

PRESS RELEASE

The COVID-19 pandemic consequences should push Kenya to optimise revenues from her natural resources.

The natural resource wealth is a major contributor of growth and social economic transformation in Kenya.

Nairobi, 5th November 2020 – The Covid-19 pandemic has spotlighted the critical need for African countries to maximize on local resources as a source of development finance. UNCTAD estimates that Africa loses \$89 billion annually through illicit financial flows (IFFs). IFFs emerging from the extractive sector -where raw materials are obtained from the earth like oil and gold - constitute majority of the IFFs from Africa.

Kenya is not spared from this threat as she has a range of minerals with oil being the latest discovery. Currently, Kenya's primary sectors including education and healthcare are massively underfunded. With the negative impact of Covid-19 on government coffers, these key sectors are even more cash strapped. This translates to more suffering for Kenyans. The consequences of underfunded essential services, made more visible by COVID-19, require measures that are sustainable to be addressed. One of the solutions to the problem is domestic resource mobilization from extractive sector.

The Kenya Civil Society Platform for Oil and Gas, Transparency International, amongst others, have appealed for increased transparency in extractive governance and structures, mining auditing, and more African Mining Vision mainstreaming in Kenya's local laws and institutions. Community based civil society organizations such as Friends of Turkana seek to ensure the protection of the human rights and livelihoods of the local communities where mining activities occur and ensure that local communities derive socio-economic benefits from the exploitation of natural resources through a participatory process. "Recent discoveries have positioned Kenya as an important player in the natural resource sector in the region. It is critical that we learn from mistakes made by others and put in place a robust fiscal system that will enable the country to reap maximum benefits for the resources." Says Alvin Mosioma, the Executive Director, Tax Justice Network Africa.

In support to the national initiatives, Tax Justice Network Africa (TJNA) purposes to address the heavy loss of revenue through IFFs from the extractive sector by highlighting the loopholes in Kenya's legal and tax system. TJNA charters a way forward on key extractive sector reforms which can help reduce IFFs and push for policies that will ensure the protection of communities from negative costs of exploitative extractive practices and protect their livelihoods in small scale mining.

The Kenyan extractive sector has been discussed in many forums, including the Information Centre for the Extractives Sector (ICES) that held workshops and panel discussions to disseminate the issue from a national viewpoint. In the same vein, this year's Pan African conference on Illicit Financial Flows and Taxation (PAC) will provide a regional and continental context, allowing for experience sharing and consolidation of best practices and challenges towards the realization of the African Mining Vision. Additionally, PAC seeks to chart a way forward for the extractive sector bearing in mind the ravaging effects of Covid-19 that Kenya and other African countries have had and are still tackling.

PAC will bring together experts, government institutions, private sector players and CSOs and the media and facilitate discussions to understand the setbacks and opportunities in the extractive sector, the loopholes being exploited and the trends through analyzing data alongside studies and research. This important event will take place on 9th and 10th November 2020 at **Double Tree by Hilton, Nairobi Hurlingham** and will build up to the PAC 2020 virtual event . This event will be livestreamed on the [TJNA YouTube channel](#). One can also follow the conversation on TJNA's [Twitter](#) and [Facebook](#) pages.

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