated that child abuse in the mining areas had also declined tremendously after he did a feature story on the use of children in mining activities. Such small scale impacts of reporter's stories are important in creating sanity in the extractive industry.

Chapter Five

Legal and regulatory framework for the extractive industry in Kenya

The regulation of mining in Kenya is based on the fact that all the natural resources, existing in their natural state, are vested in the National Government. This means that the National Government is the body responsible for the conduct of mining operations in the country including licensing, exploration and mining.

Kenya has undertaken and is currently in the process of implementing a number of legislative reforms related to the extractive sector. Among them, include the Natural Resources Benefits Sharing Bill 2014, Energy Bill 2014, the Petroleum Bill 2014 and a number of county related laws that will eventually affect the industry.

Journalists should generally be well acquainted with these legal framework governing the extractive industry in Kenya. Once the legislative processes are complete, the landscape in the extractive industry is expected to change dramatically. It is hoped that the myriad of laws will form a firm foundation for transparent and accountable operations in the sector for the good of the country and have the effect of preventing the danger that has turn the extractive industry in majority of African countries into a resource curse.

Legal reforms are important in ensuring effective management and equitable distribution of resources from the extractive industry. The danger of mismanaging the proceeds of the industry is so real. With the evidence from some African countries notably Uganda, Nigeria and Ghana where mining has been characterized by illegal outflows, Kenyans needs to be alert to the reality of price manipulation, diversion of proceeds to offshore and the dangers of mineral wealth being exported without its proceeds being ploughed back into the areas where it is needed most to meet local development challenges

and building infrastructure.

It should be noted that the reforms in the industry are happening when the country is yet to enact the right to information access law necessary to provide linkages to the Extractive Industry Transparency Initiative to create awareness on what the process of revoking or reissuing the licenses will involve. Considering the current challenges in the legal and regulatory regime in the extractive industry, the media is expected to play a more proactive role in information sharing and in-depth analysis of issues that affect the extractive industry.

Some of the legal and regulatory framework that guides the extractive industry which journalists should understand include the following:

i. The constitution of Kenya

The Constitution of Kenya 2010 is the supreme law of the land that provides guidance on the use and protection of natural resources. The Constitution in the preamble underlines the need to use our natural resources and the environment sustainably for the benefit of future generations. The Constitution vests ownership of all minerals in the Kenyan people with the National Government holding them in trust on their behalf. The Constitution also provides that granting of agreements for exploitation of natural resources must be ratified by Parliament.

Part 2 of Chapter 5 of the Constitution specifically provides guidance in the management of these resources and obligates the government to ensure sustainable exploitation, utilization, and management of natural resources for the benefit of Kenyans.

The Government also has a duty under the constitution to take measures to achieve and maintain protection of genetic resources and biological diversity, establish systems of environmental impact assessment, and encourage public participation in the management, protection and conservation of the

environment. Kenya's Constitution requires all new oil and gas exploration rights that are negotiated with the Ministry of Energy to be ratified by parliament.

ii. The mining Act

The mining Act is an Act of Parliament that give effect to Articles 60, 62 (1)(f), 66 (2), 69 and 71 of the Constitution in so far as they apply to minerals; provide for prospecting, mining, processing, refining, treatment, transport and any dealings in minerals and for related purposes.

The Mining Act, Chapter 306 of the Laws of Kenya was first enacted in 1940 with revised editions being published severally including most recently in 2012. Subsequently, after the passing of the new Constitution in 2010, the Mining Act 2014 has been approved by the National Assembly and is currently awaiting endorsement by the Senate and assent by the President.

The Mining Act vests ownership of mineral resources in the government as the trustee of the people of Kenya. The Cabinet Secretary in charge of Mining administers the right to explore and exploit mineral resources and appoints the Commissioner of Mines and Geology to implement provisions of the Act (Kenya Mining & Investment Handbook, 2015)

The Act further seeks to consolidate all current laws relating to mining and will introduce an entirely new licensing structure for the sector if enacted in its current form. The Mining Act generally applies to all minerals with the exception of petroleum, hydrocarbon gases and groundwater. Some of the notable proposals under the Mining Act include the entitlement for Government to have a 10% free carried interest in any license holder operating a large scale mining operation and the requirement for mining companies whose capital expenditure exceeds certain limits (which are yet to be prescribed) to offload at least 20% of their equity at a local stock exchange within four years of obtaining a license.

Under the proposed law, the Mining Cabinet Secretary will also establish a sovereign fund account at the

Central Bank of Kenya to provide support in times of economic stress as well as finance expenditure on pensions among other issues. At least 25 per cent of all mineral rights revenues including royalties, royalty sales proceeds, mineral revenue-sharing payments and bonuses received will be paid into this fund. The proposed mining regulations also introduce a penalty that will force companies to forfeit to the government money budgeted for prospecting if they do not complete their work on schedule.

The Act generally seeks to attract substantial investments in geological mapping, capital development, exploration and exploitation of mineral resources, and make Kenya a hub for minerals processing, value addition and trade in the Eastern African region. Among the policy proposals in the proposed law is the establishment of the National Mining Corporation which shall serve as the investment arm of the national government in respect of minerals.

The Act therefore proposes the establishment of about four institutions which will be charged with the responsibility of overseeing the mining sector and these include:

- **National Mining Corporation:** This is established to regulate the mining sector and more importantly be an investment arm of the National Government. The organization will be managed by a board (National Mining Corporation Board).
- **Mineral Exchange:** The Bill provides for the establishment of this institution which will act as a market place for minerals in Kenya.
- **Mining Tribunal:** It is an ad hoc tribunal formed by the CS for mining from time to time and its members will be appointed by the CS. Its role will be to arbitrate and resolve disputes arising from the activities in the extractive sector.

iii. The Natural Resources (benefit sharing) bill 2014

One of the most radical legal and regulatory instruments in the Kenyan mining industry is the bill concerning the Natural resources (benefit sharing) bill of 2014. The bill seeks to establish a system of benefit sharing in resource exploitation between resource exploiters, the National Government, County Governments and local communities; to establish the Natural Resources Benefits Sharing and for connected purposes. Notably, the Bill provides for retroactive application once it becomes law. It creates the Benefit Sharing Authority that will be responsible for reviewing all laws and agreements relating to the sector within one year.

Once it is passed, the Bill is expected to settle current disagreements over the sharing of revenue from natural resources including oil, gas, minerals, forest resources, water and wildlife. Furthermore, it proposes a redistribution formula where 20 per cent of revenue collected shall be put in a sovereign wealth fund established by the National Government. The remaining 80 per cent will be shared between the National and County Governments in the ratio of 60 per cent to 40 per cent respectively. There has been no formula and mechanism for the redistribution of wealth to the County Governments and local communities. The Bill is supportive of resource mobilization for counties with mineral wealth where the counties are supposed to establish a sharing agreement with miners including non-monetary benefits.

Mining and oil exploration companies are expected to sign fresh benefit agreements with counties that will be enforceable and deposited with the Senate. The Bill further indicates that the firms will have a year to ink the benefit sharing agreements that will also include non-monetary benefits after it becomes law. A County Benefit Sharing Committee will be formed under this law to negotiate with organizations on behalf of the county. The team shall be composed of the County Executive Committee member responsible for finance, the chairperson of the committee of the respective County Assembly responsible for matters relating to natural resources

and five persons elected by the local community where the resource is domiciled.

The Bill provides avenues for county administrations to make demands based on perceived profitability of the organizations. This could include employment quotas where the county demands a certain percentage of employees be from the devolved unit.

iv. The Energy bill, 2014

One other critical bills before parliament is the Energy Bill, 2014. This act of Parliament, when enacted, seeks to consolidate the laws relating to energy, to provide for National and County Government functions in relation to energy. It seeks to provide for the establishment, powers and functions of the energy sector entities; promotion of renewable energy; exploration, recovery and commercial utilization of coal and geothermal energy; regulation of midstream and downstream petroleum activities; and the production, supply and use of all energy forms; and for connected purposes.

The objectives of the draft bill include utilizing energy to accelerate economic empowerment for the National and County Governments of Kenya as well as urban and rural development; promote local and international investments in the energy sector; and ensure that a comprehensive, integrated, and well informed energy sector plan is put in place for effective development.

The act also aims to ensure that oil revenue is equitably shared between the National Government, County Government, and communities where oil is found in a fair share formula. "This is important to avoid unrest, militancy, attacks, and destruction of oil infrastructure and disruption in oil production as has been the case in Nigeria, where communities in which oil is produced constantly agitate for a fair share of oil resources," said a Lagos oil expert..

The Energy Bill also contains comprehensive provisions for upstream petroleum operations including petroleum resource management and sharing, payment and collection of royalties. There is a proposal for the formation of an inter-ministerial

advisory committee to be known as the National Fossil Fuels Advisory Committee which will advise the Cabinet Secretary on matters relating to petroleum and coal operations. There are also comprehensive provisions on the use of geothermal resources and renewable energy resources. In addition, royalties received by the National Government are to be apportioned between the National Government, County Government and local community such that the National Government retains 75% while the County Government receives 20% and the local community receives 5% of the royalties.

Below are agencies directly or indirectly involved in the exploration and mining activities in Kenya

- i. The Kenya Chamber of Mines (KCM)
- ii. The Ministry of Environment and Mineral Resources (MEMR)
- iii. National Environment Management Authority (NEMA)
- iv. Local Authorities
- v. Minerals Advisory Board (MAB)
- vi. Mining Disputes Resolution Tribunal (MDRT)
- vii. The Kenya Minerals and Mining Authority (KeMMA)

- viii. Artisanal and Small-Scale Miners (ASSM)
- ix. Ministry of Energy

Key Mining policies in Kenya that journalists should be aware of:

- i. National Environment Policy, 2012: revised draft 5 of July 2012
- ii. The National Minerals and Mining policy: revised final draft 2010
- iii. Draft National Education for Sustainable Development policy
- iv. Mineral Development policy
- v. Policies on Legislation Governing Mining activities
- vi. Environmental Management and Co-ordination Act: act no. 8 of 1999
- vii. National Land policy of 2007
- viii. The Kenya National Environment Action Plan (neap) report of June, 1994, trade policies
- ix. Resettlement/Land Acquisition Policy framework of the government of Kenya
- x. Land Reclamation Policy
- xi. National Occupational Safety and Health policy (June 2010)

Chapter Six

Conclusions

The contribution to Development in Kenya resulting from the extractive industry can only be realized when we have a hawk-eyed, development oriented media in our society. While it is evident that some African governments face serious policy challenges, and many government institutions do not function effectively, the media can aid in reversing such trends and negative tendencies that might lead to a resource curse. High-quality journalism, which is necessary to highlight the problems that need solving, digs deep and explains the topics of the day in clear language. Despite these needs, and despite the recent changes described above, there are grave deficiencies in the quality of professionalism and ethical journalism in Kenya.

Journalism in Kenya faces a myriad of challenges resulting from the difficult conditions under which our journalists work. Unfortunately such challenges are often glaring when reporting on sensitive issues such as those arising in the extractive industry. This has naturally affected the quality and quantity of reporting. Underpaid, poorly trained and working under both political and commercial pressures, many Kenyan journalists seem to suffer from the devaluing of their profession, which has left them vulnerable and isolated. The greatest and the most glaring challenge is the lack of financial resources to undertake training and research necessary for analytical and in-depth coverage of the extractive industry.

It is important to note that transparency and accountability are very important for effective management of natural resources in Kenya. Although transparency has been increasing in the last decades due to the changes introduced by various political regimes, the extractive industry remains largely shielded by the interests of many players who want to exploit it away from the public eye. Journalism covering the extractive industries is therefore of particular interest to anyone who believes that

transparency in governance, business and politics is an important aspect of development in Africa. Much is made in development literature of the “resource curse” – the idea that when a large proportion of a country’s economy relies on the extraction of a single natural resource, it can retard the country’s development. However, a glance around the world reveals that not all mineral resource-reliant countries suffer from the same development problems, if they do at all.

Very few countries disclose the contracts made with private companies to develop natural resources, but pressure for more transparency has been on the rise, as is now on display in Kenya. The media should exert more pressure on the government to ensure that it discloses all the mining contracts which should be published for public information.

Recommendations

Journalists in Kenya have indicated how hard it is to report on government management of oil, gas, and mining revenues. This is not an experience of Kenyan journalists alone. In other countries, a shortage of information about extractive sector projects a lack of technical competency, short deadlines, and government repression of the free press have been known to undermine the quality of reporting on these issues. Journalists are usually not trained economists or engineers and do not have the background in economics, engineering, geology, corporate finance, and other subjects helpful to understanding the energy industry and the effects of resource wealth.

Lacking this kind of knowledge and access to information, reporters are often unable to cover natural resource stories in a meaningful way. In addition, some often underpaid journalists succumb to gifts and payments from local companies, a situation that compromises their integrity and objectivity as well as their willingness to report honestly and accurately.

Based on this understanding, the following are some of the recommendations of the study:

- There is need to cultivate good working relations between the media and players in the extractive industry including the Government and mining companies. This will help in creating an understanding among the various players and getting correct and accurate information and minimizing suspicion.
- Transparency and accountability need to be enhanced in the extractive industry. This will involve partnership with the media and other stakeholders. Without effective management of resources and disclosure of information in the industry, tensions in Kenya are likely to be exacerbated by extractives issues like lack of transparency, illicit financial flows, land grabbing, pollution, community distrust, lack of government agency coordination).
- Media has a pivotal role to play especially in sensitizing the public on what is happening in the extractive industry including how the benefits from various resources are being allocated and used. To this end, the media houses should continuously invest in training some of its reporters to do stories on extractive industry in a way that reflects in-depth understanding of the industry.
- There is need for more use of community media in information dissemination in the extractive industry. A lot of information on the industry is obtained from PR firms based in Nairobi, and therefore not responsive to the local needs and realities relating to the extractive industry.
- There is need to diversify both the sources of information on the extractives and encourage diverse viewpoints to comment on various mineral resources in the country. A lot of attention is given to a few minerals notable oil, gas, coal at the expense of other mineral resources in the country.
- Parliament needs to expedite the passage of the access to information bill and to approve the Extractive Industry Transparency Initiative. The Industry is still shrouded in mystery especially in terms of details of the agreements/contracts, yet the media needs to inform Kenyans about the details of such contracts.
- The government and mining companies need to establish clear communication strategies to ensure communities and other stakeholders are continuously and effectively appraised of the happenings in the industry. Some governments and private-sector interests avoid media scrutiny by remaining silent on public interest issues, such as royalty and tax agreements, budgets and spending among other issues.
- There is need and necessity for increased capacity building and involvement of media on discussions in the industry and emerging issues. Some of the technicalities in the extractive industry can better be reported if journalists understand the issues clearly.
- Media houses should also ensure that they train some of their journalists to specialize in the reporting on the extractive industry. Such specialization will assist in creating a pool of reporters who are better placed in discussing and authoritatively interpreting issues in the extractive industry to the audience.

Chapter Seven

Guidelines for Journalists covering issues in the extractive industry

The following are some of the guidelines and solutions based on issues which journalists raised with the Media Council during engagement forums:

- When new discoveries happen, journalists should seek to understand and report the following issues:
 - ✓ Details of the tendering process including: how many companies submitted bids what the successful bidder agreed to pay.
 - ✓ Details of the contract with the successful bidder, including: How long is the exploration phase, development phase, production phase. How much has the bidder agreed to invest?
 - ✓ Environmental impact: What environmental standards will be adhered to? Pollution and spill management who will regulate and ensure compliance with environmental standards? Will the contract involve displacement of residents?
 - ✓ Benefits sharing ratio: How much should the government expect and what is the role of counties in such arrangements?
- Information on extractive industry including the terminologies and the processes are often complex but should none-the-less be reported in a clear, understandable, factual and coherent manner to make it easier for the audience to understand. To this end, journalists should frequently seek expert opinion on issues they do not understand before they validate any comments and analysis as final.
- Considering that information about the extractive industry is largely shrouded in mystery and majorly managed by PR firms and mining companies themselves, journalists should strive to seek other viewpoints and opinions about different issues from different news sources to confirm obtained 'official' positions on such matters. This may include talking to local people as well as NGOs and CBO's among other relevant news sources.
- The media is considered to be very central to the success of CSR from the perspective of firms as well as civil society actors seeking to promote the rights of communities. Therefore, the journalist is always seen as the first arbiter. Dissatisfied members of the host community will head towards the media to air their grievances even before seeking redress from mandated institutions. Their grievances may be communicated through press statements or press conferences. Such statements can sometimes be lob-sided and confusing but tempting for the journalist who is on the lookout for a scoop. It is therefore important for journalists to observe the rule of cross-checking with the firm and hearing their side of the story before publishing a story.
- The old age rules of news writing apply in the coverage of CSR. However, the journalist covering CSR must know the following key concepts: Social License, Community Interest and Concerns, Livelihoods, Compensation, and the matter of Valuation (of lands, landed property, crops, etc). Journalists should therefore familiarize themselves with such relevant terminologies pertaining to CSR activities.

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