



MINISTRY OF MINING, BLUE ECONOMY AND MARITIME AFFAIRS
OFFICE OF THE CABINET SECRETARY

MEDIA BRIEFS ON STATUS OF REFORMS IN THE KENYAN
MINING SECTOR

PRESENTED BY:

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4TH OCTOBER, 2023

1. The Ministry for Mining, Blue Economy and Maritime Affairs was created under
Order No. 1 of 2023, having three State Departments; State Department for Mining, State Department for the Blue Economy & Fisheries and State Department for Shipping and Maritime Affairs.
2. The mandate of the State Department as defined in Executive Order 1 of 2023 are, Develop Policy on Extractive industry; mineral exploration and Mining Policy Management; inventory and Mapping of Mineral Resources; Mining and Minerals Development policy and Standards; Maintenance of Geological Data (Research collection, collation, analysis; policies on the management of Quarrying of Rocks and Industrial Minerals; Management of Health and Safety in Mines and Mining Capacity Development and Value Addition.
3. The government imposed moratorium in December 2019 to among other protect its interest and carry out reforms in the mining sector.

During the moratorium, the government undertook significant reforms that has continued to inspire the Mining Sector and make mining viable, economical and achieve aspirations of contributing 10% to GDP by 2030.

- i. **Substantially completion of the National Wide Airborne Geophysical Survey (NAGS)** and production of a preliminary report that identified 970 mineral occurrences across the country. We are currently conducting **Ground Truthing and Confirmatory Field Work** on the identified mineral deposit occurrences to confirm their existence, quality and quantity in 16 Counties.
- ii. For transparency in issuance of mineral rights, state department has taken measures to ensure that the Online Mining Cadastre (OMC) is operational. This enhances accountability and openness in the process of awarding licenses and permits.
- iii. Over 3000 **illegal operations has been issued with stop orders**. The Ministry has profiled illegal miners and mineral dealers in view of closing all their operations. **Enforcement has been beefed up** through the Regional Mining Offices. The Ministry setting up an enforcement team in collaboration with other government agencies in fighting the vice.
- iv. The Ministry has also initiated plans to encourage **in-country mineral processing and value addition** following realization of the immense benefits of exporting finished products. Towards this end, the ministry

has developed a **Mineral Value Addition and Processing Policy**. Every region has been mapped to a value addition venture depending with their abundance. **Voi Gemstone Centre** has been **refurbished, opened and trading booths** leased out to traders for value addition and marketing, further a directive has been issued that all gemstone trading be carried inside the centre. Additionally we have initiated Mineral Value Addition Centres, **Kakamega Gold Refinery - in Kakamega, Granite Processing Plant - in Vihiga and revival of Fluorspar factory in Elgeyo Marakwet.**

- v. The State Department has **undertaken a comprehensive audit of all mineral right** holders with a view to rooting out non compliant rights. The government has revoked **1546** licences that do not meet the conditions of licensing.
- vi. As a key priority under the Bottom Up Economic Transformation Agenda, (BETA), the State Department having recognized the **central role played by Artisanal and Small Scale miners** in poverty eradication and social economic development. It prioritized formalization of **artisanal miners into marketing cooperatives**. To date, over 200 artisanal groups has been formalized awaiting issuance of mining permits by Artisanal Mining Committee. **Artisanal Mining Committees** have been operationalized on all our regions. The terms of expired committee have been renewed and submitted for gazettment.
- vii. The State Department has **delineated zones for artisanal mining**, is currently carrying out sensitization of artisanal miners and communities living in mining areas, and is building capacity for artisanal miners to enhance sustainable mining operations and promote effective participation in the value chain. To **reduce exploitation of Artisanal miners** by middle men, the State Department in collaboration with County Governments has initiated the process of setting aside mineral trading centres where buyers and sellers can trade their commodities in the presence of Government Officers.
- viii. The State Department for Mining has **refurbished Madini House and upgraded mineral testing laboratory** by repairing existing and equipping it with modern testing equipments that guarantee credible results.
- ix. The Government has entered into an MOU through **Government to Government arrangement with the Government of Indonesia to capacity build laboratory officers and bring in the best practices in mineral testing.**

The Ministry has commenced **decentralizing mineral testing by opening**

laboratory services in the regional offices to ease the burden on miners and stakeholders having to ferry samples to Nairobi for testing.

- x. The State Department **concluded on the 20% royalty sharing to the counties** through the national treasury. Kshs. 2.9 Billion **has been factored in 2023/24 budget** to be distributed to the counties with mining operations. A framework for sharing 10% royalties to the communities has been developed and subjected to public participation. The regulations are expected to be concluded in the current financial year.
- xi. The State Department **Initiated review of legal instruments governing the sector**. It has already reviewed and **developed several Regulations** amongst them, Gemstone Identification and Value Addition, Licence and Permits, dealing in minerals, Royalty Collection and management and mine support services which are at advanced stage of approval.

OUR PREPOSITION ON LIFTING MORATORIUMS

The State Department is pleased to report to the mining sector fraternity that the cabinet in its sitting held on **Tuesday, 3rd October, 2023** considered the department memorandum and agreed with our preposition for phased lifting of moratorium among other far reaching proposals.

The State Department wish to bring to the attention of the mining stakeholders following important issues;

- i. **Moratorium** has been lifted on all construction and industrial minerals as listed in *annex 1 herein*,
- ii. All other minerals have been classified as strategic minerals as per section 16 (1) and section 31(d) of the Mining Act, 2016. **Annex 2**.
- iii. Strategic Minerals mining rights shall be processed on a case-by-case basis as per the Mining (Strategic Minerals) Regulations, 2017.
- iv. To enhance compliance, a special police unit shall be seconded to the State Department for Mining by the National Police Service.
- v. Mineral smuggling has been declared an economic crime and punishable as such.

- vi. Artisanal mining activities has been decriminalized. Directed to form marketing cooperatives for consideration on issuance of Artisanal Mining Permits by Artisanal Mining Committees. Consideration shall be on miners in marketing cooperatives or groups.

Other reforms include

- vii. All applicants with pending applications shall have to update their records relating to their company ownership (CR12), Bank Statements, Tax Compliance Certificates and Programme of Work.
- viii. All transporters of minerals must obtain mineral road transport permit from the Regional Mining offices and the officers must witness loading of minerals.
- ix. The Regional Mining Officers shall seal mineral containers and opening must be witnessed by an Inspector of Mines.
- x. The State Department shall have officers in all port of entry and exit to authenticate mineral consignments.
- xi. The State Department has directed all Gemstone dealers in Voi to operate from the Voi Gemstone and Value Addition Centre.
- xii. Mineral markets shall be opened in all region to facilitate trade and all mineral dealers shall be required to operate from the set markets.

We want to thank all investors and all players in this sector for their patience during this period of reforms and encourage them to adhere to the regulations as we continue to enhance services. We will also call for a stakeholders' engagement in the next two weeks, to have a conversation on how we can further better the reforms in the sector.

E N D

ANNEX 1

List of Minerals for the Immediate Lifting of Moratorium

1. Limestone and marble
2. Gypsum
3. Pozollana
4. Fluorite
5. Heavy mineral sands
6. Dolomite
7. Feldspar
8. Kaolin (refractory clay),
9. Diatomite
10. Soapstone
11. Calcium carbonate
12. Fossil guano
13. Iodine minerals.
14. Magnesite
15. Potash
16. Phosphate
17. Nitrite
18. Pumice
19. Salt
20. Silica sand
21. Soda-ash
22. Talc
23. Vermiculite
24. Agglomerates
25. Basalt
26. Breccia
27. Calcrete
28. Calc siliate
29. Conglomerate
30. Dacite
31. Diorite
32. Dolerite
33. Granite
34. Granitoids
35. Gravel
36. Grey whacke
37. Grits
38. Gneisses
39. Kunkar
40. Laterite
41. Migmatites
42. Phyllite
43. Phonolite
44. Pyroclastics
45. Quartzite
46. Rhyolite
47. Sandstone
48. Siltstone
49. Shale
50. Slate
51. Trachyte
52. Tuffs
53. Quartz
54. Gold
55. Manganese
56. Gemstone

ANNEX 2

List of minerals declared as Strategic Minerals.

1. Radio-active minerals - Uranium, Thorium
2. Cobalt
2. Tantalum
3. Lithium
4. Coltan
5. Niobium
6. Copper
7. Nickel
9. Graphite
10. Tin
12. Tsavorite
13. Chromite
14. Rare Earths

ANNEX 3:

Interpretation of Artisanal Mining

Definition: Artisanal mining means traditional and customary mining operations using traditional or customary ways and means.

Artisanal mining permit means a permit issued under Section 95 of Mining Act 2016. *95 (1) A permit for an artisanal mining operation shall be granted to a person who;*

- *is a citizen of Kenya;*
- *has attained the age of majority; and may*
- *May be a member of an artisanal mining cooperative association or group.*