



SPEECH BY PRINCIPAL SECRETARY STATE DEPARTMENT FOR MINING HON. ELIJAH MWANGI DURING OFFICIAL OPENING OF KENYA MINING WEEK ON 17th JULY 2023 AT RADISON BLU HOTEL NAIROBI

Chairperson, Kenya Chamber of Mines, Dr. Patrick Kanyoro,

Chairperson Association of Women in Energy and Extractives in Kenya Ms. Noreen Kidunduhu,

Organizers of the Mining Week,

The Nairobi County Governor,

Principal Secretaries,

Chairman Kenya Private Sector Alliance Jaswinder Bedi,

Managing Director Kenya Investment Authority (KenInvest)

Senior State Department of Mining Officials,

Distinguished International and Local Delegates

Ladies and Gentlemen;

Good Morning

At the outset, may I take this early opportunity to appreciate your invitation to preside over the official opening of this important forum that brings together critical players/partners in the extractive sector.

The importance of the extractive sector cannot be understated as it has an enormous potential to turn around our economy. Further, with focus on critical minerals for the green energy transition, Kenya is looked upon to formulate a relevant mining policy framework as guided by the African Mining Vision and the Agenda 2063.

I am delighted therefore that this event brings together critical stakeholders in the mining sector and more importantly, accords us a unique forum to deliberate, share our experiences, expertise and network on investment opportunities that are available in the mining sector.

This year's theme '**Promoting an Inclusive Approach in Kenya's Mining Sector to Drive Economic Growth**' resonates well with the governments' inclusivity policy.

As you are aware, the Kenya Kwanza manifesto seeks to promote the Country's economy through the bottom-up economic transformation agenda. The State Department for Mining, in fidelity to the government strategy, is undertaking a number of reforms to streamline the mining sector by making it investor receptive through transparency in all its functions.

The Government has recognized mining as a critical new frontier in job creation and revenue generation, which leads to economic growth. This means that there is

renewed focus on the mining sector with an objective of turning it around and increasing contribution to GDP. This focus is evidenced by the National Airborne Geophysical Survey which is substantially complete and the follow-up ground truthing

This project will be a game changer as it will unlock Kenya's mineral potential, the objective being to gather valuable data on our mineral resource potential.

A strategic pillar within my Department is to re- invigorate the sector by creating a conducive environment for domestic and foreign investors. Mining has a high potential to significantly contribute to Kenya foreign exchange reserves and we aspire to double the earnings in the next four years and attain a doubling of the sectors' growth in contribution to GDP.

Cognizant of the situation we're in as a nation, the State Department for Mining has prioritized natural resource governance as a priority in the short- term. The institutional framework guiding the sector requires an urgent review.

To this end, a review of the country's mining vision and policy with follow- on amendments to the existing laws and regulations. These will include; - Health and Safety Regulations, Royalties Sharing Policy, the Mineral Processing and Value Addition Policy, regulations on prescription of royalties on minerals, Gemstone Identification, laboratory and explosive amongst others. Further, my Department has plans to review of Mining Act of 2016 and associated regulations.

Ladies and gentlemen;

As per the requirement of the 2010 constitution, be sure that you shall be involved and your views will be considered through public participation that shall be inclusive.

The Kenya Kwanza Government is committed to digitization of its processes. My Department is in the process of developing a royalty management system, explosives management system, laboratory, management system, library management system and a robust data centre. This will result in having all mining and related services accessible digitally and in one payment platform. The state Department for Mining has complied with the directive.

I am pleased to inform you all that the Kenya online mining cadastre is up and running. It is expected that issuance of mineral rights shall be efficient, transparent and timely.

Ladies and Gentlemen;

In the on- going reforms, we have embarked on the process of formalizing artisanal mining and small- scale mining through formation of marketing cooperatives which will in essence offer the Small- scale and Artisanal miners an opportunity to tap into the benefits of working in a simplified regulatory environment and improved safety and health standards. Further, my Department through the Mineral Rights Board has initiated the process of reviewing appropriate areas to enable us delineate this areas and be set aside for artisanal miners.

In this endeavor, the State Department is currently reorganizing Artisanal mining who have been operating in a sub regulated environment. Although the sector currently employs more than 200,000 artisanal miners and supports more than 1 million livelihoods, the miners have had to make do with among other unfortunate issues; health hazards, loss of lives and exploitation by brokers.

We have in place Artisanal Mining Policy that is intended to support Artisanal

and Small- Scale Mining (ASM) through establishment of ASM Committees in the Counties. Towards this end, the Ministry has established nine (9) such committees in Kakamega, Vihiga, Siaya, Turkana, Migori, Kisii, Kitui and Taita Taveta Counties. These committees support Artisanal and Small- scale Miners through advice on issuance of permits. Further, the committees provide a platform for ASMs to be involved in mining governance.

Although the ASMs are being supported to form Cooperatives for ease of permitting and financing, a number of them are still operating irregularly.

In this regard, I would like to request you, as key stakeholders in the industry, to lend support by encouraging the miners to adhere to safety requirements so that they can avoid loss of lives and livelihoods. You will agree with me that although the mining sector is quite lucrative, it is counterproductive for all of us if we continue losing lives and witness the degradation of the environment.

As Alluded to earlier, we are confident that through the reforms we will be able to arrest this unfortunate trajectory. Further, I hereby ask National and County government officials tasked with the management of mining to ensure that all mining activities are undertaken in strict compliance with the laws governing the sector.

Ladies and Gentlemen;

As you are aware, the importance of value addition in the mining sector cannot be assumed if all players in the field are to maximize the value for their investments. The ministry has a draft mineral processing g and value addition policy that is meant to be presented to the stakeholders for public participation.

Further, being aware that value addition and beneficiation is the only way a country can get maximum Benefits in minerals, the ministry shall continue to discourage exports of raw ores.

Kenya is among the leading producers of high value gemstones including ruby, tsavorite, sapphire, Spinel and others. As we stand today, the benefits from the sale of gemstones are insignificant because raw stones whose value is low are currently being exported. To correct the anomaly, we are spearheading value addition of raw gemstones mined in Taita– Kwale gemstone belt as well as in other parts of the country.

To that effect we have operationalized Voi Gem Centre where we have allocated booths to gemstone dealers to operate from. We have had an interaction with gemstone stakeholders with aim of having all trading relating to gemstone deal that within the centre. This will not only provide an avenue for traders to interact shall ensure that beneficiation through stone identification and price setting. Further, the centre has been equipped with a met allergy lab, faceting services and polishing all aimed at adding value to our gemstones.

We have also instituted a comprehensive audit of all mineral rights with an aim of removing from the cadastre all expired permits and licenses, identify idle and speculative hoarding permits and licenses with the intention of revoking rights that are not following conditions as stipulated. If you have a permit or a license you must demonstrate the compliance in order to retain it. In this category we have identified over 1, 500 licenses that are non-compliant the freed areas shall be available for award to new applicants as per the existing laws and regulations.

Ladies and Gentlemen;

To make the mining sector more vibrant, lucrative and rewarding to investors, we're carrying out selected Geological Mapping and Mineral Exploration. We've also established a Geological Data center. You may note that the National Airborne Geophysical Survey has been concluded. The report identifies 970 mineral occurrences across the country. We are in the process of groundtruthing. Further, my Department has prioritized exploration of critical minerals and rare earth elements in 16 Counties all aimed at improving available geological data that can be provided to interested investors, research institutions, planners and other stakeholders.

Ladies and Gentlemen;

As I said earlier, The National Airborne Survey identified 970 mineral occurrences being; precious, Base metals, industrial and construction minerals.

The high potential minerals include;-

1. Gold in Migori, Narok, Kakamega, Siaya, Marsabit, West Pokot, Turkana, Isiolo, Nandi and Vihiga
2. Chromite in Marsabit, Kilifi and West Pokot
3. Titanium in Kilifi, Kwale, Tharaka Nithi and Lamu
4. Granite in Vihiga, Kisumu, Machakos, Kajiado, Migori and Machakos
5. Clays (Kaolin) in Muranga, Nyeri, Kisii, Nyamira, Busia and Kirinyaga
6. Feldspar in Kajiado and Embu
7. Gemstones in Baringo, Taita Taveta, Kwale, Kitui, Embu, Samburu, Turkana, Isiolo, Narok and West Pokot

Critical Green Minerals include;

1. Coltan in Tana River, Isiolo, Embu, Samburu and West Pokot

2. Copper in Kitui, Migori, Makueni, Tharaka Nithi
3. Graphite in Taita Taveta, Embu, West Pokot
4. Nickel in West Pokot and Kilifi
5. Rare Earth Elements in Samburu, West Pokot, Kericho and Kwale
6. Manganese in Kilifi and Samburu

Radioactive Minerals include;

1. Uranium and Thorium in Samburu
2. Uranium in Turkana County

We are now undertaking groundtruthing to ascertain the extent and authenticity of the identified mineral anomalies. The exercise will be completed within the next 12 months. Thereafter, we will provide an upgraded official geological data.

Ladies and gentlemen;

To offer globally competitive laboratory services, we are now upgrading and equipping my Departments' mineral testing laboratory at Madini House here in Nairobi. We are modernizing the Mineral Certification Laboratory to the status of an internationally accredited laboratory for enhanced analytical capacity and credibility. So far, the government has procured the necessary equipment and is in the process of undertaking training of laboratory officers to provide world class standards in authenticating and valuing minerals. The State Department has in place a roadmap of ensuring that the mineral testing laboratory is ISO certified.

To save investors time and money, we will be decentralizing mineral testing laboratories to 19 regions of the Country. This may potentially be undertaken in collaboration with accredited laboratories.

Ladies and Gentlemen;

My address during this auspicious occasion will not be complete without addressing Environment, Social and Governance issues. The energy and mining sector activities lead to environmental degradation. The contemporary discourse dominating international forums is climate change.

Global warming is real and we cannot afford to procrastinate in putting in place urgent intervention measures. One of such interventions is the on-going tree planting exercise whereby the Kenyan government is targeting to plant 15 billion trees in Kenya by 2032. This calls for concerted efforts guided by a high commitment by both the government, private sector and more so, citizens at the individual level.

To support this noble agenda on tree planting and mitigation of effects of climate change, the Ministry is progressing plans to collaborate with large-scale mining companies in rehabilitation of mined out areas through tree planting and other restoration endeavors.

My department has put in the necessary safeguards aimed at sustaining the gains already realized and inform decisions for much anticipated lifting of moratorium. This cabinet level decision is under discussion.

As I conclude my remarks may I take this opportunity to sincerely thank the Kenya Chamber of Mines Association of Women in Energy and Extractives in Kenya and all the Sponsors and Attendees of this great forum.

Finally, on behalf of the Government of Kenya, I welcome and sincerely thank all the

national, regional and international delegates who have managed to join us .You are invited to invest in our mining sector.

Ladies and Gentlemen;

It is now my pleasure to declare the 2023 edition of the Kenya Mining Week officially opened.

Thank you.